ASSESSMENT WORK REPORT (2012)

ON THE KONG CLAIMS GROUP

AT FORT SELKIRK AREA

NTS Map Sheet No: 115/I12; 115I/13

Latitude: 62°44' N Longitude: 137°42' W

Whitehorse Mining District
YUKON TERRITORY

Work date: June 01, 2012 to Dec. 05, 2012

Claims Owner: Canadian Dehua International Mines Group Inc.
1450-1199 West Hastings Street, Vancouver, BC, Canada V6E 3T5

By: Raymond Xie

Date: Dec 05, 2012

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Canadian Dehua International Mines Group Inc.
Address: #1450- 1199 West Hastings St. Vancouver
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1. INTRODUCTION

Kong Claims Group (Kong Property), including 748 claims, situated along the Yukon River, is located approximately 94 km northwest of Carmacks, and 35 km west of the Minto airstrip. NTS Map Sheets are 115I12 and 115I13, within Fort Selkirk area, Whitehorse Mining District, Yukon Territory (Fig 1). The property is 100 % held by Canadian Dehua International Mines Group Inc. (Dehua Mines). Its latitude and longitude are 62°44' N, 137°42' W respectively. In 2012, geological, IP survey and soil sampling programs were employed by Dehua Mines to prospect Cu, Au deposit within Kong Claims based on the work of 2011 .

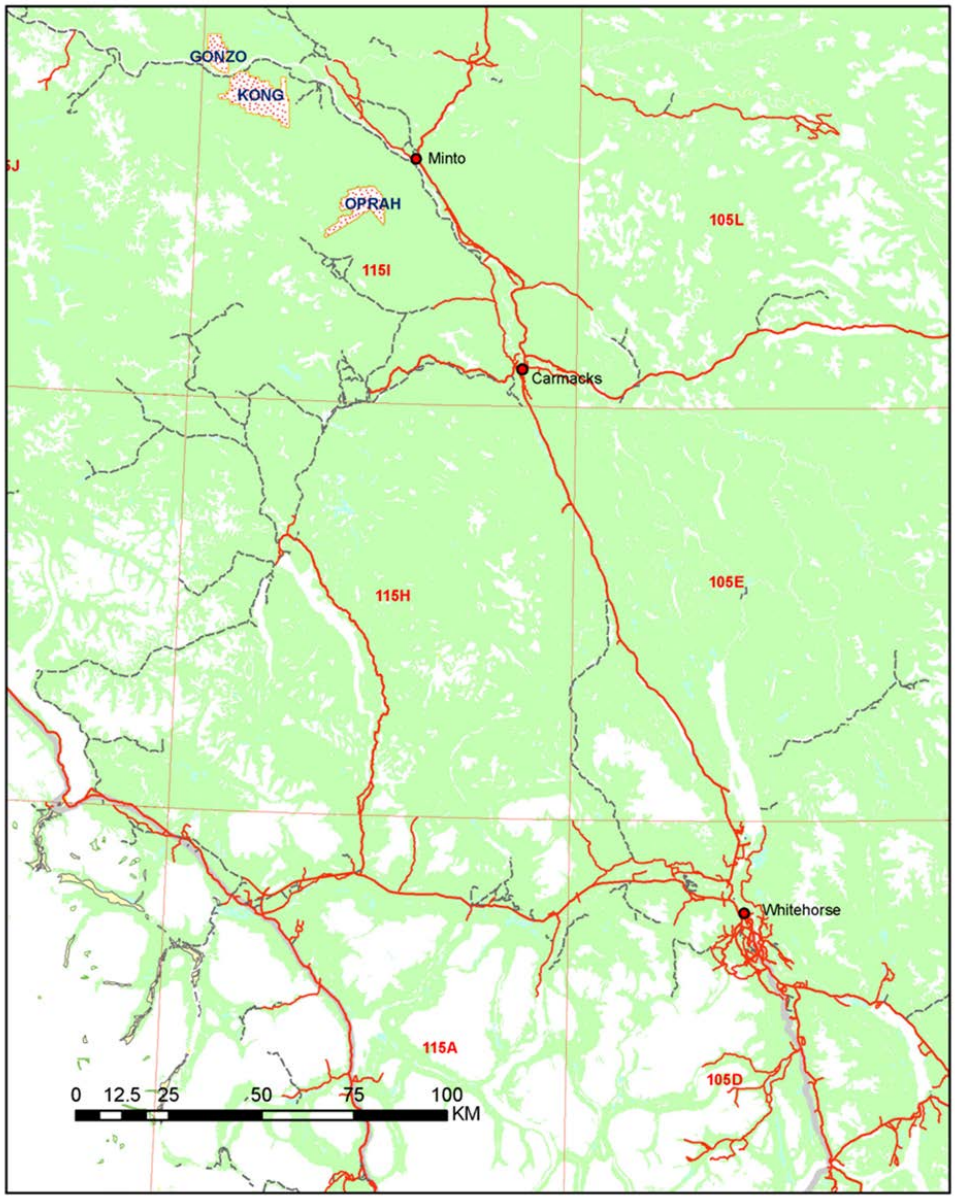

Fig 1 Geographic location of KONG claims

2. KONG CLAIMS GROUP

Kong claims lie at the east edge of Dawson Range, Southwestern Yukon. There is all weather road access to Minto, where it is approximately 35 km away southeast to Kong Property. There are trails to the property but no vehicle access. Helicopter access service is available from Carmacks, Yukon.

Table 1 lists all of the 748 claims. They are renewed to Dec 18 2016, based on the work done this year and acceptance of this report, which will validate the claims to a new date following. Table 1 presents pertinent claims and extension date.

Table 1 Kong Claims Group

Grant Number	claim name	claims	expiration date	renew to
YD21147	KONG 7	1	Mar 18, 2015	Dec 18, 2016
YD21175-YD21198	KONG 35-58	24	Mar 18, 2015	Dec 18, 2016
YD21205-YD21214	KONG 65-74	10	Mar 18, 2015	Dec 18, 2016
YD21216	KONG 76	1	Mar 18, 2015	Dec 18, 2016
YD21218	KONG 78	1	Mar 18, 2015	Dec 18, 2016
YD21220	KONG 80	1	Mar 18, 2015	Dec 18, 2016
YD21222	KONG 82	1	Mar 18, 2015	Dec 18, 2016
YD21224	KONG 84	1	Mar 18, 2015	Dec 18, 2016
YD21226	KONG 86	1	Mar 18, 2015	Dec 18, 2016
YD21228	KONG 88	1	Mar 18, 2015	Dec 18, 2016
YD21235-YD21244	KONG 95-104	10	Mar 18, 2015	Dec 18, 2016
YD21265-YD21274	KONG 125-134	10	Mar 18, 2015	Dec 18, 2016
YD21295-YD21308	KONG 155-168	14	Mar 18, 2015	Dec 18, 2016
YD21325-YD21344	KONG 185-204	20	Mar 18, 2015	Dec 18, 2016
YD21355-YD21374	KONG 215-234	20	Mar 18, 2015	Dec 18, 2016
YD21385-YD21404	KONG 245-264	20	Mar 18, 2015	Dec 18, 2016
YD21415-YD21438	KONG 275-298	24	Mar 18, 2015	Dec 18, 2016
YD21445-YD21448	KONG 305-308	4	Mar 18, 2015	Dec 18, 2016
YD21453-YD21456	KONG 313-316	4	Mar 18, 2015	Dec 18, 2016
YD21461-YD21464	KONG 321-324	4	Mar 18, 2015	Dec 18, 2016
YD21466	KONG 326	1	Mar 18, 2015	Dec 18, 2016
YD21468-YD21654	KONG 328-514	187	Mar 18, 2015	Dec 18, 2016
YD21659-YD21682	KONG 519-542	24	Mar 18, 2015	Dec 18, 2016
YD21689-YD21723	KONG 549-583	35	Mar 18, 2015	Dec 18, 2016
YD21725YD21758	KONG 585-618	34	Mar 18, 2015	Dec 18, 2016
YD21760	KONG 620	1	Mar 18, 2015	Dec 18, 2016
YD21762	KONG 622	1	Mar 18, 2015	Dec 18, 2016
YD21764-YD21792	KONG 624-652	29	Mar 18, 2015	Dec 18, 2016
YD21798-YD21800	KONG 658-660	3	Mar 18, 2015	Dec 18, 2016
YD61370-YD61373	KONG 661-664	4	Mar 18, 2015	Dec 18, 2016
YD21805-YD21824	KONG 665-684	20	Mar 18, 2015	Dec 18, 2016
YD21831-YD21856	KONG 691-716	26	Mar 18, 2015	Dec 18, 2016
YD21865-YD21886	KONG 725-746	22	Mar 18, 2015	Dec 18, 2016
YD21895-YD21916	KONG 755-776	22	Mar 18, 2015	Dec 18, 2016
YD21923-YD21944	KONG 783-804	22	Mar 18, 2015	Dec 18, 2016
YD21952-YD21972	KONG 812-832	21	Mar 18, 2015	Dec 18, 2016
YD21979-YD22018	KONG 839-878	40	Mar 18, 2015	Dec 18, 2016
YD22025-YD22042	KONG 885-902	18	Mar 18, 2015	Dec 18, 2016
YD22049-YD22066	KONG 909-926	18	Mar 18, 2015	Dec 18, 2016
YD22073-YD22084	KONG 933-944	12	Mar 18, 2015	Dec 18, 2016
YD22095-YD22103	KONG 955-963	9	Mar 18, 2015	Dec 18, 2016
YD22105	KONG 965	1	Mar 18, 2015	Dec 18, 2016

YD22115-YD22122	KONG 975-982	8	Mar 18, 2015	Dec 18, 2016
YD22131-YD22138	KONG 991-998	8	Mar 18, 2015	Dec 18, 2016
YD22145-YD22147	KONG 1005-1007	3	Mar 18, 2015	Dec 18, 2016
YD22149	KONG 1009	1	Mar 18, 2015	Dec 18, 2016
YD22151	KONG 1011	1	Mar 18, 2015	Dec 18, 2016
YD22157-YD22158	KONG 1017-1018	2	Mar 18, 2015	Dec 18, 2016
YD22167-YD22168	KONG 1027-1028	2	Mar 18, 2015	Dec 18, 2016
YD22175	KONG 1035	1	Mar 18, 2015	Dec 18, 2016

Total: 748 claims

3. WORK HISTORY

- 1974, Canadian Superior Exploration staked an anomaly claims area, which was filed by Yukon MINFILE database as MINFILE#151I 090. Mapping, soil sampling, and bulldozer trenching were carried out through the claims area. Trenching a weak copper anomaly in unmineralized gneiss.
- 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 (Yukon Regional Geochemical Database, Yukon geological Survey) have done, which may provide some sight.
- 2010, Dehua Mines has employed airborne magnetic-radiometric survey by Precision GeoSurveys Ltd for field data information collection. The geophysical data was processed and interpreted by Mira and Aurora Geosciences on behalf of Dehua Mines to meet the requirement of exploration targets selection.
- 2012, soil sampling and geophysical IP survey were taken by Dehua Mines on more than twenty exploration targets within Kong claims. There is one target (K31B-K30, northwest of Kong claims group) selected for further work in 2012.

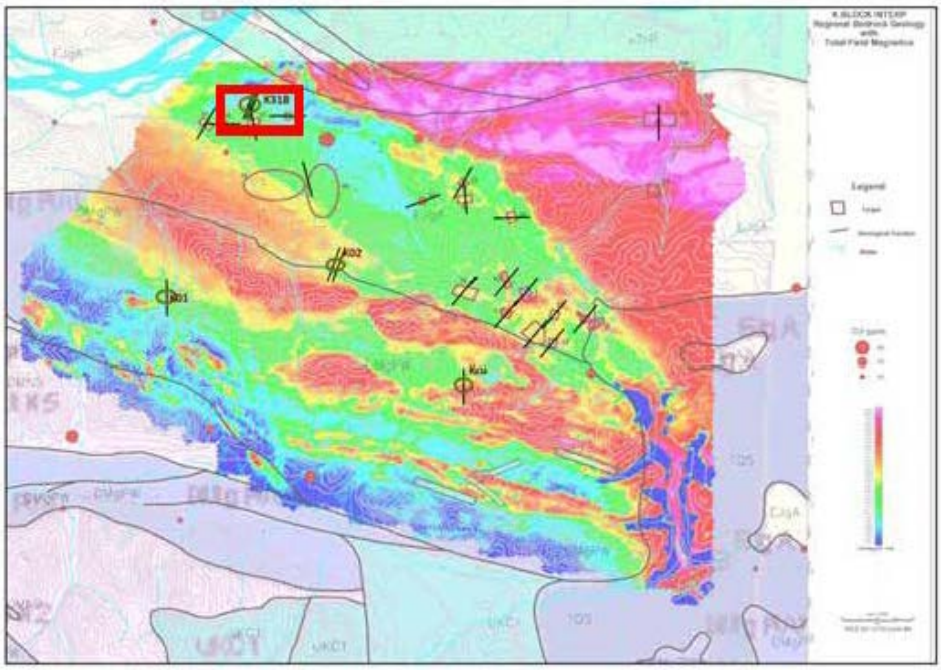

Figure 2 2011 Prospecting targets in Kong claims

4 FIELD EXPLORATION WORK IN 2012

In 2012, Dehua Mines carried out ground exploration works at Kong property which include geological, IP survey and soil sampling based on the work done in 2011.The total area is about 1.5 square kilometers(fig.2, 3).

4.1 Soil sampling

Sampling was along lines of 700 m long, spacing 25m-50m and 100m. There are more than 300 samples sent to lab for assaying.

Tools: gasoline-powered and manual soil sampling auger.

Elements combination of Cu, Mo, Au, Ag, Bi, Hg, As, Sb, Pb, Zn were chosen to evaluate exploration target. Table 2 and fig 4, 5 shows the elements content distribution within discussed area.

The assay results demonstrated that the anomaly of elements in some samples is pretty high, but they are isolate and separated (Fig 5).

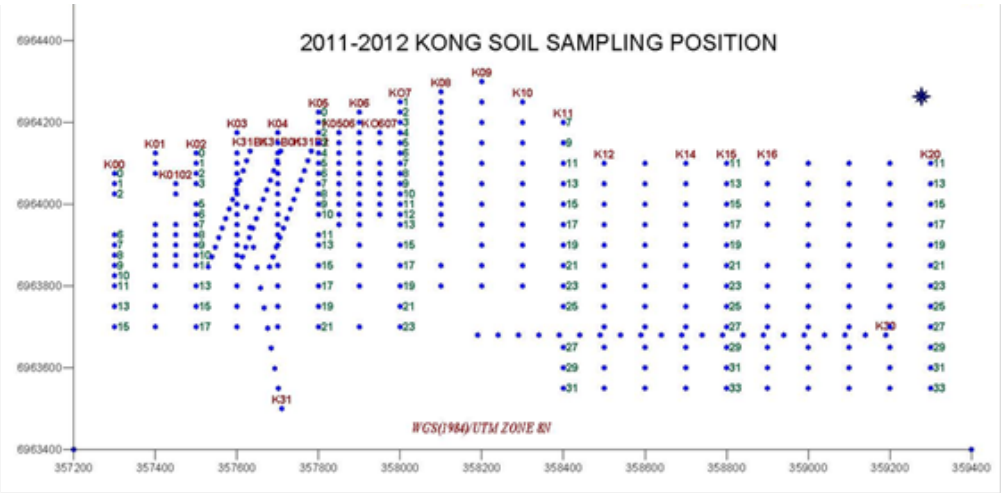

Fig.3 Soil sampling position

Table2 Statistical analysis of elements content in soil (ppm)

	Au(ppb)	Ag	Cu	Mo	Pb	Zn	Bi	Sb	As	Hg
Active data	29	372	372	372	372	372	372	372	372	320
Min	0.01	0.02	2.8	0.16	1.5	29.8	0.01	0.06	0.9	0.01
25%-tile	0.01	0.06	18.4	0.59	4.1	54.7	0.05	0.29	4.8	0.01
Median	0.02	0.08	29.9	0.72	5.7	67.6	0.07	0.43	6.6	0.02
75%-tile	0.03	0.11	45.8	0.85	6.6	83.3	0.1	0.57	8.5	0.03
Max	0.59	1.71	1970	23.6	163	7560	2.76	14.1	211	1.55
Mean	0.044	0.119	52.48	0.94	6.94	113.1	0.089	0.54	7.99	0.034
Trim Mean(10%)	0.025	0.091	35.6	0.73	5.65	69.74	0.073	0.43	6.64	0.023
Standard Deviation	0.105	0.182	149.9	1.76	12.9	438.9	0.177	1.05	13.76	0.096
Variance	0.011	0.033	2248	3.11	166.3	192692	0.031	10.11	189.4	0.01

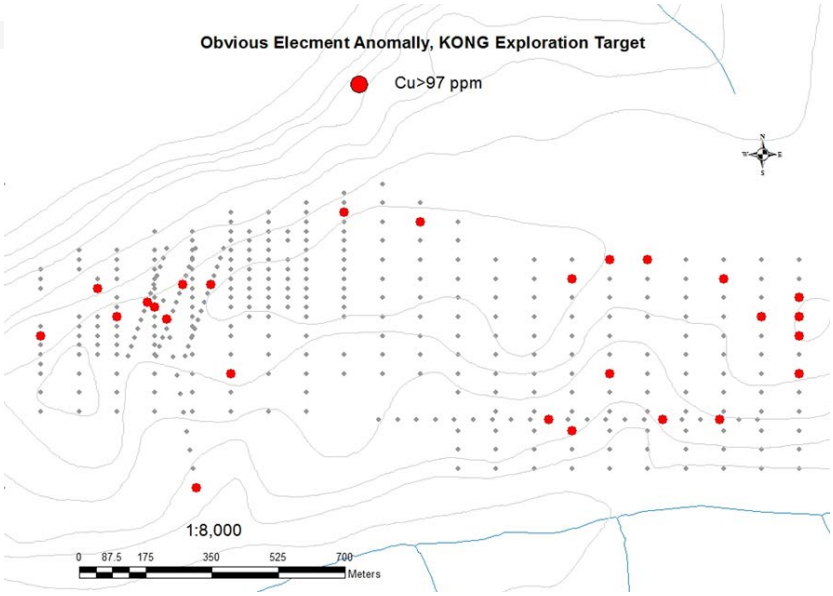

Fig 4 Copper anomaly location

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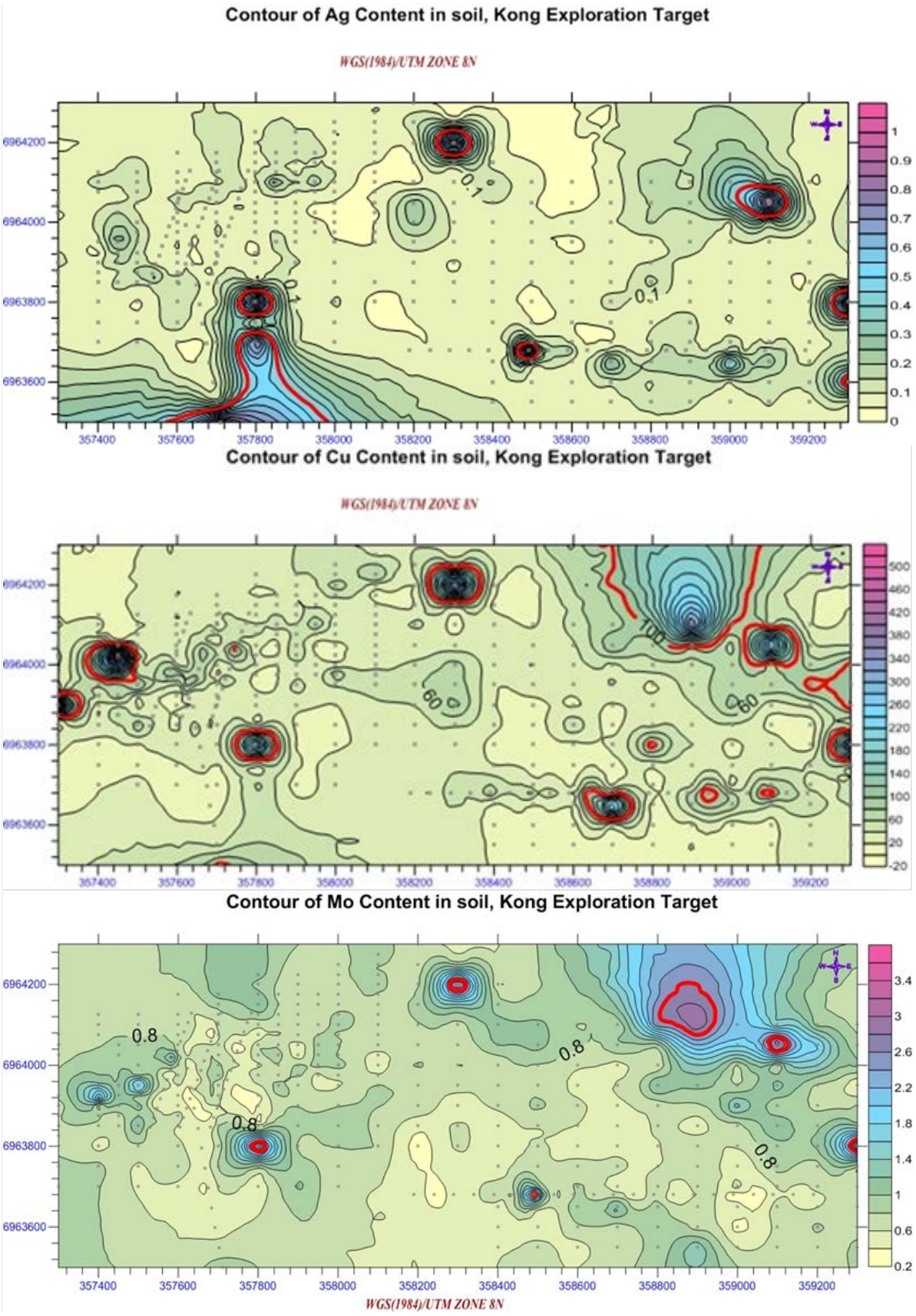

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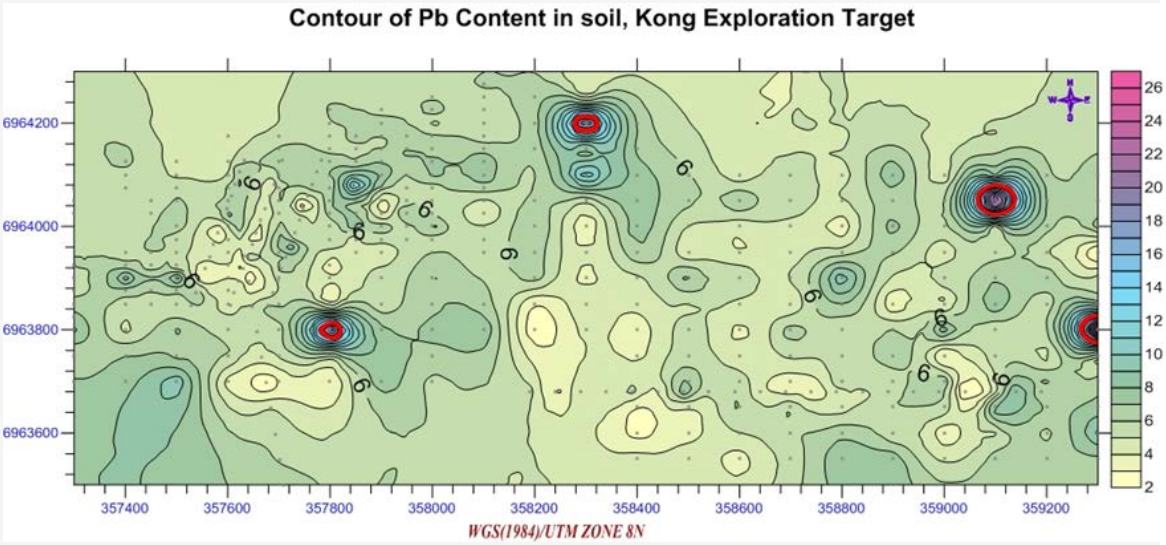


Fig.5 Contour of element content in soil

4.2 Induced polarization survey

Instruments:

SQ-3C dual-frequency IP transmitter and receiver. The instrument is small, lightweight, no bulky power supply unit, particularly suitable in mountains of dense vegetation.

Data acquisition:

Take the same survey section with soil sampling, but only 6 lines at west district (Fig 6)

Dipole-dipole array method:

MN spacing: 50m, Apparent Chargeability and resistivity in each station were acquired at n=2 and n=4.

Study indicates that there is no obvious geophysical anomaly in exploration district.

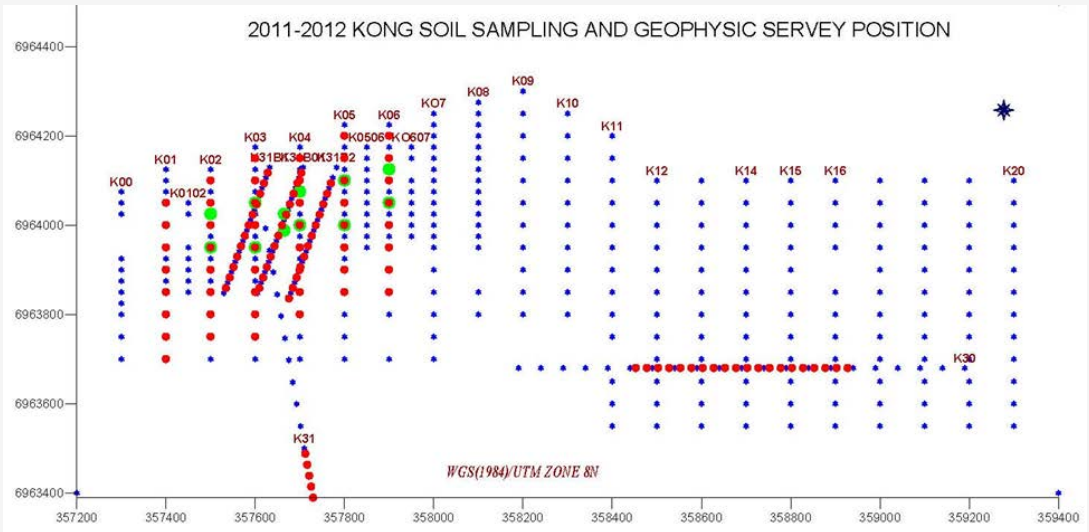


Figure 6 Geophysical survey stations in Kong exploration target

(Red dot: dipole-dipole array point along line; Green dott: the symmetric quadrupole sounding point)

Reference

1. Energy, Mines and Resources of Yukon, Schedule of Representation Work & Quartz Grouping Guidelines, Quartz Mining Act Section 55 & 56 January 2010.
2. Precision GeoSurveys Inc. Airborne Geological survey Report K-Block Property report, Aug 10, 2010.
3. Aurora Geosciences Ltd. K Block Airborne Magnetic Interpretation Report. Oct 25, 2010.
4. 2011 Exploration Report of Kong Claims. Canadian Dehua International Mines Group Inc.2011.12

Appendix I

Statement of Expenditure for Kong Claims (2012)

Total expenditure on working for Kong claims in 2012 is **$ 131,753.58**
Apply $130,900 for extension of 748 claims to Dec 18, 2016.

Expenditure on Kong Claims (2012)

June 01-Dec 05,2012

item	unit cost	unit	amount
Helicopter rent payment	$1280/hour	14 hours	$20,960.57
Manpower expense	$320/day/person	208 days	$66,560.00
Accommodation	$50/day/person	208 days	$10,400.00
Tool and equipment	350/day	26 days	$9,100.00
Transportation			$3,200.00
Communication			$650.00
Other supplies			
Consulting			
Sample assay			$16,003.01
Office supplies			$780.00
Insurance			$2,800.00
Safety and labor protection			$1,300.00

Total: $131753.58 **$131,753.58**

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)*;

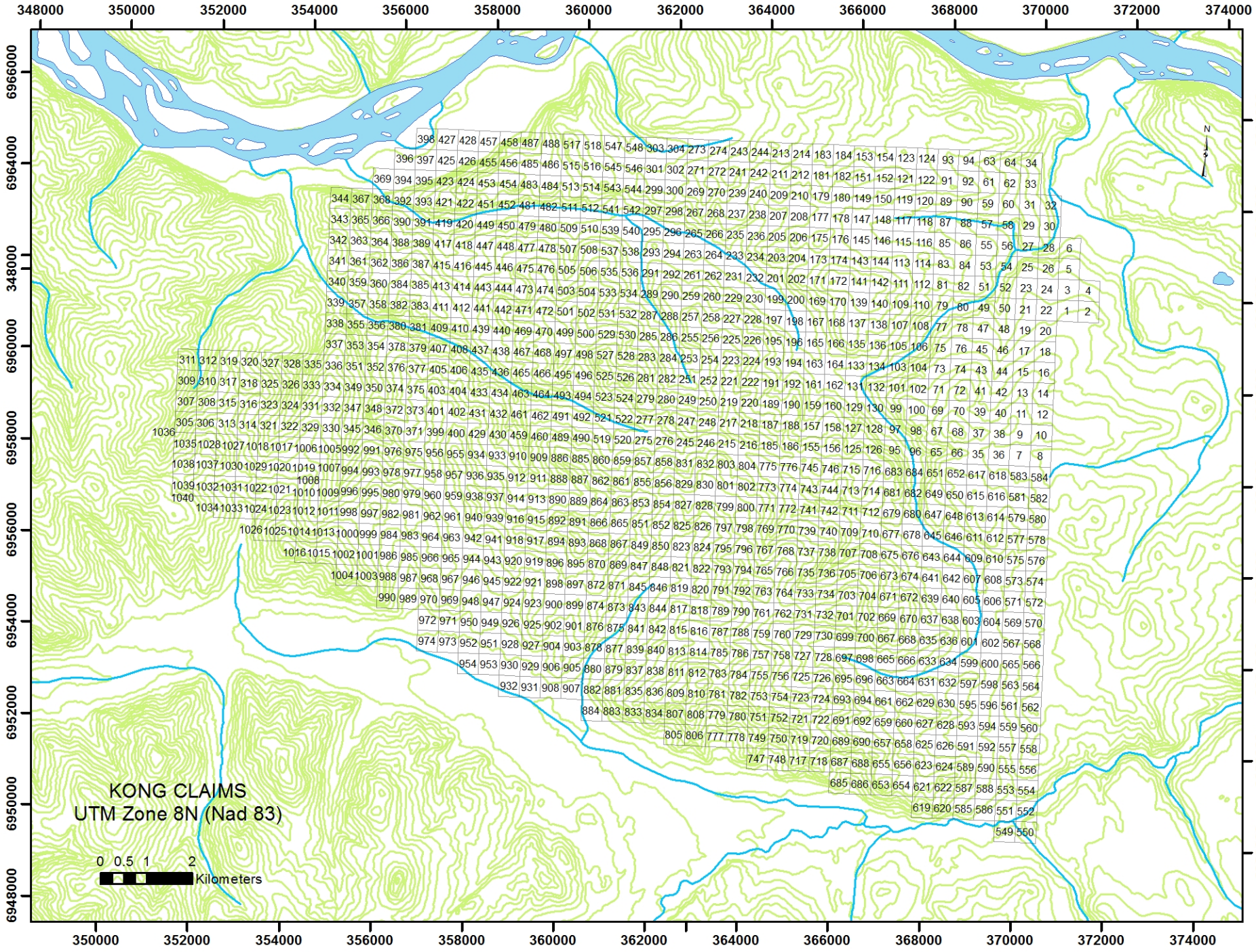
In 2000, I acquired PhD in Geosciences from *Central South University*, Changsha, China.

I studied in Geology and worked in mineral prospection 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.


KONG CLAIMS
UTM Zone 8N (Nad 83)
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Kilometers
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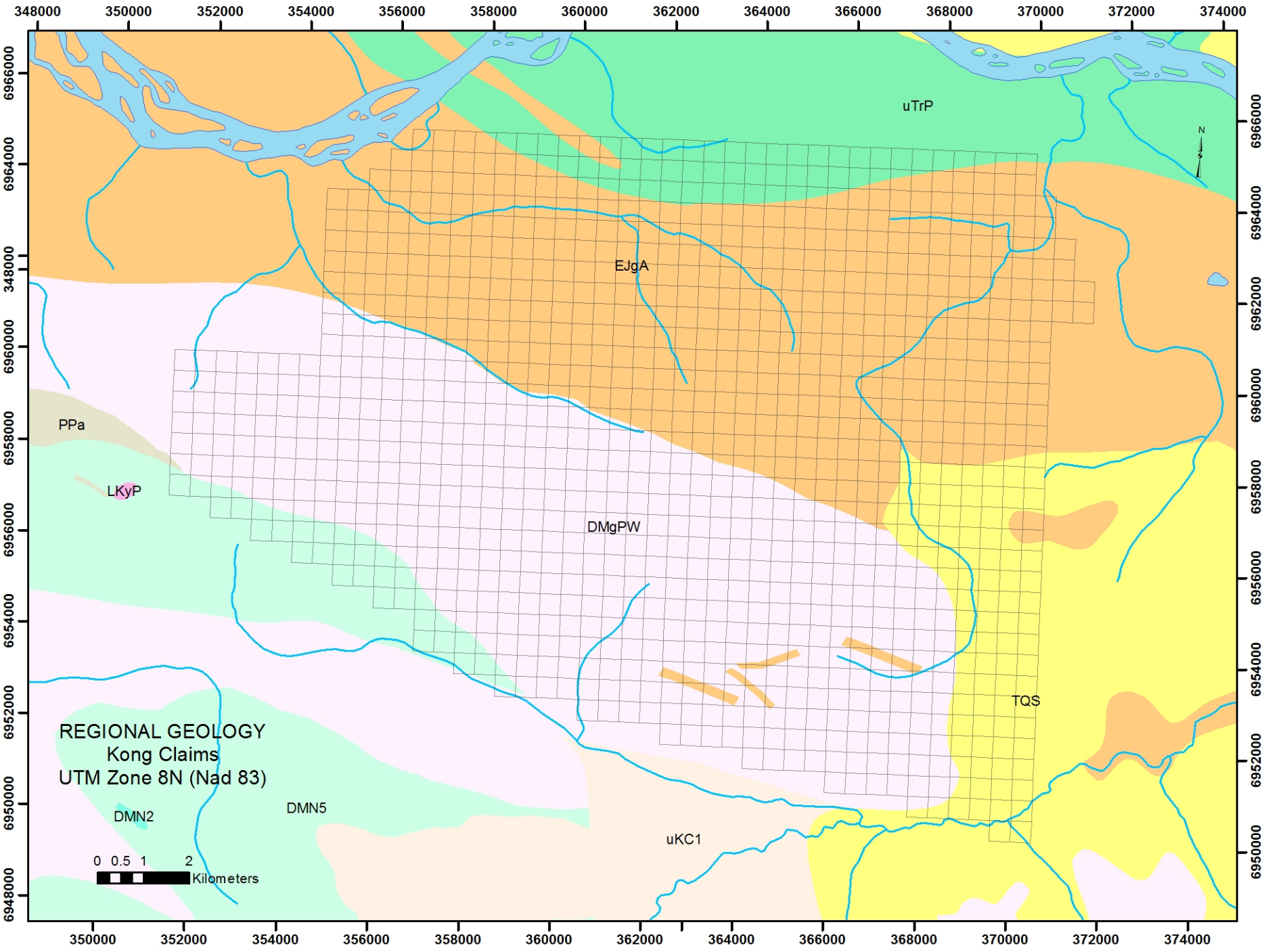
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LKyP
DMgPW
TQS
DMN2
DMN5
uKC1
N
S
REGIONAL GEOLOGY
Kong Claims
UTM Zone 8N (Nad 83)
0 0.5 1 2
Kilometers

Regional Geology Legend (from Gordey and Makepeace, 2001)

TERTIARY(?) AND QUATERNARY

TQS: SELKIRK: resistant, brown weathering, columnar jointed, vesicular to massive basalt flows; minor pillow basalt; basaltic tuff and breccia (Selkirk Volcanics)

LATE CRETACEOUS TO TERTIARY

LKyP: PROSPECTOR MOUNTAIN SUITE: syenite

UPPER CRETACEOUS

uKC1: CARMACKS: augite olivine basalt and breccia; hornblende feldspar porphyry andesite and dacite flows; vesicular, augite phyric andesite and trachyte; minor sandy tuff, granite boulder conglomerate, agglomerate and associated epiclastic rocks (Carmacks Gp., Little Ridge Volcanics, Casino Volcanics)

EARLY JURASSIC

EJgA: AISHIHIK SUITE: medium- to coarse- grained, foliated biotite-hornblende granodiorite; biotite-rich screens and gneissic schlieren; foliated hornblende diorite to monzodiorite with local K-feldspar megacrysts; may include unfoliated monzonite of the Long Lake Suite (Aishihik Suite)

UPPER TRIASSIC, CARNIAN AND OLDER (?)

uTrP: POVOAS: augite or feldspar phyric, locally pillowed andesitic basalt flows, breccia, tuff, sandstone and argillite; local dacitic breccia and tuff with minor limestone; greenschist, chlorite schist, chlorite-augite-feldspar gneiss, amphibolite (Povoas)

PROTEROZOIC AND PALEOZOIC

PPa: AMPHIBOLITE: metamorphosed mafic rocks including amphibolite (1) and ultramafic rocks (2) of unknown association; i.e.) may belong in part or entirely to Nisling, Nasina, and Slide Mountain assemblages and (3), mafic-ultramafic intrusions within Nasina assemblage

LATE DEVONIAN TO MISSISSIPPIAN

DMgPW: PELLY GNEISS SUITE - SOUTHWEST: foliated medium grained, homogeneous biotite granite gneiss to biotite or hornblende granodiorite gneiss; massive to strongly foliated dioritic to granodioritic gneiss; includes interfoliated amphibolite, quartz-mica schist and phyllite (Selwyn Gneiss, Pelly Gneiss, N. Fiftymile Batholith, Moose Creek Orthogneiss)

DEVONIAN, MISSISSIPPIAN AND(?) OLDER

DMN2: NASINA: marble (Nasina assem.) DMN5: black-weathering, massive, dark grey to black strongly graphitic quartzite with lesser grey micaceous quartzite and quartz mica schist; commonly shows alternating light and dark grey colour lamination (Nasina quartzite)