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Assessment Report: 2011 Exploration Programs on the Coldstream Property

Burchell Lake Area and Moss Township
District of Thunder Bay, Northwestern Ontario
NTS Map Sheet 52B10

March 15, 2013

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SUMMARY

The Coldstream Property ("Property") is located within the Burchell Lake Area and the Moss Township, approximately 115 kilometres west of Thunder Bay, Ontario. The Property consists of 70 patented claims and licenses of occupation and 70 staked claims totalling approximately 6,421 hectares. Foundation owns 100% interest in the Coldstream Property.

The Property is located within the western Shebandowan Greenstone Belt (SGB) of the Wawa Subprovince. It is primarily underlain by Archean mafic and intermediate to felsic metavolcanic rocks which have been intruded concordantly to subconcordantly by numerous sills and dykes of gabbro, diorite, quartz and quartz-feldspar porphyries. Syn to post tectonic composite granitoid plutons bound the Coldstream claims in most directions. From an economic standpoint, the most significant structure in the area is the northeast to east-northeast striking North Coldstream – Span-Moss Shear Zone (NC-SMSZ), a structure which extends from the northeast part of the Property to southwest into the south-central part of the Moss Township. The structure forms a mineralized corridor characterized by variably deformed and altered lithologies that are host to significant gold and Cu-Au mineralization both on and adjacent to the Coldstream Property.

The central and northeastern part of the Coldstream property that was subjected to the 2011 drilling campaigns covers several broad northeast to east-northeast striking trending auriferous structural zone, including the **"Iris Zone"** and **"East Coldstream Deposit",** which has been later re-named as the **Osmani Gold Deposit ("OG Deposit")**. The 2011 exploration program was comprised of 55 diamond drill holes, totalling 12,173 meters in order to extend both the lateral and down plunge gold continuity of the OG Deposit. Furthermore, to expand the non - NI 43-101 compliant historical resource of 5.1 million tonnes grading 1.43 g/t gold (234,000 contained ounces of gold) calculated by Noranda in 1991. In addition, the program was also intended to evaluating the economic potential of the **"Iris Zone"** following successful surface programs in 2009 and 2010. An NI43-101compliant mineral resource estimate was prepared following the two phase 2011 drill program and estimated to contain 763,276 ounces of gold in the *Inferred* category and 96,400 ounces of gold in the *Indicated* category. In addition, upon completing the 2nd phase of drilling in the Iris Zone area, drill results have delineated a broad northeastern mineralized trend containing a strike length of over 600 metres.

Furthermore, a surface program was conducted on several highly prospective areas on the Property in order to generate new exploration targets and further advance the economic potential of the Coldstream Property. Several anomalous gold values (> 0.1 g/t Au) have returned as a result of this 2011 exploration program and coincide nicely with historical grab samples and interpreted mineralized trends.

Induced Polarized (IP) and ground magnetic geophysical surveys were carried out over the Span Lake and Burchell West areas by contractor JVX Ltd. Upon reviewing the IP results, three areas of anomalous chargeability hosting with six IP targets as well as various weak chargeability highs were identified on the Span Lake claims. These areas include the northeast part of the grid, southeast edge of the grid which may be an extension of the QES zone of the Moss Lake deposit, and the southwest part of the grid, a possible extension of the North zone of the Moss Lake deposit. An IP and ground magnetic survey was also carried out by JVX Ltd. on the Burchell West grid located along the west shores of Burchell Lake within the most western part of the Property. Four areas of high to medium chargeability anomalies were identified, coinciding in many instances with anomalous to highly anomalous sample results from surface work programs conducted in 2009 and 2011.

Based on the results of Foundation's 2011 exploration program, a 5000-metre drilling program is recommended in three areas; **OG Deposit**, **Goldie Zone**, and **Span Lake**. Drilling the OG Deposit is recommended to test the gold continuity beyond a vertical depth of 300 metres in order to potentially expand the recently prepared NI43-101 compliant gold resource. Exploration drilling is also recommended towards the under developed Goldie Zone as well as Geophysical IP drilling at Span Lake. An estimated budget of over $1.0 million is required to carry out the recommended exploration works on the Property.

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FOUNDATION RESOURCES INC.

Assessment Report: 2011 Exploration Programs on the Coldstream Property

Burchell Lake Area and Moss Township
District of Thunder Bay, Northwestern Ontario
NTS Map Sheet 52B/10

1 INTRODUCTION

The Coldstream Property is located in northwestern Ontario, approximately 115 kilometres west of Thunder Bay (**Figure 1**). The Property consists of 70 patented claims and licenses of occupation, and 70 unpatented mining claims totalling 6,421 hectares. This report documents all exploration work completed on the Coldstream Property by Foundation in 2011.

The claim area has a long history of mining and exploration, beginning in the 1870's with the discovery of the North Coldstream Mine. Early work was focused on copper mineralization in the vicinity of the North Coldstream Mine. By the time the mine closed in 1967 it had produced 103 million pounds of copper (@1.87% Cu), 22,000 ounces of gold and 440,000 ounces of silver from 2.7 million tonnes of ore.

During the late 1980's and early 1990's, the area of the current Property was explored for shear hosted Archean lode gold and volcanogenic massive sulphide styles of mineralization. The current Property brings together a cluster of claims groups that have previous been assessed only individually by operators including Inco, Noranda, Newmont, and Lacana. Noranda calculated a 5.1 million tonne, 234,000 ounce gold resource at the East Coldstream Deposit (now Osmani Gold Deposit) prior to NI43-101 standards; and Inco completed extensive work at the Span Lake area in the southwestern portion of the current Coldstream Property, adjacent to the 51 million tonne 1.5 million ounce Moss Lake Gold Deposit.

Between 2002 and 2009 Alto Ventures staked and acquired the ground that makes up the current Coldstream Property. Kinross completed a 1,668 metre drill program under option with Alto Ventures in 2002. Between 2004 and 2008 Alto Ventures completed an IP survey and an airborne magnetic and EM survey, as well as prospecting, trenching and geochemical sampling programs. Alto Venture's work also included a 2,062 metre drill program at the East Coldstream Deposit in 2006. The 2006 drill program confirmed the historic mineralization, intersecting 67 metres averaging 1.21 g/t Au.

On April 6, 2009, Foundation Resources Inc. ("Foundation") entered into an initial option agreement with Alto Ventures Ltd. ("Alto") in which Foundation can acquire up to a 70%

interest in the Coldstream Property. On November 8, 2011, Foundation and Alto entered into a binding "Letter of Intent" (LOI) for which Foundation will pay in cash and shares to acquire Alto's remaining 40% interest in the Property. On February 16, 2012, Foundation announces that it has acquired a 100% interest in the Property for Alto's remaining 40% interest as originally disclosed in the Company's news release on November 8, 2011.

In 2010 Foundation conducted a two phase drill program for a total of 38 diamond drill holes (totalling 10,107 metres) on the Property. In addition, a brief geological mapping/sampling program and geophysical survey was carried out during this time. The objective of this 2010 program was to focus primarily on infill drilling between well-mineralized historic holes to both, confirm and expand the historic resource of the Osmani Gold Deposit ("OG Deposit" - formerly known as the East Coldstream deposit) to NI 43-101 compliant standards as well as obtain a better understanding of gold continuity within the deposit.

Following a successful exploration program in 2010, two seasonal drill programs were carried out by Foundation in 2011 for a total of 55 diamond drill holes (totalling 12,173 metres) on the Property. The purpose of these programs were to further increase an existing compliant gold resource at the OG deposit as well as test other satellite targets in order to increase the economic potential of the Property. An NI 43-101 compliant Technical Report including a Mineral Resource Estimate was prepared by Wardrop (a tetra tech company) for Foundations OG Deposit in 2011 (763, 276 ounces gold *Inferred* and 96,400 ounces gold *Indicated*) (News Release - September 20, 2011). Furthermore, metallurgical test work was carried out on the OG Deposit by SGS Canada. Finally, a succinct prospecting and sampling program and two geophysical surveys were conducted on the Property (Span Lake and Burchell West areas) during this time.

This report recommends drilling within three areas of the Property; **OG Deposit**, **Goldie Zone**, and **Span Lake**. Drilling at the OG Deposit is recommended to test the gold continuity beyond a vertical depth of 300 metres in order to potentially expand the recently prepared NI43-101 compliant gold resource. Exploration drilling is also recommended towards the under developed Goldie Zone as well as Geophysical IP drilling at Span Lake. An estimated budget of over $1.0 million is required to carry out these exploration works.

1.1 Location and Access

The Coldstream Property is located approximately 115 kilometres west of Thunder Bay and 7 km southwest of the village of Kashabowie in northwestern Ontario (**Figure 1**). The Property lies in the Burchell Lake Area and the Moss Township. The centre of the Property is approximately UTM Zone 15, 674900mE / 5384600mN (48^{o}35' N Latitude and 90^{o}38' W Longitude) on NTS map sheet 52B/10.

Access to the Property is via Trans-Canada Highway 11/17 and Highway 11 from Thunder Bay to Kashabowie and from there it can be reached by a secondary Highway 802 and a major logging road. The Trans-Canada Highway 11 passes just 2.5 kilometres north of the Property. Numerous logging roads provide easy access within the claim area.

The eastern part of the Property, including the OG Deposit, Iris Lake Target and the Goldie Zone, is accessed from a logging road that branches south from Highway 802. The past producing North Coldstream Mine and new Burchell West Target is accessed from the Burchell Lake Road, which also branches from Highway 802; a gate limits access to the old workings. Access to the Span Lake area in the southwestern portion of the Property is by the old Hermia Lake Road to Burchell Creek followed by two drill roads leading south.

1.2 Infrastructure

The CN rail line and a major power line pass within 4 km of the northeast corner of the Property, with more minor power lines passing through northern parts of the Property. The nearby city of Thunder Bay, Ontario is an important shipping and transportation hub. Both the Canadian National and Canadian Pacific Railways service Thunder Bay. The Port of Thunder Bay is the largest outbound port on the St. Lawrence Seaway System, and the sixth largest port in Canada.

Skilled labour, mining and specialized exploration services and equipment are readily available from the City of Thunder Bay. General labour, prospectors and heavy machinery contractors are available from the nearby villages of Kashabowie, Shebandowan, Shabaqua Corner, as well as the town of Atikokan. Accommodations are available from several fishing and hunting lodges in the area. Lake Kashabowie Lodge provided accommodation for the 2010 diamond drill program; it is situated less than a 10-minute drive from the Property.

1.3 Physiography

The terrain in the Coldstream Project area consists of rolling hills with relief rarely greater than 20 metres. The overburden on these ridges is relatively thin, generally 1 to 3 metres in depth, and consists of sandy till that is locally boulder laden. Most of the project area has been recently logged and vegetation in the elevated terrains now consists of a thick re-growth of spruce, fir, and pine, interrupted by local stands of mature white pines. Muskeg, alder swamps, and thick growths of cedar locally cover the low-lying areas.

1.4 Climate and Operating Season

The climate is typical of northwestern Ontario with extreme seasonal variations. Temperatures average 19.5°C in July and -17.3°C in January; they reach over 30°C in summer months, and -40°C in January and February. Annual precipitation averages 660 mm, with roughly one quarter falling as snow.

Foundation's drill programs were carried out during the winter, summer and fall seasons. Throughout the drilling programs, the drill rig was transported from Stewart, B.C, and Thunder Bay, Ontario to the Coldstream Property using primary and secondary highways via Trans- Canada Highway 11/17 and highway 802, respectively. Once on the Property, the drill rig was moved by a Caterpillar D6 to various drill hole sites.

1.5 Land Tenure and Claim Status

The Coldstream Property consists of one contiguous block of 70 unpatented mining claims and 70 patented claims and licenses of occupation (**Figure 2**). The 70 unpatented mining claims include 322 units, with a unit nominally defined as 16 hectares, totalling a measured 5,152 hectares (**see Table 1**). The patented claims and licenses of occupation cover the remaining 1,269 hectares (**see Table 2**). The total area comprising both patent and unpatented claims combined is approximately 6,421 hectares.

1.6 Ownership

On April 6, 2009 Foundation Resources Inc. entered into an option agreement with Alto Ventures to acquire up to 70% interest in the Coldstream Property. Prior to this agreement Alto Ventures held a 100% right, title and interest in the Coldstream Property, subject to net smelter return royalties on some of the claims. According to the signed option agreement, Foundation earned its 60% interest by spending over $3 million in exploration on the Coldstream Property. On November 8, 2011, Foundation and Alto entered into a binding Letter of Intent ("LOI") agreement for which Foundation will acquire Alto's remaining 40% interest in the Property (joint News Release - November 8, 2011). On February 16, 2012, Foundation announces that it has acquired a 100% interest in the Property by paying in cash and shares to Alto's for its remaining 40% interest as originally disclosed in the Company's news release on November 8, 2011.

Table 1. Coldstream Property Land Tenure Data – Unpatented Claims

Township/Area	Claim Number	Claim Units	Claim Due Date
AMES	4213405	16	2016-Feb-19
AMES	4213406	15	2016-Feb-19
AMES	4213407	14	2016-Feb-19
BURCHELL LAKE AREA	1064687	6	2016-Aug-02
BURCHELL LAKE AREA	1187652	3	2016-Nov-19
BURCHELL LAKE AREA	1238679	1	2016-Feb-17
BURCHELL LAKE AREA	1239688	1	2016-Feb-17
BURCHELL LAKE AREA	1242511	2	2016-Dec-18
BURCHELL LAKE AREA	1242602	14	2016-Jun-18
BURCHELL LAKE AREA	3001508	11	2016-May-15
BURCHELL LAKE AREA	3001509	8	2016-May-15
BURCHELL LAKE AREA	3001510	9	2016-May-15
BURCHELL LAKE AREA	3001769	1	2016-Aug-07
BURCHELL LAKE AREA	3001789	6	2016-Aug-07
BURCHELL LAKE AREA	3002013	4	2016-Aug-07
BURCHELL LAKE AREA	3002051	2	2016-Aug-07
BURCHELL LAKE AREA	3002157	4	2016-Apr-14
BURCHELL LAKE AREA	3002158	1	2016-Apr-14
BURCHELL LAKE AREA	3003343	7	2016-Aug-07
BURCHELL LAKE AREA	3010485	1	2016-Sep-23
BURCHELL LAKE AREA	3010486	2	2016-Sep-23
BURCHELL LAKE AREA	4211656	14	2016-Mar-31
BURCHELL LAKE AREA	4211658	16	2016-Mar-31
BURCHELL LAKE AREA	4211659	16	2016-Mar-31
BURCHELL LAKE AREA	4213408	1	2016-Feb-19
BURCHELL LAKE AREA	4213409	1	2016-Feb-19
BURCHELL LAKE AREA	4229150	3	2016-May-12
BURCHELL LAKE AREA	4244461	14	2016-May-14
BURCHELL LAKE AREA	4244462	11	2016-May-14
BURCHELL LAKE AREA	4249671	3	2016-Mar-22
BURCHELL LAKE AREA	4260547	1	2013-Oct-20
BURCHELL LAKE AREA	938975	1	2016-Nov-13
BURCHELL LAKE AREA	938976	1	2016-Nov-13
BURCHELL LAKE AREA	938977	1	2016-Nov-13
CRAYFISH LAKE AREA	4250280	2	2016-Sep-09
CRAYFISH LAKE AREA	4262838	16	2013-Mar-23

CRAYFISH LAKE AREA	4262839	15	2013-Mar-23
MOSS	3002159	8	2016-Apr-14
MOSS	4215810	3	2016-May-15
MOSS	4215829	3	2016-Jul-22
MOSS	4229148	12	2016-May-12
MOSS	4229149	16	2016-May-12
MOSS	4262980	1	2013-Jun-10
MOSS	4266047	9	2013-Oct-20
MOSS	630797	1	2016-Feb-15
MOSS	630798	1	2016-Feb-15
MOSS	630799	1	2016-Feb-15
MOSS	630910	1	2016-Feb-15
MOSS	630911	1	2016-Feb-15
MOSS	630912	1	2016-Feb-15
MOSS	630914	1	2016-Feb-15
MOSS	630915	1	2016-Feb-15
MOSS	630916	1	2016-Feb-15
MOSS	630917	1	2016-Feb-15
MOSS	630921	1	2016-Feb-15
MOSS	630922	1	2016-Feb-15
MOSS	630923	1	2016-Feb-15
MOSS	630924	1	2016-Feb-15
MOSS	630925	1	2016-Feb-15
MOSS	630926	1	2016-Feb-15
MOSS	630927	1	2016-Feb-15
MOSS	630928	1	2016-Feb-15
MOSS	630929	1	2016-Feb-15
MOSS	630930	1	2016-Feb-15
MOSS	630931	1	2016-Feb-15
MOSS	630932	1	2016-Feb-15
MOSS	630933	1	2016-Feb-15
MOSS	630934	1	2016-Feb-15
MOSS	630935	1	2016-Feb-15
MOSS	630936	1	2016-Feb-15
TOTAL	**70**	**322**	

Table 2. Coldstream Property Land Tenure Data – Patented Claims

Claim Number	Township/Area	Claim Type	Claims	Hectares
K62 to K65	Burchell Lake	Patented	4	115.7
TB62727 to 62735	Burchell Lake	Patented	9	142.3
TB62761 to 62769	Burchell Lake	Patented	9	138.4
TB62885 to 62900	Burchell Lake	Patented	15	272.7
TB68813 to 68814	Burchell Lake	Patented	2	40.8
TB75390 to 75414	Burchell Lake	Patented	25	462.2
TB82836 to 82841	Burchell Lake	Patented	6	96.8
Total			**70**	**1,269.0**

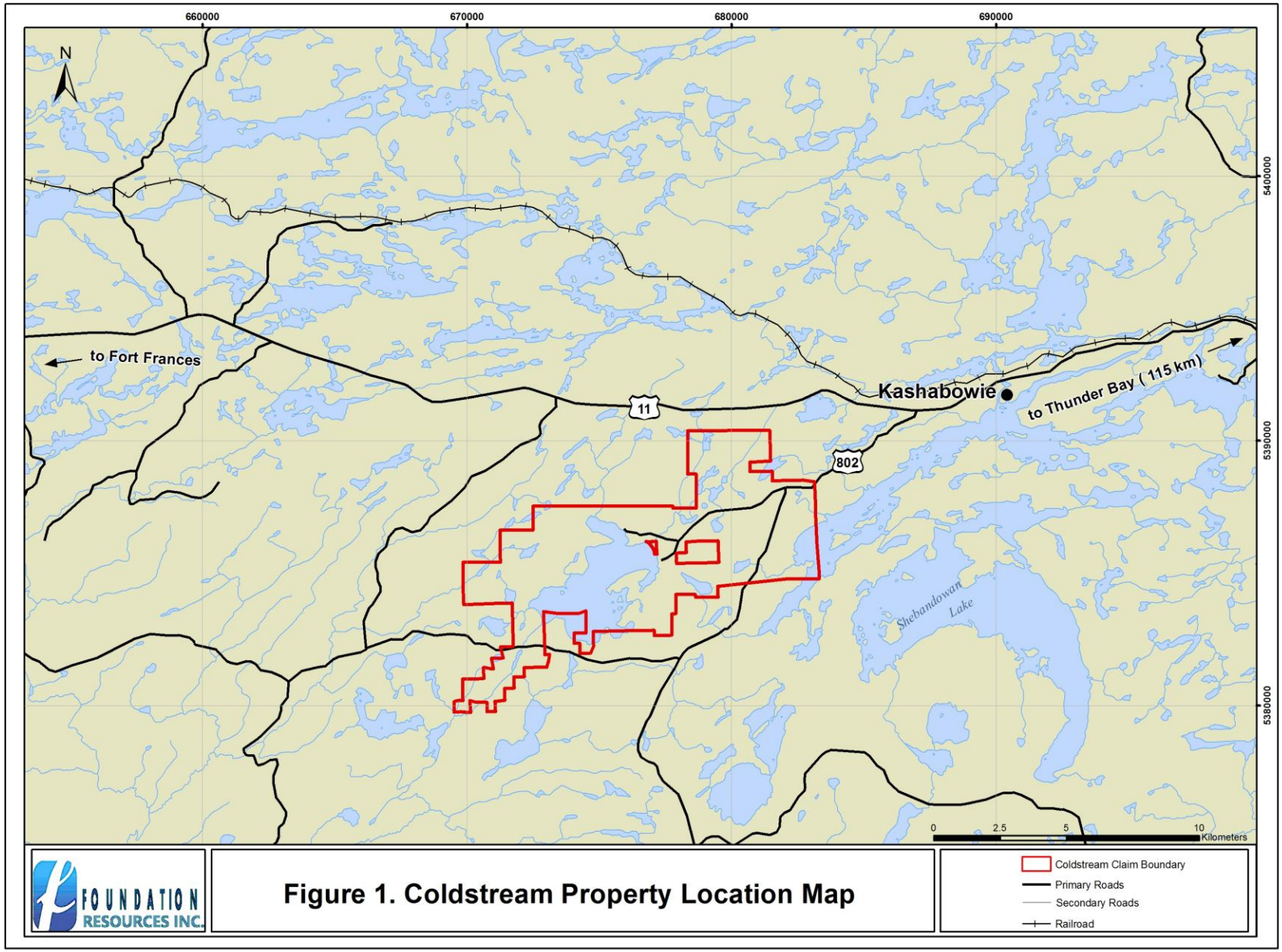

Figure 1. Coldstream Property Location Map

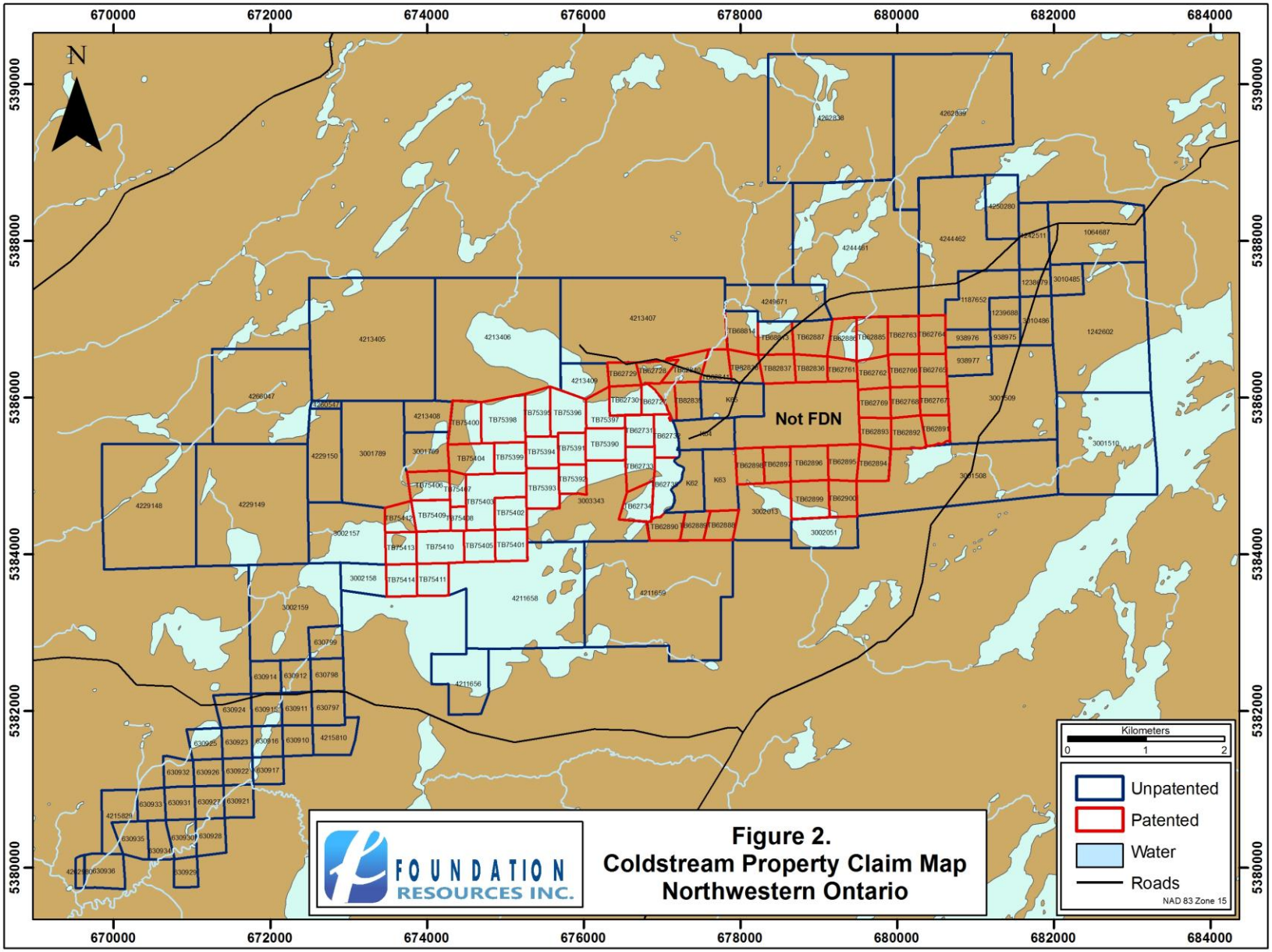

Figure 2. Coldstream Property Claim Map, Northwestern Ontario

2 EXPLORATION and MINING HISTORY

The Coldstream Property area has a long history of mining and exploration, beginning in the 1870's with the discovery of the North Coldstream Mine. Early work was focused on copper mineralization in the vicinity of the North Coldstream Mine. By the time the Mine closed in 1967 it had produced 103 million pounds of copper, 22,000 ounces of gold and 440,000 ounces of silver from 2.7 million tonnes of ore.

During the late 1980's and early 1990's the area of the current Property was explored for shear hosted Archean lode gold and volcanogenic massive sulphide styles of mineralization. The current Property brings together a cluster of claims groups that have previous been assessed only individually by operators including Inco, Noranda, Newmont, and Lacana. Noranda calculated a 5.1 million tonne, 234,000 ounce gold resource at the East Coldstream Deposit (now Osmani Gold or OG Deposit) prior to NI43-101 standards; and Inco completed extensive work at the Span Lake area in the southwestern portion of the current Coldstream Property, adjacent to the 51 million tonne 1.51 million ounce (@0.27 oz/t Au) Moss Lake Gold Deposit.

Between 2002 and 2009 Alto Ventures staked and acquired the ground that makes up the current Coldstream Property. Kinross completed a 1,668 metre drill program under option with Alto Ventures in 2002. Between 2004 and 2008 Alto Ventures completed an IP survey and an airborne magnetic and EM survey, as well as prospecting, trenching and geochemical sampling programs. Alto Venture's work also included a 2,062 metre drill program at the East Coldstream Deposit in 2006. The 2006 drill program confirmed the historic mineralization, intersecting 67 metres averaging 1.21 g/t Au.

Table 3 emphasizes the history of areas that received focused work by Foundation as well as historic exploration programs that have done the most to advance the Property. The locations of the areas discussed are shown in relation to the Coldstream Property outlined in **Figure 3**.

Table 3. Coldstream Property History

Year	Company	Property	Program	Results
Unknown	Galloway Chibougamau Mines Ltd.	Skimpole Lake	Geological mapping	Minor pyrite and chalcopyrite reported
1902 to 1917	New York and Canadian Copper Company	North Coldstream Mine	Operated under the name of the Tip-Top Mine	Produced 1,312,000 lb of copper
1943	Frobisher Exploration Company	North Coldstream Mine	Completed extensive exploration during WWII	Estimated at least a million tons of ore present
1950s	Rio Canada Exploration	Iris Zone	Drilled diamond drillhole (DDH)-1, geological mapping, vertical loop, electromagnetic and self-potential geophysical surveys	
1952 to 1953	Coldstream Copper Mines Ltd.	Goldie Zone	Complete geological survey on 71 patented claims	
1952 to 1955	Coldstream Copper Mines Ltd.	East Coldstream Deposit	Mapping and drilling	
1955	Coldstream Copper Mines Ltd.	Goldie Zone	Complete drillhole S-43	No assays reported
1956	Burchell Lake Mines Ltd.	Broadhurst Peninsula	Completed six drillholes	
1957	Coldstream Copper Mines Ltd.	North Coldstream Mine	Operated as North Coldstream Mines	
1957	New Jack lake Uranium Mines	Iris Zone	Completed nine drillholes with six on Iris Zone area	
Late 1950s to 2002	No work	Broadhurst Peninsula	No work	
1950 to 1960	Consolidated Mining and Smelting, Martin McNelly Mines Exploration, and Canico	Span Lake	Geophysical surveys	
1960s	Coldstream Copper Mines Ltd.	Skimpole Lake	Complete six drillholes, geological mapping, vertical loop electromagnetic and magnetic surveys	
1960s to 1988	No work	Skimpole Lake	No work	

Year	Company	Property	Program	Results
1960 to 1967	Noranda	North Coldstream Mine	Producing mine, closes in 1967	Produced 103 Mlb Cu, 22,000 oz Au and 440,000 oz Ag from 2.7 Mt of ore
1982	INCO	Span Lake	Stake claims	
1982	Canico	Span Lake	Airborne electromagnetic, magnetic and radiometric surveys	
1983	Canico	Span Lake	Very-low frequency (VLF) and magnetometer surveys and geological and rock-sampling program	
1984 to 1986	No work	Span Lake	No work	
1985 to 1991	Todd Sanders Discovery West Corporation	Burchell Lake	Geophysical surveys, geological mapping, sampling, diamond drilling and trenching	
Late 1980s	Noranda Exploration and Lacana Exploration	East Coldstream Deposit	Explore adjacent claims on Osmani Gold Deposit. Noranda discovers three gold zones near eastern edge of claim package named North, East and Main Zones. Lacana defines Sander's Zone, a fourth zone along trend	Resource of 5.1 Mt at 1.43 g/t Au
Late 1980s	Noranda	Goldie Zone	Trenching program	Identify South/Goldie Zone
Late 1980s	Lacana	Iris Zone	Magnetic and VLF ground surveys and geological mapping	
Late 1980s	Freeport McMoran	Iris Zone	Complete six drillholes	
1987 to 1989	INCO	Span Lake	Thirty-nine holes totaling 6,764 m were completed, channel sampling covered 482 m of length, magnetometer and very-low frequency surveys covered 18.8 km	
1987	Noranda	East Coldstream Deposit	Prospecting, line cutting, humus and soil sampling, preliminary geological mapping, induced polarization (IP) and magnetometer surveys, trenching and channel sampling	

Year	Company	Property	Program	Results
1987	Lacana (Corona Corp)	East Coldstream Deposit	Geological mapping following up previous trenching, prospecting, VLF, IP and magnetic surveys	Trenching and channel sampling locate Sanders Zone, 0.1oz/ton over 11ft and 0.07 oz/ton over 10ft
1987	Lacana	Iris Zone	Took four samples from 1950s core all returned anomalous gold.	
1988	Discovery West	Burchell Lake	Complete 13 drillholes totaling 2,118 m	
1988	Noranda	East Coldstream Deposit	Diamond drilling totally 1,200 m, max/min survey, lithogeochemistry and geological mapping	
1989	Todd Sanders	Burchell Lake	Complete four drillholes	
1989	Newmont Exploration of Canada	Span Lake	Complete five drillholes totaling 635 m	
1989	Todd Sanders	Skimpole Lake	Ground magnetic and VLF surveys	
1989	Noranda	East Coldstream Deposit	900 m of diamond drilling along with trenching, channel sampling and detailed magnetometer survey	
1989	Lacana (Corona Corp.)	East Coldstream Deposit	Tested Sanders mineralization with drillholes C-89-1,2,7,8 and 9	
1989	Lacana/Freeport-McCaron Gold/Independence Mining	East Coldstream Deposit	Claims over the Sanders Zone are joint-ventured with Freeport-McCaron/Independence Mining	
1990	Todd Sanders	Skimpole Lake	Geological mapping and rock sampling program	
1990	Central Crude Ltd	Span Lake	Option INCO's claims over Span Lake	
1990	Independence Mining	East Coldstream Deposit	Line-cutting, mapping and sampling	
1990	Noranda	East Coldstream Deposit	Complete almost 1,500 m of diamond drilling	No significant gold mineralization was discovered in previously unsampled material
1991	Ms Jurate Lukosius-Sanders	Iris Zone	Mapping and prospecting work	

Year	Company	Property	Program	Results
1991	Noranda	East Coldstream Deposit	Completed 2,600 m of drilling targeting the Main Zone	The Main Zone was found to continue at depths with similar grades to those at surface
1991	Independence Mining	East Coldstream Deposit	In January of that year Independence Mining ceased operations in Canada, the Property is returned to Lacana	
1991	Todd Sanders	East Coldstream Deposit	Prospecting and sampling program with limited mapping	
1991 to 2002	No Work	East Coldstream Deposit	No work	
2002	Alto Ventures Ltd.	Broadhurst Peninsula	Acquires Coldstream property	
2002	Alto Ventures Ltd./Kinross Gold Corporation	East Coldstream Deposit	Alto acquires claims, Kinross Gold seven holes totaling 1,668 m	
2002 to 2008	Alto Ventures Ltd.	Burchell Lake	Stake Coldstream property	
2004	Alto Ventures Ltd.	Burchell Lake	Prospecting, historic trenches and showings located	
2004	Alto Ventures Ltd.	Skimpole Lake Area	Contract Clark Exploration Consulting to complete prospecting and sampling program	
2005	Alto Ventures Ltd.	Goldie Zone	Carry out IP survey over Goldie and East Coldsream Deposit areas	
2005	Alto Ventures Ltd.	East Coldstream Deposit	Airborne and ground geophysics completed. Versatile time domain electromagnetic (VTEM) survey flown and IP survey completed	
2005 to 2007	Trillium North Minerals and Everett Resources	Iris Zone	Complete IP surveys	
2006	Alto Ventures Ltd.	East Coldstream Deposit	Drilled 13 holes totaling 2,062 m, also resampled some historic drillholes	
2006	Alto Ventures Ltd.	Span Lake	Alto Ventures Ltd. purchases 26 claims covering Span Lake area from INCO Ltd.	
2007	Everett Resources	Iris Zone	Complete two drillholes 400 m apart targeting IP chargeability anomalies	

Year	Company	Property	Program	Results
2007	Alto Ventures Ltd.	East Coldstream Deposit	Follow up IP targets with trenching and rock sampling work south of Sanders Zone	
2007	Alto Ventures Ltd.	Goldie Zone	Relocated and sampled old Noranda trenches, sampling confirmed presence of gold	
2008	Alto Ventures Ltd.	Broadhurst Peninsula	Complete prospecting program on Coldstream property	
2009	Foundation Resources Inc.	East Coldstream Deposit	Mapping and grab samples with channel sampling on Sanders Zone	From 78 grab samples 35 returned gold values greater than 0.5 g/t Au
2009	Foundation Resources Inc.	Span Lake	Channel sampling work to confirm previous INCO results	
2009	Foundation Resources Inc.	Skimpole Lake	Mapping and sampling conducted around the west, south and east sides of lake	
2009	Foundation Resources Inc.	Goldie Zone	Trench and channel sampling completed along with geological mapping	
2009	Foundation Resources Inc.	Iris Zone	Geochemical sampling and prospecting program	
2009	Foundation Resources Inc.	Broadhurst Peninsula	Carried out geological mapping at a scale of 1:10,000 scale	
2009	Foundation Resources Inc.	Burchell Lake	Additional prospecting completed	
2009	Foundation Resources Inc.	East Coldstream Deposit	Foundation enters LOI with Alto Ventures Ltd.	
2010	Foundation Resources Inc.	East Coldstream Deposit	Drilling Osmani Gold Deposit	
2010	Foundation Resources Inc.	East Coldstream Deposit	3D IP geophysical survey completed	
2011	Foundation Resources Inc.	OG Deposit*****	Acquire 100% interest in Osmani Gold Deposit	
2011	Foundation Resources Inc.	OG Deposit*****	NI 43-101 Mineral Resource Estimate	*Inferred*:763, 276 oz Au *Indicated:* 96,400 oz Au
2011	Foundation Resources Inc.	OG Deposit*****	Drilled 35 holes totaling 8,323 m	
2011	Foundation Resources Inc.	Iris Zone	Drilled 20 holes totalling 3,850 m	
2011	Foundation Resources Inc.	Span Lake / Burchell West	IP/Mag Geophysical Survey	

2011	Foundation Resources Inc.	Burchell West, Skimpole Lake, Lacomb Lake West, Shebandowan West	Geological Mapping/Sampling	Values returned 17.85 g/t Au and 5.86 g/t Au at Burchell West area
2011	Foundation Resources Inc.	OG Deposit*	Metallurgical Testwork on the Deposit	96.1% recovery

*The name of the East Coldstream Deposit was changed to the Osmani Gold Deposit ("OG Deposit") in 2011 by Foundation Resources Inc.

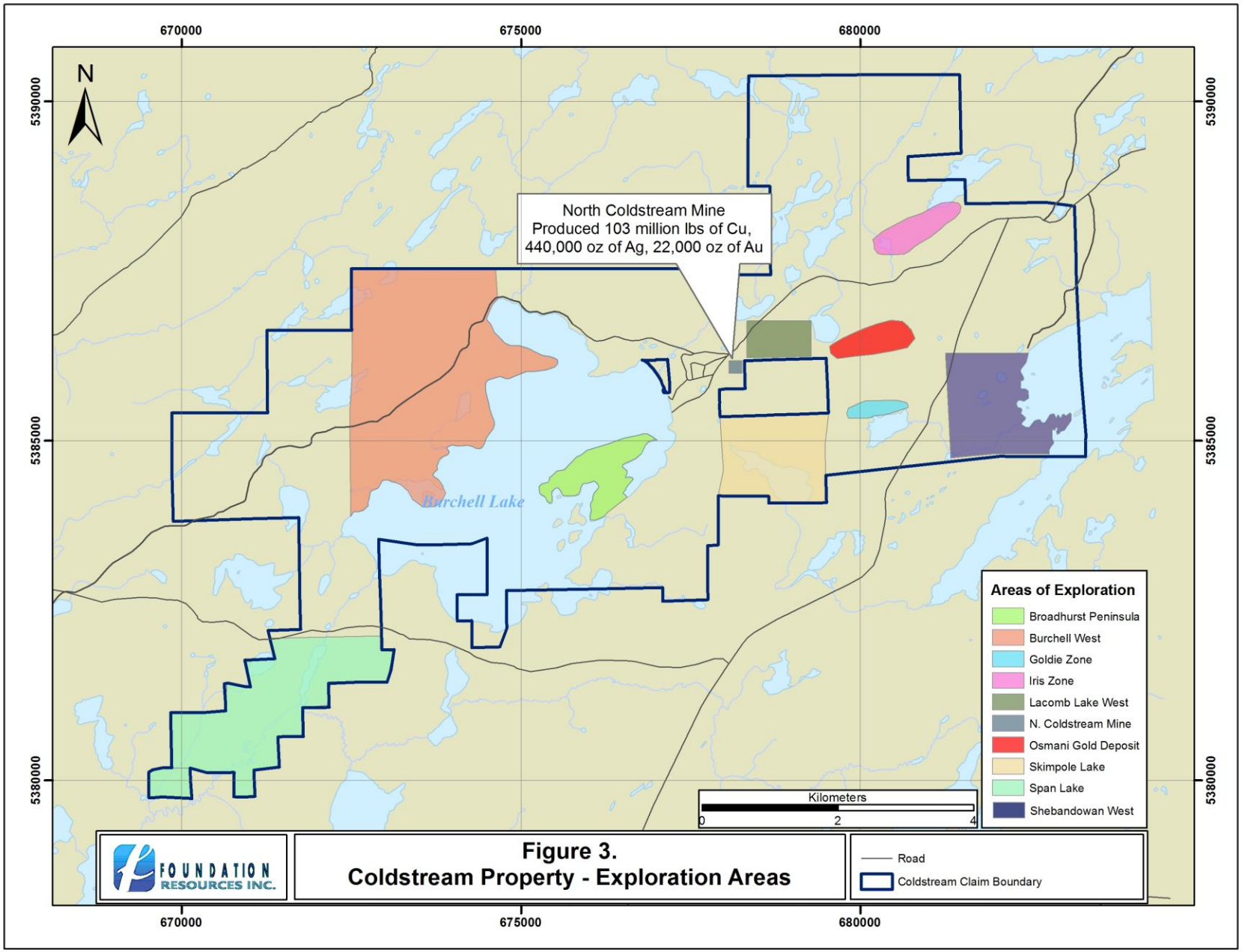

Figure 3. Coldstream Property, Exploration Areas

3 GEOLOGICAL SETTING

3.1 Regional Geology

The Coldstream Property is located near the west end of the Archean Shebandowan Greenstone Belt (SGB) of the Wawa Subprovince (**Figure 4**). The Subprovince is an aggregation of Archean greenstone belts and granitoid plutons, which hosts several world-class gold, base metal and iron deposits in diverse geological settings. It is home to some of the largest shear-hosted lode gold (e.g., Hemlo's Williams and David Bell gold mines), volcanogenic massive sulphide (e.g., former Geco and Winston Lake zinc mines) and mafic intrusion hosted Ni-Cu-PGM (e.g., former Shebandowan Mine) deposits in Canada (**Figure 5**). The Wawa Subprovince extends for approximately 850 km from the Kapuskasing Structural Zone in northeastern Ontario to west-southwest into the Minnesota River Valley area in North Dakota. The Subprovince is truncated by the Proterozoic Trans-Hudson Orogen buried under the Phanerozoic cover.

The SGB is bounded to the north and west by the metasedimentary rocks of the Quetico Subprovince, and to the south by a granitoid batholithic complex (Osmani 1993a, 1996, 1997) (**Figure 6**). Proterozoic rocks unconformably overlap the southern part of the SGB and the batholithic complex. The SGB is known to contain two contrasting suites of metamorphic rocks: 1) an older (>2733 Ma, Corfu and Stott 1986) suite of mafic to felsic, tholeiitic to calc-alkalic volcanic rocks with minor komatiites; and 2) an unconformably overlying younger (2689 Ma, Corfu and Stott 1986) suite of metasedimentary and metavolcanic rocks, including units of alkalic affinity, that overlie the older unit (Shegelski 1980) (**Figure 6**). These younger rocks closely resemble the "Timiskaming-type" rocks of the Kirkland Lake area in the Abitibi Subprovince (Cook and Moorhouse 1969). The Timiskaming-type volcano-sedimentary rocks, which occur along fault-bounded regional structures, were deposited in localized linear pull-apart basins. These fault-bounded basins are home to some of the world's largest gold deposits (e.g., Kirkland Lake, Timmins, Noranda, and Val d'Or gold camps).

The geological setting of the western part of the SGB, hosting the Osmani and other gold deposits, is characterized by the presence of predominantly older (2720 to 2715 Ma, Osmani 1997), tholeiitic to calc-alkalic mafic and felsic to intermediate metavolcanic rocks and their associated intrusive equivalents (**Figure 7**). Clastic and chemical (chert-magnetite banded iron formation) metasedimentary rocks, though rare within the Coldstream Property, occur in relative abundance within the extreme western part of the SGB near the Quetico Subprovince boundary. They have been strategically emplaced in terms of both stratigraphy and gold mineralization (Osmani 1993a, b, 1997). Komatiitic mafic and ultramafic metavolcanics and associated intrusive rocks are rare, but widely distributed in the Greenwater Lake area located 10 to 15 kilometres east-southeast of the East Coldstream deposit. The past producing Shebandowan Mine, hosted within these komatiitic rocks east-southeast of the Property, is situated on the

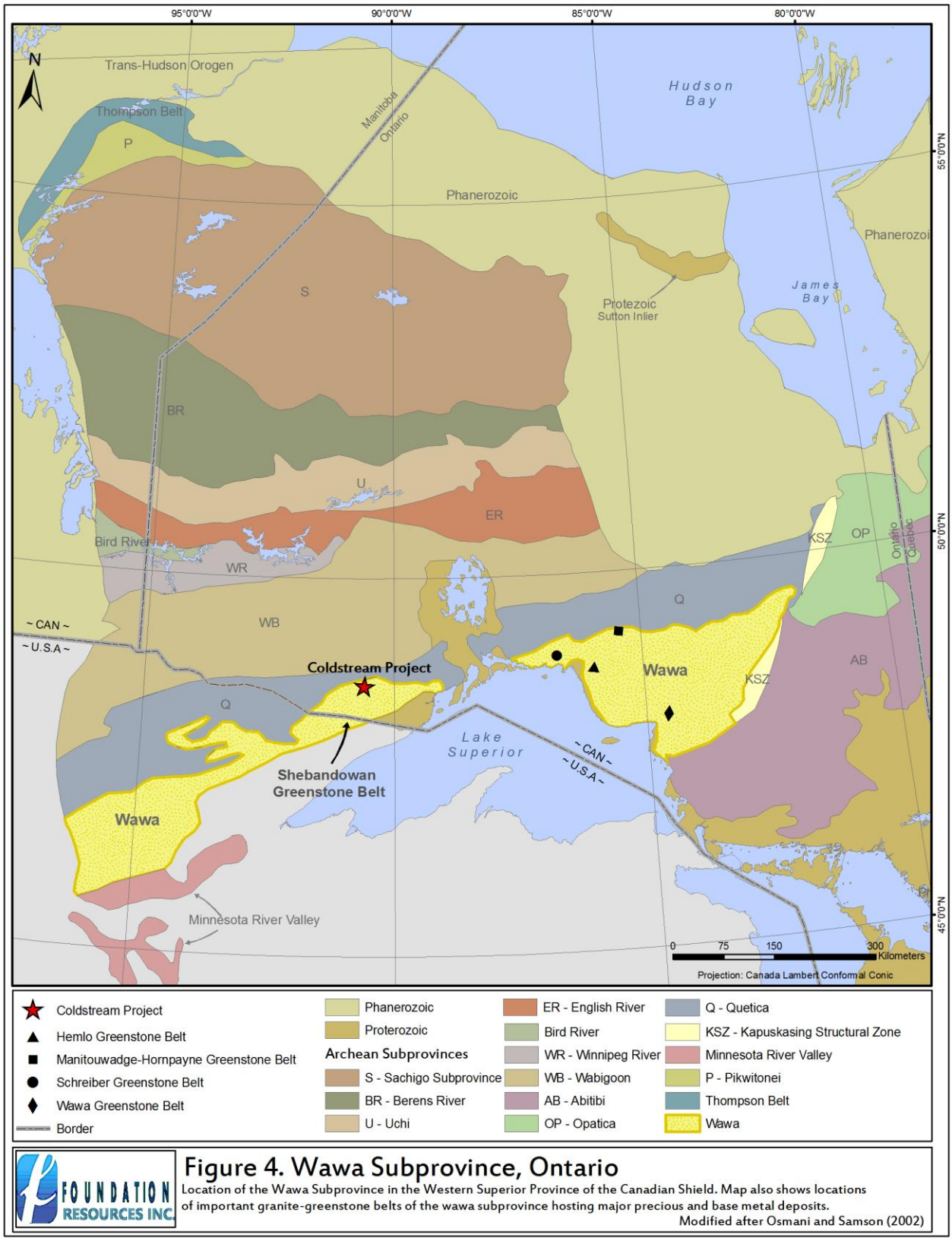

Figure 4. Wawa Subprovince, Ontario

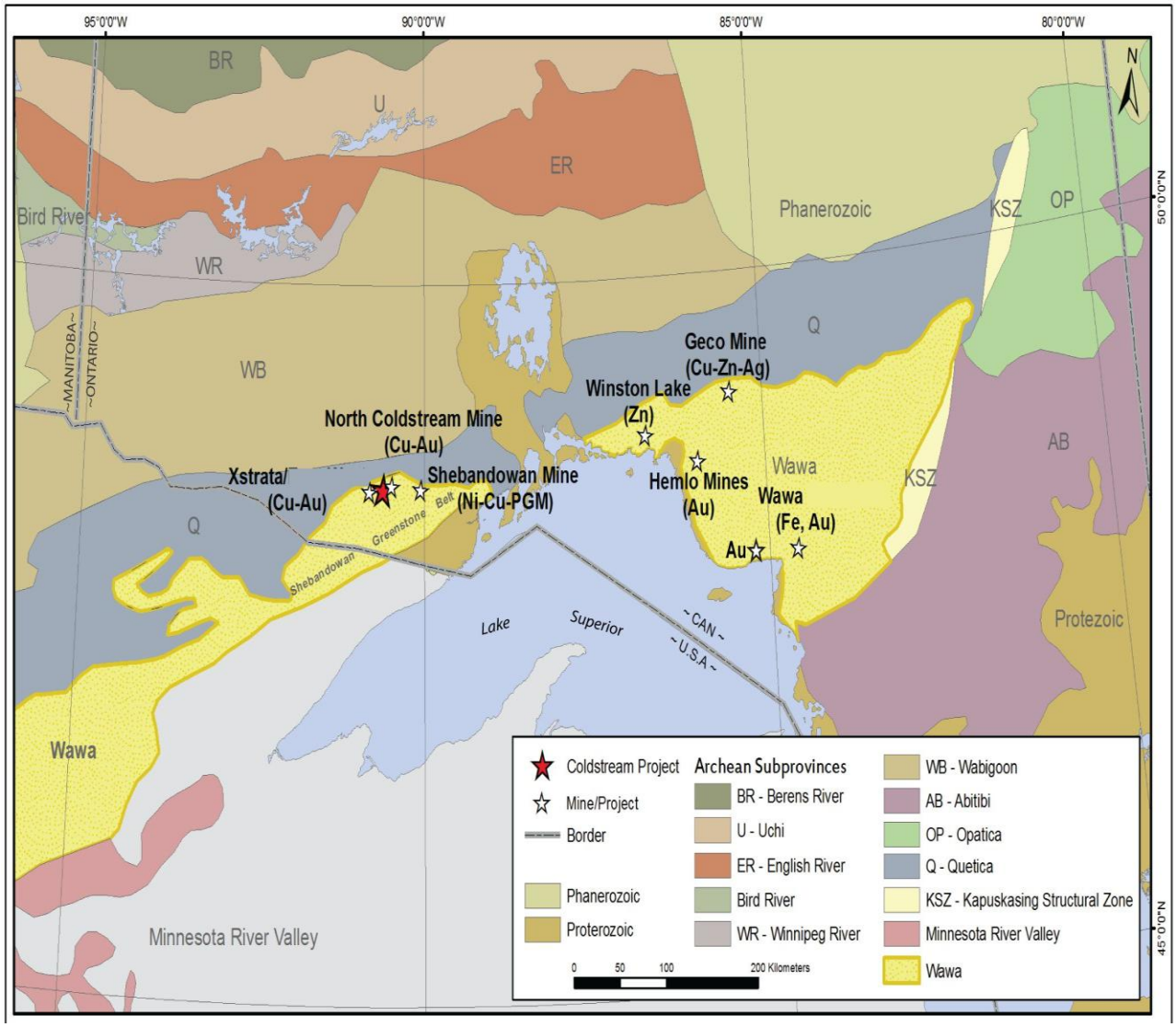

Figure 5. Mines and Deposits of Wawa Subprovince in Ontario.

Past Producers

North Coldstream Mine (Cu-Au-Ag)
Ardeen/Huronian Mine (Au)
Shebandowan Mine (Ni-Cu-PGM)
Winston Lake Mine (Zn)
Geco Mine (Cu-Zn-Ag)
Hemlo's Golden Giant Mine (Au)

Producers

Hemlo Mines:David Bell Mine (Au)
and Williams Mine (Au)
Eagle River Mines (Au)
(west of Wawa)

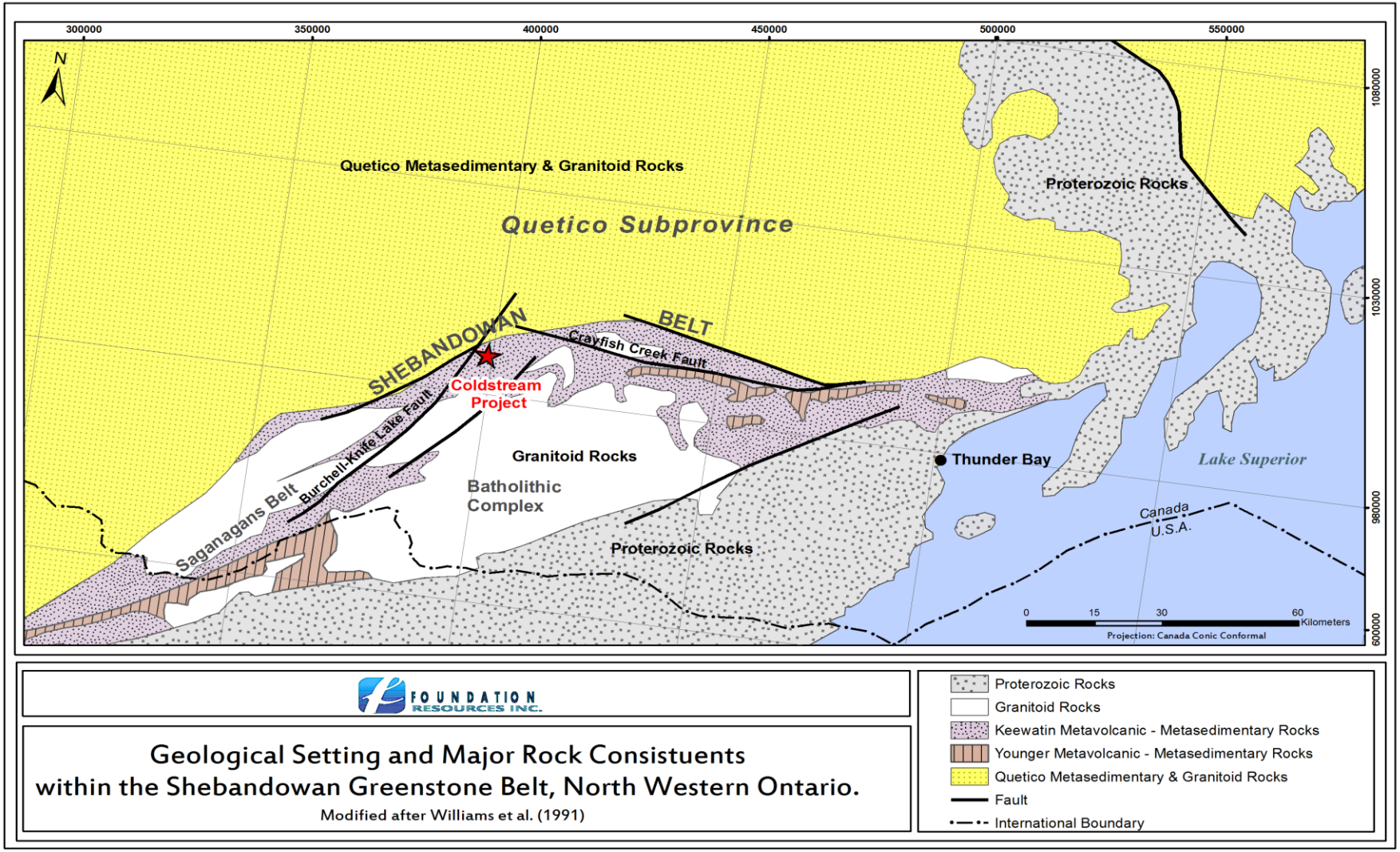

Figure 6. Geological Setting of the Shebandowan Greenstone Belt, Northwestern Ontario

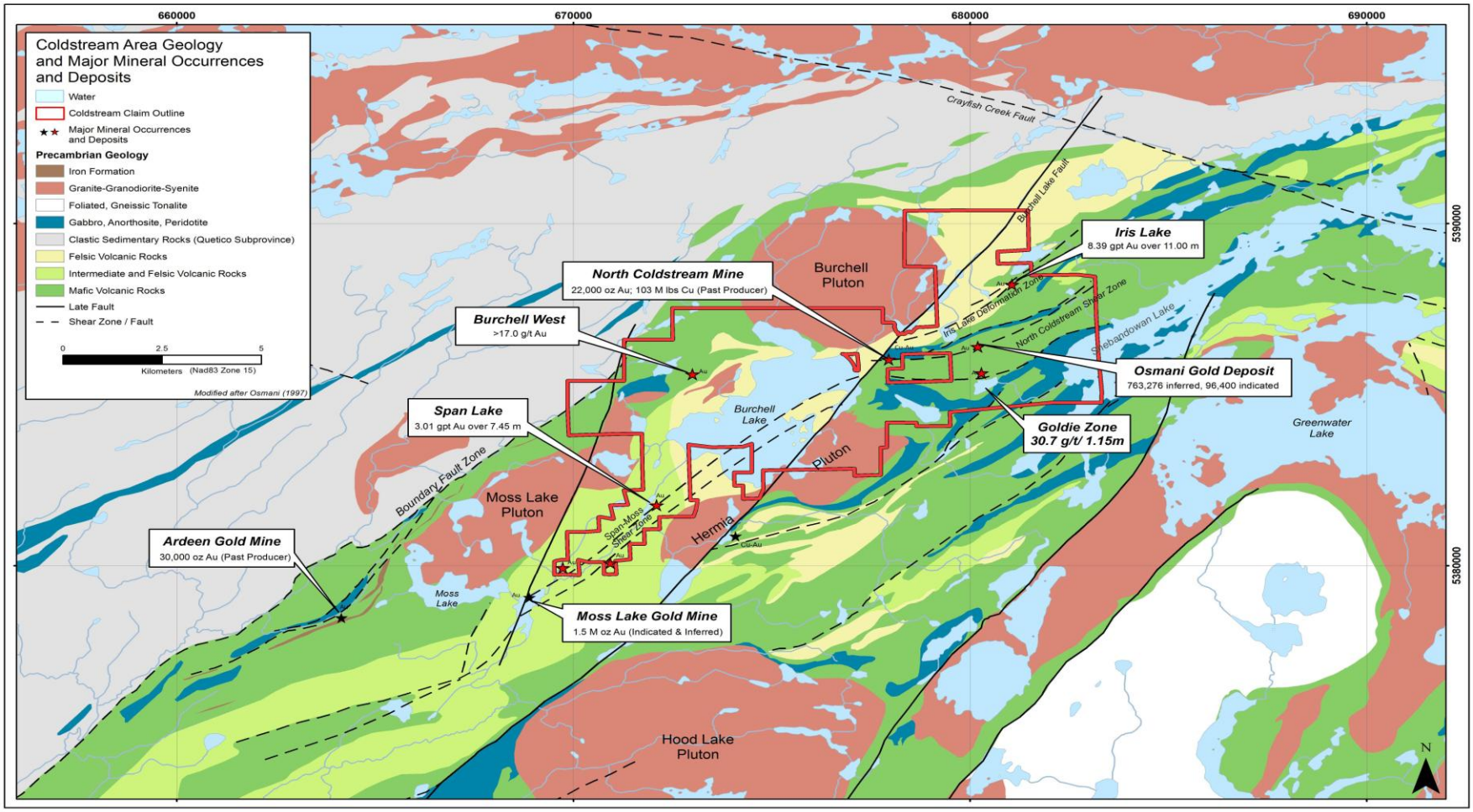

Figure 7. Simplified geology, mineral occurrences and deposits of the Coldstream Property and area (Modified after Osmani 1997).

south shore of Shebandowan Lake (Osmani 1997). An intensely silicified and deformed gabbroic sill-like body hosting Cu-Au mineralization at the past producing North Coldstream Mine is located on the Property approximately 2 km west of the OG Deposit (formerly known as the East Coldstream Deposit). Within the regional context, the North Coldstream Cu-Au deposit is situated at the contact of felsic and mafic metavolcanic rocks.

The supracrustal rocks within the western SGB are intruded by syn- to post tectonic composite plutons (e.g., Moss Lake, Burchell Lake, Hermia Lake and Hood Lake), and intermediate to felsic hypabyssal intrusive rocks (feldspar and quartz-feldspar porphyry dykes and sills). Some of these porphyries are spatially related to significant gold mineralization on the Coldstream and adjacent properties (e.g., Moss Lake Gold Mines).

There are three major regional trends of shearing/faulting within the western SGB:

1) The east-northeast
2) The northwest
3) The north- to northeast

The east-northeast trending shear/fault zones, generally displaying sinistral sense of strike-slip movement, have been linked to the gold mineralization event or events in the western SGB (Stott and Schneiders 1983). These shear zones are characterized by strongly developed D2 schistosity and gently to moderately east-plunging lineations superimposed upon rarely preserved D1 tectonic fabrics (Stott 1985).

The two most economically significant D2 shears and associated splays hosting gold mineralization in the Coldstream Property area are:

a) The east- to northeast striking North Coldstream Shear Zone (NCSZ), and
b) The northeast-southwest striking Span-Moss Shear Zone (SMSZ).

Some of the most significant gold and/or Cu-Au deposits, located from northeast to southwest within or adjacent to these structures, are the OG, North Coldstream, Span Lake and Moss Lake deposits in addition to numerous gold and copper occurrences. The country rocks (felsic to mafic metavolcanics, gabbros and porphyries) hosting these deposits are variably schistose to sheared and commonly display silica, sericite, albite, iron-carbonate, magnetite, potassium and hematite alteration. These alteration assemblages are also characteristic of other auriferous D2 structures but relative enrichment of hydrothermal potassium, hematite and/or magnetite is noticeably more evident along NCSZ-SMSZ than in any other D2 structures within the western SGB. This is to suggest that iron and potassium-rich hydrothermal fluids were more focused in deposits located along the NCSZ-SMSZ than any other D2 structures. The hydrothermal fluids in some gold deposits, for example, at the Ardeen Gold Mine located along splays coming off the Boundary Fault (D2 structure), tend to be more silica and calcite-dominated than those formed along the NCSZ-SMSZ.

The northwest-striking sets of structures are best represented by the approximately 35 km long Crayfish Creek Fault (CCF), of which the most northwesterly segment is located about 10 km northeast of the Coldstream Property (**Figure 6, Figure 7**). The fault is a dextral strike-slip structure cutting obliquely across east-northeast striking supracrustal sequences and also the earlier tectonic fabrics. The apparent strike-slip movement on the CCF is estimated to be approximately 300 m in a dextral sense in the Shebandowan Mine area (Osmani 1997).

The north- to northeast-trending regional structures are best represented by two brittle to ductile sinistral faults within the western SGB:

A) The Snodgrass Lake Fault (SLF), and
B) The Burchell Lake Fault (BLF)

The BLF cuts the CCF just north of SGB-Quetico Subprovince boundary with no apparent horizontal displacement. However, it displaces both the mineralized corridor, and the Hermia Lake pluton in the Burchell Lake area on the Coldstream Property (**Figure 7**). The strike-slip movement of a sinistral sense that is most likely accompanied by some dip-slip component is estimated to be up to 1.5 km based on apparent displacements on major lithologies and earlier structures such as the NCSZ-SMSZ in the Burchell Lake area. The SLF, which extends from Snodgrass Lake for approximately 16 km in the north- to northeasterly direction, transects and displaces the Moss Lake pluton and Boundary Fault (BF) in a sinistral sense for up to 1.7 km.

3.2 Property Geology

The Coldstream Property, covering approximately 6,421 ha, extends from south of Highway 802 in the northeast for approximately 20.0 km to the southwest in the Span Lake area. The Property geology is described below under three informal headings for ease of description. They are the Burchell East Block, Burchell West Block, and the Span Lake Block (**Figure 7**).

3.2.1 Burchell East Block

Mafic, intermediate and felsic metavolcanic rocks underlie the Burchell East Block. Numerous concordant dyke and sill-like bodies of gabbro, diorite, feldspar and quartz-feldspar porphyries intrude these metavolcanic rocks (**Figure 7**). The mafic metavolcanic rocks predominantly consist of pillowed and massive flows with minor tuff horizons. The intermediate metavolcanics are chiefly composed of tuff, lapilli tuff and minor massive flows. These rocks occur as discontinuous lenses, measuring a few metres wide and several hundred metres in strike length. The felsic metavolcanic rocks mostly occur north of North Coldstream Mine and Lacombe Lake. These rocks consist of massive, aphyric to porphyritic flows and fragmental rocks consisting of tuff, lapilli tuff, auto-breccias and derived schists. All lithologies, with the exception of the syenitic and diabase dykes, are

cut by a series of east- to northeast striking, ductile to brittle shear zones. Of these, the most prominent structure is the North Coldstream Shear Zone system (NCSZ), extending from the northeastern end of the Property for about 4.2 kilometres to the west-southwest in the North Coldstream Mine area. The NCSZ is offset immediately west of the mine, in a sinistral sense of horizontal movement by the Burchell Lake Fault (BLF).

Near the western end of the Burchell East Block, the former North Coldstream Cu-Au Mine, hosted within an intensely silicified gabbro sill-like body, lies along the sheared and altered contact between mafic and felsic metavolcanic rocks (Osmani 1997). The gabbro body is the footwall to the ore complex. Foliation/schistosity at the mine site trends easterly but swings northeasterly, aligning itself with the regional deformation trend, approximately 1 km east of the mine.

The Osmani Gold Deposit ("OG Deposit"), located within the north-central part of the Burchell East Block, is comprised of two zones of each about 1.5 km strike lengths: the EC-1 and EC-2. The EC-1 was historically known as having two zones, the Main and Sanders, and the EC-2 consisted of East and North zones. Gold mineralization within these zones is associated with intensely altered volcanic rocks and quartz- feldspar porphyry dykes and sills, lying along east-northeast striking, steeply dipping (north-northwest) shear zone system, the NCSZ. The dykes are variably sheared and intensely altered and mineralized with pyrite. Major alterations associated with gold zones include silica, carbonate, albite, sericite and hematite.

Gold mineralization has also been reported in trenches located north of Goldie Lake in the southeastern part of the block (Tremblay 2008, Koziol 2008). This mineralized area was named the 'South Zone' by Noranda, but has been changed to 'Goldie Zone' by Foundation to avoid confusion with mineralized zones at the OG Deposit. The Goldie Lake area is predominantly underlain by mafic metavolcanics (aphyric to amygdaloidal flows), which are intercalated with minor, narrow lenses of felsic and intermediate volcanic rocks. Strong foliation and outcrop scale shearing have generally deformed these rocks into chlorite and sericite schists according to their respective mafic and felsic volcanic protoliths.

A southwest striking and steeply northwest dipping structure, the Goldie Lake deformation zone, is interpreted to extend northeast from south of the North Coldstream Mine for 6.5 km to the northeast of Upper Shebandowan Lake. Northeast of Goldie Lake, the deformation zone splits into two: a west-striking branch heads towards the North Coldstream Mine, and a southwestern branch to the Skimpole Lake area. Quartz and quartz-feldspar porphyry dykes and sills lie along the Goldie Lake deformation zone in a similar fashion as to those observed in the OG Deposit, located approximately 850 metres north of Goldie Lake. All rock types in the Goldie Lake area are variably altered (silica, chlorite, carbonate and hematite) and often mineralized with trace to up to 20% pyrite$\pm$ chalcopyrite.

3.2.2 Burchell West Block

The Burchell West Block is bounded, respectively, to the west and east by two regional structures, the Boundary and Burchell Lake Faults (**Figure 7**). The Boundary Fault is a major northeast-striking, sinistral structure that marks the faulted boundary between the metasedimentary rocks of the Quetico Subprovince and the Shebandowan Greenstone Belt of the Wawa Subprovince.

The Burchell West Block is underlain by mainly felsic to intermediate and mafic metavolcanic rocks. In the western part of the block, mafic metavolcanics are the predominant rock types while the eastern half is dominated by felsic to intermediate metavolcanic rocks. The mafic metavolcanic rocks consist of massive to pillowed and amygdaloidal flows and their derived schists. Volumetrically minor chert-magnetite banded iron formation occurs within the mafic metavolcanic sequences. Narrow sills, dykes and small stock-like bodies of gabbro and feldspar porphyries intrude these metavolcanic rocks.

The eastern half of the Burchell West Block is mainly occupied by felsic to intermediate metavolcanic rocks, consisting of massive aphyric flows and their derived schists. Porphyritic granitic rocks of the Burchell Lake pluton underlie the northern shore and inland areas north of Burchell Lake. A small granitic stock of similar composition and texture also intrudes the felsic metavolcanic pile near the western shore of Burchell Lake.

Ubiquitous feldspar and quartz-feldspar porphyries, as steeply dipping sills and dykes, intrude the metavolcanic rocks subconcordantly throughout the Burchell West Block. Northeast to east striking foliation and shears deform all major lithologies but the felsic metavolcanic rocks are most strongly affected by these structures, particularly felsic to intermediate volcanic rocks on the Broadhurst Peninsula near the faulted contact with the Hermia Lake pluton, more than anywhere else in the Burchell West Block. Strong shearing is usually accompanied with chlorite, potassium and hematite alteration in the felsic metavolcanic rocks. Relatively weaker deformation affecting the mafic metavolcanics and porphyries inland from the western shore of Burchell Lake experienced only moderate chlorite and carbonate alteration. Mafic metavolcanics are variably deformed adjacent to the Boundary Fault along the western edge of the block.

Several gold, copper and copper-gold occurrences are reported on surface and in the drill holes located along the western and southeastern shores of Burchell Lake (Osmani 1997, Clark 2004, Koziol 2008). Foundation's prospecting and sampling programs in 2009 and 2011 discovered widespread mineralization within the Burchell West block, and even discovered a new high-grade gold area (up to 17.85 g/t gold) located in the most west-central part of the block. Gold and copper mineralization is associated with pyrite-chalcopyrite±malachite.

3.2.3 Span Lake Block

The Span Lake Block lies within what is known as the northeast striking 'Central Felsic Belt' (CFB) of predominantly intermediate to felsic metavolcanic rocks (Osmani 1993a). Regionally, the CFB is bounded to both the northwest and southeast by mafic metavolcanic belts and in the immediate vicinity of the Property it is delimited to the west and east by the Moss Lake and Hermia Lake plutons, respectively (**Figure 7**).

The CFB within the Span Lake Block mainly consists of aphyric to quartz porphyritic flows (dacite and rhyolite), minor fragmental rocks, and their derived schists. These rocks show shades of gray, cream, light green and pink colours depending upon the type of alteration that has affected them. Intermediate to felsic intrusive rocks, including sills/dykes of aphyric to feldspar-porphyritic diorite, feldspar and quartz-feldspar porphyries, intrude the volcanic rocks. The intrusive rocks are variably affected by alteration similar to that of their volcanic host. In addition to the said alteration, these rocks are also variably chloritized, albitized and silicified. Minor dykes and sills of granodiorite to granite, syenite and lamprophyre intrude sub-concordantly to volcanic strata and earlier fabrics.

The predominant structural pattern on the Property and adjacent areas is a series of northeast-striking, subparallel, brittle to ductile shear zones, collectively constituting the Span-Moss Shear Zone (SMSZ) system. The SMSZ extends southwest from the Burchell Lake in the northeast towards south-central Moss Township. On a Property scale, pyritic anastomising shears and fractures characterize the SMSZ (Debicki 1992). Nine zones of anomalous gold mineralization have been reported on the Span Lake Block (Debicki 1992). Subvertical shears and fractures within altered intermediate to felsic volcanic and intrusive rocks host the Span Lake area mineralization. The litho-tectonic setting of gold mineralization at Span Lake is very similar to the Moss Lake Gold Deposit located immediately adjacent the southern Coldstream Property boundary (Osmani 1993a, 1997).

4 ECONOMIC GEOLOGY

A vast majority of gold (+/- copper) mineralization within the western Shebandowan greenstone belt (SGB) has characteristically been linked to the regional shear and fault zones (Stott and Schneider 1983, Stott 1985, Debicki 1992, Osmani 1997, Sullivan et al. 2006, Osmani 2009). As a result, this has led several mineral exploration programs in the western SGB to pursue their efforts based on a shear-hosed lode-gold model. However, some variation existed when Noranda Exploration Company pursued a magmatic (porphyry) model after the recognition of pyrite+/-chalcopyrite disseminations in intermediate to felsic intrusive rocks hosting/associated with significant gold mineralization on their Snodgrass Lake (currently Moss Lake) and Coldstream Property (e.g. North and QES zones on the Moss Lake property and OG deposit on the Coldstream property).

A new model, the IOCG, has recently been proposed in some areas within the western SGB which incorporates many aspects of the older models (Tremblay and Koziol 2007, Bob Middleton, East-West Resources – Personal Communication, January 29, 2009). Copper-gold deposits and occurrences displaying the three primary diagnostic features of IOCG-type deposits, such as sodic-calcic, iron (hematite+/-magnetite) and potassic metasomatism, observed in the past (Osmani 1997) and recently by Tremblay and Koziol (2007) and Koziol (2008) on the Coldstream Property. A number of mineral deposits either interpreted or known to exhibit some of these indicative features have been located along a 25km long northeast structural corridor defined by the NCSZ-SMSZ: OG Deposit, North Coldstream copper-gold Mine, Span Lake area (Tremblay and Koziol 2007, Osmani 2009). Geological data collected and studied by Foundation over the past three years on the property overwhelmingly supports the shear-hosted gold deposit model despite of some local variation seen in the style of mineralization resembling to an IOCG-type deposit (Osmani 1997, Zulinski and Osmani 2010, 2011).

On the Coldstream Property, gold is generally associated with pyrite±chalcopyrite in amounts ranging from trace to 3% in most rocks but locally they can reach up to several percent. The OG Deposit and Span Lake areas fall within a relatively sulphide deficient (trace to 3%) category associated with gold mineralization on the Property. Some of the significant gold mineralization areas on the Property are described below.

4.1 Osmani Gold Deposit

The Osmani Gold Deposit (OG Deposit), which occurs within the Burchell East Block of the property, is hosted in a broad east-to east-northeast striking North Coldstream Shear Zone (NCSZ). This and other shear zones are thought to be associated with the D2 regional compressional event. D2 shear zones in the Shebandowan greenstone belt are known to be important hosts to gold mineralization (Osmani 1997). Within these shear zones, higher-grade gold shoots appear to follow moderate plunges to the east.

Mineralization is predominantly associated with sheared and altered mafic to intermediate metavolcanic rocks as well as the quartz-feldspar porphyries. The mineralized metavolcanic rocks are typically both bounded and intruded by the porphyries. These mineralized rocks are variably schistose, silicified, carbonatized and locally display strong to intense iron-carbonate and hematite alteration. This particular assemblage of alteration and shearing associated with gold mineralization has been termed “Coldstream Zone” (CSZ) by Foundation for descriptive purposes. Sulphide mineralization occurs in both the metavolcanics and porphyry rocks as disseminations and seams along the schistosity planes within and/or adjacent to shear zones (Osmani, 2009). A NI 43-101 compliant Mineral Resource Estimate was developed on two parallel gold bearing zones (EC-1 and EC-2) at a gold cut-off grade of 0.4 g/t Au, containing an *Indicated Resource* of 3.5 Mt with an average grade of 0.85 g/t Au (96,400 contained ounces of gold) and an *Inferred Resource* totaling 30.5 Mt with an average grade of 0.78

g/t Au (763,276 contained ounces of gold) calculated by Wardrop, a Tetra Tech Company, for Foundation (McCracken 2011).

4.2 Span Lake

The Span Lake area, hosted within the regional "Central Felsic to Intermediate Metavolcanic Belt" (CFB), occurs within the southwestern part (Span Lake Block) of the Coldstream Property. Mineralization in the Span Lake deposit could possibly represent a potential extension of the Moss Lake deposit onto the Coldstream Property. In particular, the southerly Span Lake claims adjacent to Moss Lake's QES zone. Historical drill holes located in these claims reveal intersects of **0.46 g/t over 15.0 metres, 0.35 g/t over 49.0 metres, and 0.68 g/t over 39.0 metres**. Gold mineralization in the Span Lake area is commonly associated with pyrite, followed by chalcopyrite, malachite and trace amounts of azurite (Debicki 1992, Osmani 1997, Osmani 2009). These mineralized rocks occurring within the northeast-striking Span-Moss shear zone (SMSZ) typically contain an alteration mineral assemblage comprised of albite, silica, sericite, hematite, chlorite and biotite or K-feldspar as potassic minerals (Osmani, 1997). Albitization and silicification are the most prominent alteration features in areas of moderate to strong shearing and fracturing (Osmani, 2009). Nine zones of anomalous gold mineralization have been reported on the Span Lake area (Debicki, 1992). Of these, three zones (A, B and I) containing the best gold mineralization in the Span Lake Block constitute the Burchell gold deposit (Osmani, 2009). The name Burchell Gold deposit is recently changed by Foundation to Span Lake gold deposit. Subvertical shears and fractures within altered intermediate to felsic volcanic and intrusive rocks are host to three (3) zones mentioned above (Osmani, 2009).

4.3 Goldie Zone

The Goldie Zone is a west-southwest striking and steeply northwest dipping structure located within the Goldie Lake deformation zone (GLDZ). This deformation zone extends southwesterly from the Upper Shebandowan Lake to Goldie Lake and from there in northwesterly direction to south of the North Coldstream Mine. All rock types in the Goldie Lake area are variably altered (silica, chlorite, carbonate, potassium, and hematite) and often mineralized with trace to up to 20% pyrite (± chalcopyrite) (Osmani 1997).

Channel sampling by Foundation Resources Inc. in 2009 demonstrated a mineralized strike length of at least 300 metres, with results including **30.7 g/t Au over 1.15 metres**. Some of the most significant gold assays obtained from 2009 channel sampling include: **1.21 g/t Au over 3.49 metres**, **1.95 g/t Au over 1.30 metres**, and **2.57 g/t Au over 3.49 metres**.

4.4 Iris Zone

The Iris Zone occurs in the Burchell East Block and hosted within a broad southwest striking and steeply dipping Iris Lake deformation zone (ILDZ). The deformation zone occurs both along and near the mafic-felsic metavolcanic contacts. The host rocks within the ILDZ are characterized by variably schistose to sheared, alternating felsic-mafic metavolcanics and quartz-feldspar porphyries commonly displaying silica, chlorite, sericite, albite, iron-carbonate, magnetite, potassium, and hematite alteration. From an economic point of view, the most important rocks in this area are the sheared mafic metavolcanics with strong silica, chlorite, hematite, and carbonate alteration with trace to up to 5% disseminated and stringer pyrite± chalcopyrite. Several grab samples taken by Foundation Resources Inc. yielded significant gold values including, **15.8 g/t Au**, **3.10 g/t Au, 2.5 g/t Au, 1.86 g/t Au, 1.55 g/t Au, 1.38 g/t Au.**

4.5 Burchell West

The Burchell West Grid, located within the Burchell West Block, is underlain by mainly mafic to felsic metavolcanic rocks, dikes/sills of quartz-feldspar and feldspar porphyries and other granitoid rocks. The northern-half of the grid is mostly underlain by the mafic metavolcanic rocks and the southern-half is dominated by felsic to intermediate metavolcanic rocks. A granitic stock-like body has been emplaced within felsic to intermediate metavolcanic sequences adjacent to the mafic-felsic metavolcanic contact in south-central Burchell West grid. Outcrop scale shearing and penetrative schistosity are abundant but no shear or fault structure of regional scale has been identified to date on the grid.

The southern grid area is host to numerous historical gold-copper showings. The northern grid area, not known for hosting any significant mineralization until recently when several high-grade gold occurrences were discovered as a result of Foundation's 2009 and 2011 prospecting and sampling programs in the area. Assay values as high as **17.85 g/t** and **5.86 g/t** gold in grab samples were discovered within the northern mafic metavolcanic part of the grid. Additional grab samples in the area included **1.95 g/t, 1.47 g/t,** and **1.58 g/t** gold. Gold and gold-copper mineralization on the grid is associated with pyrite and minor chalcopyrite, bornite and malachite.

5 2011 EXPLORATION PROGRAMS

The 2011 exploration program was primarily two-fold: 1) to further develop/expand the OG Deposit by drilling, and 2) to explore and develop other satellite targets by drilling (e.g., Iris Zone) and surface exploration programs (e.g., prospecting, sampling and geophysical surveys).

The OG Deposit, which currently boasts a NI 43-101 compliant mineral resource of 763, 276 ounces gold in the *Inferred* and 96,400 ounces gold in the *Indicated* categories, is not discussed here in any detail and the reader is referred to the resource estimate report completed by Wardrop (McCracken 2011) posted on SEDAR, in **Appendix VIII**, and Foundations website (www.fdnresources.com). An initial metallurgical test work conducted by SGS Canada for the Deposit is also posted on Foundations website as well as in **Appendix VII**. The metallurgical study concluded 96.1% gold recovery by combination of gravity followed by leaching of the gravity tailings. Finally, a succinct prospecting/sampling program and two geophysical surveys were also conducted on the Property during this time in order to identify new targets for potential upcoming drilling programs.

Historical work programs (e.g., mapping/prospecting, drilling and geophysical surveys), both by industry and government, have contributed in the delineation of a broad, northeast –southwest striking auriferous structural/alteration corridor, the **"Coldstream Gold Trend"**, in the Property area. This gold trend is approximately 25 kilometres extending from the northeastern part of the Coldstream Property to southwest through the Moss Lake Gold Mines property and beyond. Exploration work programs carried out by Noranda Exploration Company Ltd (1988-1991), Lacana Exploration (1989), Kinross Gold Corporation (2002), Alto Ventures (2006) established significant mineralization at the site of the OG Deposit (formerly the East Coldstream Deposit) located in the northeast, while Inco (1987-1989) identified nine (9) mineralized zones (A through I) characterized by northeast striking near vertical shear zones at Span Lake in the southwest. Two other areas of significant gold mineralization, the Iris and Goldie zones, located respectively 1.5 km and 1.0 km north and south of the OG Deposit, were discovered by Foundation during the 2009-2010 prospecting, trenching and drilling programs. Also a third area of widespread gold mineralization, returning some high-grade gold assays, was discovered during 2009 and 2011 field seasons by Foundation. This discovery has been named the Burchell West prospect and is located approximately 6.0 km west of the OG Deposit within the most western part of the Property.

Figure 8 illustrates the locations of the 2011 work areas and the results of these work programs are discussed below.

5.1 Surface Work

Surface work conducted on the Coldstream Property during 2011 was predominantly comprised of a prospecting and lithogeochemical sampling program carried out by the contractor Coast Mountain Geological Ltd. on behalf of Foundation. A total of 656 geochemical samples were taken (**Figure 9**).

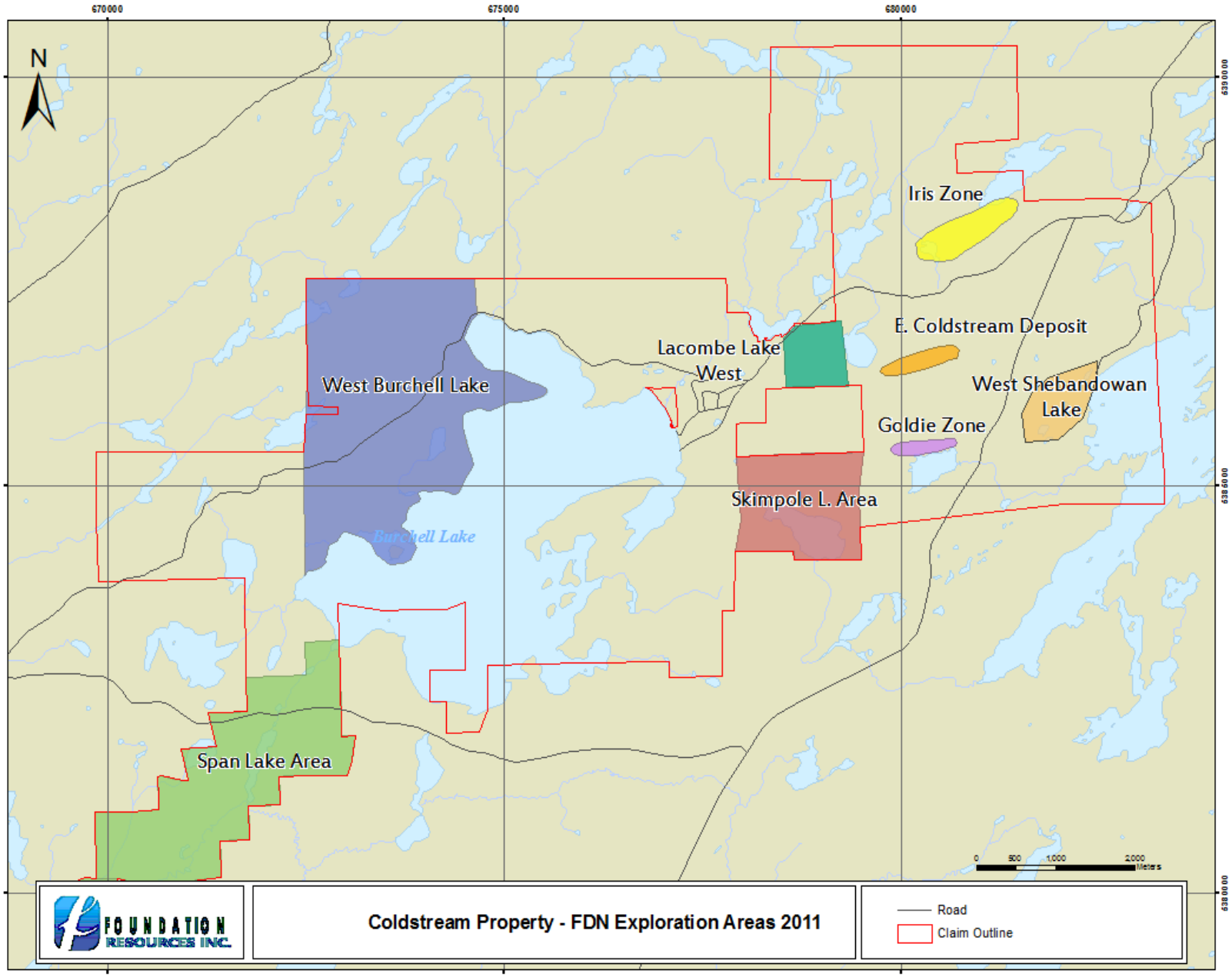

Figure 8. Coldstream Property, FDN Exploration Areas 2011

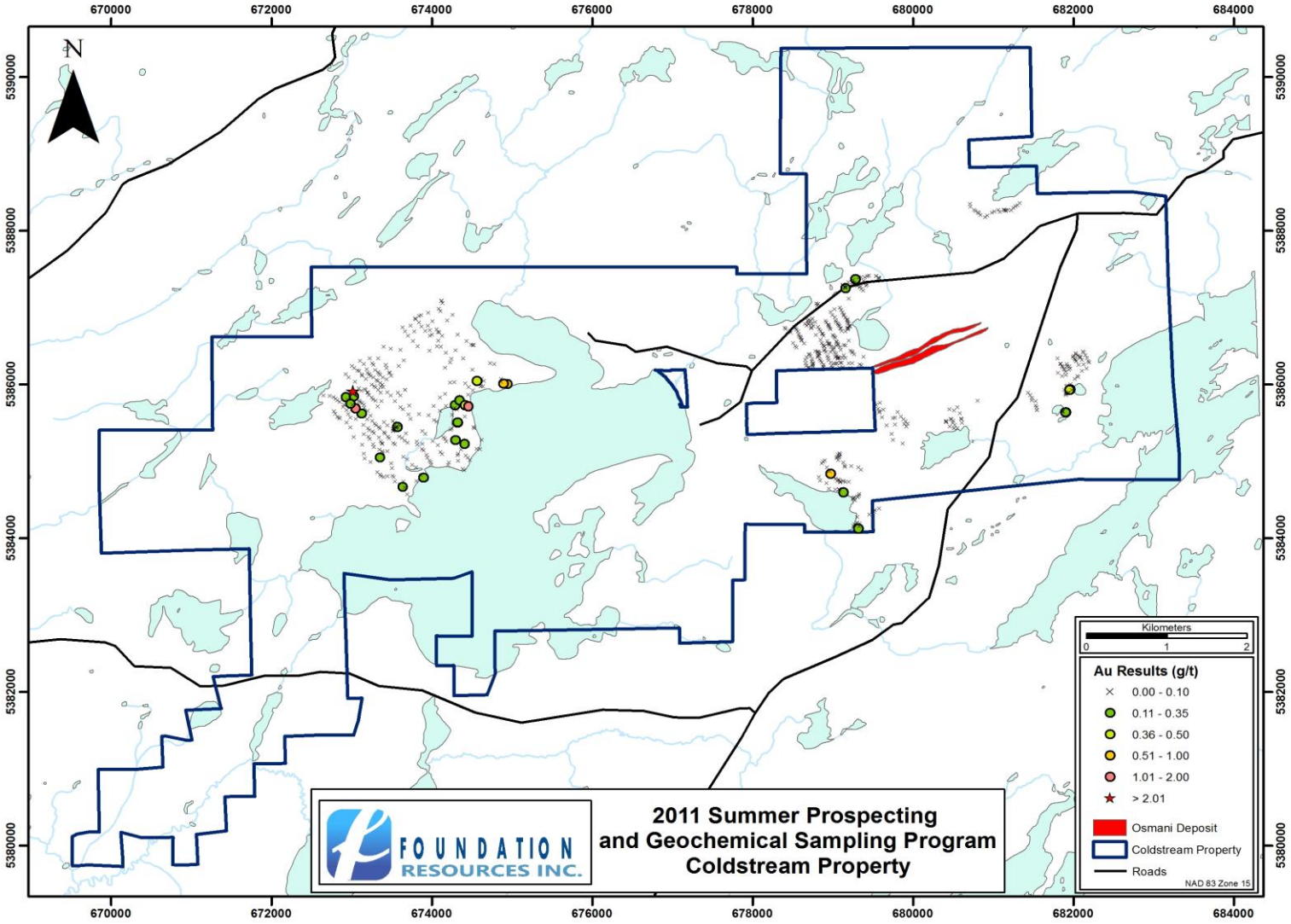

Figure 9. Location and results of 2011 lithogeochemical sampling program

An effort was made to focus around historical IP chargeability anomalies, historical drill holes and historical grab samples in their respective areas. The significance of this surface program was to identify and generate new areas of economic interest within the Coldstream Property that have received limited exploration work in the past. Areas of interest included; Goldie Zone, Lacombe Lake, Skimpole Lake, Burchell West, Shebandowan West and West Iris Zone. Some significant gold, silver and copper results from these areas are listed in **Table 4**. Sample descriptions and analytical certificates are provided in **Appendix II** and **Appendix V,** respectively**. Appendix IV** represents sample location maps for each exploration area, including anomalous Au grab samples.

Table 4. 2011 Summer Prospecting Significant Sample Results

Station ID	Area	Easting	Northing	Sample ID	Au (ppm)	Ag (ppm)	As (ppm)	Cu (ppm)	K (%)	S (%)
102	Skimpole Lake	678972	5384842	H374408	0.603	<0.5	<5	142	0.07	0.16
459	W Burchell	673048	5385695	E949728	1.95	1.5	210	20	2.29	0.67
536	W Burchell	674321	5385505	E949814	0.562	1.8	<5	2750	1.44	0.25
537	W Burchell	674318	5385508	E949816	0.806	1.8	<5	687	1.45	0.85
071711-75	W Burchell	674939	5386009	H374860	0.844	3.1	20	354	0.75	1.07
071711-76	W Burchell	674894	5386014	H374861	0.662	6	<5	146	2.74	0.15
072411-130	W Burchell	674457	5385720	H374977	1.4	15.3	6	2030	3.13	0.56
062511-53	West Sheb	681914	5385640	E949667	0.646	2.7	5	1865	1.59	7.84
082611-145	W Burchell	673020	5385911	H374994	17.85	5	51	38	1.96	0.64

5.1.1 Goldie Zone

Subsequent to the trench work conducted by Foundation Resources Inc. in 2009, Dr. Greg Stott from Stott Geoconsulting Ltd. conducted a survey of the structural geology and relationships along the 9 trenches of the Goldie Zone in 2011. A total of 35 geochemical samples were taken and analyzed from adjacent areas of these trenches. These samples returned no anomalous gold values.

According to Dr. Stott, the Goldie Zone is comprised of a massive mafic sill-like body intruded by several feldspar porphyry dykes and quartz-feldspar porphyry dykes trending roughly parallel to the trend of the mafic sill. The sill is notable for the widespread presence of pyrite (plus pyrrhotite) as disseminations and locally along fine fracture planes and for the presence of broad zones of a magnetic response several metres wide. The source of this strong magnetic response is thought to be disseminated magnetite in the sill. Most sulphides, especially in the shear zones, appear to be pyrite but some pyrrhotite was detected, notably in the more massive parts of the sill. The shear zones

within the sill show a proportionately greater presence of pyrite as stringers along shear foliations and cleavages (e.g., trench 8). It appears that most of the sulphide mineralization is localized along relatively narrow shear zones within the mafic sill and typically close to one or more feldspar porphyry dykes, which acted as a structural facilitator for localizing the shearing within the mafic sill close to the steeply dipping margins of the dyke. In such cases, the shear zone often is not restricted to the mafic sill but straddles the adjacent porphyry dyke, typically on one side of the dyke. Only in trenches 8 and 9 does it become more apparent that shearing within the mafic sill becomes broader and less dependent on the presence of a porphyry sill.

5.1.2 Lacombe Lake West

The Lacombe Lake West (LLW) area, measuring approximately 800m by 800m, was mapped mainly due to its strategic central location in relation to the OG Deposit and the historical North Coldstream Mine (NCM). The LLW is located approximately 750 metres east of the NCM and 500 metres west of the OG Deposit.

The mapping in 2011suggested the northern-half of the LLW is primarily underlain by felsic to intermediate and southern-half by mafic metavolcanic rocks and their derived schists. The mafic metavolcanic rocks mainly consist of massive to pillowed flows with minor tuff horizons. The intermediate and felsic metavolcanic rocks comprised of massive dacitic and rhyolitic flows and fragmental rocks consisting of tuff, lapilli tuff and auto-breccia. These rocks are intruded by relatively narrow, sub-concordant to concordant dikes and sill-like bodies of quartz-feldspar porphyry (QFP) and gabbro. The largest QFP intrusion, the "Lacombe Porphyry", as termed in this report, occurs immediately west of Lacombe Lake. It has been emplaced near the mafic-felsic metavolcanic contact.

All rock types are strongly deformed by an east to east-northeast striking strong schistosity and outcrop scale shear zones causing minor drag folding in both intrusive and extrusive units. The easterly trend of schistosity is the most predominant feature in the southern-half while an east- to northeast trend in the northern-half of the LLW.

All rock types in the map area are variably altered (silica, chlorite, sericite, magnetite and hematite) and often contain trace to 5% disseminated pyrite. A total of 143 geochemical samples were taken and analyzed for gold and other trace elements. With the exception of five weakly anomalous gold values (0.033ppm-0.084ppm Au), all samples returned values below the detection limit **(Appendix IV).** Out of five weakly anomalous samples, four represent sericite schist of felsic metavolcanic protolith and one mafic metavolcanic rock. The mafic metavolcanic sample also yielded anomalous copper value (838ppm, sample H374453).

5.1.3 Skimpole Lake

The Skimpole Lake area, which is located approximately 2 km southwest of the OG Deposit, occurs within the Burchell East Block. Reconnaissance mapping was conducted to north and east of Skimpole Lake. The mapping data indicated the area is underlain by predominantly mafic metavolcanic and gabbroic rocks. A relatively thin unit of felsic to intermediate metavolcanic, located along north shore of Skimpole Lake, is intercalated with the mafic metavolcanic sequences. Two relatively narrow sill-like bodies of gabbro have been emplaced along the northern and southern contacts of the felsic-mafic metavolcanic rocks. The mafic metavolcanic rocks predominantly comprised of massive flows and their derived schists, while the intermediate to felsic metavolcanic rocks are mainly dacitic flow unit. Dikes and sill-like bodies of quartz-feldspar porphyries intrude all these rocks. Tectonic foliation and stratigraphy strike predominantly to northwest.

A total of 45 grab samples were taken for geochemical analysis. The majority of the samples yielded trace to weakly anomalous gold values. Highest gold assay value obtained from this area is 0.60 g/t gold (**Table 4**).

5.1.4 Shebandowan West

The West Shebandowan Lake area is located approximately 1.5 km southeast of the OG Deposit. The area is primarily underlain by mafic metavolcanic rocks intruded by a relatively thick concordant gabbroic to anorthositic body and minor quartz-feldspar porphyry intrusions. The mafic metavolcanics predominantly consist of massive flows and their derived schists. Anomalous gold was identified towards the southern portion of the mapped area, coinciding with the historical mineralized occurrences. A total of 77 grab samples were taken for geochemical analysis. The majority of the samples yielded gold values either below the detection limit or trace to weakly anomalous gold. A few returned anomalous gold values (e.g., **0.65 g/t Au**, **0.39 g/t Au**, and **0.38 g/t Au)** (**Table 4**, **Appendix IV**).

5.1.5 Burchell West

The Burchell West grid area is located approximately 6.0 km west of the OG Deposit. The southern grid area is known to host many historical gold and gold-copper showings. However, the northern-half of grid is mostly unknown in terms of hosting mineralization of much significance at least not until Foundations two most recent prospecting and sampling programs conducted during the summer 2009 and 2011. A total of 315 geochemical samples were collected and analyzed in 2011 for precious, base and other metals. During this time, several high-grade gold occurrences were discovered with assay values as high as **17.85 g/t** and **5.86 g/t** gold in grab samples (**Table 4**). Additional grab samples in the area included **1.95 g/t, 1.47 g/t,** and **1.58 g/t** gold. Some samples also yielded highly anomalous copper and silver values (e.g., **2750 ppm Cu** and **15.3 g/t Ag**). Gold and gold-copper mineralization on the Burchell West grid is commonly associated

with pyrite and minor chalcopyrite, bornite and malachite. A good correspondence is noted between the areas of high to medium IP chargeability anomalies and surface gold and copper mineralization on the Burchell West grid (**Figure 10**).

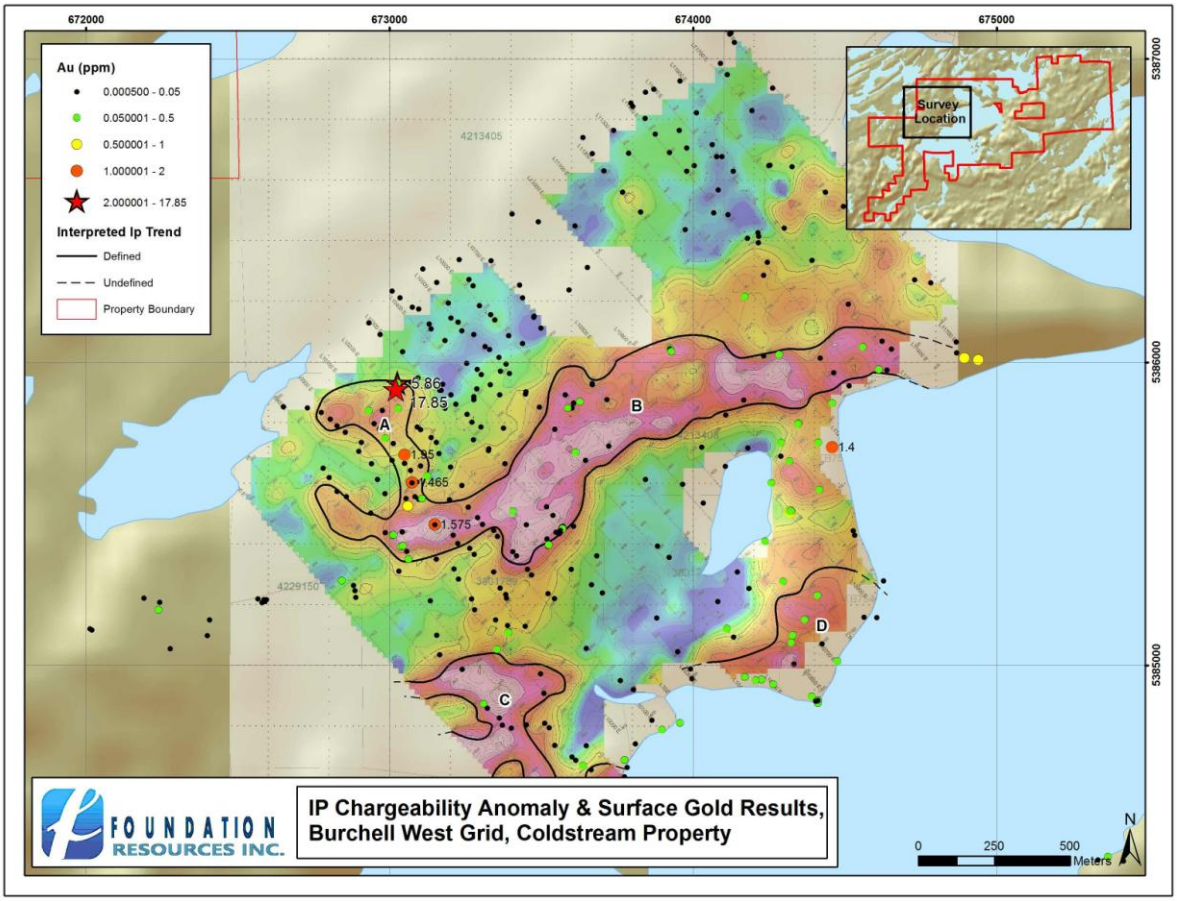

Figure 10. IP chargeability anomaly map of the Burchell West showing locations of 2009 and 2011 surface gold results.

5.1.6 Iris and Iris West Zones

The Iris Zone, located immediately south-southwest of the Iris Lake within the most northeastern part of the property, is approximately 1.5 km north of the OG Deposit. Only one day was spent on mapping with two-fold objective: one was to subdivide the felsic metavolcanic rocks into rhyolitic versus dacitic based on visual observations; such as colour index, deformation, alteration mineral assemblage etc. No samples were collected for geochemical analysis.

The Iris West zone is approximately 1500 metres southwest of the Iris Zone and located along the mine road (Highway 802) north of Lacombe Lake. The area is entirely

underlain by felsic to intermediate metavolcanic rocks, quartz-feldspar porphyries and their derived schists. A total of 41 grab samples were taken for geochemical analysis. Of the 41 samples collected, seven returned weakly anomalous gold (0.11ppm-0.218ppm). The highest gold value (0.218ppm) is obtained from felsic metavolcanic sample (H374491). This and another sample have also yielded anomalous zinc values (681ppm – sample H374491 and sample H374492 – 1840ppm) associated with gold mineralization.

5.2 Geophysical Survey

5.2.1 Span Lake

A spectral IP/resistivity and magnetic survey was conducted between June 24, 2011 and July 22, 2011, over the southern portion of the Span Lake area of the Property by JVX Ltd. A total of 20,075 metres IP/resistivity and 20,700 metres magnetic data were collected.

The purpose of the survey was to define a potential extension of the Moss Lake Gold Deposit onto the Span Lake claims as well as identify new drill targets based on chargeability/resistivity responses in areas of thick overburden and scarce bedrock exposure. Interpretation of the survey identified three areas (IP-1, IP-2 and IP-3) of strongest chargeable bedrock responses coincident with strong to moderate resistive anomalies. IP-1 is located potentially on-strike to the North Zone of the Moss Lake Gold Deposit while IP-2 suggests a potential extension of the QES Zone of the Moss Lake Gold Deposit.

Appendix VI consists of the detailed spectral IP/resistivity and magnetic survey report for Span Lake, completed by JVX Ltd.

5.2.2 Burchell West

A spectral IP/resistivity and magnetic survey was conducted between October 12, 2011 and November 16, 2011, over the Burchell West area of the Property by JVX Ltd. A total of 34,125 metres IP/resistivity and 37,375 metres magnetic data were collected.

The purpose of the survey was to identify new drill targets based on chargeability/resistivity responses in a relatively under explored area of the Property. Interpretation of the data suggests four priority areas of strong to moderate chargeability anomalies (A, B, C and D). These anomalies display good correlation with widespread anomalous surface gold results obtained during the 2009 and 2011 prospecting and sampling programs. Surface samples include; 17.85 g/t Au and 5.86 g/t gold (Anomaly A), 1.95 g/t, 1.47 g/t, and 1.58 g/t, 0.84 g/t, 0.66 g/t, 0.41 g/t and 0.44 g/t gold (Anomaly B). Anomalies C and D contain several anomalous values yielding up to 0.50 g/t Au (**Figure 10**).

Appendix VI consists of the detailed spectral IP/resistivity and magnetic survey report on Burchell West, completed by JVX Ltd.

5.3 Linecutting Work

5.3.1 Span Lake

Linecutting work was completed over the southern Span Lake area of the Property commencing on May 16th to May 31st, 2011. A total of approximately 22.1 line kilometres were cut on a 315 azimuth grid and have been labelled L110 00E through L131 00E (see **Appendix IX**). The linecutting work was performed by "Haveman Brothers" of Kakabeka Falls, Ontario.

5.3.2 Burchell West

Linecutting work was completed over the Burchell West target of the Property commencing on September 6th to October 12th, 2011. A total of approximately 37.4 line kilometres were cut on a 320 azimuth grid and have been labelled L96 00E through L118 00E (see **Appendix IX**). The line-cutting work was performed by "Haveman Brothers" of Kakabeka Falls, Ontario.

5.4 Diamond Drilling

A two-phase drill program was conducted on the Coldstream Property in 2011. These phases include drilling from January 28th to March 18th, 2011 and June 15th to August 25th, 2011. A total of 55 diamond drill holes, totalling 12,173 metres, were drilled on the Property, including Osmani Gold or OG Deposit (formerly known as the East Coldstream Deposit) and Iris Zone. The drilling work was performed by both "More Core Diamond Drilling Services Ltd." and "Cobra Drilling/North Star Drilling Ltd." of Stewart, British Columbia, and Thunder Bay, Ontario, respectively. Down hole surveys were conducted approximately 15 metres below casing and at 50 meter intervals hereinafter by means of a digital Ranger multi-shot and Reflex EZ-Shot instruments. Drill-hole positions were located using a standard handheld Global Positioning System (GPS) device with an accuracy of approximately +/- 5 metres. The majority of the work associated with the drilling programs was completed by 1 field-crew consisting of a project geologist, 2 core logging geologists, and 2 geotechnicians.

The significance of these two drill programs were to further develop and expand the OG Deposit while producing an NI 43-101 compliant Mineral Resource Estimate for the Deposit (763, 276 ounces gold *Inferred* and 96,400 ounces gold *Indicated*) as well as test other high priority satellite targets in order to increase the economic potential as a whole for the Property.

Thirty-five holes (C-11-50 through C-11-84), totalling 8,324 metres were drilled into the OG Deposit and 20 holes (IL-11-01 through IL-11-20) totalling 3,849 metres were drilled into the Iris Zone. Majority of the drill holes intersected anomalous to highly anomalous gold mineralization both within and beyond the previously identified zones at each target drilled in 2011. Selected gold assays for these holes are listed in **(Table 5)**. Detailed drill logs and analytical certificates are attached as **Appendix II** and **Appendix V**, respectively. **Appendix III** includes both the Osmani Gold Deposit and Iris Zone drill hole plan maps and cross-sections.

Table 5. Selected Gold Assay Results from 2011 Drill Programs, Coldstream Property (C = OG Deposit, IL = Iris Lake).

Drill hole	From (m)	To (m)	Width (m)	Gold (g/t)
C-11-50	130.85	133.00	**2.15**	**1.26**
C-11-51	137.66	143.00	**5.34**	**0.19**
C-11-52	270.00	281.15	**11.15**	**0.31**
C-11-53	105.00	107.00	**2.00**	**0.16**
C-11-55	117.00	119.00	**2.00**	**0.26**
C-11-56	145.25	173.00	**27.75**	**0.75**
Including	145.25	149.50	**4.25**	**1.93**
Including	165.70	169.00	**3.30**	**2.58**
C-11-57	150.00	160.50	**10.50**	**0.22**
C-11-58	58.00	120.00	**62.00**	**0.48**
Including	110.00	120.00	**10.00**	**1.51**
C-11-59	81.80	93.90	**12.10**	**1.20**
Including	81.80	84.80	**3.00**	**3.54**
C-11-60	158.00	202.00	**44.00**	**0.53**
Including	158.00	160.00	**2.00**	**4.70**
Including	192.00	194.00	**2.00**	**2.03**
C-11-61	140.60	142.60	**2.00**	**0.57**
C-11-62	25.00	41.00	**16.00**	**1.06**
Including	35.00	39.00	**4.00**	**2.62**
And	87.00	114.00	**27.00**	**1.09**
Including	91.00	100.65	**9.65**	**1.33**
C-11-63	42.25	52.00	**9.75**	**0.56**
Including	42.25	44.00	**1.75**	**1.50**
And	208.00	217.25	**9.25**	**1.78**
Including	213.80	215.60	**1.80**	**5.18**
C-11-64	104.00	110.30	**6.30**	**1.52**
And	135.00	158.00	**23.00**	**1.00**

Including	152.25	158.00	**5.75**	**2.66**
And	216.00	228.00	**12.00**	**1.14**
C-11-65	90.55	96.55	**6.00**	**0.72**
And	103.10	107.25	**4.15**	**1.12**
C-11-66	265.00	303.25	**38.25**	**1.10**
Including	275.50	277.00	**1.50**	**3.66**
Including	280.80	286.00	**5.20**	**5.14**
C-11-67 (Twin C-89-18)	98.00	112.00	**14.00**	**1.05**
Including	98.00	105.20	**7.20**	**1.82**
C-11-68	226.00	239.00	**13.00**	**3.49**
C-11-69	100.00	106.00	**6.00**	**0.74**
C-11-70	233.10	234.90	**1.80**	**2.27**
C-11-71	75.80	77.10	**1.30**	**1.77**
And	158.75	191.50	**32.75**	**1.03**
Including	181.70	189.85	**8.15**	**3.61**
Including	186.50	189.85	**3.35**	**8.26**
C-11-72	266.85	273.50	**6.65**	**1.15**
Including	270.00	273.50	**3.50**	**1.70**
C-11-73	37.00	42.00	**5.00**	**0.38**
And	48.00	77.00	**29.00**	**0.65**
Including	48.00	53.20	**5.20**	**2.22**
Including	50.00	52.00	**2.00**	**4.81**
And	242.50	247.00	**4.50**	**4.42**
Including	242.50	246.00	**3.50**	**5.56**
C-11-74	117.55	137.00	**19.45**	**0.53**
Including	120.55	123.00	**2.45**	**2.18**
And	268.90	274.00	**5.10**	**0.36**
And	283.00	293.75	**10.75**	**0.30**
C-11-75	43.00	45.00	**2.00**	**0.92**
And	172.65	180.00	**7.35**	**3.13**
Including	172.65	174.00	**1.35**	**11.65**
And	197.00	199.00	**2.00**	**10.95**
And	225.00	226.80	**1.80**	**1.35**
And	248.30	251.00	**2.70**	**0.43**
C-11-76	40.60	44.00	**3.40**	**0.42**
And	60.00	64.00	**4.00**	**0.81**
And	152.00	160.50	**8.50**	**1.06**
C-11-77	79.00	96.00	**17.00**	**1.21**
Including	94.00	96.00	**2.00**	**3.44**

C-11-78	11.75	14.50	**2.75**	**0.49**
And	56.40	59.50	**3.10**	**1.04**
And	76.00	78.00	**2.00**	**2.15**
And	85.40	89.00	**3.60**	**1.36**
C-11-79	101.75	103.00	**1.25**	**0.43**
And	143.00	147.00	**4.00**	**0.19**
And	153.00	163.00	**10.00**	**0.19**
And	167.00	172.00	**5.00**	**0.24**
And	192.00	196.00	**4.00**	**0.22**
And	202.00	206.00	**4.00**	**0.24**
C-11-80	237.60	239.00	**1.40**	**0.57**
And	270.45	284.00	**13.55**	**0.19**
And	314.00	316.10	**2.10**	**1.44**
And	333.00	335.00	**2.00**	**0.56**
C-11-81	281.95	283.30	**1.35**	**1.86**
And	298.00	299.50	**1.50**	**0.49**
And	308.65	309.65	**1.00**	**1.33**
And	342.05	343.10	**1.05**	**1.58**
And	350.70	352.70	**2.00**	**0.50**
C-11-82	11.70	13.70	**2.00**	**0.22**
C-11-83	31.50	34.00	**2.50**	**1.61**
And	49.00	51.50	**2.50**	**1.08**
And	70.30	73.95	**2.65**	**1.50**
Including	70.30	71.95	**1.65**	**2.16**
And	126.10	128.10	**2.00**	**0.67**
And	199.70	203.00	**3.30**	**0.46**
C-11-84*	-	-	**-**	**-**
IL-11-01	82.00	83.60	**1.60**	**5.29**
Including	83.00	83.60	**0.60**	**13.55**
And	88.00	89.15	**1.15**	**1.30**
And	100.80	104.00	**1.50**	**0.40**
IL-11-02	3.00	29.00	**26.00**	**3.68**
Including	18.00	29.00	**11.00**	**8.39**
Including	20.00	20.95	**0.95**	**17.50**
Including	24.75	25.90	**1.15**	**61.70**
And	136.00	137.00	**1.00**	**0.53**
IL-11-03	102.00	110.85	**8.85**	**1.76**
Including	102.00	104.00	**2.00**	**5.09**

And	129.00	136.90	**7.90**	**0.85**
Including	136.00	136.90	**0.90**	**4.73**
And	151.00	164.00	**13.00**	**1.24**
Including	161.00	162.50	**1.50**	**3.55**
And	216.00	218.00	**2.00**	**0.34**
IL-11-04	88.00	90.00	**2.00**	**0.20**
IL-11-05*	-	-	**-**	**-**
IL-11-06*	-	-	**-**	**-**
IL-11-07*	-	-	**-**	**-**
IL-11-08	46.80	52.00	**5.20**	**0.52**
IL-11-09*	-	-	**-**	**-**
IL-11-10	77.40	78.55	**1.15**	**5.55**
IL-11-11*	-	-	**-**	**-**
IL-11-12	199.60	200.10	**0.50**	**254.00**
IL-11-13	47.40	48.15	**0.75**	**0.78**
And	157.85	159.85	**2.00**	**0.62**
IL-11-14	91.35	92.85	**1.50**	**0.21**
IL-11-15	191.45	205.30	**13.85**	**0.19**
And	231.50	236.00	**4.50**	**0.35**
IL-11-16	117.00	123.50	**6.50**	**0.15**
	137.35	143.90	**6.65**	**0.20**
Including	139.35	141.00	**1.65**	**0.47**
IL-11-17	24.00	34.00	**10.00**	**0.45**
And	36.00	48.00	**12.00**	**0.22**
And	53.60	59.35	**5.75**	**0.17**
And	62.40	71.00	**8.60**	**1.09**
IL-11-18	108.45	122.00	**13.55**	**0.15**
	126.00	134.00	**8.00**	**0.30**
IL-11-19	82.10	84.00	**1.90**	**1.33**
And	134.25	141.80	**7.55**	**1.15**
IL-11-20	100.80	130.50	**29.70**	**1.27**
Including	100.00	104.00	**3.20**	**7.05**
Including	103.00	104.00	**1.00**	**21.60**
Including	117.80	122.00	**4.20**	**1.52**
Including	128.50	130.50	**2.00**	**2.23**

*No significant gold value yielded by the drill hole

5.4.1 OG Deposit Results

In September 2011, a NI 43-101 compliant Technical Report including a mineral resource estimate was prepared for the Osmani Gold Deposit (OG Deposit) (763, 276 ounces gold *Inferred* and 96,400 ounces gold *Indicated*). A successful achievement in expanding the OG Deposit resource from a non-compliant NI 43-101 historical resource of 5.1 million tonnes grading 1.43 g/t gold (234,000 contained ounces of gold) calculated by Noranda in 1991. However, some gaps remain in the deposit. With regards to expanding the deposit, the lateral and down plunge expansion is very encouraging and may potentially have further increased the mineral resource of the OG Deposit.

Furthermore, it has been proposed by Wardrop that the OG Deposit is comprised of two parallel horizons/zones of strong alteration and deformation (EC-1 and EC-1), rather than 4 individual zones (North, Main, East and Sanders) (**Figure 11**). The EC-1 is the southern horizon and includes the previously known Main and Sanders zones which are on strike with each other and are connected by areas of lower grade gold mineralization. The EC-2 lies north of EC-1 and includes the previously referred North and East zones. (**see Appendix VIII**) These zones are also on strike with each other and are also connected by areas of lower grade gold mineralization. In addition, these horizons also contain "shoots" of significant gold mineralization. The EC-1 and EC-2 horizons appear to converge at depth into one wide zone of mineralization towards the western part of the Deposit.

Under the 2011 drilling program, 35 holes (C-11-50 through C-11-84), totalling 8,324 meters were drilled into the North, East, Main, and Sanders zones of the OG Deposit as well as geophysical IP anomalies in adjacent areas. Several of these holes intersected anomalous to highly anomalous gold mineralization beyond the previously defined zones of the Deposit (**see Table 5**), suggesting these zone could remain open both at depth and along strike. These results included **1.03 g/t Au over 32.75 metres** in hole C-11-71 (Eastern-half of the EC-1 Zone – previously Sanders Zone), **1.10 g/t Au over 38.25 metres** in hole C-11-66 (Eastern-half of the EC-2 Zone – previously East Zone), **1.06 g/t over 16.00 metres** and **1.09 g/t Au over 27.0 metres** in hole C-11-62 (Western-half of the EC-1 Zone – previously Main Zone), and **1.04 g/t over 23.00 metres** in hole C-11-62 (Western-half of the EC-2 Zone – previously North Zone).

The primary objective of this program, as set out before the initiation of the 2011 program, was to extend both the lateral and down plunge gold continuity of the OG Deposit. This objective was achieved in all four zones of the OG Deposit as several holes have intersected anomalous to highly anomalous gold mineralization with a grade (g/t) x thickness (m) of greater than 15 (a grade-thickness value of 15 or greater was used in order to define the mineralized zones). The strike length of the western portion of the EC-1 Zone (previously Main Zone) has been extended up to 160 metres west on account of drill holes C-11-58, C-11-60, C-11-62, and C-11-64 yielding grades of **0.48 g/t Au over 62.0 metres**, including **1.51 g/t Au over 10.00 metres**, **0.53 g/t Au over 44.00**

metres, **1.06 g/t Au over 16.00 metres** and **1.09 g/t Au over 27.0 metres**, and **1.00 g/t over 23.00 metres**, respectively. The Main Zone remains open at depth.

The eastern portion of the EC-2 Zone (previously East Zone) mineralization was extended in both the lateral and down plunge direction by approximately 100 metres and 40 metres, respectively. The lateral extension towards the west can be attributed to drill holes C-11-75 and C-11-77 with gold intercepts returning **3.13 g/t over 7.35 metres** and **1.21 g/t over 17.00 metres**, respectively. Furthermore, the eastern portion of the East Zone has been extended down plunge approximately 50 metres and can be attributed to C-11-63 and C-11-73 yielding **1.78 g/t over 9.25 metres** and **4.42 g/t over 4.50 metres**, respectively. The down plunge extension of the East zone can be accredited to drill hole C-11-66 and C-11-73 with gold intercept consisting of **1.10 g/t over 38.25 metres** and **4.50 g/t over 4.42 metres**, respectively. The East Zone remains open at depth.

The strike length of the western portion of the EC-2 Zone (previously North Zone) has been extended approximately 80 metres west as a result of drill holes C-11-62 and C-11-64 yielding gold grades of **1.04 g/t over 23.00 metres** and **0.54 g/t over 38.00 (including 1.14 g/t over 12.00 metres)**, respectively. The North zone remains open at depth.

The eastern portion of the EC-1 Zone (previously Sanders Zone) mineralization was extended both laterally and down plunge direction by approximately 40 metres and 110 metres, respectively. The lateral extension towards the west can be attributed to drill holes C-11-59 and C-11-73 with gold intercepts returning **1.20 g/t over 12.10 metres** and **0.65 g/t over 29.00 metres (including 2.20 g/t over 5.20 metres)**, respectively. The down plunge extension of the Sanders zone can be accredited to drill holes C-11-56 and C-11-71 with gold intercepts consisting of **0.75 g/t over 27.75 metres** and **1.03 g/t over 32.75 metres**, respectively. The Sanders zone remains open at depth.

Selected results from all drill holes are listed in **Table 5** and detailed description of drill hole logs are provided in **Appendix II**.

Following the 2011 drilling program, a NI43-101 technical report including a mineral resource estimate was prepared for the OG Deposit. The report was prepared by Wardrop, a Tetra Tech Company and has incorporates over 26,000 m of drilling that was completed on the deposit. At a cutoff grade of 0.4 g/t Au, the Deposit is estimated to contain 763,276 ounces of gold in the *Inferred* category and 96,400 ounces of gold in the *Indicated* category. Other resource figures basing on calculation other than the 0.4 g/t cut-off sensitivities and average gold grades are also shown in **Table 6**.

Table 6. Cut-off Sensitivities for the OG Deposit Resource Estimate

Class	ID2 Cut-Off	Tonnes	Average Grade	Contained Ounces
	(Au g/t)		(Au g/t)	Au
Inferred	0.2	55,563,000	0.56	994,157
	0.3	40,768,000	0.67	876,682
	0.4	30,533,000	0.78	763,276
	0.5	23,001,000	0.89	655,104
	0.6	16,976,000	1.01	546,109
Indicated	0.2	5,814,100	0.63	117,672
	0.3	4,514,500	0.74	107,522
	0.4	3,516,700	0.85	96,400
	0.5	2,807,200	0.96	86,194
	0.6	2,251,400	1.06	76,383

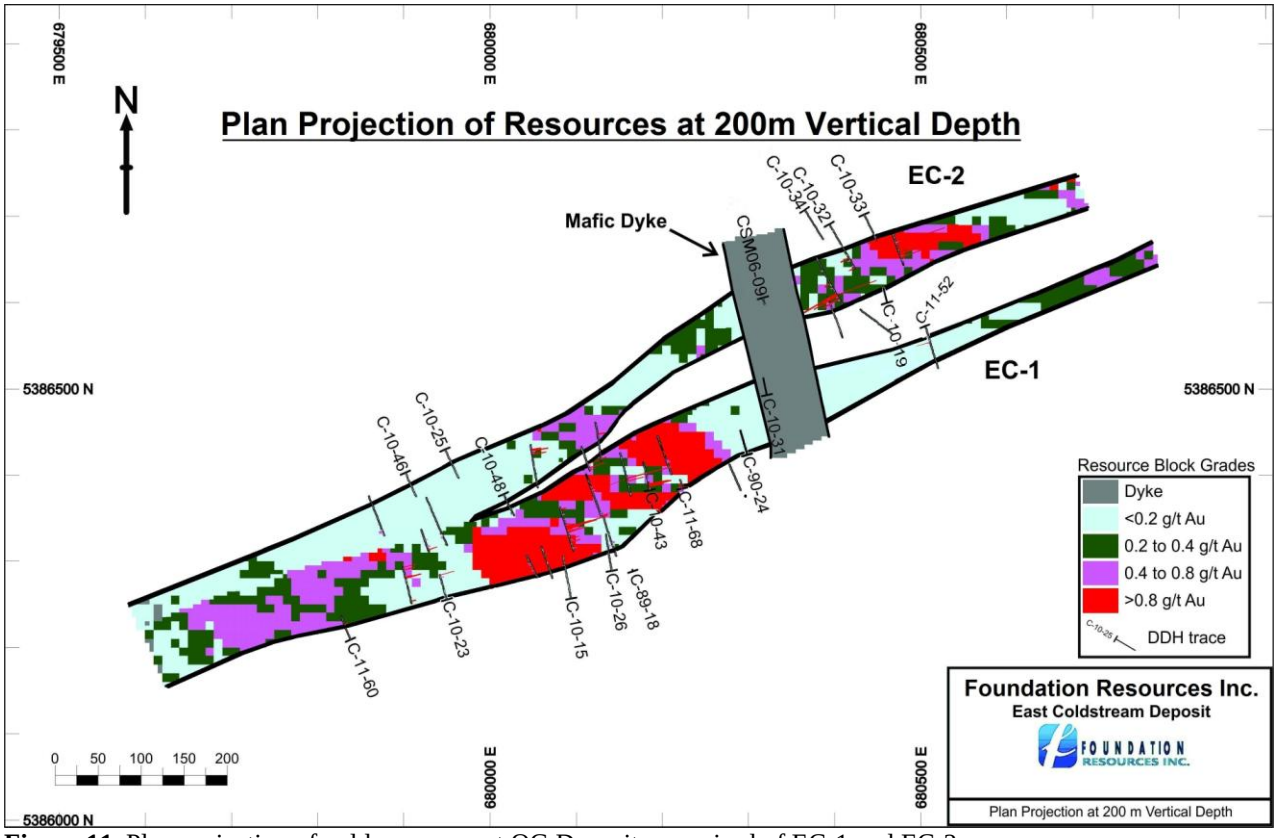

Figure 11. Plan projection of gold resources at OG Deposit comprised of EC-1 and EC-2 zones.

Lastly, a scoping level metallurgical test program was completed on samples originating from the Osmani Gold Deposit drilling. The metallurgical test work was carried out by SGS Canada on a 60 kg master composite that was created using four individual core sample batches taken from two gold horizons of the Osmani Gold Deposit, the EC-1 and EC-2 zones. Metallurgical test results of the master composite show the best recovery is achieved using a combination of gravity and leaching, yielding gold recovery of 96.1%. The direct head grade assay obtained from the master composite was 3.28 g/t Au. See **Appendix VII** for the detailed report on the metallurgical test program.

5.4.2 Iris Lake Results

20 holes (IL-11-01 through IL-11-20), totalling 3,849 meters were drilled into the Iris Lake area. This is a relatively under explored area containing several anomalous gold values either coinciding or occurring adjacent to northeast trending historic IP anomalies. Upon completing the 2nd phase of drilling in the area, drill results have delineated a broad northeastern mineralized trend throughout parts of the Iris Lake Zone, a strike length of approximately 600 metres. Some of these results include **3.68 g/t Au over 26.0 metres**, including **8.39 g/t over 11.00 metres** in hole IL-11-02, **1.76 g/t Au over 8.85 metres** and **1.24 g/t Au over 13.0 metres** in hole IL-11-03 and **1.27 g/t over 29.70 metres**, including **21.60 g/t Au over 1.0 meter** in hole IL-11-20.

Selected results from all drill holes are listed in **Table 5** and a detailed description of all drill hole logs are provided in **Appendix II.**

6 SAMPLING and ANALYTICAL METHODS

6.1 Diamond Drilling

Throughout the 2011 drilling program, a total of 6759 core samples were taken. A quality-control program ensuring the best possible practice followed in sampling and analysis of the drill core. Sampling intervals were determined by changes in lithology, mineralization and alteration. Sample length typically varied between 1 and 2 metres, with samples up to 3 metres, and as short as 0.5 metres used sparingly. Each group of 20 samples 1 standard, 1 blank were inserted, while in each group of 40 samples 1 coarse reject duplicate and 1 pulp duplicate was inserted for each drill hole.

Drill core was sampled by cutting the core into two equal halves using a stationary rock saw at the field camp in Kashabowie, Ontario. One half of the core was placed in a sample bag with the corresponding numbered sample tag, while the other half was retained in the core box for future reference. Samples were submitted directly to the ALS Chemex Laboratory in Thunder Bay by employees of Coast Mountain Geological Ltd.

Multi-element ICP was carried out on all samples using four acid near total digestion with ICP-AES determination for 33 elements. Fire assay for gold was completed with an ICP-AES finish. Any samples exceeding the upper detection limit of 10 ppm Au was re-analyzed by fire assay with a gravimetric finish.

6.2 Surface Work

A total of 656 rock samples were collected, described and bagged by Coast Mountain Geological Ltd. geologists in the field. Grab samples were taken during mapping and prospecting activities and were located by handheld GPS. Sample lithology, alteration, and mineralization were described for all grab samples. All samples were assigned a unique sample number with a sample identification tag put into each sample bag and the sample number written onto the bag. Samples were brought to the field camp, where a blank and a standard were inserted into every 20-sample series. Multi-element ICP was carried out on all samples using four acid near total digestion with ICP-AES determination for 33 elements. Fire assay for gold was completed with an ICP-AES finish. Any samples exceeding the upper detection limit of 10 ppm Au was re-analyzed by fire assay with a gravimetric finish.

6.3 Metallurgical Work

Four individual sample batches from the OG Deposit, each weighing 20 kg, were placed in four securely tied rice bags and shipped to SGS Canada in Vancouver where a portion of each was combined into one master composite sample for the test program. Each sample was also subjected to variability metallurgical testing.

The following tests were conducted on the master composite sample: two gravity separation tests, three whole ore rougher kinetics floatation tests, one whole ore open circuit floatation test, one gravity tails rougher floatation test, one gravity tails leaching tests, four variability rougher kinetics floatation tests and four variability leaching tests. The tests generating the highest gold recovery from the master composite were gravity tests (G2), rougher floatation tests (F1) and the leach tests (L1). See **Appendix VII** for detailed analytical procedure

7 CONCLUSIONS

Results from the 2011 program can be concluded as followed:

1) Gold mineralization at the OG Deposit is associated with a broad east to east-northeast striking North Coldstream Shear Zone (NCSZ). The strongly altered and sheared mafic to intermediate metavolcanic and intermediate to felsic

hypabyssal (QFP and related aphyric intrusions) are hosting the gold mineralization. Gold mineralization is primarily associated with pyrite and trace chalcopyrite. The mineralized rocks are variably schistose, silicified, carbonatized, oxidized and locally display strong to intense iron-carbonate and hematite alteration. This relationship suggests the localization and deposition of the OG Deposit is structurally controlled while the alteration assemblage is a leading indicator of gold mineralization within the deposit.

2) Results from the 2011 drilling program verified and expanded our interpreted mineralized zones (North, Main, East, and Sanders) within the OG Deposit and all remains open laterally and at vertical depth of 300 metres.

3) An NI43-101 technical report including a Mineral Resource Estimate was prepared for the OG Deposit following the 2011 exploration program by Wardrop, a Tetra Tech Company. The Deposit is estimated to contain an *Indicated* resource of approximately 3.5 million tonnes with an average grade of 0.85 g/t gold and cut-off grade of 0.40 g/t gold, while the *Inferred* resource is approximately 30.5 million tonnes with an average grade of 0.78 g/t gold. The Deposit is estimated to contain 763,276 ounces of gold in the *Inferred* category and 96,400 ounces of gold in the *Indicated* category.

4) Wardrop has proposed the OG Deposit is not comprised of 4 individual zones (North, Main, East and Sanders), but rather two parallel horizons. This proposal is based on strong alteration and deformation characteristics within the East Coldstream deposit. The EC-1 is the southern horizon of the deposit and encompasses the previously known Main and Sanders zones which are on strike with each other and are connected by areas of low gold mineralization. The EC-2 is located north of EC-1 and comprised of the previously known North and East zones. These zones are on strike with each other and are also connected by areas of lower grade gold mineralization. In addition, these horizons also contain "shoots" of higher gold mineralization. In addition, it appears as though the EC-1 and EC-2 horizons converge at depth (~100 meters) towards the western portion of the Deposit.

5) Gold mineralization within the Iris Zone is generally characterized by sheared, variably altered (silica, chlorite, epidote, hematite) mafic to intermediate metavolcanics and quartz-feldspar porphyries containing trace to 5% (locally) disseminated pyrite and chalcopyrite. These altered and mineralized host rocks occur within a broad northeast-striking deformation zone, the Iris Lake Deformation Zone (ILDZ). Gold mineralization associated with sulphides occurring within the ILDZ show fair to good correlation with the northern most historic IP anomalies. Drilling conducted by Foundation in 2011 returned anomalous to highly anomalous gold values, delineating a broad mineralized zone

(~25-60 m wide and over 600 m long). These results suggest the Iris Lake area may host potentially another economic deposit on the Coldstream Property.

6) Three areas of anomalous chargeability have been identified in the southern-half of the Span Lake claims. These areas include the northeast part of the grid where historical drilling by Inco was conducted in the late 1980's, southeast edge of the grid which may be an extension of the QES zone of the Moss Lake deposit, and the southwest part of the grid, a possible extension of the North zone of the Moss Lake deposit.

7) Four areas with strong to moderate IP chargeability anomalies have been identified for future testing by drilling. These chargeability anomalies are coincident with anomalous to highly anomalous surface gold mineralization.

8 RECOMMENDATIONS

The primary objective of the 2011 two phase drill program was to focus on extending both the lateral and down plunge gold continuity of the OG Deposit and expand the non - NI 43-101 compliant historical resource of 5.1 million tonnes grading 1.43 g/t gold (234,000 contained ounces of gold) calculated by Noranda in 1991. This objective was achieved in all four zones of the Deposit as several holes have intersected anomalous to highly anomalous gold mineralization with a grade (g/t) x thickness of greater than 15. As a result, an NI43-101compliant mineral resource estimate was prepared following the two phase drill program and estimated to contain 763,276 ounces of gold in the *Inferred* category and 96,400 ounces of gold in the *Indicated* category. It is in the author's opinion that gold mineralization at the OG Deposit remains open at depth, thus increasing the potential for more contained ounces of gold to be included in a future mineral resource estimate.

A two-phase diamond drill program is recommended for the fall/winter 2011-2012 on the Coldstream Property.

PHASE 1:
A 5000-metre drill program is recommended on the Property, focused on testing the gold continuity of the OG Deposit at depth, exploration drilling at the under developed Goldie Zone and Geophysical IP targets at Span Lake.

1. **Evaluation of the East Coldstream Deposit** working towards expanding the recently prepared NI43-101 compliant resource estimate of 763,276 contained ounces of gold in the *Inferred* category and 96,400 ounces of gold in the *Indicated c*ategory. Drilling is recommended to test the gold continuity both laterally and at depth. No drilling has exceeded a vertical depth of 300 metres within the deposit and remains open at depth. This is often the characteristics of shear-hosted lode-

gold deposits in Archean greenstone belt environments which might also be the case for the OG Deposit.

2. **Evaluation of the Span Lake IP anomalies** is recommended in order to determine its economic potential for future exploration. Three areas of anomalous chargeability have been identified in the Span Lake area. Testing these anomalies is highly recommended as they may represent an extension of the Moss Lake Gold deposit. In particular, the QES zone of this deposit.

3. **Evaluation of the Goldie Zone** is recommended in order to obtain a better understanding of its economic potential at depth. Channel samples were taken during a brief visit during the 2009 field seasons and yielding anomalous to highly anomalous gold values from relatively narrow shear zones within the mafic sill and typically close to one or more feldspar porphyry dykes. Mineralization at the Goldie Zone is coincident with historical IP chargeability anomalies in this area. Drill testing of these highly anomalous shear zones below surface in conjunction with IP anomalies should be highly considered.

PHASE II:
Under a Phase II work program, all exploration results of both the current and previous programs from each target (OG Deposit, Span Lake and Goldie Zone) must be digitally compiled and integrated before any follow up drilling. The Phase II drilling should be contemplated after careful evaluation of the exploration data and only when favourable targets are identified. The OG Deposit, where objective of further drilling would be to find high grade shoots and add more resources by drilling, the drill-hole selection is highly recommended to be done using deposit's 3D model in order to obtain maximum accuracy for targeting areas. The number of drill holes and metres required in the second phase is depended upon the size of the target area (s) therefore the cost of drilling is not recommended for phase two.

8.1 Proposed Budget

In order to implement recommendations made in the preceding section, the following estimated budget is recommended for a 5000m program in order to advance the property to the next level. Some of the breakdowns of the exploration/development costs are listed below.

Budget for Coldstream Drill Program - Fall 2011 (5000m)

Drilling					
	Drilling per metre - all inclusive cost per metre $105/m				
		5000 metres drilling			$525,000
	Core cutting saw blades (15 blades @ $425/blade)				$5,525
	Misc logging and field office equipment				$3,000
					$533,525
Analytical Geochem					
	Samples analyzed (3000 samples @ $40/sample)				$120,000
					$120,000
Mob-Demob and Shift Change					
	12 round trip flights ($1000 round trip)				$12,000
					$12,000
Trucks/Snowmobiles					
	2 Truck Rentals (2 months @ $5400/month -inc tax and insurance)				$10,800
	Gas (2 months @ $1500/month)				$3,000
					$13,800
Equipment Rentals					
	Field Equipment for 5 geo/geotech (224 mandays @ $15/manday)				$3,360
	Gemcom Software ($2000/month @ 2 months)				$4,000
	Rock Saw ($350/month @ 2 month)				$700
	Communications (2 months @ $1000/month				$2,000
					$10,060
Accommodation					
	Cabin Rental (8 weeks @ $1500/week)				$12,000
	Food for crew (279 mandays @ $40/manday)				$11,160
	Logging and cutting facilities (1yr rental)				$10,000
					$33,160
Personnel					
	Field	days	rate		
	Project Supervisor & QP	3	750		$2,250
	Project Geologist	56	$700		$39,200
	Geo1 Drill	56	$650		$36,400
	Sr. Geotech	56	$450		$25,200
	Geotech 1	56	$375		$21,000
	Cook	48	$375		$18,000
	Safety Officer	4	$550		$2,200
					$142,000
Miscellaneous					
	Core Storage (3 racks)				$15,000
	Bridge Work (Span Lake)				$5,000
	Reporting				$30,000
					$50,000
Total					**$914,545**
10% contingency					**$91,455**
TOTAL					**$1,006,000**

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10 STATEMENT OF QUALIFICATIONS

A. Ikramuddin (Ike) A. Osmani

I, Ikramuddin (Ike) A. Osmani of 33-9088 Halston Court, Burnaby, British Columbia, do hereby certify that:

1. I am a graduate of University of Lucknow, Lucknow, India, with a Bachelor of Science Degree in Geology (1971).

2. I hold a Master of Science Degree in Geology from Aligarh Muslim University, Aligarh, India (1973).

3. I hold a Master of Science degree in Geology with major in Geophysics from University of Windsor, Ontario, Canada (1982).

4. I have been practicing my profession since 1981 both as research geoscientist and mapping geologist with government surveys and, as an exploration geologist with major/junior exploration and mining companies in Canada and internationally.

5. I am a member of the Association of Professional Engineers and Geoscientists of the Province Of Manitoba (#22870); a member of the Association of Professional Geoscientists of Ontario (#0609); a member of the Association of Professional Engineers and Geoscientists of British Columbia (#32050); and a member of Prospectors and Developers Association of Canada.

6. I am the President and Director of Foundation Resources Inc. and the 2011 exploration program was conducted under my supervision.

Dated this 15th day of March 2013, at Vancouver, British Columbia

SIGNED

"I.A. Osmani"

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Ikramuddin (Ike) Osmani, M.Sc., P.Geo.

B. Nicholas Zulinski

I, Nicholas Zulinski, of Ottawa, Ontario, do hereby certify that:

1. I am a geologist in the mineral exploration industry employed by Coast Mountain Geological, Ltd., 620-650 West Georgia Street, Vancouver, British Columbia, V6B 4N9.

2. I am a graduate of the University of Ottawa, Canada, with a Bachelor of Science Degree in Geology (2007).

3. I hold a Master of Science degree in Economic Geology and Mineral Exploration from Queen's University, Ontario, Canada (2010).

4. I have been actively engaged in the mineral exploration industry since 2005.

5. I have no interest in the property described herein.

Dated this 15th day of March 2013, at Ottawa, Ontario

SIGNED

"Nicholas Zulinski"

_____

Nicholas Zulinski, M.Sc.

Appendix I

Statement of Expenditures

Assessment Work	Subtotal
Assays	$195,083.47
Core Racks/Storage	$4,632.83
Drilling	$889,781.18
Field Supplies	$30,942.98
Field Equipment Rental	$51,671.48
Licenses/Permits	$1,927.26
Geophysics	$168,543.33
LineCutting	$49,086.75
Staking and Maintaining	$5,552.11
Meals/Lodging	$54,800.69
Mob/Demob	$7,128.14
Transport Freight	$2,733.95
Field personnel Geologist/Consultants	$247,663.50
Field personnel Geotech/labour	$132,142.51
NI43-101 Resource Estimate	$33,288.12
Metallurgical	$30,856.00
Travel	$34,279.63
Total	**$1,940,113.93**