BRITISH COLUMBIA

Ministry of Energy & Mines
Energy & Minerals Division
Geological Survey Branch

ASSESSMENT REPORT
TITLE PAGE AND SUMMARY

TITLE OF REPORT [type of survey(s)]: GEOCHEMICAL ASSESSMENT REPORT — TOTAL COST: $2,000

AUTHOR(S): Warner Gruenwald, P.Geo — SIGNATURE(S): W. Gruenwald

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): _____ YEAR OF WORK: 2010

STATEMENT OF WORK - CASH PAYMENT EVENT NUMBER(S)/DATE(S): 4811914 - NOV 24, 2010

PROPERTY NAME: NIO

CLAIM NAME(S) (on which work was done): 610263, 610283, 685883

COMMODITIES SOUGHT: Niobium, tantalum, REE

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: N/A

MINING DIVISION: _____ NTS: _____

LATITUDE: 51 ° 10.6 ' " LONGITUDE: 118 ° 44 ' " (at centre of work)

OWNER(S)

1) Warner Gruenwald 2) _____

MAILING ADDRESS

8055 Aspen Road
Vernon, B.C. V1B 3M9

OPERATOR(S) [who paid for the work]

1) Warner Gruenwald 2) _____

MAILING ADDRESS

8055 Aspen Road
Vernon, B.C. V1B 3M9

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):

Gneiss, schist, quartzite Shuswap and Monashee Complexes. Locally intruded by granitic pegmatite dikes/sills. Metamorphic rocks strike northerly and dip moderately to west. Carbonatite sills and float discovered with values upto 0.53% Nb_2O_5. Stream geochemical anomalies suggest Nb±Ta, REE over 3km length.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS:

AR 26791

(OVER)

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
GEOLOGICAL (scale, area)			
Ground, mapping			
Photo interpretation			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
GEOCHEMICAL (number of samples analysed for ...)			
Soil			
Silt			
Rock	Chip samples (2) REE by ICP-Multi-acid / LiBO2	610263 610283 685883	$1403
Other	Panned Concentrates (2) REE analysis		
DRILLING (total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying	Outcrop prospecting, sampling	610263, 610283, 685883	$601
Petrographic			
Mineralographic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY/PHYSICAL			
Line/grid (kilometres)			
Topographic/Photogrammetric (scale, area)			
Legal surveys (scale, area)			
Road, local access (kilometres)/trail			
Trench (metres)			
Underground dev. (metres)			
Other			
		TOTAL COST	$2,004

GEOCHEMICAL ASSESSMENT REPORT

on the

NIO PROPERTY

Tenure Numbers: 610263, 610283, 673563, 685883

Location: 51°10.6 ' North Latitude
118° 44 ' West Longitude

Map No: NTS Map No. 82M/02W

Prepared By:

GEOQUEST CONSULTING LTD.
8055 Aspen Road
Vernon, B.C.
V1B 3M9

W. Gruenwald, P. Geo.

January 11, 2011

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1.0 SUMMARY

The Nio property covers several niobium bearing carbonatite bedrock and float occurrences as well as multi-element stream anomalies. It is situated in the Monashee Mountains of southern British Columbia 42 km north-northeast of Sicamous. UTM coordinates for the centre of the property are 378500E; 5671000N (Zone 11U) on NTS Map 082M.017. The terrain is mountainous and forested however logging has been done in several areas.

The property is accessible via the Trans Canada Highway (TCH) and Gorge Creek logging road that begins just east of Malakwa, BC. The Third Creek logging road heads easterly from the Gorge Creek road at ~41 km from the TCH and accesses the property. Logging activity provides good access into the property. The Nio property is comprised of four claims covering an area of 871 hectares (8.7 km²) that are in good standing until November, 2011. The property is bounded to the north by Commerce Resources Corp. and International Bethlehem Mining Corp.

Carbonatite was first described 18 km north of the Nio property in 1970. In 1982 Duval International Corp. explored the "Ren" carbonatite by trenching and soil sampling. In 1987 Teck Exploration conducted sampling, geophysical surveys and trenching and reported niobium grades of 0.10% to 0.20 % $Nb_2 2O_5$ over widths up to 70 metres. In 2001 Cross Lake Minerals explored the Ren for its tantalum, niobium and rare earth element (REE) potential. Trenching yielded an average of 34.0 ppm Ta_2O_5; 1365.4 ppm $Nb_2 2O_5$; 345.5 ppm La_2O_5; 732 ppm Ce_2O_5 and 299.2 ppm Nd_2O_5 over 277 m. No exploratory drilling has yet been conducted on the Ren carbonatite.

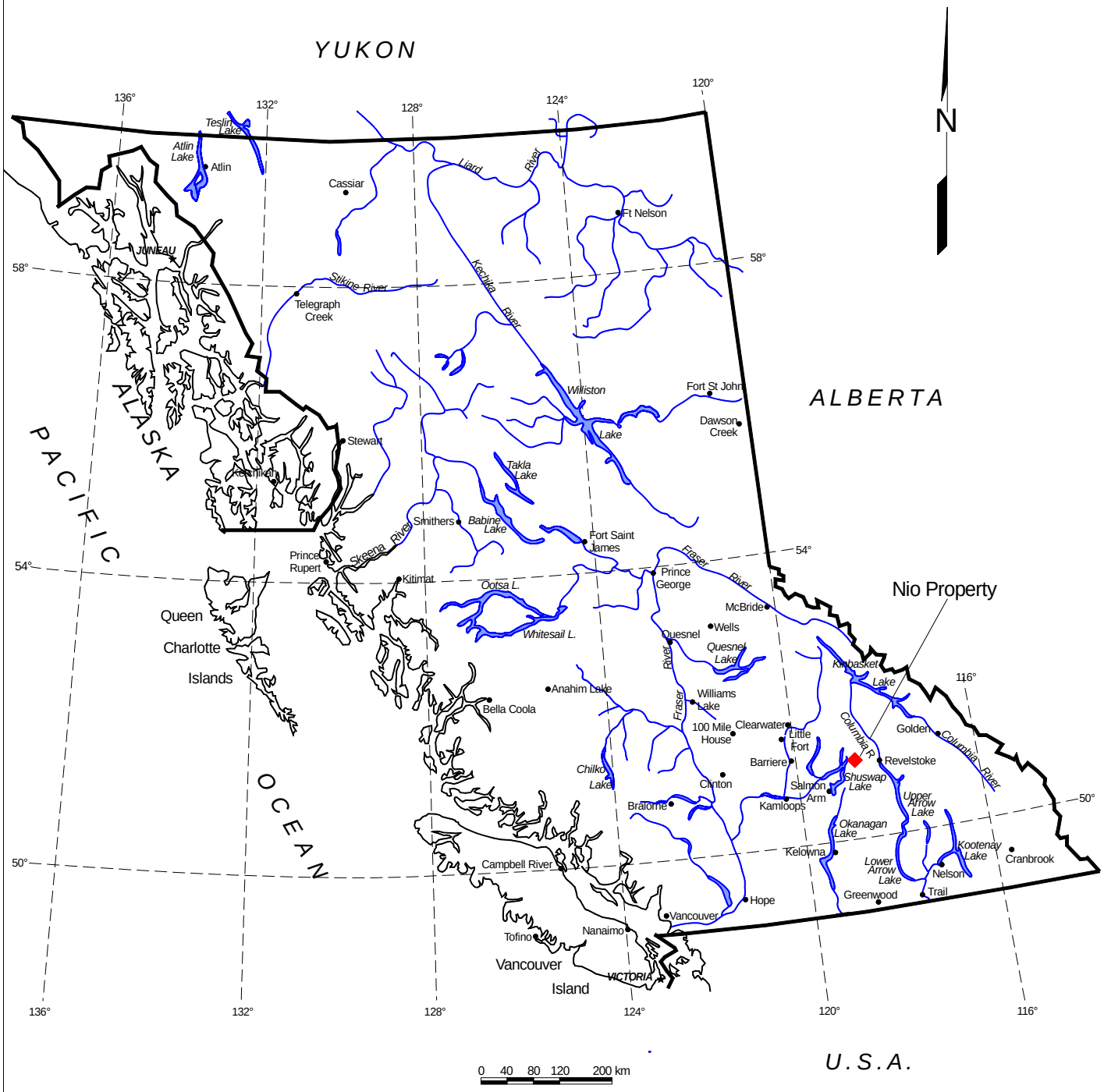
In 2000 carbonatite bedrock and float were discovered by the writer in logged areas of the Nio property. There were no prior records of mineral occurrences or exploration in the area. On the GQ property southwest of the property the writer discovered bedrock occurrences mineralized float with a distinctive Au, Bi, Te, and W geochemical signature.

The Nio property is underlain by metamorphic rocks of the Shuswap and Monashee Complexes. Metamorphic rocks strike northerly and dip westerly. They are intruded by pegmatite dikes and sills and carbonatite. The Cretaceous age Anstey Pluton is located six kilometres to the west.

Sampling of a 0.5 metre wide north-northwest striking carbonatite sill (1999) returned grades up to 0.53% Nb_2O_3. Carbonatite float found in a clear-cut 300 metres northeast and uphill of the road showing contains anomalous niobium (462 ppm). A bedrock occurrence of mica-rich carbonatite 450 metres south and downhill of the road showing has yielded up to 546 ppm Nb. These occurrences indicate the presence of several carbonatite horizons.

Anomalous cerium, lanthanum, niobium and tantalum are indicated in drainages over a three kilometre north-south area. Stream sediments contain up to 859 ppm niobium, 23 ppm tantalum and rare earth elements. Some panned concentrate samples contain very high amounts of cerium and lanthanum. A stream in the southern part of the property yielded anomalous silver (up to 2.6 ppm), the highest in the region along with anomalous cerium, and tantalum. The source of these anomalous elements is believed to be proximal.

The Nio property is at an early stage of exploration. The distribution of carbonatite bedrock, float and anomalous streams suggest the potential for the discovery of niobium and rare earth elements over a considerable area. Future recommended exploration work includes detailed prospecting, soil and/or Mobile Metal Ion (MMI) soil sampling to locate and delineate the extent of the carbonatites. Given the mineralogy, these deposit types may also be amenable to exploration by ground or airborne magnetic-radiometric surveys.



W. Gruenwald, P. Geo.

NIO PROPERTY

Location Map

To accompany a report by W. Gruenwald, P. Geo.

Tech Work By: Geoquest
Drawn By: EG

Date: Jan, 2011
Figure: 1

2.0 INTRODUCTION

2.1 General Statement

In 1999 while working on a Prospectors Assistance grant five “intrusion related” gold occurrences were discovered along newly constructed logging roads in the Monashee Mountains east of Shuswap Lake. These were staked and are referred to as the GQ property. During this program a carbonatite sill was found in a new road cut several kilometres northeast of the GQ property. Streams containing anomalous niobium, tantalum and rare earth elements were also identified. The recent global interest in rare elements prompted the writer to acquire the Nio property. This report describes recent work on the property as well as compiling the previous exploration data.

2.2 Location and Access

The Nio property is centered approximately 45 kilometres west-northwest of Revelstoke and 18 kilometres southeast of the community of Seymour Arm, B.C. (Figure 1) Geographic coordinates for the approximate centre of the property are 51°10.6 ' north latitude and 118° 44 ' west longitude on NTS Map No. 082M/02W. Equivalent UTM co-ordinates are 378800E and 5670700N (Grid Zone 11) on Trim Map 08M.017

Access to the property is via the Trans Canada Highway between Sicamous and Revelstoke near the town of Malakwa. Just east of the Louisiana Pacific Lumber mill a major logging road (Gorge Creek) departs the TCH and heads northerly along the east side of the Anstey Arm of Shuswap Lake. At kilometre 41 a logging road heads easterly along Third Creek and leads to the western part of the property (Figure 2).

2.3 Physiography

The property is situated in mountainous terrain of the Anstey Range along the west flank of the Monashee Mountains. Extensive glaciation has resulted in deeply incised stream valleys. The central portion of the property straddles the height of land between the Anstey River to the west and Perry River to the east (Figure 2). Third Creek, the largest on the property, flows westerly into the Anstey River. One stream near the northern sector of the property flows east to the Perry River. Most of the property slopes are moderate to steep to the southwest and east. Elevations range from 1280 metres along Third Creek to 2500 metres at the height of land.

2.4 Climate and Vegetation

The Monashee Mountain Range is characterized by temperate climate and moderately high annual precipitation. Winter snow packs of 3 to 5 metres are not uncommon at the higher elevations. The ample water supply supports a wide variety of coniferous and deciduous vegetation. Commercial stands of cedar, hemlock, fir and pine are found, usually below elevations of 1600 metres. At higher elevations, spruce and balsam predominate. Alpine areas are typically found above 1800 metres.

2.5 Claims

Prior to 1999 there were no mineral claims in this part of the Anstey Range. Discoveries made during the summer of 1999 prompted the writer’s staking of several claims (GQ property) near the headwaters of Second and Third Creeks. Carbonatite discoveries at the head of Third Creek in 2000 led to the staking of the Tan claims however these were allowed to expire in February, 2002. The same general area is now covered by four Mineral Title Online (MTO) claims covering an area of 871.3 hectares. Claim details are outlined in Table 1 below.

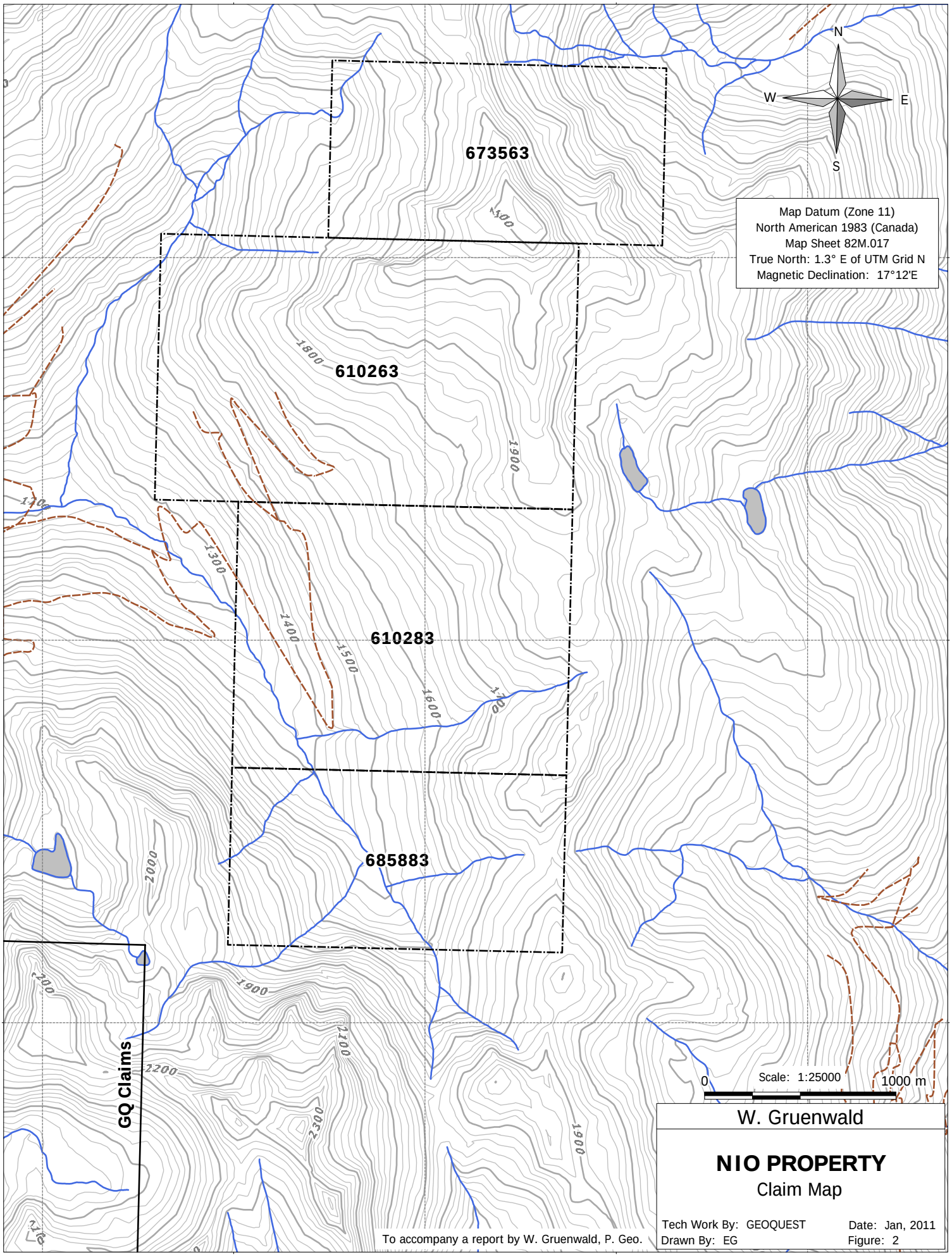

378000 m
380000 m
5672000 m
5670000 m
5668000 m
673563
610263
610283
685883
GQ Claims
N
W
E
S
Map Datum (Zone 11)
North American 1983 (Canada)
Map Sheet 82M.017
True North: 1.3° E of UTM Grid N
Magnetic Declination: 17°12'E
0
Scale: 1:25000
1000 m
W. Gruenwald
NIO PROPERTY
Claim Map
Tech Work By: GEOQUEST
Drawn By: EG
Date: Jan, 2011
Figure: 2
To accompany a report by W. Gruenwald, P. Geo.

Table 1. Nio Property Claims

Tenure No.	Owner	Map Number	Good To Date*	Area (Hectares)
610263	W. Gruenwald	82M.017	31 Oct 2011*	303.9
610283	W. Gruenwald	82M.017	31 Oct 2011*	243.2
673563	W. Gruenwald	82M.017	31 Oct 2011*	162.0
685883	W. Gruenwald	82M.017	31 Oct 2011*	162.2
			Total Area:	**871.3**

* Expiry date based upon application of 2010 assessment work

At the date of this report the Nio claims are bounded to the north by Commerce Resources Corp. and International Bethlehem Mining Corp. and partially bounded to the east by Mr. David Javorsky.

2.6 Regional History

Carbonatite occurrences in the Anstey Range are referenced in geological mapping by McMillan in 1970. The earliest record of exploration dates to 1982 when Duval International Corp. explored the Ren carbonatite occurrence by trenching and soil sampling. In 1987 Teck Exploration conducted detailed soil, silt and rock sampling, magnetic and radiometric surveys along with 745 metres of excavator trenching. Lanthanum and cerium were reported up to several thousand parts per million. Teck reported niobium grades of 0.10% to 0.20 % $Nb_2 2O_5$ over widths up to 70 metres. Although niobium grades were considered too low grade, there were recommendations to follow-up highly anomalous lanthanum values in a creek three kilometres to the southeast.

The most recent major exploration work on the Ren carbonatite (Myoff Creek) was conducted in 2001 by Cross Lake Minerals. Exploration focused on the potential for tantalum, niobium and rare earth elements (REEs). Exploration work consisted of trenching, sampling and petrography. On July 26, 2001 Cross Lake reported, "the weighted average for the combined 276.8 metres of carbonatite trenched is 34.0 ppm Ta_2O_5; 1365.4 ppm $Nb_2 2O_5$; 345.5 ppm La_2O_5; 732 ppm Ce_2O_5 and 299.2 pp Nd_2O_5. Cross Lake did not conduct any further work after 2001. To date none of the companies that explored the Ren property have conducted any diamond drilling

On January 25, 2010 International Bethlehem Mining Corp. optioned the Ren property from 0847427 BC Ltd. (owned by 0373849 BC Ltd, formerly Cross Lake Minerals Ltd.). MTO records indicate that on June 29, 2010 International Bethlehem filed prospecting assessment work to extend the claims for one year.

2.7 Local History

In 1999 the writer was awarded a Prospectors Assistance Grant to explore a $300m^2$ area northeast of Shuswap Lake for intrusion related gold deposits. The "Perry River Project" consisted of prospecting, stream and rock sampling in an area that had only recently become road accessible. The discovery of five new gold bearing mineral occurrences prompted the acquisition of the nearby GQ property. Several small programs of soil, rock sampling and trenching have been conducted. In 2009 six diamond drill holes totaling 393 metres were completed.

During the Perry River project (2000) streams containing anomalous amounts of cerium, lanthanum, niobium and tantalum were identified in the area now covered by the Nio claims.

In 2001 the writer acquired the Nio property area by staking the Tan claims. In late 2001 the writer and Mr. John Kerr conducted a small exploration program on the property and filed this for assessment purposes. Silt and heavy mineral sampling, prospecting and rock chip sampling were carried out. In addition one rock specimen was submitted for petrographic analysis. This work confirmed the presence of two bedrock occurrences of carbonatite and float that suggests the presence of additional carbonatites.

3.0 GEOLOGY

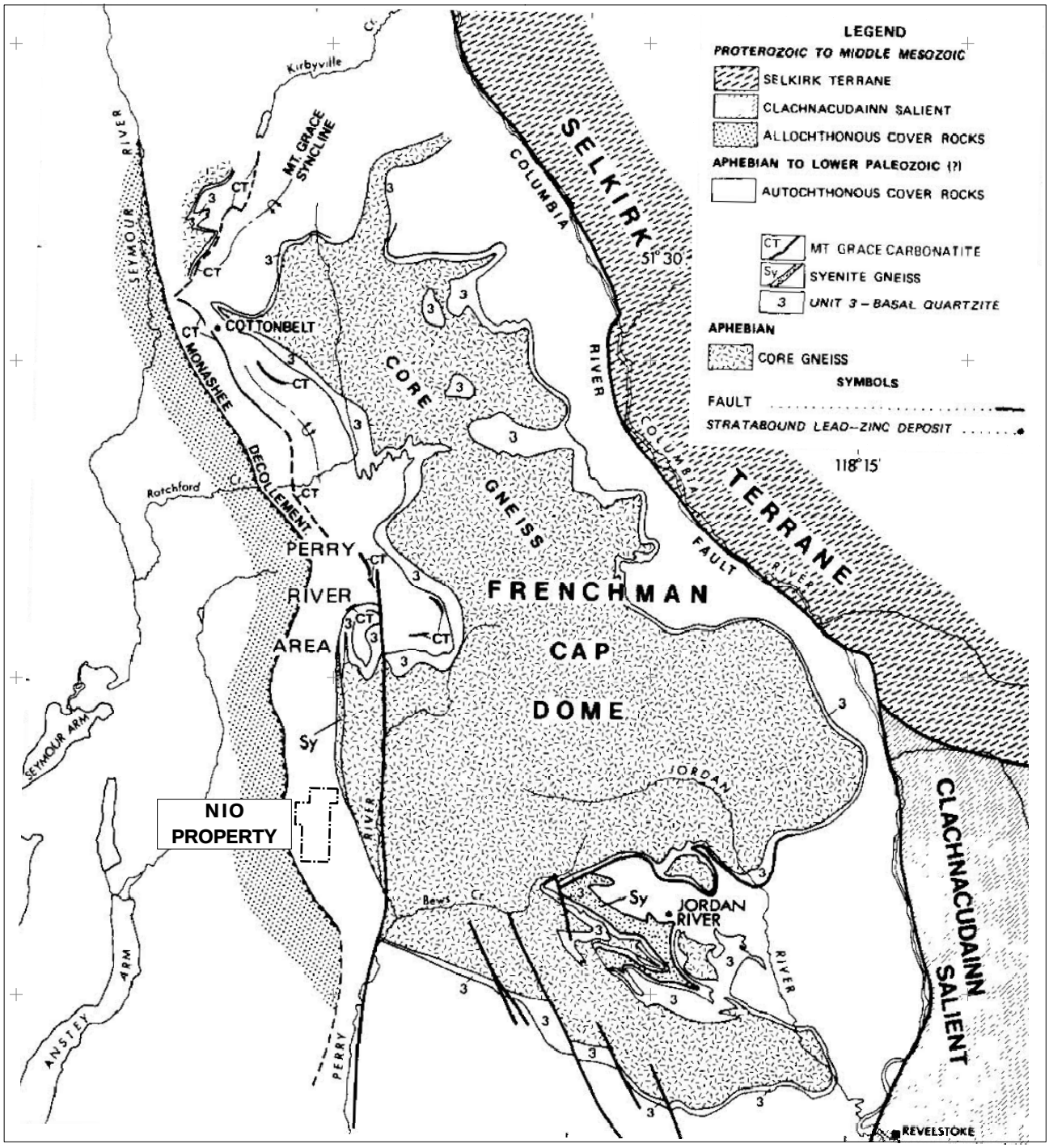
3.1 Regional Geology

The Nio property is situated within metamorphic, plutonic and sedimentary rocks of the Omineca Belt. The metamorphic, structural and intrusive history of these rocks is complex and spans a geologic time frame from Paleozoic to Eocene. The Omineca Belt in southern British Columbia comprises metasedimentary rocks of the Windemere and Purcell Supergroups as well as Kootenay Terrane. Also present are metamorphic core complexes, the two most local being the Shuswap and Monashee complexes (Figure 3).

Two major structural features in the region are the Adams-North Thompson fault and the *Monashee Décollement*. The *Monashee Décollement* is described as a zone up to one km thick that represents a major west dipping contractional (thrust) structure. The footwall terrane known as the Monashee Complex is the deepest exposed structural level of the southern Omineca belt. The complex consists of an Early Proterozoic paragneiss core (Frenchman's Cap dome). These rocks were intruded by 2,000 Ma granitoid plutons. Unconformably overlying the core rocks are stratified metamorphic rocks that include a basal quartzite conglomerate that in turn is covered by a thick succession of pelitic, psammitic and calc-silicate gneiss (2,000 to 770 Ma). The metamorphism of the cover rocks is regarded to have occurred from Middle Jurassic to Paleocene.

The hanging wall of the *Monashee Décollement* is rock of the Shuswap Metamorphic Complex (Selkirk Allochthon). This complex comprises a thick sequence of Late Proterozoic Windemere, Purcell and Kootenay terrane. It includes rocks of sedimentary, plutonic and volcanic origin predominantly within the sillimanite isograd. Lithologies include paragneiss, orthogneiss, quartz-mica schist and lesser amounts of marble, calc-silicate, and amphibolite. Abundant granitoid intrusions occur within the Shuswap Metamorphic Complex ranging from Devono-Mississippian to Eocene in age (Figure 4). These rocks are thought to have formed during accretion and subduction of allochthonous oceanic terranes (Brandon and Smith, 1994). One such intrusion is situated west of the Nio and GQ properties.

Found within the Monashee rocks McMillan (1970) identified two types of ***carbonatites*** within calc-silicate units of the Monashee rocks. *Type I*, the thicker of the two, is believed to be an intrusive, and is composed of 70% to 80% calcite. This carbonatite contains niobium and rare earth elements and has been the focus of most significant exploration efforts in the region. *Type II*, named the Mount Grace Carbonatite by Hoy and Kwong (1984), is about three metres thick with a 45 km intermittent strike length. It is believed to be a volcaniclastic unit. Teck Exploration (AR 17182, 1988) described the Ren occurrence of Type I carbonatite (Minfile 082M199) as emplaced in a sequence of biotite- hornblende gneiss and quartzite. The carbonatite has a northwesterly strike with dips varying from 25° to 45° southwest. Mineralogy consists predominantly of calcite, but contains bands of 70% to 80% biotite up to three metres thick. In two trenches lenses of up to 7.6 metres thick of quartz-feldspar pegmatite were exposed within the carbonatite near its eastern contact. Mapping by Journeay (1983) indicates that the Ren carbonatite layer extends to the southeast.



360000 m 370000 m 380000 m 390000 m 400000 m 410000 m 420000 m

5730000 m 5720000 m 5710000 m 5700000 m 5690000 m 5680000 m 5670000 m 5660000 m 5650000 m

Map Datum (Zone 11)
North American 1983 (Canada)

N W E S

0 10 km

(After Hoy and Brown, 1980)

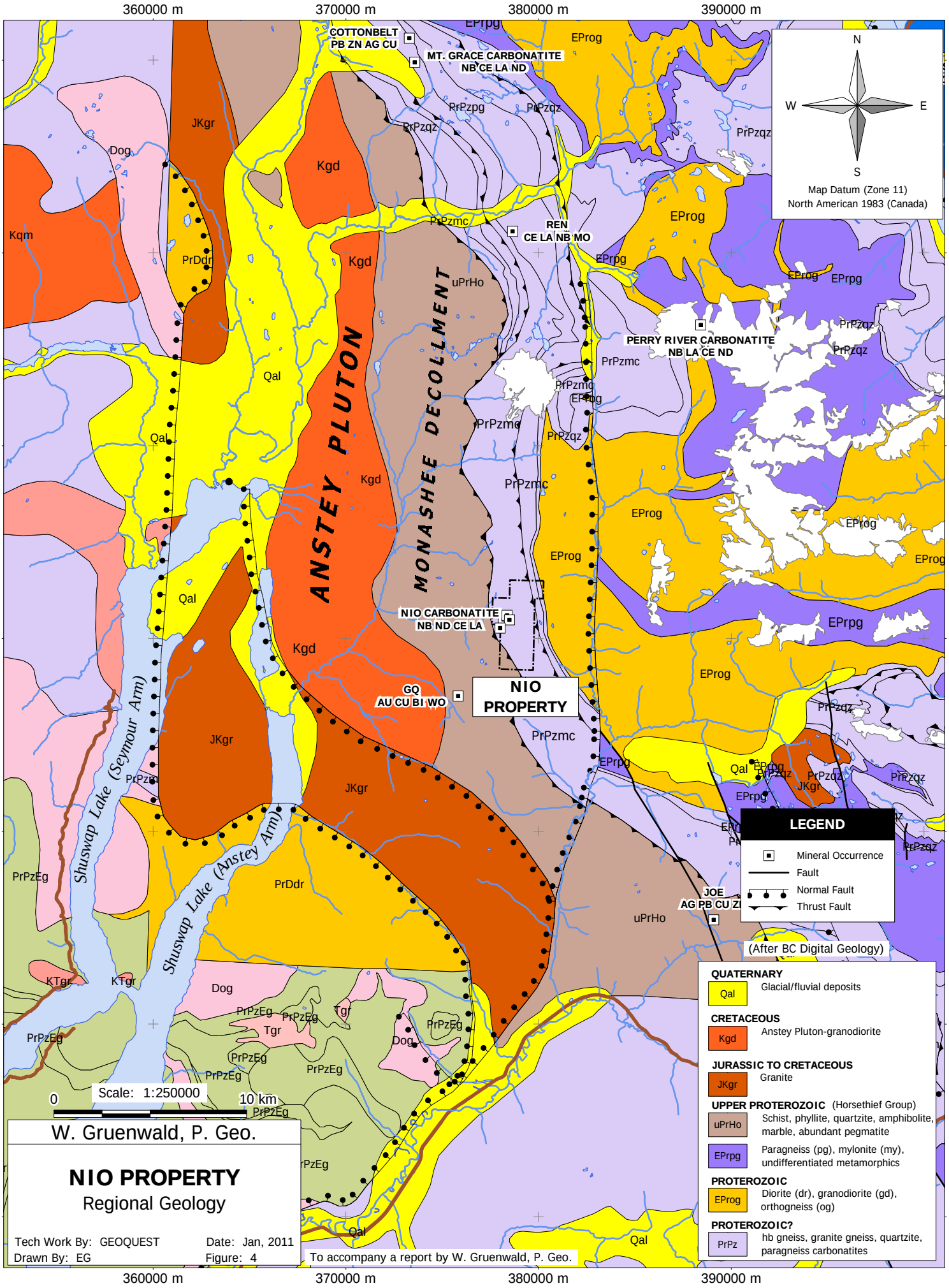
To accompany a report by W. Gruenwald, P. Geo.

W. Gruenwald, P. Geo.

NIO PROPERTY

General Geology of the Monashee Range

Tech Work By: GEOQUEST Date: Jan, 2011
Drawn By: EG Figure: 3


360000 m
370000 m
380000 m
390000 m
5700000 m
5690000 m
5680000 m
5670000 m
5660000 m
5650000 m
5640000 m
COTTONBELT
PB ZN AG CU
MT. GRACE CARBONATITE
NB CE LA ND
REN
CE LA NB MO
PERRY RIVER CARBONATITE
NB LA CE ND
NIO CARBONATITE
NB ND CE LA
GQ
AU CU BI WO
NIO
PROPERTY
JOE
AG PB CU ZI
ANSTEY PLUTON
MONASHEE DECOLLMENT
Shuswap Lake (Seymour Arm)
Shuswap Lake (Anstey Arm)
N
W
E
S
Map Datum (Zone 11)
North American 1983 (Canada)
LEGEND
Mineral Occurrence
Fault
Normal Fault
Thrust Fault
(After BC Digital Geology)
QUATERNARY
Qal
Glacial/fluvial deposits
CRETACEOUS
Kgd
Anstey Pluton-granodiorite
JURASSIC TO CRETACEOUS
JKgr
Granite
UPPER PROTEROZOIC (Horsethief Group)
uPrHo
Schist, phyllite, quartzite, amphibolite, marble, abundant pegmatite
EPrpg
Paragneiss (pg), mylonite (my), undifferentiated metamorphics
PROTEROZOIC
EProg
Diorite (dr), granodiorite (gd), orthogneiss (og)
PROTEROZOIC?
PrPz
hb gneiss, granite gneiss, quartzite, paragneiss carbonatites
Scale: 1:250000
0
10 km
W. Gruenwald, P. Geo.
NIO PROPERTY
Regional Geology
Tech Work By: GEOQUEST
Drawn By: EG
Date: Jan, 2011
Figure: 4
To accompany a report by W. Gruenwald, P. Geo.

3.2 Local Geology

During the exploration on the Nio property, outcroppings and float occurrences were examined and sampled. Logging roads, logging clear cuts and ridge tops often provided excellent bedrock exposures. Overburden thickness outside of the valley bottoms is generally thin.

Lithology

Lithologies are quite diverse with several metamorphic and intrusive rock types present. Mapping by various authors indicates that the *Monashee Décollement* trends northerly through the property area (Figure 4). Rock types are predominantly gneiss and quartzite with lesser amounts of schist, amphibolite, marble and calc-silicate.

The gneiss is generally a white to grey biotitic rock comprised of feldspar and quartz, with varying amounts of garnet. Some of this rock can be considered granite gneiss. Local boudinage structures of quartz and feldspar are not uncommon. Found as locally thick units are quartzites ranging from white, grey-green to purplish in colour. Micaceous (muscovite) partings are common giving the rock a platy habit. Intercalated in the gneiss are lesser amounts of grey to red-brown quartz-biotite $\pm$ muscovite $\pm$ garnet schist. These rocks are usually fine-grained, well foliated and may be locally folded, crumbly and weathered. Another rock seen on the property and throughout the region is amphibolite. This rock typically occurs as dark green to black, medium to coarse-grained bands up to several metres thick intercalated within gneiss, quartzite or schist. This rock can often be quite garnetiferous. The amphibolite is believed to represent metamorphosed mafic rich beds in the original sedimentary sequence.

A relatively uncommon but distinct rock is marble that occurs as beds from several tens of centimeters to three metres or more in thickness. The rock is a milky white to grey-green colour and medium to coarse-grained. Flakes of silvery graphite up to 1-2 mm are often disseminated through these rocks. Another uncommon but distinct rock is calc-silicate gneiss. This rock is comprised of pale, varicoloured, fine to medium-grained bands. These rocks can occur as more irregular lenticular bodies. They are often but not always in proximity with marble beds.

Intrusive rocks are scattered throughout the area and have several modes of occurrence. The largest area of intrusive rocks, the Anstey Pluton, occurs west of the property. It forms an elongate northerly trending body. It has yielded radiometric age dates of 92 to 94 Ma (mid Cretaceous). These rocks are white to grey, medium to coarse-grained with biotite as the chief mafic mineral. Quartz content is usually >10% and garnets are locally present. A foliated texture is not uncommon in the main body west of the Anstey River. The closest example of this rock is approximately four kilometres southwest in the author's GQ property.

Granitic pegmatites are observed throughout the area. This rock is white to pale grey, coarse-grained and made up of feldspar, quartz and minor but often coarse flakes of biotite and occasional muscovite. Locally, red garnet and black elongate crystals of tourmaline are seen. Pegmatite occurs as dikes and sills ranging from centimeters to several tens of metres wide. These rocks occur with increasing frequency further west and are especially common on parts of the GQ property. The origin of these rocks is likely both metamorphic (anatectic) and as late stage emanations from granitoid bodies.

The youngest intrusive rocks are dark green, grey to brown, fine-grained, mafic (basaltic) dikes. These rocks cut all lithologies and range from a few centimeters to 1.5m+ wide and occasionally occur in clusters. Most dikes strike north to north-northeast and dip steeply. Occasionally they appear to have been intruded along faults. Dikes are found in the Second and Third Creek valleys and have been observed north of the Nio property to Fifth Creek.

Found along a road cut in the west central part of the Nio property is rock a pale grey, knobbly, weathering, medium-grained rock resembling marble that was confirmed by petrographic analysis (2001) to be a carbonatite. The 0.5 metre wide exposure forms a sill-like body within the host Monashee gneissic rocks. The full thickness of the sill is unknown. The sill strikes 174° and dips 34° west and was traced along the road bank for 10 metres beyond which it is obscured by overburden. The footwall of this unit is a crumbly, weathered, black micaceous zone 10 – 20 cm thick. Figure 5 is a detailed plan of this carbonatite and the historic rock and soil sampling.

Prospecting revealed evidence of other possible carbonatites on the property. Discovered approximately 450 metres south-southwest is a narrow (<1m) carbonatite with a biotite-pyroxene rich footwall (Sample site T-19) that displays an attitude virtually identical to the road showing carbonatite. The location and strike/dip suggest that this is a separate unit occurring higher in the stratigraphic section. The full thickness of this unit could not be determined due to the limited exposure in a road cut.

Found 290 metres northeasterly of the original road discovery are scattered boulders of carbonatite along a logging road. Given that this carbonatite float is uphill and not on strike with the road cut carbonatite suggests the presence of additional carbonatite bodies.

Structure and Alteration

The metamorphic fabric of the schists and gneisses can be quite variable but generally strikes from 160° to 195° and dips from 35° to 60° westerly. No large-scale fold structures are evident. According to BC Geological mapping (Figure 4) two north trending thrust faults transect the area of the Nio property area. Locally faulting and shearing are occasionally observed with orientations ranging from 165° to 215° and dips generally steep to the west or east. Some faults and shears display distinct dip-slip displacement. Mafic dikes for the most part are thought to have been emplaced along near vertical north trending faults.

By far the most common form of alteration observed is limonite staining. Weathering of the ubiquitous and finely disseminated pyrrhotite in schist and gneiss often discolours these rocks. Pegmatitic rocks are occasionally limonitic whereas the granitoid bodies seldom display any significant limonite staining. Sericitic alteration is observed in some pegmatites and granitic dikes.

4.0 MINERALIZATION

4.1 Regional Mineralization

Minfile records indicate several mineral occurrences in the region (Figure 4). Situated just south of Ratchford Creek are two mineral occurrences known collectively as the ***Ren*** (Minfile 082M 199). Rare earth (Ce, La, Nb, Nd) and base metal mineralization (Cu, Zn, and Mo) are associated with north-northwest trending, concordant carbonatite sills and tuffs. Mapping by Journeay (1983) indicates that the Ren carbonatite layer extends to the southeast. Cross Lake (2001) trenched the carbonatite along 410 metres and found it to strike 150° and dip 35° west. Ten kilometres southeast of the Ren and situated in very rugged, glacier terrain is the ***Perry River carbonatite*** (Minfile 082M 253) which is reportedly the Type I (intrusive) variety. There is little documented information on this occurrence.

Located approximately 1.5 km and 5.5 km south-southeast of the Ren are two kyanite occurrences referred to as ***Ratchford Creek and Chilly Lake*** (082M 256, 198). Another mineral occurrence known as ***Rip*** (Minfile 082M 027) is

situated eight kilometres south of the Chilly Lake occurrence. Molybdenite is described as disseminations in nepheline and pegmatite dikes that intrude biotite gneiss and schist.

Several mineral occurrences are present north of Ratchford Creek near Mt. Grace. The ***Mount Grace carbonatite*** (Minfile 082M 252) is a thin, laterally continuous and concordant marble layer intermittently traced and projected for 45 kilometres to the north. The lack of fenitization (wall rock alteration), presence of exotic clasts and large lateral extent indicates a pyroclastic origin (i. e. tuff). Minor amounts of niobium, barium, strontium, manganese and REEs are reported.

Found nearby in the Mt. Grace syncline is the ***Cottonbelt*** occurrence (Minfile 082M 086). Mineralization comprises an oxide-sulphide layer, traced intermittently through a strike length of five kilometres in the western (upper) limb (Cottonbelt zone) of the Grace Mountain syncline and two kilometres in the lower limb (McLeod zone). It varies in thickness from a few tens of centimetres to approximately two metres. Mineralization consists of coarse-grained sphalerite, magnetite, galena and minor pyrrhotite in a dark green, pyroxene- amphibole-quartz-garnet 'skarn' rock or, as layers within a lighter coloured, more siliceous calcareous gneiss, or as disseminated grains in a siliceous granular marble. Mineralized zones are conformable to bedding and dip about 35° southwest. Several adits, shafts and raises have exposed mineralization intermittently over a strike distance of 1650 metres. Approximately 2.5 kilometres northwest and within the same stratigraphic unit, are several smaller sulphide occurrences, namely ***Copper King*** (Minfile 082M 144) and ***McLeod zone*** (Minfile 082M 125) situated 460 metres northeast of Cottonbelt. The Cottonbelt zones are reported to average of 5-6% lead, 2% zinc and 50 g/t silver.

On the ***GQ*** (Minfile 082M 273) property gold bearing bedrock and float were discovered by the writer along logging roads near the headwaters of Second Creek southeast of the Nio property. Mineralization consists of pyrrhotite, pyrite-marcasite, chalcopyrite, and scheelite within several west dipping calc-silicate (skarn?) beds or “horizons” ranging from centimetres to several metres wide. The showings contain 1 to 3 g/t gold and float samples have yielded gold values up to 11.57 g/t Au. Tungsten (scheelite) is present in many of the float and bedrock occurrences with some values approaching 1% W. Anomalous amounts of copper, bismuth, tellurium, and tungsten are associated with many of the occurrences. The bismuth, tellurium and tungsten assemblage is often associated with intrusion hosted gold deposits.

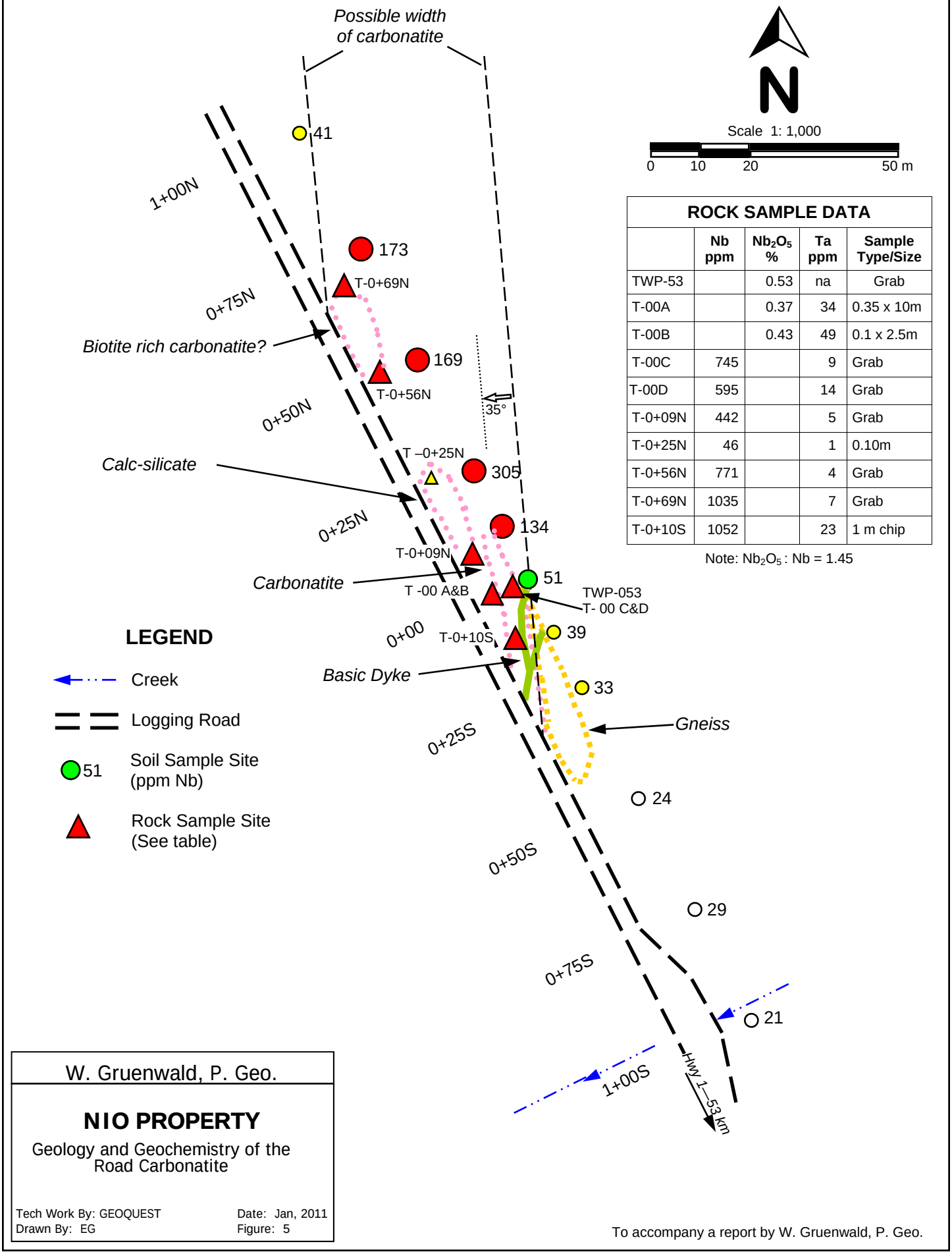
4.2 Nio Property Mineralization

The road cut discovery of a carbonatite sill (Photo 1) was confirmed by petrographic analysis. It is described as dominated by calcite with disseminated apatite, tremolite, phlogopite, columbite, pyrrhotite, and minor pyrite, garnet and scheelite. The initial grab sample (WP-053BR) of this carbonatite taken in 2000 contained 0.53% Nb_2O_3.

Photo 1 – Road Showing Carbonatite (0.53% Nb_2O_3)

A second carbonatite approximately 450 metres south-southwest consists of a carbonate rich zone (<1m) with a biotite-pyroxene rich footwall (2001 Sample site T-19B). The specimen shown in Photo 2 is comprised of pyroxene, biotite, garnet and carbonate and is strongly magnetic. This zone displays an attitude virtually identical to the road cut carbonatite showing but is considered a separate lithologic unit. Sampling in 2001 yielded 546 ppm niobium.

Photo 2 – Mica-pyroxene carbonatite?



ROCK SAMPLE DATA

	Nb ppm	Nb_2O_5 %	Ta ppm	Sample Type/Size
TWP-53		0.53	na	Grab
T-00A		0.37	34	0.35 x 10m
T-00B		0.43	49	0.1 x 2.5m
T-00C	745		9	Grab
T-00D	595		14	Grab
T-0+09N	442		5	Grab
T-0+25N	46		1	0.10m
T-0+56N	771		4	Grab
T-0+69N	1035		7	Grab
T-0+10S	1052		23	1 m chip

Note: Nb_2O_5 : Nb = 1.45

W. Gruenwald, P. Geo.

NIO PROPERTY

Geology and Geochemistry of the Road Carbonatite

Tech Work By: GEOQUEST
Drawn By: EG

Date: Jan, 2011
Figure: 5

To accompany a report by W. Gruenwald, P. Geo.

5.0 REGIONAL GEOPHYSICS

For interpretive purposes the magnetic data for the property area was downloaded from Map Place. Figure 4a below displays a distinct magnetic high that covers the northern part of the Nio claims and is part of 18 km long magnetic anomaly that extends northerly to the Ren carbonatite occurrence. The Nio carbonatite occurrences are situated along the south edge of this anomaly. The broad north trending magnetic high west of the Anstey River corresponds largely with the Anstey Pluton.

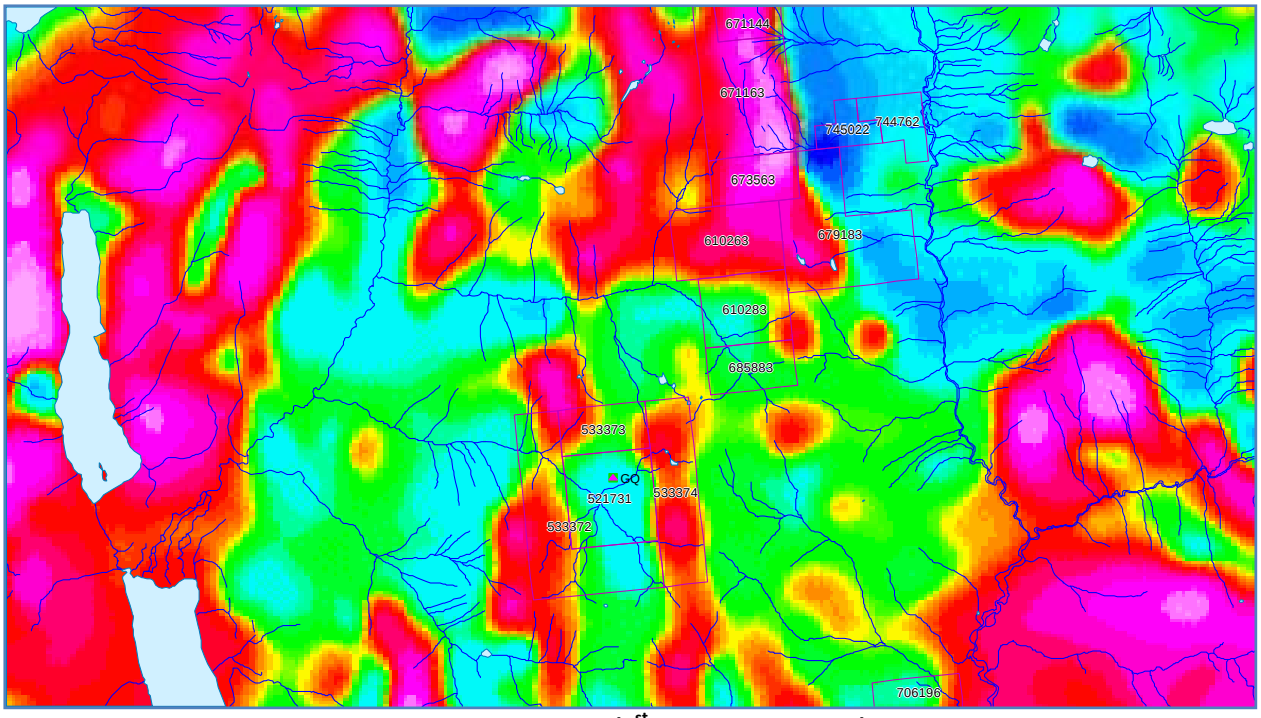


Figure 6 - Magnetics (1st Vertical Derivative)

6.0 GEOCHEMICAL WORK 2010

The most recent work consisted of analysis of two archived stream panned concentrates. In addition rock samples were collected from the two road cut occurrences of carbonatite. To originally obtain the panned concentrates two full gold pans (12 to 15 kg) of hand-screened stream sediment were reduced by panning to yield a concentrate weighing approximately 15 to 25 grams. Panned concentrate samples from previous work (PRPC-81, 82) were submitted to Assayers Canada in Vancouver for rare earth element (REE) analysis. Lithium metaborate fusion followed by Induction Coupled Plasma-Mass Spectrometry (ICP-MS) was used to determine the REE content. For comparative purposes two carbonatite rock samples (N10-01 and T-19B) were subjected to lithium metaborate fusion and multi-acid digestion followed by ICP-MS analysis.

7.0 EXPLORATION RESULTS

For completeness and interpretive purposes the historic stream and rock sample data for cerium, lanthanum, niobium and tantalum are plotted on Figures 7a-d. Descriptions and analytical results are compiled on Tables 2 and 3 (Appendix B, C). Stream sample data reveals anomalous concentrations of these elements in streams over a north-south extent of approximately three kilometres.

Anomalous cerium occurs in three areas of the Nio property. In the southern part of the property stream samples PRSL-81, 82 contain 471 and >500 ppm Ce respectively along with coincident anomalous lanthanum, niobium and tantalum. The source of these anomalous values, though undetermined, may indicate the presence of additional carbonatites that may extend southerly from the road showing carbonatite area. Interestingly the PRSL-81, 82 stream samples also yielded anomalous silver (up to 2.6 ppm Ag) which are the highest in the entire Perry River stream sampling survey. The source of the anomalous silver is unknown however detailed examination of this stream is warranted to locate the potential source of the silver as well as cerium, niobium and REEs.

Northeast and uphill of the road carbonatite showing a stream sample yielded 1210 ppm cerium, the highest on the property. This anomaly has coincident highly anomalous lanthanum (848 ppm). Float in this area suggests the presence of other undiscovered carbonatites.

Anomalous cerium is also found in a stream just northeast of the property. Samples collected in 2001 contained coincident lanthanum, niobium and tantalum. Very high concentrations of zirconium were also indicated in this drainage. The potential source of these anomalies is likely uphill to the west and thus may be one or more carbonatite and/or pegmatitic zones on the Nio property.

Panned Concentrates

Panned concentrates have yielded highly variable results. One sample analyzed in 2001 (TPC- 13) returned very anomalous amounts of cerium, lanthanum and neodymium (Table 2). This sample was collected from a stream near mineralized carbonatite float (T-12) strongly suggesting the proximity of undiscovered carbonatite. The 2010 REE analysis of the archived panned concentrates for PR-81, 82 yielded significant amounts of cerium, neodymium, niobium and several other rare earth elements (Table 3).

Rock Sampling

Sampling in 2001 yielded significant niobium content in several rock samples. The most noteworthy was a sample of the main (road) carbonatite that assayed 0.53% Nb_2O_5. Sampling along a ten metre strike length of carbonatite assayed 0.37 % Nb_2O_5 (T-00A). Rock sample T-19B situated 450 metres south-southwest of the Road carbonatite showing yielded 546 ppm Nb.

In 2010 re-analysis of the original road showing (WP053) and T-00A samples were conducted and presented in Table 3 as N10-01 and T-00A. Analyses were conducted using multi-acid digestion and lithium metaborate fusion for comparative purposes. The differences between the two methods were not significant. The writer however prefers the lithium metaborate fusion approach since it is not subject to the insolubility of some oxides and phosphate minerals that host REE metals.

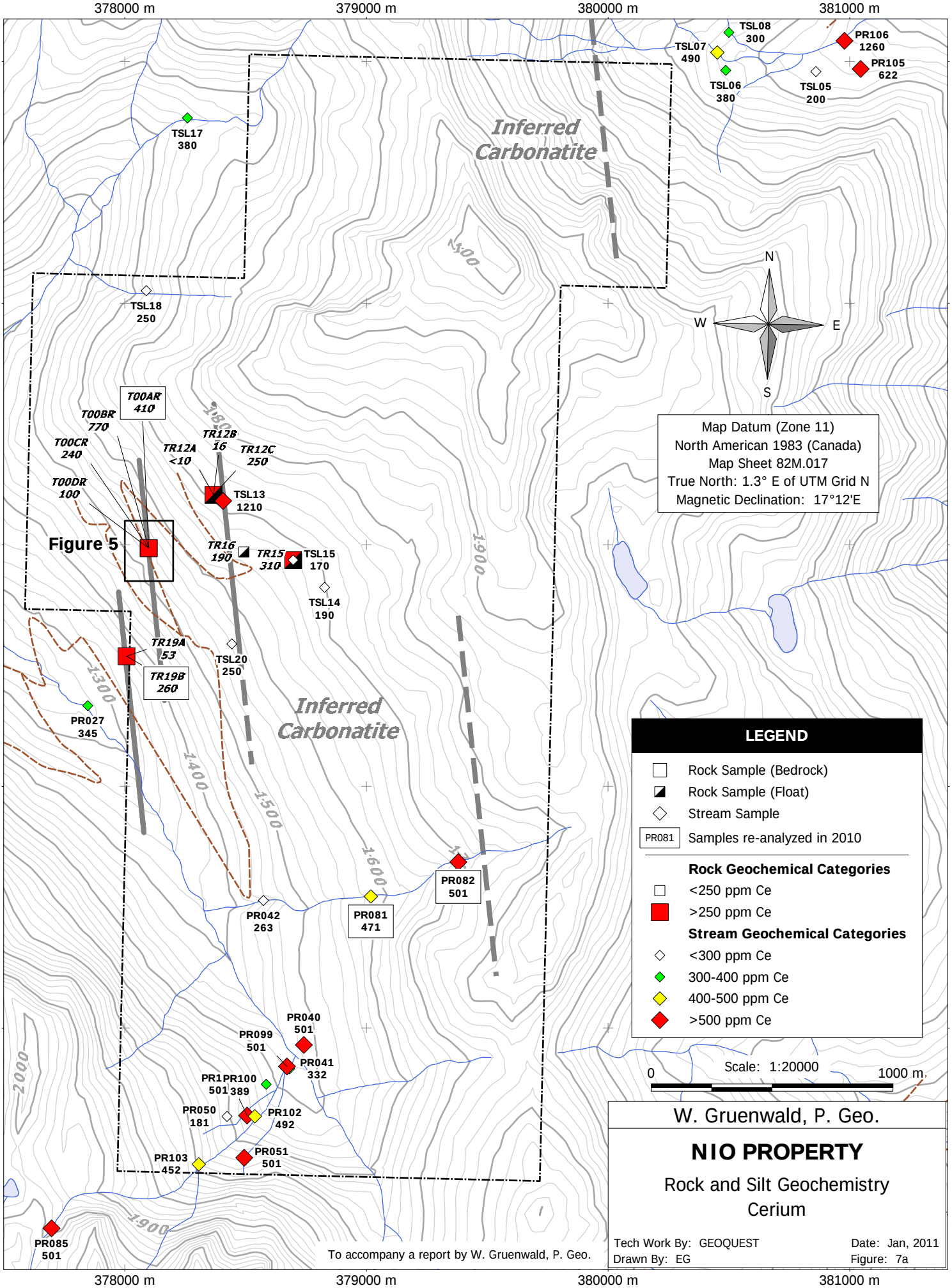
8.0 CONCLUSIONS AND RECOMMENDATIONS

Early stage exploration programs on the Nio property have confirmed the presence of potentially several niobium-REE bearing carbonatites. Rock samples have returned up to 0.53% Nb_2O_5. Stream sampling and prospecting indicates that niobium and REE mineralization occurs over a considerable area. The location and trend of the known and inferred carbonatite units are presented on Figures 7a-d. Geochemical work has demonstrated that soil and stream sampling are effective exploration tools in the search for these rocks.

Exploration of the upper Third Creek valley is warranted and should include detailed grid based soil sampling, prospecting and mapping. Geophysical surveys such as radiometrics and magnetics could also be employed to aid in the delineation of mineralized carbonatite and/or pegmatite zones.

Submitted by,

Warner Gruenwald, P. Geo.
January 11, 2011



W. Gruenwald, P. Geo.

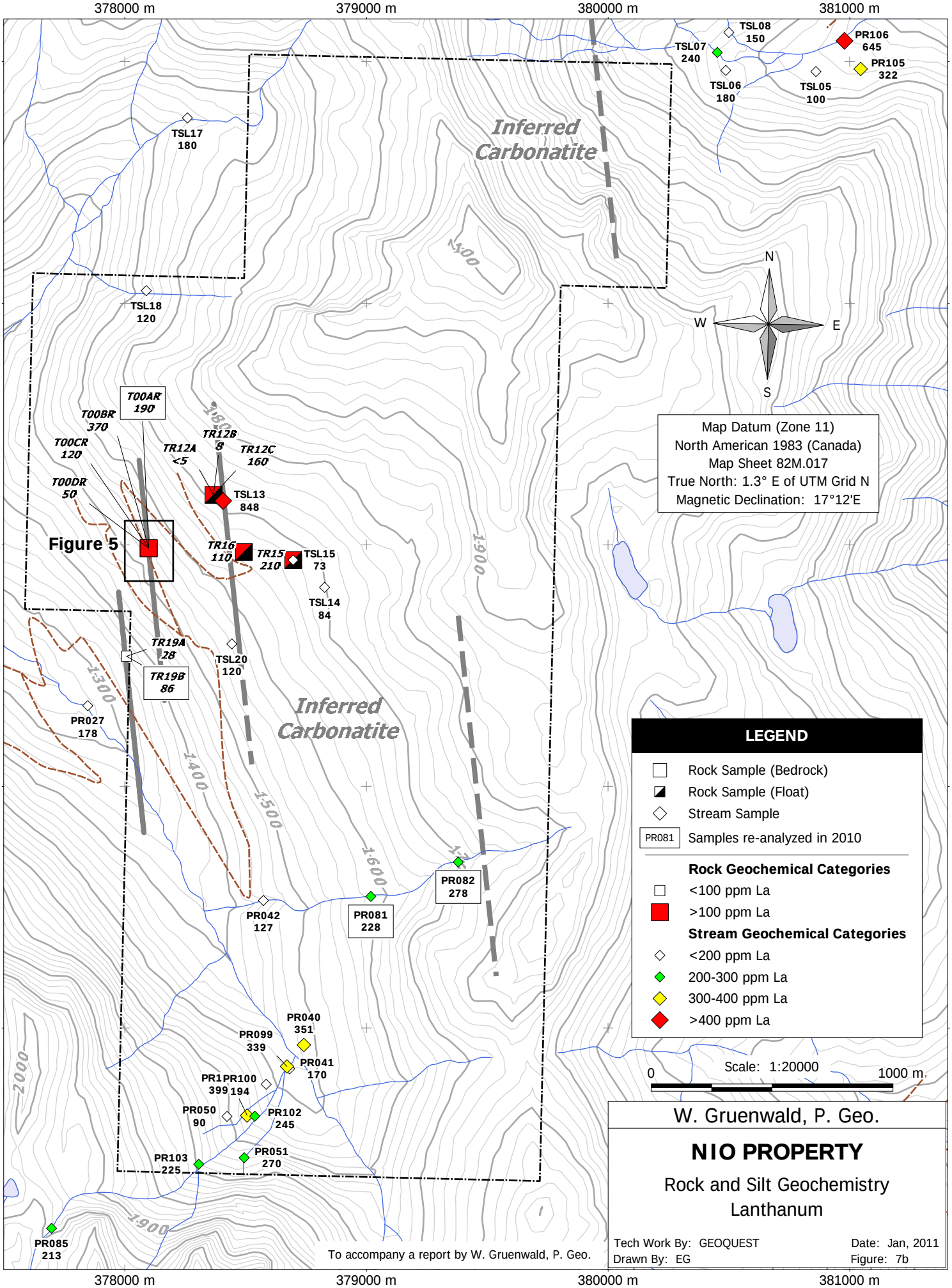
NIO PROPERTY

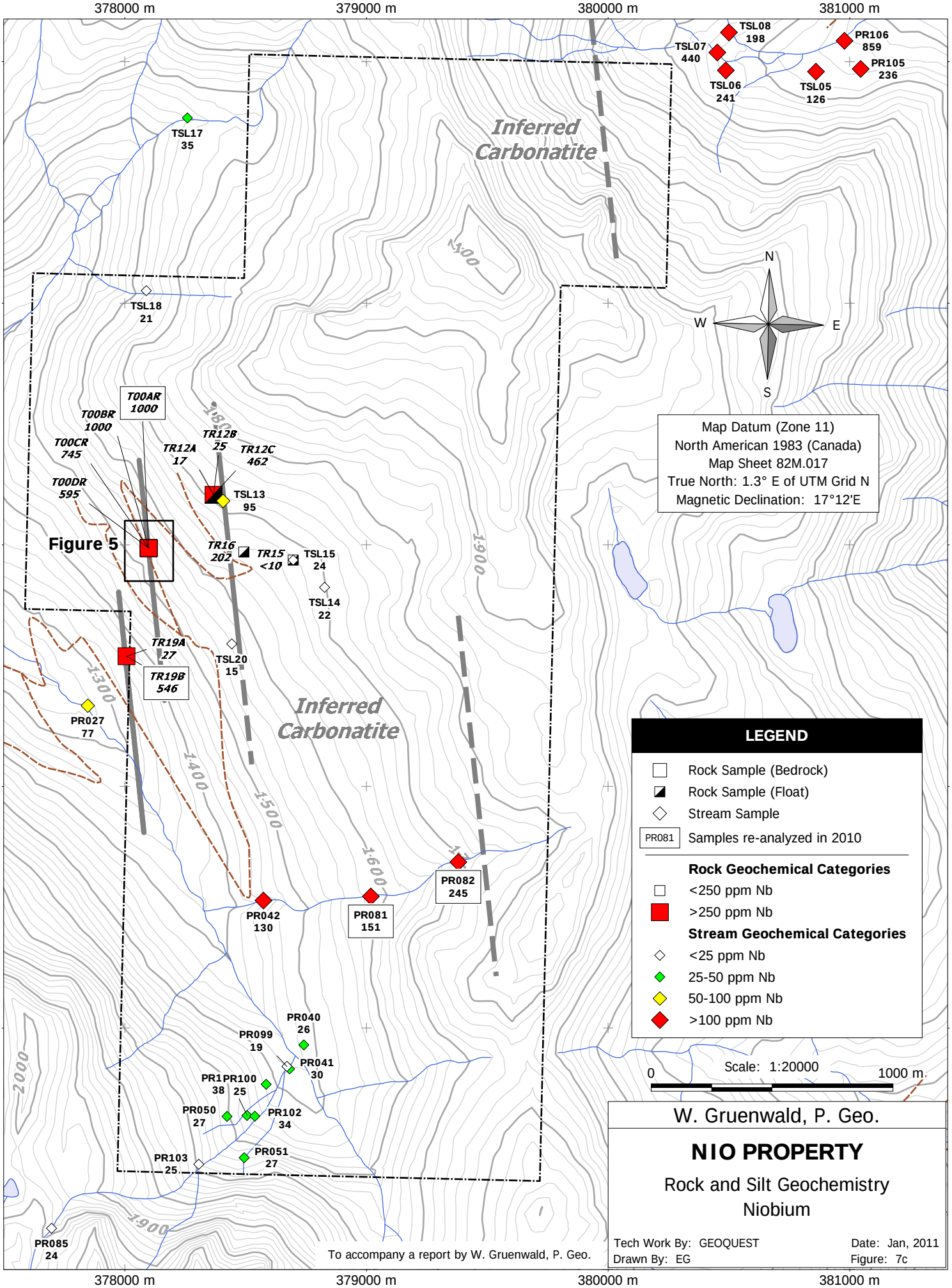
Rock and Silt Geochemistry
Cerium

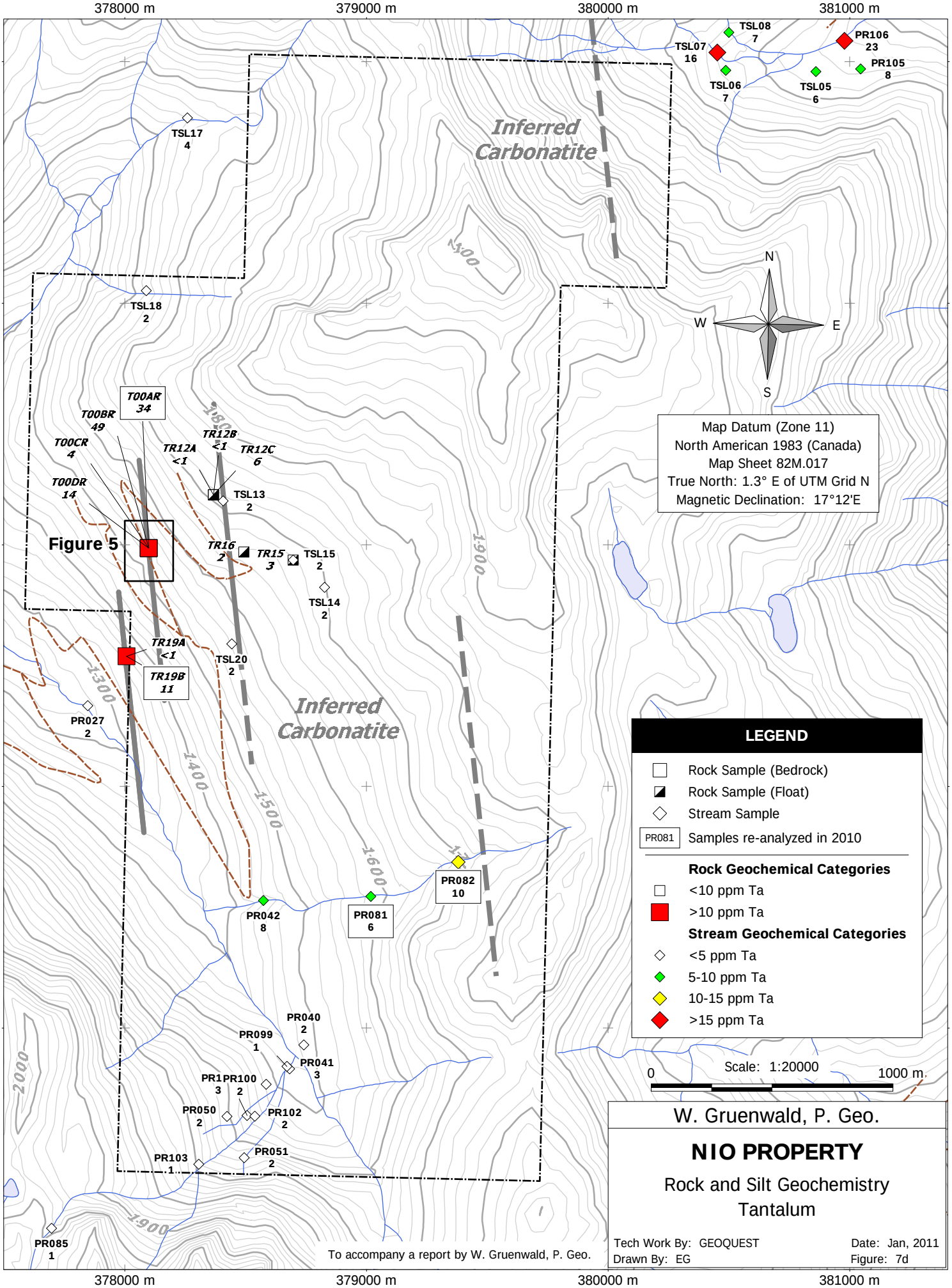
Tech Work By: GEOQUEST
Drawn By: EG

Date: Jan, 2011
Figure: 7a

To accompany a report by W. Gruenwald, P. Geo.


378000 m
379000 m
380000 m
381000 m
5673000 m
5672000 m
5671000 m
5670000 m
5669000 m
Inferred Carbonatite
Inferred Carbonatite
TSL08 150
TSL07 240
TSL06 180
TSL05 100
PR106 645
PR105 322
TSL17 180
TSL18 120
T00AR 190
T00BR 370
T00CR 120
T00DR 50
TR12A <5
TR12B 8
TR12C 160
TSL13 848
TR16 110
TR15 210
TSL15 73
TSL14 84
TR19A 28
TR19B 86
TSL20 120
PR027 178
PR042 127
PR081 228
PR082 278
PR040 351
PR099 339
PR041 170
PR1 399
PR100 194
PR050 90
PR102 245
PR103 225
PR051 270
PR085 213
Figure 5
1600
1700
1900
2000
1300
1400
1500
N
W
E
S
Map Datum (Zone 11)
North American 1983 (Canada)
Map Sheet 82M.017
True North: 1.3° E of UTM Grid N
Magnetic Declination: 17°12'E
LEGEND
Rock Sample (Bedrock)
Rock Sample (Float)
Stream Sample
PR081 Samples re-analyzed in 2010
Rock Geochemical Categories
<100 ppm La
>100 ppm La
Stream Geochemical Categories
<200 ppm La
200-300 ppm La
300-400 ppm La
>400 ppm La
0
Scale: 1:20000
1000 m
W. Gruenwald, P. Geo.
NIO PROPERTY
Rock and Silt Geochemistry
Lanthanum
Tech Work By: GEOQUEST
Drawn By: EG
Date: Jan, 2011
Figure: 7b
To accompany a report by W. Gruenwald, P. Geo.


378000 m
379000 m
380000 m
381000 m
5673000 m
5672000 m
5671000 m
5670000 m
5669000 m
TSL08 198
TSL07 440
TSL06 241
TSL05 126
PR106 859
PR105 236
TSL17 35
Inferred Carbonatite
TSL18 21
N
W
E
S
T00AR 1000
T00BR 1000
T00CR 745
T00DR 595
TR12A 17
TR12B 25
TR12C 462
TSL13 95
Figure 5
TR16 202
TR15 <10
TSL15 24
TSL14 22
TR19A 27
TR19B 546
TSL20 15
PR027 77
Inferred Carbonatite
PR042 130
PR081 151
PR082 245
PR040 26
PR099 19
PR041 30
PR1 38
PR100 25
PR050 27
PR102 34
PR103 25
PR051 27
PR085 24
Map Datum (Zone 11)
North American 1983 (Canada)
Map Sheet 82M.017
True North: 1.3° E of UTM Grid N
Magnetic Declination: 17°12'E
LEGEND
Rock Sample (Bedrock)
Rock Sample (Float)
Stream Sample
PR081 Samples re-analyzed in 2010
Rock Geochemical Categories
<250 ppm Nb
>250 ppm Nb
Stream Geochemical Categories
<25 ppm Nb
25-50 ppm Nb
50-100 ppm Nb
>100 ppm Nb
0
Scale: 1:20000
1000 m
W. Gruenwald, P. Geo.
NIO PROPERTY
Rock and Silt Geochemistry
Niobium
Tech Work By: GEOQUEST
Drawn By: EG
Date: Jan, 2011
Figure: 7c
To accompany a report by W. Gruenwald, P. Geo.


378000 m
379000 m
380000 m
381000 m
5673000 m
5672000 m
5671000 m
5670000 m
5669000 m
Inferred Carbonatite
Inferred Carbonatite
TSL08 7
TSL07 16
TSL06 7
TSL05 6
PR106 23
PR105 8
TSL17 4
TSL18 2
TSL13 2
TSL15 2
TSL14 2
TSL20 2
PR027 2
PR042 8
PR081 6
PR082 10
PR040 2
PR099 1
PR041 3
PR1 3
PR100 2
PR050 2
PR102 2
PR103 1
PR051 2
PR085 1
T00AR 34
T00BR 49
T00CR 4
T00DR 14
TR12A <1
TR12B <1
TR12C 6
TR16 2
TR15 3
TR19A <1
TR19B 11
Figure 5
1800
1900
1300
1400
1500
1600
2000
N
W
E
S
Map Datum (Zone 11)
North American 1983 (Canada)
Map Sheet 82M.017
True North: 1.3° E of UTM Grid N
Magnetic Declination: 17°12'E
LEGEND
Rock Sample (Bedrock)
Rock Sample (Float)
Stream Sample
PR081 Samples re-analyzed in 2010
Rock Geochemical Categories
<10 ppm Ta
>10 ppm Ta
Stream Geochemical Categories
<5 ppm Ta
5-10 ppm Ta
10-15 ppm Ta
>15 ppm Ta
0
Scale: 1:20000
1000 m
W. Gruenwald, P. Geo.
NIO PROPERTY
Rock and Silt Geochemistry
Tantalum
Tech Work By: GEOQUEST
Drawn By: EG
Date: Jan, 2011
Figure: 7d
To accompany a report by W. Gruenwald, P. Geo.

Appendix A

Analytical Data and Methodology

Assayers Canada
8282 Sherbrooke St.
Vancouver, B.C.
V5X 4R6
Tel: (604) 327-3436
Fax: (604) 327-3423

Quality Assaying for over 35 Years

Assay Certificate

0V-0467-RA1

Company: **Geoquest Consulting Ltd.**
Project: O
Attn: Warner Gruenwald

Apr-26-10

We *hereby certify* the following assay of 1 rock sample submitted Apr-15-10

Sample Name	Nb %	Ta %
NI10-01	0.230	0.005
*DUP NI10-01	0.266	0.004
*OKA-1	0.366	
*TAN-1		0.226
*BLANK	<0.001	<0.001

Nb,Ta by Fusion/ICP

Certified by _____

Assayers Canada
8282 Sherbrooke St., Vancouver, B.C., V5X 4R6
Tel: (604) 327-3436 Fax: (604) 327-3423

Report No : **0V0467RJ**
Date : Apr-26-10
Sample type : ROCK

Geoquest Consulting Ltd.

Project : O
Attention : Warner Gruenwald

Multi-Element ICP-AES Analysis

Aqua Regia Digestion

Sample Number	Ag ppm	Al %	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Hg ppm	K %	La ppm	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P %	Pb ppm	S %	Sb ppm	Sc ppm	Sr ppm	Th ppm	Ti %	Tl ppm	U ppm	V ppm	W ppm	Zn ppm	Zr ppm
GALAXIE	1.6	3.28	34	531	0.7	<5	13.62	14	47	92	2304	11.95	<1	0.37	<10	2.10	2907	<2	0.08	34	0.158	20	0.37	<5	8	249	<5	0.15	10	<10	125	15	128	33
NI10-01	<0.2	0.12	<5	442	<0.5	<5	>25.00	4	8	8	3	2.90	<1	0.12	171	2.53	4746	<2	0.06	<1	1.359	12	1.02	<5	1	6409	17	0.01	43	<10	15	<10	15	3
Duplicates:																																		
GALAXIE	1.6	3.38	28	533	0.7	<5	13.68	15	48	93	2362	11.97	<1	0.38	<10	2.12	2922	<2	0.08	34	0.160	23	0.37	<5	8	254	<5	0.16	11	<10	126	16	126	34
Standards:																																		
Blank	<0.2	<0.01	<5	<10	<0.5	<5	<0.01	<1	<1	<1	<1	<0.01	<1	<0.01	<10	<0.01	<5	<2	<0.01	<1	<0.001	<2	<0.01	<5	<1	<1	<5	<0.01	<10	<10	<1	<10	<1	<1
CH-4	2.2	1.79	13	318	<0.5	<5	0.67	6	33	116	2025	5.05	<1	1.37	13	1.28	362	<2	0.05	57	0.071	19	0.60	<5	8	8	<5	0.22	<10	<10	89	<10	212	18

A .5 gm sample is digested with 5 ml 3:1 HCl/HNO3 at 95°C for 2 hours and diluted to 25ml.

Signed: _____

Assayers Canada
8282 Sherbrooke St., Vancouver, B.C., V5X 4R6
Tel: (604) 327-3436 Fax: (604) 327-3423

Report No : 0V0467RT
Date : Apr-26-10
Sample type : ROCK

Geoquest Consulting Ltd.

Project : O
Attention : Warner Gruenwald

ICP-MS Rare Earth Elements

Multi-Acid Digestion

Sample Number	Ce ppm	Dy ppm	Er ppm	Eu ppm	Gd ppm	Ho ppm	La ppm	Lu ppm	Nd ppm	Pr ppm	Sc ppm	Sm ppm	Tb ppm	Th ppm	Tm ppm	U ppm	Y ppm	Yb ppm
NI10-01	358.4	12.0	5.4	6.9	24.4	2.0	191.2	0.7	165.2	43.4	4.2	23.8	2.7	10.9	0.7	11.5	52.0	4.3
Duplicates:																		
*DUP NI10-01	359.8	11.7	5.4	6.8	24.3	2.0	193.1	0.7	162.6	43.2	3.7	23.8	2.6	11.1	0.7	11.8	52.5	4.3
Standards:																		
BLANK	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	0.1	<0.1	<0.1	<0.1	<0.1
SY-4	131.0	19.4	15.3	2.1	17.3	4.6	61.3	2.2	61.1	16.4	1.3	13.1	3.0	1.6	2.4	0.8	120.6	15.6

Signed: _____

SGS Canada Inc.
8282 Sherbrooke Street
Vancouver, British Columbia V5X 4R6
T: (604) 327-3436 F: (604) 327-3423

CERTIFICATE OF ANALYSIS

0V-2023-RG1

Company: **Geoquest Consulting Ltd.**
Project: N10 89-1
Attn: Warner Gruenwald

Dec-17-10

We *hereby certify* the following geochemical analysis of 4 rock samples submitted Nov-23-10

Sample Name	Nb ppm	Ta ppm	Sc ppm
PRPC-81	489	44.0	49.0
PRPC-82	583	62.1	61.5
T-00A	1290	20.7	1.44
T-19B	666	14.6	32.1
*DUP PRPC-81	525	46.0	49.7
*OKA-1	3010		
*TAN-1		2210	
*LKSD-4			7.2
*BLANK	<1	<1	<0.1

Certified by

SGS Canada Inc.
8282 Sherbrooke Street, Vancouver, British Columbia, V5X 4R6
T: (604) 327-3436 F: (604) 327-3423

Report No : 0V2023RT
Date : Dec-17-10
Sample type : ROCK

Geoquest Consulting Ltd.

Project : N10 89-1
Attention : Warner Gruenwald

ICP-MS Rare Earth Elements

Lithium Metaborate fusion

Sample Number	Ce ppm	Dy ppm	Er ppm	Eu ppm	Gd ppm	Ho ppm	La ppm	Lu ppm	Nd ppm	Pr ppm	Sm ppm	Tb ppm	Th ppm	Tm ppm	U ppm	Y ppm	Yb ppm
PRPC-81	805.3	45.9	26.4	14.9	75.5	8.6	368.9	3.4	561.7	124.7	87.1	8.9	104.2	3.7	38.2	218.0	22.7
PRPC-82	446.3	21.5	12.7	8.7	36.2	4.1	235.6	2.2	243.9	58.3	41.5	4.2	38.9	1.9	11.0	101.3	13.3
T-00A	218.8	7.0	3.2	4.0	13.9	1.2	113.0	0.4	88.5	24.5	14.2	1.5	6.3	0.4	8.4	29.2	2.6
T-19B	252.0	7.4	3.1	4.7	15.6	1.2	121.1	0.3	105.0	27.7	16.5	1.7	1.4	0.3	1.1	27.6	2.0
Duplicates:																	
*DUP PRPC-81	732.4	43.9	21.8	18.3	75.9	7.7	349.7	2.7	460.4	104.5	83.4	8.9	141.8	2.9	18.9	187.6	17.8
Standards:																	
BLANK	<0.1	<0.1	<0.1	0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
LKSD-4	46.4	3.7	2.1	1.4	4.9	0.7	27.0	0.3	25.0	6.2	4.8	0.7	4.9	0.3	30.4	20.0	2.0

Signed: _____

ASSAYERS CANADA

8282 Sherbrooke Street,
Vancouver, B.C.
Canada V5X 4R6
Tel: 604 327-3436
Fax: 604 327-3423

Procedure Summary:

30 Element Aqua Regia Leach ICP-AES

Elements Analyzed:

Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn, Zr

Procedure:

0.500 grams of the sample pulp is digested for 2 hours at 95°C with a 3:1 HCl:HNO_3 mixture. After cooling, the sample is diluted to 25mL with deionized water.

The solutions are analyzed by Inductively Coupled Plasma-Atomic Emission Spectra using standard operating conditions.

Each batch has 22 samples, 3 duplicates, one blank and two standards. Each batch will be rerun if the duplicates or the standards do not match the expected values.

Detection limit and analytical range are element specific.

ASSAYERS CANADA

8282 Sherbrooke Street,
Vancouver, B.C.
Canada V5X 4R6
Tel: 604 327-3436
Fax: 604 327-3423

Procedure Summary:

47 Element Multi-acid Leach ICP-MS

Elements Analyzed:

Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, Zr

Procedure:

0.2000 grams of the sample pulp is digested to dryness with a mixture of HNO3, HCl, HF and HClO4. After cooling, the sample is dissolved in 25 ml 20% HCl solution.

The solutions are analyzed by Inductively Coupled Plasma Mass Spectroscopy using standard operating conditions.

Each batch has 22 samples, 3 duplicates, one blank and two standards. Each batch will be rerun if the duplicates or the standards do not match the expected values.

Detection limit and analytical range are element specific.

8282 Sherbrooke Street,
Vancouver, B.C.
Canada V5X 4R6
Tel: 604 327-3436
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Procedure Summary:

Rare Earth element analysis by Lithium Metaborate Fusion

Elements Analyzed:

Ce, Dy, Er, Eu, Gd, Ho, La, Lu, Nd, Pr, Sc, Sm, Tb, Th, Tm, U, Y, Yb

Procedure:

A 0.1000g sub sample is fused with Lithium Metaborate flux at 1000°C for 15 minutes. The melt is dissolved in dilute Hydrochloric and Nitric acid.

The solutions are analyzed by Inductively Coupled Plasma- Mass Spectrophotometer (ICP-MS) using standardized operating conditions and an internal standard.

Detection limit and analytical range are element specific.

Appendix B

Table 2 - Historic Sampling - Silt, Panned Concentrate and Rock Samples

Table 2 - Historic Sampling - Silt, Panned Concentrate, Rock Samples

Sample Number	Easting (NAD83)	Northing (NAD83)	Sample Type	Description	Ce ppm	La ppm	Nb ppm	Ta ppm
PRSL-81	379018	5669545	Silt	Quartzite, gneiss, schist, minor granitics, quartz. PC=mod. Magnetite, opaques, garnet trace monazite.	471	228	151	6
PRSL-82	379380	5669687	Silt	Gneiss, quartzite, schist, 5% felsic intrusive, 3% quartz. PC= high magnetite, minor garnet and monazite.	***501***	278	245	10
TSL-01*	381693	5674949	Silt	Gneiss, minor pegmatite, marble. NE of Property	***550***	270	15	14
TPC-01*	381693	5674949	PC	25% garnet, low opaques, minor apatite, kyanite. NE of Nio Property	***1240***	***917***		***42***
TSL-02*	381691	5674695	Silt	Moderate garnet and black sand, minor zircon, 10% intrusives, mainly gneiss. NE of Nio Property	170	73	37	5
TPC-02*	381691	5674695	PC		***722***	460		7
TR-03*	381440	5673601	Outcrop	Chip/1.3 m - across biotite rich shear and basic dyke. Strike- 165º; Dip- 65º west. NE of Nio Property	24	20	<10	<1
TR-04*	380860	5673601	Outcrop	Chip/1.5m - across width biotite-rich dyke. Strike- 010º; Dip-steeply west. NE of Nio Property	220	100	90	7
TSL-05*	380860	5672959	Silt	Small seep with gneiss/quartzite float. Moderate garnet, minor zircon. NE of Nio Property	200	100	126	6
TPC-05*	380860	5672959	PC		***729***	441		***33***
TSL-06*	380487	5672964	Silt	Mainly gneiss, minor pegmatite.	380	180	241	7
TSL-07*	380452	5673038	Silt	Gneiss, minor pegmatite, syenite? NE of Nio Property	490	240	440	16
TPC-07*	380452	5673038	PC	Low garnet and opaques; moderate zircon. NE of Nio Property	***1410***	***912***		***85***
TSL-08*	380500	5673121	Silt	South flowing tributary with dominantly gneiss float. NE of Nio Property	300	150	198	7
TSL-09*	382423	5671021	Silt	180 m W of Perry River road. Gneiss, quartzite, pegmatite, minor marble. NE of Nio Property	370	170	55	7
TPC-09*	382423	5671021	PC	Minor garnet, mod. zircon, high opaques. NE of Nio Property	***1740***	***1260***		20
TR-10*	381481	5667767	Outcrop	Chip/0.1 meter. Lens of marble with small seams of sulphide-rich basic dyke. SE of Nio Property	71	41	<10	1
TR-12A	378367	5671207	Float	Considerable float carbonatite. Low mafics.	***<10***	***<5***	17	<1
TR-12B	378367	5671207	Float	Considerable float carbonatite. Moderate biotite	16	8	25	<1
TR-12C	378367	5671207	Float	Considerable float carbonatite. High content of biotite and other mafics	250	160	***462***	6
TSL-13	378407	5671182	Silt	Mainly gneiss, minor quartzite and pegmatite.	***1210***	***848***	95	2
TPC-13	378407	5671182	PC	MHigh garnet content as coarse crystals.	***8380***	***8880***		18
TSL-14	378827	5670824	Silt	Variable; gneiss, schist, quartzite, pegmatite, vein, aplite.	190	84	22	2
TPC-14	378827	5670824	PC	Apatite, monazite?, garnet, minor opaques.	494	290		6
TSL-15	378697	5670937	Silt	Gneiss, schist, calc silicate.	170	73	24	2
TR-15	378697	5670937	Rock	Chip sample of calc-silicate boulder	310	210	***<10***	3
TR-16	378493	5670970	Float	5-6 boulders of carbonatite in road overcast at switchback. Moderate mafics	190	110	202	2
TSL-17	378259	5672767	Silt	Dominantly gneiss with minor quartzite and pegmatite. Large west flowing creek from divide.	380	180	35	4
TPC-17	378259	5672767	PC	Abundant garnet, minor opaques, monazite, apatite, zircon and kyanite.	***850***	***561***		14
TSL-18	378089	5672052	Silt	Composite of three small drainages in ditch.	250	120	21	2
TR-19A	378007	5670539	Outcrop	Carbonatite body exposed in road-cut. Size cannot be determined as outcrop follows road. Moderate	53	28	27	<1
TR-19B	378007	5670539	Outcrop	Carbonatite body exposed in road-cut. Size cannot be determined as outcrop follows road. Moderate to high mafic content, mainly biotite. Grab from biotite-rich zone.	260	86	***546***	11
T00AR	378099	5670986	Outcrop	Attitude – 170°/40°W.	410	190	***1000***	***34***
T00BR	378099	5670986	Outcrop		***770***	370	***1000***	***49***
T00CR	378099	5670986	Outcrop		240	120	***745***	4
T00DR	378099	5670986	Outcrop		100	50	***595***	14
TSL-20	378443	5670590	Silt	Same creek as T-14 except 460 m downstream. Gneiss, calc-silicate, possible carbonatite.	250	120	15	2
TPC-20	378443	5670590	PC	Mainly garnet, some sphene, zircon and minor black opaques.	442	275		18

* Samples located outside of, but proximal to property

PC: Panned Concentrate

Appendix C

Table 3 - Rock and Stream Analytical Data - 2010

Table 3 - Rock and Stream Analytical Data - 2010

Certificate Number	Sample Name	Sample Type	Easting NAD83	Northing NAD83	Ag ppm	Al %	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Hg ppm	K %	La ppm	Mg %	Mn ppm	Mo ppm	Na %	Nb ppm	Nb* %	Ni ppm	P %	Pb ppm	S %	Sb ppm	Sc ppm	Sr ppm	Ta ppm	Ta* %	Th ppm	Ti %	Tl ppm	U ppm	V ppm	W ppm	Zn ppm	Zr ppm
0V0467RA/RJ	NI10-01	Rock	378007	5670539	<0.2	0.12	<5	442	<0.5	<5	>25.00	4	8	8	3	2.9	<1	0.12	171	2.53	4746	<2	0.1		0.2	<1	1.36	12	1	<5	1.0	6409		0.01	17	0	43	<10	15	<10	15	3
0V2023RG	T-00A	Rock	378179	5670986																				1290							1.4		20.7									
0V2023RG	T-19B	Rock	378007	5670539																				666							32.1		14.6									
0V2023RG	PRPC-81	PC	379018	5669545																				489							49.0		44.0									
0V2023RG	PRPC-82	PC	379380	5669687																				583							61.5		62.1									

0V0467RA* %Nb, %Ta by Fusion/ICP
0V0467RJ Multi-Element ICP-AES Analysis (Aqua Regia Digestion)
0V2023RG Geochem Analysis

Certificate Number	Sample Name	Sample Type	Easting NAD83	Northing NAD83	Ce ppm	Dy ppm	Er ppm	Eu ppm	Gd ppm	Ho ppm	La ppm	Lu ppm	Nd ppm	Pr ppm	Sc ppm	Sm ppm	Tb ppm	Th ppm	Tm ppm	U ppm	Y ppm	Yb ppm
0V0467RT	NI10-01	Rock	378007	5670539	358	12.0	5.4	6.9	24.4	2.0	191.2	0.7	165	43	4.2	24	2.7	11	0.7	11.5	52	4.3
0V2023RT	T-00A	Rock	378179	5670986	219	7.0	3.2	4.0	13.9	1.2	113.0	0.4	89	25		14	1.5	6	0.4	8.4	29	2.6
0V2023RT	T-19B	Rock	378007	5670539	252	7.4	3.1	4.7	15.6	1.2	121.1	0.3	105	28		17	1.7	1	0.3	1.1	28	2.0
0V2023RT	PRPC-81	PC	379018	5669545	805	45.9	26.4	14.9	75.5	8.6	368.9	3.4	562	125		87	8.9	104	3.7	38.2	218	22.7
0V2023RT	PRPC-82	PC	379380	5669687	446	21.5	12.7	8.7	36.2	4.1	235.6	2.2	244	58		42	4.2	39	1.9	11.0	101	13.3

0V0467RT ICP-MS Rare Earth Elements (Multi-Acid Digestion)
0V2023RT ICP-MS Rare Earth Elements (Lithium Metaborate fusion)

Appendix D

Personnel

Geoquest Consulting Ltd.

Field:	W. Gruenwald, P. Geo. (14 Aug, 2010)	1 day
Office:	W. Gruenwald, P. Geo. (29 Dec, 2010 - 11 Jan, 2011)	1 day
	E. Gruenwald, Data Compilation, Map Preparation (28 Dec, 2010 - 11 Jan, 2011)	14 hours

Appendix E

Statement of Expenditures

Consulting Fees		
Geoquest Consulting Ltd.		$550
Analytical Costs		
SGS Canada Inc., Vancouver, B.C.		93
Vehicle Costs		163
Freight (Greyhound)		18
Report Compilation		
Authoring/Drafting (Geoquest)		1,180
	TOTAL:	**$2,004**

Appendix F

References

Gruenwald, W. (2001)	Geochemical and Geological Assessment Report on the Tan Property. Report # 26,791
Gruenwald, W. (2000)	Perry River Project. B.C. Prospector's Assistance Program 1999, 2000
Cathro, M.S. and Lefebure, D.V. (2000)	Several New Plutonic related Gold, Bismuth and Tungsten Occurrences in Southern British Columbia; Geological Field Work, 1999; Paper 2000-1
Journeay, M. (1982)	Geology of North Central Frenchman Cap Dome, Open File 2447
Lefebure, D.V. and Cathro, M (1999)	Prospective areas in British Columbia for Gold-Tungsten-Bismuth Veins; B.C. Ministry of Energy and Mines, Open File 1999-3
Ministry of Energy and Mines:	Minfile and Assessment reports for the Nio Project area.
Okulitch, A.V. (1984)	The role of the Shuswap Metamorphic Complex in Cordilleran Tectonism: a review; Canadian Journal of Earth Sciences, Volume 16, pages 1171-1193

Appendix G

Certificate

I, WARNER GRUENWALD OF THE CITY OF VERNON, BRITISH COLUMBIA HEREBY CERTIFY THAT:

1. I am a graduate of the University of British Columbia with a B. Sc. degree in Geology (1972).
2. I am a registered member of the Professional Engineers and Geoscientists of British Columbia (#23202).
3. I am employed as consulting geologist and president of Geoquest Consulting Ltd., Vernon, and B.C.
4. I have practiced continuously as a Geologist for the past 38 years in western Canada and the US.
5. The 2010 work described in this report was conducted by the writer.

W. Gruenwald, P. Geo.

Dated: January 11, 2011