TECHNICAL REPORT
ON THE SILVER HART PROPERTY

(Watson Lake Mining District)
Yukon, Canada

Approximate Geographic Coordinates

60° 19'N Latitude, 130° 43'W Longitude

NTS Map Sheet 105B/07

January 14, 2010

For:

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ITEM 3: SUMMARY

The Silver Hart Property encompasses 2174.06 hectares of mineral claims, within the Watson Lake Mining District located in south-central Yukon, Canada. Access to the property is via the Alaska Highway, about 135 km west of the community of Watson Lake, to Rancheria, thence north for approximately 43 km along a seasonal access road.

The property consists of 116 contiguous full and partial quartz mineral claims, registered in the name of CMC Metals Ltd. of Vancouver, BC. The property is subject to a purchase agreement from a third party.

The Silver Hart Property has seen varied levels of exploration since the discovery of Ag-Pb-Zn mineralization in the early 1980's, which include both grass-roots and advanced exploration. Exploration has included soil and rock geochemical surveys, geophysical surveys, trenching, diamond and percussion drilling (144 holes), and underground drifting. Historical resource estimates were completed by Carlyle (1985A), Read (1987) and Smith (1988), prior to the NI 43-101 standards; and reviewed by Read and McCrea in February, 2005.

The property straddles the contact between siliclastic Cambrian metasedimentary units and a granodiorite phase of the middle Cretaceous Cassiar Batholith. The granodiorite - metasedimentary contact is variably metamorphosed to marble and skarn. A late stage regional fault cuts northerly through the different rock units, with localized silver, lead and zinc mineralization either within or proximal to the main fault and related splays.

At least four distinct zones of Ag-Pb-Zn mineralization of interest are known at the Silver Hart Property: the TM, KL, S and M zones. The mineralization is generally restricted to narrow, northeast striking, northwest dipping veins. Individual veins or vein sets attain several metres width, extend for more than 200 metres along strike, and continue to depths of up to 100 metres or more. These deposits are considered typical of the Rancheria Mineral District, which include 1) high-grade polymetallic veins, 2) breccia, stock-work, fracture controlled intrusive-hosted mineralization, and 3) carbonate replacement mineralization.

Based on the most reliable historic exploration by Silver Hart Mines, and the recent exploration by CMC Metals Ltd. (2005 to 2009), the inferred resource estimate prepared for the TM, KL and M zones, is as follows:

600 g/t Ag-Eq cut-off grade Resource Estimate:

(Approximately 1,240,000 contained ounces of silver)

Zone	Category	Tonnes	Ag (g/t)	Pb (%)	Zn (%)
TM	*Inferred*	40,700	620.36	1.29	10.70
KL	*Inferred*	16,200	368.52	1.03	7.82
M	*Inferred*	12,600	588.11	4.91	5.69
	Total(s):	**69,500**	**555.66**	**1.89**	**9.12**

900 g/t Ag-Eq cut-off grade Resource Estimate:

(Approximately 900,000 contained ounces of silver)

Zone	Category	Tonnes	Ag (g/t)	Pb (%)	Zn (%)
TM	*Inferred*	19,400	951.67	2.04	15.75
M	*Inferred*	8,000	777.77	6.06	5.58
	Total(s):	**27,300**	**901.04**	**3.21**	**12.79**

A base case cut-off grade of 900 g/t Ag-Eq, similar to the Bellekeno deposit, is proposed as the most realistic scenario under the current circumstances. The 600 g/t Ag-Eq cutoff is included in order to demonstrate grade sensitivity.

Summary notes:

- The Mineral Resources for the TM, KL and M Zones were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005
- The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding; following the recommendations in NI 43-101
- The resources were compiled using a minimum cut-off grade of 600 and 900 g/t Ag-Eq, which was estimated using a silver price of US$8.60 per troy ounce, and zinc price of US$1.75 per kg ($0.79 per pound)
- High grade intervals were not capped
- A fixed specific gravity of 2.9 was used to calculate tonnages from the volumetric estimates
- A minimum of 1.22 metre true thickness was applied to narrow mineralized intervals, diluted where appropriate by the grade of the adjacent material
- Resources were evaluated from drill hole results using a polygonal method on a series of cross-sections perpendicular to mineralization with areas of influence of 12.5 metres up and down dip within each section, and a lateral influence of half the distance to the next section or 12.5 metres at the end of the series of sections
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability

The authors consider the Silver Hart Property a property of merit.

ITEM 4: INTRODUCTION

CMC Metals Ltd. (“CMC Metals”, the “Company”) retained Mr. Neil McCallum, P.Geol. and Mr. John Gorham, P.Geol., of Dahrouge Geological Consulting Ltd., to complete an independent review of the Silver Hart Property. The purpose of this technical report is to review the results of the exploration completed to date and to prepare a NI43-101 compliant resource estimate for the Ag-Pb-Zn mineralization at the Silver Hart Property. This technical report on the Silver Hart Property has been prepared to comply with the standards outlined in National Instrument 43-101 for the Canadian Securities Administration.

This technical report includes a review of the geology, mineralization and the historic and recent exploration of the property. Information used in the preparation of this report includes publically available assessment and technical reports, and unpublished analytical information, drill logs and reports provided by Mr. Don Wedman, P.Eng. of CMC Metals. Specific details and references are provided in the section entitled “Item 23: References”.

Mr. Neil McCallum, a Qualified Person (QP) under NI 43-101, visited the property on September 29 and 30, 2009. The author collected several samples from recent drill core and trenches. The author is a Professional Geologist with over 5 years of exploration experience, and assumes responsibility for sections 3 through 17, 20 through 22 of this report.

Mr. John Gorham, a Qualified Person (QP) under NI 43-101, provided supervision of the report and mineral resource estimates presented in this report. He assumes responsibility for sections 18, 19, 21 and 22 of this report.

ITEM 5: RELIANCE ON OTHER EXPERTS

This report relies on published and unpublished reports available as assessment reports from the Yukon government and reports and databases made available to the authors from previous fieldwork completed by CMC Metals. The previous fieldwork carried out by CMC Metals was not supervised by the authors, but is considered to be of very good quality as it was either carried out or supervised by either a professional geologist or professional engineer.

The authors have relied upon information posted on the Yukon Government web site with respect to the status of the mineral claims, which constitute the Silver Hart Property. The information provided herein, does not constitute a legal opinion as to title.

ITEM 6: PROPERTY DESCRIPTION AND LOCATION

The Silver Hart Property consists of 116 contiguous full and partial quartz mineral claims, which encompass approximately 2174.06 hectares, situated within Watson Lake Mining District, south-central Yukon (Fig’s. 1 and 2; Table 1). The property is located approximately 100 km west-northwest of the community of Watson Lake; within NTS map sheet 105 B/07 (Fig. 1). The main showings are centered at approximately 60° 19' N latitude and 130° 43' W longitude.

The posted records of the Yukon Department of Energy, Mines and Resources indicate that the mineral claims that comprise the property are in good standing (Fig. 2, Table 1).

The property is wholly owned by CMC Metals, subject to a purchase agreement dated February 21, 2005 and amended March 1, 2007; from the vendor, Michael Scholz. Under the terms of the original and amended purchase agreements, the company was to make payments totalling $995,000 with interest accruing as of January 1, 2007 at 8.5% per annum. Recent financial statements for CMC Metals Ltd. indicate payments of $625,000 as of June 20, 2009, with the final payments and interest waived until January 5, 2010. The company was also required to issue 1,000,000 shares in connection with the acquisition of the property, on the earlier of 24 months from regulatory approval of the transaction or the date of completion of the property payments. The shares have yet to be issued. The Silver Hart Property is not subject to any royalties or back-in interests.

Within Yukon, claims are physically staked by placing two claim posts at each end of the location line for the claim. If a post cannot physically be placed at its proper location, then the claim can be witnessed, from a location as close as possible to the post. A claim cannot measure more than 1500 feet by 1500 feet. The claims were originally staked in 1980, 1983 and 1986 (Table 1).

Table 1: List of Mineral Claims, Silver Hart Property, Yukon Territory

Grant Number	Claim Name	Claim Number	Claim Owner	Recording Date	Expiry Date
YA56628 to 51	CMC	1 to 24	CMC METALS LTD. - 100%.	9/11/1980	10/27/2010
YA70616 to 29	CMC	25 to 38	CMC METALS LTD. - 100%.	9/30/1983	10/27/2010
YA70708 to 10	CMC	39 to 41	CMC METALS LTD. - 100%.	10/25/1983	10/27/2010
YA70712 to 73	CMC	42 to 104	CMC METALS LTD. - 100%.	10/25/1983	10/27/2010
YA99544 to 45	G.L.	1 to 2	CMC METALS LTD. - 100%.	10/20/1986	10/27/2010
YA99548 to 57	G.L.	3 to 11	CMC METALS LTD. - 100%.	10/20/1986	10/27/2010
YA99546 to 47	G.L.	12 to 13	CMC METALS LTD. - 100%.	10/20/1986	10/27/2010

The property is located within the traditional territory of the Liard First Nation (LFN), also known as Kaska Dena Nation (Ross River and Liard), who have not yet settled their land claim agreement. An Interim Land Withdrawal noted on claim maps as LFN R-147B, is near and along the northeast boundary of the claim group (Fig. 2). The Interim Land Withdrawal includes lands which may be required for the settlement of Aboriginal Land claims, and has been withdrawn from disposition and prohibited from entry for the purpose of staking mineral claims. Existing claims, including those within the Silver Hart Property, do not appear to be affected by this withdrawal.

The property has been the subject of significant exploration including trenching, diamond drilling and underground development. As such, the Silver Hart Property was the subject of a Phase II environmental assessment, which was conducted in July, 1996 by Environmental Services, Public Works, and Government Services Canada for the Action on Waste Program, Indian and Northern Affairs Canada. The scope of the assessment was to a) identify potential environmental and human health risks associated with the present condition of the mine site, and b) provide recommendations and preliminary cost estimates for remediation of those risks.

The authors are not certain if the environmental concerns outlined in the aforementioned report are the liability of the company, or if they will become the responsibility of the company if or when they produce minerals or metals from the property.

The report outlines the following issues:

a) Although the mine opening is stable, it is not adequately secured from public and wildlife access. As of the property visit by the author (N. McCallum), the mine opening has been covered by CMC Metals with rock and soil, and re-contoured.

b) There is a moderate concern for acid rock drainage potential from the waste rock on site. CMC Metals has submitted samples to SGS Lakefield Research Ltd. for environmental testing of TM Zone rock and tailings. The authors, however, are not qualified to comment on the results of the environmental testing.

c) Environmental concern exists from the mine seepage and hydrocarbon storage tanks on site. Based on the property visit by the author, it appears that some of the smaller fuel barrels have been removed from site, while the large fuel storage tanks remain on site.

The company appears to be following the recommendations outlined in the environmental assessment, and is integrating the monitoring procedures with its current proposed exploration and development activities.

The proposed exploration discussed in the section entitled “Item 22” herein, includes a work program that includes further diamond drilling. The company holds a 5-year exploration permit from the Yukon Environmental and Socio-economic Assessment Board (YESAB). Permit (YESA File Number 2007-0051), commencing May 23, 2007, includes exploration activities such as: 7,500 metres of drilling, geochemical surveys, mechanized trenching, exploring and sampling, and an IP Geophysical survey. This permit includes the associated activity necessary to conduct this work, such as fuel storage, trail establishment, creek crossings, camp establishment, etc.

ITEM 7: ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Silver Hart Property lies within the Cassiar Mountains of south-central Yukon Territory, within NTS map area 105 B/07 (Fig. 1). The main showings are centered at approximately 60° 19' N latitude and 130° 43' W longitude.

The physiography of the property is dominated by recent glaciation which has formed U-shaped valleys, and peaks with rounded tops and steep slopes. Elevations range from approximately 950 m to 1570 m ASL. Drainage from the property flows northerly into the Meister River or southerly into a chain of lakes that form the headwaters for Rancheria River. The climate is generally cool with moderate precipitation, mostly as afternoon summer showers and winter snowfall.

Vegetation on the property is comprised of balsam fir, rare black spruce, abundant alder, and dwarf birch, with typical alpine vegetation above tree line. Soil cover is thin and glacial till is extensive. The exploration season starts in late May to early June, and can be extended to early October, at which time the weather can be too inhospitable for some exploration activities. The period from late June to early September is generally free of snow cover.

Access to the property during the summer and fall, is via a 43-km long gravel road that leads north from the Alaska Highway at kilometer 1116, approximately one km east of the seasonally operated Continental Divide Lodge. The nearest settlement is Swift River, Yukon located about 45 km to the southwest, while Watson Lake, Yukon is located about 120 km to the east-southeast. The gravel access road follows a chain of lakes to Edgar Lake where it climbs steeply to the alpine and the location of the exploration camp and old workings. At present there is no other infrastructure at the property.

A trailer camp brought on site in 1986 was demolished and removed from the site in 2006. A steel Quonset hut erected in 1986 is still standing, and in reasonable shape. It houses the drill core from the 2005 to 2008 drill programs. A 25-person trailer camp was brought onto the site in 2007. Watson Lake (2006 population 846) is the closest source for supplies, though fuel, meals and lodging can be acquired at the various lodges located east and west of the property, along the Alaska Highway.

During summer 2007, the access road was upgraded by ditching along the road side, placing culverts at washed out crossings, widening narrow stretches of the road, and leveling of the grade.

Water for drilling is available from natural and man-made ponds, though most local water sources dry up towards late summer. Hauling of water is required for camp activities.

ITEM 8: HISTORY

Prior Exploration

The Silver Hart Property has seen varied exploration since the discovery of high-grade silver veins in 1982. Much of this earlier work is related to geological exploration either bordering on or partially contained by the current area of the Silver Hart Property. Documented exploration of the property and immediate vicinity is summarized below; all exploration activities may not be documented herein. A prior technical report entitled “Technical Report on the CMC Silver Property” by Read and McCrea (2005), provides a detailed and comprehensive history of work completed on the Silver Hart Property prior to 2005 (Read and McCrea, 2005; pg. 8).

"The area was staked as early as 1947 but no reports have been found (Smith, 1985). The area was re-staked in 1971 with the majority of exploration occurring after that time. In the 1970's, exploration was focused in search of tungsten skarns. Detailed mapping and sampling in the area discovered skarn-hosted vein and replacement lead and zinc mineralization. The CMC claims were staked in 1980 and were optioned to BRX Mining and Petroleum Ltd., in 1982; geophysical work was conducted along with the completion of two drill holes (Smith, 1988). T.McCrory and B. Preston discovered two additional zones of silver-lead-zinc mineralization in 1983 and 1984. Analyses from one of the zones attracted the interest of Shakwak Exploration Company Limited and Silver Hart Mines Ltd (Smith, 1985).

A 1985 program focused on testing the continuity along strike and down dip of the silver-lead-zinc veins in the two surface zones, zone F and T. The program was under the direction of Larry Carlyle, P. Geol., and included surface geological mapping, preliminary grid geophysical (VLF) and geochemical surveys, bulldozer trenching, as well as the completion of 50 diamond drill holes (Read, 1987).

During the winter of 1985-86, underground exploration was conducted in the T zone, just above an elevation of 4,600 feet (1402 m). The contractor, Hartco, utilized trackless mining methods. Openings on haulages were approximately 12-16 ft (3.6-4.9 m) wide by 10 feet (3 m) high. Slusher drifts and raises were approximately 5 feet (1.5 m) wide by 7 feet (2.1 m) high. Approximately 2,208 feet (673 m) of openings were driven. They consist of 1,215 feet (370 m) of off-vein haulage, 488 feet (148.7 m) of on-vein haulage drift, 221 feet (67 m) of slusher drift and 284 feet (86.6 m) in 3 raises. Brain Fowler, P.Eng. and R. Jones, a mining technologist, conducted face sampling and mapping during the underground mining program (Read, 1987).

The object of the 1986 summer exploration program was to extend the surface strike length of potential mineral zones, increase mineral reserve estimates, and continue to upgrade and extend the plans and sections previously developed

(Read, 1987). The 1986 program consisted of line cutting, geological mapping, detailed surveying, soil sampling, geophysical testing, and deep trenching of veins with excavator and bulldozer, along with diamond drilling, percussion drilling, and road extension and improvement.

Considerable surveying was required to upgrade the 1985 work to the higher engineering standards necessary to correlate existing data and to accommodate the expanded 1986 work. A legal survey was conducted of key claims and the grid expanded. The trenching program involved the use of an excavator and a bulldozer in removing 31,592 cubic yards (24,154 m^3) of soil and rock, and moving 7.5 miles (12 km) of side-hill cuts for exploration and access routes (Read, 1987).

The grid geochemical surveys included the 455 samples collected in 1985 and 2,394 samples taken in 1986. Samples were generally taken from the top of the 'B' soil horizon at 50-foot (15 m) intervals and analyzed for silver, lead, zinc and copper. The analytical data collected was plotted on grid maps at a scale of 1:1200. Two geochemical anomaly trends were determined, one long and narrow trend running northeast, parallel to a vein system, and another broader zone running north (Read, 1987 (Smith, 1988)).

Gary C. Lee and Ron Stack of Whitehorse conducted magnetometer and VLF geophysical surveys on the CMC and G.L. claims during late summer of 1999 that included the reclamation of the only existing grid on the property (Lee, 1999). This grid utilized two different numbering systems, one pre-1986 and 1986-1999, and was converted by Lee and Stack from imperial to metric units. Eight wing lines were also extended a total of 4000m to the NW. The baseline trends 45° and totalled 1090m's. Wing lines perpendicular to the baseline, totalled 12,675m's on 11 lines with variable line spacing of 100, 120, 130, and 140m's. Magnetometer stations were at 5m spacing and were paced or measured between 25m spaced flagged pickets. VLF stations were at 12.5m spacing. The survey identified five elongate anomalies and confirmed geological data of 45° to 60° trending structures. However, previous data such as drill results were not *available to Mr. Lee and the five identified anomalies were recommended to be checked against previous data before planning a field program. Three of the five anomalies had nearby or overlapping trenching and two of the anomalies were considered new targets, as there were no visible workings. The two new anomalies are located on the NW and SE ends of the grid. Furthermore, more sophisticated geophysical equipment such as IP and EM surveys were recommended to identify better structure."*

Table 2: Summary of Historic Exploration, Silver Hart Property, Yukon (from Read and McCrea, 2005)

Year	Description of Work
1970's	Detailed mapping and sampling located skarn-hosted vein and replacement lead and zinc mineralization, now known as the S zone.
1982	The claims were optioned to BRX Mining and Petroleum Ltd. Geophysical work was conducted and two holes were drilled.
1983 & 1984	T. McCrory and B. Preston discovered two additional zones of silver-lead- zinc mineralization, the F and T zones.
1985	Shakwak Exploration Company Limited and Silver Hart Mines Ltd. gained interest in the property. To test the continuity of the zones along strike and down dip, 50 diamond drill holes were completed totalling 3644 m. Preliminary grid geophysical (VLF) and geochemical surveys (collection of 455 soil samples) were conducted. A road was constructed from the Alaska Highway to the campsite (Read, 1987).
Winter 1985-86	The T-zone was explored underground just above 1400 m elevation. The new portable camp and steel Quonset machine shop was installed (Read, 1987).
Summer-Fall 1986	Extensive work completed, involving line cutting and grid extension, geological mapping, detailed surveying, soil sampling (2,394 samples), geophysical testing, and deep trenching of veins with excavator and bulldozer, along with diamond drilling (16 holes totalling 932 m), percussion drilling (11 holes totalling 463.6 m), and road extension and improvement (Read, 1987).
1987	Silver Hart drilled 4 holes for 609.6 m on the main showing and conducted bulldozer trenching on the surrounding claims (Lee, 1999).
1992	Trenching and environmental reclamation was carried out in July and Aug (Lee, 1999).
1993	A two- phase surface program included overburden stripping, bedrock ripping and road construction was conducted. Phase 2 was environmental reclamation and restoration of waste berms and stockpiles (Dodge, 1993).
1999	Magnetometer and VLF survey with grid rehabilitation and extension of the grid (Lee, 1999).

Exploration completed by CMC Metals during the period 2005 to 2009, includes geochemical surveys, geophysics, channel sampling and drilling, and is discussed in the section entitled "Item 12" herein.

Historic Resource Estimates

Historic resource estimates were completed for the Ag-Pb-Zn mineralization at the Silver Hart Property in 1985 (Carlyle, 1985A), 1987 (Read), in 1988 (Smith) and reviewed in 2005 (Read and McCrea). The authors caution that the historic "reserve" estimates referred to in the following section were prepared prior to NI 43-101 reporting standards. They should be regarded as a "historical estimates" as defined by NI 43-101, and cannot be considered compliant. The 1985 resource estimates were unavailable to the authors.

Read (1987) estimated mineral resources for all known zones of silver mineralization, in the Probable- and Drill-Indicated categories totalling 59,803 tons at an average grade of 40.23 oz/ton Ag, with indicated total contained silver content of 2,405,760 ounces (Appendix 1, Pg. 41 from Read, 1987). Read (1987) utilized uncut samples, with no apparent cut-off grade, a minimum width of 4.0 feet horizontal, and a specific gravity of 2.9. Resource blocks were determined by outlining an area about a drill hole or surface data point, then projecting that information to a vertical longitudinal section. Tonnages were determined by multiplying area of the block by thickness and specific gravity. Blocks were projected up to 25 feet depth beyond the nearest data point.

The authors believe the historic estimate by Read (1987) to be relevant and reliable; however the authors caution that the lack of information on the size and location of the resource blocks (Appendix 1: Pg. 41 from Read, 1987); prevents them from confirming the historic estimate. The calculated mineral resources of Read (1987) are not in accordance with the categories set forth in sections 1.2 and 1.3 of NI 43-101, Standards of Disclosure for Mineral Projects.

Smith (1988) calculated mineral resources for the TM-Zone, of 50,000 tons at an average grade of 61 oz/ton Ag, for open-cut material; and 66,000 tons at an average grade of 53 oz/ton Ag, for underground material. The resource estimates are classified as a "preliminary drill-indicated mineral reserve" (Smith, 1988, p.11), with "proven reserves" defined by either surface, underground or drill data points with 100 percent recovery. “Probable reserves” were estimated from one data point at surface or underground and were adjacent to “proven reserves”. “Possible reserves” were based solely on drill results.

The average thickness of a resource block was determined by taking the average of all channel samples along the block. The average grade for a block was determined by taking the average grade of all channel and panel samples within the block. It is unclear if these were weighted for thickness. A cut-off grade of 4 oz/ton was used.

The “Modred Polygon Method” was used to determine the resource blocks (Appendix 1: Pg. 17 from Smith, 1988). The details of this method are unclear to the authors; however, Smith (1988) indicates the average dimensions of the resource estimate as follows:

- Length of 700 feet (213.36 m),
- Depth of 90 feet (27.43 m), and
- Width of 4.5 feet (1.37 m).

An average tonnage factor of 11 cubic feet per ton was used (specific gravity of 2.9). Given the aforementioned, the total tonnage should equate to approximately 25,662 tons (23,281 tonnes); which is in general agreement with Smith’s (1988, p.13) 27,862 tons.

According to Smith (1988, p.13) if a dip of 67.6° and an average tonnage factor of 9.2 cubic feet per ton is assumed, then the tonnage rises to 130,000 tons. The authors are unclear as to how Smith obtains this estimate.

Smith (1988, p.13) determined the average grade from all drill data to be 37.39 oz/ton Ag, or 50.93 oz/ton Ag when factoring in core loss, or 69.19 oz/ton when including surface sampling.

The authors believe the historic estimate by Smith (1988) to be of limited relevance; based on the lack of information available for the locations of the “reserve blocks”, and the lack of information supporting the grade of those blocks. The mineral resources calculated by Smith (1988) are not in accordance with the categories set forth in sections 1.2 and 1.3 of NI 43-101, Standards of Disclosure for Mineral Projects.

Read and McCrea (2005) provided the following comments on the historic estimates by Smith 1988, p.13):

"In the opinion of the authors, the reserve and resource estimate completed by Marshall Smith in 1988 (Smith, 1988) used polygon outlines that where significantly larger than previous estimates and reported polygon grades in areas that the authors believe did not contain significant information to support the tons, grade and reserve categories reported. Smith enhanced the grades in some of the drill holes due to the belief that the poor core recoveries were due to soft silver minerals. The authors also believe that the poor core recoveries may have been due to soft silver minerals but the recovery problems were also due to soft clay and fault gouge in the core and question the reliability of the resources/reserves partially based on estimated silver grades and hence the reliability of the accompanying reserve/resource blocks."

ITEM 9: GEOLOGICAL SETTING

Regional Geology

The Silver Hart Property lies within the Omineca Physiographic Belt of the Yukon Territory. The property is within the Rancheria District of northeastern British Columbia and southeastern Yukon, which contains numerous silver-lead-zinc mineral occurrences. In general, the area is underlain by Paleozoic sedimentary rocks of the Cassiar Platform to the east (Fig. 3), which are in contact with Cretaceous Plutonic rocks of the Cassiar Batholith to the west. The overall trend of the contact is roughly northwest, as is the trend of the Cassiar Fault, which generally lies along the western boundary of the Cassiar Batholith (Read, 1987). The Cretaceous Cassiar Batholith, the Marker Lake Batholith, and the Meister Lake Stock are predominantly granite, but range in composition from quartz diorite, through trondhjemite, granodiorite, to quartz monzonite. The Paleozoic sediments consist of interbedded wakes, arenites, quartz arenites (quartzite), and derived metamorphosed equivalents such as mica schists, quartzo feldspathic gneisses, schists and quartzite (Amukum and Lowey, 1986). Mafic and felsic dykes are considered to be spatially and temporally associated with late Cretaceous and early Tertiary faults and mineralization (Amukum and Lowey, 1986). Green "andesite" dykes are found throughout the district and appear related to faults that host the silver-bearing veins (Read, 1987).

The dominant structural features of the area are large regionally continuous, northwest-trending, transcurrent faults that are likely superimposed on the major regional faults (Fig. 3), and considered to postdate the arc-continent collision of early Mesozoic time (Tempelman-Kluit, 1979).

Property Geology

The Silver Hart Property is situated along the faulted margin between the eastern edge of the Cretaceous Cassiar Batholith and the Cassiar Platform. The Cassiar Platform is a sequence of fine-grained, carbonate-rich, clastic rocks and limestone reefs, which are variably metamorphosed to hornfels, schist and marble. The Cassiar Batholith is a compositional pluton of dominantly calc-alkaline affinity. Within the property, limey clastic units proximal to the Cassiar Batholith have been contact-metamorphosed to marble and calc-silicate assemblages dominated by pyroxene, garnet and epidote. The overall north to northwest (315° to 350°) trend of the foliation within the metamorphosed sedimentary units is parallel to bedding. The trend of local faults is dominantly north to northeast (020° to 045°), and folds. On a regional scale, folding follows a northwest trend.

Detailed descriptions of the local geological setting are provided by Read (1987) and Read and McCrea (2005).

ITEM 10: DEPOSIT TYPES

The Rancheria District is host to three main deposit types, all of which may be present on the Silver Hart Property, and are widely believed to be related to the Mid-Cretaceous igneous activity (Cassiar Batholith). The deposit types in the Rancheria silver district may grade into one another and each style may be a representation of temporally separate igneous events and/or host-rock characteristics. These deposit types include 1) high-grade polymetallic veins, 2) breccia, stock-work; fracture controlled intrusive-hosted mineralization, and 3) Carbonate Replacement Mineralization (CRM).

1) The Rancheria District is known for its high-grade Ag-Pb-Zn±Au vein deposits. This deposit type is one of the most prolific sources of silver worldwide, and includes the

adularia-sericite (low sulphidation) type (Read and McCrea, 2005), with galena, sphalerite, tetrahedrite- tennantite, other sulphosalts including pyrargyrite, stephanite, bournonite and acanthite, native silver, chalcopyrite, pyrite, arsenopyrite, and stibnite noted as the primary ore minerals.

An example would be the Keno Hill area, which is located to the northwest of the Silver Hart Property, in central Yukon. The silver-lead-zinc deposits of the Keno Hill District consist of over 30 past and present producers. The metasedimentary rocks are composed of quartz-mica schists, quartzites, calcareous schists and minor limestone. Granitic bodies and dykes are common in the surrounding region (Watson, 1986). "As of 1995 and 1996 there were reported historic reserves at Keno Hill of 856,302 tonnes grading 1026 g/t Ag, 3.9 % Zn, and 4.8 % Pb" (Minfile 105M 001). The resource was not classified.

2) Carbonate Replacement Mineralization (CRM) has also been noted in the Rancheria District. This deposit type is limestone- or dolomite-hosted, intrusion related, high temperature, and sulphide dominant. It typically features lenses, elongate pipes or elongate tabular bodies referred to as mantos or chimneys (Hammarstrom, 2002). This deposit type is likely related to endo-skarn deposits and other replacement-style mineralization.

The Silvertip Deposit, located approximately 50 kilometres to the southeast of the Silver Hart Property, is an example of CRM. Mineralization consists of silver-lead-zinc massive sulphide, formed by hydrothermal replacement processes within limestone beds. The deposit hosts an indicated resource of 1.12 million tonnes at an average grade of 378 g/t silver, 7.7% lead, 9.5% zinc and 0.85 g/t gold; and an inferred resource of 1.45 million tonnes at an average grade of 284 g/t silver, 5.4% lead, 8.3% zinc and 0.46 g/t gold (Robertson and Belanger, 2002).

The authors have not verified the information on the aforementioned properties, namely the Keno Hill Deposit, the Logan Property and the Silvertip Deposit. The mineralization present at these properties is not necessarily indicative of the mineralization present at the Silver Hart Property, which is the subject of this report.

The mineralization within the TM and S Zones appears to by typical of the high-grade Ag-Pb-Zn±Au vein deposit-type. The mineralization within the KL and M Zones appears to be typical of the Carbonate Replacement Mineralization (CRM) deposit type.

ITEM 11: MINERALIZATION

The silver-lead-zinc mineralization on the Silver Hart Property has been described in previous reports (Read, 1987; and Read and McCrea, 2005), and is only summarized herein. The veins, which are host to the mineralization, generally strike in a similar northeasterly direction (Fig. 4). Granitic host rocks have varying degrees of sericitic- and propylitic- alteration. A distinctive feature of the mineralization type at Silver Hart is the pervasive flooding of the host sediments, by black manganese (Smith, 1988).

TM Zone

The TM Zone strikes 55° to 60° and dips 40° to 80°NW, mineralization is restricted to the vein material, which contains massive galena and sphalerite, with accessory chalcopyrite, tetrahedrite, pyrite, pyrargyrite, arsenopyrite, covellite, chalcocite, smithsonite and hematite. Gangue minerals consist of quartz, calcite, dolomite, and manganese carbonates; and are present within the fractured, oxidized and silicified breccia bounding the 'metallic core'. The dominant silver-bearing minerals in the TM Vein are tetrahedrite and pyrargyrite. The average mineable width, based on drill holes, surface exposures and underground exposures, was estimated to be 4.5 feet (Smith, 1988).

Mineralogical work on a representative sample from the TM Zone by Lakefield Research (Salter and Jackman, 1987), determined the major opaque minerals to be galena, tertrahedrite, and covellite; with minor amounts of chalcopyrite, sphalerite, gigenite and chalcocite; and trace amounts of pyrargyrite, elemental silver, pyrite and malachite. Non opaque minerals included cerrusite and anglesite, with minor quartz, and trace sericite.

The hanging wall and foot wall of the altered granodiorite is essentially un-mineralized, with the exception of fault splays within the hanging wall at the north end of the TM Vein, which contains minor amounts of sulphide (Smith, 1988). A green andesite dike lies sub-parallel to the mineralized vein, and is intersected in parts by the vein, with some displacement of the vein near its south end (Read, 1987). It is thought to predate the mineralization.

KL Zone

The KL Zone (Fig 4), is directly along strike to the northeast of the TM Zone. It is predominantly hosted by meta-sediments, consisting of interbedded quartz sericite schist, marble and dolomite, garnet- diopside skarn and lesser quartzite. It varies from 0.9 to 15.0 feet wide (0.3 to 4.7 m), and dips 60° to 65º to the northwest (Read, 1987). Mineralization consists of a vein-breccia system of banded, oxidized galena and sphalerite, with minor tetrahedrite, chalcopyrite, and pyrite. Gangue minerals consist of siderite and quartz, with intense manganese staining of the vein system and wall rocks. The high-grade mineralization is surrounded by a breccia- that is host to lower grade silver- lead- zinc mineralization (Read, 1987).

S Zone

The S Zone (Fig. 4), located approximately 150 metres east of the TM Zone, strikes approximately 70°, and is hosted by altered granodiorite. The S Zone mineralization appears restricted to a massive galena and sphalerite vein, whith wall-rock alteration less developed than in the TM Zone. The 2005 to 2006 drilling defined the zone along a 100m strike length, and open at both ends.

A detailed mineralogical investigation, including polished sections, has not been performed on the S Zone. To date, the mineralogy of the S Zone has only been documented by visual inspection of drill core. The main minerals present include: galena and sphalerite; with minor pyrite, pyrrhotite, chalcopyrite and magnetite.

M Zone

The M Zone (Fig. 4), is located south of the KL Zone, east of the TM Zone, and is on-strike to the northeast of the S Zone. The M Zone strikes 60°, dips 64°S, has an approximate strike length of 160 metres, and is open at both ends. The massive galena-sphalerite vein was determined to have a true thickness of 0.9 metres, whilst the lower-grade envelope, has a true thickness of between 7 to 9 metres (Anderson, 2008).

The host rocks and mineralization of the M Zone are similar that of the KL Zone, with pervasive black manganese and red iron-oxide staining common. A detailed mineralogical investigation, including polished sections, has not been performed on the M Zone. To date, the mineralogy of has been best documented by visual inspection of drill core. Mineralization documented in drill logs include: galena and sphalerite, with minor pyrite, pyrrhotite and chalcopyrite.

ITEM 12: EXPLORATION

Exploration conducted prior to 2005 is described in the section entitled "Item 8: History". Work between 2005 and 2009 was conducted by CMC Metals, and is summarized herein.

2005

During 2005, 16 lines of an induced polarity (IP) survey were conducted on the property by Peter E. Walcott and Associates Ltd. of Vancouver, BC. Specific details of the survey are not available to the authors. Also during 2005, a series of channel samples were taken on the property to further evaluate the mineralization at surface. In total 118 samples were taken over 11 channel sites, at the K, KL, and S zones. Mineralization at surface is consistent with drillhole intervals for all of the zones.

2006

A total of 361 soil samples were collected from a 300 by 500 meter area northwest of the K and KL zones. The results of this exploration were not provided to the authors.

2007 to 2009

The main focus of the 2007 to 2009 exploration programs was drilling, and is described in the section entitled "Item 13: Drilling", herein.

The exploration in 2007 identified mineralization within a previously excavated trench (D-Zone), and J Zone. Other samples were collected from an unmapped trench 170 metres north of the D Zone and another located west of the K Zone. All of the samples are described in detail within an internal Technical Report by Anderson (2008). A summary of the results from the report is included in the table below.

Sample	Station	UTM83E	UTM83N	Width (m)	Type	Ag (g/t)	Pb (%)	Zn (%)	location
701247	FA07056	405196	6689080	0.5	chip	14	0.22	1.15	North of J Zone
701248	FA07056	405196	6689080	0.12	chip	3188	83.01	0.03	North of J Zone
701249	FA07056	405196	6689080	0.5	chip	41	2.09	4.51	North of J Zone
701251	FA07067	405245	6689173	na	float	94	2.51	0.02	North of J Zone
701252	FA07078	404799	6689400	na	grab	1510	65.62	0.16	West of K Zone
701253	FA07113	405228	6688996	3	chip	30	0.63	4.87	J Zone trench
701254	FA07112	405142	6688877	na	grab	39	1.4	2.06	D Zone trench
701256	FA07111	405152	6688914	na	grab	14	0.76	2.3	D Zone trench
701257	FA07110	405166	6688912	5	chip	111	2.72	3.38	D Zone trench
701258	FA07110	405166	6688912	5	chip	240	6.21	3.34	D Zone trench
701259	FA07110	405166	6688912	5	chip	121	5.17	1.95	D Zone trench
701261	FA07110	405166	6688912	5	chip	51	1.95	2.53	D Zone trench

* Coordinates in NAD83, zone 7

In 2009 a series of channel samples were collected from the property to further evaluate the near surface mineralization on the TM zone. Specific details of the sampling have not been provided to the authors by the company. A total of 22 samples were collected over three channel sites from the M Zone. Mineralization at surface is consistent with drillhole intervals.

ITEM 13: DRILLING

The Silver Hart Property has seen various drilling campaigns since 1982. The drilling between 1985 and 1987 defined the mineralization between the TM and KL zones.

Recent drilling by CMC Metals, from 2005 to 2009, attempted to verify the historic drilling on the TM and KL zones; as well as test previously trenched zones of mineralization, including the S, F, K, M, D and J zones. A few un-mineralized, exploratory holes were drilled, and one condemnation hole was drilled at a location suitable for potential infrastructure developments. The drilling within each zone is summarized in Appendix 2A, and below. Significant drill intervals, including high grade intervals are summarized in Appendix 2B.

Historic Drilling

The earliest documented drilling in the area of the Silver Hart Property was in 1982. BRX Mining and Petroleum Ltd. completed two drill holes totaling 196.6 metres; the holes were not sampled because of a lack of visible sulphide mineralization in the drill core (Smith, 1985).

1985 – Silver Hart Mines

In 1985, Hartco was contracted to drill 50 holes totaling 11,956 feet (3644 m). The holes were drilled to test the continuity along strike and down dip of known silver-lead-zinc veins.

Carlyle (1985B) provides drill logs and a map for holes 1985-1, 2 and 26; and Fowler (1985) provides drill logs and a map for holes 1985-3, 4, 5, 6, 13, 29, 33, 36, 37, 41 and 42. Many details of the 1985 drilling, such as original drill logs and analytical results are not available to the CMC Metals Ltd. For other drill holes, locations, thickness of mineralized intervals, and grades were obtained from available summary maps and cross-sections. Down hole depths and hole locations for holes without drill logs, are close approximations. Procedures of logging and sampling of the 1985 drill core are unavailable. Most holes were drilled approximately perpendicular to the known mineralization, and mineralized intervals are close approximations to true thickness. The core diameter was not recorded in any of the material reviewed by the authors. The core recovery was noted in the original drill logs from Carlyle (1985B) and Fowler (1985), and averaged 88%, not accounting for overburden.

1986 – Silver Hart Mines

In 1986, Silver Hart Mines Ltd. completed 16 diamond drill holes and 11 percussion drill holes. The drill contractor was F. Caron Diamond Drilling Ltd. of Whitehorse. Diamond drilling commenced on September 2nd and was finished on September 29th, totaling 3,058 feet (932 m). A skid-mounted drill with hydraulic boom was used, obtaining an average of approximately 55 feet (16.76 m) per shift. Data collected from the diamond drilling, including geology and assays, were plotted on plans and sections. Specific details of the 1986 exploration are unavailable; however, a site plan and drill section are included in Appendix 3 as examples. Procedures of logging and sampling of the drill core are unavailable. Most holes were drilled approximately perpendicular to the known mineralization, and mineralized intervals are close approximations to true thickness. The core size was HQ, except for hole 86-53 (Smith, 1987). The core recovery in the diamond drilling program in 1986 averaged 86% (Smith, 1987).

The percussion drilling was completed between October, 2 and 18. A Schramm Percussion Drill was used as a follow-up to the diamond drill program. Holes in-filled the sections between the diamond drill holes, which were spaced about 200 feet (61 m) apart. A total of 1,521 feet (463.6 m) was completed. Sample recovery was 57% (Smith, 1987).

2005 – CMC Metals Ltd.

In 2005, CMC Metals Ltd. completed 702.19 metres at 14 locations, testing the established veins. The drilling was conducted by DJ Drilling Ltd of Watson Lake, Yukon, and managed by Dahrouge Geological Consulting Ltd., of Edmonton, Alberta. Clinton Davis, P.Geo. supervised the sampling procedures. Drill core was HQ diameter, and averaged 87% recovery. The 2005 drill program was documented by R.A. Doherty of Aurum Geological Consultants Ltd. of Whitehorse, Yukon (Doherty, 2006).

Procedures for logging and sampling of the 2005 drill core are discussed in the section entitled "Item 14: Sampling Method and Approach". Holes were drilled approximately perpendicular to the known mineralization, and mineralized intervals are close approximations to true thickness.

The 2005 drill collars were geo-referenced in 2007 with hand-held Global Positioning System (GPS), with errors of approximately 5 metres for the original recorded locations (Anderson, 2008). No down hole surveys were completed.

A summary of significant mineralized intervals is included in Appendix 2B.

2006 – CMC Metals Ltd.

Drilling in 2006 totaled 725.21 metres in 10 drill holes. Drilling was completed by Pokiak Services Ltd. of Prince George, British Columbia, under the supervision of Aurora Geosciences Ltd. Drill core was NQ diameter, and core recovery averaged 83%. A report on the drilling was not produced; however, digital drill logs are available.

Procedures for logging and sampling of the 2006 drill core are unavailable. Holes were drilled approximately perpendicular to the known mineralization, and mineralized intervals are close approximations to true thickness.

The 2006 drill collars were geo-referenced in 2007 with hand-held Global Positioning System (GPS) in 2007, with errors of approximately 5 metres for the original recorded locations (Anderson, 2008). No down hole surveys were completed.

A summary of significant mineralized intervals is included in Appendix 2B.

2007 – CMC Metals Ltd.

The 2007 exploration program was supervised by Farrell Anderson, P.Geol., who prepared an internal report to CMC Metals, entitled “Technical Report on the 2007 Exploration Program Silver Hart Property” (Anderson, 2008). The exploration included drilling 11, NQ2 diameter core holes totaling 786.6 m. The report provides details on sampling method and approach, sample preparation, analysis and security, and Quality Assurance and Quality Control for the 2007 drill program. This report provided a guideline for the subsequent 2008 and 2009 drill programs. The authors are of the opinion that the 2007 exploration is of high quality.

Procedures for logging and sampling of the 2007 drill core are discussed in the section entitled “Item 14: Sampling Method and Approach”. Holes were drilled approximately perpendicular to the known mineralization, and thus mineralized intervals are close approximations to true thickness.

Drilling was completed by Bertram Drilling Corp. of Carbon, Alberta, with a skid-mounted drill, that was dragged into place by a bulldozer. Core recovery averaged 94% for the 11 drill holes.

A Barigo altimeter, accurate to ± 10 feet, and calibrated to the 1986 survey stations, was used to measure elevation of drill collars. Locations of the 2007 drill collars were measured with a handheld Magellan GPS. No down hole surveys were completed.

Collars, backsight and foresight were situated with a tripod mounted Brunton compass. It was also used to line up the drill on the collar, while the inclinometer on the Brunton was used to set the head. Accuracy of azimuth and inclination for the 2007 drill collars is within one degree (Anderson, 2008).

A summary of significant mineralized intervals is included in Appendix 2B.

2008 to 2009 – CMC Metals Ltd.

The 2008 and 2009 drilling was managed by CMC Metals and conducted by Refined Energy Ltd. of Edmonton, AB, using a track-mounted Fraste Multidrill XL. In 2008, 12 NQ2 diameter drill holes totalling 808.10 metres were completed. In 2009, 16 NQ2 diameter drillholes totalling 1094 metres were completed.

Procedures for logging and sampling of the 2008 and 2009 drill core are discussed in the section entitled “Item 14: Sampling Method and Approach”. Holes were drilled approximately perpendicular to the known mineralization, and thus mineralized intervals are close approximations to true thickness.

The 2008 and 2009 drill collars were surveyed with a hand-held GPS, with an expected location error typical of this type of instrumentation, which varies between 1 and 5 metres.

A summary of significant mineralized intervals is included in Appendix 2B.

ITEM 14: SAMPLING METHOD AND APPROACH

Historic Drilling

Reports on the 1985 and 1986 exploration were written prior to disclosure standards set forth by NI 43-101, and provide few details pertaining to the methodology of the exploration. Reports by Carlyle (1985B) and Fowler (1985) only provide basic drill logs with some analytical information and a location map. Reports by Read (1987) and Smith (1988), are directed at estimating resources, and provide few details of the exploration.

For the 1985 and 1986 drilling, core samples from 0.5 to 3 feet thick (0.15 to 1.0 m) (true thickness), appear to have been collected from the mineralized zone (Carlyle, 1985B; Fowler 1985). Recoveries for both the drill hole and mineralized interval are documented in drill logs and discussed by Read (1987), Smith (1988), and Read and McCrea (2005). Recoveries of the mineralized zones are generally poor averaging less than 85 percent. According to Read and McCrea (2005, p.13)

> *“... Smith enhanced the grades in some of the drill holes due to the belief that the poor core recoveries were due to soft silver minerals. The authors also believe that the poor core recoveries may have been due to soft silver minerals but the recovery problems were also due to soft clay and fault gouge in the core and*

question the reliability of the resources/reserves partially based on estimated silver grades and hence the reliability of the accompanying reserve/resource blocks."

Core recovery in the high-grade massive-sulphide zones has been a concern since the work in the 1980's. The current authors concur with Read and McRae (2005) and do not believe the resource calculated by Smith (1988) can be relied upon as it depends in part on an estimated grade enhancement.

2005 to 2009 Drilling

For the 2005 to 2009 drilling programs, zones of mineralization along with the bounding footwall and hanging-wall sections of core were sampled. Sampling continued into unaltered and un-mineralized core.

In the TM Zone, the mineralization is vein controlled. It appears that sampling of the vein was separate from the hanging-wall and foot-wall, thereby separating the high-grade interval. Where mineralization is fine-grained and disseminated in nature, in the KL and M zones, sample intervals were longer, more frequent and continuous.

Recovery in the 2005 to 2009 drilling programs averaged 88% over the entire property. The best recoveries were in the years 2008 and 2009, and found to average 91% and 93%, respectively. This is likely due to the type of drill used in those years.

An investigation of the core recovery with respect to grade was conducted for the 2005 to 2009 drilling campaigns. Samples with grades of greater than 500 ppm; and/or greater than 10% Zn; and/or greater than 5% Pb were compared to percent recovery. The purpose of the investigation is to evaluate the grades with respect to recovery, using the above criteria. The recovery percentage is based on the entire drill run, whereas the sample interval is within the run. Thus, the exact intervals are not equal, but they provide an adequate basis for comparison. The average recovery of 54 high-grade samples, based on the above criteria, is 91%. This recovery rate is higher than the average of all core obtained in years 2005 to 2009, and is comparable to the recovery in 2008 and 2009. Only eight samples were below 75% recovery. This indicates that core recovery within the mineralized zone is comparable to that of non-mineralized rock.

ITEM 15: SAMPLE PREPARATION, ANALYSIS AND SECURITY

Sample Preparation

Details of core sampling were not documented by any operators of the exploration on the Silver Hart Property prior to 2005, and reported details of other types of sampling and analysis are limited. Historic sampling conducted under the supervision of W.S. Read, P.Eng. and other reputable mining professionals associated with these exploration programs, is assumed to be of high quality.

The sampling and drill-logging procedures for the 2005 drill program were prepared by the project QP, Clinton Davis, P.Geo. and catalogued in un-reported company files, and are summarized herein. Mr. Davis received his professional designation in 2004. After re-arranging the core and converting the footage blocks, and prior to logging and sampling, the core was photographed and catalogued using a digital camera. Sample intervals were marked during logging of the core with a red marker. One part of the 3-part sample tag, in combination with a piece of flagging tape, was stapled to the core box at the start of every sample interval. The core was then split with a rock saw, ensuring that the same side of the core was consistently placed back in the box. The water tray, sliding table and blade were cleaned between every sample in order to avoid contamination. Core was then placed in a well-marked sample bag, with a piece of the 3-part tag in a separate portion of the sample bag, to ensure it was preserved.

The core handling and sampling procedures were not documented in 2006; however, the drilling program was managed by Aurora Geoscience of Whitehorse, YT, and is believed to be of high quality.

In 2007, the core handling and sampling procedures were supervised and documented by independent QP, Farrel Anderson, P. Geol., and outlined within his internal technical report, (Anderson, 2008). Mr. Anderson received his professional designation in June of 2005. The same sampling procedures continued through to 2009, and were carried out in the field by Jennifer Simper, an independent subcontractor to CMC Metals Ltd. In years 2005 to 2009, the work was supervised by President of CMC Metals Ltd., Don Wedman, P.Eng.

Analysis

No details are available for sample preparation and analysis of samples collected prior to 2005.

For all core and rock samples collected between 2005 and 2009, samples were prepared and analyzed by Acme Analytical Laboratories of Vancouver, BC; an ISO 9001:2000 certified laboratory.

Sample preparation technique R150, which involved jaw crushing of the material until 70% passes 10-mesh, and then taking a 250 g riffle split and pulverizing in a mild steel ring mill until 90% passes 150 mesh, was used for all drill core and rock samples.

Prior to analysis, samples were digested using 30 mL of Aqua Regia, a 2:2:2 mixture of ACS grade concentrated HCl, concentrated HNO_3 and de-mineralized H_2O, which is added to each sample. Samples are digested for one hour in a hot water bath (>95°C). After cooling for 3 hrs, solutions are made up to volume (100 mL) with dilute (5%) HCl. Very high-grade samples may require a 1 g to 250 mL or 0.25 g to 250 mL sample/solution ratio for accurate determination. Acme's QA/QC protocol requires simultaneous digestion of two regent blanks inserted in each batch.

Sample solutions are aspirated into a Jarrel Ash Atomcomp model 800 or 975 ICP emission spectrograph to determine 21 elements: Ag, Al, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, Mg, Mn, Mo, Na, Ni, P, Pb, Sb, Sr, W, Zn.

In 2007, Anderson (2008) reviewed the analytical results for the determinations by Acme. Thirty-eight (38) core samples from the TM-zone were also submitted for gold analysis by Acme's G6-precious metals technique to test for gold values. Group 6 results from the TM-zone returned negligible amounts of gold. As a QA test for ensuring the analytical method of 7AR is adequate, forty six (46) mineralized samples of the drill core from the TM Zone, including all of Hole CMC SH07-03, were submitted to Acme for analysis by both 7AR and by 7TD technique. According to Anderson (2008, p.21):

> *"The intent was to determine whether a total digestive analysis would make any difference in the overall Ag, Pb or Zn grades. Comparing the general statistics and doing relevant charting such as Q-Q plots scatter plots, Mean Percent Difference graphs and histograms, shows the mean and median for Pb and Zn*

are basically identical however Ag shows a higher variance, standard deviation and mean for the 7TD method."

Quality Control

Varying programs of quality control measures of the trench and drill hole sampling have been implemented between years 2005 and 2009. The program of standard and blank insertion is considered to be of good quality, has been increasing over time. The company did not implement an acceptable program of core-duplicates. The company has not verified analytical precision by check-analysis with another accredited laboratory.

Table 3: Grades of Standards used between 2005 and 2009

	Standard Grade		
Standard	**Ag (g/T)**	**Pb (%)**	**Zn (%)**
PB120	19	1.43	2.87
PM1106	862	-	-
PB121	180	2.19	4.56

Standards

Three different pulp standards were used by CMC Metals Ltd. between 2005 and 2009. All were pulp-type standards from WCM Minerals Ltd. of Vancouver, BC. The grades and amount of each type of standard are summarized in the following tables.

Table 4: Frequency of standards used between 2005 and 2009

Year	Samples	Standards	Standards(%)
2005	447	18	4.03
2006	227	7	3.08
2007	276	34	12.32
2008	145	18	12.41
2009	249	31	12.45

In years 2005 and 2006 the rate of standard insertion was 4% and 3%, respectively. This upgraded to about 12.5% in years 2007 to 2009.

Details of the statistical analysis of the standards are in Appendix 4.

Standard PB120 shows an overall low variance from the mean value, with an indication of a higher variation in 2009. Of the 45 samples, one in 2008 was within three standard deviations from the mean, one in 2009 was within four standard deviations from the mean, and the remaining were within one and two standard deviations from the mean. The sample mean is about equal to the certified standard value, indicating good analytical accuracy for low silver.

Standard PB121 shows good analytical precision with all 14 samples between one and two standard deviations from the mean value. Although the sample size is small, there appears to be a tendency of under-reporting the standard value for the certified value of 180 g/t silver; the sample mean is lower than the certified standard value.

Standard PM1106 shows an overall low variance from the mean, with higher variation in 2009. Of the 49 samples, two in 2009 are within four standard deviations from the mean, and the remaining are within one and two standard deviations from the mean. The frequency plot shows bimodal distribution, likely due to the differing variance of samples between laboratory tests. As with PB121, there appears to be a tendency of under-reporting the standard value for 862 g/t silver, as the sample mean (838.0 g/T Ag) is lower than the certified standard value.

Blanks

A summary of the analysis of blank samples used in the 2005 to 2009 sample programs is in Appendix 4. The sample material used as the blank sample is not noted for the 2005, 2006 and 2007 work. The author verified that in 2008 and 2009, un-mineralized, homogeneous granodiorite from road cut, was used as a blank insert.

Table 5: Frequency of blanks used between 2005 and 2009

Year	Samples	Standards	Standards(%)
2005	447	18	4.03
2006	227	7	3.08
2007	276	35	12.68
2008	145	18	12.41
2009	249	31	12.45

In years 2005 and 2006 the rate of blank insertion was 4% and 3%, respectively. This upgraded to about 12.5% in years 2007 to 2009.

Of the total 109 blanks, seven were found to be slightly anomalous. Most were below detection limit for silver (2 ppm), with 7 ppm the highest anomaly (305955). Similarly, most lead values were below detection limit (0.01%), with the same sample that was anomalous in silver returned 0.04% Pb. Zinc values are above detection limit (.01%) for 30 of the 109 samples. All samples that returned anomalous values were followed in number sequence by a significantly mineralized sample, with the exception of one sample (308582) that followed a lab standard (PM1106).

Duplicates

In 2005, 16 core duplicates were analyzed, and in 2006 nine core duplicates were analyzed. All were within un-mineralized rock. As a part of the Acme analytical QA-QC procedures, pulp samples were also duplicated to monitor analytical precision, though most were within un-mineralized rock. Due to the low- and below-detection-limit silver values for the un-mineralized core, a vigorous statistical analysis is not possible.

Sample Security

Sample security was not documented in 2005, and 2006. Anderson (2008) documented the security procedures employed in 2007 as follows:

> *"The polyweave bags were labeled with the recipient's and sender's addresses on both the bag and on an attached tag, and kept locked in a wooden shed on the property until ready for shipping to Vancouver. Submittal notices were enclosed with each shipment noting the number of bags and number of samples. The samples were delivered by F. Andersen and K. Andersen to the Greyhound Buslines representative at Swift River, Yukon from where they were shipped to Acme Analytical Laboratories of Vancouver, BC."*

Details of the 2008 and 2009 security procedures are not documented.

ITEM 16: DATA VERIFICATION

Analytical information from the post-2005 drilling was copied directly from the text-based assay sheets that were received from the laboratory. Rock codes were derived from the digital copies of the drill-logs. All were spot-checked upon entry to the master drill-hole database.

Information on the historic 1985 and 1986 drilling has been digitized by the following methods: X, Y spatial coordinates were digitized from historic plan-maps. Maps were brought into a Geographic Information System (GIS) program, and geo-referenced using a set of ground-truthed field points. These points were located with a hand-held GPS, and the accompanying point on the map was stretched to that location. The holes were plotted on the historic plan-maps from their surveyed location, so the holes are believed to be plotted accurately with respect to each-other.

The dip and azimuth of the holes were digitized from the maps and cross-sections. The original drill-logs of a small number of the holes have been included in past assessment reports, and the dip and azimuth from the logs were verified with those obtained from the maps and sections.

Rock codes and analytical data were digitized from the historic cross-sections by scaling the down-hole location and width of each lithology or sample break, and typing that into an excel database. This information was verified against the original drill-logs where available. A total of 39 holes were put into the database from the TM and KL zones. The historic data was reported in oz/ton, and converted to g/t silver, using a conversion factor of 34.28571 (1 Troy-ounce = 31.10347 grams; 1 metric-Tonne = 1.10231 Short-Ton).

Use of Historic Drillhole information

The historic estimate by Smith (1988) utilized a “factor for core loss”. This was justified by Smith as “previous experience with core loss evaluation indicated that the related grade loss was an exponential function of the core loss”. Smith (1988) states:

> *“Thus the proven open pit tonnage is estimated at 27,862 tons over a length of about 700 feet, a depth of 90 feet (average) with an average mineable width of 4.5 feet grading 37.39 ounces silver per ton from the raw drill data, or 50.93 ounces silver per ton using a factor for core loss or 69.19 ounces silver per ton using the most reliable assays from detail surface sampling.”*

It is not stated in the report how Smith determined the enhanced silver grade, resulting in the confusion and scepticism related to his estimate. It would appear to the authors that the factor was applied to the final calculated tonnages.

The historic analytical results that were utilized by the authors are derived from original drill logs from Carlyle (1985B) and Fowler (1985); as well as maps and cross-sections from Read (1987). Factors for grade enhancement were not discussed in any of the documents from Carlyle (1985B), Fowler (1985) and Read (1987), and grades that were reported are believed to be original analytical results.

Twinning of Historic Drillholes

To increase the confidence of the width of the zone and analytical results of the historic drill data, a number of the historic holes were twinned. A summary of the intervals is included below. The results of the twinned holes appear to verify the historic drilling, within a reasonable margin of error. Differences in sample widths and recovery will contribute to differences between analytical results. The relative consistency of the grade between the twinned holes, gives confidence in utilizing the historic information, enough for the purpose of adding them to the resource calculation.

Hole CMC07-01 vs. DH85-7 encountered the vein at approximately 3 metres difference down-hole depth. CMC07-01 returned lower grades of silver; however, the historic grade is comparable when composited with the overlying sample (i.e. 0.73m of 2269.71 g/T Ag; 2.55% Pb; 23.88% Zn).

Hole CMC07-03 vs. DH85-6 encountered the vein at approximately 2 metres difference down-hole depth.

Hole CMC07-04 vs. DH85-5 tests three different intervals down-hole. The higher-grade interval at approximately 40 metres down-hole returned higher-grades of silver than the historic hole.

Table 6: Comparison of Grades between Twinned Holes

2007 hole-twin verification							Historic drill intervals						
Hole-ID	From (m)	To (m)	Width (m)	Ag (g/T)	Pb%	Zn%	Hole-ID	From (m)	To (m)	Width (m)	Ag (g/T)	Pb%	Zn%
							DH85-7	30.25	30.89	0.64	1771.2	2.37	22.2
CMC07-01	33.5	34.2	0.70	2069	2.75	28.28	DH85-7	30.89	30.98	0.09	5759.3	3.86	35.8
CMC07-03	29.6	30	0.40	178	0.04	5.16							
CMC07-03	30.5	31.15	0.65	2011	5.37	27.79	DH85-6	28.49	28.89	0.40	2720.9	11.4	18.6
CMC07-04	33.8	34.7	0.90	5	0.06	2.02	DH85-5	33.53	34.29	0.76	11	0.02	2.25
CMC07-04	37.9	38.5	0.60	39	0.03	4.62	DH85-5	35.69	36.52	0.82	63.8	0.04	4.6
CMC07-04	40.4	41	0.60	456	1.17	18.94	DH85-5	39.93	40.45	0.52	288	0.16	13.7

Independent Verification Sampling

During the two-day property visit between September 28 and 29, 2009, one of the authors (N. McCallum) reviewed drill core and surface mineralization for the significant mineralized zones, as available from exploration completed since 2005. The core-storage and core-splitting areas were also inspected.

In total, seven boxes of core were inspected from the 2005 to 2009 drill programs. Sample interval and core-intervals were noted, and verified with the drill-logs and database. Sample intervals from all years are well marked on the core boxes and were noted to be in good condition. In 2005, a labelled piece of flagging tape stapled to the core-box identifies the start of a sample-run (Plate 1C). From 2006 thru 2009 one piece of the sample-tag book was stapled to the core-box to mark the start of a sample-run (Plate 1D). Two ¼-core samples were taken from drill core in order to verify previous samples. One blank sample from the same pile as those used in 2009 was inserted in the author's sample batch.

Random channel samples, thought to be representative of each of the zones were reviewed and re-sampled. In total, seven chip samples were taken, including one aimed at verifying the very high-grade silver mineralization recently reported by the company (CMC Metals 2009 News Releases: July 29, September 15). Previous chip samples are located in the field with long nails hammered into bedrock to indicate the start and end of samples. Samples were identified either by metal tags tied to those nails or written on flagging tape wrapped around a rock placed over the sample interval. In the field it was not readily apparent which sample corresponded to which sample tag when they were identified with metal tags attached to nails. When re-sampling channel samples, the author attempted to be as representative as possible. Special attention was made with sample 74332 to clear the area of surface debris and sample only bedrock in order to avoid possible contamination.

The independent field sampling confirms the mineralization on the Silver Hart Property (Appendix 5A), although it should not be thought of as a verification of all the post-2005 exploration results. The re-sampled mineralization in drill-core and surface channel sampling corresponds well with original sampling results, including the very high-grade silver mineralization which returned >10,000 ppm Ag, as analyzed by ALS Chemex Laboratories Ltd. of Vancouver, BC.

Use and treatment of XRF results

As of 2009, the company has been utilizing an X-Ray Flourescence (XRF) Niton XL3T Analyser in order to aid its exploration efforts. Subsequently, the company has identified very high-grade silver mineralization on surface with the portable XRF analyser, and has reported these results in a public new release dated July 29, 2009. The company has reported confirmation laboratory analytical results to confirm the XRF results in its public news release dated September 15, 2009.

The company has also identified very high-grade silver and palladium mineralization on surface with the portable XRF analyser, and has reported these results in a public new release dated September 30, 2009. The company has not yet reported laboratory analytical results to confirm the XRF results in its public news release dated September 30, 2009.

The company has provided the results of the XRF testing of the July 29 and September 15 news releases, and the laboratory analytical results of the accompanying samples of the September 15 news release to the authors for verification purposes, and are included as a summary in Appendix 5B. The laboratory analytical results of the accompanying samples of the September 30 news release have not been provided to the authors by the company.

The sampling method, quality control measures, and security of the sampling that was performed by president of CMC Metals Ltd., Don Wedman, cannot be confirmed by the authors. The samples were analyzed by Acme Analytical Laboratories Ltd., of Vancouver BC. The 19 samples were crushed, split and pulverized to 200 mesh. All 19 samples were tested with the Acme “1:1:1 Aqua Regia digestion ICP-ES analysis” (7AR package), and samples with over-detection limit lead (>4%) were treated with the “1:1:1 Aqua Regia digestion ICP-ES Finish”

(7AR.1 package). Samples with over-detection limit silver (>300 g/t) were treated with the "Fire Assay Ag by gravimetric finish" (G6 package). The very high-grade sample was subsequently treated with the "Fire Assay Ag Au by gravimetric finish" (G603-G612 package).

The analytical results reported in the news release (September 15, 2009) were verified against the original laboratory assay certificates, and the composited intervals were re-calculated. Two errors were found in the composited intervals that were reported in the news release. They are identified in bold red text in Appendix 5B. The authors conclude that these are errors were not meant to be misleading, as they actually are under-represented in the new release dated September, 15.

The XRF tests and composited laboratory samples were compared by a paired sample method, for the 12 XRF tests. The paired charts for silver, lead, zinc and copper are included in Appendix 5B. The XRF analyses for silver appear to be under-reported at lower silver concentrations, but are over-reported at higher concentrations. The XRF analyses for lead appear to be under-reported at higher lead concentrations. The XRF analyses for zinc and copper appear to be under-reported at higher silver concentrations. With a low number of samples to compare (12), a rigorous statistical analysis is not warranted. As with many quality control testing of duplicate samples, there is a higher variability at higher concentrations. Given the uncertainty related to the XRF testing, the company should use extreme caution when handling information gathered from the high-grade silver-lead-zinc mineralization. Encouraging values obtained from the XRF testing should always be followed up by a strict sampling and analytical procedure in order for the results to be considered for a resource estimate. The company should also refrain from releasing results of the XRF testing in the public domain.

The authors cannot verify the XRF testing that the company publically released on September 30, 2009 due to the lack of supporting laboratory analytical information. Subsequent to the news release, uncertainty has been placed on the results of the palladium grades. It is outside of the scope of this report to comment on all of the limitations and acceptable applications of the XRF testing conducted with the make and model of the tool that the company utilized. It has, though, been noted that at very high concentrations of precious metals (Au, Ag, Pd, Pt) a spectral absorption enhancement has been noted due to the interference of other precious metals, and mathematical corrections are required to correct for these effects (Stankiewicz, Bolibrzuch and Marczak, 1998). Due to the low reproducibility of the XRF testing with laboratory analysis, and the possibility of spectral absorption enhancement at very high grades, the authors are of the opinion that the results of the XRF should not be reported or relied upon. Until definitive laboratory analysis can confirm the palladium mineralization reported in the September 30 news release, the uncertainty remains.

New veins at the TM Zone

The company has recently reported that "*during the trench sampling, two new 30 meter long high grade veins were determined*" at the TM Zone (New release dated September 15, 2009). Due to the lack of an accurate survey location, the authors are unable to verify the relation of these new veins with respect to the known TM vein system where historic and post-2009 drilling has been conducted. For the purpose of the mineral resource estimation included in this report, the recently reported high-grade silver mineralization within these new veins is not considered. In order to be considered for the purpose of a resource estimate, there should be an accurately surveyed location; confirmation of the mineralization along strike and down dip; and independent sampling with appropriate quality control measures (check-assays, duplicates, standards). As discussed in the section above "independent verification sampling" one sample was taken at the recently reported very high grade zone, and a high silver content of >10,000 ppm was verified. The snow cover and field conditions at the time, however, did not allow for an accurate account for the location of the sample with respect to the main TM vein mineralization.

The very high grade silver at the TM zone can be confirmed to a limited degree. It was likely missed in previous sampling programs, as the portable XRF analyzer has allowed a more precise and narrow sampling interval. Previous sampling would have diluted the grade of similar material over a wider sample width. The high-grade zone is represented on surface as a narrow band of fine black clay. Previous sampling would have concentrated on the well established quartz-carbonate-galena-sphalerite vein system.

ITEM 17: ADJACENT PROPERTIES

Blue Haven Property

Immediately to the southeast of the Silver Hart Property is the Blue Haven Property, owned by Strategic Minerals Ltd, and under option to Valencia Minerals Inc. The property is described in the 2006 Technical report by William A. Wengzynowski, P.Eng of Archer, Cathro and Associates Ltd. The operators have most recently been working the Hall and Don zones, with 25 excavated trenches. Highlighted results from a news release by Valencia Minerals, dated October 01, 2007, follow:

Hall Zone - TR-06-05

11.20 m @ 555.20g/T silver

7.90 m @ 769.5 g/T silver

Including 1.70m @ 3050g/T silver

Don Zone - TR-07-31

3.70 m @ 778g/T silver

Including 0.65 m @ 4350g/T silver

Final assay results received for trench TR-07-31 at the newly discovered Don Zone include 16,659 g/t silver and 62.96% lead over 12 cm. In addition, 600 metres of diamond drilling intersected very high grade silver and lead mineralization at the Hall Zone on the Blue Heaven Property. Drill results include one interval assaying 3,220g/t silver and 32.2% lead over 20cm (Valencia Minerals NR, Jan 08, 2008).

Touchdown Property

Approximately 2 kilometres to the northwest of the Silver Hart Property is the Touchdown Property, also owned by Strategic Minerals Ltd, and under option to Valencia Minerals Inc. The operators have described the property in its 2006 Technical Report on the Rancheria District, but have not released any recent exploration results.

Logan Property

Approximately 18 kilometres to the northwest of the Silver Hart Property is the Logan Property, owned 40% by Almaden Minerals Inc, with a 60% Joint Venture (JV) interest by Yukon Zinc Corp. In 2004, Hatch Associated Ltd calculated an Inferred Resource of 13,080,000 tonnes grading 5.10% zinc and 23.7 g/t silver using a 3.5% zinc equivalent cut off that is based upon metal prices of US$0.43/lb Zinc, US$5.50/oz Silver, and recoveries of 94% and 64% respectfully (Yukon Zinc Corp NR, March 29, 2004).

This report was prepared as a NI 43-101 Technical Report in accordance to Form 43-101F1. The re-estimation of resources by Hatch utilizes the block model method, with kriging of 58 drill holes completed in the Main Zone, from 1986 to 1988. The model relies wholly on historical drill hole information. The model was constrained by geological boundaries to mineralization over the 1530 metre strike length of the Main Zone (Yukon Zinc Corp NR, March 29, 2004).

The authors have not verified the information on the adjacent properties, namely the Blue Haven Property, the Touchdown Property and the Logan Property. The mineralization present at these properties is not necessarily indicative of the mineralization present at the Silver Hart Property, which is the subject of this report.

ITEM 18: METALLURGICAL TESTING

Various metallurgical tests have been carried out on mineralized material from the Silver Hart Property. In May of 1986, gravity and flotation tests were conducted by Lakefield Research on a composite mineralized sample (Salter and Jackman, 1986). In December of 1986, further gravity and flotation testing was done by Lakefield Research on oxidized mineralized samples from the TM, ME, and KL veins; as well as, another composite sample (Salter and Jackman, 1987). In September 2006, samples of the TM and KL zones were sent to SGS Lakefield Research. Testing was conducted in the late fall of 2006 and early 2007 (Unger and Lascelles, 2007 and 2008 for TM and KL Zones respectively).

1986 Testing

On May 5, 1986 a composite sample, consisting of 12 five-gallon pails of mineralized material, was submitted by Mr. Eckhart Buhlmann of Sliver Hart Mines Ltd. to Lakefield Research. The authors have been unable to find sample descriptions or location information for the sample, therefore, it is not known which vein or veins were sampled, nor how representative it was of the mineralization. It seems likely that this composite was derived from face sampling of the drift in the T Zone, but this can not been confirmed. A reported head grade of 1833 g/t Ag, 5.38% Pb, and 10.2% Zn was obtained, the sulphide minerals present were galena, sphalerite, tetrahedrite (freibergite), pyrite and chalcopyrite. Flotation tests and a gravity test were conducted.

Flotation methodology consisted of grinding to varying fineness depending on test parameters, as well as, conditioning the ground sample with soda ash, zinc sulphate and sodium cyanide to depress sphalerite and pyrite (Salter and Jackman, 1986). Pb concentrate was recovered using xanthate and Aerofloat 242. The Pb rougher concentrate was cleaned with depressants. The Pb cleaner concentrate was treated with various reagent combinations to depress galena and recover a freibergite concentrate. The Pb rougher tailings were conditioned with lime and copper sulphate to recover a zinc concentrate, which was treated with xanthate and Minerec 2030 as cleaners.

Flotation response was considered good with > 55% Pb and Zn concentrates produced with recoveries of approximately 90%. Ag recovery in the Pb circuit was over 80%, and in the Zn circuit, between 10-15%. The Ag concentrate, recovered from the Pb concentrate, analysed 128 kg/t Ag, 19% Pb, 7.9% Zn, 15% Cu and 16% Sb. It was estimated that silver losses in the tailings would be about 5% (Salter and Jackman, 1986).

The gravity test was conducted to test Ag - Pb recovery and consisted of grinding the sample to 57% -200 mesh, and feeding the result over a Wilfley Table with recirculation of the middlings. The concentrate was cleaned on a Mozley Separator. The Mozley tailing was rerun to create a scavenger concentrate. The combined concentrate to the end of the second Mozley run returned 4393 g/t Ag, 16.0% Pb and 25.8% Zn at a mass recovery of 25% (Salter and Jackman, 1986).

The second sampling program in December 1986 was requested by J.R.W Fox, Senior Metallurgical Engineer for Orocon Inc. on behalf of Silver Hart Mines Ltd (Salter and Jackman, 1987). A composite of 23 mineralized samples was made, as well as submission of individual samples from the TM, ME, and KL veins. The composite head grade was 0.54% Pb, 3.54% Zn and 0.48 g/t Au (Salter and Jackman, 1987). Ag is not reported. Sample TM-1 head grade was 2834 g/t Ag, 10.8% Pb, 0.23% Zn and 0.28 g/t Au. Sample ME-1 head grade was 1450 g/t Ag, 27.4% Pb, 1.4% Zn, and 0.08 g/t Au. Sample KL-1 head grade was 1550 g/t Ag, 3.315 Pb, 3.27% Zn, and 0.69 g/t Au. Minerals present were mainly galena, sphalerite, and freibergite with these exceptions: TM-1 also contained covellite, cerussite and anglesite, as well as minor digenite, chalcocite and trace pyrargyrite. KL-1 contained mainly cerussite and anglesite, as did the composite sample. No detailed locations are available to the authors, but the composite and KL-1; as well as, TM-1 were evidently oxidized, presumably because they were collected from near the surface.

Flotation and tests similar to those conducted in May of 1986 were undertaken. Given the oxidized character of the composite, the pulp was treated with sodium hydrosulphide before flotation. Desliming resulted in high silver losses. The best results were 355 g/t Ag, 0.51% Pb and 3.30% Zn, at a mass recovery of 47.5% (Salter and Jackman, 1987). Sample TM-1 flotation tests also used NaHS. The use of Aeroflot 31 instead of 242 increased Ag and Pb recoveries but decreased lead grade, yielding a concentrate of 9477 g/t Ag, 31.59% Pb, and 0.44% Zn, with a mass recovery of 31.1%. Further test work was recommended to improve oxide flotation. Similar tests on sample ME-1 yielded better results, with a Ag recovery of 88% (1276 g/t Ag) and 47.6% Pb. Sample KL-1 presented even more intense oxidation, so a broader range of cleaners was employed; the best recovery was 65% Ag (7800 g/t Ag) and 13% Pb.

Gravity tests were conducted on samples TM-1, ME-1 and KL-1, and was similar to that of the May tests, but grinding was followed by screening to a +100 mesh, -100/+200 mesh and -200 mesh fraction, each of which was tabled as before. Ag recovery from TM-1 and ME-1 was poorer than via flotation, mainly because of losses in the -200 fraction. Ag recovery from sample KL-1 was poor in all size fractions.

2006 Testing

TM Zone

In 2006, a sample of high-grade rock from the TM Vein was sent to SGS Mineral Services (Lakefield) in order to determine the optimal metallurgical response for lead and silver (SGS Lakefield Research Metallurgical Report, Report No. 1, June 15, 2007). In order to maximize Ag recovery, changes were made to primary grind, regrind, and reagent dosage in the lead sulphide and lead oxide circuits. The sample contained both lead sulphides and lead oxides, with a head grade of 38.2% Pb and 8,011 g/t Ag. The authors do not believe that this sample accurately characterizes the mineralization within the TM Zone. The sample submitted for testing is much higher grade than most of the drill intersections for the zone. The stated purpose of this sample was to test recoveries at the high grade level.

Grindability and both rougher and cleaner flotation tests were investigated. A bulk lead sulphide concentrate grading 71.7% Pb and 20,118 g/t Ag was generated, with recoveries of 60.8% of the Pb and 77.2% of the Ag (Unger and Lascelles, 2007). A lead oxide concentrate was also generated which recovered an additional 36.3% of the Pb and 19% of the Ag, at grades of 44.8% Pb and 5,381 g/t Ag.

The total recovery of Pb and Ag from both the bulk lead sulphide and lead oxide circuits was 97.1% and 97.0% respectively. Grinding to an estimated K_{80} of 81 μm and two stages of rougher floatation was found to produce the highest recoveries.

KL Zone

In 2006, a representative feed sample of the KL Zone was sent to SGS Mineral Services (Lakefield) to determine the optimal metallurgical response for lead zinc and silver (Unger and Lascelles, 2007,). To maximize Zn and Ag recovery, the effects of primary grind and reagent were explored, both on sulphide and oxide phases. Leach test work was also performed. The representative feed sample graded 1.72% Pb, 6.03% Zn and 1,250 g/t Ag. This sample is higher grade than most of the results from the KL Zone, but is believed by the authors to be more representative of the deposit as a whole, than the sample from the TM Zone.

For the diagnostic leach test, an acid pregnant solution extracted 66.9% of the Zn, 0.27% of the Pb and 77.9% of the Ag. Cyanidation of the acidic leach residue extracted an additional 0.54% of the Zn, 33.3% of the Pb and 15.8% of the Ag. The initial results show more potential for selective extraction of Pb, Zn and Ag than by flotation. Although these tests were considered preliminary by SGS Lakefield, they concluded that hydrometallurgical methods be further examined to optimize Ag and Zn recoveries.

In summary, metallurgical testing to date on the Silver Hart Property is of a preliminary nature. Details relating sampling locations, protocols, handling and representivity were not available to the authors. Some of the difficulties encountered with oxide mineralization minerals during initial work in 1986 were overcome in the 2006 test work. The TM Zone appears relatively zinc-poor compared to the rest of the deposit and consists of both sulphide and oxide mineral phases of lead zinc and silver, which may require different processing. Further test work would allow a better understanding of the need and viability of hydrometallurgical treatment to manage the oxide phases.

ITEM 19: MINERAL RESOURCE ESTIMATES

The resource estimate contained herein, was completed under the direct supervision of the authors, John Gorham, P. Geol. and Neil McCallum, P.Geol. of Dahrouge Geological Consulting Ltd. The authors are qualified persons as defined by NI 43-101, and are independent of CMC Metals Ltd. Gemcom Software was used to create a geologic model of the known mineralization at the Silver Hart Property.

The resource estimates for the TM, KL and M zones are based on the most reliable historic drill holes information, and post-2005 drill holes. Resource estimates were carried out separately for each of the TM, KL and M zones. Relevant assumptions, parameters and methods used to complete estimates contained herein are discussed below.

Collar Locations

As outlined in the section entitled "Item 13: Drilling", drill collars of the historic and post-2005 drill holes were not located utilizing industry standard techniques, therefore true locations are likely within 5 to 10 metres of recorded locations. Locations of the historic, pre-2005, drill collars were derived from available plan maps, as outlined in the section entitled "Item 16: Data Verification".

To improve the consistency of the elevations of the collars, the collars were matched up to the 1:50,000 DEM available from GeoBase.ca.

Before importing the drill-hole database into Gemcom, azimuths of the drill holes were corrected to reflect grid UTM-north. The 2005 holes were reported with respect to grid north. The holes from 2006 to 2009 were reported with an un-corrected declination, so a small adjustment was made to grid-north. Historic azimuths were assumed to be relative to true north, so the full declination difference between true north and UTM north was used in the correction factor

Data Selection

Due to uncertainties noted with the locations of surface channel samples, they have not been included in the resource estimate herein. Post-2005 channel samples were located with a hand-held GPS and the direction may not have been surveyed properly. Some samples are without a corresponding UTM location, and cannot be verified with field notes. Therefore, historic and post-2005 channel samples were not used in the resource estimate herein.

Historic percussion-type drill holes from the KL-Zone were not used in the resource calculation, primarily due to very poor noted core recoveries of approximately 57 percent (Smith, 1985).

Cut-off Grade

Cut-off grades of 600 and 900 g/t silver-equivalent grade ("Ag-Eq") were used for the purpose of the resource estimate contained herein. This is approximately equivalent to $160 and $240 US per tonne respectively, based on 10-year averaged metal prices of US$ 8.60 Ag per ounce, and US $0.79 Zn per pound. The silver-equivalent grade is deemed appropriate for the Silver Hart Project, given the high values of Silver and Zinc, and the low correlation between silver and zinc (Ag: Zn = 0.48; Table 7). The choice of these cut-off grades was made using some generalized assumptions for mining and processing costs for underground mining of approximately $240 / t. A lower case of $160 / t was also used to examine grade sensitivity. The authors caution that at this stage of exploration, these are generalized assumptions only for purposes of understanding sensitivity to cut-off grade, and may be changed by further drilling and detailed surface sampling.

Table 7: Correlation Coefficient for major metals (all samples, n=1344)

	Ag (ppm)	*Au (ppm)*	*Fe (%)*	*Cu (%)*	*Pb (%)*	*Zn (%)*	*Mn (%)*
Ag (ppm)	1						
Au (ppm)	0.24	1					
Fe %	0.00	0.02	1				
Cu %	0.86	0.26	0.03	1			
Pb %	0.67	0.15	0.02	0.41	1		
Zn %	0.48	0.19	0.17	0.67	0.19	1	
Mn %	0.01	0.01	0.897	0.01	0.05	0.19	1

The silver equivalent grade ("Ag-Eq.") was determined, based on the following assumptions:

- Metal prices: US$8.60 silver per troy ounce, and US$1.75 per kg ($0.79 per pound) zinc (prices quoted in US currency, and estimated from the 10-year prices on the London Metal Exchange);

- Metallurgical recovery factors were assumed to be 100% as metallurgical information available is of a preliminary nature and the authors do not consider it representative of the deposit as a whole. Actual recoveries will be less than 100%.

- Lead was not used due to the un-resolved recovery issues (Item 18); as well as, apparent low-grades when diluted across minimum assumed mining widths.

Grade cut-offs were applied to the diluted drill-hole interval, where a narrow high-grade intersection was diluted to meet a minimum downhole width of 1.4 metres, or minimum true thickness of 1.22 metres (Appendix 2b, Appendix 6) The range of cutoff grades from 600g/t to 900g/t Ag-Eq were chosen to reflect possible extraction by some combination of surface and underground methods. This was considered as the vein systems of the KL and TM and M zones extend to surface. As has been noted, mineralization at surface has not been included in the current resource estimates pending better survey control.

Until more data is gathered, a cut-off grade of 900 g/t Ag-Eq, similar to the Bellekeno deposit, is proposed as the most realistic scenario under the current circumstances. The 600 g/t Ag-Eq cutoff is included in order to demonstrate resource sensitivity at a lower grade.

The authors caution that given the Inferred classification of the resource, and the factors discussed in limiting the resource calculation for purposes of this report, that no conclusive judgement as to mining method or costs, or statements of economic viability can be made or is implied.

Cut-off Grades at Other Polymetallic Silver Projects

Two silver-bearing deposits in the Yukon, the Bellekeno and Wolverine, with published technical reports detailing anticipated mining costs, were reviewed for comparison. Underground mining methods are proposed for both deposits. In addition, the Sa Dena Hes mine, near Watson Lake to the east and currently under “care and maintenance”, was also reviewed. The mineralization present at these properties is not necessarily indicative of the mineralization present at the Silver Hart Property, which is the subject of this report. Assumptions of methods and recoveries are assumptions only, for purposes of this report and may be actually be higher or lower. No warrant is made by the authors regarding economic viability of these properties.

The Bellekeno Deposit, operated by Alexco Resources Corp. is accessible via an all-weather road, 55 kilometres from the town of Mayo, Yukon. The deposits that constitute the Keno Hill District are of a polymetallic silver-lead-zinc vein type (Weiershäuser et al, 2007. p.22).

> *“The Bellekeno vein system consists of at least eleven individual veins with variable strike, dip and thickness recognized in three distinct mineralized zones (Figure 7). The average strike is approximately 030 degrees azimuth with an average dip of 60 to 80 degrees to the east or west. Reported thickness ranges from just a few centimetres to several metres. Faults, originally exposed underground, show intense iron carbonate alteration and local brecciation. Mineralized zones are largely composed of siderite and limonite. Ore minerals include freibergite and galena and sphalerite. Accessory minerals are anglesite, cerussite, smithsonite, malachite, arsenopyrite, pyrite, chalcopyrite, and azurite.”*

The technical report, dated January 28th 2008, prepared by SRK Consulting, provides the following discussion of resources for the project (Keller et al 2008, p.78):

> *"Mineral resources for the Bellekeno East Zone have been estimated at 179,600 tonnes at 263 g/t silver, 0.4 g/t Au, 2.0 percent lead, and 21.3 % zinc using a silver equivalent cut-off grade of 1,000 g/t. In addition, resources for the Bellekeno Southwest Zone have been re-estimated and restated in terms of a silver equivalent cut-off grade. Mineral resources for this zone are estimated at 302,100 tonnes at 1,357 g/t silver, 0.4 g/t gold, 20.4 percent lead and 5.5 percent zinc using a silver equivalent cut-off grade of 1,000 g/t. These resources are classified as Inferred Mineral Resources following the CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005) guidelines."*

A preliminary evaluation of the mining methods to be utilized at the Bellekeno Deposit is determined to be a combination of: cut and fill ("C&F"), shrinkage stoping and longhole ("LH") stoping for pillar recovery. All proposed recovery is by underground methods

The total unit operating cost estimate (per ton milled) ranges from $183.84 to $233.60 over a five-year timeline. This estimate is based on a fully operational 408 t/d processing rate, with a lower initial processing rate of 227 t/d. The estimate includes: mine operating; mine development; processing; and general and administrative cost considerations. The estimate does not include: surface and underground exploration; contingency; contributions to the reclamation fund; Yukon royalties; and depreciation and amortization.

The Wolverine Deposit, operated by Yukon Zinc Corporation would be accessed by construction of a 28km gravel road south and then northeast to the Robert Campbell Highway, at a point approximately 198 km north of Watson Lake. The project is only accessible using helicopter or fixed-wing aircraft, at present.

The Wolverine Deposit is classified as a volcanogenic massive sulphide deposit and consequently differs in character from the high-grade vein hosted mineralization of the Silver

Hart Property. The technical report dated February 28th, 2007 prepared by Wardrop Engineering Inc. (Regan et al, 2007) provides a total (proven and probable) diluted reserve estimate for the Wolverine Deposit of 5,152,000 Tonnes at a grade of 9.66% zinc, 0.91% copper, 1.26% lead, 281.8 g/t silver and 1.36 g/t gold. The report also states that underground mining of the drift and fill method will be utilized over a mine life of 9.5 years. Total operating costs ($/t mined) based on an effective 1700 t/d mining rate are calculated to be $95.58. This operating cost included mining; milling; general and administrative; and tailings; taking into consideration staff, supplies and operation; maintenance; and power generation. For purposes of the resource calculation, any resources with a Net Smelter Royalty (NSR) of CDN $95/t were not included and a cutoff of 5% Zn was used. At the assumed price of US$ 7 per oz. Ag, this equates approximately to a 420 g/t Ag-Eq. cut-off grade.

Reported remaining in-place historic resources at the Sa Dena Hess mine near Watson Lake contain 10.4% Zn, 2.6% Pb, and 45 g/t Ag (Donald, 2008) No current review of this resource provides economic assessment or cut-off grade. This underground mine operated in 1991 and 1992. It is currently maintained on a temporary closure basis by Teck Resources Limited.

The deposit type at the Silver Hart property more closely resembles the Bellekeno Deposit. The authors therefore believe that, given current information, a base case for cut-off grade will be in the range of 900 g/t Ag-Eq. Integration of surface and near-surface mineralization into the resource model at Silver Hart Property may increase the total inferred tonnages. More drilling to evaluate the shallower portions of the deposit, which may be amenable to surface extraction methods and more metallurgical study to better evaluate recoveries are required.

Capping of Grades

High-grade intervals were not capped.

Specific Gravity

Systematic measurements of specific gravity (SG) on drill-core were not collected in any of the historic or recent drill campaigns. The historic estimates of Read (1987) used a specific gravity of 2.9 for all zones. Historic estimates of Smith (1988) used a specific gravity of 2.9 for the TM zone. Read (1987) mentions “test work by Lakefield Research from ground material from raise 1 south returning a SG of 3.1”. The author does not have a copy of the referenced metallurgical report. Metallurgical testing by Lakefield in 1987, calculated a specific gravity of 2.99 for the crushed representative fraction from the TM Zone, and 3.43 for the KL Zone.

Calculation Method

A manual polygonal method was used to estimate silver, lead, and zinc grades for each block. Composited intervals were calculated for each drill hole in an excel spreadsheet. Each interval had to meet the criteria of being greater than or equal to the minimum true thickness of 1.22 metres, and to be greater than or equal to the cut-off grade of 600 or 900 g/t Ag-Eq. Each composited interval may include individual samples (dilution), which are less than the cut-off grade, as long as the entire composited interval exceeds the minimum cut-off grade. Individual intervals of each drill hole, based on the above criteria, were imported into Gemcom GEMS software (version 9.2). Cross-sections were prepared perpendicular to the strike of the mineralization for each zone, where the composited interval of each drill hole is clearly identified. Each section was exported to AutoCAD Map (version R14). A two-dimensional area was digitized for each resource block by projecting the mineralized interval(s) within the drill hole half-way to the next drill hole (maximum 22 metres) in the section and a maximum distance of 12.5 metres up dip and down dip. Correlation of the composited intervals between each drillhole in the section, and the neighboring sections were determined by an analysis of available grade, geology and alteration data.

The volume of each block was determined by multiplying the area by the lateral influence of the section. The lateral influence of each section was determined by projecting half the distance to the next section or a maximum distance of 12.5 metres at the extreme ends of each mineralized zone. The tonnage of each block was determined by multiplying the volume of each block by a specific gravity of 2.9. The grade of each resource block is assigned the composited drill hole interval. Tonnages for the mineralized zones were determined by summing the resource blocks within the zone. The grade of each zone was weight averaged, based on the tonnage of each resource block. The weight averages were totaled, and summarized in Appendix 6.

The resource estimate of the KL Zone at 600 g/t Ag-Eq utilized exploration data from a combination of three historic and three post-2005 drillholes. At a cut-off grade of 600 g/t Ag-Eq, the resource estimate at the KL Zone was derived from 3 sections, representing a strike length of 75 metres. At 900 g/t Ag-Eq, the mineralization does not show any lateral or vertical continuity, and therefore was not included in the resource estimate for that cut-off grade.

At a cut-off grade of 600 g/t Ag-Eq, the resource estimate at the TM Zone was derived from seven sections, representing a strike length of 230 metres. Where historic holes were twinned, the post-2005 exploration data was utilized. A representative cross section at TM02 is included in Figure 6. As the surface sampling cannot be verified at this time, the resource block (e.g., TM-02A) was only projected 12.5 metres from the nearest drillhole. The character of the mineralized body shows good consistency between sections. At a cut-off grade of 900 g/t Ag-Eq, the resource estimate at the TM Zone was derived from four sections, representing a strike length of 151 metres at the southern end of the 600 g/t Ag-Eq cut-off mineralization. The character of the mineralized body at a higher cutoff grade retains good consistency between sections.

At 600 and 900 g/t Ag-Eq, the resource blocks are derived from the same four sections, with lateral influences between 14 and 28 metres. The total mineralized strike length that is included in the model is 82 metres. A representative cross section at M05 is included in Figure 7. At present the M Zone is characterized by a series of shallowly dipping mineralized bodies.

Resource Classification

According to the CIM Definition Standards - For Mineral Resources and Mineral Reserves (adopted December 11, 2005):

> *An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.*
>
> *Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. <u>Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure</u>. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.*

The resource estimate contained in this report is classified as an Inferred Mineral Resource, partly due to the following:

- un-surveyed locations of drill hole collars,
- poor or limited surface sampling procedures,
- wide spacing between drill holes for some sections, and
- inconsistent core-logging procedures

Any estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-politicalsociopolitical, marketing, or other relevant issues, as discussed within the sections Item 6 and Item 20.

Resource Statement

Based on the most reliable historic exploration by Silver Hart Mines, and the recent exploration by CMC Metals Ltd. (2005 to 2009), the Inferred resource estimate prepared for the TM, KL and M zones, is as follows:

600 g/t Ag-Eq cut-off grade Resource Estimate:

(Approximately 1,240,000 contained ounces of silver)

Zone	Category	Tonnes	Ag (g/t)	Pb (%)	Zn (%)
TM	*Inferred*	40,700	620.36	1.29	10.70
KL	*Inferred*	16,200	368.52	1.03	7.82
M	*Inferred*	12,600	588.11	4.91	5.69
	Total(s):	**69,500**	**555.66**	**1.89**	**9.12**

900 g/t Ag-Eq cut-off grade Resource Estimate:

(Approximately 900,000 contained ounces of silver)

Zone	Category	Tonnes	Ag (g/t)	Pb (%)	Zn (%)
TM	*Inferred*	19,400	951.67	2.04	15.75
M	*Inferred*	8,000	777.77	6.06	5.58
	Total(s):	**27,300**	**901.04**	**3.21**	**12.79**

A base case cut-off grade of 900 g/t Ag-Eq, similar to the Bellekeno deposit, is proposed as the most realistic scenario under the current circumstances. The 600 g/t Ag-Eq cutoff is included in order to demonstrate grade sensitivity.

Summary notes:

- The Mineral Resources for the TM, KL and M Zones were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005
- The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding; following the recommendations in NI 43-101
- The resources were compiled using a minimum cut-off grade of 600 and 900 g/t Ag-Eq, which was estimated using a silver price of US$8.60 per troy ounce, and zinc price of US$1.75 per kg ($0.79 per pound)
- High grade intervals were not capped
- A fixed specific gravity of 2.9 was used to calculate tonnages from the volumetric estimates
- A minimum of 1.22 metre true thickness was applied to narrow mineralized intervals, diluted where appropriate with the grade of the adjacent material
- Resources were evaluated from drill hole results using a polygonal method on a series of cross-sections perpendicular to mineralization with areas of influence of 12.5 metres up and down dip within each section, and a lateral influence of half the distance to the next section or 12.5 metres at the end of the series of sections
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

ITEM 20: OTHER RELEVANT DATA AND INFORMATION

The company has applied to the Yukon Environmental and Socio-economic Assessment Board (YESAB) for “small-scale” mine development and production permits for the Silver Hart Property. The original project description was submitted in October, 2007. The latest Evaluation Report submitted to the YESAB is dated December 19, 2008. The online Public registry, outlining all documents pertaining to the project is located on the YESAB website (http://www.yesab.ca/assessments/public_registry.html).

The project description outlines the principal activities of mining and milling; open pit mining; deposit of tailings; waste rock storage; use of water for milling and camp; and ancillary facilities for the development. The report includes open-pit mine plans, underground development plans, and processing plans.

The author believes the mining and processing plans included in the aforementioned project proposal should only be considered relevant to the environmental and regulatory process. The development plans in the report have not been prepared in accordance with NI 43-101 standards of disclosure.

ITEM 21: INTERPRETATION AND CONCLUSIONS

Exploration to date at the Silver Hart Property has resulted in the discovery of several distinct zones of Ag-Pb-Zn mineralization of economic interest, including the TM, KL, S and M. The mineralization is generally restricted to narrow, northeast striking, northwest dipping veins. Individually the veins or vein sets attain several metres width, extend for more than 200 metres along strike, and continues to depths of more than 100 metres. These deposits are considered typical of the Rancheria Mineral District, which include 1) high-grade polymetallic veins, 2) Carbonate Replacement Mineralization.

The historic exploration prior to 2005 has been poorly or inadequately documented with respect to sampling procedures, Quality Assurance, Quality Control and analytical methods.

Much of the recent exploration has been performed using industry standard practices. However, given that the Silver Hart Property is at an advanced scale of exploration, with significant documented mineralization, more detailed information must be collected during exploration. Accurate location information for surface channel samples would allow incorporation of the data to an updated resource model. Industry standard survey information, for historic and recent drill data would allow for a more accurate geologic model. Industry standard ‘down hole’ survey information should be collected in the future for all drill holes, to ensure accurate plotting of their orientation(s). Detailed measurements of specific gravity must be collected to ensure accurate estimates for the zones of interest.

Based on the most reliable historic exploration by Silver Hart Mines, and the recent exploration by CMC Metals Ltd. (2005 to 2009), the inferred resource estimate prepared for the TM, KL and M zones, is as follows:

600 g/t Ag-Eq cut-off grade Resource Estimate:

(Approximately 1,240,000 contained ounces of silver)

Zone	Category	Tonnes	Ag (g/t)	Pb (%)	Zn (%)
TM	*Inferred*	40,700	620.36	1.29	10.70
KL	*Inferred*	16,200	368.52	1.03	7.82
M	*Inferred*	12,600	588.11	4.91	5.69
	Total(s):	**69,500**	**555.66**	**1.89**	**9.12**

900 g/t Ag-Eq cut-off grade Resource Estimate:

(Approximately 900,000 contained ounces of silver)

Zone	Category	Tonnes	Ag (g/t)	Pb (%)	Zn (%)
TM	*Inferred*	19,400	951.67	2.04	15.75
M	*Inferred*	8,000	777.77	6.06	5.58
	Total(s):	**27,300**	**901.04**	**3.21**	**12.79**

A base case cut-off grade of 900 g/t Ag-Eq, similar to the Bellekeno deposit, is proposed as the most realistic scenario under the current circumstances. The 600 g/t Ag-Eq cutoff is included in order to demonstrate grade sensitivity.

Summary notes:

- The Mineral Resources for the TM, KL and M Zones were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005
- The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding; following the recommendations in NI 43-101
- The resources were compiled using a minimum cut-off grade of 600 and 900 g/t Ag-Eq, which was estimated using a silver price of US$8.60 per troy ounce, and zinc price of US$1.75 per kg ($0.79 per pound)
- High grade intervals were not capped
- A fixed specific gravity of 2.9 was used to calculate tonnages from the volumetric estimates
- A minimum of 1.22 metre true thickness was applied to narrow mineralized intervals, diluted where appropriate with the grade of the adjacent material
- Resources were evaluated from drill hole results using a polygonal method on a series of cross-sections perpendicular to mineralization with areas of influence of 12.5 metres

up and down dip within each section, and a lateral influence of half the distance to the next section or 12.5 metres at the end of the series of sections

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability

The authors consider the Silver Hart Property a property of merit.

ITEM 22: RECOMMENDATIONS

There are several measures herein summarized, that will increase the confidence in the quality of data obtained from the recent, post-2005, exploration, and which may improve the quality of some of the data from historic, pre-2005 exploration.

Industry standard surveying of all recent and historic drill holes; channel samples and trenches; and historic survey markers needs to be completed. Hand-held GPS measurements are prone to too large an error to be acceptable for 'high-confidence', resource estimations, advanced exploration or potential development. Surveying of historic data points, will allow for an improved relative estimation of locations of historic drill holes that cannot be located. If the drill collar is visible, the azimuth should also be noted and verified with the drill-logs and database.

Surveying of channel samples and trenches should be accompanied by a sketch prepared by a geologist for each location. Corresponding samples should be noted on the sketch.

In order to increase the confidence in the analytical accuracy of Acme Analytical Laboratories, a 5-percent check-assay of pulps should be completed by a second accredited laboratory. Special attention should be made to ensure a representative amount of high-grade samples are checked. The same standards that were used in the post-2005 drilling campaigns should be randomly inserted into the check-assay batches. This will further aid in determining if Acme has been accurate, or under- or over- reporting of silver, lead and zinc analyses.

To increase the confidence of geological modelling used in future resource calculations, it is recommended that the company standardize its logging procedures. All post-2005 core should be re-examined and, if possible, the historic core should be examined to conform to one standard. Particular attention should be paid to separate intervals for 'Rock-Code' and 'Alteration'. Structural measurements should also be consistent in order to advance the geological modelling. Geotechnical logging should be completed at the time of logging of all drill core.

Further specific gravity measurements should be completed on drill core and trench samples to provide confidence when converting volumes to tonnages. This can be done by two separate or combined methods. The company can request that the analytical laboratory used for the check-assays determine the SG for pulps. Although it will not be a direct determination of SG for the rock (due to pore spacing, cavities, fracturing, etc.), it will provide useful as a guide. The company can also obtain direct SG measurements of available drill core, and determine a representative SG for each rock-type. A combination of these measurement types is recommended.

The TM Zone appears to have lower silver content at depth and often pinches out with increasing depth. At the north end of the TM Zone, another section of drilling (two holes) between sections TM12 and TM13 should be completed. One or more exploratory holes should be drilled further north to confirm the northerly extent of the deposit. Similarly, drilling should continue to the south to follow the vein mineralization in that direction (three holes).

Due to the un-reliability of the historic percussion drill holes in the KL Zone (DH86-67 to DH 86-76), those historic holes should be re-drilled using the modern and reliable drilling equipment (minimum four holes). This could expand the resources at the north end of this zone. Additional drilling (two holes) between sections KL03 and KL04 should be completed to fill the gap in that area. Further drilling south of the KL Zone, may link the mineralization to the K Zone (four holes). The mineralization of the M Zone appears to be shallowly dipping to the southeast, and is cut off by existing drill holes at the northeast and southwest ends. Drilling should be continued down-dip in order to confirm or potentially extend the mineralization in this area (five holes).

The S Zone was not investigated in detail for this report. The high-grade silver content noted in the database warrants further compilation and drilling at depth, and along strike in order to increase the size of any potential resources (four holes).

Further metallurgical tests are required to characterize variation within the deposit is needed. Response of varying sulphide phases and treatment of mixed sulphide/oxide mineralized material should be investigated. Bulk sampling and blending to provide more representative samples of the diluted ore is recommended.

Compilation of a property-scale geological map will aid the company in its on-going evaluation of the Silver Hart Property. Particular attention should be paid to the contact between the Cretaceous Cassiar Batholith granodiorite and the older sequence of schist, limestone, dolomite and quartzite. Local- and regional- scale structures should also be identified. The mineralized zones should be overlaid on the geological base map, and relationships therein may assist in locating exploration targets.

The total cost of the recommended items above is approximately $ 920,000 (Appendix 7). The costs included in the recommendation budget are estimates only. As the company has been working in the area for the past 5 years, the budget can be modified to reflect more realistic operating costs, most importantly drilling costs.

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24 CERTIFICATE OF QUALIFIED PERSON

(a) I, John Gorham, geologist, of 11254 95A Street, Edmonton Alberta, do hereby certify that:

(b) I am a co-author of the technical report titled 'Technical Report on the Silver Hart Property' dated January 14, 2010, relating to the Silver Hart Property, Watson Lake Mining District, Yukon.

(c) I am a graduate of the University of Calgary, Calgary, Alberta, with a B.Sc. in geology in 1976 I have been a registered professional geologist with the Association of Professional Engineers, Geologists and Geophysicists of Alberta since 1987. I have been working as an exploration geologist for a total of 33 years since my graduation from university. My experience with high-grade vein-hosted silver deposits, where resources were estimated were pre-NI-43-101 and include the Society Girl deposit (Kimberley area) and El Bonanza deposit (Echo Bay camp). I have similar experience with vein-hosted gold deposits at Gordon and Prosperous Lakes (N.W.T) and Kluane Lake (Yukon).I have experience in writing of technical reports (NI 43-101) for Columbian precious metal properties at Miraflores (gold: vein breccias), Gramalote (gold: epithermal; resource estimate) and Quebradona (gold: epithermal).

(d) I have not personally visited the Silver Hart Property.

(e) I am responsible for the preparation of sections 18, 19, 21 and 22 of the technical report titled 'Technical Report on the Silver Hart Property' dated January 14, 2010 relating to the Silver Hart Property, Watson Lake Mining District, Yukon.

(f) I am independent of the issuer applying all of the tests in section 1.4 of NI 43-101.

(g) I have not had prior involvement with the property which is the subject of this technical report.

(h) I have read the definition of 'qualified person' set out in National instrument 43-101 ('NI 43-101') and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a 'qualified person' for the purposes of NI 43-101. I have read National Instrument 43-101 and Form 43-101F, and this technical report as been prepared in compliance with that instrument and form.

(i) As of January 14, 2010, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed. I am not aware of any material fact or material change with respect to the subject of this technical report which is not reflected in the technical report, the omission to disclose which might make the technical report misleading.

.

Dated at Edmonton, this 14th day of January, 2010

PROFESSIONAL GEOLOGIST
JOHN H. GORHAM
ALBERTA

.ITEM 24: CERTIFICATE, DATE AND SIGNATURE PAGE

I, Neil McCallum, of suite 1202, 9909 – 110 St., Edmonton Alberta, do hereby certify that:

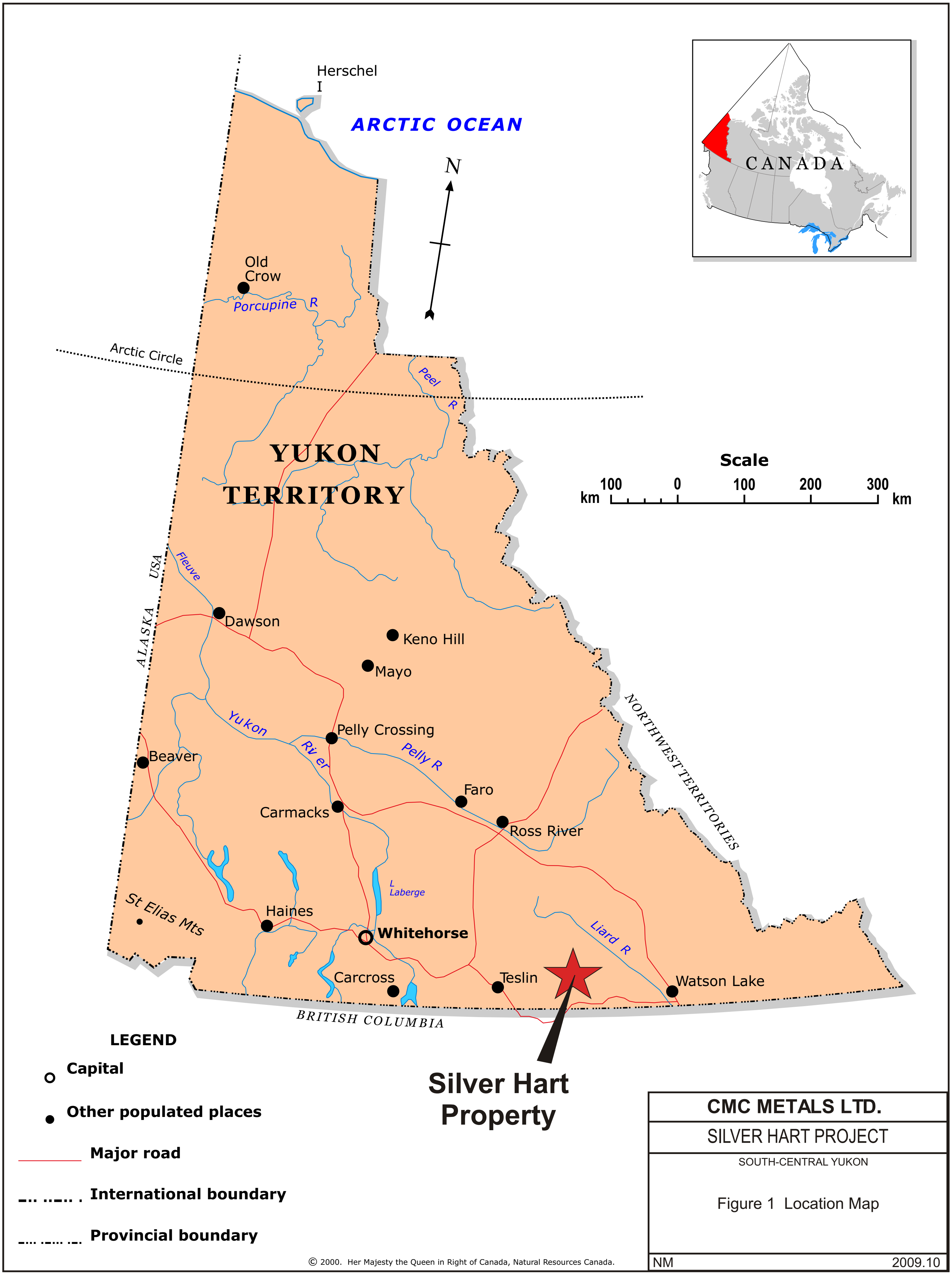
- I am a co-author of the technical report titled 'Technical Report on the Silver Hart Property' dated January 14, 2010, relating to the Silver Hart Property, Watson Lake Mining District, Yukon.
- I have been a registered professional geologist with the Association of Professional Engineers, Geologists and Geophysicists of Alberta since 2009, member # 78767.
- I am a graduate of the University of Alberta, Edmonton, Alberta, with a B.Sc. in geology, 2004.
- I have practiced in the field of mineral exploration for base-metal, precious metal, uranium, industrial mineral and coal deposits since 2004. I have practiced my profession continuously since 2004.
- I am responsible for the preparation of sections 3 through 17, and 20 through 22 of the technical report titled 'Technical Report on the Silver Hart Property' dated January 14, 2010 relating to the Silver Hart Property, Watson Lake Mining District, Yukon.
- I am independent of CMC Metals Ltd., as described in Section 1.4 of NI 43101. I am not an employee of the issue or a related party of the issuer. I do not hold securities either directly or indirectly of the issuer or a related party of the issuer, and expect to receive none for this work.
- I am a "qualified person" for the purposes of NI 43-101.
- I have visited the Silver Hart property on September 28 and 29, 2009.
- I have had no prior involvement with the Silver Hart Property before I visited it in 2009.
- I have read National Instrument 43-101 and Form 43-101F1and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.
- As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Neil McCallum, B.Sc., P.Geol.

APEGGA M78767

Dated: January 14/2010

PROFESSIONAL GEOLOGIST ALBERTA
N. McCALLUM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Fleuve
Dawson
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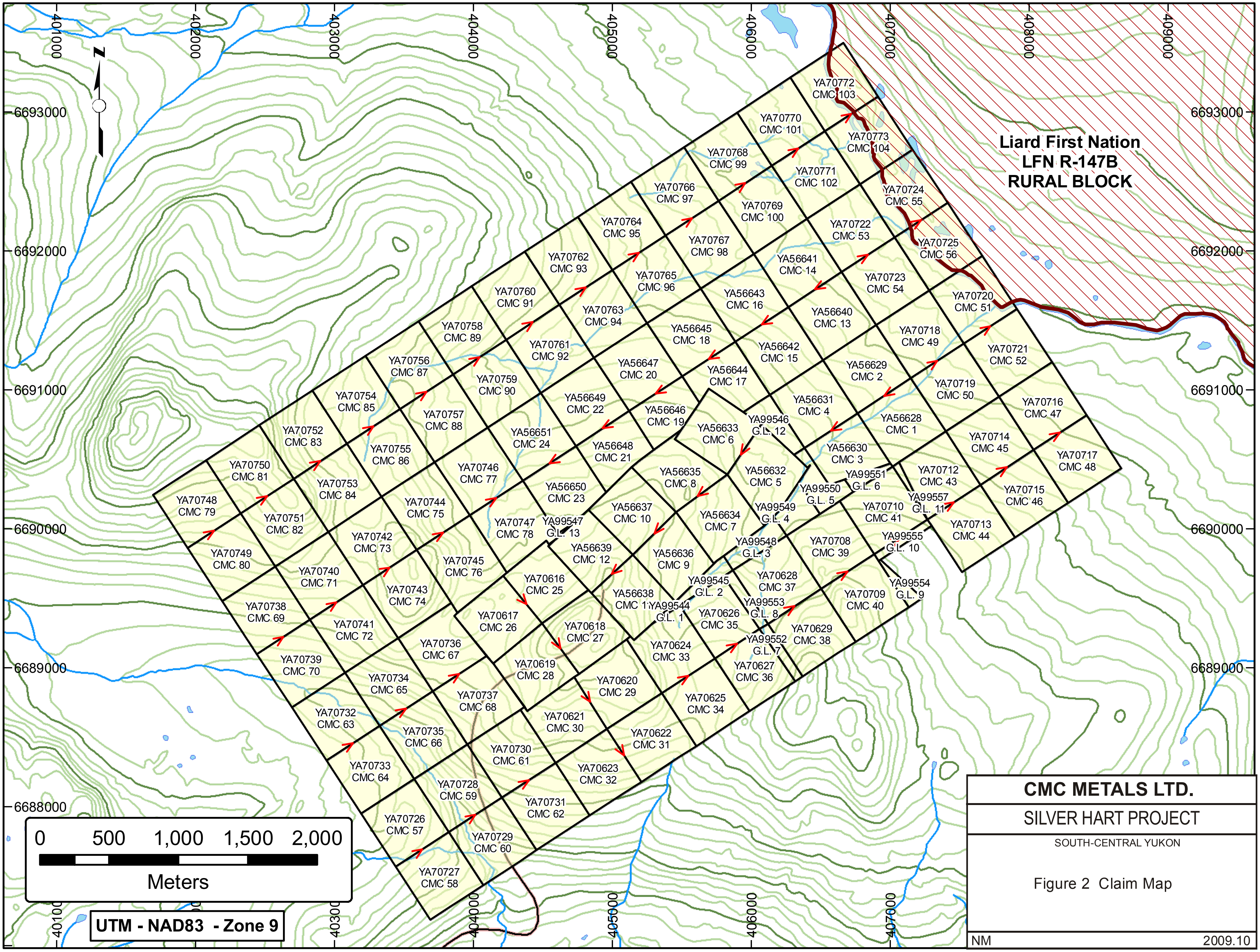
Mayo
NORTHWEST TERRITORIES
Yukon River
Pelly Crossing
Pelly R
Beaver
Faro
Carmacks
Ross River
L Laberge
St Elias Mts
Haines
Whitehorse
Liard R
Carcross
Teslin
Watson Lake
BRITISH COLUMBIA
Silver Hart Property
LEGEND
Capital
Other populated places
Major road
International boundary
Provincial boundary
CMC METALS LTD.
SILVER HART PROJECT
SOUTH-CENTRAL YUKON
Figure 1 Location Map
NM
2009.10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LFN R-147B
RURAL BLOCK
0 500 1,000 1,500 2,000
Meters
UTM - NAD83 - Zone 9
CMC METALS LTD.
SILVER HART PROJECT
SOUTH-CENTRAL YUKON
Figure 2 Claim Map
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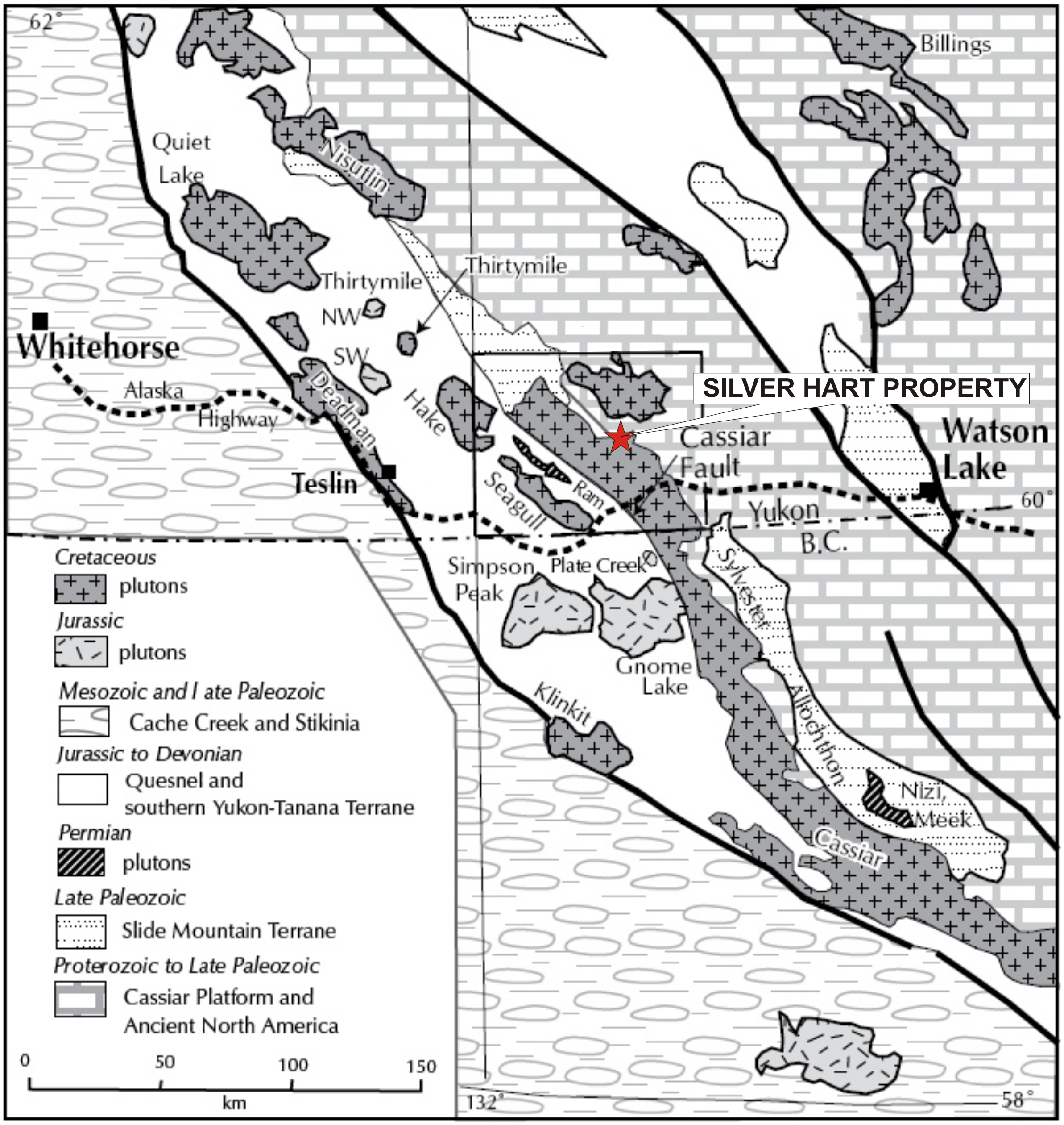
2009.10



(After Mortensen, Sluggett, Liverton, and Roots 2006)

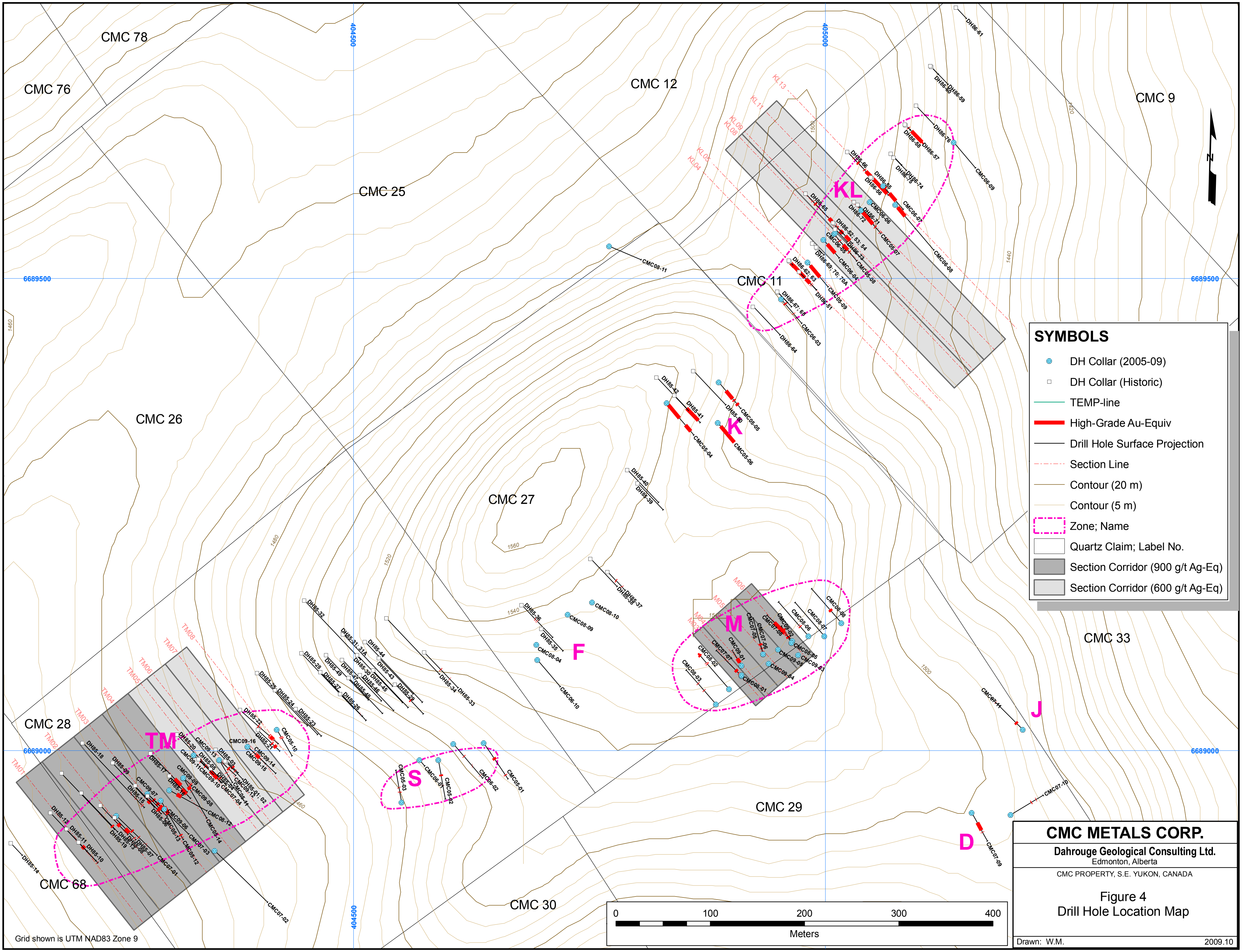
CMC METALS LTD.

SILVER HART PROJECT

SOUTH-CENTRAL YUKON

Figure 3 Regional Geology

NM 2009.10



CMC METALS CORP.

Dahrouge Geological Consulting Ltd.
Edmonton, Alberta

CMC PROPERTY, S.E. YUKON, CANADA

Figure 4
Drill Hole Location Map

Drawn: W.M. 2009.10

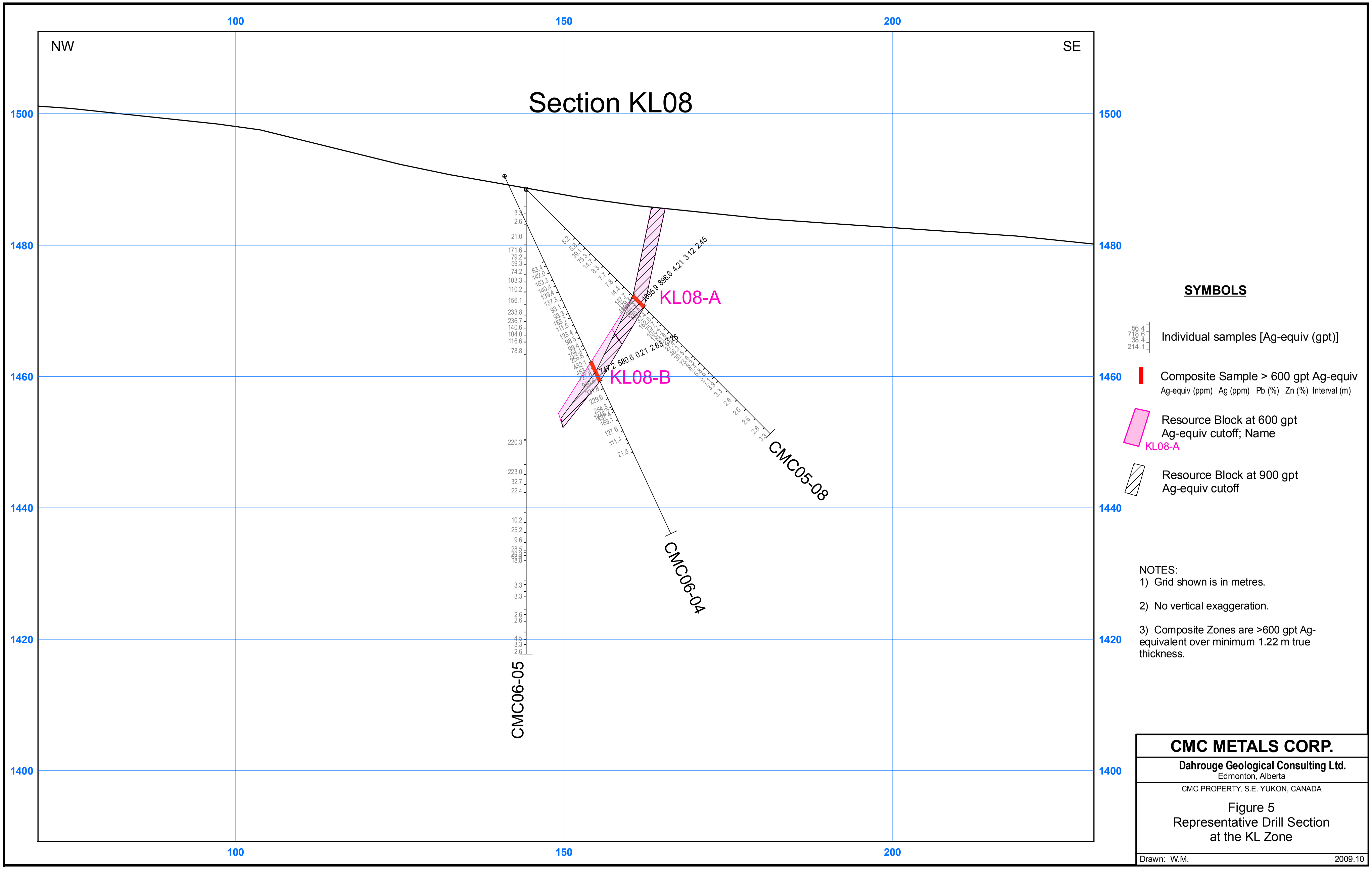
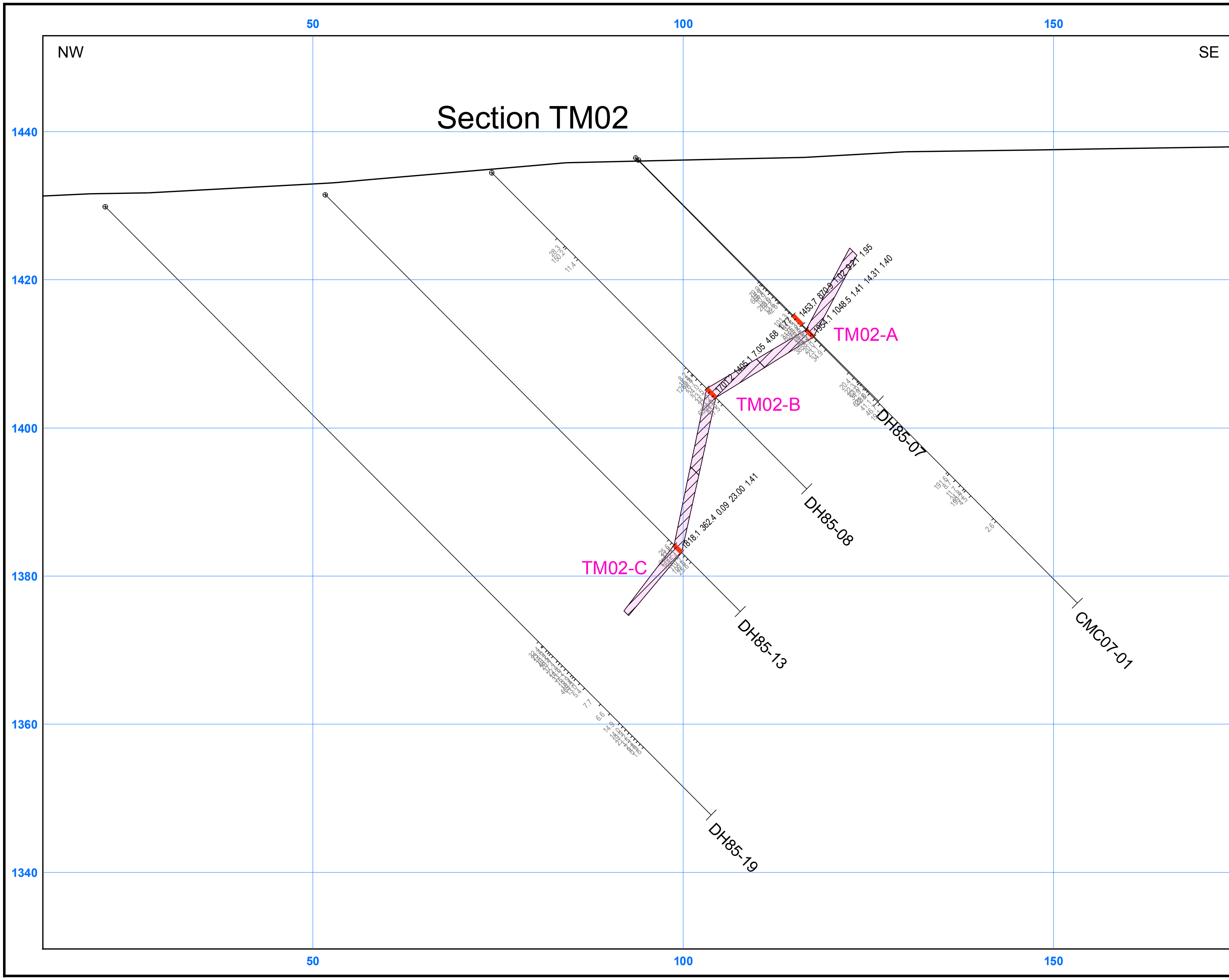


Figure 5
Representative Drill Section
at the KL Zone



SYMBOLS

Individual samples [Ag-equiv (gpt)]

Composite Sample > 600 gpt Ag-equiv
Ag-equiv (ppm) Ag (ppm) Pb (%) Zn (%) Interval (m)

Resource Block at 600 gpt Ag-equiv cutoff; Name
TM02-A

Resource Block at 900 gpt Ag-equiv cutoff

NOTES:
1) Grid shown is in metres.

2) No vertical exaggeration.

3) Composite Zones are >600 gpt Ag-equivalent over minimum 1.22 m true thickness.

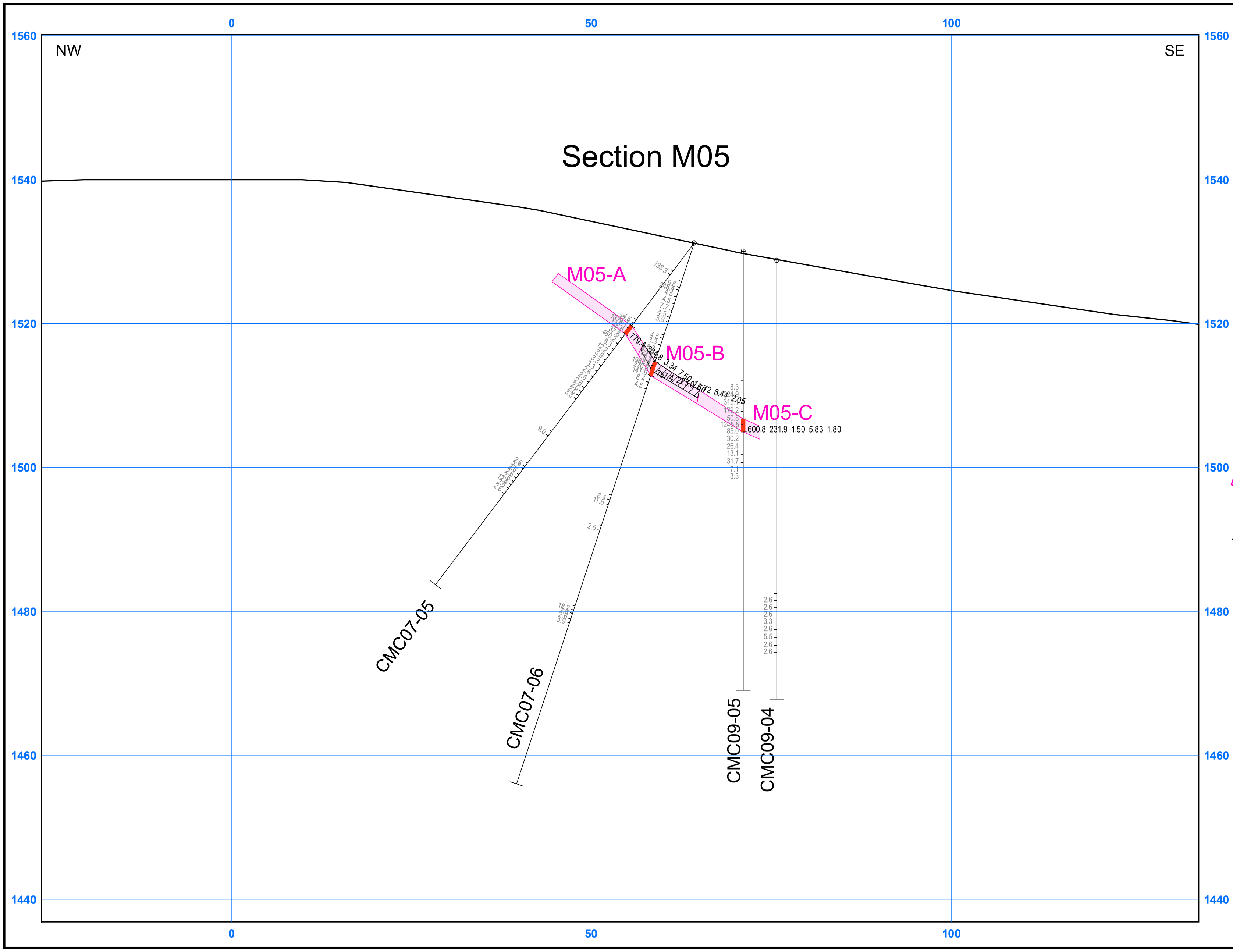
CMC METALS CORP.

Dahrouge Geological Consulting Ltd.
Edmonton, Alberta

CMC PROPERTY, S.E. YUKON, CANADA

Figure 6
Representative Drill Section
at the TM Zone

Drawn: W.M. 2009.10



NOTES:
1) Grid shown is in metres.
2) No vertical exaggeration.
3) Composite Zones are >600 gpt Ag-equivalent over minimum 1.22 m true thickness.

CMC METALS CORP.

Dahrouge Geological Consulting Ltd.
Edmonton, Alberta

CMC PROPERTY, S.E. YUKON, CANADA

Figure 7
Representative Drill Section at the M Zone

Drawn: W.M. 2009.10

APPENDIX 1

Supporting Tables for Historic Resource Estimates

- Read (1987)
- Smith (1988)

Silver Hart Mines Ltd. - Hart Silver Project

PRELIMINARY MINERAL RESERVES - GEOLOGICAL - UNDILUTED (Minimum Width 4.0 Feet Horizontal)

Block	Tonnage			Total Tons	Grade			
	Probable	Possible	Drill Indicated		Ag.oz/ton	Pb%	Zn%	Cu%
No. 1 Vein								
T. Zone 1	—	—	3,066	—	35.63	1.46	9.36	0.20
Surface								
140x5.4 2	2,049	—	—	—	57.53	8.42	0.67	0.22
3	—	372	—	—	53.40	16.22	11.56	—
85-7 4	—	—	642	—	41.28	1.60	14.83	0.23
5	—	820	—	—	47.34	8.91	13.20	—
6	4,683	—	—	—	53.44	6.25	7.16	—
7	3,204	—	—	—	33.04	4.37	13.19	—
8	—	2,460	—	—	29.48	3.94	0.24	—
9	—	2,353	—	—	23.00	3.12	7.94	—
Surface 10								
172x4.2x25	1,625	—	—	—	75.57	7.73	0.58	—
	11,561		—	—	52.62	6.32	6.76	—
		6,005		—	30.86	5.05	5.73	
			3,708		36.61	1.48	10.31	0.21
T Zone Total				(21,274T)	43.14	5.12	7.08	
K Zone								
Surface								
210x8.2 1	4,220	—	—	—	33.38	5.16	3.21	0.35
P86-69 2	—	—	2,276	—	25.73	1.89	3.60	0.12
86-52 3	—	—	7,340	—	26.10	3.19	6.47	0.22
Surface								
170x4.6 4	1,929	—	—	—	13.05	0.96	3.82	0.22
86-55 5		—	2,635	—	16.95	2.77	3.74	0.22
	6,149			—	27.00	3.84	3.40	0.31
			12,251	—	24.06	2.86	5.35	0.20
K Zone Total				(18,400T)	25.05	3.19	4.70	0.24
F Zone Surface								
254x4.8x25	2,771	—	—	(2,771T)	20.61	2.77	0.37	0.07
M Zone Surface								
70x4.0x35	890	—	—	(890T)	45.63	20.65	1.54	0.03
Total	21,371		—	—	40.81	5.74	4.75	
		6,005		—	30.86	5.05	5.73	
			15,959	—	26.98	2.54	6.50	0.14
				(43,335T)	34.07	4.47	5.53	
Additions Carlyle[3]								
North T. Zone								
85-21HW	—	—	4,096	—	25.3			
85-49HW	—	—	4,195	—	30.6			
85-47	—	—	1,964	—	37.7			
85-47HW	—	—	3,138	—	68.5			
85-30	—	—	1,281	—	20.2			
85-30HW	—	—	7,799	—	72.8			
			22,473	(22,473T)	49.6			
Total	21,371	6,005	38,432	65,808T	39.37			
Total Probable and Drill Indicated				59,803T	40.23			

(From Read, 1987)

F. Marshall Smith, P.Eng.

Silver Hart Mines Ltd.

Reserve Estimate -T' zone - HART Silver Property, Rancheria, Yukon

Dated 3/17/1988

							Open pit			Underground		
BLOCK	AREA	WIDTH	GRADE	TONS	CLASS	Oz Ag	P1	P2	P3	P1	P2	P3
1 NA	9957.2	5.0	55	4526	P2	248930		4526				
1 SA	9957.2	5.4	64	4888	P2	312837		4888				
1 NB	6776.6	5.0	55	3080	P1	169415	3080					
1 SB	6776.6	5.4	64	3327	P2	212908		3327				
2N	7055.6	5.0	55	3207	P1	176390	3207					
2S	7055.6	5.4	64	3464	P1	221674	3464					
3N	6782.8	7.2	75	4440	P1	332974	4440					
3S	6782.8	5.4	64	3330	P1	213103	3330					
4UN	4166.4	6.0	66	2273	P1	149990	2273					
4US	4166.4	5.0	64	1894	P1	121204	1894					
4NL	5232.8	6.0	66	2854	P1	188381	2854					
5N	19840.0	5.0	55	9018	P3	496000						9018
5S	19840.0	5.4	64	9740	P2	623337					9740	
6N	13330.0	5.0	50	6059	P2	302955					6059	
6S	13330.0	5.4	55	6544	P1	359910				6544		
7N	19263.4	5.0	50	8756	P3	437805						8756
7S	19263.4	5.4	50	9457	P2	472829					9457	
8U	4092.0	4.2	82	1562	P1	128117	1562					
8L	4606.6	4.2	60	1759	P1	105533	1759					
8E	6565.8	4.0	50	2388	P3	119378			2388			
9	1370.2	4.0	50	498	P2	24913		498				
10	23994.0	4.0	50	8725	P3	436255						8725
11	17843.6	4.2	50	6813	P2	340651		6813				
12	21235.0	4.0	50	7722	P3	386091						7722
							Proven	Probable	Possible	Proven	Probable	Possible
			Total tons	116322 by class			27862	20052	2388	6544	25255	34221
			Total ounces Silver, by class			6581579	1806782	1140239	119378	359910	1399120	1756150
			Average grade of silver by class				64.8	56.9	50.011	55.0	55.4	51.3

(From Smith, 1988)

APPENDIX 2A

Summary of Drilling

Summary of Drilling, Silver Hart Property, Yukon Territory

	ZONES		TM		KL		M		K		S		F		D		J		MILL		Expl.	
	holes	(m)	holes	(m)	holes	(m)	holes	(m)	holes	(m)	holes	(m)	holes	(m)	holes	(m)	holes	(m)	holes	(m)	holes	(m)
1985	10	3,669	1	3,064	0	-	0	-	3	217	0	-	4	239	0	-	0	-	0	-	2	150
1986	26	1,390	0	-	26	1,390	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
1987	4	-	4	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
2005	14	702	5	231	3	146	0	-	3	152	3	173	0	-	0	-	0	-	0	-	0	-
2006	10	725	0	-	7	464	0	-	0	-	2	209	1	52	0	-	0	-	0	-	0	-
2007	11	787	3	230	0	-	4	261	0	-	0	-	0	-	2	109	1	70	1	117	0	-
2008	12	808	1	64	0	-	7	485	0	-	0	-	3	208	0	-	0	-	0	-	1	52
2009	16	1,094	11	764	0	-	5	330	0	-	0	-	0	-	0	-	0	-	0	-	0	-
TOTALS	**103**	**9,176**	**25**	**4,353**	**36**	**1,999**	**16**	**1,075**	**6**	**369**	**5**	**383**	**8**	**499**	**2**	**109**	**1**	**70**	**1**	**117**	**3**	**202**

APPENDIX 2B

SUMMARY OF RESULTS (historic and post-2005)

	Drillhole	from (m)	to (m)	Down-hole length	True thickness	Ag (ppm)	Pb (%)	Zn (%)	AG-Eq (ppm)
S Zone	CMC05-01	28.81	30.21	1.40	0.95	338.2	3.17	0.16	348.2
	incl.	30.13	30.21	0.08	0.05	5886.0	53.14	0.12	5893.6
S Zone	CMC05-02	21.47	23.92	2.45	1.72	1343.2	0.16	6.21	1736.5
	incl.	22.12	23.92	1.80	1.26	1826.1	0.19	8.32	2352.7
	CMC05-02	38.11	38.61	0.50	0.35	238.0	0.48	5.75	601.9
S Zone	CMC05-03	21.35	22.75	1.40	0.98	535.9	4.07	0.70	580.0
	incl.	22.30	22.75	0.45	0.32	1663.0	12.61	1.77	1775.0
KL Zone	CMC05-07	3.20	25.90	22.70	21.43	76.0	0.18	4.63	369.2
	incl.	23.15	25.90	2.75	2.60	150.0	0.19	10.16	793.2
KL Zone	CMC05-08	23.00	25.45	2.45	2.31	898.6	4.21	3.12	1095.9
	incl.	23.00	25.45	2.45	2.31	898.6	4.21	3.12	1095.9
KL Zone	CMC05-09	7.50	23.10	15.60	14.73	131.3	0.11	2.91	315.5
TM Zone	CMC05-11	26.60	28.00	1.40	1.26	264.9	0.05	1.39	353.1
	incl.	27.75	28.00	0.25	0.22	1474.0	0.03	6.30	1872.7
TM Zone	CMC05-12	14.45	15.90	1.45	1.30	1716.1	0.23	34.62	3907.4
	incl.	14.85	15.90	1.05	0.94	2340.9	0.29	45.92	5247.1
TM Zone	CMC05-13	1.23	3.00	1.77	1.59	2021.6	3.62	1.04	2087.7
	incl.	1.23	1.92	0.69	0.62	4829.5	8.76	1.95	4952.8
TM Zone	CMC05-14	22.10	23.50	1.40	1.26	289.7	0.54	4.89	599.2
	incl.	23.35	23.50	0.15	0.13	2654.0	4.81	44.26	5455.3
S Zone	CMC06-02	39.80	41.60	1.80	0.70	176.6	0.16	3.33	387.1
	incl.	39.80	40.30	0.50	0.19	610.0	0.36	8.82	1168.2
	CMC06-02	71.80	71.90	0.10	0.04	1143.0	7.60	17.64	2259.5
	CMC06-02	102.10	103.50	0.30	0.12	2315.5	0.34	15.06	3268.4
	incl.	103.35	103.50	0.15	0.06	4619.0	0.36	29.27	6471.6
KL Zone	CMC06-04	29.00	39.54	10.54	8.18	348.6	0.14	2.36	497.8
	incl.	32.20	39.12	6.92	5.37	401.0	0.17	2.46	556.7
KL Zone	CMC06-06	3.15	5.49	2.34	1.03	22.5	0.09	5.87	394.3
	CMC06-06	23.49	25.91	2.42	1.06	22.1	0.03	7.54	499.1
	CMC06-06	38.30	41.54	3.24	1.42	48.2	0.05	5.48	395.1
TM Zone	CMC07-01	32.80	34.20	1.40	1.26	1048.5	1.41	14.31	1954.1
	incl.	33.50	34.20	0.70	0.63	2069.0	2.75	28.28	3858.9
TM Zone	CMC07-03	27.80	31.15	3.35	3.02	443.6	1.15	7.10	893.3
	incl.	30.50	31.15	0.65	0.59	2011.0	5.37	27.79	3769.9
TM Zone	CMC07-04	37.90	41.00	3.10	2.79	98.6	0.24	5.27	432.4
	incl.	40.40	41.00	0.60	0.54	456.0	1.17	18.94	1654.7
M Zone	CMC07-05	15.00	18.30	3.30	3.15	217.9	1.99	4.50	502.8
	incl.	15.00	15.55	0.55	0.52	745.0	8.13	17.84	1874.1

	Drillhole	from (m)	to (m)	Down-hole length	True thickness	Ag (ppm)	Pb (%)	Zn (%)	AG-Eq (ppm)
M Zone	CMC07-06	17.55	18.95	1.40	1.36	308.0	0.86	11.62	1043.2
	incl.	17.55	18.20	0.65	0.63	596.0	1.36	21.62	1964.4
M Zone	CMC07-07	12.40	14.40	2.00	1.97	1186.6	6.06	3.29	1394.5
	CMC07-07	35.70	36.00	0.30	0.30	473.0	6.13	2.46	628.7
M Zone	CMC07-08	19.10	21.20	2.10	2.07	78.9	1.56	3.84	321.7
	incl.	20.00	20.60	0.60	0.59	152.0	1.75	8.67	700.7
	CMC07-08	25.10	34.50	9.40	9.25	169.5	3.54	5.33	506.8
	incl.	25.10	27.85	2.75	2.71	515.7	9.32	7.19	970.6
	incl.	33.85	34.50	0.65	0.64	61.0	2.60	14.94	1006.6
D Zone	CMC07-09	17.20	24.20	7.00	5.12	37.3	0.51	4.96	351.3
	incl.	22.20	23.20	1.00	0.73	13.0	0.52	18.00	1152.3
M Zone	CMC08-05	20.90	23.90	3.00	2.60	202.6	3.17	4.44	483.6
	incl.	20.90	21.30	0.40	0.35	1099.0	18.09	13.11	1928.8
M Zone	CMC08-06	18.40	18.95	0.55	0.53	45.0	0.36	9.44	642.5
	CMC08-08	26.60	26.90	0.30	0.29	212.0	0.39	11.70	952.5
M Zone	CMC09-01	11.50	12.90	1.40	1.38	166.3	3.76	6.53	579.7
	incl.	12.50	12.90	0.40	0.39	290.0	5.03	20.35	1578.0
	CMC09-01	24.25	25.65	1.40	1.38	1656.7	7.26	4.90	1966.9
	incl.	25.20	25.65	0.45	0.44	5150.0	22.52	15.08	6104.4
M Zone	CMC09-02	21.10	23.50	2.40	2.36	250.0	4.87	3.35	461.9
	incl.	22.80	23.50	0.70	0.69	696.0	12.64	5.79	1062.5
M Zone	CMC09-05	20.00	24.10	4.10	3.55	103.2	0.73	4.56	391.9
	incl.	23.30	24.10	0.80	0.69	493.0	3.25	11.89	1245.5
TM Zone	CMC09-06	39.40	40.80	1.40	0.90	207.8	0.05	5.61	562.7
	incl.	40.30	40.80	0.50	0.32	571.0	0.04	15.34	1541.9
	CMC09-06	43.50	44.90	1.40	0.90	126.1	0.66	3.66	357.8
TM Zone	CMC09-07	48.30	49.70	1.40	0.70	87.7	0.19	9.08	662.2
	incl.	48.70	49.70	1.00	0.50	122.0	0.26	12.40	906.8
	CMC09-07	55.40	56.80	1.40	0.70	45.2	0.12	4.49	329.4
	incl.	56.30	56.80	0.50	0.25	123.0	0.25	12.18	893.9
TM Zone	CMC09-08	30.90	32.30	1.40	0.90	472.0	0.07	40.63	3043.6
	CMC09-11	56.00	56.30	0.30	0.15	32.0	0.10	9.43	628.8
TM Zone	CMC09-12	40.10	41.90	1.80	1.15	910.4	1.69	8.12	1424.2
	incl.	40.10	40.60	0.50	0.32	2716.0	3.10	21.45	4073.6
TM Zone	CMC09-13	24.45	24.85	0.40	0.14	107.0	0.06	9.35	698.8
	CMC09-13	48.20	50.60	2.40	0.82	250.9	0.04	12.33	1031.2
TM Zone	CMC09-15	24.00	25.40	1.40	0.90	873.9	3.38	4.19	1139.3
	incl.	24.10	24.40	0.30	0.18	3985.0	15.55	9.54	4588.8

	Drillhole	from (m)	to (m)	Down-hole length	True thickness	Ag (ppm)	Pb (%)	Zn (%)	AG-Eq (ppm)
TM Zone	CMC09-16	49.20	52.10	2.90	0.99	359.0	0.03	8.53	898.8
TM Zone	DH85-03	36.09	37.67	1.58	1.42	336.7	0.07	10.38	993.4
TM Zone	DH85-04	19.60	21.00	1.40	1.27	310.3	0.77	5.10	632.9
	incl.	20.60	21.00	0.40	0.36	1067.0	2.68	11.80	1813.8
TM Zone	DH85-05	33.22	33.53	0.30	0.28	166.6	0.16	14.80	1103.3
	DH85-05	39.01	40.45	1.44	1.30	109.0	0.07	7.93	611.0
	incl.	39.93	40.45	0.52	0.47	288.0	0.16	13.70	1155.1
TM Zone	DH85-06	24.11	24.32	0.21	0.19	724.8	0.88	9.39	1319.1
	DH85-06	27.46	28.86	1.40	1.27	763.8	3.19	5.40	1105.6
	incl.	28.47	28.86	0.40	0.36	2720.9	11.40	18.60	3898.1
TM Zone	DH85-07	23.81	24.72	0.91	0.83	289.4	0.75	5.94	665.4
	DH85-07	23.81	26.55	2.74	2.48	212.9	0.41	3.08	408.0
	DH85-07	29.03	30.98	1.95	1.76	870.9	1.02	9.21	1453.7
	incl.	30.25	30.98	0.73	0.66	2269.7	2.56	23.90	3782.4
	DH85-07	43.71	44.05	0.34	0.30	308.6	0.91	5.22	639.0
TM Zone	DH85-08	38.47	38.62	0.15	0.14	608.9	9.29	10.30	1260.8
	DH85-08	41.18	42.95	1.77	1.60	1405.1	7.05	4.68	1701.2
	incl.	42.52	42.95	0.43	0.39	5755.9	28.90	17.60	6869.8
TM Zone	DH85-09	47.57	48.97	1.40	1.27	139.6	0.09	3.93	388.0
	incl.	48.79	48.97	0.18	0.17	1064.2	0.51	28.80	2887.0
TM Zone	DH85-11	36.01	37.84	1.83	1.65	865.4	0.96	6.56	1280.6
	incl.	36.01	36.41	0.40	0.36	3604.7	4.36	27.36	5336.4
	DH85-11	39.72	39.96	0.24	0.22	566.4	1.68	1.15	639.2
TM Zone	DH85-12	61.47	61.56	0.09	0.08	188.6	0.12	12.00	948.1
TM Zone	DH85-13	66.87	68.28	1.41	1.27	362.4	0.09	23.00	1818.1
TM Zone	DH85-15	69.39	69.51	0.12	0.11	45.3	0.05	9.20	627.6
	DH85-15	78.07	78.13	0.06	0.06	1339.9	14.40	14.40	2251.3
	DH85-15	78.07	80.81	2.74	2.48	274.1	1.40	2.90	457.6
	incl.	80.26	80.81	0.55	0.50	1202.7	5.24	10.50	1867.3
	DH85-15	82.61	82.64	0.03	0.03	502.6	4.20	13.50	1357.0
TM Zone	DH85-16	27.28	27.52	0.24	0.22	180.3	0.16	13.00	1003.1
	DH85-16	32.25	35.91	3.66	3.31	253.7	0.10	10.21	899.9
	incl.	33.07	35.91	2.83	2.56	243.7	0.12	12.87	1058.1
TM Zone	DH85-17	52.60	52.66	0.06	0.06	1494.2	0.35	31.60	3494.2
	DH85-17	63.36	66.08	2.72	2.46	85.4	0.08	3.76	323.5
	incl.	63.36	63.61	0.24	0.22	774.9	0.31	20.20	2053.4
	DH85-17	64.89	64.98	0.09	0.08	294.9	0.33	28.70	2111.4
	DH85-17	66.04	66.08	0.03	0.03	4.8	0.30	29.20	1852.9

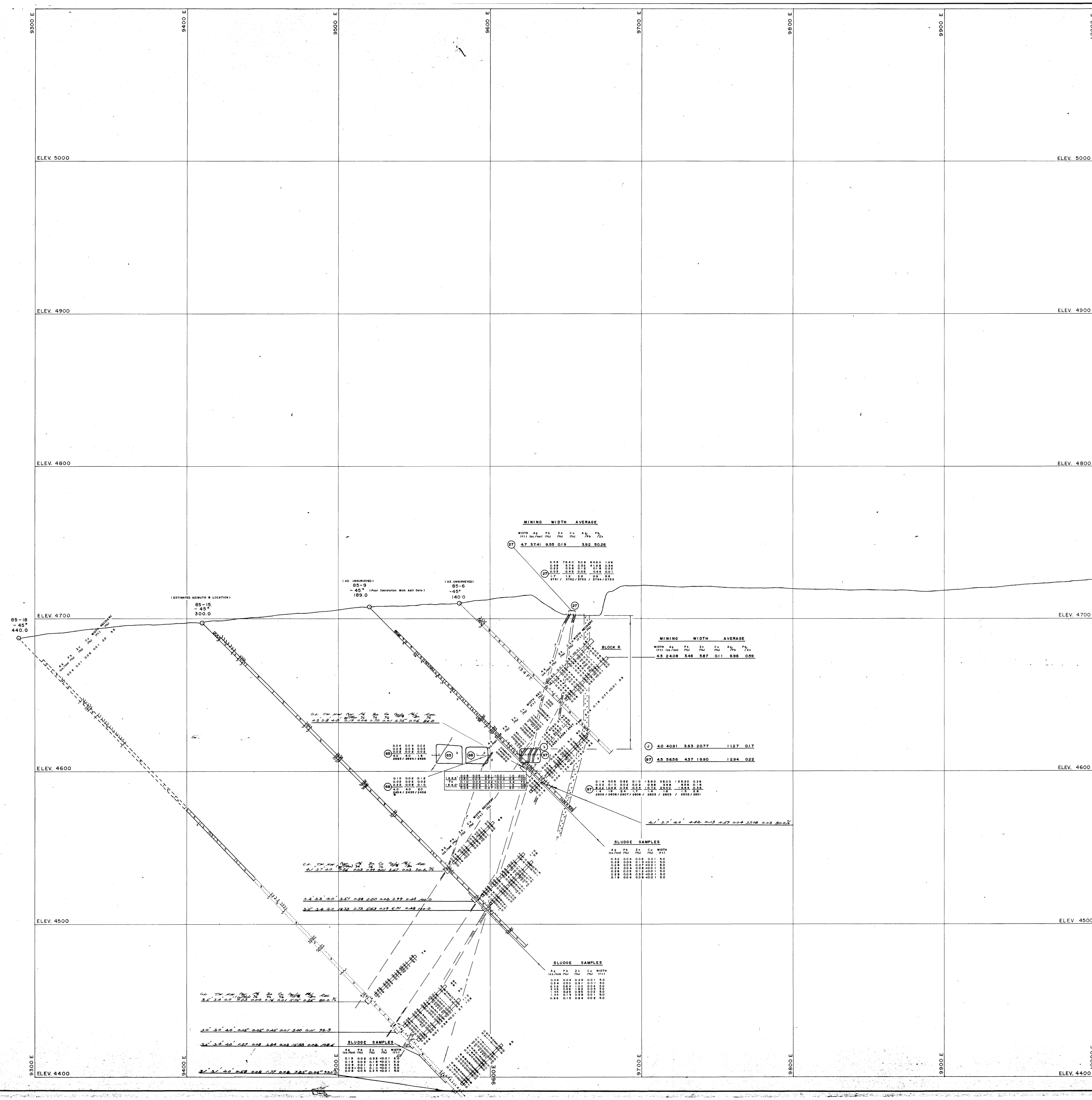
	Drillhole	from (m)	to (m)	Down-hole length	True thickness	Ag (ppm)	Pb (%)	Zn (%)	AG-Eq (ppm)
TM Zone	DH85-18	113.76	113.79	0.03	0.03	116.9	0.12	8.22	637.2
	DH85-18	117.54	117.93	0.40	0.36	115.9	0.15	9.60	723.5
TM Zone	DH85-21	27.70	29.28	1.58	1.37	649.0	0.14	2.97	837.2
	incl.	28.83	29.28	0.46	0.40	2271.8	0.39	9.93	2900.3
	DH85-21	34.16	34.50	0.34	0.29	45.3	0.01	11.70	785.8
	DH85-21	38.22	38.31	0.09	0.08	151.5	0.10	7.30	613.5
TM Zone	DH85-22	59.47	61.20	1.73	1.50	33.7	0.05	4.72	332.6
	incl.	60.47	60.69	0.21	0.18	185.8	0.16	33.10	2280.8
	DH85-22	65.01	66.69	1.68	1.45	104.4	0.31	3.21	307.7
	incl.	65.78	66.32	0.55	0.47	124.1	0.05	7.69	611.0
F Zone	DH85-37	18.29	19.66	1.37	1.02	82.8	0.02	4.36	358.8
	incl.	18.29	18.41	0.12	0.09	835.2	0.04	41.10	3436.5
K Zone	DH85-41	38.40	43.59	5.19	3.98	9.2	0.01	6.35	410.9
KL Zone	DH86-51	19.22	21.11	1.89	1.75	222.2	0.88	2.31	368.4
	incl.	20.74	21.11	0.37	0.34	608.2	1.20	2.12	742.4
KL Zone	DH86-52	24.38	28.04	3.66	3.34	780.6	2.74	5.73	1143.1
	incl.	24.96	28.04	3.08	2.81	894.7	3.19	6.47	1304.4
KL Zone	DH86-53	35.55	38.02	2.47	1.78	162.0	0.02	10.81	846.0
KL Zone	DH86-54	48.58	52.81	4.23	2.11	88.8	0.04	7.88	587.8
	incl.	48.58	51.90	3.32	1.66	111.0	0.05	8.36	640.2
KL Zone	DH86-55	9.94	18.84	8.90	7.86	15.3	0.05	4.58	305.0
	incl.	16.92	17.50	0.58	0.51	11.0	0.20	12.16	780.6
	DH86-55	27.47	30.94	3.47	3.06	239.4	1.18	2.70	410.4
	incl.	27.47	27.65	0.18	0.16	2900.6	18.08	10.04	3536.1
KL Zone	DH86-56	8.11	10.45	2.35	1.38	34.3	0.28	9.08	609.0
	DH86-56	28.04	45.87	17.83	10.48	22.8	0.06	4.97	337.6
	incl.	34.02	35.17	1.16	0.68	25.4	0.12	11.64	762.1
	incl.	39.72	40.93	1.22	0.72	59.7	0.04	10.64	733.1
KL Zone	DH86-62	21.43	23.38	1.95	1.82	6.8	0.03	5.73	369.6
KL Zone	DH86-63	9.43	12.17	2.74	1.97	15.8	0.09	5.60	370.4
KL Zone	DH86-65	37.49	37.64	0.15	0.12	20.6	0.02	25.60	1640.9
KL Zone	DH86-66	63.49	65.93	2.44	1.90	10.4	0.02	4.59	300.8

Note:

* highlighted rows indicate drillholes that are included in the resource estimate, at 300 g/t Ag-Eq

APPENDIX 3

Example Historic Plan Maps and Sections



LEGEND

CHIP SAMPLE SEQUENCE

Ag (oz/ton)
Pb (%)
Zn (%)
Cu (%)
SAMPLE WIDTH (ft.)
SAMPLE Nº

DRILL HOLE DATA

P85-9 (PERCUSSION DRILL HOLE Nº9)
85-8 (DIAMOND DRILL HOLE Nº8)
-45° (INCLINATION)
160.0 (LENGTH ft)

ASSAY SEQUENCE
DIAMOND DRILL: Ag Pb Zn Cu WIDTH RECOVERY
PERCUSSION DRILL: Ag Pb Zn Cu RECOVERY WEIGHT

MINING WIDTH AVERAGE

WIDTH (ft) Ag (oz/ton) Pb (%) Zn (%) Cu (%) Ag/Pb Pb/Zn

	DRILL HOLE WITHIN 5 ft OF SECTION
15 FT	DRILL HOLE BEHIND SECTION, DISTANCE NOTED
15 FT	DRILL HOLE IN FRONT OF SECTION, DISTANCE NOTED
	DRILL HOLE COLLAR
	OVERBURDEN
1	VEIN
2	PROPYLITIC ALTERATION OF GRANODIORITE
3	ARGILLIC ALTERATION OF GRANODIORITE
4	SILICIFICATION
5	SAUSSURITIZED ?
6	ANDESITE DYKE
7	QUARTZ - SERICITE SCHIST 7A SERPENTIZED
8	QUARTZ - BIOTITE - CHLORITE SCHIST
9	GARNET - DIOPSIDE SKARN
10	RECRYSTALLIZED LIMESTONE / MARBLE
11	INTENSE MANGANESE - LIMONITE HEMATITE
12	QUARTZ CALCITE VEIN
13	GRANODIORITE - LOW ALTERATION 13A DIORITE
14	QUARTZITES
15	DOLOMITE

GEOLOGICAL SYMBOLS

- BEDDING STRIKE & DIP
- FAULT STRIKE & DIP OBSERVED, INFERRED
- FAULT - THRUST - TEETH ON UPPER PLATE - ARROW PLUNGE OF STRIATIONS
- FAULT - NORMAL DOWN THROW MEASURED
- FAULT RELATIVE HORIZONTAL MOVEMENT

Note: Width of wavy line to scale with fault observed

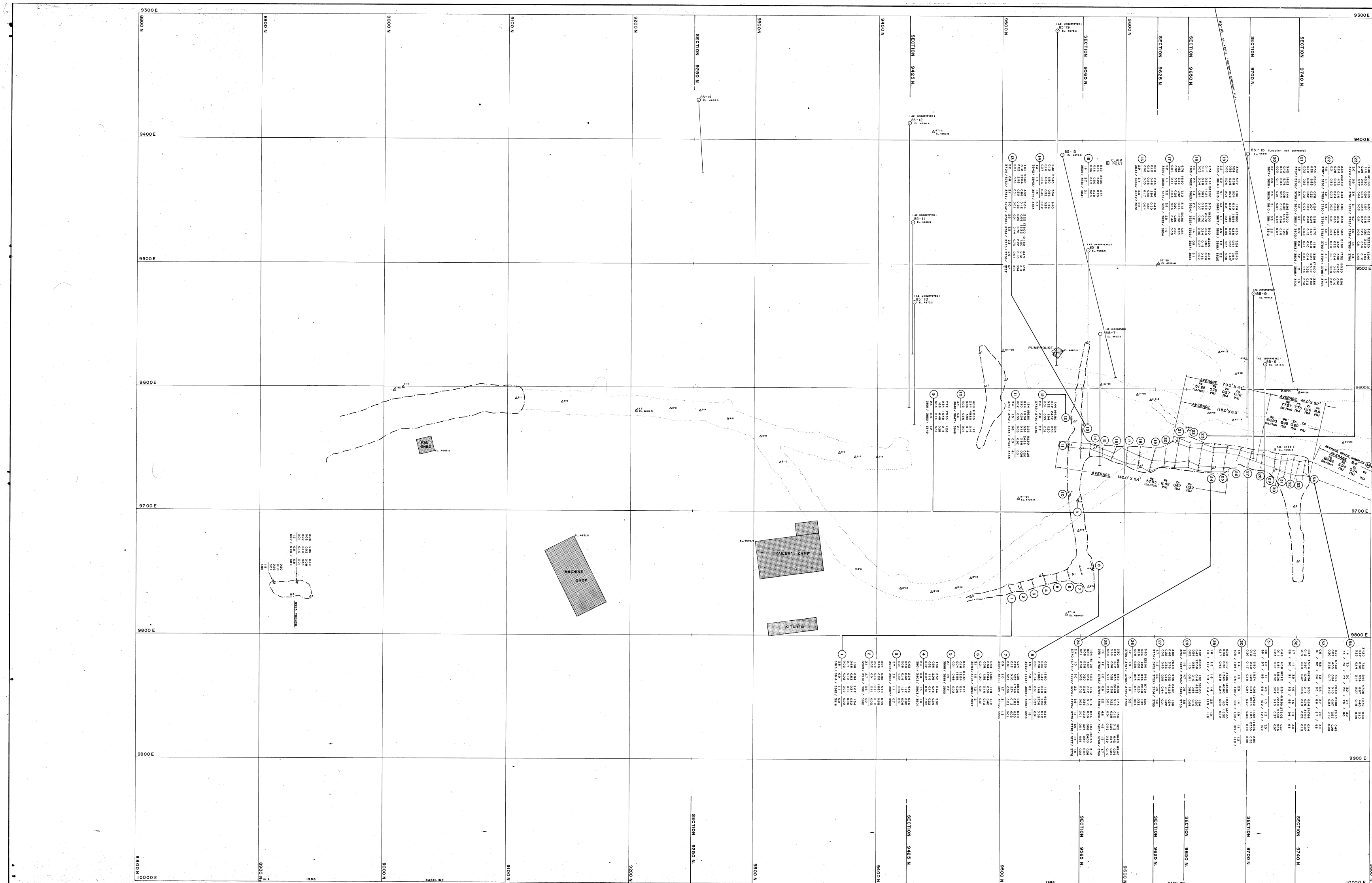
- SHEAR ZONE
- BRECCIA
- JOINTING WITH DIP (MAJOR, MINOR) *NOT DIFFERENTIATED ON PRESENT MAP*
- SCHISTOSITY
- GEOLOGICAL CONTACT - OBSERVED, INFERRED.

MINERALIZATION

- VEIN ZONE, DIP - MASSIVE, DISSEMINATED, STRINGER. ORE MINERALS - GALENA, SPHALERITE, TETRAHEDRITE.
- MORE ZINC THAN LEAD
- MORE LEAD THAN ZINC
- QUARTZ VEIN
- SKARN ZONE

Scale
FEET 0 10 20 30 40 50 60 70 80 90 100 FEET
METRES 0 1 2 3 4 5 10 15 20 25 30 METRES

SILVER HART MINES LTD.	
HART SILVER PROPERTY, YUKON. 60° 19' N. - 130° 45' W.	
ASSAY VERTICAL CROSS SECTION 9700 N.	
DRAWN BY: W.H.P., J.T.	REVISED:
DATE: MAY 5, 1987.	DRAWING Nº
AUTHORIZED:	



MAGNETIC NORTH
MINE GRID NORTH
41° 45'
10° 03'

LEGEND

DRILL HOLE DATA

P85-9 (PERCUSSION DRILL HOLE Nº 9)
85-8 (DIAMOND DRILL HOLE Nº 8)
-45° (INCLINATION)
160.0 (LENGTH ft.)

ASSAY SEQUENCE
Ag-Pb-Zn-Cu-WIDTH
(oz/ton) (%) (%) (%) (ft.)

MINING WIDTH AVERAGE

WIDTH (ft.)	Ag (oz/ton)	Pb (%)	Zn (%)	Cu (%)	Ag/Pb	Pb/Zn

CHIP SAMPLE SEQUENCE

Ag (oz/ton)
Pb (%)
Zn (%)
Cu (%)
SAMPLE WIDTH (ft.)
SAMPLE Nº

DRILL HOLE WITHIN 5 ft. OF SECTION.
15 FT. DRILL HOLE BEHIND SECTION, DISTANCE NOTED.
15 FT. DRILL HOLE IN FRONT OF SECTION, DISTANCE NOTED.
DRILL HOLE COLLAR
OVERBURDEN

1 VEIN
2 PROPYLITIC ALTERATION OF GRANODIORITE
3 ARGILLIC ALTERATION OF GRANODIORITE
4 SILICIFICATION
5 SAUSSURITIZED ?
6 ANDESITE DYKE
7 QUARTZ - SERICITE SCHIST. 7A SERPENTIZED
8 QUARTZ - BIOTITE - CHLORITE SCHIST
9 GARNET - DIOPSIDE SKARN
10 RECRYSTALLIZED LIMESTONE / MARBLE
11 INTENSE MANGANESE - LIMONITE HEMATITE
12 QUARTZ CALCITE VEIN
13 GRANODIORITE - LOW ALTERATION. 13A DIORITE
14 QUARTZITES
15 DOLOMITE

GEOLOGICAL SYMBOLS

BEDDING STRIKE & DIP
FAULT STRIKE & DIP OBSERVED, INFERRED
FAULT - THRUST - TEETH ON UPPER PLATE - ARROW PLUNGE OF STRIATIONS
FAULT - NORMAL DOWN THROW MEASURED.
FAULT RELATIVE HORIZONTAL MOVEMENT.

Note: Width of wavy line to scale with fault observed.

SHEAR ZONE
BRECCIA
JOINTING WITH DIP (MAJOR, MINOR) *NOT DIFFERENTIATED ON PRESENT MAP)*
SCHISTOSITY
GEOLOGICAL CONTACT - OBSERVED, INFERRED.

MINERALIZATION

VEIN ZONE, DIP - MASSIVE, DISSEMINATED, STRINGER
ORE MINERALS - GALENA, SPHALERITE, TETRAHEDRITE.
MORE ZINC THAN LEAD.
MORE LEAD THAN ZINC.
QUARTZ VEIN
SKARN ZONE
CLAY ZONE

Scale
FEET 0 10 20 30 40 50 60 70 80 90 100 FEET
METRES 0 1 2 3 4 5 10 15 20 25 30 METRES

SILVER HART MINES LTD.

HART SILVER PROPERTY, YUKON.
60° 19' N. - 130° 45' W.

ASSAY SURFACE PLAN

DRAWN BY: J.T.	REVISED:	DRAWING Nº
DATE: APRIL 13, 1987		SA-H-4.4
AUTHORIZED:		

APPENDIX 4

QUALITY ASSURANCE AND QUALITY CONTROL SUMMARY

APPENDIX 4 QA-QC STATISTICS

STANDARD PB120

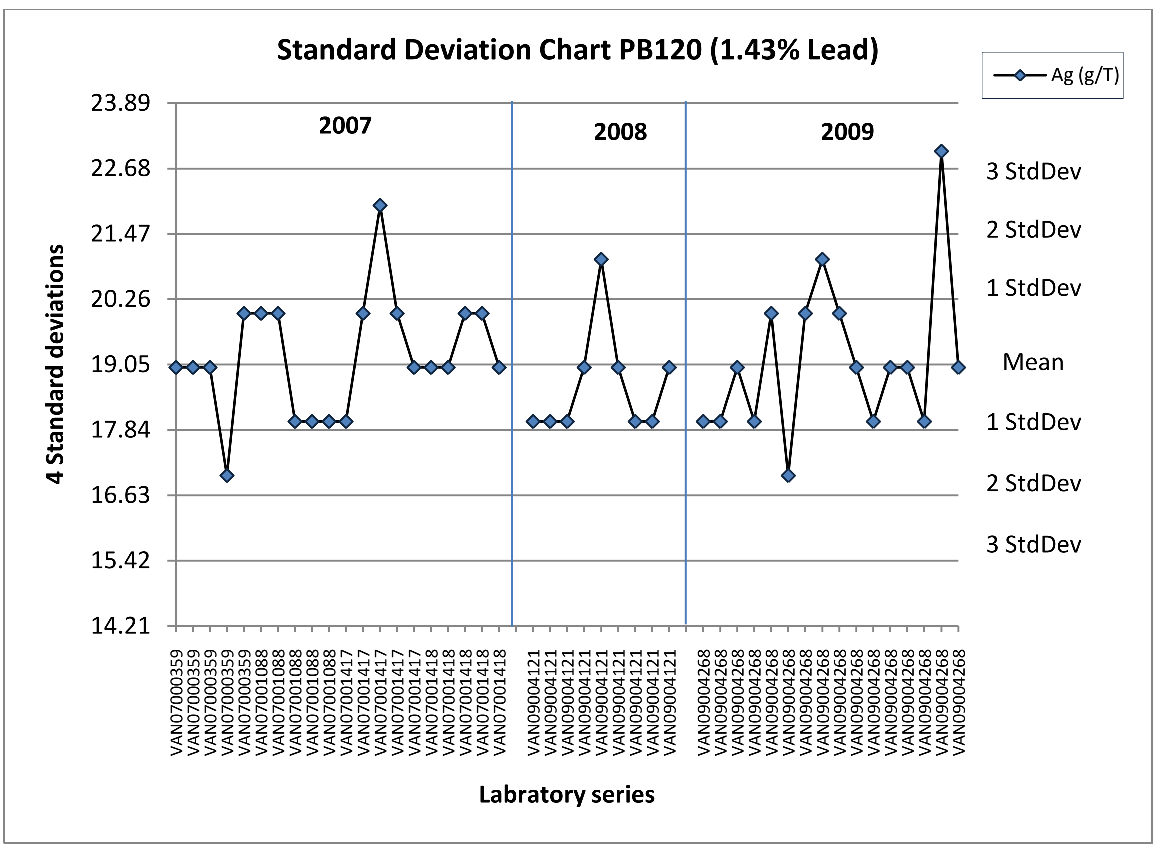
Standard Value: **Ag – 19 g/T**

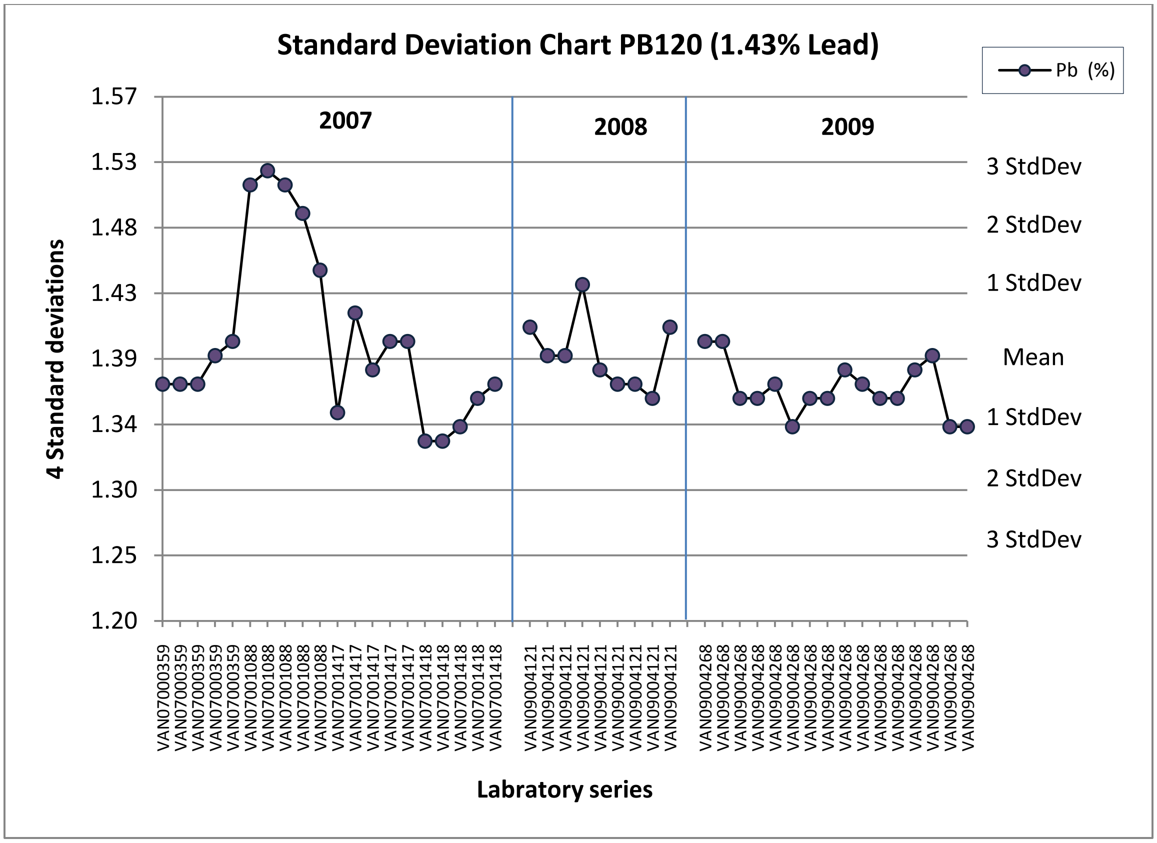
Pb – 1.43%

Zn – 2.87%

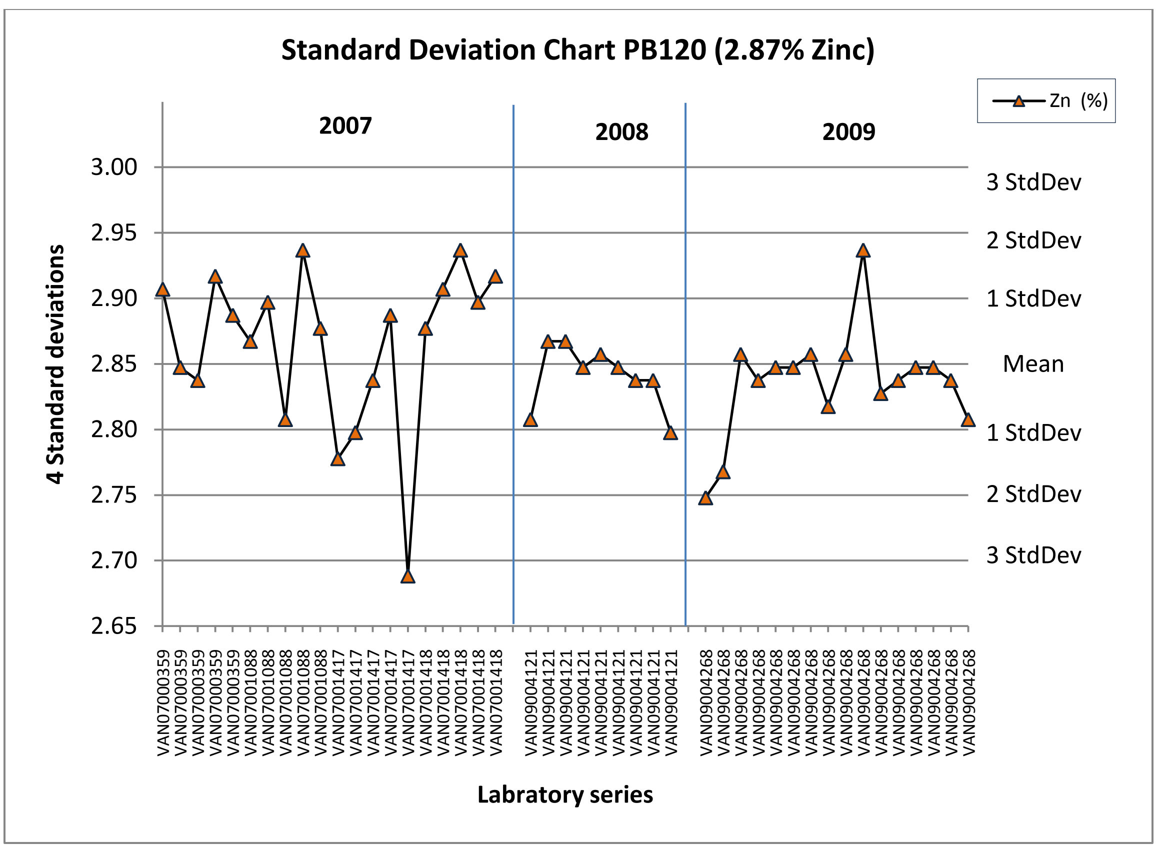
PB120 - Ag

	2007, 2008, 2009	2007	2008	2009
AVERAGE	19.07	19.20	18.67	19.13
STD DEVIATION	1.21	1.11	1.00	1.45
N=	45	20	9	16
σ	**# within σ**	**# within σ**	**# within σ**	**# within σ**
1	39	18	8	13
2	4	1	1	2
3	1	1	0	0
4	1	0	0	1

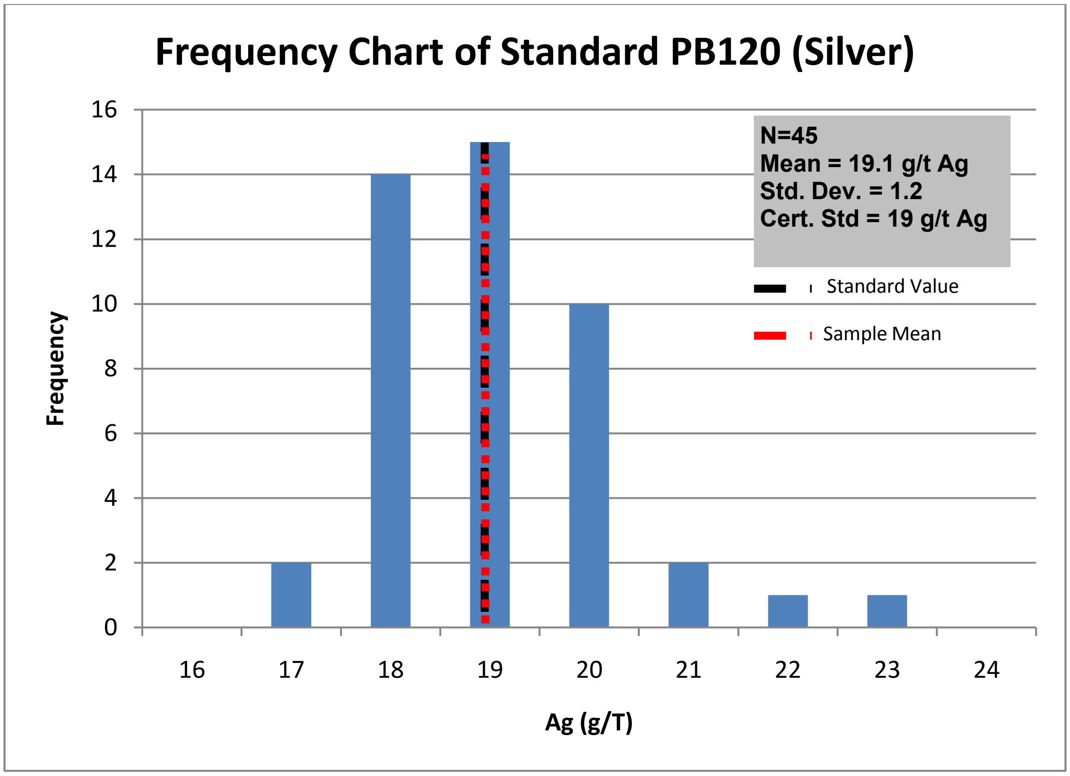




Standard Deviation Chart PB120 (1.43% Lead)
Pb (%)
2007
2008
2009
1.57
1.53
1.48
1.43
1.39
1.34
1.30
1.25
1.20
3 StdDev
2 StdDev
1 StdDev
Mean
1 StdDev
2 StdDev
3 StdDev
4 Standard deviations
Labratory series



Standard Deviation Chart PB120 (2.87% Zinc)
Zn (%)
2007
2008
2009
3.00
2.95
2.90
2.85
2.80
2.75
2.70
2.65
3 StdDev
2 StdDev
1 StdDev
Mean
1 StdDev
2 StdDev
3 StdDev
4 Standard deviations
Labratory series



Frequency Chart of Standard PB120 (Silver)
N=45
Mean = 19.1 g/t Ag
Std. Dev. = 1.2
Cert. Std = 19 g/t Ag
Standard Value
Sample Mean
Frequency
0
2
4
6
8
10
12
14
16
17
18
19
20
21
22
23
24
Ag (g/T)

STANDARD PB121

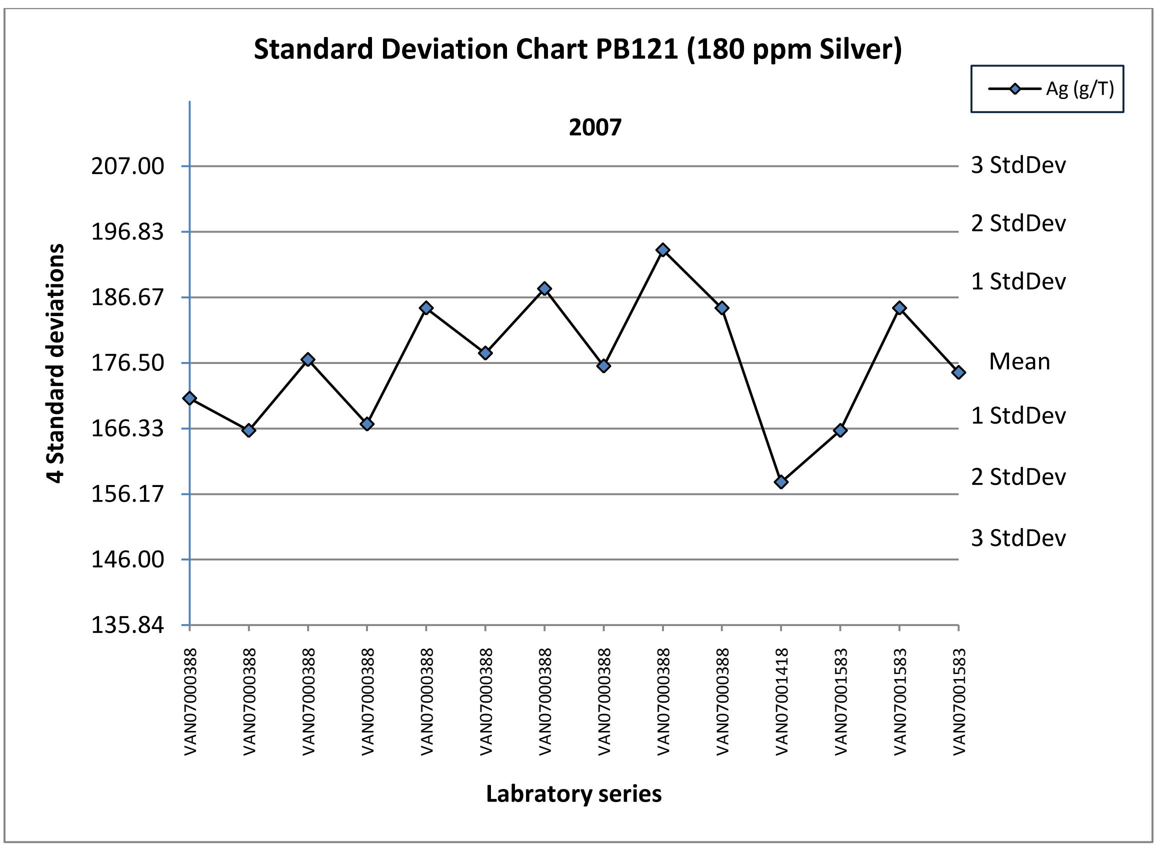
Standard Value: **Ag – 180 g/T**

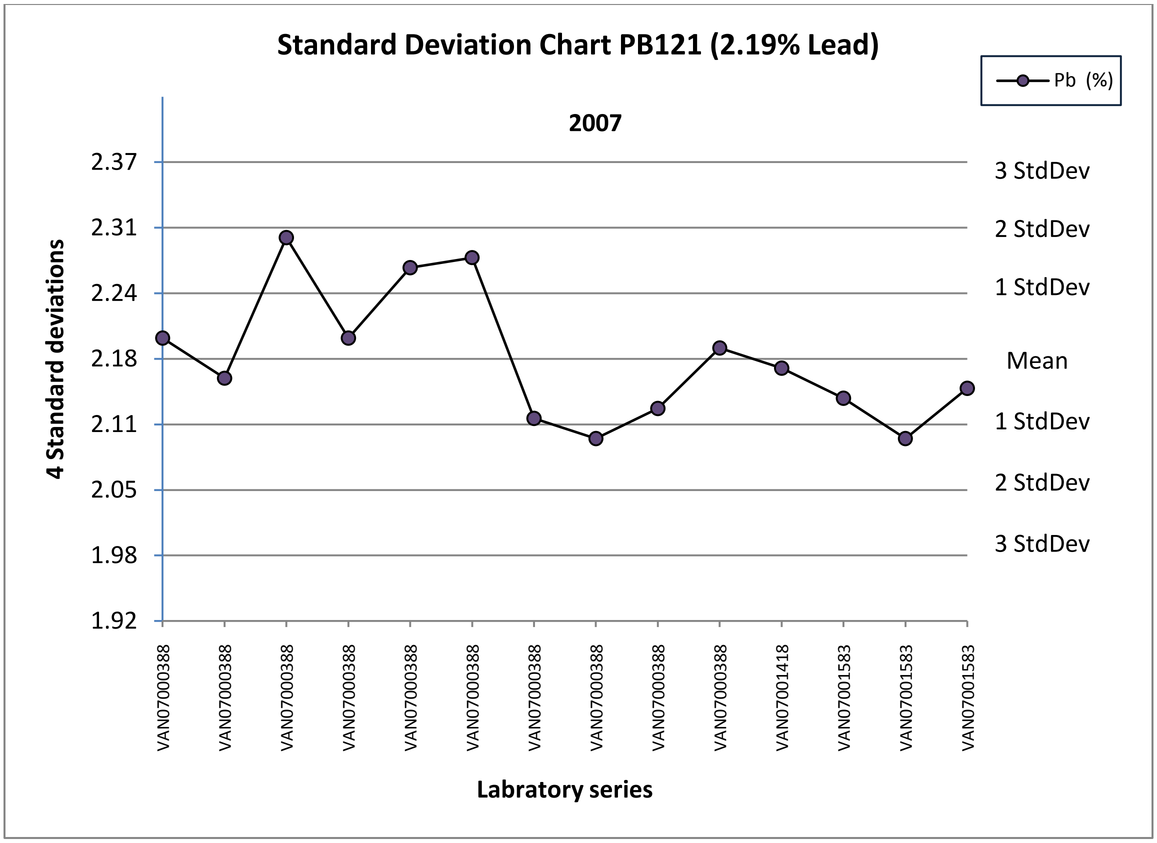
Pb – 2.19%

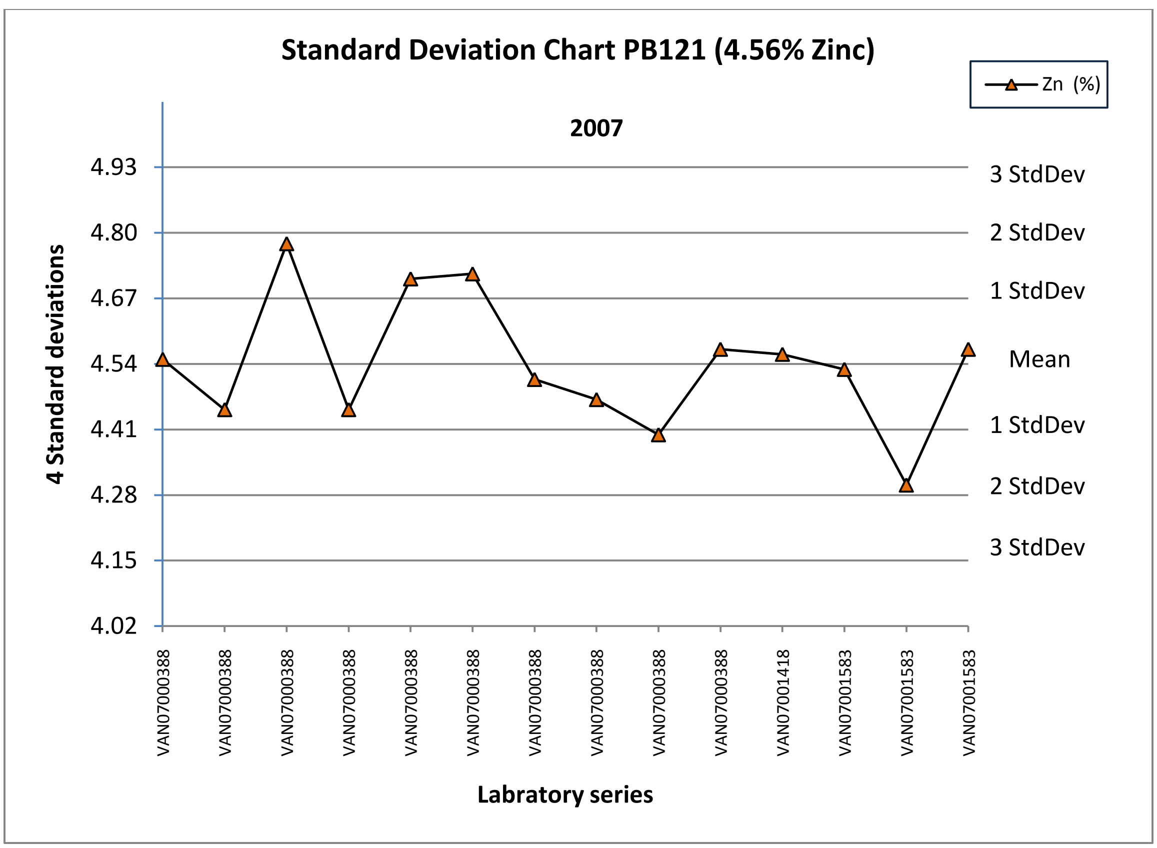
Zn – 4.56%

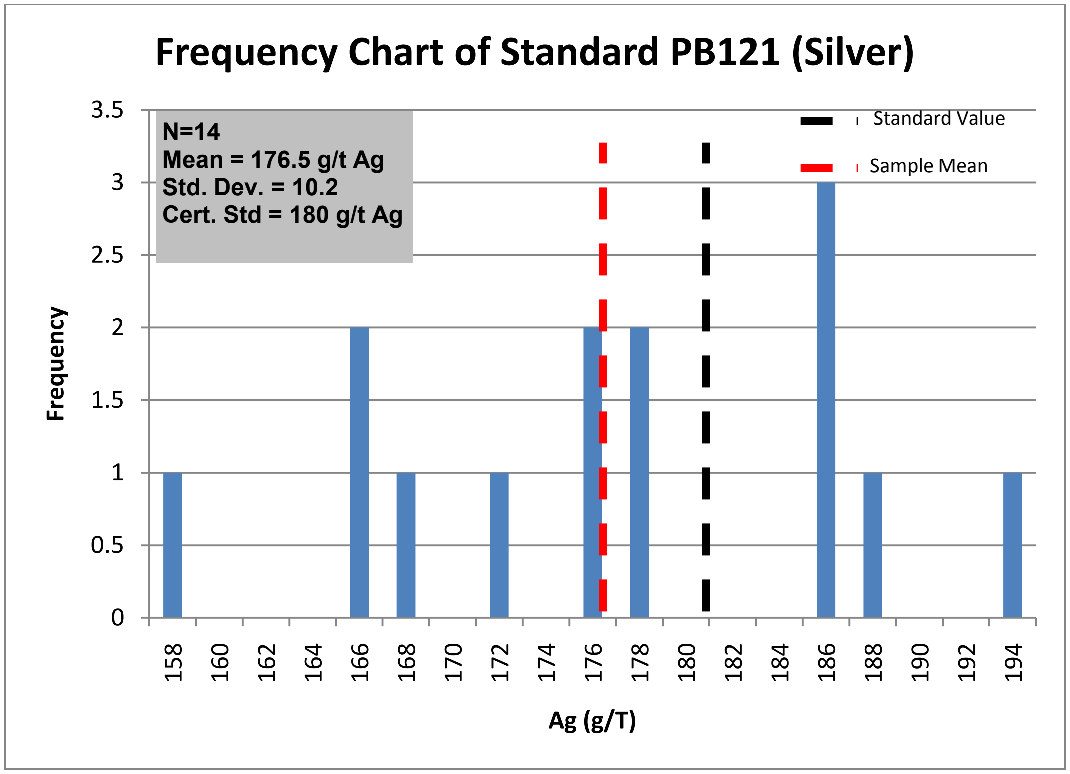
PB121 - Ag

	2007
AVERAGE	176.50
STD DEVIATION	10.17
N=	14
σ	**# within σ**
1	9
2	5
3	0
4	0




Standard Deviation Chart PB121 (2.19% Lead)
Pb (%)
2007
4 Standard deviations
2.37
2.31
2.24
2.18
2.11
2.05
1.98
1.92
3 StdDev
2 StdDev
1 StdDev
Mean
1 StdDev
2 StdDev
3 StdDev
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07001418
VAN07001583
VAN07001583
VAN07001583
Labratory series


Standard Deviation Chart PB121 (4.56% Zinc)
Zn (%)
2007
4 Standard deviations
4.93
4.80
4.67
4.54
4.41
4.28
4.15
4.02
3 StdDev
2 StdDev
1 StdDev
Mean
1 StdDev
2 StdDev
3 StdDev
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07000388
VAN07001418
VAN07001583
VAN07001583
VAN07001583
Labratory series



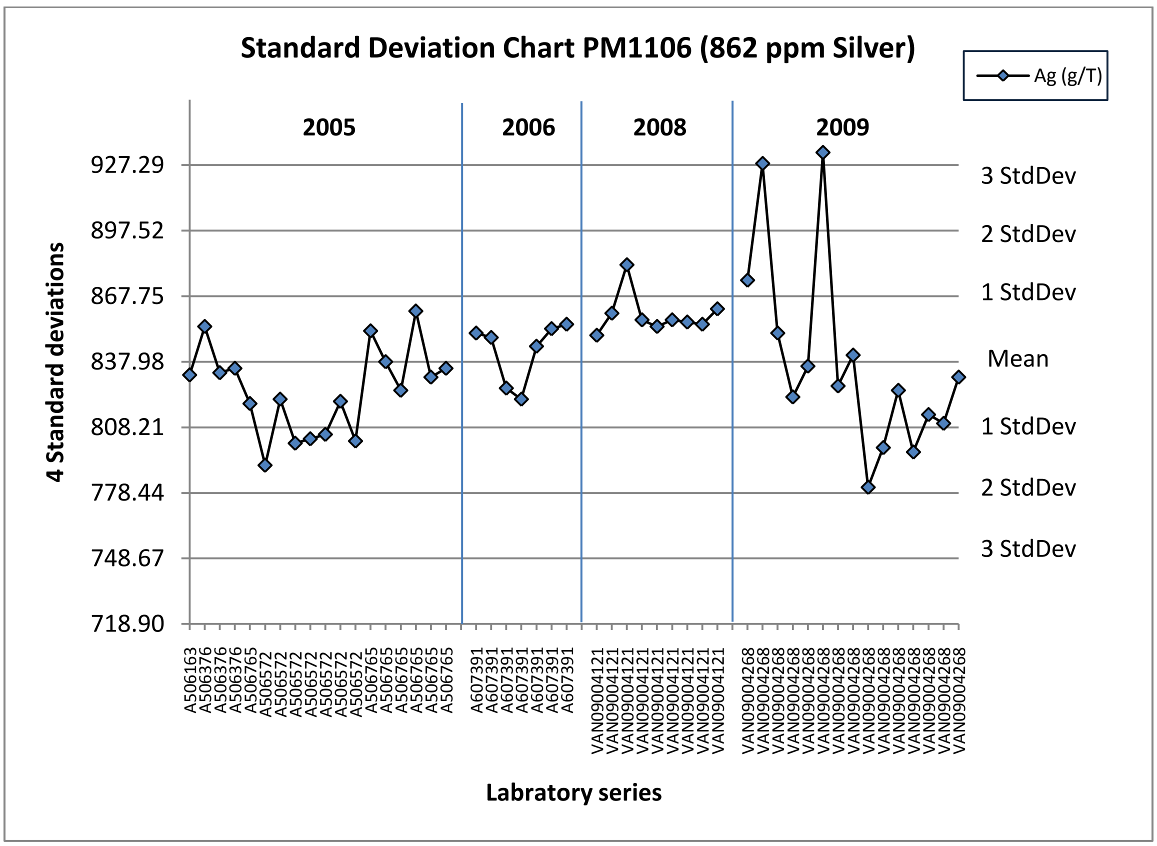
Frequency Chart of Standard PB121 (Silver)
N=14
Mean = 176.5 g/t Ag
Std. Dev. = 10.2
Cert. Std = 180 g/t Ag
Standard Value
Sample Mean
Frequency
3.5
3
2.5
2
1.5
1
0.5
0
158
160
162
164
166
168
170
172
174
176
178
180
182
184
186
188
190
192
194
Ag (g/T)

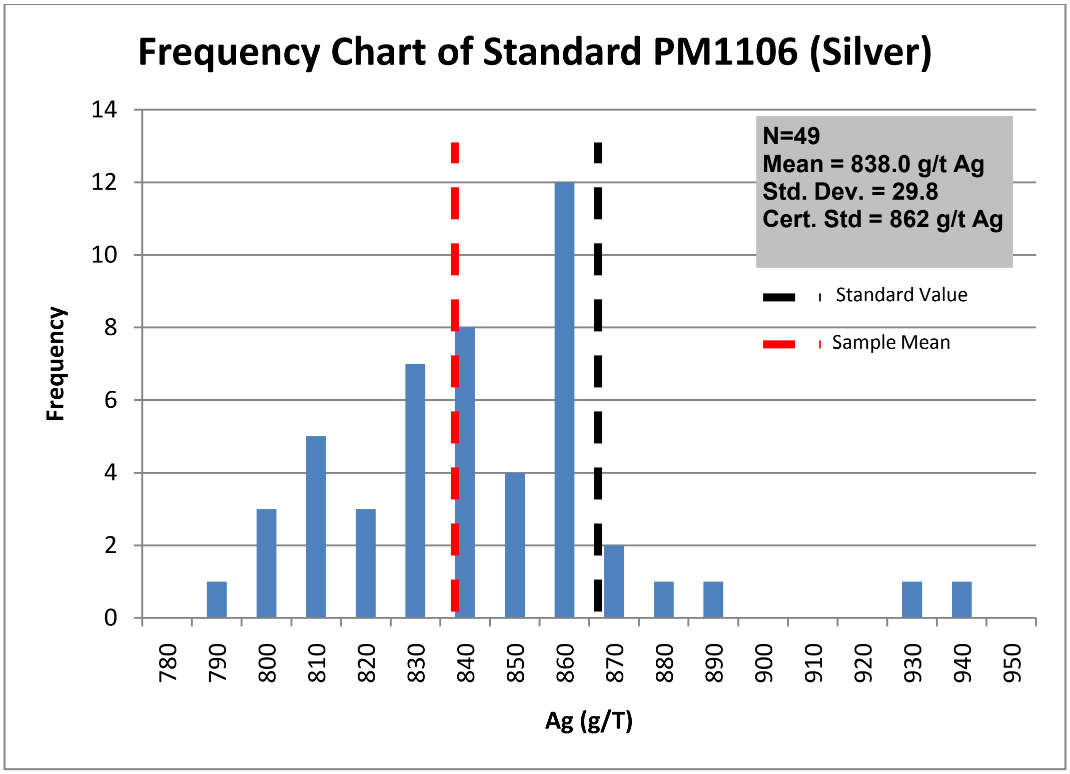
STANDARD PM1106

Standard Value: Ag – 862 g/T

PM1106 - Ag

	2005, 2006, 2008, 2009	2005	2006	2008	2009
AVERAGE	837.98	825.44	842.86	859.22	838.00
STD DEVIATION	29.77	19.71	13.67	9.20	43.98
N=	49	18	7	9	15
σ	**# within σ**	**# within σ**	**# within σ**	**# within σ**	**# within σ**
1	37	13	7	8	9
2	10	5	0	1	4
3	0	0	0	0	0
4	2	0	0	0	2





Frequency Chart of Standard PM1106 (Silver)
N=49
Mean = 838.0 g/t Ag
Std. Dev. = 29.8
Cert. Std = 862 g/t Ag
Standard Value
Sample Mean
Frequency
0
2
4
6
8
10
12
14
780
790
800
810
820
830
840
850
860
870
880
890
900
910
920
930
940
950
Ag (g/T)

BLANK SAMPLE SUMMARY

Sample	File #	Ag_ppm	Au_ppm	Fe%	Cu%	Pb%	Zn%	Mn%	Comment
25518	A506163	<2	<.01	0.11	<.001	0.03	<.01	0.01	
25548	A506376	<2	<.01	0.11	<.001	<.01	<.01	0.01	
25575	A506376	<2	<.01	0.12	<.001	<.01	<.01	0.01	
25578	A506376	<2	<.01	0.09	<.001	<.01	<.01	0.02	
25610	A506376	<2	<.01	0.13	<.001	<.01	<.01	0.02	
25974	A506765	<2	<.01	0.1	0.002	<.01	<.01	0.01	
25640	A506572	<2	0.01	0.09	<.001	<.01	<.01	0.02	
25670	A506572	<2	<.01	0.18	<.001	<.01	<.01	0.02	
25697	A506572	<2	<.01	0.14	<.001	<.01	<.01	0.02	
25718	A506572	<2	0.01	0.14	<.001	<.01	0.02	0.02	
25800	A506765	<2	<.01	0.15	<.001	<.01	<.01	0.02	
25910	A506765	<2	<.01	0.12	0.001	<.01	<.01	0.01	
25981	A506765	<2	0.03	0.09	<.001	<.01	<.01	0.01	
25945	A506765	<2	<.01	0.11	<.001	<.01	<.01	0.01	
25952	A506765	5	<.01	0.12	0.001	<.01	0.02	0.02	follows_hi_grade
25830	A506765	<2	<.01	0.09	<.001	<.01	<.01	0.01	
25860	A506765	<2	<.01	0.11	0.001	<.01	<.01	0.01	
25888	A506765	<2	<.01	0.09	<.001	<.01	<.01	0.01	
305905	VAN07000388	<2	-	-	-	<0.01	<0.01	-	
305915	VAN07000388	<2	-	-	-	<0.01	<0.01	-	
305925	VAN07000388	<2	-	-	-	<0.01	<0.01	-	
305935	VAN07000388	<2	-	-	-	<0.01	<0.01	-	
305945	VAN07000388	<2	-	-	-	<0.01	<0.01	-	
305955	VAN07000388	7	-	-	-	0.04	0.08	-	follows_hi_grade
305965	VAN07000388	<2	-	-	-	<0.01	<0.01	-	
305975	VAN07000388	<2	-	-	-	<0.01	<0.01	-	
305985	VAN07000388	<2	-	-	-	<0.01	<0.01	-	
305995	VAN07000388	3	-	-	-	<0.01	0.08	-	follows_hi_grade
701005	VAN07000359	<2	-	-	-	0.02	0.02	-	follows_hi_grade
701015	VAN07000359	<2	-	-	-	<0.01	<0.01	-	
701025	VAN07000359	<2	-	-	-	<0.01	<0.01	-	
701035	VAN07000359	<2	-	-	-	<0.01	<0.01	-	
701045	VAN07000359	<2	-	-	-	<0.01	<0.01	-	
701055	VAN07001088	<2	-	-	-	<0.01	<0.01	-	
701065	VAN07001088	<2	-	-	-	<0.01	<0.01	-	
701075	VAN07001088	<2	-	-	-	<0.01	<0.01	-	
701085	VAN07001088	<2	-	-	-	<0.01	<0.01	-	
701095	VAN07001088	<2	-	-	-	<0.01	<0.01	-	
701105	VAN07001417	<2	-	-	-	<0.01	<0.01	-	
701115	VAN07001417	<2	-	-	-	<0.01	<0.01	-	
701125	VAN07001417	<2	-	-	-	<0.01	<0.01	-	
701135	VAN07001417	<2	-	-	-	<0.01	0.01	-	
701145	VAN07001417	<2	-	-	-	<0.01	0.02	-	
701155	VAN07001418	<2	-	-	-	<0.01	<0.01	-	
701165	VAN07001418	<2	-	-	-	<0.01	0.02	-	
701175	VAN07001418	<2	-	-	-	<0.01	<0.01	-	
701185	VAN07001418	<2	-	-	-	<0.01	<0.01	-	
701195	VAN07001418	<2	-	-	-	<0.01	<0.01	-	
701205	VAN07001418	<2	-	-	-	<0.01	<0.01	-	
701215	VAN07001583	<2	-	-	-	<0.01	<0.01	-	
701225	VAN07001583	<2	-	-	-	<0.01	<0.01	-	
701235	VAN07001583	<2	-	-	-	<0.01	<0.01	-	

701245	VAN07001583	<2	-	-	-	<0.01	<0.01	-	
17005	VAN09004121	<2	<0.01	0.11	<0.001	<0.01	<0.01	0.02	
17015	VAN09004121	<2	<0.01	0.1	<0.001	<0.01	<0.01	0.01	
17025	VAN09004121	<2	<0.01	0.1	<0.001	<0.01	<0.01	0.01	
17035	VAN09004121	<2	<0.01	0.1	<0.001	<0.01	<0.01	0.01	
17045	VAN09004121	<2	<0.01	0.1	<0.001	<0.01	<0.01	<0.01	
17055	VAN09004121	<2	<0.01	0.1	<0.001	<0.01	<0.01	0.01	
17065	VAN09004121	<2	<0.01	0.11	<0.001	<0.01	<0.01	0.01	
17075	VAN09004121	<2	<0.01	0.11	<0.001	<0.01	<0.01	0.02	
17085	VAN09004121	<2	<0.01	0.15	<0.001	<0.01	<0.01	0.03	
17095	VAN09004121	<2	<0.01	0.15	<0.001	<0.01	<0.01	0.03	
17105	VAN09004121	<2	<0.01	0.11	<0.001	<0.01	<0.01	0.01	
17115	VAN09004121	<2	<0.01	0.09	<0.001	<0.01	<0.01	0.01	
17125	VAN09004121	<2	0.03	0.11	<0.001	<0.01	<0.01	0.01	
17135	VAN09004121	<2	<0.01	0.09	<0.001	<0.01	<0.01	0.01	
17145	VAN09004121	<2	<0.01	0.08	<0.001	<0.01	<0.01	0.01	
17155	VAN09004121	<2	<0.01	0.09	<0.001	<0.01	<0.01	0.01	
17165	VAN09004121	<2	<0.01	0.09	<0.001	<0.01	<0.01	<0.01	
17175	VAN09004121	<2	0.01	0.09	<0.001	<0.01	<0.01	<0.01	
17185	VAN09004268	<2	<0.01	0.09	<0.001	<0.01	<0.01	0.01	
17195	VAN09004268	<2	<0.01	0.11	<0.001	<0.01	<0.01	0.01	
17205	VAN09004268	<2	<0.01	0.11	<0.001	<0.01	<0.01	0.01	
17215	VAN09004268	<2	<0.01	2.18	<0.001	<0.01	0.01	0.04	
17225	VAN09004268	<2	<0.01	2.04	<0.001	<0.01	0.01	0.03	
17235	VAN09004268	<2	<0.01	1.9	<0.001	<0.01	0.01	0.03	
17245	VAN09004268	<2	<0.01	2.33	<0.001	<0.01	0.02	0.08	
17255	VAN09004268	<2	<0.01	2.24	<0.001	<0.01	0.01	0.03	
17265	VAN09004268	<2	<0.01	2.4	<0.001	<0.01	<0.01	0.03	
17275	VAN09004268	<2	0.04	2.03	<0.001	<0.01	<0.01	0.03	
17285	VAN09004268	<2	<0.01	2.22	<0.001	<0.01	0.01	0.04	
17295	VAN09004268	<2	<0.01	2.24	<0.001	<0.01	0.02	0.04	
17305	VAN09004268	<2	<0.01	1.76	<0.001	<0.01	0.01	0.03	
17315	VAN09004268	<2	<0.01	2.03	<0.001	<0.01	0.01	0.03	
17325	VAN09004268	<2	<0.01	2.57	<0.001	<0.01	0.01	0.04	
17335	VAN09004268	<2	<0.01	2.19	<0.001	<0.01	0.02	0.03	
17345	VAN09004268	<2	<0.01	2.24	<0.001	<0.01	0.02	0.03	
17355	VAN09004268	<2	<0.01	2.25	<0.001	<0.01	0.02	0.04	
17365	VAN09004268	<2	<0.01	2.28	<0.001	<0.01	0.02	0.03	
17375	VAN09004268	<2	<0.01	1.98	<0.001	<0.01	0.01	0.03	
17385	VAN09004268	<2	<0.01	1.99	<0.001	<0.01	0.01	0.03	
17395	VAN09004268	3	<0.01	2.07	<0.001	<0.01	0.03	0.03	follows_hi_grade
17405	VAN09004268	<2	<0.01	1.87	<0.001	<0.01	<0.01	0.03	
17415	VAN09004268	<2	<0.01	2.21	<0.001	<0.01	<0.01	0.03	
17425	VAN09004268	<2	<0.01	2.37	0.002	<0.01	0.04	0.03	follows_hi_grade
17435	VAN09004268	<2	<0.01	1.86	<0.001	<0.01	0.01	0.03	
17445	VAN09004268	<2	<0.01	1.87	<0.001	<0.01	0.02	0.03	
17455	VAN09004268	<2	<0.01	1.81	<0.001	<0.01	<0.01	0.03	
17465	VAN09004268	<2	<0.01	2.15	<0.001	<0.01	0.02	0.03	
17475	VAN09004268	<2	<0.01	1.68	<0.001	<0.01	<0.01	0.02	
17485	VAN09004268	<2	<0.01	1.81	<0.001	<0.01	0.01	0.03	
308568	A607391	<2	<.01	0.08	0.001	<.01	<.01	0.01	
308582	A607391	2	<.01	0.11	0.001	<.01	<.01	0.01	follows_hi_grade (standard)
308615	A607391	<2	<.01	0.1	<.001	<.01	<.01	0.01	
308709	A607391	<2	<.01	0.13	0.001	<.01	<.01	0.01	
308734	A607391	<2	<.01	0.11	0.001	<.01	<.01	0.01	
308752	A607391	<2	<.01	0.13	<.001	<.01	<.01	0.01	
308774	A607391	<2	<.01	0.07	<.001	<.01	<.01	0.01	

APPENDIX 5

INDEPENDENT VERIFICATION SAMPLING

FIELD NOTES; SEPT 28-29, 2009						
Sample No.	Length (m)	Sample Type	UTM-83 East (m)	UTM-83 North (m)	Zone/ drillhole	Description
74326	0.1	core	-	-	DDH06-04	quarter-core duplicate of sample 308601 from DDH06-04
74327	1	core	-	-	DDH08-01	quarter-core duplicate of sample 17006 from DDH08-01
74328	-	blank	-	-	-	granodiorite used as blank sample from same pile as used in 2009
74329	0.35	chip	404295	6688935	TM-zone	massive galena vein; re-sample TM09-05 (308855)
74330	0.7	chip	from above	from above	TM-zone	rusty, vtz-carb vein ; re-sample TM09-04 (308854)
74331	0.3	chip	from above	from above	TM-zone	rusty, vtz-carb vein, with fine-grained galena; re-sample TM09-03 (308853)
74332	0.15	chip	404332	6688945	TM-zone	fine-grained pulverized vein breccia. Black in colour, sometimes oxidized rusty, azurite noted; re-sample of TM09-14 (308865); to verify CMC Sept 14-2009 news release of very high-grade silver assays
74333	0.4	chip	404591	6688982	S-zone	on picket-line T50+50; granodiorite rock type, including 10cm galena vein; re-sample 25110
74334	3	chip	405022	6689529	KL-zone	black alt'n of breccia zone, no visible mineralization; re-sample 25048
74335	0.51	chip	404942	6689125	M-zone	black alt'n of breccia zone, including 20cm galena vein ; re-sample TR09-21

ALS Chemex 2009 field check									
	ME-ICP41a						Ag-OG46		Ag-GRA21
Sample No.	Cu ppm	Fe %	Mn ppm	Pb ppm	Zn ppm	Ag ppm	Ag ppm	Pb %	Ag ppm
74326	190	38.7	>50000	450	20700	>200	241		
74327	8	5.57	5730	200	490	3			
74328	<5	2.51	1120	30	410	4			
74329	6980	4.77	140	>50000	3620	>200	>1500	>20.0	9250
74330	319	1.72	130	3640	1000	147			
74331	1880	1.36	60	>50000	1390	>200	>1500	>20.0	2260
74332	17300	3.62	750	23100	10650	>200	>1500		>10000
74333	1685	2.27	5110	>50000	4230	>200	1470	14.45	
74334	3970	23.7	>50000	10450	32600	>200	627		
74335	4130	13	21100	32500	19300	177			

Acme Analytical 2005 - 2009						
	7AR					
Sample No.	Cu ppm	Fe %	Mn ppm	Pb ppm	Zn ppm	Ag* ppm
308601	230	41.82	64900	600	21500	296
17006	10	4.33	5400	500	900	5
17205	<10	0.11	100	<100	<100	<2
308855	6710	5.14	100	451000	3500	9944
308854	180	1.6	<100	2600	1000	55
308853	1760	1.24	<100	257700	1900	3190
308865	52630	9.86	4700	13600	25200	37327
25110	1560	0.45	400	561000	13300	2700
25049	3590	20.8	53300	10500	31900	656
TR09-21	3150	9.19	10400	14000	19700	229

(* gravimetric when applicable)

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To: **DAHROUGE GEOLOGICAL CONSULTING LTD.**
18-10509 81ST AVE. NW
EDMONTON AB T6E 1X7

Finalized Date: 14-OCT-2009
This copy reported on 15-OCT-2009
Account: DAHGEO

CERTIFICATE VA09108464

Project: Silverhart
P.O. No.:
This report is for 10 Rock samples submitted to our lab in Vancouver, BC, Canada on 5-OCT-2009.
The following have access to data associated with this certificate:
NEIL MCCALLUM

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI-21	Received Sample Weight
PUL-QC	Pulverizing QC Test
LOG-22	Sample login - Rcd w/o BarCode
CRU-31	Fine crushing - 70% <2mm
SPL-21	Split sample - riffle splitter
PUL-31	Pulverize split to 85% <75 um

ANALYTICAL PROCEDURES

ALS CODE	DESCRIPTION	INSTRUMENT
Pb-OG46	Ore Grade Pb - Aqua Regia	VARIABLE
Ag-GRA21	Ag 30g FA-GRAV finish	WST-SIM
ME-ICP41a	High Grade Aqua Regia ICP-AES	ICP-AES
Ag-OG46	Ore Grade Ag - Aqua Regia	VARIABLE
ME-OG46	Ore Grade Elements - AquaRegia	ICP-AES

To: **DAHROUGE GEOLOGICAL CONSULTING LTD.**
ATTN: NEIL MCCALLUM
18-10509 81ST AVE. NW
EDMONTON AB T6E 1X7

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

Signature:
Colin Ramshaw, Vancouver Laboratory Manager

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Account: DAHGEO

Project: Silverhart

CERTIFICATE OF ANALYSIS VA09108464

Sample Description / Method	WEI-21	ME-ICP41a	ME-ICP41a	ME-ICP41a	ME-ICP41a	ME-ICP41a	ME-ICP41a	ME-ICP41a	ME-ICP41a	ME-ICP41a	ME-ICP41a	ME-ICP41a	ME-ICP41a	ME-ICP41a	ME-ICP41a
Analyte	Recvd Wt.	Ag	Al	As	Ba	Be	Bi	Ca	Cd	Co	Cr	Cu	Fe	Ga	Hg
Units	kg	ppm	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	%	ppm	ppm
LOR	0.02	1	0.05	10	50	5	10	0.05	5	5	5	5	0.05	50	5
74326	0.78	>200	0.21	1690	<50	<5	<10	0.11	59	<5	<5	190	38.7	<50	<5
74327	0.84	3	2.43	70	<50	<5	<10	12.50	<5	5	33	8	5.57	<50	<5
74328	0.62	4	1.48	210	200	<5	10	0.36	<5	<5	6	<5	2.51	<50	<5
74329	0.82	>200	0.40	3170	<50	<5	50	0.08	102	<5	<5	6980	4.77	<50	<5
74330	1.18	147	0.77	360	<50	<5	<10	<0.05	7	<5	<5	319	1.72	<50	<5
74331	0.62	>200	0.64	3180	<50	<5	<10	<0.05	10	<5	<5	1880	1.36	<50	<5
74332	0.26	>200	1.02	1600	<50	<5	60	0.10	95	<5	6	17300	3.62	<50	<5
74333	1.12	>200	0.94	90	<50	<5	<10	0.09	22	5	<5	1685	2.27	<50	<5
74334	1.24	>200	0.16	2380	<50	<5	130	0.06	154	13	<5	3970	23.7	<50	<5
74335	0.74	177	1.07	170	<50	<5	<10	0.31	101	<5	<5	4130	13.00	<50	<5

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Finalized Date: 14-OCT-2009
Account: DAHGEO

Project: Silverhart

CERTIFICATE OF ANALYSIS VA09108464

Sample Description	Method / Analyte / Units / LOR	ME-ICP41a K % 0.05	ME-ICP41a La ppm 50	ME-ICP41a Mg % 0.05	ME-ICP41a Mn ppm 30	ME-ICP41a Mo ppm 5	ME-ICP41a Na % 0.05	ME-ICP41a Ni ppm 5	ME-ICP41a P ppm 50	ME-ICP41a Pb ppm 10	ME-ICP41a S % 0.05	ME-ICP41a Sb ppm 10	ME-ICP41a Sc ppm 5	ME-ICP41a Sr ppm 5	ME-ICP41a Th ppm 100	ME-ICP41a Ti % 0.05
74326		0.14	<50	<0.05	>50000	42	<0.05	7	400	450	0.05	50	<5	275	<100	<0.05
74327		0.52	<50	0.49	5730	6	<0.05	13	350	200	0.62	<10	5	427	<100	<0.05
74328		0.77	<50	0.47	1120	<5	0.20	<5	690	30	<0.05	<10	<5	61	<100	0.17
74329		0.19	<50	<0.05	140	20	<0.05	<5	<50	>50000	4.58	8070	<5	22	<100	<0.05
74330		0.58	<50	<0.05	130	<5	<0.05	<5	450	3640	0.23	210	<5	21	<100	<0.05
74331		0.36	<50	<0.05	60	<5	<0.05	<5	150	>50000	1.42	1650	<5	13	<100	<0.05
74332		0.49	<50	0.12	750	12	<0.05	<5	390	23100	0.79	13000	<5	14	<100	<0.05
74333		0.55	50	<0.05	5110	<5	<0.05	<5	510	>50000	2.38	1640	<5	9	<100	<0.05
74334		<0.05	<50	<0.05	>50000	84	<0.05	19	110	10450	0.11	290	5	114	<100	<0.05
74335		0.45	<50	0.12	21100	<5	<0.05	<5	1230	32500	1.33	70	<5	11	<100	<0.05

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Finalized Date: 14-OCT-2009
Account: DAHGEO

Project: Silverhart

CERTIFICATE OF ANALYSIS VA09108464

Sample Description	Method / Analyte / Units / LOR	ME-ICP41a Tl ppm 50	ME-ICP41a U ppm 50	ME-ICP41a V ppm 5	ME-ICP41a W ppm 50	ME-ICP41a Zn ppm 10	Ag-OG46 Ag ppm 1	Pb-OG46 Pb % 0.001	Ag-GRA21 Ag ppm 5
74326		<50	<50	<5	<50	20700	241		
74327		<50	<50	36	720	490			
74328		<50	<50	41	<50	410			
74329		<50	<50	<5	<50	3620	>1500	>20.0	9250
74330		<50	<50	<5	<50	1000			
74331		<50	<50	<5	<50	1390	>1500	>20.0	2260
74332		<50	<50	9	<50	10650	>1500		>10000
74333		<50	<50	6	<50	4230	1470	14.45	
74334		<50	<50	<5	<50	32600	627		
74335		<50	<50	15	<50	19300			

APPENDIX 5B

HIGH GRADE AND XRF VERIFICATION

From July 29, 2009 News Release REPORTED XRF TESTING

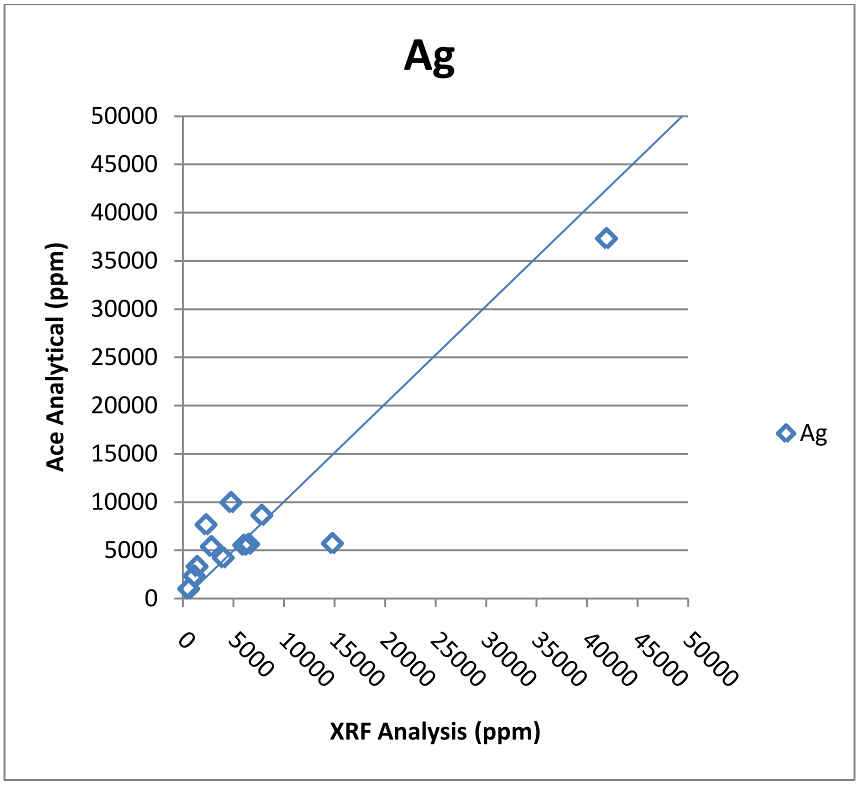
Station Line	From meters	To meters	Width meters	Silver grams/ tonne	Lead percent	Zinc percent	Copper percent
40	17.25	17.9	0.65	2311	5.06	0.5	0.34
50	15.8	17.15	1.35	1420	8.56	0.17	0.24
including	16.8	17.15	0.35	4775	21.78	0.35	0.87
60	14.6	17.9	3.3	4003	4.65	0.25	0.53
including	14.6	15.7	1.1	7821	10.04	0.26	0.45
including	16.85	17.5	0.65	6514	5.5	0.50	1.60
70	13.05	14.3	1.25	1128	1.8	0.22	0.22
	15.95	16.15	0.2	14,800	4.58	0.66	0.52
	18.25	21	2.75	591	2.9	0.21	0.39
including	18.7	18.95	0.25	2831	3.8	0.24	0.32
80	13.5	14.62	1.12	6034	0.66	1.22	0.45
including	14.1	14.25	0.15	41,900	1.98	1.07	2.28

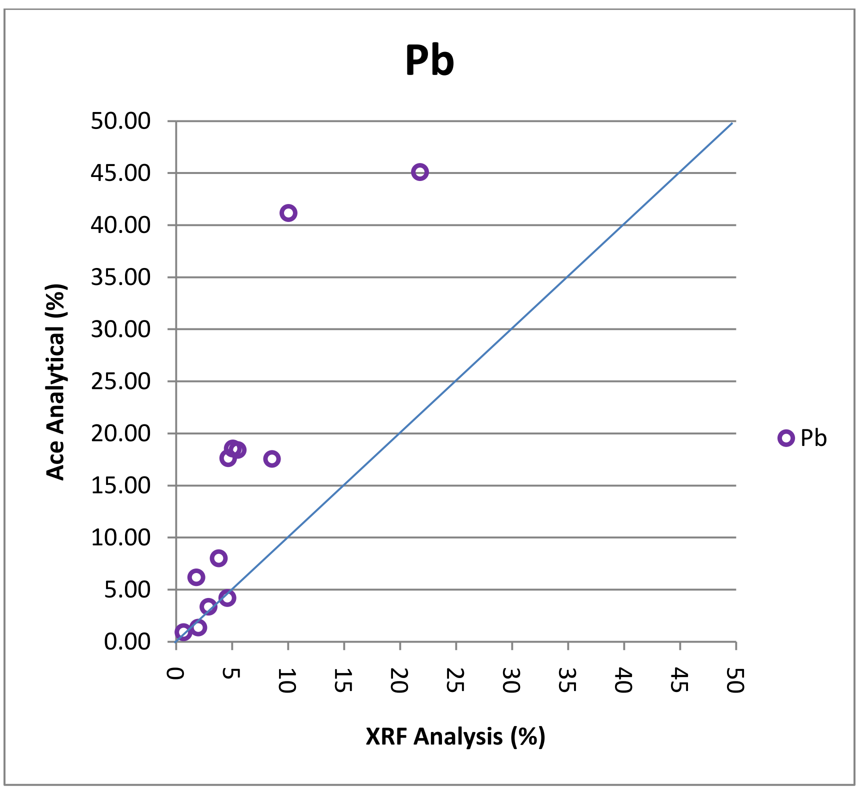
From September 15, 2009 News Release REPORTED ASSAY RESULTS

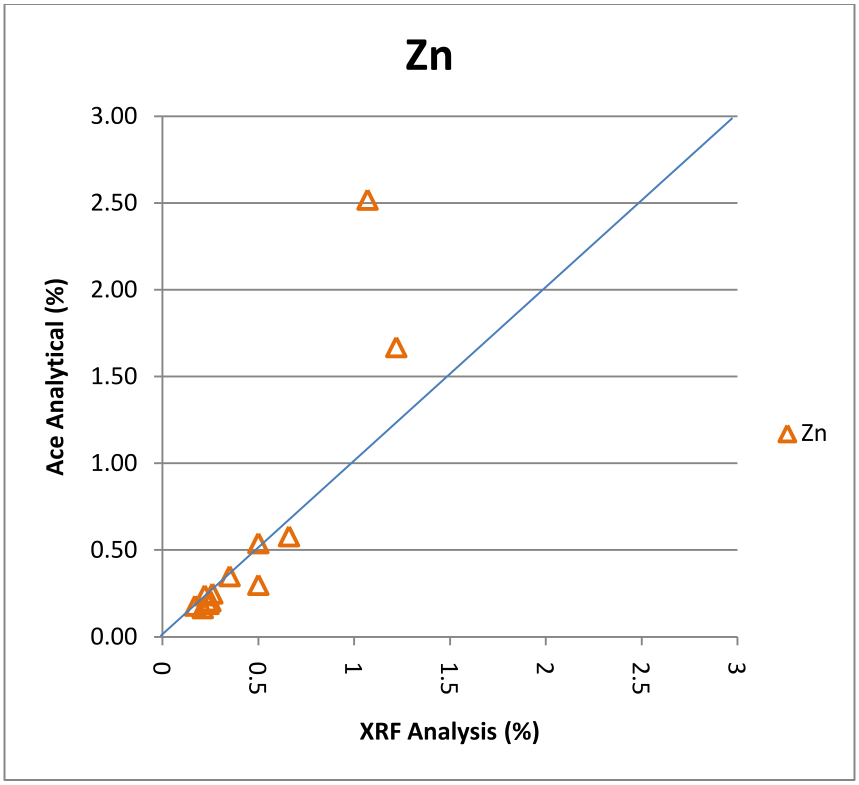
	Station Line	From meters	To meters	Width meters	Silver grams/ tonne	Lead percent	Zinc percent	Copper percent	Gold grams/ tonne	Comments
308856	40	17.25	17.9	0.65	7643	18.55	0.54	0.45		
308853 - 55	50	15.8	17.15	1.35	3315	17.55	0.18	0.22		
308855	including	16.8	17.15	0.35	9944	45.1	0.35	0.67		
25985 - 88	60	14.6	17.9	3.3	**4140**	**17.27**	**0.21**	**0.58**		summing error in spreadsheet
25985	including	14.6	15.7	1.1	8625	41.17	0.25	0.97		
25987	including	16.85	17.5	0.65	5623	18.41	0.3	1.12		
308857	70	13.05	14.3	1.25	2339	6.18	0.24	0.22		
308858		15.95	16.15	0.2	5698	4.19	0.58	0.15		
308859 - 63		18.25	21	2.75	**593**	**0.85**	**0.13**	**0.05**		summing error in spreadsheet
308860	including	18.7	18.95	0.25	5379	8	0.19	0.47		
308864 - 66	80	13.5	14.62	1.12	5518	0.9	1.67	0.8		
308866	including	14.1	14.25	0.15	37,311	1.36	2.52	5.26	3.93	

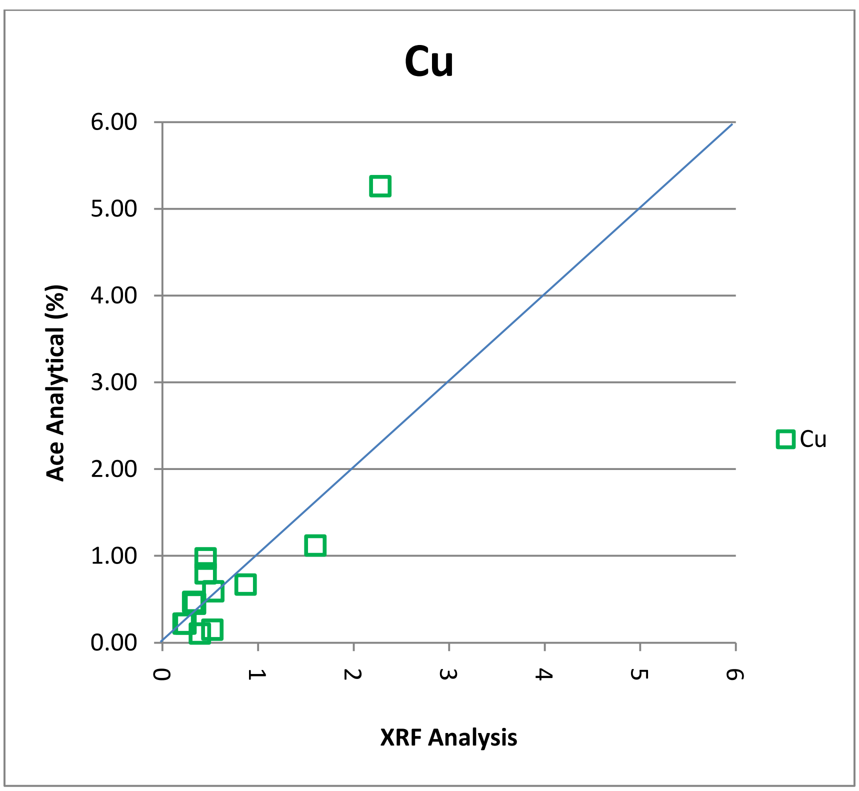
Verified Acme Analytical Analysis

Certificate #	Location Stn Line	ACME sample #	to	from	width	Ag	Pb	Zn	Cu	Au
VAN09003132	40	308856	17.25	17.9	0.65	7643	18.55	0.54	0.45	N/A
VAN09003132	50	308853	15.80	16.10	0.30	3190	25.77	0.19	0.18	N/A
VAN09003132		308854	16.10	16.80	0.70	55	0.26	0.10	0.02	N/A
VAN09003132		308855	16.80	17.15	0.35	9944	45.10	0.35	0.67	N/A
		308853 - 308855	*15.80*	*17.15*	*1.35*	*3315*	*28.01*	*11.75*	*0.22*	N/A
A605656	60	25985	14.60	15.70	1.10	8625	41.17	0.25	0.97	0.47
A605656		25986	15.70	16.85	1.15	536	0.51	0.09	0.10	0.07
A605656		25987	16.85	17.50	0.65	5623	18.41	0.30	1.12	0.49
A605656		25988	17.50	17.90	0.40	404	0.77	0.26	0.12	0.06
		25985 - 25988	*14.60*	*17.90*	*3.30*	***4218***	***17.62***	***0.21***	***0.59***	*0.28*
VAN09003132	70	308857	13.05	14.30	1.25	2339	6.18	0.24	0.22	N/A
VAN09003132		308858	15.95	16.15	0.20	5698	4.19	0.58	0.15	N/A
VAN09003132		308859	18.25	18.70	0.45	2438	15.27	0.24	0.33	N/A
VAN09003132		308860	18.70	18.95	0.25	5379	8.00	0.19	0.47	N/A
VAN09003132		308861	18.95	19.50	0.55	105	0.22	0.19	0.02	N/A
VAN09003132		308863	19.50	21.00	1.50	152	0.15	0.13	0.01	N/A
		308859 - 308863	*18.25*	*21.00*	*2.75*	***992***	***3.35***	***0.17***	***0.11***	
VAN09003132	80	308864	13.50	14.10	0.60	852	1.29	2.35	0.14	N/A
VAN09003132		308865	14.10	14.25	0.15	37311	1.36	2.52	5.26	3.93
VAN09003132		308866	14.25	14.62	0.37	195	0.09	0.22	0.06	N/A
		308864 - 308866	*13.50*	*14.62*	*1.12*	*5518*	*0.90*	*1.67*	*0.80*	


Ag
Ace Analytical (ppm)
50000
45000
40000
35000
30000
25000
20000
15000
10000
5000
0
0
5000
10000
15000
20000
25000
30000
35000
40000
45000
50000
XRF Analysis (ppm)
Ag


Pb
Ace Analytical (%)
50.00
45.00
40.00
35.00
30.00
25.00
20.00
15.00
10.00
5.00
0.00
0
5
10
15
20
25
30
35
40
45
50
XRF Analysis (%)
Pb


Zn
3.00
2.50
2.00
1.50
1.00
0.50
0.00
Ace Analytical (%)
0
0.5
1
1.5
2
2.5
3
XRF Analysis (%)
Zn


Cu
6.00
5.00
4.00
3.00
2.00
1.00
0.00
Ace Analytical (%)
0
1
2
3
4
5
6
XRF Analysis
Cu

APPENDIX 6A

RESOURCE CALUCULATION TABLE - 600 Ag-Eq cut-off

APPENDIX 6B - RESOURCE CALUCULATION TABLE - 600 Ag-Eq cut-off

DRILLHOLE	FROM	TO	Block-No	Block Area	Lateral Influence	Density	Ag (ppm)	Pb (%)	Zn (%)	AG-Eq (ppm)	Block Volume	Block-Tonnes	Weight Averaged Ag (g/t)	Weight Averaged Pb (%)	Weight Averaged Zn (%)
CMC05-08	23	25.45	KL08-A	45.49	9.88	2.9	898.6	4.21	3.12	1095.9	449	1303	72.08	0.34	0.25
CMC06-04	31.2	34.45	KL08-B	37.77	9.88	2.9	580.6	0.21	2.63	747.2	373	1082	38.67	0.01	0.18
DH86-52	24.96	28.04	KL09-A	53.33	19.42	2.9	899.1	3.21	6.47	1308.7	1036	3003	166.19	0.59	1.20
DH86-53	35.55	39.55	KL09-B	46.44	19.42	2.9	127.0	0.05	7.94	629.8	902	2615	20.44	0.01	1.28
DH86-54	48.58	51.9	KL09-C	36.65	19.42	2.9	110.9	0.05	8.35	639.1	712	2064	14.09	0.01	1.06
CMC05-07	23.15	25.9	KL11-A	67.59	31.53	2.9	150.0	0.19	10.16	793.2	2131	6180	57.05	0.07	3.86
CMC07-07	12.4	14.4	M03-A	30.07	13.64	2.9	1186.6	6.06	3.29	1394.5	410	1189	111.78	0.57	0.31
CMC09-01	25.2	27.5	M04-A	57.36	17.82	2.9	1014.8	4.51	3.05	1208.0	1022	2964	238.23	1.06	0.72
CMC07-05	15	16.5	M05-A	22.47	27.75	2.9	304.8	3.34	7.50	779.4	624	1808	43.65	0.48	1.07
CMC07-06	17.55	19.6	M05-B	18.57	27.75	2.9	223.0	0.72	8.44	757.4	515	1494	26.39	0.09	1.00
CMC09-05	23.3	25.1	M05-C	16.30	27.75	2.9	231.9	1.50	5.83	600.8	452	1312	24.09	0.16	0.61
CMC07-08	25.1	27.85	M06-A	43.09	23.04	2.9	515.7	9.32	7.19	970.6	993	2879	117.59	2.13	1.64
CMC08-05	20.9	22.31	M06-B	14.66	23.04	2.9	340.0	5.67	4.42	619.6	338	980	26.38	0.44	0.34
DH85-11	36.01	37.84	TM01-A	26.28	34.71	2.9	865.4	0.96	6.56	1280.6	912	2645	56.30	0.06	0.43
CMC07-01	31.9	34.2	TM02-A	27.88	42.92	2.9	1048.5	1.41	14.31	1954.1	1197	3470	89.48	0.12	1.22
DH85-08	41.79	43.62	TM02-B	27.75	42.92	2.9	1405.1	7.05	4.68	1701.2	1191	3454	119.36	0.60	0.40
DH85-13	66.87	69.49	TM02-C	26.28	42.92	2.9	362.4	0.09	23.00	1818.1	1128	3271	29.15	0.01	1.85
CMC05-13	1.23	3	TM03-A	6.77	38.65	2.9	2021.6	3.62	1.04	2087.7	262	759	37.73	0.07	0.02
CMC05-12	14.45	15.9	TM03-B	13.41	38.65	2.9	1716.1	0.23	34.62	3907.4	518	1503	63.44	0.01	1.28
CMC07-03	29.6	31.15	TM03-C	21.03	38.65	2.9	889.9	2.27	13.22	1726.7	813	2357	51.59	0.13	0.77
CMC05-14	23.35	24.75	TM04-A	27.46	34.97	2.9	289.7	0.54	5.07	610.8	960	2785	19.84	0.04	0.35
CMC09-08	29.2	32.3	TM04-B	36.17	34.97	2.9	227.0	0.04	19.06	1433.6	1265	3668	20.48	0.00	1.72
DH85-04	19.6	21	TM05-A	30.13	25.52	2.9	310.3	0.77	5.10	632.9	769	2230	17.02	0.04	0.28
CMC07-04	39.2	41	TM05-B	31.47	25.52	2.9	156.0	0.40	7.47	628.6	803	2329	8.94	0.02	0.43
DH85-03	36.09	37.67	TM06-A	12.45	24.92	2.9	333.0	0.07	10.33	986.8	310	900	7.37	0.00	0.23
CMC09-12	40.1	42.7	TM06-B	29.05	24.92	2.9	631.2	1.18	5.81	999.0	724	2099	32.59	0.06	0.30
CMC09-13	48.2	51.77	TM06-C	52.52	24.92	2.9	169.3	0.03	8.36	698.6	1309	3796	15.80	0.00	0.78
CMC09-15	22.9	25.4	TM07-A	30.05	29.00	2.9	493.8	1.90	2.61	658.8	871	2527	30.69	0.12	0.16
CMC09-16	49.2	52.77	TM07-B	34.11	29.00	2.9	292.0	0.02	7.00	735.1	989	2869	20.60	0.00	0.49

	Tonnes	Ag (g/t)	Pb (%)	Zn (%)
TM Zone	40,662	620.36	1.29	10.70
KL Zone	16,249	368.52	1.03	7.82
M Zone	12,627	588.11	4.91	5.69
Total	**69,537**	**555.66**	**1.89**	**9.12**

APPENDIX 6B

RESOURCE CALUCULATION TABLE - 900 Ag-Eq cut-off

APPENDIX 6C - RESOURCE CALUCULATION TABLE - 900 Ag-Eq cut-off

													Weight Averaged		
DRILLHOLE	FROM	TO	Block-No	Block Area	Lateral Influence	Density	Ag (ppm)	Pb (%)	Zn (%)	AG-Eq (ppm)	Block Volume	Block-Tonnes	Ag (g/t)	Pb (%)	Zn (%)
CMC07-07	12.4	14.4	M03-A	30.07	13.64	2.9	1186.6	6.06	3.29	1394.5	410	1189	177.37	0.91	0.49
CMC09-01	25.2	27.5	M04-A	57.36	17.82	2.9	1014.8	4.51	3.05	1208.0	1022	2964	378.03	1.68	1.14
CMC07-06	17.55	18.95	M05-A	11.49	27.75	2.9	308.0	0.86	11.62	1043.2	319	925	35.79	0.10	1.35
CMC07-08	25.1	27.85	M06-A	43.09	23.04	2.9	515.7	9.32	7.19	970.6	993	2879	186.59	3.37	2.60
DH85-11	36.01	37.84	TM01-A	26.26	34.71	2.9	864.1	0.95	6.55	1278.8	911	2643	117.90	0.13	0.89
CMC07-01	32.8	34.2	TM02-A	27.88	42.92	2.9	1048.5	1.41	14.31	1954.1	1197	3470	187.80	0.25	2.56
DH85-08	41.18	42.95	TM02-B	27.75	42.92	2.9	1405.1	7.05	4.68	1701.2	1191	3454	250.50	1.26	0.83
DH85-13	66.87	68.28	TM02-C	26.28	42.92	2.9	362.4	0.09	23.00	1818.1	1128	3271	61.19	0.02	3.88
CMC05-13	0	1.92	TM03-A	6.13	38.65	2.9	1759.3	3.22	0.85	1813.2	237	687	62.39	0.11	0.03
CMC05-12	14.45	15.9	TM03-B	13.51	38.65	2.9	1716.1	0.23	34.62	3907.4	522	1514	134.13	0.02	2.71
CMC07-03	29.6	31.15	TM03-C	19.15	38.65	2.9	889.9	2.27	13.22	1726.7	740	2146	98.59	0.25	1.46
CMC09-08	30.39	32.3	TM04-A	21.57	34.97	2.9	346.8	0.06	29.90	2239.3	754	2187	39.16	0.01	3.38

	Tonnes	Ag (g/t)	Pb (%)	Zn (%)
TM Zone	19,374	951.67	2.04	15.75
M Zone	7,957	777.77	6.06	5.58
Total	**27,331**	**901.04**	**3.21**	**12.79**

APPENDIX 7

Recommended Budget

PHASE I RECOMMENDATIONS
CMC METALS LTD.
SILVER HART PROPERTY

A) Surveying of drillholes, channel samples, pickets									
estimated 2 persons, 1.5 weeks									
1 primary technician	10	days @	$	500.00	/day	$	5,000.00		
2 assistant	10	days @	$	400.00	/day	$	4,000.00		
Equipment renatal					est.	$	5,000.00		
mobilization					est.	$	2,000.00		
Sustinence					est.	$	3,000.00		
								$	**19,000.00**
B) Sketching of channel samples									
Estimated 1 person, 5 days									
1 Project Geologist	5	days @	$	500.00	/day	$	2,500.00		
mobilization					est.	$	1,000.00		
sustinence					est.	$	750.00		
								$	**4,250.00**
C) Check Assays for Analytical verification									
Analytical costs	130	samples	$	50.00	/sample	$	6,500.00		
sample preparation (CMC Metals)					est.	$	2,000.00		
shipping					est.	$	1,000.00		
								$	**9,500.00**
D) Core Re-logging									
Estimated 2 persons, 3 weeks									
1 Project Geologist	21	days @	$	500.00	/day	$	10,500.00		
2 Junior Geologist	21	days @	$	375.00	/day	$	7,875.00		
mobilization					est.	$	2,000.00		
Sustinence					est.	$	6,300.00		
								$	**26,675.00**
D) SG determination									
Estimated 2 persons, additional 1 week to item D									
1 Project Geologist	7	days @	$	500.00	/day	$	3,500.00		
2 Junior Geologist	7	days @	$	375.00	/day	$	2,625.00		
Analytical determination additional to item C									
	130	samples	$	11.25	/sample	$	1,462.50		
								$	**7,587.50**
E) Diamond Drilling for expansion of Resources and exploration									
Estimated 3 persons, 3 weeks									
1 Project Geologist	60	days @	$	500.00	/day	$	30,000.00		
2 Junior Geologist	60	days @	$	375.00	/day	$	22,500.00		
1 Geological Technician	60	days @	$	250.00	/day	$	15,000.00		
meterage (26 holes)	1560	meters	$	150.00	/meter	$	234,000.00		
drilling consumables					est.	$	58,500.00		
Fuel					est.	$	10,000.00		
Analytical costs	390	samples	$	50.00	/sample	$	19,500.00		
Misc. Rentals					est.	$	5,300.00		
mobilization					est.	$	5,000.00		
Camp supporting costs					est.	$	63,000.00		
								$	**462,800.00**

F) Geological Mapping						
Estimated 1 persons, 1 weeks						
1 Project Geologist	7 days @	$ 500.00	/day	$ 3,500.00		
mobilization			est.	$ 1,000.00		
Camp supporting costs			est.	$ 1,050.00		
					$	**5,550.00**
G) Bulk Sampling						
Estimated 2 persons,2 weeks						
1 Project Geologist	14 days @	$ 500.00	/day	$ 7,000.00		
2 Junior Geologist	14 days @	$ 375.00	/day	$ 5,250.00		
Blasting crew and equipment	14	$ 1,500.00	/day	$ 21,000.00		
Excavator	14	$ 1,800.00	/day	$ 25,200.00		
Analyses	50	$ 50.00	/sample	$ 2,500.00		
					$	**60,950.00**
H) Metallurgy						
Estimated 1 person 1 week						
1 Project Geologist	7 days @	$ 500.00	/day	$ 3,500.00		
Estimated Lab costs				$ 200,000.00		
					$	**203,500.00**
				Contingency 15%:	**$**	**120,000.00**
				Subtotal Recommended Work Program:	**$**	**800,000.00**
				Total:	**$**	**920,000.00**

Plate 1A Core storage and logging shed

Plate 1B Core splitting shack

Plate 1C 2005 core box (hole CMC05-04)

Plate 1D 2006 core box (CMC06-04)

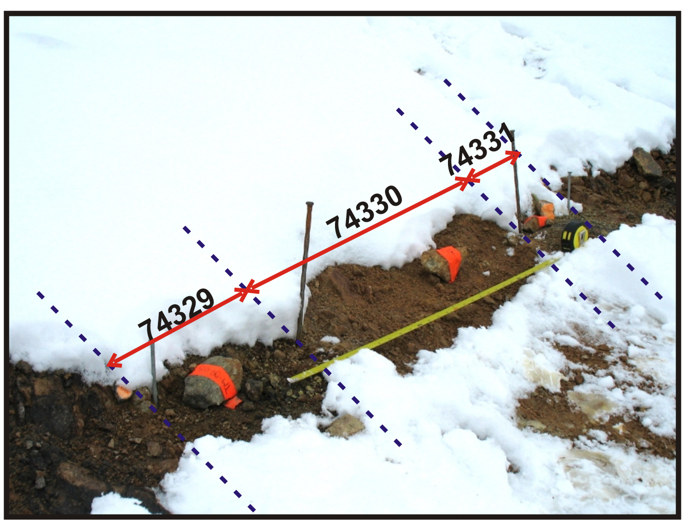


Plate 1E TM vein chip sample

Plate 1F Labelled drill collar from 2009

PLATE 1. Photographs from September, 2009 property visit.