

## POST-FIELD PROGRESS REPORT

**Date:** June 23, 2010

**Project:** Haldane (HAO10-02)

**Client:** Habanero Resources Inc.

**Period of Work:** June 4 – June 18, 2010

### Summary

A total of 400.5 meters of drilling were completed on the Haldane property in three holes over a nine day period. The drill holes targeted Ag-Pb-Zn vein fault mineralization in the Johnson and Middlecoff zones. The drill holes were successful in intersecting vein-faults in both zones within the Keno Hill Quartzite unit. Five days of geological mapping were also completed on the property during the course of drilling.

Mobilization of the geological staff occurred on June 4<sup>th</sup> from Whitehorse to Dublin Gulch access road staging area. A small fly camp was established and drill locations were spotted prior to arrival of the drill. The padbuilders were delayed arriving at site and arrived with the drillers on June 6<sup>th</sup>. Due to poor weather, the drill was mobilized in the afternoon on June 7<sup>th</sup> and drilling of HLD10-01 began on June 8<sup>th</sup>. After encountering bad ground the hole was abandoned at 22.5 meters with two core barrels and a latch head assembly lost in the hole. A new hole with a steeper dip, HLD10-01B, was started on June 9<sup>th</sup>. Drilling progressed at a rate of 67 meters per day until June 12<sup>th</sup>, when chuck bolts broke on the drill and the day shift was lost. Drilling resumed on the night shift and the hole was stopped at 258m on June 13<sup>th</sup>. The drill was moved during the day on the 14<sup>th</sup> and night shift began drilling HLD10-02. Drilling continued until noon on the 16<sup>th</sup> and the hole was shut down with the drill demobilized in the afternoon. Camp was taken down and demobilized, logging completed, and all core samples split on June 17<sup>th</sup>. Samples were taken to the lab and camp was stored in Whitehorse on the 18<sup>th</sup>.

A total of 116 core samples, summarized below, and 7 rock samples were sent to ALS Chemex in Whitehorse and the results will likely be ready before the middle of July.

Hole ID	Depth (m)	Azimuth	Dip	Samples*
HLD10-01	22.5	090	-50	0
HLD10-01B	258.00	090	-55	69
HLD10-02	126.39	135	-50	47

\*includes ~5% QA/QC samples

### Financial

Budget tracking indicates that the amount spent to date is \$300,000; this includes report and assessment filing costs. This is higher than initially anticipated mainly due to poor weather for the mobilization of the drill, inability of 206 and 500D pilots to lift to capacity, bad ground forcing the abandonment of the first hole, including core barrels, and the rapid rate of drill bit wear.

Total Budget (including additional \$30,000):	\$306,577
Budget Spent to Date (including post-field report costs):	\$299,543
Budget Remaining:	\$7,034

## Drillhole Summary

### HLD10-01B

0 - 19.8m Overburden

19.8 - 53.30m Grey quartzite commonly hosting phyllitic zones

42.00 – 50.87m (Figure 1 & 2) Vein fault structural zone

Mineralized and bleached quartzite with strongly weathered and oxidized galena forming as very fine-grained fracture coating with manganese oxides. Common (1-3%) >1-5mm sulphidic alteration halos around fractures and 2-8mm sulphidic (galena+/-pyrite) veins, varying intensity from weak to strong. One 47cm quartz vein hosts 1-2% galena+/-siderite.

53.30 - 113.00m Quartzite and phyllite interbedded units

113.00 - 136.97m Quartzite with minor phyllite zones

136.97 - 177.85m Quartzite and phyllite interbedded units

177.85 - 215.80m Quartzite with minor phyllite zones

215.80 - 232.35m Quartzite and phyllite interbedded units

232.35 - 234.20m Clay altered felsic dyke

234.20 - 258.00 Quartzite with minor phyllite zones

258.00 - End of Hole

### HLD10-02

0 - 4.60m Overburden

4.60 - 15.45m Phyllite with common quartz veining

15.45 - 27.00m Quartzite

27.00 - 35.20m Phyllite

35.20 - 45.00m Felsic dyke with 1-2% arsenopyrite

45.00 - 63.85m Quartzite and phyllite interbedded units

63.85 - 69.33m Fault gouge

69.33 - 77.25m Fault breccia

77.25 - 83.30m Clay altered phyllite

83.30 - 86.45m Fault breccia

86.45 - 122.50m Quartzite

86.45 - 90.10m (Figure 3) Vein fault structural zone

Quartzite mineralized and bleached with strongly weathered and oxidized galena forming as very fine-grained fracture coating with manganese oxides. Common (1-3%) >1-5mm sulphidic alteration haloes around fractures and 2-8mm veins with weak to strong pyrite, galena and manganese oxide mineralization

93.15 - 99.50 (Figure 3 & 4)

Quartzite mineralized and bleached with 1-3mm veinlets near parallel to core axis for approximately 50cm with manganese oxide+/-galena fracture coating. Overall, >1% mineralization.

117.10 - 122.50m (Figure 5)

Quartzite mineralized and bleached with weak patchy manganese oxide alteration along fractures. Strong zone with up to 60% alteration and 3-5% oxidized sulphides at 118.75 to 120.15m followed by moderate sulphide mineralization/alteration to end of interval. Poor core recovery through this zone.

122.50 – 122.75m Fault gouge

122.75 – 126.39m Quartzite with 1-3% fracture-fill and fracture coating mineralization

123.50 - 123.75m Strong zone of alteration with 3-5% sulphides forming along fractures (Figure 6a & 6b)

126.39m – End of Hole

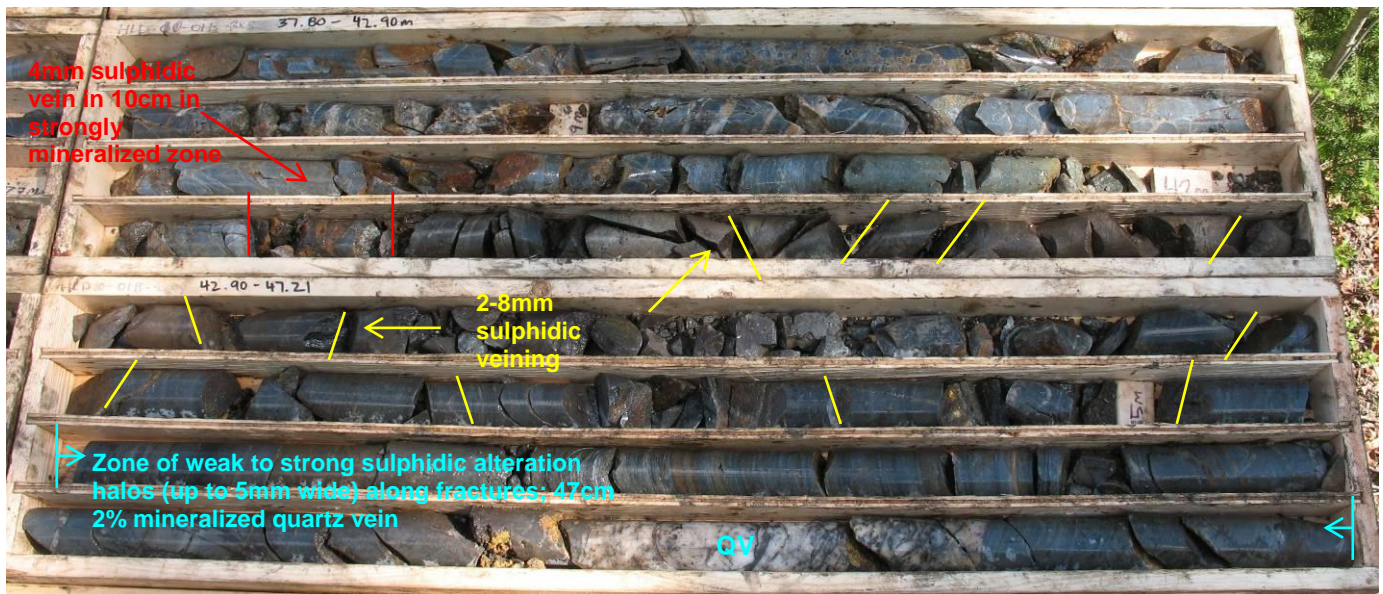


Figure 1 - HLD10-01B - 37.80 to 47.21m



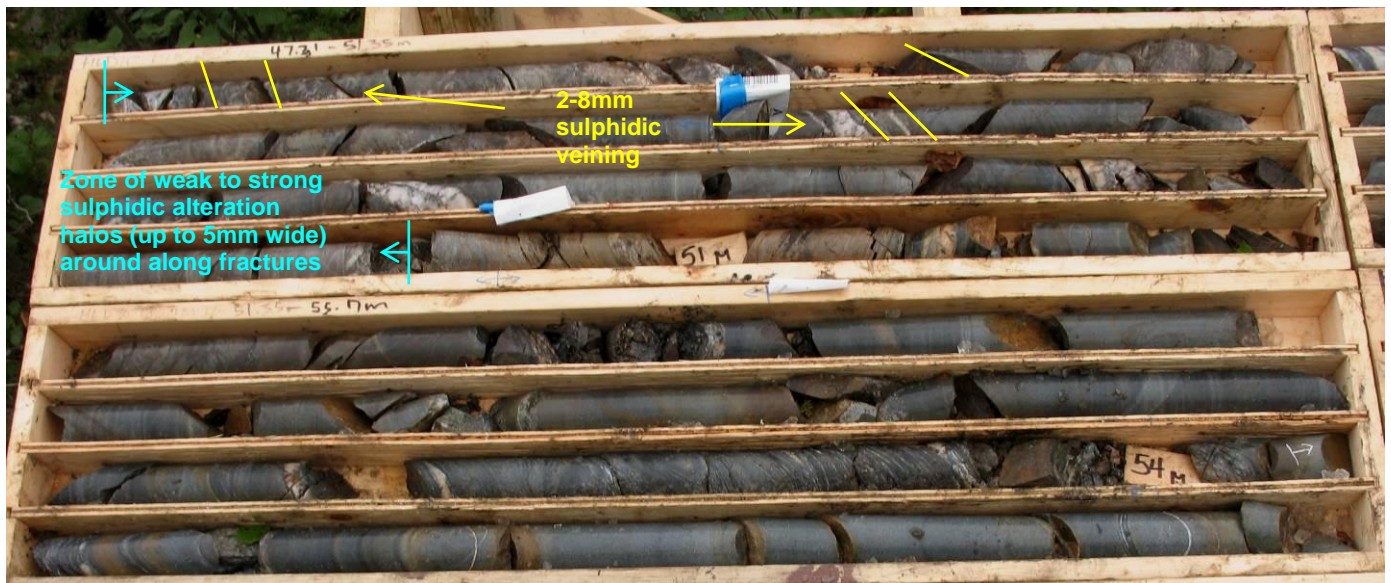


Figure 2 - HLD10-01B - 47.21 to 55.17m



Figure 3 - HLD10-02 - 84.7 to 93.43m

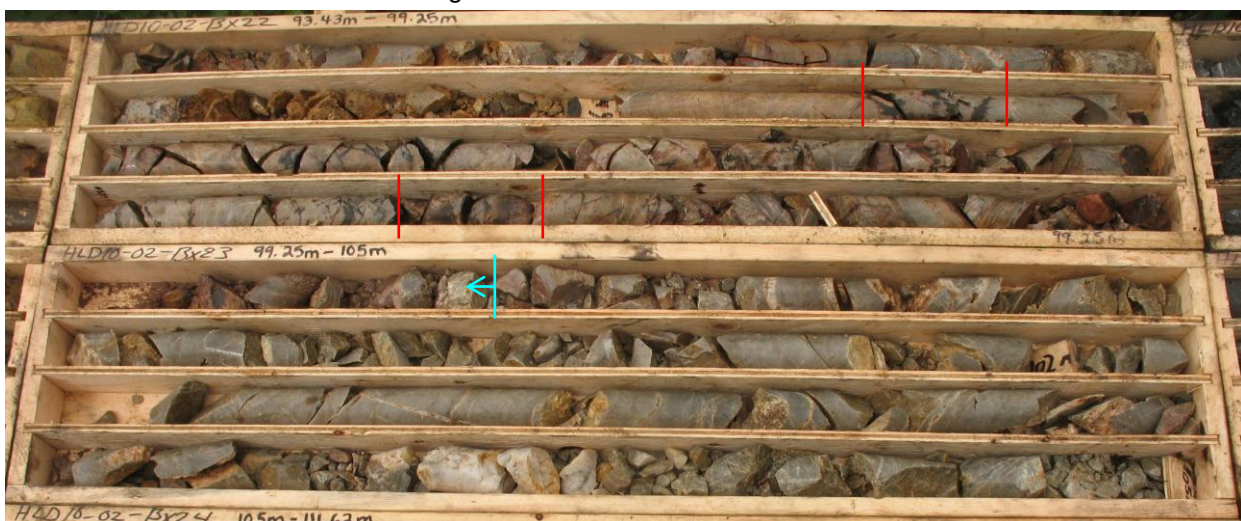


Figure 4 - HLD10-02 - 93.43 to 111.62m





Figure 5 - HLD10-02 – 115.90 to 122.5m



Figure 6a - HLD10-02 - 122.5 to 126.39m



Figure 6b - HLD10-02 - 122.5 to 126.39m

## Problems Encountered

Problems with poor communications were encountered, partly due to the location of camp where satellite phone reception was difficult to maintain. Weather was generally good though there was poor weather for the mobilization of the drill. The inability of 206 and 500D pilots to lift to capacity, coupled with poor communication from the pilots resulted in lost flight time. Bad ground forced the abandonment of the first hole with core barrels left in the ground. Finally, due to the hardness of the bedrock, drill bits (charged on a prorated basis) were rarely lasting more than 30 meters.

## Future Work

Milestone	Date Completed	Approximate Completion Date
Drilling completed	June 16, 2010	
Summary memo (no analyses)	June 23, 2010	
Analyses received		July 7, 2010
Drill log completed		July 16, 2010
Summary memo (with analyses)		July 23, 2010
Assessment filed		July 28, 2010
Assessment report completed		September 24, 2010