

NTS 82E/4E  
**ASSESSMENT REPORT ON THE FAIRVIEW GOLD PROPERTY,  
BRITISH COLUMBIA, CANADA**

**BC Geological Survey  
Assessment Report  
34820**

**Prepared For:**  
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**Approximate Property Location:**  
Centre: 309694 m E / 5451950 m N  
(UTM, NAD 83, Zone 11N)  
4.7 km west of Oliver B.C. (NTS 82E/4E)  
OSOYOOS MINING DIVISION, BRITISH COLUMBIA

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July 3, 2013  
Vancouver, British Columbia

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## 1 Summary

This report is written as an assessment Report (the “Report”) for the Fairview Property (the “Property”), located in the South Okanagan region of British Columbia, Canada. The Property is held 100 percent (%) by Hi Ho Silver Resources Inc. (Hi Ho) of Vancouver, British Columbia. This report is written to report the results of, and expenditures related to, exploration work conducted in June 2012 by Bill McKinney, on behalf of Hi Ho.

The Fairview Property, consists of 16 mineral claims, totalling 781 hectares, is located in the South Okanagan region of British Columbia (BC), Canada. The Property is approximately 4.5 kilometres (km) west of the town of Oliver, BC and approximately 20 km north of United States border.

APEX Geoscience Ltd. (APEX) was retained by Hi Ho during November 2012 as consultants to complete a historic data compilation, 43-101 compliant resource calculation, and report on the Fairview Property. In June 2012, Bill McKinney, on behalf of Hi Ho, conducted reconnaissance mapping and rock sampling on the Property. This report presents the results of, and expenditures related to, exploration work conducted in 2012. Mr Kristopher J. Raffle, P.Geo, Principal of APEX, and a Qualified Person; Mr. Bahram Bahrami, GIT, Geologist of APEX are the authors of this report.

The Fairview Property occurs with the Fairview mining camp one of the oldest in British Columbia. The earliest lode discoveries date to the late 1880's and occur along a vein system which strikes over four kilometers. Three areas, the Fairview, Stemwinder and Morningstar, have been mined at various times between 1895 and 1961; short exploration tunnels were also driven on the Brown Bear and Silver Crown claims. The Fairview Stemwinder area saw its greatest activity at the turn of the century however most activity had ceased by 1930.

Mesothermal lode gold-silver bearing quartz vein mineralization within the Fairview Property is hosted within a poly-deformed and greenschist facies metamorphosed banded quartzite unit of the Carboniferous to Permian Kobau Group rocks, which are bound to the north by Jurassic granitic rocks of the Oliver Pluton, and to the south by Jurassic (?) granodiorite of the Fairview intrusion. Veins parallel the regional foliation, which strikes northwest and dips moderately to steeply northeast, and occur adjacent and parallel to the contact with the Fairview granodiorite; suggesting the two may be genetically related. Individual veins pinch and swell up to 5 m in thickness, with veins of up to 15 m being reported in the Fairview Mine, and can be traced up to 500 m along strike. Veins typically comprise opaque white quartz containing sparse disseminated pyrite, coarse galena blebs, sphalerite, trace chalcopyrite and graphite concentrated along centimeter-scale internal banding. Gold is erratically distributed in within, and occasionally adjacent to, quartz veins in association with sulphides and locally as coarse native gold (Hassard, 1994).

In June 2012, a four day reconnaissance mapping and rock sampling program was conducted on all three claim blocks of the Property. The purpose of this program was to

discover new zones of gold- silver mineralization, and also to verify and evaluate gold-silver grades at historic Joe Dandy and Stemwinder mines. Out of the 11 samples collected, three were collected from Joe Dandy, three were collected from Empire claims block, and 5 were collected from Stemwinder's adit, tailings pond, and waste piles. A mineralized outcrop was discovered east of Empire claim block during the reconnaissance mapping. Joe Dandy historical mine workings were located, and several samples were collected from air shaft and waste rock area. Only samples collected from Stemwinder mine area returned anomalous gold and silver values. The total cost to complete the 2012 rock sampling program was \$6,600.

Based on the presence of high grade gold and silver bearing quartz veins exposed at surface and intersected in drill core and historic underground workings, which exhibit a reasonable prospect for economic extraction, and favourable geology; the Fairview Gold Property is of a high priority for follow-up exploration. The 2013 exploration program should include, but not be limited to:

**Phase 1: a)** field based program comprising surface trenching, geologic mapping and rock channel sampling at intervals along strike to allow projection of modeled mineralized lodes to surface. In total, 200 m of surface trenching at four (4) sites spaced at intervals over a 200 m strike length of the Silver Crown Deposit should be completed. Trenches should be oriented perpendicular to the strike of quartz veins and channel sampling at two (2) m intervals (in total, approximately 100 samples) designed to assess the grade of quartz veins and host-rock. **b)** In addition, based on the results surface trenching collection of a 1,000 tonne mini-bulk sample should be collected to provide additional information with respect to the macro-grade of the Silver Crown Deposit. The total cost of the Phase 1 program is estimated at \$118,200 not including GST (Table 17). **Phase 2:** The Phase 2 exploration is contingent on the results of the Phase 1 exploration **a)** Based in part on the results of Phase 1, diamond drilling of approximately 12 holes totaling 2,100 m designed to test the potential for additional near-surface quartz veins within the footwall of the Silver Crown Deposit where a partially included raft of Kobau group quartzite and banded chert rocks occurs adjacent to the Fairview Granodiorite (Figure 4) (approximately 12 holes totaling 2,000 m, or approximately \$250 /m = \$500,000).



## 2 Introduction

This report is written as an assessment Report (the “Report”) for the Fairview Property (the “Property”), located in the South Okanagan region of British Columbia, Canada. The Property is held 100 percent (%) by Hi Ho Silver Resources Inc. (Hi Ho) of Vancouver, British Columbia. The Report is written to present the results of, and expenditures related to, exploration work conducted in June 2012 by Hi Ho.

APEX Geoscience Ltd. (APEX) was retained by Hi Ho during November 2012 as consultants to complete a historic data compilation, mineral resource estimate, and report specific to the Fairview Property. Mr. Kristopher J. Raffle, P.Geo, Principal of APEX, and a Qualified Person; Mr. Bahram Bahrami, GIT, Geologist of APEX, are the authors of this report. Mr. Raffle conducted a Property visit on April 17<sup>th</sup>, 2013.

Unless otherwise stated, all units used in this report are metric, all dollar (\$) amounts are in Canadian currency, and Universal Transverse Mercator (UTM) co-ordinates in this report and accompanying illustrations are referenced to the North American Datum 1983 (NAD83), Zone 11 North.

## 3 Reliance on Other Experts

The authors, in writing this report, used sources of information as listed in the references section. Government reports were prepared by qualified persons holding post-secondary geology, or related university degree(s), and are therefore deemed accurate. Those reports written by other geologists, prior to the implementation of the standards relating to National Instrument 43-101, are also assumed to be accurate based a data review conducted by the authors, although they are not the sole basis for this report.

## 4 Property Description and Location

The Fairview Property is located in the South Okanagan region of British Columbia (BC), Canada (Figure 1). The Property is approximately 4.5 kilometres (km) west of the town of Oliver, BC and approximately 20 km north of United States border. The Property is located in the Osoyoos Mining Division, within the 1:50,000 scale National Topographic System (NTS) map sheet 082E04.

The Property is comprised of 16 mineral claims, covering a combined area of 781.1 hectares (ha) (Table 1, Figure 2). The claims are split into three separate blocks: the Silver Crown, Joe Dandy, and Empire blocks. The Property is bounded by latitudes 49°09’55” N and 49°12’15” N, and longitudes 119°33’45” W and 119°39’05” W, and is centred at approximately 49°11’25” N latitude and 119°36’45” W longitude. Hi Ho currently maintains 100% interest in all 16 mineral claims.

The new expiry date listed in Table 1 below will be the new effective dates of expiry once the exploration results and expenditures of this report has been submitted and approved.

Figure 1 – Property Location

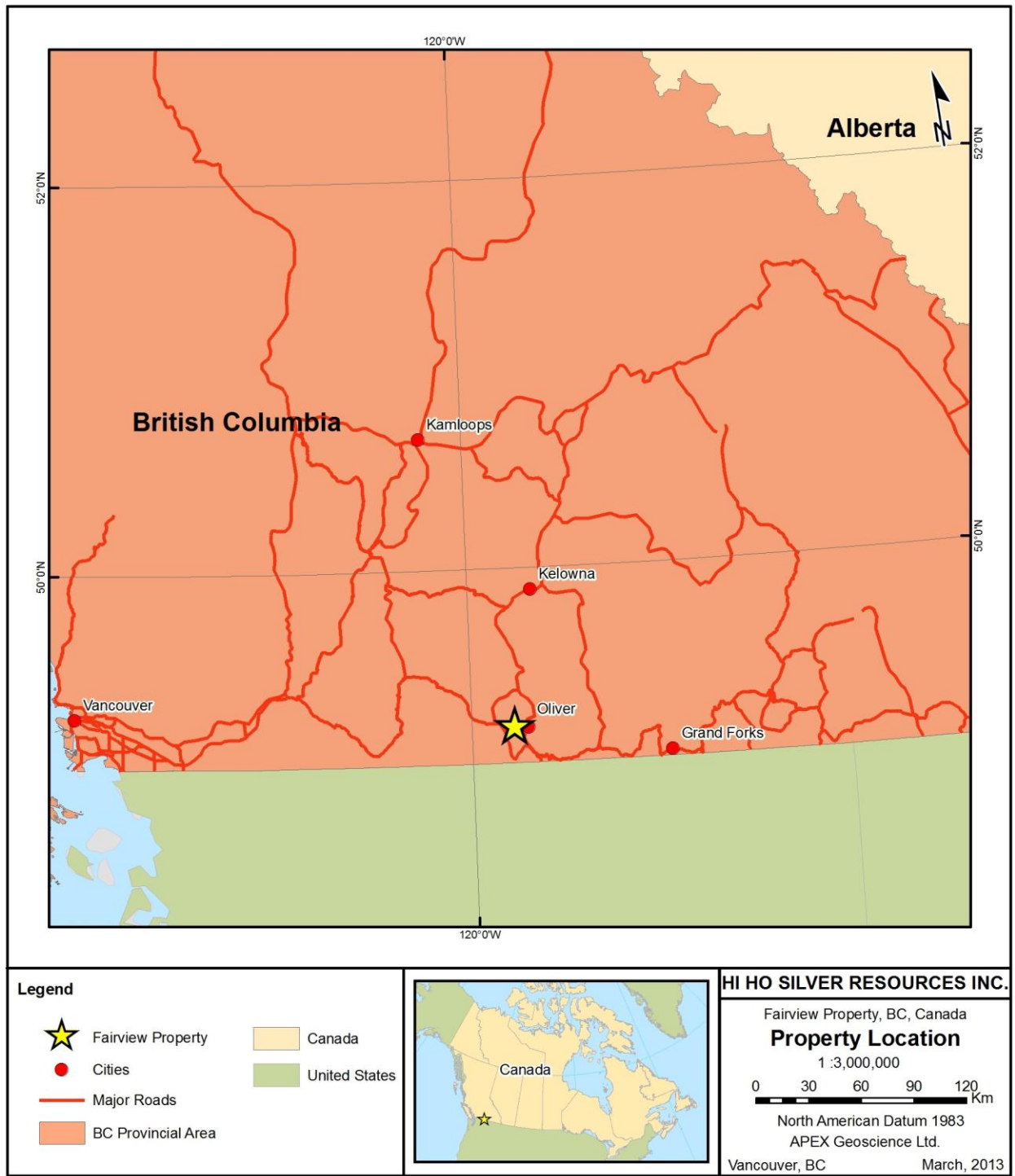


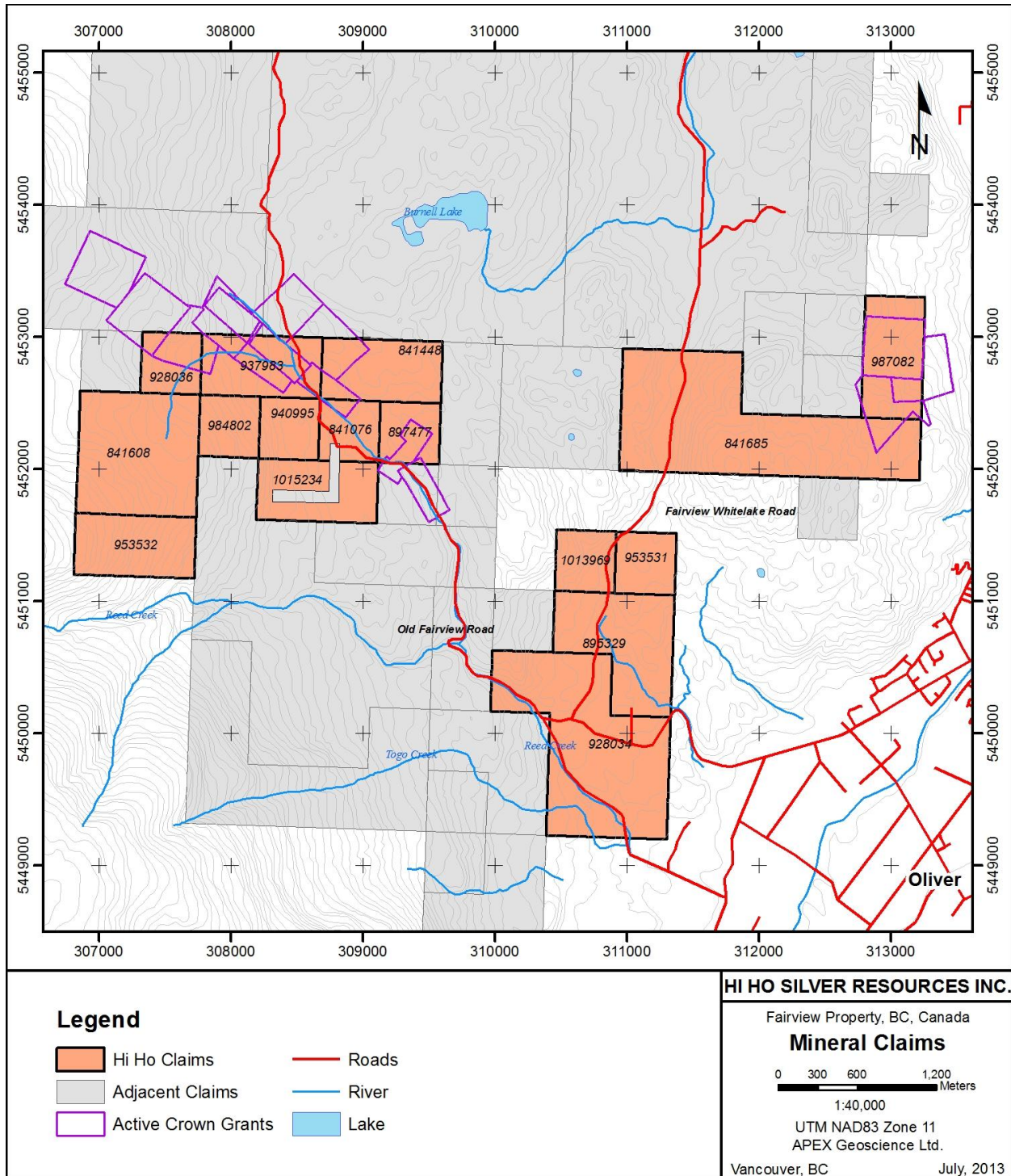
Table 1 – Fairview Property Mineral Claims

Tenure*	Claim Name	Issue Date	Old Expiry Date	New Expiry Date	Area (Ha)
841076	QUEEN	17/12/2010	17/12/2012	02/11/2014	21.11
841448	QUEEN2	21/12/2010	21/12/2012	02/11/2014	42.21
841608	QUEEN4	22/12/2010	22/12/2012	02/11/2014	84.44
841685	QUEEN5	23/12/2010	23/12/2012	02/11/2014	147.76
895329		29/08/2011	28/02/2013	02/11/2014	63.34
928034		03/11/2011	03/11/2012	02/11/2014	126.70
928036		03/11/2011	03/11/2012	02/11/2014	21.11
937983		20/12/2011	20/12/2012	02/11/2014	42.21
953531	ATLAS	29/02/2012	28/02/2013	02/11/2014	21.11
953532	GOLD HILL	29/02/2012	28/02/2013	02/11/2014	42.22
987082		17/05/2012	17/05/2013	02/11/2014	42.22
897477		14/09/2011	14/09/2013	02/11/2014	21.11
1015234	FAIRVIEW CENTRAL	11/12/2012	11/12/2013	02/11/2014	42.22
984802	MC1	08/05/2012	08/11/2013	02/11/2014	21.11
940995	STEMWINDER1	15/01/2012	15/01/2014	02/11/2014	21.11
1013969	ATLAS WEST	24/10/2012	24/10/2013	02/11/2014	21.11

\*All tenures listed are 100% owned by Hi Ho

In British Columbia, the owner of a mineral claim acquires the right to the minerals which were available at the time of claim location and as defined in the Mineral Tenure Act of British Columbia. Surface rights are not included. Claims are valid for one year and the anniversary date is the annual occurrence of the date of record (the staking completion date of the claim). To maintain a claim in good standing the claim holder must, on or before the anniversary date of the claim, either: (a) record the exploration and development work carried out on that claim during the current anniversary year; or (b) pay cash in lieu of work. Payment of cash in lieu of work requirements are assessed at double the corresponding assessment work value; and a minimum of 6 months and a maximum. The amount of work required in the first 2 years is \$5 per hectare per year; and \$10 per hectare per year in years 3 and 4; \$15 per hectare per year in years 5 and 6; and \$20 per hectare per year in subsequent years. Only work and associated costs for the current anniversary year of the mineral claim may be applied toward that claim unit. If the value of work performed in a year exceeds the required minimum, the value of the excess work, can be applied to cover work requirements for that claim for additional years (subject to the regulations). A report detailing work done and expenditures must be filed with, and approved by, the B.C. Ministry of Energy and Mines Mineral Titles Online (MTO) website.

Figure 2 – Claims Map





All work carried out on a claim that disturbs the surface by mechanical means (including drilling, trenching, excavating, blasting, construction or demolition of a camp or access, induced polarization surveys using exposed electrodes, and site reclamation) requires a Notice of Work (NOW) permit under the Mines Act and the owner must receive written approval from the District Inspector of Mines prior to undertaking the work. The NOW must include: the pertinent information as outlined in the Mines Act; additional information as required by the Inspector; maps and schedules for the proposed work; applicable land use designation; up to date tenure information; and, details of actions that will minimize any adverse impacts of the proposed activity. The claim owner must outline the scope and type of work to be conducted, and approval generally takes one or two months.

Exploration activities that do not require a NOW permit include: prospecting with hand tools, geological/geochemical surveys, airborne geophysical surveys, ground geophysics without exposed electrodes, hand trenching (no explosives) and the establishment of grids (no tree cutting). These activities and those that require Permits are outlined and governed by the Mines Act of British Columbia.

The Chief Inspector of Mines makes the decision whether or not land access will be permitted. Other agencies, principally the Ministry of Forests, determine where and how the access may be constructed and used. With the Chief Inspector's authorization, a mineral tenure holder must be issued the appropriate "Special Use Permit" by the Ministry of Forests, subject to specified terms and conditions. The Ministry of Energy and Mines makes the decision whether land access is appropriate and the Ministry of Forests must issue a Special Use Permit. However, three ministries, namely the Ministry of Energy and Mines; Forests; and Environment, Lands and Parks, jointly determine the location, design and maintenance provisions of the approved road.

Notification must be provided before entering private land for any mining activity, including non-intrusive forms of mineral exploration such as mapping surface features and collecting rock, water or soil samples. Notification may be hand delivered to the owner shown on the British Columbia Assessment Authority records or the Land Title Office records.

Alternatively, notice may be mailed to the address shown on these records or sent by email or facsimile to an address provided by the owner. Mining activities cannot start sooner than eight days after notice has been served. Notice must include a description or map of where the work will be conducted and a description of what type of work will be done, when it will take place and approximately how many people will be on the site. It must include the name and address of the person serving the notice and the name and address of the onsite person responsible for operations.

Hi Ho Silver does not currently hold a NOW permit for the Properties. However on June 3, 2013 Hi Ho submitted a NOW permit application with respect to the Fairview Property which outlines a program of surface mechanical trenching an for the collection of a 1000 tonne mini-bulk sample as part of the exploration program recommended by this report.

In addition to submission of a the NOW permit application, on April 12, 2013; Hi Ho submitted letters detailing the proposed exploration including a draft copy of the permit application to the Osoyoos Indian Tribe, the Lower Similkameen Indian Band, and the Okanagan Nation Alliance. As of the effective date of this report, letters acknowledging receipt and a request for fees to conduct a review of the of the draft application package were received from both the Osoyoos Indian Tribe and the Lower Similkameen Indian Band.

At present, the authors do not know of any environmental liabilities to which the Property may be subject.

## **5 Accessibility, Climate, Local Resources, Infrastructure and Physiography**

The Fairview Property is located in southern British Columbia, on the west side of the Okanagan Valley. It is approximately 4.5 km west of the town of Oliver and 35 km south of Penticton, BC (Figure 2). Provincial Highway 97 is the main thoroughfare in the area, running north-south through Oliver, to the east of the Property. Vehicle access to the Property is via the Fairview Road, which outlets west from Highway 97 in Oliver. Access to the Silver Crown claim block is possible via the Old Fairview Road, which turns north-northwest from the Fairview Road approximately 4 km west of Oliver. The Joe Dandy and Empire claim blocks are accessed by the Fairview White Lake Road, which branches north from the Fairview Road approximately 3.5 km west of Oliver. A network of back roads exists throughout the Property, providing easy access to most areas.

Daily commercial air service to Penticton Regional Airport is available via Vancouver International Airport. Oliver is serviced by a small municipal airport, with charter fixed wing and helicopter services available. Hotel accommodations, groceries, camp outfitters, construction equipment, and other supplies can be acquired easily in Oliver or Penticton. Health care services are also easily accessible, with two hospitals in close proximity. The South Okanagan General Hospital in Oliver and the Penticton General Hospital both offer 24 hour emergency services.

Elevations on the Property range from 520 metres (m) above sea level along the White Lake-Fairview Road to 1,360 m above sea level just north of Reed Creek. Vegetation consists mainly of small cacti, sagebrush, hemlock, and cedar. Average temperatures range from -5 degrees Celsius (°C) in the winter to 30 °C in the summer. Snow may be present on the Property from November to March.

## **6 History**

The Fairview mining camp is one of the oldest in British Columbia. The earliest lode discoveries date to the late 1880's and occur along a vein system which strikes over four kilometers. Three areas, Fairview, Stemwinder and Morningstar, have been mined at various times between 1895 and 1961; short exploration tunnels were also driven on the Brown Bear and Silver Crown claims. The Fairview Stemwinder area saw its greatest activity at the turn of the century however most activity had ceased by 1930. The Fairview, Stemwinder, and Morning Star historic mines fall outside the Fairview

Property, however their related historical exploration work discussed below is relevant to, and in some cases has overlapped with, areas within the Property and particularly the Silver Crown Deposit area.

The earliest record of work dates to 1890 when the first underground mining began on the Stemwinder Claim. Adit and shaft mining on several other claims in the area continued until 1962. Past production records for the Fairview Mine are incomplete; however recorded production from these mines is summarized in Table 2.

Table 2 – Historic Production for the Stemwinder, Fairview, and Morning Star Mines

<b>BC Ministry of Energy &amp; Mines Reported Production (Minfile 082SE006, 007, 008)</b>					
	<b>Tonnes</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Au (oz)</b>	<b>Ag (oz)</b>
Fairview	-	-	-	9,170	121,363
Stemwinder	-	-	-	3,225	17,130
Morningstar	-	-	-	8,124	31,043
<b>Total</b>				<b>20,519</b>	<b>169,536</b>
<b>Oliver Gold Corp. (Tupper, 1991) Reported Production (Unconfirmed)</b>					
Fairview Pre-Cominco (1933-1939)	118,000	5.83	-	22,118	-
Fairview Cominco (1946-1961)	359,000	3.19	48	36,819	554,021
Stemwinder	27,500	5.83	65.1	5,155	57,588
Morningstar	7,973	19.2	43.5	4,922	11,151
<b>Total</b>				<b>69,013</b>	<b>622,730</b>
<b>Fairview Potential Resources*</b>					
Fairview Cominco Reserve* (As of 1961 and reported by Valhalla Gold Corp, 1988)	762,000	3.77	41.14	92,361	1,007,883

\*The mineral resources and reserves are considered historic in nature and do not meet the criteria for a NI 43-101 compliant resource of any category as defined in "CIM Definition Standards on Mineral Resources and Ore Reserves" dated November 27th, 2010, and as such should not be relied upon. The author has been unable to verify these sources of information, and the information is not necessarily indicative of mineralization on the Fairview Property.

British Columbia Ministry of Mines and Petroleum Resources records indicate total historic production from the Fairview, Stemwinder and Morningstar mines of 20,519 troy ounces (oz) gold (Au) and 169,536 oz silver (Ag). Oliver Gold Corp. (Tupper, 1991) reported pre-Cominco historic production from the Fairview Mine between 1933 and 1939 of 118,000 tonnes grading 5.83 g/t Au with no silver values reported; and total Cominco production between 1946 and Fairview Mine closure in 1961 of 359,000 tonnes grading 3.19 g/t Au and 48 g/t Ag. The production figures appear to be based on annual Fairview Mine 1946 through 1954 production rates of 19,700 tonnes-per-year grading "close to" 3.77 g/t Au and 54.86 g/t Ag; and 1955 through 1961 production rates ranging between 23,600 and 34,000 tonnes-per-year (Tupper, 1991). Production figures reported by Tupper (1991) could not be confirmed. Gold and silver recoveries were not reported and it is not known whether production records represent tonnes mined or milled. Assuming 100% recovery of gold and silver, potentially recovered



ounces of gold and silver are also presented in Table 2 below. Detailed history of Fairview area is presented below. Information on exploration and mining in the area before 1983 is limited to the Annual Reports of the Minister of Mines.

### **6.1 Period of Discovery, Development and Production (1890-1961)**

Exploration work on the Fairview claims group began in 1890 on the Stemwinder and Brown Bear crown grants when the Rattler Company (Rattler) incised a 15m shaft to sample a prospective quartz vein (Minister of Mines, 1891). The results of this sampling encouraged Rattler to construct a five stamp quartz mill and make tests of ore from the Stemwinder, Brown Bear, Wynn M, Silver Crown, Morning Star, Wide West, Joe Dandy, and Rattler grants (Minister of Mines, 1893).

1893 saw vigorous development including the working of 91 tonnes of ore from the Brown Bear grant by The Strathyre Mining Company (Strathyre) who had recently acquired the Property from Rattler. 349 tonnes of ore were also extracted from the Morning Star Property by Mangett, McEachern, and Lefevre and milled at Strathyre's facilities. Mangett, McEachern, and Lefevre also completed significant surface prospecting. Work on the Wynn M grant was limited to the sinking of a 9m shaft but produced excellent gold (Au) values (Minister of Mines, 1894).

Strathyre suspended their mining activities in 1894; however, Mangett and McEachern continued to work their Morning Star grant, producing 907 tonnes of ore and 7 tons of concentrate reported at 19.9 grams per tonne (g/t) Au and 248.9 g/t Au respectively. 181 tonnes of ore reportedly running 8.30 g/t Au were extracted from the Brown Bear grant. Work by Gwatkin and Sheehan on the Stemwinder grant was purely developmental, including the sinking of the old shaft to 15 m and the extension of the tunnel to 46m (Minister of Mines, 1895).

Work in 1895 through 1898 on the Morning Star grant by Mangett and McEachern included the processing of a reported 1814 tonnes of ore at 24.9 g/t Au, and 18 tonnes of concentrate at 165.9 g/t Au in the first year with an additional 1088 tonnes over the following 3 years. In addition, 3 shafts were sunk 20-30m, and 60m of drifting was excavated. Meanwhile, Davies and Hammond ran an 18m tunnel and sank a 16.5m shaft on the Joe Dandy grant, extracting ore at reported grade of 33.2 g/t Au. In addition, 3 new shafts were sunk on the Stemwinder grant to 15m, 52m, and 92m and an ore test of 181 tonnes of material was conducted, producing reported Au values around 10.7 g/t (Minister of Mines, 1896 through 1899).

In 1899, the Fairview Corporation Ltd. conducted significant work on the Stemwinder grant, including 238m of all-in-ore drifting on the Main Vein, as well as nearly 122m of exploration drifting. An average sampling of the mine reported the ore to be worth, on average, 8.90 g/t Au. Meanwhile, The Dominion Consolidated Mines Company (Dominion) completed work on the Flora, Virginia, and Western Hill grants, including sinking a 30.5m shaft, and completing about 152m of test sinking and drifting (Minister of Mines, 1900).

The Stemwinder mine was inactive for much of 1900 due to the economic environment, but re-opened towards the end of the year with the intent to continue sinking the mine shaft to 152m. Work by Dominion continued on their Flora claim, extending a tunnel 366m into the mountain along the middle vein. Assays from the vein returned reported values of up to 17.16 g/t Au (Minister of Mines, 1901).

1901 saw the reconstruction of the Fairview Corporation as The New Fairview Corporation, as well as the installation of 76 stamps being installed on the Stemwinder Property. The Stemwinder mine itself was opened up to a third level with 59m, 256m, and 49m of drifting completed on the first, second, and third levels respectively. Reportedly, 454 tonnes of ore were milled with 9.11 g/t Au. On the Flora Property, Dominion cut a 186 m tunnel with a 91m cross-cut, exposing an approximately 2.5m wide vein from which reported ore values run between 8.26 to 11.6 g/t Au. This same year the Silver Crown, Brown Bear, and Wynn M. properties, along with many others in the area, were abandoned (Minister of Mines, 1902).

In 1902, production from the Stemwinder mine increased significantly. 10,886 tonnes of ore were milled with a reported average Au value of 5.96 g/t. In addition, a small cyanide plant was constructed and construction of a larger plant was begun. Milling ceased towards the end of the year due to a lack of storage space for tailings; however, mining continued and 9,072 tonnes of ore were stored. Operations on the Morning Star Property were recommenced this year with the intent of further sinking the shaft (Minister of Mines, 1903).

The 1903 work on the Stemwinder Property included 122m of drifting and the further sinking of the main shaft by 30m. 10,866 tonnes of ore was milled and construction of the 150 ton (136 tonnes)/day cyanide plant was completed. On the Morning Star Property, the shaft was further sunk to 91m and widened with two drifts of 46m and 78m run off the 150ft (46 m) and 250ft (76 m) levels respectively. The infrastructure for the working of a mine was also erected (Minister of Mines, 1904).

Early in 1904, a fault was encountered in the Stemwinder mine which had fully offset the Main Vein. Mining ceased while exploration for the vein was conducted. The main ore body was relocated north of the main shelf and a 60 ton mill test confirmed its viability. Meanwhile, on the Morning Star Property, a 15m drift and 11m cross cut all in ore were completed (Minister of Mines, 1905). Despite the promising test, mining on the Stemwinder Property was shut down in 1905, although considerable surface work (for which no detail was forthcoming) and two 7m shafts were completed (Minister of Mines, 1906).

In 1906, the New Fairview Corporation was reconstructed as the Stemwinder Gold and Coal Mining Company Ltd. (Stemwinder Gold). By 1907, Stemwinder Gold had constructed a new flume over 1.60 km long and obtained new equipment to expand their production. The expansion included sinking the main shaft a further 91m, incising a 91m raise (Minister of Mines, 1907), and sinking a new shaft to the 500 ft (152m) level in order to further explore the ore body offset by the previously encountered fault. Considerable work was done to improve the infrastructure of the mine, including

renovations of the mill and an increase in the capacity of the cyanide plant. By the end of 1907, Stemwinder Gold had completed an agreement to buy the properties and effects of the Strathyre Company, two of whose five properties adjoin the Stemwinder (Minister of Mines, 1908).

Stemwinder Gold shut down all mining operations in 1908. That same year Mangott and McEachern conducted considerable work on their Silver Crown mineral claim, though details of the work and results are not available (Minister of Mines, 1910), and no work at all was completed in the Fairview area between 1909 and 1919 inclusive.

In 1920, two tons (1.8 tonnes) of concentrate from the Stemwinder mine were smelted producing 6 oz (187 g) Au, 102 oz (3173 g) silver (Ag), and 181 pounds (lbs) (92 kg) lead (Pb). Meanwhile, on the Morning Star Group (Morning Star, Diamond, and Star claims), a 91m shaft, several open cuts, and a short tunnel were excavated. The ore obtained contained free Au, Pb, and Au-bearing zinc, and ran reported values between 8.30 g/t and 19.9 g/t Au equivalent (Minister of Mines, 1921).

In 1923, during a Property visit by the Minister of Mines to the Morning Star claim group, Mr. Mangott, co-owner of the claims, took a vein sample from each of the Morning Star, Black Diamond, and Silver Crown properties. These are reported to have returned respective assay results of: 19.2 g/t Au equivalent; 11.7 g/t Au, 102.9 g/t Ag; and 21.9 g/t Au and 411.4 g/t Ag, and 9 percent (%) zinc. No other work was done in the area (Minister of Mines, 1924).

In 1924, a lease and bond was taken on the claims in the Morning Star Group by an unnamed Vancouver interest. Surface workings were cleaned up and underground work on the Silver Crown claim was commenced. This included the extension of an upraise in the Silver Crown tunnel, a widening of the vein, and sampling that returned reported assays of 10.97 g/t Au and 171.4 g/t Ag (Minister of Mines, 1925).

No further work was completed in the Fairview area until 1930 when sampling from the old workings of the Morning Star group produced reported average assay results of 10.6 g/t Au and 95.3 g/t Ag (Minister of Mines, 1931).

In 1933, Morning Star Gold Mines Ltd. (Morning Star Gold) acquired eleven claims in the Fairview area: Morning Star, Black Diamond, Evening Star, August, Ocean Wave, Morning Star Fraction, Evening Star Fraction, Black Diamond Fraction, Princess, Duchess, and Star. Morning Star Gold proceeded to de-water the flooded west vein shaft to 61m and recondition the 100 foot (30.50m) level. Samples were taken across the 100 ft (30.50m) (No.1) and 200 ft (61m) (No.2) levels, returning reported values up to 109.7 g/t Au and 137.1 g/t Ag at the 100 foot (32.50m) level, but assayed very low at the 200 foot (61m) level. The No.1 level was extended 56m, and two upraises 7m and 3m high were put in developing 3.70m and 3m of auriferous quartz respectively. On the No.2 level, eastward diamond drilling intersected a 1.22m vein at 48m. An upraise was also developed that connects the No.1 and No.2 levels. This same year, work on the Flora claim was re-initiated by Fairview Amalgamated Gold Mines Ltd. From the main

drift, the company excavated 30.50m of crosscut, but lost the main Flora vein to an outcrop of granite (Minister of Mines, 1934).

Morning Star Gold stopped above-ground operations on the Morning Star mine in 1934 and focused on underground development, extending their No.1 level to a total length of 574m, No.2 level to 226m, and drifting on the east vein by 54m. Five ore shoots were identified, with reported assay values returning up to 39.6 g/t Au and 37.7 g/t Ag. On the Stemwinder Property, the mine was de-watered to 152m and 2664.3 tons of ore melted. However, only low ore values around 18.9 g/t Au were reported. The option on the Stemwinder claim group was therefore relinquished (Minister of Mines, 1935). In 1935, construction of a 50-ton (45 tonnes) mill at the Morning Star mine was completed and the mill was put into operation. Underground work at the mine consisted of cross-cutting and stoping at the 100-foot (30.50m) level. Meanwhile, a small crew in the Fairview mine continued drifting, crosscutting, and raising on both the No.1 and No.2 levels (Minister of Mines, 1936).

Meanwhile, Fairview Amalgamated Gold Mines completed significant underground work, including: 14m of crosscutting on the Flora lower adit leading to 107m of workings along the vein; extension of the Flora lower adit by 21m followed by 110m of workings along the vein and two 55m-long branch workings; seven cross-cuts off the main drift. Two faults had displaced the vein by 4.5m and 6m in the same direction (Minister of Mines, 1935).

The amalgamation of the Fairview and Morning Star mines, operated by Fairview Amalgamated Gold Mines Ltd., occurred in 1936. In the Fairview mine, raises to the surface were driven on ore-chutes from the 2500 ft (762m) adit. In the morning star, all work was done at the 100 ft (30.50m) level. 46m of drifting was completed in the mines, producing a combined 12,960 tons of ore which yielded 1,511 oz Au, and 21,334 oz Ag (47 kg and 664 kg) at an average grade of 4.00 g/t Au and 56.4 g/t Ag (Minister of Mines, 1937).

In 1937, development work at the Fairview mine consisted of extending the main adit to 793 m and putting a raise through to the surface 335 m from the adit portal. The capacity of the mill was increased to 150 tons (136 tonnes) per day and the required ore was retrieved via stoping above the main level (Minister of Mines, 1938). Work on the No.6 Fairview mine adit-drift commenced in 1938. After 259 m, a large ore body was intersected which was mined in favour of the No.5 drift where only loose ore in stopes was removed (Minister of Mines, 1939). Milling was suspended in favour of development work at the Fairview mine in 1939. Several months later all work on the Property was suspended (Minister of Mines, 1940) and no further work is recorded for the Fairview area until 1944 when the Fairview mine was optioned by the Kelowna Exploration Company Ltd. The company ran a six month program of site clean-up and exploration (Minister of Mines, 1945).

In 1940, a small production period was reported from Queen Mary mine, located within the Queen4 claim, approximately 1km southeast of Fairview and Stemwinder. The Queen Mary mine consists of Au-bearing quartz veins hosted by siliceous schist,

chlorite-actinolite phyllite and foliated phyllitic quartzite of the Kobau Group, near the Fairview pluton contact. The mine was owned and operated by A. Whitehead and produced 73 tonnes of ore from which 40 oz Ag and 23 oz Au (BC Minfile 082ESW097).

1946 saw the renewal of work in the Fairview mine when it was re-opened by the Consolidated Mining and Smelting Company of Canada Ltd. (Cominco) Aboveground crew quarters and ore bins were constructed, while rehabilitation and slashing of the underground workings were carried out to prepare for further development (Minister of Mines, 1947). The mine was in operation from 1947 until 1954 producing between 36 and 72 tons of quartz per day, mainly from stoping along the No. 5 and No. 6 adits (Minister of Mines, 1948 through 1955). Towards the end of the life of the Fairview Mine Cominco re-commenced work on the Morning Star mine that included de-watering and mapping the underground workings, as well as 430 m of diamond drilling within six holes on the surface. Four trenches were also cut on the Silver Crown claim (Minister of Mines, 1961). The same year that the Fairview Mine closed, Cominco initiated diamond drilling on the Stemwinder Property, consisting of six drill holes totaling 352 m (Minister of Mines, 1962).

## **6.2 Period of Post-Production Exploration (1982-1994)**

Work near the Fairview mine recommenced in 1982 when Cominco Ltd. ran a thirteen-hole diamond drill program on the Fairview and Stemwinder workings to determine the continuity of the main Fairview vein. Five of the drill holes were on Hi Ho Silver's current mineral claims (Figure 3). Most of the holes intersected the Main Vein and sample assays over significant intercepts returned promising results including 2.22 g/t Au over 11 m and 2.34 ppm Au over 6 m (Wiley, 1982). In the same year, Geo Teck Services Ltd. ran a Very Low Frequency Electromagnetic (VLF-EM) and Magnetometry (Mag) survey on the Fairview and Morning Star claim group (Black Diamond, Homestake, May Queen Fraction, Dalton Fraction, Morning Star, Fairview, and Fidelity claims) on behalf of Paymaster Resources Ltd. The survey outlined several magnetic and electromagnetic anomalies in the area, many of which underlie the current Hi Ho Silver claims. Conductive areas within the Kobau group were determined to be most prospective; however, further geophysical work at greater resolution was recommended (Englund, 1983).

Oliver Gold Co. ran an extensive exploration program in 1987 on the workings of the Fairview mine, having optioned the Fairview-Morningstar Mine Property from Cominco Ltd. in 1986. The 1987 program involved the rehabilitation of the No. 6 level of the Fairview Mine, slashing 3 underground drill stations, 6 underground and 4 surface drill holes, 22.9 m of drifting, geological mapping of accessible areas of levels 5 and 6, and extensive rock sampling of levels 3, 5, and 6. Aboveground, a VLF survey (Figure 4) and geochemical sampling (Figure 5) were carried out which identified several prospective targets for exploration. Higher grade ore shoots were identified grading up to 10.4 g/t Au and 167.0 g/t Ag, and Au and Ag mineralization was shown to be associated with galena, sphalerite, and chalcopyrite. The diamond drilling indicated the presence of mineralized quartz veins below the No. 6 level and northwest of the No. 3 level (Fletcher, 1987).



Figure 3 – Historic Drilling Compilation (Au)

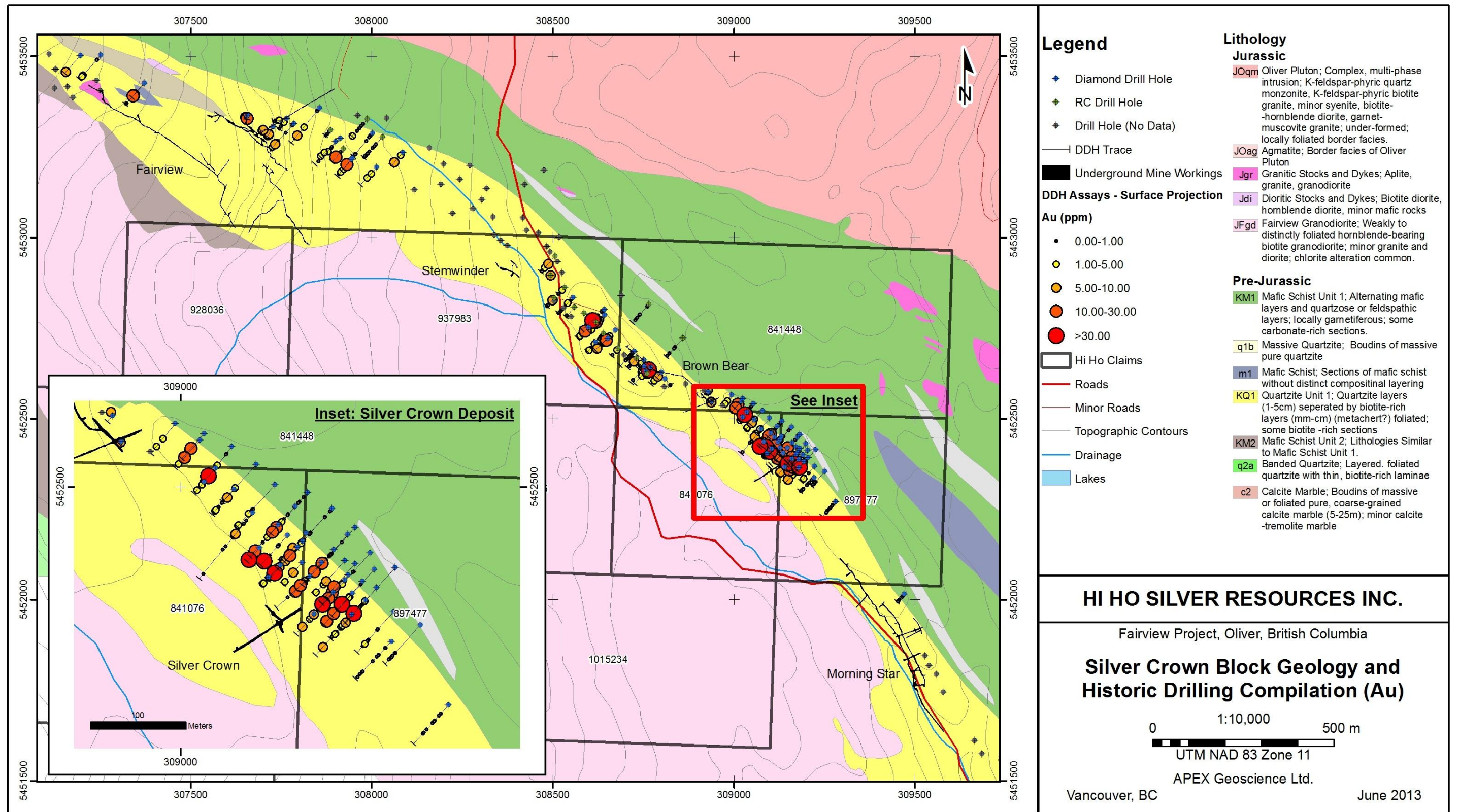
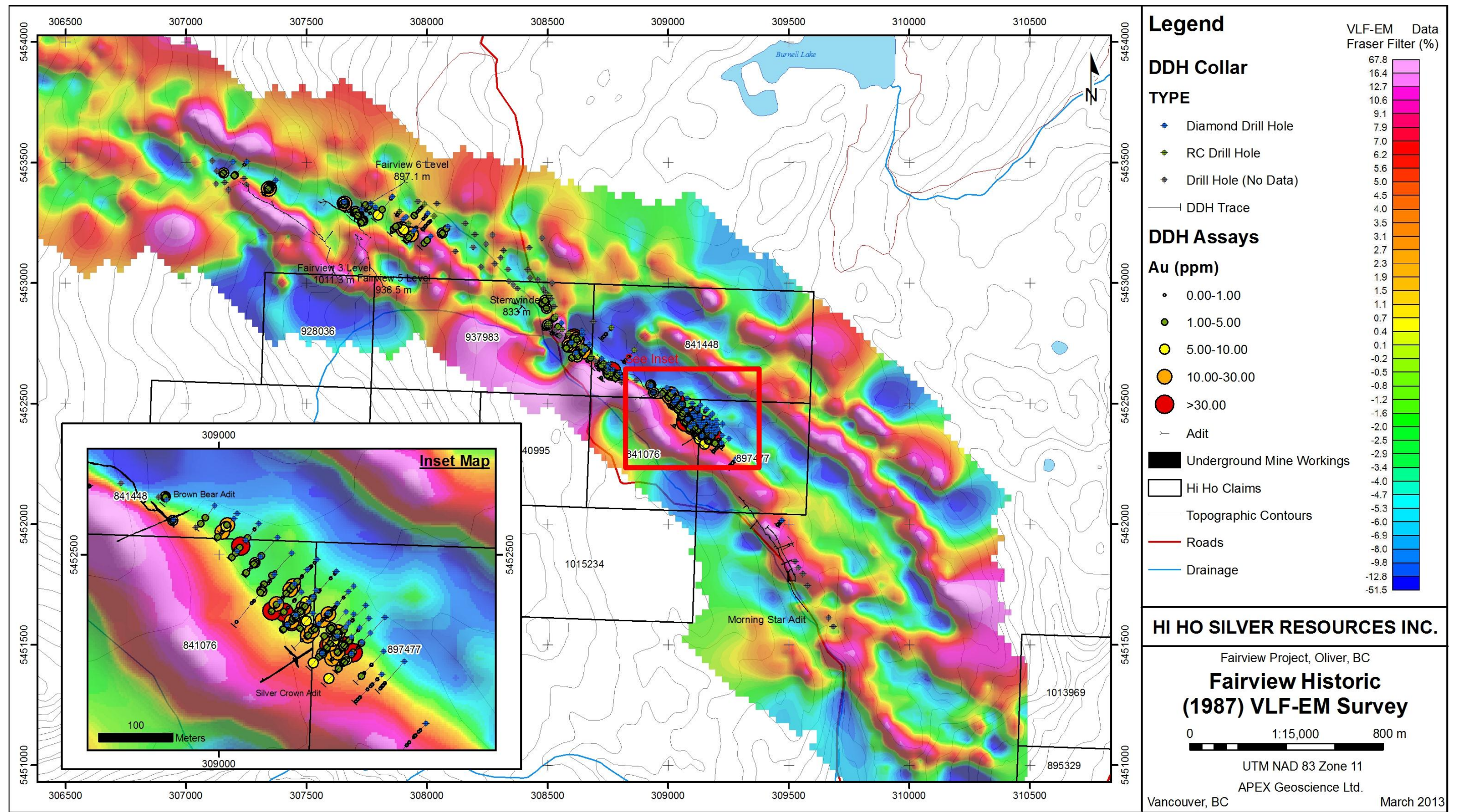




Figure 4 – Historic VLF Survey



**Legend**

**DDH Collar**

**TYPE**

- Diamond Drill Hole
- RC Drill Hole
- Drill Hole (No Data)
- DDH Trace

**DDH Assays**

**Au (ppm)**

- 0.00-1.00
- 1.00-5.00
- 5.00-10.00
- 10.00-30.00
- >30.00

- Adit
- Underground Mine Workings
- Hi Ho Claims
- Topographic Contours
- Roads
- Drainage

**VLF-EM Data Fraser Filter (%)**

67.8  
16.4  
12.7  
10.6  
9.1  
7.9  
7.0  
6.2  
5.6  
5.0  
4.5  
4.0  
3.5  
3.1  
2.7  
2.3  
1.9  
1.5  
1.1  
0.7  
0.4  
0.1  
-0.2  
-0.5  
-0.8  
-1.2  
-1.6  
-2.0  
-2.5  
-2.9  
-3.4  
-4.0  
-4.7  
-5.3  
-6.0  
-6.9  
-8.0  
-8.8  
-12.8  
-51.5

**HI HO SILVER RESOURCES INC.**

Fairview Project, Oliver, BC

**Fairview Historic (1987) VLF-EM Survey**

0 1:15,000 800 m

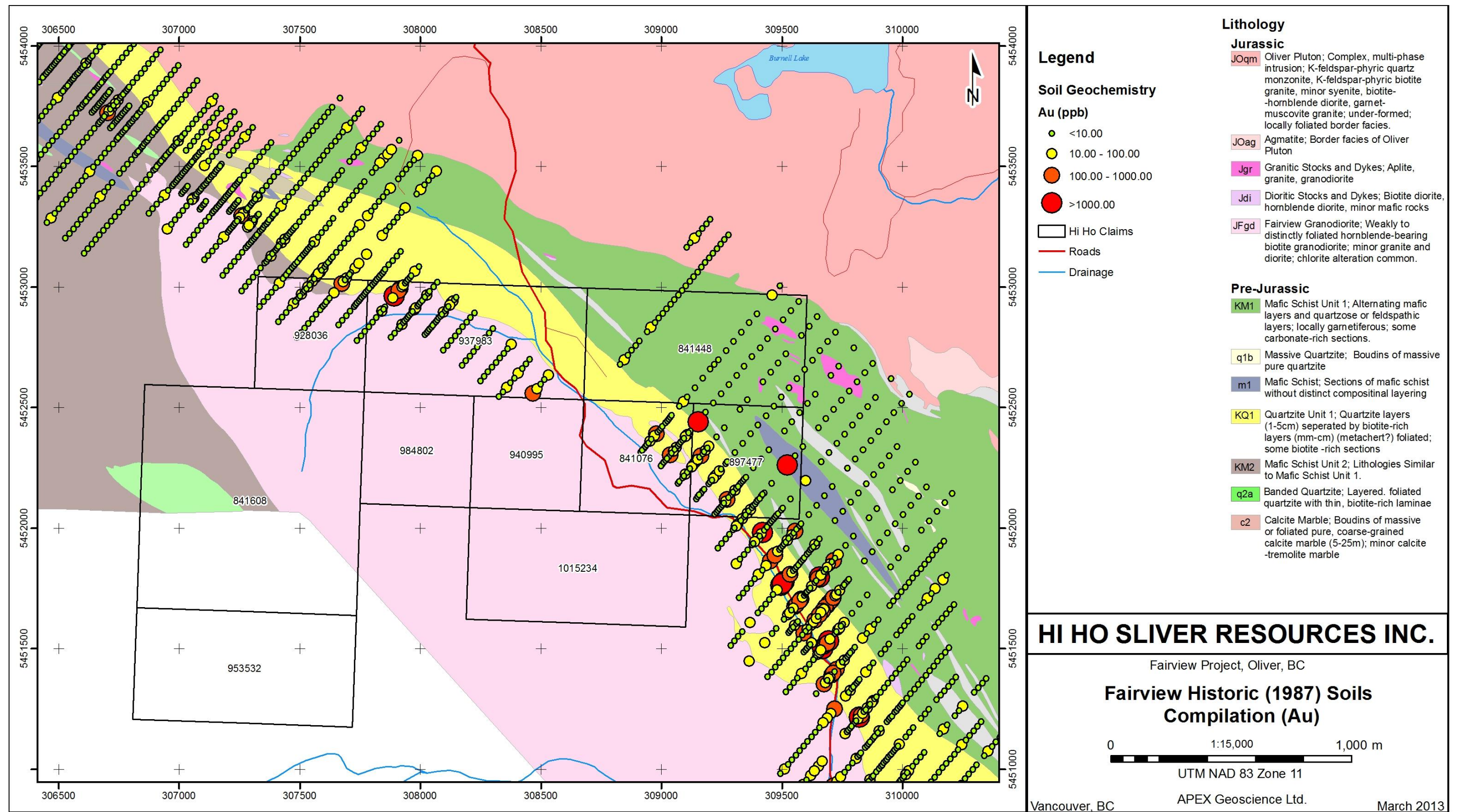
UTM NAD 83 Zone 11

APEX Geoscience Ltd.

Vancouver, BC March 2013



Figure 5 – Historic Soil Sampling



Late 1987 through early 1988 saw exploration of the Stemwinder mine Property and Brown Bear adit by Highland Valley Resources Ltd. Underground mapping, and surface and underground sampling were carried out on the Brown Bear adit, which revealed an area of extremely sulphide-rich quartz veins sitting on top of the major left-lateral fault. Late 1987 through early 1988 saw exploration of the Stemwinder mine Property and Brown Bear adit by Highland Valley Resources Ltd. Underground mapping, and surface and underground sampling were carried out on the Brown Bear adit, which revealed an area of extremely sulphide-rich quartz veins sitting on top of the major left-lateral fault. Assay results from the vein area graded up to 302.7 g/t Au, and 124.1 g/t Ag. In the Stemwinder Mine area all known pits, trenches, shallow underground workings, and quartz vein outcrops were sampled. Samples assayed from the Main Vein returned values up to 10.3 g/t Au and 185.1 g/t Ag, while samples from the Hanging Wall vein returned 1.89 g/t Au and 8.23 g/t Ag above ground and 20.3 g/t Au and 12.7 g/t Ag underground. Pits and trenches southeast of the Stemwinder shaft returned assay values up to 114.3 g/t Au and 23.0 g/t Ag while those NW of the shaft returned 33.3 g/t Au and 9.26 g/t Ag, leading to the conclusion that the main fault greatly affects the mineralization of the Stemwinder mine. Eight backhoe trenches were put in to sample areas of poor exposure, though it was only in 4 of the trenches, located near the Stemwinder shaft, that quartz veins were intersected and sampled. The resulting assays ran up to 68.5 g/t Au and 28.8 g/t Ag. In addition to the sampling, 17 reverse circulation drill holes were completed across the Brown Bear, Stemwinder, and Wynn M claims. 16 of the 17 holes intersected significant vein sections with assays returning values up to 10.5 g/t Au and 113.1 g/t Ag, which suggested the area east of the Stemwinder shaft was highly prospective (Mehner, 1988).

In 1988, Gila Bend Resource Corp., conducted a reconnaissance exploration program covering parts of Hi Ho's Empire claim block, and historic Standard and Susie Mines. Located within the Queen5 claim a quartz vein was discovered hosted sheared granitic rocks. The vein is approximately 0.6 meters wide at the surface. Out of 18 soil samples and 2 rock samples collected over the vein, one soil sample returned 65 parts-per-billion (ppb) Au and a rock sample returned 0.13 g/t Au (DiSpirito and Blank, 1988).

Between May and July 1990, Oliver Gold Corp, drilled 11 diamond drill holes to test inferred reserves below the No. 6 level of the Fairview mine. The resulting core showed a much more complicated geology than expected due to interference from faults and intrusive rocks. Therefore, in January and February, 1991, an additional 21 diamond drill holes were completed along the Brown Bear, Silver Crown, and Morning Star claims to test the Fairview vein system. The results of the 1991 drilling produced assays up to 290.9 g/t Au and 419.7 g/t Ag with visible gold present in the core. The drilling also corrected the occurrences of the Hanging Wall vein and the Main Vein. It was shown that the Main Vein and Hanging Wall vein merge into one vein near the northeast corner of the Brown Bear claim (Tupper, 1991).

In February, 1994, Oliver Gold Corp. completed a 13-hole diamond drill program totaling 1083.3 m with the aim of testing the Hanging Wall Vein and Main Vein near the Brown Bear and Silver Crown adits. The veins were shown to dip at approximately 60 degrees



(<sup>o</sup>) to the north about 30 m apart. The 1994 drilling program characterised the Hanging Wall and Main Vein well, outlining the possibility for an ore-grade shoot in the northeast corner of the Silver Crown claim, though the controls on this shoot were still poorly understood (Hassard, 1994). Therefore, an additional 28 diamond drill holes totaling 2,667.3 m were completed in November and December, 1994 in the Brown Bear-Silver Crown area. Small veins and splays were shown to be associated with the Main Vein and especially with the more complex Hanging Wall Vein, and both veins had been offset approximately 10 m by the main fault. Several reserves containing native gold were outlined as the result of the drilling and totalled 51,446 tonnes at 11.2 g/t Au and 37.7 g/t Ag (Hassard, 1995). Table 3 lists some of the significant assay results from diamond drilling of Silver Crown Deposit.

Table 3 – Silver Crown Drilling Significant Assay Results

Drill Hole ID	From (m)	To (m)	Length (m)	Au (ppm)	Ag (ppm)
SC91-21 <i>includes</i>	29.26	38.36	<b>9.1</b>	<b>32.27</b>	52
	30.47	31.47	1	<b>290.95</b>	419.7
SC94-01 <i>includes</i>	52.95	57.7	<b>4.75</b>	<b>124.91</b>	47.4
	53.95	56.2	2.25	<b>263.3</b>	97.5
SC94-02 <i>includes</i>	54.1	59.6	<b>5.5</b>	2.59	27.2
	55.7	57.8	2.1	6.24	65.2
SC94-12 <i>includes</i>	59	62.05	3.05	5.23	4.4
	60	61.2	1.2	12.93	6.5
SC94-13 <i>includes</i>	63.1	72.9	<b>9.8</b>	5.46	37
	63.1	66.45	3.35	10.09	66.4
SC94-16 <i>includes</i>	71.2	74.3	3.1	<b>15.72</b>	81.3
	72.6	73.3	0.7	<b>66.34</b>	303.4
SC94-20	85.1	90.9	<b>5.8</b>	1.99	4.5
SC94-24 <i>includes</i>	112.7	116.9	<b>4.2</b>	3.08	5.4
	112.7	114.6	1.9	6.58	9
SC94-31 <i>includes</i>	52.7	54.9	2.2	7.91	49.1
	52.7	54.4	1.7	10.21	63.3
SC94-36 <i>includes</i>	67.3	75.8	<b>8.5</b>	<b>19.09</b>	17
	67.8	70.1	2.3	<b>68.58</b>	44.2
SC94-37	24.4	26.1	1.7	9.28	5.9
SC94-38 <i>includes</i>	52.7	55.8	3.1	<b>14.53</b>	23
	54.3	55.3	1	<b>44.59</b>	64.7
SC94-39 <i>includes</i>	75.4	75.9	3.1	6.33	10.1
	75.4	76.8	1.4	13.93	20.9
SC94-40	74.8	88.7	<b>13.4</b>	1.03	7.9

## 7 Geological Setting and Mineralization

### 7.1 Regional Geology

The Fairview Property lies on the west side of the Okanagan river valley within the Quesnellia Terrane of the Intermontane Tectonic Belt (Figure 6). The post-Devonian to pre-Cretaceous, possibly Carboniferous Kobau Group underlies most of the area. The exact age of the non-fossiliferous Kobau Group is unknown; therefore, time of deposition is based on lithological and structural correlations. A definitive minimum age of late Jurassic is given by the Oliver granite intrusion (Okulitch, 1973).

Two kilometres east of the Property, the Okanagan Valley follows a shallow, west-dipping crustal shear, which is the most prominent tectonic and stratigraphic break in the region. Parkinson and Tempelman-Kluit (1986) proposed a middle Eocene extensional setting for the generation of this shear with the upper plate of the shear moving approximately 90 km to the west over the lower plate. Comparable polyphase deformation, metamorphism, and similar lithologies in the Anarchist Group to the east, dated to the Permian and possibly the Carboniferous based on fossil assemblages, support a correlation with the Kobau Group (Okulitch, 1973).

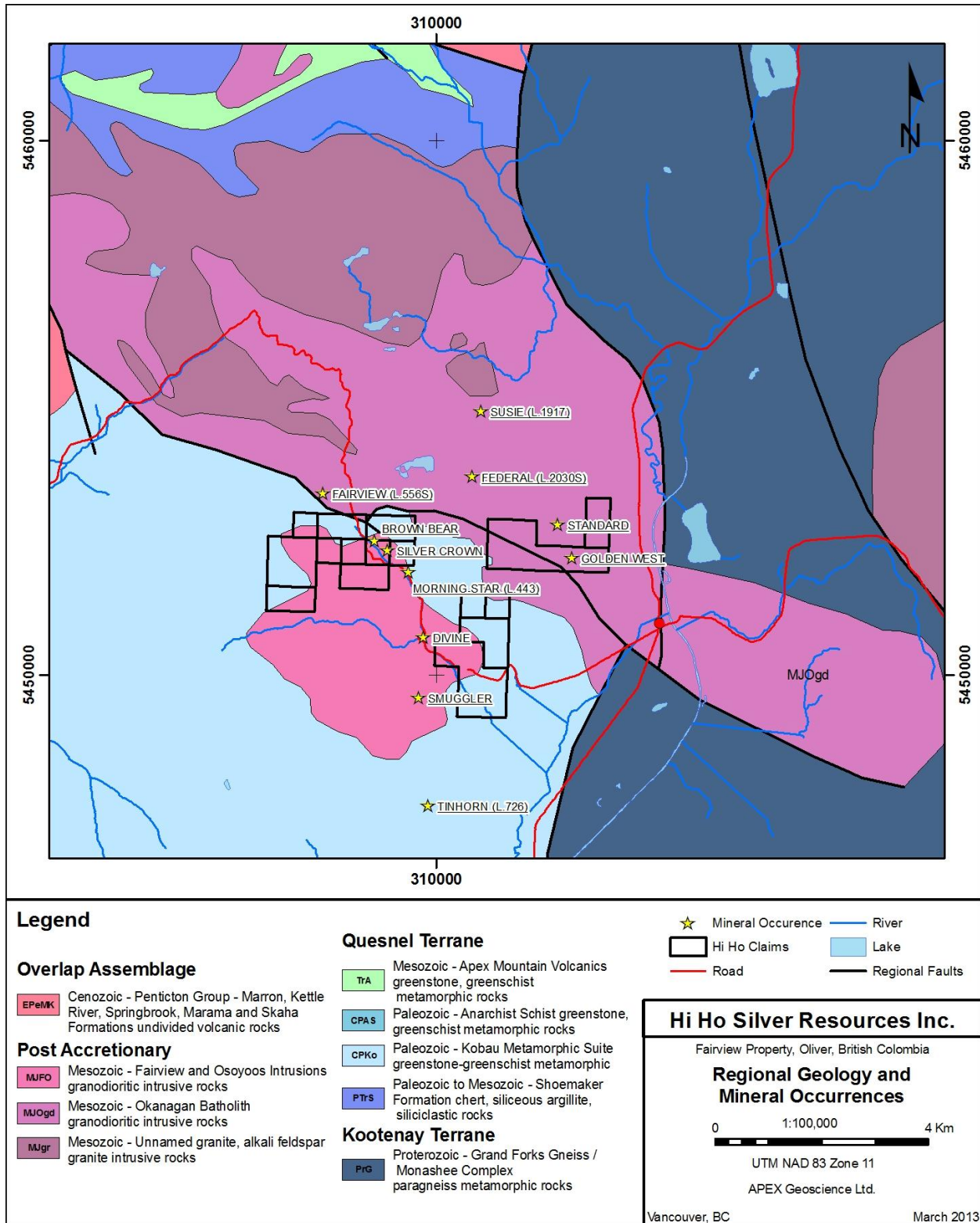
The Kobau Group is spatially restricted to the southern Okanagan Valley, bounded by the Okanagan Valley fault to the east and the Similkameen Valley to the west, and from the Oliver area down to the International border (Figure 6). The lithologies consist mainly of metasediments including quartzite, schist, greenstone, phyllite, and marble, with metamorphic grades not exceeding greenschist facies (Okulitch, 1973). Gold bearing veins, presumed to be mesothermal in origin, are present in both the metasediments and the intrusive bodies, and primarily occur in a wedge of Kobau Group rocks between the Oliver and Fairview plutons. The veins are parallel to the regional foliation striking northwest and dipping northeast. 3 phases of folding are recognized including an early episode coincident with regional metamorphism, followed by episodes possibly related to intrusive activity (Faulkner, 1990).

The Mesozoic aged Nelson Suite plutonic rocks intrude the Kobau Group rocks while the Jurassic aged Oliver granite truncates the Kobau Group to the north. Throughout the central region between the Similkameen and the Okanagan Valleys multiple Fairview plutonic bodies occur. The most northerly forms the southern border to Hi Ho's Fairview Property. Numerous granitic, dioritic, and mafic dikes, sills, and stocks associated with the Jurassic intrusions are also seen in the area (Mader et al. 1988).

### 7.2 Property Geology

There are 3 main lithological units (Figure 3) underlying Hi Ho Resources' Fairview Property: The Oliver quartz-monzonite intrusive in the north and northeast; the Fairview granodiorite in the southwest; and the metasediments of the Kobau Group wedged between the two, striking northwest-southeast. In the Hi Ho Property area, the mapped Kobau Group units make up a 1500m section, and include banded and foliated quartzite with minor mafic schists, thickly layered mafic schist units with interposed quartzite

Figure 6 – Regional Geology



bands, minor mafic metavolcanic flows or sills, and metacarbonates (Mader et al., 1988). The structurally lowest rocks of the group (KM1) comprise a mafic schist with thin marble boudins and minor mafic sills and flows. This unit is succeeded by a banded quartzite unit (KQ1) then overlain by a repeated sequence of mafic schist (KM2) and quartzite (KQ2). The earliest recorded deformation of the Kobau Group rocks involves tight, isoclinal, recumbent folds with inconsistent fold axes plunging to the northwest and northeast. The rock layering was transposed into an axial planar foliation as seen by the parallel arrangement of platy and elongate minerals, with moderate to steep regional dips in the northeast. The amount of structural thickening is uncertain, although flattening is evident from the boudinaged quartzite and marble (Mader et al., 1988).

The regional dynamo-thermal metamorphism of the group seems to coincide with the main pre-Jurassic phase of deformation. The actinolite-biotite-epidote-albite assemblages in the mafic schist, as well as the calcite-tremolite assemblages in some of the carbonate rocks reveal the metamorphic grade did not exceed greenschist facies. The protolith of the Kobau group in Fairview area is interpreted as thick succession of marine, fine-grained, stratified volcanoclastic sediments of predominately mafic composition with intercalated quartzfeldspathic sediments, minor limestone and abundant ribbon chert; therefore suggesting a volcanic arc and continental margin environment of deposition, distal to volcanic centers (Mader et al., 1988).

The Oliver pluton outcrops in the north and northeast regions of the Property, and clearly cuts the Kobau Group structures and strata. The pluton borders the Stemwinder block of claims along the north and northeast, and almost totally underlies the Empire block of claims. This multiphase heterogeneous unit is comprised of several lithologies including porphyritic biotite granite, biotite-hornblende diorite, porphyritic quartz monzonite, garnet-muscovite granite, and syenite. Mineralogically and chemically the pluton has affinities with S and I-type granitic rocks. Radiometric Uranium-Lead zircon dating of the pluton give an age of 152 +/- 3 million years ago (Ma), and Rubidium-Strontium whole-rock analysis gives 157 +/- 8 Ma on the youngest phase of the intrusion (Mader et al., unpublished as cited by Parkinson, 1985).

The Fairview granodiorite is a small, sub-circular body approximately 4kms in diameter. Isolated in the Kobau metasedimentary rocks, the intrusive underlies the southern section of the Stemwinder block of claims, as well as the western part of the Joe Dandy block of claims. The unit is weakly foliated hornblende-bearing biotite granodiorite, with an unpublished age date (by R.L. Armstrong) of greater than 111 +/- 5 Ma using biotite-potassium-argon dating. Accompanying the intrusive units are numerous dioritic, aplitic, and mafic dikes and stocks that crosscut the Kobau unit (Mader et al., 1988). The intrusive contacts of the Oliver and Fairview plutons crosscut phases one and phase two folding events. The relationship with the third folding event stays unclear.

### 7.3 Mineralization

Mesothermal lode gold-silver quartz vein mineralization at the Fairview area is hosted within a poly-deformed and greenschist facies metamorphosed banded quartzite unit of the Carboniferous to Permian Kobau Group. The lower quartzite unit (KQ1) hosts the

majority of the auriferous quartz veins in the area, and is described as a quartz laminated unit with up to 5% micaceous partings and trace to 2% pyrite smeared on lamination planes. Other common host rocks include biotitic quartzites with up to 10% biotite, and graphitic quartzites with 40-80% quartz laminae and 20-60% fine grained black graphitic argillaceous laminae (Hassard, 1994). Currently there are three mineral occurrences documented within the Property: Silver Crown, Queen Mary, and Golden West.

The Silver Crown is part of the Fairview gold belt, and is located within Hi Ho's Silver Crown block of claims. The deposit comprises three closely-spaced northwest, hosted within the KQ1 unit of Kobau group, striking and moderately northeast dipping quartz veins that outcrop on surface, all closely paralleling the regional foliation. Despite being locally sheared due to faulting, the veins are thought to be continuous for 4kms along the Fairview-Morning Star belt, from the Morning Star mine in the southeast, through the Stemwinder, to the Fairview mine in the northwest. Quartz vein widths range from 10cm to 10m, with vein zones in the Fairview mine up to 15m in width. Faulting sub-parallel to the veining could account for the thickening and thickening (Hassard, 1994). To date, Silver Crown Deposit mineralization has been modeled over a 400 m strike length and to a depth of 115 m from surface. The deposit is open at depth and to the northwest and southeast along strike.

The historic Queen Mary mine, located within the Queen4 claim, approximately 1km southwest of Fairview and Stemwinder mine, consists of Au-bearing quartz veins hosted by siliceous schist, chlorite-actinolite phyllite and foliated phyllitic quartzite of the Kobau Group, near the Fairview pluton contact. In places, the vein lies between porphyritic dikes and schists (BC Minfile 082ESW097).

Located within the Queen5 claim of Hi Ho's Empire block of claims is the Golden West occurrence. Hosted within sheared granitic rocks the vein is approximately 0.6 meters wide at the surface. There is a lack of documentation on the vein description and mineralogy, however soil sampling and rock sampling over the vein returned weakly anomalous gold values (DiSpirito and Blank, 1988).

## 8 Deposit Type

Exploration on the Fairview Property has been focused on Au-Quartz vein deposits associated with regional faulting and splays. Ash and Alldrick, 1996, provide a description and explanation of this deposit type which is summarised below.

Au-Quartz veins form within regional compressional/transpressional regimes in relation to major faults and splays. Mineralization generally occurs from 6 to 12 km depth (1-3 kilobars) at temperatures between 200 °C to 400 °C.

CO<sub>2</sub>- and H<sub>2</sub>O-rich fluids are pumped up transcrustal fault zones, formed by terrane collision, via a tectonically or seismically driven cycle of pressure build-up, fracturing, and sealing. These fluids carry gold, silver, arsenic, (±antimony, tellurium, tungsten, molybdenum) as well as low concentrations of copper, lead, and zinc to crustal levels



where gold is deposited due to sulphidation as a result of wall-rock interactions, phase separation, and fluid pressure reduction. This process generally forms tabular fissure veins in competent lithologies, and stockwork veins in less competent lithologies. The resulting mineralogy commonly includes, but is not limited to, native gold, pyrite, arsenopyrite, galena, sphalerite, chalcopyrite, and pyrrhotite. Alteration of the host rock adjacent to the veins consists of silicification, pyritization, and potassium metasomatism, while a large carbonate alteration halo may be found up to 10 m away from the vein.

The fluid source for mineralization is unclear but may be metamorphic, magmatic, or mantle derived. In collisional regimes involving crustal thickening, anatexis or metamorphic devolatilization of the lower crust, or subducted slab are possible fluid sources.

In the case of the Fairview Property, Au-Quartz veins appear strongly related to large-scale faults, in particular the Hanging Wall Vein. Multiple tectonic events are in evidence as the structure-parallel veining in some areas is cut and offset by faulting.

## 9 Exploration

Between the dates of June 22 to June 25, 2012, William McKinney, on behalf of Hi Ho, conducted a reconnaissance rock sampling program on the Property. The purpose of this program was to discover new zones of gold- silver mineralization, and also to verify and evaluate gold- silver grades at historic Joe Dandy and Stemwinder mines.

Out of the total of 11 rock samples collected, three were collected from Joe Dandy, three were collected from Empire claims block, and 5 were collected from Stemwinder's adit, tailings pond, and waste rock piles (Figure 7, Table 4). A mineralized granodioritic outcrop was discovered east of Empire claim block during the reconnaissance mapping. Joe Dandy historical mine workings were located, and several samples were collected from air shaft and waste rock area. Only samples collected from Stemwinder mine area returned anomalous gold and silver values. Photos, notes and GPS coordinates of sites visited are included in Appendix 2.

The total cost to complete the 2012 rock sampling program was \$6,600.35 (Appendix 3).

## 10 Sample Preparation, Analyses and Security

The 11 samples from the 2012 exploration program were sent to ACME Labs for fire assay and multi-element ICP Analysis. The samples dried prior to preparation and then crushed to 10 mesh (80% minimum pass) using a jaw crusher. The samples were then split using a riffle splitter, and sample splits were further crushed to pass 200 mesh (85% minimum pass) using a ring mill pulverizer (ACME R200–250). Rock samples collected by the author were subject to gold determination via a 30 gram (g) AA finish FA fusion with a lower detection limit of 0.005 ppm Au (5 ppb) and upper limit of 10 ppm Au (ACME G601). Hot Aqua Regia digestion method (ACME AR2) was used to analyze the samples for 24 elements.

Figure 7 – 2012 Rock Sampling

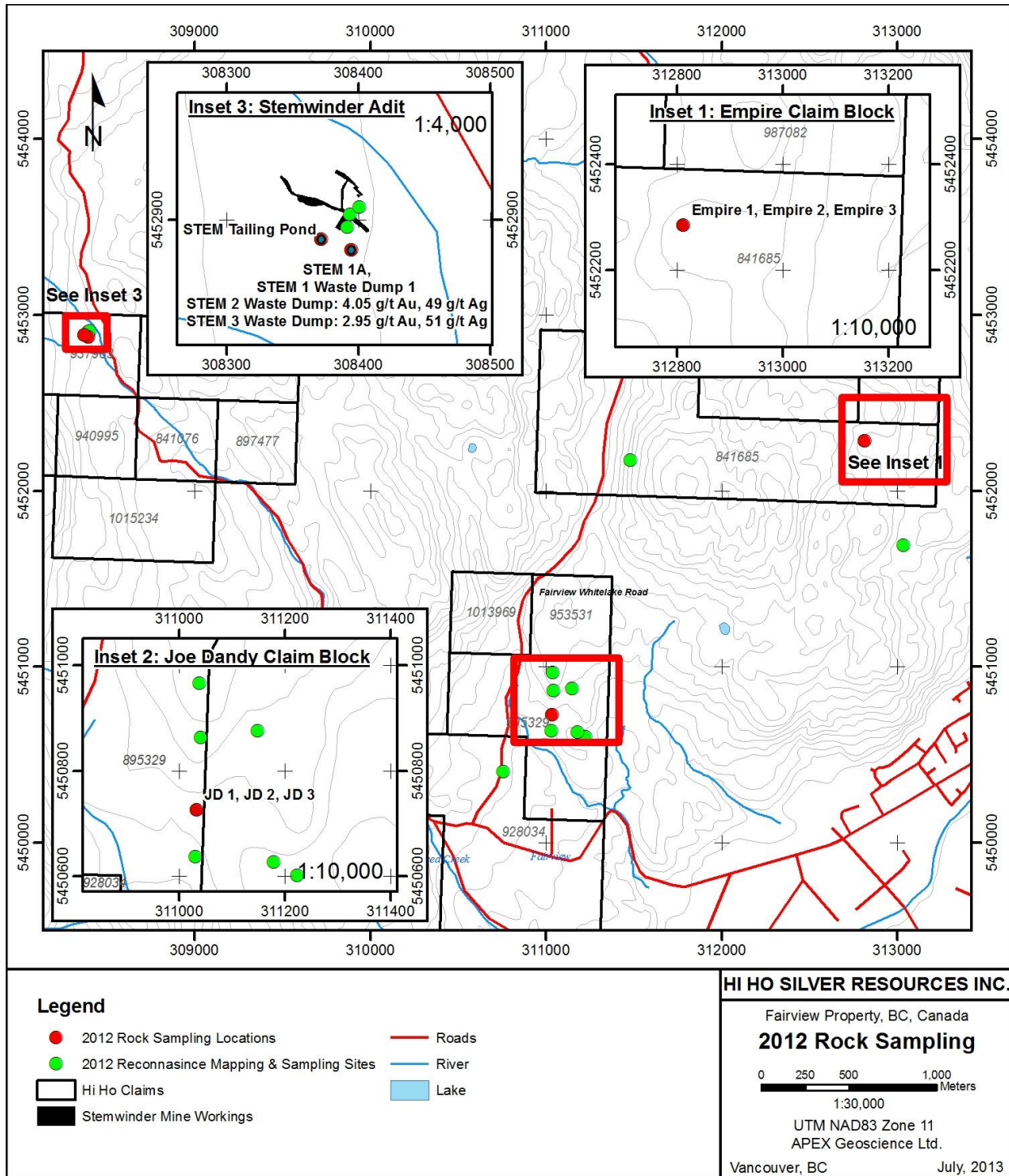


Table 4 – 2012 Rock Sampling Results

Sample	Easting*	Northing*	Au (g/t)	Ag (g/t)	Description
STEM 1A	308395	5452877	0.05	<2	Stemwinder Adit & Waste Rock
STEM 1 Waste Dump 1	308395	5452877	0.50	7.00	Stemwinder Adit & Waste Rock
STEM 2 Waste Dump	308395	5452877	4.05	49.00	Stemwinder Adit & Waste Rock
STEM 3 Waste Dump	308395	5452877	2.95	51.00	Stemwinder Adit & Waste Rock
STEM Tailing Pond	308372	5452885	2.12	28.00	Stemwinder Tailings Pond
JD 1	311033	5450726	<0.005	<2	Joe Dandy Waste Rock
JD 2	311033	5450726	0.01	<2	Joe Dandy Waste Rock
JD 3	311033	5450726	<0.005	<2	Joe Dandy Waste Rock
Empire 1	312811	5452285	<0.005	<2	Granodiorite Outcrop
Empire 2	312811	5452285	<0.005	<2	Granodiorite Outcrop
Empire 3	312811	5452285	<0.005	<2	Granodiorite Outcrop

\*UTM NAD83 Zone 11

## 11 Data Verification

As part of their Quality Assurance/Quality Control (QA/QC), ACME inserts blanks, duplicates, and standard reference materials in the sequences of client samples to provide a measure of background noise, accuracy and precision. QA/QC protocol incorporates a granite or quartz sample-prep blank(s) carried through all stages of preparation and analysis as the first sample(s) in the job. Typically an analytical batch will be comprised of 34-36 client samples, a pulp duplicate to monitor analytical precision, a -10 mesh reject duplicate to monitor sub-sampling variation (rock and drill core), a reagent blank to measure background and an aliquot of Certified Reference Material (CRM) or Inhouse Reference Material to monitor accuracy. In the absence of suitable CRMs Inhouse Reference Materials are prepared and certified against internationally certified reference materials such as CANMET and USGS standards where possible and will be externally verified at a minimum of 3 other commercial laboratories. Using these inserted quality control samples each analytical batch and complete job is rigorously reviewed and validated prior to release.

A total of 6 duplicates, 4 standards, and 2 blanks were used as part of in house QA/QC samples to verify the rock sampling results. The analysis results of QA/QC samples are included in the certificate provided by ACME included in Appendix 1 of this report.

## 12 Interpretation and Conclusions

The Fairview mining camp is one of the oldest in British Columbia. The earliest lode discoveries date to the late 1880's and occur along a vein system which strikes over four kilometers. Three areas, the Fairview, Stemwinder and Morningstar, have been mined at various times between 1895 and 1961; short exploration tunnels were also

driven on the Brown Bear and Silver Crown claims. The Fairview Stemwinder area saw its greatest activity at the turn of the century however most activity had ceased by 1930.

Mesothermal lode gold-silver bearing quartz vein mineralization within the Fairview Property is hosted within a poly-deformed and greenschist facies metamorphosed banded quartzite unit of the Carboniferous to Permian Kobau Group. Veins parallel the regional foliation, which strikes northwest and dips moderately to steeply northeast, and occur adjacent and parallel to the contact with the Fairview granodiorite; suggesting the two may be genetically related. Individual veins pinch and swell up to 5 m in thickness, with veins of up to 15 m being reported in the Fairview Mine, and can be traced up to 500 m along strike. Veins typically comprise opaque white quartz containing sparse disseminated pyrite, coarse galena blebs, sphalerite, trace chalcopyrite and graphite concentrated along centimeter-scale internal banding. Gold is erratically distributed in within, and occasionally adjacent to, quartz veins in association with sulphides and locally as coarse native gold (Hassard, 1994).

The Silver Crown Deposit comprises three closely-spaced northwest striking and moderately northeast dipping quartz veins. A total of 47 diamond drill holes totaling 4,219 m were completed to delineate the Silver Crown Deposit between 1988 and 1994. Of the 47 holes within the Property, 41 were used to estimate grade in the mineral resource estimate, in addition to two diamond drill holes on the adjacent Brown Bear claim not within the Fairview Property. The drilling and underground workings of the historic Brown Bear and Silver Crown Mines have intersected mineralization over a 400 m strike length and to a depth of 100 m vertically, however relatively few drill holes have targeted mineralization below 100 m. The deposit is open at depth and to the northwest and southeast along strike.

Silver Crown Deposit mineralization has been modeled over a 400 m strike length and to a depth of 115 m from surface. Additional drilling is warranted to define the mineralization at depth and along strike to the southeast. Given the ease of access and relatively good surface exposure of the veins, surface trenching, geologic mapping and sampling at intervals along strike are warranted to allow projection of modeled mineralized lodes to surface. This has the potential to expand the known resource. Given that nearly 100% of the deposit as currently modeled lies within a 100 m depth from surface, further exploration and economic studies to determine if all or a portion of the Silver Crown Deposit may be amenable to open pit extraction are also warranted. It is anticipated that potential economic extraction of the Silver Crown Deposit will involve open pitting, trucking of ore, and toll milling at either the Kinross Kettle River mill at Republic, Washington, U.S.A, 130 km to the south; or Teck's smelter at Trail, BC, 250 km to the east. The feasibility of on-site gravity pre-concentration should be investigated to reduce hauling and milling costs. At the time of writing this report there have been no agreements or contracts negotiated with respect to trucking or toll milling of Silver Crown ore.

Tupper (1991) noted that gold occurs occasionally within wall rock adjacent to veins. Historic drilling records indicate that shoulder sampling of drill core was not routine and



very little information exists with respect to the grade of the vein host rocks. An evaluation of wall rock grades should be completed as part of the proposed surface trenching and mini bulk sampling programs. Given that the three modeled veins of the Silver Crown Deposit are spaced approximately 10 to 20 m apart, if significant gold grades are found within the wall rock a program of confirmatory diamond drilling may be warranted to assess the potential positive impact on the Silver Crown Deposit mineral resource.

In addition, further investigation into the location of the 1991 and 1994 Oliver Gold Corp drill core should be completed. The author was able to locate a significant quantity of historic drill core from the 1982 and 1983 Cominco drilling campaigns, representing up to 28 drill holes testing a 1,400 m strike length between the Brown Bear adit and Fairview Mine. All of these holes occur outside the present Fairview Property; however with further investigation it may be possible to determine the location of the 1991 and 1994 Silver Crown drill core

### 13 Recommendations

Based on the presence of high grade gold and silver bearing quartz veins exposed at surface and intersected in drill core and historic underground workings, which exhibit a reasonable prospect for economic extraction, and favourable geology; the Fairview Gold Property is of a high priority for follow-up exploration.

The 2013 exploration program should include, but not be limited to:

**Phase 1:** **a)** field based program comprising surface trenching, geologic mapping and rock channel sampling at intervals along strike to allow projection of modeled mineralized lodes to surface. In total, 200 m of surface trenching at four (4) sites spaced at intervals over a 200 m strike length of the Silver Crown Deposit should be completed. Trenches should be oriented perpendicular to the strike of quartz veins and channel sampling at two (2) m intervals (in total, approximately 100 samples) designed to assess the grade of quartz veins and host-rock. **b)** In addition, based on the results surface trenching collection of a 1,000 tonne mini-bulk sample should be collected to provide additional information with respect to the macro-grade of the Silver Crown Deposit. The total cost of the Phase 1 program is estimated at \$118,200 not including GST (Table 5).

**Phase 2:** The Phase 2 exploration is contingent on the results of the Phase 1 exploration **a)** Based in part on the results of Phase 1, diamond drilling of approximately 12 holes totaling 2,100 m designed to test the potential for additional near-surface quartz veins within the footwall of the Silver Crown Deposit where a partially included raft of Kobau group quartzite and banded chert rocks occurs adjacent to the Fairview Granodiorite (Figure 3) (approximately 12 holes totaling 2,000 m, or approximately \$250 /m = \$500,000).

Table 5 – Budget for Recommended Exploration

<u>Budget Item</u>	<u>Estimated Cost</u>
<b><u>Surface Trenching and Mini-Bulk Sampling (2 weeks, *note does not include trucking from site to mill or tolling milling)</u></b>	
PHASE 1:	
Surface Trench Sampling (200 line-m @ \$25/line-m)	\$5,000.00
Mini Bulk Sampling (1,000 tonnes, or approximately 200 tonnes each from 5 separate sites)	
Stripping, Trenching and Grubbing	\$10,000.00
Mob/demob of drill/balst crew	\$10,000.00
Drill and Balst Costs	\$10,000.00
Salaries Field - Senior Supervision, 1 Geologist and 1 Field Assistant for 14 days	\$20,000.00
Flights/Accommodations and Meals	\$6,000.00
Fuel (gas, diesel)	\$1,000.00
Field gear – sample bags, standards/blanks, computer/software	\$2,000.00
Truck rental	\$1,400.00
Analytical	
Rock : ALS Minerals \$40/sample Au FA-AA / ICP-MS (1200 samples + 10% QA/QC)	\$52,800.00
<b>TOTAL PHASE 1:</b>	<b>\$118,200.00</b>
PHASE 2: : (Contingent on the results of Phase 1) Diamond drilling of footwall, down dip and southern strike extent targets (2000 metres @ \$250/metre all up)	<b>\$500,000.00</b>
<b>Total Project Costs, Excluding GST</b>	<b>\$618,200.00</b>

## 14 Date and Signature Page

The effective date of this report is July 3, 2013.

*“Signed”*

Kristopher J. Raffle, B.Sc., P.Geo.

*“Signed”*

Bahram Bahrami, B.Sc., GIT.

Vancouver, British Columbia, Canada  
July 3, 2013



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## 16 Certificate of Authors

### 16.1 Kristopher J. Raffle

1. I, Kristopher J. Raffle, residing in Vancouver British Columbia, Canada do hereby certify that: I am a senior geologist at APEX Geoscience Ltd. ("APEX"), 200, 9797 – 45 Avenue, Edmonton, Alberta, Canada.
2. I am the author of this Technical Report entitled: "Assessment Report on the Fairview Gold Property, British Columbia, Canada", and dated July 3, 2013 (the "Report"). I am a graduate of The University of British Columbia, Vancouver, British Columbia with a B.Sc. in Geology (2000) and have practiced my profession continuously since 2000. During April 2013, I visited the Fairview Property on behalf of Hi Ho Silver Resources Inc. and co-authored The Report. I have supervised numerous exploration programs specific to mesothermal lode and low sulphidation epithermal gold-silver deposits having similar geologic characteristics to the Silver Crown Deposit throughout British Columbia, Manitoba, Ontario and Nunavut, Canada, and Mexico. I am a Professional Geologist registered with APEGGA (Association of Professional Engineers, Geologists and Geophysicists), and APEGBC (Association of Professional Engineers and Geoscientists of British Columbia) and I am a 'Qualified Person' in relation to the subject matter of this Technical Report.
4. I visited the Property that is the subject of this Report on April 17<sup>th</sup>, 2013.
5. I am responsible for all sections of The Report.
6. I am independent of the Hi Ho Silver Resources Inc., applying all of the tests in section 1.5 of National Instrument 43-101. I have not received, nor do I expect to receive, any interest, directly or indirectly, in Hi Ho Silver Resources Inc. I am not aware of any other information or circumstance that could interfere with my judgment regarding the preparation of The Report.
7. I have read and understand National Instrument 43-101 and Form 43-101 F1 and the Report has been prepared in compliance with the instrument.
8. To the best of my knowledge, information and belief, The Report contains all scientific and technical information that is required to be disclosed to make The Report not misleading.
9. I consent to the filing of The Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of The Report.

Dated this July 3, 2013

Vancouver British Columbia, Canada

*"Signed"*

Kristopher J. Raffle, B.Sc., P.Geol.



## 16.2 Bahram Bahrami

I, Bahram Bahrami, residing at 1278-885 West Georgia Street, Vancouver, British Columbia, Canada do hereby certify that:

- (a) I am a Geologist employed by APEX Geoscience Ltd. (“APEX”), Suite 200, 9797 – 45 Avenue, Edmonton, Alberta, Canada.
- (b) I am the author of this Technical Report entitled: “Assessment Report on the Fairview Gold Property, British Columbia, Canada”, and dated July 3, 2013 (the “Report”), and I am responsible for the preparation of selected sections of this report.
- (c) I am a graduate of the Simon Fraser University, Burnaby, British Columbia with a B.Sc. in Geology (2008), and a graduate of British Columbia Institute of Technology with an advanced diploma in Geographic Information Systems (2009). I have practised my profession since 2010.
- (d) I am a Geologist registered with APEGBC (Association of Professional Engineers, Geoscientists of British Columbia), and a ‘Qualified Person’ in relation to the subject matter of this report.
- (e) I am considered independent of the issuer as defined in Section 1.5. I have not received, nor do I expect to receive, any interest, directly or indirectly, in Hi Ho Silver Resources Inc.
- (f) To the best of my knowledge, information and belief, The report contains all scientific and technical information that is required to be disclosed to make The report not misleading.
- (g) I hereby consent to the use of this Report and my name in the preparation of a prospectus for the submission to any Provincial or Federal regulatory authority.

Vancouver British Columbia, Canada

*“Signed”*

July 3, 2013

Bahram Bahrami, B.Sc., G.I.T

## 17 Appendix 1 – 2012 Rock Sampling Certificates



1020 Cordova St. East Vancouver BC V6A 4A3 Canada

Acme Analytical Laboratories (Vancouver) Ltd.

www.acmelab.com

Client: McKinney, Bill
11751 Shell Rd.
Richmond BC V7A 3W7 Canada

Submitted By: Bill McKinney
Receiving Lab: Canada-Vancouver
Received: July 26, 2012
Report Date: August 22, 2012
Page: 1 of 2

CERTIFICATE OF ANALYSIS

VAN12003624.1

CLIENT JOB INFORMATION

Project: Oliver
Shipment ID:
P.O. Number
Number of Samples: 10

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Table with 6 columns: Method Code, Number of Samples, Code Description, Test Wgt (g), Report Status, Lab. Rows include R200-250, G601, and 7AR2.

SAMPLE DISPOSAL

DISP-PLP Dispose of Pulp After 90 days
DISP-RJT Dispose of Reject After 90 days

ADDITIONAL COMMENTS

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

Invoice To: McKinney, Bill
11751 Shell Rd.
Richmond BC V7A 3W7
Canada

CC:



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. Results apply to samples as submitted. \* asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.



# AcmeLabs

Acme Analytical Laboratories (Vancouver) Ltd.

1020 Cordova St. East Vancouver BC V6A 4A3 Canada  
 Phone (604) 253-3158 Fax (604) 253-1716

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**Client:** McKinney, Bill  
 11751 Shell Rd.  
 Richmond BC V7A 3W7 Canada

**Project:** Oliver  
**Report Date:** August 22, 2012

Page: 2 of 2

Part: 1 of 2

## CERTIFICATE OF ANALYSIS VAN12003624.1

Method	WGHT	G6	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR
Analyte	Wgt	Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Sr	Cd	Sb	Bi	Ca	P	Cr	Mg	
Unit	kg	ppm	%	%	%	%	gm/t	%	%	%	%	%	%	%	%	%	%	%	%	%	
MDL	0.01	0.005	0.001	0.001	0.01	0.01	2	0.001	0.001	0.01	0.01	0.01	0.001	0.001	0.001	0.01	0.01	0.001	0.001	0.01	
G1	Prep Blank	<0.01	<0.005	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	0.06	2.08	<0.01	0.007	<0.001	<0.001	<0.01	0.55	0.079	<0.001	0.61
G1	Prep Blank	<0.01	<0.005	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	0.06	2.01	<0.01	0.007	<0.001	<0.001	<0.01	0.56	0.076	0.001	0.58
EMPIRE 1	Rock	4.69	<0.005	<0.001	0.003	<0.01	<0.01	<2	<0.001	<0.001	0.07	1.54	<0.01	0.003	<0.001	<0.001	<0.01	1.69	0.035	0.002	0.13
EMPIRE 2	Rock	2.60	<0.005	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	<0.01	0.25	<0.01	<0.001	<0.001	<0.001	<0.01	0.02	0.004	<0.001	<0.01
EMPIRE 3	Rock	1.15	<0.005	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	0.04	1.42	<0.01	0.001	<0.001	<0.001	<0.01	0.24	0.043	<0.001	0.36
JD 1	Rock	3.86	<0.005	<0.001	0.003	<0.01	<0.01	<2	<0.001	<0.001	0.07	1.91	<0.01	<0.001	<0.001	<0.001	<0.01	0.26	0.014	<0.001	0.22
JD 2	Rock	1.35	0.008	<0.001	0.008	<0.01	<0.01	<2	0.002	<0.001	0.04	1.56	<0.01	0.002	<0.001	<0.001	<0.01	1.06	0.058	0.003	0.50
JD 3	Rock	0.90	<0.005	<0.001	0.001	<0.01	<0.01	<2	0.001	0.001	0.07	3.30	<0.01	0.013	<0.001	<0.001	<0.01	1.71	0.146	0.003	0.66
STEM 1A	Rock	2.24	0.047	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	<0.01	0.30	<0.01	<0.001	<0.001	<0.001	<0.01	<0.001	<0.001	<0.01	
STEM 1 WASTE DUMP 1	Rock	7.19	0.501	<0.001	0.001	0.03	0.01	7	<0.001	<0.001	<0.01	0.75	<0.01	<0.001	<0.001	<0.001	<0.01	0.21	0.078	0.002	0.18
STEM 2 WASTE DUMP	Rock	5.87	4.048	<0.001	0.010	0.09	<0.01	49	<0.001	<0.001	<0.01	0.80	<0.01	<0.001	0.007	<0.001	<0.01	0.03	<0.001	<0.001	0.01
STEM 3 WASTE DUMP	Rock	4.61	2.946	<0.001	0.018	0.08	0.02	51	<0.001	<0.001	<0.01	0.44	<0.01	<0.001	0.006	<0.001	<0.01	<0.01	0.001	<0.001	<0.01

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.



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**Client:** McKinney, Bill  
 11751 Shell Rd.  
 Richmond BC V7A 3W7 Canada

**Project:** Oliver  
**Report Date:** August 22, 2012

**Page:** 2 of 2

**Part:** 2 of 2

**CERTIFICATE OF ANALYSIS**

**VAN12003624.1**

Method		7AR	7AR	7AR	7AR	7AR	7AR
Analyte		Al	Na	K	W	Hg	S
Unit		%	%	%	%	%	%
MDL		0.01	0.01	0.01	0.001	0.001	0.05
G1	Prep Blank	1.07	0.10	0.48	<0.001	<0.001	<0.05
G1	Prep Blank	1.05	0.10	0.47	<0.001	<0.001	<0.05
EMPIRE 1	Rock	0.74	0.02	0.12	<0.001	<0.001	0.10
EMPIRE 2	Rock	0.22	0.05	0.20	<0.001	<0.001	<0.05
EMPIRE 3	Rock	0.75	0.05	0.24	<0.001	<0.001	<0.05
JD 1	Rock	0.56	0.09	0.20	<0.001	<0.001	<0.05
JD 2	Rock	0.59	0.02	0.19	<0.001	<0.001	0.13
JD 3	Rock	0.94	0.07	0.25	<0.001	<0.001	<0.05
STEM 1A	Rock	0.01	<0.01	<0.01	<0.001	<0.001	<0.05
STEM 1 WASTE DUMP 1	Rock	0.27	<0.01	0.11	<0.001	<0.001	0.10
STEM 2 WASTE DUMP	Rock	0.02	<0.01	0.02	<0.001	<0.001	0.57
STEM 3 WASTE DUMP	Rock	0.01	<0.01	0.01	<0.001	<0.001	0.14





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Client: **McKinney, Bill**  
 11751 Shell Rd.  
 Richmond BC V7A 3W7 Canada

Project: Oliver  
 Report Date: August 22, 2012

Page: 1 of 1

Part: 1 of 2

QUALITY CONTROL REPORT

VAN12003624.1

Method	WGHT	G6	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR
Analyte	Wgt	Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Sr	Cd	Sb	Bi	Ca	P	Cr	Mg	
Unit	kg	ppm	%	%	%	%	gm/t	%	%	%	%	%	%	%	%	%	%	%	%	%	
MDL	0.01	0.005	0.001	0.001	0.01	0.01	2	0.001	0.001	0.01	0.01	0.01	0.001	0.001	0.001	0.01	0.01	0.001	0.001		
Pulp Duplicates																					
EMPIRE 3	Rock	1.15	<0.005	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	0.04	1.42	<0.01	0.001	<0.001	<0.001	<0.01	0.24	0.043	<0.001	0.36
REP EMPIRE 3	QC			<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	0.04	1.45	<0.01	0.001	<0.001	<0.001	<0.01	0.25	0.044	<0.001	0.36
STEM 3 WASTE DUMP	Rock	4.61	2.946	<0.001	0.018	0.08	0.02	51	<0.001	<0.001	<0.01	0.44	<0.01	<0.001	0.006	<0.001	<0.01	<0.01	0.001	<0.001	<0.01
REP STEM 3 WASTE DUMP	QC		2.894																		
Core Reject Duplicates																					
JD 2	Rock	1.35	0.008	<0.001	0.008	<0.01	<0.01	<2	0.002	<0.001	0.04	1.56	<0.01	0.002	<0.001	<0.001	<0.01	1.06	0.058	0.003	0.50
DUP JD 2	QC	<0.01	<0.005	<0.001	0.008	<0.01	<0.01	<2	0.002	<0.001	0.05	1.67	<0.01	0.002	<0.001	<0.001	<0.01	1.13	0.060	0.003	0.54
Reference Materials																					
STD CDN-ME-14A	Standard			0.002	1.181	0.48	2.87	42	0.002	0.016	0.06	16.81	0.01	<0.001	0.009	0.003	0.01	0.31	0.017	0.002	0.89
STD CDN-ME-9A	Standard			<0.001	0.641	<0.01	<0.01	3	0.892	0.017	0.07	11.50	<0.01	0.007	<0.001	<0.001	<0.01	1.59	0.062	0.014	2.84
STD OXG99	Standard		0.968																		
STD OXG99	Standard		0.948																		
STD OXK94	Standard		3.589																		
STD OXK94 Expected			3.562																		
STD OXG99 Expected			0.932																		
STD CDN-ME-14A Expected				1.221	0.495	3.1	42	0.002	0.0174	0.06	17.56	0.01		0.009		0.01	0.305	0.013	0.002	0.8835	
STD CDN-ME-9A Expected				0.654		0.01		0.912	0.017	0.067	11.7		0.0063				1.4	0.059	0.014	2.82	
BLK	Blank		<0.005																		
BLK	Blank		<0.005																		
BLK	Blank		<0.005																		
BLK	Blank			<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	<0.01	<0.01	<0.01	<0.001	<0.001	<0.001	<0.01	<0.01	<0.001	<0.001	<0.01
Prep Wash																					
G1	Prep Blank	<0.01	<0.005	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	0.06	2.08	<0.01	0.007	<0.001	<0.001	<0.01	0.55	0.079	<0.001	0.61
G1	Prep Blank	<0.01	<0.005	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	0.06	2.01	<0.01	0.007	<0.001	<0.001	<0.01	0.56	0.076	0.001	0.58

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 11751 Shell Rd.  
 Richmond BC V7A 3W7 Canada

**Project:** Oliver  
**Report Date:** August 22, 2012

Page: 1 of 1

Part: 2 of 2

**QUALITY CONTROL REPORT**

**VAN12003624.1**

Method	7AR	7AR	7AR	7AR	7AR	7AR	
Analyte	Al	Na	K	W	Hg	S	
Unit	%	%	%	%	%	%	
MDL	0.01	0.01	0.01	0.001	0.001	0.05	
Pulp Duplicates							
EMPIRE 3	Rock	0.75	0.05	0.24	<0.001	<0.001	<0.05
REP EMPIRE 3	QC	0.76	0.05	0.24	<0.001	<0.001	<0.05
STEM 3 WASTE DUMP	Rock	0.01	<0.01	0.01	<0.001	<0.001	0.14
REP STEM 3 WASTE DUMP	QC						
Core Reject Duplicates							
JD 2	Rock	0.59	0.02	0.19	<0.001	<0.001	0.13
DUP JD 2	QC	0.63	0.02	0.19	<0.001	<0.001	0.13
Reference Materials							
STD CDN-ME-14A	Standard	1.10	0.03	0.35	<0.001	<0.001	17.05
STD CDN-ME-9A	Standard	2.47	0.37	0.17	<0.001	<0.001	3.48
STD OXG99	Standard						
STD OXG99	Standard						
STD OXK94	Standard						
STD OXK94 Expected							
STD OXG99 Expected							
STD CDN-ME-14A Expected		1.09	0.032	0.35			16.75
STD CDN-ME-9A Expected		2.2	0.32	0.19			3.46
BLK	Blank						
BLK	Blank						
BLK	Blank						
BLK	Blank	<0.01	<0.01	<0.01	<0.001	<0.001	<0.05
Prep Wash							
G1	Prep Blank	1.07	0.10	0.48	<0.001	<0.001	<0.05
G1	Prep Blank	1.05	0.10	0.47	<0.001	<0.001	<0.05

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Client: McKinney, Bill
11751 Shell Rd.
Richmond BC V7A 3W7 Canada

Submitted By: Bill McKinney
Receiving Lab: Canada-Vancouver
Received: July 26, 2012
Report Date: August 20, 2012
Page: 1 of 2

CERTIFICATE OF ANALYSIS

VAN12003625.1

CLIENT JOB INFORMATION

Project: Oliver
Shipment ID:
P.O. Number
Number of Samples: 1

SAMPLE DISPOSAL

DISP-PLP Dispose of Pulp After 90 days
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.

Invoice To: McKinney, Bill
11751 Shell Rd.
Richmond BC V7A 3W7
Canada

CC:

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Table with 6 columns: Method Code, Number of Samples, Code Description, Test Wgt (g), Report Status, Lab. Rows include P200, G601, and 7AR2.

ADDITIONAL COMMENTS



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. Results apply to samples as submitted. "\*" asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.





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 11751 Shell Rd.  
 Richmond BC V7A 3W7 Canada

**Project:** Oliver  
**Report Date:** August 20, 2012

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Part: 1 of 2

**CERTIFICATE OF ANALYSIS**

**VAN12003625.1**

Method		G6	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	
Analyte		Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Sr	Cd	Sb	Bi	Ca	P	Cr	Mg	Al
Unit		ppm	%	%	%	%	gm/t	%	%	%	%	%	%	%	%	%	%	%	%	%	%
MDL		0.005	0.001	0.001	0.01	0.01	2	0.001	0.001	0.01	0.01	0.01	0.001	0.001	0.001	0.01	0.01	0.001	0.001	0.01	0.01
G1	Prep Blank	<0.005	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	0.06	2.09	<0.01	0.007	<0.001	<0.001	<0.01	0.60	0.079	<0.001	0.54	1.03
	STEM TAILING POND																				
	Sand	2.123	<0.001	0.002	0.03	<0.01	28	<0.001	<0.001	<0.01	0.72	<0.01	<0.001	<0.001	<0.01	0.01	0.013	<0.001	<0.01	0.04	

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**Client:** **McKinney, Bill**  
11751 Shell Rd.  
Richmond BC V7A 3W7 Canada

**Project:** Oliver  
**Report Date:** August 20, 2012

**Page:** 2 of 2

**Part:** 2 of 2

## CERTIFICATE OF ANALYSIS

### VAN12003625.1

Method		7AR	7AR	7AR	7AR	7AR
Analyte		Na	K	W	Hg	S
Unit		%	%	%	%	%
MDL		0.01	0.01	0.001	0.001	0.05
G1	Prep Blank	0.10	0.48	<0.001	<0.001	<0.05
	STEM TAILING POND					
	Sand	<0.01	0.03	<0.001	<0.001	<0.05





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 11751 Shell Rd.  
 Richmond BC V7A 3W7 Canada

Project: Oliver  
 Report Date: August 20, 2012

Page: 1 of 1

Part: 1 of 2

QUALITY CONTROL REPORT

VAN12003625.1

Method		G6	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	
Analyte		Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Sr	Cd	Sb	Bi	Ca	P	Cr	Mg	Al
Unit		ppm	%	%	%	%	gm/t	%	%	%	%	%	%	%	%	%	%	%	%	%	%
MDL		0.005	0.001	0.001	0.01	0.01	2	0.001	0.001	0.01	0.01	0.01	0.001	0.001	0.001	0.01	0.01	0.001	0.001	0.01	0.01
Reference Materials																					
STD CDN-ME-9A	Standard	<0.001	0.669	<0.01	<0.01	3	0.942	0.017	0.07	11.65	<0.01	0.007	<0.001	<0.001	<0.01	1.55	0.058	0.014	2.90	2.51	
STD CDN-ME-14A	Standard	0.001	1.269	0.49	3.15	45	0.002	0.017	0.06	17.13	0.01	<0.001	0.009	0.004	0.01	0.32	0.014	0.002	0.92	1.16	
STD OXG99	Standard	0.956																			
STD OXK94	Standard	3.630																			
STD OXG99 Expected		0.932																			
STD OXK94 Expected		3.562																			
STD CDN-ME-9A Expected			0.654		0.01		0.912	0.017	0.067	11.7		0.0063				1.4	0.059	0.014	2.82	2.2	
STD CDN-ME-14A Expected			1.221	0.495	3.1	42	0.002	0.0174	0.06	17.56	0.01		0.009		0.01	0.305	0.013	0.002	0.8835	1.09	
BLK	Blank	<0.005																			
BLK	Blank	<0.005																			
BLK	Blank	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	<0.01	<0.01	<0.01	<0.001	<0.001	<0.001	<0.01	<0.01	<0.001	<0.001	<0.01	<0.01	
Prep Wash																					
G1	Prep Blank	<0.005	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	0.06	2.09	<0.01	0.007	<0.001	<0.001	<0.01	0.60	0.079	<0.001	0.54	1.03

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 11751 Shell Rd.  
 Richmond BC V7A 3W7 Canada

**Project:** Oliver  
**Report Date:** August 20, 2012

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## QUALITY CONTROL REPORT

VAN12003625.1

Method		7AR	7AR	7AR	7AR	7AR
Analyte		Na	K	W	Hg	S
Unit		%	%	%	%	%
MDL		0.01	0.01	0.001	0.001	0.05
Reference Materials						
STD CDN-ME-9A	Standard	0.36	0.18	<0.001	<0.001	3.51
STD CDN-ME-14A	Standard	0.02	0.35	<0.001	0.001	17.50
STD OXG99	Standard					
STD OXK94	Standard					
STD OXG99 Expected						
STD OXK94 Expected						
STD CDN-ME-9A Expected		0.32	0.19			3.46
STD CDN-ME-14A Expected		0.032	0.35			16.75
BLK	Blank					
BLK	Blank					
BLK	Blank	<0.01	<0.01	<0.001	<0.001	<0.05
Prep Wash						
G1	Prep Blank	0.10	0.48	<0.001	<0.001	<0.05

## 18 Appendix 2 – 2012 Field Photos and Descriptions

**Bill Mckinney`s Notes (Keyed to photographs below):**

- #1 Hillside looking east NE group Aprox. 119 35' .07" W 49 11' 23.2" N
- #2 Road to NE group Aprox. 119 34' 23.2" W 49 11' 23.9" N
- #3-5 Rock outcroppings NE group within 200M Radius of. Aprox. 119 34' 8.3" W 49 11' 41.5" N ( 3 samples )
- #6 Sign about Fairview Camp
- #7-11 Stemwinder Audits Below Guides house. Aprox. 119 37' 43.2" W 49 11' 53.1" N ( 3 samples from waste dumps )
- #8 Tracks and entrance to audit by irrigation pond.
- #9-13 Inside audit by irrigation pond, collapsed about 10M in. Aprox. 119 37' 53.4" W 49 11' 57.4" N ( 2 samples 1 from dump, 1 in audit )
- #14-15 Portal uphill from previous audit. High airflow. Aprox. 119 37' 54.6" W 49 11' 53.3 N
- #16 Trail leading to uphill portal.
- #17 Treatment pond by Joe Dandy.
- #18 Hillside above Joe Dandy.
- #19-20 Air shaft on Joe Dandy.
- #21-23 Inside Joe Dandy Audit.
- #24 Wall of tunnel inside Joe Dandy.
- #25-26 Waste rock around air shaft of Joe Dandy.
- #27 Small audits by Joe Dandy.
- #28 Sample area from waste pile for Joe Dandy. Aprox. 119 35' 34.3" W 49 10' 49.1" N
- #29 Looking towards Oliver from Joe Dandy.
- #30 Waste dump Joe Dandy.
- #31 Looking back down road from Joe Dandy.
- #32 Joe Dandy waste pile in background.
- #33-34 Gate and road leading to Joe Dandy.
- #35 Tailings pond from Stemwinder. Aprox. 119 37' 39.9" W 49 11' 59.2" N



#1



#2



#3



#4



#5



#6





#7-11



#7-11



#7-11



#7-11



#7-11



#8





#9-13



#9-13



#9-13



#9-13



#9-13



#14-15





#14-15



#16



#17



#18



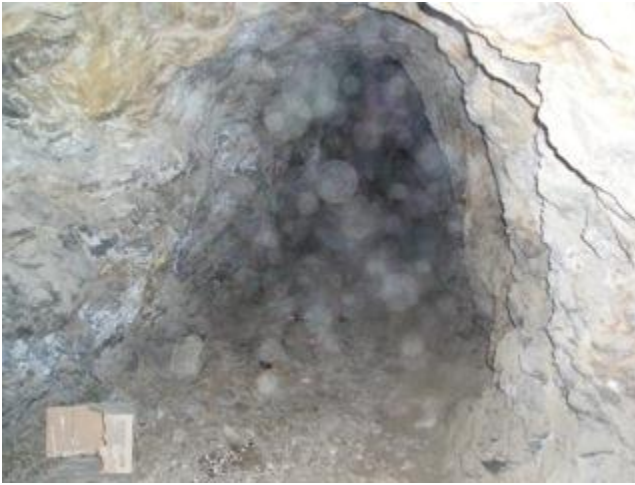
#19-20



#19-20



#21-23



#21-23



#21-23



#24



#25-26



#25-26





#27



#28



#29



#30



#31



#32



#33



#34



#35



## 19 Appendix 3 – 2012 Exploration Expenditures

**Fairview Property  
Summer 2012  
Exploration Expenditures**

Date	Description	Amount
<b>Geological field work</b>		
07/01/2012	Geological Services Performed Field - McKinney (June 22-25)	1,000.00
07/01/2012	Geological Services Performed Field - Lessard (June 22-24)	750.00
Total Geological field work		1,750.00
<b>Geological office work</b>		
07/01/2013	Geological Services Performed Office - Report Writing	1,492.00
Total Geological office work		1,492.00
<b>Third Party</b>		
<b>Assays &amp; related costs</b>		
07/01/2012	ACME Labs VAN12003624.1	366.00
07/01/2012	ACME Labs VAN12003625.1	33.10
Total Assays & related costs		399.10
<b>Field supplies</b>		
07/01/2012	Tape, Battery, Sample Bags	90.00
07/01/2012	GPS, Computer, clinometer, Electronics, Quad, and chainsaws (3-days)	360.00
Total Field supplies		450.00
<b>Accommodations</b>		
07/01/2012	Hotel and food (Lessard) 4 days @ \$125.00	500.00
07/01/2012	Hotel and food (McKinney) 4 days @ \$125.00	500.00
Total Accommodations		1,000.00
<b>Travel</b>		
07/01/2012	Crew Travel	640.00
Total Travel		640.00
<b>Truck &amp; Fuel</b>		
07/01/2012	Oliver to Site Return Oliver 3 Days @ 25KM/Day (75 km) @ \$0.95/km	71.25
07/01/2012	Vancouver to Oliver and Return (840km) @ \$0.95/km	798.00
Total Travel - Truck & fuel		869.25
Total Third Party		3,358.35

**Total Summer-Fall 2010 Beresford Project Exploration (not incl GST):**

**\$6,600.35**



**REPORT OF PHYSICAL EXPLORATION AND DEVELOPMENT**  
**Section 15 - Mineral Tenure Act Regulation**

<b>1. Event number(s):</b>		<b>2. Tenure number(s):</b>		<b>3. Type of Claim:</b>	
		928036,928034,987082,841865,841608,937983,841448,841076,928036,895329,953531,953352		<input checked="" type="checkbox"/> <b>Mineral</b> <input type="checkbox"/> <b>Placer</b>	
<b>4. Recorded holder</b>					
Name: Hi Ho Silver FMC 201350			Address: 750-625 Howe Street Vancouver, B.C. V6C-2T6		
Phone: 778-868-9424		Email: dennis@hihoresources.com			
<b>5. Operator</b>					
Name: William McKinney FMC 140980			Address: 11751 Shell Road Richmond B.C. V7A-3W7		
Phone: 250-668-5559		Email: billdozer111@gmail.com			
<b>6 Report Author</b>					
Name: John Bakus FMC 223385			Address: #3, 1572 Lorne Street East Kamloops, British Columbia V2C-1X6		
Phone: 250-377-8918		Email: irsol@telus.net			
<b>7. Qualifications/experience of workers:</b>					

**NEW WORK** (as required under Section 15 of the MTA Regulation; see Information Updates 8 and 25 for further details)

<b>8. Actual dates work was done:</b>		<b>9. Tenure number(s) of claim(s) on which this work was done:</b>	
W McKinney Lead 30 years prospecting and mining Pierre Lessard Assistant 30 years prospecting/mining (11451 Seaport Ave Richmond B.C V7A-3E2)			
<b>Detailed written description of the work activity:</b> state what was done and how it was done, and the results. Mention equipment, machinery, labourers, as applicable. The cost statement (#18 on page 2) must correspond to what is stated here (if more space is required, use the supplementary section on page 3 or attach additional sheets) <b>** Attach a 1:10,000 scale map accurately showing the locations of the work sites. **</b>			
What work was done?	UTM's and samples were taken from various locations throughout the area including Hard rock, Float Boulder, with points of interest noted and general exploration of other areas on the property.		
How was the work done?	Prospecting of area, Orange flagging and marking of sample sites. Multiple photos taken of samples, and areas. GPS coordinates were taken, and all samples recorded and mapped. Prospecting notes, operating with equipment (Truck, GPS, Tools and sampling.)		
What were the results?	Assay results, prospecting descriptions and mapping are included within the attached physical report.		
<b>11. Dimensions of work done:</b> (Is the work site marked?)		<b>12. Amount of material excavated and tested or processed:</b> (metric units)	
Yes		Bag size samples were taken for testing	

**NEW WORK** (continued)

<b>13. Geographic location of work sites; GPS coordinates; how would someone get to where the work was done; from the nearest town:</b>			
See Oliver 2012 Technical Report Attached.			
<b>16. Are photographs of work sites attached? (Y/N)</b>	<input type="text" value="Yes"/>		
<b>17. Was Notice of work filed? (Y/N)</b>	<input type="text" value="No"/>	<b>If YES, Permit Number:</b>	

**COST STATEMENT**

18. Expense(s) (complete either hourly rate or daily rate)	Total Hours OR # of days	Hourly Rate	Daily Rate	Total(s) (\$)
<b>Labour cost: (specify type)</b>				
Mckinney June 22,23,24,25 2012	4		\$250.00	\$1,000.00
Lessard June 22,23,24	3		\$200.00	\$750.00
(Report and Research)				
<b>Equipment &amp; Machinery cost: (specify type)</b>				
GPS Computer clinometer Electronics Quad chainsaws	3		\$120.00	\$360.00
VHF radios Bear spray Axes Mallets Pry bars (see report)				
2006 F350 4 X 4 June 22,23,24				
<b>Lodging / Food:</b>				
	<b>Days</b>	<b>Rate(s)</b>		
McKinney June 21,22,23,24	4		\$125.00	\$500.00
Lessard June 21,22,23,24	4		\$125.00	\$500.00
<b>Other: (specify)</b>				
Tape Battery Bags Tags Etc June 22,23,24	3		\$30.00	\$90.00
<b>19. Total costs of work from above:</b>				\$3,200.00

20. Transportation/travel (specify type)	Days	Rate(s)	Total(s) (\$)
Vancouver Hgy 3 Surrey Hgy 1 Hope Hgy 3 Osoyoos N to Oliver and Return 420 Km X 2	840 KM (Entire Trip Return)		\$0.95 \$798.00
Oliver to Site Return Oliver 3 Days @ 25KM/Day	75 KM		\$0.95 \$71.25
<b>21. Transportation/travel, maximum 20% of value in 19:</b>			\$640.00
<b>22. Total costs of work (add 19 and 21):</b>			\$3,840.00
<b>23. Amount claimed for assessment credit on claims:</b>			

\_\_\_\_\_  
Signature of Recorded Holder / Agent

\_\_\_\_\_  
Date

**SUPPLEMENTARY SECTION** (use this section if more space is required)

Event number(s):	

\_\_\_\_\_  
Signature of Recorded Holder / Agent

\_\_\_\_\_  
Date

**Important:**

**This report must be submitted within 30 days of the date the exploration and development work was registered in the Mineral Titles Online system.**

This report may be submitted to any Service BC Government Agent or Mineral Titles Branch Office, or you can mail the report directly to:

Mineral Titles Branch  
Ministry of Energy, Mines and Petroleum Resources  
300 - 865 Hornby Street  
Vancouver, BC V6Z 2G3