A TECHNICAL REVIEW OF EXPLORATION AND RESOURCE ESTIMATES OF THE TAYSAN PROJECT BATANGAS PROVINCE, PHILIPPINES

Prepared by Geosynthesis Pty Ltd
for
Taysan Copper Corporation
&
Crazy Horse Resources Inc

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Effective Date: 04 June 2010

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1 SUMMARY

This report is a technical review of the geology, exploration and historical resource estimates for the Taysan Project which is being purchased by Crazy Horse Resources Inc ("CHR") from the Taysan Copper Corporation ("TCC"), both Canadian registered companies. The Taysan Project consists of two granted exploration permits covering the defined Taysan Copper-Gold Deposit and three adjacent exploration permit application areas.

TCC entered agreements to purchase 100% interest in the Taysan Project from the current owners, Kumakata Mining Company Inc, a subsidiary of Freeport McMoran Exploration Corporation, and Japan Oil, Gas and Metals National Corporation pursuant to two Mineral Property Purchase and Sale Agreements dated 15 April 2010. On 15 June 2010, CHR and TCC entered an agreement for CHR to purchase 100% of TCC's interest in the 2 exploration permits (EP-IVA-005 and EP-IVA-0016, covering an area of approximately 4,086 hectares) and three exploration permit applications (EPA-IVA-0081, EPA-IVA-108 and EPA-IVA-111, covering an area of approximately 7,168 hectares) comprising the "Taysan Project" in exchange for (a) a cash payment of US$1,700,000 (b) the issue to TCC or its nominee of 20,000,000 common shares in the capital of CHR and (c) the grant to TCC of a 1.5% Net Smelter Royalty. The completion of CHR's acquisition of the Taysan Project is subject to a number of conditions precedent including the completion of a C$7,000,000 private placement to fund the phase 1 work program set out in this report and both shareholder and regulatory approval.

TCC and CHR jointly commissioned this report as a basis for possible future working relationships. At the request of Mr. Brian Lueck, President of TCC, Geosynthesis Pty Ltd ("GPL") was commissioned in May 2010 to undertake a data review and site visit and prepare an Independent Technical Report in compliance with the Canadian NI43-101 and JORC Code standards. This report is a technical review of the geology, exploration and historical resource assessments undertaken for the Taysan Project.

The Taysan Project area is located in the Republic of the Philippines on the south western segment of the island of Luzon in the province of Batangas. The project area is located 20 km east of the major provincial city of Batangas City and its associated deep water port facilities and industrial infrastructure.

Geology and Mineralization

The Taysan Project area contains two known deposits; the major Taysan Copper-Gold Deposit which is a porphyry style deposit; one of a number of porphyry deposits which have developed along the spine of the Philippine island system and the smaller Antipolo Epithermal Gold Mine. The Taysan copper gold mineralization is hosted in potassic altered hornblende diorite and hornblende dacite porphyries. The mineralization occurs as disseminated chalcopyrite and bornite in the altered porphyry and as stockwork hosted mineralization within quartz veins and breccias. The deposit outcrops as a small hill with the majority of the mineralization covered by 10 to 55 metres of recent volcanic ash. The deposit occurs in gently undulating topography in what is largely cleared farmland and is of a geometry that is readily amenable to conventional open cut mining methods.

Past Work

The Taysan Project has had a long and varied ownership and evaluation history under various joint ventures and option agreements being intensely studied and drilled by previous companies since modern exploration commenced in 1968. These companies include Newmont, Benguet Corporation ("Benguet"), Chase Resources Inc ("Chase"), Magma Copper, Phelps Dodge and Kumakata Mining Company Inc ("KMCI"), a subsidiary of Freeport. The majority of work has focused on resource definition drilling and assessment of the Taysan Copper-Gold Deposit. A total of 195 drillholes are recorded in the current drill hole database up to 2009 with a total meterage of about 44,839.6 of which 144 holes totalling 36,562m were drilling in or near the Taysan Copper-Gold Deposit. Assessment has included scoping studies, metallurgy and flotation test work and pre-feasibility studies undertaken by Benguet in the 1980's and Chase Resources Inc in the 1990's.

The metallurgy and flotation test work by Optimet conducted in 1995 on fresh drill core ranging in grade from 0.32% to 0.77% copper and 0.09g/t to 0.43g/t gold. This returned excellent copper floatation recoveries ranging from 87.9% to 93.7% for primary ore and 33.3% to 48.6% for oxide material. Recoveries for gold ranged from 46.9% to 71.5% for primary ore and 46.3% to 46.5% for oxides. GPL and Optimet are of the opinion that the results indicate that the recoveries for copper are consistently good and that recoveries for both sulphide copper and gold are dependent on head grade with recoveries improve with grade. Concentrate grades were 25.5 to 30.1% copper and very clean with all penalty elements well below limits, except fluorine which is a low cost penalty and was right on the limit at 150ppm and could be reduced with further work.

In March 1981 Pincock Allen and Holt Inc ("PAH") of Denver, USA completed a full feasibility study and economic analysis based on the historical resource estimates of the Taysan Copper-Gold Deposit at that time. In 1993, BHP Engineering conducted a pre-feasibility study update including examination of environmental, socio-political and infrastructure issues and reported that the results of the study were positive.

Historical Resource Estimates

There have been a number of historical resource estimates of which reference material has been located for the Taysan Copper-Gold Deposit during the preparation of this report. In the opinion of GPL, none of these can be classified under current reporting standards due to the lack of original drill records (including satisfactory quality assurance and control records), details of estimation methods used and their age (all are pre 1997). These estimates are as follows:

Taysan Copper-Gold Deposit Historical Resource Estimates *

Company	Author	Date	Cut-off	Cu, %	Au, g/t	M tonnes	Contained Cu, M lb	Contained Au, oz
Benguet	PAH	1981	0.20%	0.32	0.31	309	2,180	3,079,718
Chase	**Chase**	**1993**	**0.20%**	**0.31**	**0.13**	**336**	**2,296**	**1,404,344**
Chase	Snowden	1994	0.20%	0.29	0.23	403	2,577	2,980,050
Chase	Snowden	1995	0.20%	0.3	0.21	391	2,586	2,639,896

** All historical estimates pre 1997 and are not NI43-101 compliant. The above historical estimates are dated as indicated in the above table, are sourced from Chase Resource Corporation, Snowden Associates and Pincock, Allen & Holt, Inc documents, are not stated according to NI43-101 categories in that they do not distinguish inferred mineral resource, indicated mineral resource and measured mineral resource categories. It is the opinion of GPL, based on this assessment and the review of all available data, that the historic resource estimations and the historic dataset they were based on provide a reasonable indication of the overall tenor of copper mineralization within the Taysan Copper-Gold Deposit. It is considered that this information is relevant to assessing this project as an advanced exploration and potential resource project.*

No resource estimate was undertaken by GPL of the Taysan Copper-Gold Deposit for the preparation of this report. A statistical analysis of historical copper and gold drill analyses was undertaken however, to assess the consistency of copper assays between successive historical drill programs and the obvious disagreement in the estimates as to the gold grade. The study indicated a high level of consistency of copper grades between various phases of drilling. It is the opinion of GPL, based on this assessment and the review of all available data, that the historic resource estimations and the historic dataset they were based on provide a reasonable indication of the overall tenor of copper mineralization within the Taysan Copper-Gold deposit. The same is not the case for gold. It is noted that Chase identified a potential discrepancy in gold analyses undertaken by Benguet in the 1970's and examined by Snowden but not adjusted in their 1994 and 1995 estimates. This over-estimation of the Benguet gold assays is supported by the statistical comparisons undertaken for this report and the 1995 metallurgical test work and it is the opinion of GPL that the 1993 Chase gold grade estimate provides the most accurate, and conservative, indication of the gold grades of the Taysan Copper-Gold Deposit at this time and these should be used when evaluating the project. It is further recommended that a confirmatory drilling program, employing rigorous QA/QC procedures, will be required prior to estimation and reporting of fully NI43-101 compliant resources for this deposit.

It is GPL opinion that the resources outlined to date should be classified as Historical (being based on pre-1997 drilling) but could be upgraded to mostly "Indicated" following confirmation drilling. Although Snowden (1995) have categorized some of the resources as JORC "Measured", GPL is of the opinion that the issues with the gold grades, the lack of original data and drill core and the existence of a number of small high grade areas with significant impact on the overall grades, would allow only Indicated and Inferred category definitions at this stage.

Discussion and Conclusions

Exploration in recent years outside of the immediate Taysan Copper-Gold Deposit area has highlighted the presence of prominent IP and magnetic geophysical anomalies that are spatially associated with known mineralization. A program of RC and diamond drilling undertaken by KMCI in 2006 and 2007 tested a selection of these anomalies and the northern and southern extensions of the Taysan copper-gold deposit. The results of this drilling indicate that copper mineralization extends to both the north and south of the previously known extents of the Taysan Copper–Gold Deposit under recent ash cover. In addition, broad zones of copper mineralization have been intersected to the south east and east of the deposit in previously unexplored areas, also under cover. Epithermal Gold mineralization, including 1m @ 97 g/t gold, has also been intersected in drilling 1 km north of the historic Antipolo Gold Mine in holes targeted solely on airborne magnetic anomalies. This site was visited during preparation of this report and the mineralization concealed by ash with no outcrop. The potential for structurally hosted epithermal gold deposits peripheral to the copper remains largely untested.

GPL would conclude that the Taysan Project contains a significant porphyry copper gold deposit which has been evaluated by a succession of companies since 1968. The known Taysan Copper-Gold Deposit has been subject to resource and metallurgical studies undertaken by independent consulting groups of high reputation including Snowden, PAH and BHP Engineering and a number of economic geology research papers. The mineralization occurs at shallow depths and is of a favourable geometry and strip ratio for open cut mining operations. The deposit has mineralogy comparable to other porphyry copper deposits in the Philippines and will produce a very clean, high value concentrate. The project area is located in close proximity to deep water port facilities and other associated industrial infrastructure significantly reducing the expected cost and time-frame. Exploration results in the project area indicate the potential to increase the extent of the known deposit and to identify additional satellite deposits. Recent exploration results also indicate potential for epithermal vein hosted gold mineralization.

Recommendations

A number of reports and studies of past work have not been able to be retrieved at this stage due to the long and varied ownership history of the project. These include scoping studies and pre-feasibility studies undertaken in the early 1980's by Benguet and in the 1990s by Chase of the Taysan Copper-Gold Deposit. Similarly, some details of analytical and resource estimation methodologies were not sited. As a result future definition and reporting of NI43-101 compliant resources will require as a minimum, a program of confirmatory drilling undertaken to the required industry standards.

CHR has developed a C$3.5M work program over 12 months for a full Scoping Study including an in-fill confirmatory drilling programme in 2010 including 6,890m of drilling to bring the existing resources to JORC/NI43-101 compliant standards. GPL considers the budget reasonable for the work planned and sufficient to achieve the objectives within the time frame.

Robert Sowerby
Brisbane, Australia
04 June 2010

2 INTRODUCTION

2.1 Terms of Reference

This report is a technical review of the geology, exploration and historical resource estimates for the Taysan Project located approximately 120km south Manila in Batangas Province on Luzon Island, Philippines.

The Taysan Project consists of two granted exploration permit ("EP") and three exploration permit applications ("EPA") which are being purchased by Crazy Horse Resources Inc ("CHR") from Taysan Copper Corporation ("TCC"). TCC entered agreements to purchase 100% interest in the Taysan Project from the current owners, Kumakata Mining Company Inc, a subsidiary of Freeport McMoran Exploration Corporation, and Japan Oil, Gas and Metals National Corporation pursuant to a Mineral Property Purchase and Sale Agreement dated 15 April 2010. On 15 June 2010, CHR and TCC entered an agreement for CHR to purchase 100% of TCC's interest in the Taysan Project in exchange for (a) a cash payment of US$1,700,000 (b) the issue to TCC or its nominee of 20,000,000 common shares in the capital of CHR and (c) the grant to TCC of a 1.5% Net Smelter Royalty. The completion of CHR's acquisition of the Taysan Project is subject to a number of conditions precedent including the completion of a C$7,000,000 private placement to fund the phase 1 work program set out in this report and both shareholder and regulatory approval.

TCC and CHR are both Canadian registered companies and CHR is listed on the TSX Venture Exchange.

TCC and CHR jointly commissioned this report as a basis for possible future working relationships. At the request of Mr. Brian Lueck, President of TCC, GPL was commissioned in May 2010 to prepare an Independent Technical Report for the Taysan Project to comply with Canada's National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI43-101") and with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code").

GPL has not been requested to provide an Independent Valuation, nor has GPL been asked to comment on the Fairness or Reasonableness of any vendor or promoter considerations, and therefore no opinion on these matters has been offered.

2.2 Purpose

TCC and CHR intend that this report be used as an Independent Technical Report which will satisfy NI43-101 and JORC Standards of Disclosure for Mineral Projects.

At TCC and CHR's request, the scope of the inquiries and of the report included the following:

- Review related technical reports;
- Review the exploration database in Manila, Philippines;
- Conduct a site visit;
- Comment on the nature and spacing of exploration and resource definition drilling undertaken and/or limitations of this methodology to assess the deposit;
- Recommend a drilling program to upgrade the resource to JORC compliant standards.

2.3 Information used

The following descriptions of the Taysan Project are compiled principally from the historic company internal reports and data reviewed and personal observations made during the site visit by Mr Robert Sowerby. Many of the illustrations are reproduced or modified from various previous reports and are references as such.

This report is based on historical technical data provided by TCC to GPL. TCC provided open access to all available records, in the opinion of GPL, to enable a proper assessment of the previous

resource estimates. It should be noted however that the Taysan project has had a long history with various ownership transfers. While all reasonable efforts have been made to source historical reports, not all historical data could be found, particularly for work undertaken in the 1970's. A significant effort to locate historical documents has been undertaken including contacting the various consulting companies previously involved in the project and contacting former employees. Nevertheless it is considered that the information identified and reviewed provides a fair and reasonable representation of the material issues relevant to assessing this project as an advanced exploration and potential resource project. TCC has warranted in writing to GPL that full disclosure has been made of all material information and that, to the best of TCC's knowledge and understanding, such information is complete, accurate and true. Readers of this report must appreciate that there is an inherent risk of error in the acquisition, processing and interpretation of geological and geophysical data, and GPL takes no responsibility for such errors.

The references at the end of this report lists the sources consulted. This material was used to expand on the information provided by TCC and, where appropriate, confirm or provide alternative assumptions to those made by TCC.

Three weeks have been spent on data collection and analysis, site visit and preparation of this report. The offices of the geophysical consultants GeoDiscovery in Brisbane, Australia were visited on Thursday 13 May 2010 and data and results from recent work by KMCI examined and some re-processing of IP geophysics and airborne-magnetic data requested and delivered on Monday 17 May. The Manila offices of TCC were visited on 17 and 18 May 2010, site visit on 19 May 2010 and wrap-up meeting at TCC offices in Manila on 20 May 2010. The offices of the KMCI in Manila were visited on 18 May 2010 and the senior geologist responsible for the project interviewed. The data as supplied during and after the site visit is listed in the references but is somewhat limited due to the break in ownership. The initial data pack as supplied by KMCI contained Mapinfo data files with geology maps, drill database and IP and heli-mag geophysics and well as a project brief and hard-copy report with geology and drill cross sections and plans and copies of original Benguet drill logs. This has been supplemented by public domain data searches and copies of reports by Chase, Snowden, Optimet and PAH obtained from various sources.

The site was visited on 19 May 2010 and this included examination of drill core collected by KMCI at their Taysan site office and yard, including mineralised intervals on the fringe of the deposit, site inspection of the outcropping mineralization on Taysan hill and small gully to the north, drill collars from KMCI drilling and a meeting with the key land-owner. The site office used by Chase and Benguet, including drill core from this period, could not be located during the visit.

Geological information usually consists of a series of small points of data on a large blank canvas. The true nature of any body of mineralization is never known until the last tonne of ore has been mined out, by which time exploration has long since ceased. Exploration information relies on interpretation of a relatively small statistical sample of the deposit being studied; thus a variety of interpretations may be possible from the fragmentary data available. Investors should note that the statements and diagrams in this report are based on the best information available at the time, but may not necessarily be absolutely correct. Such statements and diagrams are subject to change or refinement as new exploration makes new data available, or new research alters prevailing geological concepts. Appraisal of all the information mentioned above forms the basis for this report. The views and conclusions expressed are solely those of GPL. When conclusions and interpretations credited specifically to other parties are discussed within the report, then these are not necessarily the views of GPL.

2.4 Qualified Persons

This review of the geology and resource models and estimates of the Taysan Copper-Gold Deposit was conducted by Mr Robert Sowerby. Mr Sowerby has sufficient experience which is relevant to the porphyry copper-gold style of mineralization and deposits under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the

'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (Australia) and is a Qualified Person as defined in NI43-101 (Canada). Mr Sowerby is a Member of The Australasian Institute of Geoscientists. Mr Sowerby is an independent consultant employed by Geosynthesis Pty Ltd ("GPL") based in Brisbane, Australia.

3 RELIANCE ON OTHER EXPERTS

The opinions expressed in this report have been based on information supplied to GPL by TCC, its associates and their staff, as well as various Filipino government agencies. GPL has exercised all due care in reviewing the supplied information, including a site visit and an extensive review of the TCC data. Although GPL has compared key supplied data with expected values with other similar deposits, the accuracy of the results and conclusions from this review are reliant on the accuracy of the supplied data. GPL has relied on this information and has no reason to believe that any material facts have been withheld, or that a more detailed analysis may reveal additional material information.

The authors have not relied on reports, opinions or statements of legal or other experts who are not Qualified Persons for information concerning legal, environmental, political or other issues and factors relevant to this report.

4 PROPERTY DESCRIPTION AND LOCATION

The Taysan Project is located the province of Batangas on the island of Luzon in the Republic of the Philippines, some 100km south of Manila and 20 km east of the provincial capital of Batangas City. The Taysan Copper-Gold Deposit lies within the municipality of Taysan (population 33,454) and the project tenement group straddles the municipalities of Taysan, Rosario, Ibaan, and Lobo.

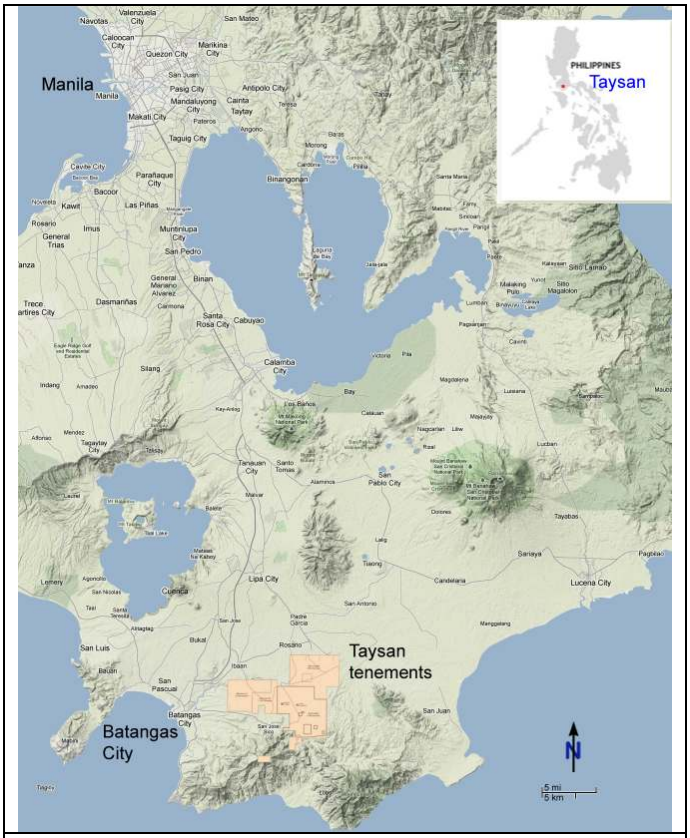


Figure 1: Regional Location of Taysan Project Tenements
(Source: after TCC, Google Maps)

The Taysan Project is made up of 2 granted exploration permit ("EP") and 3 exploration permit applications ("EPA") being purchased by CHR from TCC. TCC signed two agreements with KMCI and JOGMEC on 15 April 2010 to purchase a 100% interest in Exploration Permits EP-IVA-005 which

covers the Taysan Deposit, as well as 100% interest in the adjoining 4 Exploration Permit applications EPA-IVA-0081, EPA-IVA-086, EPA-IVA-108 and EPA-IVA-111 owned 100% by KMCI. Since the date of the agreement EPA-IVA-086 has been granted as EP-IVA-016. Altogether the 5 tenement grouping is collectively known as the "Taysan Project" (Table 1). The Taysan Copper-Gold Deposit is the core asset of the Taysan Project.

Table 1: Taysan Project Tenements

EP #	Date of Grant	Area, ha
EP-IVA-005	20 Dec 2005	4,085.90
EPA-IVA-081	in progress	333
EPA-IVA-086	granted 27 May 2010 (EP-IVA-016)	3,499.66
EPA-IVA-108	in progress	1,167
EPA-IVA-111	in progress	2,168
Total		11,253.56

The Memorandum of Agreement with KMCI requires TCC to pay KMCI a total of USD1,000,000 for all the interests with USD540,000 payable on or before the end of the due diligence period of 60 days; and the remaining USD460,000 within 30 days of the first payment. The Memorandum of Agreement with JOGMEC requires TCC to pay JOGMEC a total of USD700,000 for all the interests with USD360,000 payable on or before the end of the due diligence period of 60 days; and the remaining USD340,000 within 30 days of the first payment.

Pursuant to a Mineral Property Purchase and Sale Agreement dated 15 June 2010, TCC and CHR agreed to the sale and purchase of 100% of the Taysan Project in exchange for (a) a cash payment of US$1,700,000 (b) the issue to TCC or its nominee of 20,000,000 common shares in the capital of CHR and (c) the grant to TCC of a 1.5% Net Smelter Royalty. The completion of the acquisition of the exploration permits and permit applications, is subject to a number of conditions precedent including the completion of a C$7,000,000 private placement to fund the phase 1 work program set out in this report and both shareholder and regulatory approval.

The Taysan Project covers approximately 4,086 hectares within EPA-IVA-005 located in the municipality of Taysan, province of Batangas, plus an additional 7,168 hectares within the adjoining EPAs, located in the municipality of Taysan and into the municipalities of Rosario and Lobo.

EP-IVA-005 was granted on 20 December 2005 with the 1st renewal granted on January 7, 2009. EPA-IVA-086 was recently granted this 27 May 2010 as EP-IVA-016. The regional location of the Taysan Project tenements is shown in Figure 1 and the tenement group in Figure 2. The current status of the EP-IVA-005 is listed in Table 2. The co-ordinates for EP-IVA-005 and EP-IVA-016 are listed in Table 4 and Table 5.

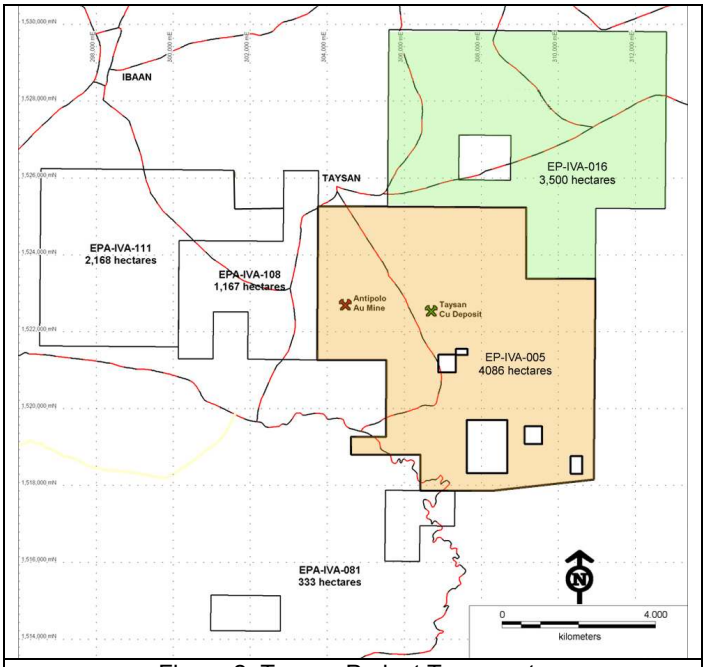


Figure 2: Taysan Project Tenements
showing EP-IVA-005 & EP-IVA-0016 highlighted
(Source: TCC)

Table 2: DENR Existing Exploration Permits, May 2010

Permittee	EP #	Location	Approved/ Renewal Area, Hectares	Commodity	Date of Original Approval	Date of latest Renewal	REMARKS
KMCI	EP-IVA-005	Taysan, Batangas	4,085.9022	Au, Cu & other associated mineral deposits	20 Dec 2005	07 Jan 2009	First Renewal. Ongoing exploration
KMCI	EP-IVA-016	Rosario, Taysan, Batangas	3,499.659	Au, Cu & other associated mineral deposits	27 May 2010	26 May 2012	1st term (EPA-IVA-086)

Table 3: DENR Existing Exploration Permit Applications

Permittee	EPA #	Location	Applied Area, Hectares	Commodity	Date of Application	REMARKS
KMCI	EPA-IVA-111	Ibaan, Taysan, Batangas	2,168 ha	Au, Cu & other associated mineral deposits	05 Sept 2007	
KMCI	EPA-IVA-108	Taysan, Batangas	1,167 ha	Au, Cu & other associated mineral deposits	05 Sept 2006	Assigned from Macote Mining Co., inc.
KMCI	EPA-IVA-081	Ibaan, Taysan, Batangas	333 ha	Au, Cu & other associated mineral deposits	28 Feb 2003	

Table 4: Co-ordinates for EP-IVA-005					
Corner	Latitude	Longitude	Corner	Latitude	Longitude
1	13˚ 43' 30"	121˚ 12' 30"	23 = 27	13˚ 45' 25"	121˚ 13' 00"
2	13˚ 44' 00"	121˚ 12' 30"	24	13˚ 45' 25"	121˚ 13' 10"
3	13˚ 44' 00"	121˚ 11' 30"	25	13˚ 45' 30"	121˚ 13' 10"
4	13˚ 44' 15"	121˚ 11' 30"	26	13˚ 45' 30"	121˚ 13' 00"
5	13˚ 44' 15"	121˚ 12' 00"	27 = 23	13˚ 45' 25"	121˚ 13' 00"
6	13˚ 45' 20"	121˚ 12' 00"	28	13˚ 45' 25"	121˚ 12' 45"
7	13˚ 45' 20"	121˚ 11' 00"	29	13˚ 45' 10"	121˚ 12' 45"
8	13˚ 47' 30"	121˚ 11' 00"	30 = 22	13˚ 45' 10"	121˚ 13' 00"
9	13˚ 47' 30"	121˚ 14' 00"	31 = 21	13˚ 44' 30"	121˚ 13' 10"
10	13˚ 46' 30"	121˚ 14' 00"	32	13˚ 43' 45"	121˚ 13' 10"
11	13˚ 46' 30"	121˚ 15' 00"	33	13˚ 43' 45"	121˚ 13' 45"
12 = 40	13˚ 43' 40.48"	121˚ 15' 00"	34 = 20	13˚ 44' 30"	121˚ 13' 45"
13 = 39	13˚ 43' 45"	121˚ 14' 50"	35 = 19	13˚ 44' 25"	121˚ 14' 00"
14	13˚ 44' 00"	121˚ 14' 50"	36	13˚ 44' 10"	121˚ 14' 00"
15	13˚ 44' 00"	121˚ 14' 40"	37 = 17	13˚ 44' 10"	121˚ 14' 15"
16 = 38	13˚ 43' 45"	121˚ 14' 40"	38 = 16	13˚ 43' 45"	121˚ 14' 40"
17 = 37	13˚ 44' 10"	121˚ 14' 15"	39 = 13	13˚ 43' 45"	121˚ 14' 50"
18	13˚ 44' 25"	121˚ 14' 15"	40 = 12	13˚ 43' 40.48"	121˚ 15' 00"
19 = 35	13˚ 44' 25"	121˚ 14' 00"	41	13˚ 43' 30"	121˚ 13' 31.83"
20 = 34	13˚ 44' 30"	121˚ 13' 45"	1	13˚ 43' 30"	121˚ 12' 30"
21 = 31	13˚ 44' 30"	121˚ 13' 10"			
22 = 30	13˚ 45' 10"	121˚ 13' 00"	Total Area: 4,085.9022 hectares		

Table 5: Co-ordinates for EP-IVA-016		
Corner	Latitude	Longitude
1	13˚ 47' 30"	121˚ 12' 00"
2	13˚ 50' 00"	121˚ 12' 00"
3	13˚ 50' 00"	121˚ 16' 00"
4	13˚ 47' 30"	121˚ 16' 00"
5	13˚ 47' 30"	121˚ 15' 00"
6	13˚ 46' 30"	121˚ 15' 00"
7	13˚ 46' 30"	121˚ 14' 00"
8	13˚ 47' 30"	121˚ 14' 00"
9	13˚ 47' 52.5"	121˚ 13' 45"
10	13˚ 48' 30"	121˚ 13' 45"
11	13˚ 48' 30"	121˚ 13' 00"
12	13˚ 47' 52.5"	121˚ 13' 00"
13	13˚ 47' 52.5"	121˚ 13' 45"
14	13˚ 47' 30"	121˚ 14' 00"
1	13˚ 47' 30"	121˚ 12' 00"
Total: 3,499.6590 hectares		

The Taysan tenements' status has not been independently verified by GPL and note that current tenements should be checked for potential historical tenement rights. According to Chase records (Erceg, 1995) Benguet Consolidated Inc. ("Benguet") had previously (pre-1995) entered into a Mines Operating Agreement with Taysan Copper Inc ("TCI"), (the original claim holder). Benguet, on behalf of TCI, lodged an MPSA application over the 5000 hectare claim area. Chase records state that Benguet elected to withdraw from the Agreement but retained a buy back in right. In September 1994, Chase lodged an FTAA application covering an area of 83,000 hectares in Batangas surrounding the Taysan property. Chase had intended to assign the rights of the Taysan MPSA to the FTAA.

4.1 Mineralization within the Property

The tenement wholly encompassed the Taysan Copper-Gold Deposit (Figure 2), which has been identified and drilled by a number of previous explorers. There is also a known gold prospect, Antipolo Mine, which also lies within the tenement boundary.

4.2 Royalties

There is no mineral royalty, but a 2% excise is payable to the government. There is also a 1.5% NSR Royalty on the property held by Taysan Copper Corp.

4.3 Environmental Issues

Part of the requirements of an EP is the submission of an Environmental Work Programme ("EWP") with bi-annual compliance reporting as required under Section 22e of DENR Administrative Order No. 96-40, otherwise known as the Implementing Rules and Regulations of the Philippine Mining Act of 1995 and Section 5 of the terms and conditions of the granted EP. The budget for the EWP must be a minimum of 10% of the total work (exploration and environmental) program budget, KMCI have conducted on-going environmental and social management activities and submitted an environmental and social management reports as part the terms and conditions of the EP-IVA-005.

An environmental study was conducted for Chase by BHP Engineering ("BHPE") as part of a 1993 pre-feasibility study

The environment assessment study by BHPE presented an overview of the geological, biological, meteorological and hydrological characteristics of the proposed site and vicinities. Key environmental issues arising from any development were outlined and included air quality, noise, water quality (both runoff and ground water) and the impact of a tailings dam and waste dump. Although samples were taken of air and water and noise readings recorded, no recommendations were made as to establishing baseline monitoring program (Erceg, 1995)

Under Section 70 of the Philippine Mining Act of 1995, except during the exploration period of a mineral agreement or financial or technical assistance agreement or an exploration permit, an environmental clearance certificate shall be required based on an environmental impact assessment and procedures under the Philippine Environmental Impact Assessment System

An Environmental Impact Assessment ("EIA") is required prior to construction and operation of a major development. The EIA results would then be submitted as an Environmental Risk Assessment ("ERA") as a required step to obtain an Environmental Compliance Certificate ("ECC"). An ECC is required for the development of a mining operation in the Philippines.

4.4 Permits and Obligations

The primary regulatory requirements for the Taysan project are associated with the Mines and Geology Bureau ("MGB") and the Environmental Management Bureau ("EMB") of the Department of Environment and Natural Resources ("DENR"). The existing permit is an Exploration Permit (EP) which allows a qualified person to undertake exploration activities for mineral resources in certain areas open to mining. The EP has a term of two (2) years, renewable for like periods but not to exceed a total term of four (4) years for the exploration of non-metallic minerals or six (6) years for the exploration of metallic minerals.

EP-IVA-005 which covers the Taysan Copper-Gold Deposit was renewed in January 2009 and may be renewed for a further 2 years in January 2011. EP_IVA-016 which has just been grant in May 2010 must be renewed in 2 years, then again for a total of 6 years. As both EP are less than 5000 hectares, there is no requirement for reductions.

As stated in the Philippine Mining Act of 1995, an exploration permit shall grant to the Permittee, his heirs or successors-in-interest, the right to enter, occupy and explore the area; provided, that if private or other parties are affected, the Permittee shall first discuss with the said parties the extent, necessity, and manner of his entry, occupation and exploration and in case of disagreement, a panel of arbitrators shall resolve the conflict or disagreement. The Permittee shall undertake an exploration work on the area as specified by its permit based on an approved work program. Any expenditure in excess of the yearly budget of the approved work program may be carried forward and credited to the succeeding years covering the duration of the permit. The Secretary, through the Director, shall promulgate rules and regulations governing the terms and conditions of the permit. The Permittee may apply for a mineral production sharing agreement, joint venture agreement, co-production agreement or financial or technical assistance agreement over the permit area, which application shall be granted if the Permittee meets the necessary qualifications and the terms and conditions of any such agreement: provided, that the exploration period covered by the exploration permit shall be included as part of the exploration period of the mineral agreement or financial or technical assistance agreement.

To proceed to development/ construction and commercial utilization, the permit holder must submit a Declaration of Mining Project Feasibility and apply for a Mineral Agreement ("MA") or a Financial or Technical Assistance Agreement ("FTAA").

A MA is an agreement between a Contractor and the Government wherein the Government grants to the Contractor the exclusive right to conduct mining operations within, but not title over, the contract area. Mining operations that are allowed under Mineral Agreements include exploration, development and utilization of mineral resources.

A Mineral Agreement is exclusive to Filipino individuals and corporations. It has a term of twenty-five (25) years, renewable for another twenty-five (25) years under the same terms and conditions, without prejudice to changes mutually agreed upon by the Government and the Contractor. After the renewal period, the operation of the mine may be undertaken by the Government or through a Contractor.

There are three (3) modes of Mineral Agreements, namely:

- Mineral Production Sharing Agreement ("MPSA"). A mineral agreement wherein Government shares in the production of the Contractor, whether in kind or in value, as owner of the minerals, and the Contractor gets the rest. In return, the Contractor provides the necessary financing, technology, management and personnel for the mining project
- Co-Production Agreement ("CPA"). An agreement wherein the Government provides inputs to the mining operations other than the mineral resources; and
- Joint Venture Agreement ("JVA"). An agreement wherein the Government and the Contractor organize a joint venture company, with both parties having equity shares. The Government is entitled to a share in the gross output of the mining project aside from its earnings in the equity of the company

The FTAA is an agreement for the large-scale exploration, development and utilization of minerals. An FTAA requires a minimum authorized capital of Four Million Dollars (US$ 4,000,000) and a capital investment of Fifty Million Dollars (US$ 50,000,000) for infrastructure and development in the contract area.

The FTAA is available to both domestic and foreign corporations. It has a term of 25 years, renewable for another 25 years. The FTAA prescribes minimum exploration ground expenditures during the exploration and pre-feasibility periods.

FTAA Contractors who have determined a viable mining project can be pursued are required to submit a Declaration of Mining Project Feasibility. The approval of this Declaration shall authorize the FTAA Contractor to proceed to development/ construction and commercial utilization.

FTAA Contractors are allowed to recover their pre-operating expenses, which shall be for a period of five (5) years or until the date of actual recovery, whichever comes earlier, or for a longer period for projects requiring large investments with high production rates and extensive mine life, as determined by the MGB and upon negotiation with the FTAA Negotiating Panel and with the approval by the DENR Secretary.

From the approval of the Declaration of Mining Project Feasibility up to the end of the recovery period, corporate income tax, customs duties and fees on imported capital equipment, value-added tax on imported goods and services, withholding tax on interest payments on foreign loans and on dividends to foreign stockholders, and other national taxes, except excise tax on minerals, shall not be collected from the Contractor. After the recovery period, the Contractor is required to pay all applicable taxes, fees, royalties and other related payments to the national and local governments.

In addition, a Mineral Processing Permit (“MPP”) is required for the processing of minerals. The Mining Act defines mineral processing as the milling, beneficiation, leaching, smelting, cyanidation, calcination or upgrading of ores, minerals, rocks, mill tailings, mine wastes and/or other metallurgical by-products or by similar means to convert the same into marketable products.

An MPP is open to both domestic and foreign corporations. It has a term of five (5) years renewable for like terms but not to exceed a total of twenty five (25) years. The major requirement in applying for an MPP is the proof of supply of minerals from a holder of a valid mining right.

4.4.1 Compensation Agreements

No compensation agreements are required under the terms of the EP however written consents are required for access from any owner, occupant and concessionaires within the EP area prior to entry or conduct of any form of exploration activities. KMCI had fulfilled this commitment according to their Environmental Report of 2006.

4.5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

4.5.1 Access

Taysan is located approximately 20km east of the provincial capital, Batangas City, located on the south coast of Luzon. Batangas City is 100km and 1.5 hours away from Manila via the South Luzon Expressway and STAR Tollway.

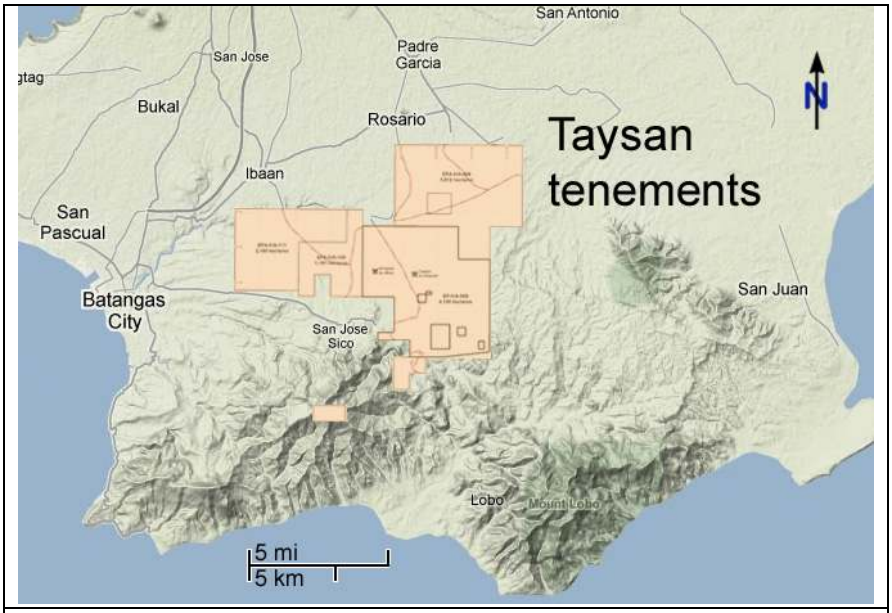


Figure 3: Project Location, local access
(Source: Google Maps)

Access to the Taysan Project area is good in dry weather with sealed roads to within several kilometres (Photo 1). The project site is located 20km east of Batangas City via the National road to Lipa City and the town of Taysan.

Photo 1: Taysan Municipal Road north of Taysan Project
(Source: "cesarcambay", www.panoramio.com/user/2422709/tags/Taysan)

There is no existing airport in Batangas City however Ninoy Aquino International Airport is just 1.5 hours by road. Alternatively, there is a government-operated airport, the Fernando Airbase in Lipa City, approximately 20km north northwest of Taysan.

4.5.2 Climate

Dry season extends from November to April and wet season for the rest of the year. The area falls within the Type 1 climate, with two pronounced seasons: dry from December to April and wet from May to November with average temperatures around 25ºC with April/May being the hottest months when temperatures can reach 35 – 40ºC. The average annual rainfall is 1.6m with a monthly average of about 14cm (Figure 4). The main atmospheric systems affecting rainfall are the southwest monsoon from June to September, the northeast monsoon from October to February and the easterly waves from March to April.

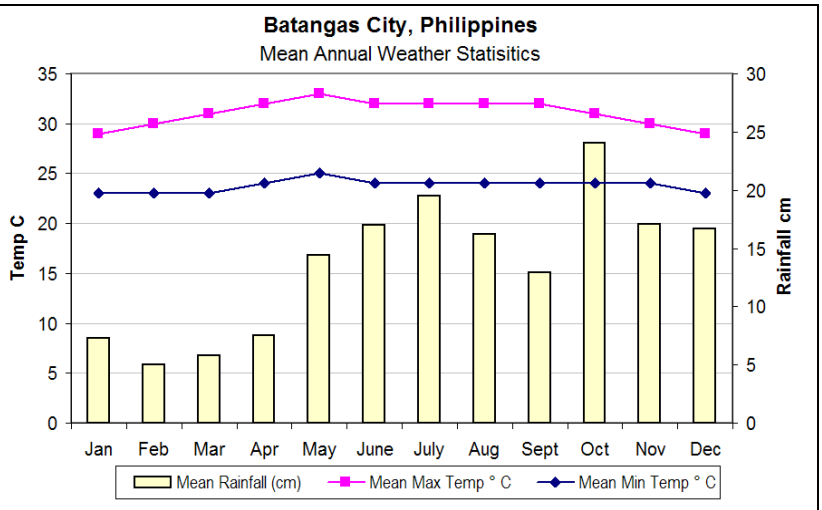


Figure 4: Rainfall, Temperature averages for Batangas, Ph
(Source: MSN Weather)

Typhoons, local thermal convections and inter-tropical convergence zones contribute significantly to the total annual rainfall. At least 27 tropical cyclones have been recorded tracking within 50 km of Taysan over the 104 year period 1906 to 2009, corresponding to an average of about 1 tropical cyclone every 4 years (Figure 5).

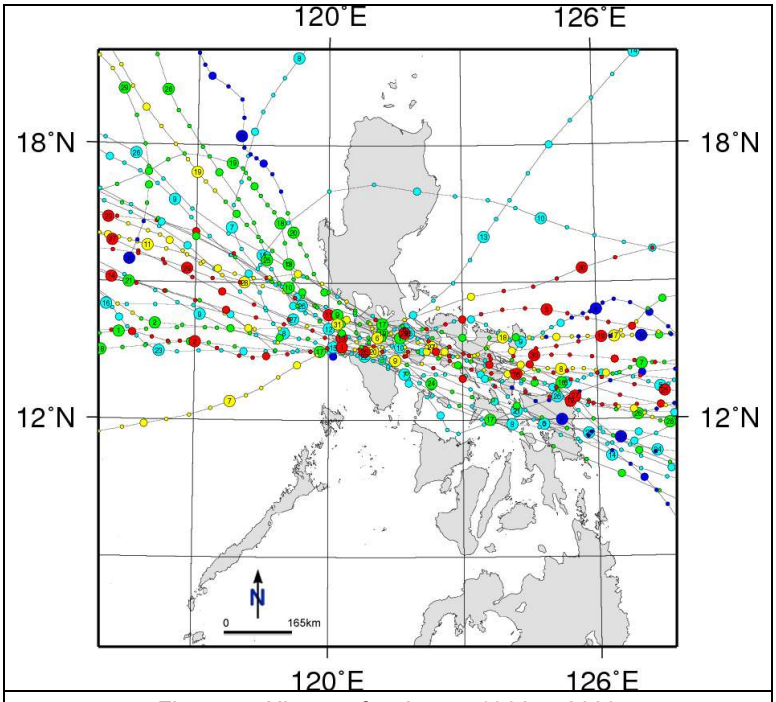


Figure 5: History of typhoons 1906 to 2009
within 50km radius of Batangas City
(Source: Kitamoto, 2010)

4.5.3 Infrastructure and Local Resources

The province of Batangas which is situated at the intersection of 14º north latitude and 121º east longitude in the southwestern Luzon in the midst of the Southern Tagalog Region. It ranks sixth among the largest provinces of the Region. It is bounded on the north by Cavite, on the east by the province of Quezon and Laguna, on the south by the Verde Island Passage and on the west by the South China Sea. It has a land area of 316,166 sq. kilometers and a population of approximately is 1.7 million distributed over into 31 municipalities and 3 cities.

Figure 6: Batangas Province Project Location
(Source: http://www.batangasnow.com)

Batangas City is a major commercial centre. The city hosts a deep water port facility and is a principal storage and distribution centre for oil and petro-chemical products.

The Batangas International Port serves both local and foreign passengers and cargo requirements. It is equipped with elevated passenger tubes and ample berthing facilities that make it the most modern port facility in the country. The port is undergoing a 4-phase development program. In addition, the 42-kilometer, 4-lane Southern Tagalog Access Road (also known as South Luzon Expressway Extension) will directly link the Batangas City International Port to Metro Manila. There are plans to revive the railway network from the port of Manila to Batangas. Batangas also has a government-operated airport - the Fernando Airbase in Lipa City. Industrial development is associated with the port areas and includes petrochemical plants and oil refineries.

Power in Batangas Province is supplied by the National Power Corporation with the Manila Electric Corporation and the Batangas Electric Cooperative (Batelco).

Telecommunication facilities and landlines are provided by the Philippine Long Distance Telephone Company (PLDT), Globe Telecom, Digitel, Smart, Mobiline, Telecommunication Office (Telof), and the Government Telephone System (GTS).

Local industry in the immediate Taysan area is primarily agricultural and includes rice, coconut, banana and mango farming as well as cattle grazing. A large limestone quarry and cement manufacturing facility is located 4km west of Taysan at the Fortune Cement Factory (LaFarge-Republic Cement Batangas Operations, Photo 2).

Photo 2: Fortune Cement Factory, ~5 km from Taysan Project
(Source: "cesarcambay", www.panoramio.com/user/2422709/tags/Taysan)

4.5.4 Physiography

Batangas Province has a total land area of 316,581 hectares composed mainly of rolling plains and the rest are hilly and mountains. In the central part is Mt. Makulot with summit of 1145 meters above sea level. The terrain of the province is generally rolling. Fifty percent of its land area has a grade of less than 15 degrees. The rest are mountainous and hilly.

About half of the province's terrain is generally rolling, while the rest is mountainous and hilly.

The world-famous Taal Volcano is in Batangas lying within Taal Lake, north of Batangas City. The volcano is active, showing signs of activity since 1991, with strong seismic activity and ground fracturing events. The Philippine Institute of Volcanology and Seismology (PHILVOLCS) regularly issues notices and warnings about current activity at Taal, including ongoing seismic unrest. As such Taal's main crater is off-limits to the public and declared a high-risk area and a Permanent Danger Zone ("PDZ"). The PDZ does not extend beyond the Lake Taal area, some 35km from Taysan (Figure 7).

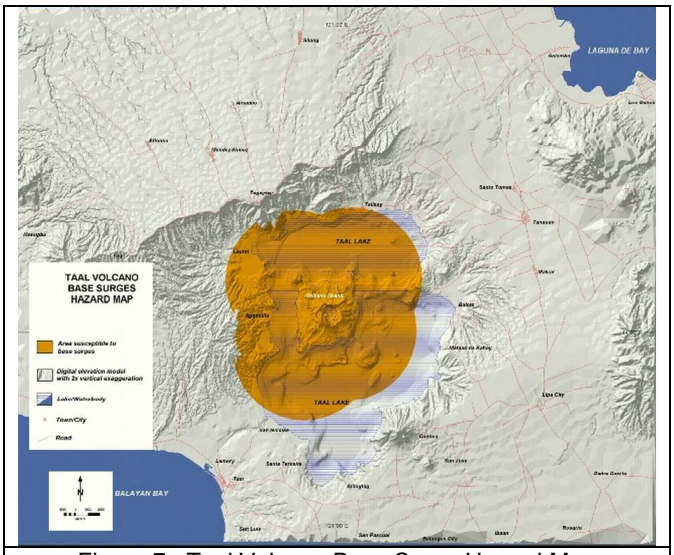


Figure 7: Taal Volcano Base Surge Hazard Map
(Source: PHILVOLCS)

Within the immediate area, the Taysan landscape consists of low hills and open plane with elevations ranging from 120m to 260m (Photo 3, Photo 4). Average elevation of the project area is 142m ASL.

Photo 3: View looking North over the Taysan Copper-Gold Deposit
(Source: GPL. May 2010)

Photo 4: View looking West over the Taysan Copper-Gold Deposit
(Source: GPL, May 2010)

Land usages within the granted tenement areas include orchards, rice cultivation, other cultivation and grassland with small areas of coconut groves and bushland (Figure 8).

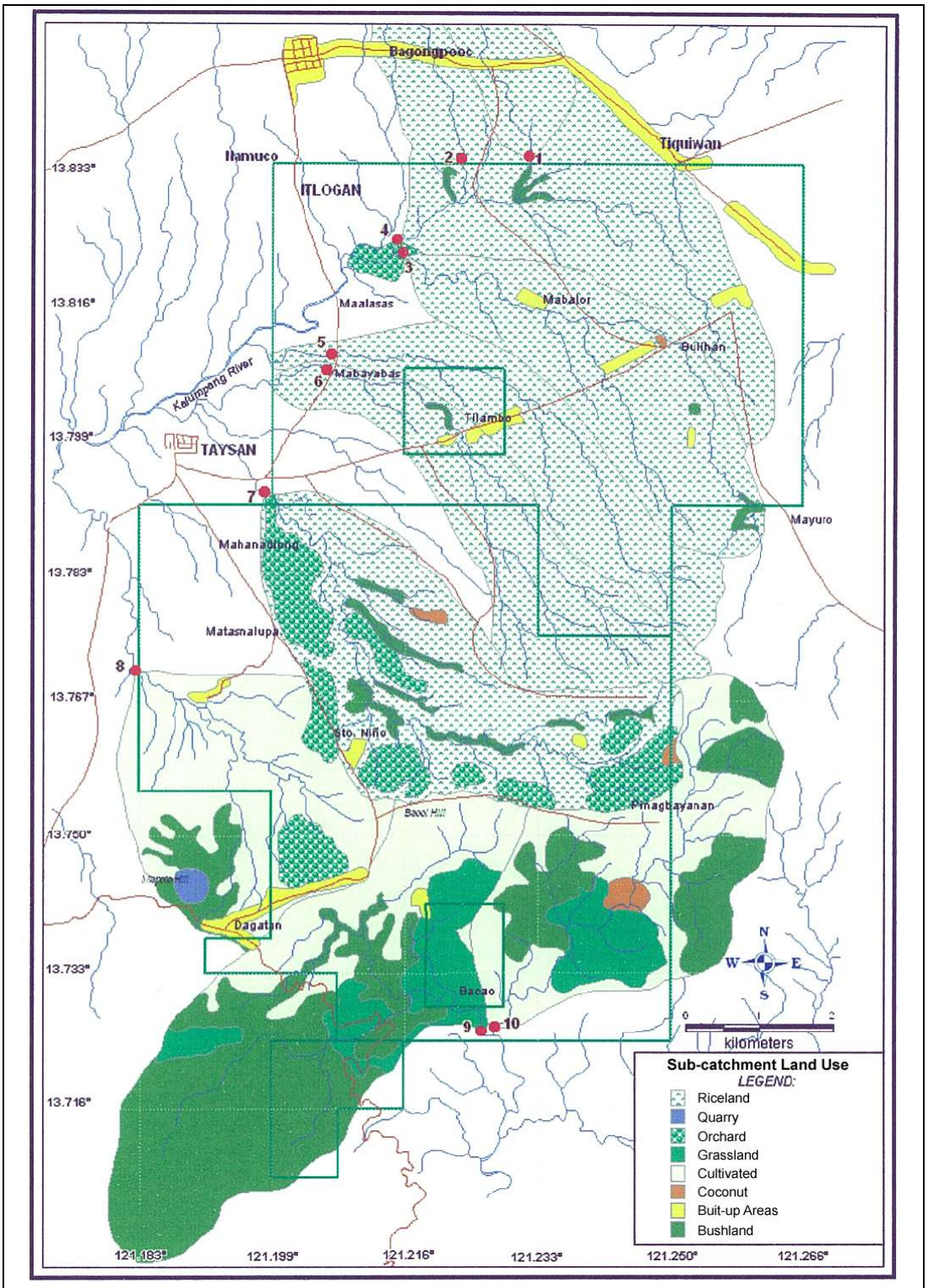


Figure 8: Land use within EP-IVA-005, 016
(Source: KMCI 2009)

5 HISTORY

5.1 Discovery and Ownership

Southern Batangas Province, the location of the Taysan porphyry copper deposit has long been known as a mineralized district. Gold was panned in the early 19th century on the west side of Mt. Banoy and both vein- and Kuroko-type copper deposits were mined on the flanks of Mt. Banoy during World War II. Gold was produced from the Antipolo mine located 2 km west of the Taysan Copper-Gold Deposit. While pits had been dug on the central ridge of Taysan this mineralization was first recognized as a porphyry copper outcrop by JA Wolfe in 1968.

Photo 5: Taysan Copper-Gold Deposit – Discovery Outcrop
(Source: GPL, May 2010)

Near the south western portion of the batholith and to the southeast of Taysan, the El Paso disseminated deposit of two million tons was developed (Wolfe et al., 1978). Also to the south of Taysan, the Lobo mine on the western side of Mt. Lobo produced enargite with silver in a barite gangue from a Pleistocene vein deposit. Both these prospects are currently being explored by Mindoro Resources Limited. Elsewhere galena with silver was produced from veins at Mainit and from a breccia pipe at Looc in western Batangas Province.

5.2 Previous Exploration

Copper and gold mineralization has been recognised in the Taysan area since at least World War 2. During the Second World War, the Japanese selectively mined malachite bearing exposures. Following the war, the Soriano Group operated a small underground gold mine at Antipolo, 2km west of the Taysan Copper-Gold Deposit. The Taysan area had been explored and drilled by previous companies since it was claimed in 1968 by Dr. John Wolfe of the Texas-based firm Schoenike, Wolfe and Associates.

The project tenement area had been investigated and drilled by four companies since 1968. A total of 195 drillholes had been drilled up to 2009 with a total meterage of about 44,531 of which 144 holes totalling 36,562m were drilling at or nearby the Taysan Copper-Gold Deposit.

Table 6: Historical Drilling 1983 to 2009					
Drill Series	Date	Holes	Type	Meterage	Company
TY	1983	2	DH	328	TCI
NT	1970s	19	DH	6,356	Newmont
WT	1970s	23	DH	2,293	TCI
BT	1977-85	66	DH	18,595	Benquet
CT	1992-1993	25	DH	7,183	Chase
MT	1996	7	DH	606	Chase/Magma
TDH	2007	10	DH	3,520	KMCI
TRC	2006-2007	41	RC	4,449	KMCI
TDH	2009	2	DH	1,200	KMCI
Total		195		44,531	

The following is a chronological list of companies & work programs completed on the project:

- 1968 - Dr. John Wolfe recognized the copper porphyry style mineralization and laid claim to the ground through Taysan Copper Inc ("TCI").
- 1969 - Occidental Minerals optioned the ground and completed an IP survey followed by diamond drilling. No information or data concerning Occidental's exploration program is available.
- 1970 - The property was returned to TCI, which was controlled by Dr. J. Wolfe.
- Early 1970's - TCI completed ground magnetic and Induced Polarization surveys, followed with 20 drill holes for a total of 2,130m.
- The property was optioned to Newmont who drilled an additional 17 holes, totalling 5,532m, which were assayed for copper only. The property was returned to TCI due to change in corporate policy.
- 1977-mid 1980's - Benquet Corp entered into an agreement with TCI and completed 66 diamond drill holes (18,595), metallurgical and engineering studies. Benquet suspended their activities on the Taysan property to pursue another project.
- 1991 Chase acquired an option over the shares of TCI.
- 1992 - 1995 - Chase completed 30 diamond drill holes (7,784m) and commissioned Snowden & Associates to complete a reserve estimate and geostatistical study, and Optimet Laboratories Pty Limited to complete a metallurgical study.
- Oct. 1995 - The Batangas project, including the Taysan copper/gold deposit was joint ventured to Magma Copper Company
- 1996 - IP survey, soil geochemistry, and 11 drill holes.
- 1998 - Chase terminated agreement with TCI.
- 2004 EP IVA-005 was applied for by Phelps Dodge. Airborne magnetic survey undertaken in 2005 and ground magnetic survey undertaken in 2006.
- 2007 Freeport takeover of Phelps Dodge, regional exploration program undertaken by Kumakata Mining (Freeport) including IP surveys, stream sediment sampling and a program of RC and Diamond drilling of regional targets.
- 2009 JOGMEC Resource Estimate

Occidental Minerals - 1969 to 1970

Occidental Minerals undertook exploration in the Taysan area between 1969 and 1970 under an option agreement with TCI. Work consisted of and IP survey and follow up drilling. Details of this work have not been identified during this review. Chase Resources reported that the Occidental holes targeted IP anomalies away from malachite stained exposures.

Taysan Copper Inc - Early 1970s

Taysan Copper Inc undertook an extensive ground magnetic survey and an IP survey during the early 1970's. Geophysical anomalies were subsequently drill tested. A total of 24 diamond drill holes for 2,293m we completed. All holes were drilled vertically and indicated a broad region of low grade copper mineralization in the Taysan area.

Benguet Corporation - 1977 to 1984

Benguet Corporation investigated the area in 1977 to 1984 wherein a mineral resource of 309Mt of 0.324%Cu and 0.308gAu/t for the Taysan Copper-Gold Deposit was reported after drilling additional 66 diamond core holes for a total depth of 18,593m. This historical estimate is dated 1981, is sourced from Chase Resource Corporation and Pincock, Allen & Holt, Inc documents, and is not stated according to NI43-101 categories in that they do not distinguish inferred mineral resource, indicated mineral resource and measured mineral resource categories. It is the opinion of GPL, based on this assessment and the review of all available data, that this historic resource estimation and the historic dataset they were based on provide a reasonable indication of the overall tenor of copper mineralization within the Taysan Copper-Gold Deposit. It is considered that this information is relevant to assessing this project as an advanced exploration and potential resource project.

In 1981, Pincock Alan & Holt Inc was engaged to prepare a pre-feasibility study on the Taysan project. Eight test holes were sunk in 1984 to obtain samples for detailed metallurgical testing. Benguet relinquished the property to TCI in 1988.

Chase Resource Corporation - 1991 to 1998

Chase Resource Corporation purchased an option from Taysan Copper Inc. (a wholly Filipino owned corporation) in 1991 to explore the Taysan property. In October of that year, Chase commissioned engineering firm Fluor Daniel Wright of Vancouver, Canada to conduct a feasibility study of the Taysan Copper-Gold Deposit. Fluor Daniel Wright's study recommended that Chase undertake infill drilling to confirm copper and gold grades and delineate the extent of mineralization. During the period October 1992 – September 1993, Chase undertook the following work program

- Establishment of a field camp at Taysan
- Re-surveying of the local drilling grid and survey of all existing drill collars.
- Diamond Drilling of 25 diamond drill holes for 7,182.5.
- A 44.9 line km ground IP and magnetics survey.
- A radiometric air survey
- Re-logging of old drill core.

A resource estimate was undertaken in 1993 and a resource off 336Mt of 0.306%Cu and 0.132gAu/t was reported at 0.2%Cu cut off. This historical estimate is dated 1993, is sourced from Chase Resource Corporation documents, and is not stated according to NI43-101 categories in that they do not distinguish inferred mineral resource, indicated mineral resource and measured mineral resource categories. This resource is comparable in size and copper grade to the earlier Benguet estimate however a lower gold grade was reported by Chase. Chase reported that their drilling could not repeat the gold grades returned from Benguet drilling, particularly outside of the higher grade quartz-magnetite-sulphide stockwork zone. As a result, Benguet gold assays were excluded from their estimate.

TCI applied to convert its Taysan claims into a MPSA. In September 1994 Chase Resource Corporation ("Chase") submitted a FTAA application of 78,408 ha over the Taysan Project and surrounding area. Taysan Copper Inc. consented to the inclusion of their MPSA into the FTAA which, once approved, would allow foreign majority ownership of the Taysan Property. The Taysan MPSA was 100% owned by TCI and Chase acquired 35% of the shares of TCI in 1994, and held options to acquire the remaining 65% of TCI's outstanding shares. The exercise price of the options was approximately C$2.2 million.

On October 6, 1995, Magma Copper Company ("Magma") (later BHP Copper Company) entered into an agreement with Chase to acquire a 51% interest in Chase's Taysan project and in adjacent mineral. After the take-over of Magma, BHP paid Chase US $1,000,000 to acquire the exclusive option to earn 51% of the Taysan Property until May, 1999. To earn its interest in the Taysan Property, Magma will be required to pay a further US $2,000,000 to Chase on or before March 31, 1997 and then spend US $5,000,000 or complete a feasibility study on the project. Chase would retain a 49% interest in the Taysan Property and a 3% net smelter royalty. Chase committed to conducting a US $2,000,000 work program on the Property by the end of 1996. BHP would then fund subsequent work up to a total of US $5,000,000 or completion of a feasibility study. BHP declined to make an option payment due on March 31, 1997 and the Magma option over Taysan terminated at that time.

On August 7, 1995, TCI entered into a Mines Operation Agreement with Chase. Under this agreement, Chase agreed to keep the property in good standing and produce a bankable feasibility study within three years. In 1998 Chase, due to the economic climate at the time, terminated the operating agreement with TCI.

In 1997 Chase described the Taysan project as

> *"a bulk tonnage copper/gold deposit which is amenable to open pit mining methods. The total drill indicated resource is currently estimated at 391 million tonnes of 0.30% Cu, 0.21 g/t Au with 0.2% Cu cutoff (Snowden, 1995). The site is proximal (15 km) to a deep water port of Batangas and local commercial centers. The required infrastructure such as national power grid and water supply is mostly in place. The drilling to date has outlined a zone of copper mineralization that extends in excess of 1000 meters north-south and 700 meters east-west, to a depth greater than 400m. The deposit still remains open to the north, south, west and to depth. To fully evaluate this deposit a systematic step out drilling program is required to delineate the extent and grade of the mineralization" (Rozier, 1997)*

In June 1995 McPhar completed an extension of the IP and Resistivity Survey in the northern part of the grid. The IP data is presented in Figure 9 as a plan map of the N=3 separation together with a profile of Line 19500N. The Taysan orebody is shown to sit on the southern flank of a moderate amplitude Percent Frequency Effect ("PFE") anomaly. A Ground Magnetic Survey was also carried out over the property by McPhar, and indicated a magnetic low coincident with the orebody.

A similar IP anomaly was detected to the immediate west of the deposit. Drilling of this anomaly intersected a strongly pyritic, phyllic altered breccia pipe which however did not contain copper mineralization.

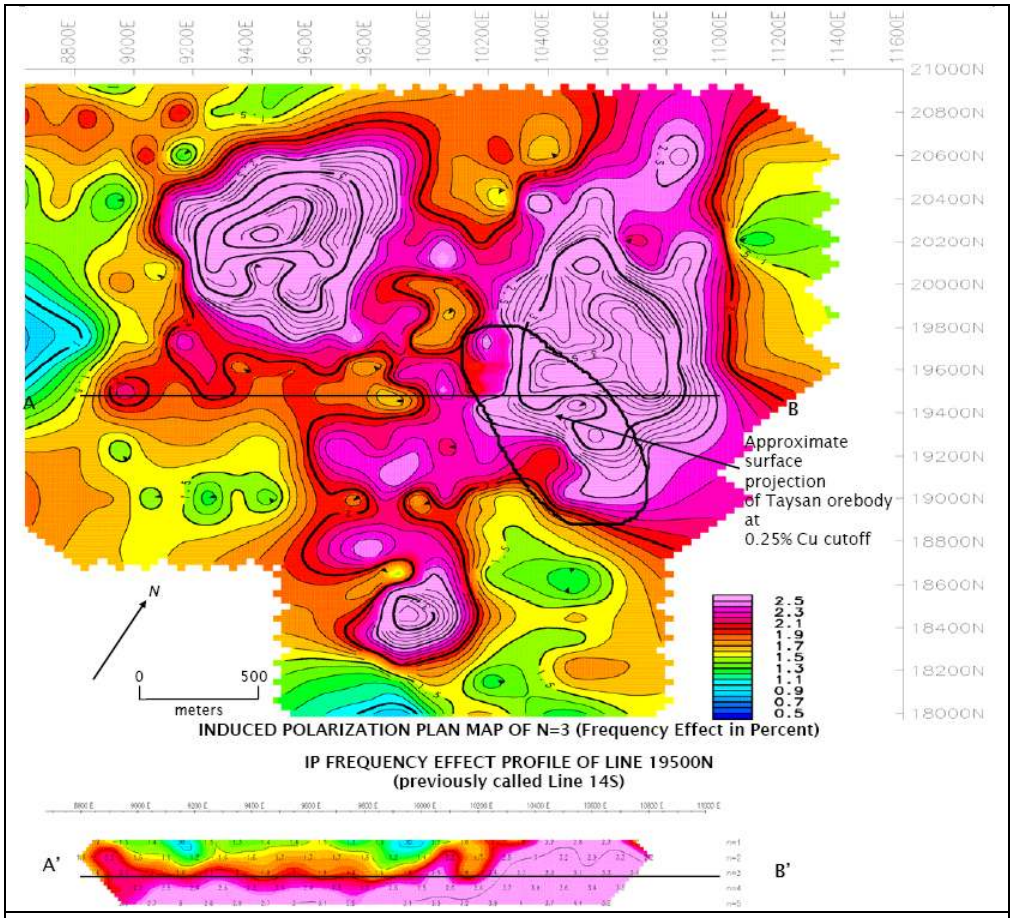


Figure 9: McPhar Case History – Taysan IP Interpretation
(Source: Phelps Dodge, 2005)

In 1995, Chase commissioned Optimet Pty Ltd to undertake metallurgical testwork on the Taysan Copper-Gold Deposit. Optimet reported on the following work in December 1995:

- Head assays, mineralogy and specific gravity determinations
- Ball Mill work index determination
- Floatation testing
- Concentrate Analysis
- Agitation acid leach testing

Optimet received drill core material from oxide and sulphide zones of the Taysan Copper-Gold Deposit. Six (6) composite samples were prepared, plus an additional composite blend for 7 test samples in total Table 7). The drill core was collected from each mineralised rock type from the deposit which indicates that the material tested was representative.

Table 7: Make up of Optimet Composite Samples

Composite	Rock Type	Make up of Composite		Weight
		DDH	# Samples	kg
MET95-1	Oxide - upper	CT23, 26, 27, 28	12	31.70
MET95-2	Oxide - lower	CT23, 26, 27, 28	12	36.45
MET95-3	Sulphide - Stockwork	CT27, 29, 30	12	36.19
MET95-4	Sulphide - Diorite	CT28, 29, 30	12	35.89
MET95-5	Sulphide - Dacite	CT24, 26, 27	12	39.23
MET95-6	Sulphide - Hydrothermal Breccia	CT29, 30	12	35.09
MET95-3+4+5+6	Sulphide - MET95-3, 4, 5 & 6			

The testing was directed towards developing a preliminary flotation treatment flowsheet for processing the lower oxide and sulphide copper ores. A selective copper flotation regime using cyanide depression for pyrite at neutral pH coupled with xanthate and dithiophosphate as collectors was developed successfully for processing all the sulphide ore composites. A primary grind size of 80% -90um was established as optimum for all sulphide ore composite and the lower oxide ore composite.

The results of the flotation testing are summarised in Table 8 and illustrated in Figure 10.

Table 8: Results of Flotation Testing

Composite	Calc. Head Cu %	Au g/t	Best Cu Concentrate Produced	Assay Cu %	Au g/t	Recovery, % Cu	Au
MET95-1	0.49	0.33	Cu Rougher Conc	1.40	1.65	33.3	46.5
MET95-2	0.58	0.37	Cu Recleaner Conc	28.9	18.1	48.6	46.3
MET95-3*	0.77	0.43	Cu Recleaner Conc	30.1	13.0	93.7	71.5
MET95-4*	0.44	0.20	Cu Recleaner Conc	27.1	8.08	87.4	56.8
MET95-5*	0.50	0.22	Cu Recleaner Conc	27.0	9.38	91.5	70.8
MET95-6*	0.32	0.09	Cu Recleaner Conc	26.8	3.75	87.9	46.9
MET95-3+4+5+6	0.50	0.24	Cu Recleaner Conc	25.5	7.99	92.9	61.5

* Average of duplicate tests *(Source: Wong, 1995)*

In the case of the oxide composite samples (MET95-1, 2), testing returned very poor flotation response for the upper oxide but reasonable response for the lower oxide sample. Optimet concluded that the upper oxide material contained very little copper oxide mineralization which could be recovered by flotation or acid leaching; however a substantial amount to the copper minerals could be recovered from the lower oxide material by a non-selective bulk sulphide flotation regime.

For the sulphide material, recoveries for copper were good. It was evident that there was a strong association between copper performance and copper head grade (Wong, 1995). Similarly gold recoveries were highest with the higher gold grade samples.

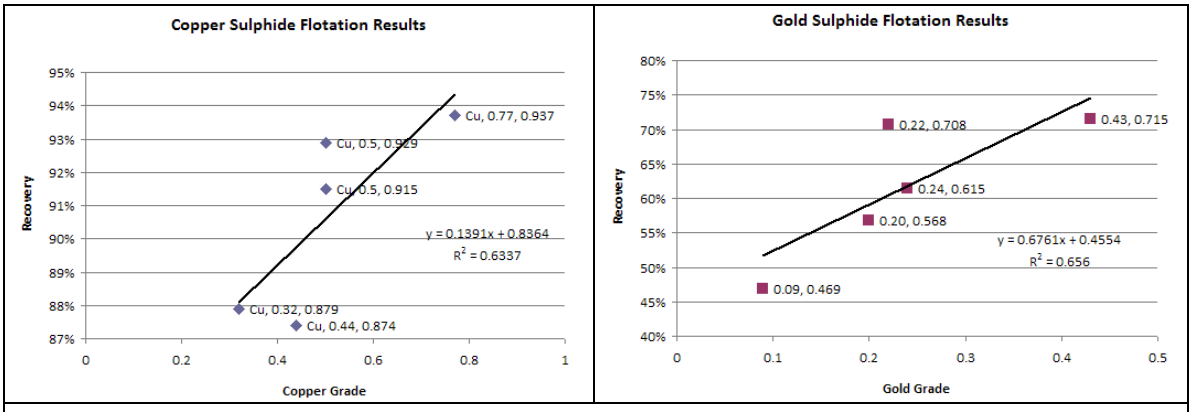


Figure 10: Sulphide Flotation Test Results
(Source: after Wong, 1995)

Phelps Dodge Corporation – Batangas Project 2005

Between 1998 and 2004 no work was undertaken in the area. In 2005, Phelps Dodge acquired EP-IVA-005 over the Taysan Copper-Gold Deposit and surrounding area.

In 2005, an Aeromagnetic Survey was undertaken. The survey covers an area of approximately 850 sq km surrounding the Taysan project area.

Phelps Dodge concluded, subject to geological data integration, that the magnetic data indicated the following:

- the magnetic interpretations highlight strong structural NE & NW trends
- the historic Antipolo Gold Mine is associated with a magnetic “bulls eye” feature
- the Taysan Copper-Gold Deposit is associated with a NE fault system (Tilt Map)

Their analysis revealed some new potential magnetic targets that are outside the current tenement area and which they suggested required field checks along with other magnetic anomalies at the same trend and geological unit.

***Kumakata Mining Company Incorporated (Freeport)* – 2006 to 2007**

In March 2007 Phelps Dodge Corporation was acquired by Freeport-McMoRan (NYSE: FCX). Ownership of the project was transferred to Freeport's Philippine entity Kumakata Mining Company Ltd ("KMCI"). KMCI carried out a 2 stage regional exploration program during 2006-2007 with the objective of identifying and delineating additional resources either as extensions to the existing Taysan Copper-Gold Deposit or in separate satellite deposits. The major exploration activities undertaken in this program were:

1. Detailed Mapping with stream sediment and rock sampling
2. Ground Magnetics Survey at an aggregate of 91.24 line kms.
3. Induced Polarization Survey at an aggregate of 56.85 line kms.
4. Reverse Circulation ("RC") drilling at an aggregate meterage of 4,463 m.
5. Diamond drilling ("DDH") at an aggregate meterage of 3,816 m.

In summary, this program achieved the following outcomes:

- The IP survey program confirmed the existence of a prominent IP chargeability anomaly associated with the Taysan Copper-Gold Deposit.
- A separate IP anomaly was identified to the south east of the Taysan Copper-Gold Deposit.
- Diamond drilling of an IP anomaly southeast of the Taysan Copper-Gold Deposit identified copper + molybdenum mineralization in drillhole TDH-6 (62m at 0.65% Cu and 0.04% Mo) associated with chlorite-epidote and patchy biotite altered diorite. Adjacent holes (TDH7 – TDH-10) intersected sporadic low grade copper mineralization.
- Two Diamond drill holes drilled to the immediate north (TDH-12) and south (TDH-16) of the Taysan Copper-Gold Deposit to test for along strike extensions, both intersected significant low to moderate grade copper mineralization associated with variably altered and veined diorite and dacite porphyry indicating the potential to increase the size of the Taysan Copper-Gold Deposit.
- RC and diamond drilling of a magnetic anomaly 800m NNE of the Antipolo gold prospect intersected gold mineralization associated with oxidised silica-sulphide veining within altered andesitic volcanic. A best intersection of 23metres at 5.28ppm Au from 84m (including 1 metre at 93.2ppm Au from 84m) was returned from drill hole TDH-1.

A more detailed description and review of 1995 to 2007 exploration activities is provided in the following Section 5.3 of this report.

5.3 Review of Historical Exploration Activities

No exploration has been carried out on the property by TCC. The most recent exploration was conducted by KMCI from 2006 to 2009. The geophysical, geochemical and regional drilling data obtained during this program provides a basis for ongoing exploration. A review of KMCI's work is provided below. As part of the review of historical exploration, the geophysical data acquired by KMCI and Phelps Dodge has been reprocessed and reinterpreted by GPL in collaboration with Mining Associates Pty Ltd in Brisbane, Australia.

5.3.1 Chase 1995

The previous exploration by Chase was not reviewed in depth as the subsequent geophysical surveys provide significantly enhanced exploration data with the exception of a radiometric survey which was only conducted by Chase. Aerodat flew the area using a GR 820 Exploranium gamma ray spectrometer to detect radiometric anomalies. Although much of the area is blanketed with recent tuff

rendering radiometrics of little use as a regional exploration tool, it did identify the Taysan outcrop mineralization.

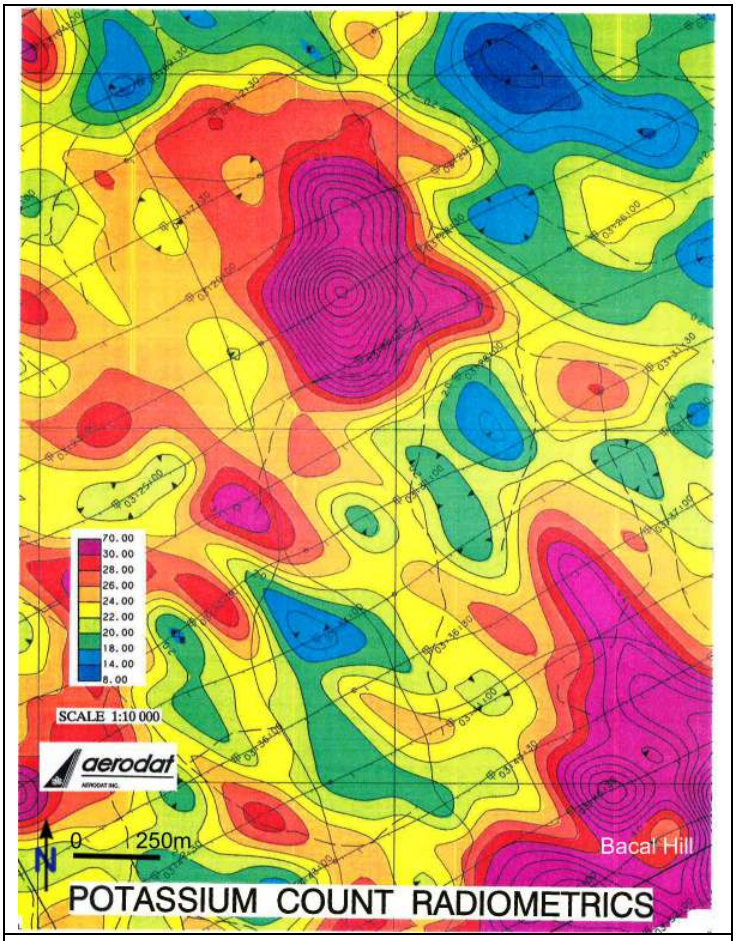


Figure 11: Chase Radiometric Survey Results
(Source: Erceg, 1995)

Chase noted (Erceg, 1995) that the most interesting response was detected on the potassium channel (Figure 11). The Taysan outcrop responded as a distinct, strong anomaly reflecting the biotite potassic alteration. It was also noted that the contact zone near Bacal Hill also responded strongly (in conjunction with the EM). It was concluded that the Aerodat unit detected the Taysan Copper-Gold Deposit as a combined magnetics (low), EM (resistivity high) and radiometrics (potassium) anomaly. Chase concluded that the system is of immense practical use in regional exploration for repetitions of Taysan style deposits to detect large alteration zones even beneath recent ash cover.

5.3.2 Phelps Dodge 2005

Phelps Dodge undertook an airborne magnetic survey in 2005 over the project area and surrounds. The survey covered an area of 850sq km on 200 metre flight line spacings. TMI images derived from this survey are shown in Figure 12 to Figure 14 below.

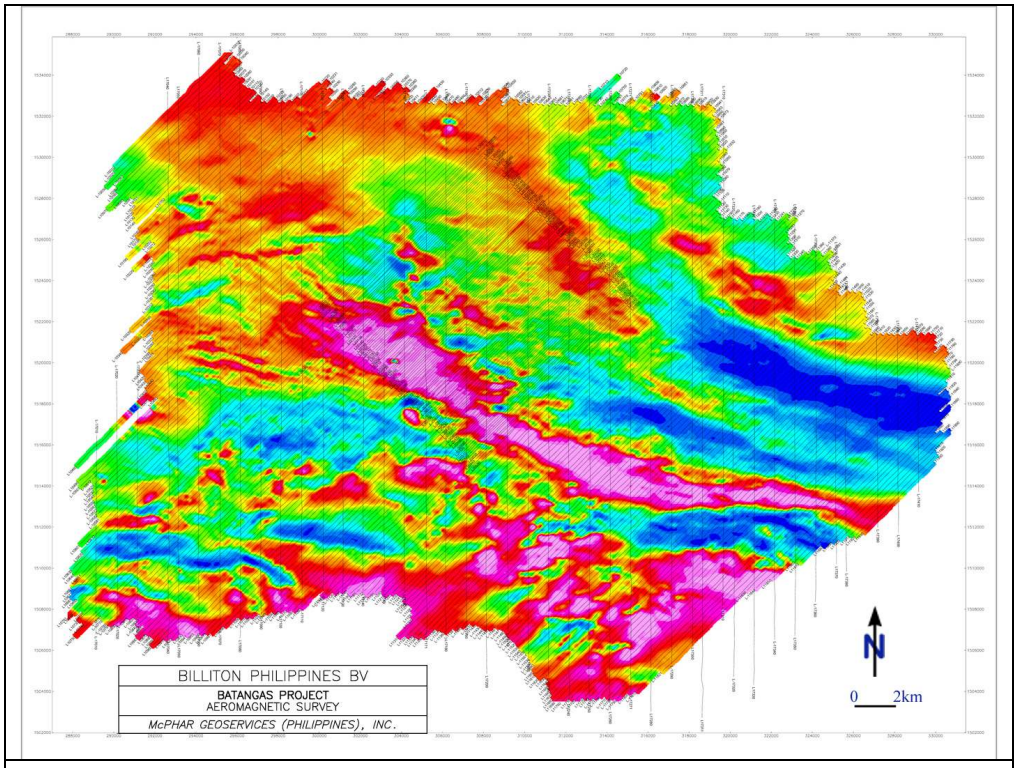


Figure 12: Batangas Project – Regional Aeromagnetic Survey
(Source: Phelps Dodge, 2005)

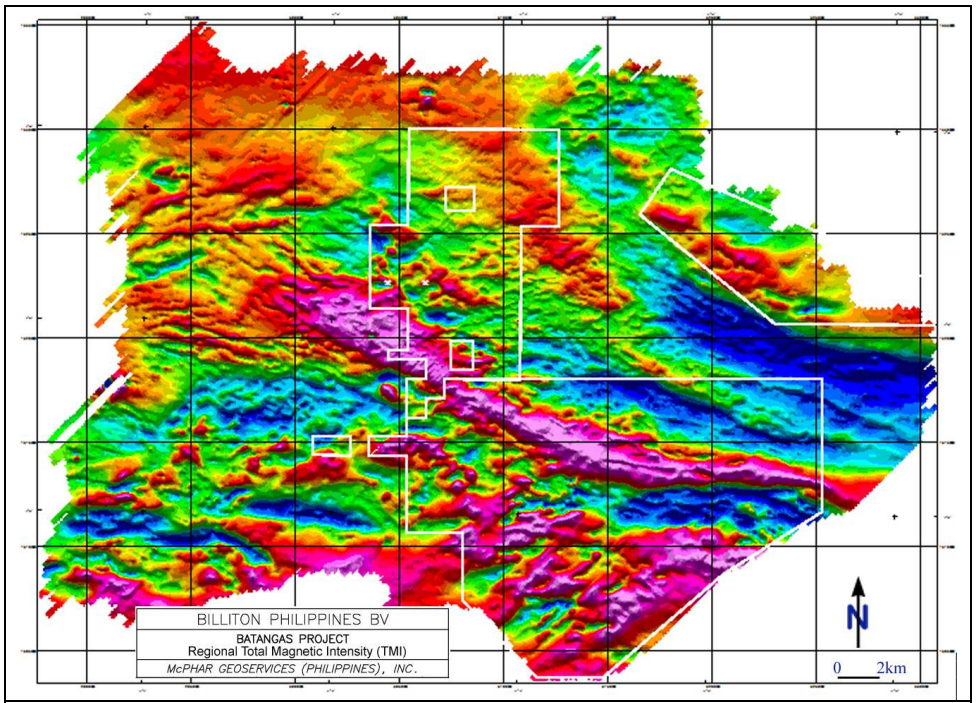


Figure 13: Batangas Project – Regional Total Magnetic Intensity (TMI)
(Source: Phelps Dodge, 2005)

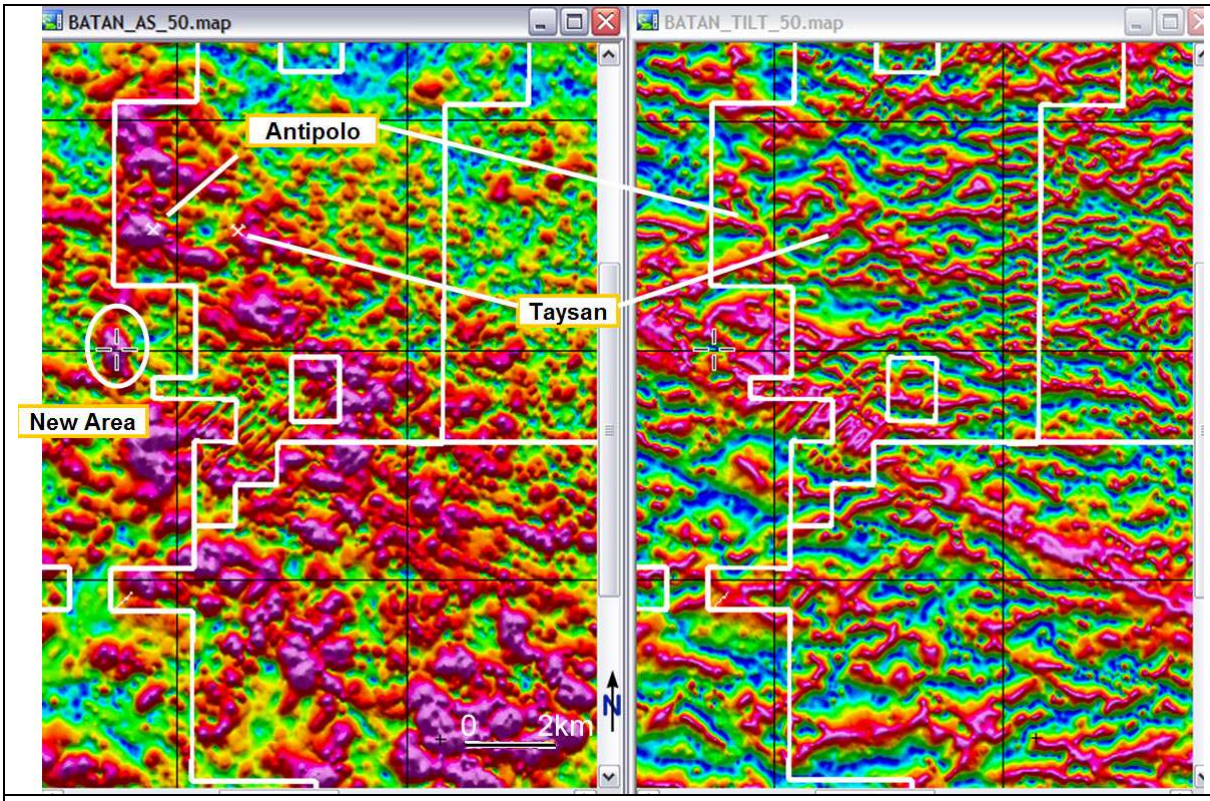


Figure 14: AS & Tilt – Taysan and Antipolo Areas
(Source: Phelps Dodge, 2005)

5.3.3 Kumakata Mining Company Ltd (Freeport) – 2006 to 2007

Freeport carried out a 2 stage regional exploration program during 2006-2007 with the objective of identifying and delineating prospective areas that would potentially increase the Taysan copper resource, i.e. regional exploration. The major exploration activities undertaken in this program were:

- Detailed Mapping with stream sediment and rock sampling
- Ground Magnetics Survey at an aggregate of 91.24 line kms.
- Induced Polarization Survey at an aggregate of 56.85 line kms.
- Reverse Circulation ("RC") drilling at an aggregate meterage of 4,463 m.
- Diamond drilling ("DDH") at an aggregate meterage of 3,816 m.

Geochemistry

Stream Sediment Geochemistry

Figure 15 shows the results of the geochemical and rock chip sampling. Stream sediment Cu and/or Mo anomalies were in creeks draining the Taysan Copper-Gold Deposit and the diorite window exposed at the SE portion of the tenement (Figure 15). Stream sediment Au anomalies were found in creeks draining the small scale gold mining area of Antipolo. Coincident high Cu/Zn and moderate Pb/As stream anomalies were in the creeks at the NNE portion of the tenement in Bgy Tilambo.

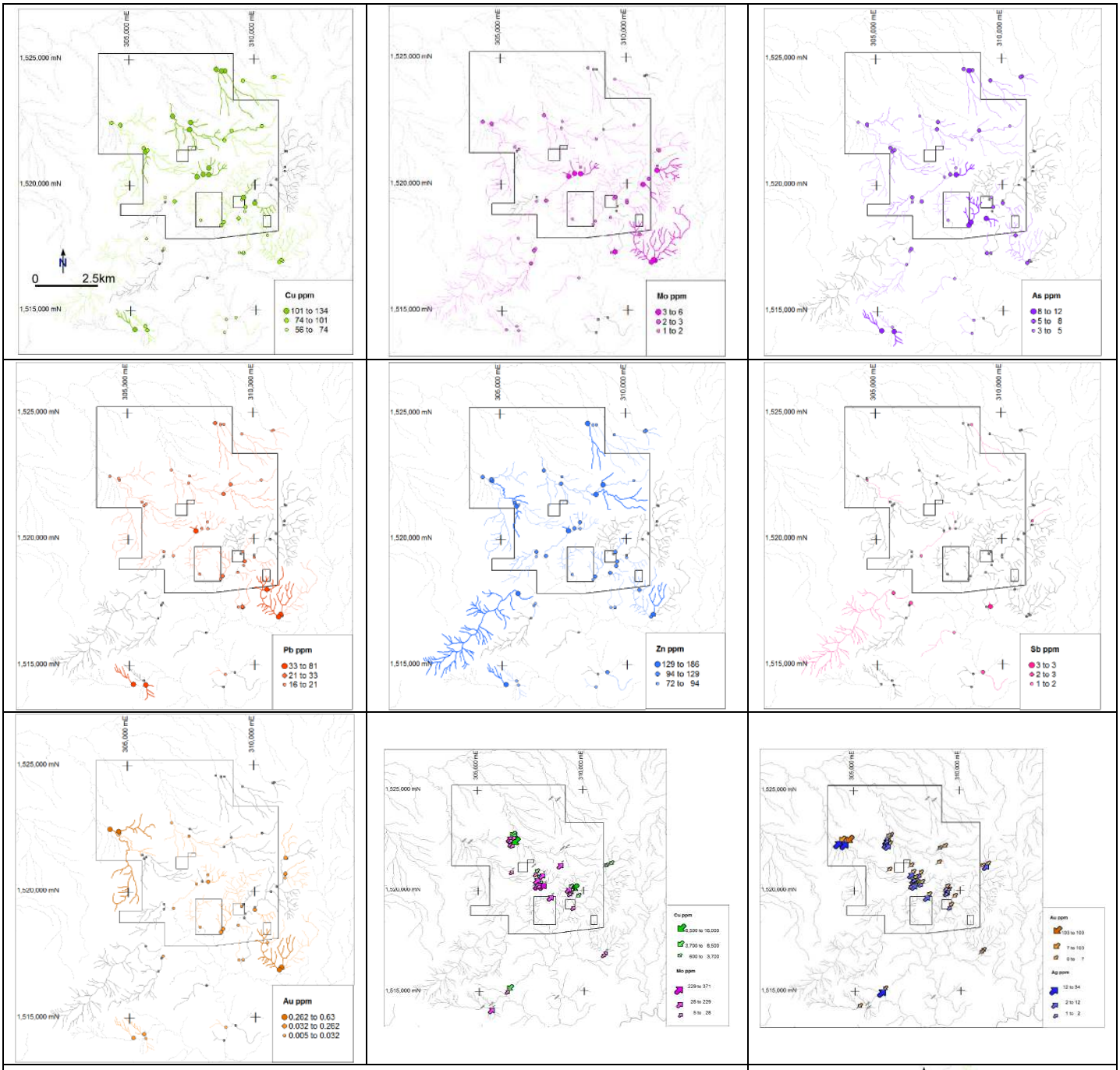


Figure 15: Stream Sediment and Rock Chip Sampling Results
(Source: KMCI 2008)

Rock Geochemistry

Outcrops in the Taysan Copper-Gold Deposit assayed from 0.3%-1.2% Cu. Interesting results were from the NW end of the diorite window with 3 samples assaying from 0.2-0.4% Cu. The area likewise had elevated Mo, Pb, and Zinc assays in some samples (Figure 15). One quartz vein in Antipolo area assayed 50 g/t Au.

Ground Magnetics Survey

Figure 17 shows the ground magnetic survey results together with drill hole locations.

Phelps Dodge undertook a ground magnetics survey utilizing a Scintrex magnetometer at 10 meter station spacing during the second half of 2006. A total of 91.24 lineal kilometres were completed,

covering approximately 77% of the tenement area. Processing of data was completed following the acquisition by Freeport. The survey highlighted a number of magnetic anomalies that were considered worthy of follow up. Two near-circular low-moderate magnetic features were indicated at the south central and eastern portions of the tenement.

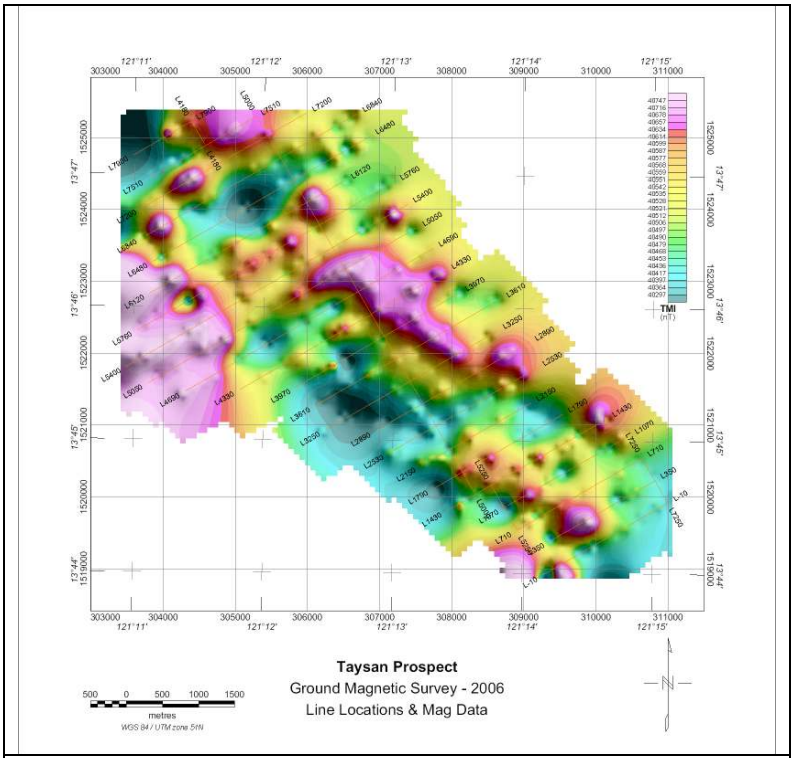


Figure 16: Ground Magnetic Survey 2006
(Source: Phelps Dodge Corporation)

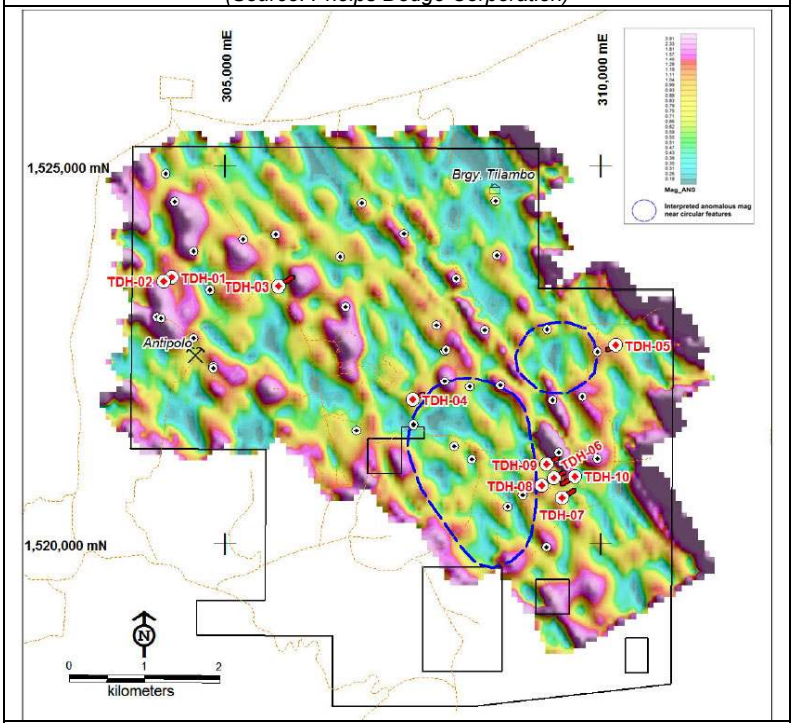


Figure 17: Ground Magnetics Analytical Signal Map showing drilling and anomalous targets
(Source: KMCI 2008)

IP Survey 2007

A pole-dipole induced polarization survey was conducted by Elliot Geophysics International Pty. Ltd. from March 2-April 11, 2007 utilizing a Zonge GGT-10 transmitter and Zonge GDP-32 receiver at a dipole size of 150m. A total of 56.85 lineal kilometres were surveyed covering approximately 80% of the tenement area. Processing was conducted by Geodiscovery Group.

Interpretation of results by GeoDiscovery Group revealed the presence of a large, well defined high-chargeability/moderately-high resistivity zone occupying the central part of the grid area, with a slight NW-SE trend. This anomalous central zone is approximately 2 x 1 km centred on Lines 4690 to 5400N at Figure 6ad. This includes the Taysan Copper-Gold Deposit. The western half of this anomaly coincides with a barren phyllic-pyrite altered breccia zone drilled by Chase in 1993. The eastern half of the anomaly broadly coincides with the Taysan Copper-Gold Deposit.

A smaller NNE trending zone of high chargeability/moderate-high resistivity had likewise been interpreted by GeoDiscovery at the SE portion of the grid. This zone extends from the central part of Line 1790N to the north-eastern end of Line 2890N.

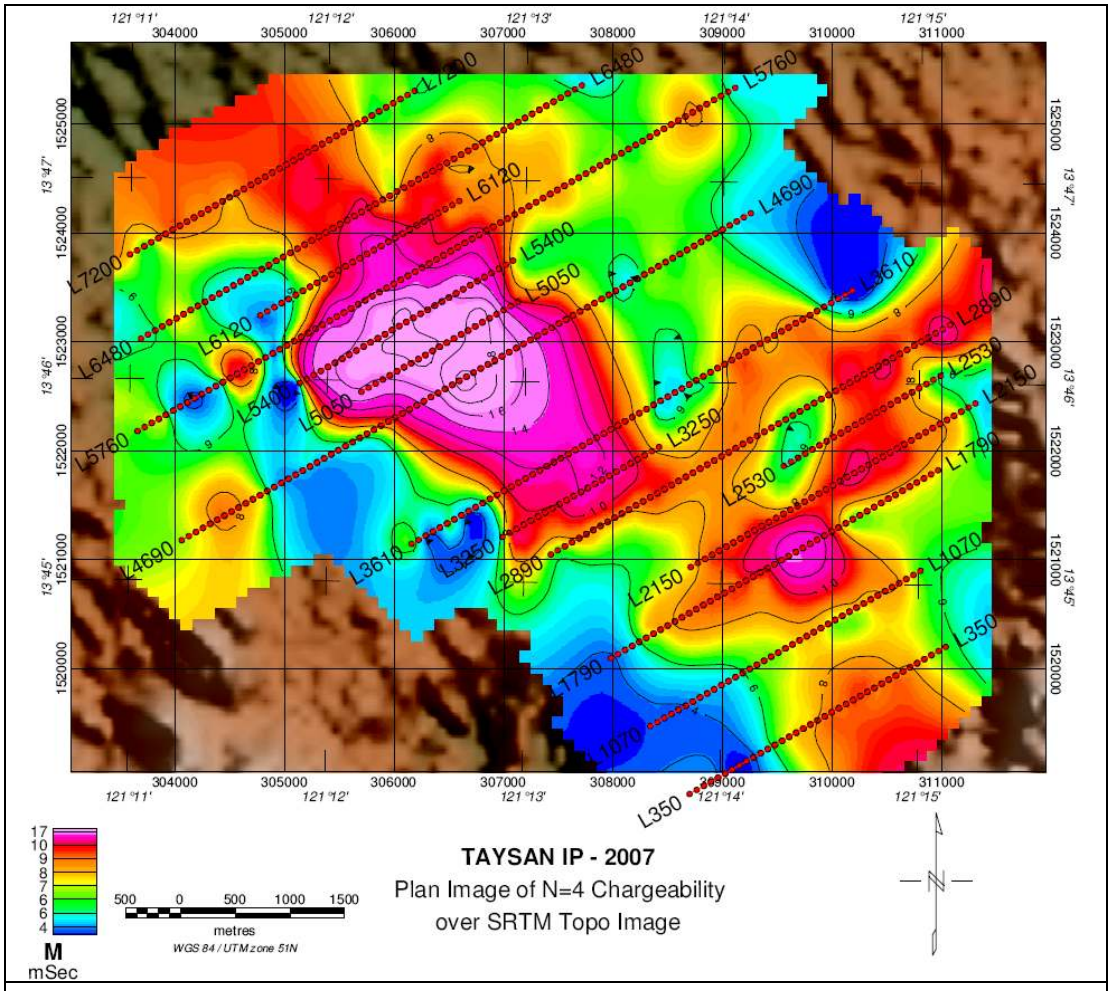


Figure 18: N=4 Chargeability image from IP survey data to date
(Source: GeoDiscovery 2007)

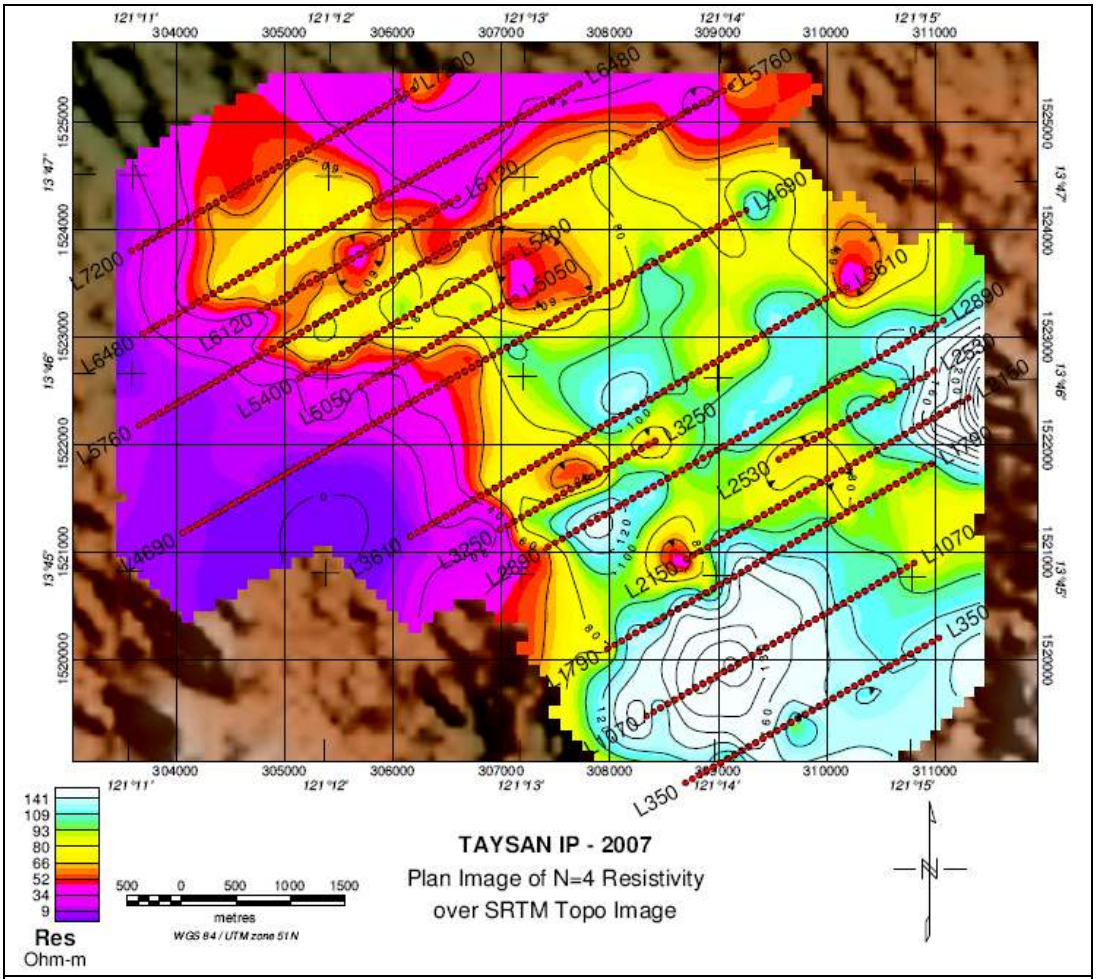


Figure 19: N=4 Resistivity image from IP survey data to date
(Source: GeoDiscovery 2007)

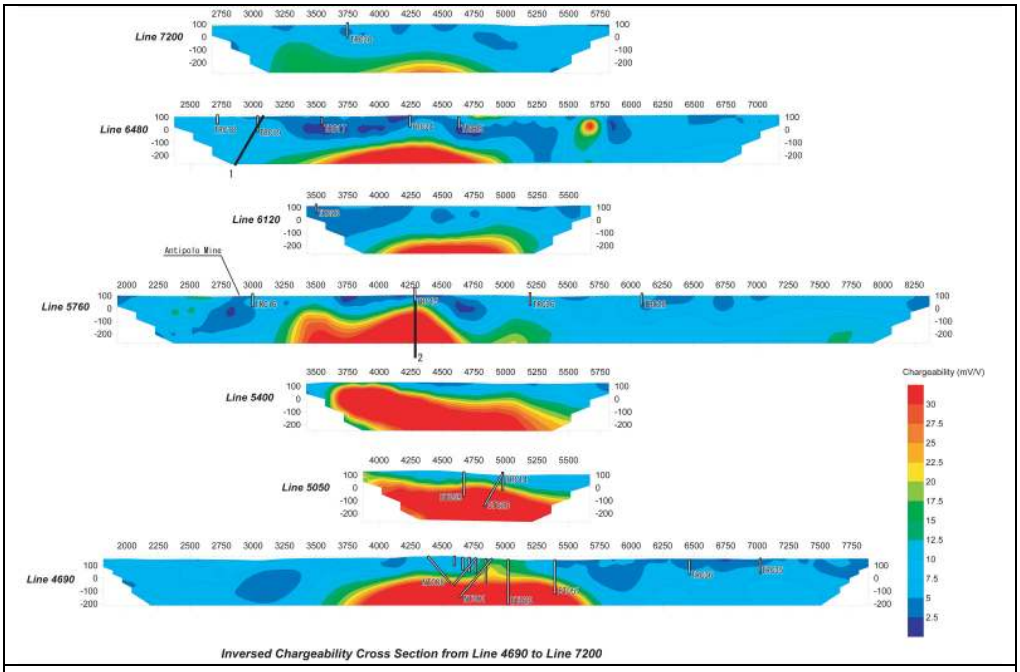


Figure 20: Line 7200 to 4690N Inversed Chargeability
(Source: JOGMEC 2007)

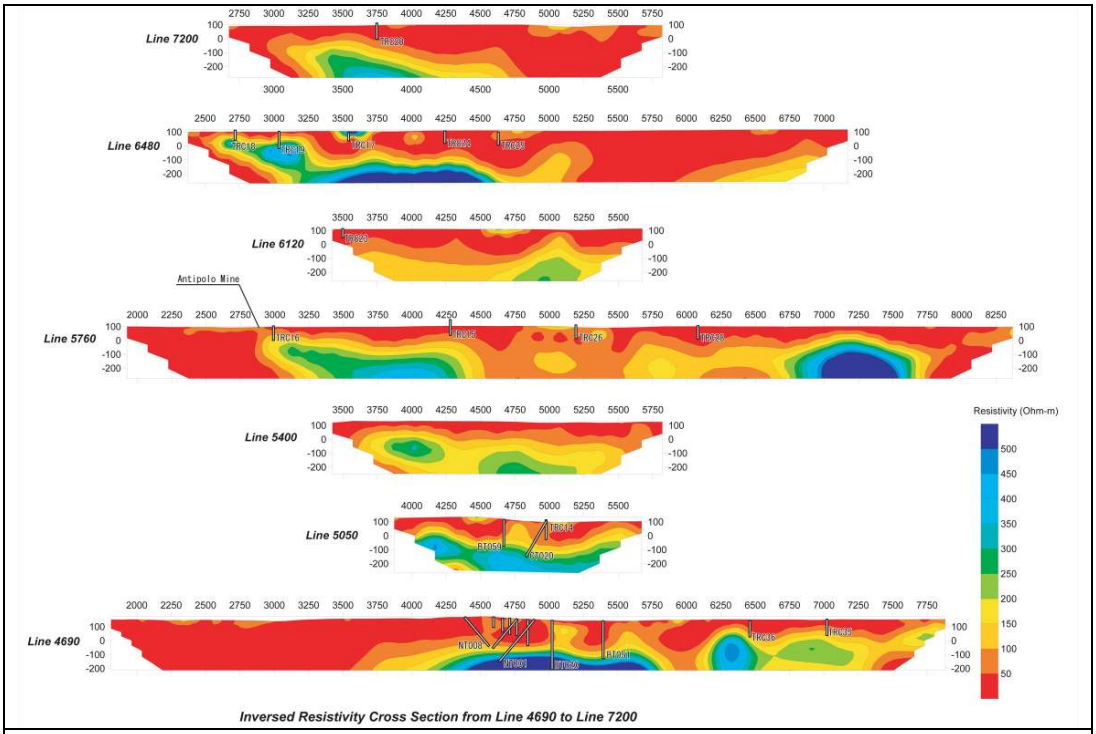


Figure 21: Line 7200 to 4690N Inversed Resistivity
(Source: JOGMEC 2007)

They also recognized a NNE trending anomalous zone extending from the central part of Line 1790N (station 7175) to the north-eastern end of Line 2890N (station 7700). The model indicates a depth of burial of this anomalous source to be approx 100 metres.

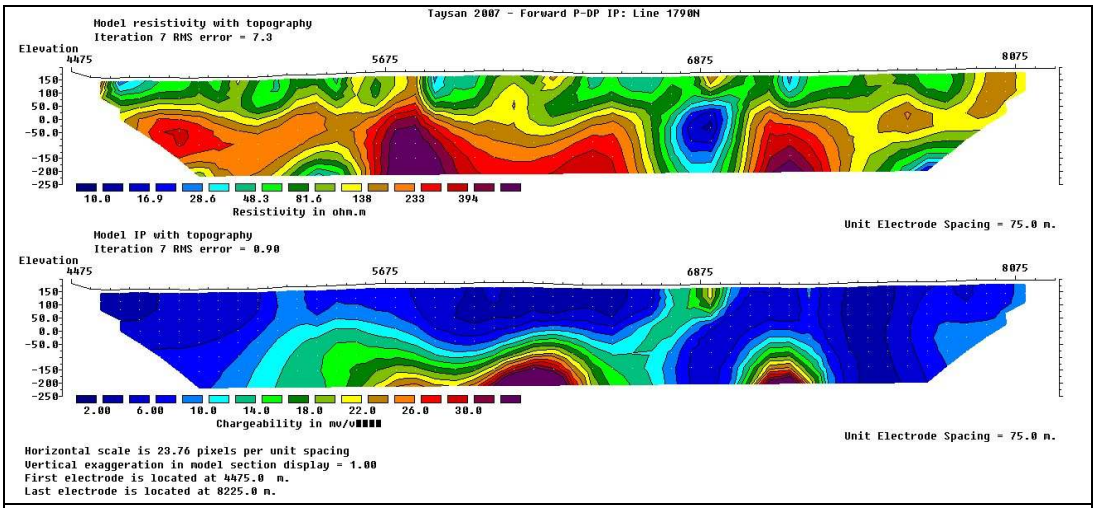


Figure 22: 2D model Line 1790N
(Source: GeoDiscovery 2007)

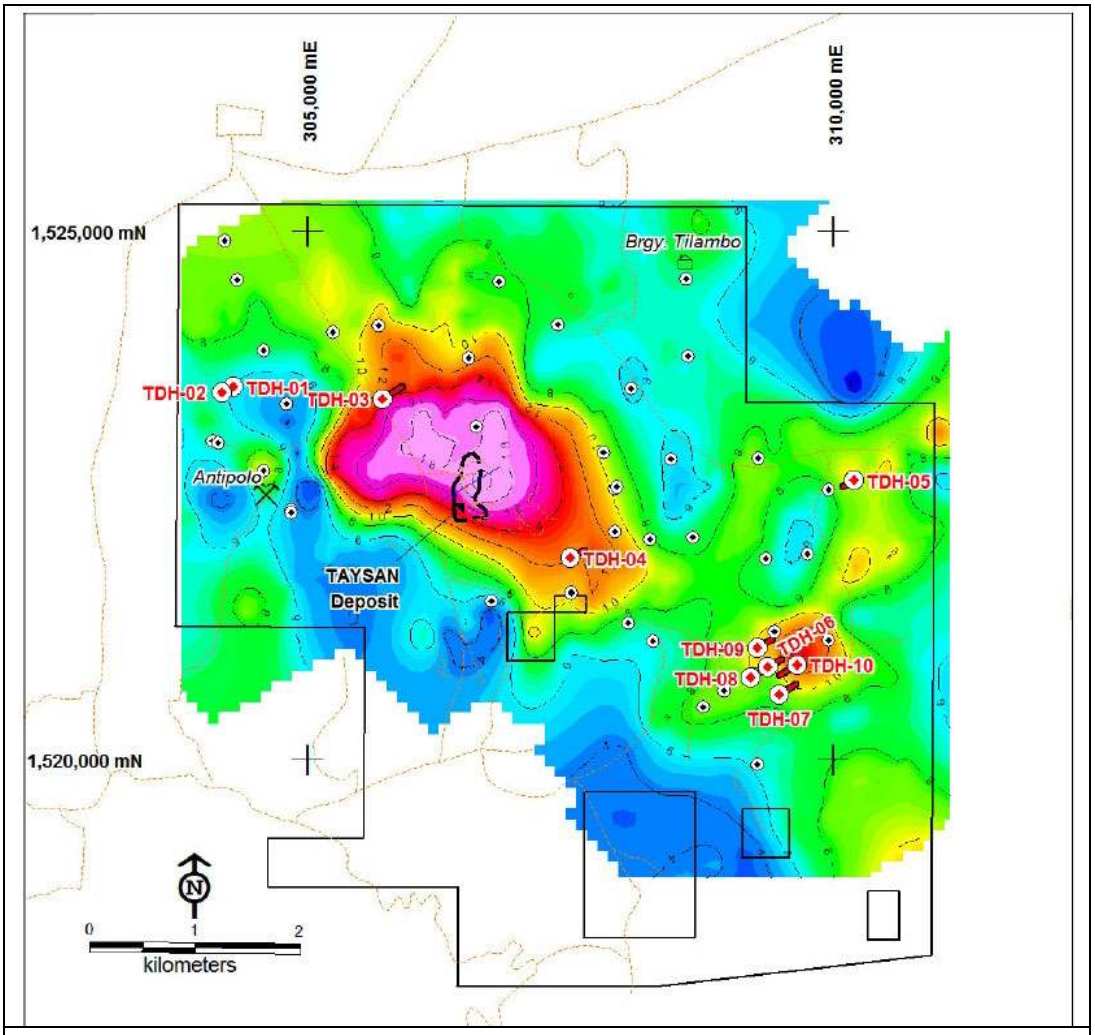


Figure 23: IP Survey, N=4 Chargeability Map
showing drill locations of IP targets
(Source: KMCI 2008)

RC and DDH Drilling 2006-2007

Figure 24 and Figure 25 show the location of the regional RC drilling and DDH conducted respectively.

RC drilling of 39 holes was undertaken from October 10, 2006 – February 26, 2007 with an aggregate meterage of 4,450 meters. The location details and summary logs of the more significant holes are presented in Figure 24 and Figure 25.

A total of 1,471 samples consisting of 1,433 sampling intervals and 38 standards/ blanks were assayed at Intertek Lab in Jakarta. Check assays for twenty-nine (29) samples with good Au values from TRC-19 were done by McPhar Lab in Manila.

The majority the holes were positioned at/or proximal to high magnetic anomalies. Seven holes were situated within a 2.3km x 1.8km low-moderate magnetic near-circular feature at the south central portion of the tenement.

Reverse circulation drill targets were located based on results of detailed mapping, stream sediment/rock sampling and the ground magnetics survey throughout the tenement. The Phase II exploration program followed up results of the Phase I exploration through diamond drilling conducted from May-December, 2007. Ten core holes were completed at an aggregate meterage of 3816m.

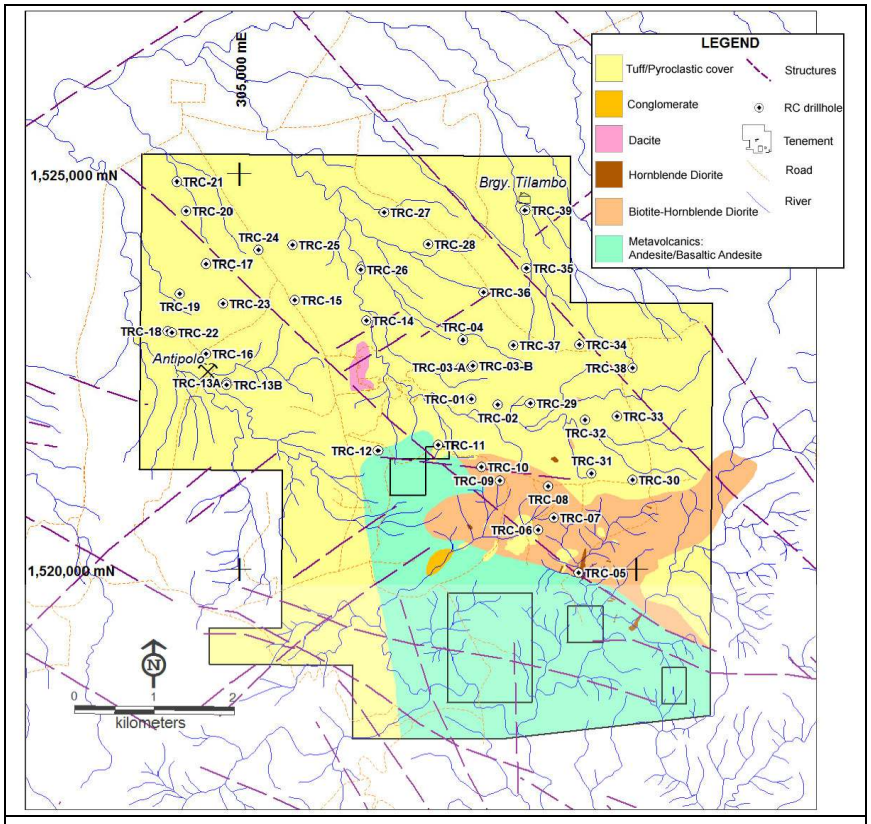


Figure 24: Local Geology showing RC drillhole collars
(Source: KMCI 2008)

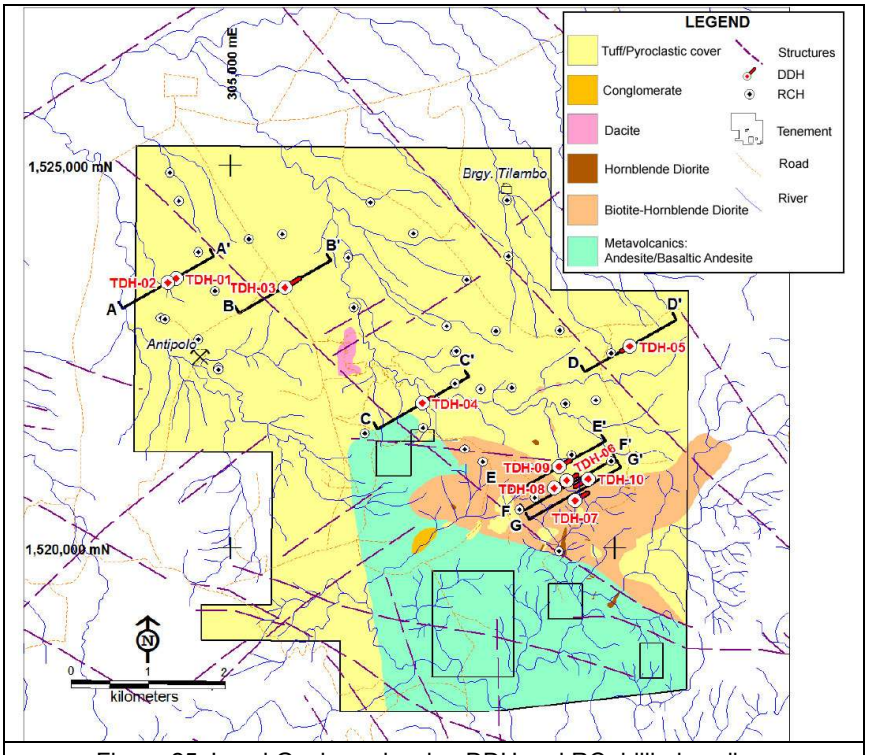


Figure 25: Local Geology showing DDH and RC drillhole collars
(Source: KMCI 2008)

Significant results were returned from a number of drillholes as detailed below and shown on Figure 28.

Drillhole TRC-14 with 77 meters of 0.2% Cu (Figure 28) located on the NE margin of the Taysan Copper-Gold Deposit and in the northern part of the 2km x 1km IP anomaly. Mineralization was hosted in medium coarse grained batholithic diorite and fine-grained diorite. Alteration is weak-strong chlorite+silica±sericite±clay with the silica as quartz stringers/veinlets/small veins. KMCI suggested that the results support a potential northward extension of the Taysan Copper-Gold Deposit.

Drillhole TRC-29 intersected 42m at 0.13% Cu in chlorite-epidote-sericite altered diorite to the southeast of the Taysan Copper-Gold Deposit. This hole appears to occur on a separate trend to the Taysan mineralization and along regional strike from the south-eastern IP anomaly.

Gold mineralization was intercepted in TRC-19 located 1km north of the historic Antipolo Mine. This hole intercepted 17m at 0.9ppm Au from 92 metres within quartz veined diorite underlying andesitic volcanic. This was followed-up with 2 diamond drill holes, TDH-01 and TDH-02 (Figure 25). Drillhole TDH-1 intersected 23 metres at 5.28ppm Au from 92 metres including 1 metre at 93.2ppm Au from 84m. Gold mineralization is associated with oxidised, quartz sulphide veining and silicification of andesitic volcanic.

Weak to moderate copper mineralization (>500ppm Cu) was intersected in a number of additional RC drill holes including TRC-5, TRC-31 and TRC-36.

Diamond core drillholes TDH-6 to TDH-10 targeted the south-eastern IP anomaly. Drillhole TDH-06 intersected significant copper mineralization associated with a chlorite+epidote+biotite altered diorite. Copper and molybdenum sulphide mineralization is associated with quartz veining and as disseminations within the diorite associated with magnetite and biotite. An intersection of 62 metres at 0.65% Cu, 0.09ppm Au and 0.04%Mo from 216m was returned from this hole. Drillholes TDH-7 to TDH-10 intersected sporadic zones of low grade copper mineralization. Further drilling to the east of TDH-6 is warranted to further evaluate the IP anomaly.

Drill holes TDH-4, TDH11 and TDH12 were drilled on the peripheries of the Taysan Copper-Gold Deposit (Figure 30). TDH-11 targeted the north-western margin of the Taysan Copper-Gold Deposit and intersected 124m @ 0.25% Cu and 0.1ppm Au from 220 metres. This hole intersected chlorite-biotite altered diorite and dacite porphyry with quartz+kspar+magnetite+sulphide veining. This hole was examined during the May 2010 site inspection. The key characteristics of mineralization described in successive historic drill programs were observed including the typical alteration and mineralization styles.

TDH-04 targeted the southern margin of the Taysan Copper-Gold Deposit and intersected chlorite+sericite+biotite ± Kspar altered diorite and dacite porphyry. A broad zone of low grade copper mineralization was intersected (312 metres at 0.16% Cu from 58m. Mineralised intervals observed in core were characterised by chlorite-biotite and magnetite alteration of dacite porphyry. Chalcopyrite and bornite occurs predominantly of disseminated chalcopyrite and bornite closely associated with biotite and magnetite. Substantial potential to extend the Taysan Copper-Gold Deposit to the south is indicated by this intersection.

TDH-012 was located to the immediate north of the known Taysan Copper-Gold Deposit and intersected mineralised chlorite+sericite+bitotite altered diorite. An intersection of 264metres at 0.18% Cu and 0.1g/t Au was returned from this hole indicating potential to extend the deposit in this direction.

No exploration has been carried out on the property by TCC work programs and results. The most recent exploration was conducted by KMCI from 2006 to 2009. The description of KMCI's work is given in Section 5.2.

5.4 Discussion of Historical Exploration Results

For the purpose of this review, GPL in consultation with geophysical consultants from the Geodiscovery consulting group in Brisbane has undertaken further processing of both the Aeromagnetic data and the IP survey data. Reduction to Pole (RTP) transformation was undertaken or airborne magnetic data and 3d model slices were generated from IP chargeability data. RTP transformations are recommended for locations close to the equator due to low angles of magnetic inclination relative to the earth's surface and resulting displacement of magnetic anomalies from their source. The RTP magnetic data shows the Taysan Copper-Gold Deposit is spatially associated with a small discrete magnetic anomaly within a broader elongate magnetic low. Similar magnetic signatures are evident to the northwest and southeast of the Taysan Copper-Gold Deposit which have not been tested by previous drilling.

The IP anomaly previously identified to the southeast of Taysan Copper-Gold Deposit appears as a northeast trending anomaly in the modelled depth slices. Drilling undertaken to date does not appear to adequately test the modelled peak responses although TDH-6 intersected significant copper mineralization. A number of IP anomalies remain untested by drilling. The relationship of past drilling to these geophysical features is shown on Figure 27 and Figure 28.

In conclusion it is considered that the results of recent exploration (2005-2009) indicate the following:

- Potential for along strike extensions to the Taysan Copper-Gold Deposit exists to the south and northeast.
- Copper mineralization intersected distal to Taysan Copper-Gold Deposit associated with separate geophysical anomalies indicates potential for the discovery of separate satellite deposits.
- A number of magnetic and IP anomalies which have signatures that may be associated with copper-gold mineralization remain untested by drilling.
- The potential for vein style or epithermal gold mineralization associated with the broader intrusive-volcanic complex remains largely untested. The intersection of gold mineralization in TDH-1 and TRC-19 which were targeted based solely on regional magnetics, suggests a broader potential under the tuff cover for gold mineralization.

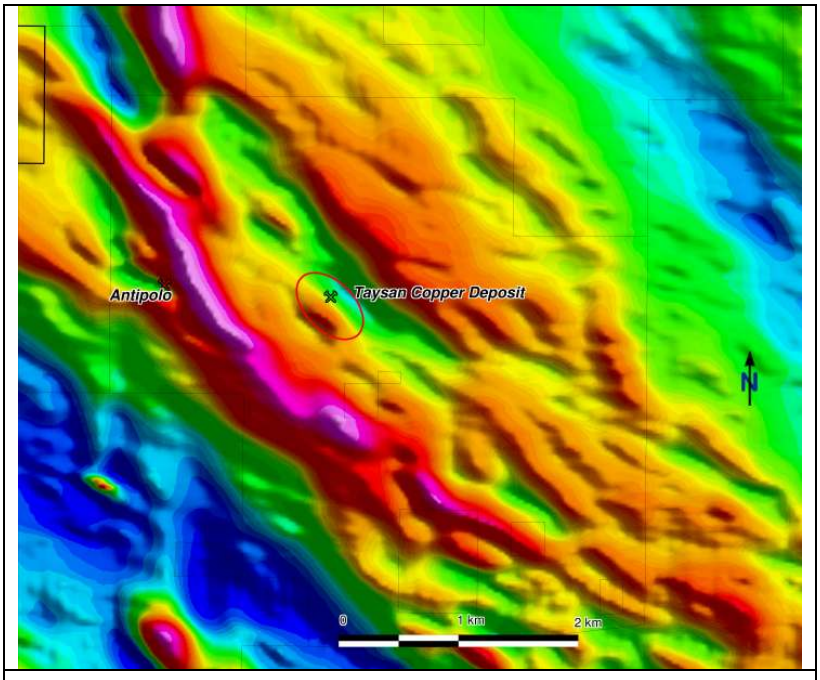


Figure 26: Reduced to Pole (RTP) Magnetics
(Source: GPL, 2010)

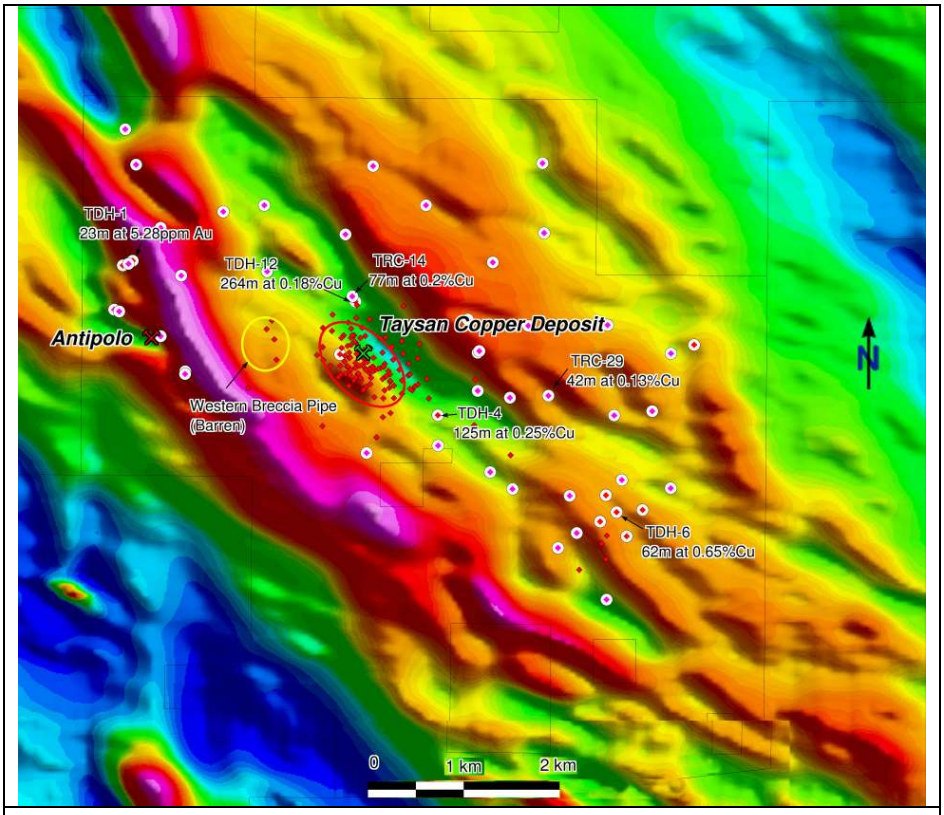


Figure 27: Reduced to Pole (RTP) Magnetics showing drill collar locations
(Source: GPL, 2010)

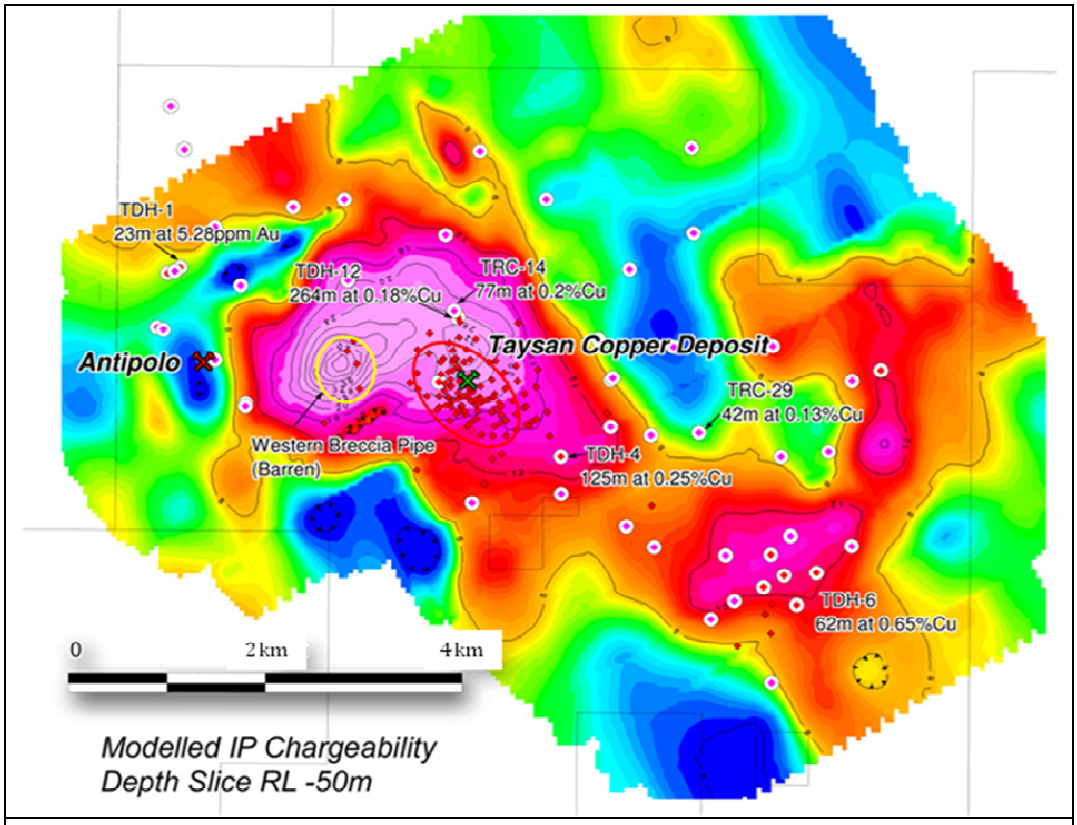


Figure 28: Modelled IP Chargeability, Depth Slice RL -50m
(Source: GPL, 2010)

5.5 Discussion on Historical Drilling

The Taysan project area has been investigated and drilled by four companies since 1968. A total of 195 drillholes have been drilled to date with a total depth of 45,043.35m. Of this total, 162 holes were diamond core holes for 40,991.35metres and the remaining 41 drillholes were drilled using the Reverse Circulation Hammer technique. A breakdown of the various phases of drilling is provided in Table 9. A total of 195 drillholes had been drilled up to 2009 and are in the current database with a total meterage of about 44,839 of which 144 holes totalling 36,562m were drilling at or nearby the Taysan Copper-Gold Deposit.

Table 9: Historical Drilling 1983 to 2009

Company	Period		Holes	Depth		Prefix	Type	from	to	Comments
				total	max					
Occidental Minerals	1970									drilled IP anomalies, no details
TCI	1970	1977	23	2292.92	244.5	W	DB	W001	W046	all vertical
Benguet	1974		7	606.15	174.5	MT	DB	MT001	MT007	all vertical
Benguet	1974	1975	66	18595.01	566.45	BT	DB	BT001	BT060	includes A, B and D twins
Newmont	1977		19	6356.47	468.18	NT	DN	NT001	NT019	no gold assays
Benguet	1979		2	203.75	103.75	BT		BT061	BT062	at Antipolo but no co-ords
Benguet	1983		6			TY		TY001	TY006	have logs and co-ords but not in dbs
Benguet	1983		2	328.2	186.6	TY	DB	TY007	TY008	
TCI	1988	1990								no work recorded
Chase	1992	1993	21	6395.7	453.65	CT	DC	CT001	CT021	
Chase	1993		4	787.15	260.4	CTW	DC	CTW01	CTW04	
KMCI	2006	2007	41	4452	145	TRC	RC	TRC-01	TRC-39	includes A and B twins
KMCI	2007	2009	12	5026	600	TDH	DK	TDH-01	TDH-12	

The majority of this drilling was undertaken on the Taysan Copper-Gold Deposit and immediately surrounding area. The deposit was drilled initially on 120m section line spacings. Some later infill was undertaken on 60 metre line spacing. In 2009, 2 deep core holes were drilled with the deposit area. Drilling was undertaken on a local grid aligned parallel to the regional strike (NW-SE). In 1992, Chase Resources Inc re-surveyed all historic holes to ensure that survey data was consistent with the grid re-constituted by Chase. These coordinates are the basis of the current database. These coordinates have also been converted to regional grid coordinates.

According to Chase records, (Erceg, 1995) for Chase and earlier drilling, only the collar location, geology and assays of the Chase holes are known with any confidence. Problems were encountered locating both Newmont and Benguet collars due to variances in local grids used.

Drilling undertaken by Chase was contracted to Asia Pacific Mineral Services (Aspac) and Diamond Drilling Company Philippines (DDCP) and GM Drilling (1995) utilizing skid mounted Longyear 38's and 44's and a Tone rig. All holes were drilled in HQ size with the exception of two holes which were drilled using NQ due to highly fractured ground conditions. With the exception of one hole, core recoveries were maintained at 90-95%. In highly fractured ground within the ore zone, core recovery was maintained by employing triple-tube equipment. Chase reported that only a small number of holes had downhole surveys undertaken using a single shot Eastman Camera with limited success. The current resource database contains no downhole survey data.

Access around site was suitable for skid based rigs mobilized from pad to pad utilizing a local bulldozer. The wet season from June to November is the rice planting season and access was restricted during these times. Mobilisation was also difficult due to the heavy wet ground conditions

The drilling grid established by Benguet has a baseline (10,000E) orientated 330 degrees Mag. A majority of drilling has been conducted on a line spacing of 120m. Chase had infilled some of these lines to 60m sections. On section drillholes are generally spaced l00m apart. All angled holes except Newmont are directed grid west at an azimuth of 240 degrees Mag and inclined at 60 degrees.

Figure 29 and Figure 30 outline the drilling collars for the regional and local drilling recorded since 1969 to 2009.

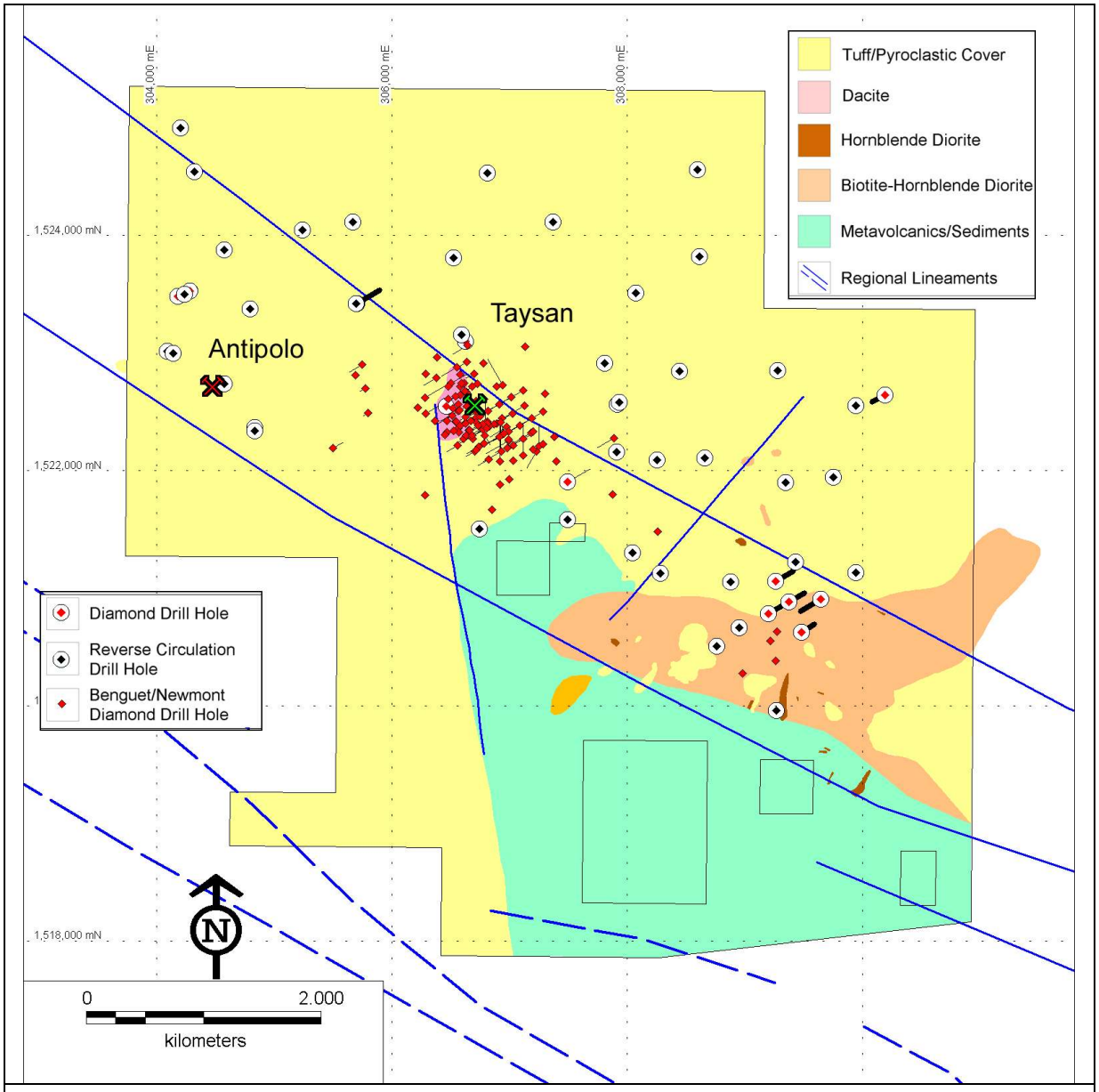


Figure 29: Regional Geology with drill collar locations – Taysan Project
(Source: TCC)

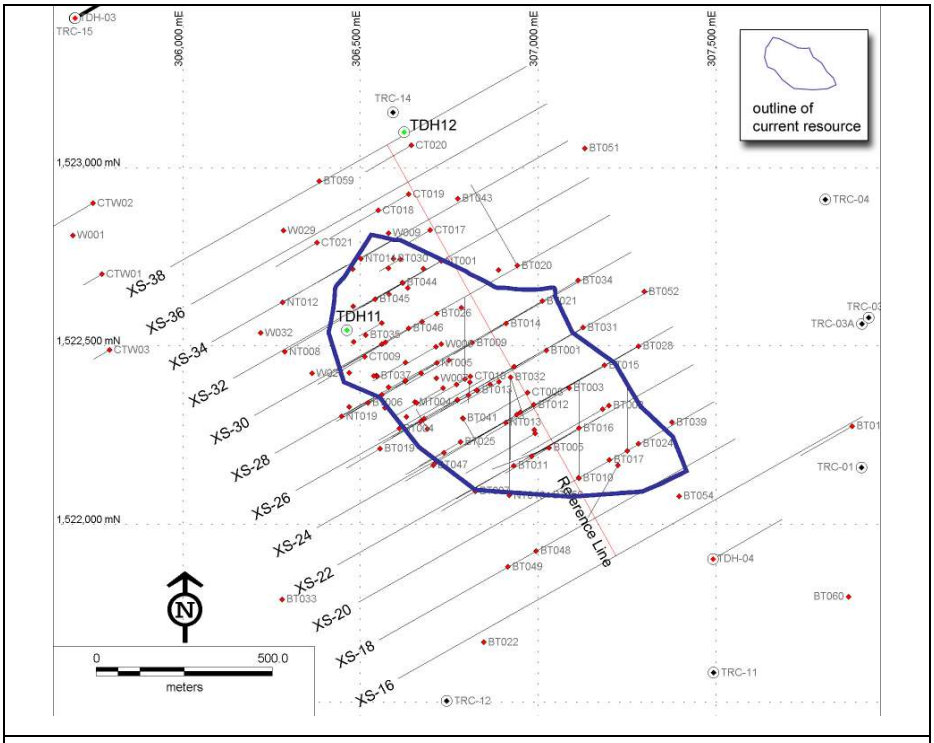


Figure 30: Taysan drill plan including 2009 drilling and outline of JOGMEC Resource
(Source: TCC)

In 2009, 2 core holes were drilled, TDH11 and TDH12 both vertically to 600m depth, on lines XS-32 and XS38 respectively (Figure 30).

Photo 6: DTH11 and TDH12 drill sites
(Source: KMCI 2009)

TDH11 on the western side of the deposit returned a weighted average grade of 0.20% Cu over 157m from 40m depth within a slightly lower grade zone of 263m at 0.18% Cu (Figure 31).

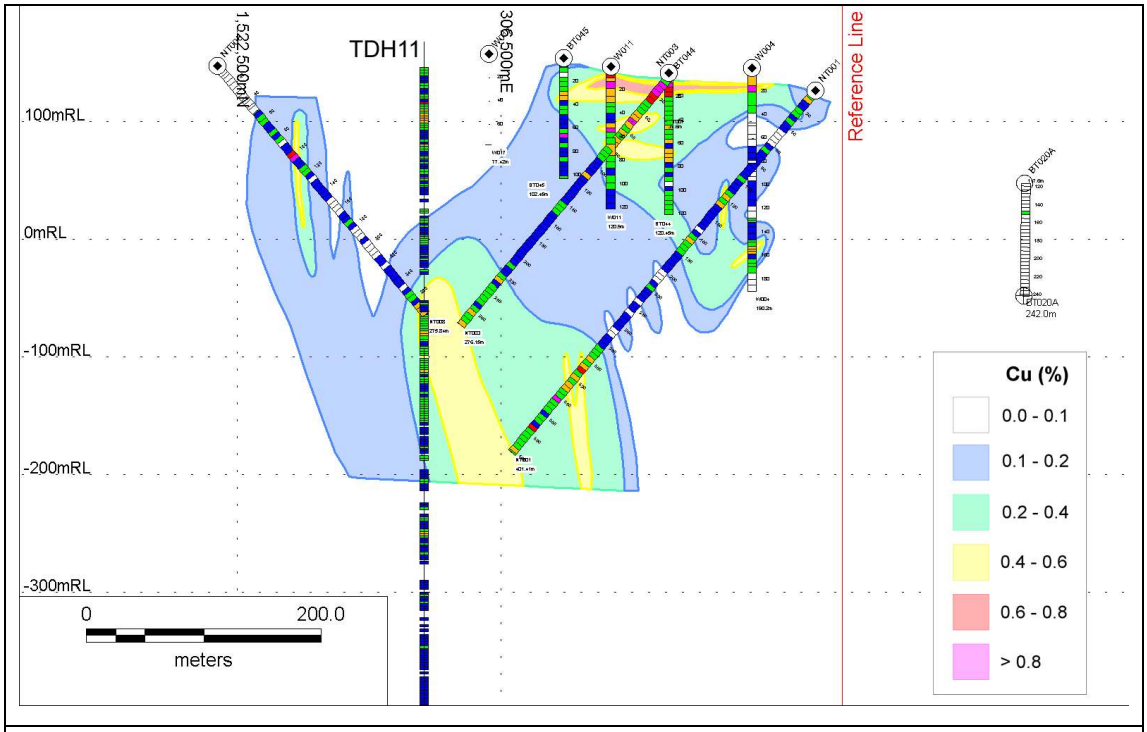


Figure 31: XS-32 showing DTH11
(Source: TCC)

TDH12 located on the northern periphery of the deposit returned a weighted average grade of 0.22% Cu over 172m from 22m depth and 0.18% Cu over 358m from 220m depth (Figure 32).

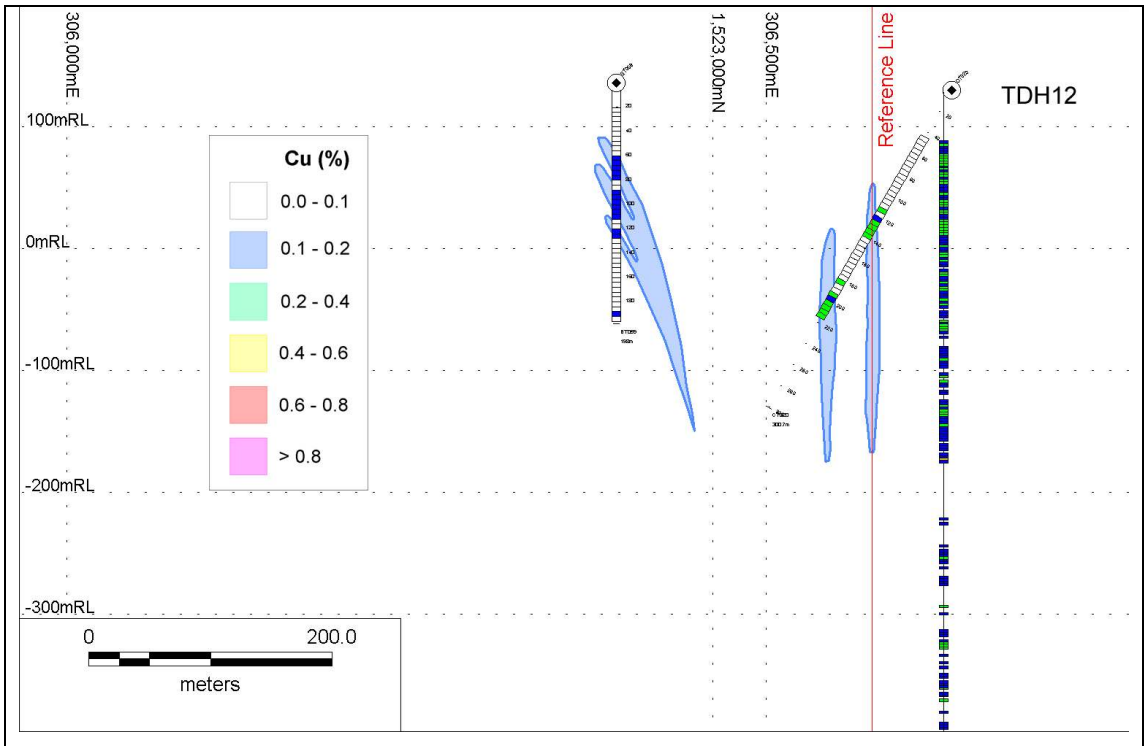


Figure 32: XS-38 showing DTH12
(Source: TCC)

5.5.1 Drilling Procedures

There is little information available on detailed procedures for the various phases of drilling at Taysan prior to Chase's drilling.

Details of the Benguet drilling program are limited to the hand written logs. The core diameter and sampling regimen is not recorded on these logs. Similarly no details of the Newmont or Taysan Copper Inc drilling programs are available.

Chase drill core was collected in galvanised steel trays with lids fabricated in Manila. On site processing included core photography, geotechnical logging, geological logging and sampling for assay. Core was stored in covered racks at the Taysan field office. Drill logs combining both geotechnical and geological data were used in all drilling. Geotechnical parameters recorded included core recovery, RQD, rock strength and weathering. Geological logging included compulsory descriptions for geology, alteration, mineralization and structure. In order to standardize drill core processing, a Drill core Logging Manual was produced in 1994 for field use. Only major lithological codes and descriptive prefixes are entered into the computer database (Erceg, 1995).

5.5.2 Drilling results

In summary the accumulated results of past drilling has consistently indicated the following:

- A significant zone of copper mineralization is present at Taysan.
- Copper mineralization is associated with fractured and altered diorite and dacite porphyries.
- Copper occurs primarily as chalcopyrite and bornite associated with quartz stockworks and as disseminations with altered intrusive rocks.
- The style of mineralization and associated alteration is characteristic of porphyry copper style mineralization, particularly those found in the Philippine Archipelago.
- Successive resource estimates indicate a potentially significant low to moderate grade copper deposit. Grade estimates have been consistent for each estimate.
- More recent exploration has indicated potential to extend the limits of the known deposit as well as identify satellite deposits.
- Magnetic and IP geophysical surveys have been effective in identifying mineralization under the tuffaceous cover rocks.

GPL has undertaken a further review of past drilling results to ascertain the veracity and consistency of the various historical phases of drilling. The results of this work are discussed in Section 13.1 of this report.

5.5.3 Discussion on drilling procedures

The lack of documentation of procedures will require that further confirmatory drilling is undertaken at Taysan before a NI43-101 or JORC compliant resource can be produced. Future work should include a re-survey of all existing drillhole collars and the local grid. If possible, downhole surveys of previous capped holes which are open should be undertaken.

5.5.4 Historical Sampling methods

Sampling Protocols

As noted above, their is limited information available relating to the earlier drill programs completed by Newmont, Benguet and Taysan Copper Inc. Drill logs from the Benguet drilling indicate core was sampled on 4 metre intervals and assayed initially for Copper. The core was subsequently re-assayed selectively for gold and molybdenum. Details of sampling and analytical procedures have not been recovered.

Chase reported (Erceg, 1995) that for 1992-93 drilling samples were collected at 4 metre intervals from the base of the tuffaceous overburden. Core was cut in half on site using a core saw and

dispatched to ASPAC sample laboratory in Pasig for sample preparation. The approximately 6 kg samples were oven dried and crushed to minus 10 mesh (1.70mm) and a 3 kg split pulverised initially to minus 80 mesh (180 microns) then a further 1.5 kg split pulverized to minus 200 mesh (75 microns). No details of the equipment used had been documented. A final 2009 split was dispatched to Analabs (Perth, Australia) and assayed for gold (50 g fire assay) and copper and silver (AAS). No reconciliation of check samples appears to have been determined.

For 1994-1995 drilling, sample interval of 2 metres were used because of the change in emphasis toward gold and the targeting of a near surface higher grade copper-gold zone. The sample preparation protocol is included in Figure 33.

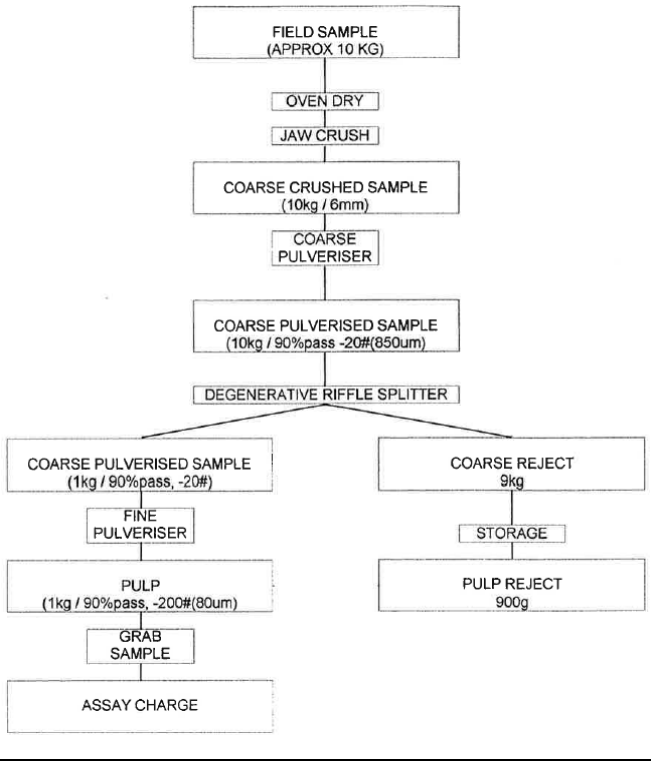


Figure 33: Chase sample prep protocols
(Source: Erceg, 1995)

The core was cut in half using a core saw on site. Samples were sent to McPhar Laboratories in Manila for sample preparation and assay. Samples were oven dried and crushed using a jaw crusher to minus 6mm, then coarse pulverised to minus 20 mesh (850 microns, 90% pass). A 1 kg split was fine pulverised to minus 200 mesh (80 microns, 90% pass). Samples were assayed for copper by AAS following concentrated acid leach and $HCl/HNO_3/HClO_4$ leach in the latter stages on 1 g sample. Gold was determined by 50g fire assay with AAS finish.

Core was split on site and half core samples were submitted to the ASPAC laboratory for sample preparation. Core samples were initially crushed in a jaw crusher then by a cone crusher to pass -10mm mesh. This sample was subsequently pulverised and sieved to -200# mesh. The proportion of material passing this mesh size from pulverising is not stated in the Chase report. A 200g split of each pulverised sample was dispatched to Analabs Laboratories in Perth, Australia and assayed for gold (fire assay), copper and silver (AAS).

Drill core from the KMCI drilling program was processed at the Taysan office compound. HQ core was split on-site and sampled on 1 metre intervals. A total of 1,471 samples consisting of 1,433 sampling intervals and 38 standards/ blanks were assayed at Intertek Lab in Jakarta. Check assays for twenty-nine (29) samples with good Au values from TRC-19 were done by McPhar Lab in Manila. Check samples were obtained from a 29 metre interval from drill hole TRC-19 which intersected gold mineralization. A comparison of the primary sample assay vs check sample assay indicates

reasonable correlation on gold assays and strong correlation for copper however the dataset is too small to b e statistically relevant.

Drill Core Specific Gravity:

No specific gravity ("SG") determinations have been in the records examined to date except for measurements taken from head assay samples for the six composite samples conducted during preliminary metallurgical testing by Optimet Laboratories in 1995 The SG determinations were carried out in duplicate on the same head assay sample for each composite using the bottle method (Table 10).

Table 10: SG Results for Composite Samples

Composite	Rock Type	SG		
		1st	2nd	Average
MET95-1	Oxide - upper	2.66	2.60	2.63
MET95-2	Oxide - lower	2.72	2.69	2.71
MET95-3	Sulphide - Stockwork	2.72	2.70	2.71
MET95-4	Sulphide - Diorite	2.67	2.65	2.66
MET95-5	Sulphide - Dacite	2.67	2.69	2.68
MET95-6	Sulphide - Breccia	2.69	2.58	2.64
MET95-3+4+5+6	Sulphide - mix	2.64	2.59	2.62

(Source: from Wong, 1995)

The Chase resource estimate assumed an average SG of 2.6 for fresh ore and the JOGMEC resource estimate assumed an SG of 2.5 for fresh ore. Drill core viewed during the field trip was typical intermediate intrusive lithologies with typical porphyry alteration characteristics. The SG assumptions used by Chase and JOGMEC are considered reasonable and conservative (as evidenced by the composite SG results determined in 1995) however detailed SG determinations will be required to report NI43-101/JORC compliant resources for this project.

5.5.5 Extent of sampling

For the majority of resource drilling undertaken at Taysan, all drill core was sampled from each hole and assayed for copper in 4 metre composites. The potential for gold mineralization was not recognised until the end of the Benguet drilling program. Gold analyses were undertaken selectively of Benguet drillholes. In subsequent drilling programs by Chase, analysis for gold was undertaken on a systematic basis. No gold analysis was undertaken on Newmont drill core. Analysis for Molybdenum has been sporadic for all resource drilling.

5.5.6 Recovery and quality

Core recovery records exist for the Benguet, Chase and KMCI drilling programs. Benguet records indicate that core recoveries were generally >90%, however intervals of poor recovery (50-60%) were noted in a number of holes within the highly fractured stockwork zone of the Taysan Copper-Gold Deposit. Chase reported that they has taken considerable care to achieve high core recoveries and employed HQ triple tube drilling in the high grade and fractured core of the deposit. Core recoveries were consistently above 90% with the exception of the near surface oxide zone where drilling difficulties impacted recoveries. .No core recovery data has been identified for the Newmont drilling.

5.5.7 Historical sample preparation and analyses

Details of sample preparation and analyses are not available for the earlier phases of drilling undertaken by Newmont, and Benguet. Anecdotal evidence indicates that half core samples were obtained by Benguet and transported to the Benguet Mine Lab for sample preparation and analyses.

Chase reported in 1993 that half core samples were submitted to ASPAC in Manila for sample preparation. Core samples were initially crushed in a jaw crusher then by a cone crusher to pass -10mm mesh. This sample was subsequently pulverised and sieved to -200# mesh. The proportion of

material passing this mesh size from pulverising is not stated in the Chase report. A 200g split of each pulverised sample was dispatched to Analabs Laboratories in Perth, Australia and assayed for gold (fire assay), copper and silver (AAS).

RC samples and half core samples from KMCI's drilling programs in 2007 and 2008 were submitted to Intertek laboratories in Jakarta, Indonesia. A total of 1,471 samples consisting of 1,433 sampling intervals and 38 standards/ blanks were assayed at Intertek Lab in Jakarta. Duplicate samples were obtained from a 29 metre interval from drill hole TRC-19 which intersected gold mineralization. These samples were submitted to McPhar Lab in Manila.

5.5.8 Historical QA and QC

Quality Assurance/Quality Control (QA/QC) Program

Chase record that for the 1994-1995 drilling, check samples were conducted on a routine basis based on the protocol outlined in Figure 34. Chase note that no significant bias had been detected based on limited results received by June 1995. Further check sampling including the re-sampling of the coarse rejects to check the integrity of the sample preparation scheme was conducted. Pulps for check sampling were shipped to ACME Analytical Laboratories of Vancouver for copper analysis by AAS and gold analysis by 50 g fire assay and ICP graphite furnace finish. In addition, a batch of pulp checks was subject to ICP multi-element (35) scan.

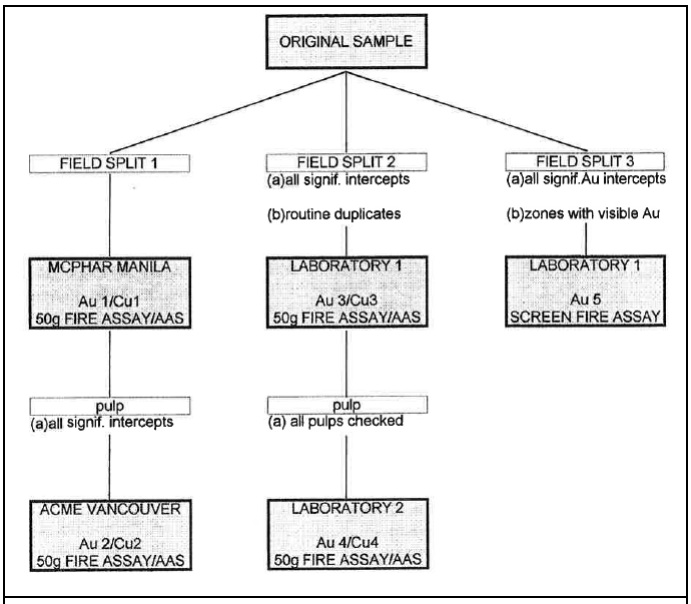


Figure 34: Chase check sample protocols
(Source: Erceg, 1995)

During the regional RC drilling during 2006-2007, a total of 1,471 samples consisting of 1,433 sampling intervals and 38 standards/ blanks were assayed at Intertek Lab in Jakarta. Check assays for twenty-nine (29) samples with good Au values from TRC-19 were done by McPhar Lab in Manila for analysis.

5.5.9 Discussion on Accuracy

A comparison of the primary sample assay vs check sample assay indicates reasonable correlation on gold assays and strong correlation for copper however the dataset is too small to be statistically relevant.

With the exception of the brief description above for the 2006-2007 regional RC drilling, we do not have access to QA/QC procedures or the assay results of QC samples in relation to the drilling of the Taysan Copper-Gold Deposit. A review of available data indicates that there was no routine QA/QC sampling undertaken for these historical drilling campaigns.

GPL cannot determine the adequacy of the sample preparation, security and analytical procedures due to the historical nature of the data. A program of check sampling will be required to confirm the accuracy of the previous work.

5.6 Historical Resource and Reserve Estimates

There have been 4 historical resource estimates conducted for the mineralization intersected at Taysan (Table 11).

Table 11: Taysan Historical Resource Estimates *

Company	Author	Date	Cut-off	Cu, %	Au, g/t	M tonnes	Classification	Contained Cu, M lb	Contained Au, oz
Benguet	PAH	1981	NA	0.32	0.31	309	Historical	2,180	3,079,718
Chase	Chase	1993	NA	0.31	0.13	336	Historical	2,296	1,404,344
Chase	Snowden	1994	0.20%	0.29	0.23	403	Historical	2,577	2,980,050
Chase	Snowden	1995	0.20%	0.3	0.21	391	Historical	2,586	2,639,896

** All historical estimates pre 1997 and are not NI43-101 compliant. The above historical estimates are dated as indicated in the above table, are sourced from Chase Resource Corporation, Snowden Associates and Pincock, Allen & Holt, Inc documents, are not stated according to NI43-101 categories in that they do not distinguish inferred mineral resource, indicated mineral resource and measured mineral resource categories. It is the opinion of GPL, based on this assessment and the review of all available data, that the historic resource estimations and the historic dataset they were based on provide a reasonable indication of the overall tenor of copper mineralization within the Taysan Copper-Gold Deposit. It is considered that this information is relevant to assessing this project as an advanced exploration and potential resource project.*

Benguet Corporation 1984

Benguet Corporation investigated the area in 1977 to 1984. In 1981 Pincock Allen and Holt Inc produced "Geologic Reserves" using a 0.20% copper cut-off of 309Mt of 0.32% copper and 0.31g/t gold (Table 12). *This figure is classified as an historical resource and is not verifiable.*

Table 12: Benguet 1981 Resource Estimate

Cut-off %	M Tonnes above cut-off	Total Cu %	Acid soluble Cu,	Au g/t
0.36	83.951	0.464	0.016	0.367
0.33	116.295	0.430	0.015	0.35
0.30	156.561	0.400	0.014	0.335
0.27	197.393	0.375	0.013	0.324
0.25	226.544	0.360	0.013	0.321
0.20	309.975	0.324	0.014	0.308

(Source: Pincock et al, 1981)

This historical estimate is dated 1993, is sourced from a Pincock, Allen & Holt, Inc document, and is not stated according to NI43-101 categories in that they do not distinguish inferred mineral resource, indicated mineral resource and measured mineral resource categories. It is the opinion of GPL, based on this assessment and the review of all available data, that this historic resource estimation and the historic dataset they were based on provide a reasonable indication of the overall tenor of copper mineralization within the Taysan Copper-Gold Deposit. It is considered that this information is relevant to assessing this project as an advanced exploration and potential resource project.

Their resources model was developed in 12.5 benches with individual block dimensions of 25m by 25m. An inverse-distanced-squared ("IDS") method was used for grade estimation. An internal flat search radius of 100m was used with constraints according to rock type and the extent of drilling. A density factor of 2.59 tonne per cubic metre was used to calculated resource tonnage.

Chase Minerals Philippines Corporation

During 1992 to 1996 Chase further drilled 41 holes (10,720m) for a total of 144 holes (including previous drilling). Chase released 3 estimates including a 1993 estimate and a 1994 estimate and 1995 update both conducted by Snowden Associates Pty Ltd ("Snowden") (Table 11).

In 1993, Chase developed a block model using Micromine software. The database included the 21 Chase drill holes CT1 - CT21. The ore block model incorporated a search radius of 100m EW, 120m NS and 25 m vertically and a specific gravity of 2.6. Block grades were estimated by kriging. A sulphide resource of 315 million tonnes at 0.31% Cu and 0.13 g/t Au and an oxide resource of 21 million tonnes of 0.33% Cu and 0.13g/t Au were calculated at a cut-off of 0.20% Cu (Erceg, 1995).

A notable aspect of the 1993 estimate was the lower reported gold grade when compared with the earlier Benguet estimate. Chase decided, based on the results of their drilling program that the earlier gold assays undertaken by Benguet were not reliable and therefore were not included in this resource estimate.

In June 1995, Snowden's completed an updated resource estimate incorporated the additional drilling completed by Chase. They also incorporated the gold assays from the Benguet drilling which as noted in Section 13.2 of this report may not be reliable, however Snowden justify their inclusion based on the interpretation that the higher gold values returned by Benguet reflected a higher grade portion of the deposit. As noted in the Snowden report (Blackney et al, 1995):

> *"The geographical distribution of the drillholes was studied in order to explain the differences between the assay data. An appraisal of Chase and Benguet drillholes demonstrated that the drillholes are not spatially compatible. The Chase drillholes seem to be concentrated in the north/west quadrant, while the Benguet drillholes occur more to the south/east. Consequently, it is not justifiable to expect that the Benguet assays should be statistically consistent with the Chase assays. It is possible that the difference between the Benguet and Chase assays is reflecting either a trend or localised variability in the data.*
>
> *As there is not a great deal of overlap of the Chase and Benguet drillhole data on a global scale, a visual appraisal of the copper and gold assays was performed on the 19400N section (= Section 26,* Figure 35). *This section is the only one which has a number of both Chase and Benguet drillholes in close proximity. Visually, there is an indication that the Benguet gold assays are higher than the Chase gold assays. On the same section, the Chase and Benguet copper assays seem to be visually consistent with each other and the larger zone of mineralization.*
>
> *The most obvious reason for the statistical difference between the Chase and Benguet assays is the spatial dissimilar between the data sets. Therefore, no conclusive statistical observations can be made on the comparative quality of the Chase and Benguet assays. The limited visual analysis of the drillhole assays indicates that the Chase and Benguet coppers assays are consistent, and that the Benguet gold assays are higher than the Chase gold assays."*

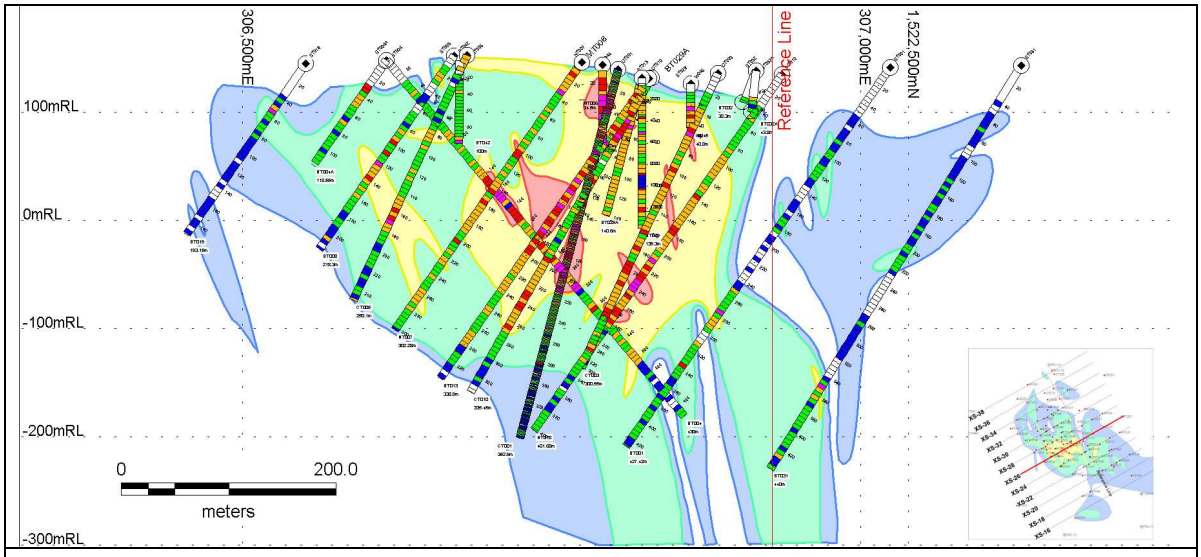


Figure 35: Schematic W-E cross-section XS-26, Taysan Copper-Gold Deposit
(Source: TCC)

An initial geostatistical resource model of the Taysan copper-gold deposit was produced by Snowden in September 1994. The 1994 resource model was been updated by Snowden in June 1995 through the use of geostatistical techniques, the addition of extra drill sample results (in particular, gold values) and the incorporation of an oxide/sulphide boundary.

Snowden used the general shape of the zone of mineralization and the semivariogram parameters for copper which were used in their 1994 model. A block model of the copper and gold mineralization was then developed using median indicator kriging techniques with kriging parameters from their 1994 estimate. The original block model was been refined through the introduction of a hard oxide/sulphide boundary, allowing the delineation of an oxide and sulphide resource.

Snowden classified much of the copper mineralization in the updated 1995 resource model as “Measured” however GPL notes that this classification is not valid under current standards. Snowden state in their report (Blackney et al, 1995) that “No checks of sampling procedure or assay quality were undertaken.” Under these circumstances, and in the absence of the current ability to check this QA/QC data and the missing drill core, these resources cannot be classified under the category of “Measured”. It is GPL opinion that resources outlined to date should be classified as Historical (being based on pre-1997 drilling) and possibly “Indicated” if further validation was possible. Although Snowden have categorized some of the resources as JORC “Measured”, GPL is of the opinion that the issues with the gold grades, the lack of original data and drill core and the existence of small high grade areas, would allow only indicated and inferred category definitions at this stage. Subject to confirmation drilling, the resources could be upgraded.

The updated Chase drillhole 1995 database contained a substantial increase in gold assays which Snowden describe as occurring at generally equivalent positions to the copper assays. According to Snowden, this resulted in an increase in the confidence of the gold resource estimate. The updated copper resource had remained essentially unchanged from their 1994 model and the total tonnages and grades for specific copper cut-offs were almost identical. The updated gold resource had similar total tonnages for specified copper cut-offs, with generally lower gold grades at lower copper cut-offs, and higher gold grades at higher copper cut-offs (Blackney et al, 1995).

Table 13: Snowden Resource Estimates for the Taysan Copper-Gold Deposit, 0.2% Cut-off

	Oxide			Sulphide			Total		
	Tonnes (000's)	Cu (%)	Au (g/t)	Tonnes (000's)	Cu (%)	Au (g/t)	Tonnes (000's)	Cu (%)	Au (g/t)
1995 Resource	26,177	0.34	0.21	364,885	0.29	0.21	391,062	0.30	0.21
1994 Resource							403,000	0.29	0.23

(Source: Blackney et al, 1995)

This historical estimate is dated 1995, is sourced from a Snowden Associates document (Blackney et al, 1995), and is not stated according to NI43-101 categories in that they do not distinguish inferred mineral resource, indicated mineral resource and measured mineral resource categories. It is the opinion of GPL, based on this assessment and the review of all available data, that this historic resource estimation and the historic dataset they were based on provide a reasonable indication of the overall tenor of copper mineralization within the Taysan Copper-Gold Deposit. It is considered that this information is relevant to assessing this project as an advanced exploration and potential resource project.

In Snowdens 1995 resource estimation methodology, Chase supplied a new drillhole data base, which had been modified from the one used in the original resource model by the addition of new drillholes CT2l to CT30, by the removal of all Wolfe holes (WT), Benguet metallurgical holes (MT) and Newmont holes NT7, NTl0, and by the addition of a base of oxidation (top of fresh rock) boundary.

According to Snowden (Blackney et al, 1995) the updated drillhole data base was supplied in the form of computer files derived from Chase's in-house Micromine installation. The drillhole data base was checked for internal data consistency and no problems were detected. There were no checks of sampling procedure or of assay quality.

The previous sectional interpretations on 120 metre centres were updated to include the interpretation of an oxide/fresh rock boundary. This boundary forms a relatively thin layer between the overlying tuff layer and underlying sulphide (fresh rock) material. The boundary was compiled from data from 89 drill holes and was based on the "ox" prefixes and "tofr" annotations in the drillhole geology data base. As the logging of the oxide layer is more detailed towards the middle of the area to be modelled, the reliability of the boundary lessens towards the outer limits of the model (Blackney et al, 1995).

Copper data is available for almost all of the sample intervals in the data base. There was a significant increase in gold data with relatively equal numbers of gold values at generally equivalent positions to the copper values. All 111 drill holes in the data base had values for both copper and gold. The drillhole database was composited downhole to 4 metre intervals. Using the oxide/fresh rock boundary, the data base was subdivided into sample composites within oxide material only, and sample composites within sulphide material only (Blackney et al, 1995).

Snowden calculated copper and gold statistics for the oxide and sulphide values (Table 14). The statistics were calculated for copper grades above 0.1% and gold grades above 0.04g/t. None of these statistics use sample composites from within the tuff layer (Blackney et al, 1995).

Table 14: 1995 Copper & Gold Statistics, Taysan Copper-Gold Deposit

Parameter	Snowden 1994		Taysan Copper Gold Update: June 1995			
			Oxide		Sulphide	
	Cu%	Au (g/t)	Cu%	Au (g/t)	Cu%	Au (g/t)
Number of Composites	5538	2767	521	528	5172	5462
Minimum	0.10	0.04	0.10	0.04	0.10	0.04
Maximum	3.30	4.00	3.02	2.99	3.30	4.00
Mean	0.30	0.24	0.36	0.23	0.30	0.21
Variance	0.035	0.038	0.070	0.079	0.035	0.028
Geometric Mean	0.26	0.19	0.30	0.16	0.26	0.16
Log Variance	0.27	0.50	0.32	0.56	0.27	0.48
Median	0.27	0.20	0.30	0.15	0.26	0.18

(Source: Blackney et al, 1995)

In terms of variography, Snowden noted that the division of data into sulphide and oxide values, plus the increased number of gold values had created anew set of population parameters which would require a new study of the variography of the different data sets, particularly for the gold data (Blackney et al, 1995). This is consistent with GPL's view.

In Snowden's black model, block sub-celling was allowed in the vertical direction at tuff, oxide and sulphide boundary surfaces. Copper and gold block grades were interpolated using nested median indicator kriging. The values for blocks within oxide and sulphide were calculated using the preferences of Chase:

1. The block values for blocks within the oxide zone were derived from the samples within oxide material only, and the block values for blocks within the sulphide zone blocks were derived from the samples within sulphide material only.
2. The kriging parameters as determined by Snowden 1994, were used to calculate values for blocks within both oxide and sulphide material (Blackney et al, 1995).

A function of NMIK is that the highest indicator proportion is assigned the median value calculated from the data remaining above the indicator. This is done to reduce the sensitivity of the estimate to outlier values. Table 15 indicates the cut-off values applied to the respective data sets to achieve this result (Blackney et al, 1995).

Table 15: Cut-offs Applied to Data Sets for NMIK

	Values above	Cut to
Oxide Cu%	1.90	1.90
Oxide Au (g/t)	2.29	2.29
Sulphide Cu%	1.30	1.30
Sulphide Au (g/t)	1.15	1.15

(Source: Blackney et al, 1995)

Appendices 1 to 3 contain long sections and cross sections illustrating the Snowden 1995 block grades for copper and gold in sections 19160N, 19280N, 19400N, 19520N, 19640N and 10290E

Snowden applied confidence levels for gold estimates based on the underlying assumption that the continuity of the gold data is equivalent to that of the copper data. The resource confidence level for the block copper grades was determined using the same criteria as for the 1994 model. Snowden concluded that the presence of gold composites in locations consistent with copper composites has allowed the introduction of a "Measured" category to the block gold grades.

Snowden noted that the confidence in the resource category of the oxide copper and gold estimates is based on the assumption that the continuity of the oxide copper and gold data is equivalent to that of the whole data set as defined in Snowden 1994, which was requested by Chase.

A bulk density of 2.6 glcm3 was assumed everywhere. The Measured and Indicated copper and gold resources for the designated copper cut-offs were combined to produce a grade tonnage curve (Figure 6.1). Note that the grade tonnage curve for the gold resource is relative to the copper cut-offs which were used for resource calculations.

Snowden concluded that:

> *"The additional gold data in the drillhole data base has allowed for an improved confidence level in the gold estimates. Further confidence would be obtained through variography analysis of the gold values to determine more accurate ranges of influences and possible anisotropies within this data set.*
>
> *Correlation between copper and gold values in the updated data base has improved significantly. This may provide for the application of co-kriging techniques (if necessary) at a later stage. A statistical and geostatistical study of the new gold values may be necessary to understand why the copper and gold relationship in the new data set is so different from the old data set, and to assess the reliability of the gold values.*
>
> *The addition of an oxide/sulphide boundary to the model has allowed for the division of the resource estimates into oxide and sulphide categories….. Further confidence in the block values may be obtained through variography analysis of the oxide values and sulphide values separately, to clarify the geostatistical attributes of these data sets" (Blackney et al, 1995).*

GPL note that according to current standards, the Chase resource estimates can only be classified as historical resources.

JOGMEC 2009

In June 2009 JOGMEC released a preliminary resource estimate for the Taysan Copper-Gold Deposit. At the time of writing, GPL has not viewed any source documents related to the JOGMEC estimate and cannot comment on the technical merit of the estimate and therefore have not included it in this report.

5.6.1 Discussion on Historical Resource Estimates

GPL consider that the Chase 1993 resource estimate (rather than the subsequent 1994 estimate and 1995 update conducted by Snowdon) is the most reliable given the description and analysis of the data by Snowden (Blackney et al, 1995), the lack of data available for the 2009 JOGMEC estimate, and our assessment of the database (Section 13). The resource estimates outlined to date however should be categorized as "Historical" (being based on pre-1997 drilling) and possibly "Indicated" if further validation was possible.

6 GEOLOGICAL SETTING

6.1 Regional Geology

6.1.1 Regional Arc Development

The Philippines comprises a series of island arc terranes that have been accreted during the Pliocene (1.6 – 5.3 Ma). These terranes comprise a variety of oceanic arcs that were translated from the south since the Middle Miocene (5.3 – 23.7 Ma) through the rotation of the Philippine Sea Plate, and juxtaposed in their present position sometime in the Pliocene. The archipelago comprises a NNW trending mobile zone which is bound to the southwest by a stable cratonic zone (Palawan, Malaysia) and to the east by the Philippine Trench. The Island of Luzon is bound to the east and west by the Manila Trench and East Luzon Trench respectively. The Philippine Mobile Belt occupies the zone of deformation and magmatic activity that occurs between these trenches and covers most of the Philippines. This belt is interpreted as a collage of island arc terrains. The Philippine Fault occurs within this zone and forms an acuate set of fault structures extending from northern Luzon to southern Mindanao.

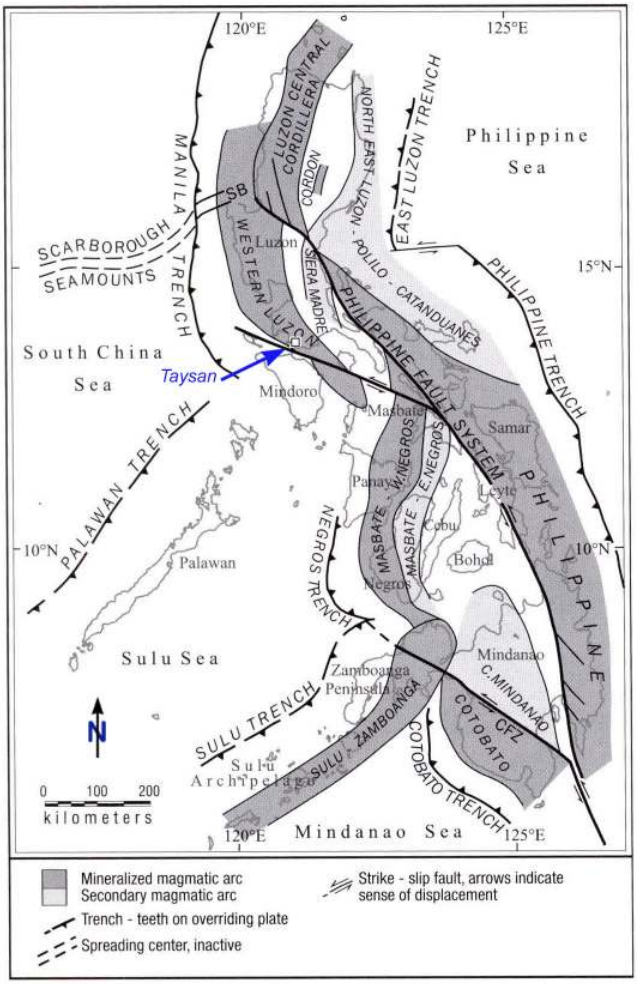


Figure 36: Taysan lies within the Western Luzon magmatic arc
(Source: Garwin et al, 2005)

6.1.2 Luzon Arc

The Taysan Copper-Gold Deposit is located on the south-western segment of the island of Luzon in the province of Batangas. It is tectonically situated along the Western Luzon Arc (magmatic-plutonic belt) that extends through Batangas to and beyond the island of Marinduque (Figure 38, Figure 41).

The Luzon arc represents a composite arc system that extends 1,200 km southward from the Coastal Range of south-eastern Taiwan through the volcanic islands north of Luzon, the Luzon Central Cordillera, and the Western Luzon arc, terminating in the vicinity of southern Marinduque Island (above figure & other fig). The arc has been active from the Oligocene (23.7 to 36.6 Ma) to the present and is presently underlain by an east-dipping Benioff zone related to the Manila trench. The subduction of the Scarborough Seamounts beneath northern Luzon during the Plio-Pleistocene probably led to extinction of volcanism in the Central Cordillera and the volcanic islands north of Luzon from ~4 to 2 Ma and eastward migration of magmatism from ~2 Ma to the Holocene. Cretaceous ophiolitic basement is exposed in the Zambales region of the western Luzon arc. The Neogene (1.6 to 23.7 Ma) component of the arc includes andesitic flows, tuffs, and volcaniclastic rocks. The Mount Pinatubo stratovolcano forms part of the Quaternary portion of the western Luzon arc. Older portions of the arc occur in the Luzon Central Cordillera and include Eocene to Miocene basaltic to andesitic volcanic breccias, volcaniclastic rocks, limestones, shales, and conglomerates.

Porphyry copper-gold deposits and related high- and intermediate-sulfidation epithermal systems are abundant in the Luzon Central Cordillera and western Luzon arcs. These deposits are predominantly centred about Neogene to Pleistocene quartz diorite-diorite intrusions hosted by coeval volcanic suites.

Central Cordillera

The Central Cordillera hosts the intermediate-sulfidation gold lode systems of Acupan, Antamok, and Itogon, and the Santo Thomas II porphyry in the Baguio district, where an estimated 800 t Au have been produced.

The Lepanto high-sulfidation enargite-gold deposit, the Victoria and Teresa intermediate-sulfidation vein systems, and the Far South East and Guinaoang porphyry deposits occur in the nearby Mankayan district, which contains a minimum of 700 t Au in combined past production and current resources. There is a clear genetic association between porphyry and epithermal styles of mineralization in Mankayan. Both the Mankayan and Baguio districts occur in zones of structural complexity near major north-northwest–trending fault splays of the sinistral strike-slip Philippine fault.

Western Luzon Arc

The gold-rich Dizon copper porphyry deposit in the Zambales region and the Taysan copper-gold porphyry deposit in the Batangas area occur in the western Luzon arc. Both porphyry deposits are located in Miocene to Pliocene windows in Quaternary volcanic cover.

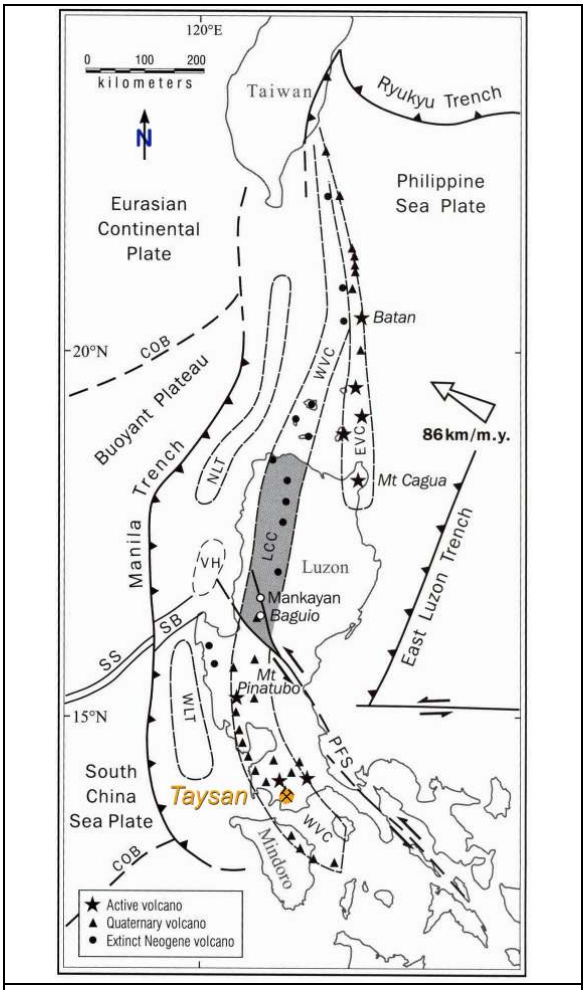


Figure 37 The Western Arc (WVC) of the Luzon Arc (*Source Garwin et al, 2005)*.

6.1.3 Batangas Regional Geology

The Taysan Copper-Gold Deposit is located on the south-western segment of the island of Luzon in the province of Batangas. The Taysan Copper-Gold Deposit is emplaced at the tail-end of a large diorite batholith (San Juan Diorite) that extends approximately 20km to the east-southeast.

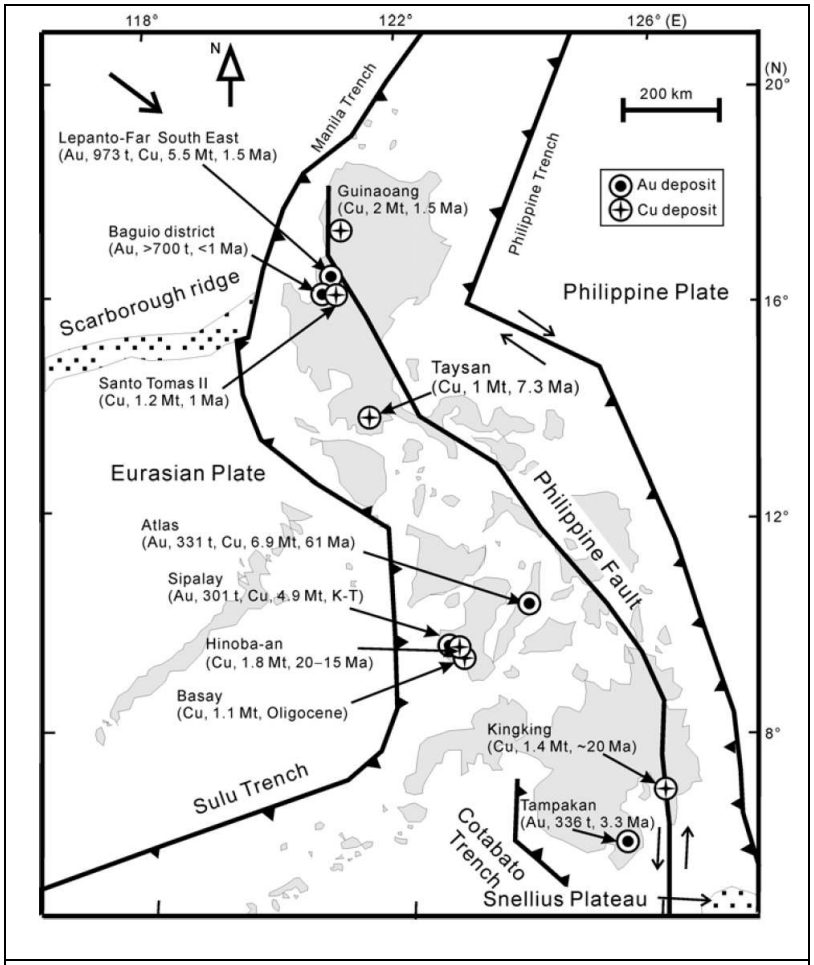


Figure 38: Ridge subduction and Cu-Au deposits in the Philippines
(Source: Sun et al, 2010)

Taysan is part of the Batangas mineral district comprising a number of copper porphyry copper and epithermal gold prospects. It is an active magmatic belt formed during the Miocene to Pleistocene. The most significant event is the emplacement of the diorite batholith during Mid-Miocene (?) and the orogenic movement which uplifted and exposed the diorite batholith on the northern sector of the district, north of Laiya Fault zone. The southern downthrown block of Laiya Fault is occupied with the Upper Miocene to Pliocene volcanics and sediments. Epithermal gold and copper prospects south of Taysan in the southern sector are currently investigated by other exploration companies (Cox 2010).

A series of Late Miocene to Recent northwest-trending volcanic centers called the West Luzon Arc (Figure 39) extends from Central Mindoro to Zambales and along the western coastline of southern Luzon. The West Luzon Arc is considered to be related to eastward subduction of the South China Sea Plate at the Manila Trench. The volcanic centers that comprise this arc, from north to south, include Mt. Pinatubo, Mt Natib and Mt Mariveles on the Bataan Peninsula, the Maatas Na Gulod Complex in western Cavite, a series of small volcanic centers (Palay Palay, Caluya, Cariliao and Batulao), and the Talahib and Lobo volcanic centers in the southern Batangas district in the vicinity of Taysan (Cox 2010).

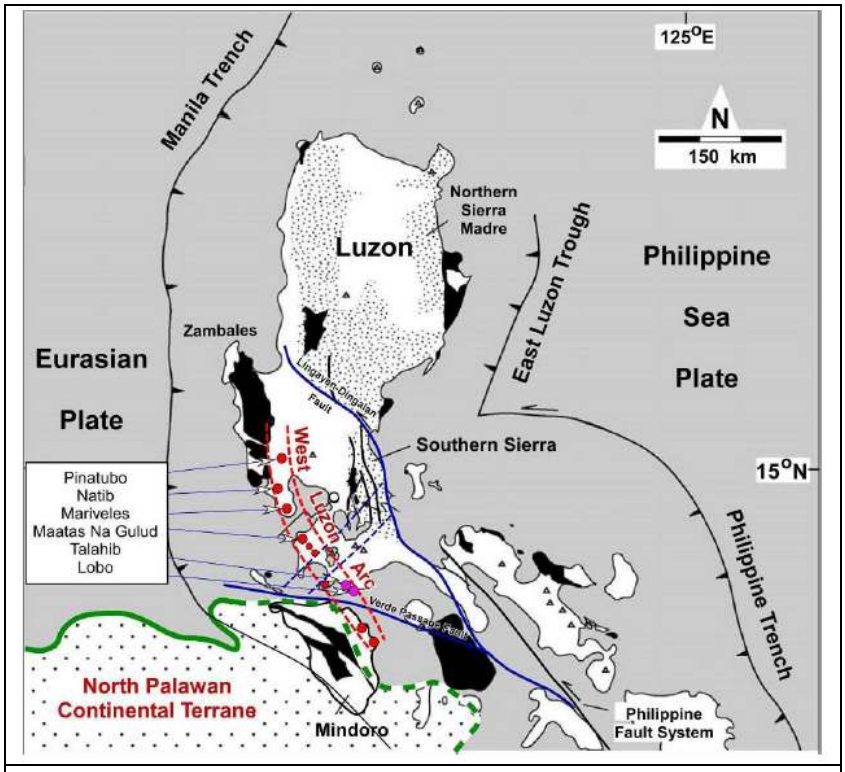


Figure 39: Regional Geologic Map of the SW Luzon area
(Source: after Cox 2010, Rohrlach, 2008)

The Talahib and Lobo volcanic centers just south of the Taysan property lie near a promontory of the Palawan Continental Terrane where evidence of thrusting- like acuate landforms, are observed in the northeast side of the Batangas mineral district (Figure 40, Cox 2010).. The Taysan project area sits north of Mt. Talahib and Mt Lobo.

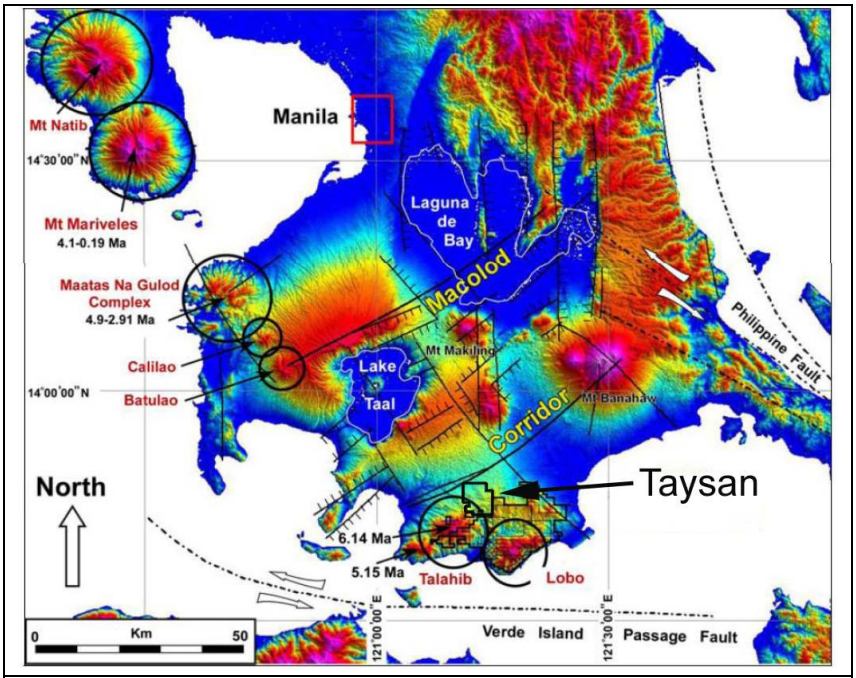


Figure 40: Regional Structures and Volcanic Centers
of Batangas, Laguna and Cavite
(Source: after Cox 2010, Rohrlach, 2008)

During the Pliocene, a period of extensional tectonics affected the Batangas Peninsula. To the north of the project area, an east-northeast trending topographic depression corresponds to the axis of recent and active volcanoes known as the Macolod corridor ("MC").The MC comprises of a northeast-trending series of extensional structures associated with horsts and grabens that has localized Late Pliocene to Recent volcanism and these structure are perpendicular to the Manila Trench to the west. These are considered as transfer structures that tapped deep-seated magmas forming the line of volcanoes along the MC. These extensional structures focused magmatism (e.g. along the Macolod Corridor) and controlled hydrothermal systems. Subsequently during and after the Late Pliocene, extension was more focused along the Macolod Corridor (Figure 40, Cox 2010).

A series of northwest-trending arc-parallel structures coincide with the main axis of the West Luzon Arc. These structures transect the Batangas and Cavite provinces including the Talahib and Lobo volcanic centers. The extensional structures focused magmatism (e.g. along the Macolod Corridor) and controlled hydrothermal systems (Cox 2010).

There are a number of significant copper and gold mineral prospects in the broader southern Batangas region. They include the Taysan porphyry Cu deposit and Antipolo gold prospect of TCC; and the Calo, Pica, Balibago, El Paso and Marita porphyry prospects of Mindoro Resources ("Mindoro"), as well as the Mindoro's epithermal resources and prospects at Lobo, Kay Tanda, Pulang Lupa and Bootin (Cox 2010).

There are two (2) major structural grains in the southern Batangas region, northwest and northeast. The northwest-trending structures are arc-parallel in orientation, and several lie sub-parallel to splays of the Philippine Fault, so they may have been partly reactivated as part of the young Philippine Fault system. The main structure of this orientation is the WNW-trending Laiya Fault (Figure 41), a major terrain suture that may be related to accretion tectonics and hence related to the Mindoro-Panay collision zone (?). The Laiya Fault is coincident with a large curvilinear magnetic low defined in regional magnetic data, and which may result from alteration along the Laiya Fault Zone. The northeast trending structures are arc-normal faults that likely initiated as extensional normal faults related to the present extension along the Macolod Corridor. Elements of these early extensional structures can be seen passing near the Taysan porphyry Cu deposit, a second separating the Talahib and Lobo volcanic centers, and a third zone of northeast-trending structures defining the Archangel trend (Figure 41, Cox 2010).

Regional structures in the Southern Batangas Mineral District have been interpreted from SRTM (shuttle radar topographic mission) topographic data (Figure 42, Cox 2010). The deeply eroded terrain to the northeast comprises the San Juan Batholith of Early Miocene age. The batholith is bound on its southern side by the Laiya Fault Zone, a major crustal discontinuity that separates older terrain to the north from younger volcanic sequences to the south. Two (2) deeply eroded stratovolcanic centers lie south of the Laiya Fault Zone, the Mt Talahib volcanic center and the Mt. Lobo volcanic center. A major east-northeast trending structural lineament (C-1) separates the Talahib and Lobo volcanic centers and passes near the southern edge of the Calo and El Paso prospects. Sub-parallel structural lineaments pass along the edge of the Taysan porphyry deposit and also define the Archangel trend along which the Balibago, Pulang Lupa, Kay Tanda, Lumbangan, Marita and Bootin prospects are arrayed. These northeast trends, at the scale of the Batangas district, are parallel to structures that comprise the extensional Macolod Corridor (Figure 40, Cox 2010).

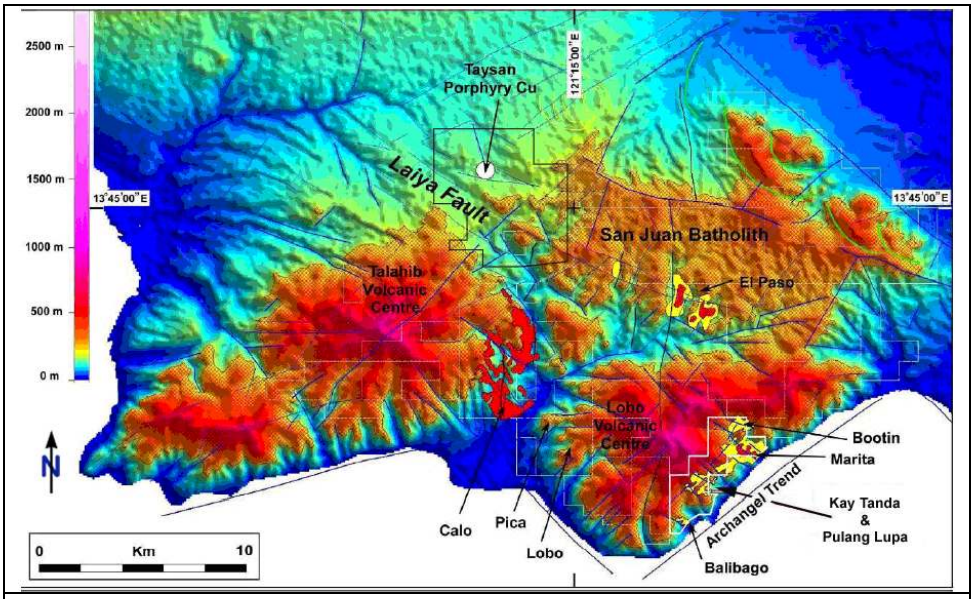


Figure 41: Shuttle Radar Topographic Mission (SRTM) Data
(Source: after Cox 2010, Rohrlach, 2008)

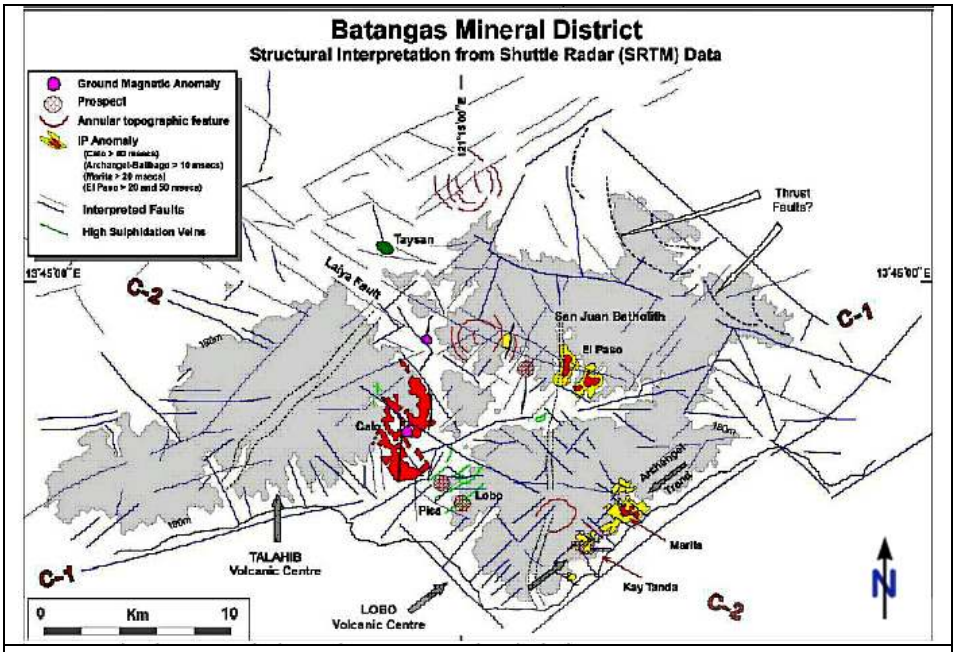


Figure 42: Regional Structures in the Southern Batangas Mineral District Interpreted from SRTM Data
(Source: after Cox 2010, Rohrlach, 2008)

The copper mineralization in Taysan Copper-Gold Deposit was emplaced during the waning stage of formation of the diorite batholith and associated with the formation of the younger dacite porphyry. The exposed and drilled portion of the copper deposit is localized at what appears to be the northwest tail-end of the batholith (Figure 43). The volcanic events during the latter stage of Pleistocene, covered most of the Taysan district with young tuff deposit and pyroclastics.

As the area is covered with young tuff deposit, the extent of the copper mineralization and possible extensions along fringes of the diorite are discernible in the aeromagnetic survey.

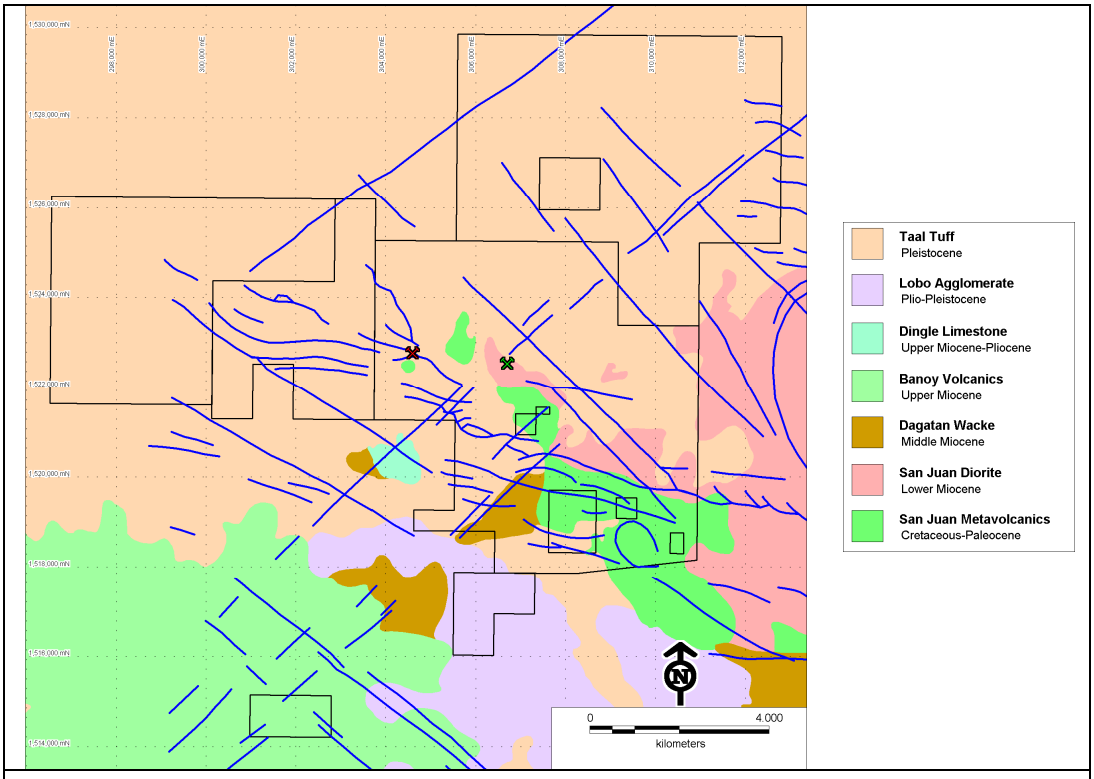


Figure 43: Regional Geology
(Source: KMCI 2009)

6.2 Local Geology

Pleistocene Tuff covers approximately 70% of the tenement particularly in areas with flat and gently rolling topography. This tuff has a thickness of between 0 and 50 metres over the Taysan Copper-Gold Deposit. The tuff is characterised by having lapilli and lithic fragments supported by a fine matrix of ash and crystal fragments.

Metavolcanics, conglomerate, and diorites are exposed in the south to southeast portion of the tenement in areas with rolling to moderately rugged topography. Hornblende diorite occurs as a northwest trending elongate body protruding from the northwest margin of the San Juan batholiths. The bulk of the diorite exposed is the medium to coarse-grained biotite hornblende diorite batholith. Compositional varieties of the batholith recognized are hornblende diorite in Taysan and tonalite in Rosario. The diorite is similar in composition to those associated with porphyry deposits throughout the Philippines

Fine to medium-grained hornblende diorite dikes intruded the batholith at the southeast portion of the tenement. The dacite porphyry exposed near the central portion of the tenement likewise intruded the batholith. The emplacement of this porphyry together with the reported earlier narrow quartz diorite porphyry dikes in the batholith is believed to coeval with the mineralization at the Taysan Copper-Gold Deposit.

At Taysan, the diorite is intruded by hornblende dacite porphyry which is known primarily from drilling data. This porphyry occurs as a generally tabular body striking northwest and dipping 30-60^{o} to the northeast. Andesitic metavolcanics and sediments occur along the north-western and southern margins of the diorite batholiths.

As described by Chase (Erceg, 1995), the Taysan Copper-Gold Deposit is located on the western margin of the Tolos (San Juan) Batholith near its intrusive contact with the San Juan metavolcanics. The batholith is dominantly a quartz diorite. Intruding the quartz diorite is a series of porphyritic quartz diorite stocks or dykes. Late stage porphyritic andesite occurs as narrow dykes cutting both the quartz diorite and porphyritic quartz diorite. Associated with the porphyritic quartz diorite stocks and the

mineralization is a series of breccias. At least four types are recognised. The breccias are common and some have played an important role in the localisation of the mineralization. The breccias are particularly well developed along the contacts of the porphyritic quartz diorite and in particular at the apices of the stocks, but are difficult to recognise due to intense alteration (Figure 44).

- *Intrusive breccias* are a group of pre-mineralization breccias developed along the margins of the porphyritic quartz diorite, characterised by an intrusive matrix and xenoliths of the adjacent wallrock. Although considered by Wolfe et al (1979) as host to the ore, generally Chase considered these are pre-mineralization and relics of the original intrusive stoping. Adjacent to these xenoliths, the porphyritic quartz chlorite often displays a primary intrusive rhythmic banding ("brain" rock) indicating high and variable vapour pressures.
- *Hydrothermal breccias* are polymictic breccias comprising angular to sub-rounded clasts of intrusive phases and common quartz fragments. The breccia composition appears to reflect the wallrock composition implying little lateral or vertical movement during formation. The breccias are strongly altered, usually sericitised, and are host to chalcopyrite and bornite mineralization. The geometry of these breccias is poorly understood but probably are fingers extending down into the stocks and coalescing at higher elevation into a massive composite breccia “pipes".
- *Pebble dykes* are not common but are recorded peripheral to the deposit. They are generally well defined narrow structures (~ 1 metre width) containing well rounded clasts.
- *Fault breccias* are interpreted from abundant brecciation associated with mainly post mineral faulting that is generally logged as a fault zone. The fault breccias consist of abundant angular clasts in a silty sheared matrix.

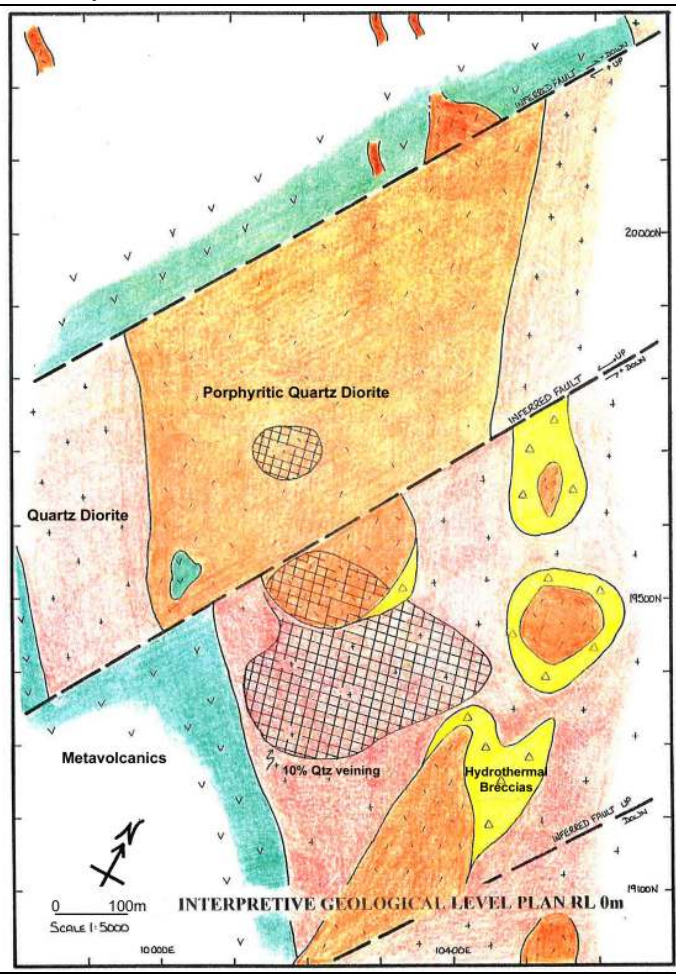


Figure 44: Interpreted geology showing mineralised units
(Source: Erceg, 1995)

Figure 18 outlines the geology map of the area from detailed mapping undertaken during 2006-2007 by KMCI geologists.

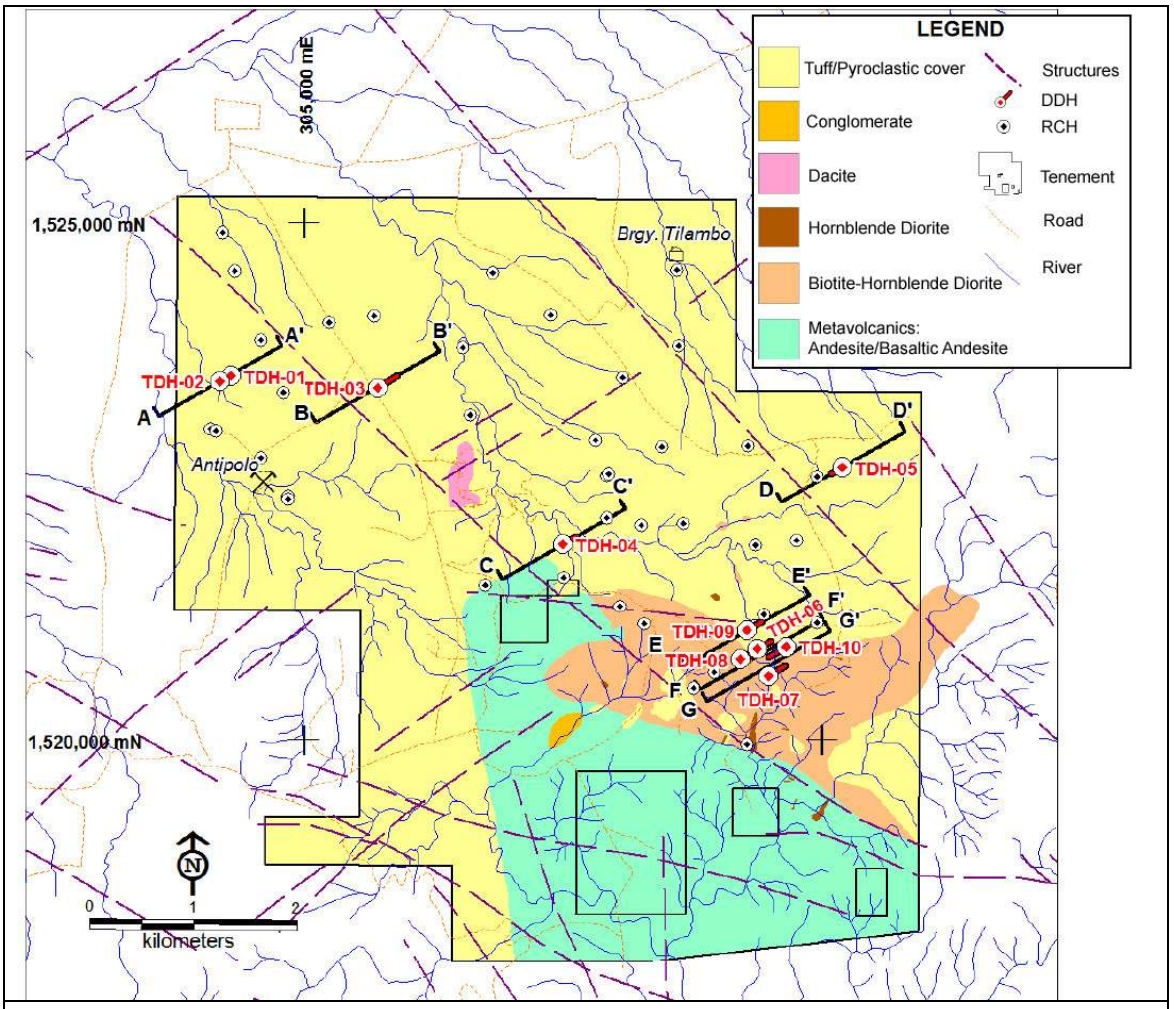


Figure 45: Local Geology showing DDH and RC drillhole collars
(Source: KMCI 2008)

6.2.1 Structure

According to Chase geologists (Erceg, 1995), the structural elements at Taysan indicate a dilational regime similar to the present situation along the Philippine fault has been operating since the Miocene. Evidence for this includes:

1. Elongation of the Tolos (San Juan) batholith in a northwest-southeast direction within a dilation zone.
2. Elongation of the porphyritic quartz diorite dykes in a similar direction.
3. A conjugate subvertical quartz vein set with dominant orientation of 350 and 070 implying horizontal compression from the northwest and southeast.

Several faults oriented generally north-south, are inferred to truncate and displace the Taysan Copper-Gold Deposit. Air photo lineaments suggest cross cutting features at 045 degrees dislocating topographical features however a major sub-vertical shear zone on Taysan ridge was measured as striking 260". Faults of unknown orientation are frequently logged in drill core (Erceg, 1995).

7 DEPOSIT TYPES

7.1.1 Geological Model

Mineralization at the Taysan project is typical of porphyry deposits. Low grade copper mineralization (plus/minus molybdenum, gold or silver) has been deposited along steeply dipping to vertical stockwork or sheeted fractures or veinlets/veins within a large intrusive body.

Taysan is classified as a porphyry copper-gold deposit; one of a number of porphyry deposits which have developed along the spine of the Philippine island magmatic arc systems (Figure 46)

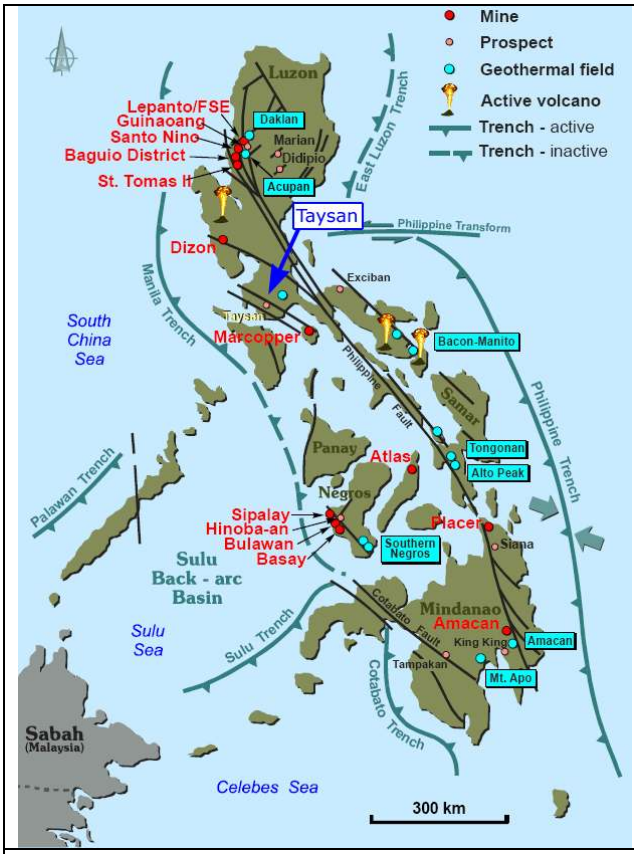


Figure 46: Philippines Porphyry Copper Deposits
(Source: Haynes, D.W., 2004)

Porphyry deposits are very large, relatively low grade deposits that occur in the roof zones of igneous intrusions in island arc and continental margin settings. The mineralization is fracture controlled and comprises Cu and Cu-Fe sulphides with variable concentrations of gold and/or molybdenum. Porphyry deposits occur throughout the world in a series of extensive, relatively narrow, linear metallogenic provinces. They are predominantly associated with Mesozoic to Cenozoic orogenic belts in western North and South America, around the western margin of the Pacific Basin, and in the Tethyan orogenic belt in eastern Europe and southern Asia. However, major deposits also occur within Paleozoic orogens in Central Asia and eastern North America and, to a lesser extent, within Precambrian terranes (Sinclair, 2007).

Of the know porphyry deposits and prospects in the Philippines, about three quarters have been emplaced within 4km of the margin of a large equigranular pluton. While there is a close relationship between batholiths and porphyry stocks, it is less common for porphyry deposits to have been emplaced within plutonic host rocks. In many cases (e.g. Northern Luzon) there is a significant time break (>10Ma) between early batholith emplacement and late porphyry intrusion, and the spatial superposition of the intrusives suites is related to the erosion that occurred during this time interval. It may be that crystalline plutonic rocks and batholiths provides effective barriers to later high level

intrusions, which are, therefore, emplaced around the weaker (usually fractured) margins of the phaneritic intrusions. (Cook, et al, 1998)

Subtypes of porphyry copper deposits are defined in Cox and Singer (1992) as: porphyry Cu-Au (Type 20c) if the Au/Mo content ratio is greater than or equal to 30, porphyry Cu-Mo (Type 21a) if Au/Mo content ratio is less than or equal to 3, and porphyry Cu (Type 17) otherwise, where gold is in parts per million and molybdenum is in percent. According to Cox (1998), Taysan is classified as Type 20c, porphyry copper-gold: i.e. defined by stockwork veinlets of chalcopyrite, bornite, and magnetite in porphyritic intrusions and coeval volcanic rocks, with a ratio of Au (ppm) to Mo (percent) greater than 30 (i.e. low Mo content).

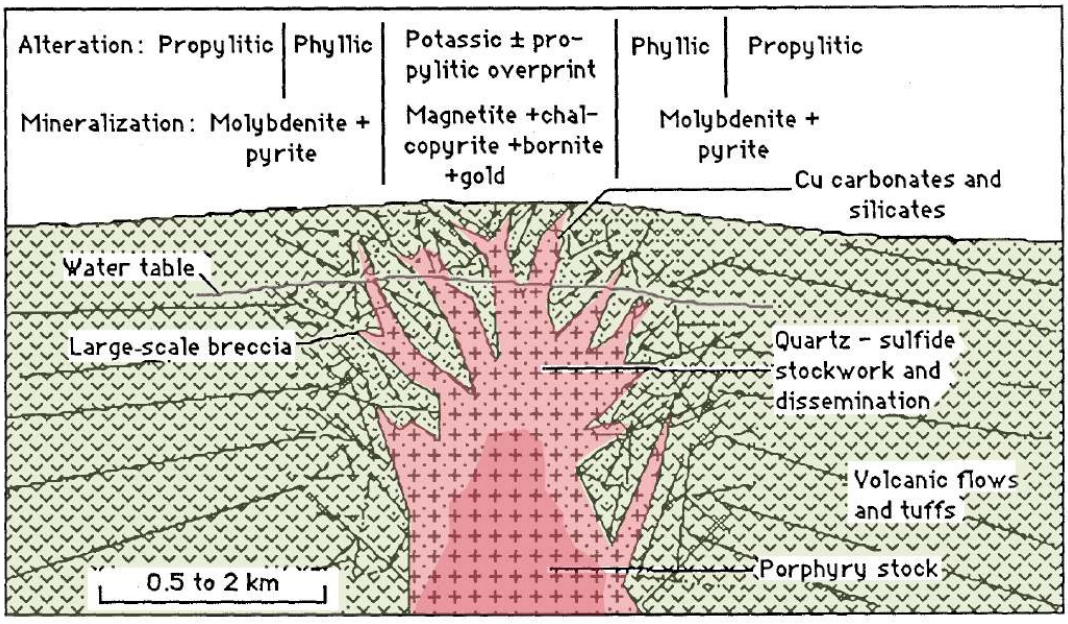


Figure 47: Schematic of Type 20c Model of Porphyry Cu-Au for Taysan
(Source: Cox, D.P., 1998)

8 MINERALIZATION

8.1 Taysan Copper-Gold Deposit

Taysan Cu deposit is a porphyry copper type of mineralization hosted in potassic altered hornblende diorite and hornblende dacite porphyry. The copper mineralization occurs as disseminated chalcopyrite with biotite and magnetite in the diorite and as stockwork hosted chalcopyrite with quartz-magnetite veins. The vein-stockwork zone is shown as the breccia-fractured zone in the drillhole cross-sections and is associated with the dacite dikes.

The surrounding rock types consist of Pleistocene Tuff which covers approximately 70% of the tenement particularly in areas with flat and gently rolling topography. This tuff has a thickness of between 0 and 50 metres over the Taysan Copper-Gold Deposit. The tuff is characterised by having lapilli and lithic fragments supported by a fine matrix of ash and crystal fragments.

Metavolcanics, conglomerate, and diorites are exposed in the south to southeast portion of the tenement in areas with rolling to moderately rugged topography. Hornblende diorite occurs as a northwest trending elongate body protruding from the northwest margin of the San Juan batholiths. The bulk of the diorite exposed is the medium to coarse-grained biotite hornblende diorite batholith. Compositional varieties of the batholith recognized are hornblende diorite in Taysan and tonalite in Rosario. The diorite is similar in composition to those associated with porphyry deposits throughout the Philippines.

According to Wolfe et al (1978):

> "A disseminated copper deposit formed at the western edge of the batholith seemingly on the margin of a volcanic breccia pipe. It plunges about 33 degrees to the east northeast. The average copper grade is 0.43 % with significant gold, a trace of molybdenum, and 2 to 3 % each of magnetite and pyrite. A late pulse of mineralization superposed 0.13 % zinc in the upper portion of the orebody.
>
> Alteration is poorly exposed but an outer propylitic zone with a strong development of epidote and some calcite, chlorite, and pyrite is present. Representing a phyllic zone, there is very strong pyritization in some portions of the fringe of the mineralized zone, much weaker in others. Soda sericite is strongly developed outside the orebody and less so within the ore zone, where silicification is prominent. Potassic alteration is represented by strong hydrothermal development of biotite with weaker and spotty orthoclase, the potassic zone coinciding with strongest mineralization."

Wolfe (1978) interpreted these dacite porphyry dykes to strike east-northeast (060 degrees) and dip vertically although the mineralised zone appeared to dip at a shallow angle to the east (-30 degrees). Others interpreted the "hornblende dacite porphyry" to strike generally northwest and dip north-easterly at 30 – 60 degrees similar to the orientation of the mineralization. Chase's interpretation supported Wolfe's subvertical stock model. According to Chase geologists, the mineralization, quartz stockworking and hydrothermal brecciation can be modeled as being best developed in the apices of the porphyritic quartz stocks. Chase proposed that the previously modeled easterly dipping ore zone may be a function of the drilling orientation; and that contouring at higher copper cut-offs suggests discrete ore zones that coalesce at lower cut-offs above individual stocks. A problem encountered in modeling the geology is primarily difficult in distinguishing the various intrusive phases in the highly altered mineralised zones and a general lack of data and core from pre-Chase work

A shallow and weakly develop supergene mineralization below the young tuff deposit and pyroclastic cover was estimated by Chase to have a volume of approximately 21Mt of 0.329%Cu and 0.128gAu/t (not verified by GPL; this historical estimate is dated 1993, is sourced from Chase Resource Corporation documents, and is not stated according to NI43-101 categories in that they do not distinguish inferred mineral resource, indicated mineral resource and measured mineral resource categories. It is the opinion of GPL, based on this assessment and the review of all available data, that this historic resource estimation and the historic dataset they were based on provide a reasonable indication of the overall tenor of copper mineralization within the Taysan Copper-Gold Deposit. It is considered that this information is relevant to assessing this project as an advanced exploration and potential resource project. The zone is characterized by the occurrence of malachite and chrysocolla.

Alteration zoning as observed in the drillhole samples consists of potassic, sericite chlorite- carbonate, and propylitic assemblages. Propylitic alteration consisting of epidote-chlorite-pyrite-calcite is restricted to the metavolcanics observed west of the deposit. Potassic alteration is confined within the diorite where hornblendes are altered to biotite. Orthoclase (K-feldspar) is rare occurring as fine pink veinlets with quartz.

The sericite-chlorite-carbonate ("SCC") alteration is generally observed in the dacite porphyry where feldspars are pervasively altered to sericite. SCC alteration is associated with extensive quartz-magnetite-chalcopyrite veins and stockworks.

T.M. Leach (1999) conducted a study of the mineralization at Taysan from which the following descriptions were extracted.

> "Copper +/- gold mineralization at Taysan occurred during the waning stages of the porphyry system associated with moderately low temperature (<250-300C) chlorite-epidote-sericite-laumontite retrograde events. Ore grade (>0.25% copper) occurs in two sigmoidal, easterly dipping zones that are not related to the distribution of the dacite porphyry stocks, the Stage I potassic or the Stage II porphyry quartz veins. It is interpreted that these dilational features have formed in response to sinistral rotation on the NE-structures (Figure 48). It is speculated that the

late stage mineralising fluids have exsolved from the deep parent melt to the dacitic porphyry stocks and migrated up the NE-structures. Cooling and/or dilution of these fluids within the dilational structures resulted in copper-gold mineralization.

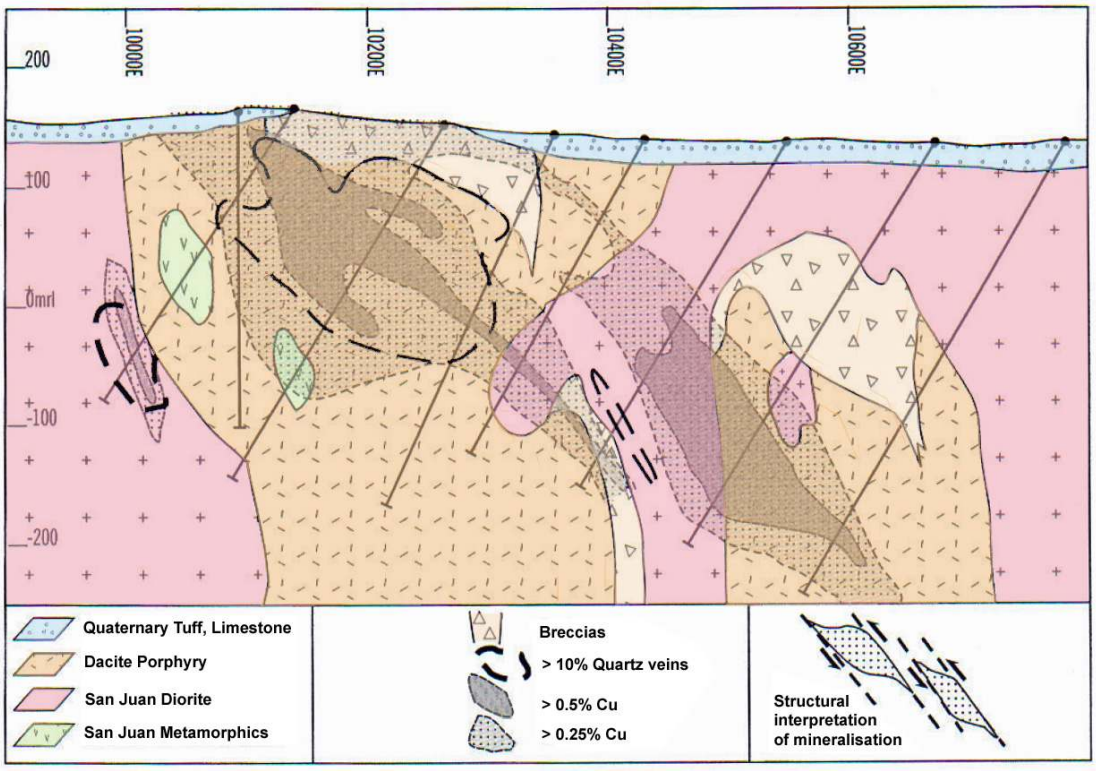


Figure 48: E-W cross-section of the geology and mineralization of the Taysan Copper-Gold Deposit *(Source: after Leach, 1999)*

Chalcopyrite is the main copper mineral and was deposited almost exclusively during late stage (Stage IV) replacement and deposition. It occurs as:

- As disseminated grains that fill open cavities in the wallrock, commonly associated with chlorite (+/- sericite) alteration of mafics
- In thin discontinuous to sheeted fractures that cut the dacite porphyry and the diorite/granodiorite; and
- In fractures and cavities in Stage II quartz and less commonly in Stage III K-feldspar-biotite veins associated with disseminated mineralization

The chalcopyrite typically overgrows, but in places is intergrown with chlorite, epidote and sericite; and is overgrown, but locally intergrown with, calcite and rarely laumontite.

Bornite is rare at Taysan and like chalcopyrite is almost exclusively associated with the Stage IV event. It is common where sericite alteration is intense and occurs as intergrowths with, and overgrowing chalcopyrite. Idaite locally co-exists with bornite.

Pale yellow (iron poor) sphalerite occurs in sericite-chlorite veinlets at shallow levels and co-exists with chalcopyrite and trace galena. Traces of bismuth sulphosalts also are locally associated with chalcopyrite mineralization. Pyrite is rare, and is commonly absent from drill core at Taysan, and is only encountered in moderate quantities where sphalerite mineralization is present.

Native gold is observed in trace amounts as inclusions in chalcopyrite hosted in sheeted Stage IV chlorite-carbonate+/- epidote +/- sericite veinlets."

8.2 Dimensions & Continuity

The area of mineralized zone is approximately 1.5km long in NW-SE direction and 0.5km wide and the depth as defined by drilling is approximately 400m from the outcrop at elevation 150mASL to -300mBSL. A plan and representative cross-section of the deposit is shown in Figure 49 below.

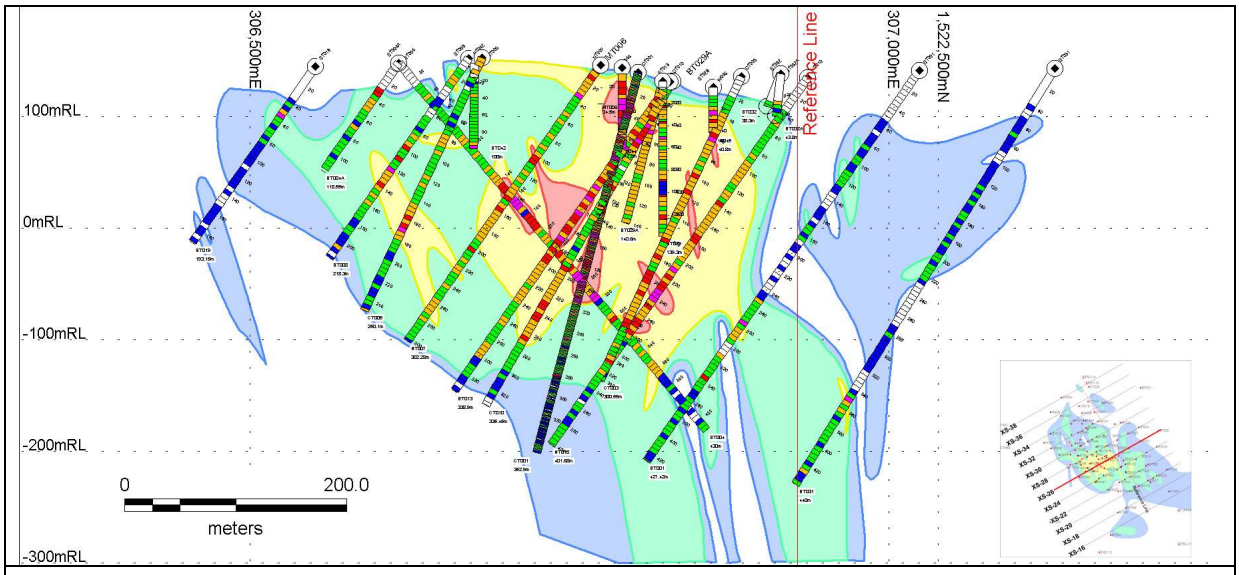


Figure 49: Schematic W-E cross-section XS-26, Taysan porphyry Cu
(Source: TCC)

8.3 Distribution of Gold Mineralization

Gold mineralization is broadly associated with copper mineralization. Highest gold grades are associated with the quartz magnetite stockwork zone (Table 17). A study of gold distribution undertaken by Chase resources indicated gold copper ratios approached 1 (ppm Au):1 (% Cu) in the stockwork zone but outside this zone the ratio fell to between 1:2 and 1:3.

8.4 Other Mineralised Occurrences

The historic Antipolo Gold Mine is located within EP-IVA-005. No records have been recovered for this prospect and it has not been reviewed for this report. Additional copper mineralised zones have been intersected in exploration drilling undertaken during KMCI's drilling programs undertaken in 2007 and 2009. Further details of these results are provided in Section 5.3 of this report.

9 EXPLORATION

No exploration activities were concluded by GPL. No exploration or drilling has been conducted by TCC or CHR.. The previous exploration is described in Section 5.2,

10 DRILLING

No drilling activities were concluded by GPL. No drilling has been conducted by TCC or CHR.. The previous drilling is described in Section 5.2,

11 SAMPLING METHOD AND APPROACH

This section is not applicable as all work to date is covered under History (Section 5.4)

12 SAMPLE PREPARATION, ANALYSES AND SECURITY

This section is not applicable as all work to date is covered under History (Section 5.4)

13 DATA VERIFICATION

13.1 Review of Historical Data

As highlighted in the preceding sections of this report, there is a paucity of information relating to sampling and analysis methodologies and QA/QC procedures. This is in large part due to the majority of resource drilling being undertaken in excess of 20 years ago and in many cases 30 years ago.

All reasonable efforts have been made to source historical information with the full cooperation of TCC. TCC provided all available data and reports. This information has consisted primarily of the original Benguet drill logs, the 1993 Annual Report completed by Chase Resources and electronic data provided by KMCI including the current drilling database for the project. Drill core remains only for the KMCI drilling undertaken in 2007 and 2009. Core from older drilling programs has been lost. Local residents at Taysan were queried during the site visit for this report regarding the fate of historic core samples. It is understood that core was removed and dumped following a fire which destroyed the core storage facility on site at Taysan.

Chase resources reported in 1993 that at that time a significant amount of core from the Benguet and Newmont phase of drilling had been lost. To provide further verification and validation of the historical work, GPL has undertaken further statistical analysis of historic drill results. The results of this work are provided in the following section.

13.2 Comparison of historic drilling assays

Assays from various phases of drilling in the Taysan Copper-Gold Deposit have been compared. This comparison has been undertaken by examination of the declustered population statistics for drilling undertaken by Newmont, Benguet and Chase Resources respectively. The sample dataset was selected from the main area of mineralization that has been the subject of previous resource estimates (Figure 50). Sample data has been split into datasets representing the different phases of exploration. Declustered population statistics were subsequently calculated using Supervisor software.

The results of this comparison are provided in the following figures and tables:

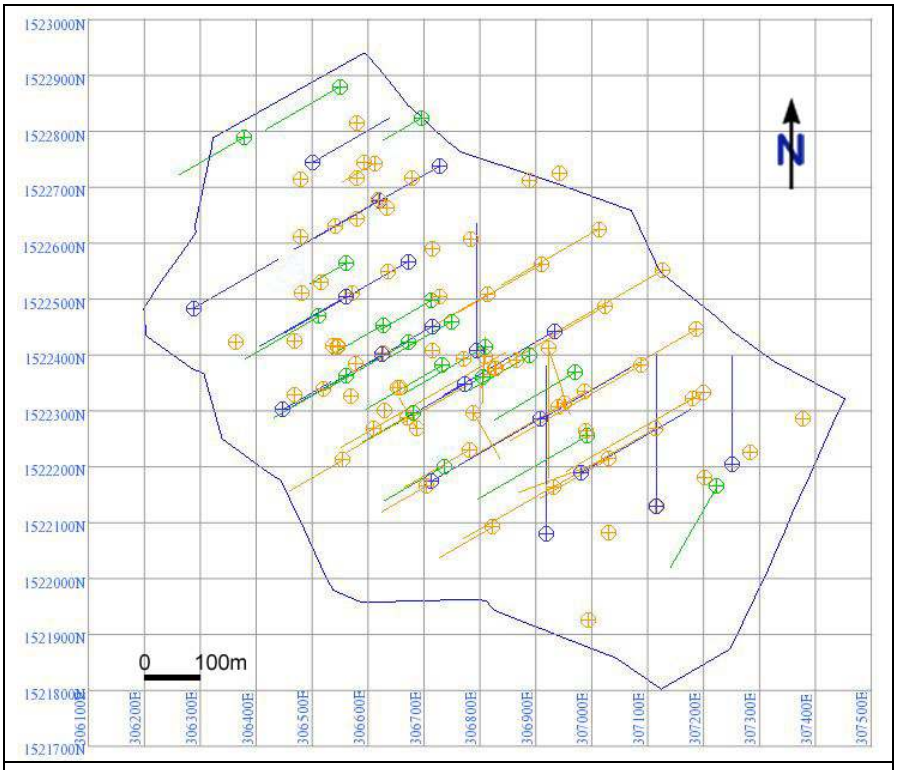


Figure 50: Drill holes within the historical resource perimeter
(Source: GPL)

The following Figure 51 and Figure 52 compares the Benquet ("DB") and Chase ("DC") drilling assay results, in particular, the noticeable difference in the gold values. The mean value from the Benquet data is 0.31g/t compared to the Chase value of 0.12g/t. Both the log histogram and probability plot for the Benquet data suggest that the data is not reliable compared with the Chase results.

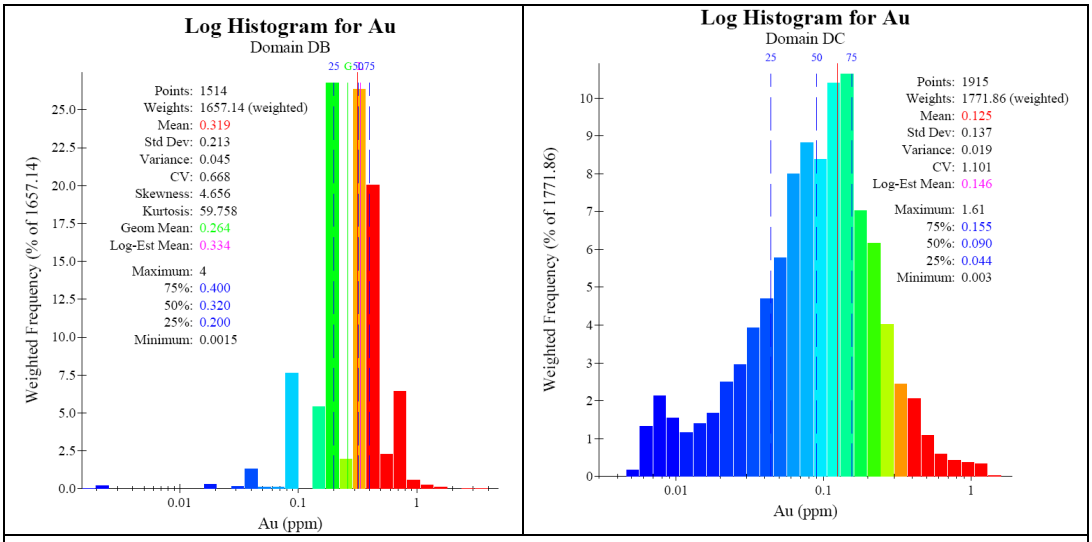


Figure 51: Log Histograms for Au – DB = Benquet holes, DC = Chase holes
(Source: GPL)

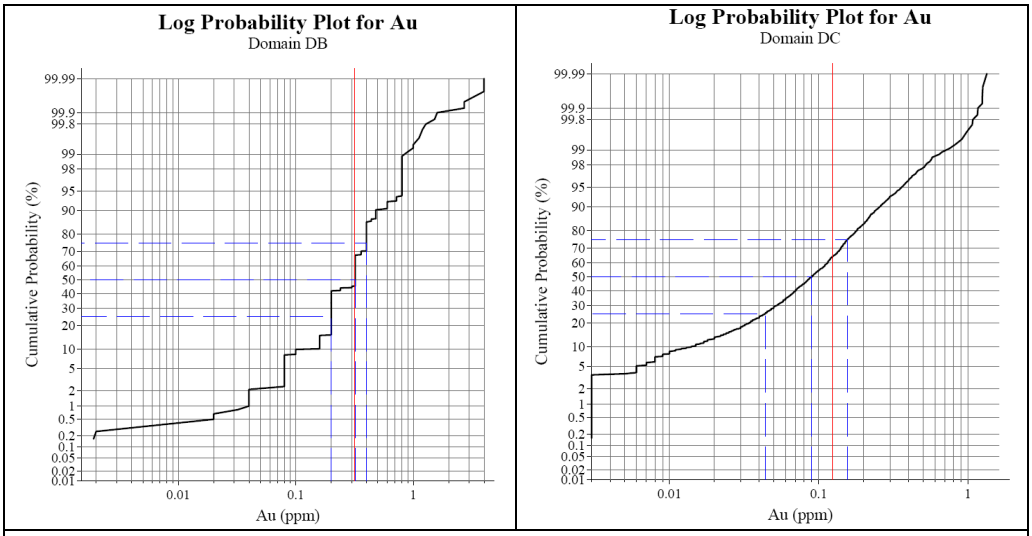


Figure 52: Log Probability Plots for Au – DB = Benquet holes, DC = Chase holes
(Source: GPL)

The discrepancy with the gold results does not however extend to the copper results (Figure 53 and Figure 54) with both Benguet and Chase achieving almost identical results (e.g. DB mean of 2828 ppm vs DC mean of 2823 ppm).

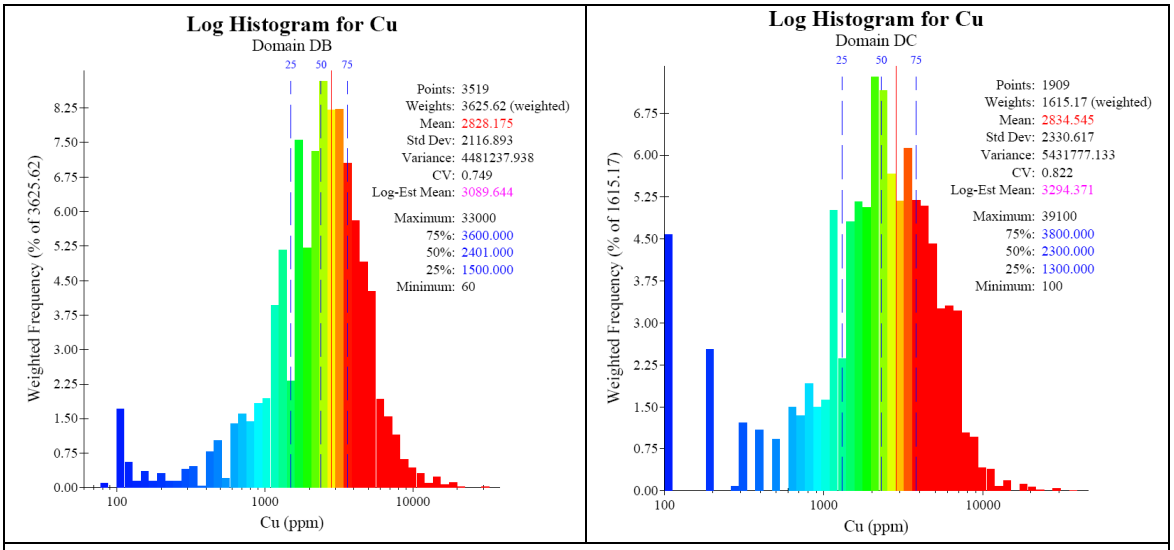


Figure 53: Log Histograms for Cu – DB = Benquet holes, DC = Chase holes
(Source: GPL)

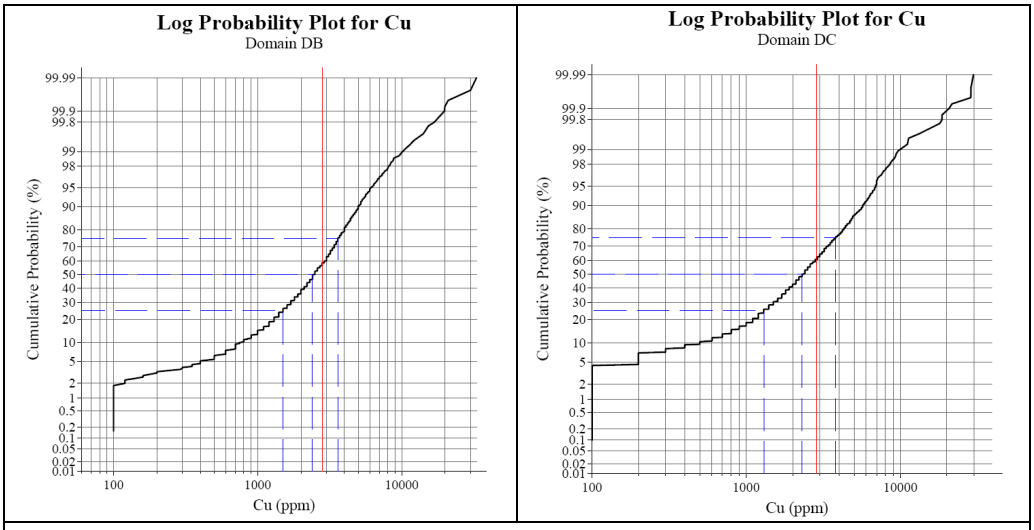


Figure 54: Log Probability Plots for Cu – DB = Benquet holes, DC = Chase holes
(Source: GPL)

Figure 55 illustrates the geostatistics for the Newmont copper assays. Noranda did not assay for gold. The mean copper grade is about 200ppm higher than that for Benquet and Chase. This may reflect either that the drilling was from a higher grade portion of the deposit or that there is a bias in the data.

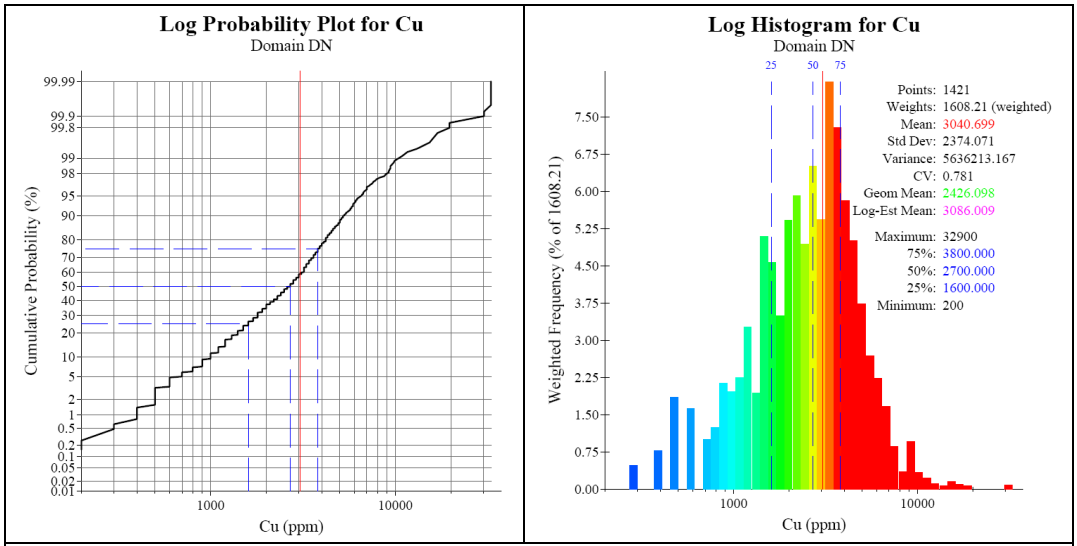
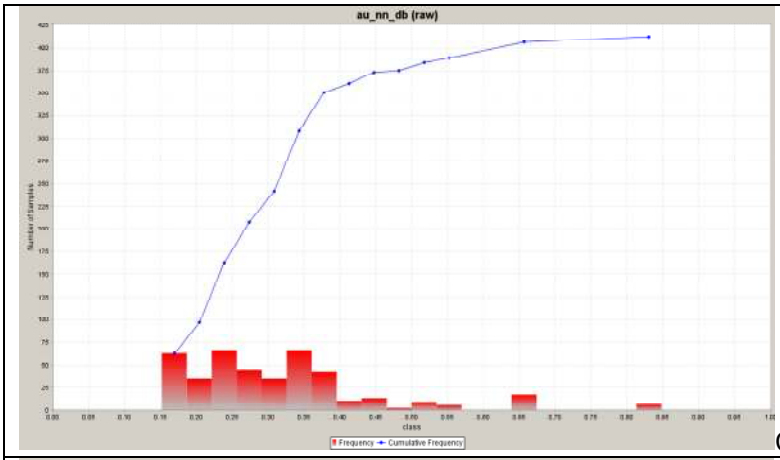


Figure 55: Log Histograms for Cu – DN = Newmont
(Source: GPL)

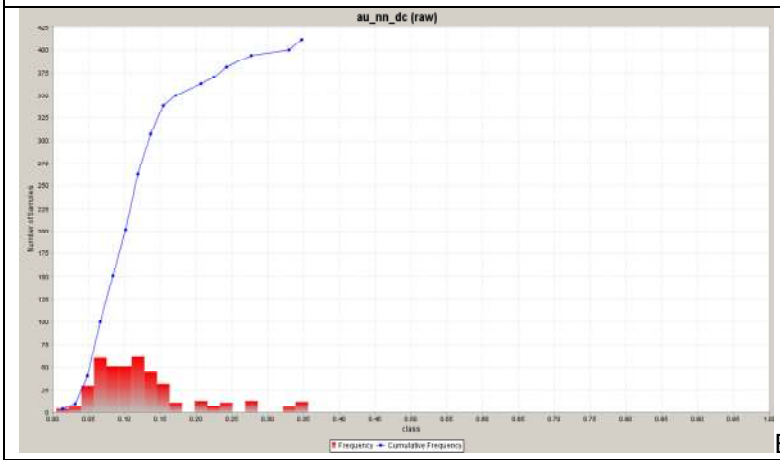
The comparison of grades was further investigated by developing a block model and under taking a nearest neighbour comparison using 10m down-hole composites. A comparison of grades estimated from each phase of drilling was undertaken by selecting blocks where at least one informing drillhole from each phase of drilling is located within 20 metres of the block. Only blocks with gold grades for both Chase (DC) and Benguet (DB) i.e. data within 20m of the block centroid from both drill sets were reported. There are 412 blocks distributed is in 6 clusters, see Figure 57, with basic statistics as shown in Table 16 and Figure 56.

Table 16 Drill composite comparison

Cu Nn	Cu Nn DB	Cu Nn DC	Au Nn	Au Nn DB	Au Nn DC	
11080.00	8820.00	11080.00	0.85	0.85	0.36	max
220.00	680.00	100.00	0.01	0.15	0.01	min
3806.82	3848.43	3810.70	0.22	0.31	0.13	mean



Chase DB Au



Benguet DC Au

Figure 56 Data Histograms

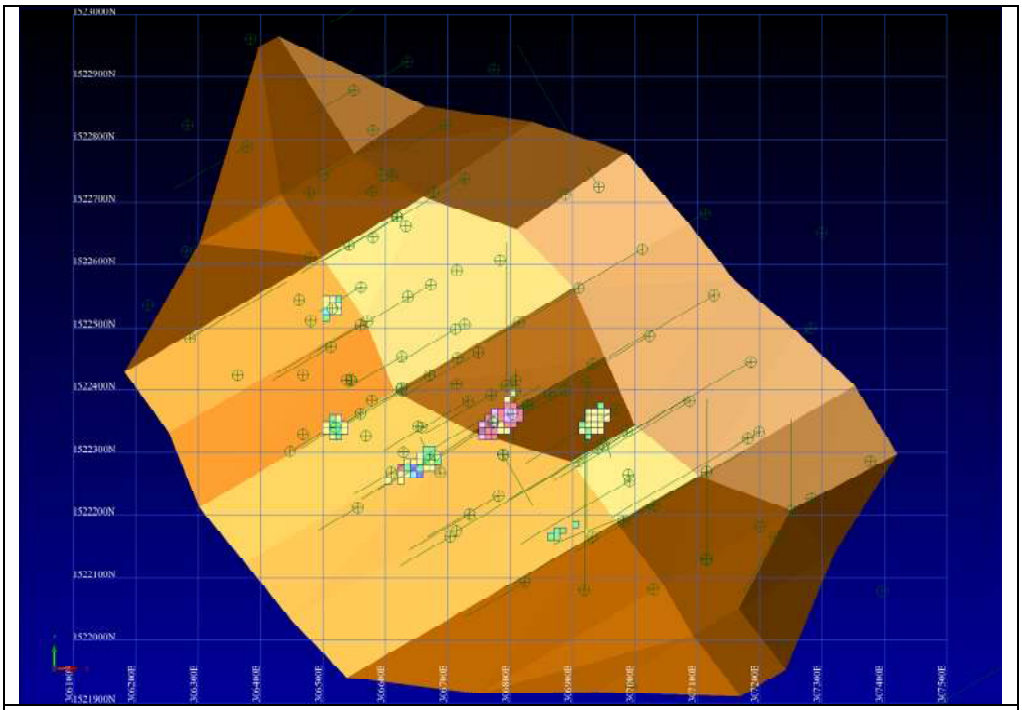


Figure 57 Location of comparison blocks

The results confirm the consistency of copper grades between various phases of drilling which provides an acceptable level of confidence that historic resource estimations and the historic dataset they were based on provide a reliable indication of the overall tenor of copper mineralization within the Taysan Copper-Gold Deposit.

The discrepancy in gold grades, originally identified by Chase Resources in the early 1990's is confirmed by the above comparisons. It is considered that the Chase gold estimates provide the best indication of gold grades of the Taysan Copper-Gold Deposit at this stage. This is supported by the metallurgical test results which generally confirm the original Chase results (Table 17); however it is recommended that additional confirmatory drilling program employing rigorous QA/QC procedures is undertaken to provide a dataset suitable for estimation and reporting of NI43-101/JORC compliant resources.

Table 17: Composite Sample Assay Results

Composite	Rock Type	Drill Core Assay Weighted Average		Average Assayed Head Composite		Average Calculated Assay Composite	
		Cu%	Au g/t	Cu%	Au g/t	Cu%	Au g/t
MET95-1	Oxide - upper	0.54%	0.45	0.58%	0.43	0.62%	0.50
MET95-2	Oxide - lower	0.65%	0.40	0.58%	0.40	0.58%	0.37
MET95-3	Sulphide - Stockwork	0.65%	0.52	0.80%	0.50	0.70%	0.46
MET95-4	Sulphide - Diorite	0.47%	0.24	0.45%	0.33	0.44%	0.20
MET95-5	Sulphide - Dacite	0.52%	0.24	0.48%	0.30	0.51%	0.24
MET95-6	Sulphide - Breccia	0.35%	0.11	0.33%	0.15	0.31%	0.08
MET95-3+4+5+6	Sulphide - mix	0.50%	0.28	0.51%	0.35	0.52%	0.27

(Source: from Wong, 1995)

13.3 Site Visit & Independent Samples

A site visit to the Taysan copper project area was taken on 18 May 2010. This visit included inspection of available core from the KMCI drill program stored in Taysan (Photo 7), inspection of outcropping exposures of the deposit and interviews with local employees and landowners. During the visit of the deposit area, remaining capped drill hole collars were located (Photo 8) and compared with historical drill hole plans.

Outcropping exposures of the deposit were inspected (Photo 5) where oxidised copper mineralization was observed associated with highly fractured diorite and dacite porphyry.

Drill core was examined at the Taysan compound (Photo 9, Photo 10) from which KMCI have based field operations, including core cutting, sampling and storage. A wide range of core intervals were inspected. Most notable of these were drillholes TDH-11, TDH-12, TDH-4 and TDH-1.

Two samples were collected from the Taysan Copper-Gold Deposit outcrop and submitted for analysis. Results are listed in Table 18. The assay results are anomalous for copper and gold, and demonstrate that mineralization is present. The assayed grades for copper at 1.145% and 2.12% are higher than the average for the historical resources; and gold result is consistent with historical values.

Table 18: Site Visit Samples - Assay Results

Sample #	Ag	Mo	Zn	Cu	Au
	ppm	ppm	ppm	%	ppm
44653	1.7	10	159	1.145	0.24
44654	1.9	3	363	2.12	0.22

Photo 7: Core storage
(Source: GPL. May 2010)

Photo 8: Diamond drill collar
(Source: GPL. May 2010)

Photo 9: TDH1 drill core
(Source: GPL. May 2010)

Photo 10: TDH6 drill core with chalcopyrite mineralization
(Source: GPL. May 2010)

13.4 Discussion of accuracy and relevance of historical data

The Taysan Copper Project has had a long history of assessment and exploration. While historical work was not documented to the current standards demanded by modern disclosure requirements, there is sufficient consistency between the logged geology, copper assay results and that observed in outcrop and more recent core drilling to be confident of the overall tenor, style and dimensions of copper mineralization. This is further supported by independent published papers on the geology of the deposit.

There remains however some uncertainty in relation to gold grades at Taysan. As noted previously in this report, this issue was identified by Chase Resources in the early 1990's. Chase chose to disregard earlier gold assays from their historical gold resource estimates which is considered a conservative but appropriate decision and is supported by GPL's analysis of the data. Nevertheless, it is considered necessary that a program of confirmatory drilling be undertaken with rigorous QA/QC control before a NI43-101/JORC compliant resource can be reported for this property.

14 ADJACENT PROPERTIES

As noted in the description of the regional geology, the Taysan Copper-Gold Deposits is one of series of porphyry deposits within the regional porphyry deposit trend (Figure 46) which extends through the length of the Philippines. There are a number of copper-gold porphyry deposits located Luzon and Marinduque Island as listed in Table 19 including 6 in the regional vicinity of the Taysan Copper-Gold Deposit (highlighted in Table 19) and shown on Figure 58 and Figure 59. (Note that GPL was unable to verify information on these deposits and they are not necessarily indicative of the mineralization on the Taysan Project.)

Table 19: Luzon Region Porphyry Deposits

Deposit	Province	Porphyry Subtype
Batong Buhay	Luzon Island	20c
Boneng Lobo	Luzon Island	20c
Botilao	Luzon Island	17
Dinkidi	Luzon Island	20c
Dizon	Luzon Island	20c
Far Southeast-Bato Tabio	Luzon Island	20c
Guinaoang-Tirad	Luzon Island	20c
Hale-Mayabo	Luzon Island	20c
Kennon South East	Luzon Island	17
Kilongolao	Luzon Island	17
Lumbay	Luzon Island	20c
Manag	Luzon Island	20c
Marian	Luzon Island	20c
Matanlang	Luzon Island	20c
Pisumpan	Luzon Island	20c
San Antonio–Philex	Luzon Island	20c
San Fabian	Luzon Island	20c
Santo Niño	Luzon Island	17
Santo Tomas II	Luzon Island	20c
Sinipsip	Luzon Island	17
Tawi-Tawi	Luzon Island	17
Taysan	**Luzon Island**	**20c**
Ino-Capayang	Marinduque Island	17
Marcopper	Marinduque Island	20c

(Source: USGS 2008)

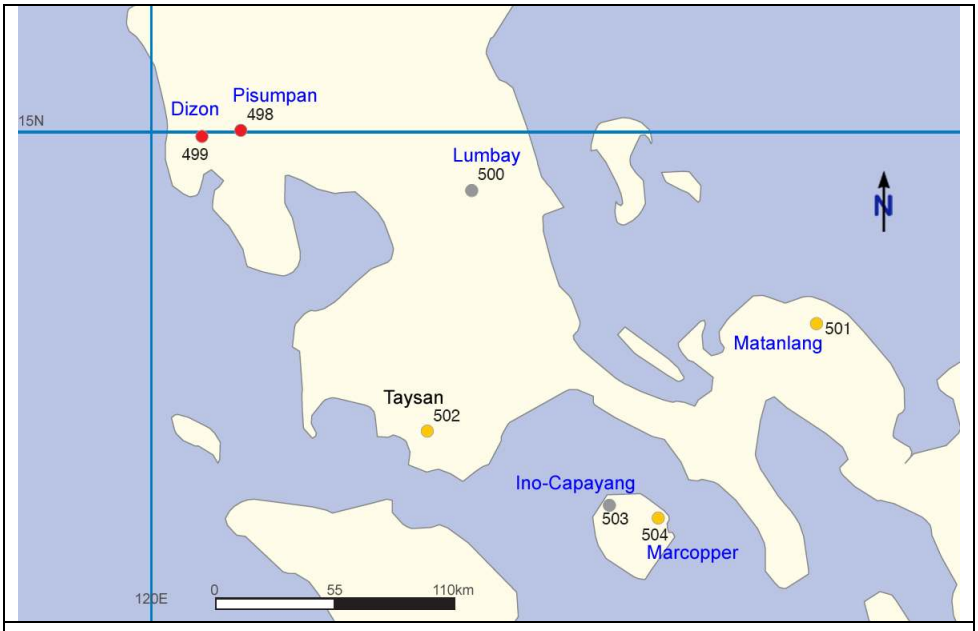


Figure 58: Location of Regional "Adjacent" Properties
(Source: USGS 2008)

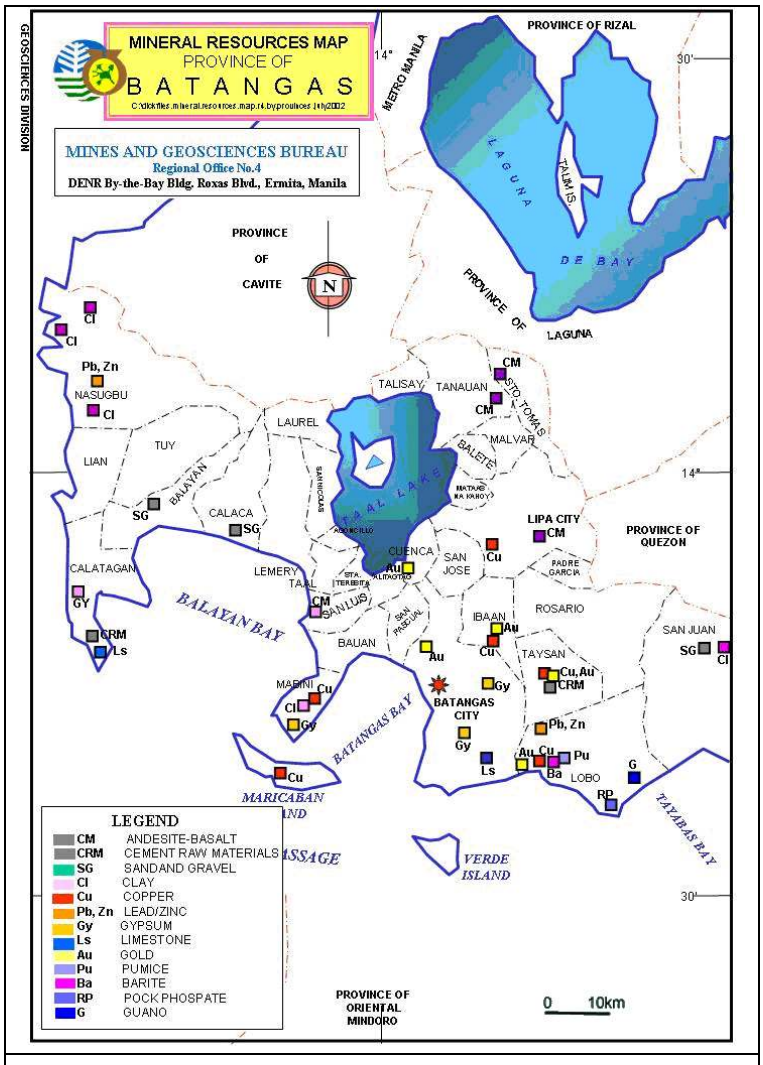


Figure 59: Mineral Resources of Batangas Province
(Source: DENR website 2010

Historical prospecting and exploration in Batangas had recognized the presence of copper prospects in several areas such as:

1) Biga prospect at the slope of Mt. Buanoy;
2) Talahib prospect upstream of Talahib River;
3) Hebanga prospect located at Tilaga and Kalintas Rivers;
4) Palacpac area at Manugat Creek; and
5) The Copperbelt copper-silver-barite mine at Brgy. Mabilog na Bundok.

(Note that GPL was unable to verify information on these deposits and they are not necessarily indicative of the mineralization on the Taysan Project.)

Except for the Taysan copper area (including Antipolo), MRL Gold Philippines Inc ("MRL") and Mindoro Resources Limited ("Mindoro") currently control or are exploring the tenements covering the above and other prospect areas in the regional vicinity of Taysan.

MRL is actively investigating the area for potential copper and gold and have discovered a deposit interpreted as a malachite and chrysocolla bearing diorite window in a moderately rolling terrain covered with Pleistocene tuff and pyroclastics. The tuff covers as much as 95% of the mineralized zone and the thickness increases to approximately 200m towards the northeast. (Note that GPL was unable to verify information on this deposit and it is not necessarily indicative of the mineralization on the Taysan Project).

Mindoro Resources Limited: Batangas Projects

In the immediate region and to the south and southeast of Taysan, there are a number of gold and copper-gold porphyry deposits and/or prospects referred to as the Batangas Projects (Figure 60), which are currently being explored by Canadian-listed Mindoro Resources Limited ("Mindoro"). (Note that GPL was unable to verify information on these deposits and they are not necessarily indicative of the mineralization on the Taysan Project).

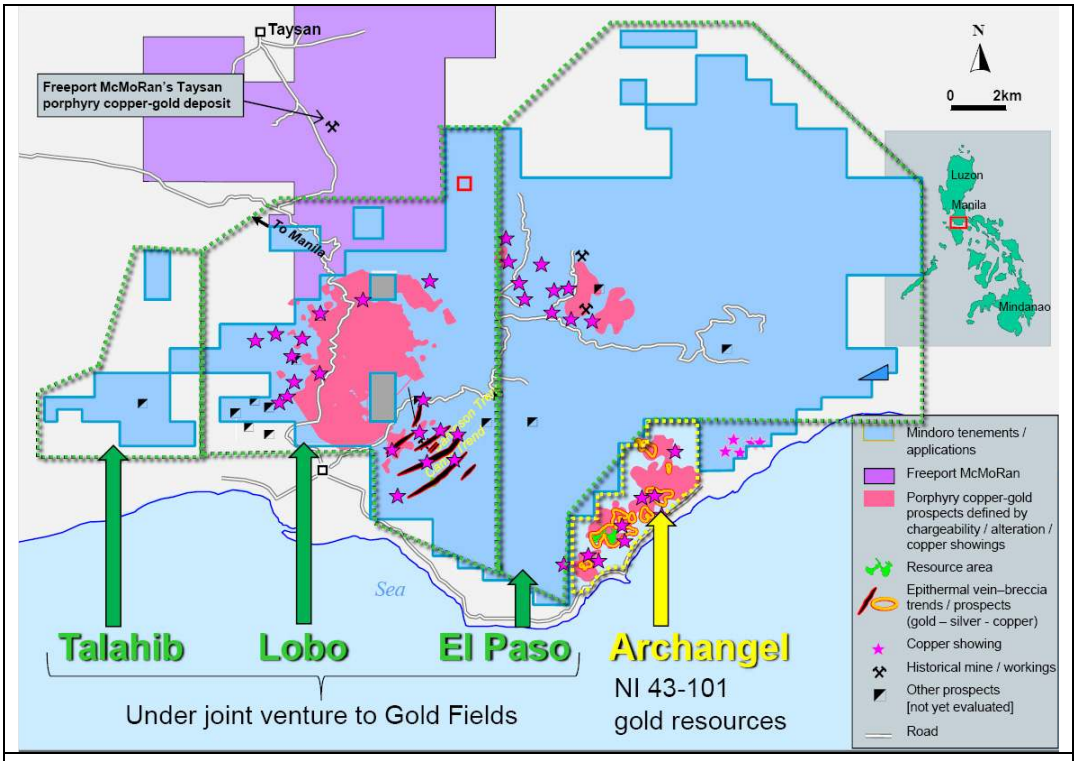


Figure 60: Mindoro Batangas Projects
(Source: Mindoro Presentation 2009)

From Mindoro's MD&A, 31 Dec 2009:

> Mindoro holds 100% direct and indirect interest in the Batangas land package, comprised of approximately 29,000 hectares and encompassing the El Paso, Lobo, Talahib and Archangel Projects (Figure 61). Both the Lobo and Archangel Projects are held under a MPSA; and the Calo and El Paso prospect are held under an EP. The remaining Batangas Regional ground is held under either MPSA or EP applications, which are in various stages of approval. Mindoro has granted Gold Fields Netherlands Services BV ("Gold Fields") options to earn up to 75% interest in the El Paso, Lobo and Talahib Projects.
>
> As of December 31, 2009, the Company incurred $13,718,327 in exploration expenditures on the Batangas Projects, including expenditures of $1,412,564 in the fourth quarter of 2009.
>
> The Batangas tenements are in the well-mineralized southern Luzon porphyry copper-gold belt. Initial NI 43-101- compliant gold resources have been defined at both Lobo and Archangel (SWB and Kay Tanda, respectively), which are both open to upgrading and extension, and at least 15 promising porphyry copper-gold prospects remain to be tested, including the Calo, Talahib, Pica and El Paso prospects.

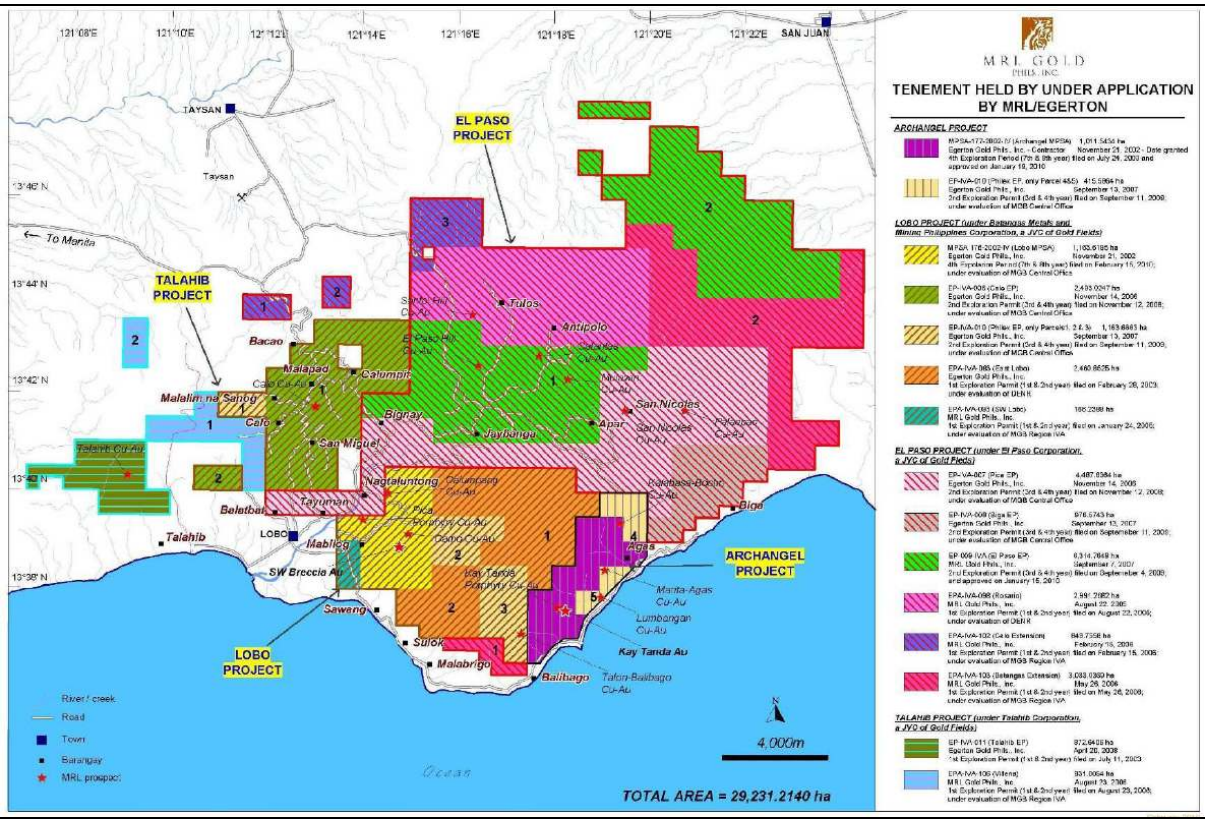


Figure 61: Mindoro Batangas Project tenements
(Source: Cox 2010)

As described on Mindoro's website,

> "Mindoro acquired the Lobo and Archangel Projects in the Batangas District of Luzon Island in December 2000, under an agreement with Egerton Gold Philippines Inc., a private Philippines company. Mindoro may earn a 75 percent interest in the Batangas Projects through phased exploration expenditures, issues of shares, and by taking one of the projects (either Lobo or Archangel) to the feasibility stage. Lobo and Archangel are each held under a Mineral Production Sharing Agreement (MPSA), which is a legally binding contract with the Philippine Government allowing for mineral exploration and development. Early work in the Batangas District was so encouraging that Mindoro has since increased its tenements and tenement applications (under

Exploration Permits) to over 29,000 hectares. These cover favourable geology and abundant epithermal gold-copper-silver showings, and several clusters of porphyry copper-gold prospects.

The Batangas Projects, which include the original Lobo and Archangel Projects, are located within a well mineralized copper-gold belt. This belt includes the Taysan porphyry copper-gold deposit of Freeport McMoRan, adjacent to the Mindoro projects, as well as the Dizon, Tapian, San Antonio and Mogpog porphyry copper-gold deposits, several of which have been mined"

The Calo Porphyry Copper-Gold Prospect (Figure 62*)*

(Note that GPL was unable to verify information on this deposit and it is not necessarily indicative of the mineralization on the Taysan Project).

As described on the Mindoro web site:

"A cluster of unusually large Induced Polarization (IP) anomalies has been defined at Calo, with extremely high chargeability readings of up to 100 msecs against a background of 6-8 msecs. The chargeability anomalies, which occur at the intersection of strong regional northwest to southeast, and northeast to southwest structural features, suggest large concentrations of metal sulphides below the younger cover volcanics. Evidence that the sulphides defined by the IP survey relate to porphyry copper-gold mineralization include: the Pica porphyry copper-gold mineralization already drill-intersected by Mindoro on the far south-eastern margin; the erosional windows of advanced argillic, phyllic and SCC (sericite-clay-chlorite) alteration; copper-stained, massive silica boulders, interpreted as porphyry system lithocap located in the southern part of Calo; abundant epithermal copper and gold showings occur along the western and eastern margins of Calo, and include high-sulphidation epithermal copper-gold-silver veins and skarn mineralization; and the occurrence of a diatreme breccia. All are features characteristic of Philippine porphyry copper-gold systems.

Much of the anomaly cluster, which is at least four kilometres by six kilometres in extent, is covered by younger rocks; with the source, therefore, being obscured. The anomalies are interpreted as related to porphyry-copper-gold mineralization, possibly with multiple mineralization centers. High-sulphidation epithermal copper-gold showings, along with advanced argillic alteration - which are usually indicative of proximity to porphyry mineralization in the Philippines - as well as diatreme breccias and porphyry-type alteration, occur around the margins of the chargeability anomalies, and in erosional windows.

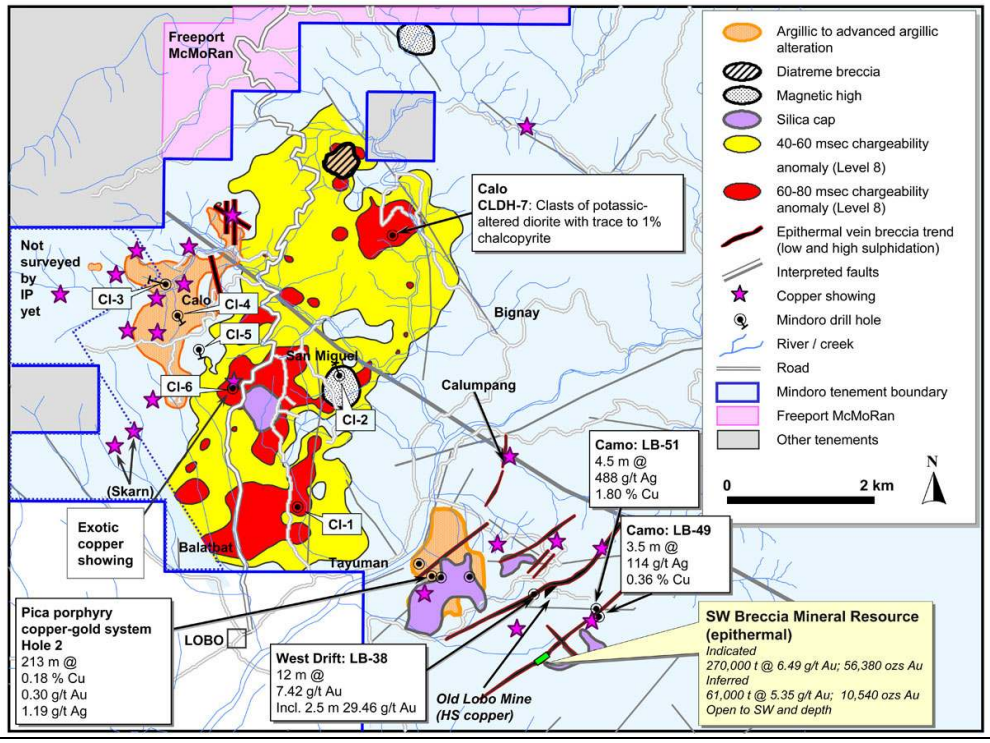


Figure 62: Mindoro's Calo Porphyry Project
(Source: Mindoro web site)

Porphyry copper-gold mineralization has already been drill-intersected by Mindoro on the far-eastern margin of Calo, where Pica drill hole two intersected 213 meters of 0.18 percent copper and 0.30 grams per tonne gold below a cap of advanced argillic alteration. In the southwest part, young volcanic cover above the chargeability anomaly contains exotic copper mineralization, which is typically associated with porphyry copper deposits. The volcanic breccia contains clasts cemented by supergene copper minerals and have been mapped over an area of 100 meters by 300 meters. Two trench channel samples gave 2.62 percent copper over 30 meters, and 2.17 percent copper over 20 meters. This exotic copper occurrence, typical of those associated with South American porphyry copper deposits, also implies a significant copper source in the underlying rocks."

El Paso, Lobo and Talahib Project:

(Note that GPL was unable to verify information on this deposit and it is not necessarily indicative of the mineralization on the Taysan Project).

As described in Mindoro's MD&A (Dec 2009):

"Pursuant to a Memorandum of Agreement dated April 29, 2009 Gold Fields has the right to earn up to a 75% interest in each of the El Paso, Lobo and Talahib porphyry copper-gold projects by sole funding exploration and a feasibility study on each project, up to certain expenditure limits.

For the twelve months commencing July 2009, Gold Fields had advised a forecast budget of approximately AU$2,000,000 for drill testing both the El Paso and Lobo Projects and defining targets on the Talahib Project, which are being evaluated for their porphyry copper-gold potential. Gold Fields completed a 6 hole reconnaissance diamond drilling program on El Paso in the fourth quarter and continued with detailed geological, ground magnetic and geochemical surveys over the El Paso and Lobo Projects"

El Paso Prospect:

(Note that GPL was unable to verify information on this deposit and it is not necessarily indicative of the mineralization on the Taysan Project).

As described in Mindoro's 43-101 Technical Report (April 2010):

> "The El Paso prospect is located 7 km north of the Lobo Project and 12 km from the Taysan porphyry Cu-Au deposit. The El Paso exploration permit (EP-009-IVA [6,314.76 ha]; comprises two main non-contiguous blocks…
>
> El Paso is immediately north of the major west-northwest-trending structural boundary that separates older north-eastern batholithic terrain (San Juan Diorite), and the younger southern volcanic terrain. This major boundary is an especially favourable structural setting, which served to localize mineralizing intrusions, including Taysan. The area is underlain largely by San Juan Diorite with islands of metavolcanics, intruded by younger hornblende quartz diorite to hornblende diorite and andesite porphyry intrusions, and overlain in places by younger Quaternary volcanic tuff. Extensive porphyry-related phyllic and intermediate argillic alteration has been mapped, as well as potassic alteration in places.
>
> Widespread copper-gold mineralization occurs associated with andesite porphyry and hornblende quartz diorite to hornblende diorite intrusions, as well as the older, more-eroded San Juan Diorite. The mineralization associated with the former is the principal target. In the southwest part of the El Paso prospect, copper-gold mineralization had been known historically and was tested with shallow drill holes by a previous operator in the mid-nineties. Results are unknown. However, the area tested by drilling is not associated with significant IP chargeability anomalies and is considered to represent mineralization peripheral to the porphyry copper-gold system. El Paso has been drill-tested by Gold Fields Australia, Mindoro's Joint Venture partner, in 2009. As sourced from the Mindoro Press Release (February 1, 2010, Table 20), significant drill results include Hole EPDD001, which intersected 42.2 meters of 0.5 percent copper. The mineralization is related to a 10.5 meter highly altered diorite porphyry dike with disseminated bornite and chalcopyrite, quartz veinlets, magnetite and anomalous molybdenum. The dike may be derived from a proximal porphyry copper-gold system"

As described on the Mindoro web site:

> "Abundant Copper Showings and Two Large IP Anomalies
>
> The El Paso EP, covering 6,315 hectares, was granted in 2007. It is located 11 kilometres southeast of Freeport McMoRan's Taysan porphyry copper-gold deposit and seven kilometres northeast of Mindoro's Pica porphyry copper-gold prospect. "

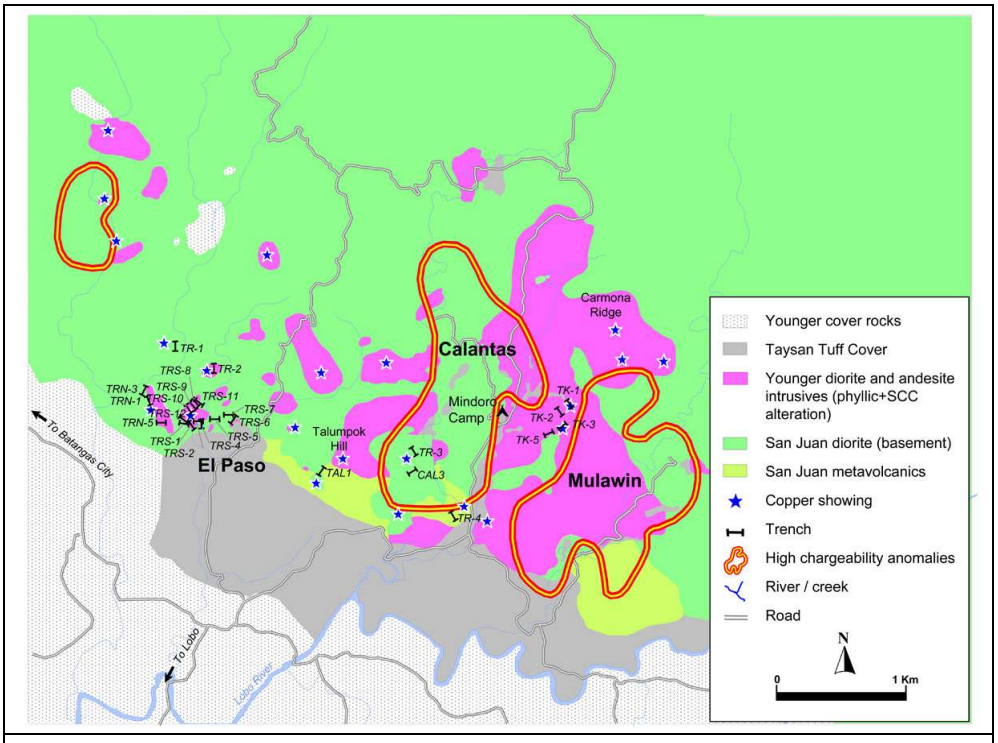


Figure 63: Mindoro's El Paso Project
(Source: Mindoro web site)

"… IP surveys by Mindoro defined two large and strong chargeability anomalies, known as Calantas and Mulawin, approximately two kilometres east of the drill-tested copper ± gold showings. Each is about two kilometres by one kilometre in extent with chargeability values ranging from 20 to over 50 msec, against a background of 4 to 8 msec.

A thin cover of volcanic ash obscures much of the area, but scattered outcrops indicate geology consists of stocks of younger fine-medium grained hornblende quartz diorite, hornblende diorite and andesite porphyry intruding metavolcanics. Independent petrology confirms that alteration consists of quartz-sericite-chlorite±epidote and sericite-clay-chlorite. These alteration assemblages are common to Philippine porphyry systems and are usually transitional to the core potassic zone at depth. The petrology also confirms the presence of quartz veining with magnetite and the copper minerals chalcopyrite and bornite. A channel sample from the metavolcanics yielded 0.24 percent copper over 15 meters. Recent trenching within the medium grained hornblende quartz diorite to hornblende diorite at the central part of the area, northwest edge of Mulawin, gave 0.88 percent copper, 0.14 g/t gold and up to 57 ppm molybdenum over 15 meters. These suggest the strong chargeability anomaly below is of considerable potential. High molybdenum values of 806 ppm over a 10 meter trench are associated with a younger quartz diorite stock at Calantas, and also suggest a porphyry source. …"

Results of the El Paso drilling were released on February 1, 2010, and are summarized in the following table:

Table 20: El Paso Drilling Results, February 2010

Hole ID	Prospect	From (m)	To (m)	Length (m)	Cu %	Au g/t	Ag g/t	Mo ppm
EPDD-001	El Paso Hill	6.00	48.20	42.20	0.50	0.04	2.3	72
including				10.50	0.95	0.09	3.4	21
EPDD-002	El Paso Hill	43.45	63.30	19.85	0.29	0.04	2.2	52
including				6.30	0.54	0.03	3.5	116
EPDD-003	Kay Tabla	42.60	50.20	7.60	0.23	0.05	2.8	26
EPDD-004	Talumpok	No meaningful results	-	-	-	-	-	-
EPDD-005	Calantas		-	-	-	-	-	-
EPDD-006	Mulawin	234.50	237.45	2.95	0.17	0.062	2.2	-

(Source: Cox 2010)

Mineralization in hole EPDD-001 is related to a 10.5 meter highly altered diorite porphyry dike with disseminated bornite and chalcopyrite, quartz veinlets, magnetite and anomalous molybdenum. The dike may be derived from a proximal porphyry copper-gold system. Gold Fields has advised it is planning a detailed follow-up drill program.

Gold Fields had planned to commence drilling on the Lobo Project in March 2010, upon arrival of a large drill rig capable of drilling to a depth of 1000m. The drill program has been postponed pending further drill target definition work and renewal of the exploration period for the MPSA. It is anticipated that drilling will commence in May 2010.

Lobo Project:

(Note that GPL was unable to verify information on this deposit and it is not necessarily indicative of the mineralization on the Taysan Project).

As described in Mindoro's 43-101 Technical Report (April 2010):

> "Previous work by Mindoro on the Lobo Project has outlined approximately 5-7 km of integrated strike length of northeast-trending epithermal vein-breccia trends. Mineralization along these epithermal trends occurs as both low-sulfidation gold and high-sulfidation copper-silver. Two highly mineralized shoots along these vein systems are the SW Breccia and the old Lobo mine. A National Instrument 43-101 compliant resource estimate was prepared by David Bailey at SW Breccia prospect under Lobo Project in 2004, based on 25 shallow drill holes."

As described on the Mindoro web site:

> *"The Lobo Project* and related prospects are located in the western half of the Batangas Projects. Mindoro has drilled out and defined a National Instrument 43-101-compliant resource at SW Breccia on the Lobo Project. … The mineralization is believed to be open to depth and to the south-west along strike. Mindoro plans to use a larger drill rig to extend the resource, which is open in two directions, at a later date. While this has potential for a small gold mine, Mindoro is searching for larger deposits and has identified much higher potential targets on its Batangas tenements, including the Kay Tanda, Calo and El Paso prospects.
>
> Mindoro has completed a major geophysical survey using combined induced-polarization and magnetic surveying. This was conducted over Lobo in late 2004 to help define porphyry copper-gold targets because epithermal gold deposits in the Philippines are commonly underlain in close proximity by porphyry copper-gold mineralized intrusions.
>
> Geophysical surveys give strong indications of at least two interpreted buried porphyry copper-gold systems on the Lobo Project. Drilling began on the first of these, the Pica Prospect, in May 2005. The second drill hole at Pica intersected 213 meters at a grade of 0.18% copper, 0.30 g/t gold and 1.91 g/t silver between 22 and 235 meters. Pica represents a new porphyry copper-gold discovery, and Mindoro is pleased it was able to vector into significant mineralization with just two drill holes. Subsequent geophysical work in the area indicated that Pica is actually on the eastern

edge of a much larger and more intense mineral system encompassing the Calo Prospect, where a major drill program has just commenced."

Talahib Prospect:

(Note that GPL was unable to verify information on this deposit and it is not necessarily indicative of the mineralization on the Taysan Project).

As described in Mindoro's 43-101 Technical Report (April 2010):

> "The Talahib Project consists of one Exploration Permit (EP) covering 872 hectares, and one EP application covering 831 hectares. It is located ~8 km west of the Lobo Project and ~11 km southwest of the Taysan porphyry Cu-Au deposit. Mindoro owns the Talahib EP 100 percent via a wholly-owned Philippine subsidiary, subject to a 2 to 4 percent NSR.
>
> Reconnaissance work has located significant copper and gold mineralization at Talahib. The prospect area is underlain by andesitic volcanics intruded by a series of strongly altered diorite and microdiorite intrusions, and capped in places with younger Quaternary tuff.
>
> Stream sediment sampling yielded strong anomalies to 650 parts per million (ppm) copper, 468 parts per billion (ppb) gold, 100 ppm lead and 327 ppm zinc. Reconnaissance rock channel sampling of heavily mineralized hydrothermal breccia assayed 3.33 percent copper and 0.10 g/t gold over 20 meters, which included 6.55 percent copper and 0.16 g/t gold over ten meters. About 200 meters south of this, an outcrop of altered diorite gave 0.74 percent copper and 0.15 g/t gold over 30 meters. Another channel sample from altered diorite outcrop 500 meters north of the hydrothermal breccia, assayed 1.04 percent copper and 0.09 g/t gold over 20 meters."

Archangel Project (Figure 64):

(Note that GPL was unable to verify information on this deposit and it is not necessarily indicative of the mineralization on the Taysan Project).

As described in Mindoro's 43-101 Technical Report (April 2010):

> "The Archangel Project area lies on the southeast flank of the deeply dissected Lobo volcanic center. Altered and mineralized volcanic rocks and associated high-level intrusions of diorite, quartz diorite and dacite have been mapped along an approximate 6 km length of the Archangel MPSA. An extensive regional zone of argillic alteration coalesces around a series of discrete centers of mineralization that are clustered around intrusive centers at Balibago, Pulang Lupa, Kay Tanda, Marita and potentially elsewhere on the property….
>
> Exploration activity has traced mineralization in the broader Kay Tanda region over a distance of ~1.5 kilometres from Pulang Lupa in the WSW through to Kay Tanda where extensive Au-Ag mineralization has been drill-intersected, and to south and north Lumbangan where surface trenching has indicated additional mineralization….
>
> The data generated by the (2008 drilling) program were important in confirming the interpretation of the complex mineralization found at Kay Tanda. Early mineralization comprising acid-sulphate alteration and quartz stockworks is interpreted to be related to the upper level of a porphyry system. These were overprinted by episodes of low sulphidation epithermal veining characterized by quartz±pyrite±chalcopyrite, pyrite±quartz, and quartz-galena-sphalerite-chalcopyrite"

As described in Mindoro's MD&A (Dec 2009):

> "Under a Memorandum of Understanding dated September 22, 2008, Avocet Mining PLC ("Avocet") undertook to drill a minimum 1500m of diamond drilling as part of a six month due diligence program. The due diligence period was twice extended in order to accommodate Avocet drilling 2100m in 14 holes, well in excess of its required minimum. In September 2009, Avocet advised that it would not be proceeding with further investment in the project. Final results from the drill program were released on January 21, 2010, and an upgraded resource estimate on March 5, 2010….

Previous drilling by Mindoro, especially at deeper levels, encountered at least five steeply-dipping higher-grade zones with grades to 246 g/t gold and over 1,000 g/t silver. In its due diligence evaluation, Avocet took the pragmatic approach of shallow infill drill testing of projected up-dip extensions of these high-grade gold vein sets into a conceptual open-pit. The conceptual pit was centred on the near-surface low-grade stockwork mineralization.

The high-grade vein sets, which are probably feeder zones to the gold system, do not extend into such shallow levels.

The resource has been defined over a 1km strike length and remains open to the northeast and southwest within a six km corridor of anomalous stream sediment, soil and rock chip geochemistry and IP chargeability. Interpreted porphyry copper-gold related mineralization was also previously intersected by Mindoro's drilling at depth.

Mindoro has granted a right of first refusal to Gold Fields over the Archangel Project, which includes Kay Tanda. However, the Company is evaluating various options for advancing the project and has no immediate plans for concluding new joint venture arrangements for Archangel."

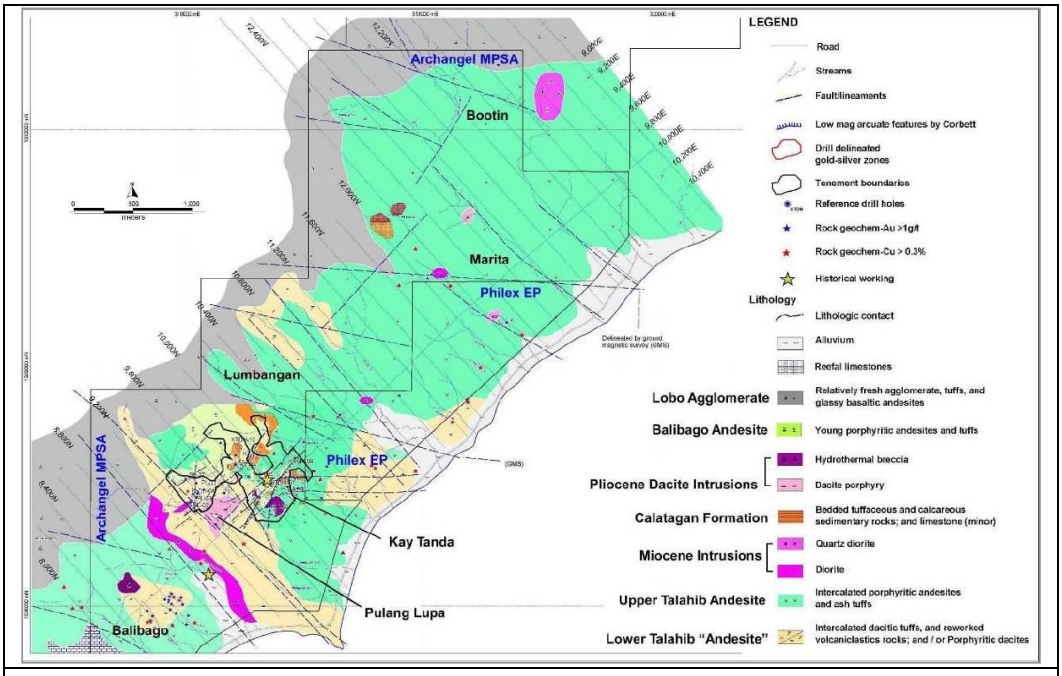


Figure 64: Mindoro's Archangel Project
(Source: Cox 2010)

15 MINERAL PROCESSING AND METALLURGICAL TESTING

A review of available reports indicates that preliminary metallurgical investigations were commissioned by both Benguet in the mid 1980's and by Chase in 1995. These are discussed in Section 5.2 Previous Exploration.

16 MINERAL RESOURCE AND RESERVE ESTIMATES

No resource estimate was undertaken by GPL for the preparation of this report. A number of historical resource estimates have been undertaken on the Taysan Copper-Gold Deposit as reviewed in Section 5.6 of this report.

17 OTHER RELEVANT DATA AND INFORMATION

The Taysan copper project has been subject to additional studies during its 42 year history. Due to the long and varied ownership of the property, identification and acquisition of historical reports and data has been difficult. These include research papers published in peer reviewed journals, a scoping study undertaken by Fluor Daniel Wright for Chase Resources in 1992, a Pre-feasibility study undertaken by Pincock Allen and Holt in 1981 and a pre-feasibility study by BHP Engineering Phils. Inc for Chase in 1993. According to the requirement of the NI43-101 guidelines, these historical study cannot be included in this report.

18 INTERPRETATION AND CONCLUSIONS

The Taysan Copper Gold Deposit contains significant copper mineralization which has been evaluated by a succession of explorers over a period in excess of 30 years. The deposit outcrops and is of a geometry that is amenable to open cut mining. The deposit is located within 5km of a major highway, 20km from the port city of Batangas City and therefore relatively close proximity to port and power generation facilities.

Copper mineralization occurs primarily as chalcopyrite and bornite. The style of mineralization and alteration is typical of island arc porphyry deposits in the Pacific and in particular, the Philippines as noted in previous research papers and publications pertaining to this deposit.

The project tenement area has had a long and varied ownership and evaluation history under various joint ventures and option agreements being intensely studied and drilled by previous companies since modern exploration commenced in 1968. These companies include Newmont, Benguet, Chase, Magma Copper, Phelps Dodge and KMCI, a subsidiary of Freeport. The majority of work has focused on resource definition drilling and assessment of the Taysan Copper-Gold Deposit. A total of 195 drillholes are recorded in the current drill hole database up to 2009 with a total meterage of about 44,839.6 of which 144 holes totalling 36,562m were drilling in or near the Taysan Copper-Gold Deposit. Assessment has included scoping studies, metallurgy and flotation test work and pre-feasibility studies undertaken by Benguet in the 1980's and Chase Resources Inc in the 1990's.

No resource estimate was undertaken by GPL for the preparation of this report. A statistical analysis of historical copper and gold drill analyses was undertaken however, to assess the consistency of copper assays between successive historical drill programs and the obvious disagreement in the estimates as to the gold grade. The study indicated a high level of consistency of copper grades between various phases of drilling. It is the opinion of GPL, based on this assessment and the review of all available data, that the historic resource estimations and the historic dataset they were based on provide a reasonable indication of the overall tenor of copper mineralization within the Taysan Copper-Gold Deposit. The same is not the case for gold. It is noted that Chase identified a potential discrepancy in gold analyses undertaken by Benguet in the 1970's and examined by Snowden but not adjusted in their 1994 and 1995 estimates. This over-estimation of the Benguet gold assays is supported by the statistical comparisons undertaken for this report and the 1995 metallurgical test work and it is the opinion of GPL that the 1993 Chase gold grade estimate provides the most accurate, and conservative, indication of the gold grades of the Taysan Copper-Gold Deposit at this time and these should be used when evaluating the project. It is further recommended that a confirmatory drilling program, employing rigorous QA/QC procedures, will be required prior to estimation and reporting of a fully NI43-101 compliant resource for this deposit.

It is GPL opinion that the resources outlined to date should be classified as Historical (being based on pre-1997 drilling) but could be upgraded to mostly "Indicated" following confirmation drilling. Although Snowden (1995) have categorized some of the resources as JORC "Measured", GPL is of the opinion that the issues with the gold grades, the lack of original data and drill core and the existence of a number of small high grade areas with significant impact on the overall grades, would allow only Indicated and Inferred category definitions at this stage.

Exploration in recent years outside of the immediate Taysan Copper-Gold Deposit area has highlighted the presence of prominent IP and magnetic geophysical anomalies that are spatially associated with known mineralization. A program of RC and diamond drilling undertaken by Kumakata in 2006 and 2007 tested a selection of these anomalies and the northern and southern extensions of the Taysan copper-gold deposit. The results of this drilling indicate that copper mineralization extends to both the north and south of the previously known extents of the Taysan Copper-Gold Deposit under recent ash cover. In addition, broad zones of copper mineralization have been intersected to the south east and east of the deposit in previously unexplored areas, also under cover. Epithermal Gold mineralization, including 1m @ 97 g/t gold, has also been intersected in drilling 1 km north of the historic Antipolo Gold Mine in holes targeted solely on airborne magnetic anomalies. This site was visited during preparation of this report and the mineralization concealed by ash with no outcrop. The potential for structurally hosted epithermal gold deposits peripheral to the copper remains largely untested.

GPL would conclude that the Taysan Project contains a significant porphyry copper gold deposit which has been evaluated by a succession of companies since 1968. The project has been subject to resource and metallurgical studies undertaken by independent consulting groups of high reputation including Snowden, PAH and BHP Engineering and a number of economic geology research papers. The mineralization occurs at shallow depths and is of a favourable geometry and strip ratio for open cut mining operations. The deposit has mineralogy comparable to other porphyry copper deposits in the Philippines and will produce a very clean, high value concentrate. The project area is located in close proximity to deep water port facilities and other associated industrial infrastructure significantly reducing the expected cost and time-frame. Exploration results in the project area indicate the potential to increase the extent of the known deposit and to identify additional satellite deposits. Recent exploration results also indicate potential for epithermal vein hosted gold mineralization.

The metallurgy flotation testing conducted in 1995 on sulphide material ranging in grade from .0.32% to 0.77% copper, returned recoveries ranging from 87.9% to 93.7%; copper oxide material recoveries ranged from 33.3% to 48.6%. Sulphide gold material assaying 0.09g/t to 0.43g/t gold returned recoveries ranging from 46.9% to 71.5%; gold oxide material recoveries ranged from 46.3% to 46.5%. GPL is of the opinion that this preliminary testwork indicates that sulphide ores from the Taysan Copper-Gold Deposit are amenable to conventional flotation techniques with good recovery for copper and moderate to good recovery for gold. The testwork indicates that for both sulphide copper and gold, recovery is dependent on grade (i.e. recoveries improve with higher grade), however more detailed metallurgical testwork and optimisation studies will be required to determine expected production recoveries.

19 RECOMMENDATIONS

19.1 Historical Data

A number of reports and studies of past work have not been able to be retrieved at this stage due to the long and varied ownership history of the project. These include the full scoping studies and pre-feasibility studies undertaken in the early 1980's by Benguet and in the 1990s by Chase. Similarly, some details of analytical and resource estimation methodologies were not sited. As a result future definition and reporting of NI43-101 compliant resources will require as a minimum, a program of confirmatory drilling undertaken to the required industry standards.

19.2 Work program and budget

TCC has developed a C$3.5M work program over 12 months for a full Scoping Study including an in-fill confirmatory drilling programme in 2010 including 6,890m of drilling to bring the existing resources to JORC/NI43-101 compliant standards. The objectives of this work will be as follows:

- To confirm the validity of historical drilling results by drilling confirmatory drill holes sampled using best practice QA/QC and sample security procedures.

- Provide sufficient drilling to undertake a NI43-101 compliant resource to Inferred/Indicated status.
- To undertake a scoping study to provide an up-to-date assessment of potential development options, initial costings and to identify the major issues and opportunities which require more detailed studies leading into pre-feasibility and feasibility studies.

Descriptions of the recommended exploration activities planned and the related budget is outline in Table 21. This does not include corporate costs for TCC.

Table 21: 2010 Taysan Work Program Budget

Scoping Study Update	
Drilling Cost/mtr -UPD, Mud, Fuel, Assay	*USD/m*
Productivity at 530m/rig/month	*6,890*
	CAD
Drilling & Assay	1,102,400
G&A and Drilling Support	240,000
Other	50,000
Taysan Staff	477,960
Study Consultants (see breakdown below)	835,000
Capex	100,000
Contingency	701,340
TOTAL Project Costs	**3,506,700**
Consultants	
Resource	200,000
Reserve	50,000
Metallurgical	200,000
TSF	50,000
Environmental	35,000
Infrastructure	25,000
Process Plant	25,000
Study Management	250,000
Total Consultants	**835,000**

GPL considers the budget reasonable for the feasibility work planned and sufficient to achieve the objectives in the time frame.

For and on behalf of Geosynthesis Pty Ltd

Robert Sowerby
B App.Sc. (Geol),
Qualified Person

Effective Date: 04 June 2010

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21 DATE AND SIGNATURE PAGE

CERTIFICATE Robert D Sowerby

I, Robert D Sowerby, B. App. Sc (Geol.), hereby certify that:

I am an independent Consulting Geologist and Professional Geoscientist residing at 2/10 Hayward St, Paddington, Queensland 4001, Australia (Telephone +61-0-424 444 143) and am employed by Geosynthesis Pty Ltd ("GPL") based in Brisbane, Australia.

I graduated from University of Southern Queensland with a Bachelor Degree in Applied Science in 1987. I have over 20 years experience in the minerals industry and have had diverse experience in Australian and International mineral exploration, detailed project generation, evaluations and assessments, in ore reserve estimation, and in stakeholder negotiations. I have specialist experience in uranium, precious and base metals, in a wide range of geological environments. I have worked for a number of major minerals companies, including Energy Resources of Australia (ERA) at the Ranger Uranium mine, Peko Wallsend and North Limited in the NT, WA, SA, NSW and Qld. My experience includes mineral exploration, resource evaluation, due diligence studies and feasibility studies. I have been involved with a number of major resource projects including the Ranger Uranium Deposits, Yakabindie Nickel and Lake Cowal Gold and Porphyry Copper-Gold exploration in Eastern Australia. I have worked more recently as a consulting geologist, and have consulted widely primarily in relation to advanced gold, uranium and base metal exploration and resource projects worldwide including advanced uranium Projects in Australia and Canada, epithermal gold deposits in Australia and Eastern Europe and Base metal projects in Australia, South America and South-East Asia

I am a Member of the Australian Institute of Geoscientists.

I am responsible for the compilation and writing of this Technical Report, and assume responsibility for their content.

I have visited the Taysan Project on 20 May 2010 and viewed the geological setting, visited the drill sites and prospect locations and viewed available drill core.

For the purposes of the Technical Report entitled: "**A TECHNICAL REVIEW OF EXPLORATION AND RESOURCE ESTIMATES OF THE TAYSAN PROJECT, BATANGAS PROVINCE, PHILIPPINES**" dated 04 June 2010, of which I am the author, I am a Qualified Person as defined in National Instrument 43-101 ("the Policy") and a Competent Person as defined under the JORC code (2004).

I have read the Policy and this report is prepared in compliance with its provisions. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirement to be a "qualified person" for the purposes of NI 43-101.

To the best of my knowledge, information and belief, the report contains all scientific and technical information that is required to be disclosed in order to make this report not misleading.

I have not had prior involvement with the property that is the subject of the Technical Report.

I have no direct or indirect interest in the property that is the subject of this report. I do not hold, directly or indirectly, any shares in TCC or other companies with interests in the Taysan Project.

I do not hold any direct interest in any mineral tenements in the Philippines.

I will receive only normal consulting fees for the preparation of this report.

I am fully independent of the issuer applying all of the tests in section 1.4 of NI 43-101.

Dated at Brisbane this 04 June 2010.

Respectfully submitted

Robert Sowerby
BAppSc *(Applied Geology), MAIG*
Qualified Person

22 GLOSSARY OF TECHNICAL TERMS

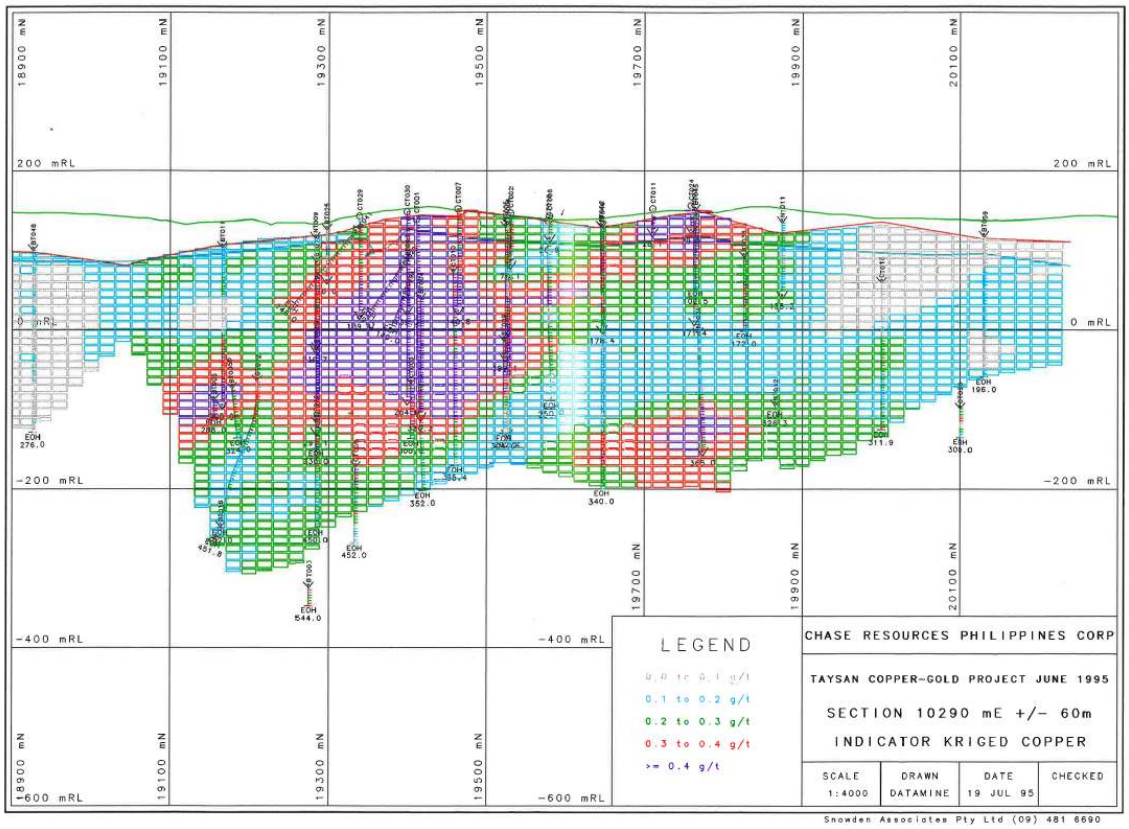
This glossary comprises a general list of common technical terms that are typically used by geologists. The list has been edited to conform in general to actual usage in the body of this report. However, the inclusion of a technical term in this glossary does not necessarily mean that it appears in the body of this report, and no imputation should be drawn. Investors should refer to more comprehensive dictionaries of geology in printed form or available in the internet for a complete glossary.

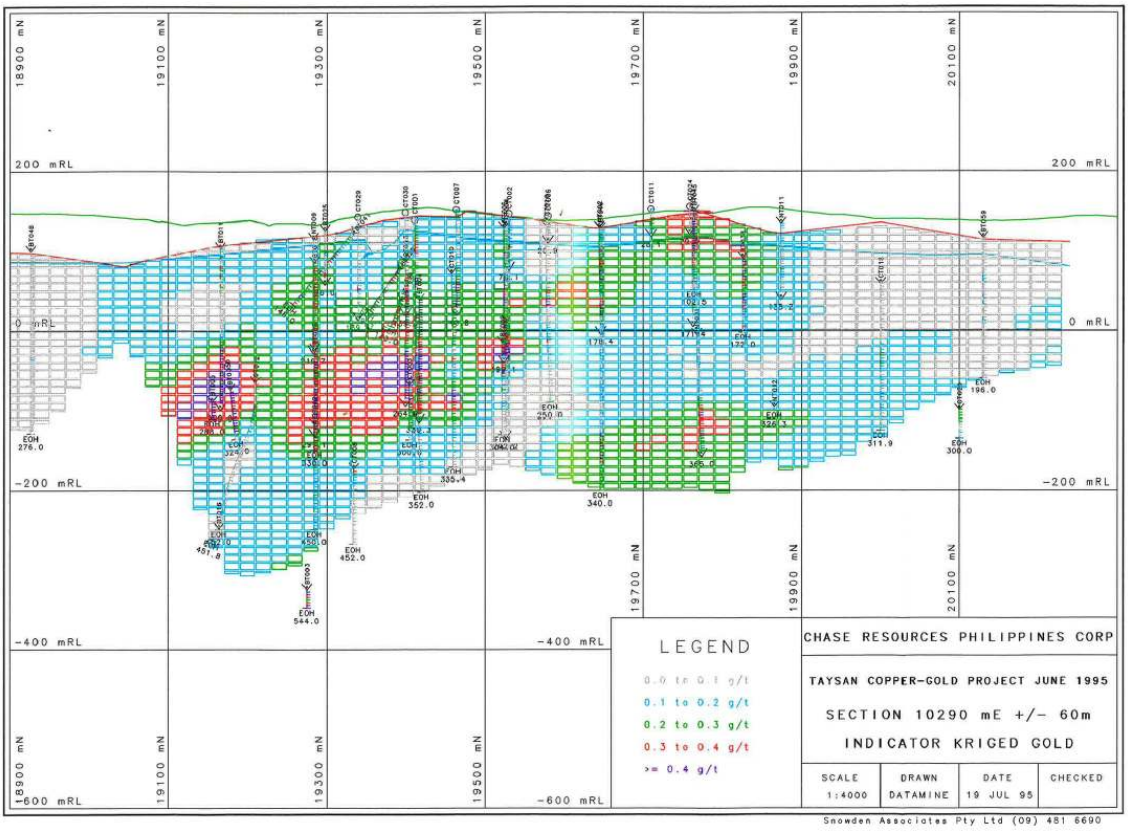
"200 mesh"	the number of openings (200) in one linear inch of screen mesh (200 mesh approximately equals 75 microns)
Analytic Signal	The analytic signal method, known also as the total gradient method, is a method for interpretation of magnetic/gravity data. The data is transformed to produce a particular type of calculated gravity or magnetic anomaly enhancement map used for defining in a map sense the edges (boundaries) of geologically anomalous density or magnetization distributions
"Au"	chemical symbol for gold
"block model"	A block model is a computer based representation of a deposit in which geological zones are defined and filled with blocks which are assigned estimated values of grade and other attributes. The purpose of the block model (BM) is to associate grades with the volume model. The blocks in the BM are basically cubes with the size defined according to certain parameters.
"bulk density"	The dry in-situ tonnage factor used to convert volumes to tonnage. Bulk density testwork is carried out on site and is relatively comprehensive, although samples of the more friable and broken portions of the mineralised zones are often unable to be measured with any degree of confidence, therefore caution is used when using the data. Bulk density measurements are carried out on selected representative samples of whole drill core wherever possible. The samples are dried and bulk density measured using the classical wax-coating and water immersion method.
"cut off grade"	The lowest grade value that is included in a resource statement. Must comply with JORC requirement 19 "*reasonable prospects for eventual economic extraction*" the lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.
"diamond drilling, diamond core"	Rotary drilling technique using diamond set or impregnated bits, to cut a solid, continuous core sample of the rock. The core sample is retrieved to the surface, in a core barrel, by a wireline.
"down-hole survey"	Drillhole deviation as surveyed down-hole by using a conventional single-shot camera and readings taken at regular depth intervals, usually every 50 metres.
"drill-hole database"	The drilling, surveying, geological and analyses database is produced by qualified personnel and is compiled, validated and maintained in digital and hardcopy formats.
"g/t"	grams per tonne, equivalent to parts per million
"g/t Au"	grams of gold per tone
"gold assay"	Gold analysis should be carried out by an independent accredited laboratory by classical 'Screen Fire Assay' technique that involves sieving a 900-1,000 gram sample to 200 mesh (~75microns). The entire oversize and duplicate undersize fractions are fire assayed and the weighted average gold grade calculated. This is one of the most appropriate methods for determining gold content if there is a 'coarse gold' component to the mineralization.
"grade cap, also called top cut"	The maximum value assigned to individual informing sample composites to reduce bias in the resource estimate. They are capped to prevent over estimation of the total resource as they exert an undue statistical weight. Capped samples may represent "outliers" or a small high-grade portion that is volumetrically too small to be separately domained.
"inverse distance estimation"	It asserts that samples closer to the point of estimation are more likely to be similar to the sample at the estimation point than samples further away. Samples closer to the point of estimation are collected and weighted according to the inverse of their separation from the point of estimation, so samples closer to the point of estimation receive a higher

	weight than samples further away. The inverse distance weights can also be raised to a power, generally 2 (also called inverse distance squared). The higher the power, the more weight is assigned to the closer value. A power of 2 was used in the estimate used for comparison with the OK estimates.
"JORC"	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 (the "JORC Code" or "the Code"). The Code sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The definitions in the JORC Code are either identical to, or not materially different from, those similar codes, guidelines and standards published and adopted by the relevant professional bodies in Australia, Canada, South Africa, USA, UK, Ireland and many countries in Europe.
"JORC or NI43-101 Inferred Resource"	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes which may be limited or of uncertain quality and reliability.
"JORC or NI43-101 Indicated Resource"	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.
"JORC or NI43-101 Measured Resource"	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.
"kriging neighbourhood analysis, or KNA"	The methodology for quantitatively assessing the suitability of a kriging neighbourhood involves some simple tests. It has been argued that KNA is a mandatory step in setting up any kriging estimate. Kriging is commonly described as a "minimum variance estimator" but this is only true when the block size and neighbourhood are properly defined. The objective of KNA is to determine the combination of search neighbourhood and block size that will result in conditional unbiasedness.
"lb"	Avoirdupois pound (= 453.59237 grams). Mlb = million avoirdupois pounds
"micron (μ)"	Unit of length (= one thousandth of a millimetre or one millionth of a metre).
"Mineral Resource"	A concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories when reporting under JORC or NI43-101.
"Mo"	Chemical symbol for molybdenum
"nearest neighbour estimation" "Inferred"	Nearest Neighbour assigns values to blocks in the model by assigning the values from the nearest sample point to the block attribute of interest. That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes which may be limited or of uncertain quality and reliability.
"ordinary Kriging estimation, or "OK"	Kriging is an inverse distance weighting technique where weights are selected via the variogram according to the samples distance and direction from the point of estimation. The weights are not only derived from the distance between samples and the block to be estimated, but also the distance between the samples themselves. This tends to give much lower weights to individual samples in an area where the samples are clustered. OK is known as the "best linear unbiased estimator. The kriging estimates are controlled by the variogram parameters. The variogram model parameters are interpreted from the data while the search parameters are optimised during kriging neighbourhood analysis.

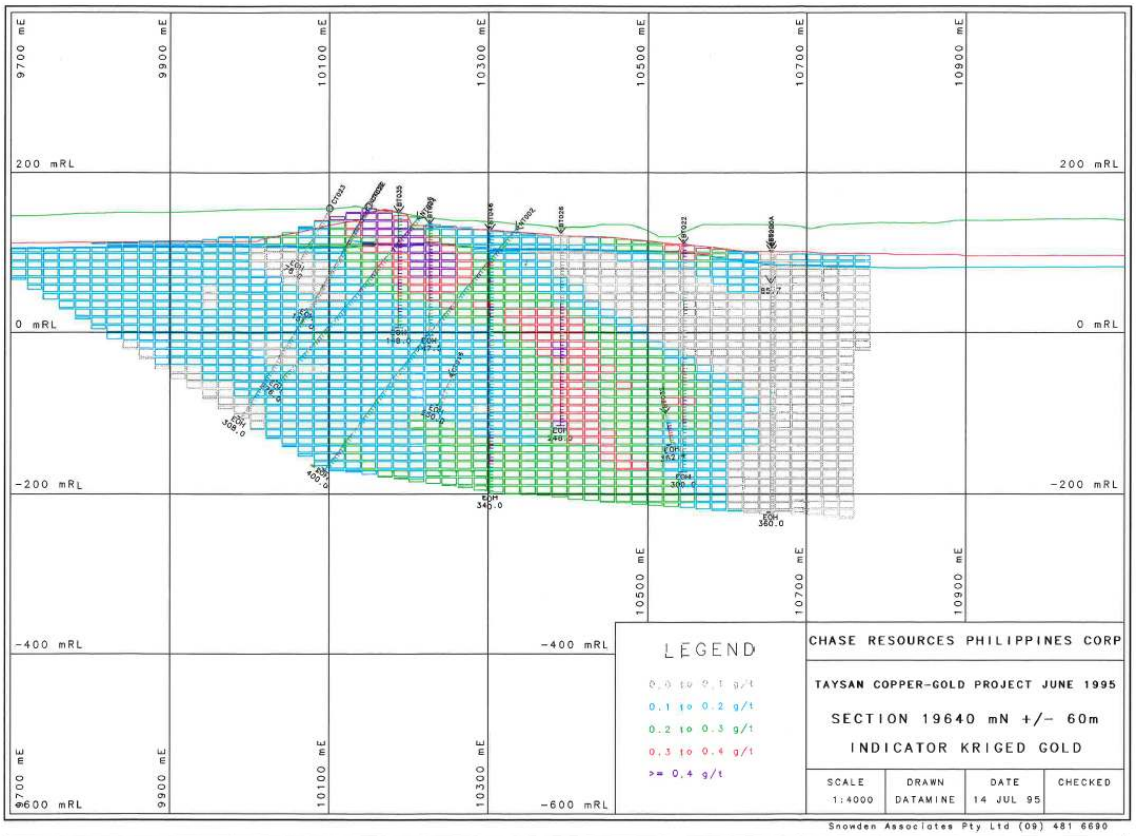
"oz"	Troy ounce (= 31.103477 grams). Moz = million troy ounces
"QA/QC"	Quality Assurance/Quality Control. The procedures for sample collection, analysis and storage. Drill samples are despatched to 'certified' independent analytical laboratories for analyses. Blanks, Duplicates and Certified Reference Material samples are included with each batch of drill samples as part of the Company's QA/QC programme. Mining Associates, as part of database management, monitors the results on a batch-by-batch basis.
"RC drilling"	Reverse Circulation drilling. A method of rotary drilling in which the sample is returned to the surface, using compressed air, inside the inner-tube of the drill-rod. A face-sampling hammer is used to penetrate the rock and provide crushed and pulverised sample to the surface without contamination.
"survey"	Comprehensive surveying of drillhole positions, topography, and other cadastral features. Locations are usually stored in both local drill grid and UTM coordinates.
"t"	Tonne (= 1 million grams)
"variogram"	The Variogram (or more accurately the Semi-variogram) is a method of displaying and modelling the difference in grade between two samples separated by a distance h, called the "lag" distance. It provides the mathematical model of variation with distance upon which the Krige estimation method is based.
"wireframe"	This is created by using triangulation to produce an isometric projection of, for example, a rock type, mineralization envelope or an underground stope. Volumes can be determined directly of each solid.

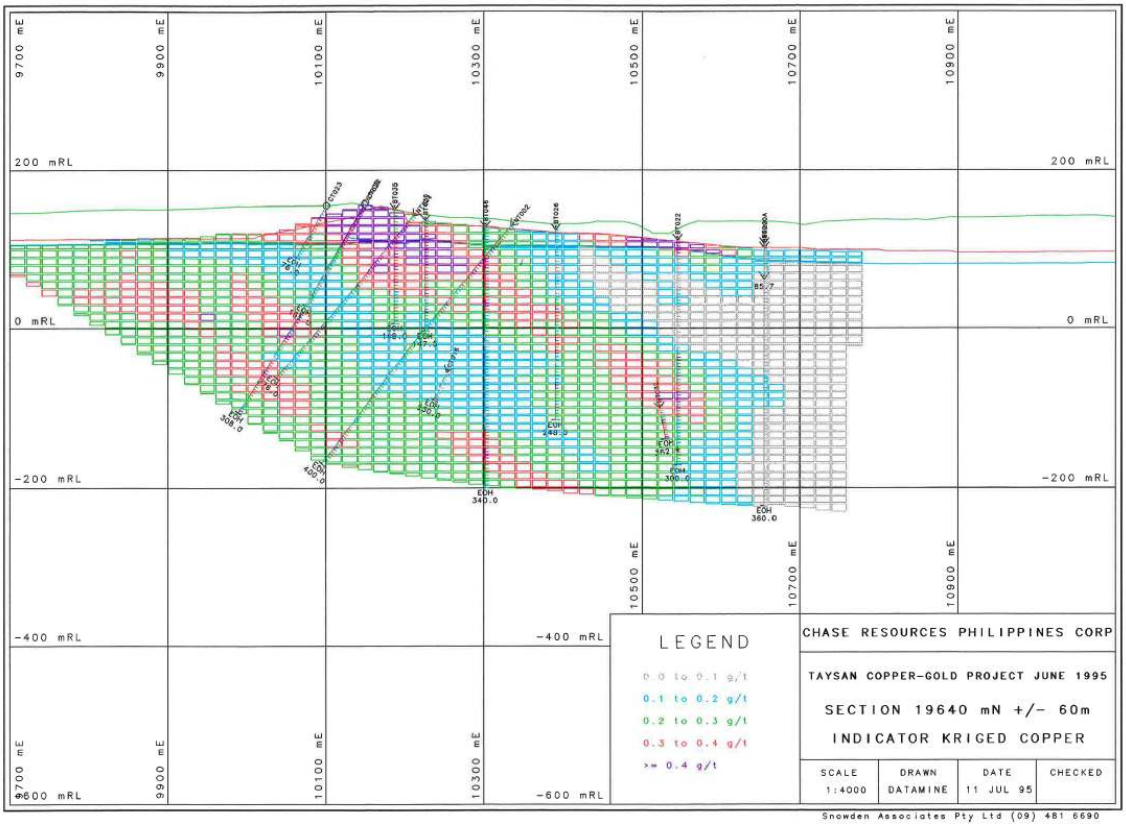
Appendix 1: 1995 Block Model - Long Sections

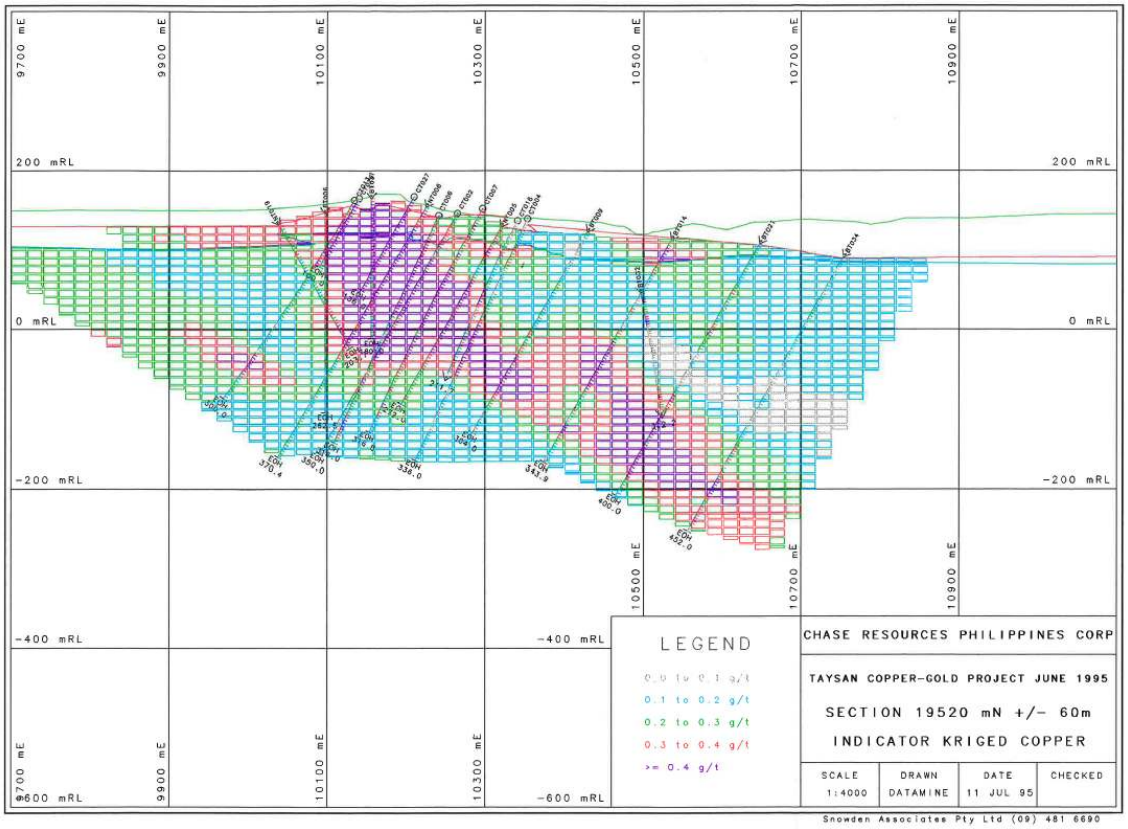




Appendix 2: 1995 Block Model - Cross Sections



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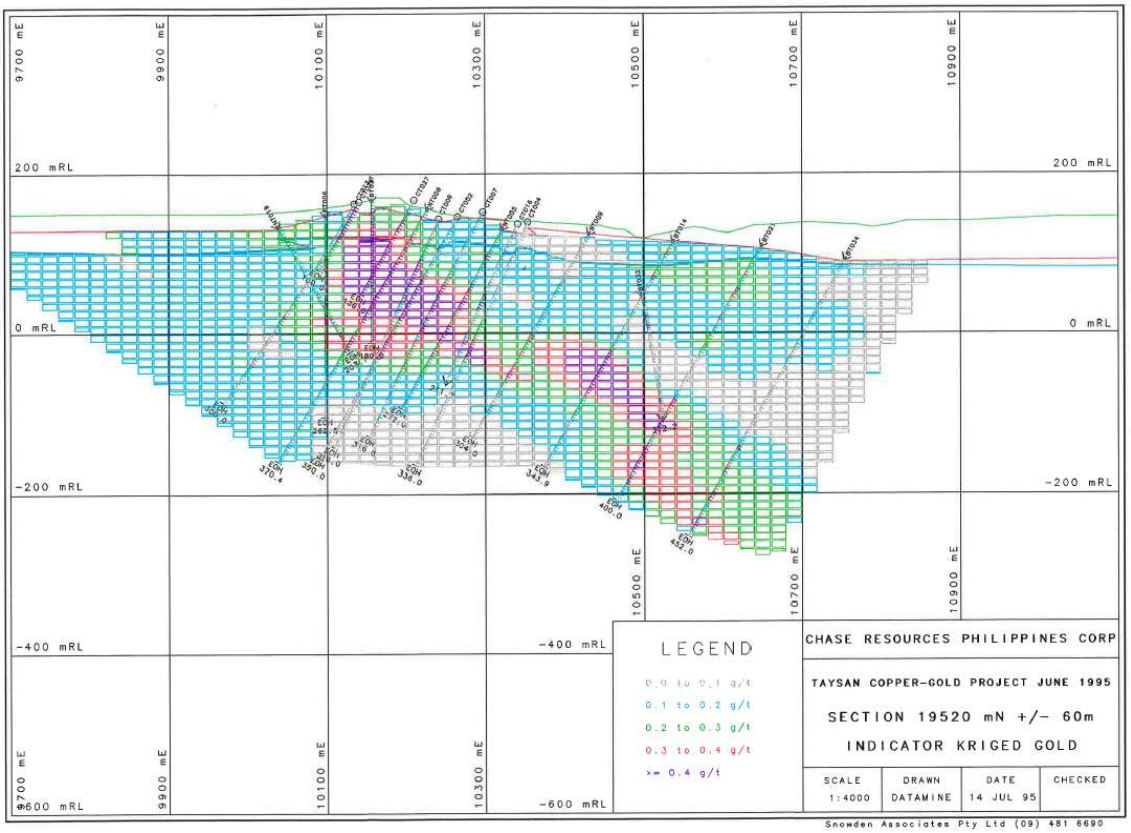
10700 mE
10900 mE
200 mRL
0 mRL
-200 mRL
-400 mRL
-600 mRL
LEGEND
0.0 to 0.1 g/t
0.1 to 0.2 g/t
0.2 to 0.3 g/t
0.3 to 0.4 g/t
>= 0.4 g/t
CHASE RESOURCES PHILIPPINES CORP
TAYSAN COPPER-GOLD PROJECT JUNE 1995
SECTION 19520 mN +/- 60m
INDICATOR KRIGED COPPER
SCALE 1:4000
DRAWN DATAMINE
DATE 11 JUL 95
CHECKED
Snowden Associates Pty Ltd (09) 481 6690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-600 mRL
LEGEND
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0.2 to 0.3 g/t
0.3 to 0.4 g/t
>= 0.4 g/t
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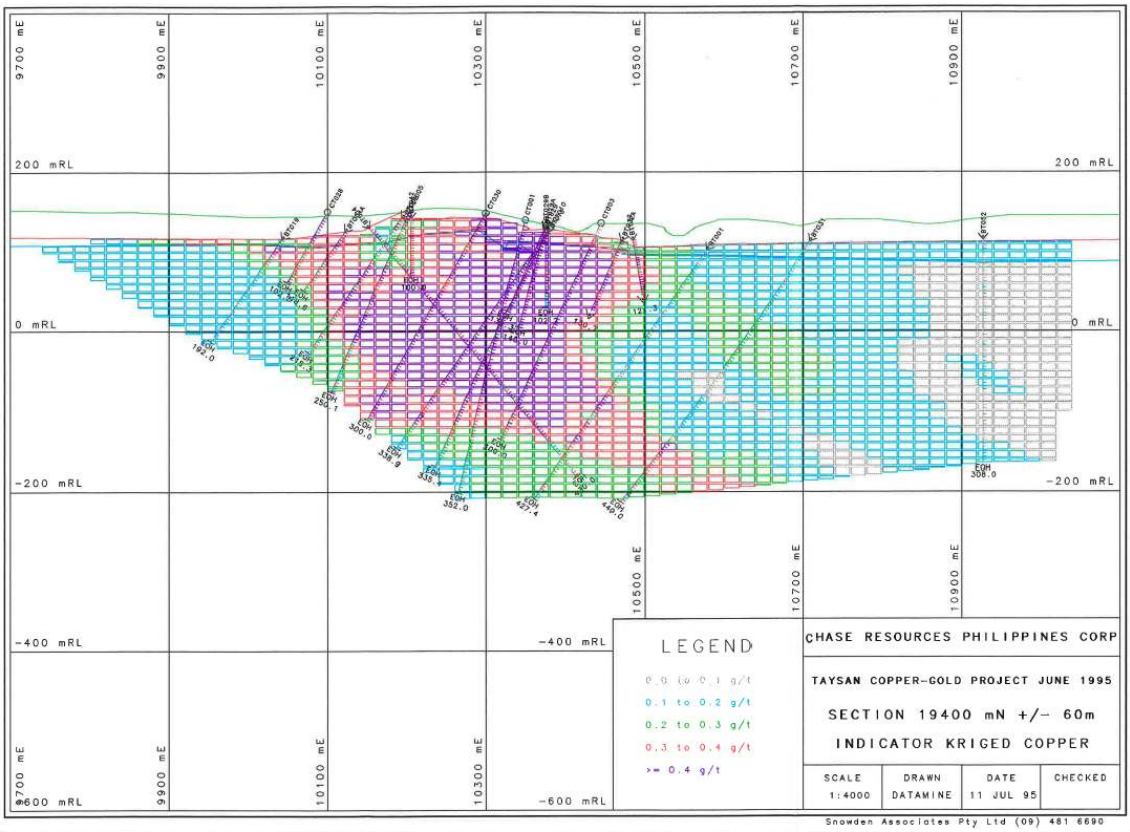
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LEGEND
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0.3 to 0.4 g/t
>= 0.4 g/t
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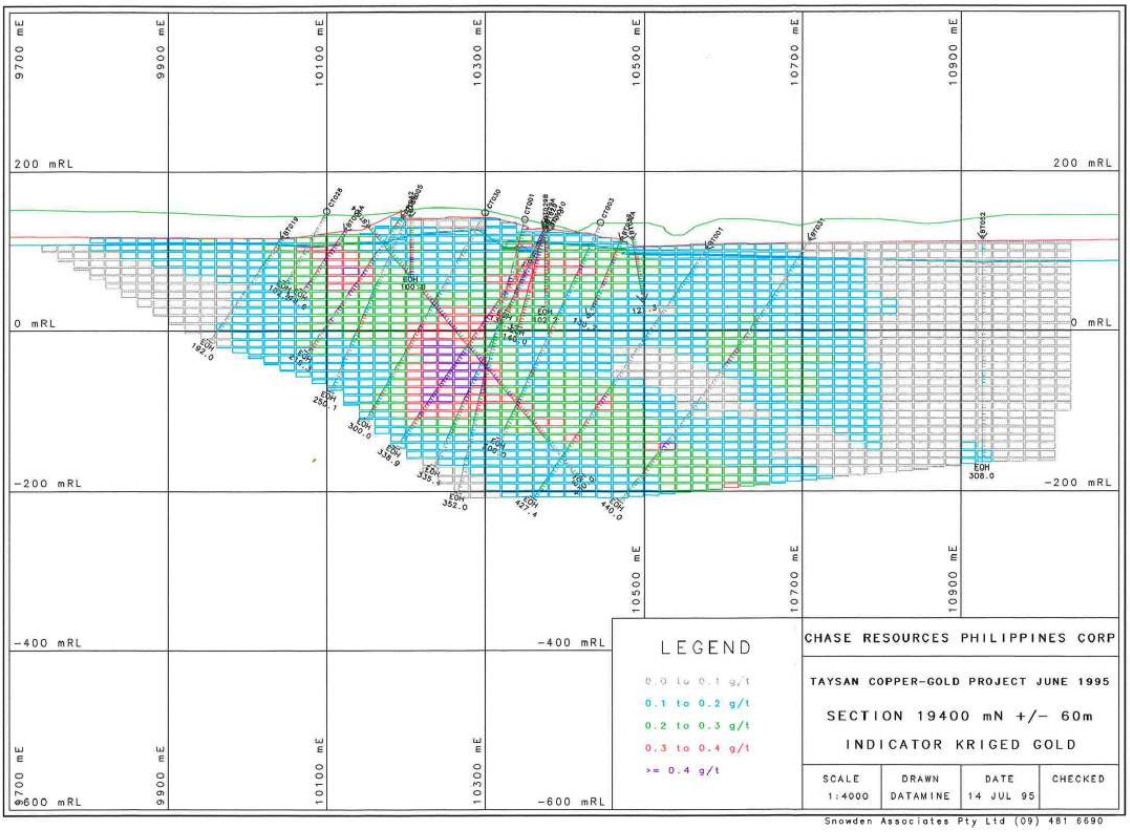
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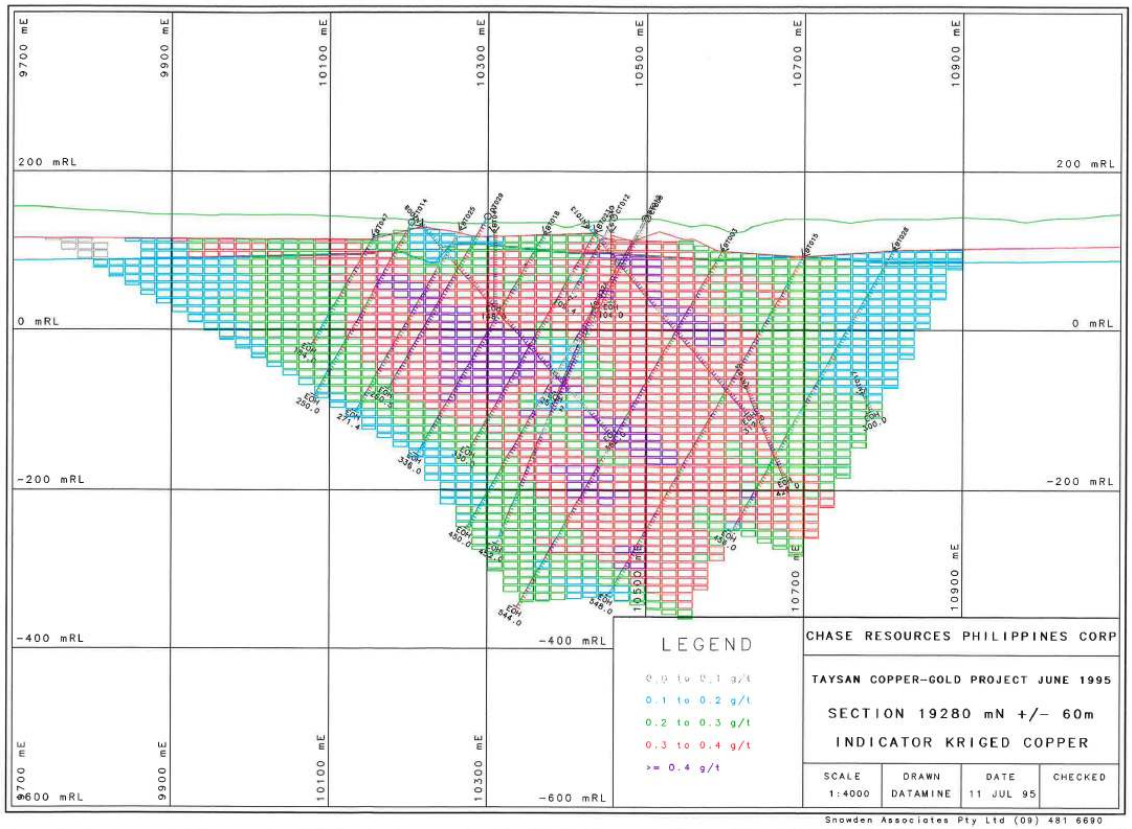
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LEGEND
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0.1 to 0.2 g/t
0.2 to 0.3 g/t
0.3 to 0.4 g/t
>= 0.4 g/t
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DATE 11 JUL 95
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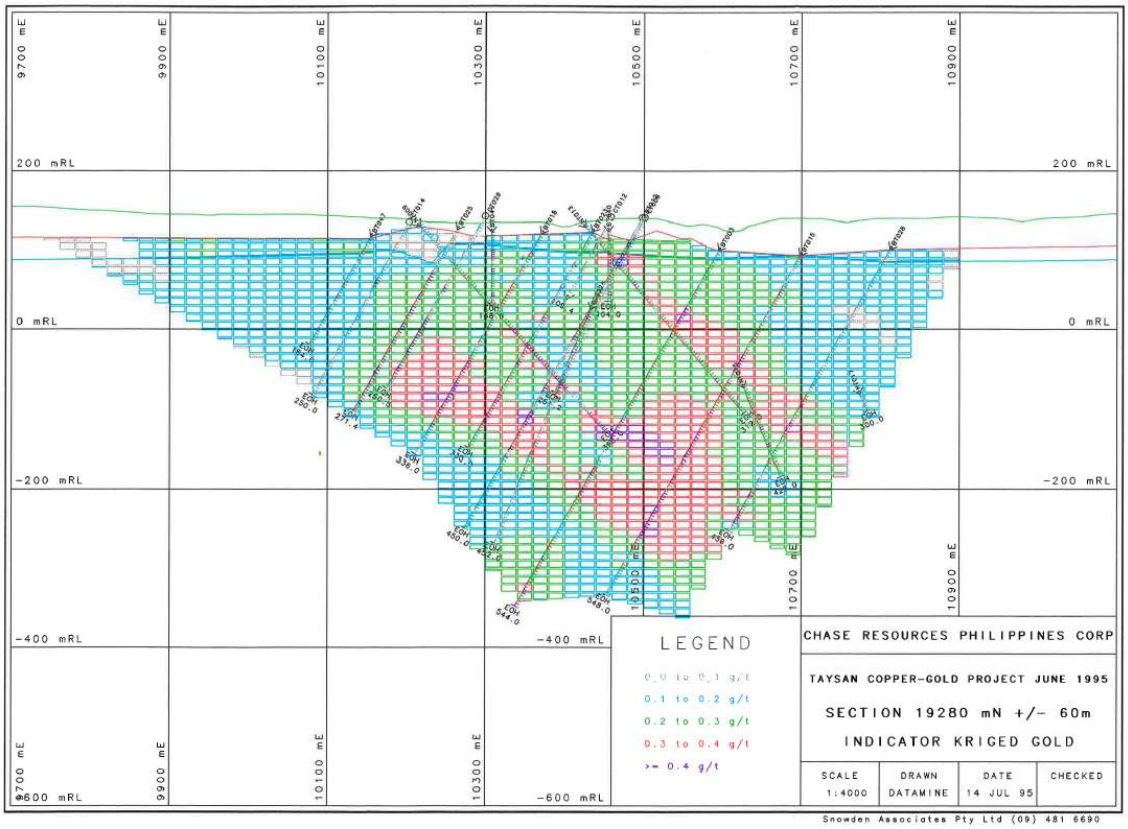
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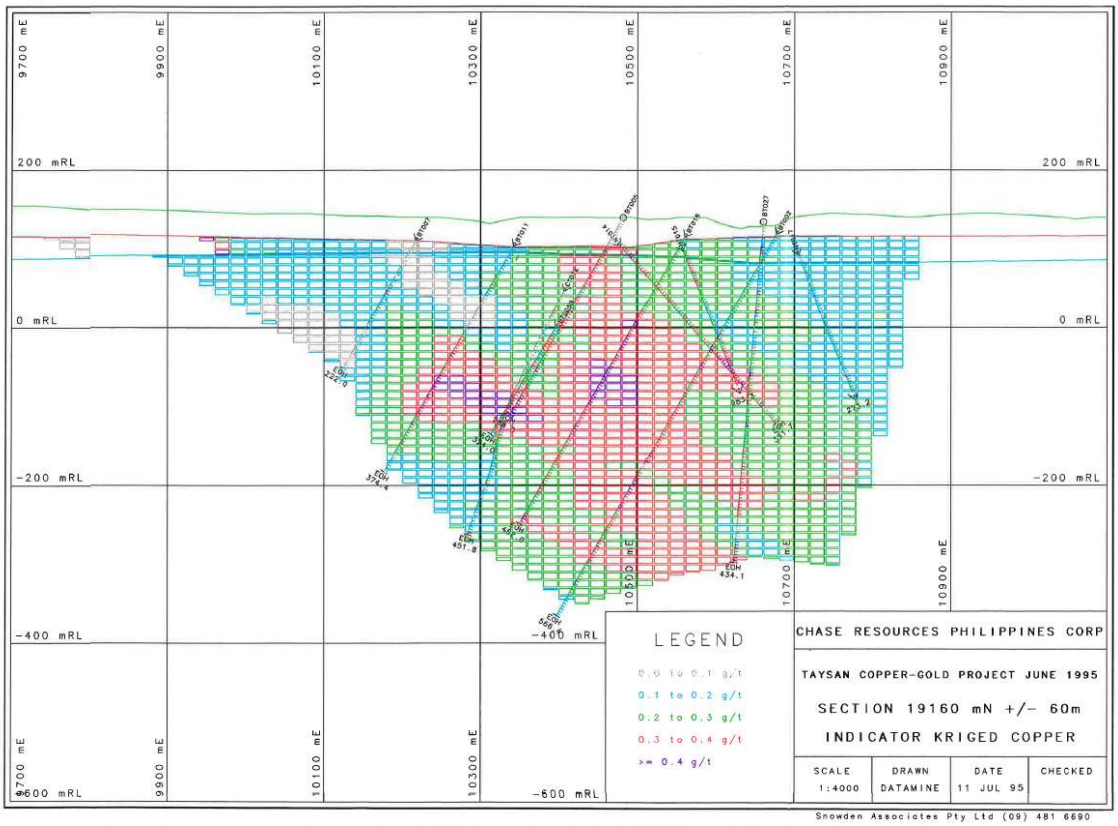
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LEGEND
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0.1 to 0.2 g/t
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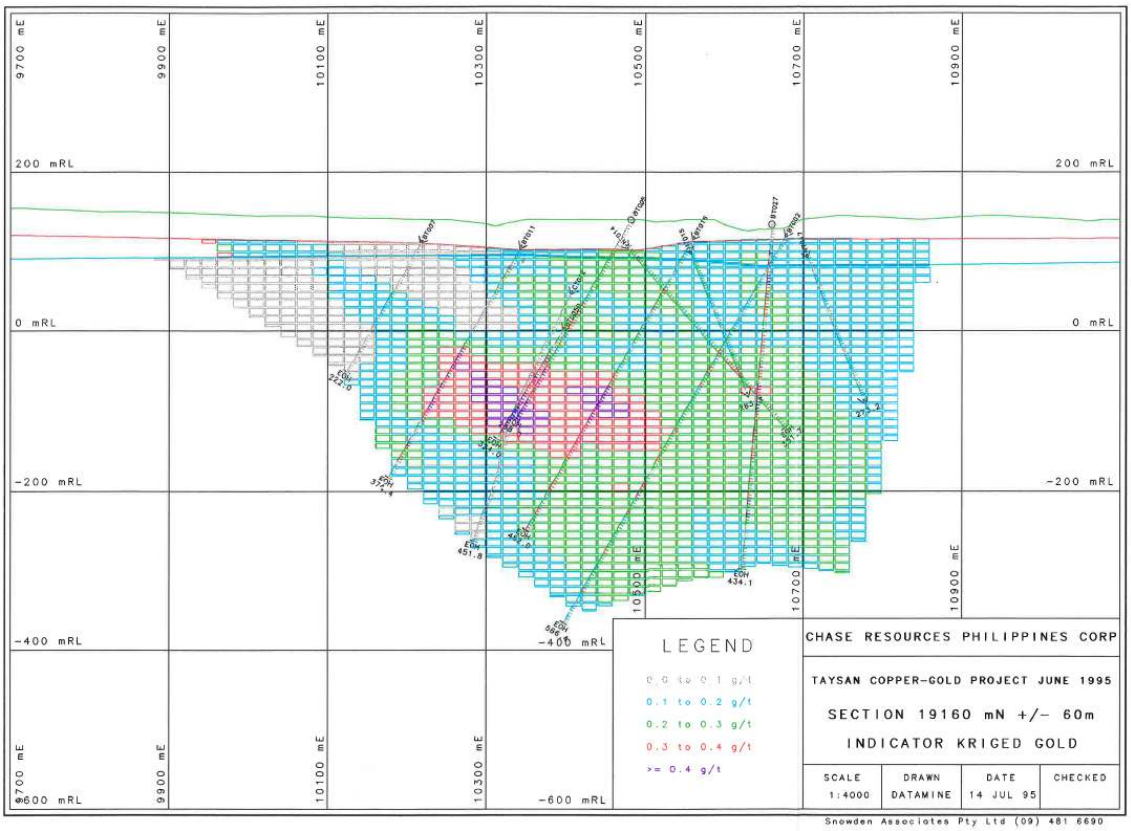
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LEGEND
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0.2 to 0.3 g/t
0.3 to 0.4 g/t
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