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DUPLICATE

GEOPHYSICAL REPORT  
For  
**GOLDEN CHALICE RESOURCES INC.**  
ON THE  
**TOTAL FIELD MAGNETIC AND VLF-EM SURVEYS**  
**PENHORWOOD PROPERTY**  
PENHORWOOD TOWNSHIP  
PORCUPINE MINING DIVISION  
NORTHEASTERN, ONTARIO

Prepared by: J.C. Grant, CET, FGAC  
February 2010

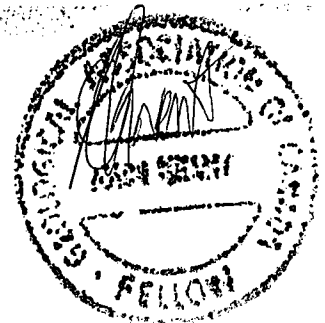
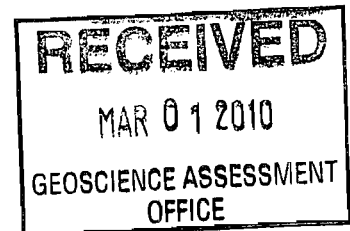


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## **INTRODUCTION:**

The services of Exsics Exploration Limited were retained by Mr. K. Montgomery, on behalf of the Company, Golden Chalice Resources Inc., to complete a detailed ground geophysical program on the Penhorwood Property, which is located in the northeast portion of Penhorwood Township of the Porcupine Mining Division of Northeastern Ontario.

The purpose of this ground program was to follow up on an initial ground program completed in the fall of 2009 that was completed across a portion of the grid that had returned elevated gold values from a soil sampling program. This recent program consisted of expanding the original grid to the east and west to define and outline favorable horizons that would lend themselves to the possibility of larger and more economical gold deposits.

The ground program commenced on the last week of December 2009 with the commencement of the additional line cutting. This was followed up in late January 2010 with a total field magnetic survey that was completed in conjunction with a VLF-EM survey and later with a Time Domain IP survey using the pole-dipole array.

In all, a total of 26.5 kilometers of new cutting was added to the existing 8.5 kilometers for a total of 34.0 kilometers of grid lines that were cut across the property. Lines 700ME to 1300ME of the original cutting has been covered an IP survey to date. The remaining cross lines are currently being covered by the IP program and those results will be incorporated into this report once the survey is completed.

## **PROPERTY LOCATION AND ACCESS:**

The Penhorwood property is situated in the northeast section of the Township, which is part of the Porcupine Mining Division. More specifically, the property is situated approximately 2.1 kilometers to the northeast of Steepe Lake that is the southern most lake of a chain of lakes that lie to the immediate southwest of the grid area. The main Kenogaming limber road cuts across the grid area in a northeast to southwest direction. Refer to Figures 1 and 2. The entire property is located approximately 60 kilometers southwest of the City of Timmins.

Access to the grid during the survey period was ideal. Highway 101 travels west from Timmins and crosses the north end of a good logging road locally called the Kenogaming lumber road. This gravel road travels south and southwest through Penhorwood and crosses the northern section of the grid area.



**EXSICS EXPLORATION LTD.**  
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**CLIENT: GOLDEN CHALICE RESOURCES LTD.**

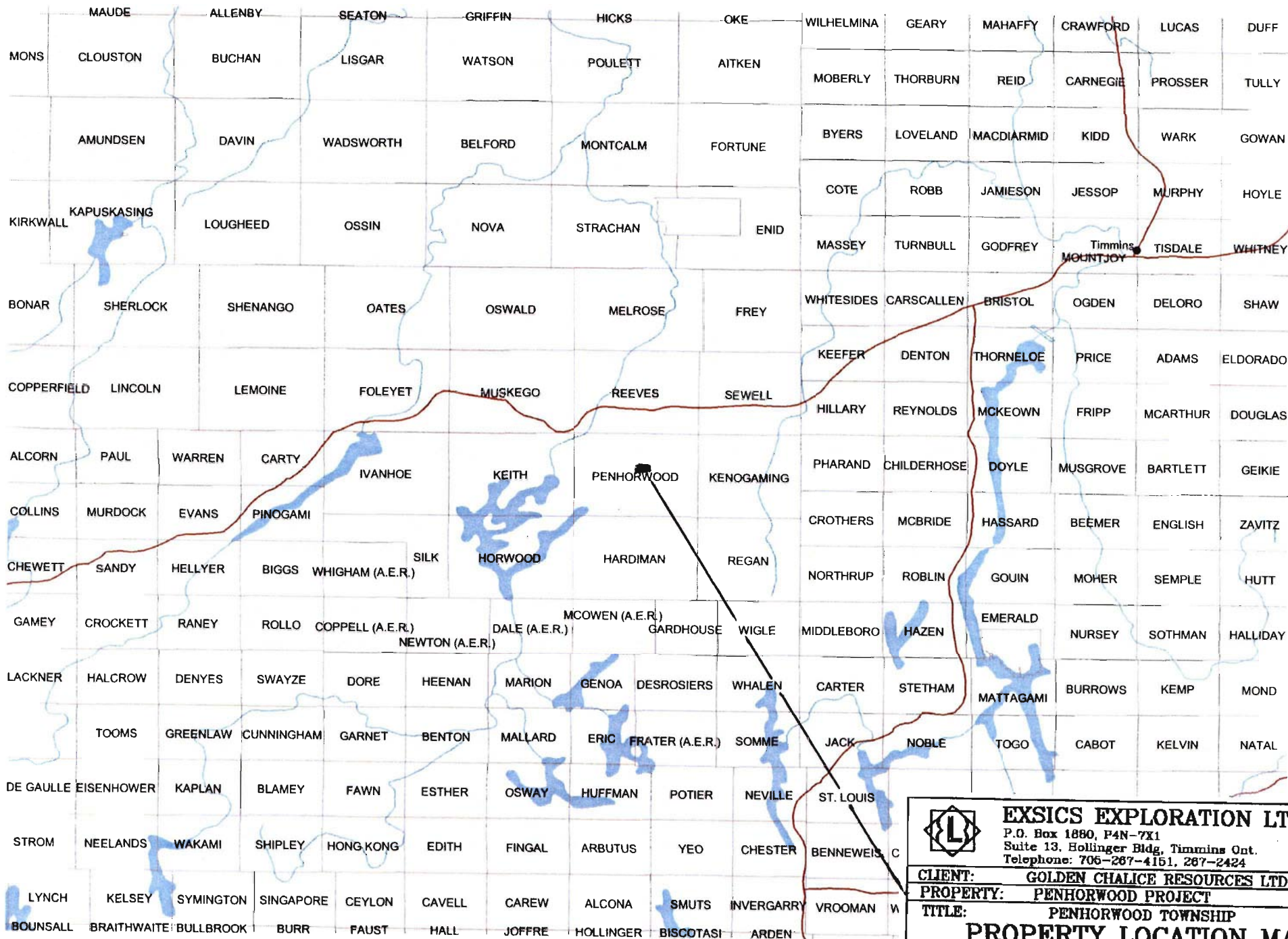
**PROPERTY: PENHORWOOD PROJECT**


**TITLE: PENHORWOOD TOWNSHIP**

**LOCATION MAP**

Fig. 1

Date: FEB.10	Scale: 1:600,000	NTS:
Drawn: J.C. Grant	Interp: J.C. Grant	Job No.: E-686



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<b>PROPERTY: PENHORWOOD PROJECT</b>		
<b>TITLE: PENHORWOOD TOWNSHIP</b>		
<b>PROPERTY LOCATION MAP</b>		
<b>Fig. 2</b>		
<b>Date: FEB. 10</b>	<b>Scale: 1:200,000</b>	<b>NTS:</b>
<b>Drawn: J.C. Grant</b>	<b>Interp: J.C. Grant</b>	<b>Job No.: E-886</b>

NAD 83  
5 degree grid

**CLAIM BLOCK:**

The claim numbers that represent the portion of the property that was covered by this current ground program are as follows.

4207034,	16 units
4207036,	16 units
4207037,	10 units
4207042,	16 units
4207043,	16 units
4207044	16 units

Refer to Figure 3 of this report that was copied from MNDM Plan Map G-3244 of Penhorwood Township for the positioning of the claims within the Township.

**PERSONNEL:**

The field crew directly responsible for the collection of all of the raw magnetic and VLF-EM field data was as follows.

J. Francoeur	Timmins, Ontario,
R. Bradshaw	Timmins, Ontario,

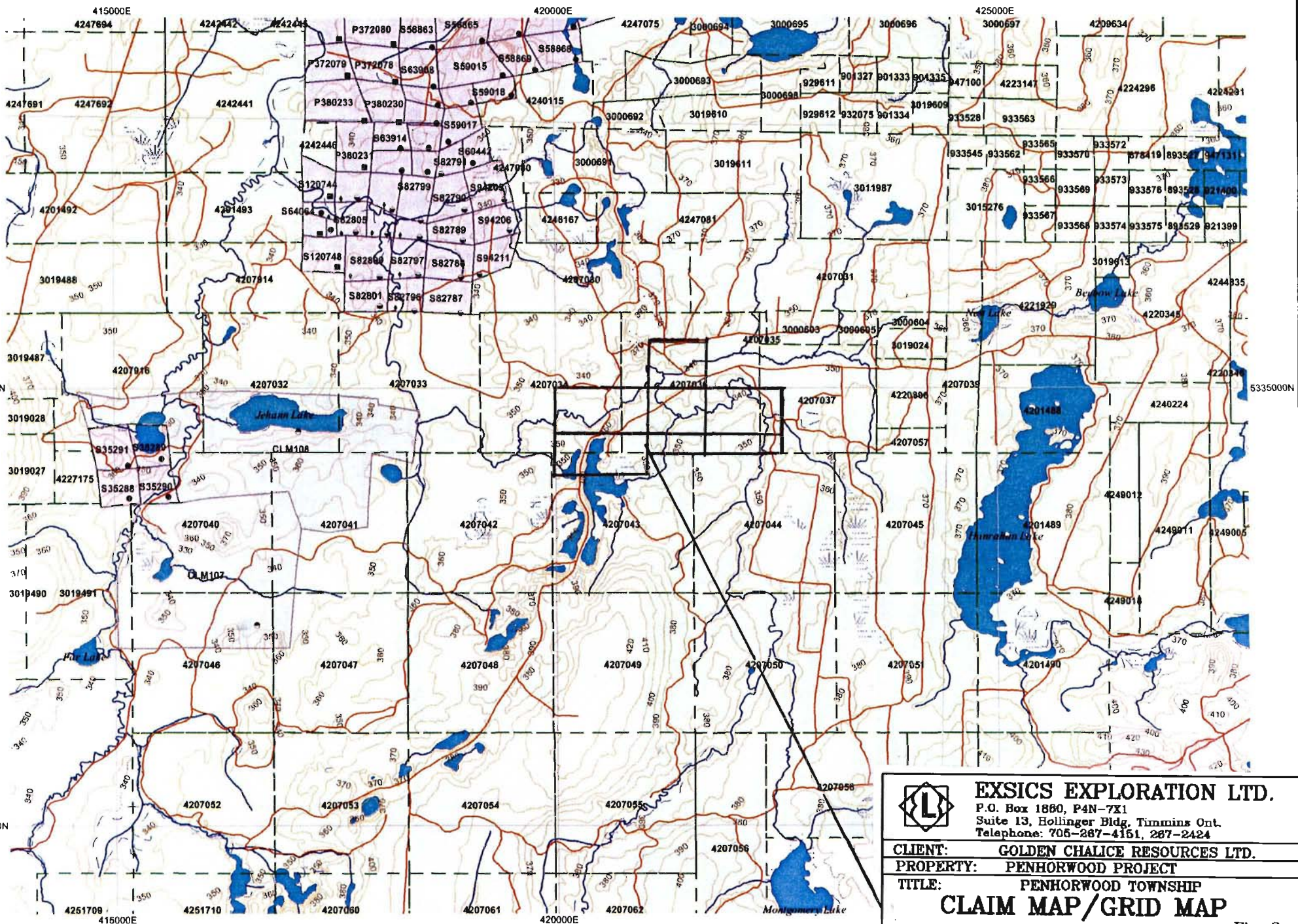
The entire program was completed under the direct supervision of J.C. Grant and all of the plotting, compilation, interpretation and reports were completed by in-house staff.

**GROUND PROGRAM:**

The ground program was completed in two stages. The first stage was to cut a detailed metric grid across the claim block.

The grid consisted of a series of east-west lines that were spaced 100 meters apart. These lines were turned off of a base line that was first cut across the grid at an azimuth of 090 degrees from a point that had been established by the client. This base line was cut and chained with 25 meter station intervals from line 0+00ME to and including 2700ME. All of the cross lines were also chained with 25 meter station intervals from 500MN to and including 500MS. Lines 700ME to 1100ME were cut from 500MS to 750MN and lines 1200ME to 1800ME were cut from 500MS to 1000MN. Line 2500ME was not cut due to the direction of the Nat River that cuts across the same area in a north to south direction.

Once the line cutting was completed, Exsics then commenced a Total field magnetic survey that was done in conjunction with a VLF-EM survey.



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**CLIENT: GOLDEN CHALICE RESOURCES LTD.**

**PROPERTY: PENHORWOOD PROJECT**

**TITLE: PENHORWOOD TOWNSHIP  
 CLAIM MAP/GRID MAP**

Fig. 3

Date: FEB.10	Scale:1:60,000	NTS:
Drawn:J.C.Grant	Interp: J.C.Grant	Job No.: E-686

UTM Zone 17  
 5000m grid

LANGMUIR	<a href="#">4201284</a>	2005-Nov-01	2010-Nov-01	A	100 %	\$ 4,800	\$ 14,400	\$ 0	\$ 0
LANGMUIR	<a href="#">4201289</a>	2005-Nov-01	2010-Nov-01	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
LANGMUIR	<a href="#">4201290</a>	2005-Nov-01	2010-Nov-01	A	100 %	\$ 1,600	\$ 4,800	\$ 0	\$ 0
LANGMUIR	<a href="#">4202744</a>	2005-Jun-06	2011-Jun-06	A	100 %	\$ 800	\$ 3,200	\$ 0	\$ 0
LANGMUIR	<a href="#">4202748</a>	2005-Jul-18	2014-Jul-18	A	100 %	\$ 4,400	\$ 30,800	\$ 3,418	\$ 0
LANGMUIR	<a href="#">4202814</a>	2005-Jun-06	2011-Jun-06	A	100 %	\$ 400	\$ 1,600	\$ 0	\$ 0
LANGMUIR	<a href="#">4202815</a>	2005-Jun-06	2011-Jun-06	A	100 %	\$ 1,600	\$ 6,400	\$ 0	\$ 0
LANGMUIR	<a href="#">4202816</a>	2005-Jun-06	2011-Jun-06	A	100 %	\$ 3,200	\$ 12,800	\$ 0	\$ 0
LANGMUIR	<a href="#">4203498</a>	2005-Jul-18	2014-Jul-18	A	100 %	\$ 3,200	\$ 22,400	\$ 0	\$ 0
								1,271,081	
LANGMUIR	<a href="#">4203563</a>	2005-Feb-08	2011-Feb-08	A	100 %	\$ 4,000	\$ 16,000	\$ 0	\$ 0
LANGMUIR	<a href="#">4203564</a>	2005-Feb-08	2011-Feb-08	A	100 %	\$ 6,000	\$ 24,000	\$ 0	\$ 0
LANGMUIR	<a href="#">4203567</a>	2005-Feb-08	2011-Feb-08	A	100 %	\$ 6,400	\$ 25,600	\$ 0	\$ 0
LANGMUIR	<a href="#">4203568</a>	2005-Feb-08	2011-Feb-08	A	100 %	\$ 3,200	\$ 12,800	\$ 0	\$ 0
LANGMUIR	<a href="#">4203569</a>	2005-Feb-08	2011-Feb-08	A	100 %	\$ 3,200	\$ 12,800	\$ 0	\$ 0
LANGMUIR	<a href="#">4203570</a>	2005-Feb-08	2011-Feb-08	A	100 %	\$ 400	\$ 1,600	\$ 102,723	\$ 0
LANGMUIR	<a href="#">4203571</a>	2005-Feb-08	2011-Feb-08	A	100 %	\$ 6,400	\$ 25,600	\$ 109,054	\$ 0
LANGMUIR	<a href="#">4207038</a>	2005-Jul-18	2011-Jul-18	A	100 %	\$ 1,600	\$ 6,400	\$ 54,983	\$ 0
LANGMUIR	<a href="#">4220197</a>	2007-May-22	2010-May-22	A	100 %	\$ 1,200	\$ 1,200	\$ 0	\$ 0
LANGMUIR	<a href="#">4220210</a>	2007-May-22	2011-May-22	A	100 %	\$ 4,800	\$ 9,600	\$ 0	\$ 0
LOVELAND	<a href="#">4224270</a>	2008-Jan-07	2010-Sep-07	A	100 %	\$ 4,000	\$ 0	\$ 0	\$ 0
LOVELAND	<a href="#">4224271</a>	2008-Jan-07	2010-Sep-07	A	100 %	\$ 2,400	\$ 0	\$ 0	\$ 0
LOVELAND	<a href="#">4224272</a>	2008-Jan-07	2010-Sep-07	A	100 %	\$ 4,000	\$ 0	\$ 0	\$ 0
LOVELAND	<a href="#">4224273</a>	2008-Jan-07	2010-Sep-07	A	100 %	\$ 2,400	\$ 0	\$ 0	\$ 0
MACDIARMID	<a href="#">4223960</a>	2007-Jun-21	2010-Jun-21	A	100 %	\$ 4,800	\$ 4,800	\$ 0	\$ 0
MACDIARMID	<a href="#">4223961</a>	2007-Jun-21	2010-Jun-21	A	100 %	\$ 3,600	\$ 3,600	\$ 0	\$ 0
MACDIARMID	<a href="#">4223962</a>	2007-Jun-21	2010-Jun-21	A	100 %	\$ 4,000	\$ 4,000	\$ 0	\$ 0
MACDIARMID	<a href="#">4223963</a>	2007-Jun-21	2010-Jun-21	A	100 %	\$ 4,800	\$ 4,800	\$ 0	\$ 0
MACDIARMID	<a href="#">4223964</a>	2007-Jun-21	2010-Jun-21	A	100 %	\$ 6,400	\$ 6,400	\$ 0	\$ 0
MACDIARMID	<a href="#">4223965</a>	2007-Jun-21	2010-Jun-21	A	100 %	\$ 4,400	\$ 4,400	\$ 0	\$ 0
MACDIARMID	<a href="#">4223966</a>	2007-Jun-21	2010-Jun-21	A	100 %	\$ 4,800	\$ 4,800	\$ 0	\$ 0
MACDIARMID	<a href="#">4223969</a>	2007-Jun-21	2010-Jun-21	A	100 %	\$ 3,600	\$ 3,600	\$ 1,710	\$ 0
MACKLEM	<a href="#">4220218</a>	2007-May-22	2011-May-22	A	100 %	\$ 6,000	\$ 12,000	\$ 0	\$ 0
PENHORWOOD	<a href="#">3000603</a>	2003-Oct-15	2010-Oct-15	A	100 %	\$ 800	\$ 4,000	\$ 0	\$ 0
PENHORWOOD	<a href="#">3000604</a>	2003-Oct-15	2010-Oct-15	A	100 %	\$ 800	\$ 4,000	\$ 0	\$ 0
PENHORWOOD	<a href="#">3000605</a>	2004-Jan-02	2011-Jan-02	A	100 %	\$ 400	\$ 2,000	\$ 0	\$ 0
PENHORWOOD	<a href="#">3019024</a>	2006-Apr-24	2010-Apr-24	A	100 %	\$ 800	\$ 1,600	\$ 0	\$ 0
PENHORWOOD	<a href="#">3019487</a>	2007-Nov-19	2010-Nov-19	A	100 %	\$ 4,000	\$ 4,000	\$ 0	\$ 0
PENHORWOOD	<a href="#">3019488</a>	2007-Dec-18	2010-Dec-18	A	100 %	\$ 6,400	\$ 6,400	\$ 0	\$ 0
PENHORWOOD	<a href="#">3019490</a>	2007-Dec-18	2010-Dec-18	A	100 %	\$ 6,000	\$ 6,000	\$ 0	\$ 0
PENHORWOOD	<a href="#">3019491</a>	2007-Nov-19	2009-Nov-19	A	100 %	\$ 1,230	\$ 4,770	\$ 0	\$ 0
PENHORWOOD	<a href="#">4201492</a>	2006-Mar-23	2010-Mar-23	A	100 %	\$ 6,400	\$ 12,800	\$ 0	\$ 0
PENHORWOOD	<a href="#">4201493</a>	2006-Mar-23	2010-Mar-23	A	100 %	\$ 3,200	\$ 6,400	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207030</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 4,800	\$ 14,400	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207032</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207033</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207034</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 3,458	\$ 0
PENHORWOOD	<a href="#">4207035</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 400	\$ 1,200	\$ 0	\$ 0



PENHORWOOD	<a href="#">4207036</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 1,526	\$ 0
PENHORWOOD	<a href="#">4207037</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 4,000	\$ 12,000	\$ 2,880	\$ 0
PENHORWOOD	<a href="#">4207040</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,000	\$ 18,000	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207041</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207042</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207043</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 1,426	\$ 0
PENHORWOOD	<a href="#">4207044</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207046</a>	2005-Jun-07	2009-Nov-25	A	100 %	\$ 2,727	\$ 16,473	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207047</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207048</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207049</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207050</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207052</a>	2005-Jun-07	2011-Jun-07	A	100 %	\$ 6,400	\$ 25,600	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207053</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207054</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207055</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207056</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207057</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 400	\$ 1,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207058</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 4,800	\$ 14,400	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207060</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 5,600	\$ 16,800	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207061</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207062</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,400	\$ 19,200	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207914</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 3,600	\$ 10,800	\$ 0	\$ 0
PENHORWOOD	<a href="#">4207916</a>	2005-Jun-07	2010-Jun-07	A	100 %	\$ 6,000	\$ 18,000	\$ 0	\$ 0
PENHORWOOD	<a href="#">4220806</a>	2007-Apr-30	2010-Apr-30	A	100 %	\$ 1,600	\$ 1,600	\$ 0	\$ 0
PENHORWOOD	<a href="#">4227175</a>	2007-Nov-19	2009-Nov-19	A	100 %	\$ 1,200	\$ 0	\$ 0	\$ 0
PENHORWOOD	<a href="#">4241832</a>	2008-Jul-11	2010-Jul-11	A	100 %	\$ 4,800	\$ 0	\$ 0	\$ 0
SOTHMAN (PORC)	<a href="#">1226833</a>	1998-May-13	2011-May-13	A	100 %	\$ 1,333	\$ 27,467	\$ 0	\$ 0
THOMAS	<a href="#">4220191</a>	2007-May-22	2010-May-22	A	100 %	\$ 6,400	\$ 6,400	\$ 0	\$ 0
THOMAS	<a href="#">4220192</a>	2007-May-22	2011-May-22	A	100 %	\$ 6,400	\$ 12,800	\$ 0	\$ 0
THOMAS	<a href="#">4220193</a>	2007-May-22	2010-May-22	A	100 %	\$ 6,400	\$ 6,400	\$ 0	\$ 0
THOMAS	<a href="#">4220194</a>	2007-May-22	2010-May-22	A	100 %	\$ 6,400	\$ 6,400	\$ 0	\$ 0
THOMAS	<a href="#">4220219</a>	2007-May-22	2011-May-22	A	100 %	\$ 6,400	\$ 12,800	\$ 0	\$ 0
THOMAS	<a href="#">4220220</a>	2007-May-22	2011-May-22	A	100 %	\$ 6,400	\$ 12,800	\$ 0	\$ 0
THORBURN	<a href="#">4224268</a>	2008-Jan-07	2010-Sep-07	A	100 %	\$ 4,800	\$ 0	\$ 0	\$ 0
THORBURN	<a href="#">4224269</a>	2008-Jan-07	2010-Sep-07	A	100 %	\$ 3,600	\$ 0	\$ 0	\$ 0
WHITNEY	<a href="#">4202630</a>	2006-Oct-20	2010-Oct-20	A	100 %	\$ 3,200	\$ 6,400	\$ 0	\$ 0
WHITNEY	<a href="#">4202634</a>	2006-Oct-20	2010-Oct-20	A	100 %	\$ 5,600	\$ 11,200	\$ 0	\$ 0
WHITNEY	<a href="#">4210987</a>	2006-Oct-12	2010-Oct-12	A	100 %	\$ 400	\$ 800	\$ 0	\$ 0
WHITNEY	<a href="#">4211030</a>	2006-Oct-20	2010-Oct-20	A	100 %	\$ 1,600	\$ 3,200	\$ 0	\$ 0
WHITNEY	<a href="#">4211031</a>	2006-Oct-20	2010-Oct-20	A	100 %	\$ 5,200	\$ 10,400	\$ 0	\$ 0
WHITNEY	<a href="#">4213798</a>	2007-Feb-14	2010-May-19	A	100 %	\$ 3,200	\$ 3,200	\$ 0	\$ 0
WHITNEY	<a href="#">4213968</a>	2007-Feb-14	2010-May-19	A	100 %	\$ 800	\$ 800	\$ 0	\$ 0

This survey was completed using the Scintrex Envi Mag system. Specifications for this unit can be found as Appendix A of this report. The following parameters were kept constant throughout the survey.

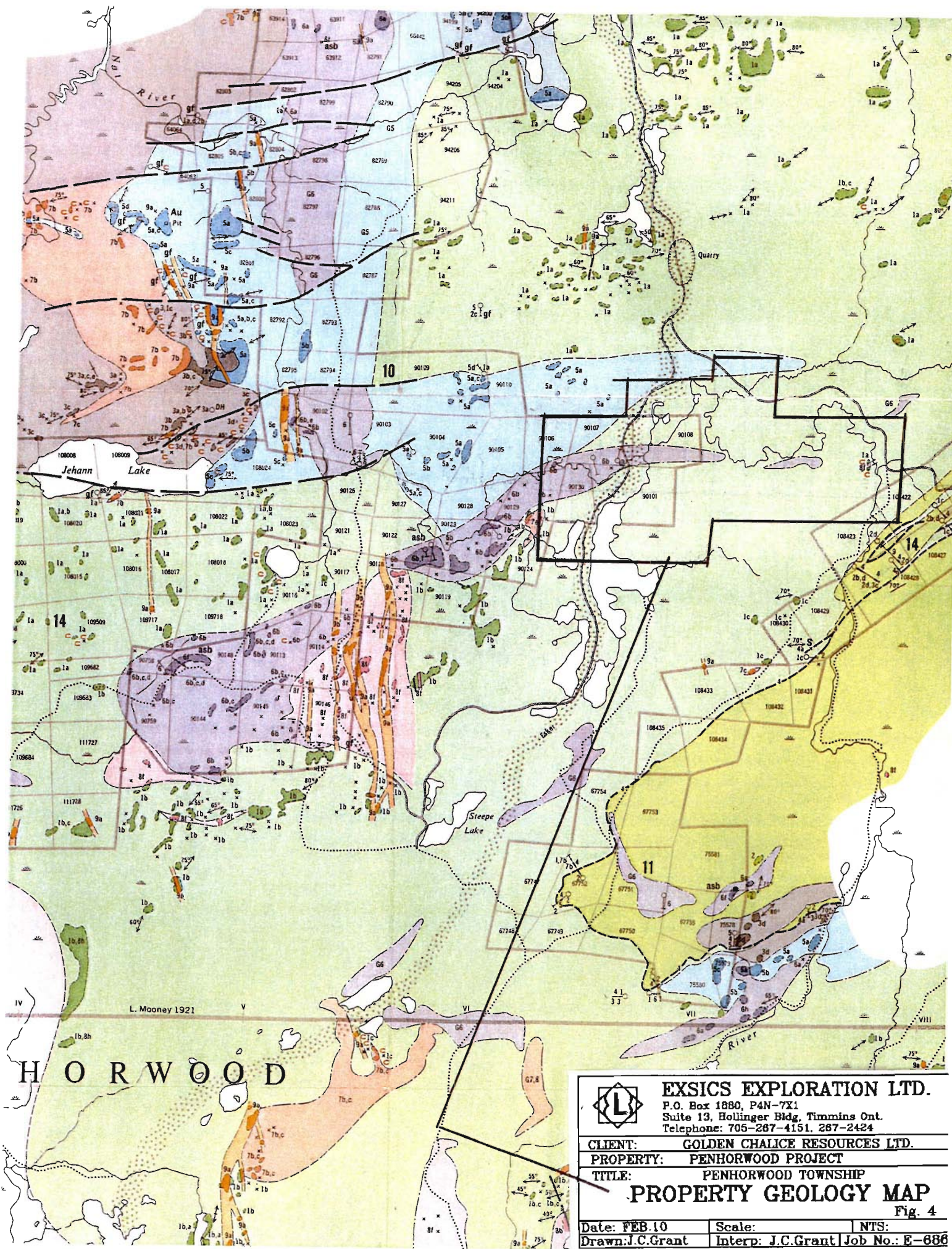
Line spacing	100 meters
Station spacing	25 meters
Reading intervals	12.5 meters
Diurnal monitoring	Base station recorder at 30 second record intervals
Reference field	56700 nT
Datum subtracted	56500 nT
Unit accuracy	+/- 0.1 gamma
VLF transmitting station	Cutler, Maine, 24.0kHz
Transmitter direction	115 degrees to the grids cross lines
Parameters measured	In phase and quadrature components of the secondary field The field strength of the transmitting station and the tilt of the field.
Parameters Plotted	In Phase component

Once the surveys were completed the collected data for each survey was then plotted onto base maps at a scale of 1:5000. The magnetic data has had a background of 56500 gammas removed from it before plotting. The data was then contoured at 50nT intervals where ever possible. The VLF data was plotted directly onto the base map and then profiled at 1cm to +/- 20%. Any and all conductor axis were then placed on the map and correlated to the magnetic survey.

Copies of these colored contoured and profiled base maps are included in the back pocket of this report.

### **PROPERTY GEOLOGY:**

The property is underlain by mafic to intermediate metavolcanics that has been intruded by ultramafic intrusive rocks in the central west section of the grid and eastern central portion of the grid. The host rocks have also been intruded by mafic intrusives along the northwestern and central north sections of the grid area.



H O R W O O D



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**PROPERTY: PENHORWOOD PROJECT**

**TITLE: PENHORWOOD TOWNSHIP**

**PROPERTY GEOLOGY MAP**

Fig. 4

Date: FEB.10	Scale:	NTS:
Drawn: J.C.Grant	Interp: J.C.Grant	Job No.: E-686

### MAGNETIC AND VLF-EM SURVEY RESULTS:

The magnetic and VLF-EM surveys were successful in locating and outlining the geological characteristics of the grid area. Generally the strike of the underlying geology is slightly east, northeast to west, southwest. Several areas of magnetic intensity were noted across the grid area and these zones have good VLF zones associated with them. The most predominant magnetic feature is the strong magnetic high trend that covers most of the central and southwest section of the grid. This trend correlates to the Ultramafic intrusive that is known to come into the grid in this area. The VLF zones correlate well to the edges of the strongest portions of this intrusive as is expected. There are several magnetic highs along strike with this main high. One covers line 1200ME to 1700ME between 350MN and 300MN and it has VLF zones correlating to its edges. Another of these highs lies between 1300ME and 1600ME from the base line to 150MN and a third lies between lines 1800ME and 2300ME and appears to be the eastern extension of the main zone.

The magnetic high that covers the northern sections of the grid from line 0+00 to 1800ME correlates to the mafic intrusive that is thought to cover this section of the grid. Again the VLF zones appear to correlate to the edges of the intrusive. The intrusives appear to be near vertical to slightly south dipping.

There are several minor narrow magnetic trend that appear to parallel the main features which may relate to the ultramafic intrusive and they have VLF zones associated with their edges as well.

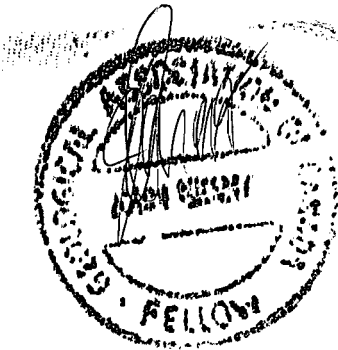
There appears to be a minor and or deep narrow magnetic high trend striking into the grid in a southeast direction across lines 1600ME at the south end to line 2200ME at the base line. This zone has a VLF zone paralleling its southern edge from line 1600ME to 1800ME. The trend appears to continue off of the grid to the southwest possibly extending as far as the southern end of line 1300ME.

**CONCLUSIONS AND RECOMMENDATIONS:**

The surveys were successful in locating and outlining a number of conductive zones across the grid area that generally correlate to the edges of the magnetic high trends. These VLF zones will be verified by the ongoing IP survey that is presently being completed across the entire cut grid. Upon the completion of this IP survey, the collected data will be presented as individual line pseudo-sections that will be correlated to the results of the magnetic and VLF-EM survey. Once the two surveys are plotted and correlated to one another a drill program will then be considered to test the stronger of the zones.

Respectfully submitted:

J. C. Grant, CET, FGAC  
February 2010.



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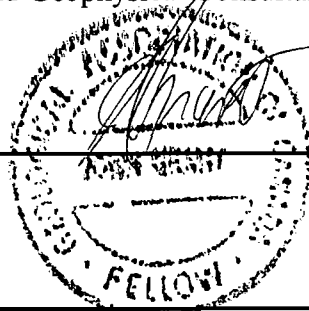
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**CERTIFICATION**

I, John Charles Grant, of 108 Kay Crescent, in the City of Timmins, Province of Ontario, hereby certify that:

- 1). I am a graduate of Cambrian College of Applied Arts and Technology, 1975, Sudbury Ontario Campus, with a 3 year Honors Diploma in Geological and Geophysical Technology.
- 2). I have worked subsequently as an Exploration Geophysicist for Teck Exploration Limited, (5 years, 1975 to 1980), and currently as Exploration Manager and Chief Geophysicist for Exsics Exploration Limited, since May, 1980.
- 3). I am a member in good standing of the Certified Engineering Technologist Association, (CET), since 1984.
- 4). I am in good standing as a Fellow of the Geological Association of Canada, (FGAC), since 1986.
- 5). I have been actively engaged in my profession since the 15<sup>th</sup> day of May, 1975, in all aspects of ground exploration programs including the planning and execution of field programs, project supervision, data compilation, interpretations and reports.
- 6). I have no specific or special interest nor do I expect to receive any such interest in the herein described property. I have been retained by the property holders and or their Agents as a Geological and Geophysical Consultant and Contract Manager.

John Charles Grant, CET., FGAC.



APPENDIX A

# SCINTREX

## ENVI-MAG Environmental Magnetometer/Gradiometer

### Locating Buried Drums and Tanks?

The ENVI-MAG is the solution to this environmental problem. ENVI-MAG is an inexpensive, lightweight, portable "WALKMAG" which enables you to survey large areas quickly and accurately.

ENVI-MAG is a portable, proton precession magnetometer and/or gradiometer, for geotechnical, archaeological and environmental applications where high production, fast count rate and high sensitivity are required. It may also be used for other applications, such as mineral exploration, and may be configured as a total-field magnetometer, a vertical gradiometer or as a base station.

#### The ENVI-MAG

- easily detects buried drums to depths of 10 feet or more
- more sensitive to the steel of a buried drum than EM or radar
- much less expensive than EM or radar
- survey productivity much higher than with EM or radar

### Features and Benefits

#### "WALKMAG" Magnetometer/Gradiometer

The "WALKMAG" mode of operation (sometimes known as "Walking Mag") is user-selectable from the keyboard. In this mode, data is acquired and recorded at the rate of 2 readings per second as the operator walks at a steady pace along a line. At desired intervals, the operator "triggers" an event marker by a single key stroke, assigning coordinates to the recorded data.

#### True Simultaneous Gradiometer

An optional upgrade kit is available to configure ENVI-MAG as a gradiometer to make true, simultaneous gradiometer measurements. Gradiometry is useful for geotechnical and archaeological surveys where small near surface magnetic targets are the object of the survey.

#### Selectable Sampling Rates

0.5 second, 1 second and 2 second reading rates user selectable from the keyboard.

#### Main features include:

- select sampling rates as fast as 2 times per second
- "WALKMAG" mode for rapid acquisition of data
- large internal, expandable memory
- easy to read, large LCD screen displays data both numerically and graphically
- ENVIMAP software for processing and mapping data

ENVI-MAG comprises several basic modules; a lightweight console with a large screen alphanumeric display and high capacity memory, a staff mounted sensor and sensor cable, rechargeable battery and battery charger, RS-232 cable and ENVIMAP processing and mapping software.

For gradiometry applications an upgrade kit is available, comprising an additional processor module for installation in the console, and a second sensor with a staff extender.

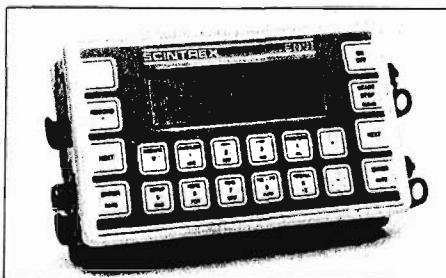


ENVI-MAG Proton Magnetometer in operation

For base station applications a Base Station Accessory Kit is available so that the sensor and staff may be converted into a base station sensor.

#### Large-Key Keypad

The large-key keypad allows easy access for gloved-hands in cold-weather operations. Each key has a multi-purpose function.



Front panel of ENVI-MAG showing a graphic profile of data and large-key keypad

#### Large Capacity Memory

ENVI-MAG with standard memory stores up to 28,000 readings of total field measurements, 21,000 readings of gradiometry data or 151,000 readings as a base station. An expanded memory option is available which increases this standard capacity by a factor of 5.

#### Easy Review of Data

For quality of data and for a rapid analysis of the magnetic characteristics of the survey line, several modes of review are possible. These include the measurements at the last four stations, the ability to scroll through any or all previous readings in memory, and a graphic display of the previous data as profiles, line by line. This feature is very useful for environmental and archaeological surveys.

#### Highly Productive

The "WALKMAG" mode of operation acquires data rapidly at close station intervals, ensuring high-definition results. This increases survey productivity by a factor of 5 when compared to a conventional magnetometer survey.

#### "Datacheck" Quality Control of Data

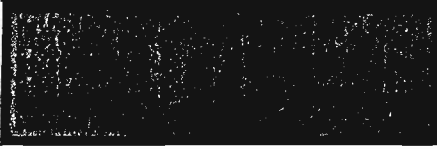
"Datacheck" provides a feature wherein at the end of each survey line, data may be reviewed as a profile on ENVI-MAG's screen. Datacheck confirms that the instrument is functioning correctly and



allows the user to note the magnetic relief (anomaly) on the line.

### Large Screen Display

"Super-Twist" 64 x 240 dot (8 lines x 40 characters), LCD graphic screen provides good visibility in all light conditions. A display heater is optionally available for low-temperature operations below 0°C.



Close-up of the ENVI-MAG screen showing data presented after each reading

### Interactive Menus

The set-up of ENVI-MAG is menu-driven, and minimizes the operator's learning time, and on-going tasks.



Close-up of display of ENVI-MAG showing interactive set-up menu

## Specifications

### Total Field Operating Range

20,000 to 100,000 nT (gammas)

### Total Field Absolute Accuracy

+/- 1nT

### Sensitivity

0.1 nT at 2 second sampling rate

### Tuning

Fully solid state. Manual or automatic, keyboard selectable

### Cycling (Reading) Rates

0.5, 1 or 2 seconds, up to 9999 seconds for base station applications, keyboard selectable

### Gradiometer Option

Includes a second sensor, 20 inch (1/2m) staff extender and processor module

### "WALKMAG" Mode

0.5 second for walking surveys, variable rates for hilly terrain

### Digital Display

LCD "Super Twist", 240 x 64 dots graphics, 8 line x 40 characters alphanumeric

### Display Heater

Thermostatically controlled, for cold weather operations

### Keyboard Input

17 keys, dual function, membrane type

### Notebook Function

32 characters, 5 user-defined MACRO's for quick entry

### Rechargeable Battery and Battery Charger

An "off-the-shelf" lead-acid battery and charger are provided as standard. The low-cost "Camcorder" type battery is available from electronic parts distributors everywhere.

### HELP-Line Available

Purchasers of ENVI-MAG are provided with a HELP-Line telephone number to call in the event assistance is needed with an application or instrumentation problem.

### ENVIMAP Processing and Mapping Software

Supplied with ENVI-MAG, and custom designed for this purpose, is easy-to-use, very user-friendly, menu driven data processing and mapping software called ENVIMAP. This unique software appears to the user to be a single program, but is in fact a sequence of separate programs, each performing a specific task. Under the menu system, there are separate programs to do the following:

- read the ENVI-MAG data and reformat it into a standard compatible with the ENVIMAP software
- grid the data into a standard grid format
- create a vector file of posted values

with line and baseline identification that allows the user to add some title information and build a suitable surround

- contour the gridded data
- autoscale the combined results of the posting/surround step and the contouring step to fit on a standard 8.5 ins. wide dot-matrix printer
- rasterize and output the results of step e) to the printer

ENVIMAP is designed to be as simple as possible. The user is required to answer a few basic questions asked by ENVIMAP, and then simply toggles "GO" to let ENVIMAP provide default parameters for the making of the contour map. The user can modify certain characteristics of the output plot. ENVIMAP'S menu system is both keyboard and mouse operable. HELP screens are integrated with the menu system so that HELP is displayed whenever the user requests it.

### Options Available

- True simultaneous gradiometer upgrade
- Base station upgrade
- Display heater for low temperature operations
- External battery pouch

### Standard Memory

Total Field Measurements: 28,000 readings  
Gradiometer Measurements: 21,000 readings  
Base Station Measurements: 151,000 readings

### Expanded Memory

Total Field Measurements: 140,000 readings  
Gradiometer Measurements: 109,000 readings  
Base Station Measurements: 750,000 readings

### Real-Time Clock

Records full date, hours, minutes and seconds with 1 second resolution, +/- 1 second stability over 12 hours

### Digital Data Output

RS-232C interface, 600 to 57,600 Baud, 7 or 8 data bits, 1 start, 1 stop bit, no parity format. Selectable carriage return delay (0-999 ms) to accommodate slow peripherals. Handshaking is done by X-on/X-off

### Analog Output

0 - 999 mV full scale output voltage with keyboard selectable range of 1, 10, 100, 1,000 or 10,000 nT full scale

### Power Supply

Rechargeable "Camcorder" type, 2.3 Ah, Lead-acid battery.

12 Volts at 0.65 Amp for magnetometer, 1.2 Amp for gradiometer,

External 12 Volt input for base station operations

Optional external battery pouch for cold weather operations

### Battery Charger

110 Volt - 230 Volt, 50/60 Hz

### Operating Temperature Range

Standard 0° to 60°C  
Optional -40°C to 60°C

### Dimensions

Console - 10 x 6 x 2.25 inches  
(250 mm x 152 mm x 55 mm)

T.F. sensor - 2.75 inches dia. x 7 inches  
(70 mm x 175 mm)

Grad. sensor and staff extender - 2.75 inches dia. x 26.5 inches (70 mm x 675 mm)

T.F. staff - 1 inch dia. x 76 inches (25 mm x 2 m)

### Weight

Console - 5.4 lbs (2.45 kg)  
with rechargeable battery

T. F. sensor - 2.2 lbs (1.15 kg)

Grad. sensor - 2.5 lbs (1.15 kg)

Staff - 1.75 lbs (0.8 kg)

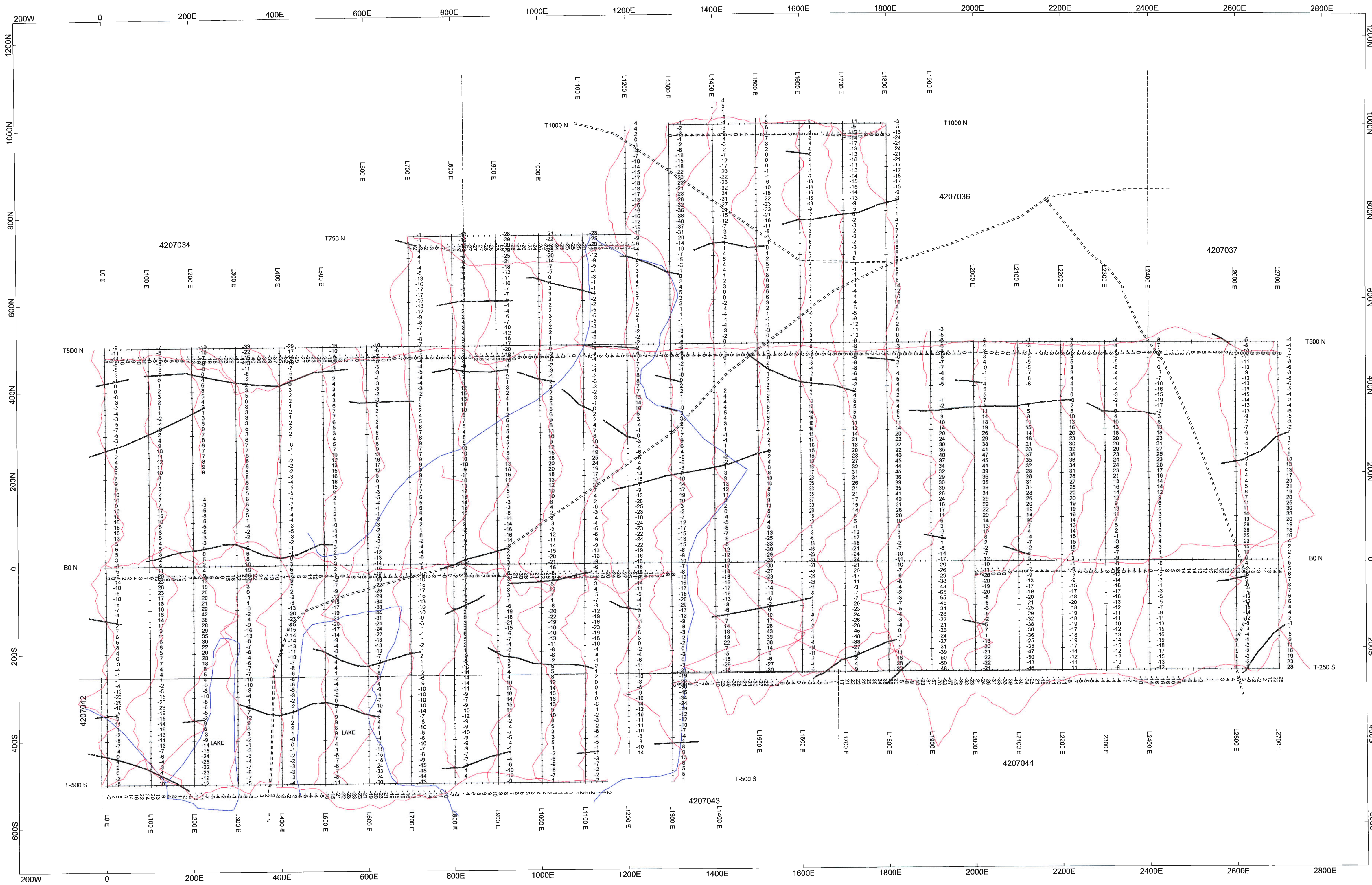
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### Head Office

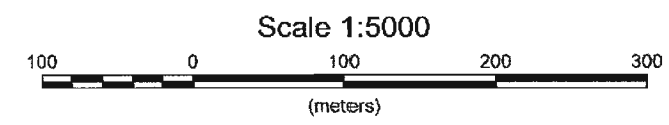
222 Snidercroft Road  
Concord, Ontario, Canada L4K 1B5  
Telephone: (905) 669-2280  
Fax: (905) 669-6403 or 669-5132  
Telex: 06-964570

### In the USA:

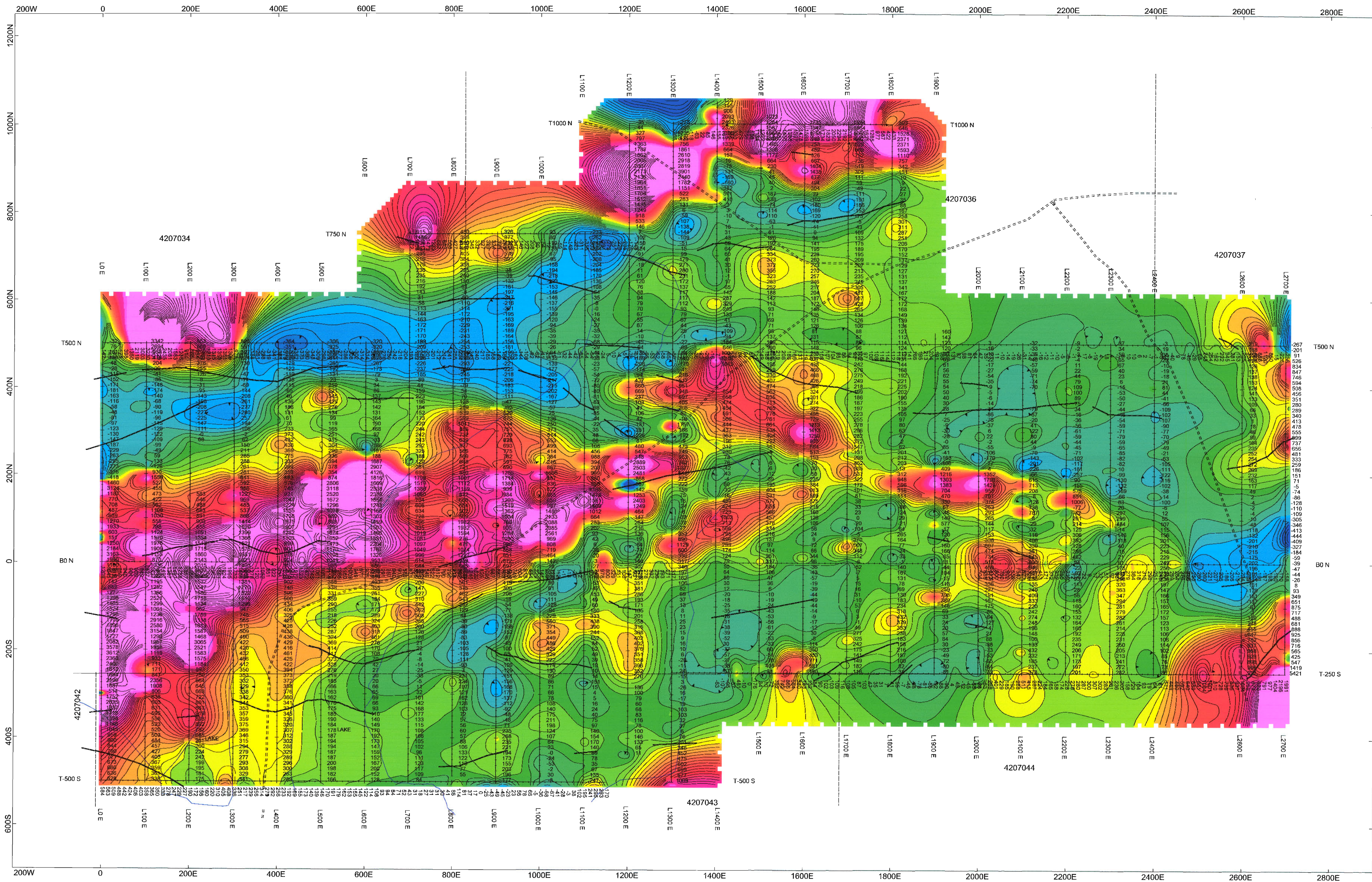
Scintrex Inc.  
85 River Rock Drive  
Unit 202  
Buffalo, NY 14207  
Telephone: (716) 298-1219  
Fax: (716) 298-1317



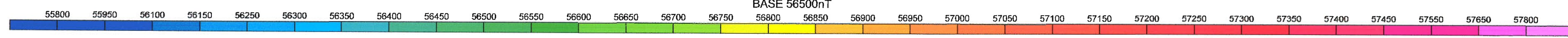
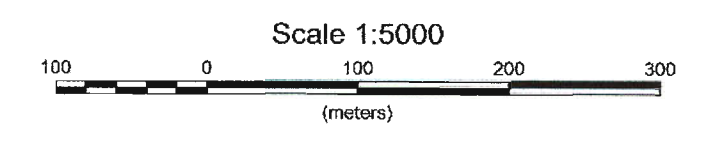
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GOLDEN CHALICE RESOURCES INC.  
 PENHORWOOD PROJECT-PENHORWOOD TOWNSHIP  
 VLF-EM SURVEY, CUTLER, MAINE 24.0KHZ  
 SCINTREX ENVI MAG SYSTEM  
 PROFILED: 1cm= +/- 20%  
 JAN/2010 EXSICS EXPLORATION LIMITED E-684



44118



TOTAL FIELD MAGNETICS  
BASE 56500nT

GOLDEN CHALICE RESOURCES INC.  
PENHORWOOD PROJECT-PENHORWOOD TOWNSHIP  
TOTAL FIELD MAGNETIC SURVEY  
SCINTREX ENVI MAG SYSTEM  
CONTOURED: 50 nT  
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