

PANARC RESOURCES LTD.
PROSPECTING & GEOLOGICAL INVESTIGATIONS
AT THE RENA PROPERTY,
FRANCES LAKE AREA,
YUKON TERRITORY

Mike Power, M.Sc. P.Geo.

Location: 61° 47' N 129° 3' W
NTS: 105 H 14
Mining District: Watson Lake
Date: 15 Aug 2011

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1.0 INTRODUCTION

This report describes prospecting and sampling conducted on the Rena in the Watson Lake Mining District, Yukon Territory. This work was conducted to investigate molybdenum and tungsten mineralization on the property.

2.0 LOCATION AND ACCESS

The Rena Property is located east of Tustles Lake on NTS 105 H 14 in the Watson Lake Mining District (Figure 1). The property is centred at 61° 47' N 129° 3' W and is 346 km northeast of Whitehorse, 181 km east of Ross River and 190 km north from Watson Lake. The nearest staging point is the Frances Lake campground, 52 km south of the property. The property is only accessible by helicopter with the nearest bases located in Ross River and Watson Lake.

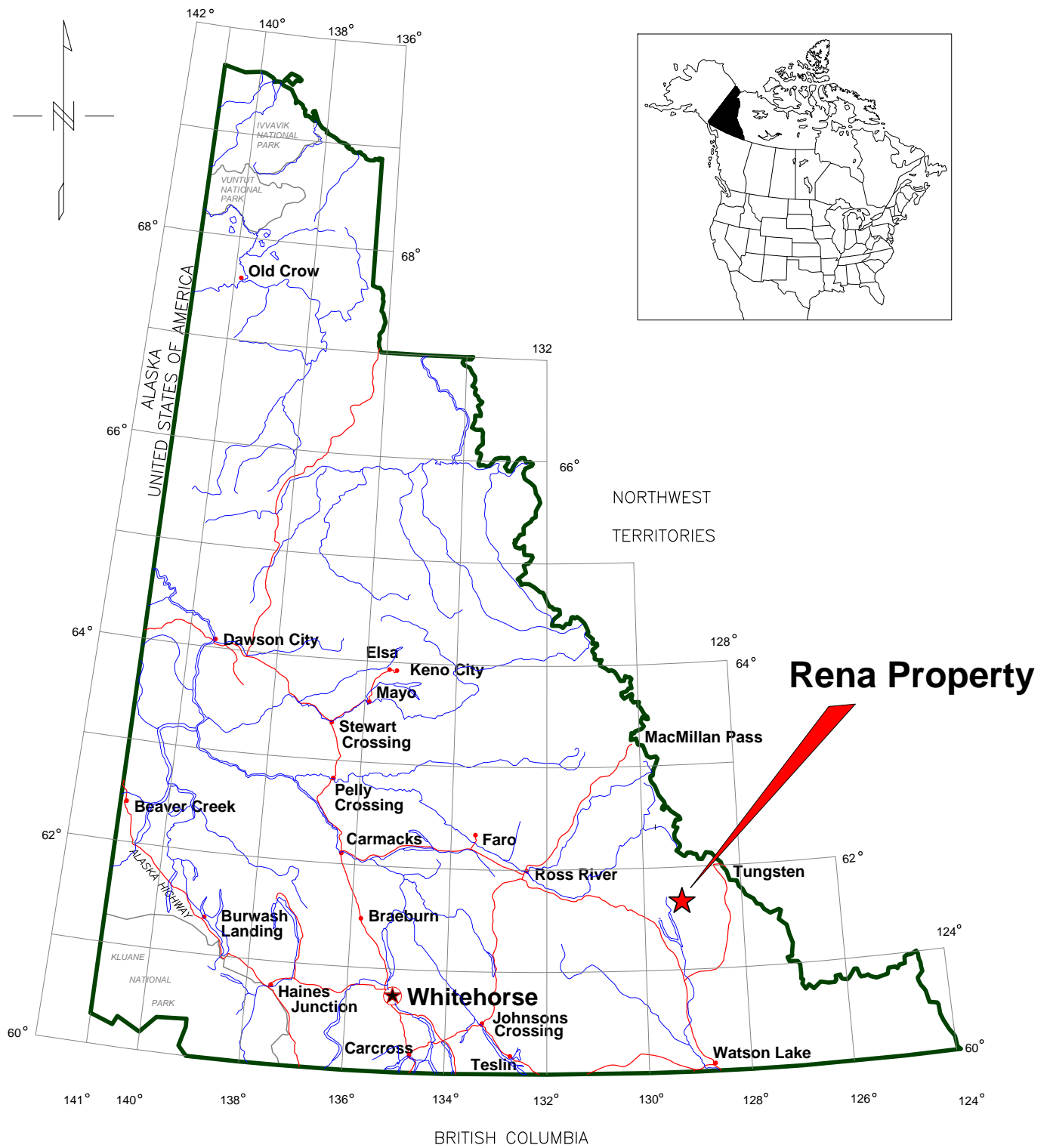
3.0 PROPERTY DESCRIPTION

The Rena Property consists of 77 claims staked under the Yukon Quartz Mining Act and recorded in the Watson Lake Mining District. The property is shown in Figure 2 and claim information is summarized below¹:

Claims	Record Number	Anniversary date
RENA 1- 20	YC52805 - YC52824	03 Mar 2012
RENA 21-77	YD106288 - YD106344	18 Mar 2012

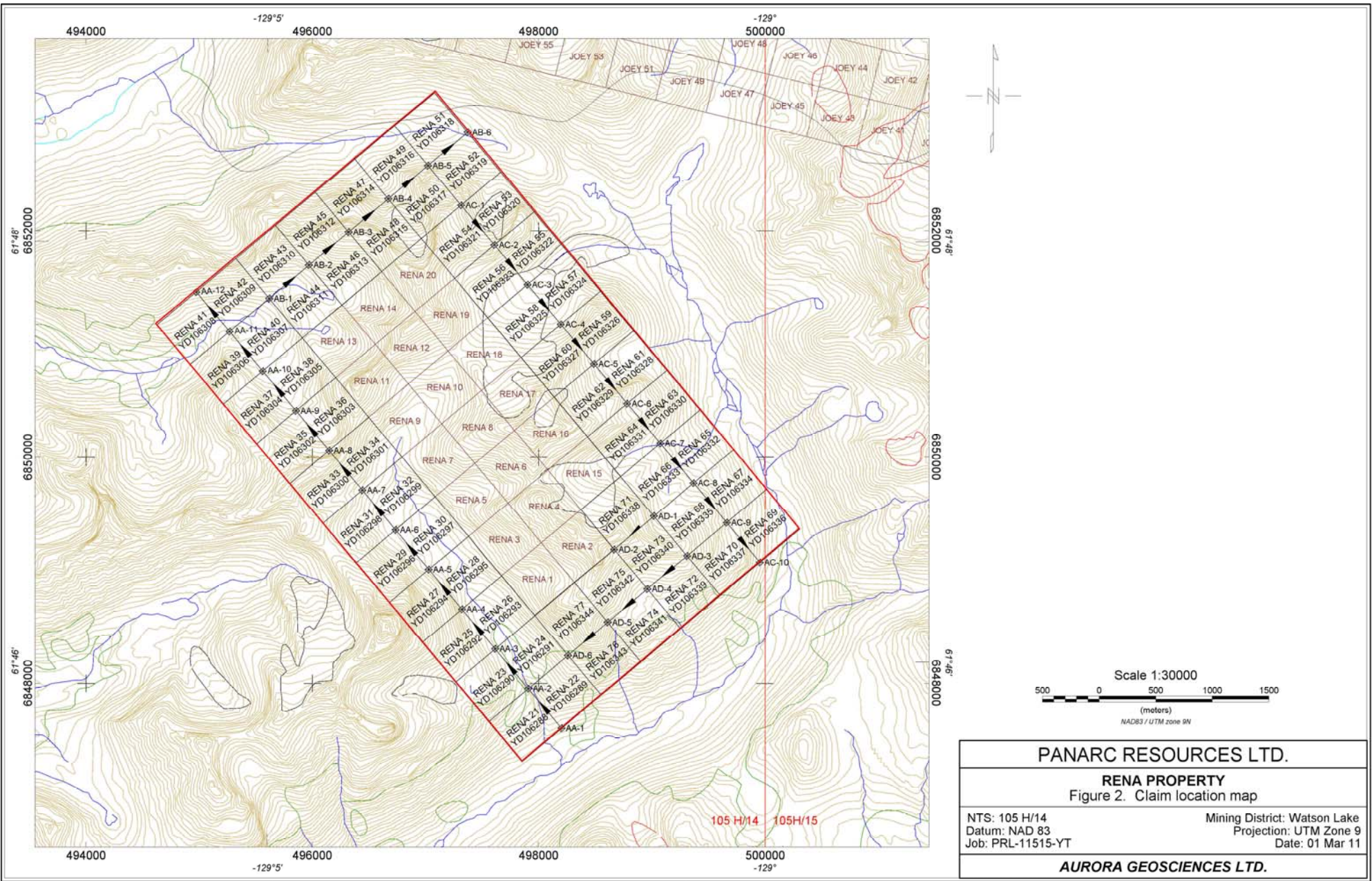
Panarc Resources and 7606 Yukon Ltd. (the estate of the late Pete Risby) have entered into an option agreement to jointly explore the property. The RENA 1-20 claims are owned 100% by 7606 Yukon Inc. and the RENA 21-77 Claims are owned by 7606 Yukon Inc. (75%) and by Panarc Resources Ltd. (25%). The claims can be maintained in good standing indefinitely by performing \$100 per claim per year of assessment work or paying the same amount in lieu and paying associated filing fees. The claims are located on Crown Land and surface rights are retained by the Crown.

¹ Claim information as of 30 Mar 2011 as posted on the Yukon Mining Recorders website and from company records (www.yukonminingrecorders.ca).



Rena Property

PANARC RESOURCES LTD.	
RENA PROPERTY	
Figure 1. Property Location Map	
NTS: 105 H 14	Mining District: Whitehorse
Datum: NAD83	Projection: UTM Zone 9N
Job: PRL-11515-YT	Date: 28 Mar 11
AURORA GEOSCIENCES LTD.	



4.0 EXPLORATION HISTORY

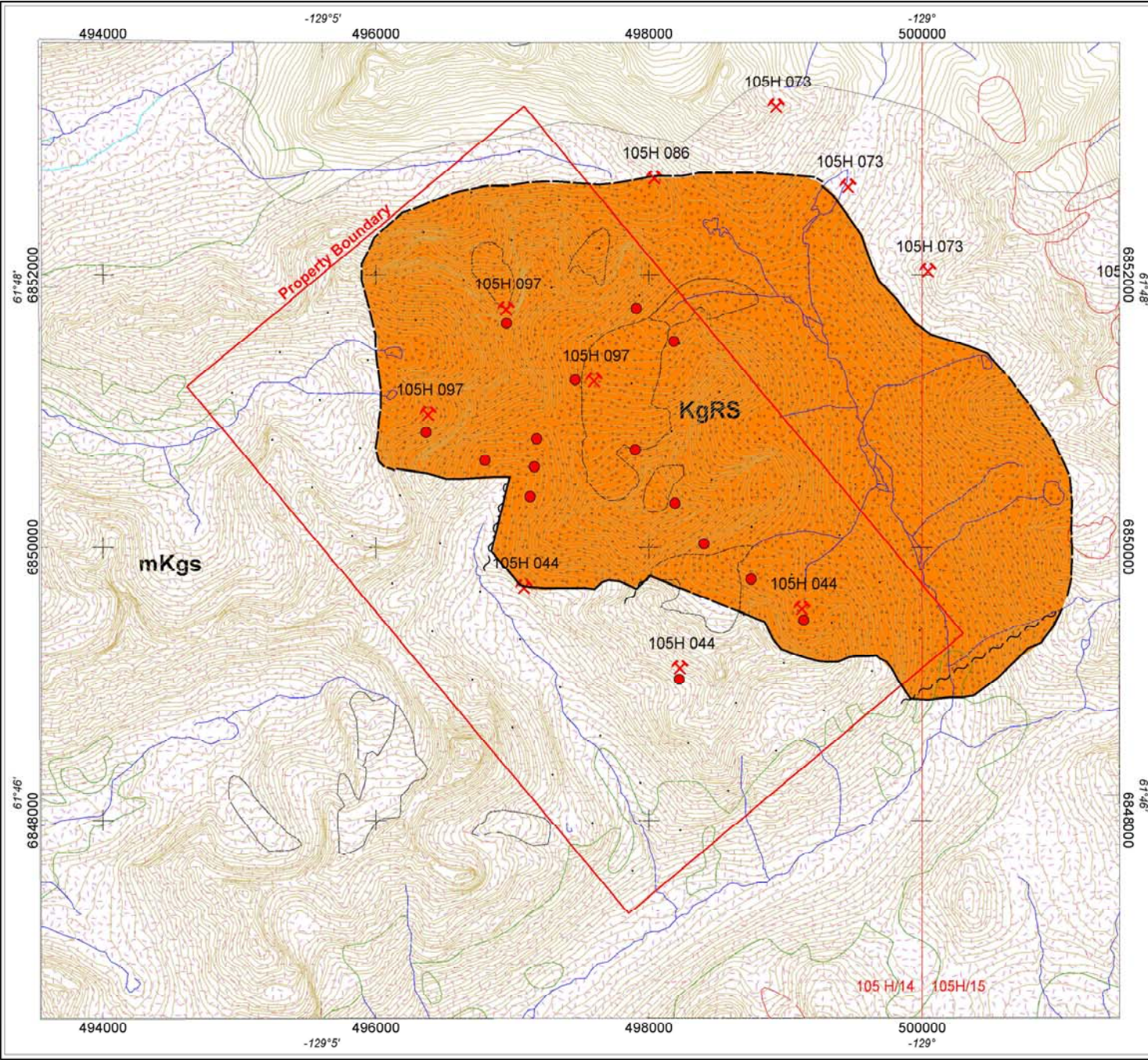
The Rena Property covers Yukon Minfile showings 105H 044 and 015H 097. The earliest exploration on the property dates from 1967 when Spartan Exploration Ltd. under Jim Dodge discovered molybdenum mineralization at the northwest end of the current claim block. The property lapsed and was restaked by Welcome North as part of their Basin Project in 1978. They prospected the area, discovered additional mineralization and vended the property to Union Carbide Ltd. who explored it until 1982. Union Carbide conducted reconnaissance mapping and sampling and allowed the property to lapse. The project geologist, C. Forster, concluded that the property might be underlain by an extensive Climax-type molybdenum deposit but that the target was likely completely blind. Pete Risby restaked the property in 2007. In 2011, he entered into an agreement with Panarc Resources Ltd. to jointly explore the property.

5.0 PHYSIOGRAPHY & CLIMATE

The Rena Property is located in the Logan Mountains with the Selwyn Mountain Range of the northern Cordillera. Topography in the area is extremely rugged with elevations ranging from 1140 to 2300 m. A few small areas in the southwest portion of the property are below tree line but the majority of the property is talus, steep cliff sides or glacier. Outcrop is generally excellent above 1500 m although many of the slopes are extremely precipitous and require both mountaineering equipment and training to traverse safely. At the time of the project described in this report, only a small area of the property was safely accessible due to avalanche conditions. The property is well drained by steep creeks draining the high country in the centre of the property. The climate in the property area consists of long, cold winters, short (wet / dry) summers and short spring and fall seasons. At Watson Lake, the closest nearby community, average monthly temperatures range from -24.2°C to 15.1°C and average annual precipitation is 40.4 cm of rain or snow equivalent.

6.0 GEOLOGY & ECONOMIC MINERALIZATION

The geology in the property area is shown in Figure 3. The Rena Property is underlain by the mid-Cretaceous Mount Billings pluton, a dominantly granodioritic intrusion assigned to the Selwyn Plutonic Suite. This is in turn intruded by the Rena Stock, a 3 km by 5 km composite quartz monzonite intrusion with subsidiary porphyry and aplite. The Rena Stock is the locus of molybdenum mineralization in the area.

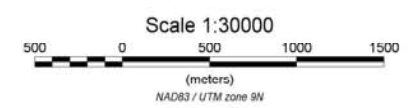


- KgRS** Rena Stock (?Cretaceous)
 quartz monzonite porphyry & aplite

- mKGS** Selwyn Suite (mid-Cretaceous)
 quartz monzonite granodiorite quartz diorite & syenite

- 105H 044** Minfile occurrence

- Molybdenum showing (Forster, 1981)



PANARC RESOURCES LTD.	
RENA PROPERTY	
Figure 3. Geology & mineral occurrences	
NTS: 105 H/14	Mining District: Watson Lake
Datum: NAD 83	Projection: UTM Zone 9
Job: PRL-11515-YT	Date: 01 Mar 11
AURORA GEOSCIENCES LTD.	

In the southwestern half of the Rena Stock, Union Carbide mapped numerous NW striking quartz-molybdenite-scheelite veins and vein swarms. Individual veins are up to 1 m wide and 30 m long and are found in two series: a quartz-pyrite-sericite \pm molybdenite \pm scheelite assemblage and a magnetite-quartz \pm sericite \pm molybdenite \pm pyrite assemblage. The mineralization covers an area about half the size of the intrusion - 4 km (NW - SE) by 2 km (NE-SW). Prominent mineralized veins and swarms mapped by Union Carbide are denoted by red dots in Figure 3. Union Carbide noted extensive porphyry alteration including potassic, argillic (sericitic) and a magnetite-rich silicified assemblage.

Union Carbide collected 78 rock samples, 20 of which returned values greater than 100 ppm (0.01% Mo) and 9 of which returned values greater than 1000 ppm (0.10% Mo). Given that molybdenum porphyries are economic below 0.01% Mo in many areas, these are significant results and indicate the potential of the area to host a large molybdenum porphyry deposit. The highest rock assay returned was 8680 ppm Mo (0.87% Mo).

7.0 DESCRIPTION OF WORK PROGRAM

This section describes the prospecting, geological and geochemical investigations conducted on the Rena Property in March 2011.

7.1 Personnel & equipment.

The work program was conducted by the following personnel:

Geologist: Mike Power

Prospector: Warren Kapaniuk

The crew were equipped with the following instruments and equipment:

Instruments: 1 - Garmin DGPS receiver

Equipment: 1 - Satellite phone
2 - VHF radios

Vehicles: 1 - 1 Ton truck

The crew drove to Faro on March 7, 2011 and flew to the property on March 10, 2011 from Faro by helicopter. Conditions on the property were hazardous with high winds and avalanche conditions on many slopes. A short traverse and sampling program was conducted in an accessible area in the northwest portion of the property. The crew demobilized to Whitehorse on March 11, 2011. A statement of costs is compiled in Appendix C.

7.2 Specifications.

Prospecting and geological mapping were conducted according to the following specifications:

<u>Mapping datum:</u>	NAD83 Zone 9N UTM (metric)
<u>Station location:</u>	WAAS corrected (where available) GPS positioning with each reading averaged at least 20 times.
<u>Station records:</u>	Sample descriptions, general rock type
<u>Sample marking:</u>	All samples were marked with blue and orange flagging. The sample number was written on a portion of the flagging covered from weather and sunlight.

7.3 Sample analysis.

Rock samples were submitted to and analyzed by ALS Minerals Inc. in Whitehorse, Yukon. Samples were prepared and analyzed as follows:

1. Samples were crushed so that 70% passed through a 2 mm mesh. Coarse rejects were saved.
2. A 250 g sub-sample was split from the sample.
3. A 100 g sample was pulverized to 85% less than 75 µm.

4. A 5 g sub-sample was fused with lithium metaborate and subjected to 4-acid (nitric - hydrochloric - sulphuric - hydrofluoric) digestion.
5. The sample was analyzed with induced coupled plasma - mass spectroscopy to determine the concentration of 31 elements.

7.4 Data.

Sample locations are shown in Figure 4 relative to claim boundaries. Sample descriptions are summarized below:

Sample R1

Granite: tan mottled with light grey weathering dusty pink-orange. Phaneritic, medium crystalline 1-2 mm, aphyric, non-foliated Kspar[40%] - pink, subhedral, 1-2mm, lamellar to orthorhombic. Quartz[40%] - anhedral, equant, opaque glassy grey, in masses. Plagioclase[18%] - white, subhedral, lamellar, striated, likely all albite. Hornblende [2%] - greenish-dark grey, anhedral elongate, 1 mm.

Sample R2

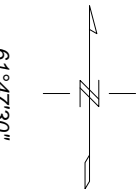
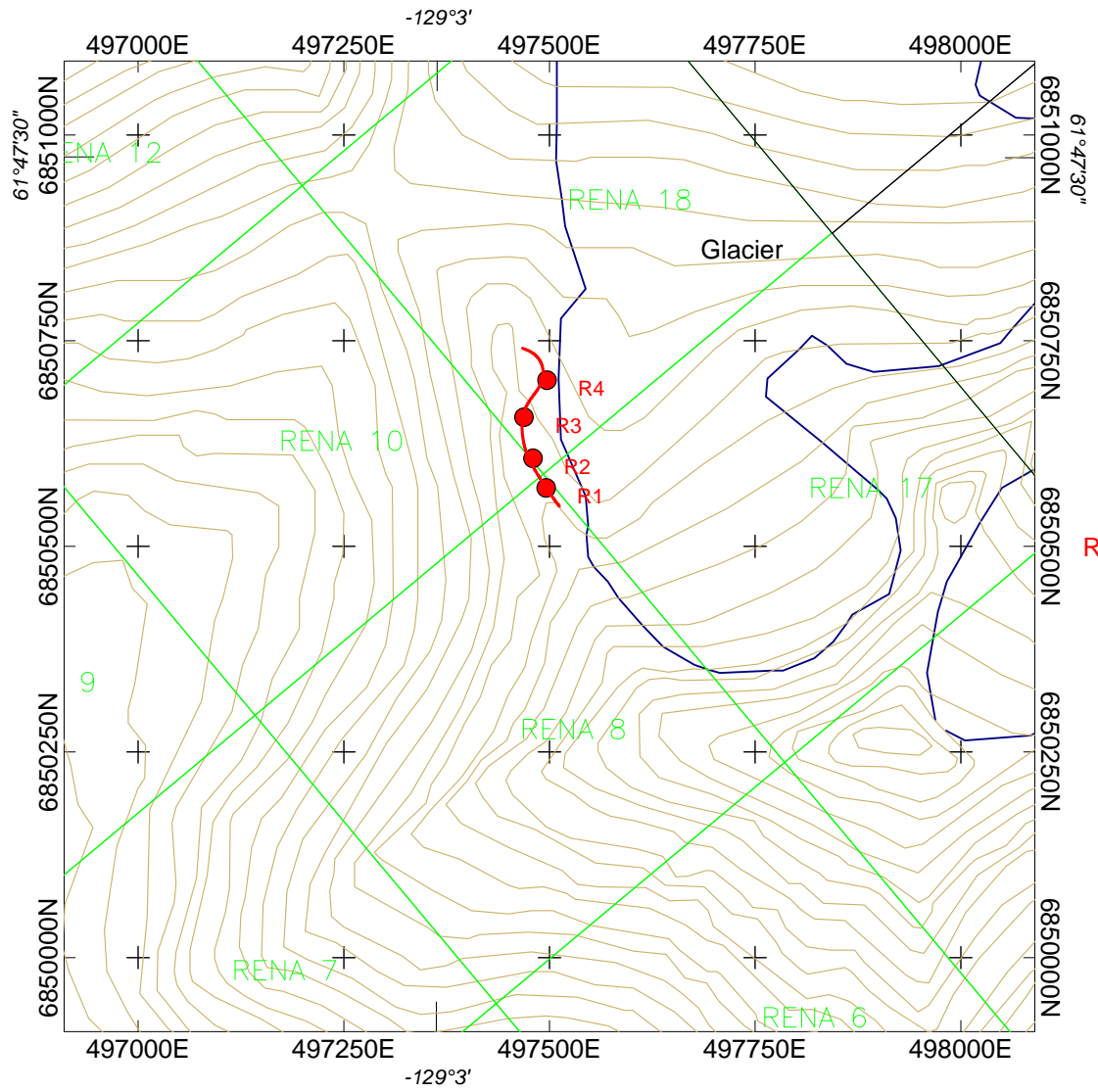
Granite: cream white mottled with sparse black specks weathering light-orange-brown. phaneritic, medium crystalline (1-3 mm), aphyric, non-foliated Kspar[40%] - pink-cream, anhedral, equant rhombs, Quartz[40%] - light grey, glassy to opaque, anhedral equant grains, in masses. Plagioclase[10%] - white, subhedral, ~1 mm in lamellar masses and as rims on Kspar, striated (?albite) Biotite[10%] - dark grey-green, subhedral, irregular curved plates and in small books.

Sample R3

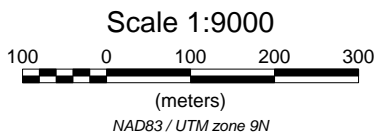
Granite: pink & light grey mottled weathering red brown, phaneritic, medium crystalline (1-2 mm) aphyric non-foliated, Kspar[40%] - pink to tan or cream, euhedral to subhedral, rhombs, striated faces in part., Quartz[40%] - greenish light grey, glassy to near opaque, subhedral, equant, in masses., Plagioclase[15%] - white-tan, dusty, opaque, subhedral, rimming Kspar, Biotite[5%] - dark greenish grey to near black, subhedral, 2 - 3 mm, in small books.

Sample R4

Granite: pink-tan and greenish grey banded weathering a striking dusty pink-orange. phaneritic, medium crystalline (1-3mm), aphyric, non-foliated. Kspar[30%] - pink, subhedral, 1-2mm, glassy faces, few striations, Quartz[50%] -greenish light grey,



R1 ● Sample location



PANARC RESOURCES LTD.	
RENA PROPERTY	
March 2011 Geological Survey	
Figure 4. Sample & traverse locations	
NTS: 105 H/14	Mining District: Watson Lake
Datum: NAD 83	Projection: UTM Zone 9N
Job: PRL-11517-YT	Date: 15 Aug 11
AURORA GEOSCIENCES LTD.	

glassy to near opaque, subhedral, equant, in masses. Plagioclase[15 %] - white to cream, subhedral to anhedral irregular masses, Biotite[5%] dark greenish grey to near black, subhedral, 2 - 3 mm, in small books.

Analytical results are tabulated in Appendix D. Sample R3 returned 18 ppm Mo and sample R4 returned 22 ppm W.

8.0 CONCLUSIONS & RECOMMENDATIONS

In the area of the property visited, the Rena Property is underlain by prospective rock hosting slightly anomalous Mo and W. Additional mapping and prospecting is required to confirm the historic potential of the property cited in the literature.

Respectfully submitted,
AURORA GEOSCIENCES LTD.

Mike Power M.Sc. P.Geo.
Geologist

REFERENCES CITED

- Archibald, D and D.H. James 1981. Geology of the Rena Claim Group.
Union Carbide Exploration Company Ltd. Assessment Report AR090889.
- Brock, J.S. 1978. Geology of the Woah 1-56 and Tai 1-20 Claim Groups
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- Environment Canada (2011). Climatic data for Watson Lake.
http://www.climate.weatheroffice.gc.ca/climate_normals
- Gordey, S. P. and A. J. Makepeace (1999). Yukon Digital Geology.
Geological Survey of Canada Open File D3826.
- Smith, C.L. 1968. Geological report on the Thor East mineral claim group.
Spartan Exploration Ltd. Assessment Report AR018913.

APPENDIX A. CERTIFICATE

I, Michael Allan Power, M.Sc. P.Geo., P.Geoph., with business and residence addresses in Whitehorse, Yukon Territory do hereby certify that:

1. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia (registration number 21131) and a professional geophysicist registered by the Northwest Territories Association of Professional Engineers, Geologists and Geophysicists (licensee L942).
2. I am a graduate of the University of Alberta with a B.Sc. (Honours) degree in Geology obtained in 1986 and a M.Sc. in Geophysics obtained in 1988.
3. I have been actively involved in mineral exploration the Northern Cordillera since 1988.
4. I conducted the program described in this report.

Dated this 22nd day of August, 2011 in Whitehorse, Yukon.

Respectfully Submitted,

Michael A. Power M.Sc. P. Geo.

APPENDIX B. SURVEY LOG



Job PRL-11515-YT Rena Property Operations Log

- Mon 07 Mar 11 Prepare crew & equipment in Whitehorse (AM). Drive to Faro, arriving at 1700 hrs.
- Tue 08 Mar 11 Crew employed on another project.
To
Wed 09 Mar 11
- Thu 10 Mar 11 Geologist (MP) flies to Rena Property from Faro, leaving at 0800 hrs. Conditions very poor on the property with recent avalanches evident and irregular winds on the ridges. MP dropped off for traverses along a ridge. Chopper returns to Frances Lake camp to meet WK. MP picked up in the early afternoon and returns truck / drums to Faro. WK flies back with helicopter.
- Fri 11 Mar 11 Crew employed on another project (AM) and returns to Whitehorse in the afternoon, arriving at 1900 hrs.

Personnel: Mike Power
 1 Bates Crescent
 Whitehorse, Y1A 4T8

 Warren Kapaniuk
 34A Laberge Road
 Whitehorse, YT Y1A 5Y9

APPENDIX C. STATEMENT OF COSTS

STATEMENT OF COSTS

Geological mapping: 1 day @ \$650	\$650
Assays: 4 whole rock @ \$40	\$160
Helicopter support: 3.0 hrs @ \$1,250	\$3,750
Report	<u>\$1,200</u>
<i>Total project expenditures</i>	\$5,760

I certify that this statement of costs is correct to the best of my knowledge.

Michael A. Power, M.Sc. P.Geo.
Geologist

APPENDIX D. ASSAY CERTIFICATES



ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: AURORA GEOSCIENCES LTD.
3506 MCDONALD DRIVE
YELLOWKNIFE NT X1A 2H1

Page: 1
Finalized Date: 26-APR-2011
Account: AURGEO

CERTIFICATE WH11052207

Project: Rena
P.O. No.:

This report is for 4 Rock samples submitted to our lab in Whitehorse, YT, Canada on 4-APR-2011.

The following have access to data associated with this certificate:

MIKE POWER

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

ANALYTICAL PROCEDURES	
ALS CODE	DESCRIPTION
ME-MS81	38 element fusion ICP-MS

To: AURORA GEOSCIENCES LTD.
ATTN: MIKE POWER
3506 MCDONALD DRIVE
YELLOWKNIFE NT X1A 2H1

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

Signature:

Colin Ramshaw, Vancouver Laboratory Manager



ALS Canada Ltd.
 2103 Dollarton Hwy
 North Vancouver BC V7H 0A7
 Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: AURORA GEOSCIENCES LTD.
 3506 McDONALD DRIVE
 YELLOWKNIFE NT X1A 2H1

Page: 2 - A
 Total # Pages: 2 (A - C)
 Finalized Date: 26-APR-2011
 Account: AURGEO

Project: Rena

CERTIFICATE OF ANALYSIS WH11052207

Method Analyte Units LOR	WEI-21 Recvd Wt. kg	ME-MS81 Ba ppm	ME-MS81 Ce ppm	ME-MS81 Co ppm	ME-MS81 Cr ppm	ME-MS81 Cs ppm	ME-MS81 Dy ppm	ME-MS81 Er ppm	ME-MS81 Eu ppm	ME-MS81 Ga ppm	ME-MS81 Cd ppm	ME-MS81 HF ppm	ME-MS81 Ho ppm	ME-MS81 La ppm	ME-MS81 Lu ppm
R1	0.36	185.5	39.1	<0.5	<10	2.40	5.60	3.69	0.34	15.0	4.09	2.8	1.16	16.7	0.64
R2	0.67	181.0	27.5	<0.5	10	1.95	5.25	3.56	0.31	14.1	3.68	2.8	1.13	12.8	0.62
R3	0.34	201	34.2	<0.5	<10	1.89	5.06	3.41	0.30	14.9	3.92	3.1	1.09	15.3	0.64
R4	1.92	161.0	32.0	<0.5	<10	4.37	5.42	3.71	0.22	20.7	3.91	2.8	1.16	14.9	0.64



ALS Canada Ltd.
 2103 Dollarton Hwy
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Page: 2 - B
 Total # Pages: 2 (A - C)
 Finalized Date: 26-APR-2011
 Account: AURGEO

Project: Rena

CERTIFICATE OF ANALYSIS WH11052207

Method Analyte Units LOR	ME-MS81 Mo ppm	ME-MS81 Nb ppm	ME-MS81 Nd ppm	ME-MS81 Pr ppm	ME-MS81 Rb ppm	ME-MS81 Sm ppm	ME-MS81 Sn ppm	ME-MS81 Sr ppm	ME-MS81 Ta ppm	ME-MS81 Tb ppm	ME-MS81 Th ppm	ME-MS81 Tl ppm	ME-MS81 Tm ppm	ME-MS81 U ppm	ME-MS81 V ppm
R1	<2	25.1	15.2	4.41	264	3.75	2	35.8	2.5	0.79	25.4	0.8	0.60	7.81	<5
R2	15	27.6	11.7	3.35	282	3.08	5	36.0	2.6	0.74	25.1	0.9	0.60	10.05	<5
R3	18	28.8	14.5	4.12	278	3.70	7	39.1	3.2	0.74	19.20	0.9	0.56	4.77	<5
R4	2	31.8	13.7	3.83	291	3.69	57	16.7	3.2	0.78	12.80	1.1	0.60	3.05	<5