North Point Evaluation:- Resource comparison between exploration and grade control drill.

The area assessed lay between 9525N to 9630N and from natural surface (~1115RL) to 1080RL. This area was drilled on 25m spaced section by exploration and was followed up with grade control drilling at 10m spaced sections. The results of the exploration drilling and grade control drilling were independently interpreted on section, wire-framed and modeled to assess the comparison between the two sets of drilling. The results of the exercise are tabulated below.

North point: Comparison between Exploration drilling and Grade Control Drilling Models

Exploration Model				Grade Control Model				Variance (GC to EXP)			
bench	tonnes	grade	oz	bench	tonnes	grade	oz	bench	tonnes	grade	oz
1120-1115	182	1.21	7	**1120-1115**	0	0	0	**1120-1115**	-182	-1.21	7
1115-1110	3588	1.73	200	**1115-1110**	9586	2.06	635	**1115-1110**	5998	0.33	64
1110-1105	8340	1.80	483	**1110-1105**	11940	2.37	910	**1110-1105**	3600	0.57	66
1105-1100	14400	1.92	889	**1105-1100**	12120	2.4	935	**1105-1100**	-2280	0.48	-35
1100-1095	16620	2.04	1090	**1100-1095**	10920	2.68	941	**1100-1095**	-5700	0.64	-117
1095-1090	17275	2.23	1239	**1095-1090**	8955	2.4	691	**1095-1090**	-8320	0.17	-45
TOTAL	60405	2.01	3907		53521	2.39	4112		-6884	0.38	-84

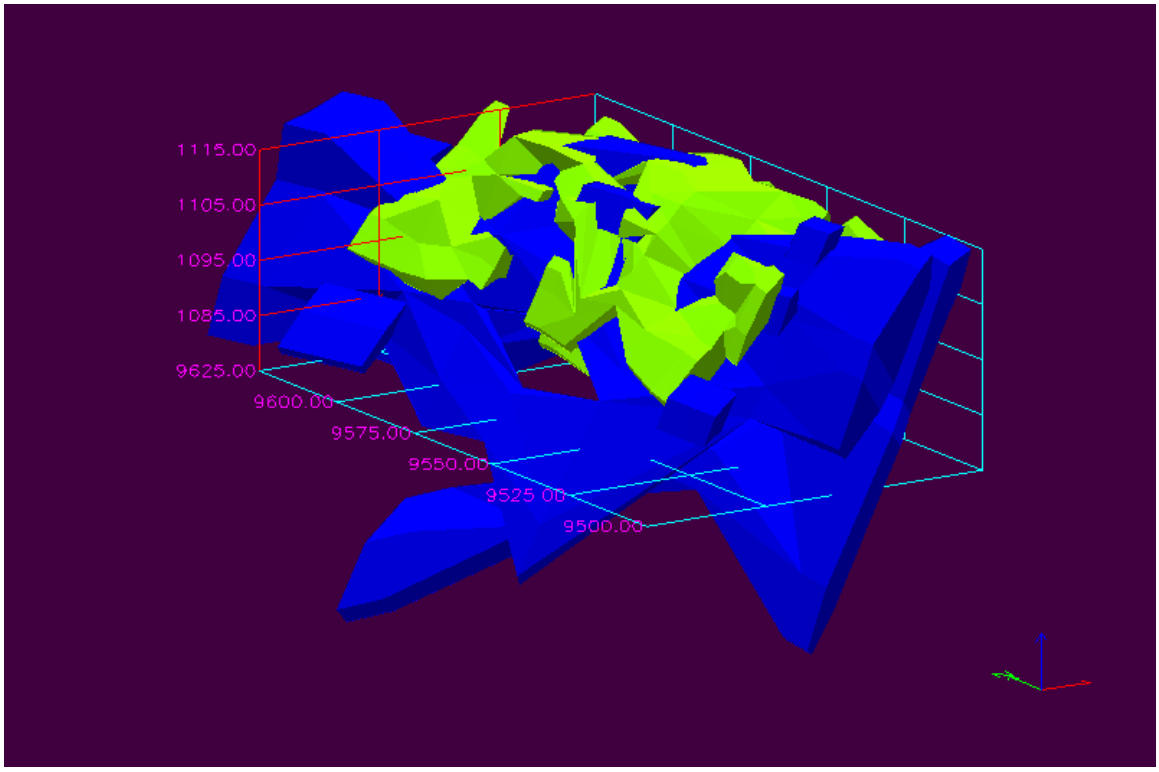
Table 1 results;

- The grade control model indicates a significantly higher gold grade.
- Higher tonnes are indicated by grade control from surface to 10m depth; below 10m depth higher tonnes are indicated in the exploration model. Review of the cross-sectional interpretations suggest that this is true as pod interpretation based on grade control drilling tend to break up. Below 20m depth there is lack of grade control drilling to properly correlate between the grade control model and exploration model.

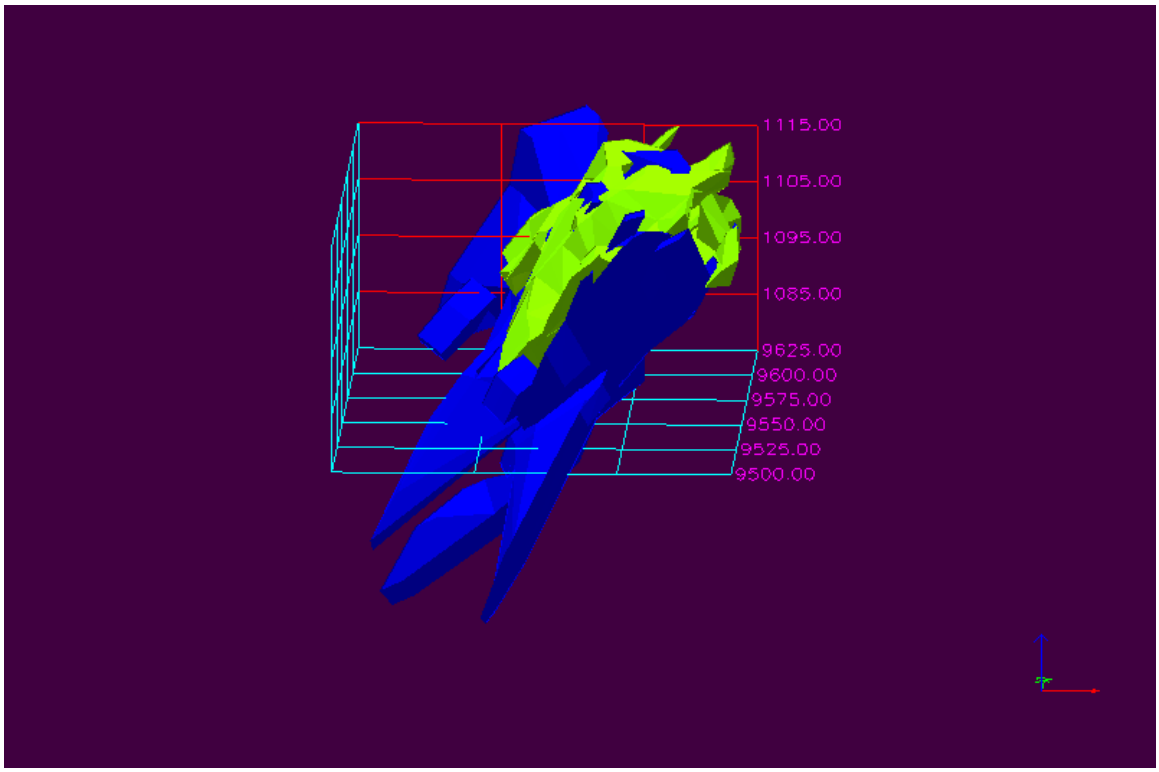
Parameters

- Area of review between 9525N and 9630N.
- Exploration drilling on 25m section intervals from 9525N to 9625N, hole drill spacing on section varies from 10 to 25m. Drilled to a depth of 75m below surface.
- Grade control drilling on 10m section intervals from 9530N to 9630N. The hole spacing on section is either at 4m or 8m. The hole depths is a combination of 24m and 39m deep holes.
- The block modeling algorithm was ID^2. The ellipsoidal search parameters were different between the two block models to allow to search over a greater distance when using exploration data. The lower grade cut-off used in the interpretations was at 0.5g/t Au.

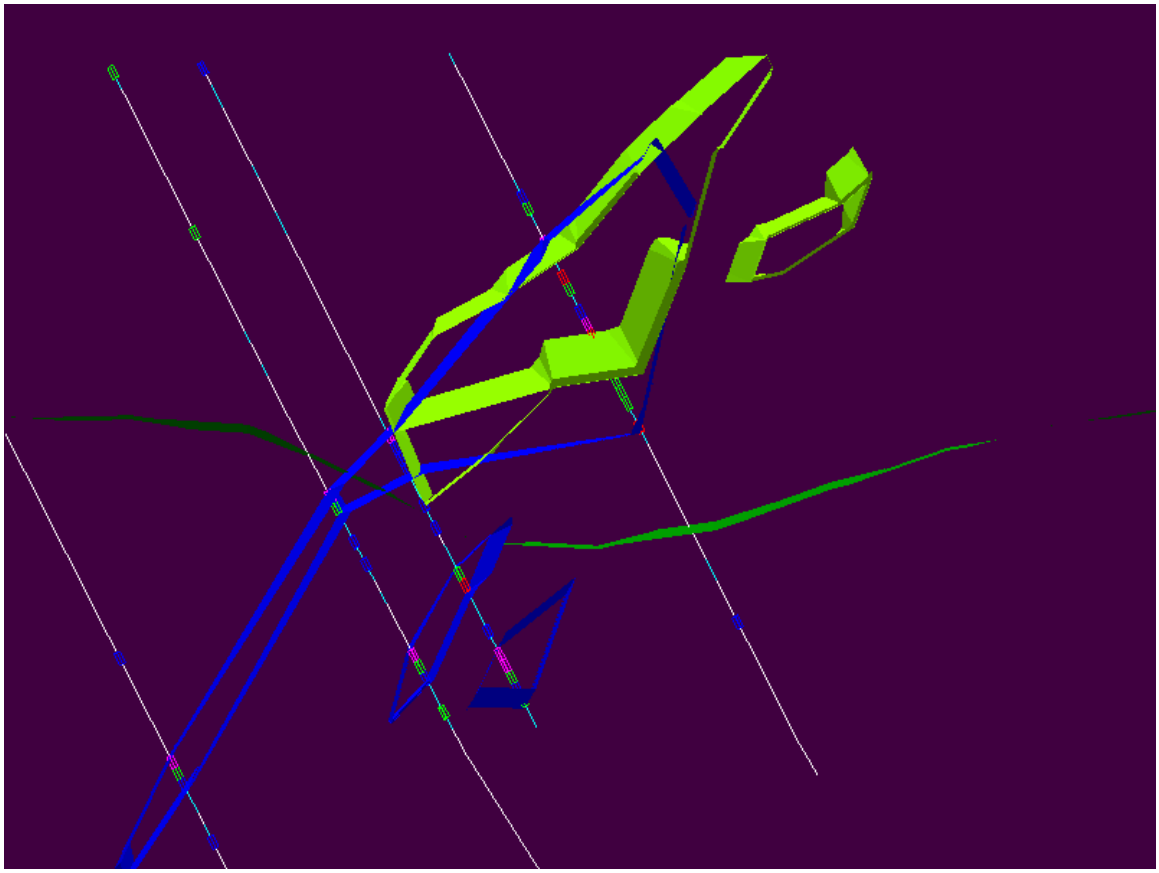
Below are a series of 3D and cross-sectional views to highlight the differences between the two interpretations based on the exploration and grade control drilling sets. In each view the dark blue is based on exploration drilling, the lime outlines is based on grade control and the dark green surface (cross-sections only) shows the interface between the oxide and fresh horizon.



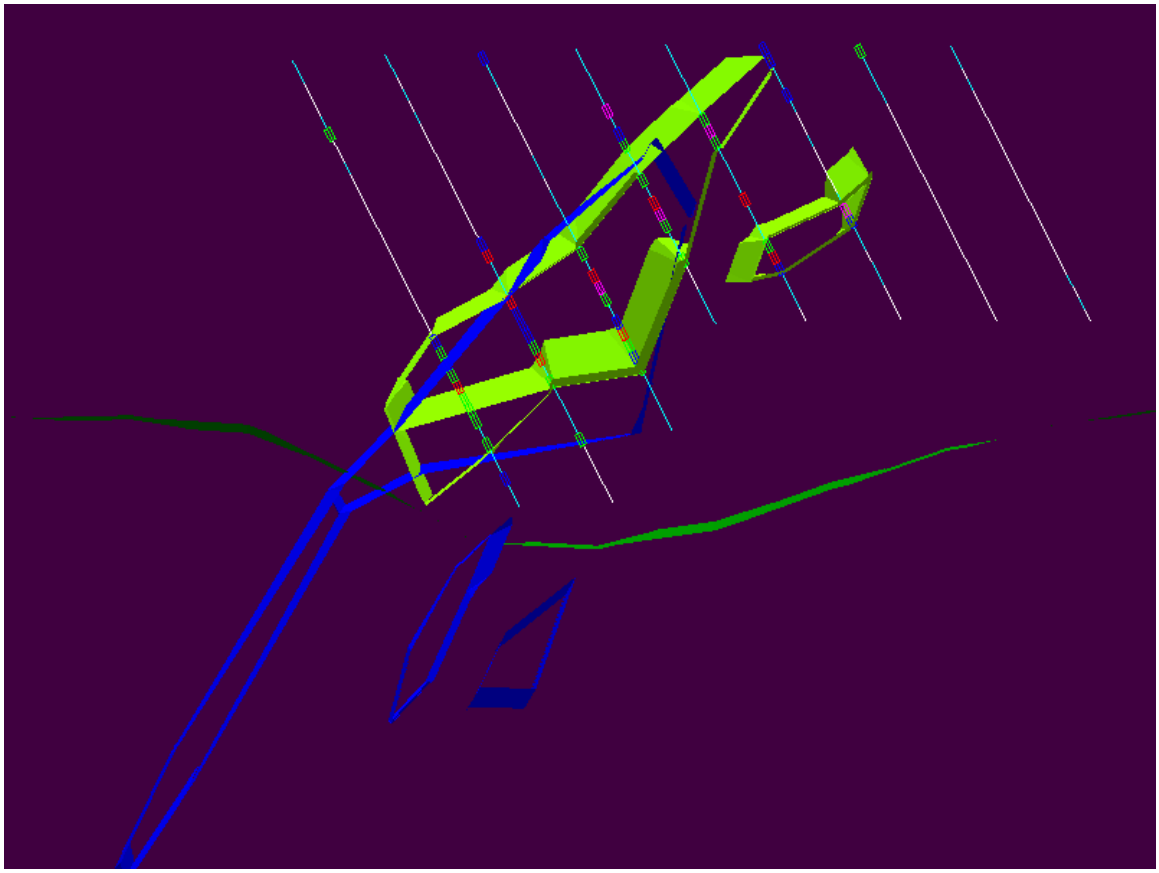
Showing the wire-frame interpretations; blue is based on exploration drilling, lime is grade control drilling. The wire-framed grade control interpreted ore body is flatter and broken up, poddy in nature.



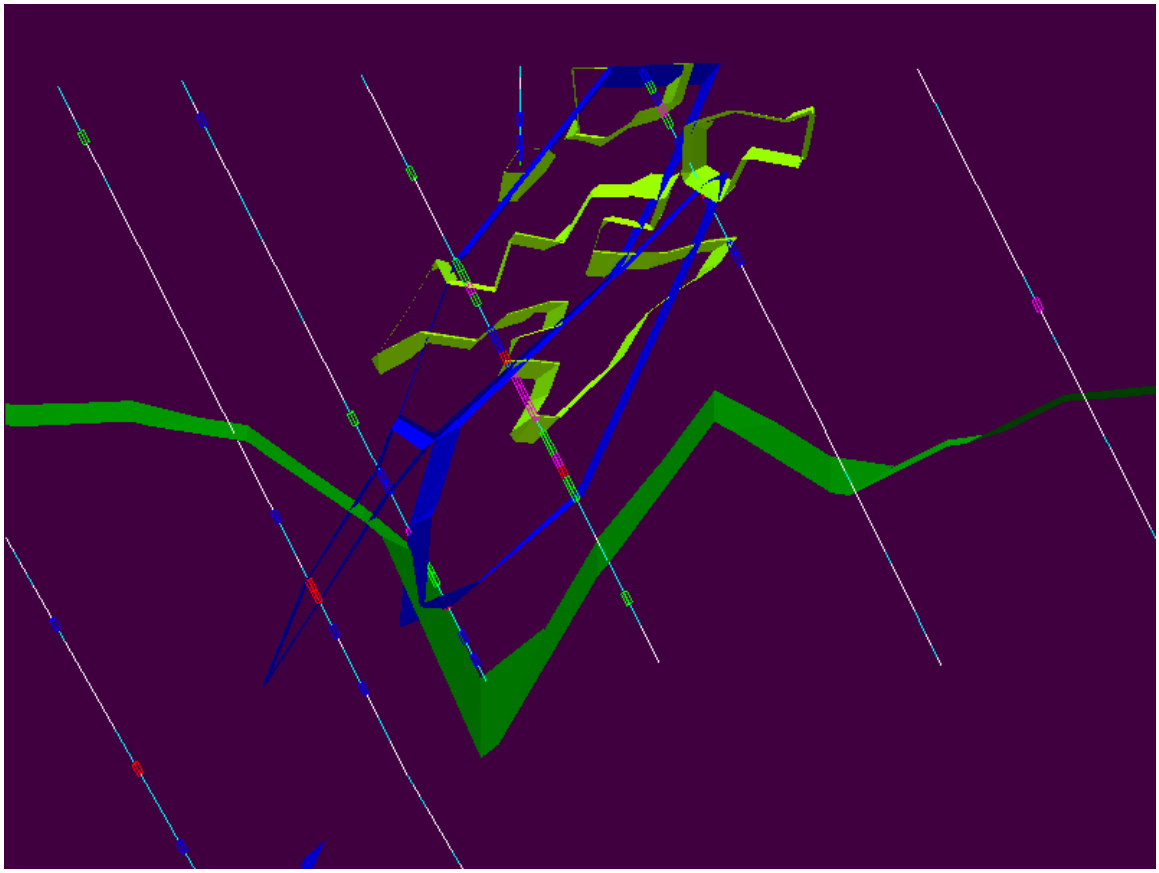
Looking along strike from the south, showing the flatter and poddy nature of the interpreted grade control results.



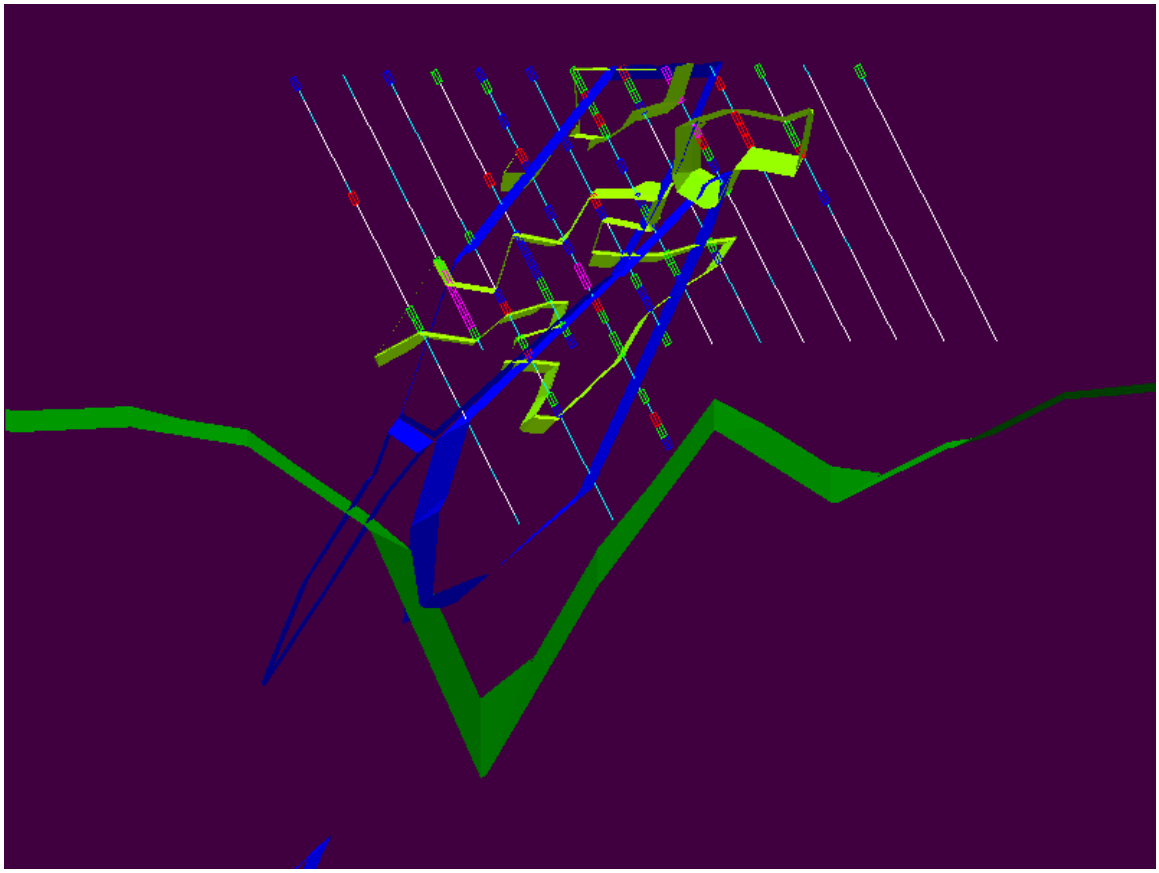
Section 9550N, showing the exploration drilling. Green surface indicates the base of oxide. Shows a much thicker mineralized zone in the oxide horizon as compared to the narrower limbs interpreted down dip in the fresh.



Section 9550N, showing the grade control drilling. Hole spacing at 8m, and drilled to 24m and 39m depths. Shows relatively close comparison in interpretation between two sets of drilling.



Section 9600N, showing exploration drilling results. Results indicate much broader mineralization intersections in the oxide as compared narrow limbs in the fresh.



Section 9600N, showing grade drilling results, holes spacing at 4m, and drilled to 24m and 39m depths. Shows a flatter and more complex interpretation based on grade control drilling.

Summary of the results

1. Both exploration and grade control indicate an upper and mid mineralized zone within the interpreted greywacke unit. The lower zone in both interpretations is more erratic a discontinuous.
2. Exploration drilling indicates a relatively continuous and more robust mineralized unit which is generally broader in the oxide horizon and develops in to narrow limbs down dip. The dip based on exploration varies from 45° - 55°W in the oxide steepening to 55° to 60°W in the fresh.
3. Interpretation of the mineralization based on grade control drilling shows a much more broken up and poddy nature of the ore zones in both strike and dip. The dip tends to be much flatter varying from 30° - 45°W.
4. The more erratic and poddy nature of the interpreted ore zones from grade control drilling would suggest that it is due to super gene enrichment.
5. Gold grade is upgraded significantly with the more closely spaced grade control drilling program.
6. That the economic mineralization is associated with the broad oxide zones.

Recommendations

1. Exploration data should be used to identify the oxide mineralizing trends within the greywacke unit to plan pre-mining grade control programs.
2. Grade control drilling should be staged with other drilling programs initially testing the near surface higher grade oxide intersections indicated by exploration drilling. As results are received additional drilling may be required to close off along the any strike extents. This may generate a series of shallow pits along the strike extent of the interpreted North Point mineralized zone.
3. The grade control drilling should be planned at sufficient detail to test for and prepare grade control plans to mine the poddy nature of the ore body and a likely super gene gold enrichment.
4. Initial grade drill holes if planned to 24m should be down-hole surveyed to check for and deviation as this could cause both a situation ore loss and increased dilution. If the previous drill holes are accessible series of them should also be checked for any down-hole deviation.
5. Mine designs should flexible enough to allow economical cut-backs if the in-pit grade control identifies unexpected high grade ore pods within the oxide horizon.
6. Grade drilling may identify high-grade plunging shoots which may require additional exploration drilling.