ASSESSMENT REPORT TITLE PAGE AND SUMMARY

TITLE OF REPORT: **Geochemical and Physical Report on the Fraser Canyon Project**

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AUTHOR(S): **Don Benard, B.Sc.; Fran Macpherson, M.A.; Robert E. "Ned" Reid, P.Geo.**

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YEAR OF WORK: **2009**

PROPERTY NAME: **Fraser Canyon**

CLAIM NAME(S) (on which work was done): **Canyon 1, Tenure 325922**

COMMODITIES SOUGHT: **Au**

MINERAL INVENTORY MINFILE NUMBER(S),IF KNOWN: **093G 041**

MINING DIVISION: **Cariboo**

BCGS: **093G.017**

LATITUDE: **53o 07' 47"**

LONGITUDE (at centre of work): **-122o 39' 48"**

UTM Zone **10N** EASTING **522720** NORTHING **5886655**

OWNER(S): **CVG Mining Ltd.**

MAILING ADDRESS: **384 Winder Street, Quesnel, B.C., V2J 1C6**

OPERATOR(S) [who paid for the work]: **CVG Mining Ltd.**

MAILING ADDRESS: **384 Winder Street, Quesnel, B.C., V2J 1C6**

REPORT KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude **do not use abbreviations or codes**)

Tertiary, Miocene, siltite, cemented gravels, conglomerate, quartz, quartzite, gold, silver

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Geochemical and Physical Report on the Fraser Canyon Project

Cariboo Mining Division
BCGS: 93G.017
53° 07' 47"N, -122° 39' 48"W
NAD83, Zone 10N UTM: 5886655W, 522720N

Prepared for:
CVG Mining Ltd.
384 Winder Street
Quesnel, BC, V2J 1C6

March 12, 2010

Prepared By:

Donald J. Benard B.Sc. (Geol), P.Eng.
422 Lessard Drive NW, Edmonton, Alberta
Phone: (250) 255-3316
Email: don.benard@cvgmining.com

Fran Macpherson, M.A.
Accurate Mining Services Ltd.
1282 Marsh Road, Quesnel, BC, V2J 6H3
Phone: (250) 992-2801
Email: fmacpherson@accuratemining.com

Reviewed By:
Robert E. "Ned" Reid, P.Geo.
#16 – 231 Hartley Street, Quesnel, BC, V2J 1V8
Phone: (250) 992-3782
Email: nedreid@shaw.ca

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Introduction

This report describes site infrastructure construction and dewatering for exploration and planning purposes of the existing decline and raises in a gold-bearing Tertiary channel of the ancestral Fraser River in central British Columbia. This report details the hydrological and geochemical work completed between the spring and fall of 2009; describes the geological and mining history of the area; presents results of current exploration and recommendations for continuing exploration and mining.

Both placer and mineral claims are held over the area of interest, located in the Cariboo Mining District, by CVG Mining Ltd who funded the work. CVG Mining Ltd was created in late 2009 and the tenures previously held in its sister company, 0845445 BC Ltd were transferred to CVG Mining Ltd upon completion of an amalgamation of corporate entities. Both companies are 100% owned and operated by 101136288 Saskatchewan Ltd.

This report details only work completed on the placer land holdings although it includes references to the mineral land holdings. The work was completed on Placer Tenure 325922 between May 22 and November 20, 2009.

Location and Access

The Fraser Canyon (formerly Canyon) mine area lies approximately 25km northwest of Quesnel and is readily accessible from West Quesnel via 6.7km on North Fraser Drive/Nazko Highway, then 16.5km on Paradise Road. Access to this area is available throughout the major portion of the year as Paradise Road is gazetted and maintained to the site turn off.

Figure 1 shows the region of interest south and west of the Fraser River in central British Columbia. Figure 2 shows the placer tenure block and Figure 5 the specific area of interest on the Fraser River northwest of Cottonwood Canyon. The claims are centered approximately at 53.123083N latitude and -122.662722W longitude some 27 kilometers northwest of Quesnel within NTS map area 093G/2E and BCGS map areas 093G.017, 093G.007 and 093G.008.

The north Tertiary area (directly north and across the river from the Fraser Canyon mine) is readily accessible from Highway 97, the old Prince George Highway and by numerous logging roads in the north. The most direct route is by taking Olson Road north and west of the Ahbau Creek bridge on Highway 97, 7 km southwest to the Cottonwood River then 3 km north to the B C Hydro lines where the 200 Road branches south About 5 km west on the 200 Road the 200A Road to the south is taken for about 11 km where an access road to the Tertiary Mine branches south. It is about 2 ½ km along this road to the site of the old Tertiary Mine. There are other logging roads which extend through the property to the Fraser River. Access to the Tertiary is generally available annually from May through late October.

Climate

A sample 27 year period for average weather obtained from the Meteorological Branch of the Department of Transport in Quesnel indicates that the Canyon Mine Property area has a moderate climate. July and August are the hottest months averaging 25^{o} C, with an overall mean maximum temperature of 23^{o} C. December and January are the coldest months averaging 0^{o} C, with an overall mean minimum temperature of -13^{o} C. Therefore, year round operation of a wash plant is quite feasible with proper winterizing of the plant facilities, and possibly short shut downs on the coldest days. A small placer operation washed material on an auriferous gravel bar, just below the CVG property through January, February and March in previous years with minimal problems.

Topography

The CVG claim area which is approximately 1.5 kilometers (1 mile) wide and 8 kilometers (5 miles) long is a series of 2 or 3 large, flat river-glacial benches. The adit is at approximately 502.9 m (1650 feet) ASL which is 6.25 m (20.5 feet) above the November Fraser River level. The first large gravel bench contains the wash plant and associated infrastructure and is at an elevation of 539.5 m (1770 feet) ASL. The second large gravel bench begins at the top of the hill above the infrastructure set up is at an elevation of approximately 565.7 m (1856 feet) ASL. These gravel benches are thickly wooded with mature Birch, Poplar, and immature Fir, Pine and Alders.

Ownership and Status of Placer and Mineral Tenures

Placer Tenures

Figure 2 shows the 29 placer tenures comprising the Fraser River Project that are 100% by CVG Mining Ltd. Table 1 summarizes CVG Mining Ltd's placer tenure holdings.

Applications to convert the claims to placer leases were submitted April 29 2009: Event Number 4278730 Tenures 325922, 416598, 534446 and Event Number 4278731 Tenures 534393, 546003, 599720. Mining and full production is not possible until these leases are issued due to the Mineral Titles Act (MTA) restriction on allowable volume.

Figure 1 Location

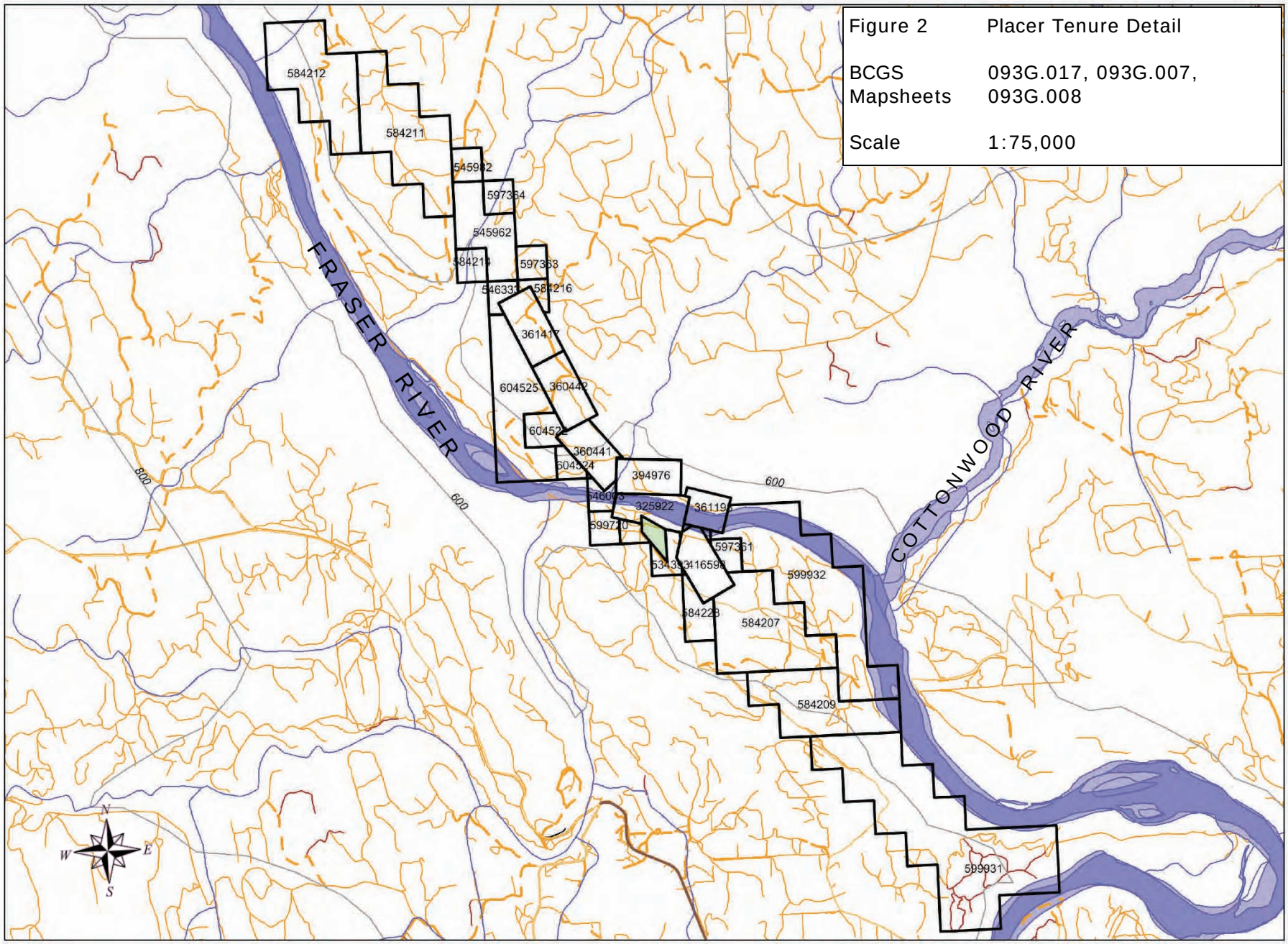


Figure 2 Placer Tenure Detail
BCGS Mapsheets 093G.017, 093G.007, 093G.008
Scale 1:75,000
FRASER RIVER
COTTONWOOD RIVER
584212
584211
545962
597364
545962
584214
597363
546331
584216
361417
604525
360442
604523
360441
604524
394976
546003
325922
361196
599710
597361
599932
584228
584207
584209
599931
600
600
600
N
W
E
S

Table 1: Placer Tenure Holdings

Tenure Number	Claim Name	Tenure Type	Tenure Sub Type	Map Number	Issue Date	Good To Date	Area (ha)
325922	CANON 1	Placer	Claim	093G017	1994/may/25	2010/jun/30	50.00
360441	FR 1	Placer	Claim	093G017	1997/oct/26	2010/jun/30	50.00
360442	FR 2	Placer	Claim	093G017	1997/oct/26	2010/jun/30	50.00
361417	FR3	Placer	Claim	093G017	1998/feb/07	2010/jun/30	50.00
394976	T 1	Placer	Claim	093G017	2002/jun/29	2010/jun/30	50.00
416598	CANYON 4	Placer	Claim	093G017	2004/nov/28	2010/jun/30	50.00
534393	CANYON	Placer	Claim	093G	2006/may/26	2010/jun/30	58.21
534446	CANYON 2	Placer	Claim	093G	2006/may/26	2010/jun/30	19.40
545962	FR	Placer	Claim	093G	2006/nov/27	2010/jun/30	77.55
545982	FR T	Placer	Claim	093G	2006/nov/28	2010/jun/30	19.38
546003		Placer	Claim	093G	2006/nov/28	2010/jun/30	19.40
546333	FRT	Placer	Claim	093G	2006/dec/02	2010/jun/30	19.39
584207	FARMLAND	Placer	Claim	093G	2008/may/14	2010/jun/30	174.68
584209	RIVER RUN	Placer	Claim	093G	2008/may/14	2010/jun/30	135.89
584211	CROSS COUNTRY	Placer	Claim	093G	2008/may/14	2010/jun/30	174.43
584212	TRAIL	Placer	Claim	093G	2008/may/14	2010/jun/30	155.02
584214	MCHARDLE	Placer	Claim	093G	2008/may/14	2010/jun/30	19.39
584216	T HARDLE	Placer	Claim	093G	2008/may/14	2010/jun/30	19.39
584228	T ROAD	Placer	Claim	093G	2008/may/14	2010/jun/30	38.81
584403	KILLAM	Placer	Claim	093G	2008/may/16	2010/jun/30	19.40
597361		Placer	Claim	093G	2009/jan/12	2010/jun/30	19.40
597363		Placer	Claim	093G	2009/jan/12	2010/jun/30	19.39
597364		Placer	Claim	093G	2009/jan/12	2010/jun/30	19.39
599720		Placer	Claim	093G	2009/feb/20	2010/jun/30	19.40
599931	PASTURE	Placer	Claim	093G	2009/feb/24	2010/jun/30	388.41
599932	RIVER JUNCTION	Placer	Claim	093G	2009/feb/24	2010/jun/30	271.69
604522	FSRD	Placer	Claim	093G	2009/may/14	2010/may/14	38.80
604524	CC	Placer	Claim	093G	2009/may/14	2010/may/14	19.40
604525	FRASE	Placer	Claim	093G	2009/may/14	2010/may/14	155.17

Mineral Tenures

Table 2 summarizes mineral tenure particulars. No figure is included as the report is restricted to exploration and development on the placer tenures. Mineral tenure details are included for information only.

Table 2: Mineral Tenure Holdings

Tenure Number	Claim Name	Tenure Type	Tenure Sub Type	Map Number	Issue Date	Good To Date	Area (ha)
524017	FRT	Mineral	Claim	093G	2005/dec/18	2010/mar/31	58.21
548842	CANYON	Mineral	Claim	093G	2007/jan/07	2010/mar/31	38.81
549079	CANYON 3	Mineral	Claim	093G	2007/jan/10	2010/mar/31	58.20
552453	WD 4	Mineral	Claim	093G	2007/feb/21	2010/mar/31	427.61
573560	CANYON CREEK	Mineral	Claim	093G	2008/jan/11	2010/mar/31	19.40
598756	FC	Mineral	Claim	093G	2009/feb/05	2010/mar/31	19.40
598757	FRC	Mineral	Claim	093G	2009/feb/05	2010/mar/31	155.26
646549	TERTIARY 1	Mineral	Claim	093G	2009/oct/03	2010/oct/03	387.92
646552	TERTIARY 2	Mineral	Claim	093G	2009/oct/03	2010/oct/03	484.54

PLACER MINING HISTORY

The known history of the Canyon mine is described below. Most of what little information is available dates back to 1945 and prior.

The Canyon mine was prospected following the 1860s gold rush. Between 1919 and 1920 a sizeable hydraulic operation was active and washed a large pit, the rejects from which now forms the base for the CVG tailings ponds and infrastructure. In 1935 several adits and shafts to bedrock were dug by hand near the portal/decline established by All Star Resources Ltd in 1986.

A buried Tertiary channel with a basal gold-bearing cobble conglomerate crosses the Fraser River at the downstream end of Cottonwood Canyon. On the north side of the river the workings are known as the ‘Tertiary Mine’ and on the south side of the river the workings are known as the ‘Canyon Mine’. Both properties were acquired from former owner John Bot in 2009 and have since been expanded in size.

The first reference to the Canyon Mine was in 1932 (B.C.M.M. Annual Report, 1932) when S.R. Craft had prospected the Tertiary gravel exposure on the south bank of the Fraser River opposite the Tertiary Mine. By 1933 the property was owned by J.A. Wade and A.E. McGregor.

In 1938 a small unnamed mining company developed and produced from a zone adjacent to the portal/decline area. The old workings consist of an 26 meter deep 1.8 x 1.8 meter winze, a main haulage drift 109 meters long and a series of irregular stopes. The operation continued with varying degrees of success until the start of World War II.

Various individuals leased the property until 1977 and attempted small scale mining. In 1977 the leases were obtained by Canyon Resources who pumped out the underground workings and took 446 underground samples and +/- 60 loose cubic meters of bulk samples. Engineer M.K. Lorimer wrote several reports at that time indicating the erratic gold values evidenced by the sampling, concluding that a pilot mining operation was necessary to determine the feasibility of the project.

In a 1983 report for Canyon Resources Ltd A.D. Tidsbury stated that about 110 meters (360 feet) of historical drifting was completed to follow the contact between the gravel and bedrock. An irregularly stoped area has been mined on the northeast side of the main drift, 2.1 meters (7 feet) high and 2.4 meters (8 feet) wide. Canyon Resources dewatered the workings and advanced five old working faces an average of 0.6 meters (2 feet), resulting in approximately 60 cubic meters (80 cubic yards) of gravel at its interface with the bedrock. When washed underground the average recovery was 0.125 oz/cubic yard.

A.D. Tidsbury also ran a four yard composite sample from four faces that yielded an average of approximately 0.129 oz/cubic yard. Tidsbury also pan sampled the lowest 15-20 cm (6-8") of gravel and the uppermost 25-30 cm (10-12") of bedrock from five faces. The average gold yield of the five samples was 0.442 oz/yd^3 with a range of 0.7 to 0.63 oz/yd^3.

The Canyon Mine was then acquired by All Star Resources Ltd (All Star) between 1984 and 1985. All Star dewatered the channel workings which lay below the level of the Fraser River in order to conduct a small test program. Four samples were taken from the gravel-bedrock interface with a volume of 0.45/ft^3 after removal of 25 to 33% boulders. One sample of 0.20 ft^3 was collected 1.8 m above bedrock and one sample of 0.45m^3 was taken beside the portal and 6m above the bedrock. Gold content ranged from 0.043 to 0.283 oz/yd

L.J. Manning reviewed the historical literature and data and prepared recommendations and a budget for an All Star underground exploration program. The exploration program was implemented in 1986 and resulted in the installation of a portal, 235 linear meter (771.5 foot) decline and 13 cross cuts using conventional mining methods. The cumulative advance was 493.5 meters (1619.4 feet), accomplished in 100 days of mining.

Material processed was 9,932 yd^3 (from 6,545 yd^3 in place or "bank" yards) out of the 10,804.1 yd3 mined. The underground sample resulted in the recovery of 442 Troy ounces of gold averaging 0.1746 Troy ounces per square yard, with recoverable gold of 1.886 Troy ounces per foot of channel advance* (see Fact Sheet page 9).

Based on the results of the bulk sample All Star produced a new reserve summary published in ARIS Report 15,768 (Baldry Mining Consultants Inc., 1997).

	Sq Yds Plan	Recoverable Oz/Sq Yd	Recoverable Total Ounces
Blocked out reserves	6,124	0.1746	1,069
Recovered & refined + rejects	2,404	0.1839	442
Total channel explored	8,528	0.1772	1,511

CVG Mining Ltd optioned the claims from John Bot of Quesnel in January 2009 and received a dewatering permit in April 2009. Site infrastructure construction and rehabilitation began at that time to facilitate the dewatering and sampling programs.

ALL STAR RESOURCES LTD.

1986 CANYON PROJECT

FACT SHEET

GOLD ORE RESERVES-14,289.4 bank yards @ 0.105 oz/yd^3
-19,290.7 loose yards @ 0.078 oz/yd^3
-total gold in reserve=1,496.56 troy oz.
-total value $823,108.00 (gold $550.00 Can)

GOLD FROM 1986 PROGRAM-9,932 loose yards @ 0.042 oz/yd^3
-total gold recovered All Star weight 511.619 Tr. Oz.,Engelhard weight 517.902
-total gold weight after the melt 482.151 Tr. Oz.
-gold purity 89.232 %-total gold 421.634 Tr. Oz.,Silver 40.342 TR OZ

1986-Crosscut advance 847.9 feet-13 crosscuts
-Main Drift advance-771.5 feet
-Total advance-1,619.4 feet

1986-Total broken ore mined=10,804.1 loose yards
-Total broken ore washed=9,932.0 loose yards
-Stockpiled ore for 1987=872.1 loose yards
-Value of stockpile ore=$37,500.00 (gold $550.00 Can)

1986-½" minus reject pile (sluice tailings)=4131.9 loose yards
@ grade of 0.006 oz/yd^3=24.79 troy ounces of gold
-Value of reject pile=$13,635.00 (gold $550.00 Can)

1986-Gold sizes=5.89%, +14 Mesh; 40.10%, 14-30 Mesh; 54.01%, -30 Mesh

Swell factor to convert bank yards to loose yards was found to be 35%

Total length of river channel encompassing the 15 Ore Reserve Blocks is 886.2 feet

Average river channel width is 100 feet (90' to 110')

Total river channel area is 84,894 square feet (planimeter)

-Ore block area is 55,116 square feet
-Crosscut area is 12,180 square feet
-Main Drift area is 11,358 square feet
-1985 development & Old Workings within area of ore blocks is 6,240 square feet

Total river channel volume 7.0 feet high is 22,009.5 bank yards or 29,712.8 loose yards

Average Assayed Ore Grade is 0.105 oz/yd^3 bank or 0.078 oz/yd^3 loose

Average gold amount per linear foot of channel is 2.61 troy ounces

Average gold amount per square foot of channel is 0.027 troy ounces
Total length of All Star underground from the 1985 portal to the far end of the 1986 Main Drift is 1286 feet.

Excerpted from *Geological Report for All Star Resources Ltd. on the Quesnel, B.C., Canyon Mine Project*, Garrow, T.D., 1986

REGIONAL GEOLOGY

Figure 3 shows the regional geology of the area as mapped by Tipper (1959, 1960). Two tectonic belts are represented on the map: the Omineca Crystalline Belt east of what is informally referred to as the Omineca Boundary Fault and the Intermontane Belt to the west.

Two subdivisions of the Intermontane Belt are the Quesnel Trough east of the Pinchi Fault and the Pinchi Geanticline to the west. The term Quesnel Trough applies to a long narrow strip of Triassic and Jurassic eugeosyclinal rocks, otherwise known as the Quesnel River Group. The Pinchi Geanticline is composed primarily of Pennsylvanian to Permian Cache Creek Group: limestone, chert, argillite, greenstone and ultramafic rocks. These rock groups have been intruded by stocks and plugs of Mesozoic intrusives.

Early Tertiary (Paleocene to Oligocene) volcanic rocks cover large areas west of the Fraser River. The sedimentary rocks of this age are not large and probably were deposited in small basins. Younger Oligocene (?) to Miocene sediments were deposited by the ancestral Fraser River and its tributaries. It is these sediments that are the focal point of placer exploration and this report. Undeformed Miocene plateau lavas and related rocks cap the region.

The dominating structure of the region is the broad depression that trends north-south between Prince George and Williams Lake. This valley is filled with about 300m of Tertiary and Quarternary sediments and along much of its length is occupied by the present Fraser River. It appears to be a horst block, with no apparent lateral offset of major transverse faults, although the trend of these faults across the valley is mostly conjecture as there is little visible outcrop.

Numerous steeply dipping nor-northwest striking faults cross the region. The Pinchi and Omineca faults mark major crustal breaks separating tectonic belts (terranes). There are many more faults and fractures subparallel to the two major fault zones than are shown on Figure 3. These smaller faults have guided intrusive rocks and brought up slices of older rocks. These fracture (shear) zones have also determined the course of river erosion as evidenced along the Fraser north of Cottonwood Canyon and along the Cottonwood River northeast of the Canyon. Block faulting, possibly associated with late Eocene-early Oligocene uplift of the Rocky Mountains, has affected rocks older than early Oligocene.

Surficial Geology

Physiographically the area lies in the Fraser Basin of the Interior Plateau and is characterized by a flat or gently rolling surface which mostly lies below 915m ASL. The Fraser, Blackwater, Quesnel and Cottonwood Rivers along with many of their tributaries have eroded deep channels well below the plateau surface.

The area was occupied by the Fraser ice sheet whose northward movement created the drumlinoid till plain that covers the higher ground. As the ice wasted, meltwater channels were incised and outwash deposits laid down. Additionally, pre-glacial drainages were blocked with drift and wasting ice and ice-dammed lakes formed. The lake became the site of the glaciolacustrine clay and silt deposits. Large areas of the Fraser basin – both north of Strathnaver and south of Cottonwood Canyon – are covered with these deposits below 790m ASL.

Numerous post-glacial landslides and earth slumps are present along the steep channels of the major rivers and along many of the smaller tributaries streams. These slides and flows involve both Tertiary and Quarternary deposits.

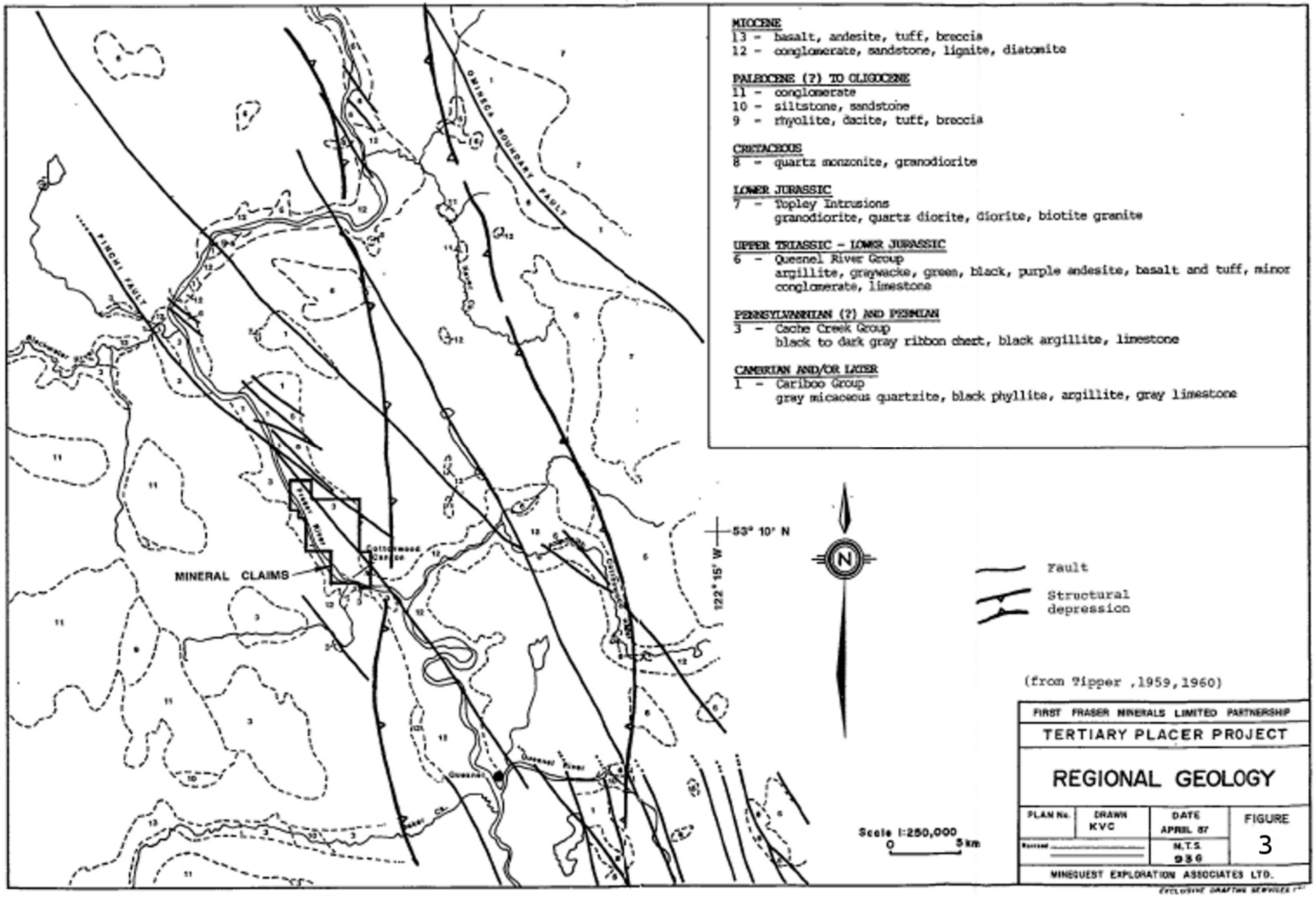


Figure 3: Regional Geology

Credit: Campbell, K.V.

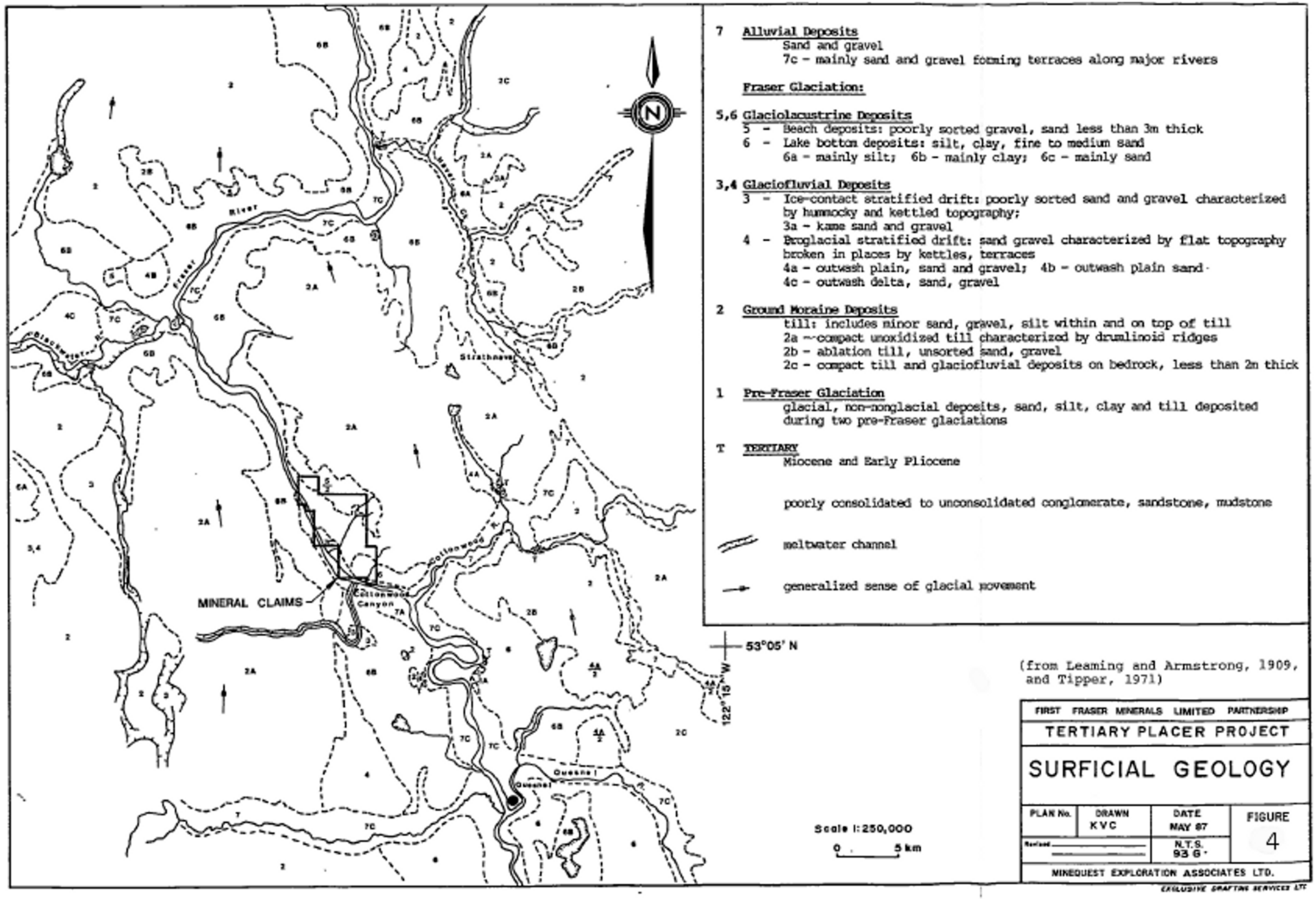


Figure 4: Surficial Geology

Credit: Campbell, K.V., 1987

Fraser Canyon Project Geology

The 245 to 350 m (800-1,000 feet) wide Tertiary channel of semi-consolidated conglomerates can readily be seen between bedrock rims crossing the current Fraser River channel obliquely, with the portal of the old Tertiary Mine and the centre of the CVG Fraser Canyon portal close to the east rim of this large channel.

The stratigraphic column measured vertically from the centre of the buried channel at the CVG Adit is illustrated in Table 4.

Table 4: Stratigraphy

Pleistocene	
50.3m (165')	Unconsolidated medium gravels with minor sand lenses.
6.7m (22')	Weakly consolidated medium coarse gravel.
19.2m (63')	Very fine grained and locally heavily iron stained clay lacustrine beds that are very thinly laminated and moderately well lithified.
Tertiary	
18.3m (60')	Semi-consolidated coarse to medium conglomerate with sporadic 15 to 30cm (6 to 12") layers of well stratified sand and clay and locally abundant 0.3 to 0.9m (1 to 3') pieces of carbonized but very well preserved tree trunks.
0.3-0.9m (1-3')	Well stratified pyritic sandy clay beds with abundant 2.5 to 10cm (1 to 4") pieces of carbonized wood, also locally abundant fibrous carbonized tree root systems.
0.9-1.5m (3-5')	Consolidated medium conglomerate with minor carbonized wood, and generally poorly stratified and appearing to have rapid chaotic deposition. Gold is associated with the higher energy coarser portions of this unit.
0.6-1.2m (2-4')	Consolidated coarse conglomerate with boulders from 10cm to 1.3m (4" to 4') in diameter, locally abundant fine crystalline pyrite, generally poorly stratified, boulder supported with 30 to 50% smaller rocks, sand, and silt. This layer of sediment contains most of the commercial gold values of this paleoplacer.

It is difficult to separate Pleistocene glacial river gravels from the much older Tertiary gravels. Neither of these sediment groups are deformed, therefore, a true thickness of stratigraphic segments was easily measured. The only major change in sedimentary deposition from top to bottom occurs with the 19.2m (63') thick iron-stained clay lacustrine unit which outcrops halfway down the access road to the portal. This unit denotes sedimentation of very fine silts, over a long period of time in a glacial lake. The 76.2m (250') of sediments above these lacustrine silts are totally unconsolidated but well stratified, these gravels were laid down over a long period of time by large southerly flowing glacial rivers.

The 19.8m (65') of sediments below the 19.2m (63') lacustrine silt bed are somewhat different in that they are moderately well consolidated by iron and very fine silica clay matrix, but without carbonate cementing agents. The degree of consolidation increases with depth, becoming a true conglomerate in the last few meters above the bedrock. Several samples of these conglomerates have been studied by binocular microscopy and the cementing agent was found to be pyrite and silica clay particles. The lower conglomerates

are weakly oxidized, therefore, the amount of iron cementing them together must be small, but sufficient in conjunction with the silica clay to form competent rock units.

There are numerous large horizontal carbonized wood chunks up to 1.5m (5') long particularly in the bottom 9.1m (30') of the 19.8m (65') of lower conglomerates, as well as, a number of vertical preserved carbonized fibrous root systems particularly in the basal sandy clay layers.

Another striking feature is that there is no carbonized wood in the lowest 1.2 to 1.5m (4 to 5') of conglomerate above bedrock. This indicates an erosional unconformity with the bottom few meters of coarse conglomerates presenting as much older. The wood in the upper hanging wall may be too well preserved to be of Tertiary age. Samples of wood will be age dated in the near future. There is abundant evidence of erosion features such as scouring of stratified sand and pebble layers, and truncation of sand lenses in the auriferous conglomerates. The elongated conglomerate cobbles and boulders of the lower unit above bedrock shows some excellent truncated structure indicating that this river flowed towards the north. There is minor evidence of this same northerly flow, as shown by weak imbrication in small course conglomerate layers in the hanging wall of the 1985 decline. The angle of the bedrock in the centre of the channel compared to the fine laminations of sand layers in the hanging wall also substantiates the northerly flowing river in the sedimentary units immediately above the bedrock.

Portions of the property geology have been excerpted from a private report titled ***Geological Report for All Star Resources Ltd. on the Quesnel, B.C., Canyon Mine Project***, Garrow, T.D. (1986).

Underground Geology

The characteristics of the buried paleoplacer channel were discovered by surveying bedrock elevations approximately every 4.6m (15') along both sides of the Main Drift and all cross cuts.

In the 235.2m (771.5 feet) of river channel, that was explored by All Star's 1986 underground program, the bedrock elevation has changed from 254.2m (834 feet) at the beginning to 248.1m (814 feet) at the end: a total difference of 6.3m (23 feet) or an average change of 0.908m per 30.48m (2.98' per 100 feet) of river channel. These figures may be only relative due to post glacial isostatic uplift changing the gradient of the ancient river channel.

Each of the crosscuts was extended until a steep channel rim of bedrock was reached and there was clear evidence of the auriferous coarse or medium conglomerates pinching out: therefore the width of this large buried channel can be calculated from the length of crosscuts and the bedrock contours.

Ore Reserves Blocks

Ore reserve blocks were established between each pair of crosscuts along the Main Drift, the full length of the underground channel that has been explored. These blocks can be considered proven ore, because they have been assayed on three sides, and these assays averaged to give the block grade. The grade generally dropped very quickly towards the

end of each crosscut, as the coarse conglomerate pinched out against the rising channel rim. The cut off grade at the rim in several cases descended as low as 0.015 troy ounces per cubic yard; but only if higher assays were in the immediate vicinity to make that ore profitable to mine.

Because of the fineness of the gold (54.01% less than 30 mesh; with 94.11% less than 14 mesh), and the consistency of assay numbers, no factors were introduced into the block grade calculations for "nugget effect", and no assay cutting was done to high assays. A boulder factor of 10% is realistic in the final grade calculation. When samples were taken, rocks up to 10cm (4") in diameter were included in the sample. The 10cm (4") rocks were the most common size encountered in all sampling and in 90% of all samples there was a tight packing of larger rocks to cause problems with obtaining that sample.

To ascertain the grade of an "Ore Block" all sample lengths were calculated to a standard length of, 0.61m (2.0') for the foot-wall, 0.91m (3.0') for the main auriferous conglomerate and 0.61m (2.0') for the hanging wall, bringing the total grade to an over all length of 7.0'. Once the location of the cutoff grade at the channel rim was located, that ore block was planimetered to find the area and multiplied by the mining height to 2.1m (7.0') to find the ore block volume.

Ore Reserve Summary

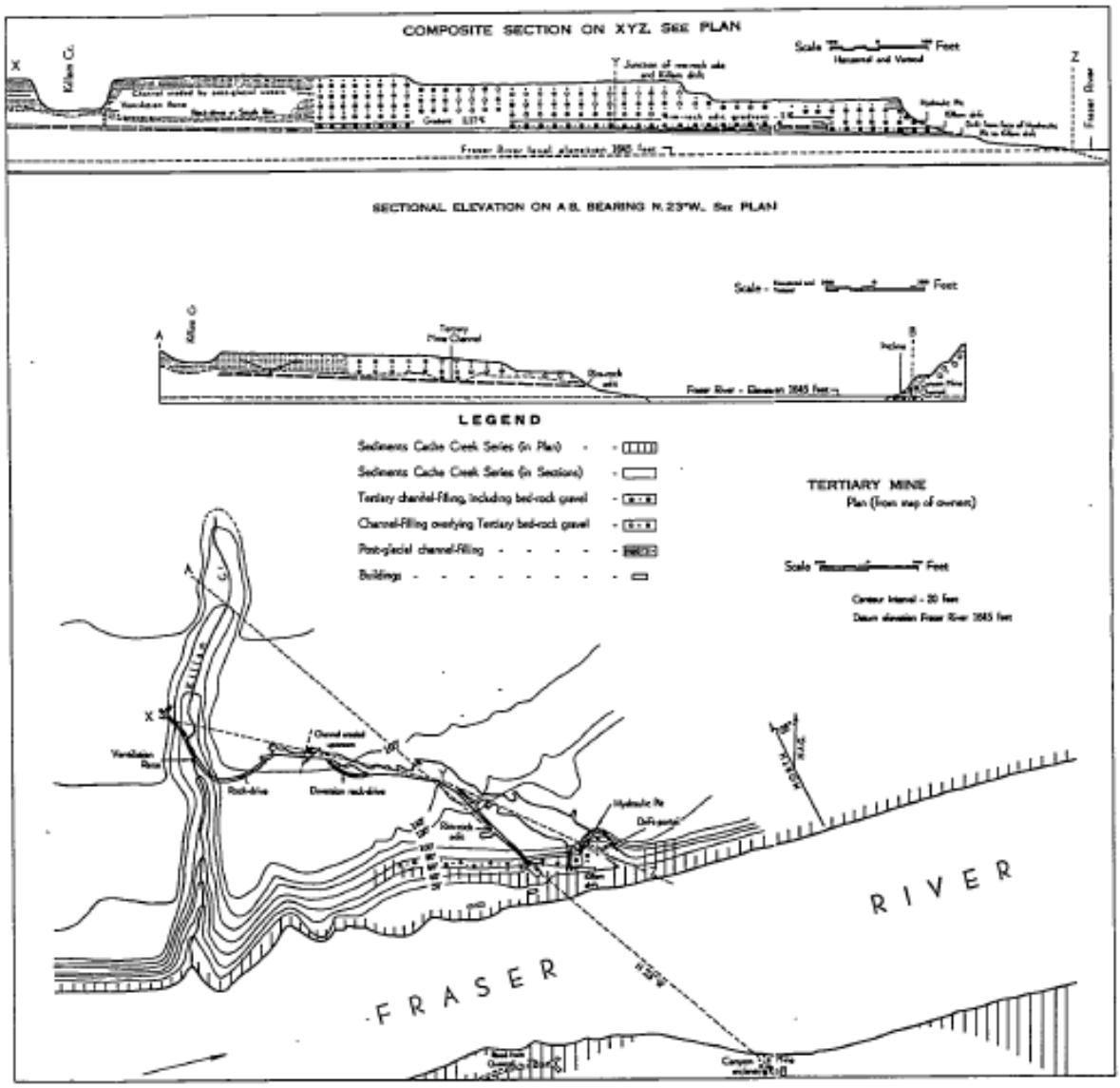
A total of 15 proven Ore Reserve Blocks were outlined by all the assays during the 1986 exploration program. The Ore Reserve Blocks contain 10,417m^3 (14,289.4 bank yards) at a grade of 0.144 troy ounces per m^3 (0.105 troy ounces per cubic yard), and a total gold content of 1496.56 troy ounces.

The total length of the channel that encompasses the ore blocks is 270.1m (886.2'). The average channel width out to be the cut off grade, at or near each rim, 30.48m (100'). The total are of the channel, including ore block, 1986 crosscuts and main drift and part of the 1985 development and old workings, in 7886.9m^2 (84,894 ft^2). Note that the 1986 crosscuts and main drift account for 29.9% of the total area of ore blocks plus 1986 development.

Ore block area	= 5,120.4m^2 (55,116 ft^2)
1986 crosscuts area	= 1,131.6m^2 (12,180 ft^2)
1986 main drift area	= 1,055.2m^2 (11,358 ft^2)
1986 development area	= 579.7m^2 (6,240 ft^2)

The total channel volume taken at a mining height of 2.13m (7') is 16,044.9m^3 (22,009.5 bank yards). The average gold grade for the 270.1m (886.2') of channel is 0.144 troy ounces per m^3 (0.105 troy ounces per bank yard). The average amount of gold per lineal meter of channel is 8.59 troy ounces (2.61 troy ounces per lineal foot). The average amount of gold per square meter of channel is 0.953 troy ounces (0.027 troy ounces per square foot).

Figure 5: Old Tertiary Mine Cross Section



Credit: Lay, 1940

2009 Work Program

April – June 2009
Site assessment; water sampling (samples sent to Saskatchewan Research Council for analysis, see Appendix E); apply for and receive dewatering permit; site clean-up and reconstruction of two settling/ex-filtration ponds; construction of surface facilities for first aid and dewatering; underground shift boss certificates approved; design and install electrical and ventilation piping infrastructure.

July – August 2009
Dewatering of decline commences and is ongoing; installation of shotcrete at portal for stabilization purposes; advance electrical and ventilation; control access with gate construction per mandate from mines inspector; purchase and erect safety and directional signage per mandate from mines inspector; preliminary hydro-geological assessment conducted by Clifton Associates; preliminary fisheries and discharge assessment completed (Review of the Fraser Placer Gold Project, Guppy, C.S., Appendix C).

September 2009
Dewatering continues; sampling of 6 exposed drifts is undertaken, however sampling methodology is flawed and sample results are not included for this program.

October 2009
Dewatering continues with 8 drifts now exposed; site visit by Khosroh Aref, Ph.D., P.Eng., P.E. consulting geotechnical and rock mechanical engineer, Rockland Ltd who requests more dewatering be undertaken prior to determining ground support requirements for various mining methods proposed; a preliminary location is selected for a ventilation raise/second means of egress as mandated by mines inspector; a combined sample (1,900 kg) of material removed from three locations for the purpose of providing a composite sample for plant design and preliminary metallurgical assessment (G&T Metallurgical Services Ltd, Report KM2573, Appendix D).

November 2009
20 samples taken for Metal Leaching/Acid Rock Drainage (ML/ARD) potential and multi-element ICP analysis (samples sent to Eco Tech Laboratories Ltd. for analysis, see Appendix E).

Recommendations

CVG Mining Ltd will need to continue the dewatering program to depth on the existing workings in order to fully evaluate ground conditions and establish ground control procedures required to continue and expand the mining operation. Complete dewatering will also be required in order to firmly establish a final location for a ventilation raise and second means of egress from the existing underground workings. A water sampling regime for discharge parameter quality control should be continued.

Additional underground ML/ARD sampling is recommended to provide more representative results outside the ore horizon. Exploration of the north Tertiary should be undertaken in 2010 and beyond to confirm the presence of the continuation of the historic Fraser River Tertiary channel.

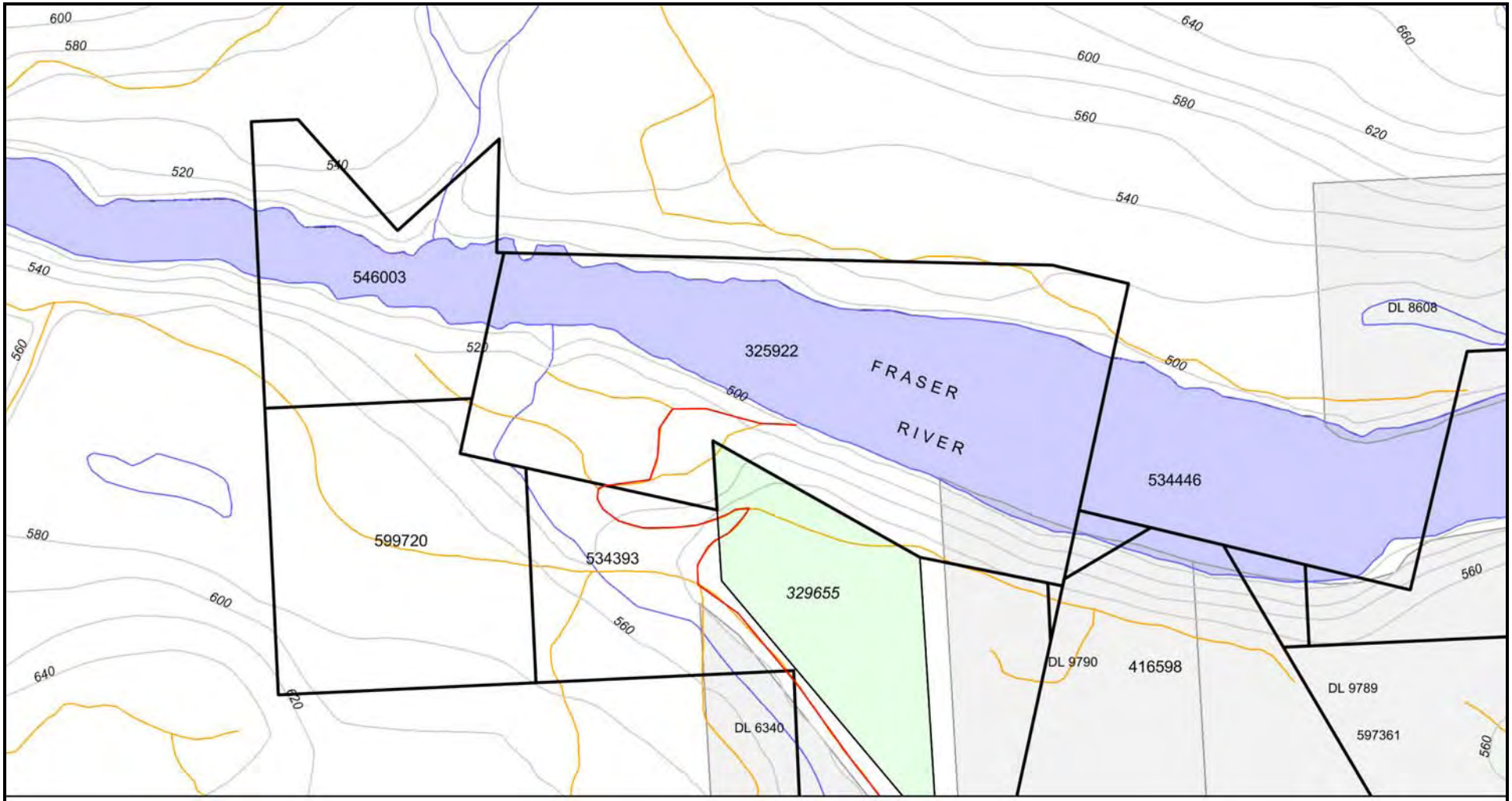
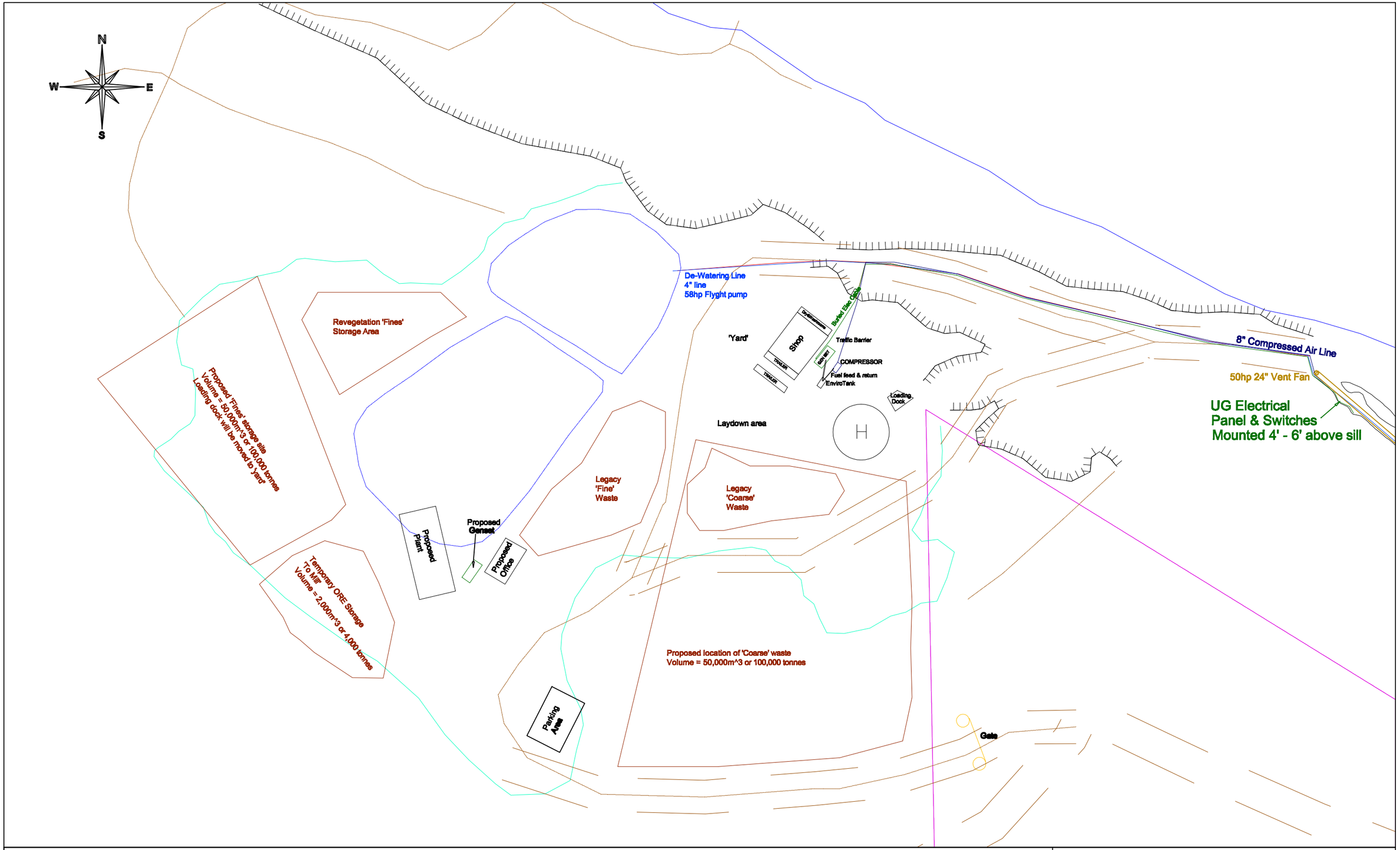


Figure 6 **Work Area Topography & District Lots**

Scale 1:10,000



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CVG Mining Ltd.

FIGURE 7: 2009 SURFACE PLAN

		By: C.Boucher
SCALE: 1:1250		Date: 2009/10/09

N
E
S
W

Fraser River

Exhaust Air Outflow

OLD MINE WORKINGS

990 X CUT

1050 X CUT

1085 DECLINE

8" Compressed Air Line

50hp 24" Vent Fan

UG Electrical Panel & Switches Mounted 4' - 6' above sill

Fresh Air Inflow

Secondary 40hp 24" Vent Fan

New Main Drift 4mW x 4mH x 3.6mD

ARD 1 & 2 +1.5m Conglomerate +0.2m Argillite

ARD 3 Conglomerate Sample Taken From Muck Pile +1.5m

1000 X CUT

ARD 4, 5 & 6 +1.5m Conglomerate (4&6) +0.2m Argillite

ARD 7 & 8 +1.5m Conglomerate

1150 X CUT

ARD 9 +1.5m Conglomerate

Bulk Sample Composition: 15% Conglomerate 85% Argillite. Sample size: 1,500kg

ARD 10, 11 & 12 +1.5m Conglomerate (10 & 11) +0.2m Argillite

1200 X CUT

ARD 13 +1.5m Conglomerate (10 & 11)

1250 X CUT

ARD 14 +1.5m Conglomerate

ARD 15 & 16 +1.5m Conglomerate +0.2m Argillite

1350 X CUT

ARD 18 +0.2m Argillite

ARD 19 & 20 +1.5m Conglomerate +0.2m Argillite

1450 X CUT

ARD 17 +1.5m Conglomerate

1400 X CUT

1550 X CUT

1500 X CUT

1600 X CUT

Fresh Air Inflow

Surface breakthru
Ore Dmase
Fresh Air Raise
Secondary means of Egress

Fresh Air Raise
Ore Dmase

Refuge Station

C:\CVG Mining\Fraser Canyon\FC-Mineplot4 PERMIT.dwg

CVG Mining Ltd.

FIGURE 8: 2009 UPDATED UG PLAN, SAMPLE LOCATION & VENT RAISE

		By: C.Boucher
SCALE: 1:1250		Date: 2009/10/09

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APPENDIX 'A'

STATEMENTS OF QUALIFICATION

Frances J. 'Fran' Macpherson
1282 Marsh Road
Quesnel, BC, Canada, V2J 6H3

Phone: (250) 992-2801 Fax: 888-515-9204
Email: fmacpherson@accuratemining.com

Statement of Qualifications

I, Frances J. (Fran) Macpherson currently residing at 1282 Marsh Road, Quesnel, British Columbia, V2J 6H3, Canada, do hereby certify that:

1. I graduated with a B.A. (Psychology) from McGill University, P.Q. in 1972

2. I graduated with an M.A. (Clinical Psychology) from the University of New Brunswick, Fredericton in 1975

3. I have been employed in the mining industry since 1993

4. I was employed as mine manager on a large mineral exploration and bulk sample project in Wells, B.C. from 2000 to 2005 during which period I was involved in the drafting and compilation of numerous technical reports

5. I have owned and operated an independent consulting firm "Accurate Mining Services Ltd." since 2005

6. I have made several visits to the CVG Fraser Canyon property

7. I am not a partner or shareholder in CVG Mining Ltd.

Dated at Quesnel B.C. this 12th day of March 2010

Fran Macpherson, M.A.

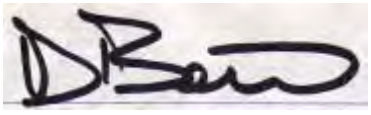
Statement of Qualifications

I, Don Benard, resident of Edmonton, Province of Alberta, hereby certify as follows:

1. I am a graduate geologist with an office located at 422 Lessard Drive NW, Edmonton, Alberta;
2. I graduated with a degree of Bachelor of Science (Geology) for the University of Saskatchewan in 1988. I have practiced my profession for 4 years on a seasonal basis and for 21 years on a continuous basis and am a 'Qualified Person" under the terms and policies of National Instrument 43-101.
3. This report, "Assessment Report - Fraser Canyon Mine Project - Quesnel Area - Cariboo Mining Division, is based on examination of available reports & data, underground inspections and work done at the project from April through September 2009.
4. I am not aware of any material fact or material change with respect to the subject matter of the technical report, which is not reflected in the technical report, the omission to disclosure, which makes the technical reporting misleading.
5. I do have an ownership stake in CVG Mining Ltd. As such, I am not independent as set out by section 1.5 of National Instruments 43-101.

Dated at Quesnel B.C. this 10th day of March, 2010

Sincerely,



Don Benard, B.Sc. (Geol), P.Eng.
Mine Manager
CVG Mining Ltd
Fraser Canyon Project

Robert E. "Ned" Reid P.Geo.
#16 - 231 Hartley Street
Quesnel, BC V2J 1V8
Ph/Fax 250 992 3782

Certificate of Qualifications

I, Robert E. “Ned” Reid currently residing at apt #16 – 231 Hartley Street, Quesnel, British Columbia, do hereby certify that:

1. I am a graduate of the University of British Columbia, B.Sc. 1971, geology major.
2. I have been practicing my profession as an exploration and mine geologist /mine supervisor continuously since 1971.
3. I am a Professional Geoscientist registered with the Association of Professional Engineers and Geoscientists of British Columbia.(License # 20910) with sufficient relevant experience to be a “Qualified Person” as per National Instrument 43
4. I have supervised the preparation of, and reviewed the data contained in this report titled “Geochemical and Physical Report on the Fraser Canyon Project (2009)” and written by Don Benard and Fran Macpherson and believe that this report accurately depicts the material obtained to date.
5. I have not been on the property, but have past experience in the area.

Dated at Quesnel B.C. this 10th day of March, 2010

“Signed and Sealed”

Robert E. “Ned” Reid P.Geo.

APPENDIX 'B'

STATEMENT OF EXPENDITURES

CVG Mining Ltd

2009 Expenditures FC Project

May 22 through November 20 2009

	Exploration (Fraser Canyon)	Person Hours
Camp Costs	9,499.73	
Consulting		
Biologist & Fisheries	1,110.00	12
Project Management		
Maple Maps Ltd. (Benard)	17,332.50	75
HR Consulting Ltd.	21,600.00	75
Al Bassham Consulting Inc.	21,900.00	75
101074246 SK Ltd.	17,250.00	100
Total Project Management	78,082.50	325
Rockland Ltd. (engineering)	2,450.75	8
Total Management/Consulting	**81,632.50**	**345**
Dewatering		
Dewatering (general)	81,250.33	
Electrical Construction		128.5
Electrical Maintenance	55,580.68	27.5
Equipment R&M	9,739.68	145
Equipment Rental	46,003.16	
Fuel, Diesel & Propane	17,005.30	
Insurance Expense	7,751.71	
Payroll Expenses	28,351.53	1560
Lowbed Freight Expenses	34,482.46	
Accommodation	6,000.00	
Permit Applications	2,500.00	
Total Dewatering	**288,664.85**	**1861**
Project Site Development		
Fencing	2,105.99	16
UG Support	21,416.18	40
Surface Development	17,672.28	140
Total Project Site Development	**41,194.45**	**196**
Analytical Analyses		
SRC (water sampling)	800.00	
G+T Metallurgical Services Ltd	10,702.00	
Eco-Tech Laboratories Ltd (ARD)	2,310.70	
Total Analytical Analyses	**13,812.70**	
Miscellaneous Expenses		
Security	6,779.15	840
Miscellaneous Tools	2,927.73	
Surveying & Mapping	4,475.00	
Site Telephone Expense	5,171.60	
Mileage Claims	5,376.00	
Total Miscellaneous Expenses	**24,729.48**	**840**

	Exploration (Fraser Canyon)	Person Hours
Vehicle Expense		
Fuel	13,247.01	
Repairs and Maintenance	2,589.56	
Total Vehicle Expense	**15,836.57**	
Report Preparation		
Accurate Mining Services Ltd.	2,500.00	
Maple Maps Ltd. (Benard)	1,900.00	
Robert E. Reid, P.Geo. (review)	600.00	
Total Report Expense	**5,000.00**	
2009 Total Expenditures	**470,980.55**	
2009 Total Person Hours		**3242**

APPENDIX 'C'

FRASER ENVIRONMENTAL REVIEW
AUGUST 2009

Crispin S. Guppy, M.Sc., RPBio.
Registered Professional Biologist
Consultant

Review of the
Fraser River Placer Gold Project,
CVG Mining Ltd.

Prepared by

Crispin S. Guppy, RPBio.

4627 Quesnel-Hydraulic Road
Quesnel, BC V2J 6P8
Canada
e-mail: cguppy@quesnelbc.com
phone: 250-747-1512

Prepared for

CVG Mining Ltd.
384 Winder Street
Quesnel, BC V2J 1C6

Len Sinclair, CEO/President

August 29, 2009

The Fraser River Placer Gold Project of CVG Mining Ltd. is located near the end of Paradise Road, north of Quesnel on the west side of the Fraser River. Mine development has occurred sporatically for the last century. The present operations consist of preparing the site so that mining can commence later this year. The mine adit was completely filled with water when the present operations commenced. Dewatering is on-going, with the water pumped from the entrance about 600 feet up the road to the settling ponds.

The mine is an adit extending roughly horizontally for about 1600 feet under the land on the west side of the Fraser River. The entrance is just above the high water mark of the Fraser River. A road climbs from the mine entrance up to a cleared area of just over 4 hectares of gravel, where two settling ponds and the mine buildings are located. An above-ground field review was conducted 28 August 2009 with Don Benard, CVG Mine Manager; the adit was not reviewed due to lack of potential environmental issues.

1. The mine operators propose to pump the water from the mine directly into the Fraser River adjacent to the mine entrance, so as to speed the rate of dewatering. An apron of cobbles would be placed at the bottom end of the road just above the river high water mark, a diffuser attached to the outlet of the 4" pipe (Fig. 1), and the water discharged onto the cobbles (Fig. 2). The water would then flow into the river channel, over the natural river bed. The discharge location and affected part of the river bed is shown in Figure 3. I did not review the water analysis reports, but was told that the water contains some dissolved iron, but is otherwise clean. Only the "natural" water removed to dewater the mine would be discharged in this manner – all water used in mining would be discharged into the settling ponds. The water volume discharged is expected to reach a maximum of 500 gallons per minute, approximately double the volume shown in Figure 1. The slope of the river channel is naturally armoured with cobbles and gravel, and therefore minimal erosion should result.
    - Providing the water quality meets the standards required by DFO for discharge into a fish stream, the proposal appears to not be harmful to fish or fish habitat.
    - Approvals by the Fisheries and Oceans Canada, BC Ministry of Environment, and possibly the BC Ministry of Mines are required before the proposed discharge can occur.

Figure 1. Water discharge into settling pond, with iron staining on cobbles. The pipe is 4".

Figure 2. Pile of clean cobbles to supply rock for the discharge apron.

Figure 3. Proposed water discharge location.

2. There are two streams affected by the development:

(a) The Fraser River

- There is presently water entering the Fraser River after having flowed down the road surface to the mine entrance. This water presumably carries some sediment into the Fraser River; the road is well armoured so it is likely that only minor surface erosion occurs. Don Benard described plans to slope the road surface (and hence water) towards the ditch, presently empties into the mine adit. Any remaining road surface water is planned to also be diverted into the mine adit. These measures will prevent sedimented water from entering the Fraser River.
- **Recommendation:** The sloping of the road surface and the diversion of the remaining road surface water into the adit should be done prior to winter, to address spring run-off. If this is not possible, a small settling pond should be constructed at the bottom end of the road, to allow most of the sediment to settle out before entering the Fraser River.

(b) A small stream is carried in a buried pipe under the road to the mine entrance, about half way up the road. This stream must be non-fish bearing due to its small size and the very steep slope down to the Fraser River. An old, stable ditchline (dry at time of inspection) is on the uphill side of the settling pond and building area; it empties into the stream. There does not appear to be any opportunity for sedimented water to enter the stream. From the road, water could be heard running into the pipe; the stream was not inspected.

- **<u>Recommendation:</u>** The pipe should be inspected to ensure that the inlet is unobstructed and the pipe is large enough to carry the flow during spring run-off, so that there is no risk of overflow water reaching the road. The hillside below of the outlet should be inspected for stability and to determine if significant erosion is occurring.

3. The normal high water mark of the Fraser River is shown in Figure 3, however the maximum high water of the river is quite variable between years.
    - An impermeable berm is planned at the bottom end of the access road that will have the double purpose of diverting road surface run-off into the adit, and excluding river flood water from the mine during a “flood year” of the Fraser River.

APPENDIX 'D'

PRELIMINARY METALLURGICAL ASSESSMENT OF THE FRASER CANYON PROJECT

Composite Sampling Methodology

Composite Sample Location Selection Criteria:

A total of three locations were considered in Fraser Canyon for the use of a 'Cutter Head'. The locations were primarily considered for:

- Access - Scoop and cutter head;
- Ventilation - No more than 50' from any vent tube seam;
- Ore - Average grade (from previous sampling);
- Dryness - High local sill drift ~ no water;

One location was selected - refer to U/G map for location along main drift.

Sample Quality Control:

Site where muck would land on sill was generally cleared and made flat. A clean 8'x8' tarp was laid down on sill to control sill and fresh ore contamination.
A composite sample was taken that was estimated as representative of what was intended to mine and mill as ore: that is, up to 2' of auriferous gravels from paleo-stream channel and 4' of basal argillite.
A 6'x6' panel was painted on the wall to direct the cutter head. Post cutting, a diagonal opening was created that measured ~6' deep by ~6' high and ~8' wide.
Approximately 2,500kgs were cut and extracted.
A cleaned scoop bucket was used to load the composite ore sample and dumped into Two One-Tonne super sacks, each containing approximately 1,000kgs of sample.

Sample Preparation:

Once composite ore was placed into containers, each was sealed and stored in a locked Sea-Can until an expediter arrived on site for direct delivery to Eco Tech Laboratories in Kamloops.

Sample extraction was not conducted under the control of an Independent Qualified Person.

PRELIMINARY METALLURGICAL ASSESSMENT OF THE FRASER CANYON PROJECT

CVG MINING LTD.

KM2573

February 22, 2010

G&T METALLURGICAL SERVICES LTD.

2957 Bowers Place, Kamloops, B.C. Canada V1S 1W5

E-mail: info@gtmet.com, Website: www.gtmet.com

ISO 9001:2008
Certificate No. FS 63170

February 22, 2010

Mr. Joseph Horawski
Geologist and Environmental Technologist
CVG Mining Ltd.
384 Winder Street
Quesnel BC
V2J 1C6

Dear Mr. Horawski;

Re: Preliminary Metallurgical Assessment of the Fraser Canyon Deposit – KM2573

We are pleased to inform you that we have completed a program to assess a placer gold sample from the Fraser Canyon claim. The objectives of the program were to determine the gold content of the sample and determine the metallurgical response of the sample to conventional gravity separation processes.

The sample received was a placer sample consisting of fine grave 1. The largest rock size was about 5 centimeters in diameter. The exact sampling location of the sample and sampling techniques were not disclosed. Approximately 1900 kilograms of sample was received for this program of study.

The gold content of the sample was not determined by directly measuring the feed sample. To improve the statistical reliability, the feed grade would be calculated after recovering coarse gold from the sample. This technique would also provide estimates of metallurgical performance.

The sample was screened and the oversize was rejected. The screen undersize was processed through a two stage gravity separation process to recover gold. The gravity concentrates and tailings from the gravity separation were assayed for gold.

The calculated gold content for the sample was 2.7 g/tonne or 3.2 g/cubic yard. Gold extraction was very high, about 84 percent of the gold was recovered into nearly pure form by using a sluice. An additional 13 percent of gold in the feed was recovered by a Knelson concentrator into a panned concentrate containing 2750 g/tonne gold. Total gold recovery was about 97 percent.

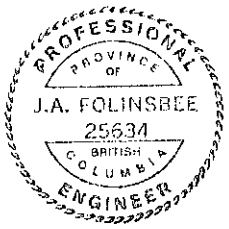
The test data and summary are contained in the technical brief attached to this letter.

We would like to thank you for choosing G & T Metallurgical Services Ltd. for your testing needs. If you have any questions, please contact us directly.

Sincerely,

Tom Shouldice, P.Eng.
President

John Folinsbee, P.Eng.
VP - Operations



February 22, 2010
KM2573

Report Distribution:
Joseph Horawski, CVG Mining Ltd., Quesnel, BC – 2 Copies
G&T Metallurgical Services Ltd., Kamloops, BC – 1 Copy

INDEX

PAGE

1.0 Pilot Plant Results

Approximately 1900 kilograms of sample was processed to recover gold using conventional gravity separation techniques. A schematic of the flowsheet and summary of metallurgical results are displayed in Figure 1.

The sample was air dried then screened using a vibrating screen with a ¼" aperture. The oversize material was measured to be 856 kilograms and a representative 20 kilograms sample was crushed and pulverized for gold assay. The screen undersize was passed over a sluice to recover coarse gold. Approximately 1016 kilograms of sample was processed by the sluice. The gold and other heavy minerals were recovered from the sluice and further upgraded by panning. The gold content of the panned concentrate (Sluice Concentrate 1) was determined by estimating the specific density of the sample*. The reject from Sluice Concentrate 2 was assayed for gold.

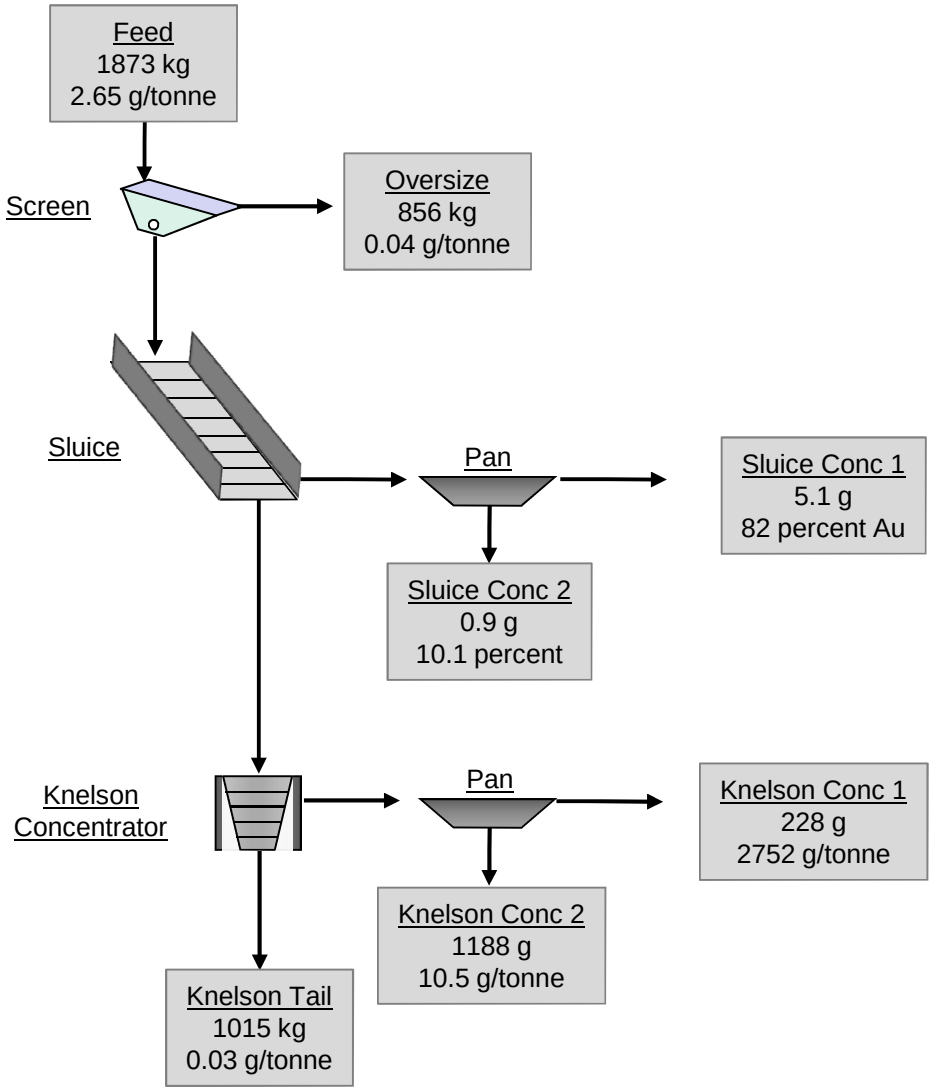
A 75 kilograms representative subsample was removed from the sluice tailing and processed through a Knelson concentrator. The concentrate was then panned to upgrade the gold content (Knelson Concentrate 1). The distribution of mass and gold recovery from the Knelson test was used to calculate the overall material balance.

As shown in the table, the calculated gold feed grade of the sample was 2.7 g/tonne. Using an in situ ore bulk density of 1.6 tonnes/m^3, the nominal volumetric gold assay was 3.24 grams per cubic yard.

The sluice gold recovery was nominally 84 percent. An additional 13 percent gold was recovered into concentrate grading 2752 g/tonne by the Knelson concentrator. The total gold extraction was therefore about 97 percent into products that would be readily marketable.

* The specific density of sluice concentrate was 16.1 g/cc. This density, as a ratio of the density of pure gold, was used to estimate the gold content of 82 percent.

FIGURE 1
TEST PROGRAM FLOWSHEET
KM2573



OVERALL METALLURGICAL BALANCE

Stream	Mass percent	Assay g/tonne	Units g	Distribution percent
Oversize	46	0.04	0.03	0.6
Sluice Con1	**0.00027**	**820000**	**4.18**	**84.1**
Sluice Con 2	0.00005	101365	0.09	1.8
Knelson Con1	**0.012**	**2752**	**0.63**	**12.6**
Knelson Con 2	0.063	10.5	0.01	0.3
Knelson Tail	54	0.03	0.03	0.6
Feed	100	2.7	4.97	100

Note: Additional test data is located in Appendix II.

APPENDIX I – KM2573

SAMPLE ORIGIN

1.0 Sample Origin

A sample of bulk rock was received for this project in two 1 tonne super sacks. Upon receipt of the sample, the sample was screened using a vibrating screen with ¼ inch aperture. The screen undersize and oversize was weighed separately. A summary of the weights are shown in Table I-1.

TABLE I-1
SAMPLE MASS RECEIVED

Sample	Mass kg
+ ¼ Oversize	856
- ¼ Undersize	1016

The weights shown in Table I-1 were the dry estimated weights. The moisture of the sample was estimated to be 9.1 percent.

The origin of the sample and sampling technique are unknown.

APPENDIX II – KM2573

PILOT PLANT TEST DATA

INDEX

TABLE II-1
KM2573 FRASER CANYON PROJECT
Overall Metallurgical Balance

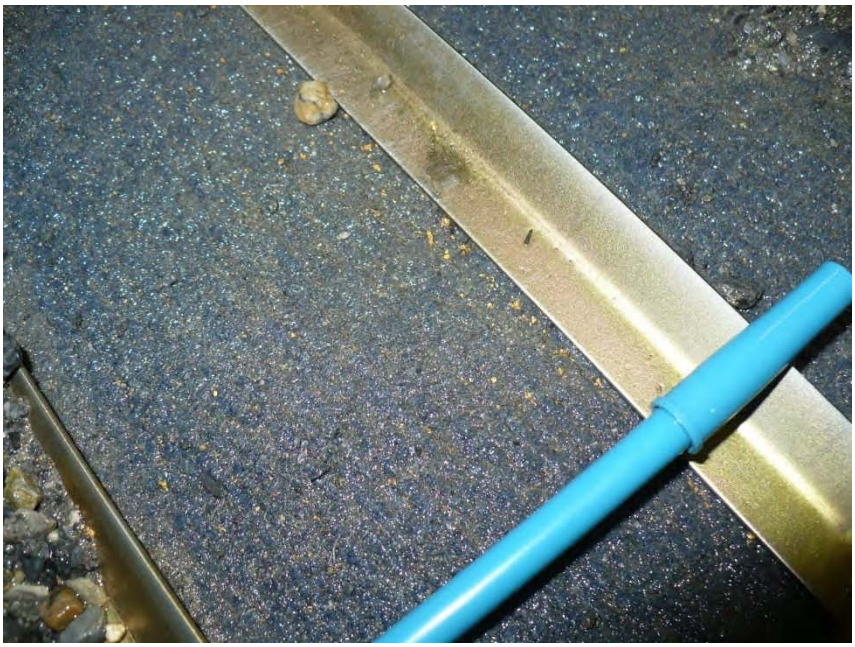
Stream	Mass		Assay	Units	Distribution
	g	percent	g/tonne	g	percent
Oversize	856344	46	0.04	0.03	0.6
Sluice Con1	5.1	0.00027	820000	4.18	84.1
Sluice Con 2	0.9	0.00005	101365	0.09	1.8
Knelson Con1	228	0.012	2752	0.63	12.6
Knelson Con 2	1188	0.063	10.5	0.01	0.3
Knelson Tail	1015039	54	0.03	0.03	0.6
Feed	1872804	100	3	4.97	100

PHOTOGRAPH 1
FRASER CANYON – SLUICE IN OPERATION
KM2573

Note: Sample of Fraser Canyon ore being processed over the sluice. Tailings from the sluice were collected in super sacks. The sluice was 48 inches long and 16 inches wide.

PHOTOGRAPH 2
FRASER CANYON – GOLD IN SLUICE
KM2573

Note: Gold grains at the beginning of top of the sluice



Note: Gold grains in the middle of the sluice.

APPENDIX III – KM2573

SPECIAL DATA

INDEX

TABLE III-1
REPLICATE GOLD ASSAY DATA

Sample	Gold Assay - g/tonne			
	Replicate A	Replicate B	Replicate C	Average
1/4" Oversize	0.04	0.03	-	0.035
Knelson Tailings	0.04	0.03	0.01	0.028

TABLE III-2
SPECIFIC GRAVITY CALCULATION
Sluice Concentrate 1

Task	Mass - g
Flask & Methyl Hydrate	74.88
Sample	5.09
Flask & Methyl Hydrate with Sample	79.72
SG Methyl Hydrate	0.79
SG Sample	16.08

APPENDIX 'E'

SAMPLING PROCEDURES, PROTOCOLS & ANALYTICAL ANALYSES

Water Sampling Protocol

Water samples were shipped to the Saskatchewan Research Council (SRC) for analysis, therefore procedures in the Saskatchewan Field Sampling Manual were followed. Testing parameters included biological and chemical characteristics of river water including bacteria, nutrients, pesticides and metals.

Sample Collection and Handling

Water samples were collected with the purpose of calculating the Saskatchewan Water Quality Index (SWQI) for each water use described in the Saskatchewan Surface Water Quality Objectives. CVG Mining Ltd gathered a grab sample of water from the decline at the Fraser Canyon site. The grab sample was then sent by courier to the Saskatchewan Research Council (SRC) lab for processing within 24 hours.

Sample bottles are carried to sampling sites in coolers. They are pre-labelled with sample location, date, time, parameter and type of treatment. Bottles are held underwater until they are filled. They are then capped HNO3 preservative is added for total metals samples. Ammonia bottles are pretreated with H2SO4 preservative. Bottles are not rinsed out since this would result in the loss of the H2SO4 preservative. Sample bottles for free metals are not treated at site. They are filtered at the lab.

Details re: sampling are recorded in the Sampling Log.

Samples are placed in a cooler along with an ice pack. A Chain of Custody Form is filled in and placed in the cooler. The cooler is shipped via Greyhound the same day with prepaid delivery the next day.

QA/QC includes the shipping of field blanks, trip blanks and duplicate samples.

Type of Parameter	List of Parameters
Field	dissolved oxygen, temperature, conductivity and pH
Inorganic Major Ions	Bicarbonate, Carbonate, chloride, sulphate, calcium, potassium, sodium, conductivity, magnesium, pH, sum of ions (TDS) and total hardness
Nutrients	Total Kjeldahl nitrogen, Nitrate, Total phosphorus, Ortho phosphorus, Biological Oxygen Demand, Dissolved organic carbon, Chemicaloxygen demand, amonia
Physical	Total Suspended Solids, Volatile Suspended Solids
Microbiology	Total coliforms, fecal coliforms, fecal streptococci
Other	Chlorophyll A
Metals	Aluminum, Barium, Beryllium, Boron, Cadmium, Chromium, Cobalt, Copper, Iron, Lead, Mandanese, Molybdenum, Nickel, Phosphorus, Silicon, Silver, Strontium, Titanium, Vanadium, Zinc, Zirconium
Other Metals	Mercury and Arsenic
Pesticides	Phenoxy herbicides (2,4-D, 2,4,5-T, Silvex, Buctril, Dicamba, Diclofop-methyl, MCPA and Picloram

NOTE: CVG Mining Ltd initially used the SRC for water analysis as they were familiar with them. Future samples will be analyzed at Eco Tech Laboratories Ltd in Kamloops, BC.

RUSH

SRC Group # 2009-2411

SRC ANALYTICAL

Apr 03, 2009

422 Downey Road
Saskatoon, Saskatchewan, Canada
S7N 4N1
(306) 933-6932 or 1-800-240-8808
Fax: (306) 933-7922

Sinclair, Len
42 Schwager Cres
Saskatoon, SK S7H 5C2

Sample # **11326**
Date Sampled: **Mar 28, 2009 10:50**
Sample Matrix: **WATER**
Description: **FRASER CANYON-UNDER GRD MINE**

Client PO #:
Date Received: **Mar 31, 2009**

Analyte	Units	Result	DL
Inorganic Chemistry			
Bicarbonate	mg/L	220	1
Calcium	mg/L	26	0.1
Carbonate	mg/L	<1	1
Chloride	mg/L	2	1
Hydroxide	mg/L	<1	1
Magnesium	mg/L	11	0.1
pH	pH units	7.88	0.07
Potassium	mg/L	3.1	0.1
Sodium	mg/L	103	0.1
Specific conductivity	uS/cm	692	1
Sulfate	mg/L	160	0.2
Sum of ions	mg/L	525	1
Total alkalinity	mg/L	180	1
Total hardness	mg/L	110	1
Nitrate	mg/L	<0.04	0.04
Total Kjeldahl nitrogen	mg/L	0.20	0.05
Aluminum	mg/L	0.010	0.0005
Antimony	mg/L	0.0002	0.0002
Arsenic	ug/L	1.1	0.1
Barium	mg/L	0.017	0.0005
Beryllium	mg/L	<0.0001	0.0001
Boron	mg/L	0.01	0.01
Cadmium	mg/L	<0.0001	0.0001
Chromium	mg/L	<0.0005	0.0005
Cobalt	mg/L	0.0037	0.0001
Copper	mg/L	0.0022	0.0002
Iron	mg/L	0.84	0.0005
Lead	mg/L	0.0012	0.0001
Manganese	mg/L	0.25	0.0005
Molybdenum	mg/L	0.0012	0.0001
Nickel	mg/L	0.0094	0.0001
Selenium	mg/L	<0.0001	0.0001
Silver	mg/L	0.0001	0.0001
Strontium	mg/L	0.45	0.0005
Thallium	mg/L	<0.0002	0.0002
Tin	mg/L	<0.0001	0.0001
Titanium	mg/L	0.0003	0.0002
Uranium	ug/L	2.0	0.1
Vanadium	mg/L	<0.0001	0.0001

Sample # **11326 (Continued)**
Date Sampled: **Mar 28, 2009 10:50**
Sample Matrix: **WATER**
Description: **FRASER CANYON-UNDER GRD MINE**

Client PO #:
Date Received: **Mar 31, 2009**

Analyte	Units	Result	DL
Inorganic Chemistry			
Zinc	mg/L	0.0089	0.0005

"<": not detected at level stated above.

Acid Rock Drainage (ARD) Sampling Protocol

The intent was to take about 20 samples throughout the mine in the vicinity of the ore horizon. This would not be representative of all material moved during the mining process. The sampler has previous ARD sampling experience at the Eskay Creek and QR Mines. Samples were taken from the ore horizon at what was estimated to be be approximately horizontal representative spacing. Truly representative samples would be channel samples collected from the sill to the back.

Samples were collected along the main haulage way, or short distances into some of the cross-cuts. Most were taken at about chest height (1.5m above the sill). In every case, this was cobble material consisting of a mixture of cobble, sand and clays. A rock hammer was used to break off older oxidized material. Next, a sample was broken off such that it was representative of a square about 30cm x 30cm in size. The sample bag was held immediately below the area being sampled, to catch the sample material. The sample was collected such that it would have an estimated weight of about 2kg. Each sample was described. Samples were shipped to EcoTech Labs for analysis. Most samples were analyzed from the complete sample. However, in two cases, the samples were split into coarse and fine fractions using a #10 mesh screen. In these two cases, the fractions were analyzed separately.

In most cases, the cobble extended downwards to the sill. However, at each sampling site, the vicinity of the sill was checked to see if bedrock was visible below the chest height sample. In some cases, argillite was visible. In those cases, the argillite was sampled as a separate ARD sample, at 20cm above the sill and from a 30cm x 30cm square. The sampling method was identical. Oxidized material was broken off, and fresh argillite was broken off with a hammer and caught in a sample bag. Again, the intent was to collect a sample with an estimated weight of about 2kg. As was the case with the cobble samples, the argillite samples were described, and shipped to EcoTech Labs in Kamloops for analysis.

No additional QA/QC was applied for these ARD samples. These were a first attempt at ARD sampling and future sampling can serve to check re: reproducibility, etc.

Joe Horawski
Project Geologist
CVG Mining Ltd.

FRASER CANYON MINE ARD SAMPLE DESCRIPTIONS
(Sampling completed Monday, November 15, 2009)

BAG 1 (ARD 1)
LOCATION: 99775N; 100920E - 1.5m
1000 X-Cut (first on right)
-left pillar cobble
Sample consists of about 60% fines, and 40% cobble, up to 5cm in size.

AP = 1.05, NP = 3.51, NP/AP = 3.4

BAG 2 (ARD 2)
LOCATION: 99775N; 100920E - 20cm
same location as BAG 1, but near sill.
Sample consists of laminated, medium grey, weakly oxidized argillite.

AP = 5.53, NP = 4.68, NP/AP = 0.8

BAG 3 (ARD 3)
LOCATION: 99690N; 100995E - 1.5m
1100 X-Cut (second x-cut to right)
Sample consists of about 50% sandy fines and 50% cobble up to 8cm in size.

AP = 2.09, NP = 2.93, NP/AP = 1.4

BAG 4 (ARD 4 – fines and ARD 5-coarse)
LOCATION: 99692N; 101022E - 1.5m
~99700N, opposite 1100 X-Cut and before 1150 X-Cut.
Sample consists of about 50% fines and 50% cobble up to 13 cm in size.

ARD 4
AP = 2.94, NP = 3.74, NP/AP = 1.3

ARD 5
AP = 1.54, NP – 4.20, NP/AP = 2.7

BAG 5 (ARD 6)
LOCATION: 99692N; 101022E - 20cm
same location as BAG 4 but near sill.
Sample consists of laminated, grey to black, weakly oxidized argillite.

AP = 25.27, NP = 1.80, NP/AP = 0.1

BAG 6 (ARD 7)
LOCATION: 99660N; 101050E - 1.5m
1150 X-Cut (second x-cut on left)
Sample consists of about 60% fines and 40% cobble up to 9 cm in size.

AP = 2.19, NP = 3.70, NP/AP = 1.7

BAG 7 (ARD 8)
LOCATION: 99660N; 101050E - 1.5m
1150 X-Cut, left wall
Sample consists of medium grey, laminated, weakly oxidized argillite

AP = 0.93, NP = 2.90, NP/AP = 3.2

BAG 8 (ARD 9)
LOCATION: 99655N; 101060E - 1 .5m
1150 X-Cut (second x-cut on left), right wall
Sample consists of about 60% fines and 40% cobble up to 7 cm in size.

AP = 0.64, NP = 3.70, NP/AP = 5.8

BAG 9 (ARD 10-fines and ARD 11-coarse)
LOCATION: 99600N; 101040E - 1.5m
1200 X-Cut (third x-cut on right), right wall
Sample consists of about 45% sandy fines and 55% cobble up to 9cm in size.

ARD 10
AP = 6.93, NP = 3.50, NP/AP = 0.50

ARD 11
AP = 4.13, NP = 4.09, NP/AP = 1.0

BAG 10 (ARD 12)
LOCATION: 99600N; 101040E - 20cm
1200 X-Cut, right wall
Sample consists of dark grey laminated argillite

AP =0.50 , NP = 4.68, NP/AP = 9.4

BAG 11 (ARD 13) 8:57am
LOCATION: 99510N; 101080E - 1.5m
Centre Pillar near 1250 X-Cut
Sample consists of about 45% sandy fines and 55% cobble up to 7cm in size. The sample is weakly oxidized.

AP = 2.08, NP = 3.04, NP/AP = 1.5

BAG 12 (ARD 14)
LOCATION: 99455N; 101140E - 1.5m
Big Remuck on left between 1250 and 1350, past the centre pillar, right wall.
Sample consists of about 45% sandy fines and 55% cobble up to 6cm in size.

AP =3.86 , NP = 2.46, NP/AP = 0.6

BAG 13 (ARD 15)
LOCATION: 99440N; 101170E - 1.5m
1350 X-Cut (first x-cut on left past big remuck), left wall
Sample consists of about 60% sandy fines and 40% cobble up to 4 cm in size.

AP = 1.29, NP = 3.30, NP/AP = 2.5

BAG 14 (ARD 16)
LOCATION: 99440N; 101170E - 20cm
1350 X-Cut, left wall
Sample consists of fine grained, relatively dark grey to black, graphitic, bedded argillite.

AP = 35.78, NP = 5.30, NP/AP = 0.2

BAG 15 (ARD 17)
LOCATION: 99375N; 101165E - 1.5m
1400 X-Cut, first x-cut on right past big remuck
Sample consists of about 30% fines and 70% cobble up to 7cm in size

AP = 14.58, NP = 4.00, NP/AP = 0.3

BAG 16 (ARD 18)
LOCATION: 99395N; 101175E - 20cm
Main Drive, left wall, opposite 1400 X-Cut
Sample consists of fine grained, bedded, grey, graphitic argillite

AP = 24.03, NP = 2.10, NP/AP = 0.1

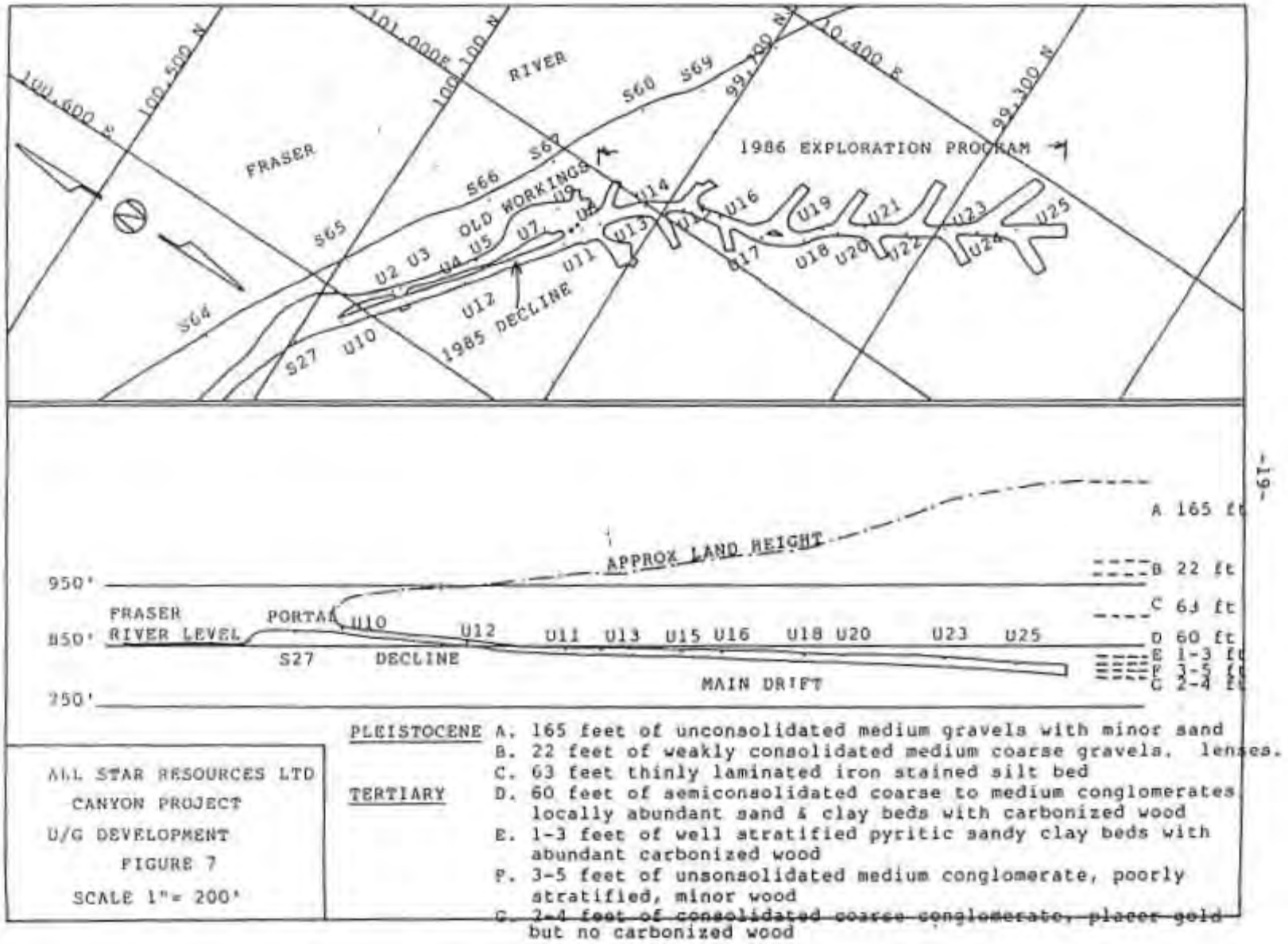
BAG 17 (ARD 19)
LOCATION: 99340N; 101225E - 1.5m
1450 X-Cut, second x-cut on left past big remuck.
Sample consists of about 40% sandy fines and 60% cobble up to 8cm in size.

AP = 1.64, NP = 4.20. NP/AP = 2.6

BAG 18 (ARD 20)
LOCATION: 99340N; 101225E - 20cm
1450 X-Cut, second x-cut to left past big remuck.
Sample consists of bedded, dark grey argillite.

AP = 28.65, NP = 2.30, NP/AP = 0.1

NOTE: Coordinates used are based on historic Canyon Mine grid.



Historic mine grid utilized at Fraser Canyon. Excerpted from *Geological Report for All Star Resources Ltd. on the Quesnel, B.C., Canyon Mine Project*, Garrow, T.D., 1986

Eco Tech Laboratory Limited
10041 Dallas Drive
Kamloops, British Columbia
V2C 6T4
Tel + 250 573 5700
Tel + 1 877 573 5755
Fax + 250 573 4557
www.stewartgroupglobal.com

StewartGroup
Geochemical & Assay

STANDARD ACID BASE ACCOUNTING (BABA-11)

Main purpose of acid base accounting (ABA) is to determine the balance between acid producing and acid consuming components of a mine waste. Acid base accounting comprises two distinct measurements:
1: determination of the neutralization potential (NP) of a sample
2: calculation of the acid potential (AP) of the sample
The difference between the two values, the net neutralization potential (Net NP), allows classification of the sample as potentially acid consuming or producing. As a first evaluation, a positive value for the Net NP indicates that the sample is a net consumer of acid. To facilitate comparison of values, NP, AP, and Net NP are all expressed in units of tones $CaCO_3$, equivalent per 1000 tons.
The neutralization potential is determined by treating a sample with excess standardized hydrochloric acid, heating to ensure complete reaction. A fizz test is employed to ensure that the amount of acid added is sufficient to react all of the acid consuming minerals present. The unconsumed acid is titrated with standardized base to pH 7 to allow calculation of the calcium carbonate equivalent of the acid consumed.
The acid potential is determined by analyzing for total sulfur and calculating AP by assuming (1) total conversion of sulfur to sulfate, and (2) 4 moles H+ are produced per mole pyrite oxidized.

Eco.Tech Laboratory Ltd.
2953 Shuswap Road
Kamloops, BC
V2H 1S9 Canada
Tel + 1 250 573 5700
Fax + 1 250 573 4557
Toll Free + 1 877 573 5755
www.stewartgroupglobal.com

StewartGroup
Geochemical & Assay

CHEMICAL ANALYSIS REPORT

Date: 15-Jan-10

Et. File No. **E10-0044**

Report On: **Acid / Base Accounting**
No. of samples received: 18
Sample type: Rock
Project #:Fraser Canyon Mine
Samples submitted by: Joe Horawski

Report To: **CVG Mining**
384 Winder St
Quesnel,BC
V2J 1C6

Attention: **Joe Horawski**

ECO TECH LABORATORY LTD.
per:

John Andrew, BSc.
Environmental Laboratory Manager

Eco Tech Laboratory Ltd.
2953 Shuswap Road
Kamloops, BC
V2H 1S9 Canada
Tel + 1 250 573 5700
Fax + 1 250 573 4557
Toll Free + 1 877 573 5755
www.stewartgroupglobal.com

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Geochemical & Assay

CVG Mining - E10-0044

15-Jan-10

POTENTIAL ACID PRODUCTION / NEUTRALIZATION

Sample #		Paste pH	Total Sulphur (as S)(%)	Sulphate (as S) %	Sulphide (as S) %	Tonnes $CaCO_3$ Equivalent per 1000 Tonnes: Acid Production	Neutralization Potential	Net Neutralization Potential	NP/AP
1	ARD 1	7.70	0.034	0.0005	0.033	1.05	3.51	2.46	3.4
2	ARD 2	7.64	0.177	0.0010	0.176	5.53	4.68	-0.85	0.8
3	ARD 3	7.01	0.067	0.0008	0.066	2.09	2.93	0.84	1.4
4	ARD 4 fine *	6.19	0.094	0.0021	0.092	2.94	3.74	0.80	1.3
5	ARD 5 coarse *	7.27	0.049	0.0006	0.049	1.54	4.20	2.66	2.7
6	ARD 6	4.76	0.809	0.0031	0.806	25.27	1.80	-23.47	0.1
7	ARD 7	7.40	0.070	0.0005	0.070	2.19	3.70	1.51	1.7
8	ARD 8	7.65	0.030	0.0004	0.029	0.93	2.90	1.97	3.2
9	ARD 9	7.55	0.021	0.0004	0.020	0.64	3.70	3.06	5.8
10	ARD 10 fine*	5.95	0.223	0.0039	0.219	6.93	3.50	-3.43	0.5
QC/DATA									
Repeat:									
1	ARD 1	7.75	0.033	0.0005	0.033	1.03	3.16	2.13	3.1
7	ARD 7	7.49	0.070	0.0005	0.070	2.19	3.51	1.32	1.6
Standard:									
KZK		8.80	0.802	-	-	25.05	56.71	31.66	2.3
NBM		8.60	0.295	-	-	9.23	45.51	36.28	4.9

XLS/10
JA/ap

Eco Tech Laboratory Ltd.
2953 Shuswap Road
Kamloops, BC
V2H 1S9 Canada
Tel + 1 250 573 5700
Fax + 1 250 573 4557
Toll Free + 1 877 573 5755
www.stewartgroupglobal.com

StewartGroup
Geochemical & Assay

CVG Mining - E10-0044

15-Jan-10

POTENTIAL ACID PRODUCTION / NEUTRALIZATION

Sample #		Paste pH	Total Sulphur (as S)(%)	Sulphate (as S) %	Sulphide (as S) %	Tonnes $CaCO_3$ Equivalent per 1000 Tonnes: Acid Production	Neutralization Potential	Net Neutralization Potential	NP/AP
11	ARD 11 coarse *	6.39	0.132	0.0012	0.131	4.13	4.09	-0.04	1.0
12	ARD 12	8.04	0.016	0.0002	0.016	0.50	4.68	4.18	9.4
13	ARD 13	6.57	0.067	0.0010	0.066	2.08	3.04	0.96	1.5
14	ARD 14	5.62	0.124	0.0018	0.122	3.86	2.46	-1.40	0.6
15	ARD 15	6.85	0.041	0.0014	0.040	1.29	3.30	2.01	2.5
16	ARD 16	6.18	1.145	0.0028	1.142	35.78	5.30	-30.48	0.2
17	ARD 17	6.51	0.467	0.0022	0.464	14.58	4.00	-10.58	0.3
18	ARD 18	5.97	0.769	0.0024	0.767	24.03	2.10	-21.93	0.1
19	ARD 19	7.58	0.053	0.0004	0.052	1.64	4.20	2.56	2.6
20	ARD 20	5.57	0.917	0.0031	0.914	28.65	2.30	-26.35	0.1
QC/DATA									
Repeat:									
12	ARD 12	7.97	0.016	0.0002	0.016	0.50	4.56	4.06	9.1
16	ARD 16	6.16	1.145	0.0028	1.142	35.78	5.38	-30.40	0.2
Standard:									
KZK		8.80	0.802	-	-	25.05	57.06	32.01	2.3
NBM		8.60	0.295	-	-	9.23	47.26	38.03	5.1

KLS/10
IA/ap

Analytical Procedure Assessment Report

MULTI ELEMENT ICP ANALYSIS

Samples are catalogued and dried. Soil samples are screened to obtain a -80 mesh sample. Samples unable to produce adequate -80 mesh material are screened at a coarser fraction. These samples are flagged with the relevant mesh. Rock samples are 2 stage crushed to minus 10 mesh and pulverized on a ring mill pulverizer to minus 140 mesh, rolled and homogenized.

A 0.5 gram sample is digested with 3ml of a 3:1:2 (HCl:HN03:H20) which contains beryllium which acts as an internal standard for 90 minutes in a water bath at 95°C. The sample is then diluted to 10ml with water. The sample is analyzed on a Jarrell Ash ICP unit.

Results are collated by computer and are printed along with accompanying quality control data (repeats and standards). Results are printed on a laser printer and are faxed and/or mailed to the client.

K:Methods/methicp

15-Jan-10

Stewart Group
ECO TECH LABORATORY LTD.
10041 Dallas Drive
KAMLOOPS, B.C.
V2C 6T4

Phone: 250-573-5700
Fax : 250-573-4557

ICP CERTIFICATE OF ANALYSIS E10-0044revised

CVG Mining
384 Winder St
Quesnel,BC
V2J 1C6

No. of samples received: 18
Sample Type: Rock
Project: Fraser Canyon Mine
Submitted by: Joe Horawski

Values in ppm unless otherwise reported

Et #.	Tag #	Ag ppm	Al %	As ppm	Ba ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Ga ppm	Hg ppb	K %	La ppm	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	S %	Sb ppm	Sc ppm	Se ppm	Sr ppm	Te ppm	Th ppm	Tl %	Tl ppm	U ppm	V ppm	W ppm	Zr ppm
1	ARD 1	0.08	0.52	3.1	192.5	0.08	0.10	0.08	2.8	133.5	22.1	0.74	1.6	15	0.10	6.0	0.17	75	0.85	0.048	10.3	110	6.52	0.04	0.46	1.1	0.2	22.0	0.04	1.2	0.019	0.06	0.3	14	0.2	31
2	ARD 2	0.16	1.23	3.8	110.0	0.30	0.10	0.19	10.8	101.5	100.8	2.52	4.1	30	0.12	8.5	0.85	228	1.90	0.042	37.2	174	10.20	0.18	0.52	1.8	0.8	11.5	0.16	2.4	0.003	0.06	0.3	16	0.1	86
3	ARD 3	0.08	0.45	4.3	105.0	0.10	0.11	0.12	4.1	111.5	30.1	0.54	1.4	10	0.08	6.5	0.16	56	1.10	0.051	13.7	129	4.97	0.08	0.58	1.0	0.4	21.5	0.06	1.2	0.022	0.06	0.4	12	0.1	35
4	ARD 4 fine	0.14	0.74	8.6	80.0	0.12	0.17	0.11	4.8	105.0	34.9	0.87	2.1	10	0.11	9.0	0.24	69	0.96	0.056	17.2	187	5.61	0.10	0.62	1.6	0.5	27.0	0.08	2.2	0.021	0.06	0.6	20	0.3	52
5	ARD 5 coarse	0.08	0.82	4.1	128.5	0.10	0.14	0.17	6.7	119.5	33.5	0.97	2.6	10	0.15	7.0	0.29	103	0.62	0.050	21.2	166	5.38	0.04	0.50	2.2	0.4	22.0	0.06	1.7	0.029	0.08	0.5	22	0.2	47
6	ARD 6	0.20	0.62	5.9	61.0	0.26	0.07	1.07	12.3	137.0	97.4	1.89	2.1	85	0.10	8.0	0.39	129	10.89	0.043	39.2	168	17.82	0.82	1.16	1.0	2.2	17.0	0.12	2.2	0.002	0.08	0.4	12	0.2	121
7	ARD 7	0.12	0.67	3.6	69.0	0.12	0.09	0.56	5.4	130.0	38.6	0.74	2.2	10	0.16	7.5	0.26	77	2.17	0.053	16.5	85	5.43	0.08	0.60	1.8	0.5	15.0	0.12	1.6	0.019	0.12	0.4	22	0.2	60.
8	ARD 8	0.08	0.45	2.3	45.5	0.08	0.07	0.14	5.1	184.5	28.5	0.95	2.0	10	0.07	8.0	0.29	141	0.77	0.045	28.8	130	3.60	0.04	0.26	0.9	0.2	5.5	0.06	1.6	0.013	0.02	0.2	8	0.1	61.
9	ARD 9	0.08	0.53	2.2	135.0	0.08	0.09	0.03	2.5	127.5	18.9	0.85	1.6	5	0.12	6.0	0.20	89	0.93	0.048	11.0	89	4.40	0.02	0.34	1.3	0.3	19.0	0.06	1.3	0.017	0.06	0.2	14	0.2	23.
10	ARD 10 fine	0.10	1.02	10.0	153.5	0.12	0.25	0.19	7.8	85.5	37.7	1.95	2.8	45	0.11	9.0	0.32	90	2.89	0.063	25.3	241	7.23	0.22	1.34	2.0	0.7	51.0	0.10	2.4	0.034	0.10	1.1	26	0.2	68.
11	ARD 11 coarse	0.14	0.58	3.2	73.5	0.06	0.21	0.12	3.8	135.0	41.0	1.09	1.7	20	0.09	4.0	0.20	86	1.27	0.057	15.6	184	4.16	0.14	0.56	1.4	0.3	26.5	0.04	1.0	0.023	0.06	0.4	16	0.2	28.
12	ARD 12	0.08	0.67	0.8	66.0	0.10	0.13	0.20	6.1	148.5	21.3	1.42	2.4	5	0.08	9.5	0.34	133	0.55	0.042	26.2	217	4.64	<0.02	0.16	1.1	0.2	16.5	0.04	2.0	0.007	0.04	0.3	14	0.1	97.
13	ARD 13	0.04	0.44	5.5	129.0	0.10	0.09	0.12	4.4	147.0	18.2	0.92	1.4	40	0.10	5.5	0.18	70	1.65	0.048	14.6	114	4.48	0.08	0.78	0.9	0.3	22.0	0.06	1.1	0.013	0.06	0.3	12	0.1	44.
14	ARD 14	0.06	0.53	5.4	141.0	0.08	0.09	0.41	6.7	124.5	31.2	1.04	1.6	15	0.09	6.0	0.19	76	0.93	0.052	24.7	86	4.30	0.14	0.66	1.2	0.5	18.0	0.04	1.1	0.014	0.08	0.4	16	0.2	68.
15	ARD 15	0.06	0.60	10.6	123.5	0.10	0.17	0.06	3.8	114.0	21.8	2.15	2.1	10	0.12	7.0	0.25	117	1.25	0.056	14.8	177	5.08	0.04	0.64	1.9	0.4	31.0	0.08	1.6	0.038	0.08	0.6	32	0.4	41.
16	ARD 16	0.42	0.58	5.1	59.0	0.32	0.12	1.07	14.0	88.0	119.1	3.14	1.7	65	0.12	5.0	0.38	765	11.33	0.047	57.4	208	11.27	1.15	1.60	1.3	1.9	21.5	0.10	2.2	0.001	0.08	0.6	14	0.1	153
17	ARD 17	0.10	0.91	12.5	95.5	0.12	0.16	0.27	8.2	165.5	33.1	1.49	3.1	20	0.13	7.0	0.34	94	1.74	0.064	21.4	150	6.53	0.47	1.06	2.3	0.5	30.0	0.06	2.0	0.030	0.12	0.8	26	0.2	77.
18	ARD 18	0.28	0.50	7.4	58.0	0.24	0.06	1.57	11.0	125.5	72.0	1.46	1.8	65	0.10	5.5	0.37	160	8.40	0.045	37.8	85	10.31	0.76	0.96	0.9	1.7	13.0	0.14	1.6	0.001	0.04	0.3	12	<0.1	72.
19	ARD 19	0.12	0.60	1.6	113.5	0.08	0.09	0.17	3.4	143.5	31.8	0.98	1.9	15	0.15	6.5	0.24	83	0.98	0.049	15.6	95	4.93	0.05	0.42	1.4	0.3	17.0	0.04	1.4	0.025	0.10	0.4	16	0.2	48.
20	ARD 20	0.46	0.67	2.8	63.5	0.34	0.04	3.10	11.1	93.0	100.4	1.76	2.1	110	0.13	6.0	0.45	100	9.72	0.045	36.5	43	12.74	0.92	1.44	1.0	2.4	11.5	0.12	1.8	0.001	0.06	0.4	18	0.1	91.
QC DATA:																																				
Repeat:																																				
1	ARD 1	0.08	0.52	3.1	192.5	0.08	0.11	0.08	2.8	133.0	21.9	0.74	1.4	15	0.10	6.0	0.17	76	0.82	0.048	10.2	111	4.76	0.04	0.44	1.1	0.2	22.0	0.06	1.3	0.019	0.06	0.3	14	0.2	29.
10	ARD 10 fine	0.10	1.00	10.2	152.0	0.12	0.26	0.20	7.9	86.5	38.8	2.00	2.8	45	0.11	9.5	0.33	90	2.94	0.063	25.2	244	7.37	0.26	1.36	1.9	0.6	52.0	0.08	2.4	0.032	0.10	1.1	26	0.2	68.
Standard:																																				
Pb129a		11.56	0.87	5.6	67.0	0.38	0.49	56.12	5.2	12.0	1425.0	1.58	2.3	65	0.10	4.0	0.72	379	1.99	0.060	5.4	414	5897.00	0.86	15.94	0.7	0.2	26.0	0.34	0.4	0.044	0.04	<0.1	18	0.3	9877

Aqua Regia Digest/ICPMS Finish

NM/ap
df/msr0025s
XLS/10

ECO TECH LABORATORY LTD.
Norman Monteith
B.C. Certified Assayer

APPENDIX 'F'

TITLE SEARCHES AND LANDOWNER NOTIFICATION

Date: 09/03/30 TITLE SEARCH PRINT - PRINCE GEORGE Time: 16:50:04
Requestor: (PA72865) ACCURATE MINING SERVICES Page: 001
TITLE - PS20964

PRINCE GEORGE LAND TITLE OFFICE TITLE NO: PS20964
FROM TITLE NO: PF38396

APPLICATION FOR REGISTRATION RECEIVED ON: 28 JUNE, 2001
ENTERED: 03 JULY, 2001

REGISTERED OWNER IN FEE SIMPLE:
DAVID GREGORY, BUSINESSMAN
EVA GREGORY, COLLEGE INSTRUCTOR
2647 PETERS ROAD
QUESNEL, BC
V2J 7B1
AS JOINT TENANTS

TAXATION AUTHORITY:
CARIBOO ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 015-300-919
DISTRICT LOT 12383 CARIBOO DISTRICT

LEGAL NOTATIONS:

THIS CERTIFICATE OF TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND
COMMISSION ACT, SEE AGRICULTURAL LAND RESERVE PLAN NO. 21608

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

MORTGAGE
PS20965 2001-06-28 13:23
REGISTERED OWNER OF CHARGE:
THE TORONTO-DOMINION BANK
PS20965

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

Date: 09/03/30 TITLE SEARCH PRINT - PRINCE GEORGE Time: 16:48:33
Requestor: (PA72865) ACCURATE MINING SERVICES Page: 001
TITLE - CA389862

PRINCE GEORGE LAND TITLE OFFICE TITLE NO: CA389862
FROM TITLE NO: CA136273

APPLICATION FOR REGISTRATION RECEIVED ON: 02 MARCH, 2007
ENTERED: 07 MARCH, 2007

REGISTERED OWNER IN FEE SIMPLE:
TREVOR JASON FLAHR, LOGGER
LISA VICTORIA JONES, SERVICE PERSON
3382 PARADISE ROAD
QUESNEL, BC
V2J 7B1
AS JOINT TENANTS

TAXATION AUTHORITY:
CARIBOO ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 014-798-000
DISTRICT LOT 4682 CARIBOO DISTRICT EXCEPT PLAN PGP37564

LEGAL NOTATIONS:

THIS CERTIFICATE OF TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT, SEE AGRICULTURAL LAND RESERVE PLAN NO. 21608

HERETO IS ANNEXED EASEMENT PG42048 OVER PART OF DISTRICT LOT 4682 CARIBOO DISTRICT AS SHOWN ON PLAN PGP37565

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

EASEMENT
PG42049 1993-11-10 14:02
REMARKS: PART ON PLAN PGP37565 APPURTENANT TO LOT 1
CARIBOO DISTRICT PLAN PGP37565

MORTGAGE
CA389863 2007-03-02 10:30
REGISTERED OWNER OF CHARGE:
THE BANK OF NOVA SCOTIA
CA389863

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

Date: 09/03/30 TITLE SEARCH PRINT - PRINCE GEORGE Time: 16:47:45
Requestor: (PA72865) ACCURATE MINING SERVICES Page: 001
TITLE - PJ25801

PRINCE GEORGE LAND TITLE OFFICE TITLE NO: PJ25801
FROM TITLE NO: PJ10815

APPLICATION FOR REGISTRATION RECEIVED ON: 21 JULY, 1995
ENTERED: 02 AUGUST, 1995

REGISTERED OWNER IN FEE SIMPLE:
ROSS STUART FRASER, PARAMEDIC
SHERRY ANN FRASER, JANITOR
RR #3 BOX 26 PARADISE SITE
QUESNEL, BC
V2J 3H7
AS JOINT TENANTS

TAXATION AUTHORITY:
CARIBOO ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 015-316-742
DISTRICT LOT 5077 CARIBOO DISTRICT

LEGAL NOTATIONS:

THIS CERTIFICATE OF TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT, SEE AGRICULTURAL LAND RESERVE PLAN NO. 21608

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

RIGHT OF WAY
K25011 1975-09-26 10:34
REGISTERED OWNER OF CHARGE:
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
K25011

MORTGAGE
PK27098 1996-07-09 10:11
REGISTERED OWNER OF CHARGE:
THE TORONTO-DOMINION BANK
PK27098

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

Date: 09/03/30 TITLE SEARCH PRINT - PRINCE GEORGE Time: 16:47:45
Requestor: (PA72865) ACCURATE MINING SERVICES Page: 001
TITLE - BT400625

PRINCE GEORGE LAND TITLE OFFICE TITLE NO: BT400625
FROM TITLE NO: BT242703

APPLICATION FOR REGISTRATION RECEIVED ON: 31 OCTOBER, 2002
ENTERED: 08 NOVEMBER, 2002

REGISTERED OWNER IN FEE SIMPLE:
DOMINION LUMBER CO. LTD., INC.NO. 547351
500 REID STREET
QUESNEL, BC
V2J 2M9

TAXATION AUTHORITY:
CARIBOO ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 003-540-421
DISTRICT LOT 5076 CARIBOO DISTRICT

LEGAL NOTATIONS:

THIS CERTIFICATE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT SEE PLAN #21608

CHARGES, LIENS AND INTERESTS: NONE

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

PRINCE GEORGE LAND TITLE OFFICE TITLE NO: PM20836
FROM TITLE NO: PM19025

APPLICATION FOR REGISTRATION RECEIVED ON: 22 MAY, 1998
ENTERED: 25 MAY, 1998

REGISTERED OWNER IN FEE SIMPLE:
IRVINE KEITH CORBETT, ORTHODONTIST
PEGGY MARIE CORBETT, HOUSEWIFE
104 345 REID STREET
QUESNEL, BC
V2J 2M5
AS JOINT TENANTS

TAXATION AUTHORITY:
CARIBOO ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 024-142-328
DISTRICT LOT 9788 CARIBOO DISTRICT

LEGAL NOTATIONS:

THIS TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT,
SEE AGRICULTURAL LAND RESERVE PLAN 21608

NOTICE PURSUANT TO FOREST ACT SEE PP12439

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

UNDERSURFACE AND OTHER EXC & RES
PM19028 1998-05-12 08:39
REGISTERED OWNER OF CHARGE:
THE CROWN IN RIGHT OF BRITISH COLUMBIA
PM19028
REMARKS: INTER ALIA
SECTION 50 LAND ACT

COVENANT
PM19029 1998-05-12 08:39
REGISTERED OWNER OF CHARGE:
THE CROWN IN RIGHT OF BRITISH COLUMBIA
PM19029
REMARKS: INTER ALIA
SECTION 219 LAND TITLE ACT

MORTGAGE
PM20837 1998-05-22 11:27
REGISTERED OWNER OF CHARGE:
DAVID MACKIE
EDNA MACKIE
AS JOINT TENANTS

CONTINUES ON PAGE 002

PM20837
REMARKS: INTER ALIA

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

PRINCE GEORGE LAND TITLE OFFICE TITLE NO: PM20834
FROM TITLE NO: PM19027

APPLICATION FOR REGISTRATION RECEIVED ON: 22 MAY, 1998
ENTERED: 25 MAY, 1998

REGISTERED OWNER IN FEE SIMPLE:
IRVINE KEITH CORBETT, ORTHODONTIST
PEGGY MARIE CORBETT, HOUSEWIFE
104 345 REID STREET
QUESNEL, BC
V2J 2M5
AS JOINT TENANTS

TAXATION AUTHORITY:
CARIBOO ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 024-142-344
BLOCK B DISTRICT LOT 9790 CARIBOO DISTRICT

LEGAL NOTATIONS:

THIS TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT,
SEE AGRICULTURAL LAND RESERVE PLAN 21608

NOTICE PURSUANT TO FOREST ACT SEE PP12442

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

UNDERSURFACE AND OTHER EXC & RES
PM19028 1998-05-12 08:39
REGISTERED OWNER OF CHARGE:
THE CROWN IN RIGHT OF BRITISH COLUMBIA
PM19028
REMARKS: INTER ALIA
SECTION 50 LAND ACT

COVENANT
PM19029 1998-05-12 08:39
REGISTERED OWNER OF CHARGE:
THE CROWN IN RIGHT OF BRITISH COLUMBIA
PM19029
REMARKS: INTER ALIA
SECTION 219 LAND TITLE ACT

MORTGAGE
PM20837 1998-05-22 11:27
REGISTERED OWNER OF CHARGE:
DAVID MACKIE
EDNA MACKIE
AS JOINT TENANTS

CONTINUES ON PAGE 002

PM20837
REMARKS: INTER ALIA

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

PRINCE GEORGE LAND TITLE OFFICE TITLE NO: PM20835
FROM TITLE NO: PM19026

APPLICATION FOR REGISTRATION RECEIVED ON: 22 MAY, 1998
ENTERED: 25 MAY, 1998

REGISTERED OWNER IN FEE SIMPLE:
IRVINE KEITH CORBETT, ORTHODONTIST
PEGGY MARIE CORBETT, HOUSEWIFE
104 345 REID STREET
QUESNEL, BC
V2J 2M5
AS JOINT TENANTS

TAXATION AUTHORITY:
CARIBOO ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 024-142-336
BLOCK A DISTRICT LOT 9789 CARIBOO DISTRICT

LEGAL NOTATIONS:

THIS TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT,
SEE AGRICULTURAL LAND RESERVE PLAN 21608

NOTICE PURSUANT TO FOREST ACT SEE PP12441

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

UNDERSURFACE AND OTHER EXC & RES
PM19028 1998-05-12 08:39
REGISTERED OWNER OF CHARGE:
THE CROWN IN RIGHT OF BRITISH COLUMBIA
PM19028
REMARKS: INTER ALIA
SECTION 50 LAND ACT

COVENANT
PM19029 1998-05-12 08:39
REGISTERED OWNER OF CHARGE:
THE CROWN IN RIGHT OF BRITISH COLUMBIA
PM19029
REMARKS: INTER ALIA
SECTION 219 LAND TITLE ACT

MORTGAGE
PM20837 1998-05-22 11:27
REGISTERED OWNER OF CHARGE:
DAVID MACKIE
EDNA MACKIE
AS JOINT TENANTS

CONTINUES ON PAGE 002

PM20837
REMARKS: INTER ALIA

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

NOTICE TEMPLATE
SECTION 19 (1) OF THE *MINERAL TENURE ACT*

To: Mr. Irvine K. Corbett and Mrs. Peggy M. Corbett
(print name(s) of registered landowner(s) or Crown Land Lessee(s)

Address: 104 - 345 Reid Street, Quesnel, BC, V2J 2M5

registered holder of the following surface rights: Cariboo District, District Lot 9790, Block B

(description of land parcel (can include civic address, or legal description, or Parcel Identifier Number or Crown land leas descriptors)

I, Fran Macpherson (Agent)
(print name)

of Accurate Mining Services on behalf of 0845445 BC Ltd.
(company name (if applicable)

Address or contact information: 1040 Hazel Road, Quesnel, BC, V2J 2Z4
Phone: 250-992-2801, Fax: 250-992-2802
Email: fmacpherson@accuratemining.com

am providing Notice that I, or my authorized representative, intend to enter: Underground and surface workings on Placer Tenure 325922 and Mineral Tenure 524017 covered by a portion of DL 9790, BK B - Access directly from Paradise Road to workings
(describe area of entry as accurately as possible, or attach an illustrative picture or map)

the aforementioned land parcel to carry out a mining activity between the dates of May 10 2009 **and** December 31 2009 . **There will be approximately** 3 to 5 **persons on site and the work will consist of the following mining activities:** Dewatering of existing underground works into two existing settling ponds (see attached figure)

(describe in detail work to be done, attach description and or diagram if required for clarity)

The person who will be onsite and in charge of the mining activity is: Don Bernard, P.Eng.
(print name)

of 0845445 BC Ltd.
(company name (if applicable)

and may be contacted at: 1-780-695-0289
Email: Don.Bernard@gmail.com

(provide any *two* of the following: telephone or facsimile number, mailing or email address)

Signature

April 6, 2009
Date

DO NOT SEND THIS FORM TO THE MINERAL TITLES BRANCH
KEEP A COPY OF THIS FORM FOR YOUR OWN RECORDS

Note: THIS IS NOT A REQUEST FOR CONSENT TO ENTER THE PROPERTY.

A free miner or mineral title holder has the right to enter upon and use the surface of private land for the exploration and development or production of minerals or placer minerals, and the business of mining subject to the provisions in the *Mineral Tenure Act, Mines Act, and/or Mining Rights of Way Act.* A free miner or mineral title holder is required to provide notice in accordance with the *Mineral Tenure Act* and is liable to compensate the owner of a surface area for loss or damage caused by the entry, occupation or use of that area.

For further information on the legislation and other materials pertaining to this Notice, please go to:
http://www.em.gov.bc.ca/mining/titles/Land_Owner_Notice.htm
or contact the Mineral Titles Branch at mineral.titles@gov.bc.ca or 1-866-616-4999

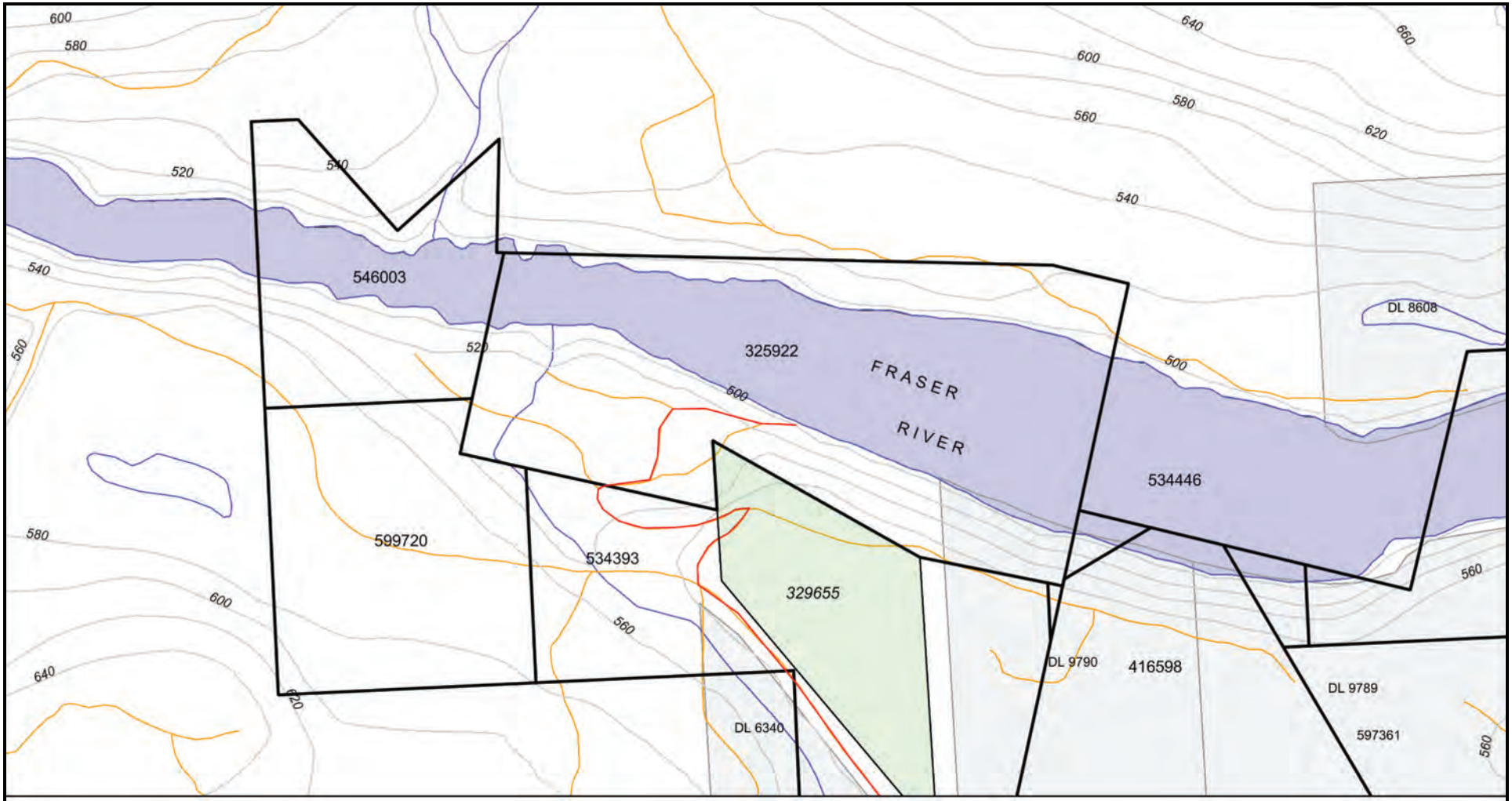

Figure 2 Work Area Tenure Detail, Topography & District Lots

N
W E
S

Scale 1:10,000

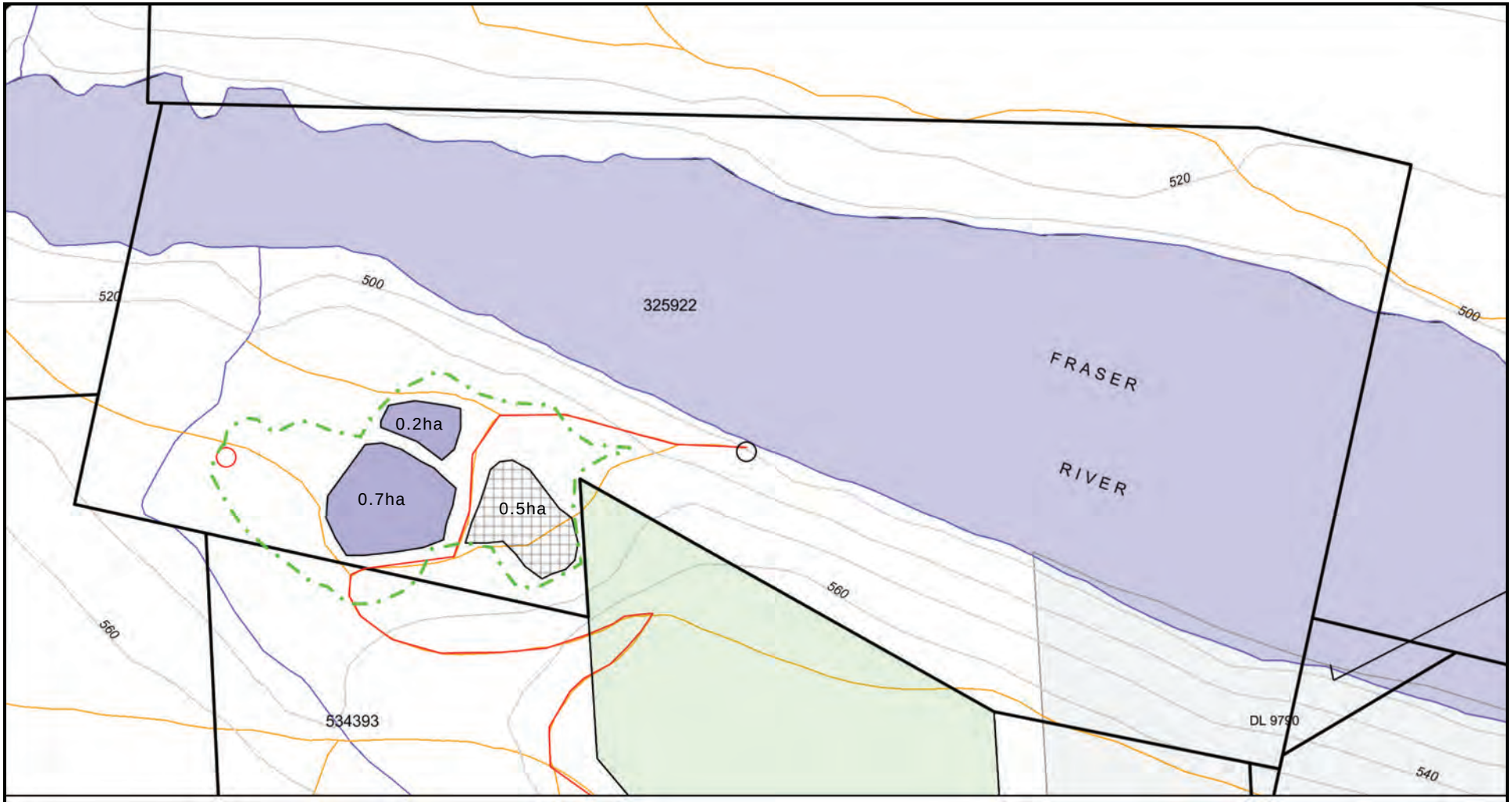

Figure 3 Existing Disturbance & Work Detail

Scale 1:55,000

N
W E
S

Legend

- Portal
- Access Road
- Existing Pond Structure
- Historic Stockpile Area
- Mine Footprint (3.8ha overall)
- Existing Well

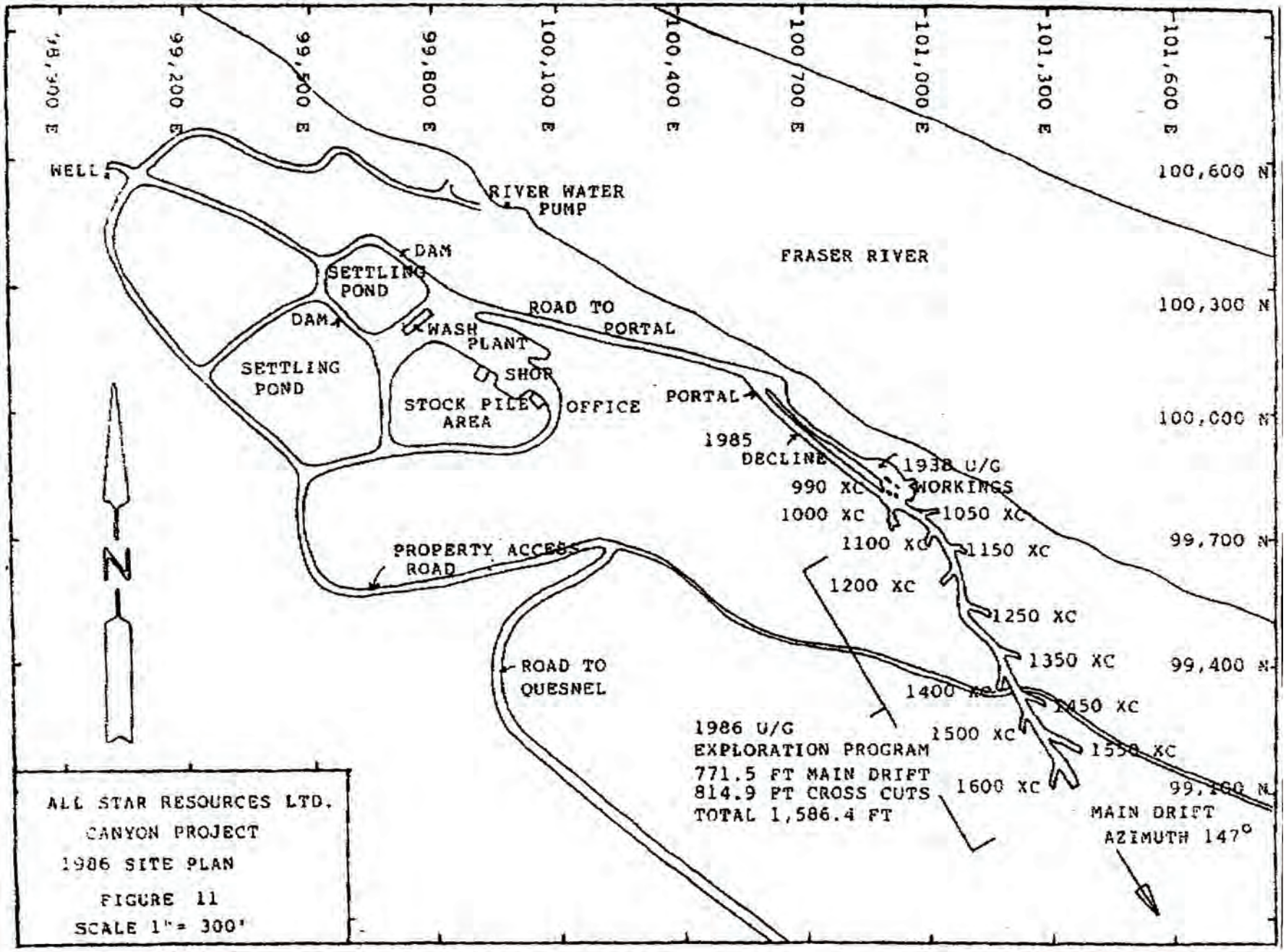

Figure 4 1986 Site & Underground Plan - All Star Resources Inc.

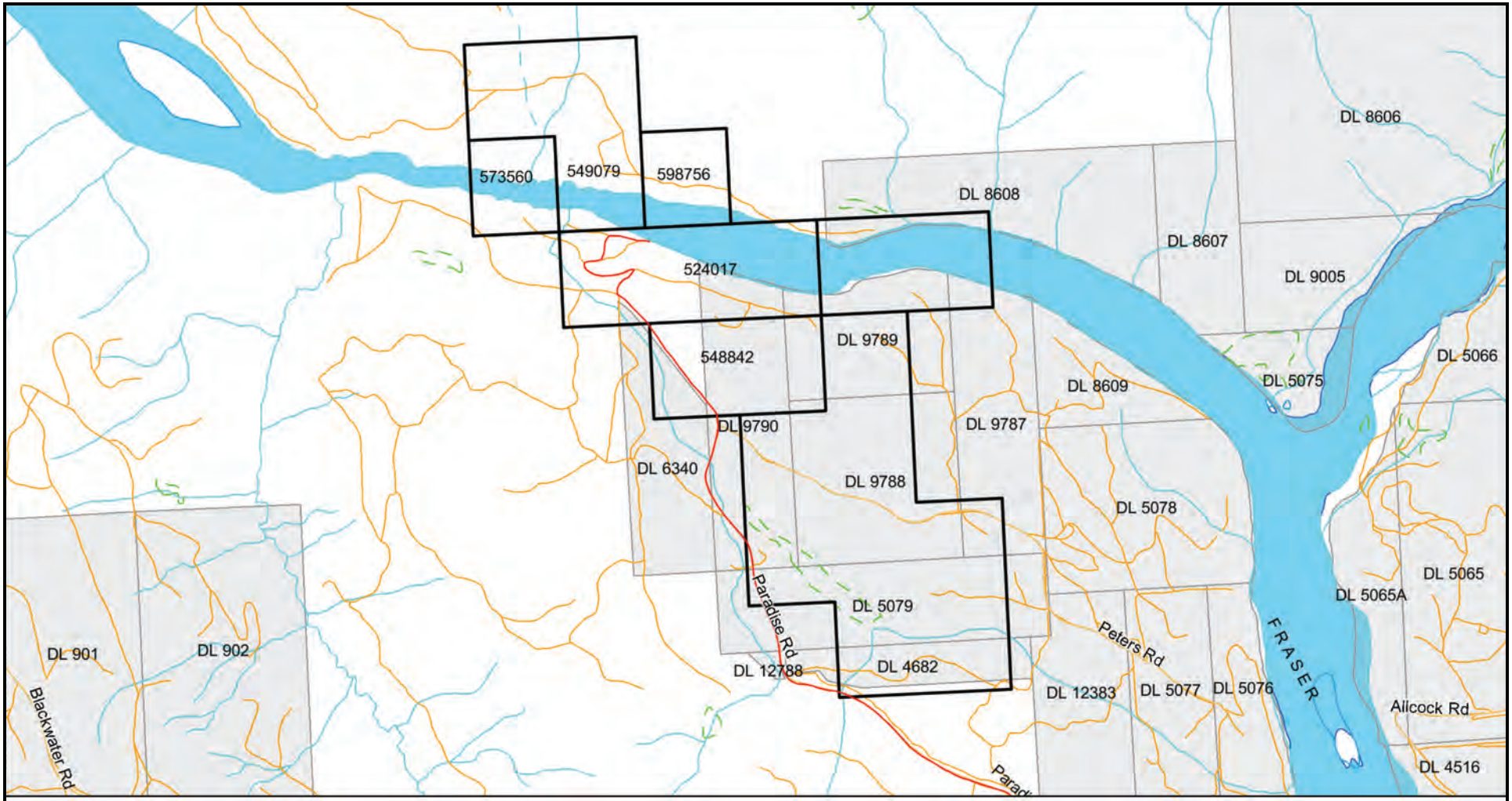

Figure 3 District Lots

Scale 1:30,000

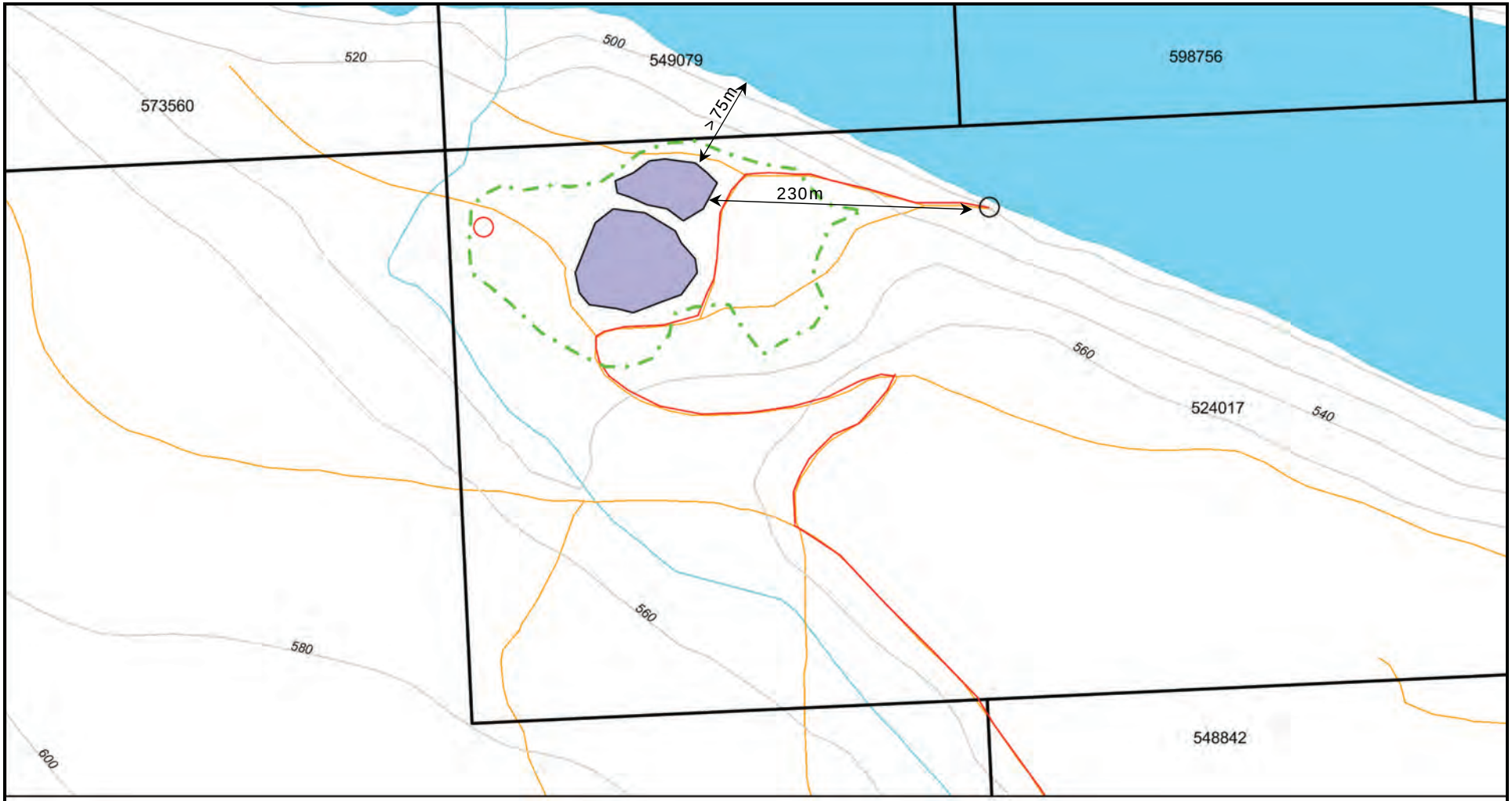

Figure 4 Surface Site Plan

N
W E
S

Legend

- Portal
- Access Road
- Existing Pond Structure
- Historic Stockpile Area
- Mine Footprint (3.8ha overall)
- Existing Well

Scale 1:5,000

APPENDIX 'G'

PHOTOGRAPHS

Top Left: Gated entry to CVG Mining Ltd Fraser Canyon project

Bottom Right: Improved ramp down to portal, ventilation piping and electrical to right of road

Top Left: Portal showing ventilation and electrical

Bottom Right: Secured portal entry with shotcrete to secure gate

Top Left: Safety fenced rehabilitated settling (near left and ex-filtration) pond

Bottom Right: Double-walled enviro-tank and generator housing

Top Left: Scoop and two Sea-Cans used for storage and first aid

Bottom Right: Cutter head used to collect composite sample for metallurgical testing