

**Technical Report
On the
Keezhik Gold Project
Thunder Bay Mining Division
Northwestern Ontario**

**Prepared for
Zephyr Minerals Ltd.**

5234 Morris Street, Suite 707
Halifax, Nova Scotia B3J 1B4

Prepared by:
R.T. Chataway, P. Geo
139 Peter Street
Thunder Bay, Ontario P7A 5H6
August 2, 2011



Robert T. Chataway
August 2/11

TABLE OF CONTENTS

ITEM 1: SUMMARY.....	4
ITEM 2: INTRODUCTION.....	6
ITEM 3: RELIANCE ON OTHER EXPERTS	6
ITEM 4: PROPERTY DESCRIPTION AND LOCATION.....	7
ITEM 5: ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY.....	12
ITEM 6: HISTORY	13
ITEM 7: GEOLOGICAL SETTING AND MINERALIZATION	15
ITEM 8: DEPOSIT TYPES.....	21
ITEM 9: EXPLORATION	24
ITEM 10: DRILLING	28
ITEM 11: SAMPLE PREPARATION, ANALYSIS AND SECURITY	33
ITEM 12: DATA VERIFICATION	36
ITEM 13: MINERAL PROCESSING AND METALLURGICAL TESTING	37
ITEM 14: MINERAL RESOURCE ESTIMATES	37
ITEM 15 TO ITEM 22: ADVANCED PROPERTIES	37
ITEM 23: ADJACENT PROPERTIES.....	37
ITEM 24: OTHER RELEVANT DATA AND INFORMATION	38
ITEM 25: INTERPRETATION AND CONCLUSIONS.....	38
ITEM 26: RECOMMENDATIONS.....	40
26.1 Proposed Budget.....	41
ITEM 27: REFERENCES.....	43
DATE AND SIGNATURE PAGE	45
CERTIFICATE OF QUALIFICATIONS	46

LIST OF TABLES

Table 1 - Keezhik Project Claims.....	9
Table 2 -Table of Lithological Units	17
Table 3 - Drillhole Location and Setup Data	29
Table 4 - Assay Results from SLAM Keezhik Drilling 2004 to 2010.....	31

LIST OF FIGURES

Figure 1. Keezhik Gold Property Location Map.....	9
Figure 2. Keezhik Gold Project Claim Location Map	11
Figure 3. Keezhik Gold Project Regional Geology.....	19
Figure 4. Keezhik Gold Project Geology and Gold Occurrences.....	22
Figure 5. Keezhik Gold Project Diamond Drill Holes Geology	23
Figure 6. Keezhik Gold Project Total Magnetic Intensity	22
Figure 7. Keezhik Gold Project Vertical Magnetic Gradient	23

ITEM 1: SUMMARY

R.T. Chataway, P.Geo. of Thunder Bay, Ontario was contracted by Zephyr Minerals Ltd. (“Zephyr”) of Halifax, Nova Scotia, to review historic data for the Keezhik Project (the “Property”), identify its merits, propose an appropriate exploration program and budget for gold exploration on the property, and prepare a Technical Report (the “Report”) compliant with NI 43-101 and suitable for the purposes of a qualifying transaction for Zephyr.

The Property is located in northwestern Ontario centered roughly at 51⁰46’N and 88⁰30’W approximately 120 km east of Pickle Lake, and approximately 40 km northwest of the settlement of Fort Hope.

The Property is comprised of twelve(12) unpatented mining claims, registered 100% to SLAM Exploration Ltd., (“SLAM”) totalling 169 claim units. The contiguous claim group is located in the Thunder Bay Mining District, Ontario on NTS map sheets 52P16SW (Keezhik Lake claim map), 52P15SE (North Bay claim map) and 52P9NW (Ferguson Lake claim map). The Property is roughly 11 km by 5 km and covers an 11 km strike of volcano-sedimentary stratigraphy that includes a large gold mineralized system encompassing 7 known gold occurrences.

The Property is owned 100% by SLAM of Miramichi, NB. Zephyr has an option to earn up to 70% interest.

The Property is situated within Precambrian aged rocks of the Uchi Sub-province of the Superior Province, a subdivision of the Canadian Shield. The Uchi Sub-province is a 600-kilometre long greenstone belt that extends from Lake Winnipeg to the Hudson Bay Lowlands, hosting the Pickle Lake, Rice Lake and Red Lake gold mining camps. This belt of rocks is famous for its gold and base metal mineral potential and contains the world-famous Red Lake Mine of Goldcorp Inc. The historic Pickle Lake gold camp contains the past-producing Pickle Crow and Central Patricia mines. The Keezhik Gold Project is located east and along strike of these two famous mining camps. In the Keezhik area the 40 kilometre wide greenstone belt is bounded on the north and south by granitic stocks. Uchi Sub-province rocks in the Keezhik project area comprise an easterly-trending bi-modal sequence of meta-volcanics intercalated with meta-sedimentary rocks.

Mineral deposits in the region are predominantly classified into four main groups: 1) gold bearing quartz-carbonate veins and shear zones in volcano-sedimentary sequences including clastic metasediments, metamorphosed iron formation and porphyry bodies; 2) magnetite-quartz and carbonate-quartz iron formation associated with wacke-mudstone sequence; 3) lithium bearing pegmatite dykes and 4) base metal sulphide deposits associated with sulphide iron formation and felsic to intermediate meta-volcanics.

As evidenced by the numerous gold occurrences, past producing and producing mines along the Uchi Sub-province, this greenstone belt that crosses through the Keezhik Gold Project shows potential for developing new gold discoveries and expanding known occurrences.

The cluster of zones and occurrences within the Property, particularly the porphyry contact area is indicative of the presence of a significant gold mineralized system. SLAM and previous workers have achieved a high success ratio using humus geochemistry combined with induced polarization and aeromagnetics to define drill targets for gold exploration. The recently completed high resolution aeromagnetic gradient survey is an additional tool for this gold exploration process.

The expenditures on the property from 2002 until SLAM's 2010 drill program totalled CDN \$180,303; with additional expenditures by SLAM for the 2010 drill program and the 2011 aeromagnetic survey, the total expenditures on the property from 2002 to the present are CDN \$373,743.

It is recommended that Zephyr's Phase One work on the project consist of a comprehensive compilation of all the previous work, geochemical sampling, geophysical surveying and structural mapping to produce a database to assist in identifying and prioritizing targets on the property,. While this work will lead to new targets for drilling, or at least to modifications of current drill plans, it is the opinion of the author that Phase Two be contingent on the success of Phase One. The existing drill targets on the property are "drill ready" and the known zones justify drilling in order to better define the zones and they should be incorporated into Phase Two.

A budget of \$593,000 CDN is recommended to carry out the above work. It is the opinion of the author that the property merits the described work program.

ITEM 2: INTRODUCTION

R. T. Chataway of Thunder Bay, Ontario was contracted by Zephyr Minerals Ltd. (“Zephyr”) of Halifax, Nova Scotia, to review historic data for the Keezhik Project (the “Property”), identify its merits, propose an appropriate exploration program and budget for gold exploration on the property, and prepare a Technical Report (the “Report”) compliant with NI 43-101 and suitable for the purposes of a qualifying transaction for Zephyr. The Report and recommendations are based on:

- 1/ Public data archived at the Ministry of Northern Development and Mines, Thunder Bay Resident Geologist’s Office, Thunder Bay, Ontario, and for viewing on the MNDMF website (www.geologyontario.mndm.gov.on.ca/);
- 2/ Technical data derived from work conducted, supervised and/or documented by the exploration staff of SLAM Exploration Ltd.;
- 3/ Numerous visits to the property by author, R.T. Chataway, as project geologist during various exploration programs prior to 2010 where duties and type of work included core logging, prospecting and drill hole layouts. and during a recent visit on June 28, 2011 Chataway inspected the drill hole site from 2010 (KL-10-19) , inspected the drill core for completeness of the sampling of the mineralization and compared the drill log descriptions to the drill core in the box.

ITEM 3: RELIANCE ON OTHER EXPERTS

The author has relied on previous exploration reports as referenced in Item 27.0 References. These reports may or may not have been completed by qualified persons as defined by NI 43-101. After reviewing the reports and associated data the author is satisfied the data presented is accurate.

ITEM 4: PROPERTY DESCRIPTION AND LOCATION

The Property is located in northwestern Ontario centered roughly at 425,000mE and 5,719,000mN UTM Zone 16, NAD83 within NTS map sheet 52P. The geographic coordinates are 51°46'N and 88°30'W approximately 120 km east of Pickle Lake, and approximately 40 km northwest of the Eabametoong First Nation community in Fort Hope, Ontario as shown on Figures 1 and 2. Charters are available for float or ski-equipped aircraft from Pickle Lake and Nakina. Fort Hope and the Eabametoong First Nation community are served by daily scheduled flights originating out of Thunder Bay.

The Property is comprised of twelve (12) unpatented mining claims, registered 100% to SLAM totalling 169 claim units covering 2704 hectares as listed in Table 1. The contiguous claim group is located in the Thunder Bay Mining District, Ontario on NTS map sheets 52P16SW (Keezhik Lake claim map), 52P15SE (North Bay claim map) and 52P9NW (Ferguson Lake claim map) as shown on Figure 3. The claims are located by claim posts and blazed lines. The Property is roughly 11 km by 5 km and encompasses an area of folded volcano-sedimentary stratigraphy intruded by a series of porphyry bodies with seven known gold occurrences.

To the best of the author's knowledge, there are no environmental hazards or liabilities on the Property as a result of previous mining and mineral exploration activity. Permits are not required to conduct work but an Exploration Agreement dated April 28, 2010 has been negotiated to undertake mineral exploration between Eabametoong First Nation and SLAM and/or joint venture partners.

Through an option agreement with 1533687 Ontario Ltd. dated October 1, 2003, Slam Exploration gained the right to earn a 70% interest in the following 4 properties: Keezhik Lake, Miminiska Lake, Miminiska Peninsula, and Brash Lake. The terms of the agreement required SLAM to complete \$1,000,000 in exploration expenditures, grant 400,000 common shares and pay \$50,000 to the vendors over a three-year period. The Keezhik Gold Project was acquired as part of this original agreement and included claim units 3002973, 3002974, 3002975, 3002976, 3002977, 3002981, 3009282, 3002983, 3002984, 3002985, 3002986, 3002987, 3002988, 3002989, 3002990, 3002991, 3002992 and 3002993.

An agreement dated May 13, 2010 gave SLAM the right to purchase the remaining 30% interest in the property with no encumbrances with the issuance of 500,000 common shares and 1,000,000 Series A warrants and 500,000 Series B warrants. Each Series A warrant allowed 1533687 Ontario Ltd. to purchase a common share for \$0.10 for a period of 12 months and for \$0.20 for an additional 12 months. Each Series B warrant allowed 1533687 Ontario Ltd. to purchase a common share for \$0.20 for a period of 12 months and for \$0.40 for an additional

12 months. This agreement was exercised and SLAM holds a 100% interest in the Keezhik Gold Project now comprised of the claims listed in Table 1.

Through an agreement signed June 8th 2011, Zephyr has the exclusive right to earn up to a 70% interest in the Property by making cash payments, issuing common shares of Zephyr and conducting work programs on the Property over two phases. In Phase One, Zephyr may earn a 50% interest in the Property by making cash payments totalling \$104,500, issuing 594,000 common shares, and completing work programs on the Property with a total value of a minimum of \$650,000 over a three year period.

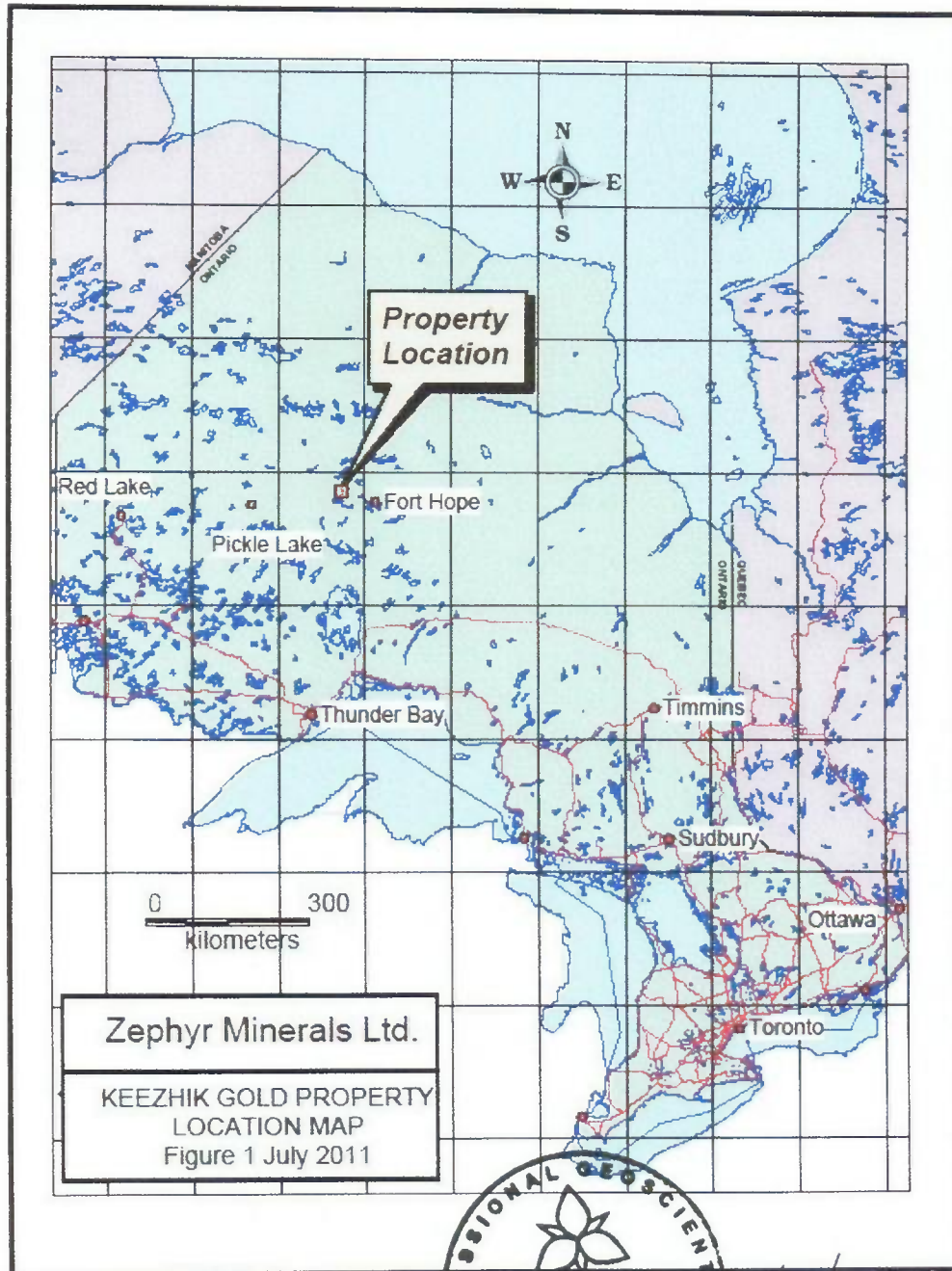
If Zephyr completes Phase One and earns a 50% interest, Zephyr has the right to earn a further 20% in the Property by completing Phase Two and making cash payments totalling \$121,000, issuing 880,000 common shares, and completing work programs on the Property with a total value of a minimum of \$900,000 over a two year period.

Table 1 - Keezhik Project Claims

Claim No.	Township/Area	Date Recorded	Due Date	Work Required	Unit Size
3002984	North Bay Area	2002-June-24	2012-Dec-21	\$6,400	16
3002985	North Bay Area	2002-June-24	2012-Dec-21	\$6,400	16
3002986	Keezhik Lake Area	2002-June-24	2012-Dec-21	\$4,800	12
3002987	Keezhik Lake Area	2002-June-24	2012-Dec-21	\$6,400	16
3002988	Keezhik Lake Area	2002-June-24	2012-Dec-21	\$2,400	6
3002991	Keezhik Lake Area	2002-June-24	2012-Dec-21	\$6,000	15
3002992	Keezhik Lake Area	2002-June-24	2014-Dec-21	\$3,600	9
4230066	Ferguson Lake Area	2008-April-03	2012-Apr-03	\$6,400	16
4230067	Keezhik Lake Area	2008-April-03	2012-Apr-03	\$6,400	16
4230068	Keezhik Lake Area	2008-April-03	2012-Apr-03	\$6,400	16
3002975	North Bay Area	2002-June-24	2012-Dec-21	\$6,400	16
3002983	North Bay Area	2002-June-24	2012-Dec-21	\$6,000	15
Totals				\$67,600	169

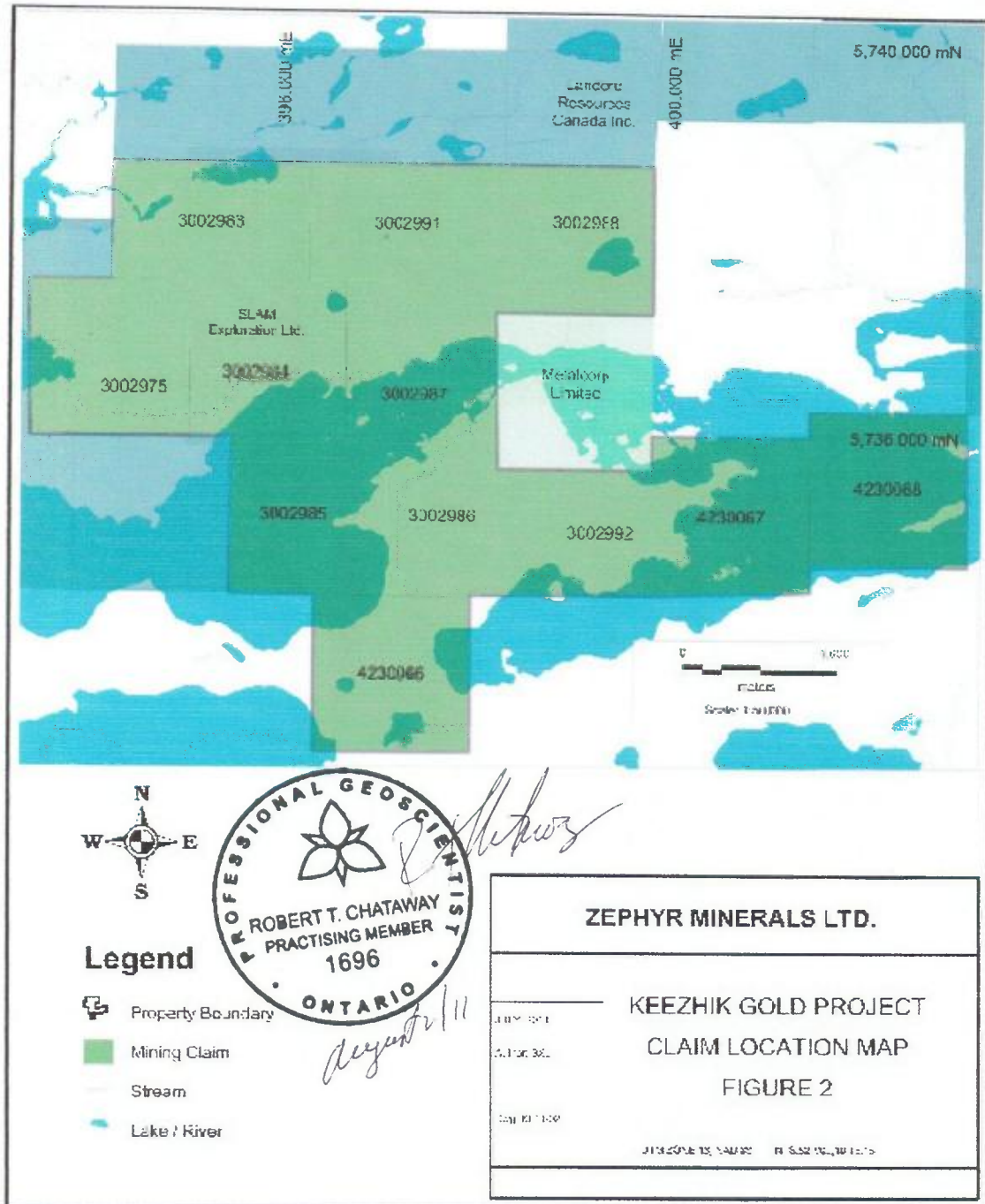
Figure 1. Keezhik Gold Property Location Map

Figure 1. Keezhik Gold Property Location Map



R. Chataway
Aug 2/11

Figure 2. Keezhik Gold Project Claim Location Map



ITEM 5: ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Property can be accessed by float or ski-equipped planes with charter flights from the Ontario towns of Pickle Lake and Nakina. Fort Hope has an all-season airstrip and is serviced daily by commercial flights originating from the City of Thunder Bay, Ontario located approximately 350 kilometres to the south. Fuel, equipment and bulk supplies can be delivered to Fort Hope via air freight and larger pieces of equipment and volume supplies such as fuel can be delivered by winter road. Most consumable supplies groceries, fuel, field supplies can be ordered in daily from Pickle Lake or Nakina.

The closest population centers are Fort Hope, 40 kilometres to the southeast and Pickle Lake approximately 110 kilometres west.

Accommodations are available in Fort Hope at the Fort Hope Inn owned by Eabametoong First Nation. Daily access to the property for exploration work would be helicopter. Some construction equipment and services are available in Fort Hope and a variety of exploration services including diamond drilling, assaying, outfitters and construction contractors are available in Thunder Bay.

Much of the topography in the vicinity of Fort Hope consists of wet bogs and muskeg typical of the Canadian Shield. Topographic relief is generally low to flat-lying. Occasional hills and eskers are comprised primarily of glacial sand, gravel and rounded granitic boulders. Rock outcroppings are sparse occurring in clusters along the glacial ridges and along streams and lake-shores. The elevations in the project area range from 310 metres to 330 metres above mean sea level. Prominent land features of the general area are an esker ridge that trends easterly along the south shore of Keezhik Lake and a rolling hill on the northwest shore of North Bay. These features reach a maximum elevation of 360 metres and 348 metres respectively.

The Property is covered mainly by muskeg, bogs and lakes. The better drained portions of the Property are covered by open black spruce forest with large poplars. There are jack pine stands at a few localities on the property. The poorly drained areas are inhabited by stunted spruce, tamarack and tag alder. These make for difficult access in summer. The Property is on Crown Land and there is sufficient land to support a mining operation and waste facilities. A source of power is not readily available to the Property but there is sufficient water available from Keezhik Lake. The climate is sub-Arctic with a short summer field season. Keezhik Lake is ice-free from early June to late October.

ITEM 6: HISTORY

The Property was staked and recorded June 24, 2002 and April 3, 2008. SLAM is the registered owner of the claims and has completed various work programs to maintain the Property.

From 1986 to 1988 Noramco Explorations Inc. on behalf of Severide Resources Inc. and Pure Gold Resources Inc. carried out a major exploration program including: line cutting, humus geochemistry, geological mapping and prospecting, VLF-EM, magnetometer, horizontal loop electromagnetic (EM), Induced Polarization / Resistivity (IP) surveys and 75 diamond drill holes. Ten (10) of these diamond drill holes were collared on the present mineral claims. The most significant intercepts in these ten holes were 4.49 grams per tonne (“g/t”) gold over 1.5 metres in hole KL35 and 5.01 g/t gold over 0.8 metres in KL31. These holes were based mainly on geophysical targets.

Noramco conducted much of the follow-up diamond drilling in and around the KL12 gold occurrence located on adjacent claims owned by Metalcorp Inc.

A number of gold-in-humus anomalies and IP/Resistivity anomalies have been reported by Noramco Explorations Inc. and are identified on Figure 4. The company reported gold intercepts that resulted from diamond drill testing some of these targets. Most of the Noramco humus geochemical surveys were completed in 1988. This was the last year of Noramco’s exploration activity at Keezhik. The Noramco gold exploration programs abruptly ended with many humus-gold geochemical targets left untested.

In 2003, an airborne magnetic, electromagnetic and radiometric survey was released by the Province of Ontario under Operation Treasure Hunt.

Through an option agreement with 1533687 Ontario Ltd. dated October 1, 2003, Slam Exploration gained the right to earn a 70% interest in the following 4 properties: Keezhik Lake, Miminiska Lake, Miminiska Peninsula, and Brash Lake. SLAM has drilled 10 holes to date totaling 1970.83 meters from 2003 to 2011 on the Property. These holes can be located on Figure 5 and the locations and other pertinent information are tabled below. These drill holes were largely based upon the technique of using soil (humus) geochemistry, IP and aeromagnetic geophysical surveys to define drilling targets and locate gold mineralization in bedrock. The results as summarized below have validated this technique and resulted in new discoveries.

In 2004, SLAM completed a 5-hole, 1068 meter diamond drilling program with the following highlights:

- Hole S04-08 was drilled on the east end of the Property and tested a soil geochemistry anomaly located on the west side of an inferred north

trending regional shear. It returned gold values of 1.147 g/t over 1.6 m and 5.64 g/t over 1.5 m from two separate chloritized shears hosted by quartz porphyry.

- Hole S04-09 tested a soil anomaly on the east side of the same shear approximately 600 meters north of hole S04-08 and returned values > 1.0 g/t gold.
- Hole S04-10 tested the NBK Zone on the west end of the property and returned values > 1.0 g/t gold.
- Hole S04-11, drilled in the north central portion of the property, tested soil anomalies with only trace values being encountered.
- Hole S04-12 was drilled in the southwest portion of the property to evaluate a soil anomaly and returned 1.28 g/t gold over 0.9 meters.

As a follow up in 2008, SLAM completed a multi-hole diamond drilling program which included the following:

- A total of four (4), BQ-TK core size, drill holes totaling 656.80 meters, were drilled on the Property during the period March 23 to April 01, 2008.
- Hole KL0815 encountered 1.00 g/t gold over 1.00m
- Hole KL0818 encountered several mineralized intervals with gold values of 6.04g/t over 1.5m, 1.32 g/t over 1.0m, 3.10 g/t over 0.5m and 4.69g/t over 1.0m
- 7 additional intersections ranging from >0.5g/t to <1.0g/t gold were identified in the 4 holes.

On May 13, 2010 SLAM completed an agreement to purchase the remaining 30% interest in the property to own 100% with no encumbrances. The intent of the 2010 drilling program at the Property was to drill Hole KL1019 fifty (50) meters above the mineralization in Hole KL0818 and cross the mafic volcanic contact. For Hole KL1019, the target zone was a 188 m (core length) of variably altered and locally mineralized porphyry with sericite and carbonate alteration. The mineralized porphyry contained several gold-bearing intercepts, the most significant grading 22.0 g/t over 1.5m. What is clearly shown is that gold mineralization occurs in the altered porphyry sections and the gold mineralization can generally be correlated to geochemical anomalies derived from humus sampling. Sites with elevated gold-in-humus near IP anomalies and associated with magnetic lineaments and other features are priority diamond drilling targets.

Cartwright Drilling Limited of Goose Bay, Labrador, completed under contract one (1) diamond drill hole (Drill Hole KL1019) totaling 256.03 meters during the period May 26 to May 29, 2010 utilizing a heli-portable diamond drill rig. The drill was mobilized from Pickle Lake to Keezhik Lake in late May, 2010. Drilling was performed and recorded in the metric system and all core obtained was BQ-TK size derived from BQ-thin-kerf size rods. Casing was left in place for the hole. The drill core is on banded pallets, stored in a semi-secure location behind Ministry of Transport outbuildings close to the Fort Hope Airstrip.

The geologist and drill crew stayed in Ft. Hope at the Fort Hope Inn run by the Eabametoong First Nation. Geotechnical support was provided by workers from Ft. Hope who also helped on the drill moves and drill set ups. Access to the drill sites was via helicopter from the Fort Hope airstrip. Great Slave Helicopters Ltd., Yellowknife, YK, was contracted by SLAM to provide an Astar (AS360 BA) helicopter for drill moves, crew shift changes and other helicopter related support services.

Field supervision and implementation of the drilling program was handled by Richard Mann, P.Geo. under the overall direction of Michael R. Taylor, P.Geo, President of SLAM. The program was designed by M. Taylor.

In May, 2011 a high resolution airborne gradient magnetic survey was flown over the property. The final report is pending.

The Fort Hope area has been the subject of numerous government mapping programs, notably Burwash (1929); Prest (1942) and Wallace (1978).

The expenditures on the property from 2002 until 2009 total CDN\$180,303; Expenditures during the past 3 years including SLAM's 2010 drill program and the recent aeromagnetic survey total \$193,440. The total expenditures on the property from 2002 to the present are CDN \$373,743.

ITEM 7: GEOLOGICAL SETTING AND MINERALIZATION

Regional Geology (refer to Figure 3)

The following descriptions of the regional and property geology and mineralization were summarized from previous reports by Clark (2003) and Taylor, 1987.

The Property is situated within the Uchi Subprovince of the Superior Province, a subdivision of the Canadian Shield. The Uchi Subprovince is a 600-kilometre long greenstone belt that extends from Lake Winnipeg to the Hudson Bay Lowlands, hosting the Pickle Lake, Rice Lake, and world-famous Red Lake gold mining camps. In the Keezhik Lake area the 40 kilometer wide greenstone belt is bounded on the north and south by granitic stocks. The Keezhik Lake belt

comprises east-trending metavolcanic and metasedimentary rocks believed to be metamorphosed to amphibolite grade metamorphism. With the possible exception of some Middle Precambrian diabase, all of the consolidated rocks in the area are of Archean age. The Keezhik Lake volcanic pile is built upon a gneissic granitoid complex which occurs to the north. The Keezhik belt comprises the north limb of a syncline with an axis trending east through the Ferguson Lake and Cluff Lake plutons. The rocks generally face south in the Keezhik area. The volcanic pile consists predominantly of basaltic flows and tuffs. Near the base of the sequence, the mafic flows and tuffs are inter-banded with thin iron formations. Bedrock exposure is limited to approximately 5% of the Keezhik area.

Property Geology

The Property is underlain by Archean-aged rocks of the Uchi Subprovince, more specifically massive to pillowed mafic volcanics with some mafic to intermediate pyroclastic volcanics (Refer to Figure 4). Intercalated with these volcanic rocks are numerous iron formations. Prominent property scale iron formations cross the northwest corner of the Property as evidenced by strong magnetic anomalies delineated by a government airborne magnetic survey. Felsic pyroclastic rocks outcropping on small islands in the southwest part of the property are identified as bedded felsic ash tuff inter-bedded with lapilli to crystal tuff, agglomerate and meta-sediments. These meta-sediments include biotite-zone argillite. These rocks are intruded by northeast-southwest trending Archean-aged quartz-feldspar porphyritic sills generally parallel to the volcano-sedimentary strata.

The dominant structural unit is interpreted as a northeasterly to easterly trending synclinal F-2 fold axis that controls the volcano-sedimentary sequences and quartz-feldspar porphyry sills that underlie the north half of the claim group. Near the northeast corner of the property the volcanic and sedimentary units are intruded by magnetic gabbro sills near the synclinal axis. East of here the synclinal axis and the stratigraphy swing to the southeast essentially forming a north facing arch interpreted as an F-3 structure.

A feldspar porphyry intrusive body occupies the centre of the Property roughly on the axis of the F-3 structure. This roughly circular body hosts the PEN occurrence (KL0818 and KL1019), and 2 gold occurrences intersected in holes S0408, S0409 drilled by SLAM. The KL12 gold occurrence occurs within this porphyry on an adjacent property. Numerous xenoliths and roof pendants occur in this porphyry stock. The feldspar porphyry is pink buff to pale green, fine to medium grained, and weakly to moderately foliated.

Four types of hydrothermal alteration have been noted in the feldspar porphyry:

- Sericite-carbonate alteration with weak pervasive pyritic mineralization;

- K-alteration, patchy pink zones within sericite-carbonate envelopes that may contain elevated Au values (0.1 to 0.5 g/t);
- Silicification and quartz veining occur as narrow zones within sericite altered zones and are associated with economic grades of gold mineralization;
- Carbonate alteration zones with open fractures and bleaching.

The dominant structural element is a NE-trending foliation developed in the porphyry and the volcanic rocks. This foliation is defined by the preferred development of sericite and chlorite. In tuffs, clasts are usually flattened with a ratio of 3:1 parallel to this foliation. Locally, the flattening increases with degree of deformation. Late shearing and quartz veining are developed parallel to this foliation. The foliation is overprinted by a NW-trending fracture cleavage. Narrow quartz veins are controlled by this cleavage. The north-trending fault cutting through Zone KL12 is a late feature overprinting all other fabrics.

Drilling by Noramco and SLAM indicates the main style of gold mineralization encountered to date occurs in sheared feldspar porphyry which has been subjected to varying degrees of sericitization and silicification associated with weak disseminated pyrite. SLAM's work suggests a strong correlation between bedrock gold occurrences and gold-in-humus geochemical anomalies. Noramco's humus soil geochemical survey covers most of SLAM's claim group. The area around the PEN occurrence contains numerous single-site and multi-line gold anomalies with humus geochemical values ranging from 5 to 330 ppb gold.

Noramco also identified the NBK area as an area of significant gold potential in the northwest portion of the property as shown on Figure 4. A large area of carbonate and sericite alteration with minor pyrite and anomalous gold was identified in outcrop.

Table 2 - Table of Lithological Units

(From OFR Base Map Fort Hope Winisk Area)

Proterozoic

Diabase

Archean

Late Felsic Intrusive Rocks
Massive granodiorite to granite

Foliated to Gneissic Tonalite Suite

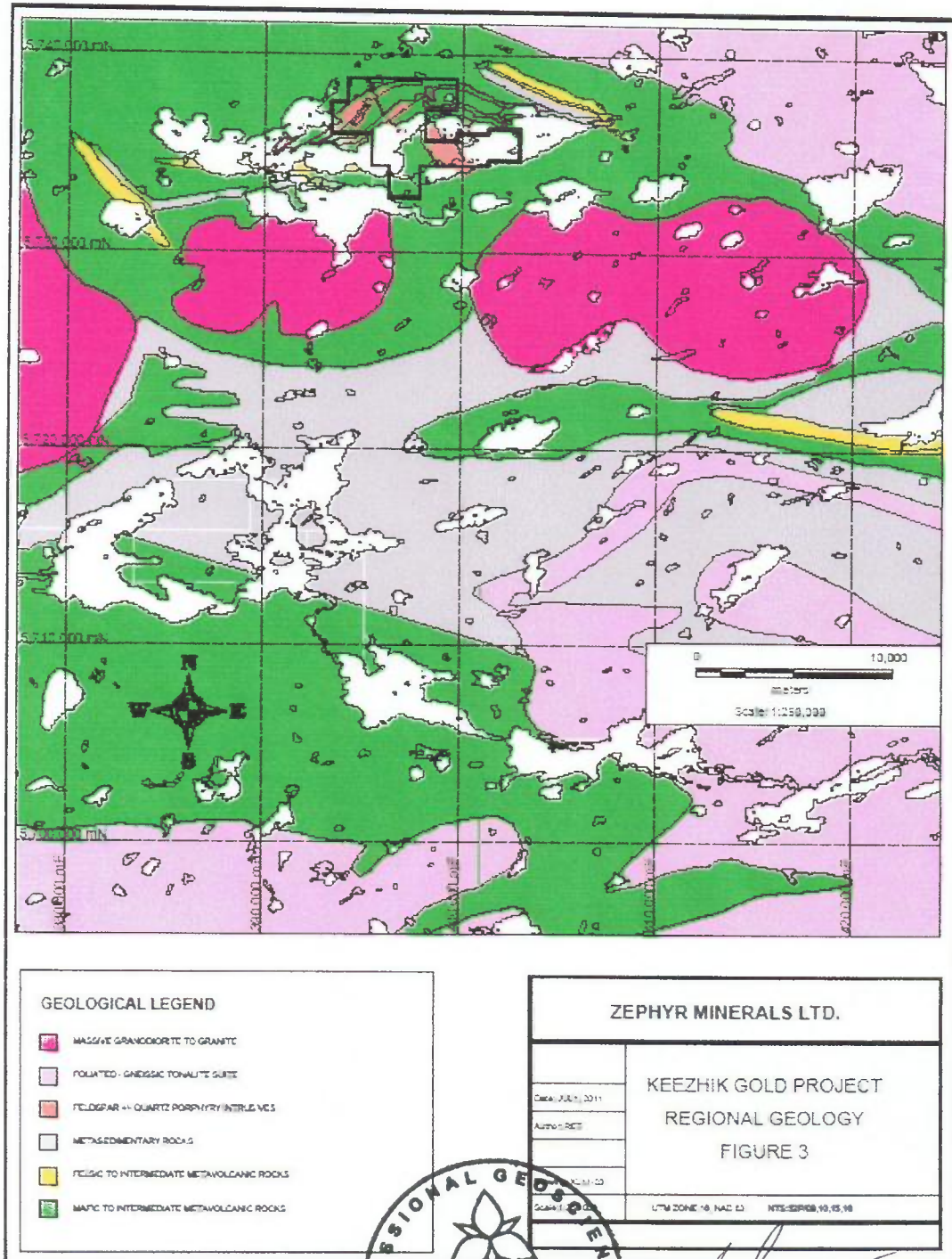
Mafic Intrusive Rocks
Anorthosite, Gabbro, Diorite

Metasedimentary Rocks
Iron Formation

Felsic to Intermediate Metavolcanic Rocks

Mafic to Intermediate Metavolcanic Rocks

Figure 3. Keezhik Gold Project Regional Geology



GEOLOGICAL LEGEND

- MASSIVE GRANODIORITE TO GRANITE
- FOLIATED - GNEISSIC TONALITE SUITE
- FELDSPAR ± QUARTZ PORPHYRY INTERLUVES
- METASEDIMENTARY ROCKS
- FELSIC TO INTERMEDIATE METAVOLCANIC ROCKS
- BASIC TO INTERMEDIATE METAVOLCANIC ROCKS


PROFESSIONAL GEOSCIENTIST
ROBERT T. CHATAWAY
PRACTISING MEMBER
1696
ONTARIO

R. T. Chataway
August 2/11

Mineralization

Seven gold occurrences have been discovered on the property to date within porphyry bodies and within mafic volcanic rocks. These gold occurrences are drilled intervals with gold grades greater than 1.0 g/t gold and shown as large blue stars on Figure 4. All drilling intervals discussed below and elsewhere in this report are drill core intervals. True widths are not known.

The most significant occurrence is the PEN zone drilled by holes KL0818 and KL1019. Both holes intersected gold mineralization associated with sericite-altered quartz-feldspar porphyry. Gold grades range up to 6.04 g/t gold over 1.5 m in hole KL0818 and up to 22.0 g/t gold over 1.5 m in hole KL1019. Three similar occurrences in the porphyry stock are shown on Figure 4 within 1,200 m to the southeast and to the east of the PEN zone. These occurrences can also be identified by their respective drill holes on Figure 5.

Hole S04-08 intersected gold values of 1.147 g/t over 1.6 m and 5.64 g/t over 1.5 m from two separate chloritized shears hosted by quartz porphyry. Holes KL0815 and KL0816 collared 130 m south of S0408 encountered anomalous gold ranging up to 1.00 g/t gold over 1.00m.

Hole S04-09 is associated with a soil anomaly within the porphyry stock approximately 800 meters east of the PEN zone and returned values up to 4.32 g/t gold over 1.0 m.

Historical hole CL8710 is located 1,100 m east of the PEN zone. This hole by Noramco intersected altered porphyry with sporadic values ranging up to 1.56 g/t gold over 1.6 m.

Hole S04-10 is located in the NBK Zone on the west end of the property and returned values up to 3.5 g/t gold over 0.7 m in quartz-feldspar porphyry.

Hole S04-12 was drilled in the west portion of the property to evaluate a soil anomaly and returned 1.28 g/t gold over 0.9 meters associated with a 2.7 m interval of banded iron formation within mafic flows.

Historical hole KL8731 near the north side of the property intersected 4.49 g/t gold over 1.5 m within a narrow (1.7 m core interval) unit of banded iron formation with 2% pyrite. The iron formation occurs within mafic flows.

Five of the 7 occurrences described above occur within quartz-feldspar porphyry bodies. The other 2 occurrences are associated with banded iron intervals within mafic volcanic units. Six of the 7 occurrences are associated with humus geochemical anomalies which are shown on Figure 4.

Six other holes drilled by Noramco and SLAM returned gold values in the anomalous range 0.15 to 0.99 g/t gold. These anomalous gold intercepts are indicated as small blue stars on Figure 4.

The felsic intrusive porphyries comprise the primary host for gold mineralization on the Property. None of the gold occurrences have been followed up with any level of definition drilling. There is an association between gold mineralization in drill holes and humus geochemical gold anomalies. A number of humus anomalies remain untested, several in the vicinity of the PEN zone.

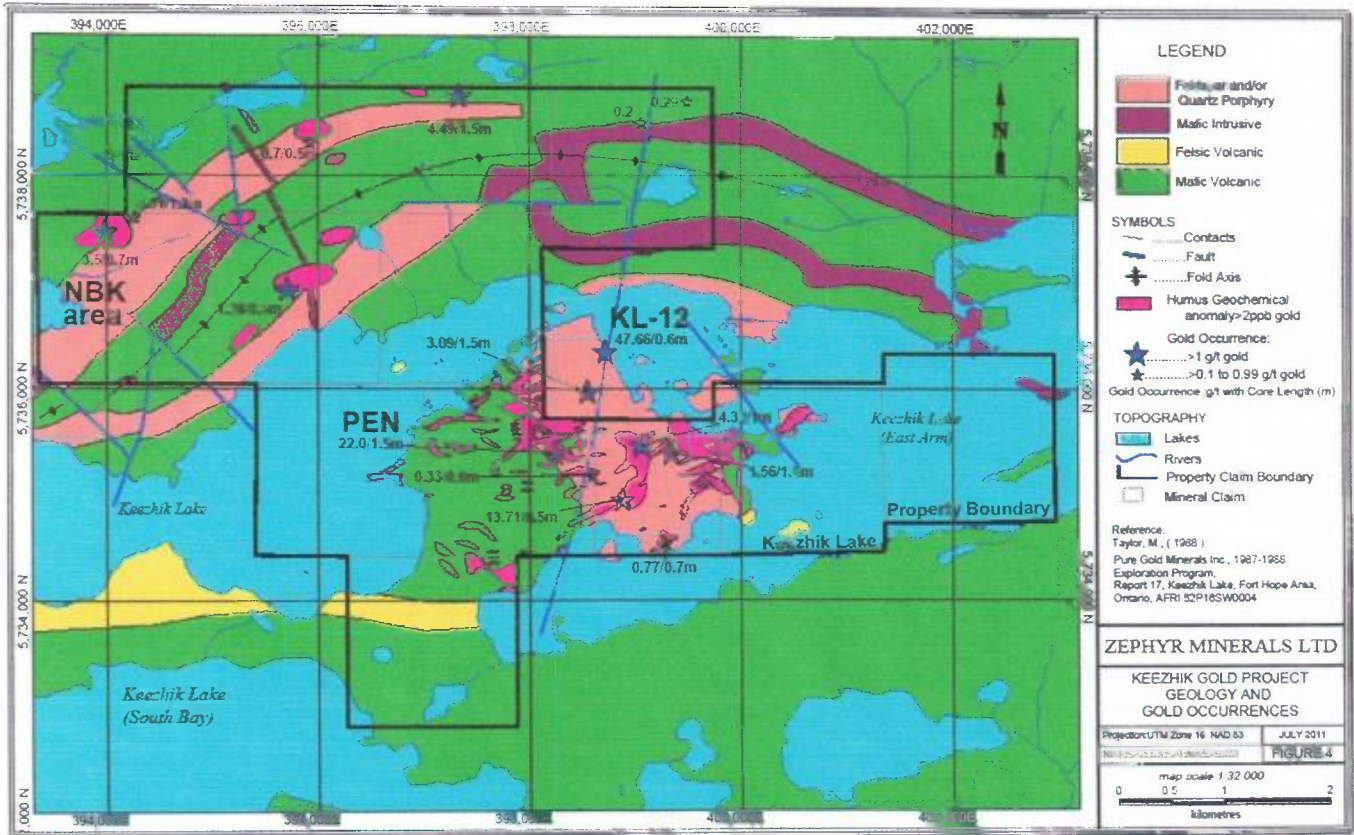
ITEM 8: DEPOSIT TYPES

Gold deposits in the Fort Hope area can be divided into the following types (Mason and White, 1995):

1. gold veins in mafic metavolcanics rocks +/- porphyry (Fort Hope Gold Mine)
2. quartz veins, silicification and carbonatization in clastic metasedimentary rocks (KL18 Zone on adjacent property at Keezhik Lake)
3. banded iron formation and arsenopyrite or pyrrhotite association
4. quartz veins + feldspar porphyry and antimony association in mafic volcanic rocks
5. feldspar and/or quartz porphyry, silicified and sheared
6. quartz-tourmaline veins in wackes
7. strongly foliated to sheared mafic to felsic metavolcanics rocks
8. quartz-tungsten veins +/- strong foliation and shearing with pyrite-pyrrhotite-magnetite

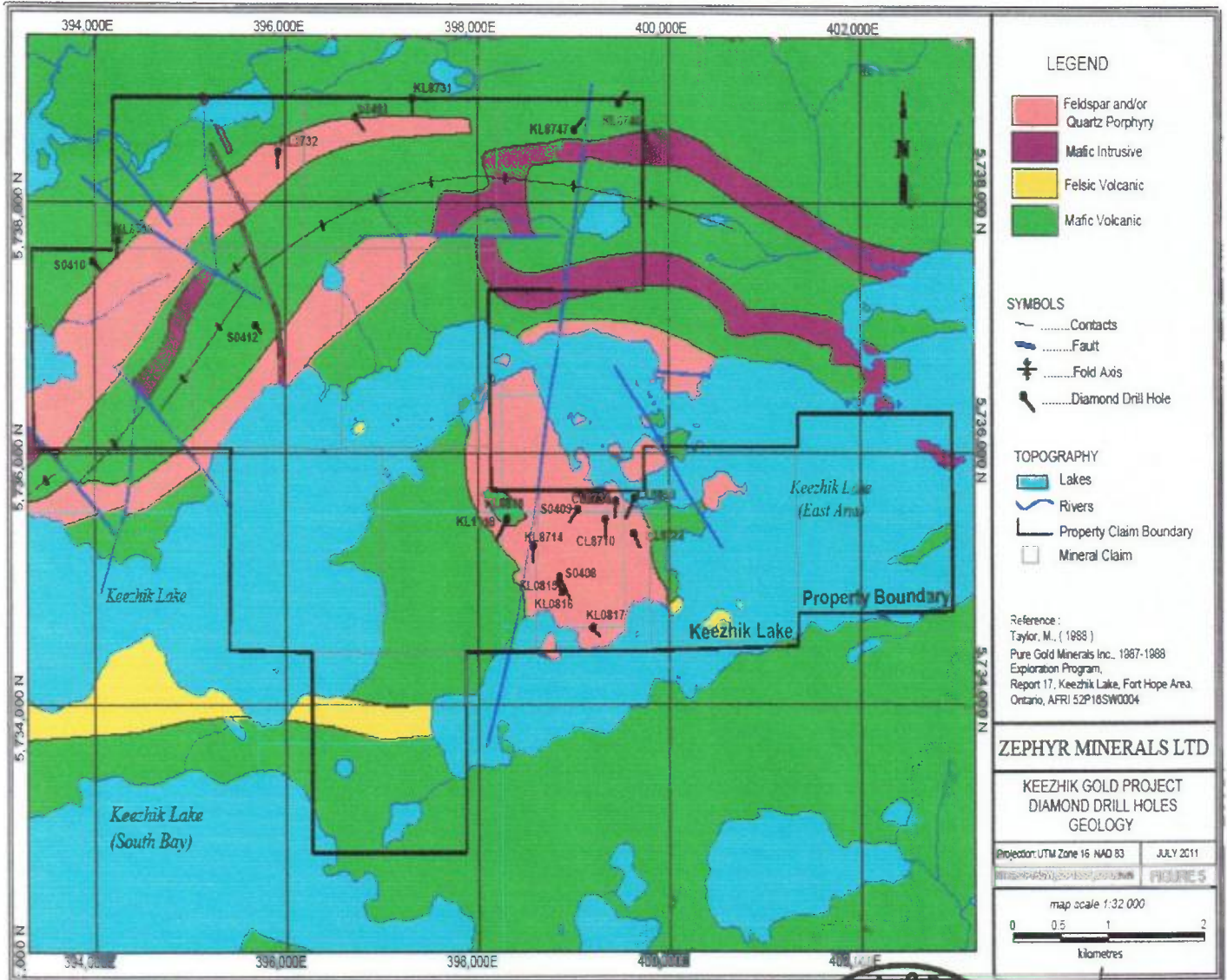
Gold deposits occur in 2 general settings on the Property. Gold is associated with quartz veins within carbonate-sericite alteration envelopes within the porphyry bodies and gold is associated with quartz veins and shear zones hosted in the mafic volcanic sequence which includes pillow basalts, mafic tuffs, intercalated sediments including iron formation and gabbro. Mineralization in the auriferous veins includes up to 1% pyrite/pyrrhotite along with rare sites of visible gold.

Figure 4. Keezhik Gold Project Geology and Gold Occurrences



R. Chataway
 Aug 2/11

Figure 5. Keezhik Gold Project Diamond Drill Holes Geology



PROFESSIONAL GEOSCIENTIST
 ROBERT T. CHATAWAY
 PRACTISING MEMBER
 1696
 ONTARIO

Aug 21/11

ITEM 9: EXPLORATION

SLAM has drilled 10 holes to date totaling 1970.83 meters from 2003 to 2011 on the Property. These holes can be located on Figure 5 and the locations and other pertinent information are tabled below. These drill holes were largely based upon the technique of using soil (humus) geochemistry, IP and aeromagnetic geophysical surveys to define drilling targets and locate gold mineralization in bedrock. The results as summarized below have validated this technique and resulted in new discoveries.

In 2004, SLAM completed a 5-hole, 1068 meter diamond drilling program with the following highlights:

- Hole S04-08 was drilled on the east end of the Property and tested a soil geochemistry anomaly located on the west side of an inferred north trending regional shear. It returned gold values of 1.147 g/t over 1.6 m and 5.64 g/t over 1.5 m from two separate chloritized shears hosted by quartz porphyry.
- Hole S04-09 tested a soil anomaly on the east side of the same shear approximately 600 meters north of hole S04-08 and returned values > 1.0 g/t gold.
- Hole S04-10 tested the NBK Zone on the west end of the property and returned values > 1.0 g/t gold.
- Hole S04-11, drilled in the north central portion of the property, tested soil anomalies with only trace values being encountered.
- Hole S04-12 was drilled in the southwest portion of the property to evaluate a soil anomaly and returned 1.28 g/t gold over 0.9 meters.

As a follow up in 2008, SLAM completed a multi-hole diamond drilling program which included the following:

- A total of four (4), BQ-TK core size, drill holes totaling 656.80 meters, were drilled on the Property during the period March 23 to April 01, 2008.
- Hole KL0815 encountered 1.00 g/t gold over 1.00m
- Hole KL0818 encountered several mineralized intervals with gold values of 6.04g/t over 1.5m, 1.32 g/t over 1.0m, 3.10 g/t over 0.5m and 4.69g/t over 1.0m
- 7 additional intersections ranging from >0.5g/t to <1.0g/t gold were identified in the 4 holes.

The intent of the 2010 drilling program at the Property was to drill Hole KL1019 fifty (50) meters above the mineralization in Hole KL0818 and cross the mafic volcanic contact. For Hole KL1019, the target zone was a 188 m (core length) of variably altered and locally mineralized porphyry with sericite and carbonate alteration. The mineralized porphyry contained several gold-bearing intercepts, the most significant grading 22.0 g/t over 1.5m. Cartwright Drilling Limited of Goose Bay, Labrador, completed under contract one (1) diamond drill hole (Drill Hole KL1019) totaling 256.03 meters during the period May 26 to May 29, 2010 utilizing a heli-portable diamond drill rig. The drill was mobilized from Pickle Lake to Keezhik Lake in late May, 2010. Drilling was performed and recorded in the metric system and all core obtained was BQ-TK size derived from BQ-thin-kerf size rods. Casing was left in place for the hole. The drill core is on banded pallets, stored in a semi-secure location behind Ministry of Transport outbuildings close to the Fort Hope Airstrip.

As of the writing of this report, Zephyr has not yet performed any exploration work of its own on the Property. The work performed by SLAM is described in detail in Item 6: "History", along with a summary of all previous work.

The geologist and drill crew stayed in Ft. Hope at the Fort Hope Inn run by the Eabametoong First Nation. Geotechnical support was provided by workers from Ft. Hope who also helped on the drill moves and drill set ups. Access to the drill sites was via helicopter from the Fort Hope airstrip. Great Slave Helicopters Ltd., Yellowknife, YK, was contracted by SLAM to provide an Astar (AS360 BA) helicopter for drill moves, crew shift changes and other helicopter related support services.

Field supervision and implementation of the drilling program was handled by Richard Mann, P.Geo. under the overall direction of Michael R. Taylor, P.Geo, President of SLAM. The program was designed by M. Taylor.

In May, 2011 a high resolution airborne gradient magnetic survey was flown over the property by Geotech Ltd. Principal geophysical sensors included four cesium magnetometers in tri-axis magnetic gradiometer configuration. Ancillary equipment included GPS navigation systems, one on the helicopter tail and three on the magnetic gradiometer bird, and a radar altimeter.

A total of 418 line-kilometres of geophysical data were acquired at a line spacing of 100 m. During the survey the helicopter was maintained at a mean altitude of 69 metres above the ground with a nominal survey speed of 80 km/hour. This allowed for a nominal magnetic sensor clearance of 30 metres. On return of the aircrew to the base camp the survey data was transferred from a compact flash card to the data processing computer. The data were then uploaded to the Geotech office in Aurora for daily quality assurance and quality control by qualified personnel. Preliminary and final data processing, including generation of

final digital data and map products were undertaken from the office of Geotech Ltd. in Aurora, Ontario.

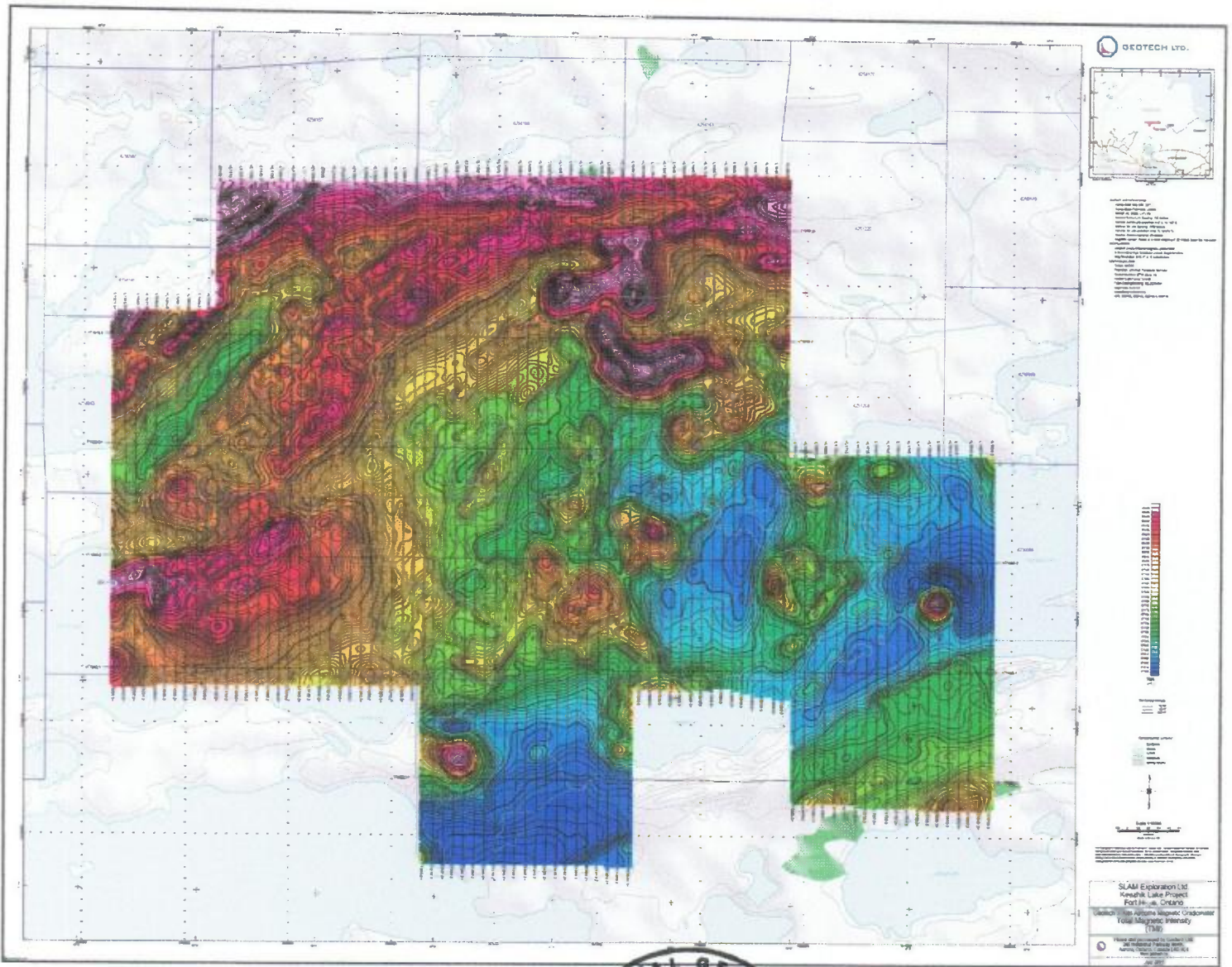
SLAM has received a survey report describing the procedures for data acquisition, processing, final image presentation and the specifications for the digital data set. Final maps showing the survey results for Total Magnetic Intensity and for Vertical Magnetic Gradient are presented as Figures 6 and 7.

The results indicate the presence of magnetic low features associated with quartz-feldspar porphyry bodies as well as lineaments and other possible structural features which may be associated with mineralizing events.

The Fort Hope area has been the subject of numerous government mapping programs, notably Burwash (1929); Prest (1942) and Wallace (1978).

The expenditures on the property from 2002 until 2009 total CDN\$180,303; Expenditures during the past 3 years including SLAM's 2010 drill program and the recent aeromagnetic survey total \$193,440. The total expenditures on the property from 2002 to the present are CDN \$373,743.

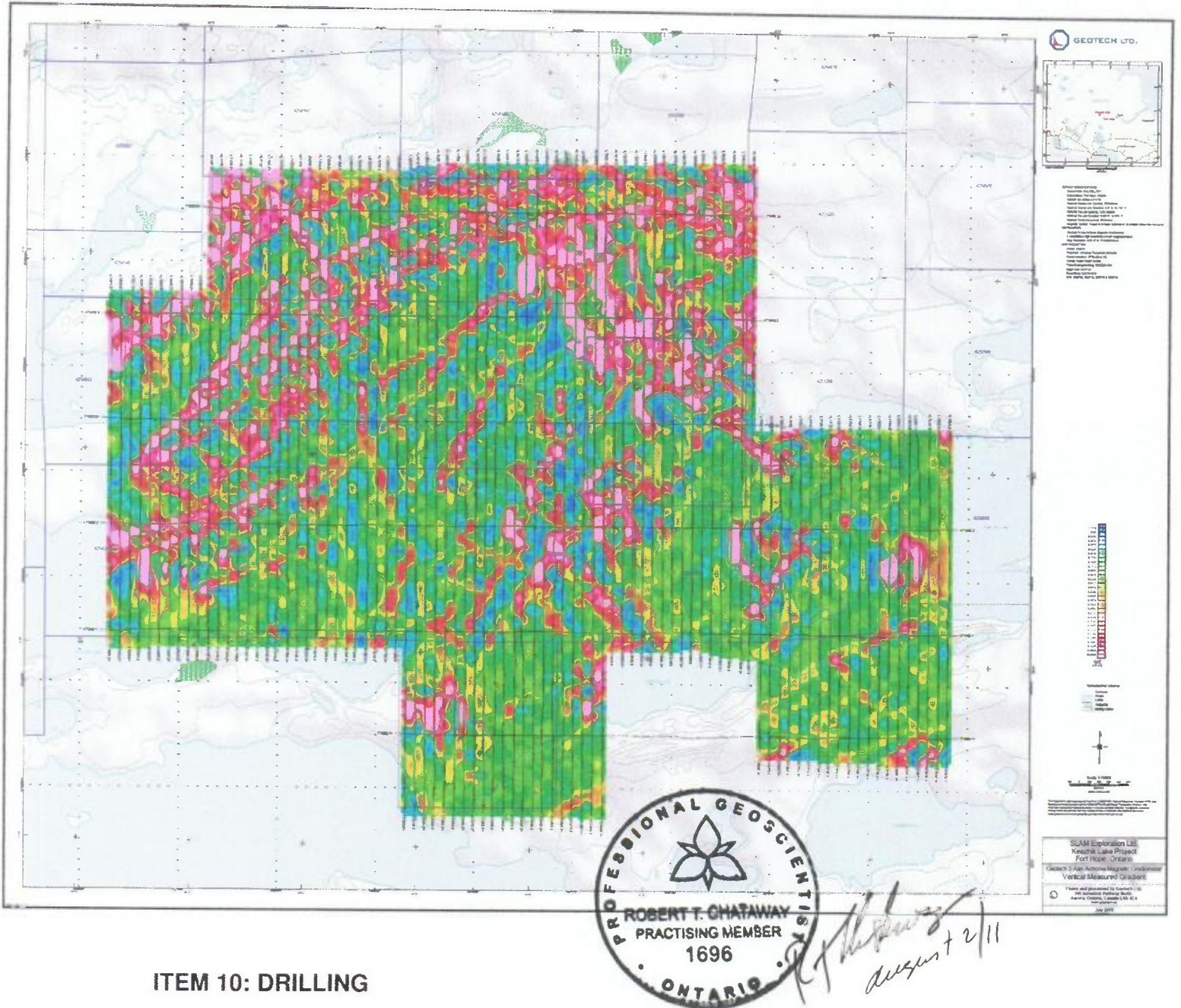
Figure 6. Keezhik Gold Project Total Magnetic Intensity



PROFESSIONAL GEOSCIENTIST
ROBERT T. CHATAWAY
PRACTISING MEMBER
1696
ONTARIO

[Handwritten Signature]
August 2/11

Figure 7. Keezhik Gold Project Vertical Magnetic Gradient



ITEM 10: DRILLING

As of the writing of this report, Zephyr has not yet performed any drilling of its own on the Property. SLAM remains owner of the Property until Zephyr completes its earn-in requirements. The drill holes undertaken by SLAM along with previous drill holes are summarized with coordinates and related data in

Table 3. The drilling programs were carried out along industry standard guidelines which expects maximum core recovery as ground conditions dictate. The core was handled carefully and properly labelled prior to securely shipping to core logging facility. Sampling of the core was diligently recorded in the drill logs and in the author's opinion there is nothing in the procedures that could impact the accuracy or reliability of the results.

Table 3 - Drillhole Location and Setup Data

Company	Hole_Id	Utm_East	Utm_North	Az	Dip	Length M
Noramco	CL8710	399337	5735478	180	-50	210.90
Noramco	CL8722	399632	5735365	150	-50	200.30
Noramco	CL8734	399447	5735622	185	-50	200.30
Noramco	CL8853	399639	5735645	210	-50	285.60
Noramco	KL8714	398584	5735264	180	-50	203.30
Noramco	KL8731	397320	5738830	180	-50	200.30
Noramco	KL8732	395920	5738400	180	-50	200.30
Noramco	KL8733	394238	5737696	180	-50	200.30
Noramco	KL8746	399480	5738800	45	-50	200.30
Noramco	KL8747	399020	5738584	45	-50	200.30
SLAM	S0408	398860	5735015	150	-50	317.00
SLAM	S0409	399049	5735559	220	-55	239.00
SLAM	S0410	393986	5737529	135	-45	148.00
SLAM	S0411	396727	5738677	140	-55	236.00
SLAM	S0412	395682	5737022	135	-45	128.00
SLAM	KL0815	398881	5734887	330	-45	146.30
SLAM	KL0816	398881	5734887	340	-60	199.60
SLAM	KL0817	399204	5734601	135	-50	152.40
SLAM	KL0818	398307	5735483	215	-45	158.50
SLAM	KL1019	398290	5735455	215	-45	256.03
UTM coordinates are NAD 83 Zone 16						

The drilling undertaken by SLAM following the acquisition of the property is summarized below. Assay results for the SLAM drill holes listing selected samples greater than 0.15 g/t gold are summarized in Table 4.

In 2004, SLAM completed a 5-hole, 1068 metre using Bradley Brothers. diamond drilling program with the following highlights:

- Hole S04-08 was drilled on the east end of the Property and tested a soil geochemistry anomaly located on the west side of an inferred north trending regional shear. It returned gold values of 1.147 g/t over 1.6 m and 5.64 g/t over 1.5 m from two separate chloritized shears hosted by quartz porphyry.

- Hole S04-09 tested a soil anomaly on the east side of the same shear approximately 600 meters north of hole S04-08 and returned values > 1.0 g/t gold.
- Hole S04-10 tested the NBK Zone on the west end of the property and returned values > 1.0 g/t gold.
- Hole S04-11, drilled in the north central portion of the property, tested soil anomalies with only trace values being encountered.
- Hole S04-12 was drilled in the southwest portion of the property to evaluate a soil anomaly and returned 1.28 g/t gold over 0.9 meters.

As a follow up in 2008, SLAM completed a multi-hole diamond drilling program which included the following:

- A total of four (4), BQ-TK core size, drill holes totaling 656.80 meters, were drilled on the Property during the period March 23 to April 01, 2008.
- Hole KL0815 encountered 1.00 g/t gold over 1.00m
- Hole KL0818 encountered several mineralized intervals with gold values of 6.04g/t over 1.5m, 1.32 g/t over 1.0m, 3.10 g/t over 0.5m and 4.69g/t over 1.0m
- 7 additional intersections ranging from >0.5g/t to <1.0g/t gold were identified in the 4 holes.

The intent of the 2010 drilling program at the Property was to drill Hole KL1019 fifty (50) meters ahead of and parallel to Hole KL0818 to intersect the mineralized porphyry and cross the mafic volcanic contact. Hole KL1019, the target zone was a 188 m (core length) of variably altered and locally mineralized porphyry with sericite and carbonate alteration. The mineralized porphyry contained several gold-bearing intercepts the most significant grading 22.0 g/t over 1.5m. What this clearly shows is that gold mineralization occurs in the altered porphyry sections and the gold mineralization can generally be correlated to geochemical anomalies derived from humus sampling. Sites with elevated gold-in-humus near IP anomalies and associated with magnetic lineaments and other features are priority diamond drilling targets.

Cartwright Drilling Limited of Goose Bay, Labrador, completed under contract one (1) diamond drill hole (Drill Hole KL1019) totaling 256.03 meters during the period May 26 to May 29, 2010 utilizing a heli-portable diamond drill rig. The drill was mobilized from Pickle Lake to Keezhik Lake in late May, 2010. Drilling was performed and recorded in the metric system and all core obtained was BQ-TK size derived from BQ-thin-kerf size rods. Casing was left in place for the hole.

The drill core is on banded pallets, stored in a semi-secure location behind Ministry of Transport outbuildings close to the Fort Hope Airstrip.

The geologist and drill crew stayed in Ft. Hope at the Fort Hope Inn run by the Eabametoong First Nation. Geotechnical support was provided by workers from Ft. Hope who also helped on the drill moves and drill set ups. Access to the drill sites was via helicopter from the Fort Hope airstrip. Great Slave Helicopters Ltd., Yellowknife, YK, was contracted by SLAM to provide an Astar (AS360 BA) helicopter for drill moves, crew shift changes and other helicopter related support services.

Field supervision and implementation of the drilling program was handled by Richard Mann, P.Geo. under the overall direction of Michael R. Taylor, P.Geo, President of SLAM. The program was designed by M. Taylor.

The drilling undertaken on the property thus far is oriented towards determining the relationship between gold in humus geochemistry, Induced Polarization surveys, and airborne magnetic responses. Drilling the humus anomalies has led to intersection of 7 gold occurrences, however the individual occurrences do not have sufficient drilling to accurately estimate true thickness or strike length. The core recovery was at least 95% for every drillhole.

Table 4 - Assay Results from SLAM Keezhik Drilling 2004 to 2010

DDH	From	To	Length	Au_ppb	Au_g/t	Sample
S0408	81.40	82.10	0.70	164	0.164	333348
S0408	82.80	83.00	0.20	161	0.161	333350
S0408	83.00	83.60	0.60	1671	1.671	333351
S0408	84.20	84.60	0.40	2038	2.038	333353
S0408	88.30	89.30	1.00	543	0.543	333358
S0408	99.00	100.00	1.00	194	0.194	333366
S0408	100.70	101.20	0.50	13714	13.714	333368
S0408	101.20	102.20	1.00	1603	1.603	333369
S0408	140.40	141.00	0.60	216	0.216	333377
S0408	168.50	169.50	1.00	201	0.201	333382
S0408	170.40	171.30	0.90	190	0.190	333384
S0408	174.80	175.80	1.00	184	0.184	333389
S0408	189.90	190.60	0.70	360	0.360	333394
S0408	238.20	238.50	0.30	196	0.196	333397
S0408	240.80	241.15	0.35	254	0.254	333398
S0408	251.00	252.00	1.00	186	0.186	333402
S0408	253.00	254.00	1.00	152	0.152	333404
S0409	42.00	43.00	1.00	164	0.164	333429
S0409	61.50	62.50	1.00	279	0.279	333445

S0409	78.00	79.00	1.00	4322	4.3215	333448
S0409	79.00	80.00	1.00	1593	1.593	333449
S0409	80.00	81.00	1.00	2142	2.142	333450
S0409	81.00	81.70	0.70	359	0.359	333451
S0409	81.70	82.30	0.60	291	0.291	333452
S0409	116.00	117.00	1.00	195	0.195	333462
S0409	131.80	132.80	1.00	735	0.735	333473
S0409	132.80	133.80	1.00	369	0.369	333474
S0409	134.80	135.70	0.90	184	0.184	333476
S0409	135.70	136.25	0.55	208	0.208	333477
S0409	136.25	136.80	0.55	232	0.232	333478
S0409	136.80	137.50	0.70	525	0.525	333479
S0409	137.50	138.00	0.50	599	0.599	333481
S0409	138.00	138.60	0.60	311	0.311	333482
S0409	138.60	139.55	0.95	558	0.558	333483
S0410	34.60	35.30	0.70	3510	3.510	333513
S0410	97.30	98.10	0.80	291	0.291	333530
S0412	50.80	51.70	0.90	264	0.264	333621
S0412	51.70	52.60	0.90	1283	1.283	333622
KL0815	13.20	14.20	1.00	1002	1.002	188502
KL0815	59.70	60.50	0.80	417	0.417	188508
KL0815	74.80	75.30	0.50	340	0.34	188519
KL0815	77.30	77.80	0.50	393	0.393	188524
KL0815	77.80	78.30	0.50	525	0.525	188525
KL0815	78.80	79.30	0.50	600	0.6	188527
KL0815	79.30	80.30	1.00	184	0.184	188528
KL0815	81.30	82.30	1.00	178	0.178	188530
KL0815	131.30	132.30	1.00	422	0.422	188535
KL0816	10.60	11.60	1.00	447	0.447	188544
KL0816	13.60	14.60	1.00	513	0.513	188547
KL0816	15.60	16.30	0.70	348	0.348	188549
KL0816	62.50	63.20	0.70	710	0.71	188550
KL0816	111.00	112.00	1.00	483	0.483	188556
KL0817	19.59	20.59	1.00	453	0.453	188574
KL0817	33.33	34.03	0.70	287	0.287	188576
KL0817	34.03	34.53	0.50	201	0.201	188577
KL0817	72.45	73.15	0.70	770	0.77	188581
KL0817	107.58	108.08	0.50	377	0.377	188582
KL0817	145.16	145.76	0.60	724	0.724	188588
KL0818	82.30	82.80	0.50	528	0.528	188640
KL0818	82.80	83.30	0.50	6931	6.931	188641
KL0818	83.30	84.30	1.00	5980	5.98	188642
KL0818	90.30	91.30	1.00	335	0.335	188649

KL0818	111.58	112.08	0.50	279	0.279	188673
KL0818	112.08	112.78	0.70	311	0.311	188674
KL0818	116.38	117.38	1.00	1323	1.323	188680
KL0818	117.38	117.58	0.20	311	0.311	188681
KL0818	117.58	118.58	1.00	151	0.151	188682
KL0818	120.08	120.58	0.50	3098	3.098	188685
KL0818	156.50	157.50	1.00	681	0.681	423074
KL0818	157.50	158.50	1.00	4688	4.688	423076
KL1019	14.80	15.40	0.60	244	0.244	452002
KL1019	74.50	76.00	1.50	202	0.202	452046
KL1019	77.50	79.00	1.50	450	0.45	452048
KL1019	82.00	83.50	1.50	326	0.326	452051
KL1019	86.50	88.00	1.50	22000	22	452055
KL1019	92.50	94.00	1.50	1140	1.14	452059
KL1019	118.00	119.50	1.50	3380	3.38	452078
KL1019	131.00	132.50	1.50	162	0.162	452089
KL1019	141.50	143.00	1.50	206	0.206	452097
KL1019	182.00	183.50	1.50	196	0.196	452126
KL1019	186.00	187.40	1.40	835	0.835	452130
KL1019	187.40	188.40	1.00	165	0.165	452131
KL1019	200.00	201.00	1.00	169	0.169	452145

ITEM 11: SAMPLE PREPARATION, ANALYSIS AND SECURITY

As of the writing of this report, Zephyr has not yet performed any sampling of its own on the Property. During the SLAM tenure three drill programs have been undertaken: 2004, 2008 and 2010. All core was covered by an attached lid and transported to the logging and sampling facility by helicopter. All core was marked for sampling by the geologist logging the core. Sampling was completed as follows: The drillcore was split using a hydraulic splitter and 1 half of the sample was placed in number bag and the other half was returned to the core box in the proper place for future reference. Sample numbers that correspond to the bag number were stapled in the bottom of the box at the down hole end of the sample interval. Standards were inserted in the sample runs at a rate of 1 for every 20 samples. Once a run of 5 samples was completed the samples inserted into a shipping bag and the bags were numbered for shipment. A sample list was inserted in the first bag to show contents of each shipment. The bags were securely closed and sent to the shipping agent at the Air Strip in Fort Hope or transferred to shipper by ground transport in Thunder Bay.

SLAM used both ACTLABS and Accurassay Labs for analysis and both labs are independent of SLAM.

Actlabs' Quality System is accredited to International quality standards through the International Organization for Standardization/International Electrotechnical

Commission (ISO/IEC) 17025 (ISO/IEC 17025 includes ISO 9001 and ISO 9002 specifications). The accreditation program includes ongoing audits which verify the QA system and all applicable registered test methods.

Accurassay is accredited by the Standards Council of Canada (SCC) for Gold, Platinum, Palladium, Copper, Nickel, and Cobalt under ISO/IEC Guideline 17025.

Accreditation covers virtually all aspects of the assay laboratory practices including standard operating procedures (SOP's), quality control and quality assurance methods and requires *successful* participation in the PTP-MAL performance testing program. It is the author's opinion that the adequacy of the sample preparation, security and analytical procedures carried out by the two labs is at or above the acceptable industry standards.

2004 and 2008 – Accurassay sample preparation methods (standards have been inserted into the sample shipments at a rate of 1 standard for every 20 samples):

2004 – 286 samples with 19 standards submitted – one standard for every 20 samples.

2008 - 268 split drill core samples were obtained and shipped to Accurassay Laboratories in Thunder Bay, Ontario for routine gold analysis by fire assay with an AA finish. A description of the Accurassay method is as follows:

Sample Preparation:

The rock samples are first entered into Accurassay Laboratories' Local Information Management System (LIMS). The samples are dried, if necessary, and then jaw crushed to approximately 8 mesh and a 250 to 500 gram sub-sample is taken. The sub-sample is pulverized to 90% 150 mesh and then matted to ensure homogeneity. Silica sand is used to clean out the pulverizing dishes between each to prevent cross contamination. The homogeneous sample is then sent to the fire assay laboratory.

Precious Metal Analysis:

For the analysis of gold the sample is mixed with a lead based flux fused for one hour and fifteen minutes. Each sample had a silver solution added to it prior to fusion which allows each sample to produce a precious metal bead after cupellation. The fusing process results are a lead buttons that contains all of the precious metals from the sample as well as the silver that was added. The button is then placed in a cupelling furnace where all of the lead is absorbed by the cupel and a silver bead, which contains any gold, platinum and palladium, is left in the cupel. The cupel is removed from the furnace and allowed to cool. Once the cupel has cooled sufficiently, the silver bead is placed in an appropriately labeled test tube and digested using aqua regia. The samples are bulked up with

1.0 ml of distilled de-ionized water and 1.0 ml of 1% digested lanthanum solution. The samples are allowed to cool and are mixed to ensure proper homogeneity of the solution. Once the samples have settled they are analyzed for gold, platinum and palladium using atomic absorption spectroscopy. The atomic absorption spectroscopy unit is calibrated for each element using the appropriate ISO 9002 certified standards in an air-acetylene flame. The results for the atomic absorption are checked by the technician and then forwarded to data entry by means of electronic transfer and a certificate is produced. The Laboratory Manager checks the data and validates the certificates and issues the results in the client requested format.

Blind standard samples were inserted regularly to the sample stream for QA/QC in addition to the regular controls carried out by the lab that included duplicates for every 10 samples. Weighted averages were calculated in the metric system (grams per tonne gold and metres) using uncut individual gold values
2010 Actlabs: 143 core samples

Sample Preparation:

To obtain meaningful analytical results, it is imperative that sample collection and preparation be done properly. ACTLABS can advise on sampling protocol for your field program if requested. Once the samples arrive in the laboratory, ACTLABS will ensure that the samples are prepared properly. As a routine practice with rock and core, the entire sample is crushed to a nominal minus 10 mesh (1.7 mm), mechanically split (riffle) to obtain a representative sample and then pulverized to at least 95% minus 150 mesh (106 microns).

As a routine practice, the laboratory will automatically use cleaner sand between each sample at no cost to the customer. Quality of crushing and pulverization is routinely checked as part of the laboratory quality assurance program. Randomization of samples in larger orders (>100) provides an excellent means to monitor data for systematic errors. The data is resorted after analysis according to sample number. This procedure must be requested.

Precious Metal Analysis:

The basic procedure for fire assay involves mixing an aliquot of powdered sample (SLAM used 30g size) with soda ash (sodium carbonate), borax (sodium borate), litharge (PbO), flour (baking flour used to add carbon as a reductant), silica, and possible nitre (potassium nitrate). To this mixture, Ag as a collector can be added in solution or as a foil. The well mixed material is fired at temperatures ranging from 1100C to 1200C (depending on the laboratory). As the Pb and Ag in the melt settle to the bottom of the crucible, it scavenges the Au (+/- Pd, Pt) from the melt. The lead button is cupelled at 950 degrees C in a magnesia cupel. A tiny Ag bead which contains Au, Pt and Pd can be dissolved and analyzed by atomic absorption, ICP ([Code 1C-OES](#)) or ICP/MS ([Code 1C](#)

expl, Code 1Cexpl2, Code 1C Res). Alternatively the Ag can be dissolved out leaving a tiny Au flake which can be weighed (gravimetric technique-Code 1A3) or the entire bead can be irradiated for direct INAA determination (Code 1A1). A variation of the technique using Au as a collector is used for Rh determination (Code 1C-Rh).

Information on sample preparation and analysis is available from the Actlabs webpage.

The drill core was transported via helicopter in covered core trays from the drill site to a secure building on the west side of the airstrip in Fort Hope. There geological core logging was undertaken by Richard Mann, P.Geo. Information has been recorded on lithology, alteration, sulphide and oxide mineralization. At the same time core intervals for sampling were marked and the intervals recorded for each hole. for descriptive logging and sampling. Drill core logging and sample mark-ups were handled by Richard Mann, P.Geo. who also directed and supervised the core splitting and sampling work.

Mineralized drill core sections, visibly altered sections and quartz veins were sampled and analyzed for gold. Weak and/or unmineralized sections adjacent to main mineralized zones were also sampled for gold. Sampled intervals ranged from 0.30 to 1.5 meters in length, averaging about 1.0 meter in length. The drillcore was split using a hydraulic splitter and 1 half of the sample was placed in number bag and the other half was returned to the core box in the proper place for future reference. Sample numbers that correspond to the bag number were stapled in the bottom of the box at the down hole end of the sample interval. Results for sample intervals containing anomalous (>19 ppb) gold are tabled in the Report.

Split core samples were submitted for analysis to Activation Laboratories Ltd (Actlabs Thunder Bay, 1201 Walsh Street West, Thunder Bay, Ontario, Canada P7E 4X6 Tel: +1.807.622.6707) and assayed according to standard industry practices. The samples were analysed for gold by fire assay with an AA finish.

Blind standard and blank samples were inserted regularly to the sample stream for quality assurance/quality control ("QA/QC") over and above the regular controls carried out by the lab. The standards show an acceptable variance and all blanks returned values <5 ppb gold, consistent with industry standards.

ITEM 12: DATA VERIFICATION

The data presented in this Report has come primarily from numerous reports archived in the assessment files at the Ontario Ministry of Northern Development and Mines and Forests, Thunder Bay Resident Geologist's Office, and on the "Geology Ontario" website (www.geologyontario.mndm.gov.on.ca/). The author

has reviewed the historical data, and can verify that the information has been presented accurately as it exists in those files and reports to the best of their ability. Those reports, and the assessment files, contain the assay certificates and other supporting documentation for the data presented for the most recent work on the Property.

Robert Chataway (the author of this report) worked on the property for the drill program by SLAM in 2008, as well as earlier programs on the Property, and can verify that the information from those programs is accurately presented.

In June, 2011, the author made a one day site visit to the Property and can confirm the drill location of the 2010 hole. The drill core was reviewed at the storage site in Fort Hope near the secure core logging facility.

ITEM 13: MINERAL PROCESSING AND METALLURGICAL TESTING

There has been no mineral processing research or metallurgical testing done on material from the Property.

ITEM 14: MINERAL RESOURCE ESTIMATES

There are no Mineral Resource estimates for the Property.

ITEM 15 TO ITEM 22: ADVANCED PROPERTIES

Items 15 to 22 are not applicable. This is not an “advanced property” and there are no mineral reserve estimates for the Property.

ITEM 23: ADJACENT PROPERTIES

Metalcorp Inc. has adjoining claims to the north of the Property. Their most recent work was in 2005 when they confirmed the known showings by taking grab samples. No further work has been reported.

Landore Resources Inc also have adjoining claims with Metalcorp and SLAM but no record of work has been reported on the claims.

The Zulapa deposit, located on the Eabametoong First Nation Reserve at Fort Hope, is described as gold bearing quartz veins in sheared quartz-feldspar porphyry (Darling, 1962). Significant gold mineralization as high as 26.86 g/t over 2.90 metres, from drill hole 53 on the Talbot Lake Property, is located west of the Property, and occurs within altered volcanics associated with a “feldspar-phyric quartz structure” (Kerr, 2000., Laudrum, D, 1990). These examples are not in the immediate area but do exhibit similar geology and mineralization. The presence of altered feldspar porphyries on the Property represents significant potential for gold mineralization. The author of this report has been unable to verify the above

information, and the information is not necessarily indicative of the mineralization on the Keezhik Property.

ITEM 24: OTHER RELEVANT DATA AND INFORMATION

The author is unaware of any further data or relevant information that could be considered of any practical use in this report. The author is not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

ITEM 25: INTERPRETATION AND CONCLUSIONS

In the author's opinion the work performed on the property to date has been adequate in demonstrating the presence of significant gold mineralization on the property, but is not adequate in defining the length, width, depth or continuity of the mineralization.

The cluster of zones and occurrences within the Property, particularly the porphyry contact area is indicative of the presence of a significant gold mineralized system. SLAM and previous workers have achieved a high success ratio using humus geochemistry combined with induced polarization and aeromagnetics to define drill targets for gold exploration. The recently completed high resolution aeromagnetic gradient survey is an additional tool for this gold exploration process.

Follow up work on areas with gold values of 1.147 g/t over 1.6 m and 5.64 g/t over 1.5 m from two separate chloritized shears hosted by quartz porphyry, 1.28 g/t gold over 0.9 meters and 6.04g/t over 1.5m, 1.32 g/t over 1.0m, 3.10 g/t over 0.5m and 4.69g/t over 1.0m are examples of drill ready targets on the Property. It is anticipated that the final results from the 2011 airborne magnetic survey will aid in the layout of future drill holes when following up on these results.

The cluster of zones and occurrences exhibits many proximal macro geological features that have been noted within Archean gold deposits worldwide that assist with the process of predictive mineral discovery:

- fold axial traces
- shear zones
- alteration zones
- feldspar porphyry and mafic dyke contacts
- magnetic lineaments
- stress induced structural features creating fluid conduits and depositional traps

At a more local level the following geological features add to the high probability of discovering more zones within the Property in addition to successful delineation of zones discovered to date:

- The presence of a favourable host lithology with a favourable geometric setting to form large deposits.
- The presence of carbonate-quartz veins and breccias extending outside the mineralization envelope.
- Multiple episodes of faulting, local shearing and emplacement of feldspar porphyry bodies, provide an important conduit for later mineral bearing fluids mixing with the earlier reducing fluids.
- Untested gold-in-humus geochemical anomalies in the vicinity of known gold occurrences and often associated with magnetic lineaments and magnetic lows.
- Widespread alteration associated with deformation zones in porphyry bodies as well as the volcano-sedimentary sequences.

Recent Australian Archean Au research (Neumayr, P et al. 2004) has noted a clear spatial relationship suggesting that the redox domain boundary has a strong control on tonnage as well as the grade. The reduced domain is located outboard of the oxidized domain with the oxidized domain being focused and enveloping the deposits. The reduced fluid conduits and domains contain only low levels of gold, if any (< 1 g/t, mostly around 0.1 g/t). Only really high-grade intersections are strongly focused at the domain boundary, but lower grades are more dispersed from the domain boundary.

The implication to this is that the sulphide-oxide mineralogy is an important mechanism to track the redox state of the hydrothermal fluid. Importantly, single minerals do not necessarily indicate a particular redox state and observation of assemblages is needed. For example, arsenopyrite and or pyrrhotite assemblages indicate reduced conditions and from reduced to oxidized conditions pyrrhotite-pyrite, magnetite-pyrite, hematite-pyrite assemblages are observed. For exploration purposes, in order to focus future drill targets within the discovered mineralized zones it becomes important to collect data sets which allow mapping of flow pathways and the chemistry of the hydrothermal fluids and also determine the location of zones where fluid chemistry changed dramatically, i.e. the location of chemical gradients. The best data sets to track chemical domains and zones of drastic change in the fluid chemistry (gradients) are:

- Sulphide-oxide mineralogy
- Multi-element, whole-rock geochemistry (pathfinders As, Sb, Hg, Te Ag, and W)
- Magnetite chemistry

No attempt has been made to determine if these general models apply to the Property. It is worth noting that Noramco tested a number of IP targets within the

feldspar porphyry prior to doing the humus geochemical surveys. For example, Hole KL87-14 hit significant disseminated pyrite mineralization. In general, there is no correlation between gold and pyrite in Hole 14. In fact, in Noramco holes on Zone KL12 and in later SLAM holes, the more highly altered drill core intervals with gold mineralization contain only trace to minor amounts of pyrite.

Success of the program could have a positive effect on the company and local area by allowing additional exploration programs putting more money into the local economies. Should a mine be found and developed this would lead to investment in the local infrastructure growth in the local community providing jobs in mining and increased business opportunities for local suppliers and entrepreneurs.

The property is in the early stages of gold exploration and as such there are significant risks and uncertainties such as the success of the proposed exploration program, global trend in gold prices and the ability to attain future funding due to market and economic conditions.

ITEM 26: RECOMMENDATIONS

Exploration targeting and further delineation work on the discovered zones at the Property should selectively incorporate the following into the exploration program as work in the area progresses:

- Further define local architecture (compilation of regional gravity, aeromagnetism, soil geochemistry, known gold occurrences, etc.).
- Link architecture with litho-geochemistry (mineral mapping, selective multi-element, whole-rock geochemistry, magnetite chemistry).
- Identify and target structural traps which are located proximal to chemical redox domain boundaries indicating a strong chemical gradient.

The following work is recommended to further advance the Property:

- Review and further compilation of all historical work towards a comprehensive database.
- Line cutting program of 30km in preparation for IP survey.
- Geophysical Survey including Induced Polarization and selective magnetic profiles.
- Selective testing of humus geochemical anomalies associated with linear deformation zones suggested by the high resolution magnetic gradient survey or identified by previous drilling.

- Step out drilling from known gold mineralization as found in Hole KL1019 and following the trend of humus gold anomalies which follow an aeromagnetic low feature along the feldspar porphyry contact with a potential strike length of 2,000 m across Keezhik peninsula.
- Field investigation of all humus geochemical anomalies including those of lower priority that do not warrant drilling at this time. Anomalies associated with structures that appear oblique to the regional stratigraphy should be prioritized before other stratigraphic targets. Geophysical features generated by the new airborne magnetic gradient survey or by the deep penetrating airborne geophysical survey, completed by the OGS, should be mapped and prospected in the field.

It is recommended that Zephyr's Phase One work on the project consist of a comprehensive compilation of all the previous work, geochemical sampling, geophysical surveying and structural mapping to produce a database to assist in identifying and prioritizing targets on the property. The line cutting should be oriented in the area of the porphyry/mafic volcanic contact so as to optimize the geophysical results. An orientation of 215/045 is suggested for the cross lines. Induced Polarization surveys will reveal areas of alteration and low sulphide mineralization which are key markers on the Property for gold especially in the area of KL1019 drill hole.

While this work will lead to new targets for drilling, or at least to modifications of current drill plans, it is the opinion of the author that Phase Two be contingent on the success of Phase One. The existing drill targets on the property are "drill ready" and the known zones justify drilling in order to better define the zones and they should be incorporated into Phase Two.

A budget of \$593,000 CDN is recommended to carry out the above work. It is the opinion of the author that the property merits the described work program.

26.1 Proposed Budget

Phase One

Compilation	
10 days @ \$600/day	6,000.00
Land Access	6,000.00
Line cutting 30 km @\$400/km.....	12,000.00
Geophysical Surveys	

IP: 20 km @\$2000/km.....	40,000.00
Magnetics: 20 km @\$150/km.....	3,000.00
Structural Mapping/prospecting	
1 geologist for 25 days @ \$800/day.....	20,000.00
1 assistant for 25 days @ \$400/day.....	10,000.00
Geochemistry sampling and assays	30,000.00
Transportation (helicopter, airfare, mileage etc.).....	50,000.00
Lodging and Food and Supplies.....	15,000.00
Reports and Maps.....	10,000.00
Contingencies	10,000.00
SUB-TOTAL.....	\$213,000.00
Phase Two	
Diamond Drilling	
1000 metres - \$350/m (all inclusive).....	350,000.00
Report and Maps	10,000.00
Contingencies	20,000.00
SUB-TOTAL.....	380,000.00
TOTAL.....	\$593,000.00

ITEM 27: REFERENCES

Note: Notations listed in the references below in the format “AFRI 52F05SW0031” refer to assessment files archived with the Ontario Ministry of Northern Development and Mines, Thunder Bay Resident Geologist’s Office, Thunder Bay, Ontario, and on the MNDM website (www.geologyontario.mndm.gov.on.ca/).

Burwash, E.M. (1929) Geology of the Fort Hope Area; Ontario Dept. of Mines, Vol. 38, Part 2, pp1-28.

Clarke, D. (2003) Miminiska-Keezhik Gold Project, Keezhik Lake Area, Technical Report Form 43-101 F1 for SLAM Exploration Ltd., 29p, SEDAR

Clarke, D. (2008) Assessment Report On The 2008 Diamond Drill Program, Keezhik Lake Property, SLAM Exploration Ltd. files.

Darling, G. B. (1962) Summary Report, Lac-Reserve Prospect; Little Long Lac Gold Mines Limited, Fort Hope Area, AFRI 42M12SW006

Keigher, J. & Taylor, M. 2010, Assessment Report On The 2010 Diamond Drill Program, Keezhik Lake Property, SLAM Exploration Ltd. files.

Kerr, W. C., 2000 Summary Report on a Diamond Drilling Exploration Programme, Talbot Lake, Ontario; Thunder Bay. MNDM Assessment Files

Laudrum, D., 1990 Placer Dome Inc. Project 232D, Report on Stripping and Drilling Programs, Talbot Lake, Ontario. Thunder Bay MNDM Assessment Files.

MacKay, B.J. (2004) Diamond Drill Report, Keezhik Lake Project for SLAM Exploration Ltd., Thunder Bay AFRI 52P16SW2001

Mason, J.K and White, G.D. (1995) Mineral Occurrences and Prospects in the Fort Hope – Winisk Area; Ontario Geological Survey, Open File Report 5926, 225p.

Neumayr, P., Walshe J.L., Hagemann S. (editors) (2002-2004) Camp to Deposit Scale Alteration footprints in the Kalgoorlie-Kambalds Area. Predictive Mineral Discovery – Cooperative Research Centre - Project Y3 Final Report, www.pmdcrc.com.au/

Prest, V.K. (1942) Geology of the Fort Hope Area; Ontario Dept. of Mines, Vol. 51, Part 3, 28p.

Stott, G. M. and Corfu, F. (1991) Uchi Subprovince; *in* Geology of Ontario, Ontario Geological Survey, Special Volume 4, Part I, p.145-236

Taylor, M., (1987) Noramco Exploration Inc., 1987 Exploration Program, Hinzer Option Claims – Keezhik Lake, Fort Hope Area, Ontario, AFRI 52P16SW0002

Taylor, M., (1988) Pure Gold Minerals Inc., 1987-1988 Exploration Program, Report 16, Cadman Project, Keezhik Lake, Fort Hope Area, Ontario, AFRI 52P16SW9420

Taylor, M., (1988) Pure Gold Minerals Inc., 1987-1988 Exploration Program, Report 17, Keezhik Lake, Fort Hope Area, Ontario, AFRI 52P16SW0004

Thurston, P.C. and Carter, M.W. (1970) Operation Fort Hope; Ontario Department of Mines and Northern Affairs; M.P. 42, 64p.

DATE AND SIGNATURE PAGE

This report titled "Technical Report on the Keezhik Project, Thunder Bay Mining Division, Northwestern Ontario", and dated August 2, 2011 was prepared and signed by the following author:

Dated at Thunder Bay, Ontario
August 2, 2011

"Robert T. Chataway"

Robert T. Chataway, P.



CERTIFICATE OF QUALIFICATIONS

R. T. Chataway, P.Geo.

139 Peter Street
Thunder Bay, Ontario P7A 5H6
Telephone (807) 344-8151
Email: chataway@tbaytel.net

CERTIFICATE OF QUALIFIED PERSON

I, Robert T. Chataway, P.Geo. (#1696) do hereby certify that:

1. I am a consulting geologist working as a sole proprietor from Thunder Bay, Ontario
2. I graduated with the degree of Bachelor of Science from the University of B.C. in 1970 in Geology.
3. "Technical Report" refers to the report titled "Technical Report on the Keezhik Project, Thunder Bay Mining Division, Northwestern Ontario", and dated August 2, 2011.
4. I am a registered Professional Geoscientist with the Association of Professional Geoscientists of Ontario (#1696) and a member of the Ontario Prospectors Association and the Prospectors and Developers Association of Canada.
5. I have worked as a Geologist for 40 years since my graduation from university. I have worked in the same geological belt of rocks as the Property on drilling and mapping projects in Red Lake, Pickle Lake and Ft. Hope intermittently from 1994. These projects included core logging, geological mapping and reporting and recommendations for more exploration.
6. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements as a Qualified Person for the purposes of NI 43-101.
7. I was the Project Geologist on the exploration program in 2008 on the Keezhik Project (the "Property") and most recently visited the Property on June 28, 2011 to inspect the 2010 drill hole location and core and sampling data.
8. I take responsibility for all Items, one to 27, of the Technical Report, dated August 2, 2011.
9. I am independent of the party or parties (the "issuer") involved in the transaction for which the Technical Report is required, other than providing consulting services, and in the application of all of the tests in section 1.5 of NI 43-101.

10. I have worked on the mineral property that forms the subject of this Technical Report on several of the exploration programs described herein.
11. I have read NI-43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that Instrument and Form.
12. As of the date of this certificate, and to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 2nd day of August, 2011.

SIGNED and SEALED

"Robert T. Chataway"

Robert T. Chataway, P.Geo.

