Geological Report

on the

MOUNT THOMLINSON MOLYBDENUM PROPERTY

Hazelton Area
West-Central British Columbia

NTS 93M10 & 11
55^0 35' N, 127^0 29' W

R.H. McMillan Ph.D., P.Geo.
15 December 2010

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1 Introduction - Synopsis

The Mount Thomlinson property is located in north-central British Columbia, approximately 38 kilometres northeast of the town of Hazelton. Hazelton lies on Highway 16, which is the primary route to the deep-water seaports of Prince Rupert, Kitimat and Stewart. The property consists of five contiguous mineral claims covering an area of 2,468.0 hectares, and title is currently held by MolyStar Resources Inc. (MolyStar) of Vancouver, British Columbia. MolyStar Resources Inc. acquired the property in 2006 with the object of confirming the mineral resource to NI43-101 standards and possibly expanding the resource. MolyStar recently sold the property to MolyCANA Resources, a subsidiary of Hi Ho Silver Resources – property title had not been officially transferred at the time this report was written.

Past work has focused on the Mo-Cu mineralized zone which has outcrops over a strike length of approximately 800 metres. Mineralization consists of stockwork quartz veining containing molybdenite with minor chalcopyrite. Minor pyrite is present in the deposit and is abundant in the hornfels zone in the structural hangingwall of the deposit and host intrusive body. The Mo-Cu mineralization occurs mainly in the contact area of the semi-circular quartz monzonite porphyry stock which is Eocene in age. The quartz monzonite stock intrudes Middle Jurassic to Lower Cretaceous Bowser Lake Group argillaceous sedimentary rocks. The deposit is approximately 900 metres long, 80 metres true (horizontal) width and has been traced to a depth of 450 metres.

During the early 1960's and later in the early 1980's major exploration programs were carried out by Buttle Lake Resources, Southwest Potash Corporation (AMAX), and Texasgulf Canada Limited (Texasgulf). The author served as the project geologist on the 1965 AMAX drill program and over the summer logged the diamond drill core and mapped the showing and adjacent area at a scale of 1:6,000. Unfortunately none of the AMAX company reports are currently available to the author, however Texasgulf had copies of the AMAX data when they conducted their exploration on the property in 1980 and 1981, and the data presented here are derived from their reports. The only documented drill intersection from the AMAX and Texasgulf drill programs is Texasgulf hole T-2-81 which intersected 357 metres (true thickness 78.8 metres) of 0.115% MoS_2 (0.069% Mo) and 0.11 % Cu. Hole T-2-81 was stopped in the argillite at 769.3 metres (DeLancey, 1982). This information, together with the Texasgulf results showing the bedrock geology and drill holes, has been redrafted and presented as Figure 3.

Exploration work in the early 1960's by Southwest Potash Corporation (AMAX) outlined a significant resource of molybdenum mineralization referred to as a "submarginal measured and indicated reserve" consisting of "40.82 million tonnes grading 0.12% MoS_2" (Soregaroli and Sutherland Brown, 1976). While the data utilized to calculate this resource is grossly insufficient to define even an inferred resource under today's NI43-101 criteria, the author believes it does represent a reasonable approximation of the grade potential of the Mount Thomlinson molybdenum deposit. The Texasgulf data were not utilized in the AMAX resource estimate. The AMAX information is not documented by assay certificates, nor is it known what minimum cut-off grades were used to calculate the AMAX resource estimates, nor the metreage of the mineralized intersections. Nonetheless, the data are invaluable in providing information

regarding the potential of the molybdenum mineralization on the Mount Thomlinson property. While the author believes that the techniques utilized by AMAX have generated results that would be upheld using current assaying, sampling and drilling techniques, the density of drill information is insufficient to meet the current criteria necessary to calculate a mineral resource compliant with NI 43-101. *Cautionary Note: Investors are cautioned that at this time, there has been insufficient exploration to define a mineral resource – further, it is uncertain if further exploration will result in the discovery of a mineral resource. In the author's professional opinion, the property discussed in this report is of merit, and thus it is recommended that further exploration work be undertaken, as outlined in this report.*

The author in the company of Messrs. Hugh Maddin and John Grabavac undertook a brief two hour visit to the property on 10 September 2010. The object of the visit was to undertake a brief geological reconnaissance and to assess the suitability of the AMAX and Texasgulf campsite and drillsites for future programs.

Based on the results of the past exploration, follow-up work is clearly warranted on the property. An initial drill program of 2,500 metres (approximately 10 holes averaging 250 metres) is recommended for 2011. The program would by necessity be helicopter supported – drilling and blasting will be required to prepare 3 drill sites. Part of the program should include re-furbishing and re-sampling the trenches. Total cost is estimated at $ 1,100,000.00. The following report documents confirmatory work completed on the property and recommends a follow-up diamond drill program.

Much of the data and the diagrams in this report are derived from Thomson and Strickland (2007).

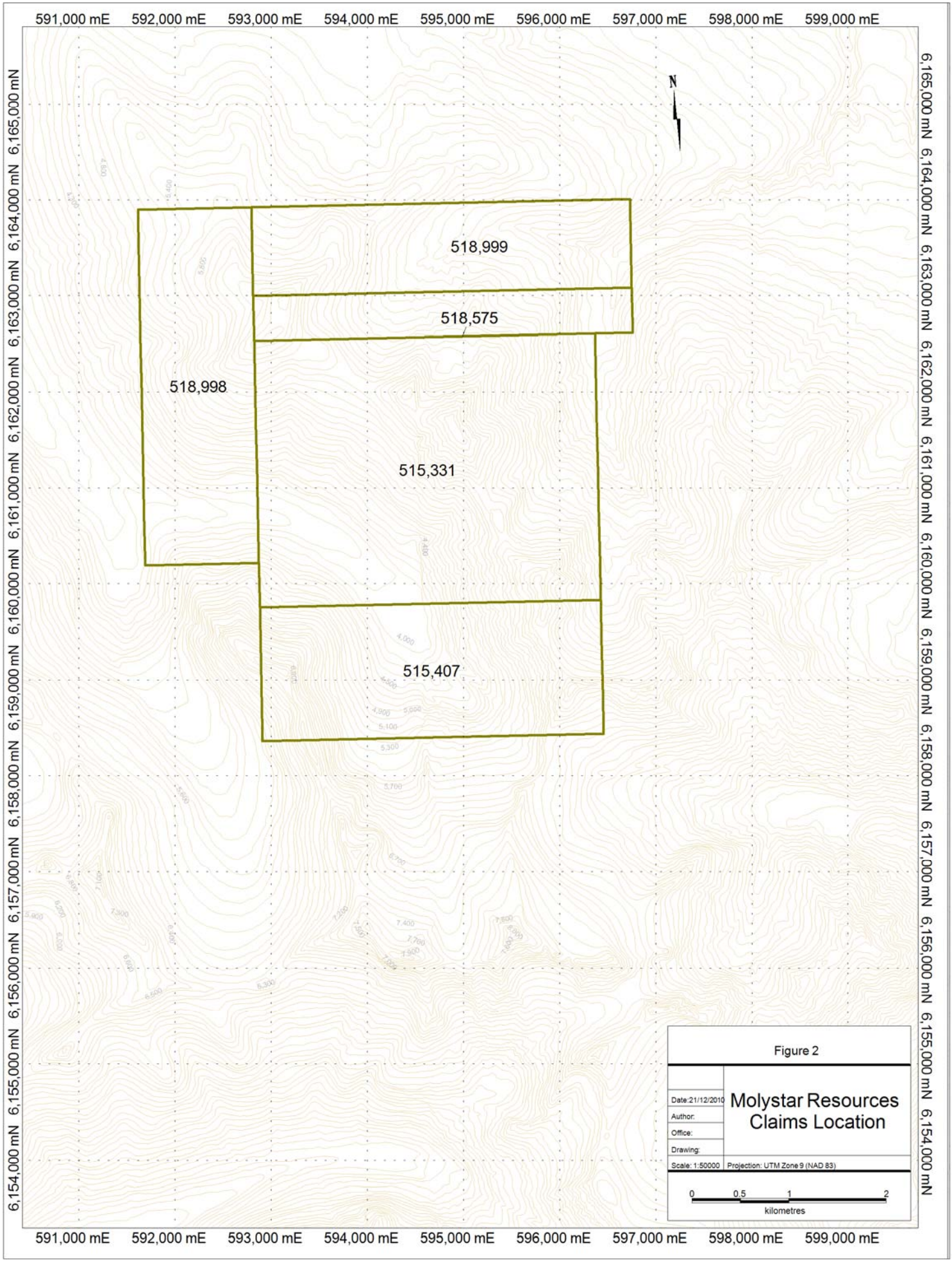
2 Location and Access

The Mount Thomlinson Property is located at the north end of the Babine Mountain Range, 48 kilometres north of Hazelton (Figure 1). The property is centered on Latitude 55º 35' N and Longitude 127º 29' W and is located on NTS map sheets 093M10 and 093M11. The mineral showings outcrop at an elevation of approximately 1,850 metres on a steep east-facing slope along a north trending ridge 4.5 kilometres north of the peak of Mount Thomlinson.

The abandoned Indian village of Kisgegas is located on the Babine River near its confluence with the Skeena River, 11 kilometres northwest of the property.

Access to the property is by helicopter which can be chartered from several companies based in Smithers, 125 kilometres to the south. The closest road is an all weather gravel road located 12 km northwest of the property. Equipment and supplies can be flown to the campsite and drill sites from the road.

Molystar Resources Inc.
FIGURE 1
Regional Location Map
Hazelton Area , British Columbia


591,000 mE
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6,165,000 mN
6,164,000 mN
6,163,000 mN
6,162,000 mN
6,161,000 mN
6,160,000 mN
6,159,000 mN
6,158,000 mN
6,157,000 mN
6,156,000 mN
6,155,000 mN
6,154,000 mN
N
518,999
518,575
518,998
515,331
515,407
Figure 2
Molystar Resources
Claims Location
Date:21/12/2010
Author:
Office:
Drawing:
Scale: 1:50000
Projection: UTM Zone 9 (NAD 83)
0
0.5
1
2
kilometres

3 Claim Status

The Mount Thomlinson property comprises six contiguous mineral claims covering an area of approximately 3,217.2 hectares. The property is 100% owned by MolyStar Resources Inc. However the property was recently purchased by MolyCANA Resources, a subsidiary of Hi Ho Silver Resources (CNSX - HHS). MolyCANA is located at:

1111 West Hastings Street
Suite 575
Vancouver B.C.
V6E 2J3
(604) 250-7360

Cadre Capital Incorporated is entitled to a Net Smelter Return Royalty (NSR) of 2%. Molystar Resources has the right to purchase 1% of the NSR for $500,000 and the subsequent 1% NSR for $1,000,000.

Table 1 (below) lists the Mount Thomlinson mineral claims:

Table 1 – Mount Thomlinson Property Claims

Tenure #	Claim Name	Owner	Issue Date	Good To Date	Area (ha)
515331		202535 (100%)	2005/jun/27	2011/nov/17	987.2438
515407		202535 (100%)	2005/jun/27	2011/nov/17	493.9086
518575	THOM 2	202535 (100%)	2005/jul/31	2011/nov/17	182.7473
518998	THOM 3	202535 (100%)	2005/aug/13	2011/nov/17	438.689
518999	THOM 4	202535 (100%)	2005/aug/13	2011/nov/17	365.436
Total					**2468.0**

4 Physiography and Vegetation

The area is characterized by isolated peaks separated by broad wooded valleys. The timber line is about 1,300 metres or 500 metres below the surface mineral zones. Peaks above 2,000 metres are surrounded by glaciers and snowfields. The mountain slopes are steep and generally covered by rock talus.

The region has a cool temperate climate with moderate snowfall, with the mountainous areas generally covered with snow until mid-June. The exploration season lasts from mid–June to late September. Prospecting and geological mapping are best undertaken in late August when there are no residual snow patches.

5 Past Exploration Work

Exploration of the Mount Thomlinson property has been carried out by several operators including: Buttle Lake Resources, Southwest Potash Corp. (a subsidiary of AMAX) and Texasgulf. The main periods of exploration occurred from 1963 to 1965 and 1980 to 1981.

Exploration programs carried out to date include geological mapping, prospecting, topographic surveying, rock sampling, blast-trenching, and diamond drilling. To the author's knowledge, there have been no grid-based soil geochemical or geophysical surveys carried out over the property area.

5.1 1962 to 1965 Programs

Information for the 1962 to 1965 work programs was obtained second-hand from the history section of a Texasgulf assessment report (DeLancey, 1980). The author has been unable to locate the primary references.

The area was originally staked in 1962 by three prospectors (Neil Sterritt, Ward Marshall, and Harry Simpson) from Hazelton and optioned to Buttle Lake Mining (later Stampede International Resources Ltd). In 1963 the property was mapped, trenched, and sampled by Buttle Lake Resources. In August of 1963, Southwest Potash Corporation optioned the property. Loudon (1963) spent nine days on the property, produced a map, and recommended the option (DeLancey, 1980).

In 1964 and 1965, Southwest Potash Corporation conducted programs of geological mapping, surveying, geochemistry, and drilled nine BQ diamond drill holes totalling 2,459 metres (Figure 3). The core was not assayed for copper, gold or rhenium. The property was subsequently allowed to lapse and re-staked by AMAX in 1975, which had changed its name from Southwest Potash Corporation (DeLancey, 1980).

Table 2 - AMAX Diamond Drill Data (1964, 1965)

Hole No.	dip	Az.	Length (m)
64-1	-40	247	421
64-2	-30	295	321
64-3	-30	115	152
64-4	-40	350	270
64-5	-20	295	215
65-6	-37	335	358
65-7	-45	335	259
65-8	-58	335	259
65-9	-56	335	152

In 1975 the Canadian Institute of Mining and Metallurgy published a table featuring “Significant Undeveloped Molybdenum Bearing Deposits of the Canadian Cordillera” and one line on that table indicated that AMAX had reported measured, indicated and inferred and submarginal reserves of 40.82 million tonnes grading 0.12% MoS_2 (Soregaroli and Sutherland Brown, 1976). The author is unaware of the methodology utilized to derive these “reserves”, which are documented as a single line in the table. These “reserves” must therefore be considered unreliable by current standards. The reader is also cautioned on the validity of the “mineral reserve” numbers. Under current NI 43-101 guide-lines the nine drill holes and five surface trenches are neither of sufficient density nor sufficient distribution to define a mineral resource. Therefore, none of the numbers published with respect to the amount of MoS_2 or tonnes of “ore” at Mount Thomlinson can be relied upon. They are presented here as information on the historical work on the property.

The data generated by AMAX would have been of the highest quality by the standards at the time it was undertaken. At the time AMAX was the world’s largest producer of molybdenum and was the most experienced company in that commodity. The author as an employee of AMAX was present throughout the 1965 program, during which time he logged the 1965 drill core and mapped the property at a scale of 1:6,000.

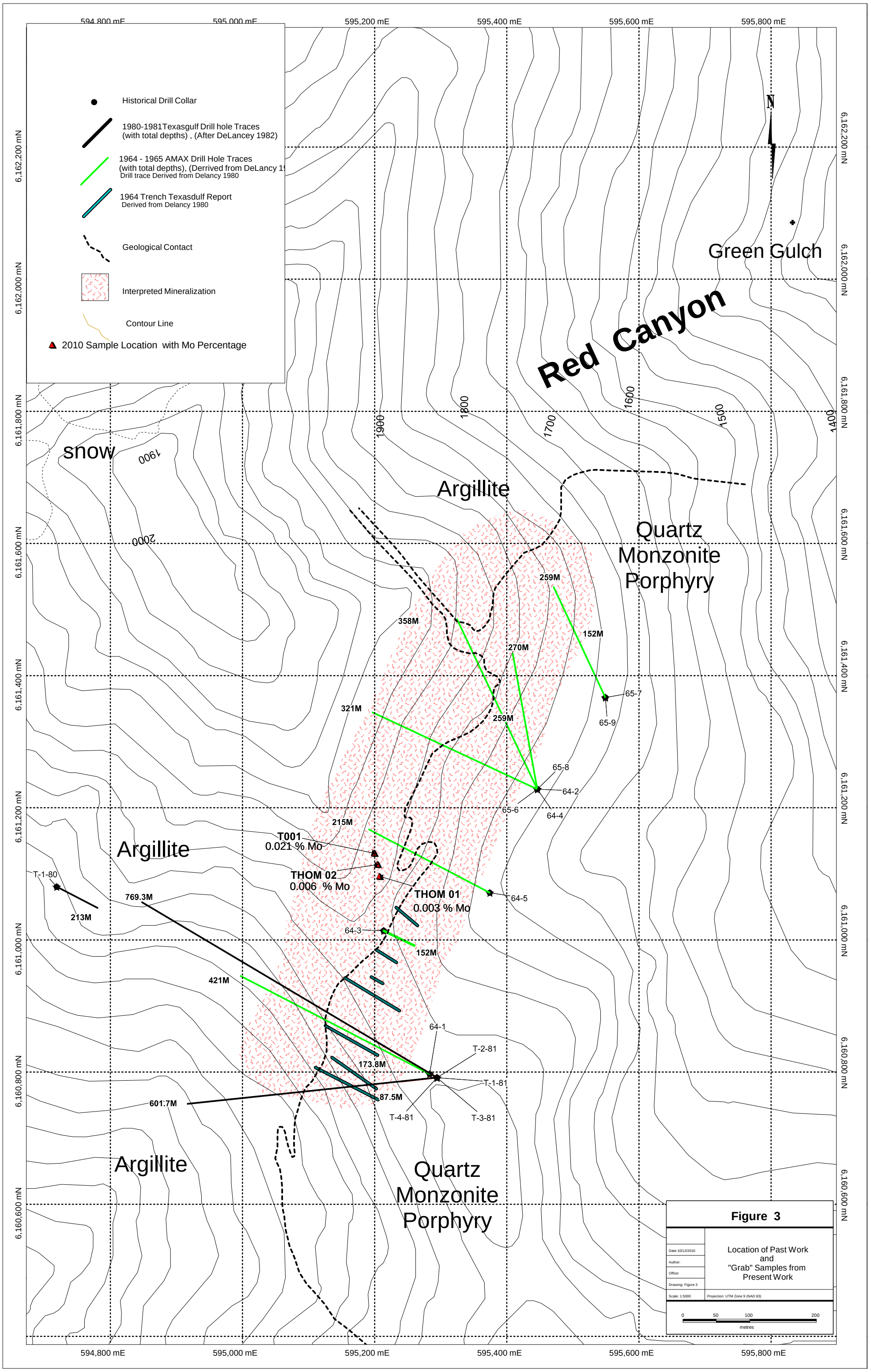
5.2 1979 Program

In 1979 the property was restaked as the Molly Tom claims by John Bot, an independent prospector from Smithers. Mr. Bot optioned the property to Texasgulf. On May 16, 1979, Mr. DeLancey examined the property in preparation for a drill program planned for 1980 (DeLancey, 1980).

5.3 1980, 1981 Programs

Work performed by Texasgulf in 1980 included construction of a camp and drill site and diamond drilling of one NQ drill hole. The hole was abandoned at 213 metres, about 500 metres short of the projected target depth because of difficult ground conditions. The diamond drill hole (TH-1-80) intersected strongly fractured Bowser Lake Group argillite/shale with sparse quartz, calcite veinlets and finely disseminated pyrite (DeLancey, 1980).

In 1981, Texasgulf drilled four NQ diamond drill holes totalling 1,632.3 metres from a single common set-up location (Figure 3).


Historical Drill Collar
1980-1981Texasgulf Drill hole Traces
(with total depths) , (After DeLancey 1982)
1964 - 1965 AMAX Drill Hole Traces
(with total depths), (Derrived from DeLancy 1
Drill trace Derived from Delancy 1980
1964 Trench Texasdulf Report
Derived from Delancy 1980
Geological Contact
Interpreted Mineralization
Contour Line
2010 Sample Location with Mo Percentage
N
Green Gulch
Red Canyon
Argillite
Quartz
Monzonite
Porphyry
snow
T001
0.021 % Mo
THOM 02
0.006 % Mo
THOM 01
0.003 % Mo
259M
152M
358M
270M
321M
65-7
65-9
65-8
64-2
65-6
64-4
215M
64-5
T-1-80
213M
769.3M
64-3
421M
64-1
T-2-81
173.8M
T-1-81
87.5M
601.7M
T-4-81
T-3-81
Figure 3
Location of Past Work
and
"Grab" Samples from
Present Work
Date:10/12/2010
Author:
Office:
Drawing: Figure 3
Scale: 1:5000
Projection: UTM Zone 9 (NAD 83)
0
50
100
200
metres
594,800 mE
595,000 mE
595,200 mE
595,400 mE
595,600 mE
595,800 mE
6,162,200 mN
6,162,000 mN
6,161,800 mN
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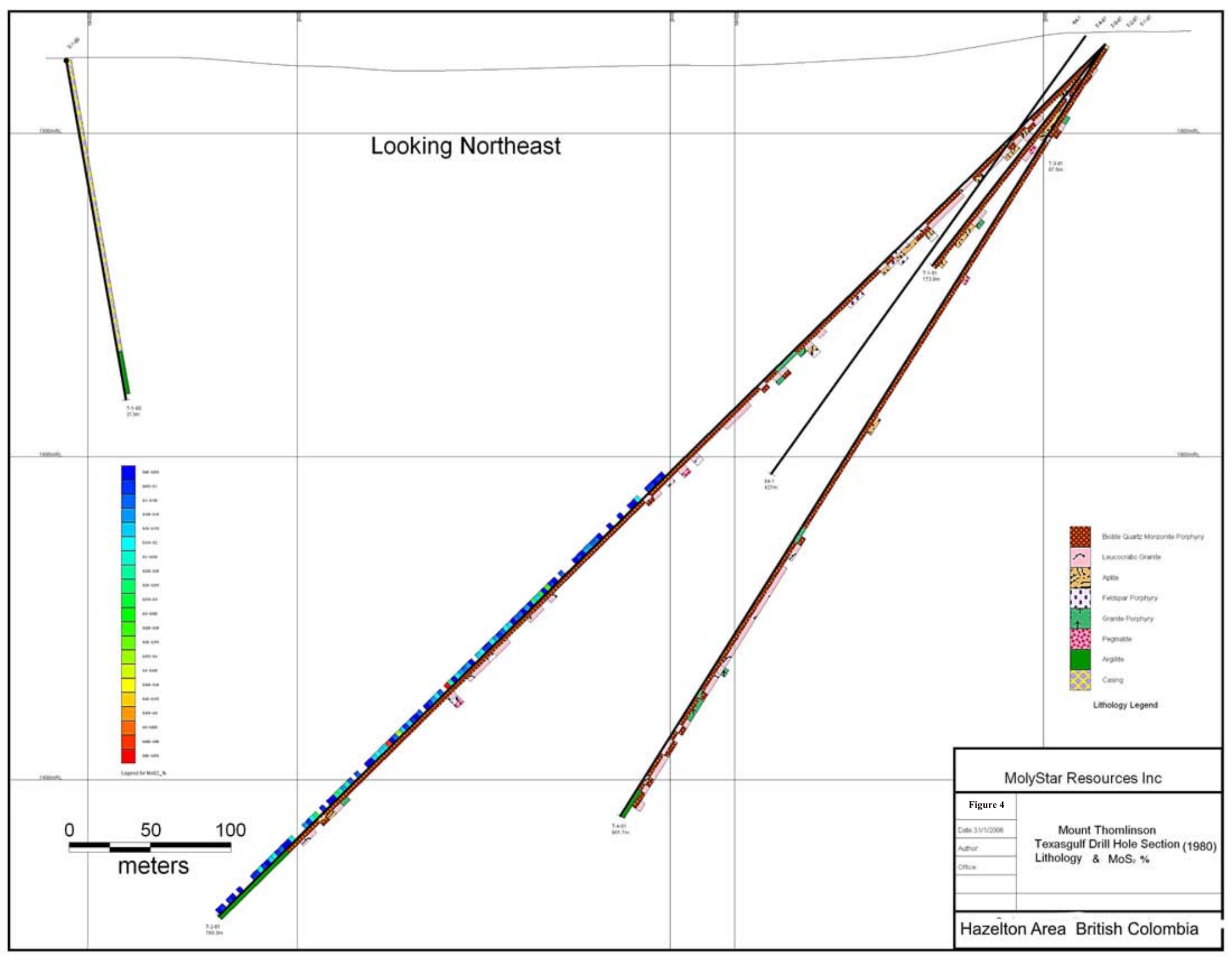
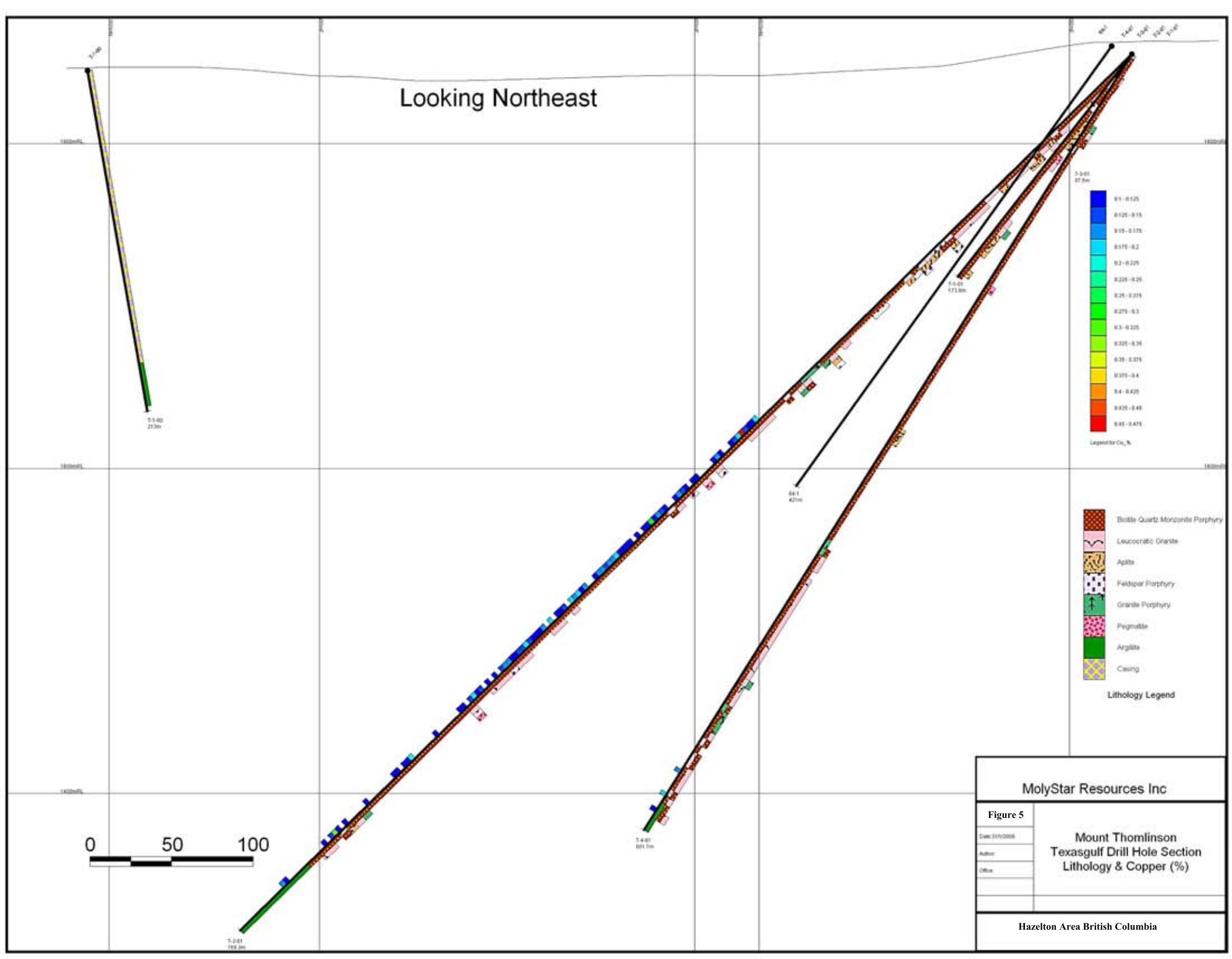
6,161,000 mN
6,160,800 mN
6,160,600 mN


Looking Northeast
Bimodal Quartz Monzonite Porphyry
Leucocratic Granite
Aplite
Feldspar Porphyry
Granite Porphyry
Pegmatite
Argillite
Casing
Lithology Legend
0
50
100
meters
MolyStar Resources Inc
Figure 4
Date 3/1/2006
Author
Office
Mount Thomlinson
Texasgulf Drill Hole Section (1980)
Lithology & MoS2 %
Hazelton Area British Colombia


Looking Northeast
0
50
100
Biotite Quartz Monzonite Porphyry
Leucocratic Granite
Aplite
Feldspar Porphyry
Granite Porphyry
Pegmatite
Argillite
Casing
Lithology Legend
MolyStar Resources Inc
Figure 5
Mount Thomlinson
Texasgulf Drill Hole Section
Lithology & Copper (%)
Hazelton Area British Columbia

Due to difficult ground conditions, only 2 of the 5 holes drilled by Texasgulf reached their target depths. Diamond drill hole T-2-81 was collared at -45° and intersected 357 metres of 0.115% MoS_2 and 0.11% Cu, and was mineralized to the end of the hole at 769.3 metres. Assay data is available for drill hole T-2-81 and is displayed on drill sections (Figures 4 and 5). Drill holes T-1-80, T-1-81 and T-3-81 did not reach target depths, thus were not sampled and assayed. The drill records indicate that drill hole T-4-81 received only sporadic sampling, with the interval from 570 metres to 591 metres (21m) assaying 0.0265% MoS_2 (DeLancey, 1980). Texasgulf did not analyze the core samples for gold or rhenium (DeLancey, 1980).

Table 3 - Texasgulf Diamond Drill Data (1980, 1981)

Hole No.	dip	Az.	Length (m)
T-1-80	-80	117	213.0
T-1-81	-52	300	173.8
T-2-81	-44.5	300	769.3
T-3-81	-51	261	87.5
T-4-81	-52.5	265	601.7

5.4 1993 to 2007

In 1993, Discovery Consultants re-sampled surface showings and selected core samples for assay. Core re-sampling was carried out on drill hole T-2-81 at 10 metre intervals from 610 metres to the end of the hole at 769.3 metres (a total of 17 samples). Within this interval, 3 samples assayed between 485 ppm Mo and 580 ppm Mo and four samples assayed between 1,022 ppm Mo and 7,272 ppm Mo. Five samples within this interval assayed between 1,094 ppm Cu and 3,417 ppm Cu. Seven samples from drill hole T-1-80 returned negligible results. The rock-sampling program consisted of 30 samples taken from three lines. Of these, 8 samples returned Mo values between 500 and 1,000 ppm, while 3 samples exceeded 1,000 ppm Mo to a maximum value of 1,575 ppm Mo. The surface rock sampling generally returned Cu values of less than 400 ppm (Carpenter, 1994).

In 2004, Cadre Capital Inc. (Cadre) staked the area. In September 2005, Cadre collected 33 rock samples in four different areas (Thomson, 2006; Thomson and Strickland, 2007). Cadre subsequently sold the property to MolyStar Resources Inc.

In 2007, MolyStar moved the core from the campsite on Mt. Thomlinson, and re-logged and re-sampled it in a warehouse in Smithers. A total of 272 samples were selected from Texasgulf hole T-2-81. Of these, 149 were quartered samples from the previously split Texasgulf work and 126 samples were split from previously unsplit core. MolyStar did not analyze the core samples for rhenium. No significant new zones of molybdenum mineralization were encountered. The MoS_2 and Cu assays from the MolyStar work correlated well with the earlier Texasgulf assays.

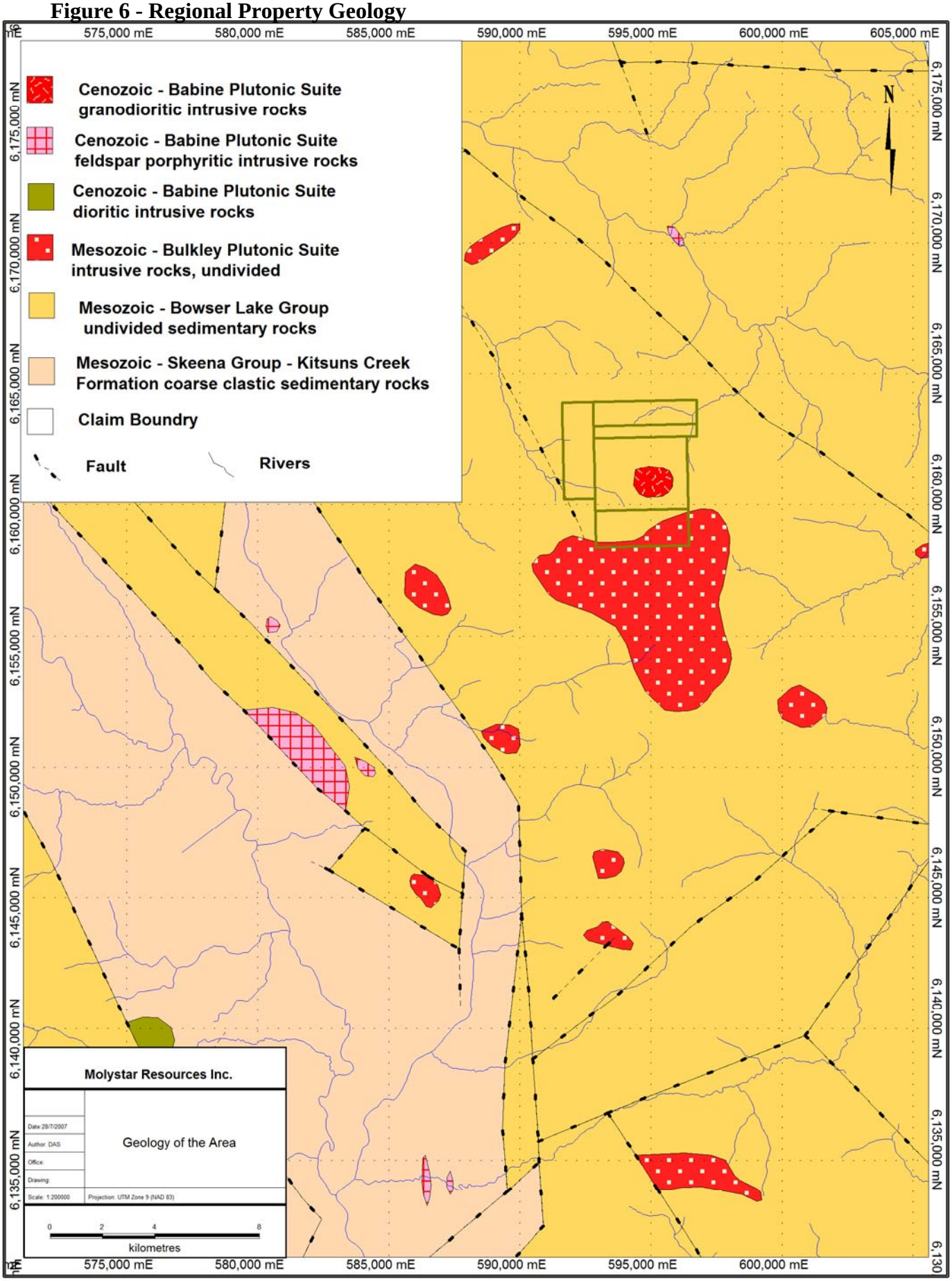
6 Property Geology

The Mount Thomlinson Property is located in the Intermontane Tectonic Belt, at the southeast margin of the Bowser Basin, a large successor basin underlain mainly by clastic sedimentary rocks of the Jurassic to Cretaceous Bowser Lake Group (Carter, 1976). The Bowser Lake Group sedimentary rocks have been intruded by a northwest-trending series of granodiorite and quartz monzonite stocks called the Bulkley and Babine Intrusions which are Cretaceous and early Tertiary in Age. Carter (1976) has dated the Bulkley Intrusions by the potassium-argon method at between 70 and 84 Ma. More recently Richards (1990) presented a potassium-argon date for the Mount Thomlinson stock of 54 Ma, utilizing biotite. The Bulkley and Babine Intrusions are host to several important molybdenum deposits, among them the Hudsons Bay Mountain (Glacier Gulch) and Mount Thomlinson deposits.

The Mount Thomlinson Mo-Cu deposit is hosted by a roughly circular stock approximately 1400 metres in diameter. The stock is composed of pale buff to light pinkish white leucocratic quartz monzonite porphyry of the Eocene Babine Intrusions. Stock contacts are sharp and biotite, muscovite, cordierite and andalusite have been formed in the contact aureole. The margins of the stock are foliated parallel to the contact and to the schistosity in the intruded rocks up to 100 metres from the contact. Coarse K-feldspar phenocrysts are characteristic in the core of the stock but are less abundant and smaller in the foliated contact zone. The core of the stock contains 1-3% coarse, zoned K-feldspar phenocrysts, which range up to over 5 cm. Quartz and plagioclase phenocrysts range up to 1.25 cm in diameter. The quartz monzonite porphyry is made up of 40-50% plagioclase and 10-25% K-feldspar, quartz and minor accessory mafic minerals being the other constituent minerals. In many areas, the stock is cut by narrow (2-10 cm) aplite dikes. These dikes occur in swarms and occupy well-defined fractures and are generally restricted to the stock itself.

The layered rocks exposed on the property are clastic sedimentary rocks of the Bowser Lake Group. Although no attempt has been made to establish any stratigraphy within the Bowser Lake Group in the Mount Thomlinson area, in the Goathead Creek area 12 km north of the area, Bending (1981 and 1982) recognized four distinct assemblages. A lower section of argillite and siltstone is overlain by a 50 m thick section of interbedded argillites and greywacke. This unit is in turn overlain by an interval characterized by locally calcareous argillites with 1-2 m thick limestone interlayers. The limestone unit is characterized by pelecypod fossils. The uppermost unit is massive chert pebble conglomerate which caps many of the local peaks.

Figure 6 - Regional Property Geology



7 Mineralization, Alteration and Veining

7.1 General Comments on Molybdenum Deposits

Porphyry molybdenum deposits are typically related to complex, multiple intrusive events and in the Cordillera are associated with intrusive events of several ages. Many deposits are hosted by cylindrical stocks that are less than 500 m in diameter. Others such as Quartz Hill in Alaska are related to larger epizonal areas. Others (Endako, Adanac and Brenda) are genetically related to the youngest phases of batholiths or large stocks (Mount Tolman). Mineralization at Endako and Adanac is genetically linked to epizonal granites and related rocks that are the youngest phases of the Topley and Surprise Lake batholiths respectively. In contrast, the 102 Ma quartz monzonite that hosts the Boss Mountain deposit intrudes an unrelated 187 Ma granodiorite batholith. Other deposits, like Kitsault and other deposits in the Alice Arm Mo district, are genetically associated with the 54 Ma to 48 Ma Alice Arm intrusive suite. These generally occur in small quartz monzonite stocks with histories of multiple intrusive events.

Molybdenite mineralization generally forms stockworks that are elliptical to crescentic in plan, and may be tabular and flat-lying in section (e.g. Quartz Hill). Mineralization occurs mainly in fractures and quartz veins in the genetically related intrusions, but can extend into hornfelsed country rocks. Alaskite dikes and intermineral intrusive breccias may accompany the mineralization (e.g. Boss Mountain). Molybdenum mineralization is typically polyphase and possibly related to episodic doming (e.g. Endako). Molybdenite is typically deposited in quartz veins and veinlets during either potassium feldspar or biotite alteration. Silicification is a universal associated alteration. At Endako, some molybdenite mineralization apparently accompanied argillic alteration. Phyllic alteration is peripheral to some deposits, with propyllitic alteration at the periphery of the system.

While molybdenite is generally the only ore mineral, some deposits have potentially recoverable copper sulphides, scheelite and/or wolframite. Brenda Mine produced both molybdenum and copper. Mount Tolman and Mount Thomlinson are potential producers of both molybdenum and copper. Other minerals that may be present in or adjacent to molybdenum deposits are bismuth minerals, galena and sphalerite. Pyrite is common within, as well as adjacent to mineralized zones – the pyrite halo commonly results in a strong chargeability anomaly in an induced polarization survey. Minor magnetite can be present. Common gangue minerals are quartz, carbonate, sericite, biotite, chlorite, fluorite, gypsum, epidote and hornblende (McMillan, 1995)

In British Columbia, porphyry molybdenum deposits are post-accretion in timing. The deposits are widely distributed in the Cordillera and overlap in time and space with porphyry Cu-Mo-Au deposits. Metallogenic episodes are recognized at about 140 Ma, 110-100 Ma, 80-60 Ma and 50 Ma (related to Alice Arm intrusions to which Mount Thomlinson deposit is possibly correlated). Local metallogenic episodes occurred at 54-48 Ma and 8 Ma. One of the oldest, Endako is dated at 138 Ma, the youngest, Salal Creek at 8 Ma. Endako has been the major producing mine in the province, operating since 1965. The other significant producer was Boss Mountain, dated at about 100 Ma, and which produced intermittently until 1983.

7.2 The Mount Thomlinson Molybdenum Deposit

Molybdenite, chalcopyrite and pyrite are associated with a system of quartz vein stockworks within the Mount Thomlinson plug, along the contact zone with hornfelsed Bowser Lake Group pelitic rocks. The adjacent sedimentary rocks are strongly hornfelsed and contain abundant pyrite and pyrrhotite, but only minor amounts of Mo-Cu mineralization. The quartz stockwork is best developed along the stock contact and post-dates the aplite dikes. The mineralized zone trends north-northeast (020^0) along the margin of the stock, dipping 65^0 west. It is tabular and up to 100 m wide and has been traced more than 800 m in strike length. The zone is becomes complex and less well defined at the northeast end, where narrow sections of mineralized rock are separated by barren rock (DeLancey 1980, 1982). The only published mineralized intersection from the AMAX and Texasgulf diamond drill programs is from Texasgulf hole "T-2-81 collared at -45^0 intersected 357 m (true thickness 78.8 m) of 0.115% MoS_2 (0.069% Mo) and 0.11 % Cu and was stopped in the argillites at 769.3 m" (DeLancey, 1982).

The molybdenite is most common as fine flakes in quartz veinlets and as smears along fracture planes. Locally it occurs as coarse flakes in quartz veins. Chalcopyrite, malachite and azurite also occur along fractures and veins. Although chalcopyrite is found in the same general areas as molybdenite, the two sulphides occur independently of each other. Pyrite (1-5%) is found as disseminations, fracture-fillings and patchy crystalline concentrations in the intrusive and adjacent argillites. Minor amounts of magnetite, scheelite and pyrrhotite are also present. The better grade mineralization is located several metres from the contact within the intrusive rock and MoS_2 grades generally drop off sharply at the contact. There has been some minor surface weathering of the deposit, with limonite, ferrimolybdite, malachite and to a lesser extent, azurite identified as secondary minerals.

Silicification is the most prominent alteration assemblages within and close to the mineralized zone. It is accompanied by argillic and chloritic mineral assemblages and late sericitic overprinting.

8 Present Work

The author in the company of Messrs. Hugh Maddin and John Grabavac visited the property on 10 September 2010 for about two hours. The object of the visit was to undertake a brief geological reconnaissance and to assess the suitability of the AMAX and Texasgulf campsite and drill sites for a future program.

The location of 3 character or "grab" samples collected during the visit is shown in Figure 3 and the assay results are tabulated below in Table 4:

Table 4 – GPS Locations and Assays

Sample #	Northing	Easting	Mo %	Cu %	Comments
THOM 01	6161096	0595208	0.003	0.007	1 kg chip of altered quartz monzonite porphyry
THOM 02	6161114	0595205	0.006	0.010	2 kg chip of altered quartz monzonite porphyry
T001	6161131	0595200	0.021	0.016	4 kg chip of altered quartz monzonite porphyry with weak quartz vein stockwork

9 Discussion, Conclusions and Recommendations

Based on the above considerations, follow-up work is clearly warranted on the property. An initial drill program of 2,500 metres (approximately 10 holes averaging 250 metres) is recommended for 2011. The program would by necessity be helicopter supported. Drilling and blasting will be required to prepare 3 drill sites. Part of the program should include re-furbishing and re-sampling the trenches. Total cost is estimated at $ 1,100,000.00.

Assays for MoS_2, Cu, Au and Re (rhenium) should be undertaken in future programs.

11 Bibliography

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APPENDIX I

CERTIFICATE

I, RONALD HUGH McMILLAN, of 6606 Mark Lane, Victoria,
British Columbia (V9E 2A1), do hereby certify that:

1. I am a Consulting Geologist, registered with the Association of Professional Engineers and Geoscientists of British Columbia since 1992, and with the Association of Professional Engineers of Ontario since 1981.

2. I am a graduate of the University of British Columbia with B.Sc. (Hon. Geology, 1962), and the University of Western Ontario with M.Sc. and Ph.D. (1969 and 1972) in Mineral Deposits Geology.

3. I have practiced my profession throughout Canada, as well as in other areas of the world continuously since 1962.

4. The foregoing report on the Mt. Thomlinson Property is based on a review of published and unpublished information regarding the geological setting, styles of mineralization and results of previous exploration programs within and adjacent to the subject property. In 1965 I personally logged the drill core from the 1965 AMAX drill program and mapped the surface geology at a scale of 1:6,000. A brief visit was made to the property on August 10, 2010.

R. H. McMillan Ph.D. P.Geo.

Victoria, B. C.
15 December 2010

Appendix 2 Statement of Expenditures

		Cost
Charter Helicopter	Prism Helicopters, 10/08/2010	$ 2,826.88
Air Fare		$ 684.48
Fuel		$ 38.00
Meals		$ 529.06
Hotel		$ 714.00
Analytical Costs	3 samples – Acme Laboratories	$ 60.00
Report writing R. McMillan 6 days @ $ 1000.00		$ 6,000.00
Field Geologist R. McMillan 3 days @ $ 1000.00		$ 3,000.00
Field Assistant J. Grabavac 1 day @ 350.00		$ 350.00
Drafting		$ 560.00
	Total	$14,762.42

Acme Analytical Laboratories (Vancouver) Ltd.
1020 Cordova St. East Vancouver BC V6A 4A3 Canada

www.acmelab.com

Client: **Hi Ho Silver Resources**
575-1111 West Hastings St.
Vancouver BC V6E 2J3 Canada

Submitted By: Hugh Maddin
Receiving Lab: Canada-Smithers
Received: August 19, 2010
Report Date: September 28, 2010
Page: 1 of 2

CERTIFICATE OF ANALYSIS SMI10000432.1

CLIENT JOB INFORMATION

Project: None Given
Shipment ID:
P.O. Number
Number of Samples: 3

SAMPLE DISPOSAL

STOR-PLP Store After 90 days Invoice for Storage
DISP-RJT Dispose of Reject After 90 days

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Method Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
R200-250	3	Crush, split and pulverize 250 g rock to 200 mesh			SMI
G601	3	Fire Assay fusion Au by ICP-ES	30	Completed	VAN
7TD2	3	4 Acid digestion ICP-ES analysis.	0.5	Completed	VAN

ADDITIONAL COMMENTS

Invoice To: Hi Ho Silver Resources
575-1111 West Hastings St.
Vancouver BC V6E 2J3
Canada

CC: Ron McMillan

BRITISH COLUMBIA CERTIFIED ASSAYER
CLARENCE LEONG
GENERAL MANAGER

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.
All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of analysis only.
"*" asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.

Acme Analytical Laboratories (Vancouver) Ltd.
1020 Cordova St. East Vancouver BC V6A 4A3 Canada
Phone (604) 253-3158 Fax (604) 253-1716
www.acmelab.com

Client: **Hi Ho Silver Resources**
575-1111 West Hastings St.
Vancouver BC V6E 2J3 Canada

Project: None Given
Report Date: September 28, 2010

CERTIFICATE OF ANALYSIS SMI10000432.1

Method		WGHT	G6	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD
Analyte		Wgt	Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Sr	Cd	Sb	Bi	Ca	P	Cr	Mg
Unit		kg	gm/t	%	%	%	%	gm/t	%	%	%	%	%	%	%	%	%	%	%	%	%
MDL		0.01	0.005	0.001	0.001	0.02	0.01	2	0.001	0.001	0.01	0.01	0.02	0.01	0.001	0.01	0.01	0.01	0.01	0.001	0.01
THOM01	Rock	1.00	0.019	0.003	0.007	<0.02	<0.01	<2	<0.001	<0.001	<0.01	2.25	<0.02	0.02	<0.001	<0.01	<0.01	0.01	0.02	0.001	0.31
THOM02	Rock	2.11	0.023	0.006	0.010	<0.02	<0.01	3	<0.001	<0.001	<0.01	1.17	<0.02	0.01	<0.001	<0.01	<0.01	0.03	0.02	0.002	0.13
T001	Rock	3.81	0.019	0.021	0.016	<0.02	<0.01	3	<0.001	<0.001	<0.01	1.77	<0.02	0.04	<0.001	<0.01	<0.01	0.24	0.04	<0.001	0.19

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Vancouver BC V6E 2J3 Canada

Project: None Given
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CERTIFICATE OF ANALYSIS SMI10000432.1

		Method	7TD	7TD	7TD	7TD	7TD
		Analyte	Al	Na	K	W	S
		Unit	%	%	%	%	%
		MDL	0.01	0.01	0.01	0.01	0.05
THOM01	Rock		5.97	0.55	4.32	<0.01	0.53
THOM02	Rock		4.50	0.95	3.89	<0.01	0.08
T001	Rock		5.21	1.57	3.74	<0.01	0.06

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Report Date: September 28, 2010

QUALITY CONTROL REPORT SMI10000432.1

	Method	WGHT	G6	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD	7TD
	Analyte	Wgt	Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Sr	Cd	Sb	Bi	Ca	P	Cr	Mg
	Unit	kg	gm/t	%	%	%	%	gm/t	%	%	%	%	%	%	%	%	%	%	%	%	%
	MDL	0.01	0.005	0.001	0.001	0.02	0.01	2	0.001	0.001	0.01	0.01	0.02	0.01	0.001	0.01	0.01	0.01	0.01	0.001	0.01
Reference Materials																					
STD OREAS131A	Standard			<0.001	0.032	1.72	2.86	31	0.002	0.002	0.17	5.81	<0.02	<0.01	0.008	<0.01	<0.01	5.36	0.05	0.002	3.17
STD OXH66	Standard		1.162																		
STD R4T	Standard			0.062	0.508	1.53	3.38	89	0.354	0.040	0.09	24.15	<0.02	0.02	0.019	0.02	<0.01	2.12	0.05	0.017	1.41
STD R4T Expected				0.062	0.502	1.518	3.376	86	0.339	0.039	0.086	24.07	0.0087	0.0185	0.018	0.0138	0.0018	2.166	0.045	0.018	1.384
STD OREAS131A Expected				0.001	0.0322	1.72	2.83	30.9	0.0027	0.0023	0.1722	5.8166	0.0082	0.0028	0.0081	0.0047	0.001	5.286	0.0536	0.0025	3.1182
STD OXH66 Expected			1.285																		
BLK	Blank			<0.001	<0.001	<0.02	<0.01	<2	<0.001	<0.001	<0.01	<0.01	<0.02	<0.01	<0.001	<0.01	<0.01	<0.01	<0.01	<0.001	<0.01
BLK	Blank		<0.005																		
BLK	Blank		<0.005																		
Prep Wash																					
G1	Prep Blank		<0.005	<0.001	0.007	<0.02	<0.01	<2	<0.001	<0.001	0.07	2.41	<0.02	0.08	<0.001	<0.01	<0.01	2.58	0.08	0.001	0.65

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QUALITY CONTROL REPORT SMI10000432.1

		Method	7TD	7TD	7TD	7TD	7TD
		Analyte	Al	Na	K	W	S
		Unit	%	%	%	%	%
		MDL	0.01	0.01	0.01	0.01	0.05
Reference Materials							
STD OREAS131A	Standard		4.66	0.15	3.33	<0.01	5.04
STD OXH66	Standard						
STD R4T	Standard		3.97	0.89	1.15	<0.01	13.45
STD R4T Expected			3.897	0.9	1.153	0.00016	12.9903
STD OREAS131A Expected			4.6057	0.1501	3.1584	0.0005	4.8
STD OXH66 Expected							
BLK	Blank		<0.01	<0.01	<0.01	<0.01	<0.05
BLK	Blank						
BLK	Blank						
Prep Wash							
G1	Prep Blank		7.48	2.85	2.95	<0.01	0.05