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MEMORANDUM

To: Roger Hulstein **Date:** July 15, 2011
From: Andre Lebel
Re: 60 mile Line cutting, HLEM, IP and Resistivities Surveys

This memorandum is a field report describing line cutting, and HLEM and IP and resistivity surveys conducted on the 60 mile property in the Dawson mining district. Aurora Geosciences personnel worked on the property for a total of 57 days between May 19th and July 13th, 2011. A full survey log describing daily operations is attached to this report.

Line cutting & gridding totaled 29.9 km on the Zong Grid, 8.5 km on the Layfield Grid, 6.5 on the Kennecott Trench Grid, and 4.5 km on the Chalach Grid.

The Layfield, Kennecott Trench and Chalach grids were surveyed using an I-9 Apex MaxMin using the frequencies of 220, 1760, 3520, 7040, 14080 Hz. The Kennecott Trench Grid were surveyed using 20 channel 25m modified pole-dipole array that moved from N-S for a total of 6.5 line-km. A gradient IP and Resistivity survey was conducted on 5 km of Kennecott Trench Grid. A location plot containing the relative locations of these lines is attached to this report.

a. Crew and equipment.

The following personnel conducted the surveys:

| | | |
|-----------------|--|---|
| Andre Lebel | IP Crew chief / HLEM Crew Chief / Line- cutter | June 17 th – July 13 th |
| Samuel Tarkalam | IP tech | July 1 st – July 13 th |
| Barry Silverfox | IP tech/ Brusher / HLEM Helper | June 17 th – July 13 th |
| Jay Watt | IP tech | July 10 th – July 13 th |

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| | | |
|------------------------|---|---|
| Ray Mazurak | Line-cutter crew chief | May 19 th – June 26 th |
| Dan Mackenzie | Line-cutter | May 19 th – June 16 th |
| Heidi Manicke | Brusher / Line-cutter/ IP tech / HLEM Helper | June 1 st – July 10 th |
| Bruce Germain | Line-cutter | June 17 th – July 13 th |
| Charlie Turanich-Noyen | Brusher/ HLEM Helper | May 17 th – June 23 rd |
| Warren Kapaniuk | Line-cutter crew chief | May 17 th – June 23 rd |
| Mac Cohan | Brusher | May 17 th – June 1 st |
| JP Lemeir | IP tech | July 2 nd – July 8 th |

The HLEM crew was equipped with the following instruments and equipment:

| | | |
|-----------------|---|-----------------------------|
| HLEM instrument | 1 | APEX Parametrics I-9 Maxmin |
| | 2 | VHF Handheld radios |
| Other | 1 | Laptop with Geosoft |

The IP crew was equipped with the following instruments and equipment:

| | | |
|----------------|------|---|
| IP receiver | 1 | Iris Elrec Pro |
| IP transmitter | 1 | GDD TxII 3.6 kW |
| Generator | 1 | Honda 5kW generator |
| IP equipment | 1 | Repair tools & spare IP parts |
| | 7 km | 18 gauge wire |
| | 6 | VHF handheld radios |
| | | Georeels & spools, 25m 10 pin IP cables, stainless steel electrodes |
| Other | 1 | Laptop with Geosoft IP package |
| | 1 | Sat phone |

The line cutting crew was equipped with the following instruments and equipment:

| | | |
|------------------------|---|--|
| Line cutting equipment | 5 | Chain saws |
| | | Radios, handheld GPSes, safety equipment |
| Other | 1 | Laptop |
| | 1 | Sat phone |

b. Survey specifications.

The HLEM survey was conducted according to the following specifications:

| | |
|---------------------|--|
| Coil Separation | 100 m |
| Frequencies | 220, 1760, 3520, 7040, 14080 Hz |
| Station Separation | 25 m |
| Terrain Slopes | Recorded in percent |
| Terrain Corrections | Coils held at the indicated slope for coplanar coils. Short chaining errors caused by rough topography (such as steep slopes) were corrected for using the slope chaining method with Apex parametrics software MMCPIX1. |
| Grid registration | Handheld GPS points at line ends averaged 60 s or until estimated accuracy < 10 m, whichever was longer. All coordinates in NAD83 UTM Zone 7N. |

The IP and resistivity surveys were conducted according to the following specifications:

| | |
|----------------|--|
| Array | Modified pole-dipole and Gradient |
| Dipole spacing | 25 m / 50 m in areas of poor data quality on the dipoles 10 – 15 to improve the data quality. |
| Dipoles Read | N=1 through 20 on the Kennecott Trench Grid where possible, N=1 through 10 in areas of poor data quality. N=1 through 10 on the Cholach Grid |
| Tx | Time domain, 50% duty cycle, reversing polarity, 0.125 Hz. |
| Stacks | Minimum 15 |
| Rx error | 5 mV/V or less, otherwise repeated several times |

until repeatability assured.

Grid registration Handheld GPS points at line ends and every 500m minimum averaged 60 s or until estimated accuracy < 10 m, whichever was longer. All coordinates in NAD83 UTM Zone 7N.

c. **Data Processing.**

The HLEM data was dumped in its raw form from the instrument using GemLink. Short coil spacing errors were corrected using the Apex software MMCFIX1. Data was exported to an ASCII format using MMCPRO87, and plotted using Geosoft Oasis software.

The IP data was downloaded nightly from the ELREC PRO receiver and imported into Geosoft Oasis Montaj IP package. Every reading was inspected and readings which did not repeat were rejected from the database. Apparent resistivity was recalculated using a four electrode equation assuming a homogeneous earth. The average apparent chargeability were calculated using a weighted mean based on the number of stacks and the standard deviation of the chargeability.

GPS points were dumped from the non-differential handheld units and the coordinates for the stations determined by linear interpolation between stations.

Pseudosections of apparent resistivity, apparent chargeability and apparent chargeability error, draped over topography, were produced with Oasis Montaj. These pseudosections are included with this report in PDF format as well as packed Oasis Montaj map files.

d. **Products.**

The following files are included in the digital version of this report:

| | |
|--|--|
| \Final Data\Kennecott Trench IP Final.GDB & .XYZ | Final Databse in geosoft gdb and ASCII .XYZ format |
|--|--|

| | |
|---|--|
| \Final Data\Cholach IP Final.GDB & .XYZ | Final Databse in geosoft gdb and ASCII .XYZ format |
|---|--|

| | |
|---|--|
| \Final Data\Cholach HLEM Final.GDB & .XYZ | Final Databse in geosoft gdb and ASCII .XYZ format |
|---|--|

| | |
|--|--|
| \Final Data\Layfield HLEM Final.GDB & .XYZ | Final Databse in geosoft gdb and ASCII .XYZ format |
|--|--|

| | |
|--|--|
| \Final Data\Kennecott HLEM Final.GDB & | Final Databse in geosoft gdb and ASCII |
|--|--|

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| | |
|--|--|
| .XYZ | .XYZ format |
| \Final Data\Kennecott Grad IP Final.GDB & .XYZ | Final Databse in geosoft gdb and ASCII .XYZ format |
| \Final Data\IP Channels.txt | Description of the channels in the final database. |
| \Final Data\HLEM Channels.txt | Description of the channels in the final database. |
| \Figures*. * | Pseudosections, HLEM profiles, Gradient IP, Gradient IP Err., Gradient Res and the location map in .jpg format |
| \Raw Data*. * | All the RAW IP and GPS data collected during the survey organized by date. |
| \RDU-11534-YT IP Field Report.pdf | A copy of this report in pdf format |
| \RDU-11534-YT Daily Report.pdf | Daily operations report in pdf format. |

Respectfully submitted,
AURORA GEOSCIENCES LTD.
Andre Lebel