BINDER #1

GEOCHEMICAL SAMPLING, TRENCHING AND DIAMOND DRILLING
ASSESSMENT REPORT FOR 2007
FRASERGOLD PROPERTY, WILLIAMS LAKE AREA, BRITISH COLUMBIA

HAWTHORNE GOLD CORP.

Prepared For
Hawthorne Gold Corporation
Suite 1580 – 505 Burrard Street
Vancouver, British Columbia
V7X 1M5

Event Number 4250879
Mine Permit No: MX-10-216

Cariboo Mining Division, British Columbia
Property location approximately 50 km east of Horsefly, BC, 100 km east of William Lake, BC, & 230 km southeast of Prince George, BC.

NTS Map Sheet 093A02, 07
UTM Coordinates NAD 1983, Zone 10N
52° 17’ 30.16” North Latitude and 120° 38’ 1.5” West Longitude

Dates of Work: January – December 10, 2007

Operator: Hawthorne Gold Corporation

Owner of Claims: Hawthorne Gold Corporation

Prepared by: Jim Sparling, P.Geo, MBA, Exploration Manager, Hawthorne Gold Corporation

Supervised by: Mike Petrina, P.Eng., VP Operations, Hawthorne Gold Corp.

Date Submitted: December 8, 2008

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1. Introduction, Property Location, Access, Property Agreements and Mineral Claims

1.1 Check Assays

Planning for the geological exploration program began in January 2007 with senior management from Adriana Resources Inc. ('Adriana') reviewing Frasergold data, geology and structural information. Adriana and Hawthorne Gold Corporation ('Hawthorne') share management at the senior level. In January 2007, Gordon Addie, P.Geo, VP Hawthorne, began a preliminary review of the Frasergold Property and area, along with preliminary survey grid layouts.

This report summarizes the construction of the Frasergold exploration camp along with the compilation work conducted in preparation for the field season geochemical rock sampling, trenching, underground channel sampling and bulk sampling programs as well as the fall diamond drill program. All programs were successfully completed over the period from January 1st to December 31st, 2007 with the actual diamond drill program completed from September 3rd – December 10th, 2007. The additional time required prior and post field season were needed for data compilation, data review and report writing. All full size maps pertaining to this report are contained within sleeves in the appendix of this report.

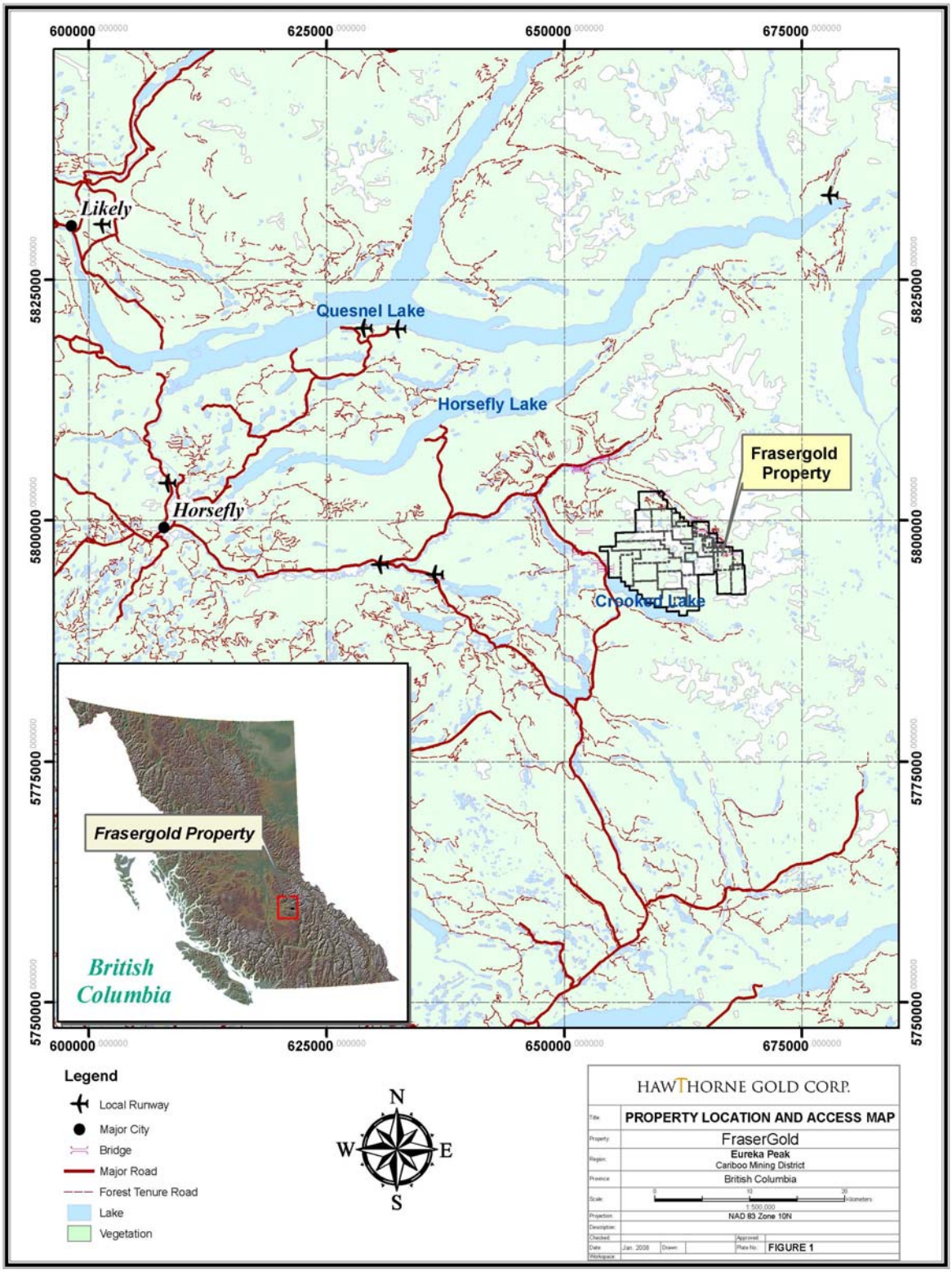
1.2 Property Location

The Frasergold Property claims are located approximately 50 kilometers east of the village of Horsefly, BC and 100 kilometers east northeast of city of Williams Lake, BC located on NTS map sheets 093A02, 07 at approximately 52° 17' 30.16" North latitude and 120° 38' 1.5" West longitude. The property outlined for assessment comprises 41 contiguous quartz mining claims covering approximately 10741 hectares within the Mackay River valley, a tributary to the Horsefly River. Please refer to **Figure 1**.

1.3 Access

The property is road accessible by a series of paved and gravel surfaced roads that lead east northeast from Williams Lake to the village of Horsefly and along the Horsefly River to Mackay River. Recent logging activities have provided a series of tracks that provide good access to most of the exploration areas on the property.

Figure 1 - Property Location



2. Property Agreements and Mineral Claims

Hawthorne has entered into a number of separate option and purchase agreements on the Frasergold property and immediately surrounding claims groups, and now owns or has option agreements on 41 claims. The entire claim block comprises approximately 10741 hectares within the Mackay River valley. Individually many of the legacy claims overlap with the Mineral Titles Online (MTO) system, and consequently the total area of all individual claims is 11,293 hectares. The option agreements are with Eureka Resources Inc. (“Eureka”), Dajin Resources Corp. (“Dajin”), Bob Bourdon (“Bourdon”) and Lloyd Addie (“Addie”), and are as follows.

Hawthorne entered into an agreement with Eureka Resources Inc. (“Eureka”) dated October 31, 2006 that provides Hawthorne the right to acquire up to a 51% interest in the Frasergold property by completing exploration expenditures totaling $3,500,000 including a Feasibility Study by April 30, 2010 and making cash payments totaling $175,000 before October 31, 2009. Hawthorne may earn an additional 9% in the property (for a total of 60%) by arranging 70% financing of capital costs for Eureka. The land covered by this agreement includes 11 legacy mineral claims located prior to the current Mineral Titles Online (“MTO”) system and seven additional claims located under the MTO system for a total of 2,866 hectares all located within the Cariboo Mining Division of central British Columbia.

Hawthorne entered into an option agreement ("Dajin Agreement") with Dajin Resources Corp. ("Dajin") dated May 29, 2007 to acquire eighteen mineral claims covering 7,930 hectares. These claims are adjacent to the Hawthorne optioned Frasergold Property owned by Eureka Resources Inc. Certain mineral claims in the Dajin Agreement fall within the two kilometer perimeter surrounding the optioned Frasergold Property. Under the terms of the Dajin Agreement, Hawthorne can earn a 70% (and up to 100%) working interest in the claims by paying $100,000 in cash on signing and incurring $500,000 in exploration expenditures on the property over the next three years, including $150,000 in the first year. On the exercise of the option, Dajin may elect to either remain a 30% working interest partner or, for no additional consideration, convert its 30% working interest into a 2% net smelter return.

Hawthorne entered into an option agreement ("Bourdon Agreement”) to acquire a mineral claim from Robert Bourdon ("Bourdon") dated June 6, 2007. This property is located between the Hawthorne-optioned Frasergold Property owned by Eureka Resources Inc. and the newly optioned Dajin Resources Corp. optioned property. The 296.52 hectares mineral claim optioned from Bourdon falls within a two kilometer 'Area-of-Interest' clause and is an expansion of the original optioned Frasergold Property. Under the terms of the Bourdon Agreement, Hawthorne can earn a 100% interest in the claim by paying $140,000 in cash and issuing 70,000 shares over three years, including $20,000 cash and 10,000 shares on regulatory approval. Bourdon will retain a 2% net smelter return of which half can be purchased by Hawthorne for payment of $1 million. Hawthorne is also obligated to issue 150,000 common shares to Bourdon if the property is the subject of a positive feasibility study.

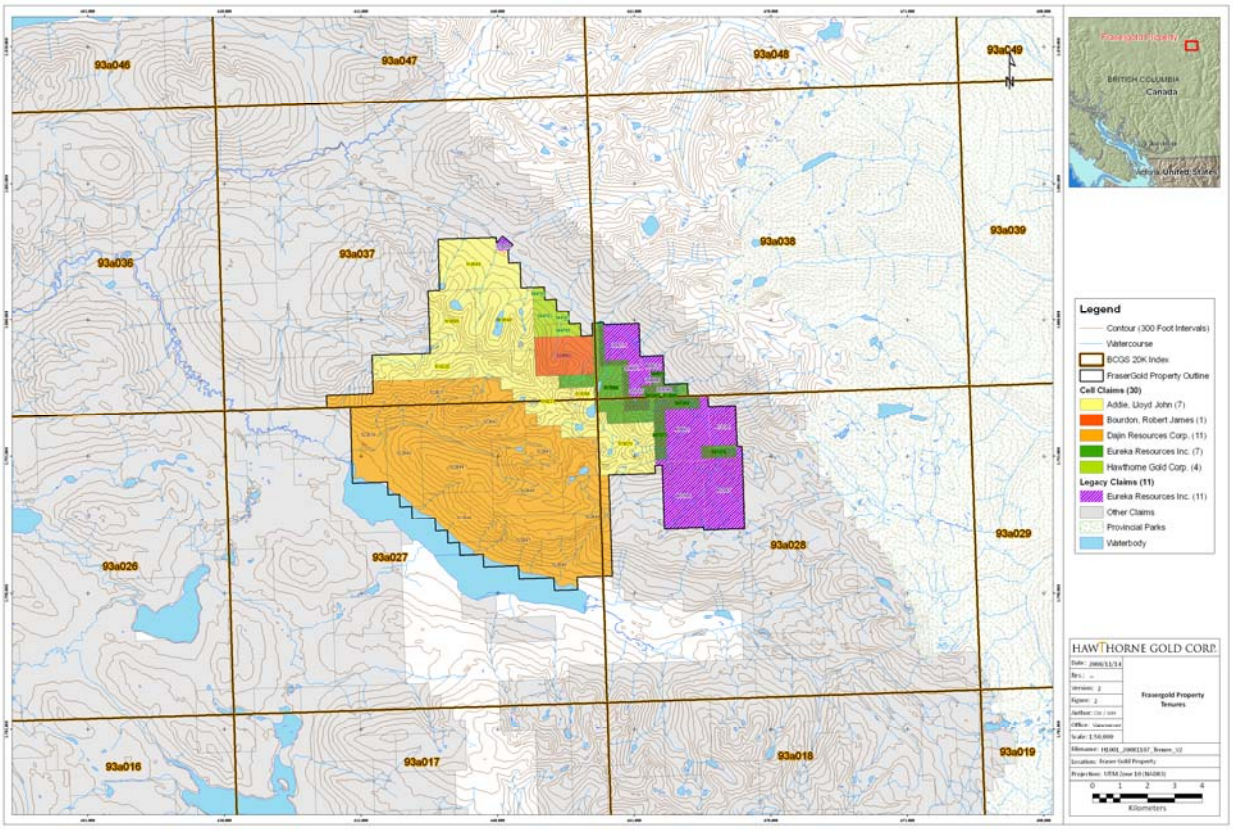
Hawthorne entered into a letter agreement dated September 26, 2007, to acquire 100% of four mineral claims from Lloyd Addie ("Addie") covering 197.62 hectares. Consideration for the acquisition was 50,000 common shares of the Company which were remitted in September 2007. Addie will retain a 2% net smelter return of which half can be purchased by the Company for payment of $1 million. The Claims are immediately adjacent to Hawthorne's existing property optioned from Eureka Resources Inc. A portion of the mineral claims acquired from Addie falls within a two kilometer 'Area-of-Interest' clause and is an expansion of the original optioned Frasergold Property.

The mineral claims are centered on Eureka Peak and the Eureka Peak syncline. With the addition of the purchased and optioned mineral claims, Hawthorne has greatly expanded its exploration potential in the area. The claims and registered owners are listed in **Table 1**.

Table 1 Frasergold Claims

Tenure Number	Claim Name	Owner	Good To Date	Area (Ha)
204214	MAC	Eureka Resources Inc.	2011/Jan/10	225.00
204347	KAY #10	Eureka Resources Inc.	2011/Jan/10	150.00
204348	KAY #11	Eureka Resources Inc.	2011/Jan/10	50.00
204887	MAC 9 FR.	Eureka Resources Inc.	2011/Jan/10	25.00
204896	MAC 11 FR	Eureka Resources Inc.	2011/Jan/10	25.00
378209	L-1	Eureka Resources Inc.	2011/Jan/10	25.00
402366	KAY #10	Eureka Resources Inc.	2011/Jan/10	375.00
402367	KAY #11	Eureka Resources Inc.	2011/Jan/10	450.00
405520	J#1	Eureka Resources Inc.	2011/Jan/10	100.00
405682	KAY #9	Eureka Resources Inc.	2011/Jan/10	500.00
413226	J#2	Eureka Resources Inc.	2011/Jan/10	150.00
547367	H#1	Eureka Resources Inc.	2011/Jan/10	19.77
547369	H#2	Eureka Resources Inc.	2011/Jan/10	59.32
547372	H#3	Eureka Resources Inc.	2011/Jan/10	79.11
547374	H#4	Eureka Resources Inc.	2011/Jan/10	59.34
548514	EUR # 1	Eureka Resources Inc.	2011/Jan/10	19.77
517995	NUGGET	Eureka Resources Inc.	2011/Jan/10	59.31
517996	IMPERIAL	Eureka Resources Inc.	2011/Jan/10	494.31
518548	GOLD SOURCE	Addie, Lloyd John	2011/Jan/10	498.01
518549	SED HOSTED GOLD	Addie, Lloyd John	2011/Jan/10	493.73
518585	HEADWATERS	Addie, Lloyd John	2011/Jan/10	395.11
519070	GEORGE	Addie, Lloyd John	2011/Jan/10	494.51
519220	SYNGOLD	Addie, Lloyd John	2011/Jan/10	474.30
519221	CAPROCK	Addie, Lloyd John	2011/Jan/10	474.53
519386	PATCH	Addie, Lloyd John	2011/Jan/10	39.55
522637	GOLD	Dajin Resources Corp.	2011/Jan/10	474.39
522639	GOLD	Dajin Resources Corp.	2011/Jan/10	474.48
522640	GOLD	Dajin Resources Corp.	2011/Jan/10	474.58
522642	GOLD	Dajin Resources Corp.	2011/Jan/10	474.56
522643	GOLD	Dajin Resources Corp.	2011/Jan/10	474.72
522644	GOLD	Dajin Resources Corp.	2011/Jan/10	474.67
522645	GOLD	Dajin Resources Corp.	2011/Jan/10	474.83
522646	GOLD	Dajin Resources Corp.	2011/Jan/10	474.86
522647	GOLD	Dajin Resources Corp.	2011/Jan/10	474.01
522648	GOLD	Dajin Resources Corp.	2011/Jan/10	474.97
522649	GOLD	Dajin Resources Corp.	2011/Jan/10	316.75
524992	EUREKA	Bourdon, Robert James	2011/Jan/10	296.52
544763	EUREKA	Hawthorne Gold Corp.	2011/Jan/10	98.81
544765	MISSING	Hawthorne Gold Corp.	2011/Jan/10	59.29
544767	ADD ON	Hawthorne Gold Corp.	2011/Jan/10	19.76
544769	ANOTHER	Hawthorne Gold Corp.	2011/Jan/10	19.76
			Total	**11292.63**

Figure 2 - Frasergold Property Claim



3. History, Economic and General Assessment, and Adjacent Properties

Most of the following information was derived from technical reports supplied by Hawthorne Gold Corporation, including March 2007 and January 2008 NI43-101 reports.

3.1 History, Economic and General Assessment

The first record of work being conducted in the vicinity of the Frasergold property was in the late 1970's by Clifford E. Gunn who prospected the area after researching historic references to the placer gold potential of the region. During 1978 and 1979 he staked claims and prospected the area to cover a panned gold anomaly discovered in Frasergold Creek, from 1980 to 1982 the ground was optioned by Keron Holdings Ltd. and NCL Resources Ltd. A geology map was produced after preliminary soil and rock geochemical surveys were completed over the property, with results revealing a 10 kilometer long zone containing anomalous gold values from soil samples that was suspected to have a stratigraphic control.

In 1983 Eureka acquired the property and optioned it to Amoco Canada Petroleum Co. Ltd. ("Amoco"), during 1983 and 1984 Amoco collected rock and soil geochemical samples and conducted limited electromagnetic and magnetic surveys. Amoco also drilled 14 diamond drill holes totaling 4,519 meters, with 12 of the drill holes producing coarse visible gold. Anomalous intersections had values ranging from 0.023 oz Au /t over 7.5 meters to 0.342 oz Au /t over 1.5 meters, Amoco terminated the option agreement at the end of these programs and returned the property to Eureka.

Eureka continued exploring the Frasergold property in 1985 and 1986 and completed further soil and rock chip geochemical sampling, trenching and bulk sampling, reverse circulation and diamond drilling, metallurgical testing and an I.P. survey. Four holes totaling 406.5 meters were completed by reverse circulation drilling, and eighteen diamond drill holes, totaling 2,021 meters were completed in three areas. Twelve of the 18 holes had sections with visible gold and anomalous values ranged from 0.057 oz/t over 39.0 meters (hole 86-2) to 1.311 oz Au /t over 1.5 meters (hole 86-18).

A surface bulk sampling program was completed in 1985 by selecting eight sites for excavation. A total of 56 samples were collected and analyzed for gold content by fire assay. One sample, 86-12-2A from the Jay Zone, was submitted to Coastech Research Inc. who milled the material and completed cyanidation testing on the sample. Results from the cyanidation work were compared to the standard fire assay analyses. The mean fire assay (FA) values from the 56 samples varied from 0.06 oz Au/t to 0.128 oz Au/t. Coastech split bulk sample 86-12-2A into 24 composites and completed cyanidation leach metallurgical work on the samples. Leishman and Campbell (1986) report that the bulk sample FA assay results varied from 0.150 oz Au/t to 1.021 oz Au/t, with a weighted average of 0.479 oz Au/t. The gold content of bulk sample 86-12-2A was determined to be 0.137 oz Au/t (Marchant, 1985).

Eureka constructed a core storage facility to securely store all core from the 1986 and previous programs. The core storage building was located at a logging camp on the Horsefly River at the junction of the Horsefly River road and the road to Crooked Lake.

In 1987 Southlands Mining Corporation ("Southlands") undertook an option on the Frasergold property, with Eureka as operator. Southlands constructed and sampled eight trenches totaling 660 meters, and completed 21 reverse circulation holes totaling 1,710 meters.

In late 1987, Southlands optioned a portion of their interest to Sirius Resources Corp. ("Sirius"). Sirius completed 17 diamond drill holes totaling 1,536 meters, drilled 37 reverse circulation holes totaling 2,456 meters, and excavated 184 meters of underground workings to provide 524 tonnes of material for bulk sampling.

In the fall of 1988 Sirius completed work in the Eureka Peak zone, collecting 478 soil samples over a closely spaced grid, collecting 27 rock chip samples from hand trenches and drilling six diamond drill holes totaling 862 meters producing varying anomalous gold assay results.

In August 1989 a legal dispute between Eureka and Southlands over the validity of the option and joint venture agreement was resolved. During September, 1989, Eureka completed a program of underground channel sampling (284 samples), muck sampling (74 samples) from untested rounds, drill core sampling (297 samples) and relogging and geological mapping of underground workings.

In 1990, Eureka entered into a joint venture agreement with Asarco Company of Canada Ltd. (Asarco). During the period 1990 and 1991, Asarco drilled 25 diamond drill holes totaling 4,687.2 meters, and 156 reverse circulation holes totaling 15,720 meters. Four 1.25 ton bulk samples were collected in 1990 for metallurgical testing by Bacon, Donaldson and Associates Ltd. The average composite grade of these bulks samples was 0.068 oz Au/t while preliminary tests indicated gold recoveries ranging from 87 to 92%.

In 1991 the underground workings were lengthened by 114 meters, these workings produced 1,591 tons of material that was divided into nine lots for off-site milling. The calculated average grade of this material was 0.027 oz Au/t. By utilizing the drill hole and underground sample data K.V. Campbell, W. Gruenwald, L. Walters and M. Schatten prepared a 1991 report for Asarco Inc. and Eureka Resources Inc. which stated there is an "in situ resource" of 3,396,970 tons at an average grade of 0.05 oz Au/t within the Main Zone portion of the Frasergold property. The figures presented above do not conform to currently accepted CIM standards or NI43-101 Standards of Disclosure for mineral exploration projects, and should not be relied upon. Campbell et al (1991) emphasize that this is not an estimate of "ore reserves", which require detailed engineering and cost estimation. The exploration work completed to provide data for the above resource estimation was conducted using then acceptable industry best practices by professional people and recognized laboratories. This work would require confirmation testing to determine the validity of the results reported. These calculations are not CIM compliant and therefore do not fulfill NI 43-101 reporting standards and should not be relied upon. However the work provides relevant data on the Frasergold project and is provided from sources believed to be reliable. The figures are presented here for historical context only and have not been relied upon by the authors as the sole means of determining the merits of the Frasergold property.

In January, 1991, the mining, geological and geotechnical engineering firm James Askew Associates, Inc. of Englewood, Colorado was commissioned by Asarco to conduct a pre-feasibility study of the Frasergold project. This study does not conform to the current usage of a pre-feasibility study as defined by NI43-101, and should not be relied upon. The Askew report does not take into account economic, mining, metallurgical, environmental, social or governmental factors. As part of this study, Askew completed "In Situ Reserves/Resources" for the project using hand drawn polygonal methods. The basis for drawing these mineralized envelopes was data collected by Asarco and others which is believed to be reliable. Askew used a 0.03 oz Au/t cutoff with a minimum true width thickness of three meters. Assays greater than 0.60 oz Au/t were cut to 0.60 oz Au/t. Zones of gold mineralization were extended half way to the

adjacent section and were extended 75 meters downdip. A specific gravity of 2.7 was used in the calculations.

Based on these parameters, Askew (1991) summarized the gold mineralization at the Frasergold property as 6,612,675 tons of mineralized material at an average grade of 0.055 oz Au/t to represent 362,825 ounces of gold. Askew (1991) does not categorize the mineralized material due to "the comparatively small amount of geological and assay data for such a long strike length". The volume and gold content estimates used by Askew (1991) do not conform to the "CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines", issued in 2000 and modified with adoption of the "CIM Definition Standards – For Mineral Resources and Mineral Reserves" in 2005. The resource estimate provided by Askew (1991) does not use CIM compliant calculations and therefore do not fulfill NI 43-101 reporting standards, and should not be relied upon. However the Askew (1991) report is relevant to the current review of the Frasergold property as it provides an indication of the scope and depth of exploration conducted on the project.

A Qualified Person has not conducted sufficient work to classify the above noted historical estimate as current mineral resources, the authors and Hawthorne are not treating the historic estimate as current mineral resources and the historic resources should not be relied upon.

In 2007 Hawthorne conducted a major exploration program on the property, most of which is subject of this report. The 2007 drill program was laid out to test four previously defined zones of interest; including the Main Zone, the Grouse Creek West Zone, the Grouse Creek East Zone and the Frasergold Zone. A total of 16 HQ core size diamond drill holes totaling 3,615 meters and were drilled over a period of 3 ½ months, with an average depth of 226 meters.

Between 1980 and 2007 it is estimated that $11.26 million has been expended on the exploration of the Frasergold property. A total of 39,582 meters of drilling in 344 holes has been completed on the property, along with 298 meters of underground drifts to provide access for bulk sampling and metallurgical testing.

3.2 Adjacent Properties

There are no mines in the immediate vicinity of the Frasergold Property. The closest operating mine is Imperial Metal Corporation's Mount Polley copper-gold porphyry deposit located 30 kilometers to the northwest. Numerous gold and copper prospects are located throughout the region, including the Woodjam property 15 kilometers south of the village of Horsefly, Spanish Mountain 40 kilometers to the north by the town of Likely and QR past producing mine site 50 kilometers northwest.

4. Geological, Structural Description and Deposit Model of Project Area

4.1 Geological and Structural Description

The Frasergold property straddles the boundary between two major tectonic belts of the Canadian Cordillera; the Omineca Tectonic belt lies on the east side of the property while the Intermontane Belt occupies the west and central portions of the property. Three regional tectonostratigraphic terranes are present; Kootenay, Slide Mountain and Quesnellia terranes. The Slide Mountain and Quesnellia terranes are part of the Intermontane Belt which has been accreted eastward onto the Kootenay terrane of the Omineca Belt. The Eureka Thrust forms the tectonic boundary between these two Belts.

In the project area the Omineca Tectonic Belt is represented by Hadrynian to early Paleozoic quartz-mica schists and gneisses of the Snowshoe Group. These make up part of the Kootenay terrane; pericratonic, intensely deformed, variably metamorphosed rocks which appear to be stratigraphically related to ancestral North America. The Omineca Tectonic Belt is known for its prevalence of gold and tungsten mineral occurrences such as those in the Barkerville gold mining camp to the north of the property. The Quesnellia Terrane is composed of metavolcanic and phyllite rocks of Permian to Jurassic age. Numerous copper and gold deposits occur within this package of rocks, including the Mt. Polley mine 40 kilometres north of Frasergold.

The northwest trending, shallowly plunging, Eureka Syncline and Perseus Anticline are the dominant interpreted structures in the region. Well developed, northeast striking, near vertical extension joints are clearly manifested in the drainage pattern of the Eureka syncline. Towards the nose of the syncline, southeast of the project area, the syncline becomes overturned to the southwest with axial planes dipping steeply northeast, northeast of the MacKay River the northeast limb is also overturned to the southwest, however the syncline is upright in the area of the property. The core of the Eureka Syncline is occupied by Takla Group basic volcanic rocks consisting of basalt, augite porphyry flows, tuffs and volcanic breccias that have been metamorphosed to a low grade. The contact with the underlying sediments of the Quesnel River Group has been interpreted as a fault.

All of the pre-Tertiary rocks in the area are affected by regional dynamothermal metamorphism, with the lowest grades exposed along the Horsefly River road where clastic textures are preserved. In the Eureka Syncline, the metamorphic grade of all units increases towards the Perseus and Boss Mountain anticlines. Large areas reach medium grade amphibolite facies metamorphism and some rocks in the cores of the nearby anticlines reach the kyanite-staurolite-fibrolite zone and are associated with pegmatites. The age of the folding and metamorphism is considered to be Jurassic to early Cretaceous.

The northwest trending MacKay River valley appears to mark a major zone of vertical or near vertical fracturing. At this location the upper Triassic Quesnel River Group is sandwiched between two more competent units; younger intrusives and volcaniclastics to the south and older amphibolites, schists and gneisses to the north and east. Shearing and faulting appears to have been concentrated in the incompetent phyllite units striking along the valley.

4.2 Geological Model

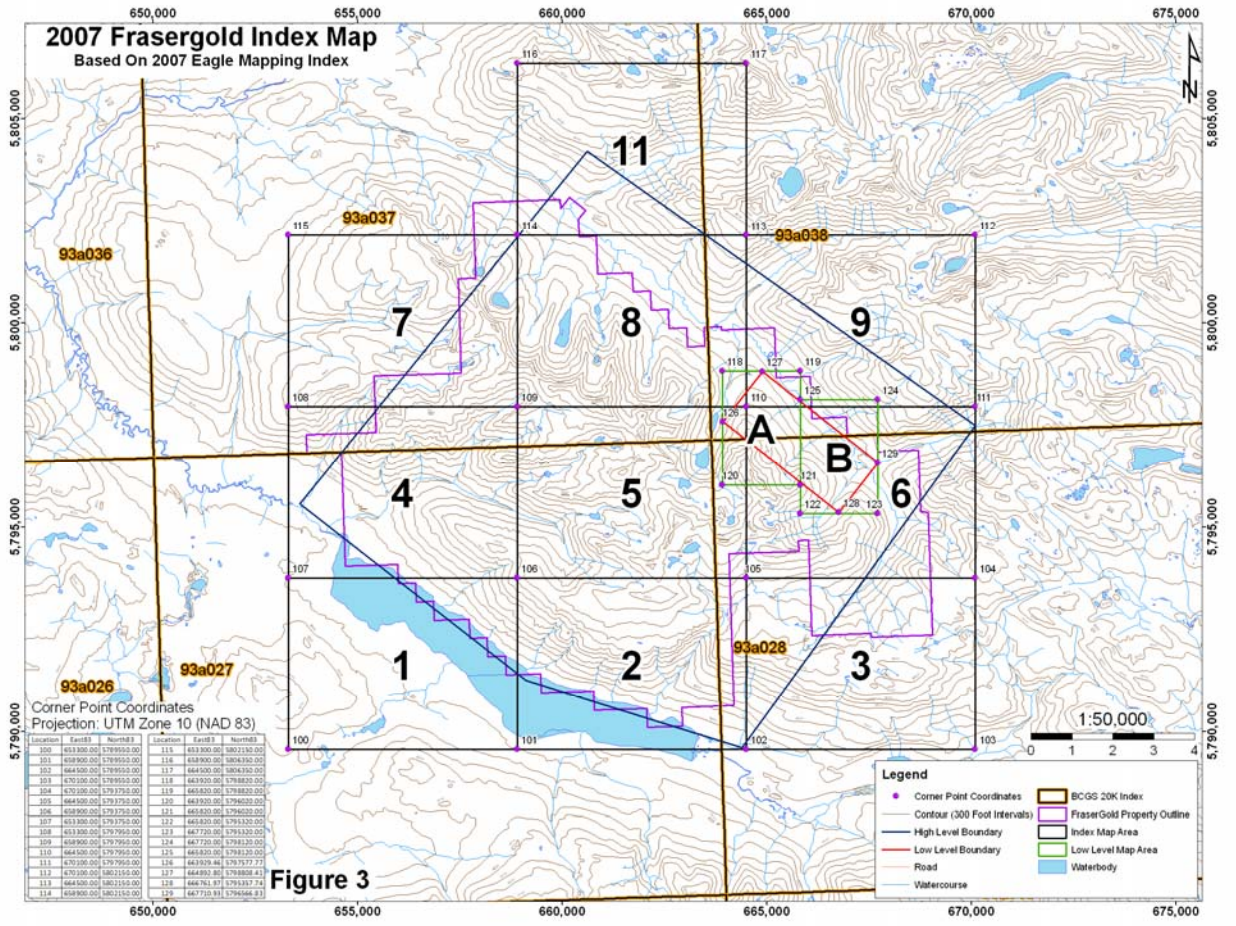
The mineral claims are centred on Eureka Peak and the Eureka Peak syncline. Two styles of gold mineralization are known within this portion of the syncline. The Frasergold gold-quartz zone is hosted within graphite rich (5-40%) phyllitic sediments and is located on the east limb of the syncline, whereas the Eureka Peak gold-sulphide mineralization is found closer to the core of the fold, near the base of

volcanics that overlay the sediments. Both styles of gold mineralization fit within the Orogenic Gold model currently being applied to mineralization within the Cariboo Gold Belt. Deposits within the Orogenic Gold model range in size up to multi-million ounce deposits and include such noted examples as McRaes Flat (New Zealand), Paracatu (Brazil) and Sukhoi Log (Russia). The Frasergold zone mineralization appears to fit the orogenic lode-gold deposit type; gold tends to occur in quartz veins with coarse particulate gold occurring in segregations of stringers, veins, boudins and mullions. Gold has also been commonly observed as fine anhedral grains set in quartz often near the margins of veins. The gold also appears to be associated with sulphides, including pyrrhotite, pyrite and minor chalcopyrite and sphalerite. Petrographic studies show that a major part of the gold occurs with medium to coarse grained pyrite and pyrrhotite aggregates throughout the mineralized zone. Overall the sulphide content of the Frasergold zone varies from Tr-12% sulphides, and averaging about 2-3% sulphides. Pervasive low grade gold mineralization is also found within the knotted phyllite strata where quartz is absent, however the gold also appears to be associated with sulphides within the phyllitic strata. In most or all cases the phyllitic metasediments are graphite rich, with Tr-3% chlorite alteration.

5. Generalized Description of 2007 Exploration Program

The Frasergold 2007 exploration program started in January of 2007 with the acquisition of a large volume of paper data and was carried through until the end of December 2007 when a diamond drill program was completed for the year. The Index map of the Frasergold property is shown in **Figure 3**; this map displays the larger Frasergold property area, as well as the areas within the map which encompass more detailed map figures contained within this report. All maps contained within this report are in **Appendix A**.

Figure 3 - Index Map



5.1 Geological Compilation and Planning

After optioning the Frasergold property a large volume of historical paper data was provided including reports, paper assay data, maps, drillhole cross-sections along with varying amounts of digital data. The objective of the data compilation was to validate as reasonably possible data quality and reliability, and to allow for easier use of the data in order to assist with the 2007 field exploration program. This initial compilation was completed with limited exploration personnel.

During this period of time senior management also began the process of planning the exploration program, the eventual hiring staff prior to the beginning of the field season in June of 2007, sourcing and acquiring field supplies and gear. Compilation and validation of historical data was therefore required to allow for proper planning for the 2007 field exploration season, which ultimately included, camp construction, reconnaissance mapping, geochemical rock sampling programs, trenching and geochemical sampling, underground geochemical channel and bulk sampling and a drill program.

Hawthorne Gold Corp. utilized a number of Geologists to review, index, validate, compile, and convert large amounts of historical geological maps, sections, reports, assay data and drilling data. Initial compilation was completed during the period of March through to June 2007, with ongoing compilation continuing until the end of the exploration season. The initial compilation was conducted by Geologist Sam Slaney, under the guidance of Gordon Addie, VP Hawthorne Gold Corp. and Michael Redfearn, VP Operations Hawthorne Gold Corp. On April 16th, 2007 Project Geologist Agzim Muja was hired to oversee the project and assist with the compilation. Compilation consisted of review of data and digital entry of data into useable formats such as spreadsheets, entry and validation of geochemical data into spreadsheets, and creation of digital maps and sections.

Starting on May 22nd, 2007 Geologists Sheri Bert and Tammy Perry were hired to work in the field. Over the course of the exploration season a total of seven Geologists were hired or contracted to work on the project, along with nine geological assistants and one camp manager. Their duties and responsibilities ranged from management of the project, supervision and overseeing the construction of the camp, conducting various geochemical sampling programs, supervision of support staff, data acquisition and recording thereof, logging core, drill supervision and report writing. Throughout the season additional support staff, labourers and carpenters were hired to assist with camp supervision and construction, with the number of labourers and support staff varying between five and ten personnel.

In addition to the support staff, four heavy equipment contracting companies were used at various times throughout the exploration program, including:

1. G. & S. Logging Co. Ltd., which supplied a 2054 Excavator and 850j Cat.
2. Harpers Lake Development Ltd., which assisted with building drill access roads, hauling fill for the roads and digging trenches.
3. Can-Co Contracting, which hauled gravel and rock for road construction.
4. Horsefly Bay Construction Ltd., which provided a CAT 312 Excavator, D7 CAT and Dump Truck for drill access road construction, drill pad construction, hauling fill for the roads and snow clearing late in the year.

In early September a drilling crew of five from SCS Diamond Drilling arrived to begin the fall/winter diamond drill program.

5.2 Road Clearing and Camp Construction

A 2054 Excavator, Packer and 850j CAT owned or leased by G. & S. Logging Co. Ltd. were mobed into the planned Frasergold camp staging area starting on May 6 through to May 10th, 2007. Snowploughing and road clearing started on May 16th through to May 26th, with the clearing and rehabilitation of historical access roads to the Frasergold mine portal area.

Construction of the Frasergold exploration camp began on June 1st, with ground preparation, the exploration camp site is located at 660300E and 5802800N UTM Zone 10 (NAD83). The objective of building the Frasergold camp was to allow for easy access to the exploration site as well as to provide food and accommodations to a large exploration crew, support staff and drilling personnel. The camp after final construction consisted of eight trailers, with one of the trailers isolated for the drill crew, along with a large 6 x 30 metre core logging/core cutting/geological office, core storage racks, one large metal Quonset garage, various storage sheds, a large fuel system consisting of a series of above ground fuel storage tanks with cement berms in place for safety factors, two large generators and a wooden helicopter landing pad. The camp was serviced by a water well for drinking, septic system for sewage and grey water, along with concrete and wooden sumps used to collect drill core cutting fines. The core storage racks were built to safely store core from the 2007 diamond drill program and to keep the core out of the elements for future reference. The main camp and accommodation facilities were completed on July 15th, with most of the exploration crew and support staff moving into the camp on that date. Local exploration staff, support crews and construction crews lived in Horsefly, or the area, and commuted to work each day. The final building constructed was the large metal Quonset garage, which was completed on December 15th, 2007. The building was constructed to securely store equipment, core and building materials, and to allow for a place where the support staff could safely and efficiently carry out their responsibilities.

The Frasergold Property Claims group consists of 41 claims, with the entire claim block comprising approximately 10741 hectares within the Mackay River valley. Individually many of the claims overlap and consequently the total area of all claims is 11,293 hectares. The property lies on the western flank of the Cariboo Mountain Range at elevations varying from 1,200 to 2,425 meters; the northwest – southeast trending Crooked Lake defines the southwest boundary of the flight block.

6. Geological Reconnaissance Mapping and Sampling Program – Objective and General Information

6.1 Objective

The objective of the reconnaissance mapping and geochemical survey was to identify and record surficial outcrop and subcrop lithologies, stratigraphy, stratigraphic contacts, and structures to assist with potential identification of underlying lithologies, stratigraphy and structures, and to enhance opportunities of the 2007 diamond drill program and future exploration programs. The geological crews also collected rock samples along drainages, road cuts and at outcrops while reconnaissance mapping. These samples were collected and assayed with results potentially directing the exploration team to areas of interest that may have previously been missed by earlier exploration programs, as well as to potentially outline new areas for surface exploration and drilling.

6.2 General Information

This section of the report summarizes the period of time that the exploration team conducted reconnaissance mapping, recording of such data and collection of geochemical rock samples. The mapping and geochemical surveys occurred between June 4th, 2007 and September 5th, 2007. Three Geologists mobbed into Horsefly, BC on June 2nd, these Geologists were Agzim Muja, Sheri Bert and Tammy Perry with Sam Slaney arriving on June 14th. Geological assistants were also hired with most living locally in the area, the first two assistants, Matthew Williams and Ron Horvath began work on July 2nd, following this date another 7 assistants arrived at various later dates and worked for varying periods of time with one working until December 21st, 2007. Initially the four Geologists were based out of the Horsefly Motel in Horsefly for the period of June 1st to July 15th while the 32-man exploration camp was being constructed. Geological assistants either lived in Horsefly or nearby, the entire exploration crew commuted the 61 km to the Frasergold property each day and returned to Horsefly in the evening. Prior to starting the mapping and sampling programs the crews first had to physically review of the property for road and trail access as well as complete ground truthing of historical drillhole collar sites. For the most part reconnaissance mapping and geochemical rock sampling was confined to areas nearby the historical Frasergold main zone of drilling. The crews did not have helicopter support and were therefore limited to access of areas, which for the most part were accessed via 4x4 vehicles, ATVs or by foot.

6.3 Description of Work and Data Presentation

While carrying out their field exploration programs the crews planned reconnaissance routes each day by reviewing historical and topographical maps, which either entailed walking upstream or downstream along drainage basins, depending on local road/trail access, as well as walking along new and old road cuts and mapping and sampling the local geology. Reconnaissance mapping involved recording geological descriptions of rocks in outcrop, as well as recording local strike and dip of the rock. Rock geochemical sampling involved collecting 'fresh' (unweathered) rock samples approximately every 50 m where outcrop was readily accessible and/or based on outcrop availability. Samples were collected along local gulches and streams as well as along road cuts and areas where minimal overburden allowed for it. Sample locations were determined with a handheld Garmin model GPS. Most of the area explored had previously been logged and clear cut so soil sampling was deemed likely ineffective due to disturbance of overburden and possible contamination of the underlying soil.

The following is a brief synopsis of the areas that had reconnaissance mapping completed along with sampling including minor follow-up comments:

1. Mapped and sampled Frasergold Creek from the McKay Creek, upstream as far as the base of cliffs in the Frasergold Cirque – mapping above this area will require helicopter drop-offs.
2. Mapped and sampled the area between Frasergold Creek and Grouse Creek along old drill access roads within the treed area – the area is considered complete due to heavy tree cover above and below mapped areas
3. Mapped and sampled Grouse Creek up to base of Grouse Cirque with more sampling required in the higher portions of cirque.
4. Mapped and sampled the Frasergold 'Main Zone' along old logging roads, 4 main historic logging roads trending NW-SE through the area have been sampled and mapped and the area is now considered completely mapped.
5. Minor mapping and sampling at the Adit Creek Cirque with further mapping and sampling necessary, which may require helicopter drop off.
6. Mapped and sampled outcrop along Eureka Creek from the main logging road up to volcanic contact and the area is now considered complete.
7. Mapped and sampled outcrop along Imperial Creek from the main logging road up to volcanic contact and the area is now considered complete.
8. Mapped, panned and sampled outcrop approximately 1km up Pegasus Creek from the main logging road. The area had very little outcrop so exploration crews traversed up the NW slope of valley and found an approximate contact with schist but recommended further sampling and mapping to better define.
9. Mapped, panned and sampled approximately 1km up 'No Name' Creek, which is located east of last clear cut on East side of McKay Creek. No contact with schist was defined and needs further follow-up.
10. Traversed and mapped about 6 km up Eureka Peak Trail, entrance from Crooked Lake (Dajin Property). Geological assistants were able to use ATV's to access the end of the trail at the top of the Frasergold Cirque. The area needs further mapping and sampling.
11. Reconnaissance mapped up old logging road that crosses Cayuse Creek and located the schist contact. The area should be sampled in future.
12. Reconnaissance mapped and completed minor sampling around Cirques 4 and 5. Detailed mapping and sampling of this area is recommended.
13. The 'kill zone' east southeast of the camp area was reconnaissance mapped, with no phyllitic outcrop encountered between the camp and the schist outcrop upslope from camp.

Appendix B contains two tables. The first table records mapped outcrops. The second table outlines sample locations with Screen Fire Assay values. Analyses were performed at iPL Labs in Richmond, BC.

Figures 4a – 4g display the area of reconnaissance mapping and site locations where strike and dip were taken along with outcrop descriptions, while **Figures 5a and 5b** display the location of rock samples collected. The full sized maps of these can be found in **Appendix A**.

Figure 4a – Property Reconnaisannce Mapping Site Locations (1 of 7)

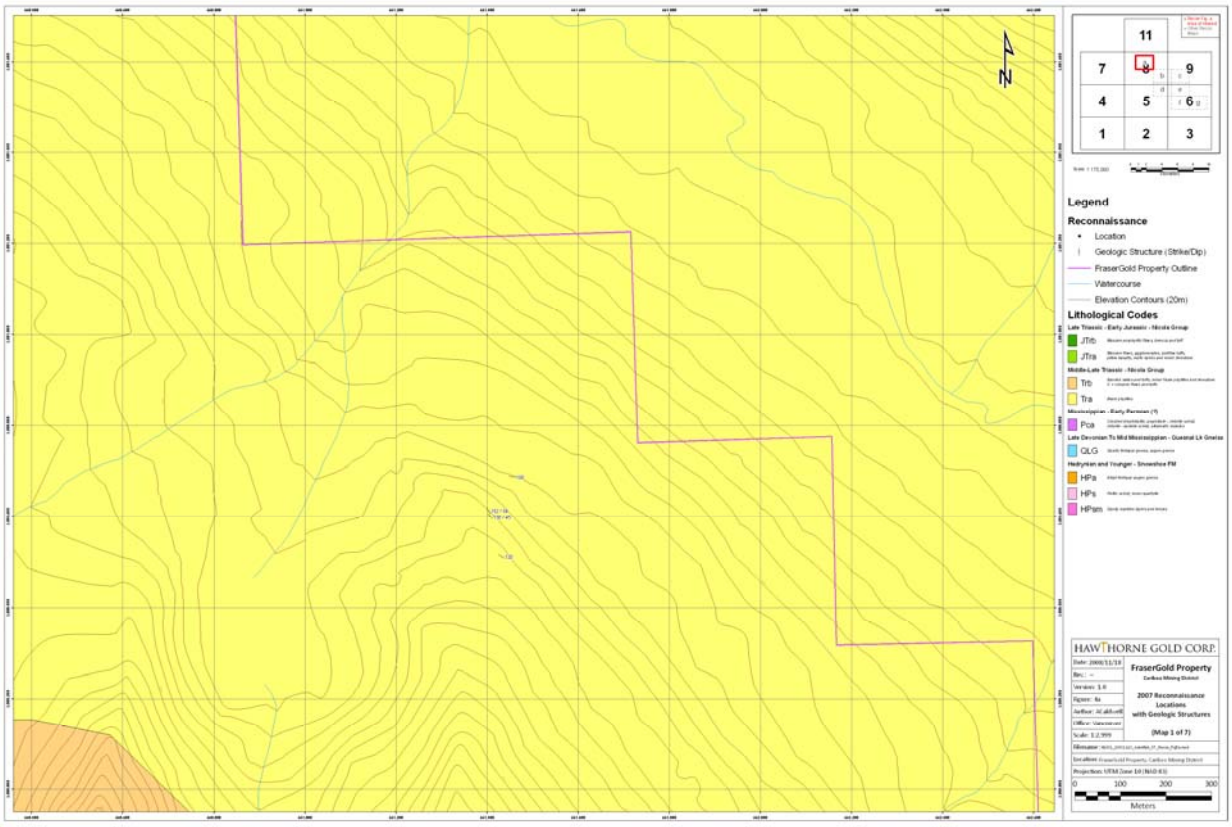


Figure 4b – Property Reconnaisannce Mapping Site Locations (2 of 7)

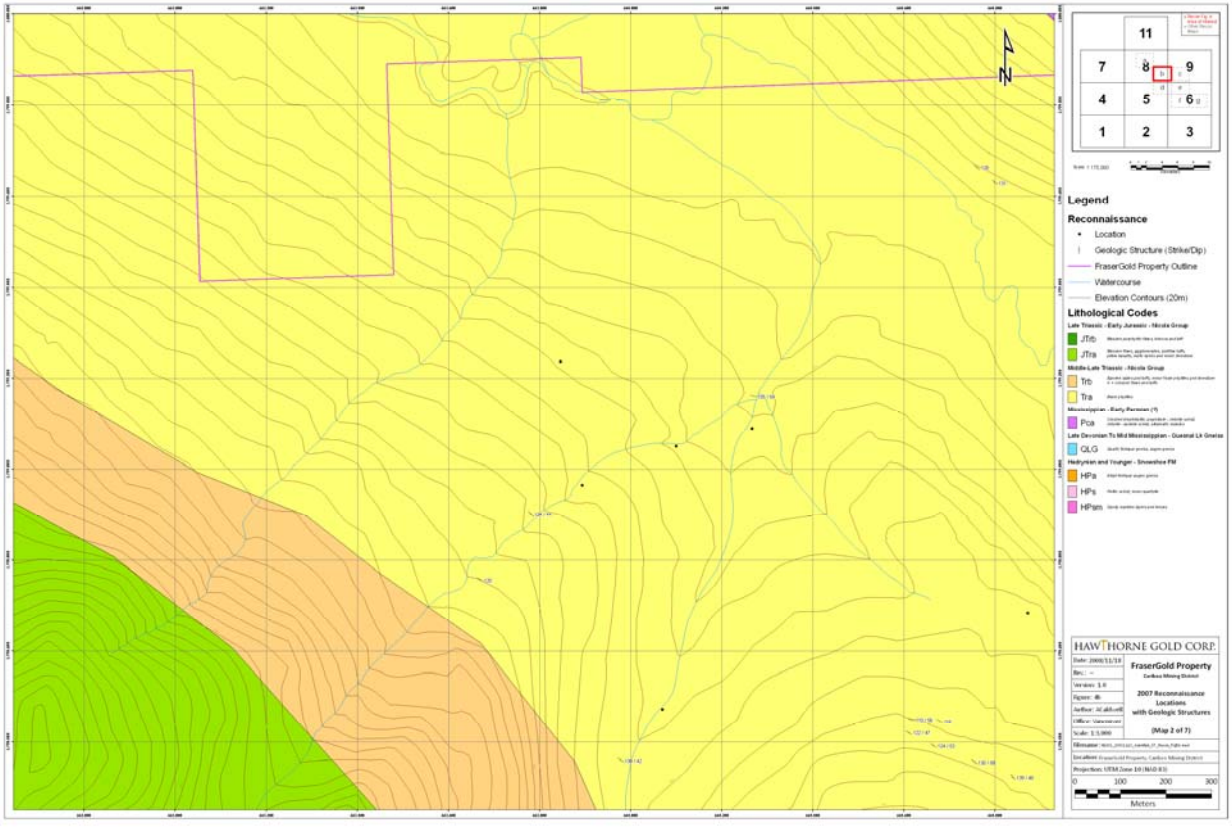


Figure 4c – Property Reconnaisannce Mapping Site Locations (3 of 7)

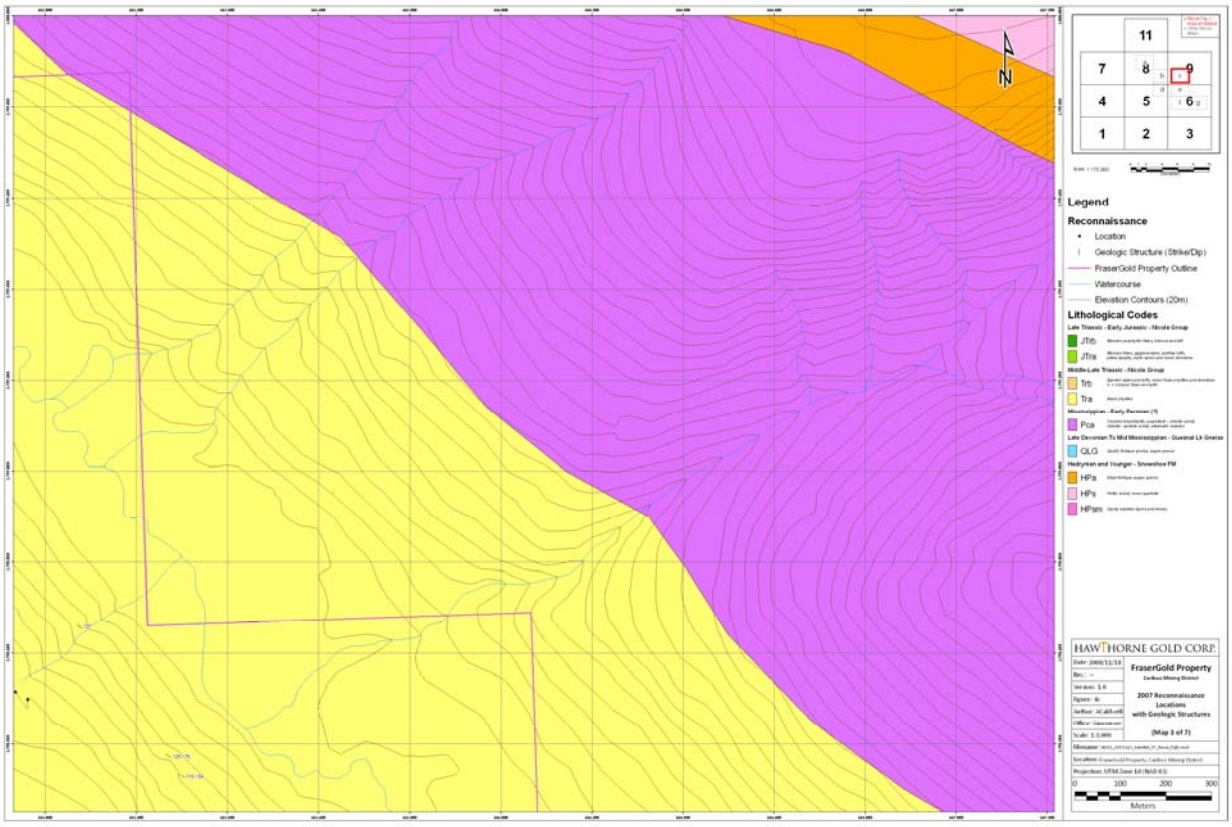


Figure 4d – Property Reconnaisannce Mapping Site Locations (4 of 7)

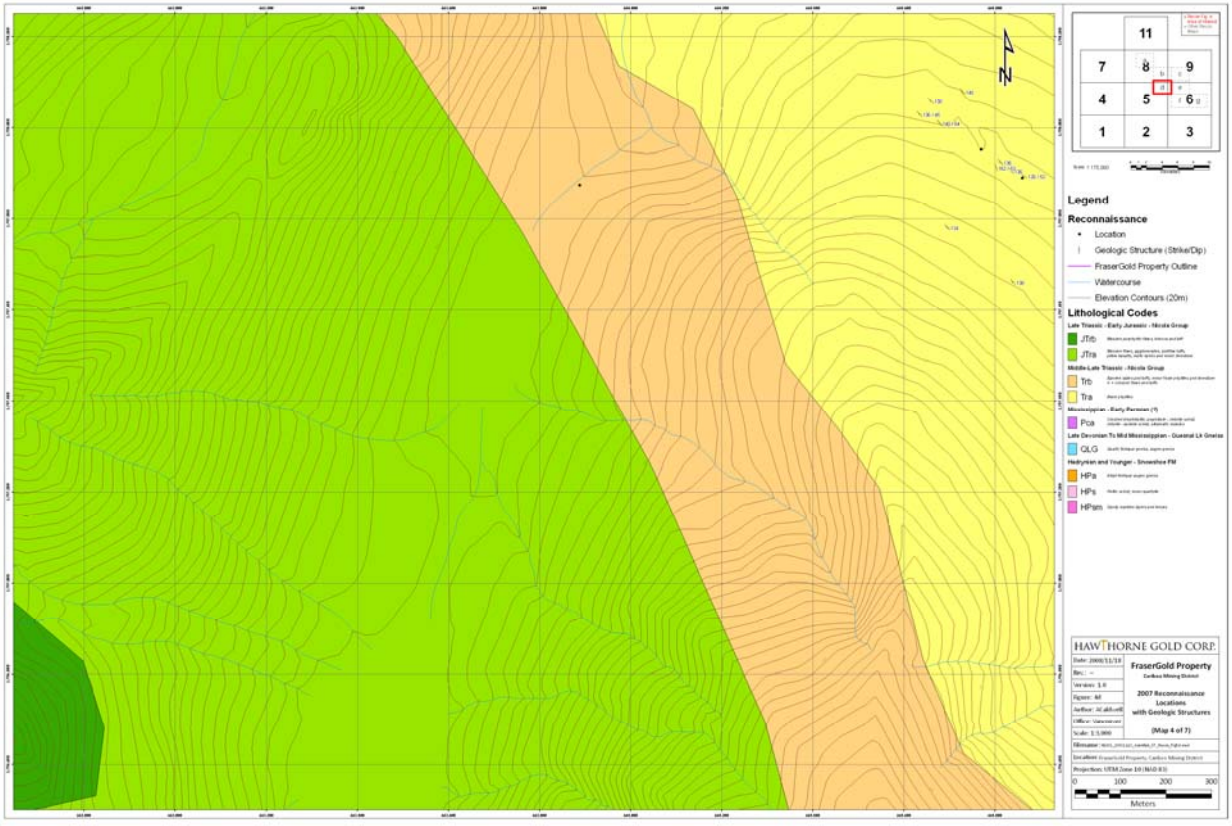


Figure 4e – Property Reconnaisannce Mapping Site Locations (5 of 7)

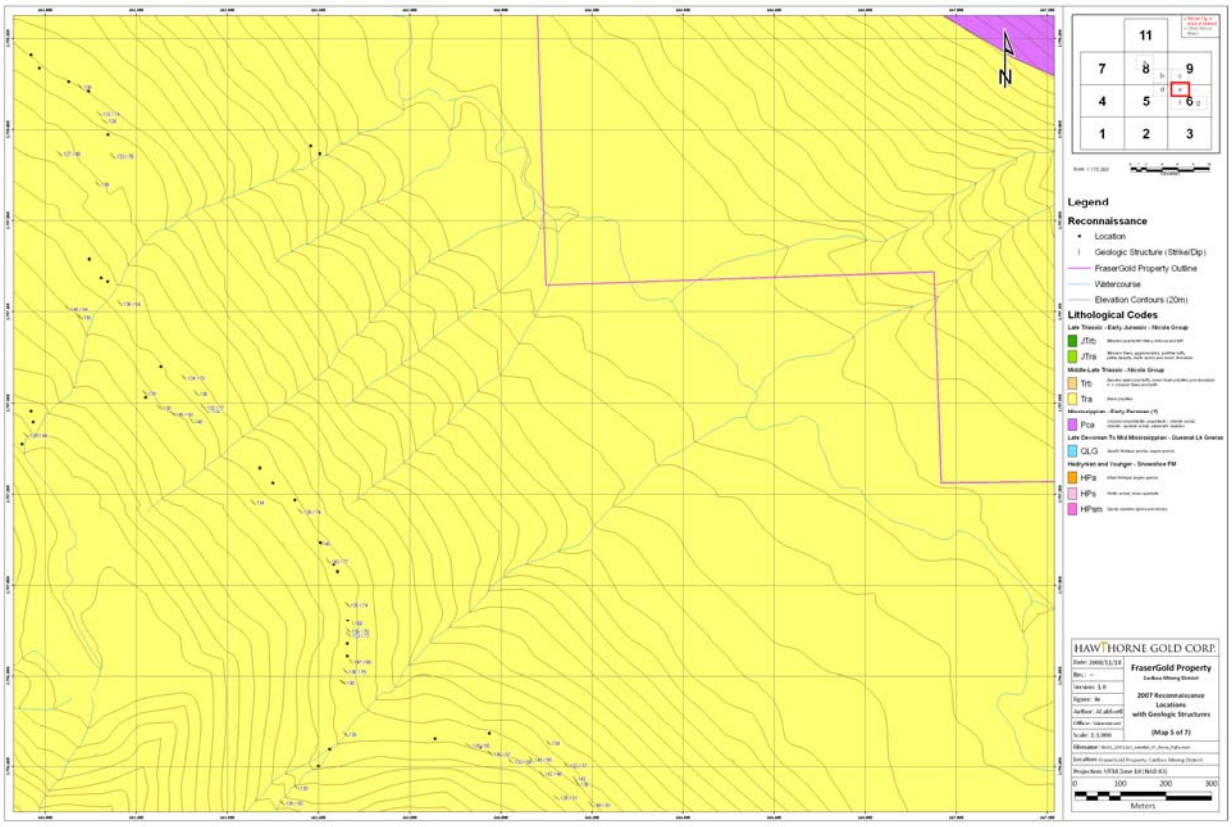


Figure 4f – Property Reconnaisannce Mapping Site Locations (6 of 7)

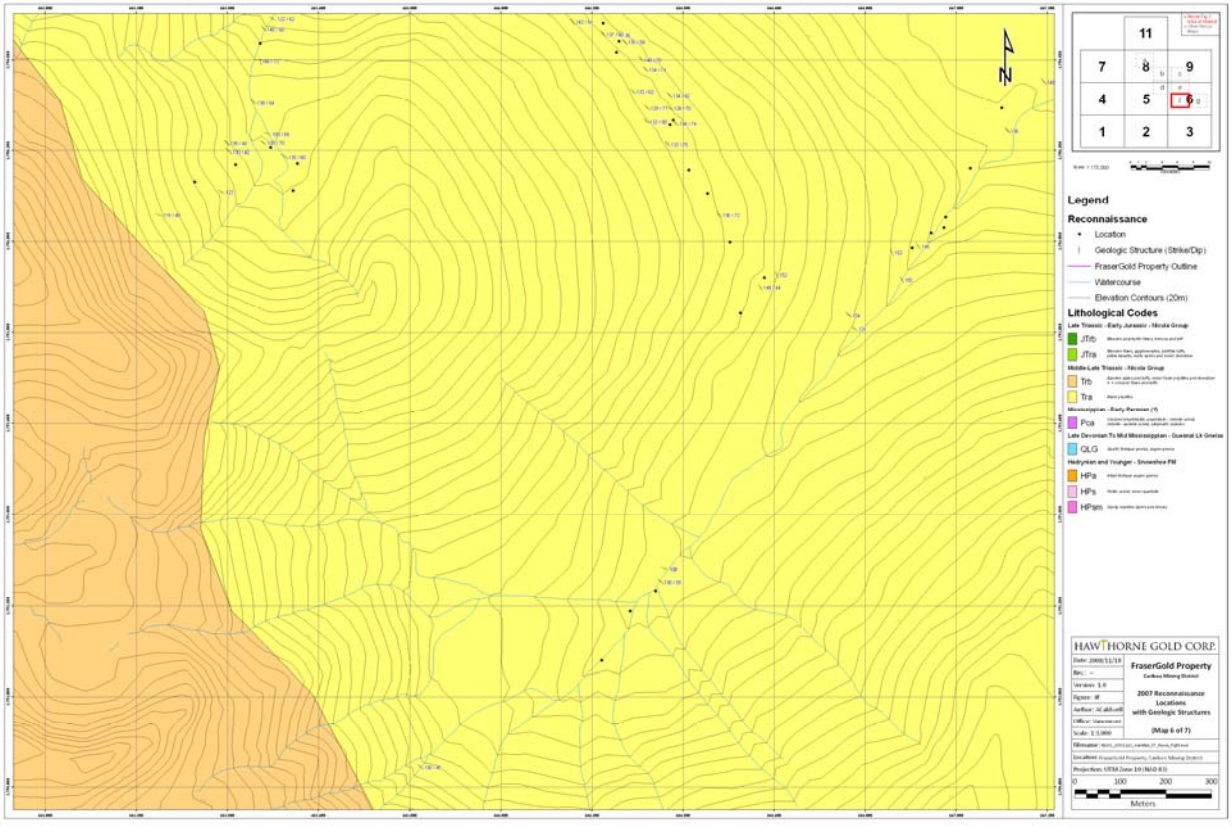


Figure 4g – Property Reconnaisannce Mapping Site Locations (7 of 7)

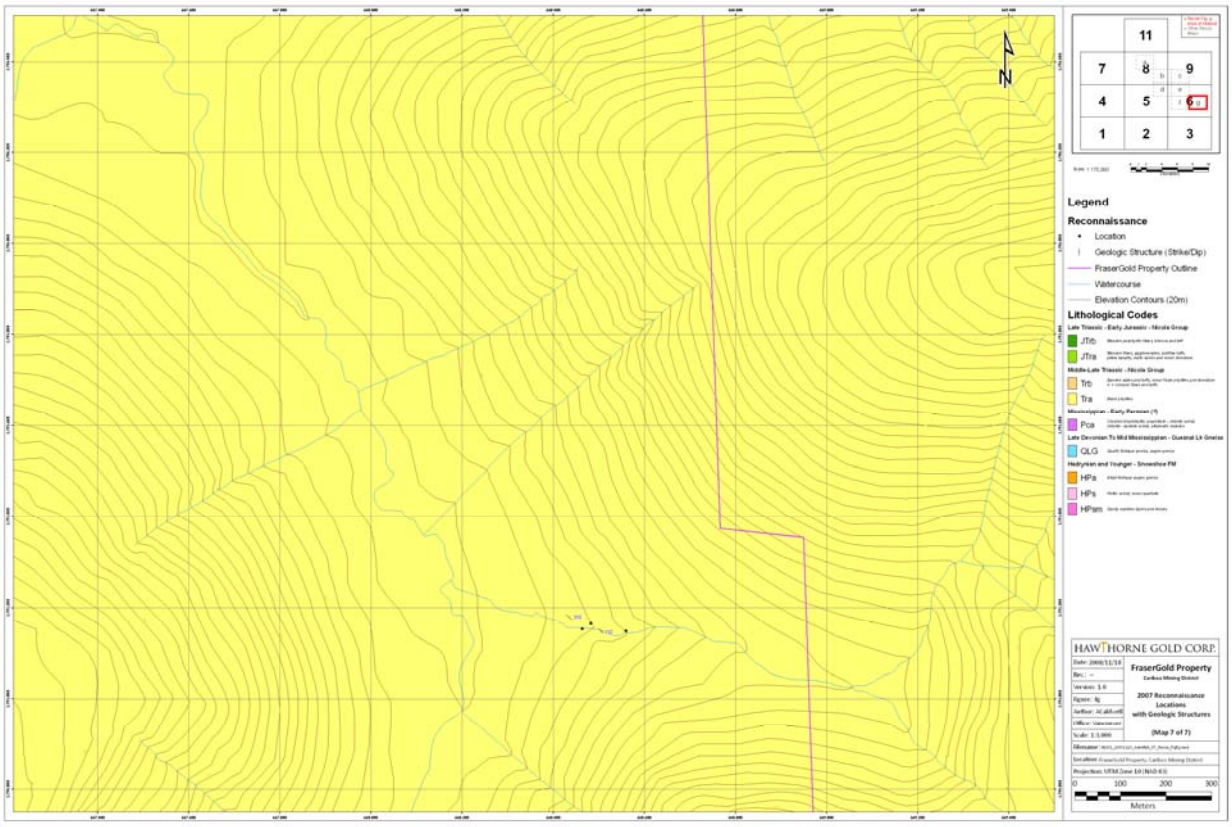


Figure 5a – Frasergold Property Rock Sample Locations (Map 1 of 2)

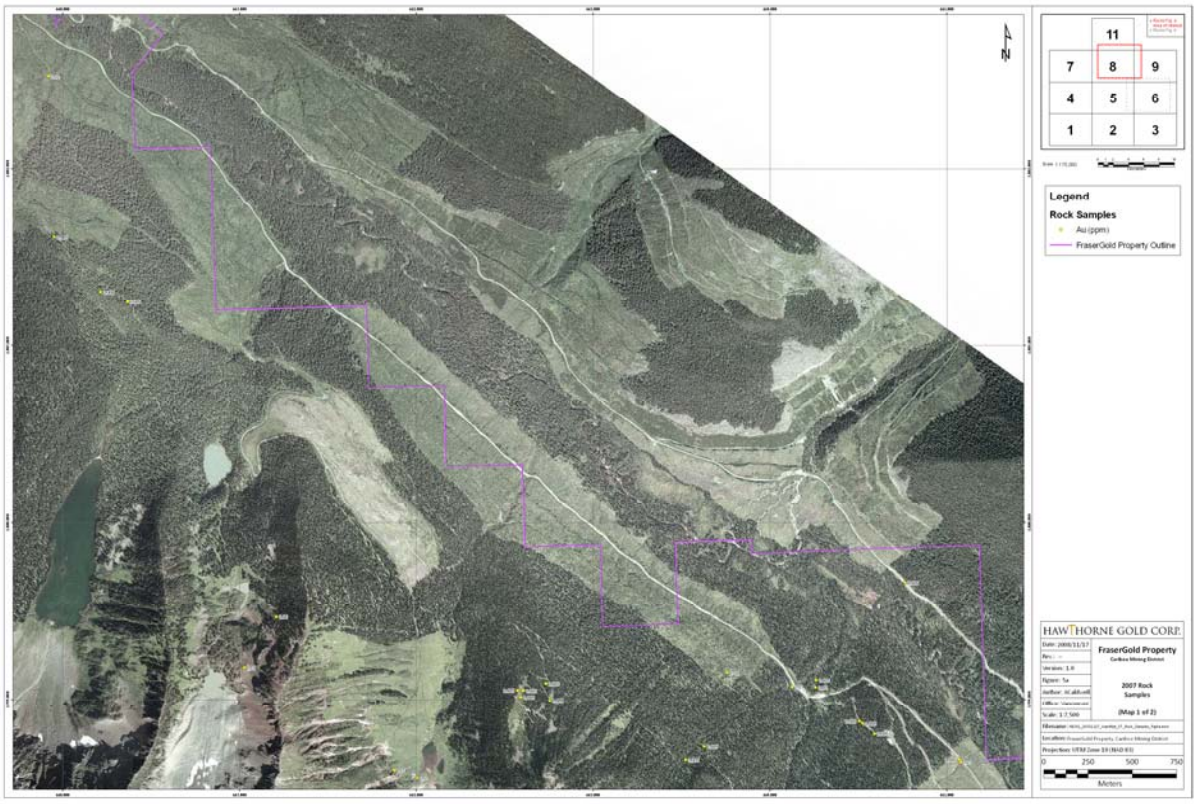


Figure 5b – Frasergold Property Rock Sample Locations (Map 2 of 2)

The following sampling method and approach, sample preparation, analyses and security and sampling procedures and protocols generally pertain to all of the rock and chip samples obtained by exploration staff during the 2007 exploration season.

6.4 Sampling Method and Approach

The sampling method and approach used by the Hawthorne exploration team were based on sampling protocols and procedures recommended by outside consulting and qualified professional Geologists. All samples were collected under the supervision of an experienced Geologist.

6.5 Sampling Preparation, Analyses and Security

The sample preparation program completed in 2007 by Hawthorne included the collection of representative samples and conducting sampling programs according to industry standards. During the field season Geologists described rock grab samples and channel samples in as much detail as possible, the sample sites were recorded and samples were placed in individual plastic sample bags along with their corresponding sample tag. The notes and data collected in the field were then transferred from paper records and digitally recorded.

6.6 Surface and Underground Sampling Procedures and Protocals

The surface and underground sampling procedures and protocols were as follows:

In an attempt to replicate the weight of samples usually collected during drilling processes individual surface and u/g samples targeted a weight of approximately 4.0 kg. In general split (one half) HQ core averages 3.9 – 4.0 kg / m and this was used for comparison purposes.

All samples were processed using the Metallic Sieve procedure as follows:

1) Crush entire sample to -10 mesh, mix and riffle out 1.0 kg.
2) Pulverize the 1.0 kg sample to -150 mesh and screen.
3) Weigh and fire assay the entire +150m fraction.
4) Mix & split out 3 identical 1 assay tonne samples from the -150m fraction for fire assay.
5) All Au assays to be 1 assay tonne fire assay followed by gravimetric finish.
6) Average the three -150m assays, combine with +150m assay on a weighted basis to determine calculated head grade.
7) Report all four (4) assays and weighted head grade.

Channel samples were taken using a portable diamond saw, two parallel cuts approximately 2.5" (63.5mm) apart by 1.0 m long were completed to simulate HQ core. The intervening rock sample material between the channels was then chipped out and collected for assaying.

Surface cut and grab samples were analysed for a 30 element ICP analysis using (HF-$HClO_4$-HNO_3-HCl digestion)

6.7 Interpretation of Results and Conclusion

Based on the assay values obtained from the regional reconnaissance mapping and geochemical sampling program the results either verified the sporadic nature of gold mineralization within the knotted phyllitic unit that hosts the Frasergold zone, replicated similar assay grades within narrow zones

related to the Frasergold zone, or failed to identify new zones of interest away from the Frasergold zone. The reconnaissance mapping and sampling program was relatively limited and future programs should involve soil and silt sampling in areas that are undisturbed by logging activity, as well as the use of helicopter support where and when needed. These areas include geological horizons along strike of the Frasergold zone, both to the northwest, southeast, as well as the upper reaches of the hinge area of the Eureka syncline, and on the opposite limb of the Eureka Syncline. At the very least the rock geochem sampling program allowed for the relatively young exploration team to achieve a better understanding of the geology, vein systems and alteration, as well as allowed for an appreciation of the terrain with regard to potential drillhole layouts.

7. Legal Surveys

7.1 Objective

The objectives of the legal surveys were to provide Hawthorne with accurate field data for the purposes of establishing survey grids in Zone 10 NAD27 and NAD83 UTM coordinates, establishing new drillhole collars and to assist with airborne topographical mapping.

7.2 General Information

Rathbone & Goodrich, BC & Canada Land Surveyors ("Rathbone") based at 112B North Second Avenue, Williams Lake, British Columbia were initially contacted on March 2nd, 2007 by Sam Slaney, Hawthorne Gold Corp. Geologist.

7.3 Description of Work and Data Presentation

Up until 2007 most of the exploration work that had been conducted on the Frasergold property was based on local grids, such as the local 'Mine Grid', with some historical data recorded in UTM NAD27, which is generally unreliable or not as accurate as UTM NAD83 data.

The initial contact made by Hawthorne was a request to have Rathbone convert 32 historic drillholes based on the Frasergold historic local mine grid to UTM NAD 27 and NAD 83 coordinates. As well, a request was made to georeference a number of historic Frasergold maps based on the local Mine Grid; this georeferencing of maps was completed in early April 2007. Following this initial work Rathbone was again contacted in late July 2007 to establish ground control points for a possible topographical aerial survey by Eagle Mapping. Three Rathbone staff arrived in camp on August 1st, with 2 of the employees staying in camp overnight and leaving on the 2nd of August, 2007. The three Rathbone staff included a GPS operator and assistant, who were establishing survey control hubs as well as tying in historical drillhole collars or hubs, while the third person was conducting reconnaissance work to establish aerial photo target points. On August 2nd the GPS operator and assistant completed surveying as well as establishing the aerial photo target points. During this period of time the surveyors established 11 ground control points by locating and tying into old control points. At each of the ground control points large horizontal crosses were constructed and painted in order to be identified from the aerial topographical survey, the centre of the crosses is where the actual UTM point for the legal survey was recorded. Highland Helicopter was used to assist with emplacing the 11 ground control points. **Figure 6a** displays the location and UTM coordinates of the 11 control points.

Figure 6a – Eagle Mapping Control Points Relative to the Frasergold Property Boundary

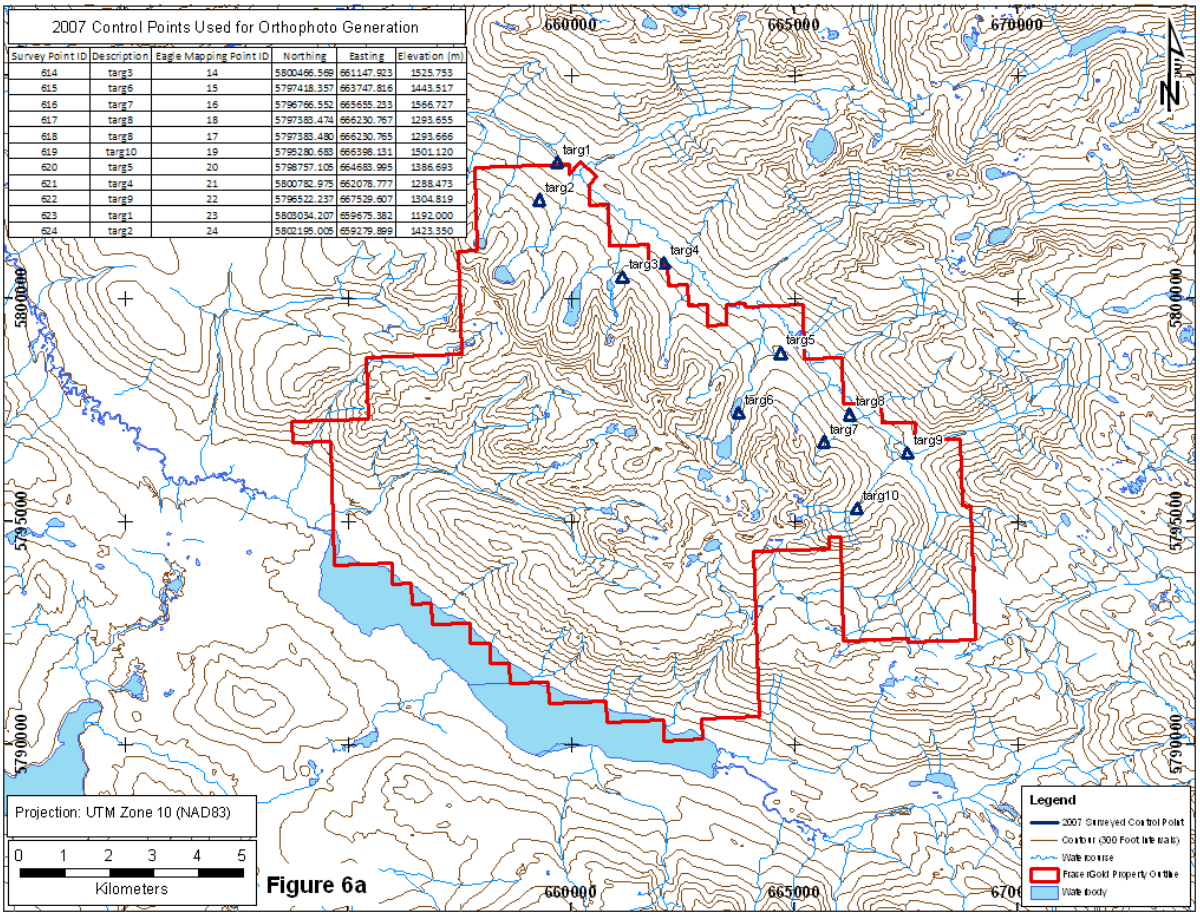


Figure 6a

On August 9th Rathbone once again sent 2 surveyors to the Hawthorne camp for one day to carry out a conventional survey to check the ground coordinates of Rathbone' s earlier control survey and to tie in a number of additional historical drillhole collars or plugs.

7.4 Interpretation of Results and Conclusion

The interpretation of the results is ongoing, however conversion of historical drillhole data based on local grid coordinates to NAD83 coordinates, as well as the surveying in of 28 historical drillholes was extremely helpful in tying in new 2007 drillhole collars in relationship to historical drilling. Because of the now more accurate location of drillhole collars this will allow for proper generation of new updated cross-sections and interpretations thereof. The conversion of historical drillholes from local Mine Grid to UTM NAD 83 allowed for and will allow for proper referencing and location of new drill collars in the future, as well as potential new survey grids, especially since the historical Mine Grid has been mostly overgrown or lost due to erosion of grid stakes and/or hubs.

8. Airborne Topographical Mapping

8.1 Objective

The objective of the airborne topographical mapping survey was to map topography in sufficient detail to assist with the 2007 airborne geophysical survey conducted in early September 2007, as well as to assist with field exploration programs and the 2007 diamond drill program.

8.2 General Information

Planning for a possible topographical aerial survey began in March 2007. At that time Gordon Addie, P.Geo, VP for Hawthorne Gold Corp., and Mike Redfearn, VP Operations began a preliminary review of the Frasergold Property area; in July a preliminary airborne survey area was defined. As part of the process Gordon and Mike reviewed a number of potential topographical aerial survey companies capable of completing the survey within the required time lines for the 2007 season, including Eagle Mapping which was contacted in mid July 2007. Eagle Mapping is based out of Port Coquitlam, British Columbia at #201 – 2071 Kingsway Avenue, V3C 1T2, and sent in a proposal on July 20th, 2007.

8.3 Description of Work and Data Presentation

As a result of the Eagle Mapping proposal the company was contracted to complete the topographical aerial survey of the Frasergold Property with topography to be mapped at 1 and 5 metre contour intervals depending on the area of the property to be contoured. Eagle Mapping did not supply a final report for the project but did supply Hawthorne with a disk with the requested data; the job number for the project is 07-079.

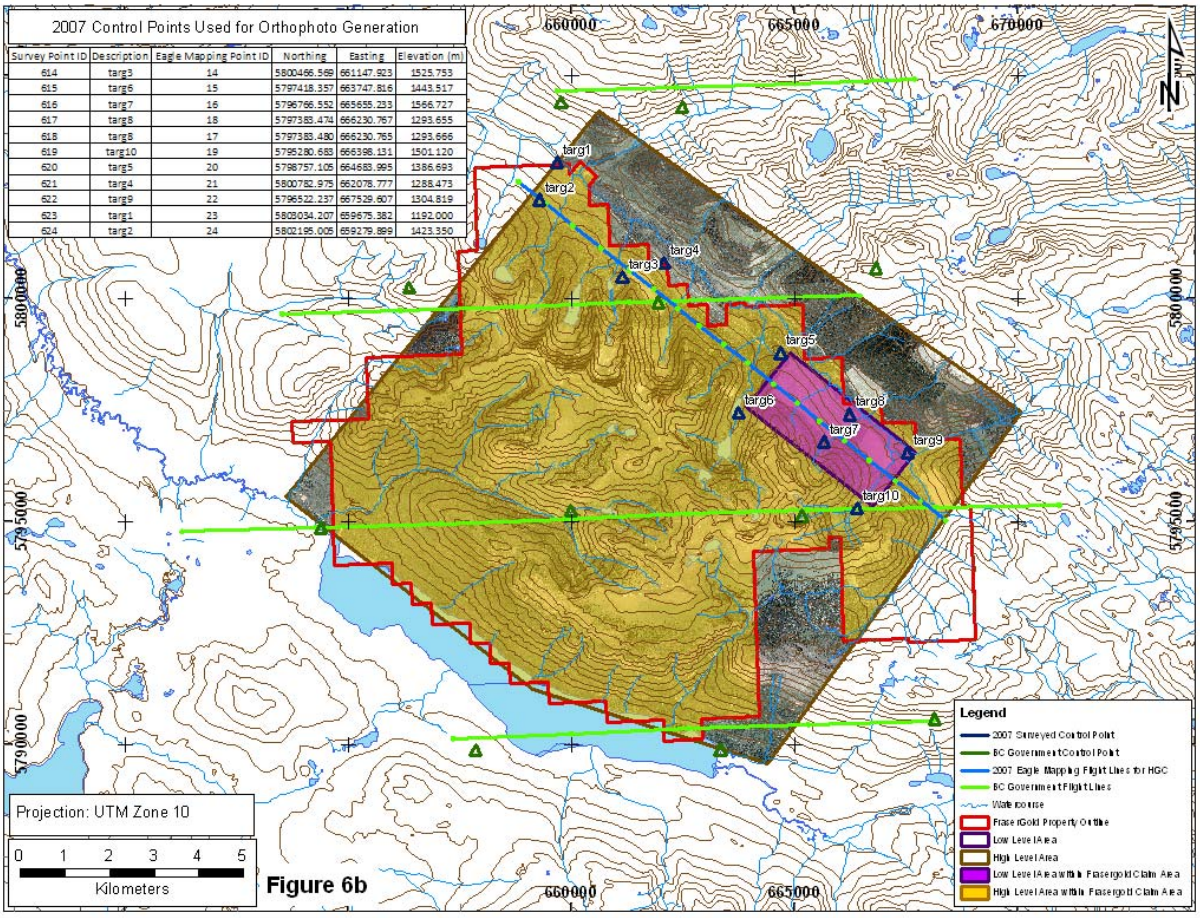
A total of 1 low level high resolution flight line was completed, on August 16th totalling 12.22 km, using a Cessna 206 aircraft. Eagle Mapping also acquired 4 lines of high level but lower resolution flight data from the BC Government. From the low level and high level data Eagle Mapping generated a number of OrthoPhotos consisting of 1 m contour resolution and 5 m contour resolution respectively. These flight lines are identified on **Figure 6b**, and consist of the following:

High Level Purchased Flight Lines (Lower Resolution of 5 m contour intervals)
Line #1 – From point 3626 to point 3630, totalling 10.76 km.
Line #2 – From point 3723 to point 3730, totalling 19.68 km.
Line #3 – From point 3827 to point 3832, totalling 12.95 km.

Low level Eagle Mapping Flight Line (Higher Resolution of 1 metre contour intervals)
Line #1 – From point 1001 to point 1018, totalling 12.22 km.

Full scale OrthoPhoto and Contour maps are located in **Appendix A** of this report.

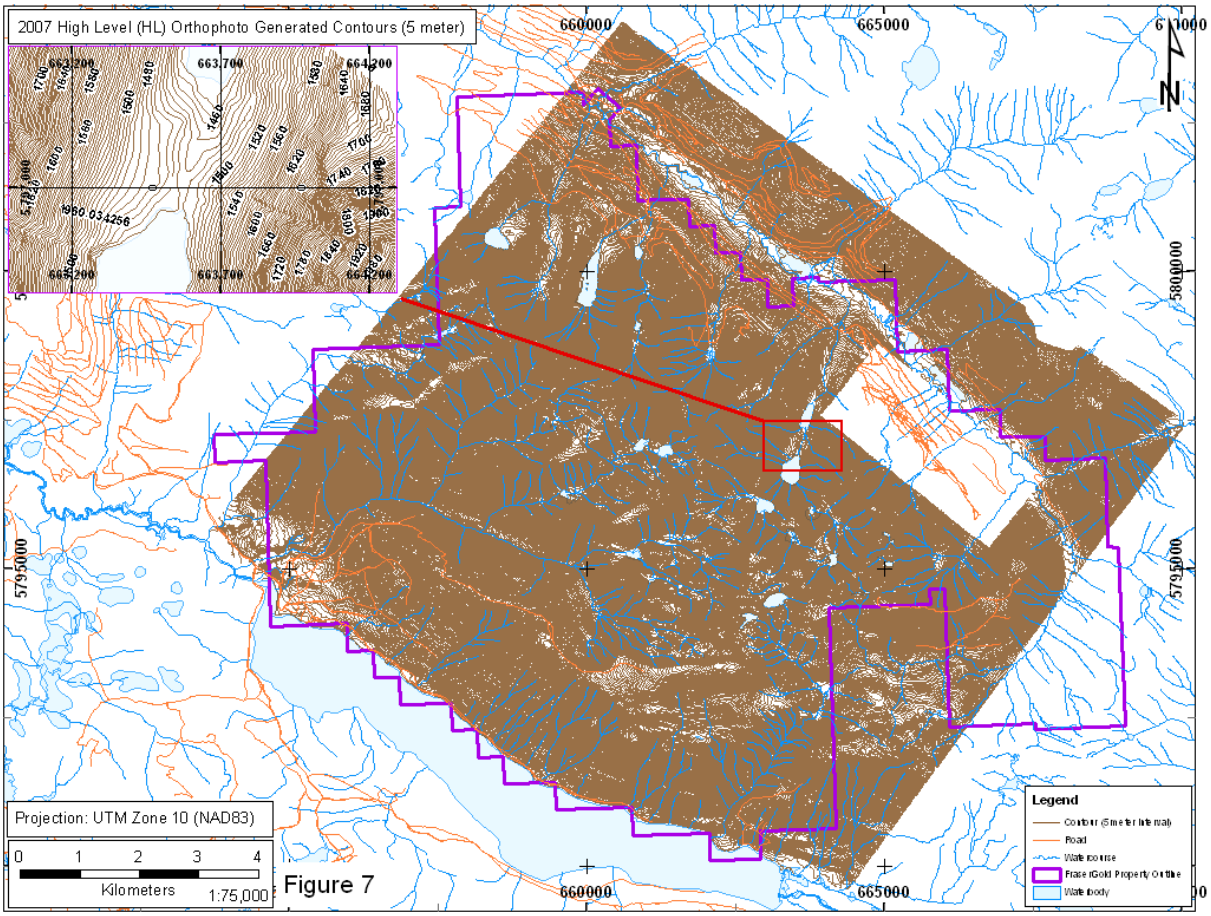
Figure 6b – Eagle Mapping Control Points and Topographical Airborne Flight Line Data Relative to the Frasergold Property Boundary



8.4 Interpretation of Results and Conclusion

Approximately 9180.54 ha or 92.45% of the 9930.27 ha Frasergold property boundary was covered by the topographical aerial flight lines and processed OrthoPhotos. High spatial resolution can be important for areas of complex geology, with geological structures often identified which were previously unknown or poorly interpreted, not to mention providing detailed information on drainages and slopes. Often the drainages are the result of fault or shear zones that were not easily identified or interpreted previously. The high spatial resolution which allowed for generating maps with tight contours is therefore very important for planning purposes for drill programs. As a result of the high resolution topographical survey in relationship to drainages and slopes it was used in planning for exploration roads, trails and drill pads, and will be important for future planning of reconnaissance mapping and geochemical sampling programs, as well as for potential mine planning purposes. **Figure 7** provides an example of what the high resolution topography looks like. Because of the tight contour line spacing map appears almost brown, whereas as when zoomed into, as seen on the inset map, individual contour lines are revealed.

Figure 7 – Frasergold Property 5 Metre Contour Elevation Map



The large rectangular area within the property boundary that does not contain 5 m contour information is an area which Eagle Mapping did not provide 5 m contour information but did provide higher resolution 1 m contour information. Both the 5 m and 1 m contour maps can be found in **Appendix A**.

On completion of the program Eagle Mapping provided a full set of OrthoPhotos and one digital line map plotted in the NAD83 datum with survey geodetic GPS positions projected using the UTM projection in Zone 10 North. The deliverables included a set of 1:5,000 OrthoPhoto maps generated from BC Government 1:30,000 maps of the survey area covered, as well as a 1:10,000 high resolution OrthoPhoto map generated from the 2007 low level flight line of a more defined area within the Frasergold property boundary.

All hard copy maps displayed the flight path trace and skeletal topography, digital information and map files were provided in .tif, .tfw, .ecw, .dwg and .txt format.

The topographical profile data is archived digitally with a copy archived at the Eagle Mapping head office in Port Coquitlam, British Columbia, Canada.

9. Geological Trench Sampling Program – Objective and General Information

9.1 Objective

The objective of the trench construction and geochemical survey was to identify and record surficial lithologies, stratigraphy, potential stratigraphic contacts, and structures to assist with potential identification of underlying lithologies, stratigraphy and structures, and to enhance opportunities of the 2007 diamond drill program and future exploration programs.

9.2 General Information

Throughout the period of July 31st to October 8th a total of 268 channel samples were collected from 7 trenches, which were dug or cleared using a 2054 Excavator and 850j CAT owned by G. & S. Logging Co. Ltd. and operated by Harpers Lake Development Ltd.

9.3 Description of Work and Data Presentation

The first of the trench locations were established and laid out with flagging on July 31st by exploration staff, with trenches dug and sampled over a period of approximately 2 ½ months. The trench locations were selected based on historical drill hole data and slope stability, and were dug to identify structure and lithology, with the view of replicating or verifying historical drill data, as well as to provide for new potential areas for diamond drill hole exploration. However, because of the varying thickness of overburden and slope stability concerns, the planned lengths of the trenches were for the most part greatly shortened. As well, bedrock exposure was only consistent on the floor or sill of the trench, with bedrock exposure along the trench walls being intermittent and generally unstable. In August one large area measuring 30 x 35 metres above the Frasergold underground adit was cleared by an 850j CAT; first by removing overburden and then clearing and cleaning the area with a fire hose to expose the bedrock for mapping and channel sampling. Channel sampling within this large area was completed at two locations listed as Trench #1 and Trench #2 above the Adit.

On completion of each trench, exploration crews hosed the trenches to properly expose bedrock, and then established hub locations for the start and end of each trench. The trenches were measured using chains with 1 – 1.5 m interval lengths measured and marked along the entire length of each trench. Exploration crews then cut two narrow parallel channels with a portable diamond saw along the bottom of the sill of the trench. Each narrow channel was approximately 2-4 mm wide, the two parallel channels were spaced equally apart (approximately 2.5” or 63.5mm) along the entire length of the channels, with the material between each channel meant to represent the width of an HQ diamond drillhole. The intervening rock sample material between the two narrow channels was then carefully and entirely chipped out in 1 – 1.5 metre interval lengths, with the chipped material carefully bagged and marked for assaying; all channel samples were sent to the iPL Lab in Richmond, BC. Sample locations were determined with a handheld Garmin model GPS using the average function every 5 samples (5m) along the trench. Samples in between GPS points had coordinates derived by measuring 1 – 1.5m intervals between the two points. The channel samples were collected in 1 – 1.5 m length samples along the entire length of the trenches and assayed as previously outlined.

A total of 345 metres of bedrock surface trenching was completed with the 7 trenches. **Figures 8a – 8e** display the location of the trenches relative to the majority of historical drilling on the property.

Figure 8a – Frasergold 2007 Trench Locations (Trench 53+00 Top)

Figure 8b – Frasergold 2007 Trench Locations (Tr. 1 Above Adit, 54+50 Bottom, Tr. 2 Above Adit)

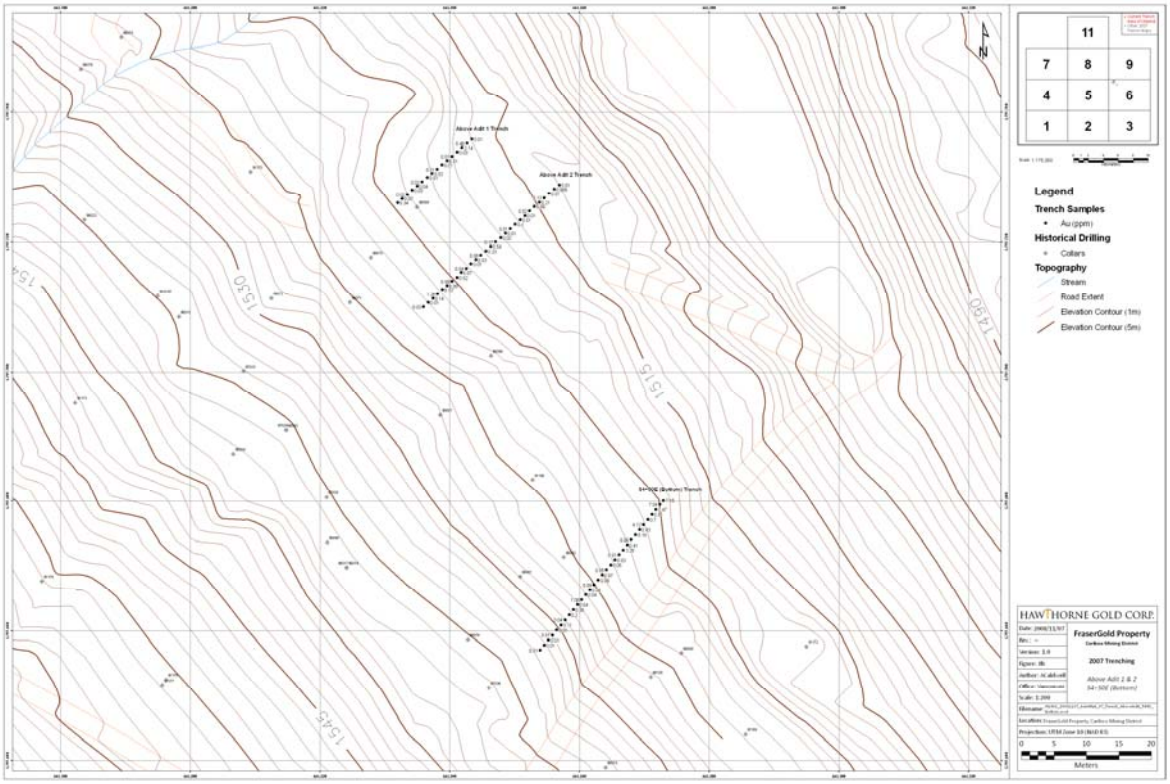


Figure 8c – Frasergold 2007 Trench Locations (Trench 54+50 Top)

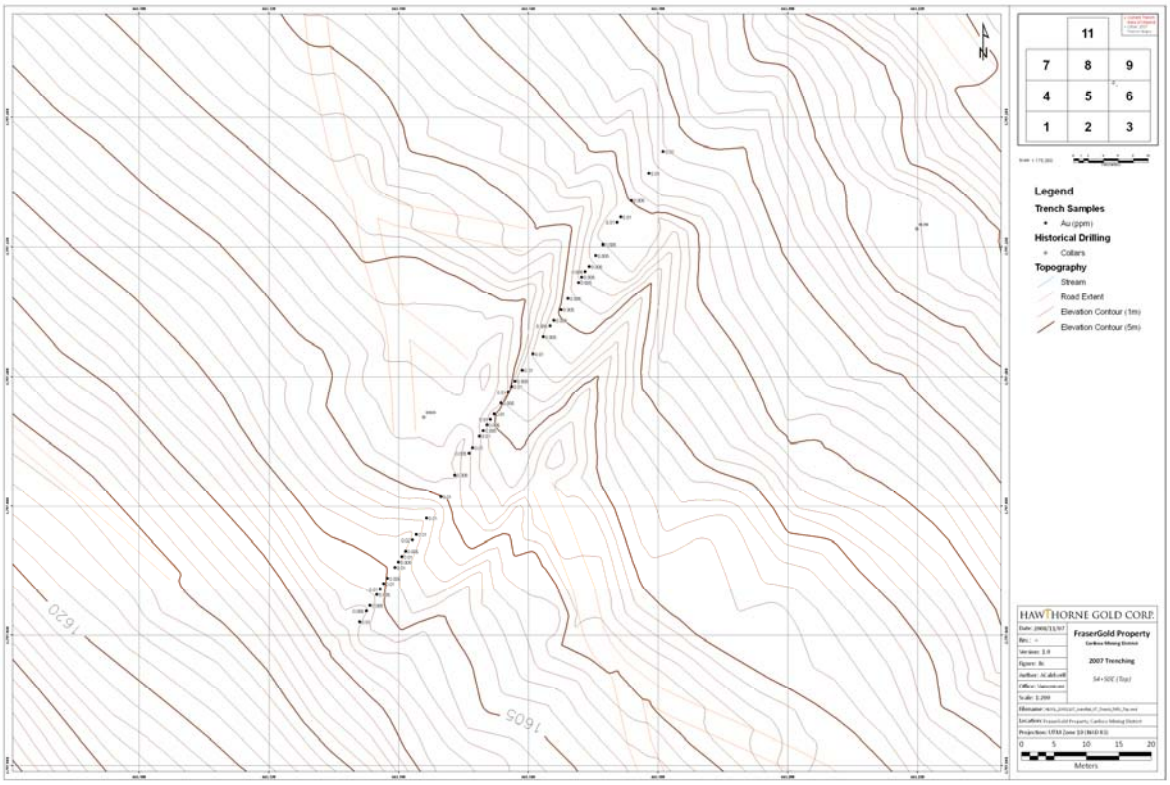


Figure 8d – Frasergold 2007 Trench Locations (Trench 53+00 Bottom)

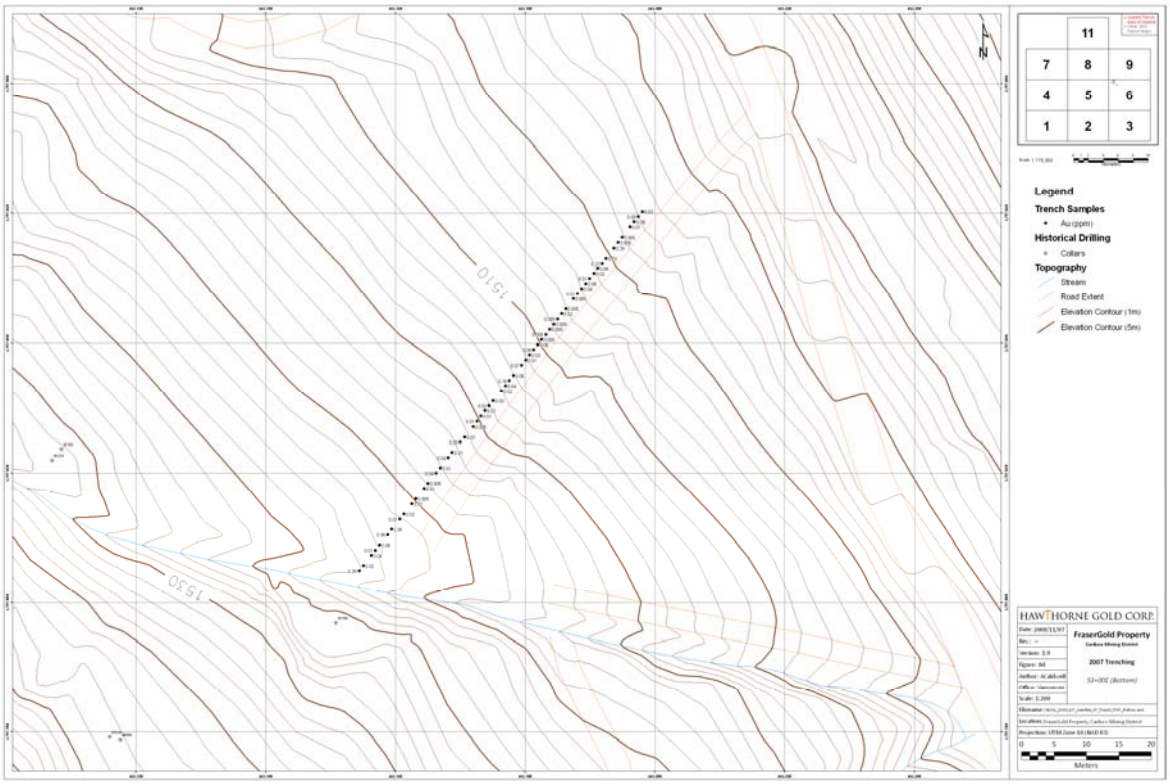
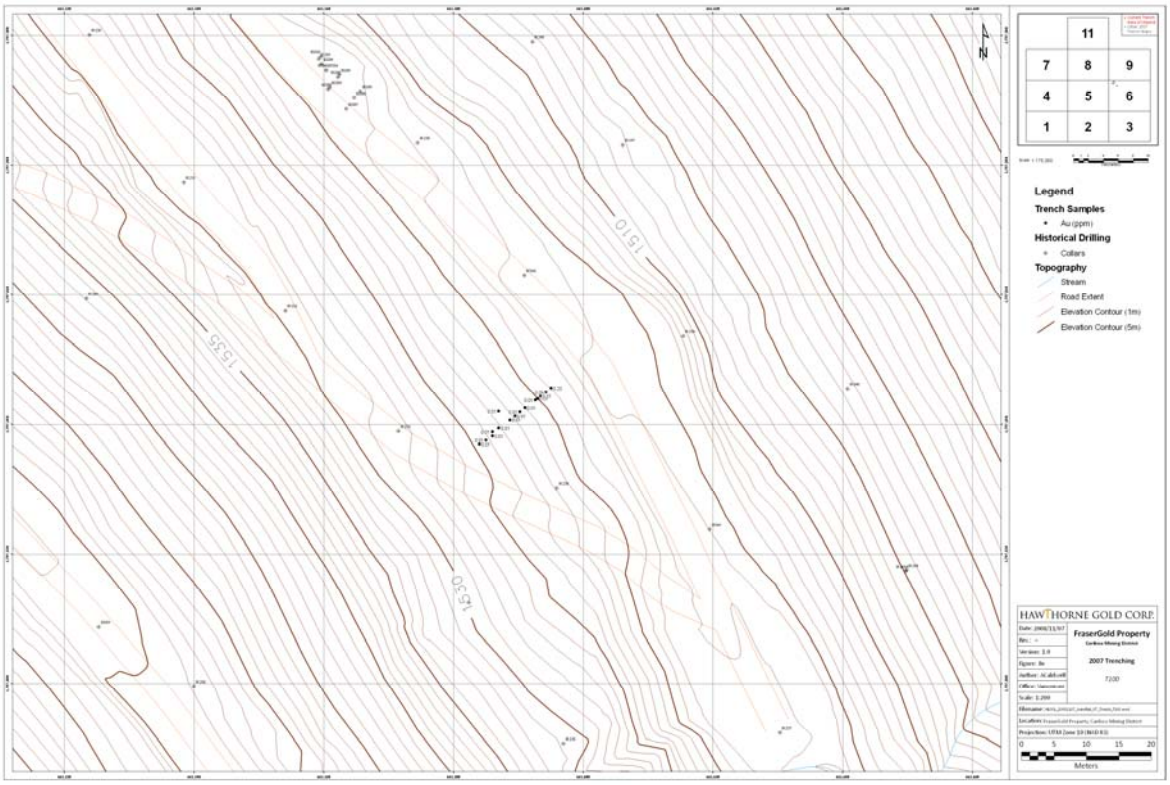


Figure 8e – Frasergold 2007 Trench Locations (Trench 100)



The trenches were dug to varying depths of 0.5 - 1.5 metres, depending on local overburden thickness. The location, elevation, length, depth, width, approximate material removed from each trench, as well as total number of channel samples collected from each trench is as follows:

1) **Trench on section line 53+00E (Top Portion)**, located from 5797566N and 664975E, elevation 1619.597m to 5797625N and 665019E, elevation 1594.017m (NAD 83), total length of 75 metres, average depth of 1.5 metres, average width of 5m, approximately 562.5 m^3 of material removed, total number of channel samples collected were 74. **See Figure 8a**.
2) **Trench #1 above adit**, located from 5797726N and 665232E, elevation 1519.689m to 5797736N and 665243.5E, elevation 1515.907m (NAD 83), total length of 30 metres, average depth of 0.5 metres, and average width of 35 metres, approximately 212.5 m^3 of material removed, total number of channel samples collected were 16. **See Figure 8b**.
3) **Trench on section line 54+50E (Bottom Portion)**, located from 5797657N and 665254E, elevation 1532.644m to 5797680N and 665273E, elevation 1519.563m (NAD 83), total length of 35 metres, average depth of 1.5 metres, and average width of 5m, approximately 262.5 m^3 of material removed, total number of channel samples collected were 31. **See Figure 8b**.
4) **Trench #2 above adit**, located from 5797710N and 665236E, elevation 1522.376m to 5797729N and 665256.9E, elevation 1513.976m (NAD 83), total length of 30 metres, average depth of 0.5 metres, and average width of 35 metres, approximately 212.5 m^3 of material removed, total number of channel samples collected were 29. **See Figure 8b**.
5) **Trench on section line 54+50E (Top Portion)**, located from 5797462N and 665134E, elevation 1607.143 to 5797535N and 665180.8E, elevation 1581.312m (NAD 83), total length of 90 metres, average depth of 1.5 metres, and average width of 5m, approximately 675 m^3 of material removed, total number of channel samples collected were 45. **See Figure 8c**.

6) **Trench on section 53+00 (Bottom Portion)**, located from 5797805N and 665154.4E, elevation 1523.053m to 5797860N and 665198.1E, elevation 1502.73m (NAD 83), total length of 70 metres, average depth of 1.5 metres, and average width of 5 m, approximately 525 m^3 of material removed, total number of channel samples collected were 57. **See Figure 8d**.
7) **Trench T100**, located from 5797237N and 665584E, elevation 1524.633m to 5797244N and 665593E, elevation 1519.976m (NAD 83), total length of 15 metres, average depth of 0.5 metres, average width of 3m, approximately 22.5 m^3 of material removed, total number of channel samples collected was 16. **See Figure 8e**.

The top and bottom portions of Trench 53+00E have been reclaimed, while the remaining 5 trenches have not been reclaimed.

The trench sample descriptions and assay results of these trench samples are outlined in **Appendix C**

9.4 Interpretation of Results and Conclusion

Because of slope and safety issues, the inability to dig the trenches to their desired lengths compromised the exploration plans for the trenches and did not provide the desired results of providing new potential zones of interest. The relatively long turnaround time for assay results did not assist with the 2007 drill exploration program but could potentially direct the exploration team to areas of interest that may have previously been missed by earlier exploration programs, as well as to potentially outline or possibly eliminate new areas for surface drilling.

10. Underground Channel Sampling Program

10.1 Objective

The objective of the underground channel sampling program was to clearly identify and record areas within the underground workings that warranted further drilling and/or exploration follow-up. The workings had previously been mapped during earlier exploration programs.

10.2 General Information

Prior to starting the 2007 underground exploration program, the entire 298 metres of underground workings were reviewed for safety and rock fall hazard issues by experienced underground personnel, with ensuing scaling, rock bolting, strapping and screening being completed, along with the emplacement of a ventilation system. The rehabilitation of the underground workings took place between July 31st and September 14th, 2007 and was conducted by Dave Gunning, P.Eng, Hawthorne exploration staff and Claude Blagdon, miner and shiftboss.

Dave Gunning is a professional engineer registered in British Columbia and operates through D.R. Gunning Consulting at 20356 42A Avenue, Langley, BC. Dave's qualifications include:

Underground Blasting Certificate
Shiftboss Certificate (expired but accredited by BC Mines Inspector)
Standard 1st Aid
H2S Alive Training
WHMIS Training

10.3 Description of Work and Data Presentation

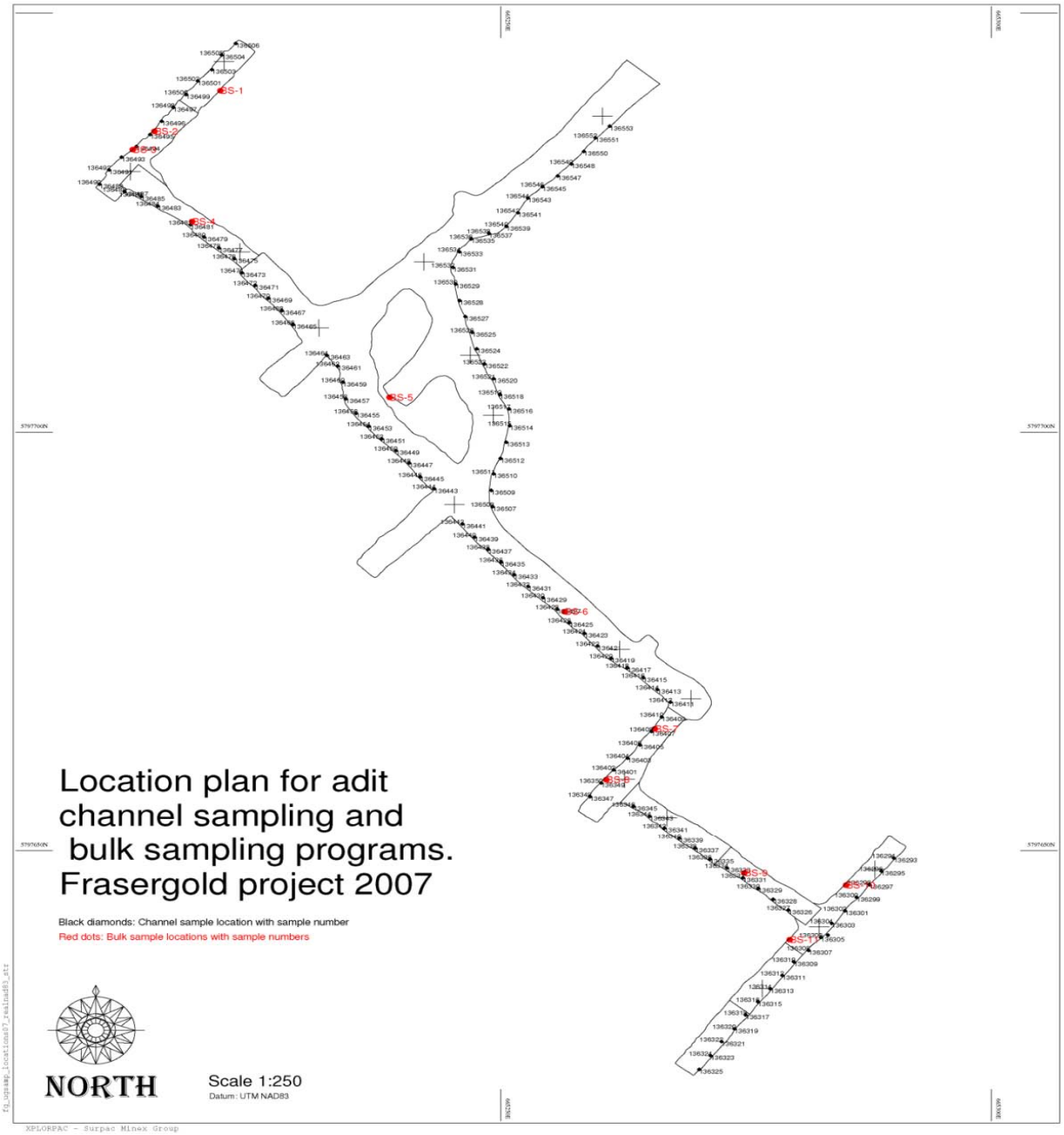
Review of the underground workings first took place on May 23rd, 2007 when Dave Gunning flew by helicopter to the Frasergold portal entrance with Michael Redfearn, VP Operations with Hawthorne. The two of them initially reviewed the portal entrance for safety and took notes on the ground conditions. The portal was entered and all underground areas were reviewed, no areas were identified as being extremely unsafe and the air was deemed good and as indicated by the 'Gas Micro' tester carried by Dave Gunning. In general the workings were considered clean. During the review of the underground workings, areas that required future scaling were noted, along with equipment and supplies needed to carry out the process and recommendations to complete the task. **Appendix D** is a copy of Dave Gunning's report on the visit as well as reports on follow-up visits and working trips. On return trips during July 31st and August 1st, as well as September 12th to 14th, Dave and Hawthorne geological assistants scaled the underground workings for loose rock material. It was recommended that continuous monitoring and checking for loose material and scaling would be required by personnel working in the underground workings.

Following the initial rehabilitation of the underground workings the exploration crew laid out a well defined underground sampling site program, using a predetermined location at the portal entrance to begin measurements from. From this predetermined measured location a total of 115 sample sites were chained off along the walls of the workings at approximately every **2** metres, depending on safety and underground conditions as well as access. At each sample site the exploration crews used portable rotary saws with diamond blades to cut two narrow parallel channels starting from near the sill and cut to near the back. Each cut channel ranged from approximately 1 to 2 metres in total length. Of the 115

sample sites, 96 of them were double sites for collecting samples, and only 19 sites were individual sites for collecting samples. Each narrow cut channel measured approximately 2-4 mm in width, with the two parallel channels spaced equally apart (approximately 2.5" or 63.5mm) along the entire length of the channels, with the material between each channel meant to represent the width of an HQ diamond drillhole. Starting on October 19th the exploration crews began sampling the channels; the intervening rock sample material between the two narrow channels was carefully and entirely chipped out in 0.38 – 1.14 metre interval lengths starting at the top of the 1 to 2 metre interval, with the chipped material carefully collected on plastic tarps placed on the sill of the workings. On average each sample was 0.8 metres in length. At sites where the channel was 2 metres in length, the bottom 1 metre was chipped out separately after the first 1 metre had been collected. At each site the chip material was carefully bagged and marked for assaying; all channel samples were sent to the iPL Lab in Richmond, BC on October 26th, 2007.

A total of 211 samples were collected from 115 sites. The location, total number of samples collected and assay results are outlined in **Appendix E**. **Figure 9** displays the underground plan view of the workings along with the locations of the channel samples. Along with collecting the geochemical samples, the crews also identified the material being sampled, the description of these samples are outlined in **Appendix F**.

Figure 9 – Underground Workings Displaying Channel Sampling Sites and Bulk Sampling Sites



10.4 Interpretation of Results and Conclusion

The results of the channel sampling within the underground workings seemed to validate and verify results obtained from surface drilling, including a number of high grade gold samples. The results seemed to indicate good continuity of gold mineralization along strike to the northwest at approximately 310°Az, with the width of the zone of interest being approximately 30 metres. As a result further drilling and sampling is recommended to potentially prove up a resource for the Frasergold zone, and further exploration work should be planned to follow-up on the high grade samples encountered in the underground workings that may be correlated along strike with surface drilling intercepts. Because the quartz veins frequently boudinage as noted from underground observations and historical mapping, some veins can expand substantially in size. Consequently there is potential that high grade intercepts of mineable widths underground could be intercepted and proven with additional close spaced surface drilling.

11. Underground Bulk Sampling Program – Description of Work and Data Presentation

11.1 General

The objective of the underground bulk sampling program was to clearly identify and record areas within the underground workings that could warrant further drilling and/or exploration follow-up, as well as to assist with resource evaluation and confirm historical findings.

11.2 General Information

Following the rehabilitation of the underground workings as outlined earlier under Section 9, and starting on October 27th, the exploration team identified 11 sites for bulk sampling; these sites were picked partially based on historical assay values as well as historical mapping.

11.3 Description of Work and Data Presentation

Dave Gunning mobilized to the camp on November 6th through to the 13th, along with Claude Blagdon, miner and shiftboss. The two of them carried out a program of drilling with a stopper as well as a jackleg to install split sets and heavy wire mesh straps near the portal entrance as well as to complete rock bolting and strapping throughout the workings. They also installed j-bolts and shells for hanging vent tubing and electrical cables. Appendix C is a copy of Dave Gunning's report and provides greater detail of the program successfully completed. On completion of the rock bolting Dave and Claude worked with Hawthorne geological assistants in obtaining 11 bulk samples from the underground workings.

The bulk sample sites were distributed throughout the underground workings and recorded as BS-1 through BS-11. The location of the bulk sample sites were recorded with regard to adit reference, as well as in NAD83 coordinates and elevation. Each sample site was carefully identified lithologically and where possible structural notes were also taken, **Appendix G** provides information on sample locations and descriptions. Starting on November 11th, bulk sample material was collected with each sample chipped from the underground walls over an approximate area of 1.5 m x 1 m, using a stoper or small chipping hammer rented by Hawthorne. The sample material at each site was collected in 6 to 10 rice bags and removed from the workings using a wheelbarrow and then transferred to white 20 litre pails with each pail numbered and marked with respect to the bulk sample site; each site bulk sample weighed approximately 200 kg the pails. The samples were then shipped to Process Research Associates (PRA) in Richmond, British Columbia for analysis, with the analytical procedures and protocols as follows.

Underground Bulk Sampling Procedures and Protocols

Cyanide Leach

1) As recommended by Process Research Associates (PRA), PRA prepared the samples and ran a cyanide head assay on 50kg of each sample.
2) The 50 kg sample was split from each individual bulk sample, ground/crushed and heavily cyanided.
3) The cyanide liquid has been estimated to recover 95 – 97% of the gold, while the residue containing only 3 – 5% were filtered, dried, well mixed and assayed in duplicate.

Metallic Sieve Procedure

1) Dry sample
2) Split out a 50 kg sample from each individual bulk sample
3) Crush entire sample to -10 mesh, mix and riffle out 1.0 kg.
4) Pulverize the 1.0 kg sample to 150 mesh and screen.
5) Weigh and fire assay the entire +150 mesh fraction.
6) Mix & split out 3 identical 1 assay tonne samples from the -150 m fraction for fire assay.
7) All Au assays to be 1 assay tonne followed by gravimetric finish (G362).
8) Average the three -150m assays, combine with the +150m assay on a weighted basis to determine calculated head grade.
9) Report all four (4) assays and the weighted head grade.

Assay results obtained from the bulk sampling program are outlined in **Table 4**. **Table 3** provides the assay results of the bulk samples using Cyanide Leach, while Table 3 provides the assay results based on Metallic Au analysis. **Figure 9** displays the underground plan view of the workings along with the locations of the bulk sample sites.

Table 3 – Assay Results of Bulk Sampling - Head Grade by Cyanide Leaching Method

TEST RESULTS

Client: Hawthorne Gold **Date:** 15-Jan-08

Sample: As specified **Project:** 07010212

Objective: Determine Head grade on Bulk Samples by Cyanide Leaching Method

Sample Id	Sub-sample	Weight		Slurry	Assay			Head
		Slurry	Solids	Density	PLS	mg	Solids	g/t
		g	g	% solids	mg/L		g/t	
BS1	CutA	732	291	39.73	0.02	0.0088	0.04	0.07
	CutB	733.41	288	39.26	0.02	0.0089	0.04	0.07
	CutC	757.89	300	39.64	0.02	0.0091	0.04	0.07
	Subtotal		879		0.02	0.0269		
	Total	126700	50099	39.54				0.07
BS2	CutA	743.94	353	47.45	1.14	0.4457	0.10	1.36
	CutB	729.75	346	47.37	1.15	0.4417	0.11	1.39
	CutC	770.71	362	46.91	1.16	0.4746	0.14	1.45
	Subtotal		1060		1.15	1.3620		
	Total	103300	48804	47.24				1.40
BS3	CutA	716.88	220	30.75	0.1	0.0496	0.38	0.61
	CutB	682.1	211	30.86	0.1	0.0472	0.39	0.61
	CutC	739.78	228	30.85	0.11	0.0563	0.43	0.68
	Subtotal		659		0.10	0.1531		
	Total	127100	39172	30.82				0.63
BS4	CutA	790.94	341	43.07	2.84	1.2789	0.99	4.74
	CutB	796.68	343	43.05	2.86	1.2976	1.00	4.78
	CutC	761.93	328	43.11	3.04	1.3178	1.00	5.01
	Subtotal		1012		2.91	3.8943		
	Total	112500	48459	43.07				4.84
BS5	CutA	769.12	288	37.49	0.59	0.2837	4.61	5.59
	CutB	801.65	301	37.59	0.64	0.3202	4.34	5.40
	CutC	790.28	296	37.50	0.65	0.3210	4.23	5.31
	Subtotal		886		0.63	0.9249		
	Total	129600	48635	37.53				5.43

Sample Id	Sub-sample	Weight		Slurry	Assay			Head
		Slurry	Solids	Density	PLS	mg	Solids	g/t
		g	g	% solids	mg/L		g/t	
	CutA	738.25	294	39.79	0.24	0.1067	0.42	0.78
	CutB	796.43	317	39.86	0.25	0.1198	0.40	0.78
BS6	CutC	776.72	307	39.57	0.23	0.1080	0.39	0.74
	Subtotal		919		0.24	0.3344		
	Total	122750	48778	39.74				0.77
	CutA	833.37	332	39.81	0.12	0.0602	0.62	0.80
	CutB	822.72	325	39.47	0.12	0.0598	0.64	0.82
BS7	CutC	846.38	334	39.41	0.12	0.0615	0.61	0.79
	Subtotal		990		0.12	0.1815		
	Total	122350	48407	39.56				0.81
	CutA	817.15	306	37.48	0.02	0.0102	0.04	0.07
	CutB	813.18	305	37.50	0.02	0.0102	0.04	0.07
BS8	CutC	821.89	307	37.36	0.02	0.0103	0.04	0.07
	Subtotal		918		0.02	0.0307		
	Total	121350	45444	37.45				0.07
	CutA	792.9	297	37.42				0.00
	CutB	796.66	296	37.12				0.00
BS9	CutC	789.41	298	37.70				0.00
	Subtotal		890		0.00	0.0000		
	Total	122650	45889	37.41				0.00
	CutA	829.56	321	38.69				0.00
	CutB	816.56	318	38.95				0.00
BS10	CutC	830.4	321	38.70				0.00
	Subtotal		960		0.00	0.0000		
	Total	122400	47469	38.78				0.00
	CutA	787.8	297	37.64				0.00
	CutB	785.37	297	37.86				0.00
BS11	CutC	793.45	299	37.69				0.00
	Subtotal		893		0.00	0.0000		
	Total	129700	48936	37.73				0.00

Table 4 – Metallic Au Assay Report

Metallic Au Assay Report

Client: Hawthorne Gold Corp **Date:** 14-Jan-08
Sample: See below **Project:** 0710212

Sample ID	Screen Tyler Mesh	Weight g	Au g/t	Au mg
BS1	+150	2.60	0.01	0.000
	-150A	302.56	0.07	0.021
	-150B	355.01	0.03	0.011
	-150C	329.78	0.06	0.020
	-150 subtotal	**987.35**	**0.05**	**0.052**
	Total	989.95	**0.05**	0.052
BS2	+150	2.85	7.12	0.020
	-150A	293.50	0.64	0.188
	-150B	302.75	1.00	0.303
	-150C	381.15	0.95	0.362
	-150 subtotal	**977.40**	**0.87**	**0.853**
	Total	980.25	**0.89**	0.873
BS3	+150	18.66	2.02	0.038
	-150A	258.88	1.95	0.505
	-150B	313.65	1.56	0.489
	-150C	397.63	1.93	0.767
	-150 subtotal	**970.16**	**1.82**	**1.762**
	Total	988.82	**1.82**	1.799
BS4	+150	5.86	211.32	1.238
	-150A	336.77	5.06	1.704
	-150B	318.77	5.18	1.651
	-150C	287.76	4.78	1.375
	-150 subtotal	**943.30**	**5.02**	**4.731**
	Total	949.16	**6.29**	5.969

Sample ID	Screen Tyler Mesh	Weight g	Au g/t	Au mg
BS5	+150	4.74	115.77	0.549
	-150A	328.34	7.34	2.410
	-150B	353.80	8.88	3.142
	-150C	290.44	6.53	1.897
	-150 subtotal	**972.58**	**7.66**	**7.448**
	Total	977.32	**8.18**	7.997
BS6	+150	19.30	6.46	0.125
	-150A	286.90	0.49	0.141
	-150B	309.57	0.53	0.164
	-150C	340.80	0.52	0.177
	-150 subtotal	**937.27**	**0.51**	**0.482**
	Total	956.57	**0.63**	0.607
BS7	+150	19.34	17.03	0.329
	-150A	292.14	0.89	0.260
	-150B	300.92	0.82	0.247
	-150C	358.95	0.79	0.284
	-150 subtotal	**952.01**	**0.83**	**0.790**
	Total	971.35	**1.15**	1.120
BS8	+150	13.13	0.01	0.000
	-150A	254.57	0.02	0.005
	-150B	365.76	0.01	0.004
	-150C	352.62	0.02	0.007
	-150 subtotal	**972.95**	**0.02**	**0.016**
	Total	986.08	**0.02**	0.016
BS9	+150	20.03	0.02	0.000
	-150A	283.48	0.06	0.017
	-150B	392.48	0.10	0.039
	-150C	345.94	0.04	0.014
	-150 subtotal	**1021.90**	**0.07**	**0.070**
	Total	1041.93	**0.07**	0.070
BS10	+150	22.04	2.56	0.056
	-150A	206.88	0.69	0.143
	-150B	382.50	0.68	0.260

Sample	Screen	Weight	Au	
ID	Tyler Mesh	g	g/t	mg
	-150C	379.43	0.72	0.273
	-150 subtotal	**968.81**	**0.70**	**0.676**
	Total	990.85	**0.74**	0.732
	+150	27.08	0.07	0.002
	-150A	287.17	0.09	0.026
BS11	-150B	341.98	0.09	0.031
	-150C	319.78	0.08	0.026
	-150 subtotal	**948.93**	**0.09**	**0.082**
	Total	976.01	**0.09**	0.084

11.4 Interpretation of Results and Conclusion

The underground bulk sampling program proved very useful and essentially verified or validated previous bulk sampling work that had been historically conducted in the same workings in 1987 and 1991. Bulk sampling in 1991 reported an average grade of 0.027 ounces Au/t, which when metrically converted equals 0.9257 g/t. The Cyanide analysis of the bulk sampling provided an average grade of 1.2745 g/t, whereas the Screened Metallic analysis provided a grade of 1.8118 g/t. The difference in results is likely due to a number of factors including the different analytical techniques, the 'nugget' affect within the veins and wall rock material collected, as well as the sample size used to complete the two different analytical techniques. As a result the bulk sampling program additional exploration is recommended for the project, with additional bulk samples recommended to be collected from surface trenching within the zone of interest and along strike.

12. Diamond Drilling Program

12.1 Objective

The objective of the diamond drill program was largely due diligence to confirm or verify previous historical drilling results, complete infill drilling between historical drillholes to verify mineralization continuity and assist with understanding the structural complexities of the area, as well as drilling to greater depth to test the potential for additional zones of interest.

12.2 General Information

Throughout July and August several old logging and exploration roads were opened up throughout the Frasergold 'Main Zone' and around the underground adit to allow access for the planned diamond drillhole (ddh) program. The old access road across Grouse Creek was refurbished with access roads on either side opened up. Drill pads were constructed for 10 drill holes, along with sumps for collection of drilling fines. All exploration roads were ditched along road margins, which also entailed installing several small culverts in areas of new run off and at areas where natural drainage channels occurred. Silt fences and straw bales were placed in various run off zones throughout the Frasergold proposed drilling area. Large trucks were used to emplace fill on historical exploration and logging roads to alleviate erosion; emplacement of fill was difficult and took often took several days due to frequent wet conditions and concern over safety.

On August 17th a diamond drill contract was signed between Hawthorne and SDS Diamond Drilling ('SCS') of 1270 Salish Road, Kamloops, BC. The drill program was laid out to test 4 previously defined zones of interest; including the Main Zone, the Grouse Creek West Zone, the Grouse Creek East Zone and the Frasergold Zone. Starting on September 3rd, 2007 SCS began drilling on the Frasergold property with one diamond drill, the drill program ran from September 3rd through to December 10th. During this period a total of 16 HQ core size diamond drill holes totalling 3,615 metres were drilled to an average depth of 226 metres. The first drillhole completed was 07-295 and ending with 07-309, with one drillhole (07-304A) re-collared (07-304B) due to drilling problems.

The drillholes were completed along a 2 ¼ km strike length of the Frasergold zone. Of the 16 drill holes, 10 were drilled for due diligence purposes with the remaining 6 drilled as in-fill holes on the Main Zone; all drill holes were drilled to greater depths than historical drill holes to test potential for additional zones. A total of 12 holes were drilled in the Main Zone, 1 drill hole was completed on the Grouse Creek West Zone, 1 drill hole was completed on the Grouse Creek East Zone and 2 drill holes were completed on the Frasergold Zone. The location of the 2007 diamond drillholes are outlined in **Table 5** and displayed in **Figure 10** relative to historical drillholes. **Appendix H** displays drill sections with diamond drill holes completed in 2007. The results of the drill core assays are outlined in **Appendix I** and include all iPL Assay Certificates, drill logs are outlined in **Appendix J**.

Table 5
2007 Drill Hole Data

Zone	Drill Hole	Type	NAD83 Zone 10 Easting	NAD83 Zone 10 Northing	Elev. (m)	Drill Hole Angle	Direction Az Corrected	Total Depth (m)
Main	07-295	DD	665119	5797757	1544	-62°	045°	227.38
Main	07-296	DD	665228	5797660	1533	-55°	045°	215.19
Main	07-297	DD	665280	5797548	1555	-62°	045°	218.24
Main	07-298	DD	665304	5797507	1559	-61°	045°	227.38
Main	07-299	DD	665490	5797340	1560	-59°	045°	212.45
Main	07-300	DD	665523	5797215	1552	-65°	042°	216.16
Grouse W	07-301	DD	665605	5797210	1535	-61°	045°	209.09
Main	07-302	DD	665491	5797245	1551	-60°	040°	233.78
Grouse E	07-303	DD	666261	5796421	1597	-66°	045°	236.83
Frasergold	07-304A	DD	666502	5795988	1552	-58.5°	045°	154.84
Frasergold	07-304B	DD	666503	5795990	1551	-58.5°	045°	262.43
Main	07-305	DD	665276	5797495	1555	-59°	045°	244.75
Main	07-306	DD	665228	5797548	1556	-65°	045°	267.31
Main	07-307	DD	665431	5797286	1556	-54°	040°	248.72
Main	07-308	DD	665172	5797628	1554	-65°	045°	239.88
Main	07-309	DD	665172	5797628	1554	-50°	045°	200.56

Figure 10 - Historic and 2007 Diamond Drill Hole Plan

13. Sampling Method and Approach

Hawthorne conducted core sampling with sampling protocols and procedures recommended by Alistair Sinclair Professor Emeritus Economic Geology and Geological Engineering at the University of British Columbia, all core samples were collected under the supervision of experienced Geologists.

During the drill program each of the 16 drill holes were sampled from top to bottom at approximately 1 – 1.5 metre intervals. While logging the core Geologists also marked the core for sampling and attached sample tags to the core boxes at the beginning of each sample interval. Total core samples, including QA/QC samples submitted to the iPL Lab totaled 4118. Unfortunately due to the long lag time between sample submittal and sample assay results, the results could not be used to assist with spotting drillholes.

13.1 Core Sampling Procedures and Protocols

Core samples collected throughout the drill program were also carefully collected and digitally recorded. Core samples were cut in half by core cutting saws with one half returned to the core box and stored on site, and the other half placed in individual sample bags along with their corresponding sample tag. The sample bags were recorded for shipment purposes and then placed into large sealed rice bags. The sample bags were shipped out to a secure storage site and then shipped to iPL Labs in Richmond, BC.

The exact core sampling procedures and protocols followed by Hawthorne were as follows:

1) Convert all drilling blocks from Imperial to metric.
2) Label each box with drillhole number, box number and the contained core interval using a 1”x 4” buttersoft tag or Dymo aluminum tapewriter.
3) Calculate core recoveries and rock-quotient-density measurements (RQD).
4) Log core for rock type, alteration, structure and mineralization.
5) Lay out sample intervals using a 1”x 3” buttersoft with coloured tagging and sample tag.
6) In black felt marker, write on the top left-hand corner of each box, the hole number, box number and starting interval. On the bottom right corner, mark the finishing interval. This is to be in large, clear letters for photographing.
7) Photograph the core, with all tags, markers, etc. in place before splitting.
8) Mark the core with a felt marker, the cut-lines for diamond sawing.
9) Split core using the diamond saw and assemble samples according to the intervals.
10) Write sample number on inner bag, double bag all samples, and place the sample tag between the two bags.
11) Place up to five (5) consecutively numbered samples in a white ‘rice sack’.
12) Each ‘rice sack’ is to be consecutively numbered and sealed with a randomly numbered security tag.
13) The last ‘rice sack’ in the shipment is to contain the IPL Sample Submission Form copy #1.
14) The ‘rice sacks’ are to be transported to Williams Lake where they are placed on pallets, shrink wrapped and stored until being shipped to Vancouver to International Plasma Lab Ltd., Richmond, BC.
15) Specific gravity determinations are to be run on approximately 100 representative whole core samples by the Mining Engineering Department at UBC. These 8” – 10” cores are to be collected throughout the drilling program, identified, tagged and held until the end of the drilling season.
16) Multi-Element Assays. Upon completion of the drilling program, approximately 100 samples will be selected for a 30-element ICP analysis using (HF-$HClO_4$-HNO_3-HCl digestion) to study distribution and association of trace elements in relation to gold distribution.

17) All samples to be retained by iPL until end of program at which time a decision for disposal will be made.

The above procedures were followed throughout the program by Hawthorne. As well a total of 128 specific gravity samples were collected. These were sent to the Norman B. Keevil Institute of Mining Engineering at the UBC campus for final analysis. The results of the 128 specific gravity samples are outlined in **Appendix K**.

13.2 Core Sample Analysis

The initial analysis of the drill core samples by iPL Labs was as follows:

All drillcore was processed using the Metallic Sieve procedure (P1363 modified) as follows:

10) Dry sample
11) Crush entire sample to -10 mesh, mix and riffle out 1.0 kg.
12) Pulverize the 1.0 kg sample to 150 mesh and screen.
13) Weigh and fire assay the entire +150 mesh fraction.
14) Mix & split out 3 identical 1 assay tonne samples from the -150 m fraction for fire assay.
15) All Au assays to be 1 assay tonne followed by gravimetric finish (G362).
16) Average the three -150m assays, combine with the +150m assay on a weighted basis to determine calculated head grade.
17) Report all four (4) assays and the weighted head grade.

However due to the slow process of completing the Screened Metallic analysis on all core samples a review of the procedures was undertaken by management and iPL Labs and a decision was made to modify the core sample analysis in order to speed up the assaying process without materially affecting the overall results. Consequently starting in late October 2007 all core samples submitted to iPL Labs were first assayed by Fire Assay procedures prior to having Screened Metallic analysis completed on all samples. Starting in early November a new protocol was enacted whereby a threshold was set for Fire Assay values at which time the Lab automatically completed Screened Metallic assays on all samples where the original Fire Assay were equal to or greater than 0.1 ppm (1 gm/Tonne). Any samples less than 0.1 ppm did not have Screened Metallic analysis completed.

14. Quality Assurance / Quality Control

Core samples collected during the 2007 drill program followed a Quality Assurance/Quality Control (QA/QC) program, however due to some misunderstandings by staff the QA/QC controls occasionally varied as to what sample site the QA/QC sample was inserted. The QA/QC controls included the following procedures:

14.1 Standards, Blanks and Duplicate Samples

Starting with sample number 4, a 'Standard or Blank sample' was inserted according to the following:

Every 20th sample – Standard sample (one low, medium or high in random order)
Every 80th sample – Blank sample
Every 30th sample – duplicate core sample (see below for description)

Based on this methodology it was important to physically count 20 actual core samples before inserting the next Standard and to physically count all core samples before inserting the next Standard and/or Blank.

The Standard Samples consisted of the following grades:

Low	0.77 ± 0.06 g/t Au
Medium	2.03 ± 0.12 g/t Au
High	3.58 ± 0.31 g/t Au
Blank	<0.01 g/t Au

At the point Standards were inserted, Core Logging Geologists used a 1"x 3" buttersoft and a different coloured piece of tagging and placed the small Standard sample bag and sample tag in the core box.

The 'Core Duplicate Sample' process was done in conjunction with the various QA/QC Standards and Blanks inserted. In the case of the 'Core Duplicate Sample', a second 1"x 3" buttersoft, tagging and sample tag illustrating the same interval on it was placed in the core box. For this 'Duplicate Sample', the original split half and corresponding ¼ split were used to make up two identical samples in sequence. All three (3) 'duplicate' sequential sample tags and an explanatory sheet (with filled in sample numbers) were placed in with the bag of the 1/4 of the split core. By placing them all together, it alerted the sample prep person at the iPL Lab that something quite different was required for that sample.

The following outlines the numbering sequence and required analyses to be used for the duplicate core sample, using an actual example. It should be noted that, in this particular set of duplicate samples, ¾ of the core is used.

First Half of Core – crush, prepare and assay as routine Sample No. _____32_____
Second Half of Core – diamond saw in half to produce two ¼ core sections. Place the first part of the ¼ core back in core box.

Second Part (1/4) of Core – crush and split as follows:

First half of crushed sample:

Split the pulverized pulp sample into Parts A and B.

Part A of pulverized pulp for analysis
Standard analysis — Sample No. _____33_____

Part B of pulverized pulp for analysis — Sample No. _____34_____

Second half of crushed sample:

Standard analysis — Sample No. _____35_____

Second Part (1/4) of Split Drill Core ---------- → Crush & Split

Split 1

Pulverize

Sub-split

Part A

Part B

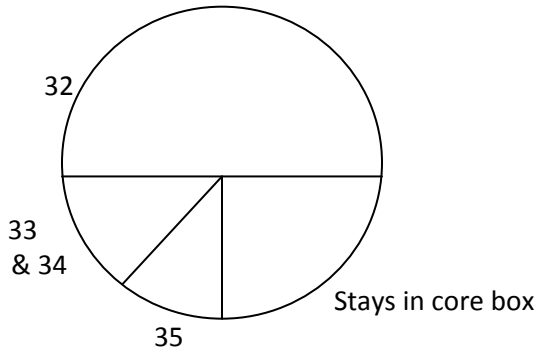
Std Analysis No. ____33____

Split 2

Pulverize

Std Analysis No. ____35____

Std Analysis No. ____34____



14.2 Check Assays

The QA/QC Check Assay portion of the program was completed once all assay samples were finished by iPL Labs. On completion of the assay program Hawthorne Gold sent a list of specific samples (1 in every 20 core samples) in which iPL split out 2 kg from the original crushed reject to be sent to ALS Chemex for Metallic Sieve Au analysis. ALS Chemex split the sample and returned one half to iPL for blind sample re-assay. In order to simplify and speed up the assay process, and as stated above, this portion of the program was completed following the drill program with the results shown in **Appendix L**. As mentioned under 'Core Sample Analysis', initially all of the core was assayed via Screen Fire Assay (SFA) or Screened Metallics with no Fire Assay (FA), however due to the slow turnaround FA procedures were

implemented for all core assays prior to SFA. Hence some Check Assays completed by iPL only had SFA values and no FA values, whereas all of the ALS Chemex Check Assays were completed by FA.

15. Quality Assurance / Quality Control Results and Conclusions

Quality assurance and control (QA/QC) samples, such as Standards and Blanks show no discrepancies of any concern. High, medium and low Standard assay values correlate well with the expected values, as do the Blank samples, Check Assay results are generally within tolerance.

Future exploration will require a rigorous check assay program. Duplicate check samples should be collected at regular intervals from within all stages of the sampling process, including duplicate samples collected at the drill rig, duplicate coarse rejects within the lab and duplicate pulps from the individual coarse rejects. The duplicates should be assayed both within the original lab and also sent to a second lab as a check on the original lab's results. Certified reference material Standards and Blanks should be inserted at regular intervals into the sample stream as a check on analytical accuracy. Field Duplicates and Preparation Duplicates should also be taken at regular intervals.

16. Diamond Drilling Program – Interpretation of Results and Conclusions

16.1 Results

The results of the diamond drill program were inconclusive with interpretation of the drilling indicating a structurally complex zone and core assays indicating one or more of the following scenarios:

1. Gold mineralization appears to be more continuous along strike than downdip or between drillholes on the same cross section.
2. Gold mineralization appears partially to be controlled by parasitic folding along the north northeast limb of the Eureka Syncline.
3. Weakly gold mineralized ribbon veins interspersed with sporadic high grade gold ribbon veins, with high grade results possibly due to intersection of fold noses.
4. A strong nugget affect within veins themselves.
5. Weaker gold grades may be due to drillholes intersecting veins along fold limbs and not within fold nose regions.
6. There may possibly be more than one controlling mineralizing structural event other than S1.

16.2 Conclusions

The geochemical sampling and drilling programs failed to outline new zones of interest but did verify historical data retrieved from surface trenches and drillholes and appears to have verified the interpretation of underlying geology and stratigraphy in relationship to the Eureka Syncline.

The Frasergold Zone is the only area within the property that has had any degree of serious exploration and drilling, and is a zone of known anomalous gold within graphitic phyllitic metasediments. In the future, geochemical sampling and drill programs should target step out regions along strike and possibly the opposite limb of the Eureka Syncline for potential new zones, while locally should be designed to infill the Frasergold Main Zone at tighter spacing in order to potentially assist with the structural interpretation of the zone and hopefully adding resource. The structural controls are poorly understood at this time with the controlling gold mineralization structure possibly being related to various structural events and not just one. Detailed and consistent logging is required in order to capture as much structural information as possible, such as vein density, overall quartz percentage and structural measurements, which may assist with future exploration programs and understanding the complex structural controls within this region. As identified by previous Geologists, such as Dave Rhys, Panterra Geoservice Inc., the linear continuity of mineralization along strike appears to be much greater than cross sectional (down dip to the southwest) continuity. Consequently detailed morphology of mineralization needs to be established most critically in cross sectional view, which may be achieved by drilling closely spaced drill holes on selected sections with 7 -15 m spacing to allow for detailed determination of sectional mineralization distribution, which could then possibly be projected along strike between other cross sections, hence the need for detailed logging.

The geological crew de-mobed from the field on December 17th and the camp was placed on care and maintenance for the remainder of 2007, and placed under security until exploration resumes in May 2008.

It is recommended that the Frasergold Property mineral dispositions described within this assessment report be held pending further review of the geophysical data acquired in September 2007.

17. Initial Environmental Baseline Data Collection Program

17.1 Objective

The objective of the program was to commence the gathering of environmental data that requires the longest time period to satisfy scientific scrutiny during the application phase and to monitor the site during the exploration activities. This program was initiated in October 2007 and is ongoing. Expenditures for this assessment report are only those expenditures that occurred during the period October to December 2007 inclusive and are documented in the table below

17.2 Environmental Programs

Water quality and quantity data usually require a minimum of one year of data and thus these were the programs that were initiated.

17.3 Water Quality and Quantity

EBA Consulting Engineers and Scientists (EBA) were awarded the water monitoring study and the work commenced with monthly sampling beginning October 2007. Stream flow meters were also installed with data loggers to continuously record the flows at four locations. A total of seventeen water sampling stations were established to collect the monthly water samples. These sites include both upstream, downstream and sites on the mineral claims. A map showing the sample locations is provided.
Whenever possible, personnel and equipment from the Williams Lake Indian Band were utilized.

17.4 Interpretation of Results and Conclusions

The interpretation of the results is ongoing, and will be compiled and reported by EBA Consulting Engineers and Scientists and by RWDI at the end of the monitoring period. An interim report has been submitted by EBA to cover the first period from October 2007 to March 2008 inclusive. This interim report has been attached in the Appendix and the sampling results for October 2007, November 2007 and December 2007 can be found in that report.

18. Diamond Drilling and Soil, Rock Sampling - Assessment Details and Statement of Expenditures

Table 6: Assessment Details

Property:	Frasergold Property, Williams Lake Area, British Columbia
Mining Division:	Cariboo Mining Division, British Columbia
Prepared For:	Hawthorne Gold Corporation, Suite 1580 – 505 Burrard Street Vancouver, British Columbia V7X 1M5
Location:	Property located approximately 50 km east of Horsefly, BC, 100 km east of William Lake, BC, and 230 km southeast of Prince George, BC.

(A)

Type of Work:	Data Compilation	
Office and Field Days:	105 days, January 1st – April 15th, 2007 46 days, November 15th – December 31st, 2007	
Hawthorne Personnel:	Sam Slaney, Exploration Geologist Gordon Addie, VP Michael Redfearn, VP Operations Jim Sparling, P.Geo, Exploration Manager	
Total Hawthorne man days:		151
Hawthorne cost per man:		$526
Total Hawthorne cost per man:		**$79,426.00**
Grand Total		

(B)

Type of Survey:	Fixed Wing Topographical Survey	
Field Days:	1 day, August 16th, 2007	
Operating Days:	1 day, August 16th, 2007	
Aircraft:	Cessna 206 Airplane	
Total Survey Area Flown:		118 km^2
Total Survey Coverage:		1348.5 line-km
Total Survey Coverage within defined project area:		1318.6 line-km
Total Area of Frasergold Claims:		10,741 ha
Total Number of Claims Included:		41
Total Cost of survey:		**$47,450.00**

(C)

Type of Survey:	Reconnaissance and Geochemical Sampling
Field Days:	95 days, June 1st – September 5th, 2007
Hawthorne Personnel:	Agzim Muja, Project Geologist
	Sheri Burt, Exploration Geologist
	Tammy Perry, Exploration Geologist
	Sam Slaney, Exploration Geologist
	Sarah Anderson, Field Assistant
	Matt Williams, Field Assistant
	Ron Horvath, Field Assistant
Total Hawthorne personnel in temporary accommodations	4
Total Hawthorne food & accommodation man days (June 2 – September 5th, 2007)	675
Hawthorne Food & Accommodation:	$50/day
Total Food and Accommodation cost:	$33,750.00
Total Hawthorne man days:	180
Hawthorne cost per man:	$500.00
Total Hawthorne man day costs	$90,000.00
Cost of materials and supplies	$965.25
Cost of assaying	$23,584.79
Total Number of Claims Included:	41
Total	**$148,300.04**

(D)

Type of Survey:	Legal Survey of Claim Posts and Drill Collars
Field Days:	4 days, August 1st – 3rd and 9th, 2007
Contractor:	Rathbone & Goodrich
Total Number of Claims Included:	41
Cost of surveys and related work	$10,027
Total	**$10,027.00**

(E)

Type of Survey:	Trench Sampling
Field Days:	30 days, July 15th – August 15th, 2007
Hawthorne Personnel:	Sheri Burt, Project Geologist
	Tammy Perry, Exploration Geologist
	Sam Slaney, Exploration Geologist
	Don Harding, Camp Manager
	Myra Saunders, Camp Administrator
	Sarah Anderson, Field Assistant
	Matt Williams, Field Assistant
	Ron Horvath, Field Assistant
Total Hawthorne food & accommodation man days (July 15th – August 15th, 2007)	270
Hawthorne Food & Accommodation:	$50/day
Total Food and Accommodation:	$13,500.00
Total Hawthorne man days:	270

Hawthorne cost per man:	$500
Total Hawthorne cost per man:	$135,000.00
Cost of materials and supplies	$7,240.00
Cost of assaying	$23,986.56
Heavy Equipment contractor:	Harper Lake Division Ltd.
Total Heavy Equipment men:	2
Total Heavy Equipment man days	60
Heavy Equipment Food & Accommodation:	$50/day
Total Heavy Equipment Food & Accommodation costs	$3,000.00
Total Number of Claims Included:	41
Grand Total	**$182,726.56**

(F)

Type of Survey:	Underground Channel Sampling
Field Days:	16 days, August 15th – 31st, 2007
Hawthorne Personnel:	Sheri Burt, Project Geologist
	Sam Slaney, Exploration Geologist
	Kelly MacRae, Camp Manager
	Myra Saunders, Camp Administrator
	Matt Williams, Field Assistant
	Ron Horvath, Field Assistant

Total Hawthorne food & accommodation man days (August 15th – 31st, 2007)	144
Hawthorne Food & Accommodation:	$50/day
Total Hawthorne man days:	144
Total Food and Accommodation:	$7,200
Hawthorne cost per man:	$500.00
Total Hawthorne cost per man:	$72,000.00
Cost of materials and supplies	$4,220.00
Cost of assaying	$6,418.62
Total Heavy Equipment men:	2
Total Heavy Equipment man days	32
Heavy Equipment Food & Accommodation:	$50/day
Total Heavy Equipment Food & Accommodation costs	$1,600.00
Total Number of Claims Included:	41
Grand Total	**$84,238.62**

(G)

Type of Survey:	Underground Bulk Sampling
Field Days:	5 days, September 1st – 5th, 2007
Hawthorne Personnel:	Sheri Burt, Project Geologist
	Sam Slaney, Exploration Geologist
	Kelly MacRae, Camp Manager
	Myra Saunders, Camp Administrator
	David Gunning, Geological Consultant
	Matt Williams, Field Assistant
	Ron Horvath, Field Assistant
	Jason Jackson, Assistant
	Kyle Kershaw, Assistant

Total Hawthorne food & accommodation man days (September 1st – 5th, 2007)	45
Hawthorne Food & Accommodation:	$50/day
Total Hawthorne costs for Food & Accommodation:	$2,250.00
Total Hawthorne man days:	45
Hawthorne cost per man:	$500.00
Total Hawthorne cost per man:	$22,500.00
Cost of materials and supplies	$2216.59
Cost of assaying and metallurgical	$48,130.25
Total Heavy Equipment men:	2
Total Heavy Equipment man days	10
Heavy Equipment Food & Accommodation:	$50/day
Total Heavy Equipment Food & Accommodation costs	$500.00
Total Number of Claims Included:	41
Grand Total	**$75,596.84**

(H)

Type of Survey:	Surface Drilling
Field Days:	101 days, September 5th –December 15th, 2007
Hawthorne Personnel:	Sheri Burt, Project Geologist
	Shahid Janjua, Exploration Geologist
	Janice Fingler, Exploration Consulting Geologist
	Sam Slaney, Exploration Geologist
	Kelly MacRae, Camp Manager
	Myra Saunders, Camp Administrator
	Sarah Anderson, Assistant
	Matt Williams, Assistant
	Ron Horvath, Assistant
	Jason Jackson, Assistant
	Kyle Kershaw, Assistant
	Rhys Norquay, Assistant
Total Hawthorne food & accommodation man days (September 5th –December 15th, 2007)	1010
Hawthorne Food & Accommodation:	$50/day
Total Hawthorne man days:	1010
Total Hawthorne accommodation costs:	$50,500.00
Hawthorne cost per man:	$400.00
Total Hawthorne cost per man:	$505,000.00
Cost of materials and supplies	$33,195.16
Cost of assaying	$268,084.60
Cost of drilling:	$743,387.00
Total Number of Claims Included:	41
Drilling Contractor:	SCS Diamond Drilling
Total SCS food & accommodation man days (September 5th –December 15th, 2007)	202
SCS Food & Accommodation:	$50/day
Total SCS Food & Accommodation cost:	$10,100.00
Total Heavy Equipment man days:	202
Total Heavy Equipment Food & Accommodation cost:	$10,100.00
Grand Total	**$1,620,366.76**

(I)

Type of Survey:	Environmental Survey and Analysis
Field Days:	101 days, September 5th –December 15th, 2007
Grand Total	**$96,587.00**

Table 7: Frasergold Property Statement of Expenditures

Total Hawthorne Cost of Project:

Geological Salaries	$ 334,918
Geological assistant salaries	113,581
Camp support/cook/safety/general labour salaries	304,858
Geological Consulting	49,580
First Nations Consulting	2,613
Office Studies	27,817
Legal Surveying	10,027
Airborne Topographical Mapping	47,450
Assay Costs	370,207
Heavy Equipment for Roads, Trenching, Pad Building and Reclamation	202,669
Drilling	743,387
Geological and Camp Field Supplies	47,837
Repair and Maintenance	29,891
Environmental Services and Analysis	96,587
Transportation, includes: Fuel, Flights and Snow Removal	157,025
Accommodation & Food	117,301
Camp Health, Safety & Security	53,974
Communication	20,881
Equipment Rentals	29,414
Freight, rock samples	12,375
TOTAL Expenditures	2,772,392

Certificate of Qualified Persons

I, James Edwin Sparling, B.Sc., P.Geo, MBA do hereby certify that:

1. I am the Exploration Manager of:
   Hawthorne Gold Corporation
   Suite 1580 – 505 Burrard Street
   Vancouver, BC, Canada
   V7X 1M5

2. I am a graduate of the University of Manitoba (B.A. Economics), the University of Saskatchewan (B.Sc. Geology 1984) and Royal Roads University (M.B.A., 2003).

3. I am a member in good standing with the Association of Professional Engineers and Geoscientists of Saskatchewan (Member # 10870), Manitoba (Member # 20438) and British Columbia (Member # 31971).

4. I have practiced my profession in mineral and petroleum exploration continuously since graduation in April 1984, except for the period March 2001 to May 2003 while I completed my MBA. Employed May - December 1984 as an exploration geologist with Hudson Bay Exploration & Development Co. Ltd. (HBED) in Snow Lake, Manitoba. Employed January 1985 - December 1986 with Geotemp Consulting as an independent wellsite geologist in Calgary, Alberta. Employed January 1987 as geophysical technician with Ross Conner Geophysical Contracting in Flin Flon, Manitoba. Employed as exploration geologist/geophysical technician with HBED in Flin Flon and Snow Lake, Manitoba from February 1986 – July 1987. Employed with Turner Engineering and Schindler Exploration as junior geologist from July 1988 – June 1989. Employed as geophysical technician/junior geologist with Petro-Canada Resources in Calgary, Alberta from June 1989 – June 1992. Employed as geophysical technician/Geophysical Crew Chief with Brad Koop Exploration in Flin Flon region from June 1992 – June 1994. Employed as Geophysical Crew Chief/Project Geologist with HBED throughout western and northern Canada from June 1994 to February 2001. March 2001 – April 2003 full time MBA. September – December 2003 employed as contract Project Geologist with StrataGold Corporation (SGV) in the Yukon. May 2004 – November 2007 employed as Exploration Manager with SGV. November 2007 – present employed as Exploration Manager with Hawthorne Gold Corporation.

5. I have been involved with the exploration of the property that is the subject of the Assessment Report since mid November 2007. During the period of mid November 2007 until early December 2007 I oversaw the exploration programs on the property, and visited the property during the exploration season, reviewed and interpreted data, and recommended future plans and budgets for the property. My last visit to the property was from November 20 - 22, 2007 for 3 days but was unable to assess the surficial geology due to heavy snow accumulations.

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

7. I am responsible for the assessment report titled "**Geochemical Sampling, Trenching and Diamond Drilling Assessment Report for 2007 Frasergold Property, Williams Lake Area, British Columbia**" and dated _____, 2008.

8. As of the date of this Certificate, to my knowledge, information and belief, this Assessment Report contains all scientific and technical information that is required to be disclosed to make the assessment report not misleading.

9. I was employed by Hawthorne Gold Corporation from the period of November 15, 2007 through to September 28, 2008 as the Exploration Manager, and had been issued stock options.

Dated this 5th day of December 2008.

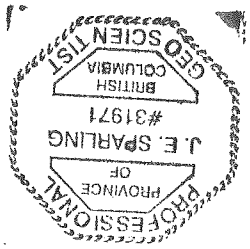
(Original signed and sealed by)

"Jim Sparling"

Signature of Qualified Person

J. Edwin Sparling, P.Geo, MBA

Name of Qualified Person



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4. Hawthorne Gold Corporation Monthly Reports.

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