Mineral Resource Estimation Chépica Cu-Au Project, Region VII, Chile

Rev. 3

Report Prepared for

Polar Star Mining Corporation

Report Prepared by

SRK Consulting
Engineers and Scientists

May 2009

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Executive Summary

Introduction

Polar Star Mining Corporation, a Toronto based public exploration company, acquired an option on the Chépica property on April 23, 2008.

Beginning in July, 2008, SRK Consulting Chile S.A. was mandated by Polar Star to review the QA/QC procedures for drilling, sampling and analyses, the geological model provided by Polar Star, an conduct an estimation and classification of the mineral resources at the Chépica I vein system and the preparation of an independent technical report on the property following the guidelines of Canadian Securities Administrators National Instrument 43-101.

The Chépica property, consisting of 99 exploitation concessions and 3 exploration concessions totalling 1,390 hectares, is located in the Chilean coastal range, approximately 270 kilometres south of Santiago (See Figure 1.1). The site is reached by travelling south on the Panamerican Highway (Ruta 5) to kilometre marker 257 entering the city of Talca. From there, one travels west approximately 20 kilometres on a paved road through the town of Pencahue. Entrance to the property is by a short dirt road. The approximate coordinates of the site are: 240,631E; 6,081,465N, elevation 120 masl.

This technical report summarizes the work undertaken by SRK.

Geology and Mineralization

The Chépica properties lie within the Chilean Coastal Range which is geologically comprised of Mesozoic age volcanic arc rocks accreted on to the South American craton. The western margin of the Coastal Range is mostly Triassic to early Cretaceous in age and not known to be well mineralised. The eastern margin of the Coastal Range is an assemblage of Late Cretaceous age rocks and these contain a host of mineral occurrences, most associated with sub-volcanic porphyry bodies.

Several gold deposits, either currently being mined or previously mined, exist in this belt. The majority are vein systems or pipes related to high level plutonic bodies. El Chivato, Alhué (Florida) and Las Palmas are examples. Also known are deposits associated with porphyry intrusives.

The Chépica properties cover a sequence of NE-SW trending gently SE dipping Cretaceous andesitic volcanics and volcaniclastics which regionally are part of a similarly trending roof pendant within Cretaceous granodiorite.

Two sets of NW-NNW and E-W to WNW trending anastomosing and bifurcating tensional faults cross-cut the volcanic package and are locally the focus of auriferous epithermal to upper mesothermal quartz-sulphide veins and clay-sericite-quartz alteration. Six such vein-alteration systems have been identified by Polar Star geologists at surface to date.

Both the Chépica I and II vein systems have lateral and vertical continuity and contain at least 3 on-echelon veins with widths typically ranging from 1.5 meters to over 12 meters, however, two or more veins may merge to form composite veins with greater widths.

Individual veins are simple as well as colloform banded chalcedonic quartz veins, locally amethystine and multi-episodic often showing internal brecciation and rotation during resurgence of the fluid pulses. Wall rock between these veins is either brecciated, silicified and sericitised or permiated by a stockwork of smaller quartz veins and stringers. The footwalls to both systems tend to be sharp and often fault controlled, while their hanging walls are typically a silicified quartz stockwork ranging from a few meters to 15 metres wide. Internal faults are common to both systems but they tend to be sealed by silicification.

Exploration

The area around the Chépica property is known to have been explored for gold and copper since at least the 1800's, however, the area has only recently come to light as a potential district containing several veins similar to those at Chépica I and II.

Regional exploration by Noranda and others in the early to mid 1990's, including geological mapping, stream and soil geochemistry, defined several open ended zones associated with N-NW trending silicified structures on the Chépica Mine property. From early 2001 to late 2003, the current owners with the aid of Chile's state-owned mining company Empresa Nacional de Minería ("ENAMI") geologists and engineers conducted surface trenching, about 500 lineal metres of drifting and crosscutting and raising on the Chépica I and II veins. From this work, 12 run of mine bulk samples of about 300 tonnes each from the Chépica I vein and 8 similar samples from the Chépica II vein were shipped to plants north of the area for processing. Head grades from the Chépica I vein samples ranged from 1.4-2.4% copper, 0.3-12.2 g/t gold, and 7.8-28 g/t silver, with a weighted average of 1.6% copper, 3.0 g/t gold and 16g/t silver. Head grades from the Chépica II vein samples ranged from 2.2-3.2% copper and 2.5-3.4 g/t gold, with a weighted average of 2.5% copper and 3.0 g/t gold. None of the samples from Chépica II vein were analysed for silver.

In 2005, MCK Mining Corp. conducted a limited exploration on the Chépica property that included some drilling. The number of holes drilled and their results are not known, but it was reported that approximately US$ 356,000 was spent on the programme. Unconfirmed reports said that the recoveries of the diamond drilling were very poor, on the order of 50%.

During 2008, a total of 5,299.3m in 50 diamond cored HQ holes were drilled by Polar Star at Chépica I, while total of 1,486.5m in 16 diamond holes were drilled at Chépica II. A resource estimate was not done on the Chépica II veins. This will await instructions by Polar Star.

Polar Star collected a total of 17 channel samples underground at the Chépica I vein system. A total of 23 channel samples were taken underground in the old Chépica II workings.

Process Plant

The concentrator plant is designed to use a standard process for metal recovery consisting of crushing-milling, flotation, filtration and tailings deposition with a design capacity 120 t/day of sulphide ore.

Polar Star submitted a total of 357 samples (266 duplicates of pulps, 48 standards and 43 blanks) to ALS and to ACME laboratories in Coquimbo, Chile for QA-QC checks.

In the case of comparison of ALS original samples and ALS duplicate samples, in general the results are good with at least 95% of the sample pairs showing less than 5% relative difference, except for the case of copper, where 90% of the sample pairs have less than 11% relative difference.

The results of the comparison between the two labs gave very good results showing for gold, at least 90% of the sample pairs with less than 5% relative difference. In the cases of silver and copper, the results are better yielding at least 95% of the sample pairs with less than 5% relative difference.

The comparison between the two labs for gold and silver with standard-340 (high grade) is good, with all samples falling within +/- 2 standard deviations of the average value of the standard. In the case of copper, ACME is generally lower than ALS and has 5 samples falling below -2 standard deviations.

In the case of standard-342 (low grade), gold compares well with all samples falling between +/- 2 standard deviations. Copper has two samples that are lower than -2 standard deviations. Silver is consistently high for both laboratories and indicates either contamination of the standard sample or a problem with the method of analysis used.

Mineral Resource Estimation

The Polar Star Chépica I database comprises surface exploration boreholes (core) drilled during 2008 as well as trench and underground channel samples.

Of the 66 drill holes, only 50 were used to construct the geologic model and estimate the mineral resource, these correspond to 5,299 meters of diamond core drilling. Nineteen underground channel samples and 2 trench samples in the area of the Chépica I vein total 92.5 metres.

The geological interpretation for the Chépica I vein was provided by Polar Star. The modelling approach was guided by Polar Star geologists' current understanding of the shape of the mineralized zones drawn from surface and underground mapping and sampling as well as interpretation of the drill logs. This interpretation was discussed by SRK together with Polar Star geologists in order to assure a common understanding for the construction of the body solids.

The body solids model includes 5 horizontal sections, with a 25 meter spacing. The geological interpretation comprises a vein zone, breccias zone and a fault.

Block size in the block model is 2.5 X 2.5 X 5 metres. The gold, silver and copper resource estimation was done using the Ordinary Kriging method, considering a strategy of estimation for each unit based on the results of the variography analyses.

Mineral resources for the Chépica copper-gold project have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

SRK is not aware of any known environmental, permitting, legal title, taxation, socio-economic, marketing or other relevant issues that could potentially affect this estimate of mineral resources. Mineral reserves can only be estimated based on the results of an economic evaluation as part of a preliminary feasibility study or a feasibility study. As such, no mineral reserves have been estimated by SRK as part of the present assignment.

The mineral resource statement for the Chépica copper-gold project is presented in Table 1.

Table 1. Mineral Resource Statement* for the Chépica Copper-Gold Project, Region VII, Chile, SRK Consulting (Chile) S.A., May 8, 2009.

Resource Classification	Tonnage (Kilotonnes)	Gold Grade (ppm)	Silver Grade (ppm)	Copper Grade (Percent)
Measured	85	4.0	9.4	0.50
Indicated	93	4.2	9.5	0.52
Total Measured and Indicated	**178**	**4.1**	**9.4**	**0.50**
Inferred	41	4.0	8.7	0.52

* reported at a cut-off of 1.30 ppm gold, not capped.

Conclusions and Recommendations

This independent technical report is focused on the Chépica I vein system. Given the results from Polar Star's exploration programme to date, SRK is of the opinion that further work on the Chépica I vein system and on the other multiple veins within Polar Star's rather large concession block, is warranted. The fact that this is a relatively new exploration district with many veins identified on the surface, lends encouragement that Polar Star could significantly add to their resource base and possibly operate from a single larger plant in the future.

While no significant deviation seems to have occurred with 2008 drilling programme, based on only four surveyed holes, SRK recommends that for deeper drilling in future campaigns, all holes greater than 150m in length be surveyed for drill hole deviation.

SRK considers the current specific gravity database sufficient to support this preliminary mineral resource estimate. For future stages of work, it is recommended that representative samples be added to increase the confidence in the data for each geologic unit.

Regarding the recently installed process plant, SRK makes the following observations and recommendations:

- The design of the Chépica plant should allow for processing the designed capacity of 120 ton/day of sulphide ore, functioning in a normal manner in order to obtain a copper and gold concentrate. There does not appear to be any fatal flaw.

- The plant design also contemplates processing oxide ore (with reddish clays), but only by milling and using the Knelson concentrator. It is not advisable to mix the ore types.
- Plant investment costs have been estimated at US$400,000, which is considered optimistic and should be increased to US$500,000.
- The operating cost of 8.0 US$/ton is in keeping with the design and size of the plant.
- The information in the Environmental Impact Statement needs to be updated in accordance with that in the Closure Report done by Alquimia, which is based on metallurgical testing allowing for an acceptable plant operation.
- Modifications should be made in order to optimize the performance of the plant, as indicated below:
    - The fine crushing circuit should be closed and use a sieve
    - The sulphide ore, besides using flotation, should also use a Knelson concentrator in order to increase gold recovery
    - A press filter should be installed for drying the concentrate
    - Increased contingency engineering and maintenance man-hours should be considered for adapting the used equipment

SRK recommends for future drilling campaigns that Polar Star continue the practice of inserting blanks, duplicates and standards in the sample lots sent to the laboratory.

In conclusion, SRK is of the opinion that the Chépica project offers excellent exploration opportunities to expand the current size of the copper-gold deposit. The depth extensions of the copper sulphide mineralization are largely unexplored and the existence of other unexplored surface expressions of mineralized vein systems within Polar Star's claims calls for a carefully planned staged future exploration programme.

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1 Introduction and Terms of Reference

Beginning in July, 2008, SRK Consulting Chile S.A. ("SRK Chile") was mandated by Polar Star Mining Corporation (Client) to review the QA/QC procedures for drilling and sampling, construct an initial mineral resource model for the copper mineralization on the Chépica property and prepare an independent technical report for the Chépica project. The main purpose of this technical report is to summarize the review completed by SRK and characterize the Chépica project in order to justify the work exploration program recommended for this property.

Polar Star, a TSX listed company, acquired an option on the Chépica property on April 23, 2008.

The Chépica property, consisting of 99 exploitation concessions and 3 exploration concessions totalling 1,390 hectares, is located in the Chilean coastal range, approximately 270 kilometres south of Santiago (See Figure 1.1). The site is reached by travelling south on the Panamerican Highway (Ruta 5) to kilometre marker 257 entering the city of Talca. From there, one travels west approximately 20 kilometres on a paved road through the town of Pencahue. Entrance to the property is by a short dirt road. The approximate coordinates of the site are: 240,631E; 6,081,465N, elevation 120 masl.

1.1 Scope of work

The scope of work, as defined by Polar Star in July 2008, includes a review of the QA/QC procedures for drilling, sampling and analyses, the review of the geological model provided by Polar Star, an estimation and classification of the mineral resources at the Chépica I vein system and the preparation of an independent technical report on the property.

This work typically involves an assessment of the following on this project:

- Topography, landscape, access;
- Regional and local geology;
- History of exploration work in the area;
- Review of exploration work completed on the project;
- QA/QC procedures of drilling and sampling and the analytical laboratory;
- Resource estimation and classification;
- Exploration potential and recommendations for additional work.

This technical report was prepared following the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1, and in conformity with generally accepted CIM "Exploration Best Practices" guidelines.

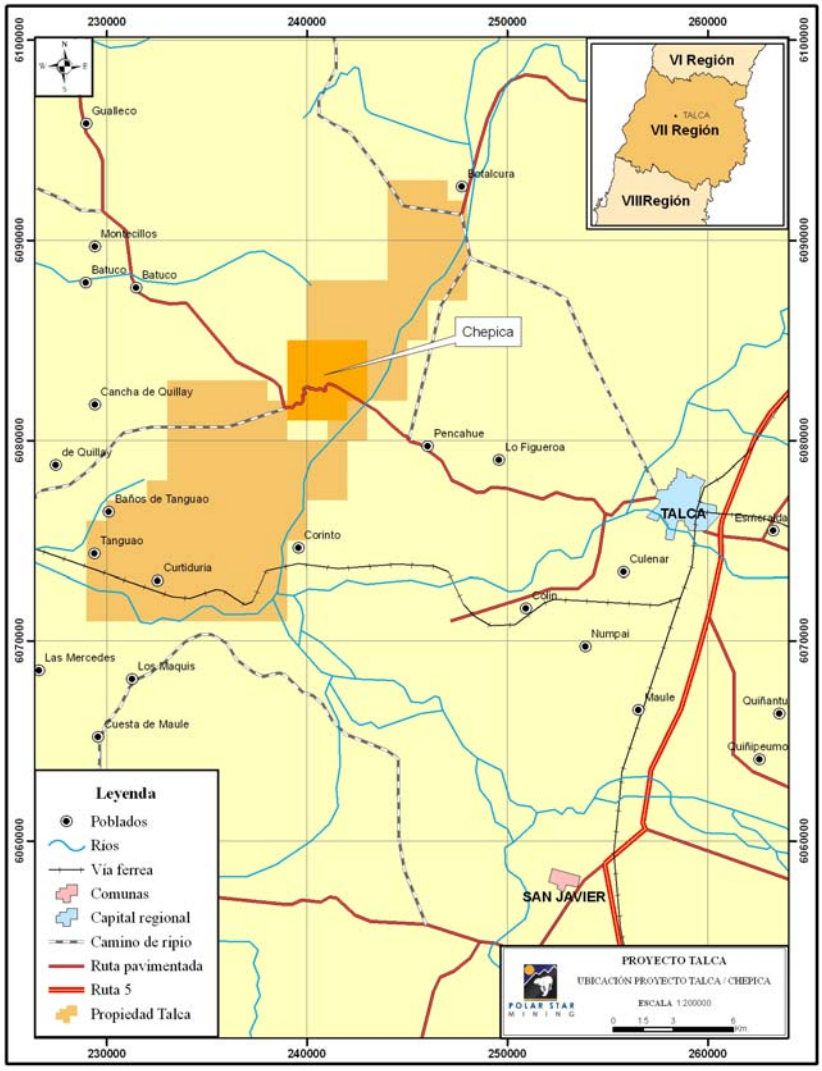


Figure 1-1 Location of the Chépica Project

1.2 Work program

The work program involved several visits to the Chépica property from July to October 2008 by two SRK Chile geologists, Mr. George Even, a Qualified Person (according to NI 43-101 criteria and SRK Principal Resource Geologist, Mr. Ernesto Jaramillo, who were accompanied by Mr. Terrence Walker of Polar Star, as well as visits by an SRK Mining Engineer and Metallurgical Engineer to make a preliminary investigation of drilling and sampling procedures, understand the geology and mineralisation style, examine the condition of the existing underground workings as well as a visit to the process plant being installed on the property.

1.3 Basis of the Technical Report

This report is based on information collected by SRK during the site visits and on additional information provided by Polar Star Mining Corp.

SRK conducted certain verifications of exploration data from archived files provided by the Client. The information contained herein is based on information believed to be reliable.

This technical report is based on the following sources of information:

- Discussions with Polar Star personnel;
- Personal inspection of the Chépica project and surrounding areas;
- Geological investigations of outcropping bedrock on the project area;
- A brief geological investigation of the underground workings on the Chépica I and Chépica II veins;
- Review of historical exploration work conducted on the property;
- Additional information obtained from public domain sources.

1.4 Qualification of SRK

The SRK Group comprises over 800 professionals, offering expertise in a wide range of resource engineering disciplines. The SRK Group's independence is ensured by the fact that it holds no equity in any project and that its ownership rests solely with its staff. This permits SRK to provide its clients with conflict-free and objective recommendations on crucial judgment issues. SRK has a demonstrated track record in undertaking independent assessments of Mineral Resources and Mineral Reserves, project evaluations and audits, technical reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide. The SRK Group has also worked with a large number of major international mining companies and their projects, providing mining industry consultancy service inputs.

This technical report was compiled by Mr. George Even, MAusIMM (#228861), MAIG, with input from the other professionals who visited the property.

Mr. Even, Head of Geological Services at SRK Santiago, is a Principal Geologist with 37 years of experience in the mineral exploration/mining industry, ranging from work on grassroots exploration programs to open pit stability design. His project experience includes technical and due diligence reviews, preparing documents for banks and stock listings; geological reconnaissance and detailed mapping; geotechnical investigations for both underground and open pit applications; development of structural and geotechnical models and geochemical stream-sediment and soil sampling programs.

Mr. Even has worked on projects for Minera Los Pelambres, Codelco Andina and Codelco Norte involving Chuquicamata, Radomiro Tomic and other projects. Other relevant project experience in Latin America includes the Feasibility Geotechnical Study for the Escondida Norte Copper Project, the Pascua, El Abra and Spence Projects (Chile); the Bajo de la Alumbrera and Veladero Projects (Argentina); Toquepala and Constancia Projects in Peru and also a number of due diligence reviews and technical audits for gold, silver, copper, zinc iron, uranium and nickel projects in Chile, Peru, Bolivia, Argentina, Brazil, Central America, Mexico and the US. He is fluent in Spanish and has been a resident of Chile for 27 years.

1.5 Site visit

Several site visits to the Chépica property were made from July to October 2008, namely by two SRK Chile geologists, Mr. George Even, and SRK Principal Resource Geologist, Mr. Ernesto Jaramillo, who were accompanied by Mr. Terence Walker of Polar Star, as well as visits by an SRK Mining Engineer and Metallurgical Engineer. These visits had as their purpose to make a preliminary investigation of drilling and sampling procedures, understand the geology and mineralisation style, and examine the condition of the existing underground workings as well as a visit to the process plant being installed on the property.

1.6 Acknowledgements

SRK would like to acknowledge the support and collaboration provided by Polar Star personnel for the preparation of this report, and in particular, Mr. Terence Walker for his assistance during the field visit and in providing the data reviewed.

2 Reliance on Other Experts and Disclaimer

SRK's opinion contained herein and effective **May 8, 2009**, is based on information provided to SRK by Polar Star Mining Corp. throughout the course of SRK's investigations, which in turn reflect various technical and economic conditions at the time of writing. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently actual results may be significantly more or less favourable.

This report includes technical information, which requires subsequent calculations to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.

SRK is not an insider, associate or an affiliate of Polar Star and neither SRK nor any affiliate has acted as advisor to Polar Star or its affiliates in connection with this project. The results of the technical review by SRK are not dependent on any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings.

SRK has not researched ownership information such as property title and mineral rights and has relied on information provided by Polar Star as to the actual status of the mineral titles. SRK reviewed the option agreement opinion provided by Polar Star.

The Chépica project is a small scale underground mining project with exploration potential. Minimal surface disturbances have occurred within the project area arising primarily from two small existing adits, a plant site and tailings pond under construction and surface exploration activities such as drilling and prospecting.

Sociedad Limitada Minera Arno de los Muermos, the current owner of the plant and surface property titles, has the following permits:

- Res. Exenta 110 of 01/07/2003 from COREMA Región Maule: DIA favourable ruling for the process plant.
- Res. 559 of 03/03/2004 from SERNAGEOMIN: Approval for the construction of the Tailings Pond
- Res. Exenta N°323 of 18/03/2005 from the DGA: Approval for the construction of the Tailings Pond and setting of the bond guarantee amount.

Potential environmental liabilities associated with the Chépica project were excluded from the work program. As such, no verification was conducted by SRK and no opinion is expressed regarding the environmental aspect of this exploration project.

SRK was informed by Polar Star that there are no known litigations potentially affecting the Chépica exploration project.

3 Property Description and Location

3.1 Introduction

The Chépica property, consisting of 99 exploitation claims and 3 exploration claims totalling approximately 1,390 hectares, is located in the Chilean coastal range about 270 kilometres south of Santiago in Chile's Maule Region VII (see Figure 1.1).

On April 23, 2008, Minera Polar Mining Chile Limitada (wholly owned subsidiary), on behalf of Polar Star Mining Corp., Toronto, Canada, signed an option to purchase the Chépica property from Messrs Giancarlo Bordoni Magni, Giancarlo Bordoni Acuña and Jesús Chavarrí del Campo.

3.1.1 Land Tenure

The property consists of three exploration and two exploitation concessions totalling approximately 1,390 hectares (Table 3.1 and Figure 3.1). The exploration and exploitation concessions are all part of the purchase option agreement between Minera Polar Star and the owners mentioned above.

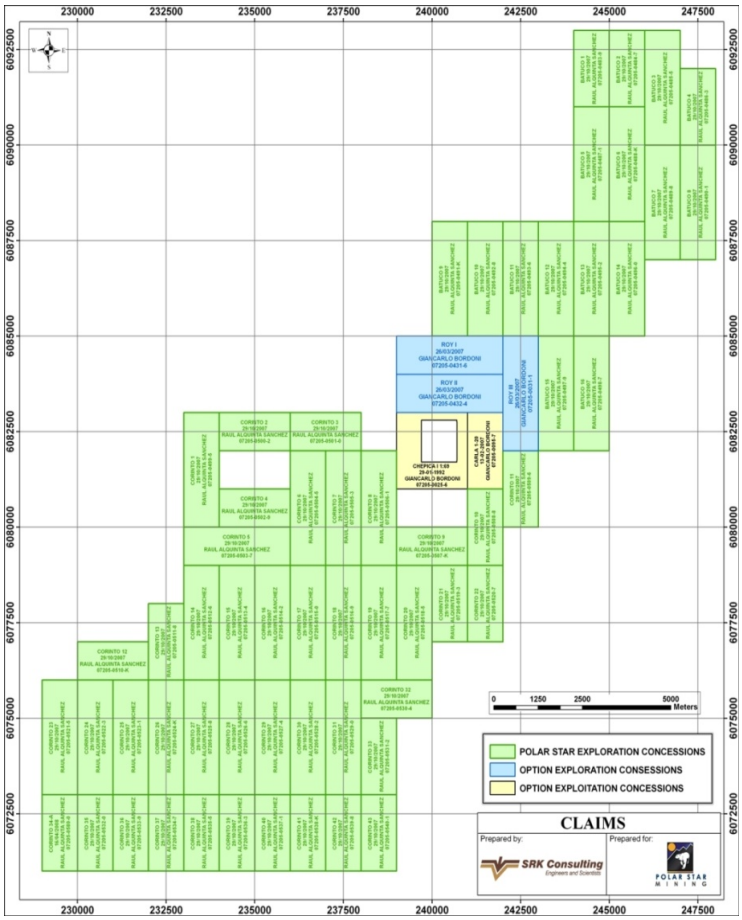


Figure 3-1 Chépica Tenement Map

Table 3-1 Chépica Tenement Description

Name	Area (ha)	ROL Nacional	Fees 2009-2010 CH$	Concession Status
Minera Polar Star Claims				
Roy I	300	07205-0431-6	221,196	Exploration concession
Roy II	300	07205-0432-4	221,196	Exploration concession
Roy III	300	07205-0031-1	221,196	Exploration concession
Carla 1 to 20	200	07205-0095-7	737,320	Exploitation concession
Chépica I 1 to 69	290	07205-0025-6	1,069,114	Exploitation concession
Totals	**1,390**		**2,470,022**	

Note that there is another property included in the option to purchase agreement named Arno 1-10 covering 50 ha. However, this property is not part of the Chépica project area and was not studied by SRK, so it is not considered here in the above table.

3.2 Underlying Agreement

3.2.1 Option Agreement

On April 23, 2008, Minera Polar Mining Chile Limitada (wholly owned subsidiary), on behalf of Polar Star Mining Corp., Toronto, Canada, signed an option to purchase 85% of the Chepica property, mine and mill, from the Sociedad Legal Minera (SLM) Chépica Primera de Pencahue and SLM Arno de Los Muermos, owned by Messrs Giancarlo Bordoni Magni, Giancarlo Bordoni Acuña and Jesús Chavarrí del Campo.. This agreement basically consists of the following terms:

- June 20, 2008 – Option to Purchase Agreement (OPA) signed giving Polar Star exclusive right to purchase 85% of both SLM's for 2,550,000,000 Chilean pesos. On signing Polar Star paid 150,000,000 Chilean pesos for 5% interest leaving a balance of 80% to purchase at its sole discretion any time prior to June 20, 2009. On the same date agreements were signed to convert both SLM's to SCM's (Sociedad Contractual Minera).

- August 11, 2008 – Polar Star purchased a further 5% for 150,000,000 Chilean pesos leaving a balance of 75% on the original OPA. Also at this time Polar Star negotiated and signed a modification to the OPA giving Polar Star the option to purchase the balance (15%) of the two SCM's (not covered by the first agreement) for a total of 600,000,000 Chilean pesos on or before June 20, 2009. This modification was finalized February 10, 2009.

- September 26, 2008 – Polar purchased a further 5% for 150,000,000 pesos leaving a balance of 85% on the modified OPA.

Polar Star now owns 15% of the two original SCM's and has the option to purchase the remaining 85% for 2,700,000,000 Chilean pesos on or before June 20, 2009.

Chepica SLM also owns the surface rights to the area covering the current mining area. This totals 48.637 ha.

3.3 Mineral Rights in Chile

In accordance with Chilean mining legislation, there are two types of mining concessions in Chile – exploration concessions and exploitation concessions. The principal characteristics of each are the following:

Exploration Concessions – the titleholder of an exploration concession has the right to carry out all types of mining exploration activities within the area of the concession. Exploration concessions can overlap or be granted over the same area of land however, the rights granted by an exploration concession can only be exercised by the titleholder with the earliest dated exploration concession over a particular area.

For each exploration concession the titleholder must pay an annual fee of approximately US$1 per hectare to the Chilean Treasury and exploration concessions have a duration of two years. At the end of this period, they may (i) be renewed as a exploration concession for two further years in which case at least 50% of the surface area must be renounced, or (ii) be converted, totally or partially, into exploitation concessions.

A titleholder with the earliest dated exploration concession has a preferential right to an exploitation concession in the area covered by the exploration concession, over any third parties with a later dated exploration concession for that area or without an exploration concession at all and must oppose any applications made by third parties for exploitation concessions within the area for the exploration concession to remain valid.

Exploitation Concessions – The titleholder of an exploitation concession is granted the right to explore and exploit the minerals located within the area of the concession and to take ownership of the minerals that are extracted. Exploitation concessions cannot overlap or be granted over the same area of land.

Exploitation Concessions are of indefinite duration and an annual fee is payable to the Chilean Treasury in relation to each exploitation concession of approximately US$5 per hectare.

Where a titleholder of an exploration concession has applied to convert the exploration concession into an exploitation concession, the application for the exploitation concession and the exploitation concession itself is back dated to the date of the exploration concession.

A titleholder to an exploitation concession must apply to annul or cancel any exploitation concessions which overlap with the area covered by its exploitation concession within a certain time period in order for the exploitation concession to remain valid.

3.4 Environmental Considerations

The Chépica project is currently in a pre-production stage. The plant was being installed and work had begun on the tailings dam wall when the SRK field visits were made. The drilling and underground sampling program carried out by Polar Star was strictly exploratory.

Review of the environmental aspects of the project was not a part of this technical study, however, some observations related to the future plant operation are noted in Section 12 of this report. In order to briefly review the new plant set up, the following information was available:

- Profile Level Business Closure Report for the Concentrator Plant
- Equipment inventory spreadsheet
- Environmental Impact Statement

As far as is known by SRK in this brief investigation, the property does not lie within environmentally protected areas, indigenous reservations or areas of historical sites.

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Chépica property, totalling,1,390 hectares, is located in the Maule Region VII, in the Chilean coastal range, approximately 270 kilometres south of Santiago. The site is reached by travelling south on the Panamerican Highway (Ruta 5) to kilometre marker 257 entering the city of Talca. From there, one travels west approximately 20 kilometres on a paved road through the town of Pencahue. Entrance to the property is by a short dirt road. The approximate coordinates of the site are: 240,631E; 6,081,465N.

The area lies within the Continental Mediterranean climate zone, with a dry season of four months. Average annual rainfall is 749mm and the annual average temperature averages 13°C.

The city of Talca, approximately 20 km to the east, has a population of about 200,000 with all important infrastructure at hand. The University of Talca and the Catholic University of Talca are also located there.

During the field visit, a water well was seen on the property and there also exists the possibility of re-circulating water from the tailings pond that has a liner.

Currently, the operation has a 4 kv line and transformers that are serving the mine. Containers are being used as offices and more permanent offices are being constructed.

The project is located in the coastal range which in this area consists of hills of low relief at an elevation of approximately 120 masl.

5 History

This area is known to have been prospected for gold and copper as far back as the late 1800's, however no production was recorded from the Chépica project area itself. The following historical information was provided by Minera Polar Star staff.

Regional exploration by Noranda and others in the early to mid 1990's including geological mapping, stream and soil geochemistry, defined several open ended zones associated with N-NW trending silicified structures on the Chépica Mine property. From early 2001 to late 2003, the current owners with the aid of Chile's state-owned mining company Empresa Nacional de Minería ("ENAMI") geologists and engineers conducted surface trenching, about 500 lineal metres of drifting and crosscutting and raising on the Chépica I and II veins. From this work, 12 run of mine bulk samples of about 300 tonnes each from the Chépica I vein and 8 similar samples from the Chépica II vein were shipped to plants north of the area for processing. Head grades from the Chépica I vein samples ranged from 1.4-2.4% copper, 0.3-12.2 g/t gold, and 7.8-28 g/t silver, with a weighted average of 1.6% copper, 3.0 g/t gold and 16g/t silver. Head grades from the Chépica II vein samples ranged from 2.2-3.2% copper and 2.5-3.4 g/t gold, with a weighted average of 2.5% copper and 3.0 g/t gold. None of the samples from Chépica II vein were analysed for silver.

In 2005, MCK Mining Corp. conducted a limited exploration on the Chépica property that included some drilling. The number of holes drilled and their results are not known, but it was reported that approximately US$ 356,000 was spent on the programme. Unconfirmed reports said that the recoveries of the diamond drilling were very poor, on the order of 50%.

6 Geological Setting

6.1 Regional Geology

The Chépica properties lie within the Chilean Coastal Range which is geologically comprised of Mesozoic age volcanic arc rocks accreted on to the South American Craton. The western margin of the Coastal Range is mostly Triassic to early Cretaceous in age and not known to be well mineralised. The eastern margin of the Coastal Range is an assemblage of Late Cretaceous age rocks and these contain a host of mineral occurrences, most associated with sub-volcanic porphyry bodies.
The Late Cretaceous lithologies consist mainly of continental margin andesitic volcanics and volcaniclastic sediments including some limestones belonging to the Lo Valle Formation. These formations are intruded by various batholithic bodies composed of felsic granite to granodiorite and younger sub-volcanic intrusive (Figure 6.1).

Several gold deposits, either currently being mined or previously mined, exist in this belt. The majority are vein systems or pipes related to high level plutonic bodies. El Chivato, Alhué (Florida) and Las Palmas are examples. Also known are deposits associated with porphyry intrusives. These closely resemble Andacollo where gold mineralization is strongest in radial fractures in acid volcanics marginal to a porphyry copper deposit.

Of various deposits occurring in the Talca area, the more promising occur in roof pendants of Late Cretaceous andesitic volcanics and volcanoclastic sediments associated with granitic stocks. In this environment, vein systems developed under epithermal to high level mesothermal conditions. Gold mineralization generally occurs in banded or fine grained quartz and or quartz-sulphide veins, breccias and stockworks. Some stocks contain evidence of zoned porphyry style copper-molybdenum mineralization.

6.2 Property Geology

The Chépica properties cover a sequence of NE-SW trending gently SE dipping Cretaceous andesitic volcanics and volcaniclastics which regionally are part of a similarly trending roof pendant within Cretaceous granodiorite. The volcanic rocks are poorly exposed on the Chépica claims but were they do crop out and as seen in drilling are mainly feldspar porphyitic flows with intermixed agglomerates, flow top breccias and course lapilli tuffs. In general they are chloritised and within 10-20 metres of the vein systems contain 2- 3% disseminated pyrite. Surface oxidation of these pyritic zones leads to quite extensive but shallow leaching and limonite-jarosite staining. The granodiorite stock is not present on the property but were exposed several kilometres to the NW it is generally a fresh pale gray equigranular intrusive.

Two sets of NW-NNW and E-W to WNW trending anastomosing and bifurcating tensional faults cross-cut the volcanic package and are locally the focus of auriferous epithermal to upper mesothermal quartz-sulphide veins and clay-sericite-quartz alteration. Six such vein-alteration systems have been identified at surface to date. All contain variable contents of gold-silver and or gold-silver-copper mineralization, however only sections of Chepica I and II veins have been drill tested to date.

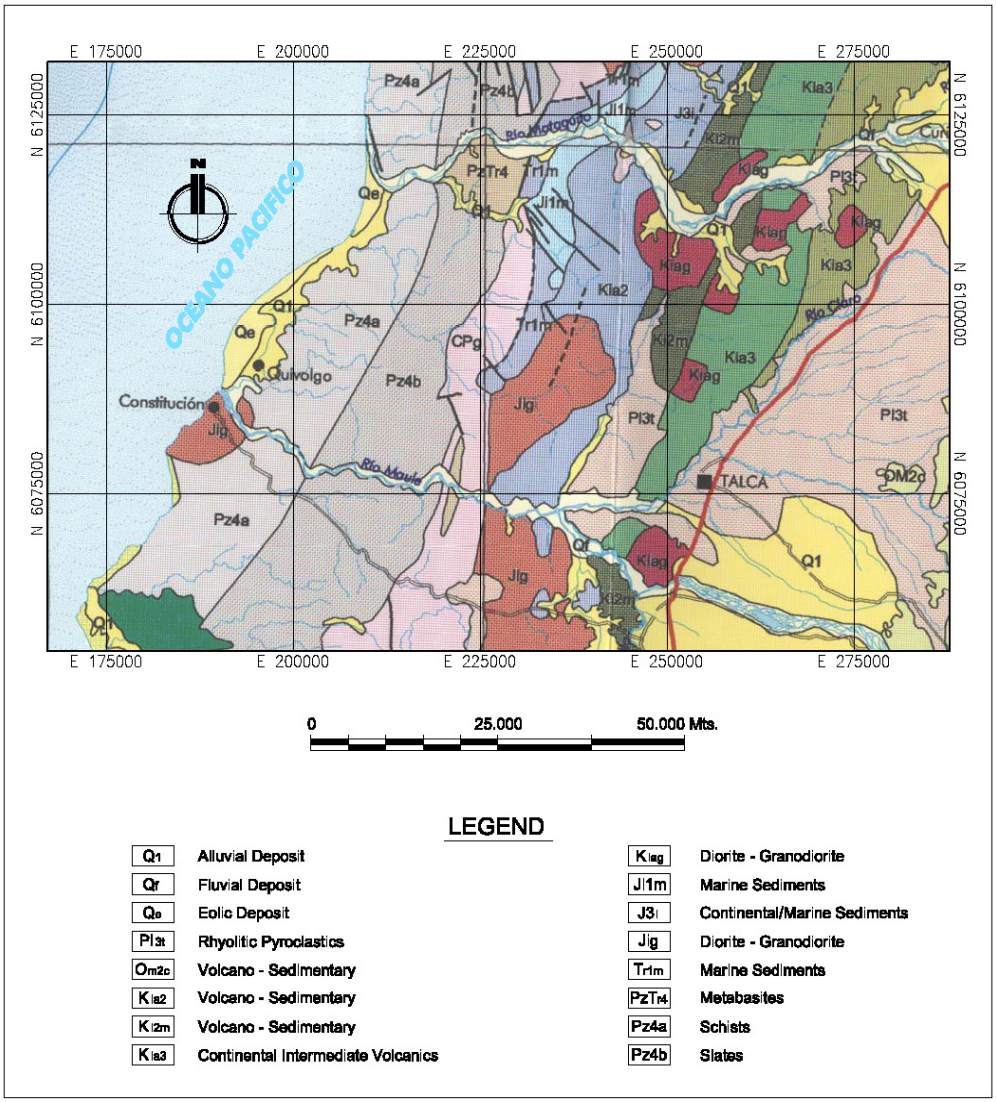


Figure 6-1 Regional Geology of the Chépica area

Figure 6.2 below shows the surface expression of other veins to the southwest of the Chépica I vein (vein farthest to the northeast). These other veins should be drill tested in future exploration campaigns. Figures 6.3 and 6.4 illustrate the internal anastomosing and bifurcating structure of the Chépica I and II viens which is also typical of the other known vein systems on the property.

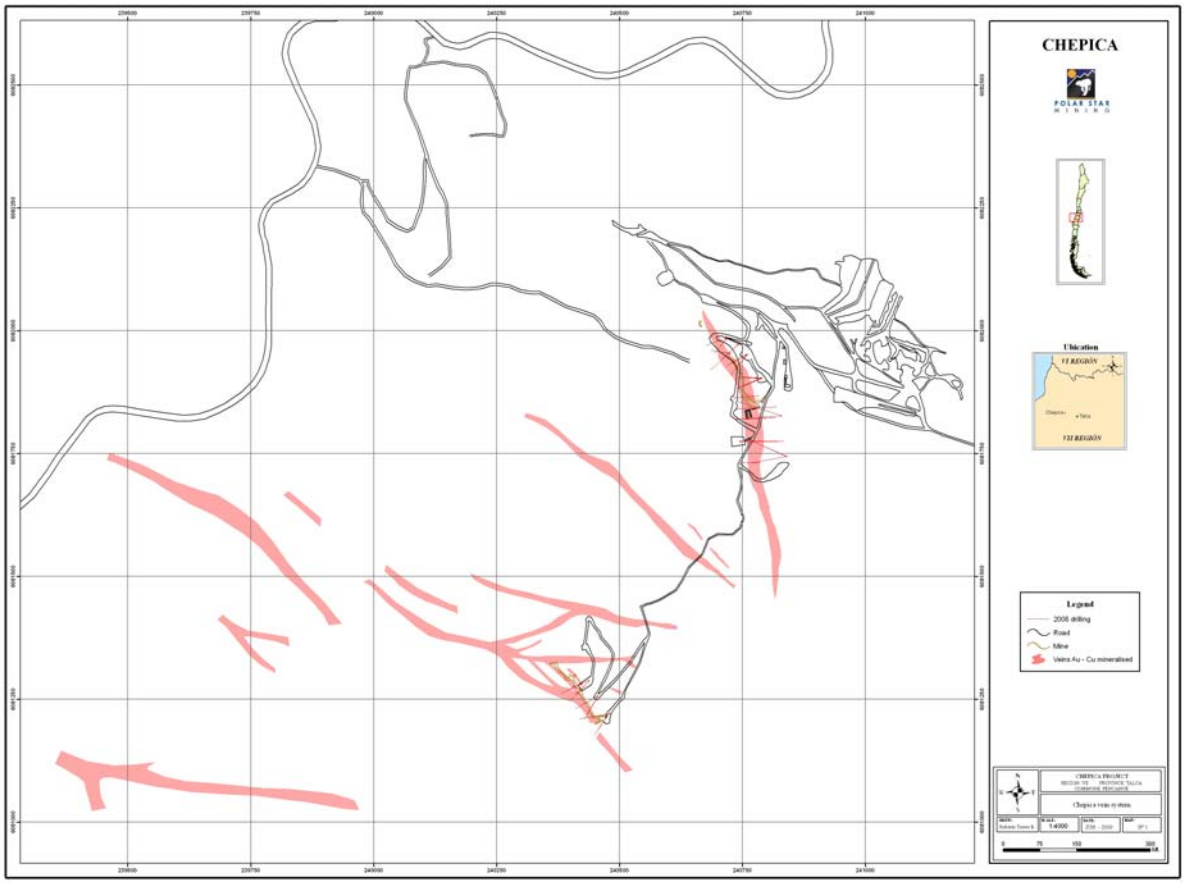


Figure 6-2 Surface expression of other veins near Chépica I

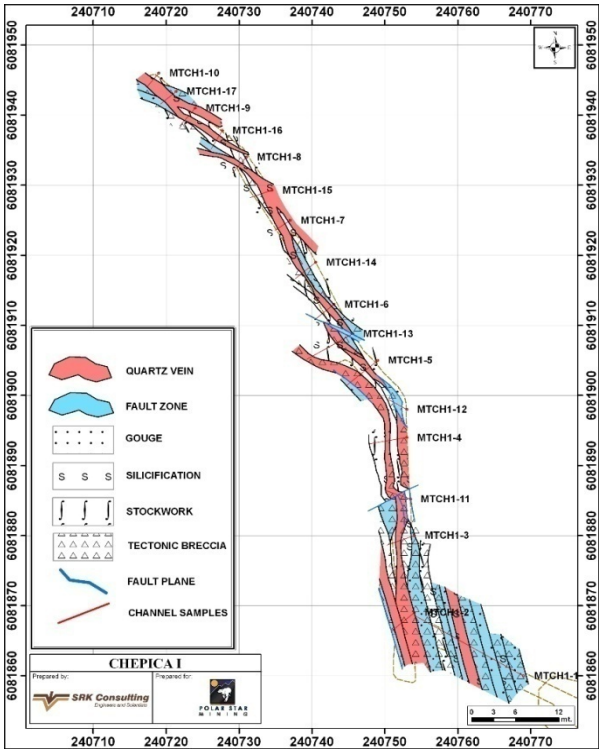


Figure 6-3 Chépica I Geology (after Polar Star)

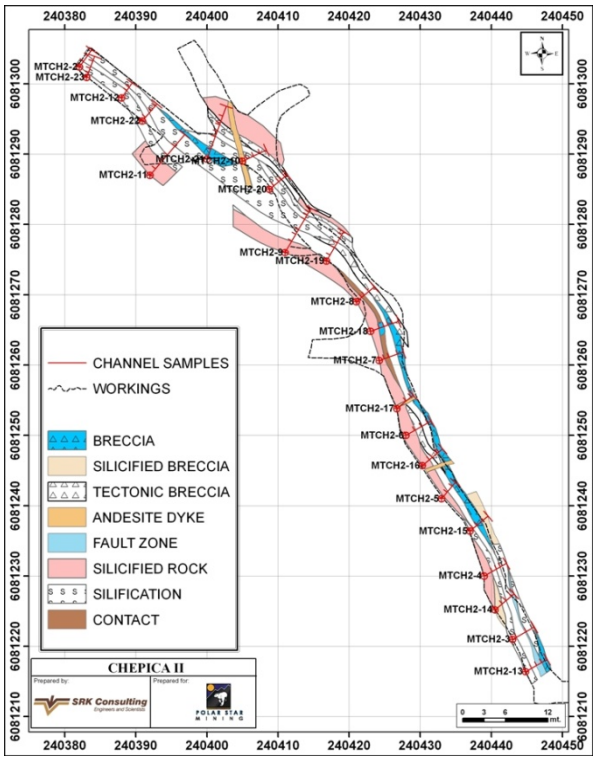


Figure 6-4 Chépica II Geology (after Polar Star)

6.3 Deposit Type

The Chépica vein systems developed under epithermal to high level mesothermal conditions. Gold mineralization generally occurs in banded or fine grained quartz and or quartz-sulphide veins, breccias and stockworks.

The genesis of the model is still being developed as work advances.

6.4 Mineralization

6.4.1 Mineralization and Alteration

The main characteristics of mineralization and alteration on the property can best be described from the diamond drill core and the underground workings on the Chépica I and II vein systems. This work demonstrates that both these vein systems have lateral and vertical continuity and contain at least 3 on-echelon veins with widths typically ranging from 1.5 meters to over 12 meters, however, two or more veins may merge to form composite veins with greater widths.

In both systems the individual veins have similar characteristics i.e. they are dominantly simple and colloform banded chalcedonic quartz veins, locally amethystine and multi-episodic often showing internal brecciation and rotation during resurgence of the fluid pulses. Wall rock between these veins is either brecciated, silicified and sericitised or permiated by a stockwork of smaller quartz veins and stringers. The footwalls to both systems tend to be sharp and often fault controlled, while their hanging walls are typically a silicified quartz stockwork ranging from a few meters to 15 metres wide. Internal faults are common to both systems but they tend to be sealed by silicification.

Sulphide mineralization is common but in variable amounts from 1 – 15% and consists predominantly of both disseminated pyrite as clots, chalcopyrite plus minor galena, sphalerite and tetrahedrite. All species occur as irregular layers parallel to quartz banding, and or as disseminations and coarse patches filling prior open spaces within and between the quartz events. Within 25m of the surface the sulphides have been variably leached and oxidised to a mix of limonite - jarosite, hematite and goethite.

Figures 6.5 and 6.6, below, show the distribution of gold and copper from the channel samples taken underground at the Chépica I vein system.

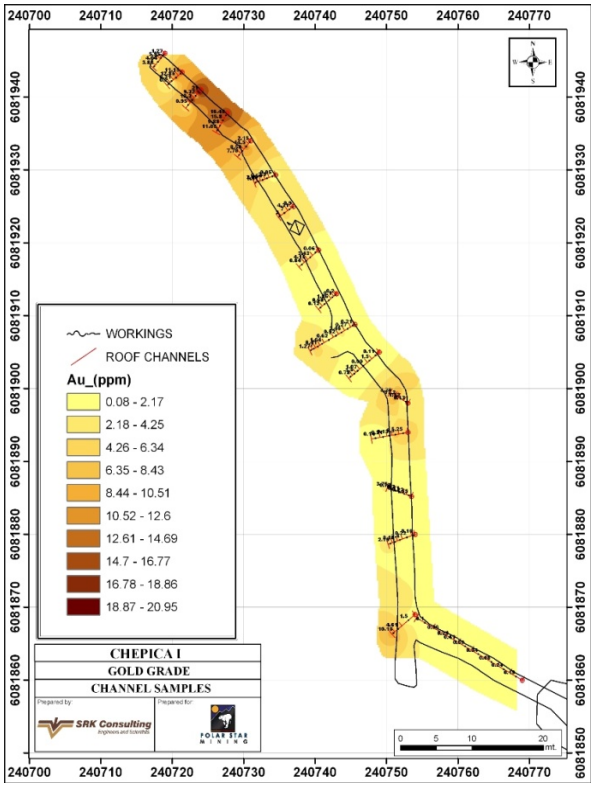


Figure 6-5 Chépica I Gold Grades from Channel Samples

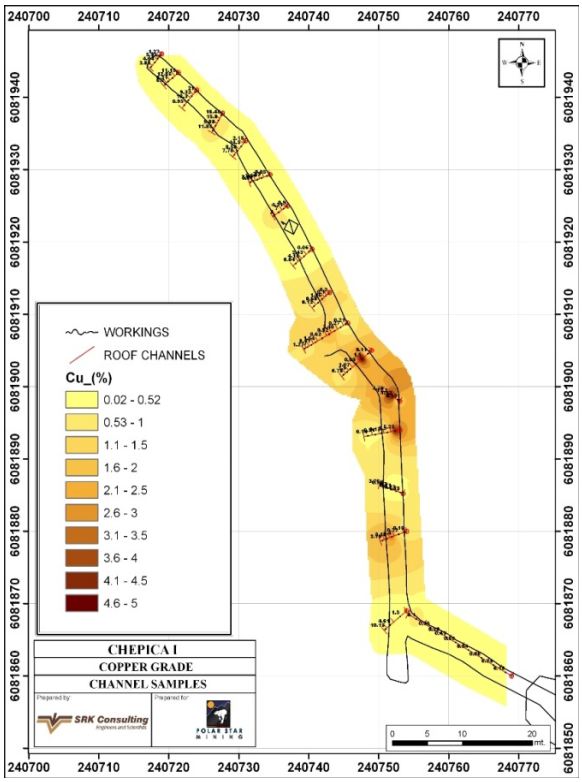


Figure 6-6 Chépica I Copper Grades from Channel Samples

Preliminary thin section work by Polar Star on 7 samples suggests that gold occurs as fine free grains associated mainly with hematite, pyrite and to a lesser extent as fine grains in quartz.

Hole #	Sample#	Sample Interval (m)		Drill Log Description	Au g/t	Ag g/t	Cu%
		From	To				
CH08-02	30522	28	29	Colloform banded/brecciated opal. Qtz, py/cpy patches and vnlts	8.09	65	0.19
CH08-04	30591	34	35	Colloform banded opaline qtz, py/cpy patches tr galina	14.15	38	0.92
CH08-17	30840	56	57	Colloform banded/brecciated opal. Qtz, py/cpy patches and vnlts	25.5	56	4.72
CH08-22	31493	47	48	Colloform banded/brecciated opal. Qtz, py/cpy patches and vnlts	4.75	3	0.60
CH08-25	31762	60	61	Colloform banded opaline qtz, py/cpy patches tr galina	5.42	40	3.12
CH08-26	31855	86	87	Mass colloform banded opaline qtz, py/cpy patches + vnlts	47.00	25	0.89
CH08-35	32280	184	185	Stockwork, milky Qtz vlts, py/cpy patches	0.04	21	1.98

6.4.2 Geochemical Testing

Underground Sampling

A geochemical channel sampling programme was carried out by Polar Star underground at the Chépica I and Chépica II veins. The details are shown in Figures 6.5 and 6.6 as well as in Section 7.

7 Exploration

The area around the Chépica property is known to have been explored for gold and copper since at least the 1800's, however, the area has only recently come to light as a potential district containing several veins similar to those at Chépica I and II.

7.1 Diamond Drilling

7.1.1 Chépica I Drilling

A total of 5,299.3m in 50 diamond holes were drilled by Polar Star at Chépica I.

Table 7-1 Chépica I Drill Holes

HOLE-ID	LOCATION X	LOCATION Y	LOCATION Z	LENGTH (m)
CH08-01	240722.88	6081953.85	142.55	76.15
CH08-02	240723.94	6081954.78	142.54	64.55
CH08-03	240723.04	6081954.27	142.37	59.45
CH08-04	240724.45	6081954.06	142.46	73.50
CH08-05	240757.48	6081950.25	132.98	79.80
CH08-06	240758.46	6081950.76	133.00	80.95
CH08-07	240758.73	6081950.86	132.95	100.10
CH08-08	240791.38	6081854.88	124.29	71.50
CH08-09	240785.82	6081902.84	126.39	63.60
CH08-10	240786.69	6081903.20	126.41	85.00
CH08-11	240791.38	6081854.88	124.29	90.00
CH08-12	240757.33	6081951.02	133.20	69.70
CH08-13	240787.78	6081903.85	126.43	99.45
CH08-14	240785.44	6081903.45	127.16	73.15
CH08-15	240758.26	6081951.90	134.08	106.40
CH08-16	240786.27	6081903.82	127.16	35.40
CH08-16A	240787.19	6081902.84	127.16	89.40
CH08-17	240758.64	6081951.70	134.00	127.10
CH08-18	240787.51	6081902.91	127.33	121.00
CH08-19	240758.96	6081951.90	133.93	157.40
CH08-20	240789.00	6081903.12	127.33	150.00
CH08-21	240737.88	6081840.75	135.25	76.40
CH08-22	240733.28	6081863.53	137.93	90.00
CH08-23	240732.65	6081863.51	138.13	143.30
CH08-24	240737.94	6081820.56	131.71	120.70
CH08-25	240737.15	6081840.72	135.47	147.30
CH08-26	240736.85	6081820.09	131.69	169.00
CH08-27	240736.59	6081840.82	135.51	181.20
CH08-28	240735.41	6081819.81	131.82	188.70
CH08-29	240737.88	6081840.75	135.26	125.00
CH08-32	240744.85	6081774.35	123.87	116.30
CH08-35	240744.43	6081775.21	123.87	207.70
CH08-38	240750.22	6081731.26	116.58	84.30
CH08-41	240749.44	6081731.30	117.14	102.90
CH08-50	240739.32	6081971.15	134.88	82.40
CH08-51	240739.83	6081971.50	134.95	96.00
CH08-52	240742.04	6081973.31	135.03	120.00
CH08-53	240743.82	6081974.56	134.82	142.10
CH08-54	240716.84	6081982.88	136.07	76.80
CH08-55	240719.31	6081985.72	136.06	75.90
CH08-56	240719.65	6081986.28	136.00	112.20
CH08-57	240718.40	6081985.58	136.17	69.60
CH08-58	240719.73	6081986.06	135.98	75.70
CH08-59	240720.13	6081986.36	136.07	11.70
CH08-60	240839.17	6081743.90	99.55	102.20
CH08-61	240838.20	6081745.00	99.60	117.40
CH08-62	240839.28	6081744.53	99.48	150.00
CH08-63	240828.73	6081826.59	114.11	130.10
CH08-64	240828.46	6081827.19	114.11	160.00
CH08-65	240847.31	6081879.29	111.04	150.80

7.1.2 Chepica II Drilling

A total of 1,486.5m in 16 diamond holes were drilled by Polar Star at Chépica II. A resource estimate was not done on the Chépica II veins. This will await instructions by Polar Star.

Table 7-2 Chépica II Drill Holes

HOLE-ID	LOCATION X	LOCATION Y	LOCATION Z	LENGTH (m)
CH08-30	240437.59	6081288.09	163.08	91.00
CH08-31	240437.90	6081288.47	163.08	115.10
CH08-33	240437.18	6081288.76	163.08	127.10
CH08-34	240437.51	6081288.77	163.83	158.60
CH08-36	240423.80	6081282.24	164.85	65.00
CH08-37	240427.96	6081276.47	163.48	60.00
CH08-39	240454.92	6081255.90	149.90	80.00
CH08-40	240455.98	6081257.72	149.82	95.00
CH08-42	240455.77	6081256.69	149.90	90.00
CH08-43	240456.47	6081257.07	149.85	105.00
CH08-44	240478.77	6081221.25	128.00	87.50
CH08-45	240454.84	6081256.17	149.75	71.60
CH08-46	240479.78	6081221.08	128.04	87.90
CH08-47	240479.54	6081222.44	128.13	75.50
CH08-48	240479.75	6081222.75	128.01	80.10
CH08-49	240479.96	6081223.04	128.57	97.10

7.1.3 Surveying

The locations of borehole collars were surveyed by a land surveyor relative to the UTM SAM 1956 Datum.

Only four boreholes were surveyed down the hole for deviation, but the results confirm that no significant deviation has occurred in these relatively short diamond drill holes.

7.2 Underground Channel Sampling

Polar Star collected a total of 17 channel samples underground at the Chépica I vein system.

A total of 23 channel samples were taken underground in the old Chépica II workings.

Table 7-3 Chépica I Channel Samples

CHANNEL	LOCATION X	LOCATION Y	LOCATION Z	LENGTH (m)
MTCH1-1	240769.00	6081860.00	125.80	17.10
MTCH1-10	240719.00	6081946.00	125.30	2.60
MTCH1-11	240753.50	6081885.20	125.00	3.60
MTCH1-12	240753.00	6081898.00	125.00	2.90
MTCH1-13	240745.60	6081908.80	125.00	7.30
MTCH1-14	240740.50	6081919.00	125.00	3.60
MTCH1-15	240734.50	6081929.30	125.00	3.20
MTCH1-16	240727.70	6081937.80	125.00	3.10
MTCH1-17	240721.40	6081943.40	125.00	2.80
MTCH1-2	240754.00	6081869.00	125.40	4.20
MTCH1-3	240754.00	6081880.00	125.40	4.00
MTCH1-4	240753.00	6081894.00	124.40	5.20
MTCH1-5	240749.00	6081905.00	124.40	5.60
MTCH1-6	240743.00	6081913.00	124.40	3.30
MTCH1-7	240737.00	6081925.00	125.20	2.60
MTCH1-8	240731.00	6081934.00	124.90	2.90
MTCH1-9	240724.00	6081941.00	125.30	3.30

Table 7-4 Chépica II Channel Samples

CHANNEL	LOCATION X	LOCATION Y	LOCATION Z	LENGTH (m)
MTCH2-1	240444.00	6081196.00	125.00	13.10
MTCH2-10	240405.00	6081289.00	125.00	3.70
MTCH2-11	240392.00	6081287.00	125.00	7.60
MTCH2-12	240388.00	6081298.00	125.00	2.60
MTCH2-13	240444.80	6081216.40	125.00	3.50
MTCH2-14	240440.50	6081225.20	125.00	3.50
MTCH2-15	240437.00	6081236.40	125.00	3.30
MTCH2-16	240430.30	6081245.70	125.00	3.70
MTCH2-17	240426.70	6081253.80	125.00	3.00
MTCH2-18	240423.00	6081264.80	125.00	4.20
MTCH2-19	240416.80	6081274.80	125.00	4.80
MTCH2-2	240382.08	6081302.38	125.00	3.00
MTCH2-20	240408.80	6081285.00	125.00	3.20
MTCH2-21	240400.00	6081289.30	125.00	8.00
MTCH2-22	240390.90	6081294.70	125.00	3.20
MTCH2-23	240383.10	6081300.90	125.00	3.20
MTCH2-3	240443.00	6081221.00	125.00	3.50
MTCH2-4	240439.00	6081230.00	125.00	3.60
MTCH2-5	240433.00	6081241.00	125.00	3.00
MTCH2-6	240428.00	6081250.00	125.00	4.00
MTCH2-7	240424.24	6081260.64	125.00	3.60
MTCH2-8	240421.00	6081269.00	125.00	3.30
MTCH2-9	240411.00	6081276.00	125.00	7.30

7.3 Ground Geophysical Work

As far as is known for this report, no geophysical work has been carried out at the Chépica property.

7.4 Polar Star Proposed 2009 Exploration Budget

Polar Star is currently evaluating the next step for exploration on the Chépica property as well as on the claims in the surrounding area. No budget is yet determined for this activity.

8 Sampling Method and Approach

8.1 Sample Collection

8.1.1 Underground Channel Sampling

Procedures used by Polar Star for the channel sampling programme are considered to be acceptable to adequately represent the mineralised zones being tested underground at Chépica I and Chépica II.

8.1.2 Polar Star 2008 Drill Sampling

Sampling Procedure Diamond Drilling

For the diamond drill core, Major's personnel extracted the core from the core tube, placed it in metal core boxes and marked the respective hole numbers, depths and core recovery under the supervision of Polar Star personnel. These boxes were sealed and transported to camp by Major's personnel. The Polar Star contract drill site geologist geologically logged and marked the core for sampling. These sections were sawn in half using a diamond saw and one half bagged and tagged for analysis.

Sample Handling and Analysis

The half core samples from the mineralized and or altered intervals from each hole were sealed in groups of ten in larger bags and trucked by Pullman Cargo to the ALS-Chemex laboratory in Coquimbo. All samples were analysed for copper, silver and gold. Copper and silver were analyzed by A.A. following hot acid digestion. The gold analyses were by the fire assay-A.A. technique on 30 gram sub-samples. Samples containing copper greater than 10,000 ppm were re-assayed using gravimetric assay techniques.

9 Sample Preparation, Analyses and Security

9.1 Sample Preparation

The ALS-Chemex laboratory in Coquimbo, Chile was used for sample preparation and geochemical analyses.

The procedures used by ALS-Chemex appear to meet industry standards for cleanliness, orderliness, use of appropriate equipment, appropriate maintenance and laboratory analytical procedures.

9.2 Laboratory Geochemical Analyses and Data

SRK had visited the ALS-Chemex laboratory earlier last year and the analytical procedures used for geochemical testing were also inspected. Observed comparisons of tests done at various other ALS-Chemex laboratories in the world were noted as well as comparisons of the ALS Coquimbo laboratory with other non-ALS-Chemex labs. According to the results shown SRK during this visit, the ALS-Chemex Coquimbo lab appears to meet industry standards for both internal and external duplicates and check assays.

Besides duplicate analyses performed by ALS-Chemex at their own lab, Polar Star resubmitted selected pulps to the ALS lab and sent other pulp duplicates to the ACME laboratory, in Santiago, Chile.

The objective of this analysis is to compare the sample duplicates of Total Copper (in percent), and gold and silver (in ppm) for the Chépica project analysed at the ALS Chemex laboratory and with checks done at the ACME laboratory. Refer to Section 10 of this report for details.

9.3 Sample Security

While still on site, all drill core and bagged samples were kept at the campsite where there is always at least one person on hand. The core boxes are kept secured and sealed at the project site.

All samples ready to be transported to the ALS-Chemex Coquimbo laboratory, were bagged in sealed sacks, marked, registered and were shipped by Pullman Cargo trucks to the laboratory to be prepared and analysed.

9.3.1 Specific Gravity Data

In 2008, specific gravity data were acquired from 42 HQ diameter core samples selected from 27 boreholes. Specific gravity was determined using a volumetric method (water displacement) by Polar Star personnel. Nine oxide zone samples were selected and 33 sulphide samples were selected.

The average specific gravity value for the oxidized zone is 2.280 g/cc^3 and the average specific gravity value for the primary sulphide zone is 2.736 g/cc^3. Table 9.1 shows the samples used in the specific gravity calculations.

Table 9-1 Polar Star Specific Gravity Data from Drill Core

Section	Nº DDH	Nº Sample	Interval	Lithology	Ore Type	Mineralogy	Grade			Weight (gm)		Specific Gravity
							Au	Ag	Cu	Air	Water	
1	CH08-03	30536	3,05 - 3,15	Vein	Oxidized	Qz Bco - Lim -	0,384	16	0,01	346,0	196,3	2,311
1	CH08-03	30557	24,14 - 24,24	Vein	Primary	Qz - Py - Cpy - Hem - (Cc)	0,534	8	0,72	368,7	233,2	2,721
1	CH08-04	30566	3,30 - 3,40	Vein	Oxidized	Qz - Lim -	0,135	10	0,02	362,7	208,6	2,354
1	CH08-04	30591	34,29 - 34,39	Vein	Primary	Qz Bdo - Py - Cpy - (Hem - Cc)	**14,15**	38	0,92	473,8	302,8	2,771
2	CH08-01	30460	8,92 - 9,02	Vein	Oxidized	Qz Bco - Lim -	0,049	4	0,02	391,4	234,6	2,496
2	CH08-01	30478	31,49 - 31,59	Rx Volc	Primary	And - Py -	2,99	13	0,04	423,2	267,2	2,713
2	CH08-02	30503	2,35 - 2,45	Vein	Oxidized	Qz Bco - Lim -	0,447	8	0,02	370,1	215,5	2,394
2	CH08-02	30522	29,75 - 29,85	Vein	Primary	Qz Bco - Py - py -	**8,09**	**65**	0,19	443,7	299,8	3,083
3	CH08-12	30912	38,75 - 38,85	Vein - Rx	Primary	Qz Bco - And - Py - (Cpy < Cv) -	**19,1**	**211**	0,10	393,3	235,8	2,497
3	CH08-12	30915	43,40 - 43,50	Vein	Primary	Qz Bdo - Cl - Py - Cpy - Hem -	**8,11**	7	0,72	383,2	245,3	2,779
3	CH08-15	30950	39,40 - 39,50	Vein	Primary	Qz Bco - Py - Cl - Cpy - Hem -	2,8	**80**	0,43	456,5	308,8	3,091
3	CH08-17	30840	56,55 -56,65	Vein	Primary	Qz Bdo - Cl - Cpy - Py - Hem -	**25,5**	**56**	**4,72**	462,8	309,2	3,013
3	CH08-17	30864	80,30 - 80,40	Vein	Primary	Qz Bdo - Cl - Cpy - Py - Hem -	2,79	18	**2,02**	423,9	273,5	2,818
4	CH08-05	30638	39,55 - 39,65	Vein	Primary	Qz Bco - Sil - Py - (Cpy)	0,297	6	0,49	403,0	255,4	2,730
4	CH08-06	30687	54,60 - 54,70	Vein	Primary	Qz Bco - Py - (Hem)	2,03	5	0,36	389,8	260,2	3,008
5	CH08-09	31032	47,29 - 47,39	Vein	Primary	Qz Bdo - Py - Cpy - Cl - Hem -	1,0	4	0,56	438,0	294,6	3,054
5	CH08-10	31062	19,50 - 19,60	Vein	Oxidized	Qz Bco ▲ - Lim -	0,853	1	0,02	342,6	193,7	2,301
5	CH08-13	31157	17,50 - 17,60	Vein	Oxidized	Qz Bco ▲ - Lim - (Hem)	1,205	4	0,02	313,8	175,3	2,266
5	CH08-13	31168	28,90 - 29,00	Vein	Lix - Prim	Qz Bco ▲ - Lim - Py	1,47	**30**	0,04	347,7	200,2	2,357
6	CH08-16	31269	12,05 -12,15	Vein	Oxidized	Qz Bco ▲ - Boxw - Lim	1,17	4	0,04	276,7	139,8	2,021
6	CH08-18	31354	24 -24,10	Vein	Oxidized	Qz Bco - Arc - Lim -	0,166	18	0,44	287,0	145,1	2,023
6	CH08-20	31617	56,25 -56,35	Stockw	Primary	Qz Bco - Am - Cl - Cpy - Py - Hem	0,105	12	0,62	421,5	278,7	2,952
7	CH08-08	30799	59,00 -59,08	Vein - Rx	Primary	Qz Bco - Py - Cl - Cpy - (Hem)	0,546	8	0,27	357,7	229,6	2,792
7	CH08-11	31134	68,17 -68,25	Vein	Primary	Qz Bco - Py - Cl - Cpy	1,965	17	0,35	334,7	223,3	3,004
8	CH08-22	31493	47,65 -47,75	Vein	Primary	Qz Bco - Cl - Py - Spc - Cpy	4,75	3	0,6	366,3	232,0	2,727
8	CH08-23	31565	114,30 -144,40	Vein	Primary	Qz Bco ▲- Cl - Hem - Py - Cpy	0,11	11	0,99	453,8	293,2	2,826
9	CH 08-21	31672	38,15 - 38,25	Vein	Primary	Qz Bdo - Cl - Py - Hem - Cpy	0,936	7	1,05	351,7	226,4	2,807
9	CH08-25	31762	60,05 - 60,15	Vein	Primary	Qz Bdo - Cpy - Hem (Arc)	5,42	**40**	**3,12**	483,6	329,1	3,130
9	CH08-25	31793	99,5 - 99,6	Vein	Primary	Qz Bdo - Am - (Cl - Cpy - Hem)	0,265	3	0,58	387,8	242,1	2,662
9	CH08-25	31814	120,68 - 120,78	Vein - Rx	Primary	Qz Bdo - And - Cl - Py - Cpy - (Hem)	1,70	4	0,47	380,9	238,9	2,682
9	CH08-29	31974	34,25 - 34,35	Vein	Primary	Qz Bco - Py - Cl - Cpy (Hem)	0,91	15	**1,77**	363,0	234,7	2,829
9	CH08-29	32006	92,45 - 92,55	Vein	Primary	Qz Bdo - Py - Cpy - (Hem)	0,163	10	0,8	378,3	245,8	2,855
10	CH08-24	31735	44,4 - 44,5	Vein	Primary	Qz Bco - Py (Cpy - Am)	0,424	6	0,16	393,6	245,3	2,654
10	CH08-26	31843	74,75 - 74,85	Vein	Primary	Qz Bdo - Cl - Py - (Hem)	2,82	18	0,77	400,6	262,5	2,901
10	CH08-26	31855	86,27 - 86,37	Vein	Primary	Qz Bco - Py - Arc - Cpy	**47,0**	25	0,89	380,7	242,3	2,751
10	CH08-26	31878	111,54 - 111,64	Vein - Rx	Primary	And - Qz Bdo - Cl - Cpy - Py (Hem)	5,22	15	0,59	418,7	265,7	2,737
10	CH08-26	31906	143,90 - 144,0	Vein	Primary	Qz Bco - Cl - Hem - Py - Cpy	0,829	8	0,56	391,3	245,0	2,675
11	CH08-35	32199	98,90 - 99,0	Vein	Primary	Qz Bdo - Cl - Py (Cpy < Hem)	1,01	3	0,43	414,5	264,7	2,767
11	CH08-35	32245	144,65 - 144,75	Vein	Primary	Qz Bco - Cpy - (Hem < Cl)	0,25	18	**2,55**	390,1	248,8	2,761
11	CH08-35	32280	184,0 - 184,09	Vein - Rx	Primary	Qz Bco - And - Py - Cpy - Gal	0,80	21	**1,98**	397,8	271,1	3,140
12	CH08-38	32343	49,45 - 49,54	Vein - Falla	Primary	Qz Bco - Salbanda - ▲ - Py - (Lim)	0,538	7	0,20	328,0	201,1	2,585
12	CH08-41	32445	87,50 - 87,60	Rx - Vein	Primary	And - Qz Bco - Cpy - (Hem)	0,03	1	0,27	398,7	258,4	2,842
												2,711

Oxidized Zone Average	**2,280**	Standard Deviation Pop. = 0,151
Primary Zone Average	**2,736**	Standard Deviation Pop. = 0,159

10 Data Verification

Polar Star submitted a total of 357 samples (266 duplicates of pulps, 48 standards and 43 blanks) to ALS and to ACME laboratories in Coquimbo and Santiago, Chile respectively. The following figures summarise the results.

10.1 ALS Laboratory Internal Check

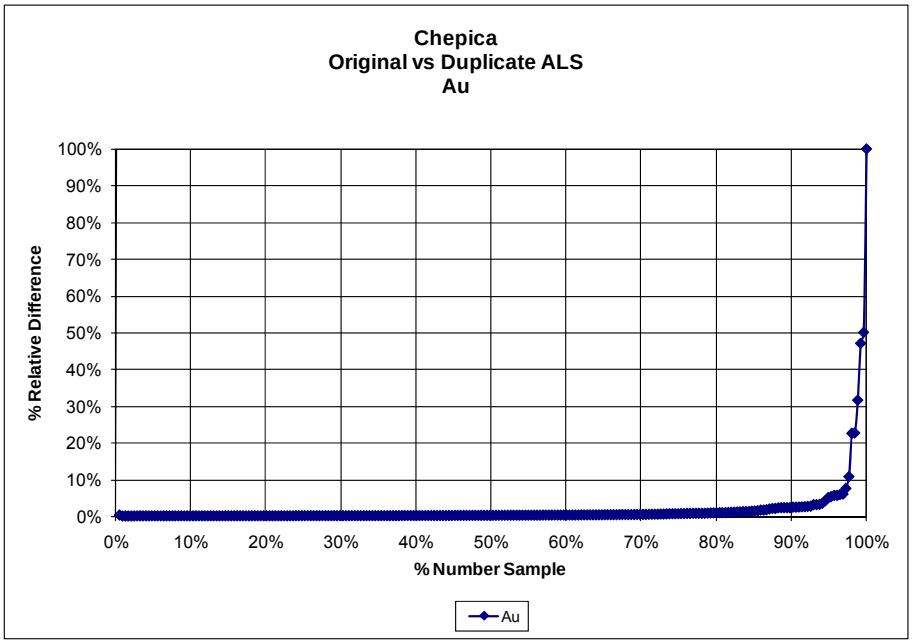


Figure 10-1 ALS Original Gold sample vs. Duplicate

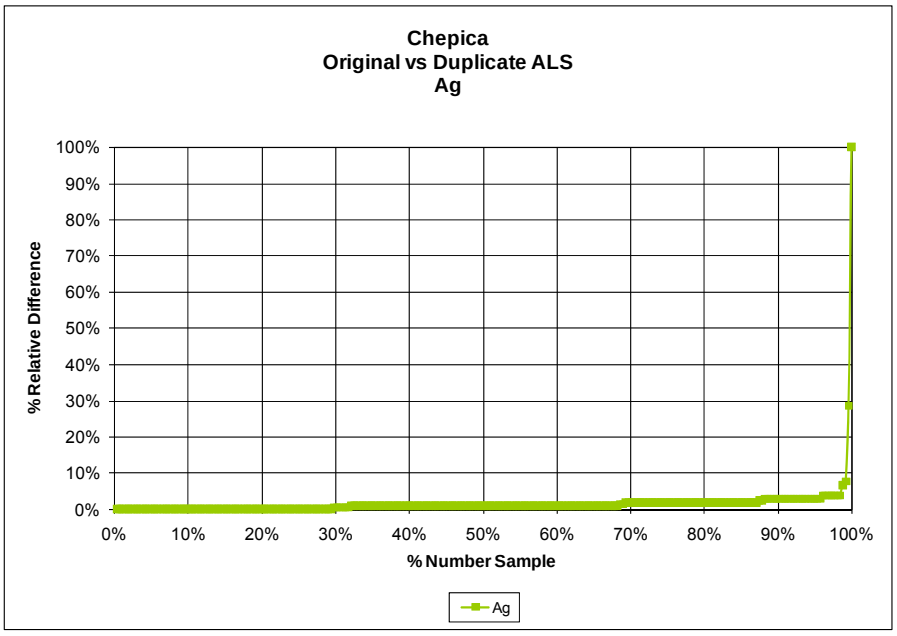


Figure 10-2 ALS Original Silver sample vs. Duplicate

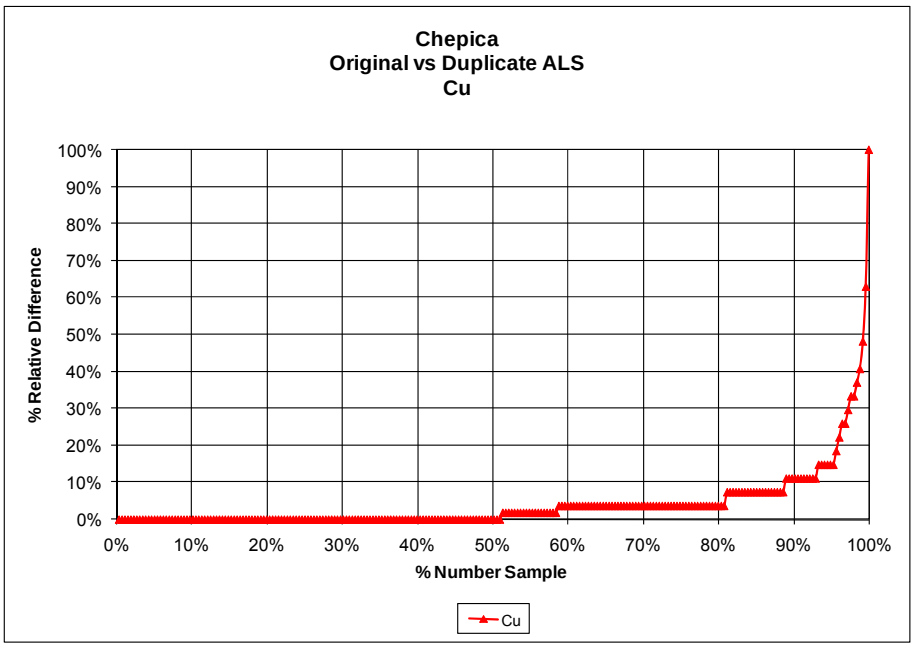


Figure 10-3 ALS Original Copper sample vs. Duplicate

In general the results are good with at least 95% of the sample pairs showing less than 5% relative difference, except for the case of copper, where 90% of the sample pairs have less than 11% relative difference.

10.2 ALS vs. ACME Check

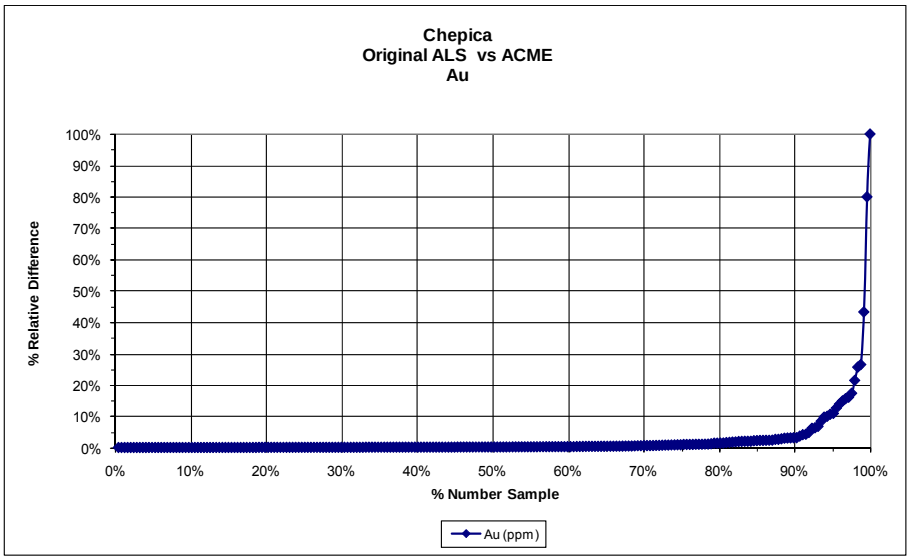


Figure 10-4 ALS vs. ACME Gold samples check

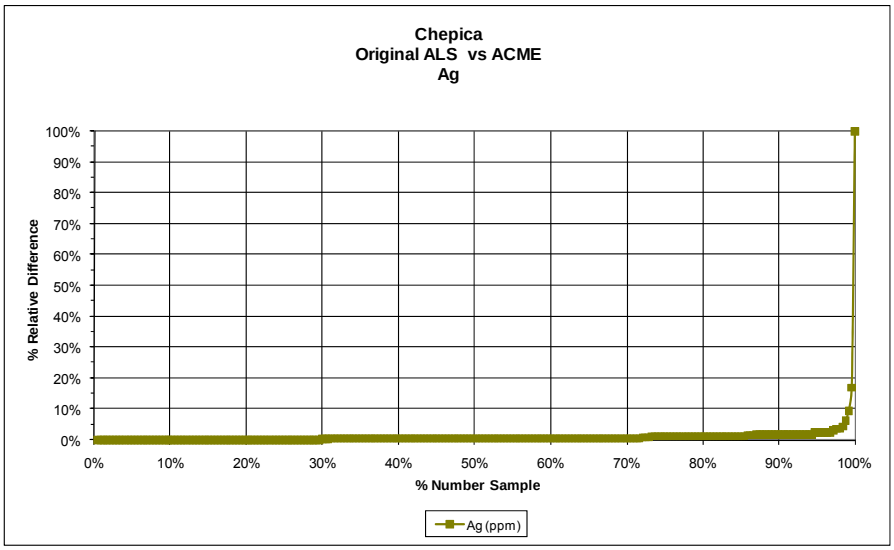


Figure 10-5 ALS vs. ACME Silver samples check

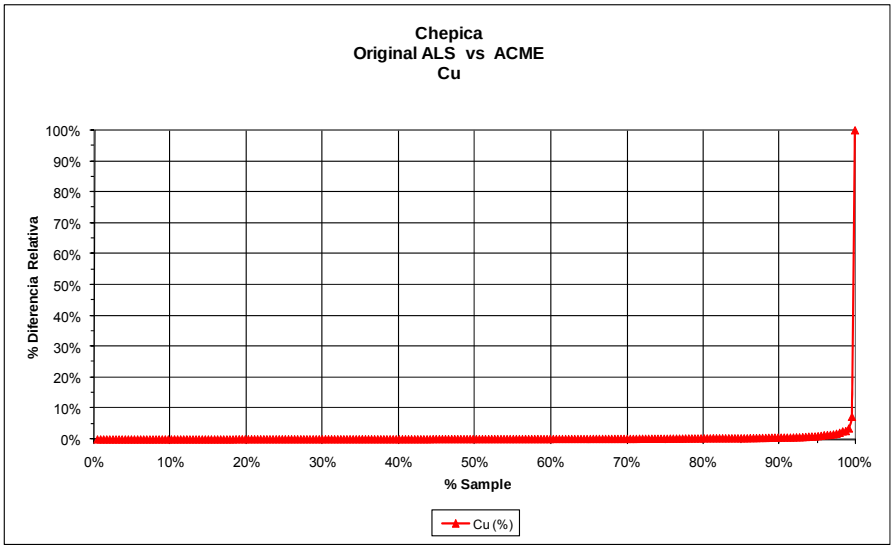


Figure 10-6 ALS vs. ACME copper samples check

The results of this comparison between the two labs gave very good results showing for gold, at least 90% of the sample pairs with less than 5% relative difference. In the cases of silver and copper, the results are better yielding at least 95% of the sample pairs with less than 5% relative difference.

10.3 ALS vs. ACME Blanks

The following figures show the comparisons between ALS and ACME for gold, silver and copper in blank samples of quartz. It should be noted that the detection limit for gold and copper is different for the two laboratories.

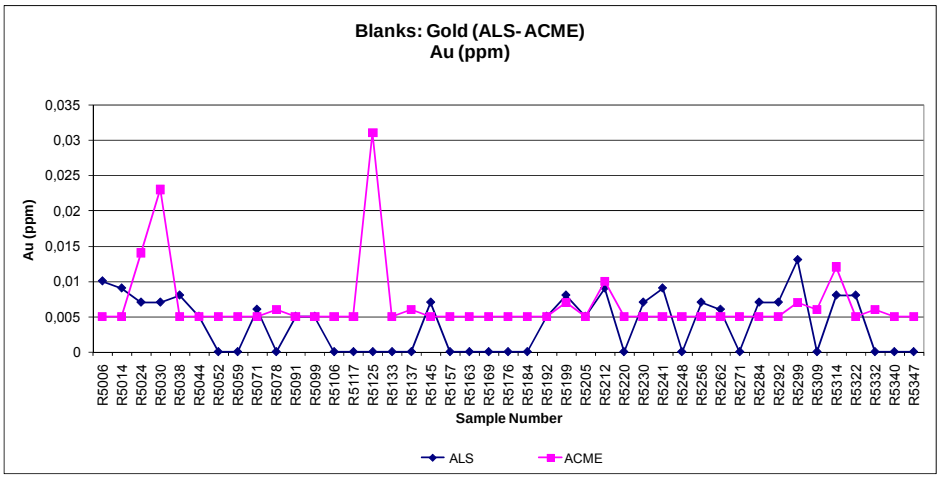


Figure 10-7 ALS vs. ACME Gold in blanks

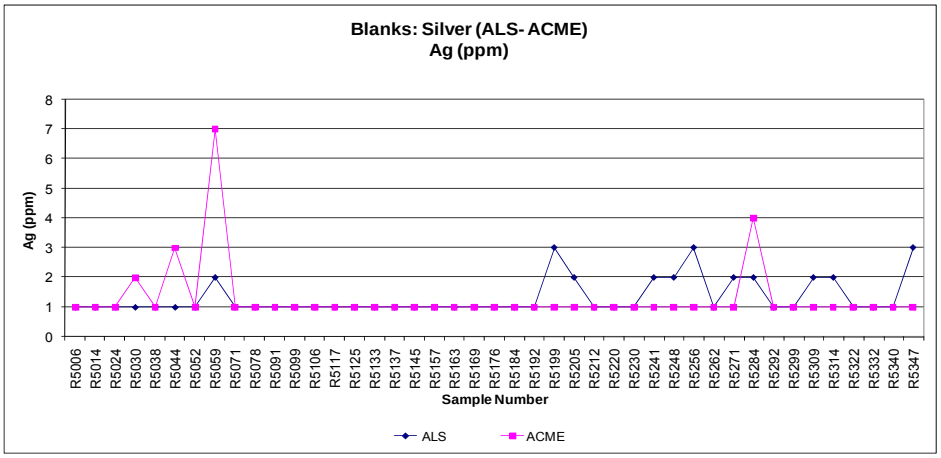


Figure 10-8 ALS vs. ACME Silver in blanks

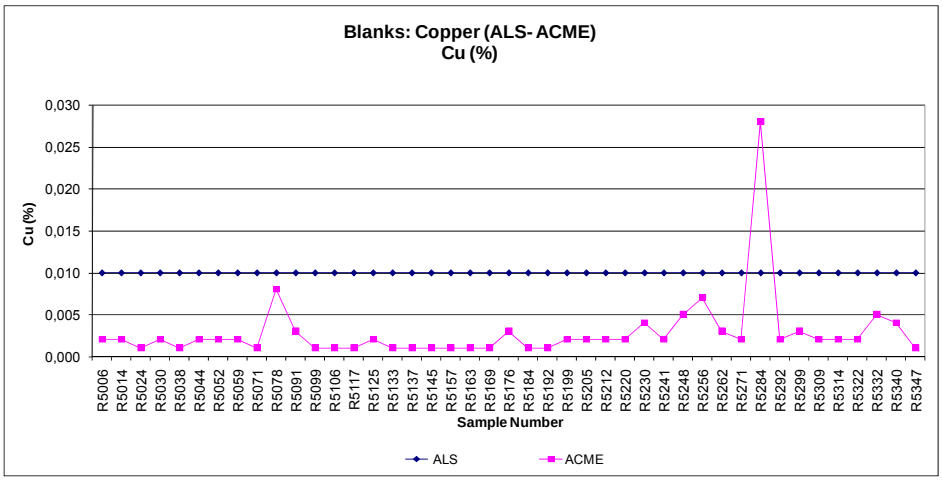


Figure 10-9 ALS vs. ACME Copper in blanks

10.4 Standard - 340

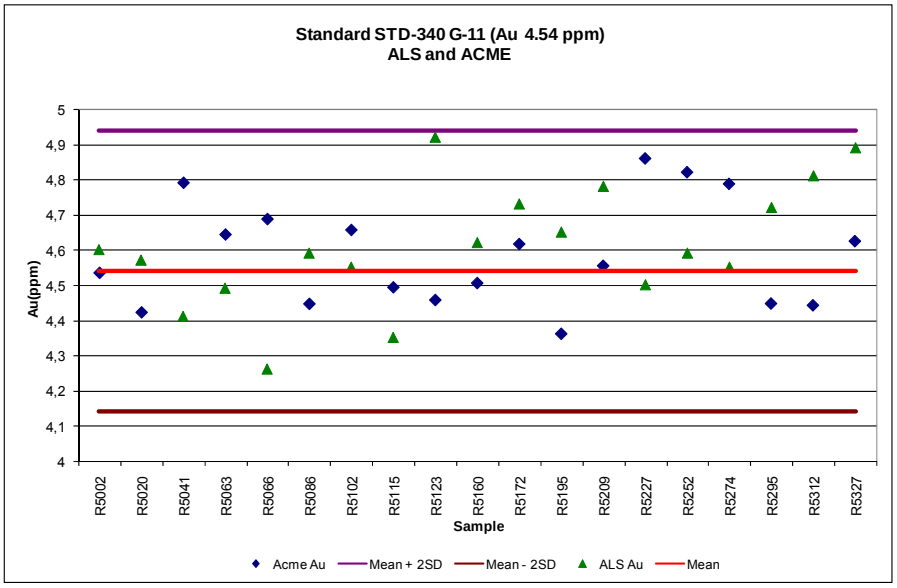


Figure 10-10 ALS and ACME Standard – 340 Gold

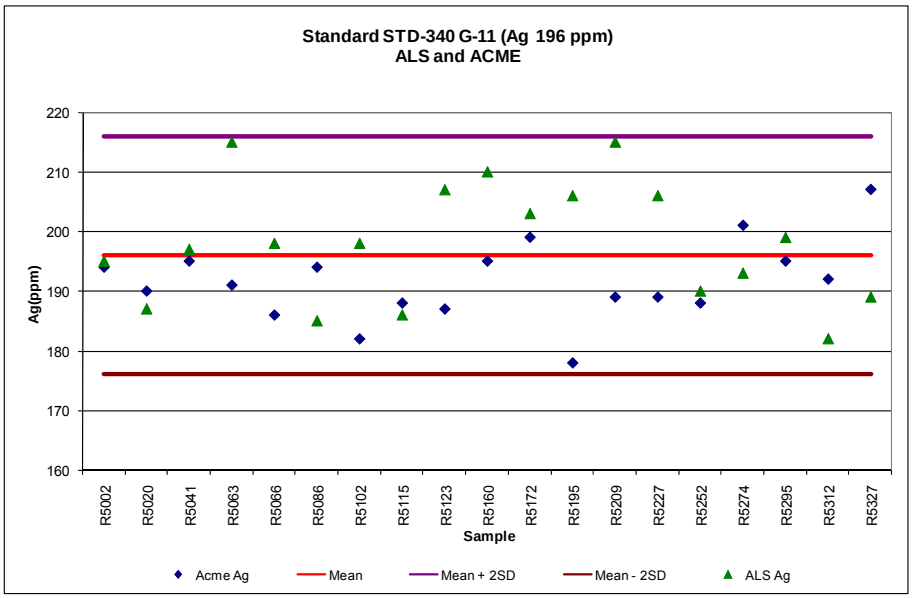


Figure 10-11 ALS and ACME Standard – 340 Silver

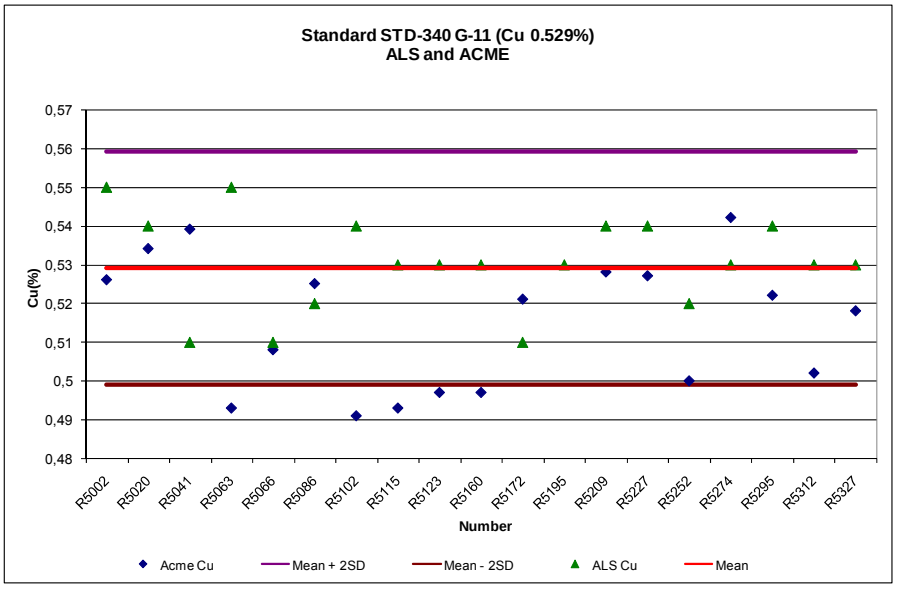


Figure 10-12 ALS and ACME Standard – 340 Copper

The comparison between the two labs for gold and silver with standard-340 is good, with all samples falling within +/- 2 standard deviations of the average value of the standard. In the case of copper, ACME is generally lower than ALS and has 5 samples falling below -2 standard deviations.

10.5 Standard - 342

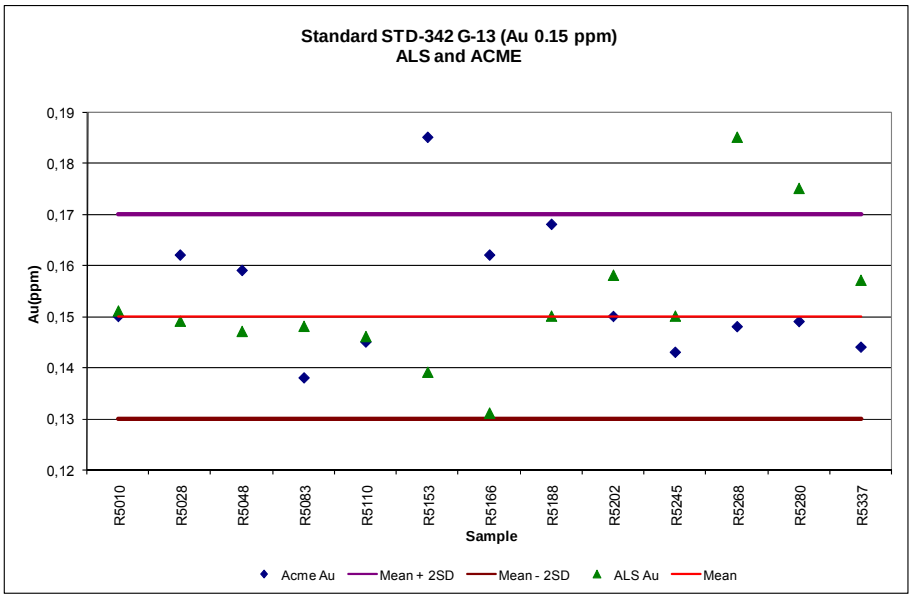


Figure 10-13 ALS and ACME Standard – 342 Gold

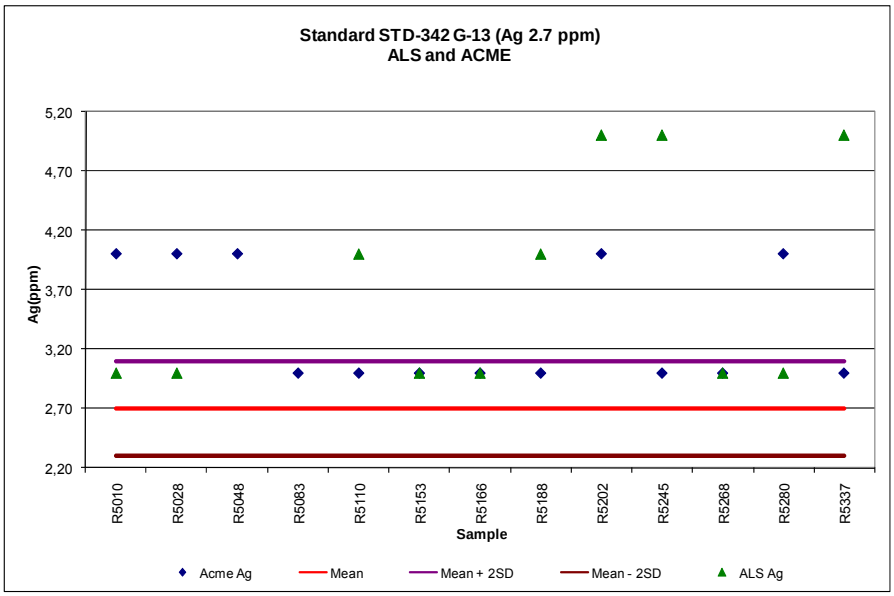


Figure 10-14 ALS and ACME Standard – 342 Silver

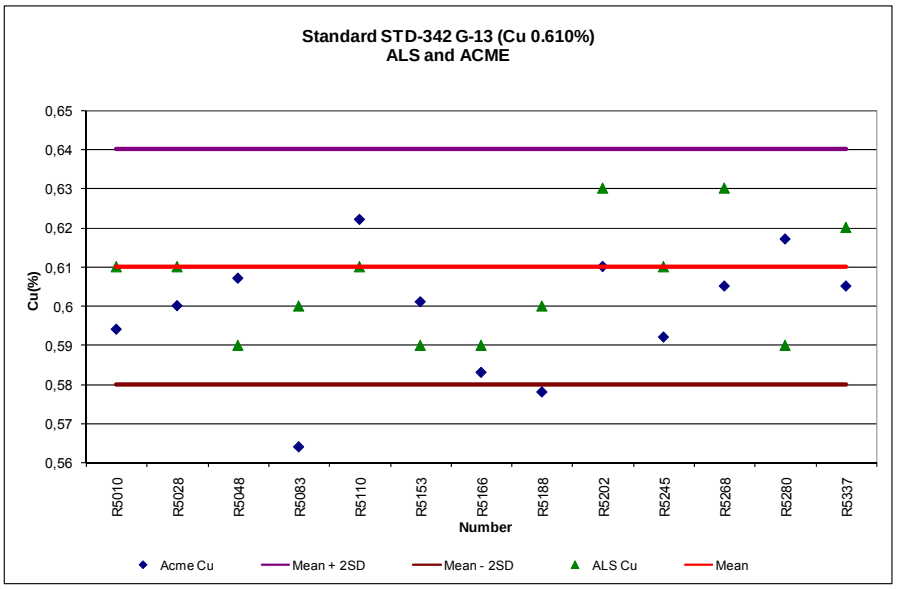


Figure 10-15 ALS and ACME Standard – 342 Copper

In the case of standard-342, gold compares well with all samples falling between +/- 2 standard deviations. Copper has two samples that are lower than -2 standard deviations. Silver is consistently high for both laboratories and indicates either contamination of the standard sample or a problem with the method of analysis used.

10.6 Standard - 343

There appears to be a problem with Standard-343, so the results are not considered here in the analysis.

11 Adjacent Properties

The Santa Elena property (100 ha) located within the Chépica I claim block is held by a third party. These claims are just to the north-west of the Chépica II vein. Negotiations by Minera Polar Star with the owners of these claims are underway. It is important to note that Chepica SLM maintains control of the surface rights in the entire area, including the Santa Elena claim group. Minera Polar owns two groups of properies; Batuco and Corinto totalling 15,200 ha which adjoin the Chepica property to the NE and SW respectively.

12 Mineral Processing and Metallurgy

During October, 2008, SRK made a technical visit to the plant installations at the Chépica Project site with the purpose of reviewing the physical set up of the plant, its design and capacity (120 t/day of sulphide ore) and see if it presents any fatal flaw.

The existing information available at the time of the visit consisted of:

- Profile Level Business Closure Report for the Concentrator Plant
- Equipment inventory spreadsheet
- Environmental Impact Statement

12.1 Profile Level Business Closure Report for the Concentrator Plant

The Closure report presents the following studies on the Project:

- Technical Design
- Project Description
- Estimation of Investment
- Operating Costs

12.1.1 Technical Design

The technical design considers previous studies such as microscopy, milling, flotation and gravitational concentration of two samples representative of oxide mineral principally with gold and a sulphide sample with copper and gold.

SRK considers that the samples used in these tests are sufficient for the current project design and recommends completion of the gravity concentration studies, as well as additional flotation tests on the sulphide ore in order to optimize the gold recovery.

The following performance indicators based on laboratory data were used in the technical design of the equipment inventory.

- Mill energy consumption Work Index	11.5	kwh/ton
- Grind size	150	microns
- Flotation time	25-30	minutes
- Filter rate	70	kg/h/m2

SRK is of the opinion that these base values for the design are adequate and are in accordance with industrial experience in similar operations.

12.1.2 Project Description

The concentrator plant is designed to use a standard process for metal recovery consisting of crushing-milling, flotation, filtration and tailings deposition. For oxide ore, the process is crushing-milling, and Knelson gravitational concentration.

SRK believes that the proposed process for both mineral types is adequate and furthermore recommends that the sulphide ore be processed with the inclusion of a gravitational concentration stage given the high gold content present. This would allow recovery of coarse gold that is normally present in this type of deposit.

The proposed operational equipment availability index indicates 16 hours of operation for the crushing area and 24 hours for the milling and flotation area with 95% utilization, while an 80% utilization is proposed for the filter area.

SRK considers this indices conservative for the crushing and filtration areas, but recommends reducing the milling and flotation circuit utilization to 90% given that the equipment has been rebuilt and would have a higher probability of failure (the plant equipment was purchase new from China in early 2008).

SRK recommends allowing man-hour provision in the engineering and maintenance areas in order to prepare this equipment for optimum usage.

The proposed flow diagram considers a primary crushing, open fine crushing, unit milling, primary flotation or rougher, cleaner flotation in columns, flotation skimming or scavenger, concentrate filtration and tailings transport to the tailings storage facility.

SRK is of the opinion that this process flow is generally adequate for the oxide ore, but recommends that the fine crushing stage be in a closed circuit using a sieve and recirculation belts in order to guarantee that the product delivered to the mill meets the specification of 80% passing 11,000 microns (approximately ½ inch) in order that the milling circuit operates in an efficient manner and that the probability of having oversize material affecting the downstream process be eliminated.

It is recommended that the oxide ore be treated in a separate milling and Knelson gravitational concentration circuit and not with the copper flotation circuit given the relatively low copper content in this ore type.

SRK recommends that the mine delimit very carefully the boundary between the oxide and sulphide ore types in order to not mix them. The oxide ore contains a high red clay content that hinders the flotation process.

12.1.3 Estimation of Investment

The plant investment estimate is approximately US$400,000, based on the equipment list, referential quotes, adjustment factors for used equipment and factors for the associated civil and electric works. The unitary investment cost is 3,500 US$/TPD considering a daily production of 120 TPD.

SRK believes this estimate is low in comparison to even larger capacity plants where there are savings due to scale and that the investment estimate should increase to US$500,000. Furthermore, the following items should be reviewed, that would increase the investment:

- List of minor equipment that could be lacking
- Cost and availability of used equipment from an international dealer
- Factors used to scale the installation of used equipment (should be done with respect to new equipment costs)
- Indirect costs could be greater, for example, the engineering cost of US$8,788 is very low
- Contingencies should be higher

12.1.4 Operating Cost Estimate

Estimated operating costs are approximately:

- 200,000 US$/yr
- 8.0 US$/ton
- 21.5 US$cents/lb Cu

SRK considers that these figures are adequate for the size of operation, but recommends that the prices for energy be made current given the significant fluctuation that these have experienced lately. Furthermore, manpower requirements and shifts for operating the plant should be reviewed in light of the government's legal work-week limit of 45 hours.

12.2 Calculation of Equipment List and Capacities

The sizing of equipment for the following areas was made:

- Crushing
- Milling
- Flotation
- Filtration

12.2.1 Crushing

A 40Hp primary jaw crusher will be used to reduce the ore from a feed size of 320mm to a product of 40mm.

SRK estimates that the product size will be greater given the difficulty of adjusting the setting on this type of equipment. It is most likely that the product fed to the fine crusher will be 3 inch or at least 75mm.

The fine crusher is a 100Hp cone crusher for reducing the ore to 11mm, operating in an open circuit.

SRK believes that in order to obtain this size product, a classifying system consisting of an 11mm sieve in a closed circuit is necessary in order to guarantee the specified product.

12.2.2 Milling

A 100Hp, 5 x 10ft. ball mill will be used to reduce the ore to 150 microns and will operate in a closed circuit with two 20 inch hydrocylones, one operating and the other as a backup.

SRK is of the opinion that the proposed design is in accordance with industry standards and that the energy consumption at laboratory scale is reasonable.

12.2.3 Flotation

A primary flotation circuit in conventional cells will be used, consisting of cleaner flotation in flotation columns and scavenger flotation in conventional cells. A regrind circuit is not contemplated given that the primary crushing is very fine (150 microns). The overall recovery of copper is estimated at 85%, corresponding to 89% primary recovery, 95% scavenger recovery and 65% cleaner recovery.

SRK estimates that the proposed circuit and the estimated recoveries are in general accordance with the metallurgical tests and with a benchmarking of similar operations.

12.2.4 Filtration

The design does not indicate the type of filter that will be used. The proposed filtration rate is 70 kg/h/m2, that is quite conservative.

SRK recommends the installation of a press filter that will allow the product to attain the final specified moisture content of 9%.

12.3 Environmental Impact Statement

Chapter 3 of the EIS document, the project description, presents various installations that are not in accordance with the Closure report.

SRK recommends that the following points be updated in the EIS:

- It states that the fine crushing circuit is open, versus being a closed circuit in the Closure report.
- Four 10 inch hydrocylones are specified for the mill circuit, versus 2, 20 inch hydrocylones in the Closure report.
- Two banks of 4, 24x24 inch cells and one 36x36 inch cell are specified, versus 2 banks of 4, $60ft^3$ cells in the Closure report.
- A drum filter in specified, whereas in the Closure report, the filter type is not specified.

12.4 Field Visit

A review of the existing installations was made during the field visit and the following observations were made.

12.4.1 General Layout

The layout of the equipment allows gravitational flow of the ore from the crushing area through to the tailings deposition area. Figure 12.1, shows the general layout.

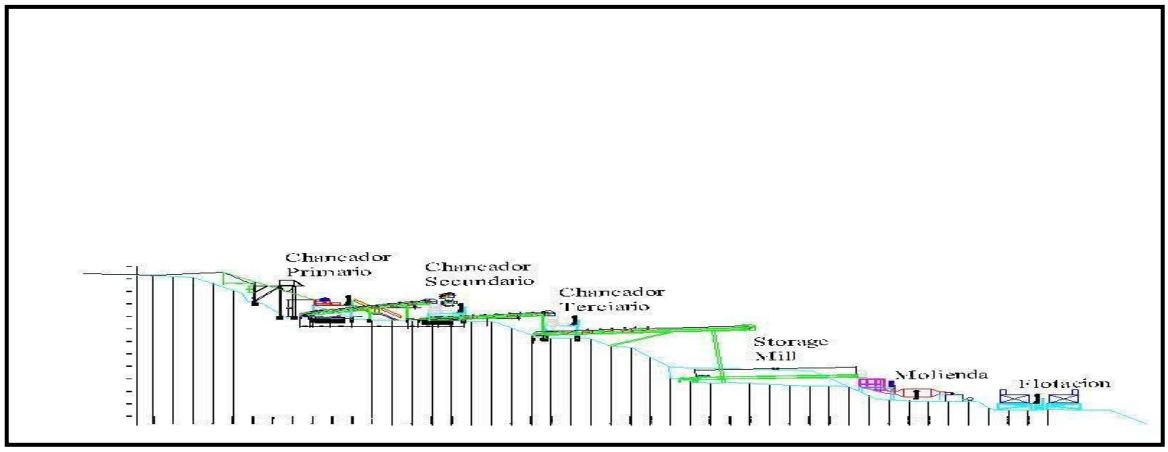


Figure 12-1 Schematic of General Layout of the Chépica Plant

12.4.2 Crushing

The feed dump hopper is being installed in this area as well as the primary crusher, cone crusher and transport belts, as seen in the figures below. It can also be seen that the cone crusher is being installed in an open circuit as there is no sieve or recirculation conveyor belt

Figure 12-2 General View of Plant Construction

Figure 12-3 Crusher Installation

12.5 Milling and Flotation

The ball mill, conditioner tank and flotation cells can be seen being installed in the figure below. All the equipment is made in China by the Zhengzhou Toper Import and Export Trading Company.

Figure 12-4 Crusher Installation

The figure below shows the two banks of flotation cells. In the distance the power lines can be also seen.

Figure 12-5 Banks of Flotation Cells

12.6 Infrastructure (energy, water and offices)

During the field visit, the existence of a water well was noted as well as the possibility of re-circulating water from the tailings pond that has a liner.

Currently, the operation has a 4 kV line and transformers that is serving the mine.

Containers are being used as offices and more permanent offices are being constructed.

12.7 Conclusions and Recommendations

In accordance with the review of existing information as well as observations made during the field visit, the following are the principal conclusions and recommendations:

- The design of the Chépica plant should allow for processing the designed capacity of 120 ton/day of sulphide ore, functioning in a normal manner in order to obtain a copper and gold concentrate. There does not appear to be any fatal flaw.
- The plant design also contemplates processing oxide ore (with reddish clays), but only by milling and using the Knelson concentrator. It is not advisable to mix the ore types.
- Plant investment costs have been estimated at US$400,000, which is considered optimistic and should be increased to US$500,000.

- The operating cost of 8.0 US$/ton is in keeping with the design and size of the plant.
- The information in the Environmental Impact Statement needs to be updated in accordance with that in the Closure Report done by Alquimia, which is based on metallurgical testing allowing for an acceptable plant operation.
- Modifications should be made in order to optimize the performance of the plant, as indicated below:
    - The fine crushing circuit should be closed and use a sieve
    - The sulphide ore, besides using flotation, should also use the Knelson concentrator in order to increase gold recovery
    - A press filter should be installed for drying the concentrate
    - Increased contingency engineering and maintenance man-hours should be considered for adapting the used equipment

13 Mineral Resource Estimation

13.1 Introduction

During August 2008 – March 2009, SRK was commissioned by Polar Star to review the Chépica project database including the 2008 drill and channel sampling data and estimate the copper-gold mineral resource at the Chépica I vein system by constructing a three dimensional geostatistical block model based on a Gemcom geological model and vertical sections provided by Mr. Terence Walker of Polar Star (see Figure 13-1 as an example).

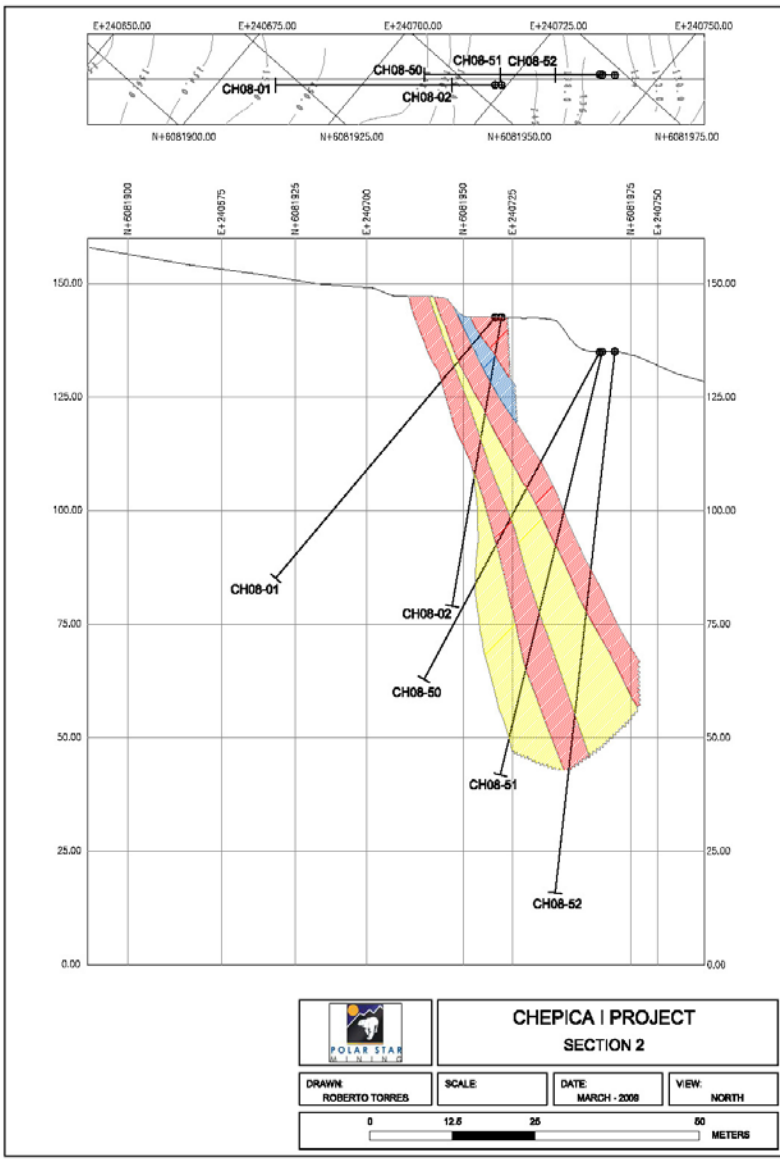


Figure 13-1 Example of Section from the Geologic Model

Mr. Ernesto Jaramillo, a resource specialist and Senior Geologist with SRK (Chile), under the supervision of Mr. George Even, Principal Geologist and QP with SRK (Chile), checked the database used to estimate the mineral resources. Methodologies used to generate the database were also reviewed and found to be appropriate.

Validation checks completed by Ernesto Jaramillo indicate that the block model resource model and resource classification reported herein are a reasonable representation, based on known information to date, of total copper and gold mineralisation found at Chépica.

Gemcom Modeling Software Version 6.2 was used to evaluate the database, construct solids, generate statistics and estimate mineral resources.

13.2 Database Validation

Before proceeding with estimating the mineral resources for this project, the database was randomly checked against scanned copies of the geological drill logs for data entry errors.

Based on data provided by Polar Star and personal inspection of several holes by SRK during the site visits, core recovery for the cored holes dataset was estimated to be above ninety-five percent. SRK is of the opinion that core recovery at Chépica does not introduce a sampling bias.

13.3 Cut-Off Grade Calculation

A preliminary estimated cut-off grade was calculated for the Chépica Project to be applied to the mineral resources stated in this report. Technical and economic parameters were estimated and used to calculate the total cut-off grade that equals the total of production costs through to the final products, including the mining cost and processing costs for each tonne of ore mined and processed. In addition, the marginal cut-off grade was estimated that excludes the mine costs. This is used to determine the economic portion of the material already mined and stockpiled outside the mine where only the process costs are applied to arrive at a final product.

The mining cost was estimated by scaling costs of similar operations SRK has in their benchmarking database. The processing cost was obtained from the process plant at the Chépica mine, which was reviewed by SRK.

The cut-off grade was calculated for gold considering a commercial concentrate product for direct sale to Codelco's Ventanas smelter located approximately 100km northwest of Santiago, as this is where the concentrates are to be sent according to Polar Star personnel. The economic value of the gold concentrate was estimated using as a reference, standard refinery prices and charges of other recent projects. This cost was confirmed using current rates obtained from the Enami Panulcillo plant (in Ovalle) considering material for direct smelting.

In addition the cut-off grade for copper was calculated without including any credit for gold content, using the same criteria mentioned above, using standard refinery prices and charges of other recent copper projects.

The following tables show the cut-off grade calculations for the two cases:

1. Gold cut-off using the Enami Panulcillo rates
2. Copper cut-off grade

Table 13-1 Gold Cut-Off Grade

Parameters			
Gold price	US$/oz	800	
Au Concentrate Grade	g/t	40	
Au Metallurgical Recovery	(%)	70%	
Mining cost	(US$/t)	12	Estimation for 500-1,500tpd
Processing Plan Cost	(US$/t)	8	From Chepica's Plant Project
Hoverhead	US$/t	1	
Rehandling	US$/t	1	
Concentrate Transport	US$/t conc	40	Estimation for Talca-Ventanas (400km aprox)
Concentrate treatment charge TC	US$/t	75	
Gold refining charge RC	US$/oz	6	
Deductions for Gold	g/t Au	0.5	
Humidity in Au concentrate	%	10%	

Cut-Off Total		
Producción base	tpd	120
Cut off Au	g/t	1.3
Concentrate production	t conc	2.8
Au produced	gr	113.3
Au payable	gr	111.9
Value of Au in concentrate	US$/t	1016.0
Treatment Charge	US$/t	82.6
Total Net Cu Concentrate Value	US$/t	933.3
Expenses		
Mining	US$	1,440
Processing plant	US$	960
Transport	US$	125
Overhead	US$	120
Total expenses	US$	2,645
Incomes	US$	2,645
Profit	US$	0

Cut-Off Marginal		
Producción base	tpd	120
Cut off Au	g/t	0.6
Concentrate production	t conc	1.3
Au produced	gr	54.0
Au payable	gr	53.3
Value of Au in concentrate	US$/t	1016.0
Treatment Charge	US$/t	82.6
Total Net Cu Concentrate Value	US$/t	933.3
Expenses		
Mining	US$	120
Processing plant	US$	960
Transport	US$	59
Overhead	US$	120
Total expenses	US$	1,259
Incomes	US$	1,259
Profit	US$	0

Total cut-off grade: 1.3g/t Au
Marginal ore cut-off grade: 0.6g/t Au

Table 13-2 Copper Cut-Off Grade (Without Gold Credit)

Parameters			
Cu Price	(US$/lb)	1.5	
Cu Concentrate Grade	%	26%	
Cu Metallurgical Recovery	(%)	80%	
Mining cost	(US$/t)	12	Estimation for 500-1,500tpd
Processing Plan Cost	(US$/t)	8	From Chepica's Plant Project
Hoverhead	US$/t	1	
Rehandling	US$/t	1	
Deductions for copper	%	3.45%	
Concentrate Transport	US$/t conc	40	Estimation for Talca-Ventanas (400km aprox)
Sales & freight cost to MJP	US$/t conc	70	
Copper treatment charge TC	US$/t	75	
Copper refining charge RC	cUS/lb	7.5	
Humidity in Cu concentrate	%	10%	

Cut-Off Total		
Producción base	tpd	120
Cut off Cu	%	1.15%
Concentrate production	t conc	4.3
Cu Produced	tCu	1.1
Cu Payable	tCu	1.1
Value of Cu in concentrate	US$/t	830.1
Total Shipping and Treatment Charge	US$/t	193.5
Total Net Cu Concentrate Value	US$/t	636.6
Expenses		
Mining	US$	1,440
Processing plant	US$	960
Transport	US$	187
Overhead	US$	120
Total expenses	US$	2,707
Incomes	US$	2,707
Profit	US$	0

Cut-Off Marginal		
Producción base	tpd	120
Cut off Fe	%	0.55%
Concentrate production	t conc	2.0
Cu Produced	tCu	0.5
Cu Payable	tCu	0.5
Value of Cu in concentrate	US$/t	830.1
Total Shipping and Treatment Charge	US$/t	193.5
Total Net Cu Concentrate Value	US$/t	636.6
Expenses		
Mining	US$	120
Processing plant	US$	960
Transport	US$	89
Overhead	US$	120
Total expenses	US$	1,289
Incomes	US$	1,289
Profit	US$	0

Total cut-off grade: 1.15%Cu
Marginal ore cut-off grade: 0.55%Cu

13.4 Resource Estimation

13.4.1 Database

The Polar Star Chépica I database comprises surface exploration boreholes (core) drilled during 2008 as well as trench and underground channel samples.

Of the 66 drill holes, only 50 were used to construct the geologic model and estimate the mineral resource, these correspond to 5,299 meters of diamond core drilling which are reflected in Table 13.3. Nineteen underground channel samples and 2 trench samples in the area of the Chépica I vein total 92.5 metres which are shown in Table 13.4.

Table 13-3 Drill holes from the Chépica I Prospect

HOLE-ID	LOCATION X	LOCATION Y	LOCATION Z	LENGTH (m)
CH08-01	240722.88	6081953.85	142.55	76.15
CH08-02	240723.94	6081954.78	142.54	64.55
CH08-03	240723.04	6081954.27	142.37	59.45
CH08-04	240724.45	6081954.06	142.46	73.50
CH08-05	240757.48	6081950.25	132.98	79.80
CH08-06	240758.46	6081950.76	133.00	80.95
CH08-07	240758.73	6081950.86	132.95	100.10
CH08-08	240791.38	6081854.88	124.29	71.50
CH08-09	240785.82	6081902.84	126.39	63.60
CH08-10	240786.69	6081903.20	126.41	85.00
CH08-11	240791.38	6081854.88	124.29	90.00
CH08-12	240757.33	6081951.02	133.20	69.70
CH08-13	240787.78	6081903.85	126.43	99.45
CH08-14	240785.44	6081903.45	127.16	73.15
CH08-15	240758.26	6081951.90	134.08	106.40
CH08-16	240786.27	6081903.82	127.16	35.40
CH08-16A	240787.19	6081902.84	127.16	89.40
CH08-17	240758.64	6081951.70	134.00	127.10
CH08-18	240787.51	6081902.91	127.33	121.00
CH08-19	240758.96	6081951.90	133.93	157.40
CH08-20	240789.00	6081903.12	127.33	150.00
CH08-21	240737.88	6081840.75	135.25	76.40
CH08-22	240733.28	6081863.53	137.93	90.00
CH08-23	240732.65	6081863.51	138.13	143.30
CH08-24	240737.94	6081820.56	131.71	120.70
CH08-25	240737.15	6081840.72	135.47	147.30
CH08-26	240736.85	6081820.09	131.69	169.00
CH08-27	240736.59	6081840.82	135.51	181.20
CH08-28	240735.41	6081819.81	131.82	188.70
CH08-29	240737.88	6081840.75	135.26	125.00
CH08-32	240744.85	6081774.35	123.87	116.30
CH08-35	240744.43	6081775.21	123.87	207.70
CH08-38	240750.22	6081731.26	116.58	84.30
CH08-41	240749.44	6081731.30	117.14	102.90
CH08-50	240739.32	6081971.15	134.88	82.40
CH08-51	240739.83	6081971.50	134.95	96.00
CH08-52	240742.04	6081973.31	135.03	120.00
CH08-53	240743.82	6081974.56	134.82	142.10
CH08-54	240716.84	6081982.88	136.07	76.80
CH08-55	240719.31	6081985.72	136.06	75.90
CH08-56	240719.65	6081986.28	136.00	112.20
CH08-57	240718.40	6081985.58	136.17	69.60
CH08-58	240719.73	6081986.06	135.98	75.70
CH08-59	240720.13	6081986.36	136.07	11.70
CH08-60	240839.17	6081743.90	99.55	102.20
CH08-61	240838.20	6081745.00	99.60	117.40
CH08-62	240839.28	6081744.53	99.48	150.00
CH08-63	240828.73	6081826.59	114.11	130.10
CH08-64	240828.46	6081827.19	114.11	160.00
CH08-65	240847.31	6081879.29	111.04	150.80

Table 13-4 Trench and Channel samples for Chépica I

CHANNEL	LOCATION X	LOCATION Y	LOCATION Z	LENGTH (m)
MTCH1-1	240769.00	6081860.00	125.80	17.10
MTCH1-10	240719.00	6081946.00	125.30	2.60
MTCH1-11	240753.50	6081885.20	125.00	3.60
MTCH1-12	240753.00	6081898.00	125.00	2.90
MTCH1-13	240745.60	6081908.80	125.00	7.30
MTCH1-14	240740.50	6081919.00	125.00	3.60
MTCH1-15	240734.50	6081929.30	125.00	3.20
MTCH1-16	240727.70	6081937.80	125.00	3.10
MTCH1-17	240721.40	6081943.40	125.00	2.80
MTCH1-2	240754.00	6081869.00	125.40	4.20
MTCH1-3	240754.00	6081880.00	125.40	4.00
MTCH1-4	240753.00	6081894.00	124.40	5.20
MTCH1-5	240749.00	6081905.00	124.40	5.60
MTCH1-6	240743.00	6081913.00	124.40	3.30
MTCH1-7	240737.00	6081925.00	125.20	2.60
MTCH1-8	240731.00	6081934.00	124.90	2.90
MTCH1-9	240724.00	6081941.00	125.30	3.30
TRCH-1	240764.00	6081879.00	130.00	7.20
TRCH-2	240695.00	6081974.00	138.00	8.00

13.4.2 Solid Body Modelling

The geological interpretation for the Chépica I vein was provided by Polar Star. The modelling approach was guided by Polar Star geologists' current understanding of the shape of the mineralized zones drawn from surface and underground mapping and sampling as well as interpretation of the drill logs. This interpretation was discussed by SRK together with Polar Star geologists in order to assure a common understanding for the construction of the body solids.

The body solids model includes 5 horizontal sections, with a 25-meter spacing. The geological interpretation comprises a vein zone, breccias zone and a fault.

The figure below illustrates the veins, breccias and fault interpreted in the geologic model. Green = vein; Pink = Breccias; and Orange = Fault.

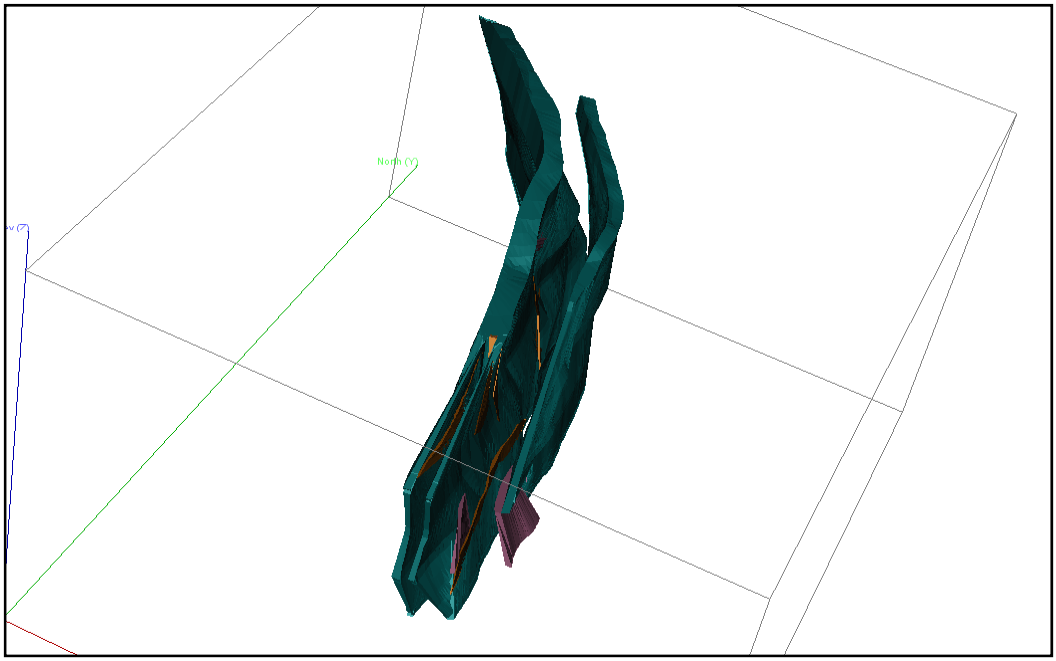


Figure 13-2 Vein, breccias and fault Interpreted for the Geologic Model

The horizontal sections correspond to those indicated in Table 13.5.

Table 13-5 Vertical Sections of the Mineral Zones Model

Horizontal Section
125 Z
100 Z
75 Z
50 Z
25 Z

The borehole sample data were incorporated into a database with the corresponding codification of the parameters of mineral zones in segments of variable length and the gold, silver and copper assay results. These have a variable sampling between 0.3 to 3.8 meters. But the most common sample length is 1 meter.

13.4.3 Continuity of Mineralization

Judging from outcrops visited during the site visits, surface sampling performed by Polar Star and interpretation of the drilling results, the Chépica I vein appears to be fairly continuous between drill holes and sections.

This is illustrated in Figure 13.1, above, where the 3D vein and breccia model is displayed.

13.4.4 Specific Gravity Database

Polar Star performed specific gravity measurements on samples from 42 HQ diameter core samples selected from 27 boreholes. Specific gravity was determined using a volumetric method (water displacement) by Polar Star personnel. Nine oxide zone samples were selected and 33 sulphide samples were selected.

The average specific gravity value for the oxidized zone is 2.280 g/cc^3 and the average specific gravity value for the primary sulphide zone is 2.736 g/cc^3. Details of the measurements can be seen in Section 9.3.1 of this report

SRK considers the current specific gravity database sufficient to provide a reliable assessment of the variability of specific gravity across the deposit and across various rock types considering that this is an early stage exploration property.

13.4.5 Assay Sample Statistical Analysis

The borehole sample data were incorporated into a database and the gold, silver and copper assay results. In general, these have a regular sampling every 1 meter. No compositing along the drill holes was done.

Vein Samples

The locations of the assay samples corresponding to the Vein geological unit defined for the deposit can be found between the following coordinates.

Table 13-6 Deposit Coordinates (Vein)

	Minimum	Maximum
North	6,081,730	6,082,000
East	240,650	240,800
Elevation (masl)	20	150

The following figures correspond to projections in both a horizontal and vertical plane for the distribution of samples in the vein body, for gold, silver and copper.

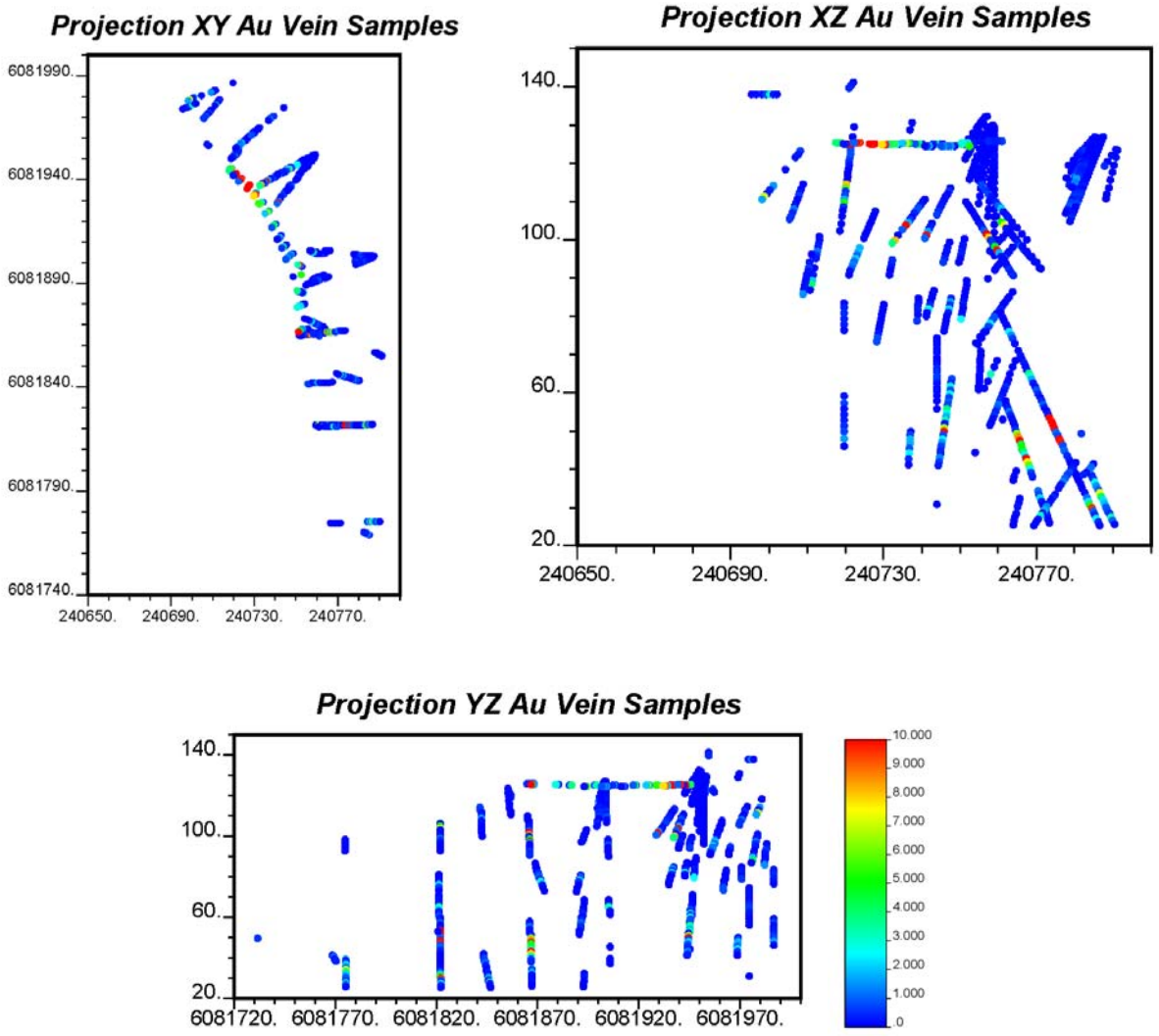


Figure 13-3 Assay Sample Location

As can be observed, the samples are not regularly spaced. The mean separation between vertical sections is 20 to 25 meters, approximately, while in the plane of the vertical sections the spacing is less, but more variable. In general, the sample data display separations with a range between 20 to 50 meters

Gold

The data population of the vein units is 804, which presents a gold ppm mean of 1.151 ppm, a standard deviation of 3.305 and a coefficient of variation of 2.872. The minimum and maximum values are 0.01 ppm and 47.0 ppm, respectively. The following figure shows the histogram of samples of this unit.

The assay samples present a log-normal distribution (Figure 13.3). The coefficient of variation of 2.872 is high due to the presence of high values (outliers) in the gold grade included in this unit.

Figure 13.4 shows the probability graph of the samples of the gold samples in vein unit. The presence of two populations can be observed: low and medium-high grade. This is a reflection of the a non-homogeneous distribution of gold inside the vein.

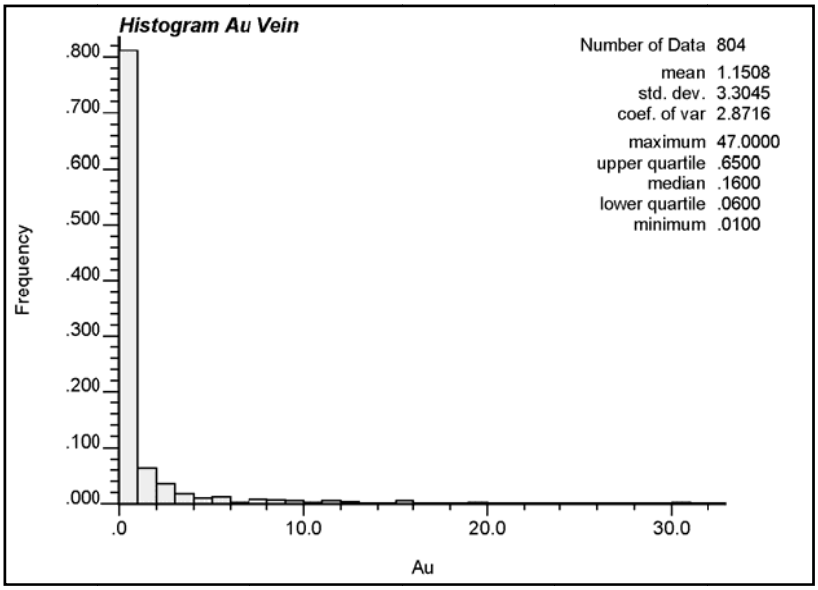


Figure 13-4 Histogram of the Gold assay samples

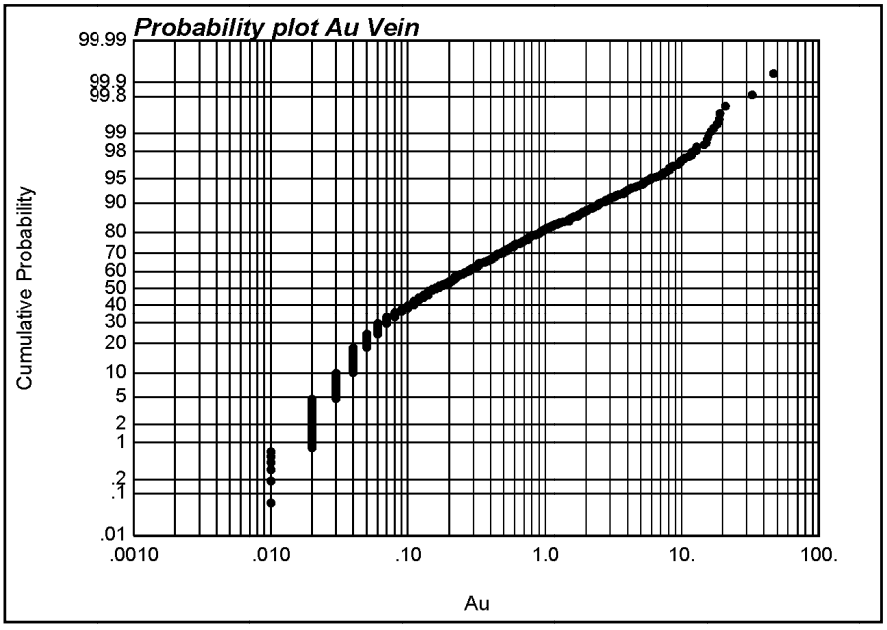


Figure 13-5 Probability plot of the Gold samples

Silver

The data population of the vein units is 804, which presents a gold ppm mean of 10.779 ppm, a standard deviation of 92.533 and a coefficient of variation of 8.582. The minimum and maximum values are 0.5 ppm and 2080.0 ppm, respectively. The following figure shows the histogram of samples of this unit.

The assay samples present a log-normal distribution (Figure 13.5). The coefficient of variation of 8.584 is high due to the presence of high values (outliers) in the silver grade included in this unit.

Figure 13.6 shows the probability graph of the samples of the silver samples in vein unit. The presence of two populations can be observed: low and medium-high grade. This is a reflection of the a non-homogeneous distribution of silver inside the vein.

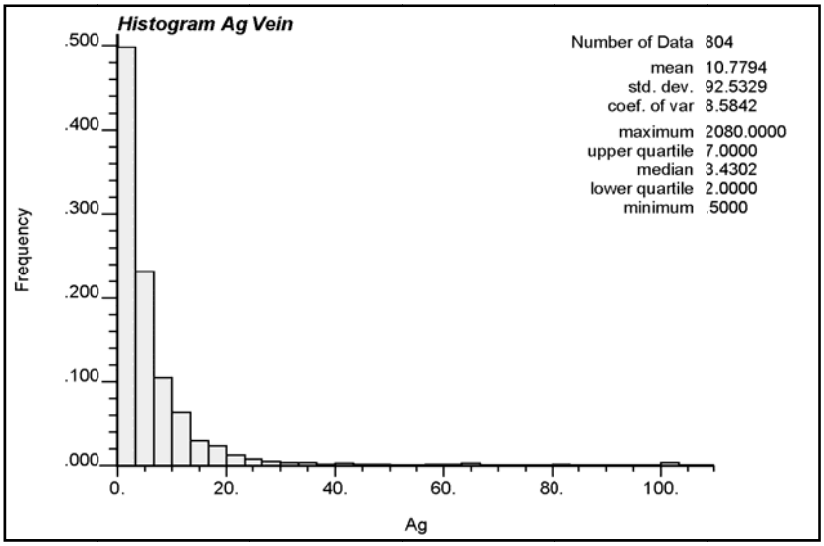


Figure 13-6 Histogram of the Silver assay samples

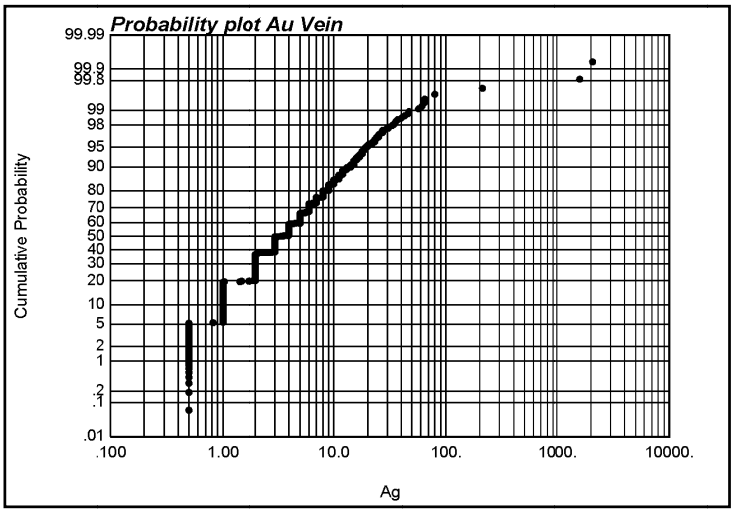


Figure 13-7 Probability plot of the Silver samples

Copper

The data population of the vein units is 736, which presents a copper mean of 0.339 %, a standard deviation of 0.655 and a coefficient of variation of 1.904. The minimum and maximum values are 0.01 % and 6.80 %, respectively. The following figure shows the histogram of samples of this unit.

The assay samples present a log-normal distribution (Figure 13.7). The coefficient of variation of 1.904 is high due to the presence of high values (outliers) in the copper grade included in this unit.

Figure 13.8 shows the probability graph of the samples of the copper samples in vein unit. The presence of two populations can be observed: low and medium-high grade. This is a reflection of the a non-homogeneous distribution of silver inside the vein.

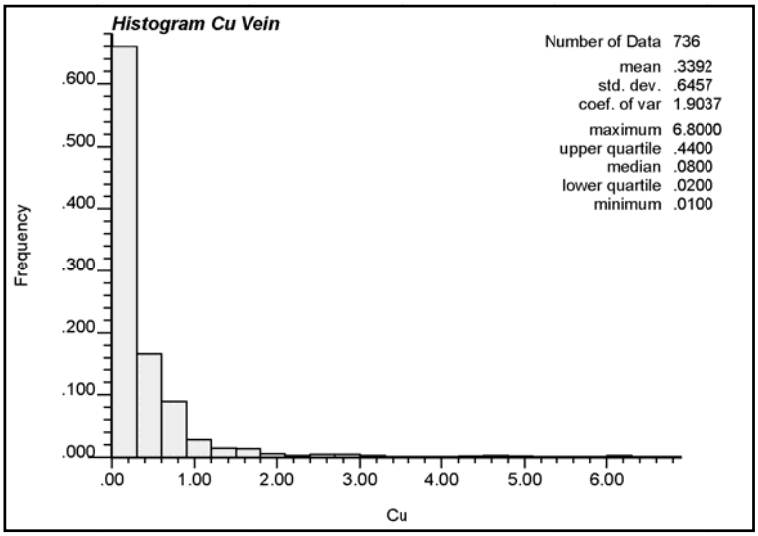


Figure 13-8 Histogram of the Copper assay samples

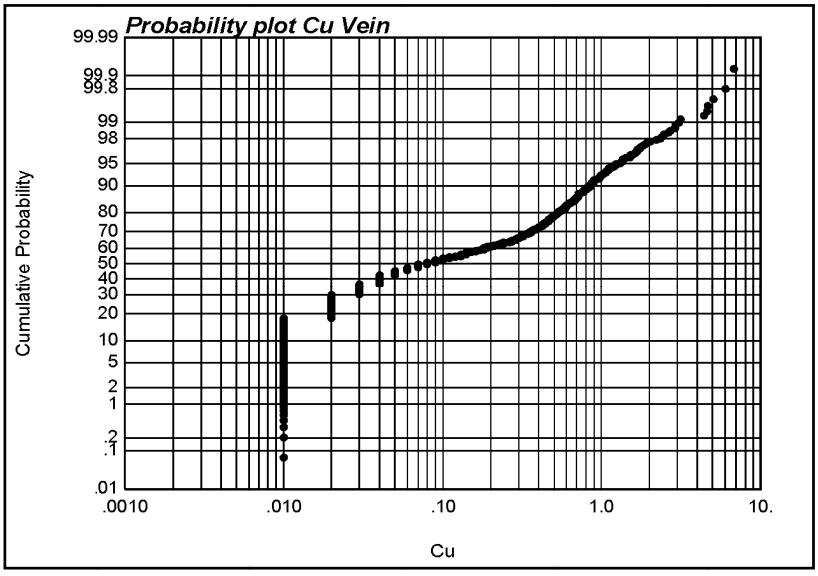


Figure 13-9 Probability plot of the Copper samples

Breccia samples

The locations of the samples corresponding to the breccia geological unit defined for the deposit can be found between the following coordinates.

Table 13-7 Deposit Coordinates (Breccia)

	Minimum	Maximum
North	6,081,730	6,082,000
East	240,650	240,800
Elevation (masl)	20	150

The following figures correspond to projections in both a horizontal and vertical plane, in the breccia ore zone.

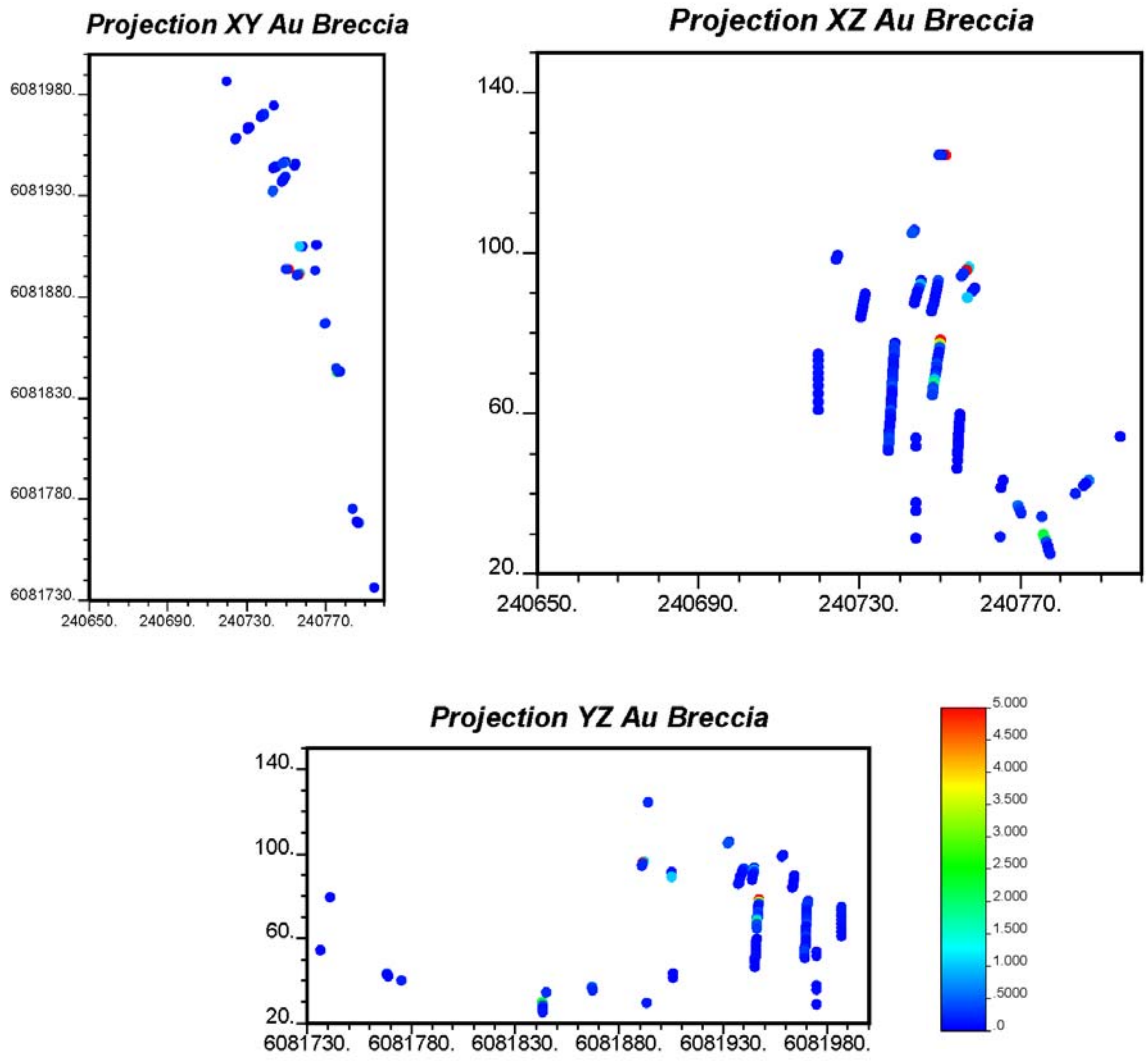


Figure 13-10 Breccia Sample Locations

As can be observed, the samples are not regularly spaced. The mean separation between vertical sections is 50 to 100 meters but in the plane of the vertical sections, the spacing is less, but more variable. In general, the sample data display separations with a range between 25 to 100 meters.

Gold

The data population of the gold breccia unit is 126, which has a mean gold grade of 0.553 ppm, standard deviation of 2.46 and a coefficient of variation of 4.45. The minimum and maximum values are 0.01 ppm and 25.5 ppm, respectively. The following figure shows the samples histogram of this unit.

The samples present a log-normal distribution (Figure 13.10). The coefficient of variation of 4.45 is high due to the presence of high values (outliers) in the gold grade included in this unit.

Figure 13.11 shows the probability graph of the samples of the Gold Breccia unit. The presence of three populations can be observed: low, medium and high grade. This is a reflection of the variability of the gold content inside of the breccias body and the distribution of the grade values is not homogeneous.

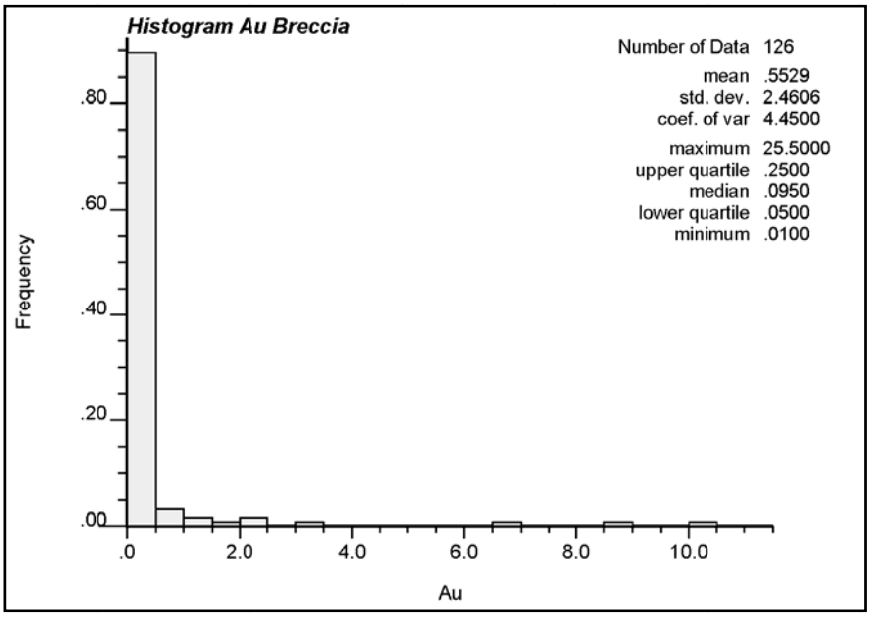


Figure 13-11 Histogram of the Gold Breccia samples

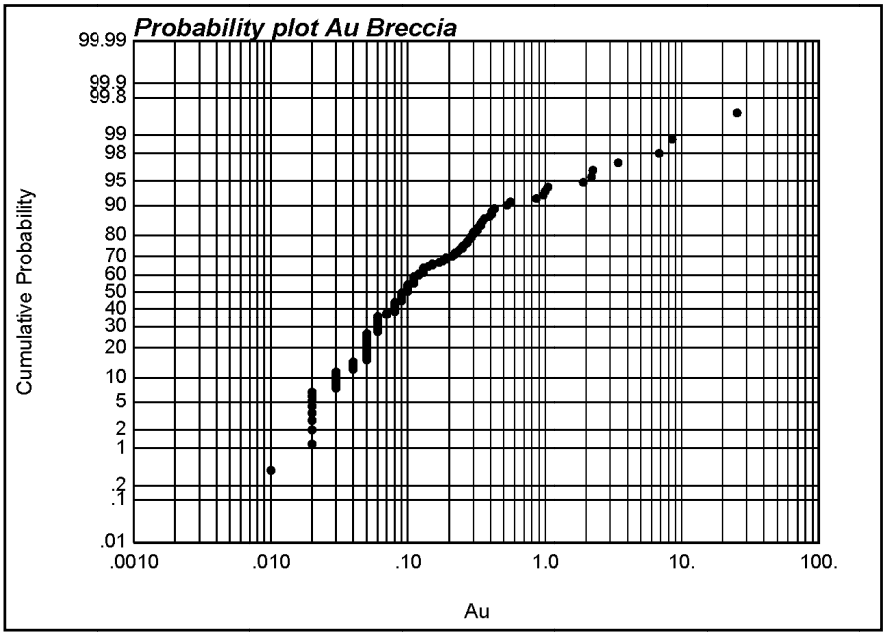


Figure 13-12 Probability plot of the Gold Breccia samples

Silver

The data population of the silver breccia unit is 126, which has a mean silver grade of 4.313 ppm, standard deviation of 6.32 and a coefficient of variation of 1.46. The minimum and maximum values are 0.5 ppm and 56 ppm, respectively. The following figure shows the samples histogram of this unit.

The samples present a log-normal distribution (Figure 13.12). The coefficient of variation of 1.46 is high due to the presence of high values (outliers) in the silver grade included in this unit.

Figure 13.13 shows the probability graph of the samples of the Breccia unit. The presence of three populations can be observed: low, medium and high grade. This is a reflection of the variability of the silver content inside of the breccias body and the distribution of the grade values is not homogeneous.

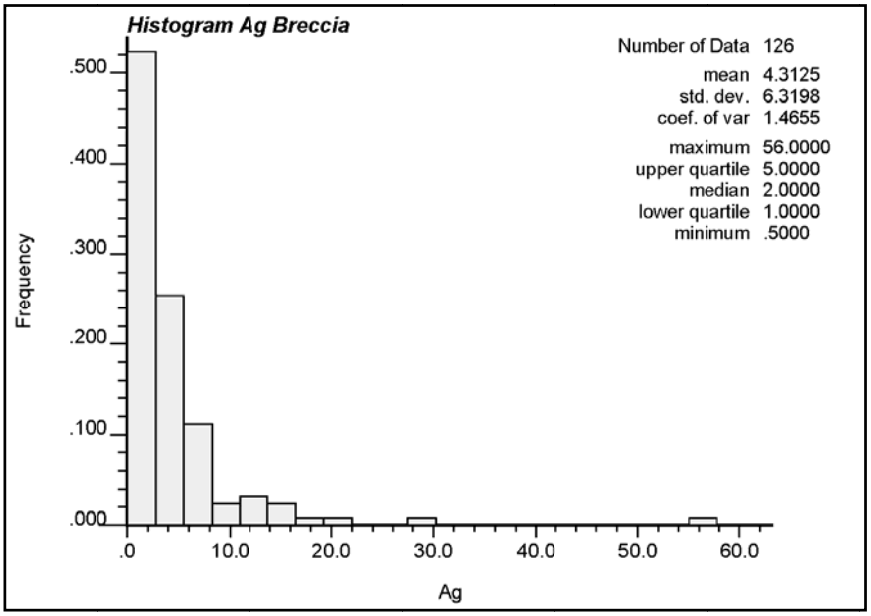


Figure 13-13 Histogram of the Silver Breccia samples

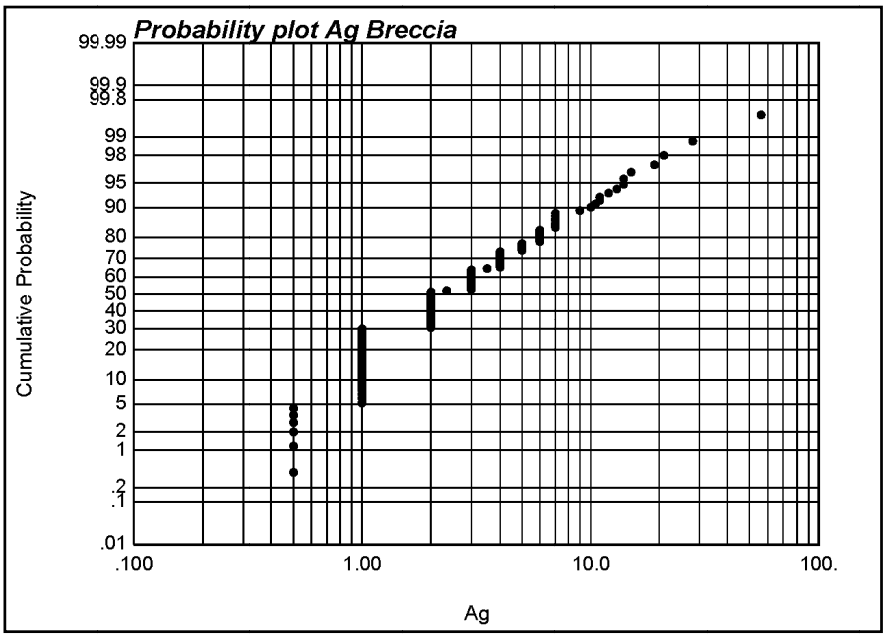


Figure 13-14 Probability plot of the Silver Breccia samples

Copper

The data population of the copper breccia unit is 93, which has a mean silver grade of 0.267%, standard deviation of 0.597 and a coefficient of variation of 2.239. The minimum and maximum values are 0.01% and 4.72% respectively. The following figure shows the samples histogram of this unit.

The samples present a log-normal distribution (Figure 13.14). The coefficient of variation of 2.239 is high due to the presence of high values (outliers) in the copper grade included in this unit.

Figure 13.15 shows the probability graph of the samples of the Breccia unit. The presence of two populations can be observed. This is a reflection of the variability of the copper content inside of the breccias body and the distribution of the grade values is not homogeneous.

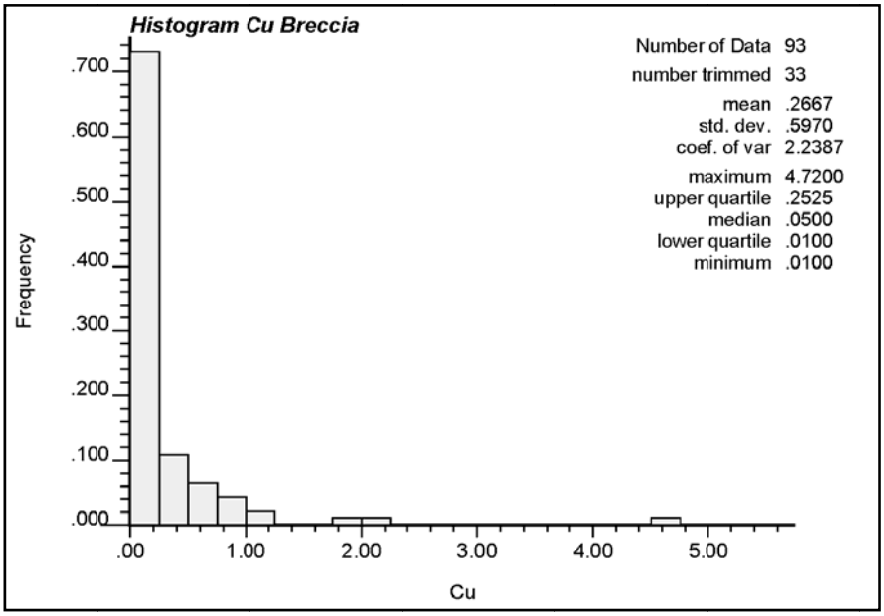


Figure 13-15 Histogram of the Copper Breccia samples

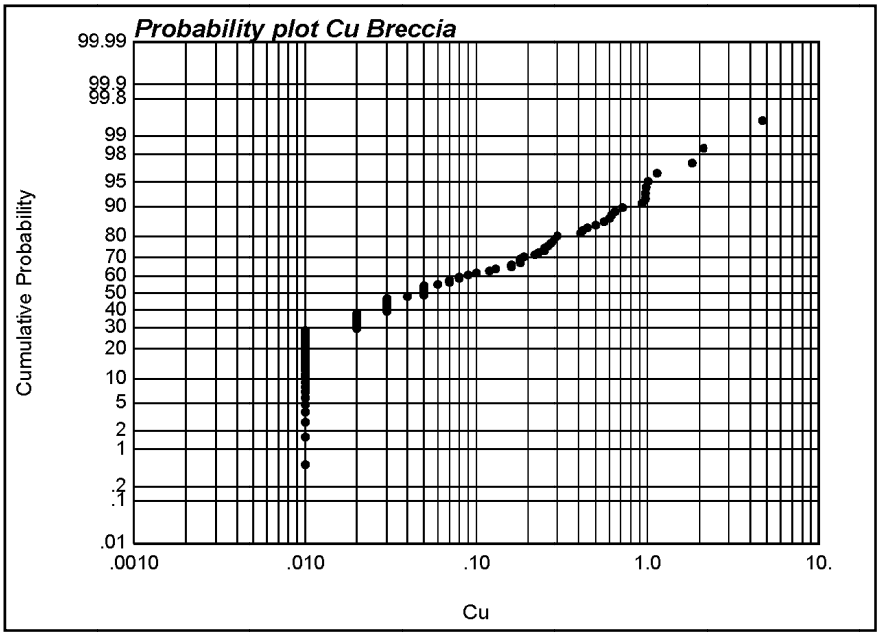


Figure 13-16 Probability plot of the Copper Breccia samples

The following table shows a summary of the basic statistics of the Vein and Breccia units.

Table 13-8 Basic Statistics of the gold, silver and copper grade by Unit

	Vein			Breccia		
	Gold ppm	**Silver ppm**	**Copper %**	**Gold ppm**	**Silver ppm**	**Copper %**
N° of Samples	804	804	736	126	126	93
Mean	1.151	10.780	0.339	0.553	4.313	0.267
Minimum	0.01	0.5	0.01	0.01	0.5	0.01
Maximum	47	2080	6.8	25.5	56	4.72
Std. Dev.	3.305	92.533	0.646	2.461	6.32	0.597
CV	2.872	8.584	1.904	4.45	1.466	2.239

13.4.6 Capping

No capping of the assay data was done.

13.4.7 Block Model and Grade Estimation

Variography

To determine the spatial behavior of the gold, silver and copper within the vein and breccia units, the omni-horizontal variogram was analysed.

Figures 13.16 – 13.21 present the experimental variograms of the Vein and Breccia units.

Figure 13-17 Onmi-horitzontal experimental variogram for Gold, Vein Unit

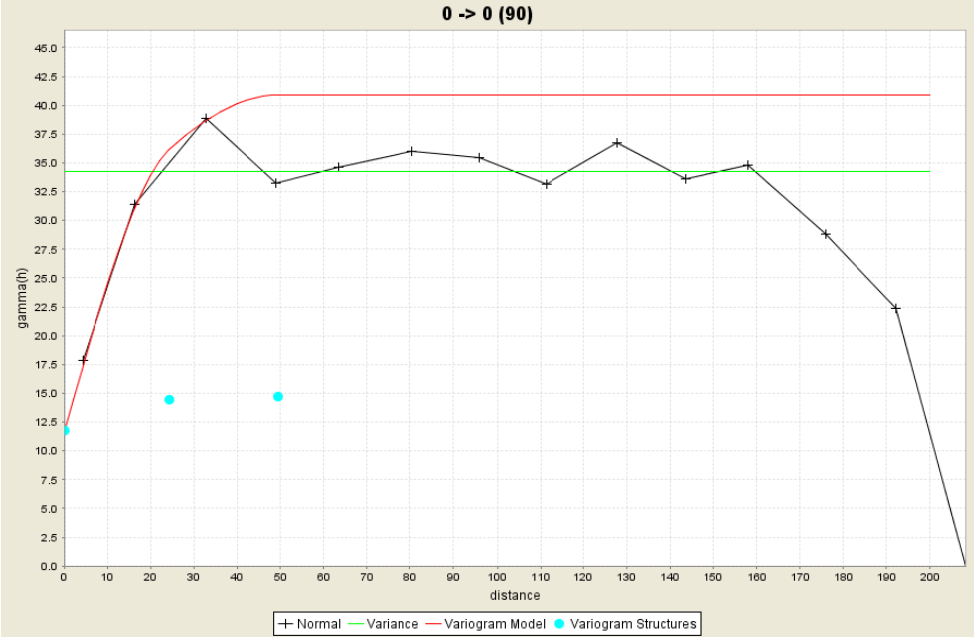


Figure 13-18 Onmi-horitzontal experimental variogram for Silver Vein Unit

Figure 13-19 Onmi-horitzontal experimental variogram for Copper Vein Unit

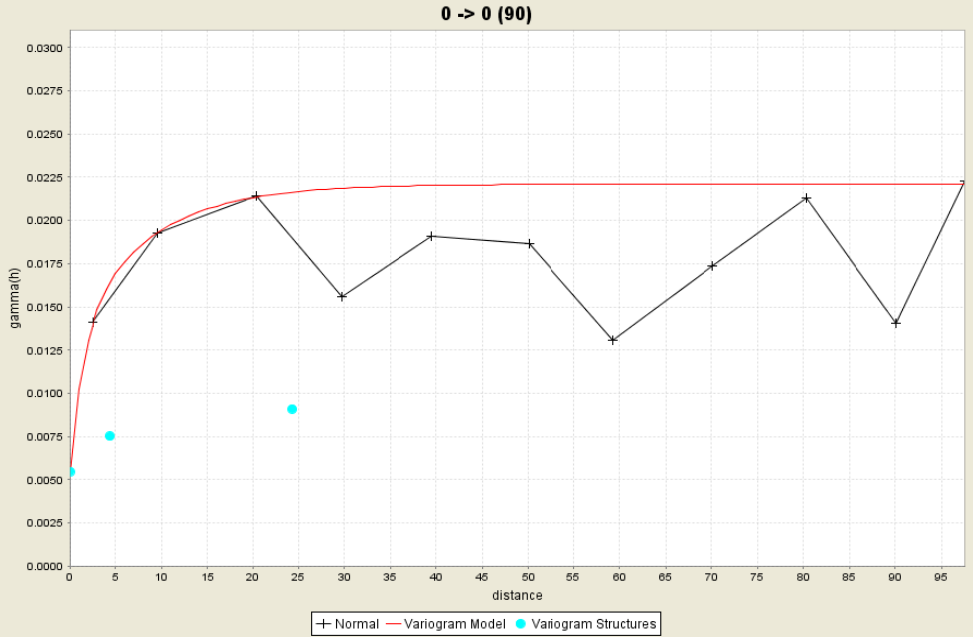


Figure 13-20 Onmi-horitzontal experimental variogram for Gold, Breccia Unit

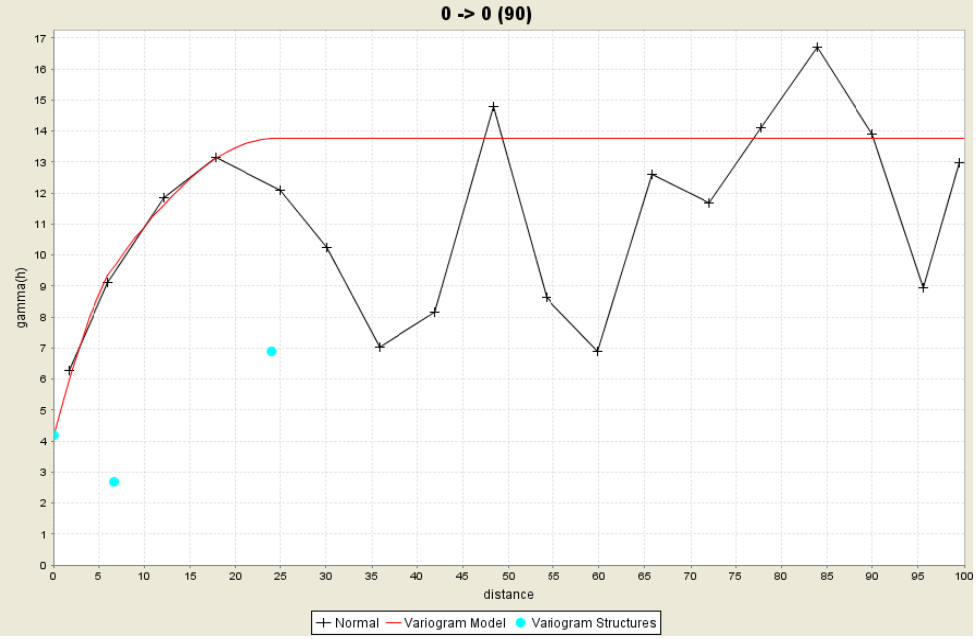


Figure 13-21 Onmi-horitzontal experimental variogram for Silver Breccia Unit

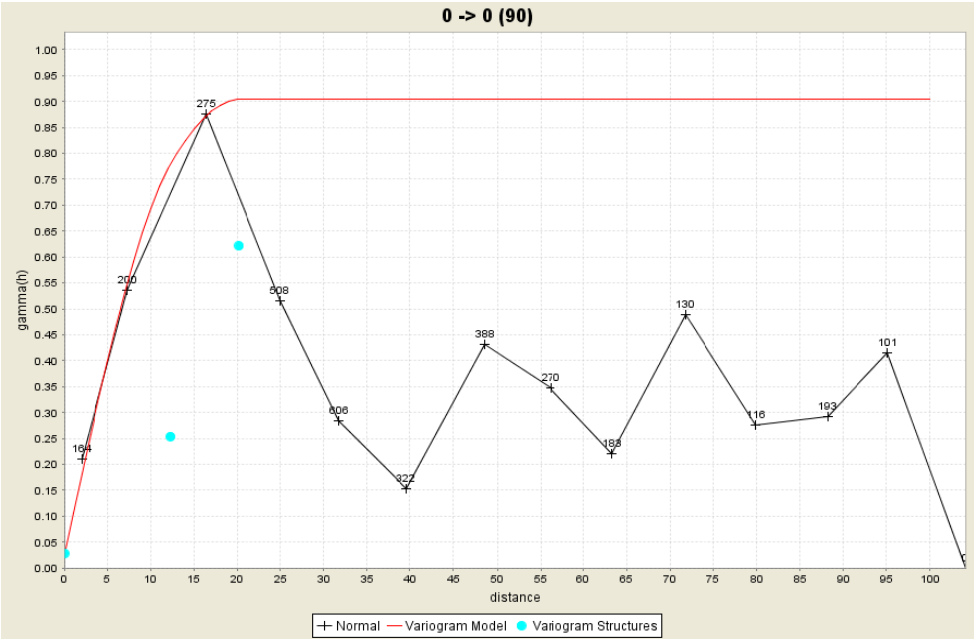


Figure 13-22 Onmi-horitzontal experimental variogram for Copper Breccia Unit

In summary, the parameters applied for the variograms' technical adjustments for each different unit are shown in Table 13.9.

Table 13-9 Parameters of experimental variograms

Unit	C_0	C_1	A_1	C_2	A_2
Vein – Gold	0.9007	2.1647	19.39	6.5280	45.89
Vein - Silver	11.7639	14.4526	24.35	14.6912	49.49
Vein - Copper	0.0499	0.0350	31.07	0.1245	48.05
Breccia - Gold	0.00548	0.00751	4.42	0.0091	24.29
Breccia – Silver	4.1792	2.6747	6.65	6.8933	24.05
Breccia - Copper	0.0284	0.2540	12.29	0.6215	20.19

13.4.8 Grade Estimation Methodology

A block model was constructed taking into consideration the volume defined between the coordinates and the elevations indicated in Table 13.10. Figure 13.22 graphically shows the area of the model. Block size is 2.5 X 2.5 X 5 metres.

Table 13-10 Block Model Area

	Minimum	Maximum
North	6,081,680	6,082,079.5
East	240,609	240,929.5
Elevation (m)	-50	150

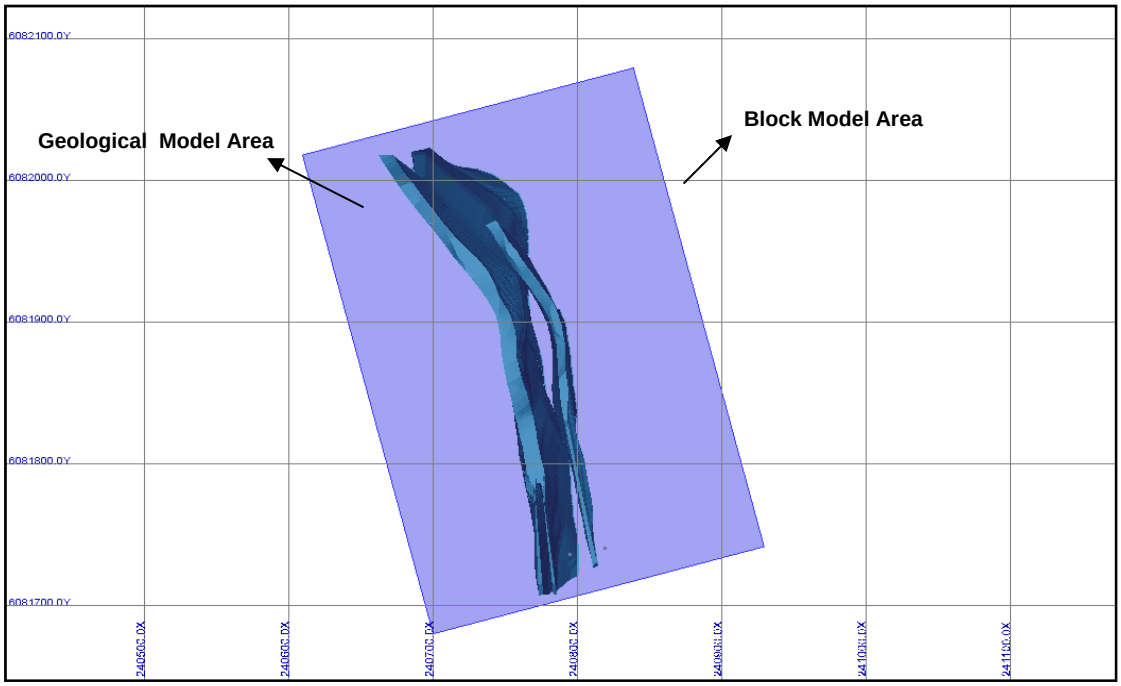


Figure 13-23 Plan View of area of block model and area of geological model

The gold, silver and copper resource estimation was done using the Ordinary Kriging method, considering a strategy of estimation for each unit based on the results of the variography analyses. The minimum amount of samples considered for the estimation was two (2) and the maximum five(5). The density values used for the calculation of the tonnage-grade curve were 2.73 g/cc^3.

Table 13.11 shows a summary of the parameters of kriging for the units.

Table 13-11 Summary of the parameters of kriging for each unit

Unit	Vein			Breccia		
	Gold (esf)	Silver (esf)	Copper (exp)	Gold (exp)	Silver (esf)	Copper
C_0	0.9007	11.764	0.0499	0.0055	4.179	0.028
C_1	2.1647	14.453	0.035	0.0075	2.675	0.254
A_1	19.39	24.35	31.07	4.42	6.65	12.29
C_2	6.528	14.691	0.124	0.0091	6.893	0.621
A_2	45.89	49.49	48.05	24.30	24.05	20.19
N° max. Samples	5	4	5	5	5	5
N° min. Samples	2	3	3	2	2	3
RUN1 Search radii	45.89/5/45.89	49.49/5/49.49	48.05/5/48.05	24.3/10/24.3	24.05/10/24.05	20.19/10/20.19
RUN 2 Search radii	500/100/500	500/100/500	500/100/500	500/100/500	500/100/500	500/100/500

13.5 Mineral Resource Classification

Mineral resources for the Chépica copper-gold project have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

SRK is not aware of any known environmental, permitting, legal title, taxation, socio-economic, marketing or other relevant issues that could potentially affect this estimate of mineral resources. Mineral reserves can only be estimated based on the results of an economic evaluation as part of a preliminary feasibility study or a feasibility study. As such, no mineral reserves have been estimated by SRK as part of the present assignment.

Mineral resources for the Chépica project were classified using the following criteria:

Measured Mineral Resources:

- Portion of block must be contained within interpreted solid;
- Kriging variance is less or equal to 3.5046;
- Block distance from nearest informing composite is less than or equal to 19.5 metres.

Indicated Mineral Resources:

- Portion of block must be contained within interpreted solid;
- Kriging variance is more than 3.5046 and less than or equal to 7.0094;
- Block distance from nearest informing sample is more than 19.5 and less than or equal to 32.64 metres.

Inferred Mineral Resources:

- Portion of block must be contained within interpreted solid;
- Kriging variance is greater than 7.0094;
- Block distance from nearest informing sample is greater than 32.64 metres.

The gold, silver and copper resource estimation for the Chépica Project was developed in two stages. The first stage (RUN 1) considered a search radius very close to the range of the variograms. The second stage (RUN 2) considered an extended search radius equal to 500 metres.

The categorization was carried out in the following way:

- Measured, Indicated and Inferred Resources: correspond to all blocks that were estimated during the First Stage (RUN1), as described above.
- Inferred Resources: corresponds to all blocks that were estimated during the second Stage (RUN2) and that were not estimated during the first stage.

13.6 Mineral Resource Statement

The classified mineral resources for the Chépica project are presented in Table 13.12 at a gold cut-off of 0.60 ppm.

Table13-12 Mineral Resource Statement* for the Chépica Copper-Gold Project, Region VII, Chile, SRK Consulting (Chile) S.A., May 8, 2009.

Resource Classification	Tonnage (Kilotonnes)	Gold Grade (ppm)	Silver Grade (ppm)	Copper Grade (Percent)
Measured	85	4.0	9.4	0.50
Indicated	93	4.2	9.5	0.52
Total Measured and Indicated	**178**	**4.1**	**9.4**	**0.50**
Inferred	41	4.0	8.7	0.52

* reported at a cut-off of 1.30 ppm gold, not capped.

Figure 13.23 shows the overall tonnage-grade curve for the estimated gold resources considering the mineral zones for the Chépica Project.

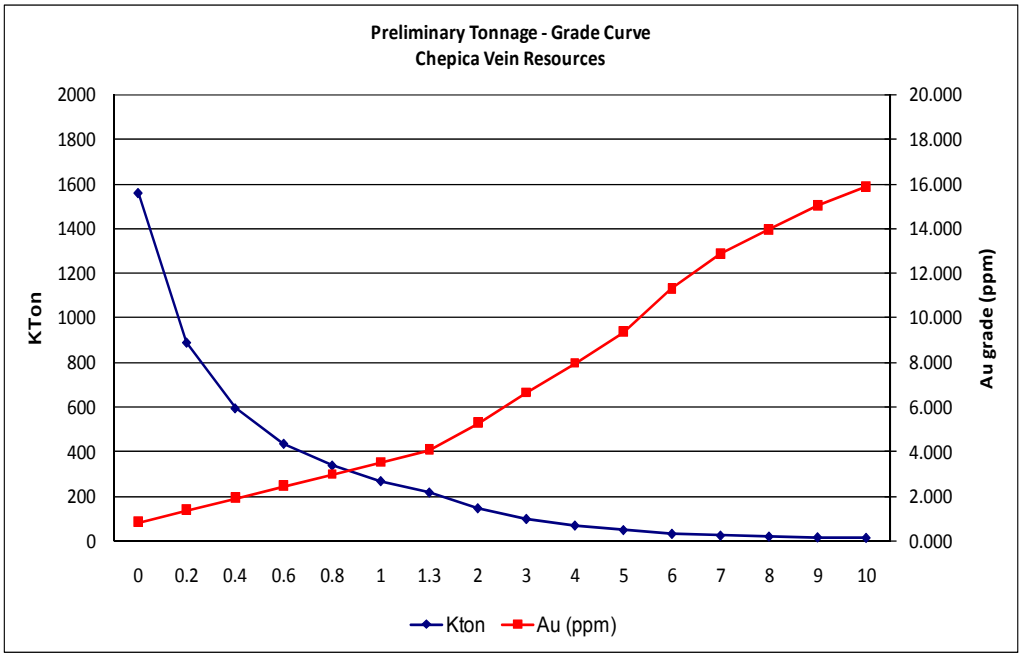


Figure 13-24 Tonnage-Grade Curve – Au ppm by mineral zone, Chépica Project

The following tables show the sensitivity of the mineral resources to the gold cut-off grade.

Table 13-13 Measured Gold Mineral Resources by Cut-Off Grade

	MEASURED			
CUTOFF	Tonnage	AU Grade	AG Grade	CU Grade
	T x 1000	PPM	PPM	%
10.00	5	13.6	10.3	0.52
9.00	6	12.8	10.2	0.50
8.00	7	11.8	9.9	0.47
7.00	10	10.8	9.4	0.46
6.00	14	9.4	9.0	0.43
5.00	22	8.0	9.5	0.44
4.00	31	7.0	9.5	0.43
3.00	44	6.0	9.5	0.45
2.00	61	5.0	9.4	0.47
1.30	**85**	**4.0**	**9.4**	**0.50**
1.00	104	3.5	9.1	0.50
0.80	127	3.0	8.9	0.50
0.60	156	2.6	8.6	0.49
0.40	200	2.1	8.3	0.47
0.20	265	1.7	7.7	0.42
0.00	405	1.1	6.0	0.32
Total	**405**	**1.1**	**6.0**	**0.32**

Table 13-14 Indicated Gold Mineral Resources by Cut-Off Grade

	INDICATED			
CUTOFF	Tonnage	AU Grade	AG Grade	CU Grade
	T x 1000	PPM	PPM	%
10.00	7	17.0	9.9	0.51
9.00	8	16.1	9.9	0.52
8.00	9	15.1	9.9	0.50
7.00	11	13.7	9.8	0.49
6.00	14	12.2	9.5	0.48
5.00	22	9.9	10.0	0.49
4.00	30	8.3	10.0	0.50
3.00	42	7.0	9.9	0.50
2.00	61	5.6	9.7	0.51
1.30	**93**	**4.2**	**9.5**	**0.52**
1.00	116	3.6	9.1	0.51
0.80	143	3.1	8.7	0.51
0.60	181	2.6	8.4	0.49
0.40	241	2.1	8.0	0.46
0.20	341	1.5	7.2	0.39
0.00	557	1.0	5.5	0.29
Total	**557**	**1.0**	**5.5**	**0.29**

Table 13-15 Inferred Gold Mineral Resources by Cut-Off Grade

	INFERRED			
CUTOFF	Tonnage	AU Grade	AG Grade	CU Grade
	T x 1000	PPM	PPM	%
10.00	4	16.4	9.9	0.50
9.00	4	16.0	9.9	0.51
8.00	5	15.2	9.8	0.51
7.00	5	15.2	9.8	0.51
6.00	6	13.6	9.4	0.52
5.00	7	11.8	9.1	0.54
4.00	9	10.3	9.0	0.52
3.00	15	7.7	9.4	0.54
2.00	26	5.4	9.3	0.54
1.30	**41**	**4.0**	**8.7**	**0.52**
1.00	50	3.5	8.2	0.48
0.80	70	2.8	7.6	0.47
0.60	100	2.1	7.2	0.43
0.40	155	1.5	6.6	0.36
0.20	285	1.0	5.8	0.29
0.00	600	0.5	4.2	0.20
Total	**600**	**0.5**	**4.2**	**0.20**

14 Other Relevant Data

SRK is not aware of any other information relevant to the Chépica copper-gold project.

15 Additional Requirements for Technical Reports on Development Properties and Production Properties

This section is not applicable.

16 Conclusions

This independent technical report is focused on the Chépica I vein system. Given the results from Polar Star's exploration programme to date, SRK is of the opinion that further work on the Chépica II vein system and on the other multiple veins within Polar Star's rather large concession block, is warranted. The fact that this is a relatively new exploration district with many veins identified on the surface, lends encouragement that Polar Star could significantly add to their resource base and possibly operate from a single larger plant in the future.

While no significant deviation seems to have occurred with 2008 drilling programme, based on only four surveyed holes, SRK recommends that for deeper drilling in future campaigns, all holes greater than 150m in length be surveyed for drill hole deviation.

SRK considers the current specific gravity database sufficient to support this preliminary mineral resource estimate. For future stages of work, it is recommended that representative samples be added to increase the confidence in the data for each geologic unit.

Regarding the recently installed process plant, SRK makes the following observations and recommendations:

- The design of the Chépica plant should allow for processing the designed capacity of 120 ton/day of sulphide ore, functioning in a normal manner in order to obtain a copper and gold concentrate. There does not appear to be any fatal flaw.
- The plant design also contemplates processing oxide ore (with reddish clays), but only by milling and using the Knelson concentrator. It is not advisable to mix the ore types.
- Plant investment costs have been estimated at US$400,000, which is considered optimistic and should be increased to US$500,000.
- The operating cost of 8.0 US$/ton is in keeping with the design and size of the plant.
- The information in the Environmental Impact Statement needs to be updated in accordance with that in the Closure Report done by Alquimia, which is based on metallurgical testing allowing for an acceptable plant operation.
- Modifications should be made in order to optimize the performance of the plant, as indicated below:
    - The fine crushing circuit should be closed and use a sieve
    - The sulphide ore, besides using flotation, should also use the Knelson concentrator in order to increase gold recovery
    - A press filter should be installed for drying the concentrate
    - Increased contingency engineering and maintenance man-hours should be considered for adapting the used equipment

Polar Star submitted a total of 357 samples (266 duplicates of pulps, 48 standards and 43 blanks) to ALS and to ACME laboratories in Coquimbo, Chile for QA-QC checks.

In the case of comparison of ALS original samples and ALS duplicate samples, in general the results are good with at least 95% of the sample pairs showing less than 5% relative difference, except for the case of copper, where 90% of the sample pairs have less than 11% relative difference.

The results of the comparison between the two labs gave very good results showing for gold, at least 90% of the sample pairs with less than 5% relative difference. In the cases of silver and copper, the results are better yielding at least 95% of the sample pairs with less than 5% relative difference.

The comparison between the two labs for gold and silver with standard-340 (high grade) is good, with all samples falling within +/- 2 standard deviations of the average value of the standard. In the case of copper, ACME is generally lower than ALS and has 5 samples falling below -2 standard deviations.

In the case of standard-342 (low grade), gold compares well with all samples falling between +/- 2 standard deviations. Copper has two samples that are lower than -2 standard deviations. Silver is consistently high for both laboratories and indicates either contamination of the standard sample or a problem with the method of analysis used.

The classified mineral resources for the Chépica I project are presented in Table 16.1 below at a cut-off of 0.60 ppm gold.

Table 16-1 Mineral Resource Statement* for the Chépica Copper-Gold Project, Region VII, Chile, SRK Consulting (Chile) S.A., May 8, 2009.

Resource Classification	Tonnage (Kilotonnes)	Gold Grade (ppm)	Silver Grade (ppm)	Copper Grade (Percent)
Measured	85	4.0	9.4	0.50
Indicated	93	4.2	9.5	0.52
Total Measured and Indicated	**178**	**4.1**	**9.4**	**0.50**
Inferred	41	4.0	8.7	0.52

* reported at a cut-off of 1.30 ppm gold, not capped.

In conclusion, SRK is of the opinion that the Chépica project offers excellent exploration opportunities to expand the current size of the copper-gold deposit. The depth extensions of the copper sulphide mineralization are largely unexplored and the existence of other unexplored surface expressions of mineralized vein systems within Polar Star's claims calls for a carefully planned staged future exploration programme.

17 Recommendations

This independent technical report is focused on the Chépica I vein system. Given the results from Polar Star's exploration programme to date, SRK is of the opinion that further work on the Chépica I vein system and on the other multiple veins within Polar Star's rather large concession block, is warranted. The fact that this is a relatively new exploration district with many veins identified on the surface, lends encouragement that Polar Star could significantly add to their resource base and possibly operate from a single larger plant in the future.

While no significant drill hole deviation seems to have occurred with 2008 drilling programme, based on only four surveyed holes, SRK recommends that for deeper drilling in future campaigns, all holes greater than 150m in length be surveyed for drill hole deviation.

SRK considers the current specific gravity database sufficient to support this preliminary mineral resource estimate. For future stages of work, it is recommended that representative samples be added to increase the confidence in the data for each geologic unit.

Regarding the recently installed process plant, SRK makes the following observations and recommendations:

- The design of the Chépica plant should allow for processing the designed capacity of 120 ton/day of sulphide ore, functioning in a normal manner in order to obtain a copper and gold concentrate. There does not appear to be any fatal flaw.
- The plant design also contemplates processing oxide ore (with reddish clays), but only by milling and using the Knelson concentrator. It is not advisable to mix the ore types.
- Plant investment costs have been estimated at US$400,000, which is considered optimistic and should be increased to US$500,000.
- The operating cost of 8.0 US$/ton is in keeping with the design and size of the plant.
- The information in the Environmental Impact Statement needs to be updated in accordance with that in the Closure Report done by Alquimia, which is based on metallurgical testing allowing for an acceptable plant operation.
- Modifications should be made in order to optimize the performance of the plant, as indicated below:
    - The fine crushing circuit should be closed and use a sieve
    - The sulphide ore, besides using flotation, should also use the Knelson concentrator in order to increase gold recovery
    - A press filter should be installed for drying the concentrate
    - Increased contingency engineering and maintenance man-hours should be considered for adapting the used equipment

SRK recommends for all future drilling campaigns that Polar Star continue the practice of inserting blanks, duplicates and standards in the sample lots sent to the laboratory.

In conclusion, SRK is of the opinion that the Chépica project offers excellent exploration opportunities to expand the current size of the copper-gold deposit. The depth extensions of the copper sulphide mineralization are largely unexplored and the existence of other unexplored surface expressions of mineralized vein systems within Polar Star's claims calls for a carefully planned staged future exploration programme.

18 References

Besides reviewing all the data given to SRK by Polar Star, SRK also briefly reviewed the following documents in regard to the review of the process plant being installed while the field visit was made.

- Profile Level Business Closure Report for the Concentrator Plant
- Equipment inventory spreadsheet
- Environmental Impact Statement

CERTIFICATE AND CONSENT

To accompany the report entitled: Mineral Resource Estimation, Chépica Cu-Au Project, Region VII, Chile.

I, George Even, residing at Vital Apoquindo 941, Las Condes, Santiago, Chile, do hereby certify that:

1) I am a Principal Geologist with the firm of SRK Consulting (Chile) S.A. (SRK) with an office at Av. Apoquindo 4001 Piso 7, Las Condes, Santiago, Chile;

2) I am a graduate of San Diego State University in San Diego, California U.S.A. with a BSc. in Geology in 1972. I have practiced my profession continuously since 1972;

3) I am a Professional Geologist registered with the AusIMM of Australia (#228861) and also with the MAIG (#3616) of Australia;

4) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the Chépica project or securities of Polar Star Mining Corp.;

5) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;

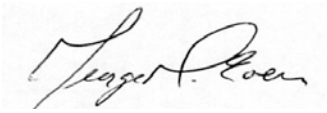
6) I have read National Instrument 43-101 and Form 43-101F1 and by reason of my education and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101. This technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;

7) As a qualified person, I am independent of the issuer as defined in Section 1.4 of National Instrument 43-101;

8) I have visited the Chépica project and surrounding area during July, 2008;

9) SRK Consulting (Chile) S.A. was retained by Polar Star Mining Corp. to prepare a mineral resource estimate for the Chépica project. This assignment was completed using CIM "Best practice" and Canadian Securities Administrators National Instrument 43-101 guidelines. The preceding report is based on our review of project files and discussions with Polar Star personnel;

10) I consent to the filing of the Technical Report with the securities regulatory authorities.



Santiago, Chile
May 8, 2009

George Even
Principal Geologist

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16-06-09	3	Final corrections	G. Even	

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