

Ministry of Energy and Mines
BC Geological Survey

Assessment Report
Title Page and Summary

TYPE OF REPORT [type of survey(s)]: Assessment Report on the 2010 Drilling Program

TOTAL COST: 2,679,416.79

AUTHOR(S): A. Koffyberg, P.Geo SIGNATURE(S): _____

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): MX-10-199 YEAR OF WORK: 2010

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): 4864698 2011/May/18

PROPERTY NAME: Spanish Mountain

CLAIM NAME(S) (on which the work was done): 204021, 204224, 204226, 204274, 204275, 204667, 373355, 399410, 399411
399412, 399417, 512542, 512544, 512547, 512549, 517485, 538658, 822682

COMMODITIES SOUGHT: Gold

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: 093A 043

MINING DIVISION: Cariboo NTS/BCGS: 093A/11

LATITUDE: 52 ° 34 ' _____ " LONGITUDE: 121 ° 28 ' _____ " (at centre of work)

OWNER(S):
1) Spanish Mountain Gold Ltd. 2) _____

MAILING ADDRESS:
920 - 1055 west Hastings St.
Vancouver, BC V6E 2E9

OPERATOR(S) [who paid for the work]:
1) same 2) _____

MAILING ADDRESS:
same

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):
Nicola Group, Late Triassic, metasediments, phyllitic argillite, carbonate, graphite, visible gold, disseminated gold

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: 30114, 29105, 28457, 28113, 27415
26477, 26473, 26210, 24729, 17636, 15880, 14682, 11822, 9762, 8636, 6935, 6460

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	Drill core 4280 samples Screen fire assay-Au	204226, 204667, 204274, 373355	507,215.76
Other	Drill core 4280 samples multi-element ICP	204226, 204667, 204274, 373355	338,143.84
DRILLING (total metres; number of holes, size)			
Core	6833.80 m, 20 holes, NQ (8), HQ(8), HQ3 (4)	204226, 204667, 204274, 373355	1,268,040.19
Non-core			
RELATED TECHNICAL			
Sampling/assaying			
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	Environmental baseline studies	17 claims - see text	566,017.00
TOTAL COST:			2,679,416.79

ASSESSMENT REPORT
on the
2010 DRILLING PROGRAM
on the

**SPANISH MOUNTAIN
PROPERTY**

Cariboo Mining Division, BC

BCGS 093A. 053, 063

**For
Owner/Operator**

**BC Geological Survey
Assessment Report
32368a**

SPANISH MOUNTAIN GOLD LTD.

Exploration on claims: 204021, 204224, 204226, 204274, 204275, 204667, 373355, 399410, 399411, 399412, 399417, 512542, 512544, 512547, 512549, 517485, 538658, 822682

Work filed on: 204021, 204224, 204225, 204226, 204227, 204274, 204275, 204334, 204667, 205151, 373355, 373415, 399410, 399411, 399412, 399413, 399415, 399417, 399419, 403303, 512541, 512542, 512544, 512547, 512549, 517446, 517485, 538658, 822682

NTS: 093A/11
LATITUDE: 52° 34' N
LONGITUDE: 121° 28' W
AUTHOR: A. Koffyberg, PGeo
CONSULTANTS: Discovery Consultants
DATE: July 15, 2011

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1.0 SUMMARY

A diamond drilling program was carried out on the Spanish Mountain Property ("Property") between May 11 and September 30, 2010, and comprised a 20-hole NQ/HQ/HQ3 diamond drilling program of 6833.8 metres.

The Property is 100% owned by Spanish Mountain Gold Ltd., subject to three separate 2.5% Net Smelter Returns (NSRs) on some of the mineral tenures. It consists of 29 contiguous Mineral Titles Online (MTO) mineral claims, of which 20 are legacy claims, and covers an area of approximately 5,875 hectares.

Situated in east-central British Columbia, the Property lies between Spanish Lake on the east and Quesnel Lake on the west. It is located 66 kilometres northeast of the City of Williams Lake, and is easily accessible via a paved secondary road that leaves Highway 97 at 150 Mile House, and continues to the village of Likely. From Likely, the central and north part of the Property is accessed from the Spanish Mountain Forest Service Road (FSR 1300), and the southern portion of the claims is accessed from Likely along the Cedar Creek / Winkley Creek Road (FSR 3900). Numerous logging roads lie throughout the claim block and offer good access to most areas.

Geologically, the Property lies within the central part of the Quesnel Terrane, which in the area of the Property consists of a sedimentary package of black, graphitic argillites, phyllitic siltstones, sandstones, limestones and banded tuffs of the Late Triassic Nicola Group. The sedimentary rocks have been metamorphosed to sub-greenschist grade, and are locally intruded by plagioclase-quartz-hornblende sills and dykes. The main host of the gold mineralization of the Spanish Mountain deposit is black, graphitic, phyllitic argillite.

The earliest recorded work on the deposit occurred in 1933 when two prospectors discovered lode gold in quartz veins on the central part of the Property and staked the ground as the MARINER claim. From 1976 to 1986, numerous companies explored the area with rock and soil sampling, along with diamond drilling. The target of exploration at the time was high-grade gold-bearing quartz veins within greywacke sequences. In 1995, Cyprus Resources Limited optioned the property and focussed their exploration towards a larger, disseminated gold, bulk-mineable target.

Skygold Ventures Ltd. explored the Property from 1993 until 2009 with large, yearly exploration programs consisting of diamond and reverse circulation (RC) drilling, rock and soil sampling,

and airborne geophysics. In January 2010, the company's name was changed to Spanish Mountain Gold Ltd.

The 2010 exploration program consisted of 20 diamond drill holes within and peripheral to the Main and North Zones of the deposit. Seven of the holes were geotechnical holes of HQ3 size within the Main and North Zones. The sites targeted areas of potential waste rock which will possibly form the pit walls. The locations of the holes were selected by personnel from BGC Engineering. Four metallurgical (HQ) holes were drilled in the Main and North Zones. These holes were designed to provide information for the on-going metallurgical testing program dealing with gold recoveries. One HQ3 hole, located in the Main Zone, was selected for both geotechnical and metallurgical analysis. The remaining eight NQ holes were exploration holes drilled outside of the boundary of the Main and North Zones, to determine the potential for expansion of the Main/North Zone gold resource.

The western edge of the Main zone was explored by holes 10-DDH-901, 910 and 912, and all three intersected gold mineralization. Hole 10-DDH-910 contains a zone of gold mineralization comprising 39.1 m of 0.43 g/t Au, thereby extending the known mineralization of the Main Zone by 350 m to the west. A 26.5 m gold zone averaging 1.18 g/t was encountered in 10-DDH-912, at a depth of 343.5 m, which is also one of the deepest zones of mineralization encountered in the 2010 program.

The North zone was extended by 100 m to the southwest with hole 10-DDH-906, which contained a long, mineralized gold zone of 76.0 m grading 0.87 g/t Au. This hole also had the highest individual gold grades of the program, with 3 samples of 1 .5 m width yielding 30.4, 13.7 and 12.0 g/t Au. The nearby hole 10-DDH-907 contains a 1.5 m sample of 7.17 g/t Au.

The North Zone was extended to the east by 290 m with hole 10-DDH-914, which encountered a moderately mineralized zone grading 0.45 g/t Au across 19.5 m. Hole 10-DDH-916, which encountered 52.5 m of 0.31 g/t Au, extended the North Zone a further 110 m to the southeast.

Long intersections of gold mineralization were outlined in the Main Zone from several of the geotechnical holes. The longest section was in 10-DDH-902 which contains 121.1 m of 0.74 g/t Au in siltstone-argillite-tuff; and in 10-DDH-911 which contains 82.0 m of 0.62 g/t Au in argillite. In addition, 10-DDH-915 contains a gold grade of 1.15 g/t Au over 42.2 m.

The best intercepts within the North Zone include 29.0 m of 1.21 g/t Au in hole 10-DDH-918.

The geochemical information obtained from the metallurgical holes is limited since the majority of the argillite units were removed and sampled for metallurgical testing.

Reclamation at the drill sites and along sections of the local trails took place at the conclusion of the drill program.

Baseline environmental studies conducted by Knight Piésold Consulting Ltd continued in 2010 as part of a long-term data collection and monitoring program. The 2010 work included meteorology, surface hydrology and water quality of streams, and floral and fauna studies. The scope of the work covered 17 mineral claims.

2.0 INTRODUCTION

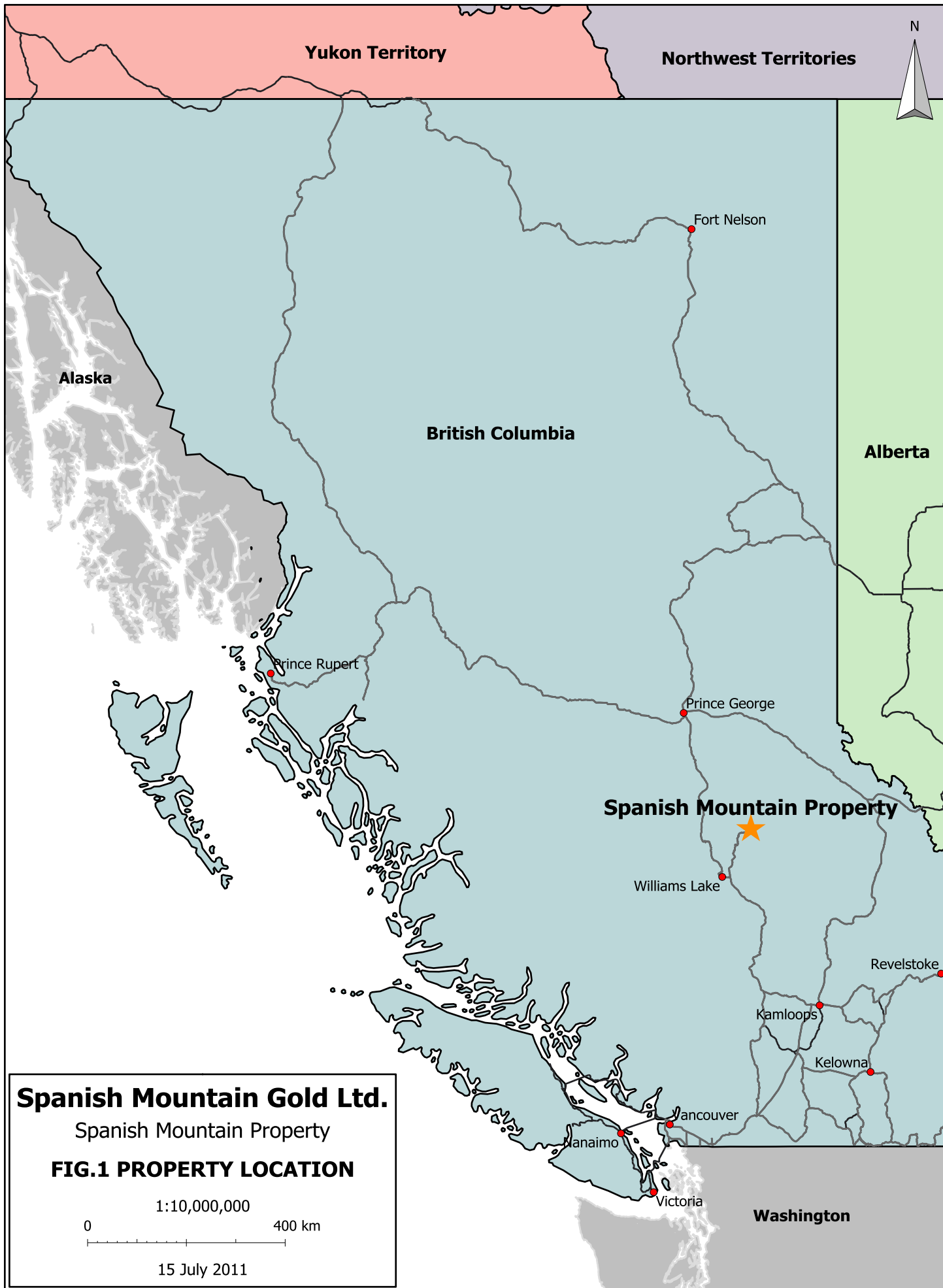
This assessment report has been prepared at the request of Mr. Brian Groves, president of Spanish Mountain Gold Ltd. This report describes the 2010 diamond drill program, sampling procedures, analytical program, environmental baseline studies and conclusions. The report text was written by Agnes Koffyberg, PGeo, of Discovery Consultants. The maps were prepared by personnel of Spanish Mountain. Permitting included Mines Act Permit MX-10-199 with the BC Ministry of Energy, Mines and Petroleum Resources. Reclamation work on the 2010 drill sites has been completed on the Property. A reclamation bond has been posted by Spanish Mountain Gold Ltd.

3.0 LOCATION AND ACCESS

The Property is located in south-central British Columbia, approximately 6 kilometres southeast of the village of Likely and 66 kilometres northeast of the City of Williams Lake (Figure 1). The centre of the Property lies at latitude 52° 35' N, and longitude 121° 28' W and the Property is situated between Quesnel Lake and Spanish Lake. The main resource, termed the Main Zone, is located west of the northwest end of Spanish Lake, and is centred at approximate UTM coordinates 604400 East and 5827800 North (Datum NAD83, Zone 10).

The Property can be reached from the city of Williams Lake via a paved secondary road that leaves Highway 97 at 150 Mile House, approximately 16 kilometres south of Williams Lake, and continues for 87 kilometres to the village of Likely. From Likely, the central and northern part of the Property is accessed from the Spanish Mountain Forest Service Road (FSR) 1300 that begins east of Likely and continues through the centre of the Property. The southern portion of the claims is accessed from Likely along the Cedar Creek / Winkley Creek Road (FSR 3900), for a distance of about 10 kilometres. Numerous logging roads lie throughout the claim block and offer good access to most areas. A gravel airstrip is located along the 1300 FSR between kilometres 2 and 3.

The village of Likely has basic amenities including a motel, hotel, rental cabins, corner store, gas pumps, seasonal restaurant and a pub. Some heavy equipment is also available for hire from local contractors. All services and supplies are readily available in Williams Lake, an hour's drive from Likely. The Williams Lake airport is serviced by three scheduled airlines that provide daily service with Vancouver, BC and points north within BC.



4.0 TOPOGRAPHY, VEGETATION & CLIMATE

The Property covers an area of approximately 9 kilometres north to south by 5 kilometres east to west, situated between Spanish Lake on the east and Quesnel Lake on the west. Physiographically, the area is situated within the Quesnel Highland, which is transitional between the gently undulating topography of the Cariboo Plateau to the west, and the steeper, sub-alpine to alpine terrain of the Cariboo Mountains to the east. The terrain is moderately mountainous with rounded ridge tops and U-shaped valleys. Topography is locally rugged with occasional cliffs and deeply incised creek valleys. Within the Property, elevations range from 910 metres at Spanish Lake to 1470 metres near the peak of Spanish Mountain. Drainage is via Spanish Creek, which drains northwest into Cariboo Creek, and Cedar Creek, which drains west into Quesnel Lake. Quesnel Lake flows into Quesnel River, and joined by Cariboo Creek, flows west to eventually join the Fraser River near the town of Quesnel.

Vegetation in the area consists of hemlock, balsam, cedar, fir and cottonwood in valley bottoms and spruce, fir and pine at higher elevations. Alder, willow and devil's club grow as part of the underbrush, which can be locally thick. Parts of the Property have been logged at various times, resulting in areas having open hillsides with younger forest growth.

Overburden depths are quite variable, ranging from one to ten metres in most of the Main Zone, to over 50 metres further west in the Cedar Creek area. During the last glacial period, the ice advanced in a northwesterly direction (Eyles and Kocsis, 1988). Rock outcroppings are scarce and are typically found along the crest of ridges, in incised river and creek gullies, and along shore lines (Panteleyev et al., 1996).

The climate of the Likely area is modified continental with cold snowy winters and warm summers. Likely has an annual average precipitation of approximately 70 centimetres. Snowfall on the Property averages approximately 200 centimetres between the months of October and April. Most small drainages tend to dry up in the late summer.

5.0 PROPERTY DESCRIPTION

The Property consists of 29 contiguous MTO mineral claims, of which 20 are legacy claims, and covers an area of approximately 5,875 hectares (Figure 2). All claims are 100% owned by Spanish Mountain Gold Ltd. Three underlying option agreements pertain to certain of the claims:

1. A 2.5% net smelter return (NSR) payable to R.E. Mickle
2. A 2.5% NSR payable to Wallster and McMillan

3. A 2.5% NSR payable to a third party on the two Cedar Creek claims

Details of the first two underlying agreements are given in the 2010 Preliminary Economic Assessment report, and details of the third agreement are given in the Spanish Mountain Gold New Release dated June 16, 2010. Drilling work in 2010 was done on four of these claims; environmental work covered 17 claims. Table 1 lists the details of the claim tenures. Spanish Mountain Gold also owns eight overlying placer claims in the area.

TABLE 1: Tenure Description

Tenure Number	Area (ha)	Registered Owner	Good to Date**
204021*	225.00	Spanish Mountain Gold Ltd.	2021/nov/21
204224*	25.00	"	"
204225	25.00	"	"
204226*	25.00	"	"
204227	25.00	"	"
204274**	500.00	"	"
204275*	100.00	"	"
204334	225.00	"	"
204667**	100.00	"	"
205151	500.00	"	"
373355**	450.00	"	"
373415	25.00	"	"
399410*	500.00	"	"
399411*	500.00	"	"
399412*	500.00	"	"
399413	25.00	"	"
399415	25.00	"	"
399417*	25.00	"	"
399419	25.00	"	"
403303	25.00	"	"
512541	117.89	"	"
512542*	78.58	"	"
512544*	78.58	"	"
512547*	19.65	"	"
512549*	78.58	"	"
517446	19.65	"	"
517485*	1335.78	"	2021/jul/28
538658*	117.86	"	2021/aug/04
822682*Δ	78.56	"	2021/jul/21
Total:	5875.13		

Claims in **red** are subject to the Mickle option agreement

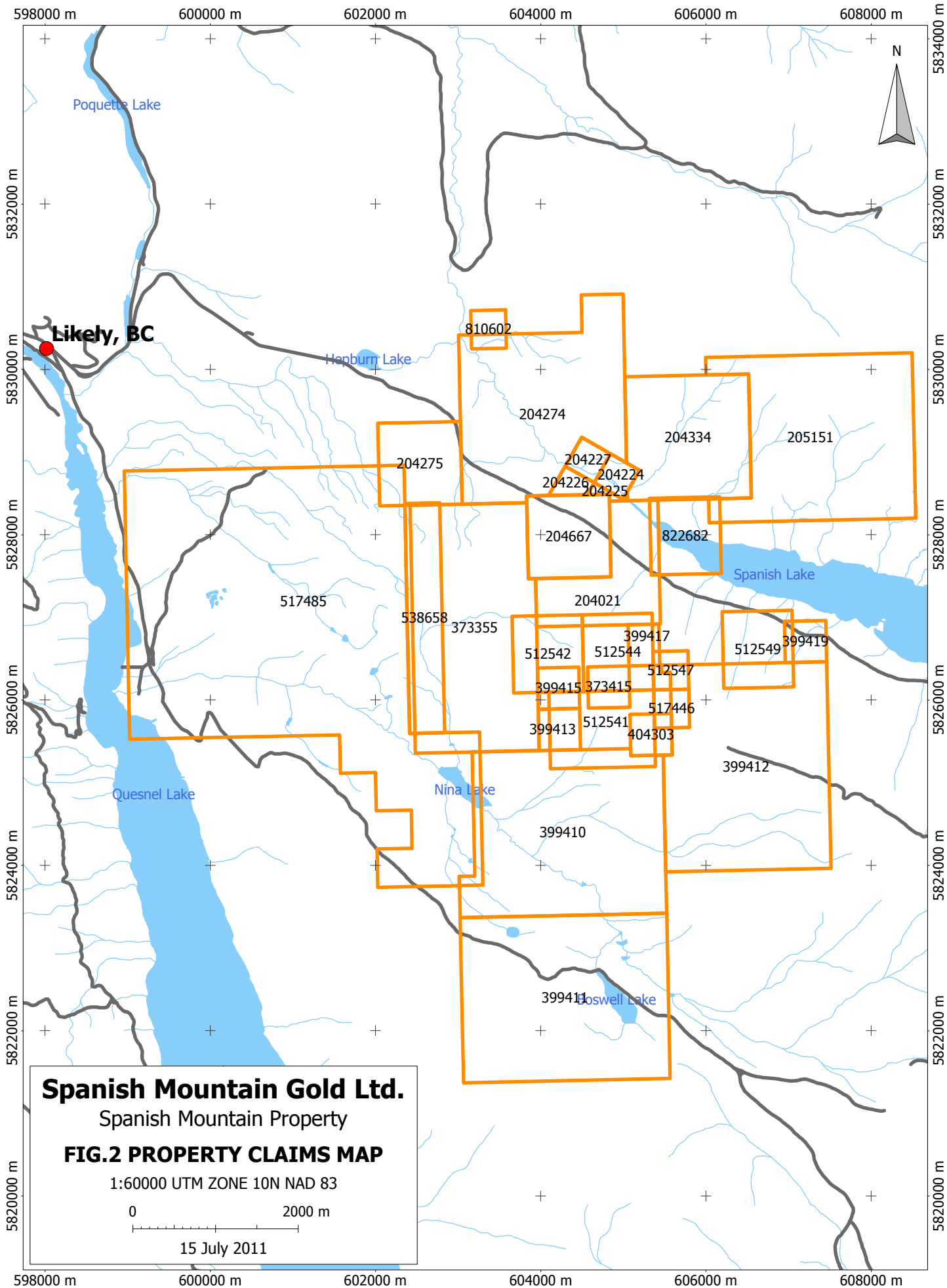
Claim in **blue** is subject to the Wallster and McMillan option agreement

Claims in **green** are subject to the Cedar Creek option agreement

or Claim on which work was done (black for drilling; blue for environmental work)

** Good to date is dependent on the acceptance of this report

Δ Claim 822682 is converted from legacy claim 204727, which is subject to the Mickle option agreement



6.0 EXPLORATION HISTORY

The history of the Property has been summarized by Page (2003), Johnston (2006) and by Singh and Stevens (2008), and the following section incorporates much of their work.

The Spanish Mountain area was first explored during the historic Cariboo Gold Rush of 1859, when placer gold was first discovered in the Quesnel and Horsefly rivers. The following year, placer gold was found in Keithley, Showshoe and Harvey Creeks (Holland, 1950). Although minor production was recorded on Cedar Creek in the early 1880s, richer placer deposits were not found until 1921, on the creek bed at higher elevations than the present valley bottom. This creek is located about 4 kilometres southwest of the deposit of the Property. It is estimated that 37,784 ounces of gold were mined from Cedar Creek between 1881 and 1945; and 3,706 ounces of gold from Spanish Creek between 1886 and 1945 (Holland, 1950). Spanish Creek is located less than 1 kilometre east of the deposit.

In 1933 F. Dickson and J. Bayley discovered lode gold in quartz veins on the northwest side of Spanish Mountain and staked the MARINER claim. Between 1933 and 1938, stripping, prospecting and two short adits were driven into the footwall of two large quartz veins. From 1946 to 1947, El Toro BC Mines drilled eight holes and hand-cobbed four tons of ore, which was sent to the Tacoma, Washington smelter for processing.

No further work was recorded until 1976, when the historical showings were staked as the MARINER II claim, along with six PESO claims. Aquarius Resources Ltd. (a private company) carried out a regional exploration program in the area from 1979 to 1981, consisting of geochemical and geophysical work. In 1982, the MARINER II claim lapsed and was re-staked as the CPW claim by the Mariner Joint Venture. The corner post of this claim (currently known as MTO legacy claim 204667) was legally surveyed in 1983.

From 1983 to 1986, numerous companies continued to explore the area; work included geological mapping, soil sampling, IP surveying, trenching and RC drilling. In 1986, Pundata Gold Corporation consolidated much of the ground of what is currently the Property through option agreements, and undertook a comprehensive exploration program in 1987-1988. Focussing on the Madre Zone [currently termed the Main Zone], work consisted of: diamond drilling (37 holes; 3,273 m); RC drilling (15 holes; 1,237 m); trenching (848 m); geological mapping; rock sampling (5,350 samples); metallurgical testing (11 samples); and a preliminary resource estimate (Honsinger and Campbell, 1988).

In 1992, Eastfield Resources Limited ("Eastfield") consolidated much of the Property through option agreements with various individuals and through staking. The company sub-leased the ground to Renoble Holdings Incorporated, which mined and stockpiled 635 tonnes from a small open pit on the Madre Zone (CPW claim); of which some of the ore was sent to the Premier mill and some to the Bow Mines mill in Greenwood. It is estimated that a total of 4,697 grams gold (151 troy ounces) was recovered (Minfile production report).

The target of exploration up to this time had been high-grade gold mineralization hosted in quartz veins within greywacke sequences. In 1995, Cyprus Resources Limited ("Cyprus") optioned the property and focussed its exploration towards a larger, disseminated gold, bulk-mineable target. The following year the company undertook a large trenching program of semi-continuous trenches (2,590 m) and 76 m of test pits. Because of a corporate decision to shut down Canadian operations, Cyprus returned the property to Eastfield.

In 1997, Eastfield was re-organized into two companies: Wildrose Resources Limited ("Wildrose") and Eastfield Resources Limited, through a Plan of Arrangement. Wildrose was allocated a 100% interest in the Spanish Mountain property and optioned it in 1999 to Imperial Metals Corporation, which was interested in determining whether low grade gold within the sedimentary rocks of Spanish Mountain could be added to their mill feed at the Mount Polley mine, located 15 km to the west, as a "sweetener" for their copper-gold ore. The company drilled 464 air-track percussion drill holes in five areas to extract a bulk sample, each to a maximum depth of 13 metres, for a total of 2,542 m. The area of the final blast encompassed 103 of the holes, and the blasted material averaged a gold assay of 2.20 g/t gold. In total, 1,908 dry tonnes, in 64 truckloads, was sent to Mount Polley and fed into the mill over a 2-day period. It was determined that, although the gold recovery grade was good, the high concentration of pyrite had a negative effect on the copper grade, and the material was thus deemed unsuitable for mixing with the Mount Polley mill feed (Robertson, 2001).

Skygold Ventures Ltd. ("Skygold") became involved in 2003, when the company optioned the Property from Wildrose and staked the ARMADA 2, and ARMADA 4-12 claims to the south. With Wildrose as operator, work consisted of 30 excavator trenches totaling 2,419 m. The following year, an RC drilling program was conducted to follow up the 2003 trench results and other soil and geophysical anomalies. In total, 2,506 m was drilled in 34 holes. This drilling was successful in intersecting several wide zones of mineralization assaying >1 g/t gold, hosted primarily in black argillite. A limited soil sampling program was also carried out.

In 2005, Skygold began diamond drilling and continued with RC drilling with joint venture

partner Wildrose. A program totalling 7,746 m of diamond drilling and 3,377 m of RC drilling was carried out, along with geological mapping, rock sampling and soil sampling (Singh, 2008).

In 2006, Skygold expanded their exploration work by drilling 21,886 m of diamond drilling in 88 holes on the Main Zone and the North Zone. Between August and November 2006, 5,008 m of RC drilling in 50 holes were drilled in the Placer Creek, East and the Cedar Creek areas. Grid soil sampling (1,515 samples), and regional and property scale geological mapping were also completed. Rock samples, totaling 465 collected on a regional scale, led to the discovery of the Oscar showing north of Spanish Creek. Geophysical work comprised an airborne EM and magnetic survey over the Property. Other airborne work included orthophotographs taken from an aircraft flying over the Property, from which were produced 1:1000 scale, 0.30 m resolution orthophotos and topography maps.

In addition, Knight Piésold Consulting Ltd. was contracted to perform environmental baseline studies, which included meteorological studies, surface water hydrology and quality studies, preliminary waste characterization and fisheries sampling (Singh and Stevens, 2008).

The following year, 2007, Skygold conducted 26,993 metres of diamond drilling in 126 holes, focusing on infill drilling on the Main Zone for geological resource modeling, and testing outlying areas. Limited geological mapping, soil sampling (1,100 samples) and rock sampling (127 samples) were also performed. Metallurgical testing involved the analysis of four composite samples by various flotation techniques to determine preliminary gold recoveries. In addition, a 30-person camp and core logging facility was built on Skygold's private property located within the village of Likely.

A large drilling program consisting of 40,448 m of NQ and NQ2 diamond drilling in 161 holes was done in 2008 (Peatfield et al., 2009). Drilling focused on the lateral extent of the Main Zone, to the northwest and to the north at depth, and the lateral extent of the North Zone, for a total of 140 holes. Drilling also tested the ROG area where high grade trench and rock sampling was targeted with 18 drill holes; the Cedar Creek area, termed the CCR, where 2 drill holes tested anomalous gold in soils; and the Placer area where one drill hole tested an area of an anomalous rock sample.

Geological mapping was done in the Main Zone, primarily on newly exposed outcrop from pad building. Mapping was also done in the ROG and CCR areas. In total, 341 soil samples were collected between the Main Zone and the ROG area to the south. Environmental baseline studies were limited to monitoring weather stations.

In 2009, Skygold continued definition drilling in the Main Zone by conducting a program of 62 diamond drill holes, totalling 13,769 m. (AGP Mining Consultants, 2010). Of these holes, 33 HQ holes were done on the Main Zone, along with 4 twinned NQ holes, to test whether there was any apparent bias in assay grades in NQ versus HQ size core. The results were inconclusive, since the HQ samples were analysed at a different lab from the NQ samples. In addition, three deep holes were drilled below the Main Zone, ranging in depth from 450 m to 650 m, totalling 1705 m. The holes were collared about 200 m apart along a fence oriented from 119° to 289°. The drill holes intersected thick sequences of sedimentary strata with generally low gold values at depth.

Outside drilling targets were also drilled, including the ROG, Cedar Creek, Placer, North Zone step-out and Black Bear Mountain, for a total of 6,849 m in 21 holes. Other work included reconnaissance geological mapping, rock sampling (41 rock grab samples) and preliminary re-interpretation of historic data. The Imperial Metals pit and neighbouring trenches on the Main Zone were re-excavated, mapped and chip sampled. A limited soil sampling program was carried out in the south part of the Property within the ROG area (121 samples) and the Cedar Creek – Mt Warren area (28 soils).

Skygold Ventures Ltd. formally changed its name to Spanish Mountain Gold Ltd., effective January 14, 2010.

7.0 GEOLOGY

7.1 Regional Geology

The Property lies within the Quesnel Terrane of the Intermontane Belt. The rocks of the Quesnel Terrane are predominately sedimentary and volcanic rocks of middle Triassic to early Jurassic in age, representing an island arc and marginal basin assemblage. The eastern boundary of the Quesnel Terrane in the region is marked by the Eureka thrust, a major southwesterly dipping thrust fault. To the east are the intensely deformed, variably metamorphosed Proterozoic and Paleozoic pericratonic rocks of the Barkerville Subterrane. This includes the Snowshoe Group (unit 7) and the Quesnel Lake Gneiss. Splays of the Eureka Thrust, including the Spanish Thrust, bisect the Spanish Mountain area.

The stratigraphy of the Quesnel Terrane in the Spanish Mountain area has been examined by Rees (1981), Struik (1986), and Bloodgood (1988). Panteleyev et al. (1996) have produced a geological compilation of the Quesnel River – Horsefly area. Nomenclature has varied for the rocks within the central part of the Quesnel Terrane, such as Quesnel River Group, Horsefly Group, Takla Group and Nicola Group; however, Panteleyev et al. assign the term Nicola Group

rocks as the most accurate usage. The oldest suite of rocks in the area is the Crooked Amphibolite unit of the Slide Mountain Terrane, of Pennsylvanian to Permian age (unit 6). It consists of talc chlorite schists, amphibolites, serpentinites and ultramafic rocks. This unit is in structural contact with the base of the Quesnel Terrane, and marks the trace of the Eureka Thrust.

The overlying rocks, which belong to the Quesnel Terrane, consist of a sedimentary package of black graphitic argillites, phyllitic siltstones, sandstones, limestones and banded tuffs (units 5a and 5c), are weakly metamorphosed and belong to the Nicola Group. The age of this unit, based on conodont fossils found south of Quesnel Lake, is Middle to Late Triassic age. A narrow sequence of volcanic and volcanoclastic rocks (unit 5b) occurs as a discrete subunit within the sedimentary sequences.

The overlying Nicola Group volcanic rocks (unit 4c) are in depositional contact with the metasediments. The oldest package of volcanic rocks is mainly of alkali composition, and has been divided into an older package of dark grey to green flows, pillow basalts, breccias and tuff, and a younger volcanic sequence of dark green to maroon flows, tuff, volcanoclastic sandstone and breccias, with minor limestone (unit 4b).

Overlying the alkalic basalts is a younger package of volcanic rocks consisting predominantly of basaltic and feldspathic volcanic rocks with derived volcanoclastic sediments (unit 4a). Rock types include volcanic breccias, lahars, crystal lithic tuffs, sandstones and conglomerates.

The region has been strongly affected by fold and thrust deformations, as described by Bloodgood (1988) and Rhys et al. (2009). The area has undergone at least two main phases of deformation, referred to as D1 and D2. Phase D1 deformation consists of isoclinal folding associated with the development of thrust faults, including the Eureka Thrust. This event is associated with peak metamorphism, thought to have occurred sometime between 174 – 139 Ma; that is, mid-Jurassic to Early Cretaceous (Rhys et al., 2009). Phase D2 deformation includes the Eureka Peak syncline, which refolds earlier folds, forming open folds, and associated foliation and thrust faults. Structurally late, although possibly long lived are north-northeasterly trending faults that have offset earlier thrusts and structures. These faults are associated with late gold-bearing quartz veins in the district.

Metamorphic mineral assemblages are of sub-greenschist facies. Figure 3 shows the regional geology, based on the bedrock geological compilation of the QUEST map area (Logan et al., 2010).

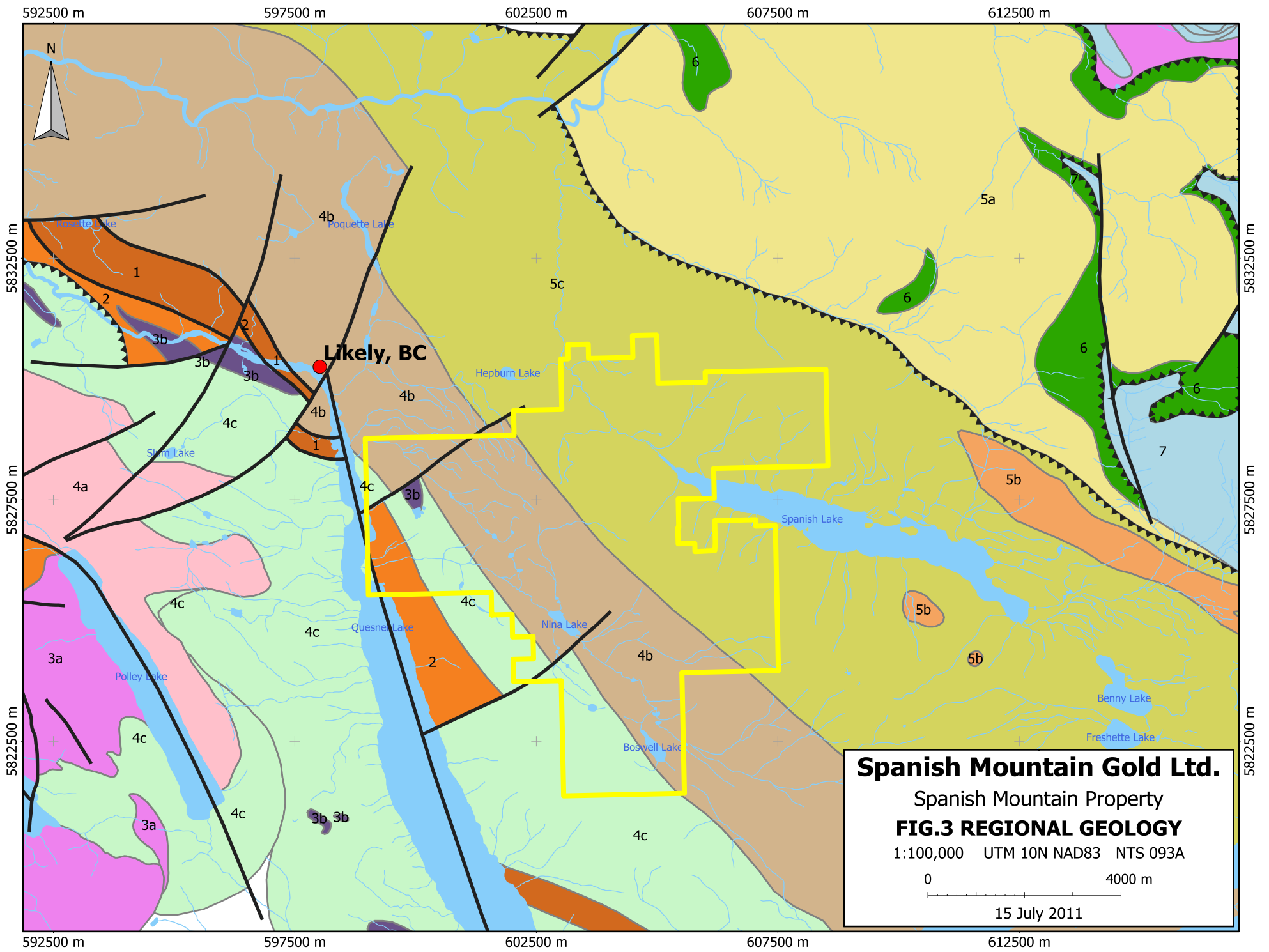


FIG.3 REGIONAL GEOLOGY LEGEND

SEDIMENTARY, METAMORPHIC & VOLCANIC ROCKS

INTRUSIVE ROCKS

CRETACEOUS

1 Undivided sedimentary rocks, conglomerate, sandstone, shale.

JURASSIC

LOWER

2 Argillite, greywacke, conglomerate turbidites; feldspathic sandstone and siltstone; minor limestone and calcareous siltstone.

3a Syenite, monzonite, monzodiorite, syenodiorite and diorite; minor nepheline syenite, clinopyroxenite, peridotite and gabbro.

TRIASSIC

UPPER (NICOLA GROUP)

4a Polymict volcanic breccia containing clasts of latite, trachyte and intrusive equivalents; basalt flows and breccias; some felsic volcanic breccias and flows.

3b Syenite, monzonite, monzodiorite, syenodiorite and diorite; minor nepheline syenite, clinopyroxenite, peridotite and gabbro.

4b Sandstone, siltstone, shale; slate and phyllite; bioclastic limestone; minor felsic tuff, tuffaceous argillite, basalt breccia and agglomerate.

4c Pyroxene and pyroxene-hornblende basalt flows, breccias and tuffs; minor sandstone, siltstone, limestone and limestone breccia.

MIDDLE (NICOLA GROUP)

5a Sandstone, siltstone, shale; slate and phyllite; bioclastic limestone; minor felsic tuff, tuffaceous argillite.

5b Pyroxene and pyroxene-hornblende basalt flows, breccias and tuffs.

5c Mixed volcanoclastic rocks, siltstone, sandstone and minor limestone.

CARBONIFEROUS-PERMIAN

CROOKED AMPHIBOLITE

6 Ultramafic rocks- Serpentinite, sheared ultramafic rock, amphibolite, talc schist.

UPPER PROTEROZOIC-PALEOZOIC

SNOWSHOE GROUP

7 Metasediments- quartzite, micaceous quartzite, schist, phyllite, gneiss, marble, amphibolite.

7.2 Property Geology

Much of the information on the Property geology has been taken from Singh (2008). The Spanish Mountain deposit is within metasediments of the Quesnel Terrane, and is hosted by the black phyllite package, which comprises interbedded slaty to phyllitic, dark grey to black siltstone, carbonaceous mudstone, greywacke, tuff and minor conglomerate. The main host of the gold mineralization is black, graphitic phyllitic argillite. The sedimentary unit has been intruded by plagioclase-quartz-hornblende sills and dykes, which range in thickness from tens of centimetres to as much as 100 m thick. The intrusives have been affected by all phases of folding, alteration and quartz veining.

The Spanish Mountain deposit is a bulk-tonnage, gold system of finely disseminated gold within black argillites and siltstones as well as in local high-grade, gold-bearing quartz veins within siltstones, greywackes and tuff. The largest zone carrying significant gold mineralization is called the Main Zone, which has been traced by drilling over a strike length of approximately 1.3 km and a width of 500 m (Singh, 2008). The stratigraphy of the North Zone is less well understood, but consists of argillites, siltstones and lesser mafic volcanic dykes and sills. The boundary between the North and Main Zones is roughly defined by the 1300 Forest Service Road, and no significant gold mineralization has been encountered in this area. The stratigraphy of the deposit area (North and Main zones) has been summarized by Singh (2008) and is shown on Figure 4. Slightly revised, it comprises the following stratigraphic sequence from northeast to southwest, and stratigraphically higher to lower:

1. **North Zone Argillite:** fine-grained, black argillite with siltstone interbeds, generally 30-100 metres thick. Interbeds of altered tuff also occur. This unit hosts wide zones of disseminated gold mineralization. Alteration consists of ankerite, sericite, pyrite, silicification, and quartz veining.
2. **Upper Siltstone** (with mafic dykes): medium to light grey, finely laminated, up to 130 metres thick. Several altered mafic dykes are present. Visible gold has been noted in quartz veins in several locations. Alteration consists of chromium-rich sericite, ankerite, silicification and quartz veining.
3. **Main Zone Argillite:** Black, graphitic, locally finely laminated. The unit is up to 100 metres thick, with contorted bedding (cataclastic deformation) and is locally friable and faulted. Alteration consists of occasional ankerite and minor quartz veins. The bulk of the disseminated gold mineralization (>65%) is hosted in this unit.
4. **Lower Tuff- Greywacke** (with mafic dykes): Often mottled, light to dark grey, fine- to coarse-grained tuffs with lesser greywackes, siltstones and minor felsic dykes. Local argillite horizons are also present. The unit is often strongly silicified, and sometimes

pervasive alteration (sericite – ankerite – silica) has made identification of the original rock type very difficult. Visible gold is often found in quartz veins. It also contains thin sills of a probable mafic intrusion.

5. **Conglomerate:** medium–grained, angular to sub rounded, clast supported. Clasts are commonly siltstone, tuff and greywacke. The unit is narrow (<1 metre), however, it is useful as a marker horizon at the base of the Lower Tuff – Greywacke sequences.
6. **Lower Argillite** (with tuffs and siltstone): Black to dark grey, interbedded argillite, tuff and siltstone, with minor felsic dykes. This unit exhibits ankerite and silica alteration and only minor graphite. Pyrite content is generally <2%. The unit hosts lesser to minor amounts of gold mineralization.

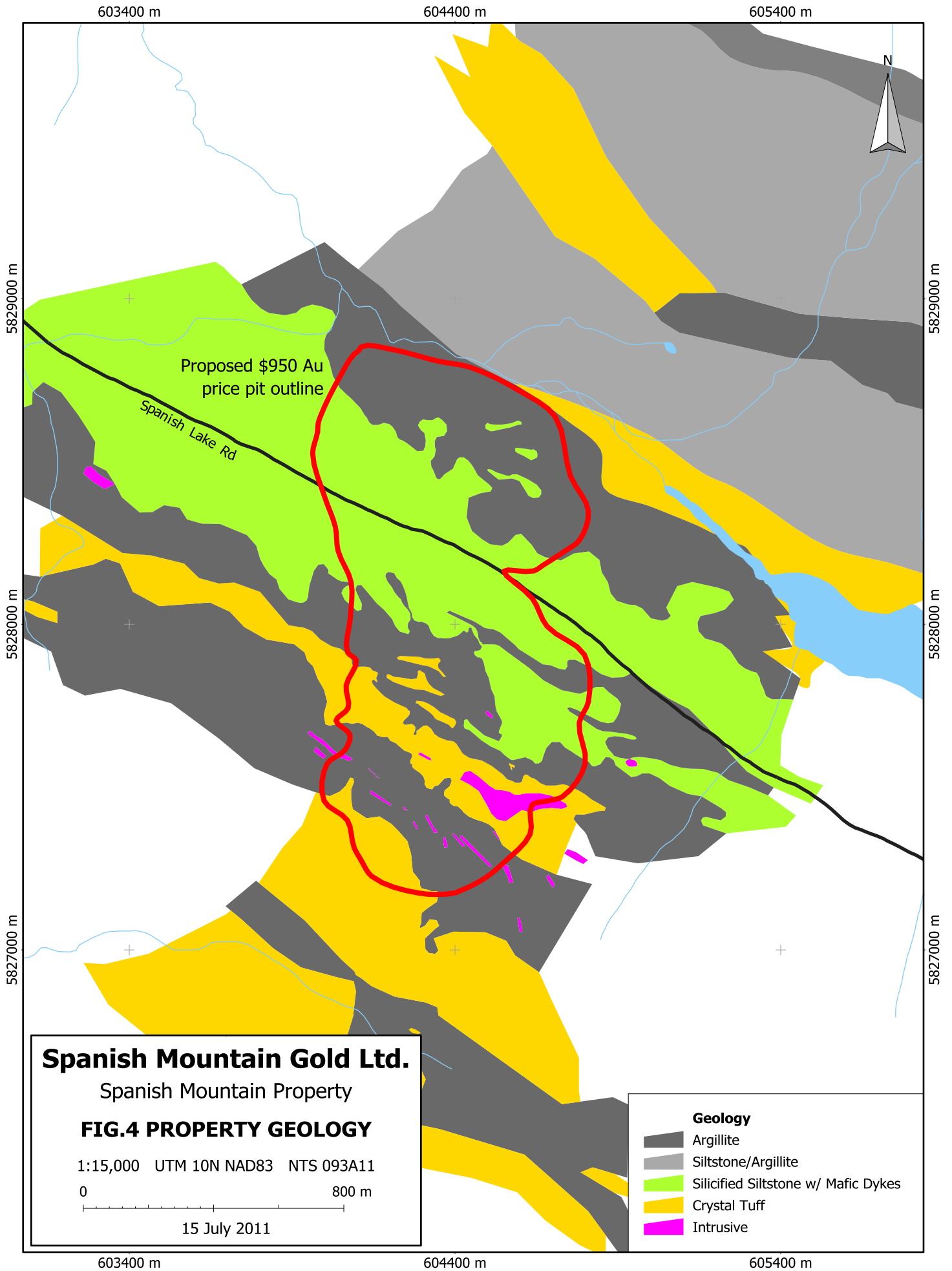
The narrow intrusive felsic sills and dykes, as seen in drill core have also been noted further in outcrop outside of the deposit to the southwest, within siltstone-greywacke sequences along the top of the ridge.

Outside of the Main and North Zones, other lithological units have been identified in drill core. These include amygdaloidal basalt to the northeast in the “Placer area”, quartz porphyritic rhyolite, diorite, and quartz feldspar porphyry, as seen in drill core south of the Main zone in the “ROG area”.

The sedimentary package has undergone widespread alteration. The most extensive alteration consists of ankerite-sericite-pyrite, with accessory rutile. Ankerite typically occurs as porphyroblasts up to 10 mm in diameter, which are sometimes stretched parallel to foliation within the black argillite. Within the tuffs/greywackes and intrusive sills, the ankerite is more pervasive, and along with silica alteration, sometimes completely alters the original composition of the rock. Sericite alteration is also locally intense, resulting in a bleached appearance. Silicification has affected the siltstone and tuff units and varies in intensity from weak to strong and pervasive. Bright green chrome mica (fuchsite) occurs as isolated grains within tuffs/greywackes and within intrusive sills, where it also appears as a pervasive green alteration.

Pyrite is typically 1 to 2% within the argillite but can be up to 6% locally, and occurs as fine disseminations, as cubes up to 1.5 cm, along veins as blebs, and as fracture fill. Within siltstones, tuffs and greywackes, it forms larger cubes up to 15 mm, but is generally less abundant.

The deposit has been classified as a Sediment-hosted Vein (SHV) deposit, as defined by Klipfel (2005). Gold mineralization occurs as two main types:



1. Disseminated within the black, graphitic argillite. This is the most economically significant form. Gold grain size is typically less than 30 microns, and is often, but not always, associated with pyrite.
2. Within quartz veins in the siltstone/tuff/greywacke sequences. It occurs as free, fine to coarse (visible) gold and can also be associated with sulphides including galena, chalcopyrite and sphalerite. Highest grades have come from coarse gold within quartz veins. The quartz veins are found in the more competent units of siltstone, tuff and greywacke.

Recent $^{40}\text{Ar}/^{39}\text{Ar}$ age dating has been done by Mortensen et al. (2011) on micas within gold bearing veins and barren veins from the deposit. Muscovites have indicated an age of 152-160 Ma, which likely represents the age of formation of the veins and not a deformation age. U-Pb isotope dating of zircons within the intrusive sills and dykes to the southwest of the deposit has yielded ages of 185.6 ± 1.5 to 187 ± 0.08 Ma, that is, Early Jurassic age (Rhys et al., 2009). Despite its close spatial relationship to the quartz veins, the gold mineralization is 35 m.y. younger than the intrusions, and there is thus no genetic relationship between them (Mortensen et al., 2011).

8.0 2010 DRILLING PROGRAM

8.1 Sampling Method and Approach

The 2010 exploration program was carried out between May 11 and September 30, 2010, and consisted of a total of 20 drill holes labelled 10-DDH-899 to 10-DDH-918, for a total length of 6,833.8 m. The locations of the drill holes are shown on Figure 5. Work focused on:

- 8 exploration holes (NQ), all located proximal to the Main and North Zones to determine the potential for expansion of the Main/North Zone gold resource
- 7 geotechnical (HQ3) drill holes, located on the Main and North Zones. These holes provided information on rock competencies to aid in the design of a potential open pit.
- 4 metallurgical (HQ) holes in the Main and North Zones. These holes were designed to provide information for the on-going metallurgical test program with respect to gold recoveries.
- 1 geotechnical / metallurgical hole, (HQ3) located in the Main Zone

Drilling was contracted to Atlas Drilling Company of Kamloops, BC and was conducted from May 13 to August, 20, 2010. Downhole measurements including azimuth and dip were measured using a Reflex EZ-Shot[®] tool. The measurements were collected every 50 m (150 ft) down hole.

Drill core was transported to Spanish Mountain Gold's core logging facility, where rock quality designation (RQD) procedures, core logging, and core sampling and splitting were done. The entire length of the core was sampled. Core was generally sampled in 1.5 metre intervals with shorter lengths given for lithology changes or the presence of visible gold.

Core splitting was done using diamond bladed rock saws operated by company personnel. Half of the core was sent for analysis; the other half was returned to the core box for a permanent record. All core is stored on racks in the vicinity of the core logging facility on the company's privately-owned property in Likely. In total, 4,280 drill core samples were placed in rice bags and shipped through contract personnel (private courier) to ALS Chemex Labs ("ALS") in North Vancouver, BC for analysis.

Drill collar locations were surveyed in UTM Zone 10N, using NAD83 Datum. Survey work was completed by Crowfoot Surveys of Kamloops BC, utilizing standard surveying equipment.

The location and parameters pertaining to the logged core are given in Table 2. Figure 5 shows the locations of the drill holes. Drill sections are presented in Figures 6 to 24. Drill logs are given in Appendix I.

8.2 Sampling Method and Approach

At ALS, both gold and multi-elemental analyses were performed on the sample. Gold determination was performed using the standard 1 kg screen metallic method (ALS's Au-SCR21 method). Sample preparation involved crushing the entire sample in an oscillating steel jaw crusher for 70% to pass -10 mm. A 1,000 g split was then passing through a 150 mesh (100 micron grain size), producing a plus fraction (i.e., >100 micron) and minus fraction (i.e., <100 micron). Two 30 g sub-samples of the finer screened material were analysed by fire assay with AAS finish. The entire amount of coarser material was also assayed by the fire assay procedure, with a gravimetric finish. The gold assays from the two fines were weight averaged, and this assay was then weight averaged with the assay from the coarser fraction, giving an overall assay for the sample.

Multi-elemental analysis, which includes a value for gold, was done using the ultra-trace 4-acid ICP-ES technique (ALS's MEMS-61 method). Sample preparation involved taking a 0.25 g sub-sample of the finer material and digesting the sample using an HF-HNO₃-HClO₄ acid digestion with an HCl leach. The solution is then analysed by inductively-coupled plasma emission spectrometry ("ICP-ES") for a 48 multi-elemental analysis. Samples having high concentrations of bismuth, mercury, molybdenum, silver and tungsten are diluted and re-analysed by

inductively-coupled plasma – mass spectrometry ("ICP-MS").

All analytical certificates are given in Appendix II.

QA/QC

Field blanks were added randomly to the batches within every 30 samples and consisted of sand collected from a gravel pit near the community of Big Lake Ranch, 30 km west of the Property. Each 200 sample batch of blank sands was routinely checked by 15 samples sent for analysis to Eco-Tech labs in Kamloops, BC. This sand was routinely found to be "clean" or devoid of gold mineralization. Repeat analysis of the blank material sent to ALS with the core samples gave results within acceptable tolerances.

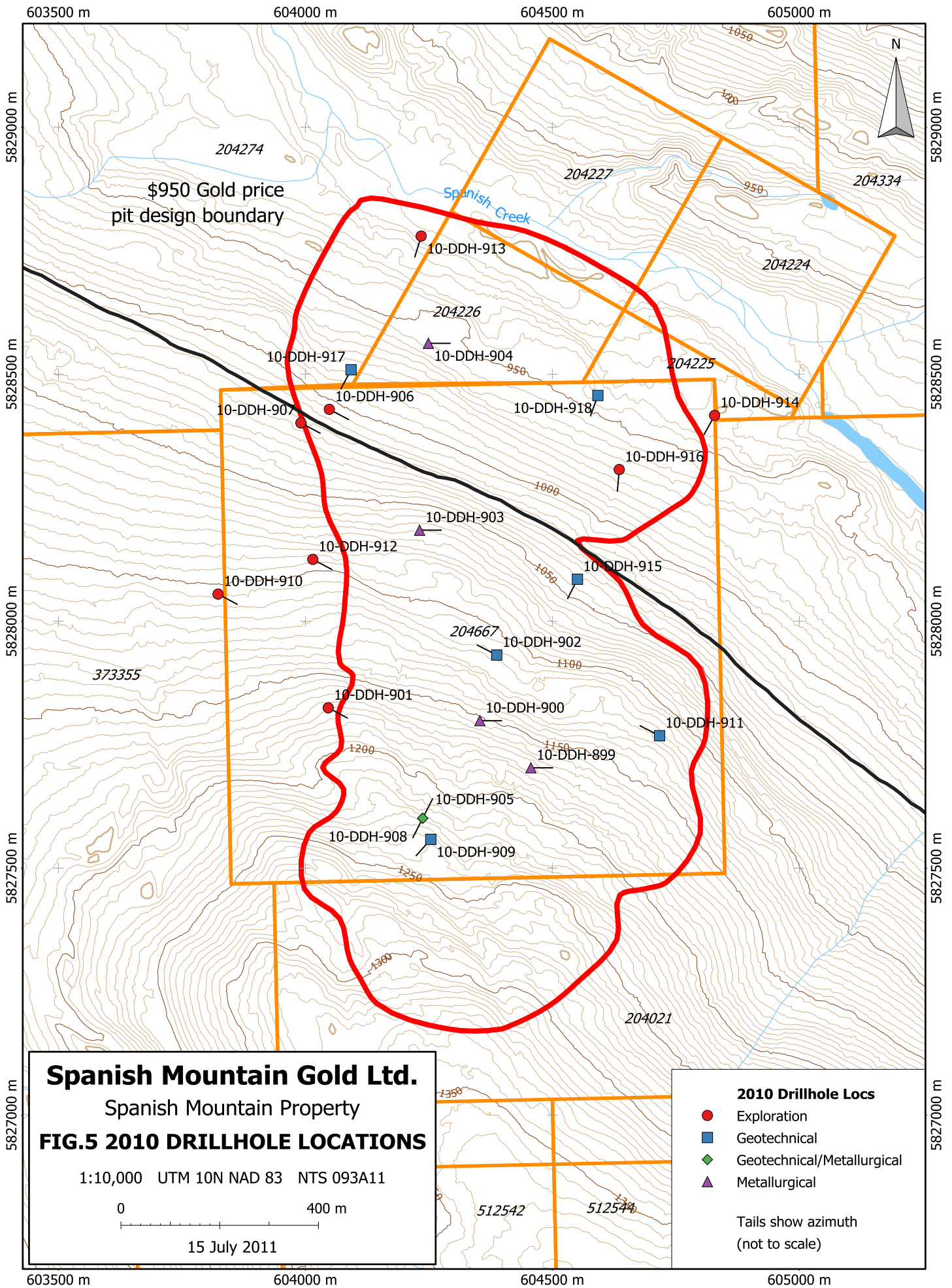
Field standards consisted of five gold standards having varying gold content (CDN GS-1E, CDN GS-1F and CDN GS-5E, GS-P8 and GS-P3A) ranging from 0.338 g/t to 4.83 g/t gold. One of three standards was added randomly within a group of 30 samples, with each standard added within every 90 samples. All standards are produced by CDN Resources Labs Ltd. of Langley, BC and are certified to 2 standard deviations by a Certified Assayer and by a Professional Geochemist. Standards generally did not exceed the 2 standard deviation from the expected value more than 2 times in a row. In the few cases where they did, the core samples found between those standards were re-run. These certificates are given in Appendix II at the end and are labelled as re-runs. However, it was found that the gold values of the re-runs were not significantly different from the original samples.

Field duplicates were done for multi-elemental analysis only, since the metallic screen determination for gold requires a 1 kg sample. The duplicate sample consisted of a second 0.25 g sample from the crushed sample in the lab. The sample bag with accompanying tag was added randomly within a group of 30 samples at the core facility and the material was added to the bag at the lab prior to analysis. In effect, field duplicates are duplicates of the reject material.

At ALS, quality control samples from the lab include control blanks, duplicates and standards. The sample blank was inserted at the beginning of the batch, standards were inserted at random intervals, and duplicates were analyzed at the end of the batch. If any results fell beyond the control limits established for the specific analytical method, they were automatically red flagged by the computer system and were reviewed by the Department managers.

Table 2
2010 Drilling Summary
Spanish Mountain Property

Drill Hole #	Core size	Location	UTM Location (E N)	Length (metres)	Azimuth (degrees)	Dip (degrees)	Casing (metres)	Comments	
10-DDH-899	HQ	Main Zone	604457 5827703	322.48	90	-75	2.44	metallurgical	
10-DDH-900	HQ	Main Zone	604353 5827799	338.65	90	-77	7.62	metallurgical	
10-DDH-901	NQ	west of Main Zone	604044 5827825	449.03	118	-78	13.95	exploration	
10-DDH-902	HQ3	Main Zone	604390 5827935	324.61	297	-75	3.95	geotechnical	
10-DDH-903	HQ	Main Zone	604243 5828186	377.75	90	-65	5.79	metallurgical	
10-DDH-904	HQ	North Zone	604242 5828572	224.64	90	-70	5.18	metallurgical	
10-DDH-905	HQ3	Main Zone	604244 5827608	449.58	27	-75	3.36	geotechnical / metallurgical	
10-DDH-906	NQ	west of North Zone	604040 5828428	416.66	118	-70	12.80	exploration	
10-DDH-907	NQ	west of Main Zone	604002 5828416	434.95	118	-70	9.75	exploration	
10-DDH-908	HQ3	Main Zone	604244 5827608	100.58	207	-65	4.57	geotechnical	
10-DDH-909	HQ3	Main Zone	604253 5827556	179.71	222	-75	1.90	geotechnical	
10-DDH-910	NQ	west of Main Zone	603815 5828055	468.48	118	-74	12.19	exploration	
10-DDH-911	HQ3	Main Zone	604720 5827750	365.00	297	-70	1.27	geotechnical	
10-DDH-912	NQ	west of Main Zone	604026 5828119	468.48	118	-73	7.62	exploration	
10-DDH-913	NQ	north of North Zone	604238 5828770	300.84	197	-80	6.71	exploration	
10-DDH-914	NQ	east of North Zone	604830 5828414	498.35	209	-46	5.50	exploration	
10-DDH-915	HQ3	Main Zone	604545 5828090	300.50	207	-65	3.66	geotechnical	
10-DDH-916	NQ	east of North Zone	604631 5828309	437.39	185	-45	10.67	exploration	
10-DDH-917	HQ3	North Zone	604110 5828500	200.25	208	-65	9.14	geotechnical	
10-DDH-918	HQ3	east of North Zone	604597 5828452	175.87	200	-65	5.18	geotechnical	
Total meterage =				6833.80					



\$950 Gold price
pit design boundary

Spanish Creek



Spanish Mountain Gold Ltd.
Spanish Mountain Property
FIG.5 2010 DRILLHOLE LOCATIONS

1:10,000 UTM 10N NAD 83 NTS 093A11
0 400 m
15 July 2011

2010 Drillhole Locs

- Exploration
- Geotechnical
- ◆ Geotechnical/Metallurgical
- ▲ Metallurgical

Tails show azimuth (not to scale)

8.3 Results

The best mineralized intercepts are given in Table 3. Note that the argillite and argillite-siltstone horizons often show weak to strong deformation, which in the drill logs and sections are termed Cataclasite 1 (i.e., Cat 1) and Cataclasite 2 (i.e., Cat 2), respectively. Gold values have been shown in previous work not to correlate with the strength of the deformation within these units.

Exploration Drill holes

A total of eight holes was drilled; all are located peripheral to the deposit making up the North and Main zones. All drill holes were of NQ size. The holes located on the west part of the deposit were oriented at 118°.

10-DDH-901 (Figure 8) is located west of the Main Zone and lies stratigraphically within the Lower Argillite - Tuff unit. Mineralization was encountered at a depth of 203.0 m and consists of 0.41 g/t Au in a fault zone within argillite – siltstone. A second zone of mineralization occurs at a depth of 173.5 m within a volcanic tuff with numerous quartz veins, and has a gold value of 0.87 g/t Au across 16.5 m.

10-DDH-906 (Figure 13) and **10-DDH-907** (Figure 14) are both southwest of the North Zone. In 10-DDH-906, gold mineralization (42.0 m running 0.41 g/t Au) occurred within an argillite unit at a depth of 178.0 m. A lower unit of crystal tuff also has several zones of gold mineralization, occurring within lenses of argillite, lenses of siltstone and within quartz veins. Overall the grade in this unit is 0.87 g/t Au for 76.0 m. Drill hole 11-DDH-907 encountered only about 17 m of argillite. Gold mineralization occurs across several units of siltstone, tuff and fault zone, containing 55.0 m of 0.43 g/t at a depth from 138.0 to 193.0 m; and within a lower unit of crystal tuff yielding 22.25 m of 0.35 g/t Au from 231.0 to 253.25 m.

Both **10-DDH-910** (Figure 16) and **10-DDH-912** (Figure 18), located 350 m and 150 m west of the Main Zone, respectively, intersected gold mineralization within pyritic argillite. The majority of 10-DDH-912 consists of several argillite horizons, with crystal tuff and siltstone becoming dominant beyond 375 m to the bottom of the hole at 468 m. The best gold values occurs at the base of the argillite at a depth from 343.5 m to 370.0 m, comprising 26.5 m of 1.18 g/t Au. Further west, 10-DDH-910 encountered alternating horizons of argillite, siltstone-argillite and crystal tuff. The best intercept is 39.1 m of 0.43 g/t Au from 286.9 to 326.0 m, with locally higher gold grades (e.g., 4.8 m of 2.27 g/t) occurring within individual samples of quartz rich tuffs and siltstone-argillite.

Table 3
Summary of Drilling Highlights
Spanish Mountain Property

Diamond Drill hole	From (m)	To (m)	Length (m)	Au g/t	Size	Area	Purpose
Exploration Drill holes							
10-DDH-901	203.0	224.0	21.0	0.4	NQ	90 m West of Main Zone	Exploration
	273.5	290.0	16.5	0.87			
10-DDH-906	178.0	220.0	42.0	0.41	NQ	40 m Southwest of North Zone	Exploration
	242.5	318.5	76.0	0.87			
including	246.8	247.0	0.8	30.40			
including	294.8	295.5	0.8	13.70			
including	301.5	302.3	0.8	12.00			
10-DDH-907	138.0	193.0	55.0	0.43	NQ	100 m Southwest of North Zone	Exploration
including	162.0	178.0	16.0	1.06			
including	176.5	178.0	1.5	7.17			
	231.0	253.3	22.3	0.35			
10-DDH-910	148.2	171.0	22.8	0.46	NQ	350 m West of Main Zone	Exploration
	286.9	326.0	39.1	0.43			
including	286.9	291.7	4.8	2.27			
10-DDH-912	130.0	148.5	18.5	0.41	NQ	150 m West of Main Zone	Exploration
	343.5	370.0	26.5	1.18			
including	357.3	359.5	2.3	5.06			
10-DDH-914	118.0	137.5	19.5	0.45	NQ	290 m East of North Zone	Exploration
10-DDH-916	46.0	98.5	52.5	0.31	NQ	110 m Southeast of North Zone	Exploration
	219.7	244.5	24.8	0.35			
Metallurgical and Geotechnical Drill holes							
10-DDH-899	228.2	230.0	1.8	1.03	HQ	Main Zone	Metallurgical
10-DDH-900	297.5	300.5	3.0	2.21	HQ	Main Zone	Metallurgical
10-DDH-902	3.9	125.0	121.1	0.74	HQ3	Main Zone	Geotechnical
including	5.5	7.5	2.0	4.16			
including	44.0	71.0	27.0	1.50			
	166.0	191.5	25.5	1.56	HQ3	Main Zone	Geotechnical
including	172.0	173.5	1.5	12.30			
	244.5	249.3	4.8	1.22	HQ3	Main Zone	Geotechnical
10-DDH-904	64.0	67.5	3.5	1.45	HQ	North Zone	Metallurgical
	162.5	224.6	62.1	0.40	HQ	North Zone	Metallurgical
10-DDH-905	244.0	299.5	55.5	0.46	HQ3	Main Zone	Geotech/Metall.
	371.5	388.0	16.5	0.85	HQ3		

Diamond Drill hole	From (m)	To (m)	Length (m)	Au g/t	Size	Area	Purpose
10-DDH-909	72.0	81.5	9.5	0.45	HQ3	Main Zone	Geotechnical
10-DDH-911	55.5	137.5	82.0	0.62	HQ3	East boundary of Main Zone	Geotechnical
including	89.5	102.0	12.5	1.04			
including	118.5	120.0	1.5	15.70			
	301.0	355.0	54.0	0.53	HQ3	East boundary of Main Zone	Geotechnical
including	335.5	340.0	4.5	1.62			
10-DDH-915	44.0	86.2	42.2	1.15	HQ3	Northeast boundary of Main Zone	Geotechnical
	208.5	264.5	56.0	0.34			
including	249.5	254.0	4.5	1.97			
10-DDH-918	32.5	61.5	29.0	1.21	HQ3	40 m East of North Zone	Geotechnical
including	34.5	47.5	13.0	2.25			

10-DDH-913 (Figure 19) was drilled 20 m north of the North Zone and is one the most northerly holes drilled in this area to date. It consisted mainly of argillite with lesser siltstone – argillite and intersected a large fault zone from 56 m to 117 m. Only minor gold values were encountered locally, with the best intersection of 9.50 m grading 0.36 g/t Au within the top of the fault zone, from 56.50 m to 66.00 m. The hole ended in mineralization, with 2 samples giving a grade of 0.98 g/t Au over 3.34 m at a depth of 297.5 m.

10-DDH-914 (Figure 20) was drilled 290 m east of the North Zone, encountering a large horizon of argillite to a depth of 357 m, followed by an andesite dyke, followed by alternating tuffs, quartzites and siltstones. One section of argillite contains a mineralized zone of 19.50 m of 0.45 g/t Au, at a depth of 118.0 m.

10-DDH-916 (Figure 22) was also drilled east of the North zone at a distance of 110 m from the edge of the zone. The overall lithology consisted of numerous, narrow, alternating units of argillite, siltstone, quartzite and crystal tuff. At the top of the hole, gold values average 0.31 g/t for 52.5 m within faulted, graphitic argillite. A lower argillite horizon also carries gold mineralization from 219.7 m to 244.5 m, for a length of 24.8 m grading 0.35 g/t Au.

Geotechnical Drill holes

The locations of the seven geotechnical holes, all within the Main and North zones, were selected by personnel from BGC Engineering. The holes were designed to determine the geotechnical properties of the rock mass potentially forming the pit walls. Core was of HQ3 size and oriented throughout the hole, and quick logged on site by BGC Engineering personnel. Geotechnical data collected during logging included core recovery, RQD, hardness, fracture count, lithology and alteration. The results of the geotechnical work are beyond the scope of this report. The core was subsequently brought to the core logging facility, where it was logged in detail by geologists from Spanish Mountain Gold. The data was then incorporated into the database.

10-DDH-002 (Figure 9), drilled in the Main zone, consisted of the typical stratigraphy found in this zone, of Upper Siltstone, Main Zone Argillite, Lower Tuff and Greywacke, Conglomerate, and Lower Argillite interbedded with tuffs. An overall grade of 0.74 g/t Au across 121.08 m was obtained from the top of the hole at 3.92 m down to 125.0 m. In detail, the Upper Siltstone unit at the top of the hole is mineralized, running 0.63 g/t Au across 32.63 m, from 3.92 m to 36.50 m. The Main Zone Argillite carried 1.46 g/t Au over 22.5 m. In addition, the top section of a Lower Argillite unit, from 164.5 to 187.0 m runs 1.75 g/t Au over 22.5 m.

10-DDH-905 and **10-DDH-908** (Figure 12) are located at the same site on the Main Zone. Because 11-DDH-905 was also used for metallurgical testing, only selected sections could be sampled, such as the fault zone from 69.5 to 81.0 m, and the lower part of the hole from 235 m to EOH at 449 m. It is unknown whether the argillite horizons are mineralized, as this material was taken for metallurgical testing. Of the remaining core, best grades in the lower portion are within a tuff – siltstone unit, which runs 55.5 m of 0.46 g/t Au, from 244.0 m to 299.5 m. A lower argillite unit runs 0.85 g/t Au over 16.5 m. Hole 11-DDH-908 was terminated at a depth of 100 m as the hole became stuck in a fault. No significant gold values were encountered in this hole. The drill was moved to nearby 10-DDH-909.

10-DDH-909 (Figure 15), located 50 m south of 10-DDH-908, intersected interbedded siltstone and argillite horizons, with lesser tuff and minor mafic dykes. Best gold values are within a unit of black, graphitic argillite carrying 5.27 m of 0.72 g/t Au. A lower tuffaceous mafic dyke unit also contains 3 locally high values, which may reflect gold mineralization within quartz veins. This zone runs 0.45 g/t Au across 9.5 m, from 72.0 to 81.5 m.

10-DDH-911 (Figure 17) is located on the east boundary of the Main Zone, and had 3 mineralized zones, although the upper 34 m argillite unit does not contain significant gold mineralization. A lower, predominately siltstone unit with minor argillite and tuff, runs 0.62 g/t Au for 82.0 m, from 55.5 to 137.5 m. At a depth from 301.0 m to 313.5 m, a fault zone within argillite carries 0.93 g/t Au over 12.5 m. Below this fault is an argillite horizon which runs 0.60 g/t Au across 28.04 m.

10-DDH-915 (Figure 21) is located on the northeast boundary of the Main Zone and contains significant mineralization near the top of the hole within a faulted argillite – siltstone unit. From 44.0 to 86.15 m, the unit yielded 42.15 m of 1.15 g/t Au. A lower argillite horizon from 230.0 m to 272.0 m also contains a gold value of 0.59 g/t Au over 24.0 m.

10-DDH-917 (Figure 23), situated on the western edge of the North Zone, intersected several units of faulted siltstone hosting narrow mafic dykes, alternating with tuff units, without encountering argillite until the last 9.0 m at the bottom of the hole, which is weakly mineralized (0.20 g/t Au for 1.5 m). Because it was a geotechnical hole, the planned depth had been 200 m and the drilling was stopped.

10-DDH-918 (Figure 24) is situated 40 m east of the North Zone, and encountered alternating sequences of argillite and siltstone, along with one minor volcanic unit. A significant zone of mineralization occurs from 32.5 m to 61.5 m, grading 29.0 m of 1.21 g/t Au within highly

deformed (Cat 2) argillite – siltstone. A weaker zone occurred from 90.50 m to 98.0 m, grading 0.54 g/t Au across 7.5 m.

Metallurgical Drill holes

The sites of the four metallurgical holes, within the Main and North zones were selected based on areas having representative core from the Main and North zones. The holes were drilled at HQ size, and after logging by Spanish Mountain Gold personnel, large sections of the drill core were selected for metallurgical analysis and sent to G&T Metallurgical Ltd in Kamloops. The remainder of the core was sampled by Spanish Mountain Gold personnel and split for analysis for ALS as per usual. Blank sections within the drill logs, and cross sections labelled “Met. Sample” indicate that core was removed and used for metallurgical testing. The results of the metallurgical testing are beyond the scope of this report.

10-DDH-899 (Figure 6) is located in the Main Zone, and two sections were sampled; one of 7.5 m near the top of the hole; and one from 228.2 m to the end of the hole at 322.5 m. One sample yielded 1.03 g/t Au across 1.80 m hosted by a tuff – siltstone with numerous quartz veins.

10-DDH-900 (Figure 7) is located 130 m northwest of 10-DDH-899 in the Main zone. Three small sections were sampled of 3.5 m, 16.0 m and 6.5 m. The bottom section, from 297.5 to 300.5 m, carries 2.21 g/t Au across 3.0 m within a quartz-rich argillite.

Several small sections were sampled in **10-DDH-903** (Figure 10), located in the Main Zone, along with a larger section of 67 m near the bottom of the hole, consisting of crystal tuff, conglomerate and argillite-siltstone. Within an argillaceous, graphitic fault zone hosting quartz veins with sulphides and visible gold, a 5.88 m section runs 0.82 g/t Au, from 120.62 to 126.5 m.

10-DDH-904 (Figure 11) is centred in the North Zone, and the 3 argillite horizons were taken for metallurgical testing, leaving an upper tuff unit, a middle siltstone unit and the remainder of the lower part of the hole, consisting of crystal lithic tuff and a fault zone. One zone in the tuff yielded 3.5 m of 1.45 g/t Au, at a depth of 64.0 m. Overall, the lower tuff and fault zone is mineralized, containing 62.1 m of 0.40 g/t Au, and ending in mineralization at a depth of 224.6 m. Visible gold along with sphalerite and chalcopyrite mineralization were noted in several of the quartz veins and veinlets within both the tuffs and the fault zone.

Reclamation

Reclamation at the drill sites and along sections of the local trails took place at the conclusion of the drill program, during the last 3 weeks of September, 2010. A local contractor was hired to help with the reclamation. Reclamation included re-contouring of the drill sites and re-seeding of the area with the appropriate seed-mix. Local trails that had been accessed were also returned to conditions prior to disturbance.

9.0 ENVIRONMENTAL BASELINE STUDIES

Knight Piésold Consulting Ltd. was contracted to conduct environmental baseline studies on the Property in 2007. These baseline studies involved long-term data collection and monitoring for several subsequent years. The 2010 work included meteorology, surface hydrology and water quality of streams, and floral and fauna studies. The scope of the work covered much the Property, covering 17 claims. A summary of the 2010 work has been written by Knight Piésold Consulting, and is given in Appendix III.

10.0 DISCUSSION AND CONCLUSIONS

Exploration Drill holes

The western edge of the Main zone was explored by holes 10-DDH-901, 910 and 912, and all three intersected gold mineralization. 10-DDH-910 has a zone of gold mineralization of 39.1 m of 0.43 g/t Au, thereby extending the known mineralization by 350 m west of the Main Zone. A high grade gold zone was encountered in 10-DDH-912, having 26.5 m of 1.18 g/t Au at a depth of 343.5 m, which is also one of the deepest zones of mineralization encountered in the 2010 program.

The North Zone was explored by drill holes 10-DDH-906, 907 to the southwest, 10-DDH-913 to the north and 10-DDH-914 and 916 to the east. The southwest area has a long mineralized gold zone of 76.0 m grading 0.87 g/t Au, in hole 10-DDH-906. This hole also has the highest individual gold grades of the program with 3 samples of 1.5 m widths yielding 30.4, 13.7 and 12.0 g/t Au. Hole 10-DDH-907 has 1.5 m sample of 7.17 g/t Au. These holes extend the known mineralization of the North Zone by 100 m to the southwest.

The north end of the North Zone was explored by hole 10-DDH-913, which encountered mineralized argillite at the bottom of the hole. This area should be further explored. The eastern section was extended by 290 m in hole 10-DDH-914, which encountered a moderately mineralized zone grading 0.45 g/t Au across 19.5 m and by 10-DDH-916, which encountered 52.5 m of 0.31 g/t Au, to extend the North Zone a further 110 m to the southeast.

Geotechnical and Metallurgical holes

Long intersections of gold mineralization are outlined in the Main Zone from several of the geotechnical holes. The longest section is in 10-DDH-902 which carries 121.1 m of 0.74 g/t Au in siltstone-argillite-tuff; and in 10-DDH-911 which contains 82.0 m of 0.62 g/t Au in argillite. In addition, 10-DDH-915 contains a gold grade of 1.15 g/t Au across 42.2 m. Best intercepts in the North Zone include 29.0 m of 1.21 g/t Au in hole 10-DDH-918. The scope of the information obtained from the metallurgical holes is limited, as much of the core was sent for metallurgical testing.

With respect to lithologies, crystal lithic tuffs as well as fault zones within argillite horizons and within siltstone-tuff units have also been shown to contain significant gold mineralization, as seen in 10-DDH-904. The lower part of this hole runs 62.1 m of 0.40 g/t Au, within tuffs and large fault zones. The gold mineralization is likely to be fine to coarse gold grains, sometimes associated with sulphides such as sphalerite, galena and chalcopyrite, within quartz veins. Individual veins average less than 5 cm, but have been logged up to 40 cm in width.

Respectfully submitted,

A. Koffyberg, P. Geo
Discovery Consultants
Vernon, BC
July 15, 2011

11.0 REFERENCES

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12.0 STATEMENT OF COSTS

1. Professional Services			
J. Stoeterau, P.Geol	(May 2 - Sept 30)		
geologist, core logging			
			\$62,820.81
P. Read, Ph.D.	(June)		
structural geologist			
			15,498.30
A. Adamova	(May 11 - Sept 30)		
geologist, core logging			
			26,000.00
A. Gow	(May 11 - Sept 30)		
geologist, core logging			
			26,040.00
A. Koffyberg, P.Geo	(May - July 2011)		
geologist, report writing			
			5,175.00

			\$135,534.11
2. Personnel			
Field - RQD			
N. Gainer	(May 11 - Sept 30)		
			26,250.00
S. Ducharme	(May 11 - Sept 30)		
			18,165.00
E. Groves	(May 11 - Sept 30)		
			13,088.00
Field - Core cutters			
N. Groves	(May 11 - Sept 30)		
			12,902.00
A. Yach	(May 11 - Sept 30)		
			16,661.00
R. Harms	(May 11 - Sept 30)		
			11,400.00
Camp - kitchen and First Aid			
C. Phillips, Cook, First Aid Attendant	(May 10 - Sept 30)		
			42,800.00
V. Gainer, Cook	(fill-in May 25 - Sept 30)		
			12,950.00
K. Savidan, Kitchen help	(May 11 - Sept 30)		
			14,535.00
M. Steffen, First Aid Attendant	(June 2010)		
			5,100.00
S. Hunlin, First Aid Attendant	(July 2010)		
			4,875.00

			178,726.00
3. Expenses			
Analysis			
ALS Chemex Labs			
Drill Core - prep & Au Screen Fire Assay, 30 g			
4280 samples @ \$70.0 per sample		299,600.00	
Drill Core - prep & 0.25g Four Acid ICP-AES			
4280 samples @ \$35.0 per sample		149,800.00	
Freight		15,579.08	

			464,979.08
Field Supplies			568.62
Lodging & Meals			46,226.00
Kitchen supplies			4,901.02
Sub-Contracting			
- Atlas Drilling - diamond drilling		823,738.00	
- Knight Piesold - baseline environmental		556,017.00	
- Crowfoot Surveys -surveying		24,807.00	
- Gordon Graham Contracting -excavator		39,474.50	

			1,444,036.50
Office Supplies			2,550.40
Telephone			1,684.91

		-----	1,964,946.53
		-----	-----
		Exploration Expenditures:	\$2,279,206.64
4.	Transportation		
	4x4 trucks (leased)	46,721.00	
	fuel	4,000.00	
		-----	50,721.00

5.	Corporate Management Fee	@ 15%	\$2,329,927.64
			349,489.15

		Total Exploration Expenditures:	<u>\$2,679,416.79</u>

13.0 STATEMENT OF QUALIFICATIONS

I, Agnes Koffyberg, PGeo, of Discovery Consultants, 201-2928 29th Street, Vernon, BC,

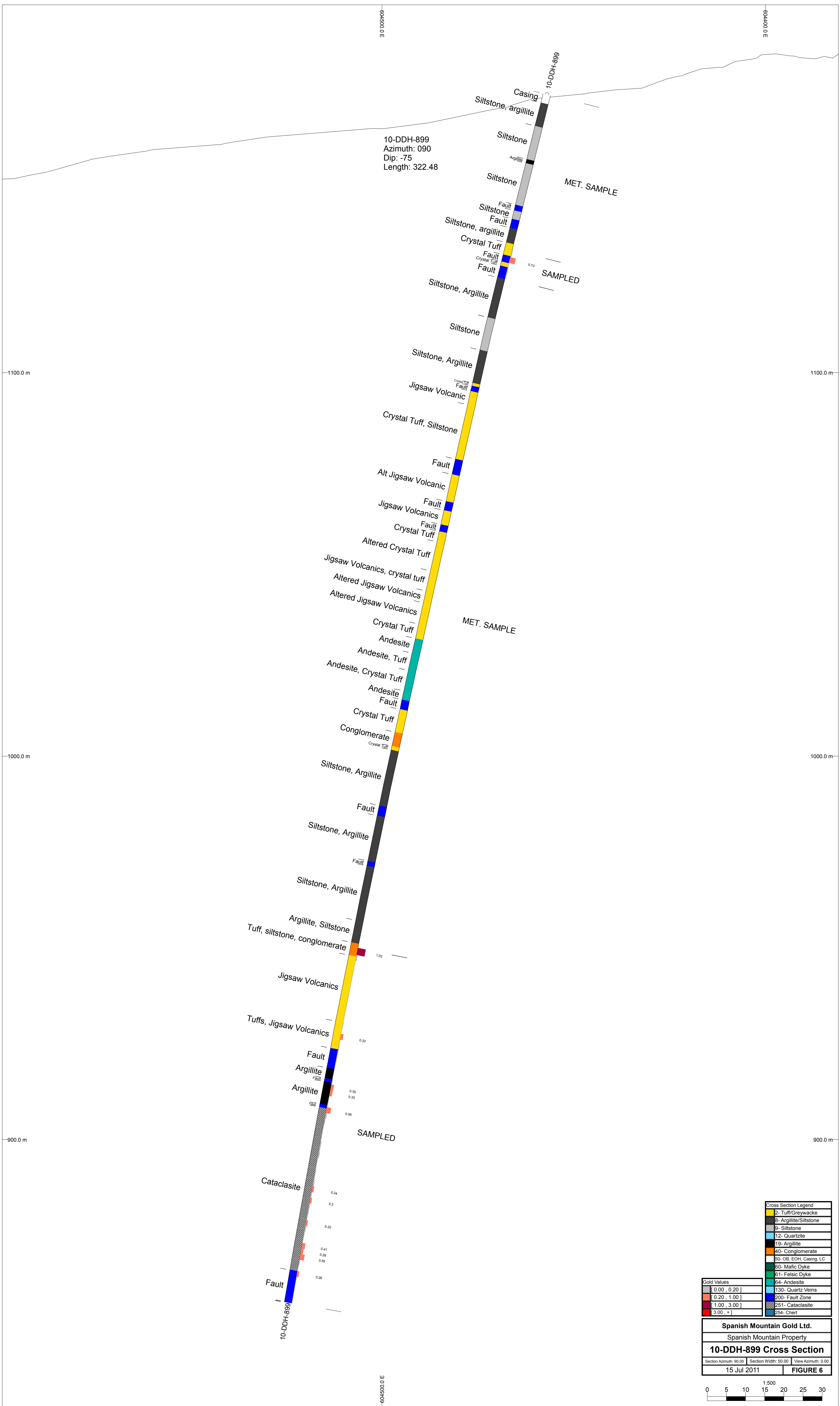
DO HEREBY CERTIFY that:

1. I am a geologist in mineral exploration and am employed by Discovery Consultants, Vernon, BC.
2. I graduated with a B.Sc. degree in combined Geological Sciences/Chemistry from Brock University in 1987. In addition, I have obtained a M.Sc. in Geology from the University of Alberta in 1994.
3. I am a member of the Association of Professional Engineers and Geoscientists of BC, registration number 31384, and am a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, registration number M60148.
4. I have worked as a geologist for a total of 14 years since graduation from university.
5. This report is based upon knowledge of the Property gained on several site visits from March to July 2011, and from a review of existing industry and government reports.

Signed and dated this fifteenth day of July, 2011 in Vernon, BC

Agnes Koffyberg, PGeo

Discovery Consultants



10-DDH-899
Azimuth: 090
Dip: -75
Length: 322.48

MET. SAMPLE

SAMPLED

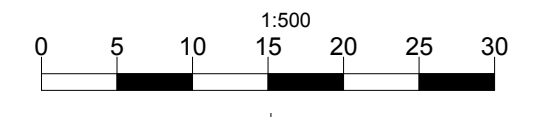
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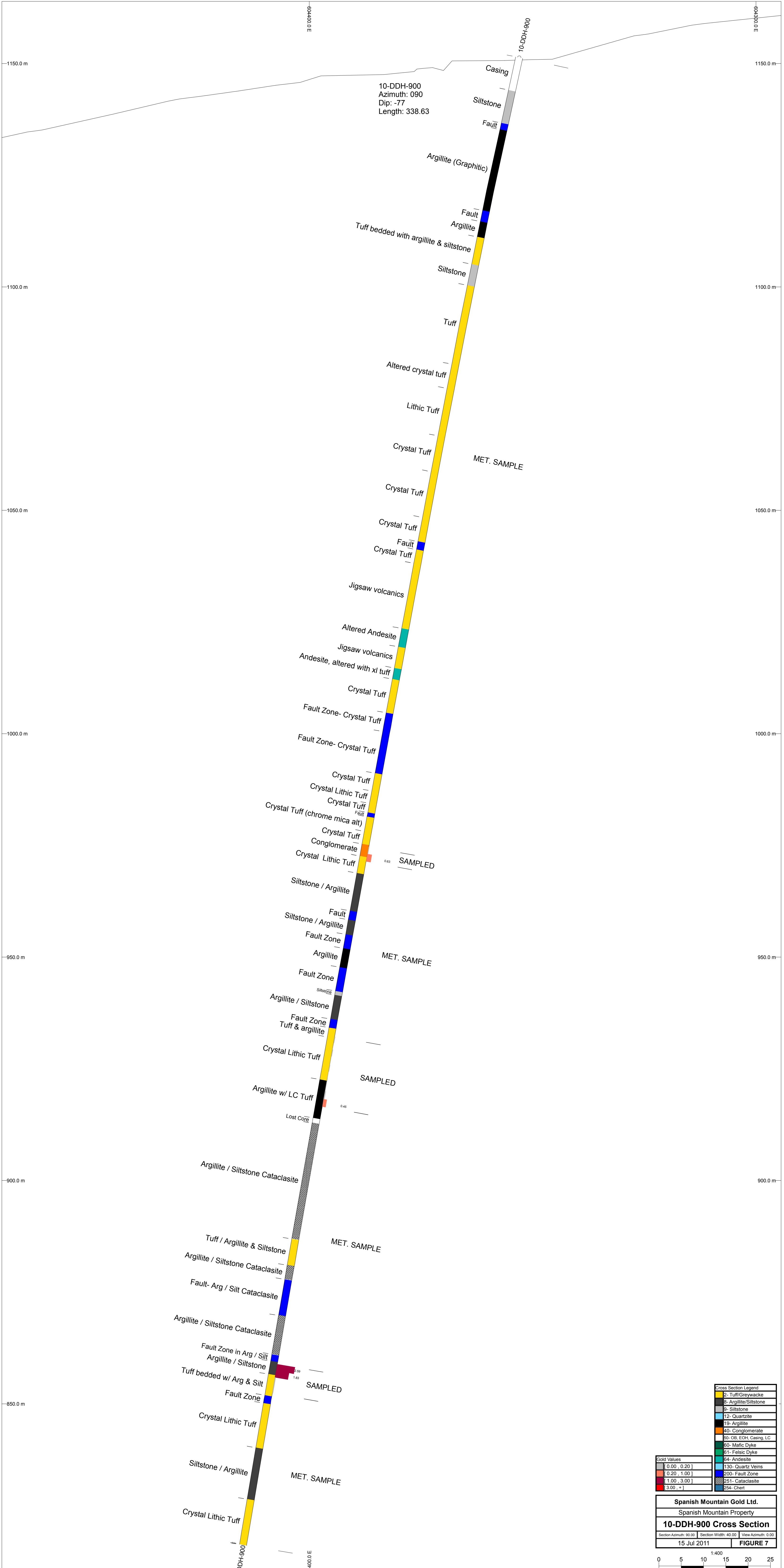
SAMPLED

Cross Section Legend	
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[Light Grey]	9- Siltstone
[Light Blue]	12- Quartzite
[Dark Blue]	19- Argillite
[Orange]	40- Conglomerate
[Black]	60- OB, EOH, Casing, LC
[Green]	61- Felsic Dyke
[Light Green]	64- Andesite
[Light Blue]	130- Quartz Veins
[Dark Blue]	200- Fault Zone
[Red]	251- Cataclasite
[Dark Blue]	254- Chert

Gold Values	
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[Dark Grey]	[0.20, 1.00]
[Red]	[1.00, 3.00]
[Dark Red]	[3.00, +]

Spanish Mountain Gold Ltd.
Spanish Mountain Property
10-DDH-899 Cross Section
Section Azimuth: 90.00 | Section Width: 50.00 | View Azimuth: 0.00
15 Jul 2011 | **FIGURE 6**





10-DDH-900
Azimuth: 090
Dip: -77
Length: 338.63

Casing

Siltstone

Fault

Argillite (Graphitic)

Fault

Argillite

Tuff bedded with argillite & siltstone

Siltstone

Tuff

Altered crystal tuff

Lithic Tuff

Crystal Tuff

Crystal Tuff

Crystal Tuff

Crystal Tuff

Fault

Crystal Tuff

Jigsaw volcanics

Altered Andesite

Jigsaw volcanics

Andesite, altered with xl tuff

Crystal Tuff

Fault Zone- Crystal Tuff

Fault Zone- Crystal Tuff

Crystal Tuff

Crystal Lithic Tuff

Crystal Tuff

Crystal Tuff (chrome mica alt)

Crystal Tuff

Conglomerate

Crystal Lithic Tuff

Siltstone / Argillite

Fault

Siltstone / Argillite

Fault Zone

Argillite

Fault Zone

Argillite / Siltstone

Fault Zone

Tuff & argillite

Crystal Lithic Tuff

Argillite w/ LC Tuff

Lost Core

Argillite / Siltstone Cataclasite

Tuff / Argillite & Siltstone

Argillite / Siltstone Cataclasite

Fault- Arg / Silt Cataclasite

Argillite / Siltstone Cataclasite

Fault Zone in Arg / Silt

Argillite / Siltstone

Tuff bedded w/ Arg & Silt

Fault Zone

Crystal Lithic Tuff

Siltstone / Argillite

Crystal Lithic Tuff

MET. SAMPLE

SAMPLED

MET. SAMPLE

SAMPLED

MET. SAMPLE

SAMPLED

MET. SAMPLE

Gold Values	
0.00 - 0.20	130- Quartz Veins
0.20 - 1.00	200- Fault Zone
1.00 - 3.00	251- Cataclasite
3.00 - +	254- Chert

Cross Section Legend	
2- Tuff/Greywacke	34- Andesite
3- Argillite/Siltstone	130- Quartz Veins
3- Siltstone	200- Fault Zone
12- Quartzite	251- Cataclasite
19- Argillite	254- Chert
40- Conglomerate	
50- OB. EOH. Casing, LC	
50- Mafic Dyke	
51- Felsic Dyke	

Spanish Mountain Gold Ltd.
Spanish Mountain Property

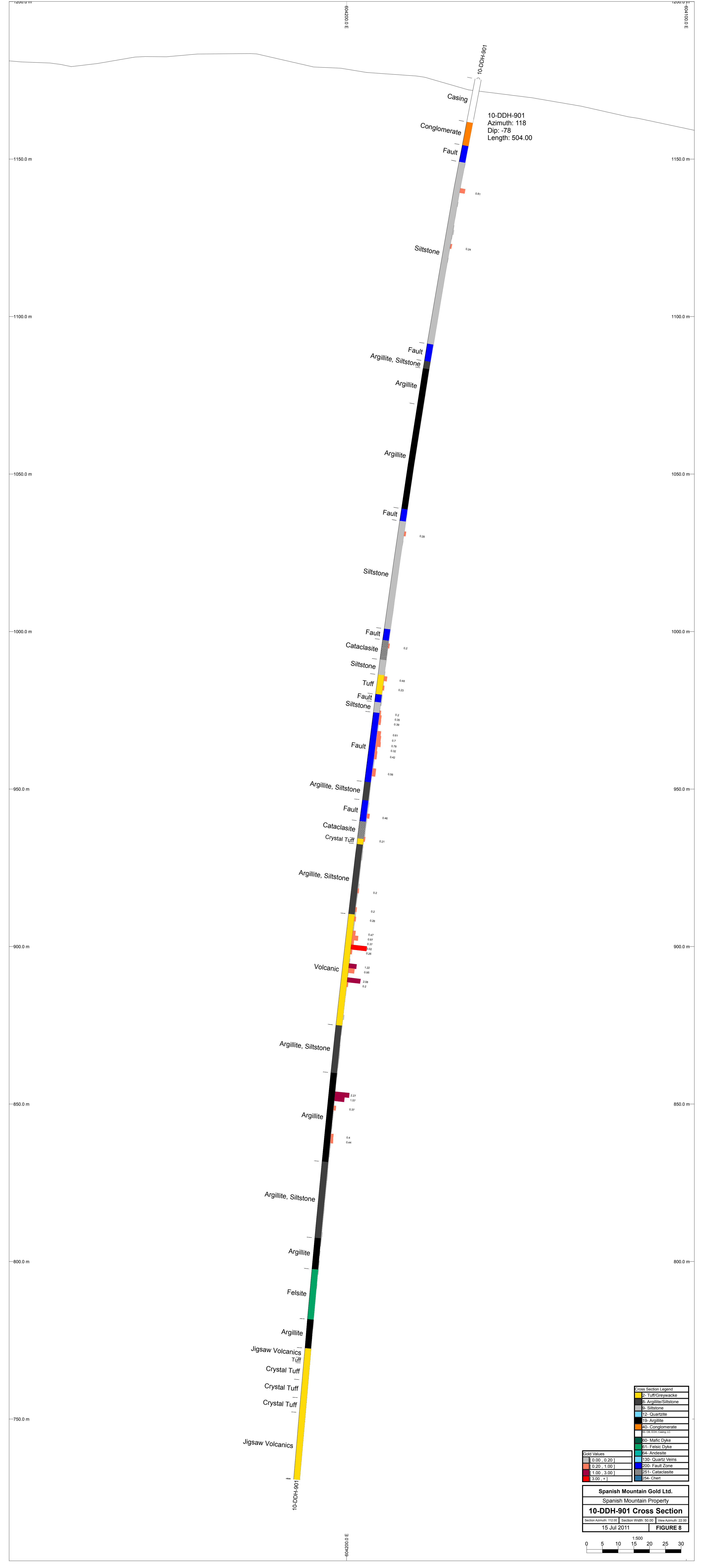
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15 Jul 2011 | **FIGURE 7**

1:400

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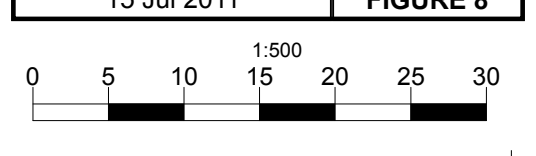


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Length: 504.00

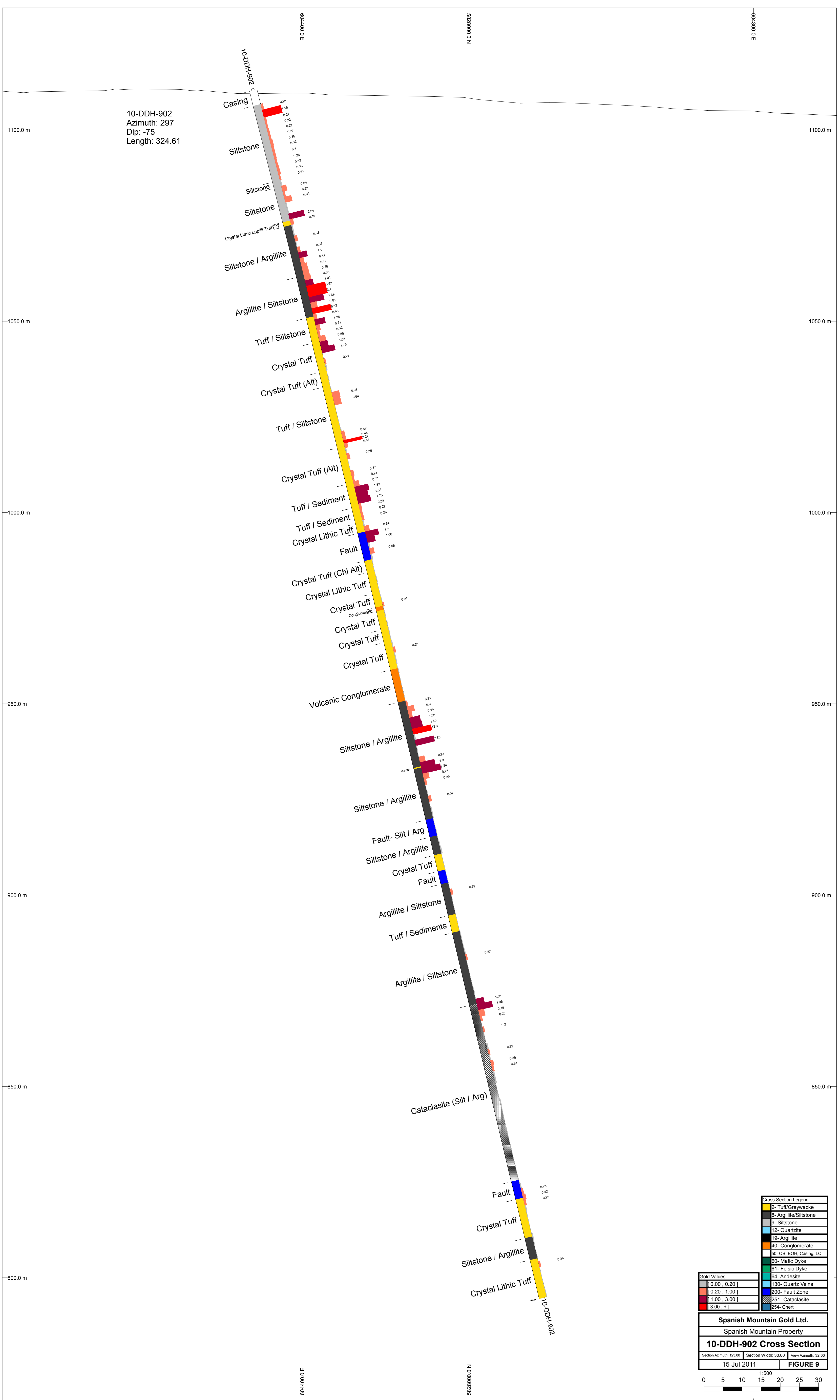
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[Symbol]	12- Quartzite
[Symbol]	19- Argillite
[Symbol]	20- Conglomerate
[Symbol]	20- Mafic Dyke
[Symbol]	21- Felsic Dyke
[Symbol]	24- Andesite
[Symbol]	130- Quartz Veins
[Symbol]	200- Fault Zone
[Symbol]	251- Cataclasite
[Symbol]	254- Chert

Solid Values	
[Symbol]	0.00 - 0.20
[Symbol]	0.20 - 1.00
[Symbol]	1.00 - 3.00
[Symbol]	3.00 - +

Spanish Mountain Gold Ltd.
Spanish Mountain Property
10-DDH-901 Cross Section
Section Azimuth: 112.00 | Section Width: 50.00 | View Azimuth: 22.00
15 Jul 2011 | **FIGURE 8**



10-DDH-902
Azimuth: 297
Dip: -75
Length: 324.61

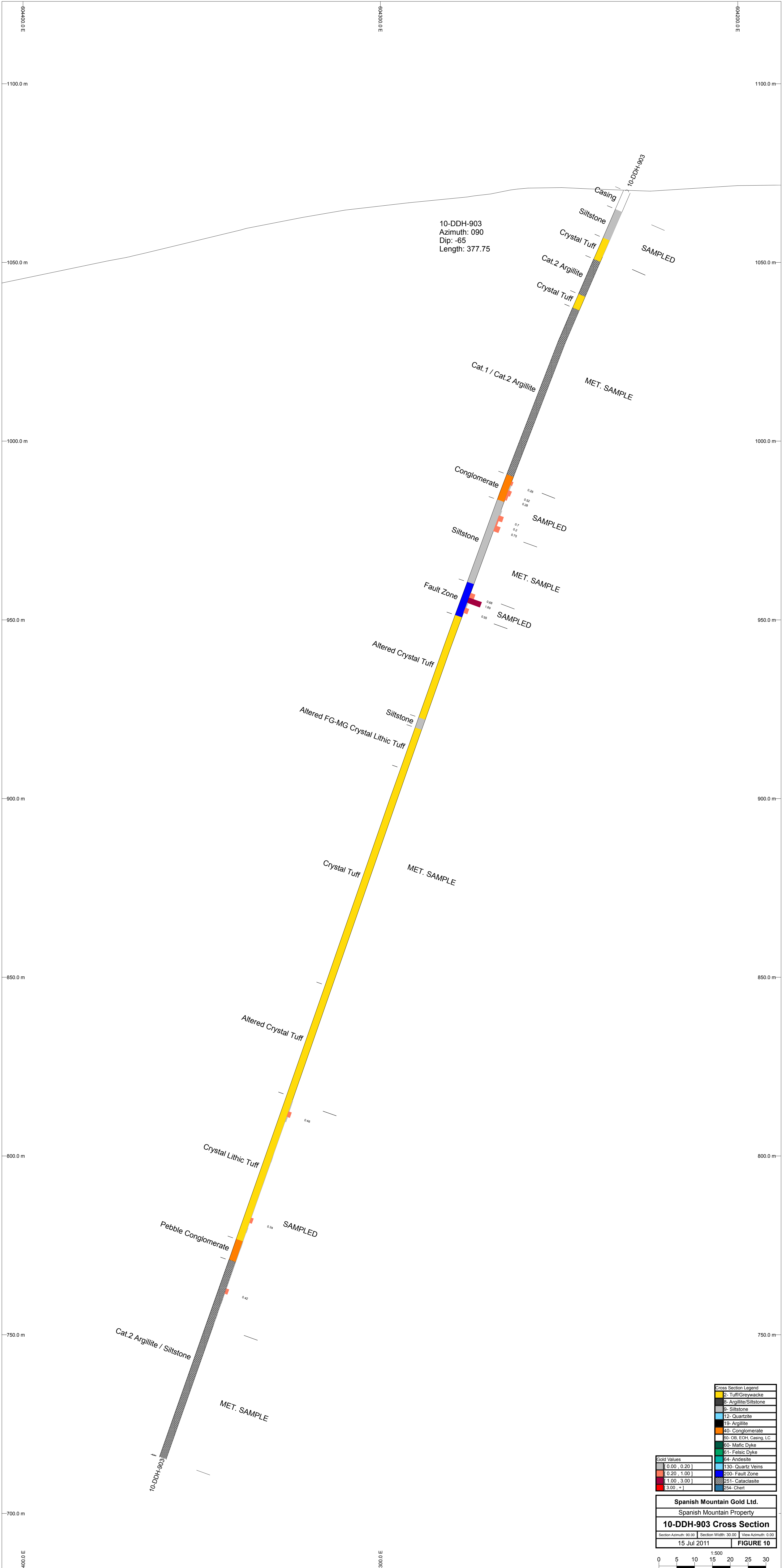


Gold Values	
[0.00, 0.20]	[0.20, 1.00]
[1.00, 3.00]	[3.00, +]

Cross Section Legend	
2- Tuff/Greywacke	8- Argillite/Siltstone
9- Siltstone	12- Quartzite
19- Argillite	40- Conglomerate
60- OB, EOH, Casing, LC	61- Felsic Dyke
64- Andesite	130- Quartz Veins
200- Fault Zone	251- Cataclasite
254- Chert	

Spanish Mountain Gold Ltd.
Spanish Mountain Property
10-DDH-902 Cross Section
Section Azimuth: 123.00 | Section Width: 30.00 | View Azimuth: 32.00
15 Jul 2011 | **FIGURE 9**



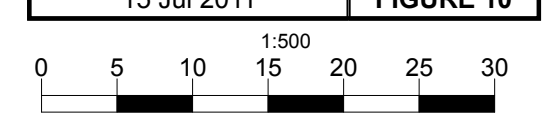


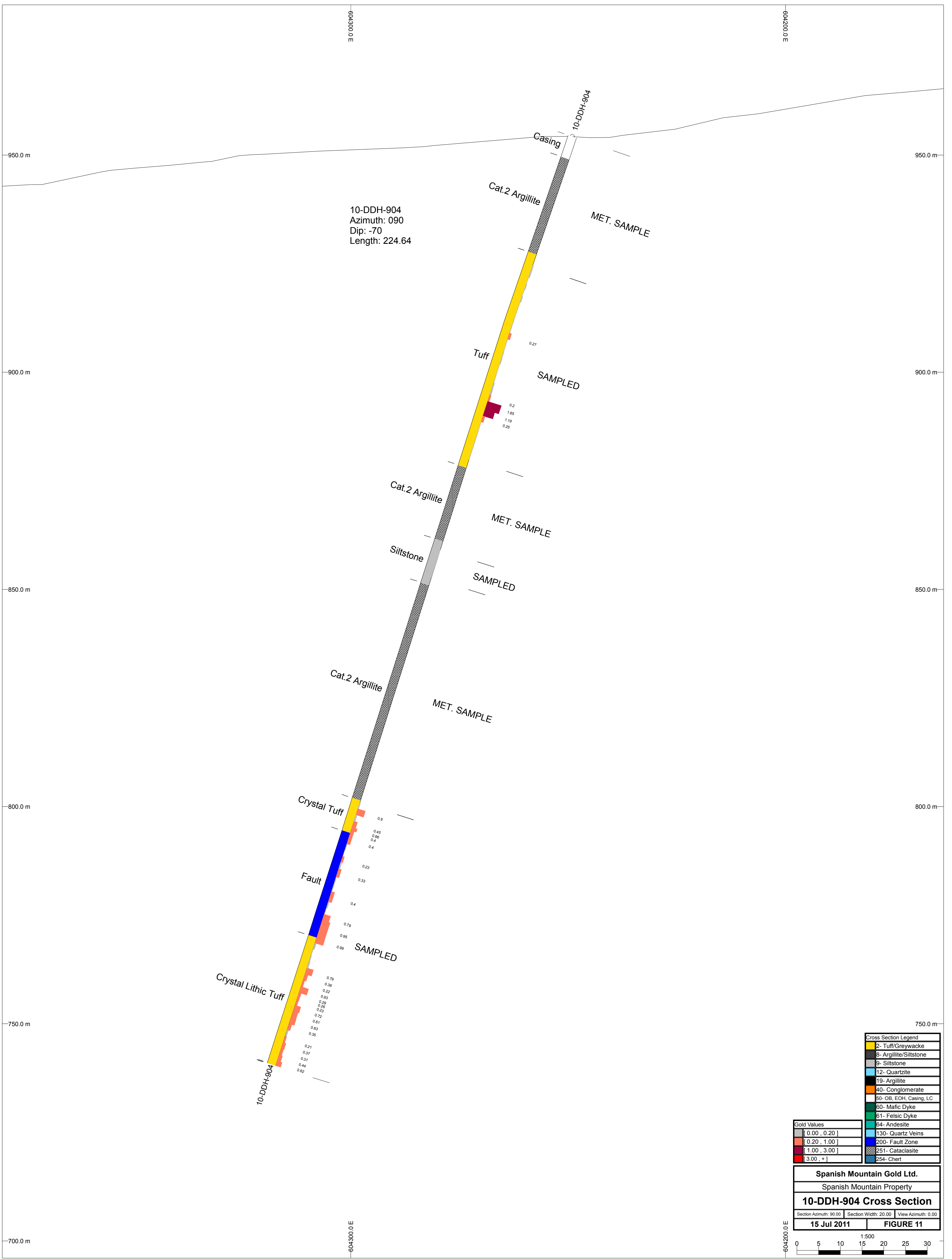
10-DDH-903
Azimuth: 090
Dip: -65
Length: 377.75

Cross Section Legend	
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9- Siltstone	[Pattern]
12- Quartzite	[Pattern]
19- Argillite	[Pattern]
40- Conglomerate	[Pattern]
50- OB. EOH. Casing, LC	[Pattern]
60- Mafic Dyke	[Pattern]
61- Felsic Dyke	[Pattern]
64- Andesite	[Pattern]
130- Quartz Veins	[Pattern]
200- Fault Zone	[Pattern]
251- Cataclaste	[Pattern]
254- Chert	[Pattern]

Gold Values	
0.00 - 0.20]	[Color]
0.20 - 1.00]	[Color]
1.00 - 3.00]	[Color]
3.00 - +]	[Color]

Spanish Mountain Gold Ltd.
Spanish Mountain Property
10-DDH-903 Cross Section
Section Azimuth: 09.00 | Section Width: 30.00 | View Azimuth: 0.00
15 Jul 2011 | **FIGURE 10**





10-DDH-904
Azimuth: 090
Dip: -70
Length: 224.64

Cross Section Legend	
2- Tuff/Greywacke	130- Quartz Veins
3- Argillite/Siltstone	200- Fault Zone
9- Siltstone	251- Cataclasite
12- Quartzite	254- Chert
19- Argillite	
40- Conglomerate	
50- OB, EOH, Casing, LC	
60- Mafic Dyke	
61- Felsic Dyke	
64- Andesite	

Gold Values	
[0.00 , 0.20]	
[0.20 , 1.00]	
[1.00 , 3.00]	
[3.00 , +]	

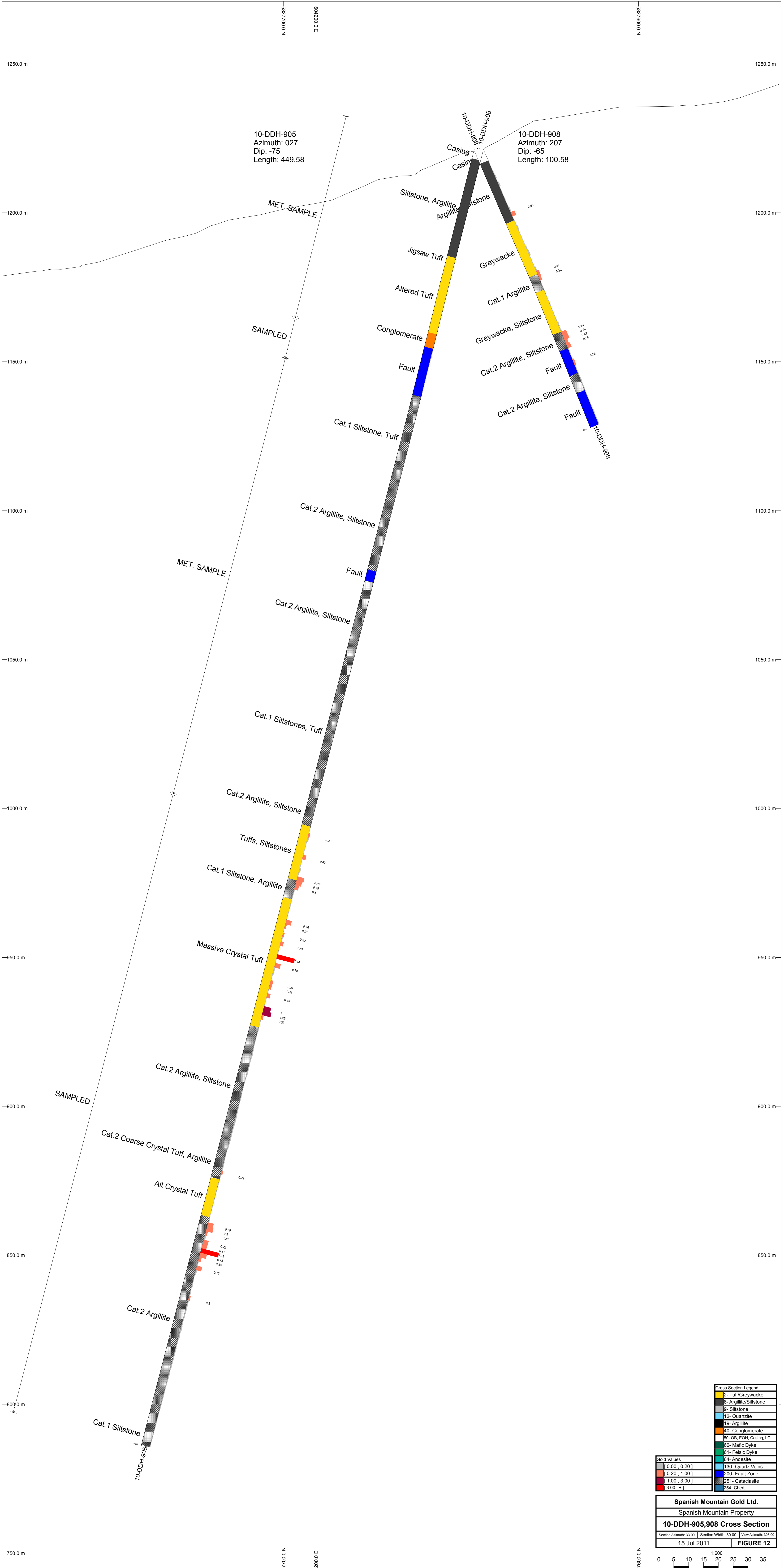
Spanish Mountain Gold Ltd.
Spanish Mountain Property

10-DDH-904 Cross Section

Section Azimuth: 90.00 | Section Width: 20.00 | View Azimuth: 0.00

15 Jul 2011 | **FIGURE 11**

0 5 10 15 20 25 30
1:500



Gold Values	
0.00 - 0.20	130- Quartz Veins
0.20 - 1.00	200- Fault Zone
1.00 - 3.00	251- Cataclaste
3.00 - +	254- Chert

Cross Section Legend	
2- Tuff/Greywacke	31- Felsic Dyke
3- Argillite/Siltstone	34- Andesite
4- Siltstone	130- Quartz Veins
12- Quartzite	200- Fault Zone
19- Argillite	251- Cataclaste
40- Conglomerate	254- Chert
50- OB. EOH. Casing, LC	
50- Mafic Dyke	

Spanish Mountain Gold Ltd.
Spanish Mountain Property

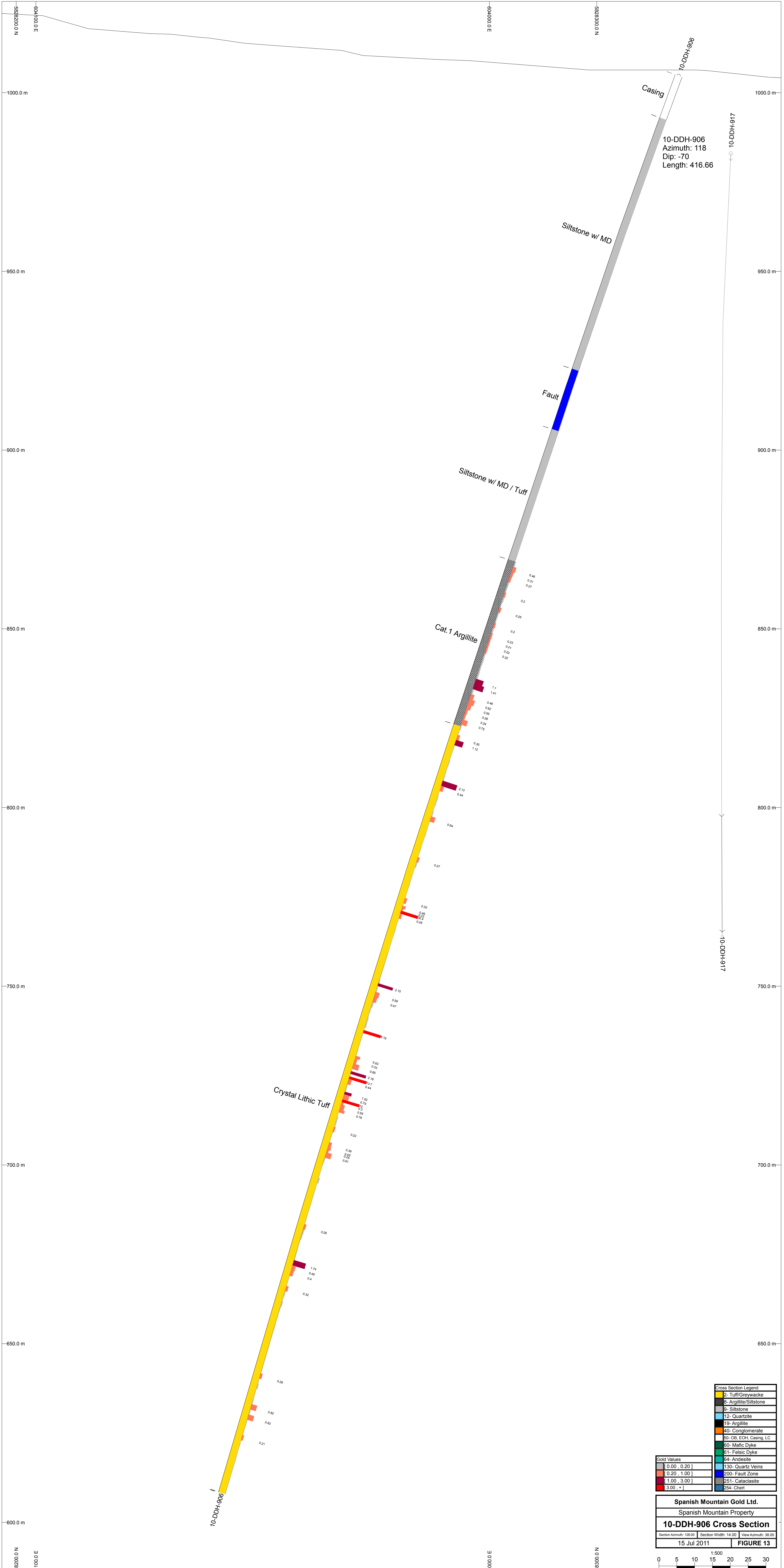
10-DDH-905,908 Cross Section

Section Azimuth: 33.00 | Section Width: 30.00 | View Azimuth: 303.00

15 Jul 2011 | **FIGURE 12**

1:600

0 5 10 15 20 25 30 35



Cross Section Legend	
2- Tuff/Greywacke	[Pattern]
3- Argillite/Siltstone	[Pattern]
4- Siltstone	[Pattern]
12- Quartzite	[Pattern]
19- Argillite	[Pattern]
40- Conglomerate	[Pattern]
50- OB. EOH. Casing, LC	[Pattern]
50- Mafic Dyke	[Pattern]
51- Felsic Dyke	[Pattern]
54- Andesite	[Pattern]
130- Quartz Veins	[Pattern]
200- Fault Zone	[Pattern]
251- Cataclaste	[Pattern]
254- Chert	[Pattern]

Gold Values	
[Color]	0.00 - 0.20
[Color]	0.20 - 1.00
[Color]	1.00 - 3.00
[Color]	3.00 - +

Spanish Mountain Gold Ltd.
Spanish Mountain Property

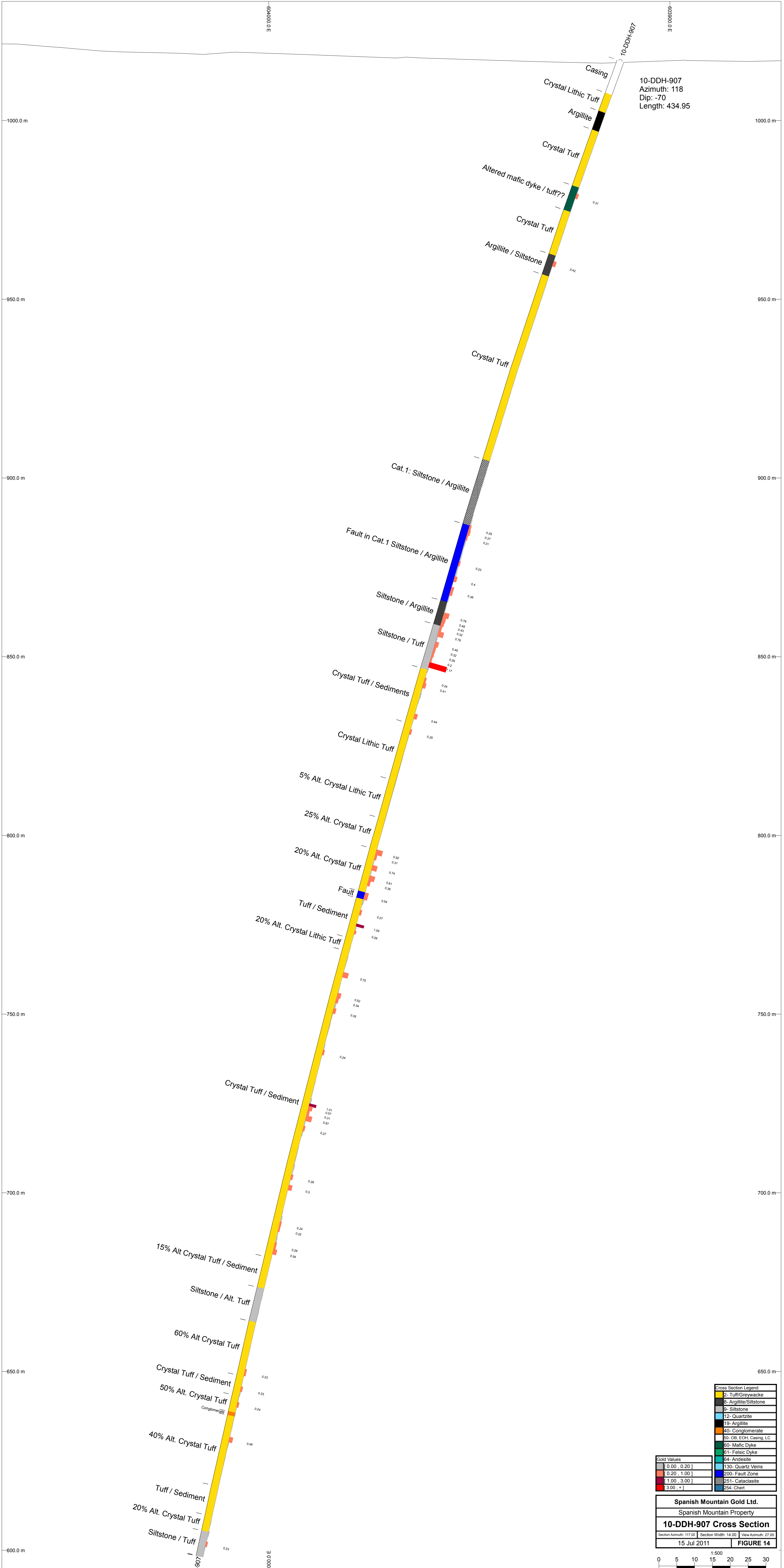
10-DDH-906 Cross Section

Section Azimuth: 118.00 | Section Width: 14.00 | View Azimuth: 38.00

15 Jul 2011 | **FIGURE 13**

1:500

0 5 10 15 20 25 30

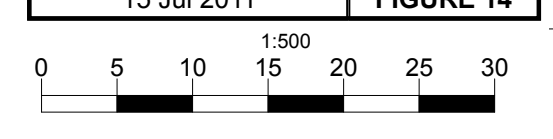


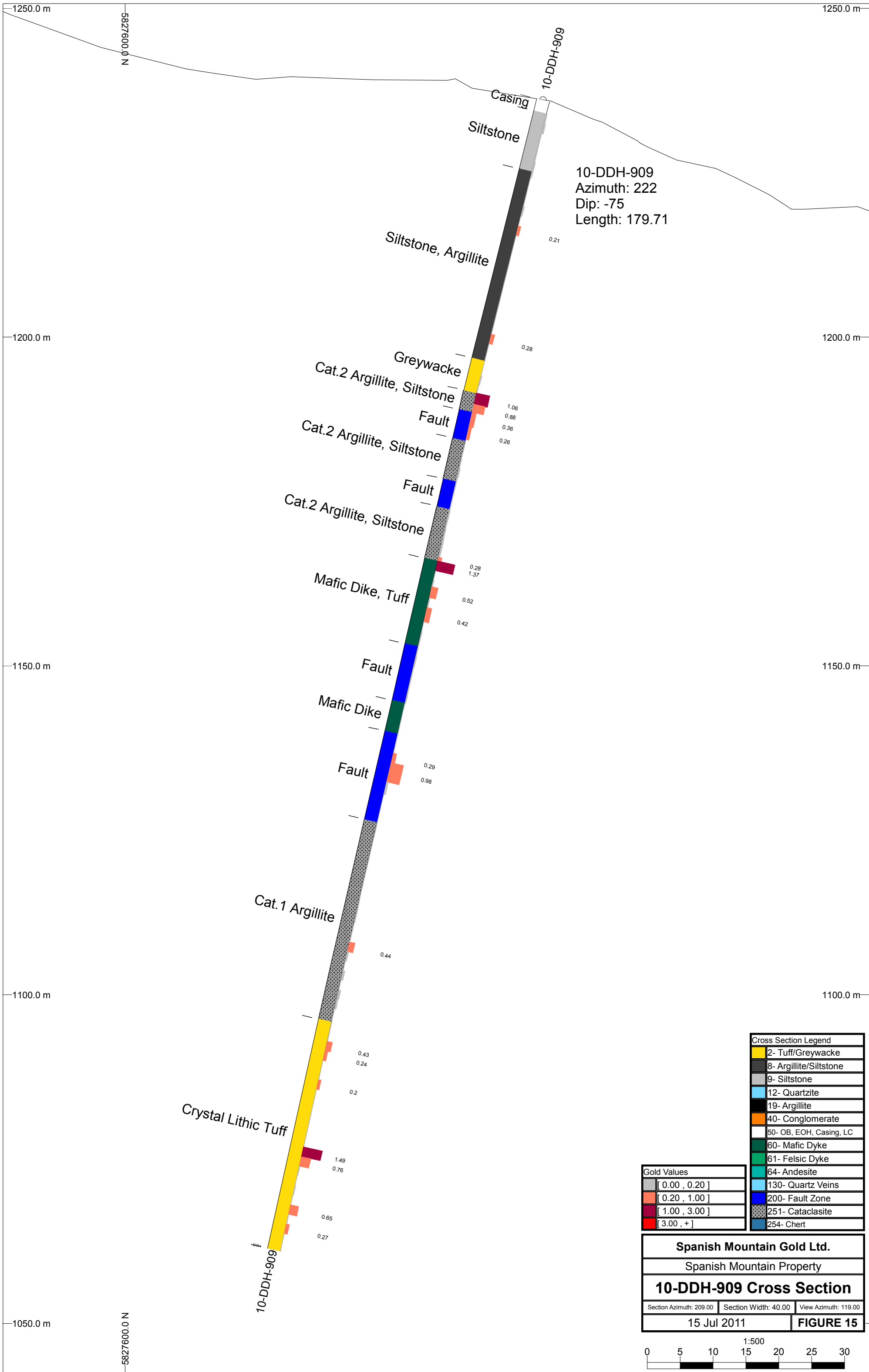
10-DDH-907
Azimuth: 118
Dip: -70
Length: 434.95

Cross Section Legend	
[Yellow]	2- Tuff/Greywacke
[Black]	3- Argillite/Siltstone
[Grey]	9- Siltstone
[Light Blue]	12- Quartzite
[Dark Blue]	19- Argillite
[Orange]	40- Conglomerate
[White]	50- OB. EOH. Casing, LC
[Green]	50- Mafic Dyke
[Light Green]	51- Felsic Dyke
[Light Blue-Green]	54- Andesite
[Light Blue]	130- Quartz Veins
[Blue]	200- Fault Zone
[Patterned]	251- Cataclaste
[Blue-Black]	254- Chert

Gold Values	
[Light Grey]	[0.00 , 0.20]
[Medium Grey]	[0.20 , 1.00]
[Dark Grey]	[1.00 , 3.00]
[Red]	[3.00 , +]

Spanish Mountain Gold Ltd.
Spanish Mountain Property
10-DDH-907 Cross Section
Section Azimuth: 117.00 | Section Width: 14.00 | View Azimuth: 27.00
15 Jul 2011 | **FIGURE 14**





10-DDH-909
 Azimuth: 222
 Dip: -75
 Length: 179.71

Cross Section Legend	
[Yellow]	2- Tuff/Greywacke
[Dark Grey]	8- Argillite/Siltstone
[Light Grey]	9- Siltstone
[White]	12- Quartzite
[Black]	19- Argillite
[Orange]	40- Conglomerate
[White with border]	50- OB, EOH, Casing, LC
[Dark Green]	60- Mafic Dyke
[Light Green]	61- Felsic Dyke
[Teal]	64- Andesite
[Light Blue]	130- Quartz Veins
[Blue]	200- Fault Zone
[Grey with dots]	251- Cataclasite
[Dark Blue]	254- Chert

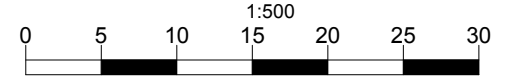
Gold Values	
[Light Grey]	[0.00 , 0.20]
[Orange]	[0.20 , 1.00]
[Dark Red]	[1.00 , 3.00]
[Red]	[3.00 , +]

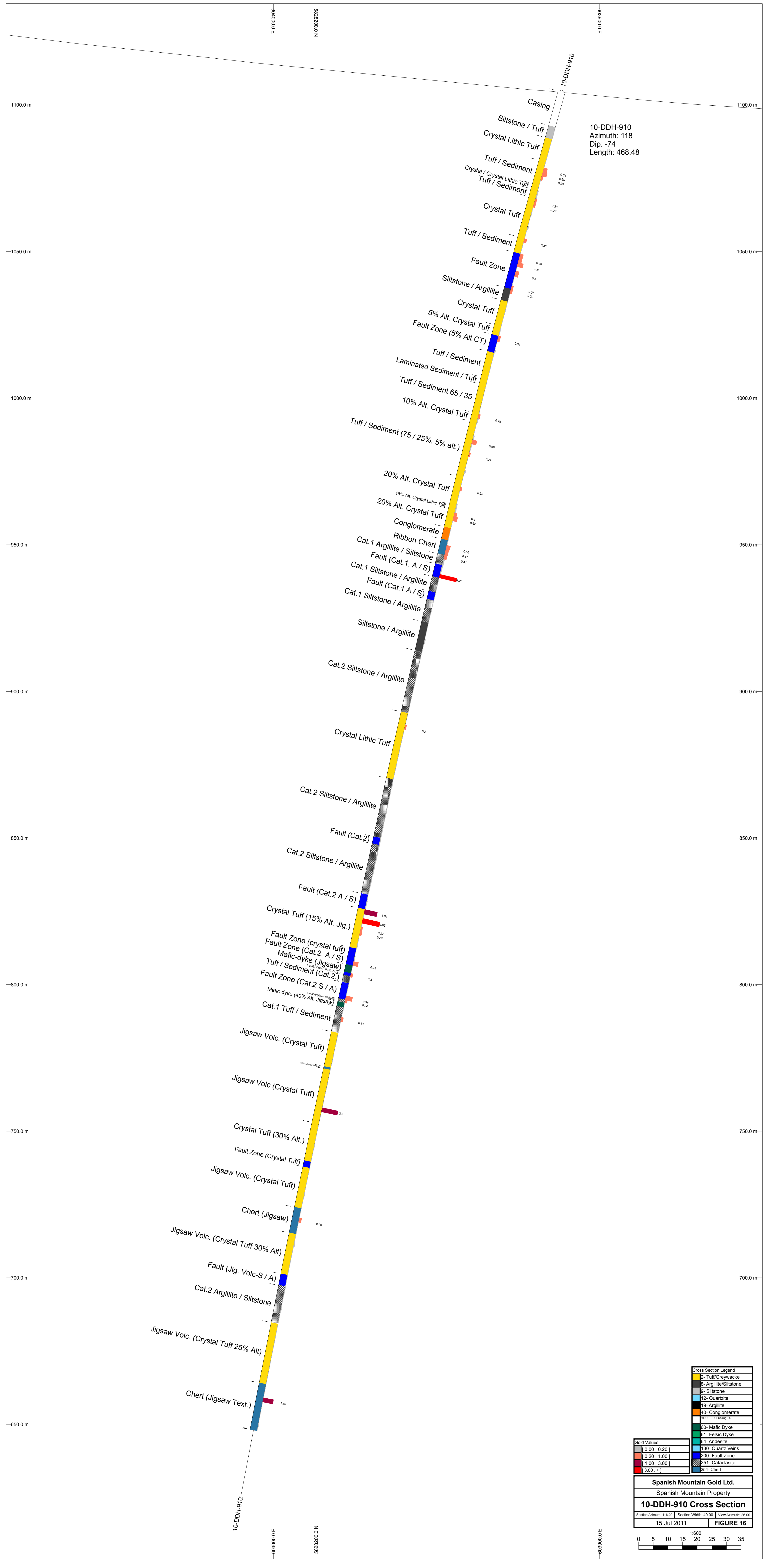
Spanish Mountain Gold Ltd.

Spanish Mountain Property

10-DDH-909 Cross Section

Section Azimuth: 209.00	Section Width: 40.00	View Azimuth: 119.00
15 Jul 2011		FIGURE 15



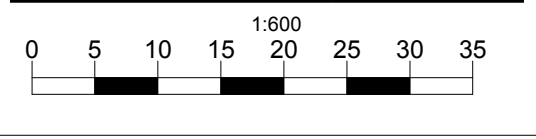


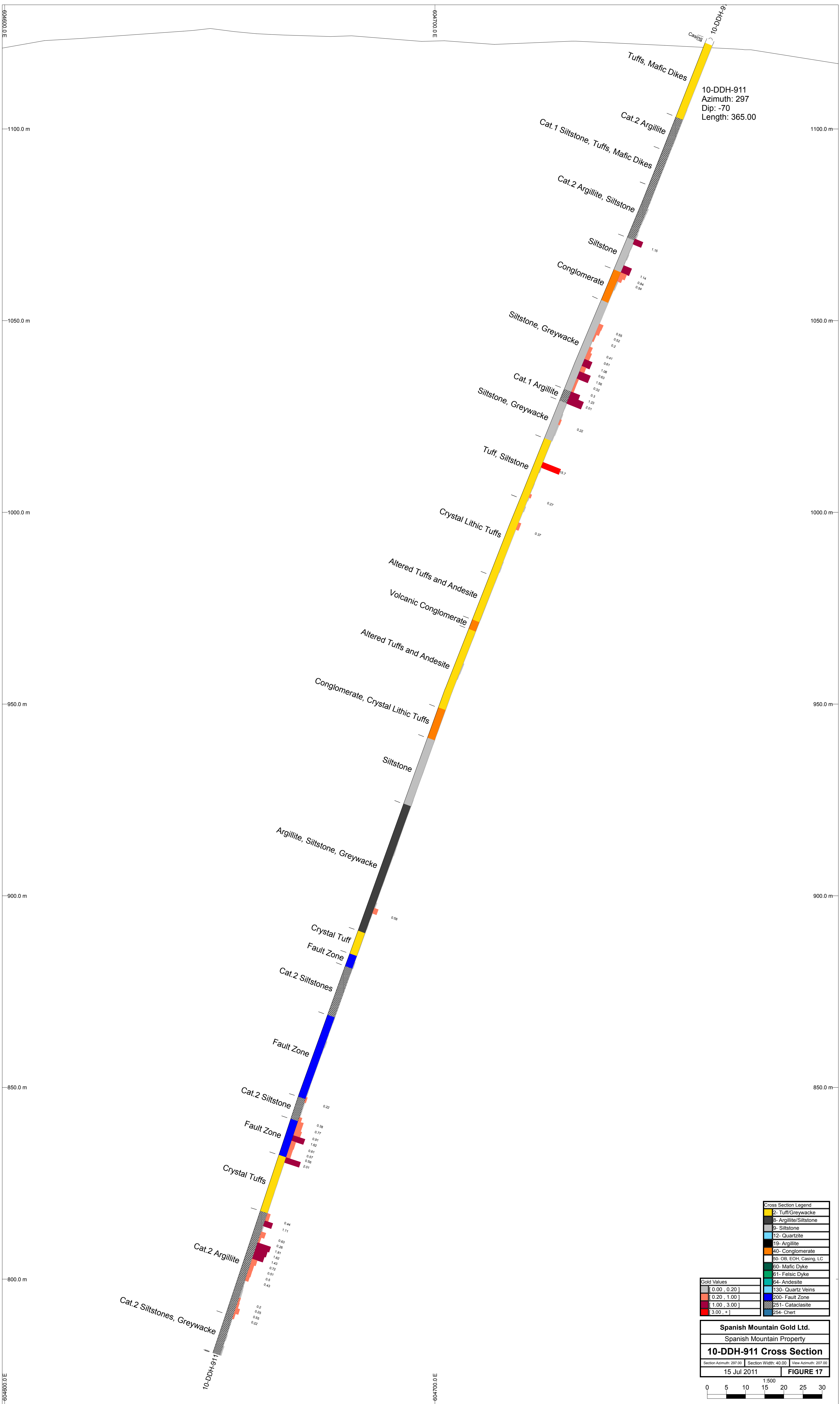
10-DDH-910
Azimuth: 118
Dip: -74
Length: 468.48

Cross Section Legend	
[Yellow]	2- Tuff/Greywacke
[Grey]	8- Argillite/Siltstone
[Light Grey]	9- Siltstone
[Light Blue]	12- Quartzite
[Dark Blue]	19- Argillite
[Orange]	40- Conglomerate
[Green]	60- Mafic Dyke
[Light Green]	61- Felsic Dyke
[Light Blue-Grey]	64- Andesite
[Dark Blue]	130- Quartz Veins
[Blue]	200- Fault Zone
[Black]	251- Cataclastite
[Dark Blue]	254- Chert

Gold Values	
[Light Grey]	0.00 - 0.20
[Orange]	0.20 - 1.00
[Red]	1.00 - 3.00
[Dark Red]	3.00 - +

Spanish Mountain Gold Ltd.
Spanish Mountain Property
10-DDH-910 Cross Section
Section Azimuth: 118.00 | Section Width: 40.00 | View Azimuth: 28.00
15 Jul 2011 | **FIGURE 16**



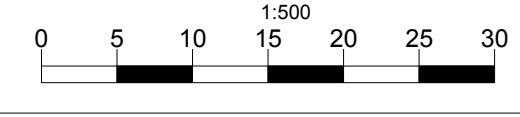


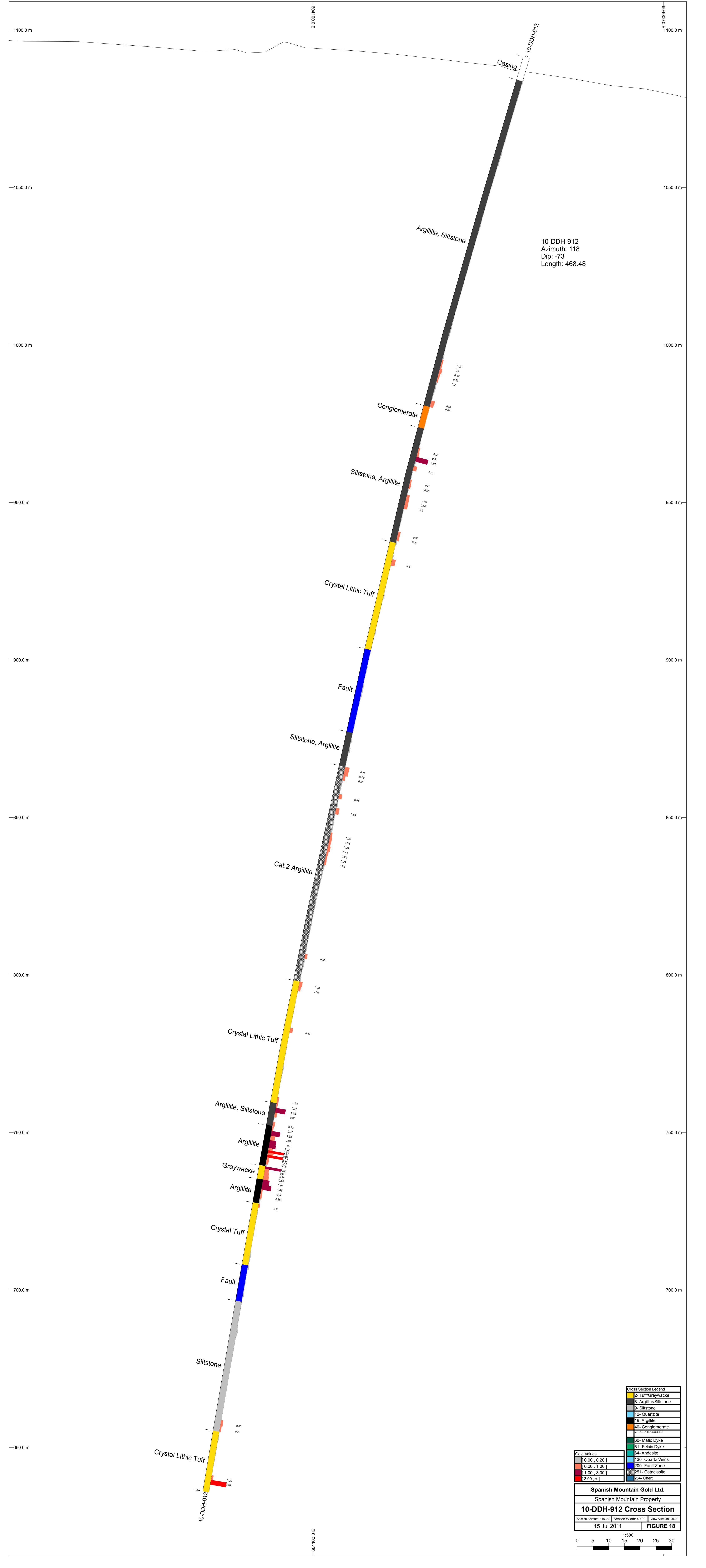
10-DDH-911
Azimuth: 297
Dip: -70
Length: 365.00

Cross Section Legend	
[Yellow]	2- Tuff/Greywacke
[Dark Grey]	8- Argillite/Siltstone
[Light Grey]	9- Siltstone
[Light Blue]	12- Quartzite
[Dark Blue]	19- Argillite
[Orange]	40- Conglomerate
[White]	60- OB, EOH, Casing, LC
[Green]	61- Felsic Dyke
[Light Green]	64- Andesite
[Light Blue]	130- Quartz Veins
[Dark Blue]	200- Fault Zone
[Dark Blue]	251- Cataclaste
[Dark Blue]	254- Chert

Gold Values	
[Light Green]	[0.00 , 0.20]
[Orange]	[0.20 , 1.00]
[Red]	[1.00 , 3.00]
[Dark Red]	[3.00 , +]

Spanish Mountain Gold Ltd.
Spanish Mountain Property
10-DDH-911 Cross Section
Section Azimuth: 297.00 | Section Width: 40.00 | View Azimuth: 207.00
15 Jul 2011 | **FIGURE 17**



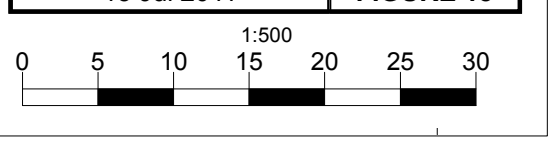


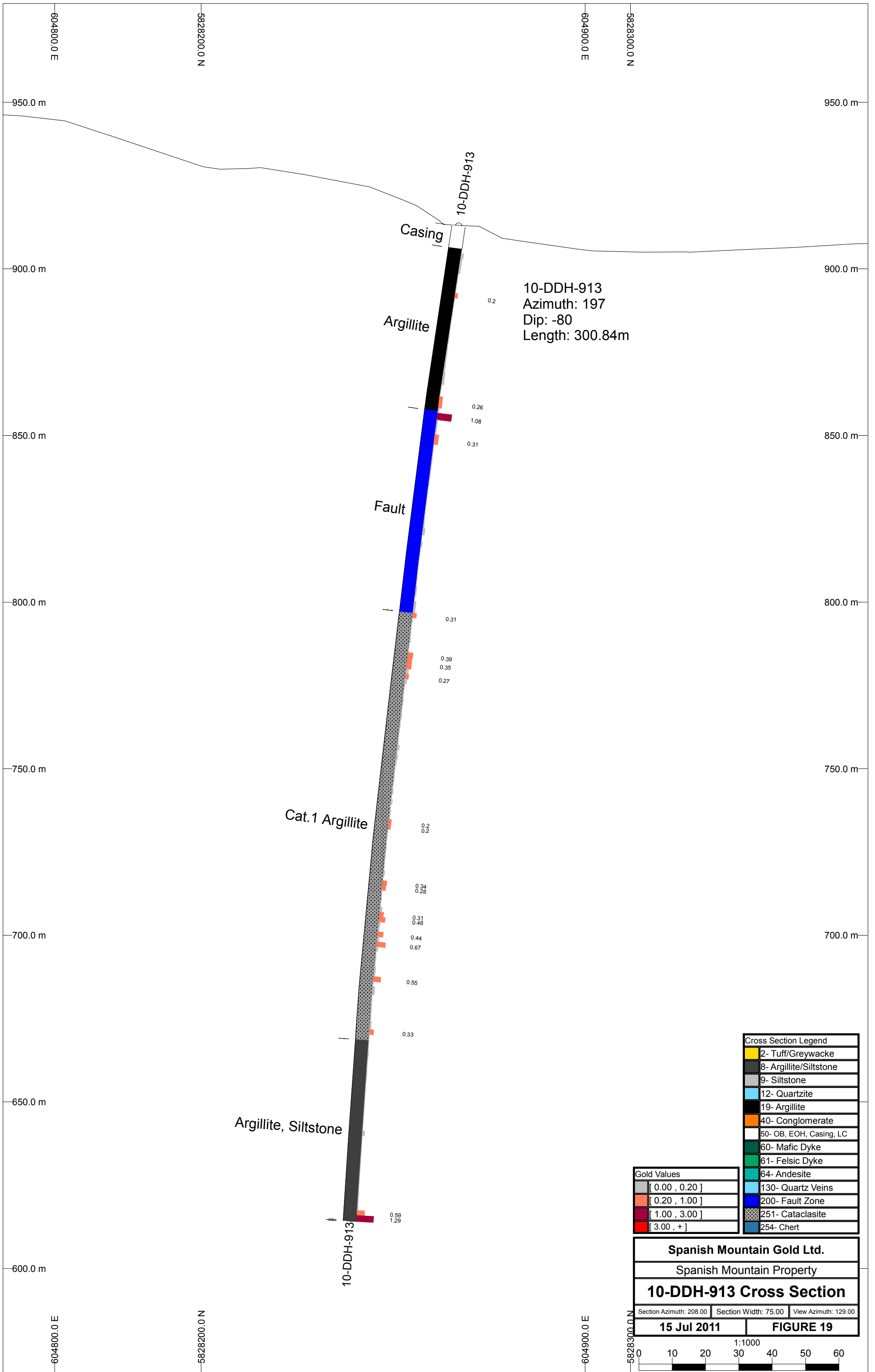
10-DDH-912
Azimuth: 118
Dip: -73
Length: 468.48

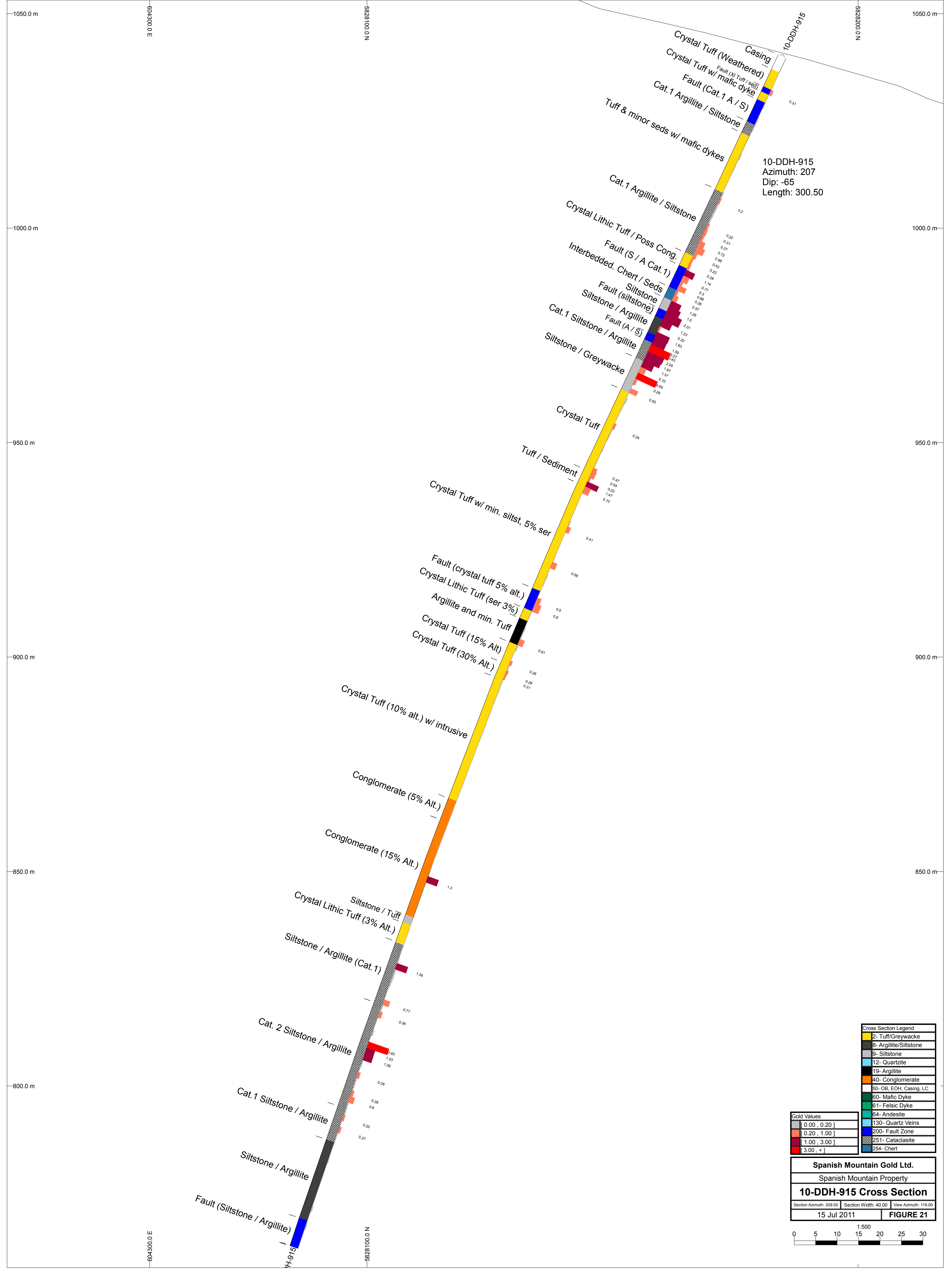
Cross Section Legend	
[Yellow Box]	2- Tuff/Greywacke
[Black Box]	8- Argillite/Siltstone
[Grey Box]	9- Siltstone
[Light Blue Box]	12- Quartzite
[Dark Blue Box]	19- Argillite
[Orange Box]	40- Conglomerate
[White Box]	50- Mafic Dyke
[Green Box]	51- Felsic Dyke
[Light Green Box]	54- Andesite
[Blue Box]	130- Quartz Veins
[Dark Blue Box]	200- Fault Zone
[Grey Box]	251- Catclastite
[Blue Box]	254- Chert

Solid Values	
[Light Blue Box]	0.00 - 0.20
[Orange Box]	0.20 - 1.00
[Red Box]	1.00 - 3.00
[Dark Red Box]	3.00 - +

Spanish Mountain Gold Ltd.
Spanish Mountain Property
10-DDH-912 Cross Section
Section Azimuth: 116.00 | Section Width: 40.00 | View Azimuth: 26.00
15 Jul 2011 | **FIGURE 18**





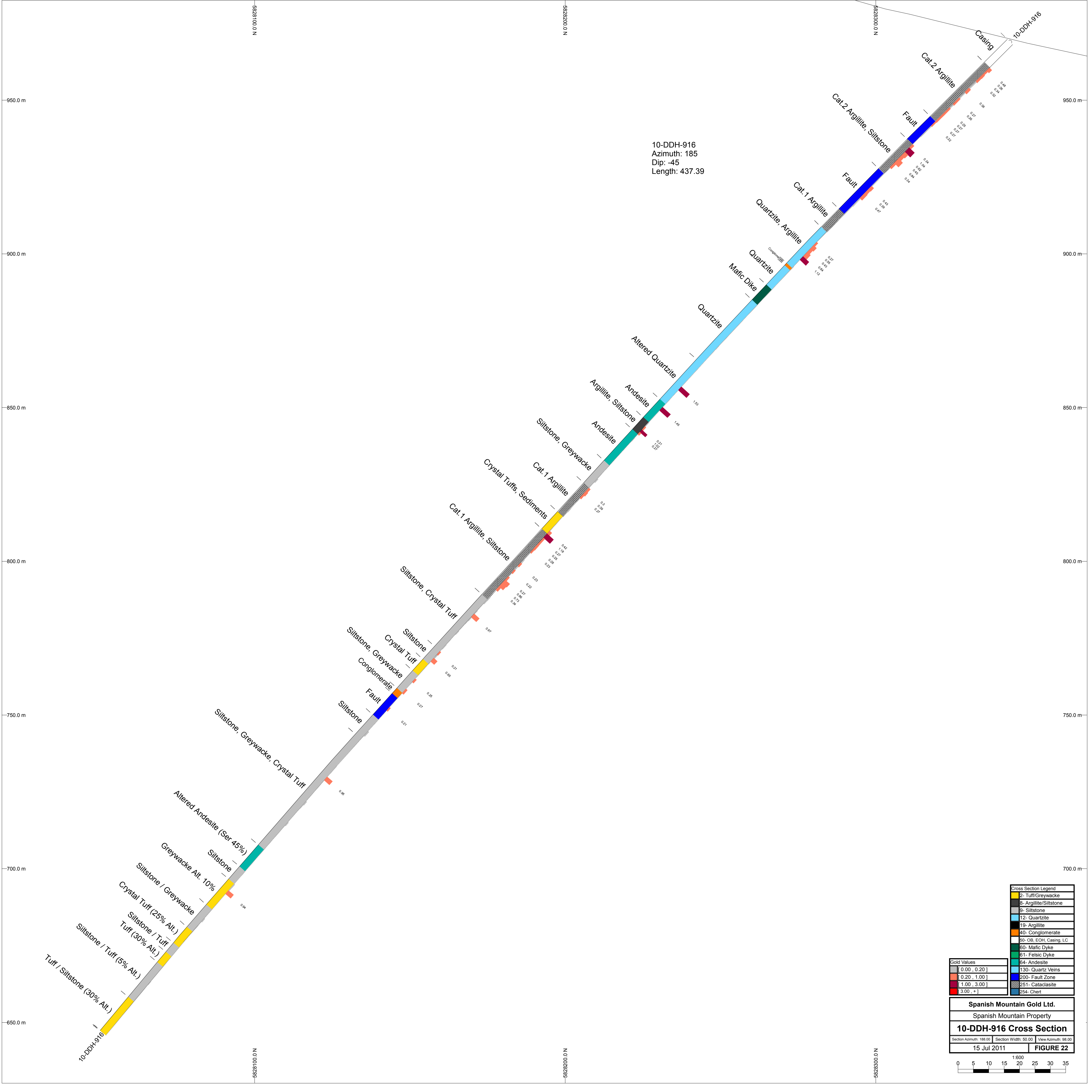


Gold Values	
[0.00 , 0.20]	[0.20 , 1.00]
[1.00 , 3.00]	[3.00 , +]

Cross Section Legend	
2- Tuff/Greywacke	130- Quartz Veins
8- Argillite/Siltstone	200- Fault Zone
9- Siltstone	251- Cataclastite
12- Quartzite	254- Chert
19- Argillite	
40- Conglomerate	
60- OB, EOH, Casing, LC	
60- Mafic Dyke	
61- Felsic Dyke	
64- Andesite	

Spanish Mountain Gold Ltd.		
Spanish Mountain Property		
10-DDH-915 Cross Section		
Section Azimuth: 209.00	Section Width: 40.00	View Azimuth: 119.00
15 Jul 2011		FIGURE 21

1:500	
0	5 10 15 20 25 30

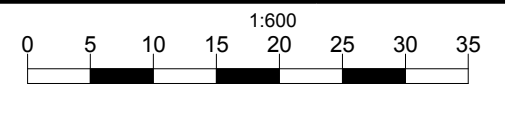


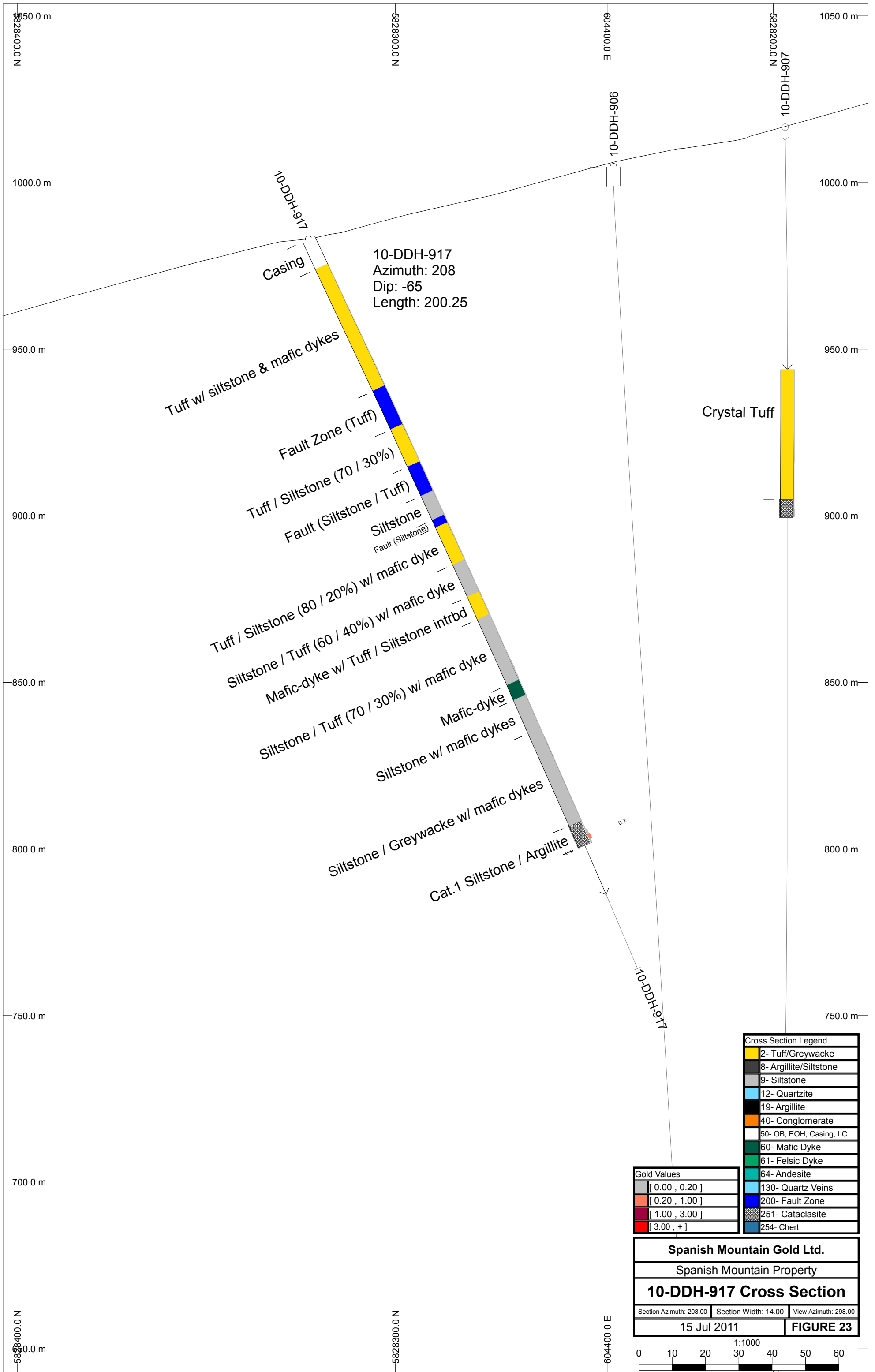
10-DDH-916
 Azimuth: 185
 Dip: -45
 Length: 437.39

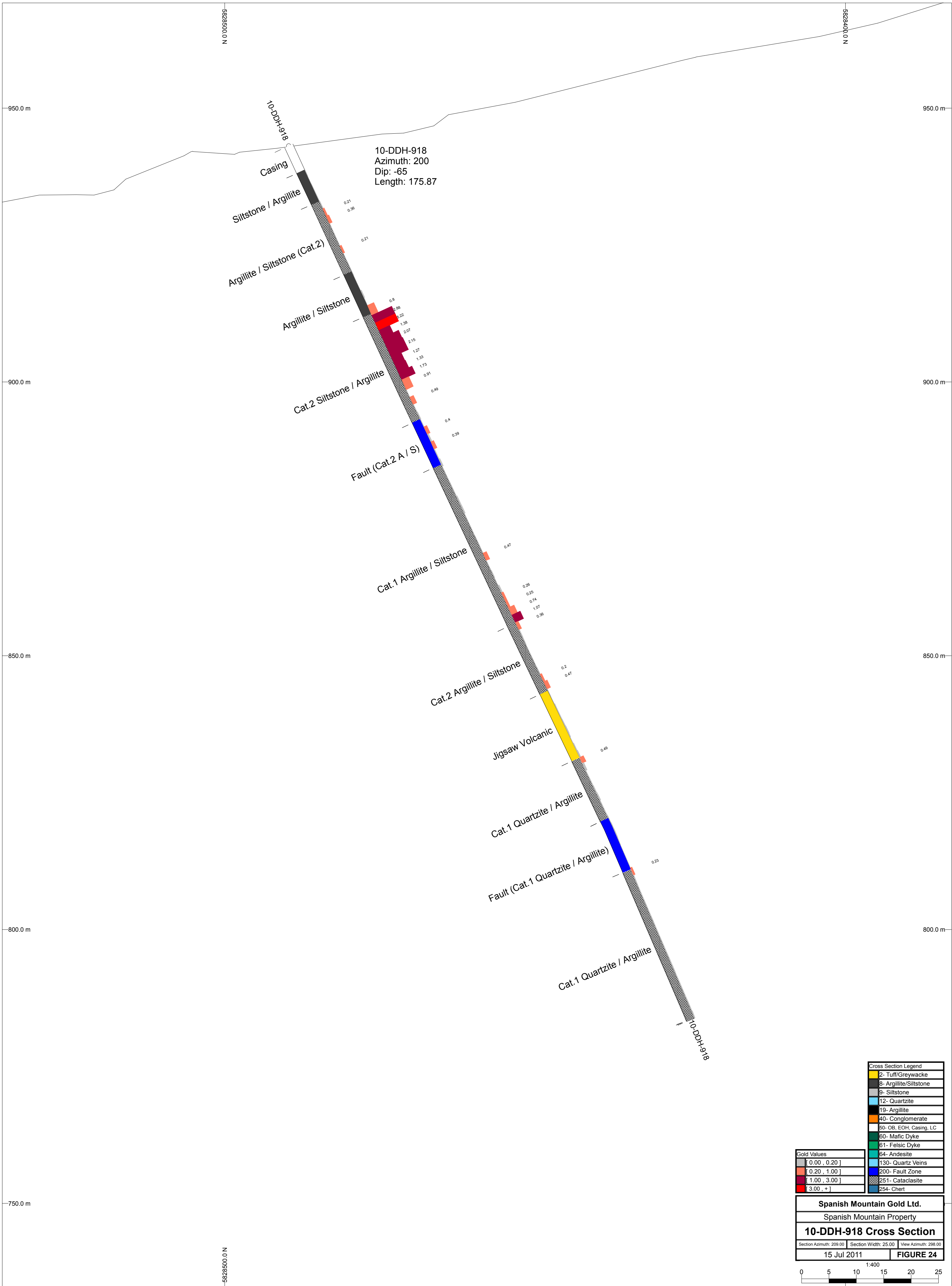
Cross Section Legend	
[Yellow]	2- Tuff/Greywacke
[Grey]	3- Argillite/Siltstone
[Light Grey]	9- Siltstone
[Light Blue]	12- Quartzite
[Dark Blue]	19- Argillite
[Black]	40- Conglomerate
[Orange]	60-OB, EOH, Casing, LC
[Dark Green]	60- Mafic Dyke
[Light Green]	61- Felsic Dyke
[Light Cyan]	64- Andesite
[Blue]	130- Quartz Veins
[Dark Blue]	200- Fault Zone
[Dark Grey]	251- Cataclastite
[Light Blue]	254- Chert

Gold Values	
[White]	[0.00 , 0.20]
[Light Orange]	[0.20 , 1.00]
[Red]	[1.00 , 3.00]
[Dark Red]	[3.00 , +]

Spanish Mountain Gold Ltd.
 Spanish Mountain Property
10-DDH-916 Cross Section
 Section Azimuth: 188.00 | Section Width: 50.00 | View Azimuth: 98.00
 15 Jul 2011 | **FIGURE 22**







10-DDH-918
 Azimuth: 200
 Dip: -65
 Length: 175.87

2- Tuff/Greywacke
8- Argillite/Siltstone
9- Siltstone
12- Quartzite
19- Argillite
40- Conglomerate
60- OB, EOH, Casing, LC
60- Mafic Dyke
61- Felsic Dyke
64- Andesite
130- Quartz Veins
200- Fault Zone
251- Cataclasite
254- Chert

[0.00 , 0.20]
[0.20 , 1.00]
[1.00 , 3.00]
[3.00 , +]

Spanish Mountain Gold Ltd.
 Spanish Mountain Property
10-DDH-918 Cross Section
 Section Azimuth: 209.00 | Section Width: 25.00 | View Azimuth: 298.00
 15 Jul 2011 | **FIGURE 24**

