

2010 ASSESSMENT WORK REPORT- AN
AIRBORNE MAGNETIC-RADIOMETRIC SURVEY PROGRAM
REPORT

ON GONZO CLAIMS PROPERTY

AT FORT SELKIRK AREA

NTS Map Sheet No: 115I/13

Latitude: 62°50' N Longitude: 137°59' W

Dawson Mining District
YUKON TERRITORY

Work date: July 27, 2010 to December 06, 2010

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Date: June 03, 2011

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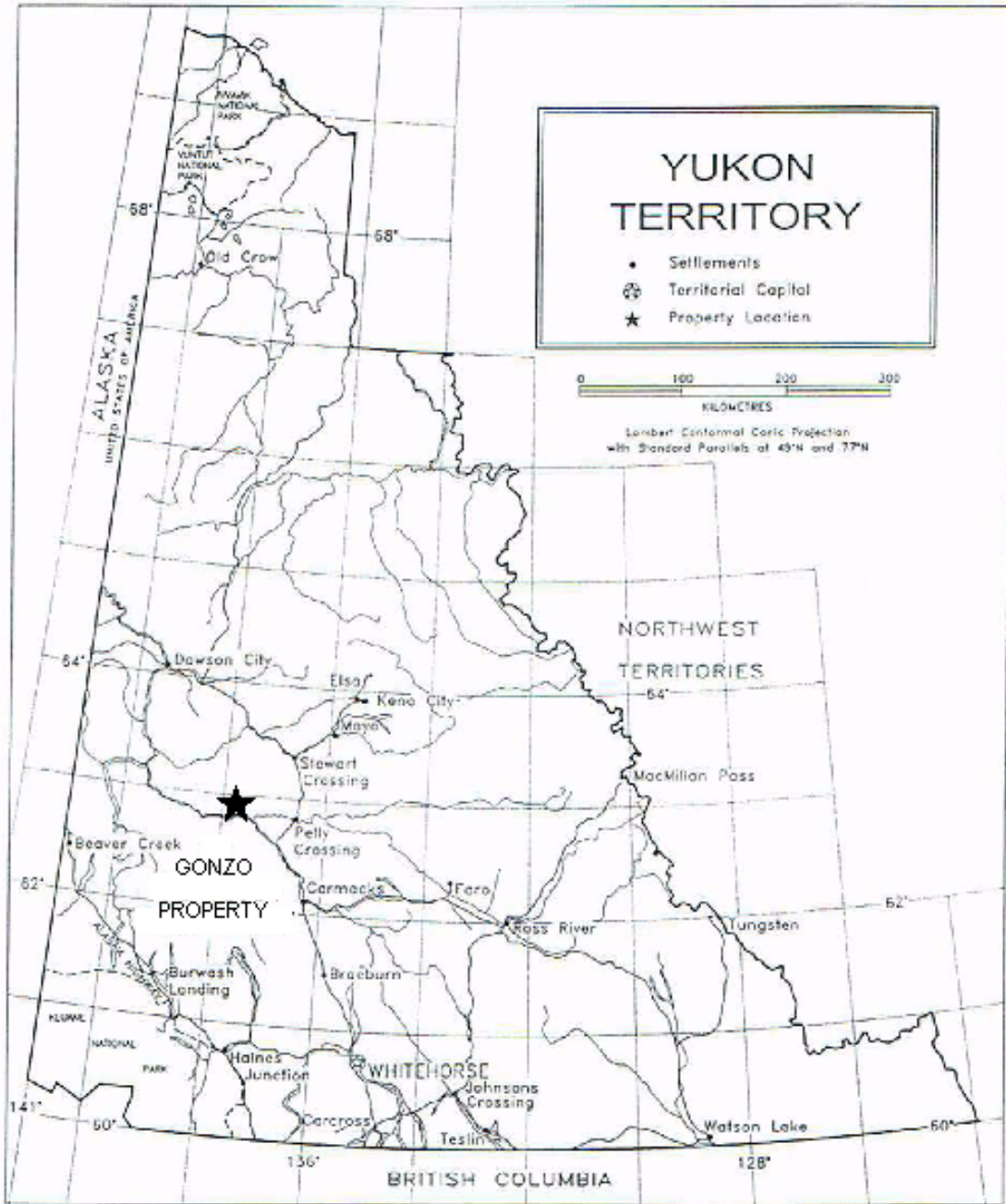
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INTRODUCTIN

Gonzo Claims Group (Gonzo Property), including 102 claims, situated along the Yukon River, is located approximately 116 km northwest of Carmacks, and 57 km west of the Minto airstrip. NTS Map Sheet is 115I/13, with an approximate area of 9500 hectares. The property is 100 % held by Canadian Dehua International Mines Group Inc. (Dehua Mines), located within Fort Selkirk area, in Dawson Mining District, Yukon Territory. Its Latitude and Longitude are 62°50' N, 137°59' W respectively. In 2010, an initial geophysical assessment program was employed in order to define any prospective mineral targets for further exploration aiming on porphyry or intrusion related Cu-Au-Mo mineralisation comparable with Minto Cu-Au-Mo mine and Carmacks Cu deposit, which are situated in same informally named copper belt (Yukon Geological Survey 2010 Report) of same geological setting. The airborne magnetic-radiometric survey operations and data processing actions taken during the geophysical survey flow over and thus the post geological and mineral exploration targeting interpretation work applied in Gonzo Claims Property in Yukon Territory. Airborne Geophysical survey and data procession were carried out by Precision GeoSurveys Inc. and the post geological interpretation and mineral targeting work have done by Aurora Geosciences Ltd (based in Yukon) and Mira Geosciences Inc (based in Vancouver). All the mentioned work completed in schedule during a period of July 27 to December 25, 2010.

Gonzo Property survey area itself is approximately 10 km by 9 km. A total of 604 line kilometers of radiometric and magnetic data were flown for this survey, including tie lines and survey lines. The survey lines were flown at 100 m spacing at 045°/225° heading; the tie lines were flow at 1 km spacing at a heading of 135°/315°. Bell 206 BIII Jet Ranger mounted magnetometer; spectrometer and related AGIS equipment have being employed for this work being completion. Precision GeoSurveys Inc paid attention on quality control methods and thus any electric devices and software were equipped for the flown data collection and processing, as result the company supplies final magnetic and radiometric data sets in required formats ready for post geological and mineral exploration targeting interpretation.

Aurora Geosciences Ltd (based in Yukon) and Mira Geosciences Inc (based in Vancouver) on behalf of Dehua Mines have developed post geological and mineral targeting interpretation separately. As results, both companies produced mineral exploration targets that were prioritized referenced on interpretation geophysics, bedrock geology, stream sedimentary geochemistry, Yukon MINFILE occurrences and porphyry or intrusive related Cu-Au Mo mineralization model (proposed by Holister 1976). These targets list as appendices behind for next stage field follow up investigation. Aurora has defined 13 targets and Mira 30 targets, most of all these targets are coincident with favorable geology of early Jurassic granodiorite plutonic unit that host known Minto Cu-Au-Mo Mine and Carmacks Cu deposit.



Canadian Dehua International Mines Group Inc.

**GONZO PROPERTY
LOCATION MAP**

Revised map from Graham

SCALE: 1 : 6,600,000	DATE: 2011 06 18
NTS: 116 1/18	FIGURE 1

1.0 LOCATION AND ACCESS

The Kong property, situated along Yukon River, located at Fort Selkirk area, approximately 57 km west of Minto airstrip, and approximately 116 km northwest of Carmacks, of center northwest, Yukon Territory. Latitude and longitude coordinates are 62°50" N, 137°59" W respectively.

Access was by helicopter from Carmacks, Yukon. There is all weather road access to Minto, where it is approximately 57 km away east to Kong Property. Though trails access across the whole property but no main vehicle access to the property. Helicopter access service is generally available from Carmacks, Yukon.

2.0 PHYSIOGRAPHY

The claims lie within the east edge of unglaciated Dawson Range, Southwestern Yukon. The topography is moderate with long sinuous ridges incised by narrow valleys heading down varied directions to larger swampy creek valleys, as such Yukon River. Vegetation consists of moss, birch, poplar, and spruce with thick alder and buck brush. Elevations range from 430m to 1070 m generally.

3.0 LEGAL DESCRIPTION

Gonzo Claims Group (Gonzo Property), including 102 claims, situated along the Yukon River, NTS Map Sheet is 115I/13, with an approximate area of 9500 hectares. The property is 100 % held by Canadian Dehua International Mines Group Inc. (Dehua Mines), located within Fort Selkirk area, in Dawson Mining District, Yukon Territory. Its Latitude and Longitude are 62°50' N, 137°59' W. 21 months of work has been filed and, based on the acceptance of this report, will validate the claims to a new date following. A table showing pertinent claims date follows: Claims location refers to Claim location map Figure 2 The Gonzo Claims Location Map.

Claim list: Gonzo Claims (102 Claims)

CLAIM NAME	GRANT NUMBER	NUMBER OF CLAIMS	EXPIRY DATE
GONZO 01- 40	YD21101-YD21140	40	*Dec 25, 2012
GONZO 45- 55	YD55265-YD55275	11	*Jan 27, 2013
GONZO 68- 83	YD55288-YD55303	16	*Jan 27, 2013
GONZO 96- 115	YD55316-YD55335	20	*Jan 27, 2013
GONZO 124- 128	YD55344-YD55348	5	*Jan 27, 2013
GONZO 590- 599	YD58947-YD58956	10	*Jan 27, 2013

Note: * Expiry date based on acceptance of this report.

4.0 HISTORY WORK

- 1975 and 1976 Kerr Addison Mines Ltd. collected Induced Polarization (IP) data on their WON claims that lie predominately within Dehua's Gonzo Claims. In addition to the geophysical surveys they drilled 2 diamond drill holes within the survey area (Yukon MINFILE #115I 081). The approximate location of DDH #1 is shown as a feature on all maps while the WON claims are illustrated in Figure 1B. Assay results are not present with the drill log for DDH #1, however the drill log and assessment work indicate the presence of pyrite and pyrrhotite in the intrusive rocks.
- 1977, Sinclair carried out geological mapping in the vicinity of the Minto deposit, as well as reconnaissance-level geochemical studies of intrusive rocks in the area.
- 1984, a 1:250 000-scale geological map of the Carmacks map sheet was published by Tempelman-Kluit.
- 2001, a low-level airborne magnetic and radiometric survey was flown over the entire Minto-Williams Creek area by the Geological Survey of Canada and the Yukon Geology Program (Shives et al., 2002). No geological interpretation of this new geophysical data set has yet been published.
- 2003, stream sedimentary analyses of this regional area from the Yukon Regional Geochemical Database (Yukon geological Survey) have done, which may provide some sight.

5.0 BEDROCK GEOLOGY

The bedrock geology is accurate at the 1:250000 scale. Here is brief geological setting summary of major lithologies appearing on the informally named Camarcks copper belt region, in which the Kong property is located.

5.1 Geological units list

Here studied the geology is covering an area that is limited within Camacks copper belt, northeastern part of Dawson Range Belt.

- Unit 1, (TQS) Quaternary deposits
- Unit 2, (uKC1) Late Cretaceous Carmacks group volcanic rocks and Late Jurassic to Cretaceous Tantalus Formation sedimentary rocks
- Unit 3, (MkgW) Early and mid-Cretaceous plutonic rocks
- Unit 4, (EJgA) Late Triassic-Early Jurassic plutonic rocks (granite batholith)
- Unit 5, (uTrP) Paleozoic (?) and /or Triassic (?) mafic volcanic rocks (located at northeast or east)
- Unit 6, (DMpW) Paleozoic metamorphic rocks (Yukon-Tanana Terrane)

5.2 Bedrock contacts

There are five main lithological units underlie the Carmacks copper belt a informally named copper belt located at northeast aspect of southeastern Dawson Range gold belt that is characterized as a northwest trending recent years be emerging as gold rushing belt (Yukon Geology Survey 2010 report). Intermediate to felsic intrusive and meta-intrusive rocks (unit 3) of the early Mesozoic Granite Batholith underlie much of this area and are interpreted to be intrusive to the Yukon-Tanana Terrane (unit 6) (Gordey and Makepeace, 1999). The batholithic rocks are in fault and/or intrusive contact with an unnamed package of altered mafic volcanic rocks (unit 5) to the northeast, and are unconformably overlain by sedimentary rocks and volcanic flow rocks of the Late Cretaceous Tantalus Formation and Late Cretaceous Carmacks Group (unit 2), respectively. Early and mid-cretaceous plutonic rocks (unit 4) are identified in southwest of the belt suggested to be fault or intrusive contact with Granite Mountain batholith and Yukon-Tanana Terrane metamorphic rocks. Unit 1 Quaternary deposits composed of loose gravels, silt and sand covered mostly further northeast area.

Copper and gold mineralisation at Minto and Williams Creek are hosted by deformed and metamorphosed rafts and pendants of older intrusive rock units and supracrustal rocks are contained within the Granite Batholith. Regional structure is poorly understood because outcrop is very sparse (<1% exposure), and the area is unglaciated and deeply weathered. In addition, there is a lack of detailed geological mapping in this area. However, some significant steep faults have been recognized in the area (e.g., the DEF fault at Minto) (Reza Tafti and James K. Mortensen, MDRU, UBC 2004, Page 190-191)

6.0 MAGNETIC-RADIOMETRIC SURVEY

Dehua Mines has employed airborne magnetic-radiometric survey by qualified Precision GeoSurveys Ltd for field data information collecting through Bell 206 BIII jet Ranger.

6.1 Survey Operations

Precision GeoSurveys flew the Kong property using a Bell 206 BIII Jet Ranger. The survey lines were flown at a nominal line spacing of one hundred (100) meters and the tie lines were flown at 1 km spacing for both the spectrometer and magnetometer as they were acquired simultaneously. The average survey elevation was 32.7 meters vertically above ground. Refer to Figure 3, a Plan Showing Magnetic-Radiometric Survey Lines on Kong Property attached.

The base of operations for this survey was Minto airstrip located adjacent to the Klondike Highway approximately 116 km northwest of Carmacks, Yukon Territory. The Precision crew consisted of a total of three members:

John Witham – Pilot

Canadian Dehua International Mines Group Inc.
Address: #820 1130 West Pender St. Vancouver
BC Canada V6E 4A4
Phone: (604) 697 0118

Peter Barker – Geophysical Operator
Jenny Poon – On-site geophysicist

The first day of survey took place on August 13, 2010, and the last day of surveying was August 15, 2010. The survey was completed without any interference from the weather or equipment issues.

6.2 Equipment

For this survey a magnetometer, spectrometer and a data acquisition system were required to carry out the survey and collect quality, high-resolution data.

6.2.1 AGIS

The Airborne Geophysical Information System (AGIS) is the main computer used in data recording, data-sensor synchronizing, and display of real-time QC data for the geophysical operator, and generation of navigation information for the pilot display system. The AGIS was manufactured by Pico Envirotec, therefore the system uses standardized Pico software and external sources are connected to the system via RS-232 serial communication cables. The AGIS data format is easily converted into Geosoft or ASCII file formats by a supplied conversion program called PEIView. Additional Pico software allows for post survey quality control procedures.

6.2.2 Spectrometer

The IRIS, or Integrated Radiometric Information System is a fully integrated, gamma radiation detection system containing two downward facing NaI detecting crystals for a total volume of 8.4 litres. The IRIS is equipped with upward-shielding high density RayShield® gamma-attenuating material to minimize cosmic and solar gamma noise. Real time data acquisition, navigation and communication tasks are integrated into a single unit that is installed in the rear of the aircraft as indicated below. Information such as total count, counts of various elements (K, U, Th, etc.), temperature, barometric pressure, atmospheric humidity and survey altitude can all be monitored on the AGIS screen for immediate QC. All the radiometric data are recorded at 1 Hz.

6.2.3 Magnetometer

The magnetometer used by Precision GeoSurveys is a Scintrex cesium vapor CS-3 magnetometer. The system was housed in a front mounted “stinger”. The CS-3 is a high sensitivity/low noise magnetometer with automatic hemisphere switching and a wide voltage range; the static noise rating for the unit is +/- 0.01 nT. On the AGIS screen the geophysical operator can view the raw magnetic response, the magnetic fourth difference and the survey altitude for immediate QC of the magnetic data. The magnetic data are recorded at 10 Hz. A magnetic compensator is also used to remove noise created by the movement of the helicopter as it pitches, rolls and yaws within the Earth’s geomagnetic field.

6.3 Data Processing

After all the data are collected after a survey flight, several procedures are undertaken to ensure that the data meet a high standard of quality. All data were processed using Pico Envirotec software, Geosoft Oasis Montaj geophysical processing software, and proprietary software.

6.3.1 Magnetic Processing

During aeromagnetic surveying noise is introduced to the magnetic data by the aircraft itself, movement in the aircraft (roll, pitch and yaw) and the permanent magnetization of the aircraft parts (engine and other ferric objects) are large contributing factors to this noise. To remove this noise a process called magnetic compensation is implemented. The magnetic compensation process starts with a test flight at the beginning of the survey where the aircraft flies in the four orthogonal headings required for the survey (050°/230° and 140°/320° in the case of this survey) at an elevation where there is no ground effect in the magnetic data. In each of the four cardinal survey headings roll, pitch and yaw maneuvers are performed by the pilot, these maneuvers provide the data that is required to calculate the necessary parameters for compensating the magnetic data with a resulting Figure of Merit of less than 3 nT. A computer program called PEIComp is used to create a model for each survey to remove the noise induced by aircraft movement; this model is applied to each survey flight so the data can be further processed.

A magnetic base station is set up before every flight to ensure that diurnal activity is recorded during the survey flights. Precision GeoSurveys uses a Scintrex Envi-Pro base station at a sample rate of 2 seconds. Base station readings were reviewed at regular intervals to ensure that no data were collected during periods with high diurnal activity (greater than 5 nT per minute). The base station was installed at a magnetically noise-free area, away from metallic items such as steel objects, vehicles, or power lines. The magnetic variations recorded from the stationary base station are removed from the magnetic data recorded in flight to ensure that the anomalies seen are real and not due to solar activity.

A Non Linear filter was used for spike removal. The 1D Non-Linear Filter is ideal for removing very short wavelength, but high amplitude features from data. It is often thought of as a noise spike-rejection filter, but it can also be effective for removing short wavelength geological features, such as signals from surficial features. The 1D Non-Linear Filter is used to locate and remove data that are recognized as noise. The algorithm is 'non-linear' because it looks at each data point and decides if that datum is noise or a valid signal. If the point is noise, it is simply removed and replaced by an estimate based on surrounding data points. Parts of the data that are not considered noise are not modified. The low pass filter simply smoothes out the magnetic profile to remove isolated noise by allowing low-frequency signals to pass and reduces the amplitude of signals with frequencies higher than the cut-off frequency.

A lag correction was applied to the total magnetic field data to compensate for the lag in the recording system as the magnetometer sensor flies 6.45 m ahead of the GPS antenna. Thus, a lag correction of 1.7 seconds was applied to the data.

6.3.2 Radiometric Processing

Radiometric data are processed by windowing the full spectrum to create channels for U, K, Th and total count. The data are then lightly filtered and corrected for survey altitude at standard temperature and pressure. Background radioactive contributions from the aircraft, cosmic radiation and atmospheric radon must also be removed. Finally the data are corrected by removing spectral overlap; this is done using the stripping ratios that have been calculated for the spectrometer by prior calibration, this breaks the corrected elemental values down into the apparent radioelement concentrations.

6.3.3 Final Data Format

The data files are provided in two (2) formats, the first is a “.GDB” file for use in Geosoft Oasis Montaj, the second format is a “.XYZ” file, this is a text file. Two separate files are provided for each format, one for the magnetics and one for the radiometrics. Data spatial coordinates are UTM zone 8N with datum of WGS84. Other parameters and Abbreviations involved refer to data sets specification of Precision GeoSurveys. Survey specification list in Table 1 below. Inducing magnetic parameters list in Table 2 below. Figure 4 shows general magnetic feature and Figure 5 shows radiometric count attached.

Table 1: Survey specifications

Survey acquisition	August 2010, by Precision Geosurveys Inc.
Data format	Geosoft GDB, ASCII
Flight Height	Radar altimeter, GPS (nominal flight height of 30m)
Coordinates	GPS Easting and Northing
Flight line spacing	100 meters traverse, 1000 tie lines
Line direction	045°/225° at G Blocks
Data spacing	Approximately every 2 meters along flight track
Line kilometres	G Block = 604km
Data projection	WGS84 UTM zone 8N

Table 2: Inducing Magnetic Field Parameters

Parameters	Gonzo Property
Latitude (degrees N)	62.8271
Longitude (degrees E)	-137.977
Mean Elevation (m)	772.958
Survey Date	Aug 13 – 15, 2010
Magnetic Field Inclination (degrees)	77.317
Magnetic Field Declination (degrees)	22.800
Magnetic Field Magnitude (nT)	57370.2

6.4 Geological and Targeting Interpretation

Exploration target aimed post Magnetic-radiometric data processing have conducted by Aurora Geosciences and Mira Geosciences separately on behalf of Dehua Mines based on exploration targeting requirement, Survey specification list in table 1 below.

6.4.1 Aurora Geosciences' post data processing

The data was interpreted using the procedures below:

1. All data was plotted in a digital map with each data set on a separate layer. Topographic data, regional bedrock geology and geochemical copper anomalies were used as underlays.
2. The total magnetic field (TMF) was gridded using a minimum curvature algorithm with a 25m-cell size. Preliminary targets were based on magnetic highs occurring across the K Block. Targets not located within the Early Jurassic pluton unit (marked EJgA on the base map) were subsequently discarded as not conforming to the ideal target response for the region.
3. Frequency filtered grids were produced to highlight trends and targets obscured by regional magnetic trends. High pass frequency filtering was used to enhance the response from small-scale features on the order of a few hundred meters (a scale similar to that of the Minto deposit). The first vertical derivative (VD) is sensitive to steeply dipping structures and was used as an edge detector. A high pass filter was created by subtracting upward continued data (UCD - an effective low pass filter) from the original TMF. Several different heights were tested but the best results were obtained from upward continuation of 100 m and 1000 m. Another high pass filter was created by subtracting downward continued data (DCD) from original TMF. Downward continuation of 25 m allowed targets below magnetically quiet overburden to be emphasized.
4. Magnetic targets chosen were overlain on the radiometric results and compared with corrected values for potassium, uranium and thorium.
5. Final maps were prepared for each data channel showing the anomalies and targets identified during the previous steps.

Target Response

The Gonzo Property is located approximately 20 km northwest of the Minto Mine Site in the Dawson Mining District, Yukon Territory. Targets on the G Block were chosen based on similarities to Minto style deposits. Minto style copper and gold deposits are hosted in the intermediate to felsic Early Jurassic Minto pluton (Yukon Minfile #115I 021). Minto style magnetic targets tend to be rounded magnetic highs with 200 m to 300 m strike length. Mineralisation in Minto deposit occurs in weakly to strongly foliated granitoids that are hosted in massive undeformed granites (Hood, *et al.* 2008). Post-mineralisation faulting may account for discontinuities within the mineralized zones (Hood, *et al.* 2008).

Targets ranking

Four target groups 13 targets were identified in the interpretation. Each group consists of a set of targets with complementary geophysical responses which are consistent with expected responses from the target model and which in some cases are associated with known geochemical anomalies. The targets are ranked and described in order of decreasing certainty and potential. Targets result list in Appendix I Targets derived from Aurora Geosciences Inc. Figure 6 shows exploration targets derived by Aurora Geosciences attached.

6.4.2 Mira Geosciences' post data processing

Application of Knowledge-Driven Weights

Exploration criteria are geo spatial variables that may be related to mineralisation at the K-Block property. These criteria were defined based on the intrusive porphyry deposit style proposed by Holister (1976). The magnetic and radiometric data were interpreted according to the exploration criteria discussed in Section 3.3(refer to the original report). The interpretation of the geophysical datasets was converted to evidence layers for use in the targeting workflow. The evidence layers are:

- Distance to geologic contacts and bends in contacts
- Distance to faults, bends in faults, and fault intersections
- Distance to dikes and bends in dike
- Distance to Au stream drainage (Yukon Geological Survey geochemistry)
- Distance to MINFILE mineral occurrences (Yukon Geological Survey reports)
- Distance to magnetic anomalies and changes in the shape of the anomalies (pinch outs)
- Distance to radiometric anomalies; potassium anomalies from K:Th ratio distance to intrusion (batholith)

Target creation

As result of exploration target generation requirement, a set of 30 targets has being created through a knowledge-driven weights method (details refers to original report). All targets with centroid UTM WGS 84 8zone coordinates attached listed in Appendix II Gonzo Property targets derived by Mira Geosciences Inc. Ranked targets (Priority decreased by rank number increase) by mean weights score and number of cells (grid cell sizes as 50m by 50m by 25m). Figure 7 shows exploration targets derived by Mira Geosciences attached.

7.0 CONCLUSIONS AND RECOMMENDATIONS

- Bell 206 BIII Jet Ranger mounted Magnetic-Radiometric survey successfully completed by Precision GeoSurveys on behalf of Dehua Mines, whole bunch data collected is quality controlled that is valuable for further data post processing

aiming on mineral exploration targeting and geology and mineralisation interpretation.

- The targeting method used in this study by Mira Geosciences follows the intrusive-related porphyry deposit model proposed by Holister (1976). Therefore, Aurora Geosciences using a Minto Cu-Au-Mo mine derived targeting criteria.
- As further stage targeting investigation requirement, a set of 30 targets has being created and ranked through a knowledge-driven weights method by Mira Geosciences Inc. and Aurora Geosciences Ltd have generate 4 ranks 13 targets through Gonzo Property for next follow up field investigation.
- The geophysical post data interpretation review suggests that the Gonzo Property is located in a highly prospective area for Cu-Au-Mo mineralisation. Nearby deposits in the Carmacks area, including the high-grade copper-gold Minto Mine and Carmacks Copper deposit, lie along the same northwest-trending belt as the Gonzo Property and are hosted by the same early Jurassic magmatic suite.
- The best target found in this study is target 1 in Gonzo Property. However, one should not ignore the other targets identified when following up. These targets are primarily based on the interpretation of the magnetic and radiometric airborne data.
- Geochemical sampling is recommended as a primary follow-up method in the target regions. Depending upon the size of the target area and the local morphology, either soil grids or stream sediment sampling can be used. The topographic relief is quite rugged in the survey areas. Weathering and sediment transport should be analyzed with respect to the topography and watersheds. Geological traversing in the areas of high prospectivity identified in this work may also upgrade targets and solidify the ranking of targets on the basis of a more complete set of geological knowledge.
- Ground geophysics is an important next step to define drill targets. Induced Potential (IP) is an effective ground method for the prospection and characterization of mineral deposits, particularly Cu-Au porphyry deposits. Measured chargeability and apparent resistivity data have proven successful for detecting favorable Cu-Au mineralisation.
- Finally, the targeting criteria and exploration models produced in this study have ongoing value to Dehua Mines. Modifications to exploration criteria or target type, definition of training data, or simply the addition of new drilling or other data can all be used to update the existing model easily now that the investment in the model framework for the Carmacks area is complete.

Reference

- Energy, Mines and Resources of Yukon, Schedule of Representation Work & Quartz Grouping Guidelines, Quartz Mining Act Section 55 & 56 January 2010.
- K.E. MacFarlane, L.H. Weston and C. Relf, 2010, Yukon Exploration and Geology Overview 2010. Yukon Geological Survey, p. 19.
- Reza Tafti and James K. Mortensen, 2004, Early Jurassic porphyry (?) copper (-gold) deposits at Minto and Williams Creek, Carmacks Copper Belt, western Yukon, MDRU Earth and Ocean Science UBC, In: Yukon Exploration and Geology 2003, D.S. Emond and L.L. Lewis (eds.), Yukon Geological Survey, p. 290-191.
- Precision GeoSurveys Inc. Airborne Geological survey Report Gonzo-Block Property report.
- Aurora Geosciences Ltd. G Block Airborne Magnetic Interpretation Report.
- Mira Geosciences Ltd. Integrated Geologic, Magnetic and Radiometric Cu-Au-Mo Targeting on the G, K and O Block Properties near Carmacks, Yukon Territory, Canada.

Appendix I

Targets derived from Aurora Geosciences Inc.

Four target groups were identified in the interpretation. Each consists of a set of targets with complementary geophysical responses which are consistent with expected responses from the target model and which in some cases are associated with known geochemical anomalies. The targets are ranked and described in order of decreasing certainty and potential. (Note: More details cite to G Block Airborne Magnetic Interpretation Report compiled by Aurora Geosciences. Oct 25, 2010)

1. Target Group A: Minto Style with Geochem Anomalies

Targets 1, 2, 7, and 8 form Group A. Each is a small rounded 30 nT to 120 nT magnetic high. Targets 1 and 2 are located upstream from 13 ppm copper anomaly and have high thorium, uranium and potassium values. Targets 7 and 8 are located upstream from 23 ppm copper anomaly. Figure 6 shows this target group the best. The targets are described below.

2. Target Group B: Minto Style without Geochem

Targets 3, 4, 6, and 9 form Group B. Each is a small rounded 50 nT to 270 nT magnetic high. Figures 6 shows the magnetic responses of these targets. The targets are described below.

3. Target Group C: Geochem related large magnetic high

The northern portion of G Block has high copper values in almost all streams. A large magnetic high south of the main drainage is target 5. This target area also covers the Kerr Addison Mines 1976 IP survey area and DDH #1. Copper values in the streams are between 23 ppm and 43 ppm. The target is described below.

4. Target Group D: Magnetic highs related to linear features

Targets 10, 11, 12 and 13 are rounded 40 nT to 180 nT magnetic highs occurring at either breaks in linear magnetic features or where linear magnetic features intersect. Targets 10, 11, and 13 are all located within the mapped E_JgA while target 12 is in close proximity to the contact between the E_JgA and uTrP (the triassic volcanics). Targets Figures 3 and 4 show these targets most clearly. The targets are described below.

Targets list:

Rank	Target Number	Easting	Northing	Orientation Strike	Length (m)	Width (m)	Magnetic High (nT)
A	1	348370	6968840	~110/290	315	120	40
	2	348930	6968360	~90/270	160	150	30
	7	350400	6972260	~0/180	130	130	90
	8	349360	6972725	~110/290	215	160	120
B	3	352650	6965350	~125/305	300	210	270
	4	352820	6965835	~125/305	300	130	50
	6	349900	6970120	~90/270	215	185	60
	9	348910	6974720	~0/180	315	130	60
C	5	350800	6973900	~90/270	2200	600	350
D	10	350860	6968910	~45/225	300	280	140
	11	351725	6968810	~90/270	380	180	80
	12	351950	6971810	~20/200	360	200	40
	13	352310	6969670	~0/180	480	270	180

Appendix II

Gonzo Property targets derived by Mira Geosciences Inc.

Ranked (Priority decreased by rank number increase) by mean score and number of cells (grid cell sizes as 50m by 50m by 25m). (Note: More details refer to the report of Integrated Geologic, Magnetic and Radiometric Cu-Au-Mo Targeting on the G, K and O Block Properties near Carmacks, Yukon Territory, Canada compiled by Mira Geoscience. Dec 20, 2010.)

Target list

Rank (based on Mean then size)	X (m)	Y (m)	Z (m)	Target_Mean_Score	Number of Cells in region
1	350443	9697085	963	0.698474	250
2	351218	6973999	743	0.674419	15
3	351080	6969840	829	0.651163	20
4	353719	6969025	864	0.651163	18
5	350571	6968856	618	0.651163	13
6	351436	6967797	819	0.651163	9
7	351588	6968475	782	0.651163	8
8	352861	6970597	905	0.651163	7
9	351875	6969600	895	0.651163	6
10	352175	6969400	915	0.651163	2
11	353375	6969500	868	0.651163	2
12	352200	6970400	1010	0.651163	2
13	351425	6969475	803	0.651163	1
14	350525	6971375	1001	0.651163	1
15	351055	6971360	1010	0.648837	10
16	351803	6971112	1045	0.646512	27
17	351266	6971093	1023	0.646512	22
18	348661	6970043	597	0.646512	14
19	349767	6970709	873	0.646512	6
20	351425	6970500	978	0.646512	2
21	351275	6970625	958	0.646512	1
22	351775	6966925	638	0.64186	1
23	351900	6968825	818	0.63589	67
24	352888	6969677	863	0.632558	28
25	352000	6969825	944	0.632558	8
26	352025	6974300	722	0.576744	6
27	352250	6969800	995	0.632558	4
28	352075	6970125	959	0.632558	1
29	352075	6974425	716	0.576744	1
30	352175	6974525	870	0.576744	1

Appendix III

Statement of Expenditure for Gonzo Property Claims Group

Gonzo Claims Group Property airborne Magnetic-Radiometric Survey flew by Precision GeoSurveys Inc. in period of Aug 13 to August 15, 2010. Subtotal cost: **\$38,115.00**.

Total Expenditure Applied for Gonzo Property Assessment: **\$ 38,115.00**

Appendix IV

Statement of Qualifications

I, Wanjin Yang, do hereby certify that:

I am a geologist with more than twenty years of geological working experience. First 9 years experiences gained through Chinese mining company in China and the last 11 more years geological experiences gained through mineral and geology activities in China governed by Canadian international mining incorporations, Minco Metals and Ivanhoe Mines.

I graduated from China University of Geoscience (Wuhan), China with B. Sc. Degree in geology in 1990.

I am an international experienced geologist, holding China Government Engineering System Senior Geologist title; Applied for Professional Geoscience in BC, application case is during processing (submit the application document in GPEGBC office in February this year).

I am an employee as a geologist of Canadian Dehua International Mines Group Inc. I have worked with Raymond Xie, who is the project manager, viewed the data and compiled the Assessment Work Report of 2010 in May this year; furthermore, carrying out 2011-year field soil sample program and geophysical survey program with follow up investigation, on those exploration targets were delineated through Magnetic Radiometric survey program.

Wanjin Yang
Field Geologist
Canadian Dehua International Mines Group Inc
Yukon Project

Statement of Qualification

I, Rongju Xie, do hereby certify that:

I am a geologist employed by *Canadian Dehua International Mine Group Inc.* and Dehua's Yukon project manager.

I graduated from *Guilin University of Technology*, Guilin, Guangxi, China in 1984, granted B.Sc. in geology.

In 1987, I acquired M.Sc. degree from *China University of Geosciences (Wuhan)*;

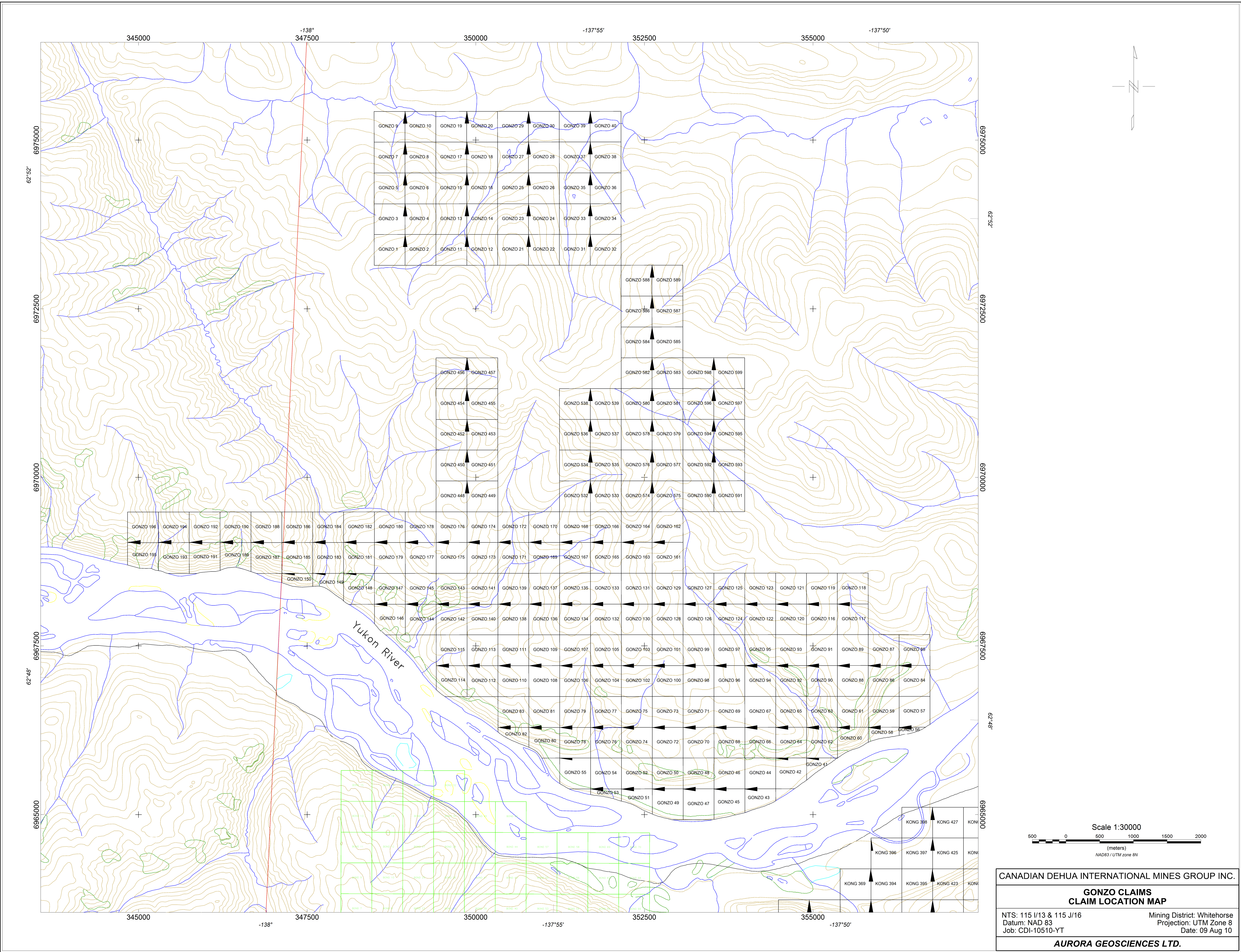
In 2000, I acquired PhD in Geosciences from *Central South University*, Changsha, China.

I studied in Geology and worked in mineral prospecting more than 20 years, and have related working experience both in China and Canada.

I involved in Dehua's exploration project in Yukon from the beginning, and carried out data collection, assessment report composition of this one.

Rongju Xie

Geologist
Canadian Dehua International Mines Group Inc.
Yukon project manager



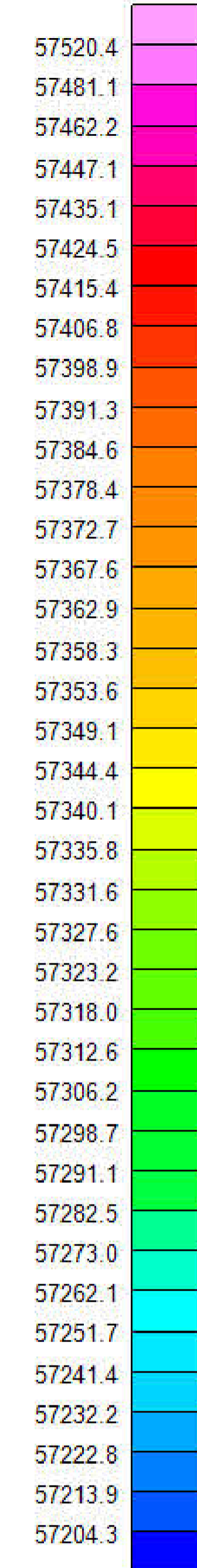
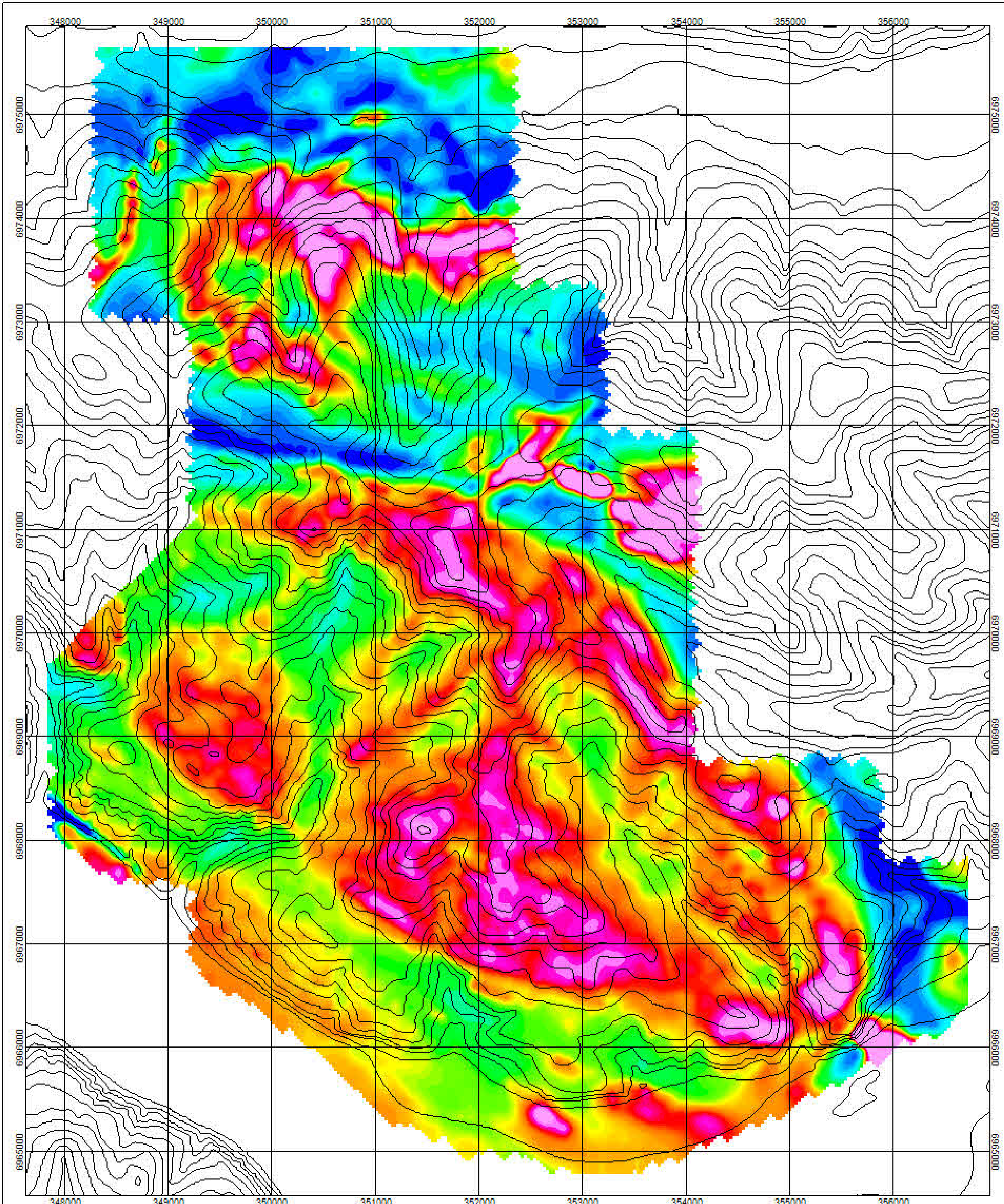
Scale 1:30000
 500 0 500 1000 1500 2000
 (meters)
 NAD83 / UTM zone 8V

CANADIAN DEHUA INTERNATIONAL MINES GROUP INC.

**GONZO CLAIMS
 CLAIM LOCATION MAP**

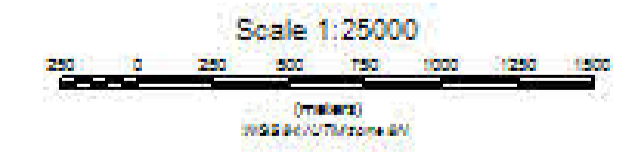
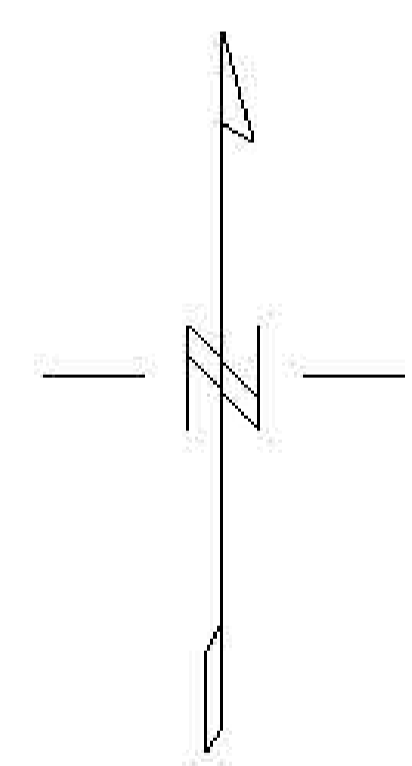
NTS: 115 I/13 & 115 J/16 Mining District: Whitehorse
 Datum: NAD 83 Projection: UTM Zone 8
 Job: CDI-10510-YT Date: 09 Aug 10

AURORA GEOSCIENCES LTD.



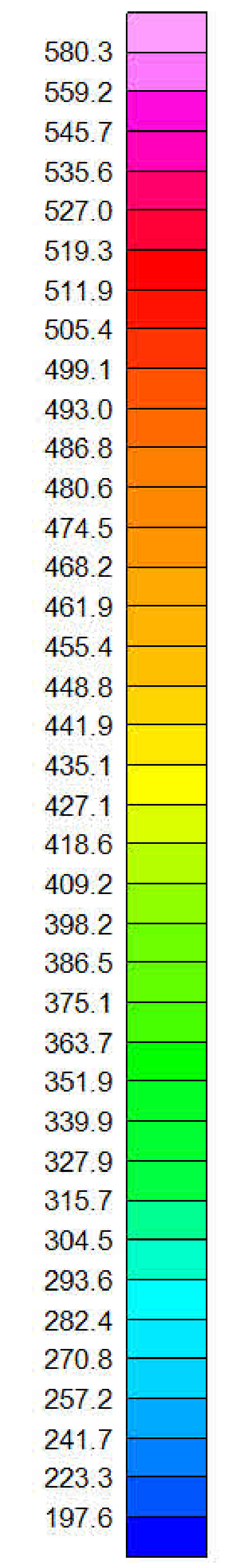
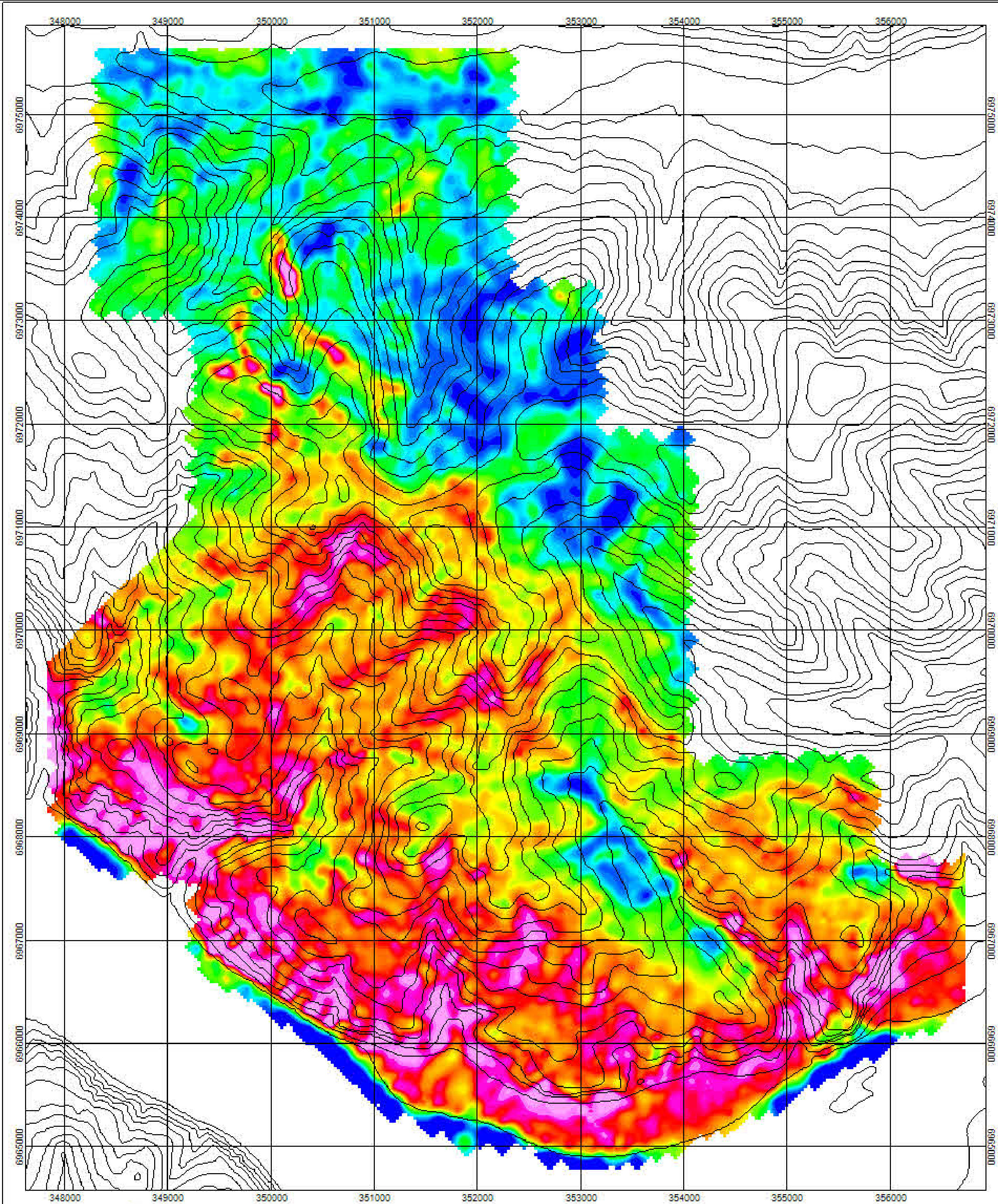
Survey and Equipment:
 -Survey Flown from August 13, 2010 to August 15, 2010.
 -Survey Base: Minto Airstrip, Yukon
 -Scintrex CS-3 cesium vapor magnetic sensor used to sample the Earth's magnetic field at 10Hz.
 -All radiometric data sampled at 1Hz by 8.4L of NaI synthetic crystal
 - Topography from Geogratix.

Total Magnetic Intensity (nT)



Canadian Dehua International Mines Group Inc.

Gonzo Block
 Total Magnetic Intensity (nT)
 Created By: Precision GeoSurveys Inc.
 August 24, 2010



Total Count (cps)

Survey and Equipment:
 -Survey Flown from August 13, 2010 to August 15, 2010.
 -Survey Base: Minto Airstrip, Yukon
 -Scintrex CS-3 cesium vapor magnetic sensor used to sample the Earth's magnetic field at 10Hz.
 -All radiometric data sampled at 1Hz by 8.4L of NaI synthetic crystal
 - Topography from Geogratix.

