SPIDER RESOURCES INC. AND KWG RESOURCES INC.

TECHNICAL REPORT ON THE MINERAL RESOURCE ESTIMATE

FOR

THE BIG DADDY CHROMITE DEPOSIT

McFAULDS LAKE AREA, JAMES BAY LOWLANDS, NORTHERN ONTARIO, CANADA.

NTS 43D16S½

86° 14' 11" W
52° 45' 32" N

Effective Date: March 30, 2010
Signing Date: June 4, 2010

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1.0 SUMMARY

1.1 TERMS OF REFERENCE, PROPERTY DESCRIPTION AND OWNERSHIP

1.1.1 Terms of Reference

Spider Resources Inc (Spider) represented by Messrs. Neil Novak and James Burns, President and VP Exploration, respectively, and KWG Resources Inc. (KWG) represented by Messrs. Frank Smeenk and Maurice (Moe) Lavigne, President and VP Exploration and Development, respectively, commissioned Micon International Limited (Micon) in March, 2010 to provide an independent resource estimate of the chromite mineralization in the Big Daddy deposit and to prepare a Technical Report in accordance with the requirements set out in Canadian National Instrument 43-101 (NI 43-101). The estimate of mineral resources presented in this report conforms to the CIM Mineral Resource and Mineral Reserve definitions (December, 2005) referred to in NI 43-101.

1.1.2 Property Description

The Big Daddy chromite deposit lies on mining claim P 3012253 situated in the McFaulds Lake area of the James Bay Lowlands of north-central Ontario, some 280 km due north of the town of Nakina. P 3012253 is the westernmost claim of a seven-claim, 1,241 ha property under option from Freewest Resources Canada Inc. (Freewest) by Spider and KWG (SKF option). The property is centred near 86° 14' 11" W longitude, 52° 45' 32" N latitude, in NTS map area 43D16S½.

1.1.3 Property

The property comprises five staked claims (P 3012252, P 3012253, P 3008268, P 3008269 and P 3008793) and two single unit (400 m x 400 m, 16 ha) blocks excised from adjacent claims (P 3012250 and P 3012251) to the north. The two westernmost claims and both contiguous single units are subject to a 2% Net Smelter Return royalty currently held by Richard Nemis (1%) and KWG (1%). All claims are currently registered to Freewest, however, the property is to be held by KWG in trust.

1.1.4 Underlying Agreements and Ownership

Spider and KWG each held a 25% interest in the property as of September 10, 2009. On that date each company acquired an option to earn an additional 5% interest in the property by making minimum annual expenditures of $2.5 million over three years to gain an additional 1½% in each of the first two years and 2% in the final year ending on March 31, 2012. Provided a minimum of $5 million is spent on exploration, one or both parties may also gain the balance of the 10% available for option by delivering a positive feasibility study to Freewest by March 31, 2012. Prior to March 31, 2010, Spider and KWG each spent a further $2.5 millions, earning an additional 1½%. Spider and KWG currently each hold 26½% (Freewest 47%).

Upon fulfilling the terms of the option, the parties (Freewest, Spider and KWG) will form a joint venture the decisions of which are to be made by a simple majority. On April 1, 2010, management of the option was transferred to KWG for the period ending March 31, 2011, at which time it will revert to Spider.

Freewest is a wholly owned subsidiary of Cliffs Natural Resources Inc. (Cliffs). In addition Cliffs holds a 19.9% interest in KWG and has board representation.

1.2 LOCATION AND TENURE

1.2.1 Location and tenure

The SKF option encompasses 1,241 ha (78 claim units) in five staked and two single unit claim units the annual maintenance cost of which is $31,200. The claims were staked in 2003 and are not subject to dispute after their first anniversary. The property lies near the western margin the James Bay Lowland, 258 km west of Attawapiskat and 78 km east of Webequie, both remote First Nations communities.

1.2.2 Environmental and Permitting

There is no evidence of past activity on the property. The surface exploration work comprised cutting of grids, completion of geophysical and GPS surveys and helicopter-supported diamond drilling of 56 holes. The total area disturbed by drilling is about 1.35 ha. In 2009 AECOM was retained to commence baseline environmental studies comprising spring, summer and fall sampling at six sites on the three creeks that cross the property. The observations to be made will include water flow, electrophysical properties, chemistry and fish tissue sampling.

1.2.3 Accessibility, Climate, Local Resources, Infrastructure

The area is currently accessible by float or ski-equipped charter aircraft from Nakina, 280 km to the south or Pickle Lake, 310 km to the southwest.

1.2.4 Physiography

The property lies close to the western margin of the James Bay Lowland, an extensive, poorly drained area occupying a 400 km wide swath to the west of James Bay, and is locally underlain by unconsolidated marine clay.

1.2.5 Relief and Drainage

Relief across the Big Daddy claim is about 2 m, which is about 7 m above the Attawapiskat and Muketei drainages to the east and west respectively. Average relief over the Lowland is about 0.7 m/km.

1.2.6 Accessibility

The property lies 280 km north of the closest paved road at Nakina. Current access is by float and ski-equipped, charter aircraft from Nakina. Helicopters are required for local transport.

All-weather highways extend to Nakina (Highway 584) and Pickle Lake (Highway 808) where the gravel North Road extends a further 193 km to the Musselwhite mine, 290 km to the west of the property. The Ontario power grid reaches the Victor mine (De Beers), 157 km to the east and the Musselwhite mine (Goldcorp Inc.) to the west.

Canada Chrome Corporation, a subsidiary of KWG, has reported completion of geotechnical studies along a proposed rail corridor to link the area to the CN rail network near Nakina.

1.2.7 Climate

Mean temperatures range from -20°C in mid-winter to 15°C in mid-summer. Annual precipitation is about 70 cm, 70% of which falls during the summer. Snowfall peaks in early winter with accumulation reaching approximately 0.6 m by spring.

1.2.8 Vegetation

The area lies on the northern fringe of the boreal forest and is covered by extensive fen and bog complexes. Tree cover is highly variable, being dense along the better drained margins of major drainages where the major species are black and white spruce, and larch.

1.2.9 Fauna

While a wide range of animals and birds are reported, those observed include fox, wolf, marten, moose, black bear and caribou. The latter are a species at risk due to habitat loss in their southern range.

1.2.10 First Nations

The Marten Falls First Nation has asserted that the McFaulds Lake area falls within its traditional lands. Webequie, Fort Hope, and Lansdowne (like Marten Falls) are presently accessible only by air and may also benefit from potential transportation development.

The remote communities are small offering very limited employment and business opportunities. Comments by community leaders and elders indicate that the First Nations want to participate in development of the McFaulds area projects through direct employment, business opportunities and other potential revenue streams.

1.3 GEOLOGICAL OUTLINE

The area is underlain by the Sachigo greenstone belt of the Oxford–Stull Domain in the Sachigo Subprovince (Stott and Rainsford, 2006). Due to very limited mapping, extensive marine clay and Paleozoic platform cover, coupled with difficult access, current geological understanding of the area relies on airborne magnetic data supplemented by diamond drill holes.

The Sachigo belt comprises a narrow, 5 to 25 km wide, west-facing, arcuate belt of cresentic greenstone belts intruded to the north and west by granodiorite plutons (2727 to 2683 Ma, Rayner and Stott, 2005). The belt extends over a strike length of more than 100 km. The Sachigo belt appears to be wrapped around an older (circa 2.9 Ga) continental fragment.

Chromite, nickel-copper-PGE and iron-titanium-vanadium deposits in the McFaulds Lake are contained in phases of the large, mafic-ultramafic, magmatic complex, the Ring of Fire Intrusion. The known chromite deposits occur over a 13 km strike length of a narrow, steeply dipping, differentiated body, here termed the McFaulds Lake Sill. The principal nickel deposit (Eagle One) is reported to occur in a dyke lying a little to the west of and said to be a feeder to the sill. The Thunderbird iron-titanium-vanadium prospect is reported in ferrograbbos lying to the east of the sill and interpreted to be the more differentiated portion of the Ring of Fire intrusive complex.

The McFaulds Lake Sill is generally intruded along a northeast-trending granodiorite-volcanic contact. Evidence of the intrusive relationship comprises remnants of volcanics remaining between granodiorite and the body and the absence of blackwall alteration in the sill adjacent to the contact.

The Big Daddy segment of the sill is well-fractionated, comprising lower olivine-rich and upper olivine-poor units to the west and east respectively. Chromite occurs in the upper portion of the olivine-rich facies which culminates in the thick, massive Big Daddy chromite deposit. The upper contact between massive chromite and overlying, olivine-poor pyroxenite is sharp; Cr_2O_3 concentrations drop from ~40% to <1% within less than 1 cm.

Silicate minerals comprising the sill units have been pervasively altered by the addition of water forming serpentine, talc and chlorite. Despite pervasive and complete destruction of primary igneous minerals, original cumulate textures are faithfully preserved.

Diamond drilling on the Big Daddy claim shows that the sill comprises, from its base (northwest) to top (southeast), dunite, locally chromite-bearing peridotite, massive chromite, pyroxenite and gabbro. The latter is in intrusive contact with hanging wall volcanics and contained sediments. Correlation of units from hole to hole and section to section and occasional igneosedimentary structures (e.g., bedding) indicate that the sill has been rotated 90° from the original horizontal position so that the body now stands vertical or nearly so. In addition truncation geophysical features and the northward offset of the Black Creek deposit suggest that the sill is segmented and offset along a north-south trending left lateral fault lying east of section 2100 E. A second fault may offset the west end of the deposit near section 1000 E.

The property lies near the western limit of the post-glacial Tyrrell Sea (ancestral Hudson's Bay) and just west of the flat lying Paleozoic Hudson Bay Platform intersected in holes drilled to the east of the Big Daddy deposit. Pre-Silurian saprolite (tropically weathered material) is locally preserved. Deep weathering of the upper parts of the chromitite zone is likely of Pre-Silurian age.

1.4 DEPOSIT TYPE

The Big Daddy chromite deposit is a magmatic stratiform chromite deposit, similar in setting, form, mineralogy and dimensions to other chromite deposits found in layered mafic to ultramafic complexes. Examples of currently economic deposits occur in the Bushveld (South Africa), Great Dyke (Zimbabwe), Sukinda (Orissa, India), Kemi (Finland) and Ipuera (Brazil) complexes.

The most economically significant massive chromitite deposits occur as laterally extensive layers, typically a few decimetres to tens of metres thick. These deposits reflect fractional crystallization of chromite from mafic to ultramafic magmas precipitated due to either magma contamination or by mixing of magmas. Accessory disseminated chromite is also formed within the cooling magma chamber. Chrome contents range from a few percent Cr_2O_3 (in disseminated chromite) to more than 40% Cr_2O_3 (in massive chromite). The thicknesses of individual massive chromite bodies range from centimetres to more than 30 m (e.g., Big Daddy).

The ultramafic-mafic complex that hosts chromite deposits (Big Daddy, Black Creek, Black Thor/Black Label and Blackbird) also contains magmatic massive sulphide (Ni-Cu-PGE, e.g., Eagle One), vanadium (e.g., Thunderbird) and could host reef-type platinum-palladium deposits (not yet found in the McFaulds area).

1.4.1 Uses and Processing of Chromite

Chromite is the sole economic source for the metal chromium which is used in the manufature of stainless steel and in which it comprises about 18%. Minor amounts of chromite are used in the chemical and refractory industries.

Mines upgrade run-of-mine feed by crushing, sometimes grinding and gravity separation, to produce a range of products including lumpy chromite (+ 15 mm / -80 mm), chips and fines.

The mine product is upgraded by the reduction of pelletized material in submerged, electric arc furnaces to produce ferrochrome. Although the reduction process is energy intensive, major primary chromite producers tend to sell the ferrochrome product. The major ferrochrome producers are South Africa, Kazakhstan and India, however, Russian and Chinese production is increasing rapidly.

Both chrome ore and ferrochrome markets are sensitive to bulk composition which is reflected in both demand and price variations. The principal compositional/quality indicators of chromite ores and concentrates are their chrome to iron ratio (Cr_2O_3:Fe_2O_3) of two or better and with Cr_2O_3 at or exceeding 40%.

1.5 MINERALIZATION

The McFaulds Sill extends over more than 10 km from the Blackbird chromite deposit in the southwest to the Black Thor and Black Label deposits in the northeast. The Thunderbird vanadium deposits appear to occur in a separate but sub-parallel ferrogabbro sill to the east and northeast of Black Thor. Available descriptions suggest that the McFaulds Sill varies in character along its known length (Chance, P., personal communication, 2010). On the current property the sill is less than 200 m wide on sections 10+00 E and 11+00 E, where drilling has intersected both the footwall granodiorite and hanging wall volcanics. To the northeast, the sill is thicker (>400 m), and its contacts have not yet been intersected in drilling.

Chromite mineralization in the Big Daddy segment of the McFaulds Sill occurs within a 65 to 180 metre thick, peridotite interval which is stratigraphically above a dunite footwall and below a pyroxenite hanging wall. The lower contact of the main chromite layer tends to be gradational over a couple of metres while the upper is sharp.

Mineralized rock comprises sub-millimetre-diameter, idiomorphic, cumulate, chromite grains (e.g. Scoates, 2009). Mineralized intervals are a mixture of chromite and occasional olivine crystals set in a fine grained peridotitic matrix. At lower Cr_2O_3 concentrations chromite grains are disseminated through the host rock. As concentration increases, bedding becomes evident but disappears at the highest grades (>35%Cr_2O_3) due to uniform crystal size and absence of lower grade incursions or perturbations. The bulk of the Big Daddy mineralization occurs as massive chromite containing about 40%Cr_2O_3.

1.6 EXPLORATION

In the early 1990's, following discovery of the Attawapiskat kimberlites, then joint venture partners Spider and KWG used recently published airborne magnetic maps to focus on kimberlite exploration. They quickly found the five Kyle kimberlites, which lie a few kilometres east of the Attawapiskat River and of McFaulds Lake. Those successes led to financing exploration of an 300 kilometre diameter area, centred on McFaulds Lake. In 2002, De Beers in the search for diamonds and using data optioned from Spider/ KWG, discovered copper-zinc mineralization – later identified by Spider/KWG as the McFaulds #1 deposit. In the following years, Spider tested similar geophysical targets in a broad arc extending south and west of McFaulds Lake. In 2006, Howard Lahti recognized a pair of thin chromite beds in ultramafic rocks in FW-06-03, drilled on the current property. A year later, Noront discovered the Eagle One Ni-Cu-PGE occurrence. In early 2008, Noront discovered the Blackbird chrome deposit while testing an EM target a few kilometres southeast of Eagle One.

In late 2008, Spider and KWG with the aid of multiple sets of regionally extensive airborne data, re-evaluated the SKF property, drilling holes in search of Ni-Cu-PGE, chromite and platinum-palladium deposits. That work outlined the southwest end of the Big Daddy deposit, tracing mineralization over a 400 m strike length.

In early 2009 the J grid covering the Big Daddy project area was re-cut, re-chained and surveyed using gravity and magnetic methods. The new geophysical data showed a gravity anomaly extending and widening east of the known intersections to an apparent termination along a prominent creek to the northeast near line 2100 E. A strong magnetic anomaly lies adjacent and to the north of the gravity feature. In late 2009 and early 2010, a further 33 diamond drill holes were drilled at approximately 50 m intervals on surveyed lines spaced at 100 m apart over a 1,000 m strike length.

During the 2009-2010 campaign, recommendations made in an earlier NI 43-101 compliant report (Micon, 2009) were followed with respect to assessing the potential of the sill for chromite, base and precious metals, by testing remaining EM anomalies and improved quality and precision in the collection, processing and management of technical data, including implementation of a comprehensive QA/QC program for sampling and assaying.

1.6.1 Exploration Concept

Due to the paucity of outcrop and difficulty in traversing the swampy ground, exploration relies on airborne geophysical methods to generate preliminary geological maps. Ground geophysical surveys, typically carried out during the winter, provide additional detail and confirm target locations for drill testing. Since base metal sulphides conduct, EM is the preferred geophysical method. By contrast, chromite does not conduct but has a high specific gravity so gravity is effective for definition of drill targets. Finally PGE's are present in amounts too small to alter the electrophysical properties of the host rock so drilling and detailed sampling of potential host lithologies is required.

The initial McFaulds Lake chromite deposits (Big Daddy and Blackbird) were discovered while testing EM conductors with coincident magnetic anomalies as potential massive sulphide deposits.

In retrospect prospecting (including airborne surveys) and government supported mapping had outlined several large layered mafic complexes (e.g., Big Trout Lake, Highbank Lake) to the west and south of McFaulds Lake. Alluvium and till sampling carried out by Spider in the mid-1990's showed consistent ~15 km long chromium and chromite anomalies, lying parallel to the McFaulds Sill and the now known chromite deposits. In addition the sill outcrops at at least two locations; one on the current property and the other about a kilometre to the north on the Freewest property.

Serpentinization [hydration] of the dunite produces excess iron which forms magnetite, thus the altered olivine-rich, portion of the sill produces very strong total magnetic and highly variable vertical magnetic gradient anomalies. Locally, magnetite aggregates in the altered dunite to form narrow, highly conductive veinlets which produce a weak, diffuse but persistent airborne EM anomaly in the footwall of the Big Daddy, Black Creek and Black Thor/Black Label deposits.

Although the matrix of the massive chromitite is also pervasively altered to serpentine, talc and chlorite it lacks significant amounts of magnetite and is non-conductive, but, due to high density of chromite, has a high specific gravity that is measurable on the ground as a gravity anomaly.

1.6.2 Status of Exploration

Exploration completed to date is sufficient to define an indicated chromite resource. Substantial widths of massive chromite mineralization extend from the sub-outcrop, 3 to 10 m below surface, to the deepest intersection 365 m below surface. The deposit has been tested on 100 m sections between 900 E and 2100 E, a distance of 1,200 m.

The deposit remains open along strike and down dip. However, both gravity and magnetic anomalies diminish to the southwest near section 900 E and appear to be terminated along the creek to the northeast beyond section 2100E. Additional drilling and extension of gravity and magnetic coverage to the south property boundary are required. Drilling northeast of section 2100 E was not possible due to swampy conditions; however, geophysical data suggest that the chromite horizon is faulted 600 m left laterally (between sections 2100E and 2200E), becoming the Black Creek deposit on the north property boundary.

1.6.3 Exploration Results

Drilling results indicate that the bulk of the Big Daddy deposit consists of massive chromite averaging 40% Cr_2O_3 with Cr:Fe ratio of approximately 2. The thickness of the deposit is variable but averages 17 m and 12 m for the southwest segment (BD 1) and northeast segment (BD 2), respectively. Both segments of the deposit are open down dip.

1.7 MINERAL RESOURCES

The Big Daddy resource estimate has been conducted using geological modelling, conventional statistics, geostatistics, creation of interpolation parameters, block modelling, resource classification based on both geological, geostatistical and mineralization continuity and finally, block model validation.

The resource estimate was completed using Surpac Version 6.1.3 and is based on two scenarios.

- Scenario 1: Focuses on high grade massive material that would produce a lumpy product comparable to South African products with little or no beneficiation.

- Scenario 2: Defines a broad zone of mineralization to match the Kemi situation exploitable by open pit but requiring beneficiation to upgrade. The broad zone is constrained by a 15% Cr_2O_3 cut-off envelope but includes internal waste up to a maximum of 3.4 m.

The results of the resource estimate for both scenarios are summarized in Tables 1.1 and 1.2, respectively.

Table 1.1
Summary of the Big Daddy Massive Chromite Resources

Deposit/Code	Category	Cr_2O_3% Interval	Tonnes x 10^6	Avg. Cr_2O_3%	Cr/Fe Ratio
BD 1 (100)	Indicated	>35.0	12.934	40.74	2.0
		30.0 – 35.0	0.435	33.63	1.8
		25.0 – 30.0	0.017	28.87	1.7
		20.0 – 25.0	0	0	0
		15.0 – 20.0	0	0	0
Sub-total			13.4	40.49	2.0
BD 2	Indicated	>35.0	9.234	41.44	2.0
		30.0 – 35.0	0.520	32.83	1.8
		25.0 – 30.0	0.090	29.36	1.7
		20.0 – 25.0	0	0	0
		15.0 – 20.0	0	0	0
Sub-total			9.8	40.88	2.0
Grand Total	**Indicated**		**23.2**	**40.66**	**2.0**
BD 1 (100)	Inferred	>35.0	6.216	39.34	2.0
		30.0 – 35.0	1.014	33.25	1.8
		25.0 – 30.0	0.005	27.97	1.7
		20.0 – 25.0	0	0	0
		15.0 – 20.0	0	0	0
Sub-total			7.2	38.48	2.0
BD 2	Inferred	>35.0	8.382	40.24	2.0
		30.0 – 35.0	0.609	33.32	1.8
		25.0 – 30.0	0.047	28.35	1.7
		20.0 – 25.0	0.021	22.87	1.5
		15.0 – 20.0	0.042	16.76	1.1
		.01 – 15.0	0	0	0
Sub-total			9.1	39.57	2.0
Grand Total	**Inferred**		**16.3**	**39.09**	**2.0**

Note: The tonnages have been rounded to 3 decimals for grade intervals and to 1 decimal for sub-totals and grand totals.

Table 1.2
Summary of the Big Daddy Chromite Deposit Mineral Resource @ 15% Cr_2O_3 Cut-off

Deposit/Code	Category	Cr_2O_3% Interval	Tonnes	Avg. Cr_2O_3%	Cr/Fe Ratio
BD 1 (100)	Indicated	>35.0	13.535	40.22	2.0
		30.0 – 35.0	1.333	32.98	1.8
		25.0 – 30.0	0.447	27.77	1.7
		20.0 – 25.0	0.152	23.34	1.5
		15.0 – 20.0	0.019	17.81	1.1
		0.01 – 15.0	0.001	12.09	0.7
Sub-total			15.5	39.05	2.0
BD 2	Indicated	>35.0	9.622	41.11	2.0
		30.0 – 35.0	1.031	32.97	1.8
		25.0 – 30.0	0.190	28.04	1.7
		20.0 – 25.0	0.007	22.56	1.4
		15.0 – 20.0	0.009	18.46	1.2
		0.01 – 15.0	0.087	7.74	0.6
Sub-total			10.9	39.82	1.9
Grand Total	**Indicated**		**26.4**	**39.37**	**2.0**
BD 1 (100)	Inferred	>35.0	7.097	39.14	2.0
		30.0 – 35.0	1.877	32.94	1.8
		25.0 – 30.0	0.543	27.93	1.7
		20.0 – 25.0	0.349	22.58	1.4
		15.0 – 20.0	0.174	18.33	1.1
		0.01 – 15.0	0.016	9.17	0.6
Sub-total			10.1	36.40	1.9
BD 2	Inferred	>35.0	8.993	39.80	2.0
		30.0 – 35.0	0.986	32.89	1.8
		25.0 – 30.0	0.241	28.06	1.7
		20.0 – 25.0	0.123	23.11	1.5
		15.0 – 20.0	0.059	16.90	1.0
		.01 – 15.0	0.014	11.96	0.9
Sub-total			10.4	38.51	2.0
Grand Total			**20.5**	**37.47**	**1.9**

(Includes internal waste within the 15% Cr_2O_3 envelope).
Note: The tonnages have been rounded to 3 decimals for grade intervals and to 1 decimal for sub-totals and grand totals.

Micon believes that at present there are no known environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues which would adversely affect the mineral resources estimated above. However, mineral resources, which are not mineral reserves, do not have demonstrated economic viability. Micon cannot guarantee that the SKF parties will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise for the project. Other future setbacks may include aboriginal challenges to title or interference with ability to work on the property and lack of efficient infrastructure. There are currently no mineral reserves on the Big Daddy property and there is no assurance that the project will be placed into production.

1.8 INTERPRETATION AND CONCLUSIONS

1.8.1 Exploration Concept

Since 2006, the SKF personnel have employed a combination of geophysical techniques involving magnetic, electromagnetic and gravity surveys to determine the extent and rough geometry of the Big Daddy chromite mineralization prior to evaluation by drilling. This worked well, and has reduced the amount of drilling required to delineate the Big Daddy deposit.

1.8.2 Geology and Mineral Resources

The Big Daddy deposit is tabular as is typical of stratiform chromite deposits hosted by mafic-ultramafic layered intrusions. The tabular geometry and the continuity of the massive chromite intersections from hole to hole and section to section have facilitated delineation of the deposit using relatively wide hole spacing. Three to four holes were drilled along sections cut at 100 m intervals so that collars were 50 or 100 m apart. The sections extend over a 1,200 m strike length of which approximately 1,000 m is continuously mineralized. The current drill density is sufficient to estimate an Indicated resource over part of the deposit (using parameters defined for the NI 43-101 standard). The consistency and persistency of the deposit as revealed by variographic analysis implies that only very limited additional drilling will be necessary to upgrade the Indicated resource to the Measured category.

The two segments of the Big Daddy deposit (BD 1 and BD 2) remain open at depth but the lateral extents are unlikely materially to exceed the already established limits. Micon suggests that a few strategically positioned drill holes will upgrade the bulk of the Indicated resource to the Measured level.

1.8.3 Metallurgy

The preliminary metallurgical investigations completed to date are inconclusive. However the Big Daddy deposit consists of remarkably uniform, massive, high grade chromite with a favourable Cr:Fe ratio from which a lumpy product may be readily produced and should satisfy a broad market. Future work should focus on quantifying the product quality.

1.8.4 Market Outlook

Chromite is the source of chromium which is used in a wide range of applications in metallurgy, refractory materials and chemicals. The principal end uses are in stainless steel which accounts for approximately 94% of output of chromite, and non-ferrous alloys.

Potential new sources of supply will be evaluated in relation to the geographical location of potential markets and product quality.

1.8.5 Project Objectives

Micon is satisfied that the overall project objectives as detailed in the previous Micon technical report (2009) have been met in a highly efficient and cost saving manner. The next major challenge will be to bring the property into production; prior to which additional technical and economic studies will be required.

1.9 RECOMMENDATIONS

1.9.1 Further Assessment of Chromite Resources

Spider and KWG have established a firm resource base upon which to proceed with prefeasibility studies. However, in order to advance the project to prefeasibility level, it is critical to complete sufficient metallurgical investigations to establish the product quality of the massive chromite and the optimum beneficiation process for the disseminated/lower grade mineralization.

Whilst additional resources may be discovered by deeper drilling, Micon believes that the optimal economic depth for mining should be determined before such drilling is undertaken. Thus in the short to medium term, additional drill programs are not a priority.

In view of the foregoing, Micon makes the following recommendations:

i. Detailed metallurgical work needs to be completed to enable prefeasibility studies to commence. The investigations should primarily focus on the establishment of product quality/recovery relationships and the marketing potential of the Big Daddy chromite concentrates.

ii. Detailed mineralogical work should be conducted simultaneously with metallurgical investigations so as to elucidate chromite grain liberation characteristics, chromite grain chemistry and gangue mineralogy.

iii. A prefeasibility study should be conducted at the conclusion of metallurgical /mineralogical investigations, if warranted.

In addition to the above, a basic but detailed survey of the infrastructural requirements should be initiated taking into account the possible synergies from cooperation with third parties holding prospective mining rights in the McFaulds Lake area.

If prefeasibility studies are favourable, Micon recommends that infill drill holes as indicated on Figure 17.9 be drilled to upgrade the resource. Additional holes to increase the resource are not marked on Figure 17.9 but can be designed and drilled if warranted. In view of the remoteness and lack of infrastructure of the SKF project area, the overall (global) size of the deposit will impact significantly in any future investment decision making process.

1.9.2 Follow-up on Unexplained EM anomalies

Whilst current exploration efforts are on chrome, the potential for other deposit types should not be overlooked, particularly Magmatic Massive Sulphides (MMS) deposits of Ni-Cu-PGE (which might occur in the same peridotite unit hosting the chrome mineralization) and Volcanogenic Massive Sulphides (VMS) deposits (Cu-Zn-Au) in the eastern segment of the SKF project area. Freewest's and Noront's MMS discoveries in peridotite (see Section 15) lend support for continued follow-up work on EM conductors.

In line with these recommendations, Spider/KWG have proposed the following two-phased budget (Table 1.3)

Table 1.3
Summary of Budget Proposals for the Big Daddy Chromite Project

Phase	Description of Activity/Program	Estimated. Cost($)
1 a	Geometallurgical studies involving mineralogical and microprobe work	50,000
1 b	Metallurgical testing including allowance for drill holes to get metallurgical sample	500,000
1 c	Infrastructural study	50,000
1 d	Prefeasibility/scoping study	100,000
	Contingency on phase 1 activities (about 10% of totals 1 a to 1 d)	70,000
	Sub total Phase 1	770,000
2	Diamond drilling	4,000,000
	Contingency on phase 2 activities	400,000
	Sub-total phase 2	4,400,000
1 & 2	Grand total	5,170,000

Micon has reviewed Spider/KWG's budget proposals and recommends that Spider/KWG conduct the proposed activities subject to funding and any other matters which may cause the proposals to be altered in the normal course of their business activities or alterations which may affect the program as a result of exploration activities themselves.

2.0 INTRODUCTION

2.1 AUTHORIZATION AND PURPOSE

At the request of Messrs. Neil Novak and James Burns, President and VP Exploration of Spider Resources Inc. (Spider), respectively, and Messrs. Frank Smeenk and Maurice (Moe) Lavigne, President and VP Exploration and Development of KWG Resources Inc. (KWG), respectively, Micon International Limited (Micon) has been retained to complete a mineral resource estimate of the Big Daddy chrome deposit. Spider and KWG require an independent Technical Report to fulfill the requirements of Canadian National Instrument (NI) 43-101 for a first time disclosure of the Big Daddy mineral resources.

Micon's independent Qualified Persons responsible for the preparation of this report are Richard Gowans, P.Eng., Jane Spooner, MSc., P. Geo., Alan San Martin, MAusIMM and Charley Murahwi, M.Sc., P. Geo., MAusIMM. The report has been compiled following the format and guidelines of Form 43-101F1, Technical Report for National Instrument 43-101 (NI 43-101), Standards of Disclosure for Mineral Projects, and its Companion Policy NI 43-101CP. All members of the Micon team are independent of Spider and KWG as defined in NI 43-101.

This report is intended to be used by Spider and KWG subject to the terms and conditions of their contracts with Micon. Those contracts permit Spider and KWG to file this report on SEDAR (www.sedar.com) as an NI 43-101 Technical Report with the Canadian Securities Regulatory Authorities pursuant to provincial securities legislation. Micon understands that Spider and KWG may use the report for a variety of corporate purposes including financings. Except for the purposes legislated under provincial securities laws, any other use of this report, by any third party, is at that party's sole risk.

2.2 BACKGROUND

In this report Big Daddy (Figure 2.1) refers to the chromite deposit situated on claim P 3102253. SKF (Spider-KWG-Freewest) refers to the relationship between Spider, KWG and Freewest Resources Canada Inc. (Freewest) as described in the September, 2009 option agreement to which each party is a signatory.

Spider and KWG have recently completed a diamond drilling program which has outlined substantial thicknesses of high grade chromite mineralization extending over a 1,200 m strike length to a maximum depth of about 365 m below surface. Under the current option agreement, Spider and/or KWG can earn an additional 10% interest in the property through minimum annual exploration expenditures of $5 million over three years ending March 31, 2012. The additional 10% interest may also be gained through minimum exploration expenditures of $5 million and delivery of a positive feasibility study to Freewest (the property vendor) by March 31, 2012.

In January, 2009, Spider and KWG commissioned Micon to review exploration results obtained to that date and to make recommendations regarding the most expeditious means to advance the project and to generate a complete and reliable data set on which to base additional work. The report, dated March 31, 2009, and entitled "NI 43-101 Technical Report on the Big Daddy Chromite Deposit and Associated Ni-Cu-PGE, James Bay Lowlands, Northern Ontario" has been filed on SEDAR by both Spider and KWG. Micon recommended:

- A combination of ground gravity and magnetic surveys to guide drilling.
- A two phase drilling program designed to establish the extent and character of the deposit and then generate detailed information required to support a resource estimate.
- Thorough investigation of PGE potential.
- Geophysical definition and drill testing of unexplained conductors (VMS and Ni-Cu-PGE targets).

In addition Micon recommended adoption of a comprehensive QA/QC program with respect to sampling and analyses, implementation of more a comprehensive logging program to include collection of geotechnical observations, and improved down-hole directional surveying. Ancillary metallurgical and petrographic studies were recommended. The immediate objective of this work was to outline a significant chromite resource while completing a thorough evaluation of the potential for PGE's in the hanging wall of the chrome deposit and massive Ni-Cu-PGE-bearing sulphides elsewhere.

Micon noted that:

> "*due to remoteness and lack of infrastructure the overall (global) size of the deposit will impact significantly in any future investment decision-making process*".

2.3 SOURCES OF INFORMATION

The sources of information for this report are detailed below, and include those in the public domain as well as privately acquired data.

- Data and transcripts supplied by and at the instruction of Spider/KWG.
- Patrick Chance, P. Eng., was a project manager from early October, 2009 until March 31, 2010 and was on site during part of the 2009 and for the entire 2010 drilling campaign. He assembled the drill hole database, and implemented and supervised implementation of systematic data collection procedures.

- Review of various geological reports and maps produced by the Ontario Geological Survey (OGS), its predecessors, and the Geological Survey of Canada (GSC).

- Discussions with Spider/KWG management and Billiken Management Services (Billiken) staff, consultants and contractors familiar with the property.

- Research of technical papers produced in various journals.

- Independent analyses of quartered core samples.

- Independent repeat analyses of sample pulps (assay splits).

- Personal knowledge of Cr and Ni-Cu-PGE in layered intrusions and similar geological environments.

Micon is pleased to acknowledge the helpful cooperation of Spider/KWG's management and Billiken, the project contractor, whose staff and management made any and all data requested available and responded openly and helpfully to all questions, queries and requests for material.

2.4 SCOPE OF PERSONAL INSPECTION

Micon (represented by Charley Murahwi) has twice inspected the property (Claim P 3102253) and the McFaulds Lake camp, where core was logged and processed and is stored; first, between January 11 and 13, 2009, and again on October 22, 2009. In addition, Murahwi visited the Activation Laboratory's sample preparation and analytical facility in Thunder Bay on January 10, 2009, selecting pulps for re-analysis.

During the initial visit the following activities were completed:

- Review of QA/QC (including sample security) procedures.

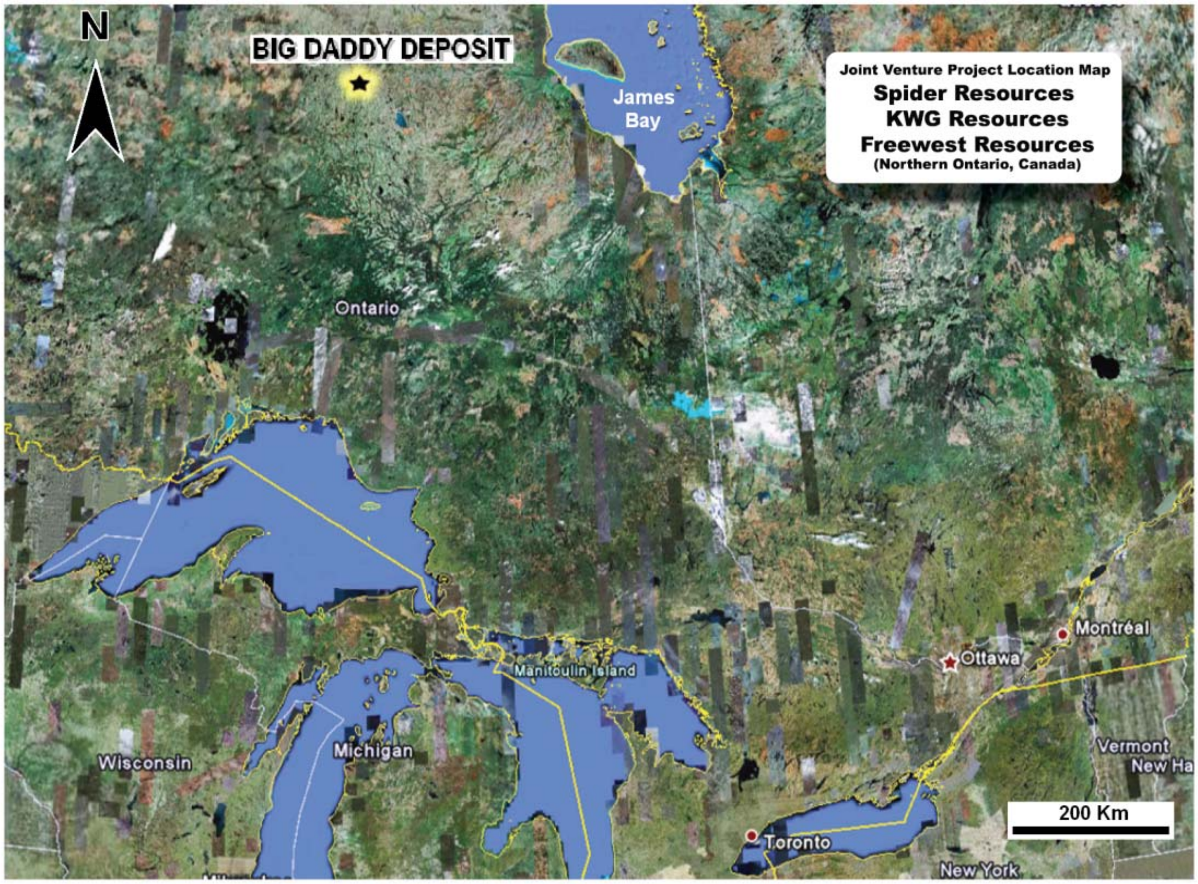
- Verification of drill hole collar positions and mineralization intercepts in drill cores.

- Selection of sample pulps (assay splits) for repeat analyses.

- Independent sampling of quarter drill core samples.

During the second visit Micon confirmed that recommendations of the earlier report had been implemented and that the data collected were of a quality, detail and form required to support resource estimation and subsequent technical studies.

Figure 2.1
Location Map of the Big Daddy Chromite Deposit



2.5 ABBREVIATIONS

The abbreviations used in this report are summarized in Table 2.1

Table 2.1
Summary of Abbreviations Used

Unit(s) of Measurement	Abbreviation	Name	Abbreviation
Average	Avg	Activation Laboratories	Actlabs
Above sea level	ASL	Billion years	Ga
Centimetre(s)	cm	Big Daddy Deposit	BD
Coefficient of variation	Coef. Var	Big Daddy Deposit southwest segment main mass	BD 1
Degree(s)	º	Big Daddy Deposit northeast segment main mass	BD 2
Degrees Celsius	ºC	Big Daddy Deposit southwest segment subsidiary body	BD 1 sub
Digital elevation model/Digital Terrain Model	DEM/DTM	Big Daddy Deposit northeast segment subsidiary body	BD 2 sub
Electro-magnetic(s)	EM	Canadian Institute of Mining, Metallurgy and Petroleum	CIM
Gram(s)	g	Canadian National Instrument 43-101	NI 43-101

Unit(s) of Measurement	Abbreviation	Name	Abbreviation
Grams per metric tonne	g/t	Diamond drill hole	DDH
Greater than	>	End of hole	EOH
Hectare(s)	ha	Eurasian Natural Resources Corp	ENRC
Inverse distance	ID	Geological Survey of Canada	GSC
Inverse distance cubed	ID^3	Global Positioning System	GPS
Kilogram(s)	kg	Horizontal Loop Electromagnetic survey	HLEM
Kilometre(s)	km	International Chromium Development Association	ICDA
High intensity magnetic separation	HIMS	International Stainless Steel Forum	ISSF
Heavy liquid separation	HLS	Magmatic Massive Sulphide	MMS
Induced polarization	IP	Marten Falls First Nation	MFFN
Loss on ignition	LOI	Micon International Limited	Micon
Low intensity magnetic separation / Laboratory Information Management System	LIMS	Ontario Department of Mines	ODM
Maximum	max	Ontario Geological Survey	OGS
Metre(s)	m	Parts per billion	ppb
Milligram	mg	Parts per million	ppm
Millimetre	mm	Platinum Group Elements/Metals	PGE/M
Million tones	Mt	Qualified Person	QP
Million / Billion years	Ma / Ga	Quality Assurance/Quality Control	QA/QC
Minimum	min	Net Smelter Return	NSR
North American Datum 1983	NAD'83	Noront Resources Limited	Noront
Ordinary kriging	OK	Not available/applicable	n.a.
Percent(age)	%	Ring of Fire	ROF
Rock quality designation	RQD	Ring of Fire Intrusion	RFI
Specific gravity	SG	Standard Reference Material	SRM
Standard deviation	Std	System for Electronic Document Analysis and Retrieval	SEDAR
Système International d'Unités	SI	Time Domain Electro Magnetic survey	TDEM
True thickness	T.T.	Volcanogenic Massive Sulphide	VMS
Universal Transverse Mercator	UTM	Webequie First Nation	WFN
Very low frequency	VLF	Measured Resource	MR
Wet high intensity magnetic separation	WHIMS	Indicated Resource	IR
		Inferred Resource	Inf. R
		Whole rock assay	WRA

3.0 RELIANCE ON OTHER EXPERTS

The authors are Qualified Persons only in respect of the areas in this report identified in their "Certificates of Qualified Persons" submitted with this report.

Micon has reviewed an executed copy of the September 10, 2009 option agreement between Spider, KWG (optionors) and Freewest (vendor) but has not verified the legality of any underlying agreement(s) that may exist concerning the licenses or other agreement(s) between third parties. Thus Micon offers no legal opinion as to the validity of the mineral titles claimed. The description of the property, and ownership thereof, as set out in this report, is provided for general information purposes only.

The existing environmental conditions, liabilities and remediation have been described under the relevant section as per the NI 43-101 requirements. However, the statements made are for information purposes only and Micon offers no opinion in this regard.

The general descriptions of geology and past exploration activities used in this report are taken from transcripts prepared by Spider staff/consultants and from reports prepared by various reputable companies or their contracted consultants, as well as from various government and academic publications. Micon has relied on these data, supplemented by its own observations at site.

While exercising all reasonable diligence in checking, confirming and testing it, Micon has relied upon the Spider's presentation of the project data from previous and recently completed exploration programs.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 SIZE, LOCATION AND TENURE

The Big Daddy chromite deposit lies entirely on mining claim P 3012253 situated in the McFaulds Lake area of the James Bay Lowlands of north-central Ontario. P 3012253 is the westernmost of a seven-claim, 1,241 ha property under option from Freewest by Spider and KWG (SKF option).

The SKF property lies in NTS 43D16S½ near 86° 14' 11" W longitude, 52° 45' 32" N latitude. The area is situated 280 km due north of the town of Nakina and 258 km due west of the James Bay coastal community of Attawapiskat. The option property lies 13 km west-southwest of the McFaulds Lake camp which is situated on the northwest corner of the lake.

The property comprises five staked claims (P 3012252, P 3012253, P 3008268, P 3008269 and P 3008793) and two single-unit, (400 m x 400 m, 16 ha) blocks excised from adjacent staked claims (P 3012250 and P 3012251) to the north (Figure 4.1) encompassing a total of 1,241 ha (78 claim units). Claim abstracts are summarized in Table 4.1.

Claim boundaries were marked out by stakers. James Burns, VP Exploration of Spider, has walked the claim lines recording the locations of lines and posts with a hand-held, retail grade, GPS.

The property is in good standing until April and August, 2011. Annual assessment requirements are $31,200. Claim abstracts currently report Freewest as the recorded holder; however, the property is to be held by KWG in trust.

As of September, 2009 both Spider and KWG had earned a 25% interest (Freewest 50%) in the property. Spider and KWG's exploration expenditures in late 2009 and early 2010 each exceed the $2.5 million required to earn an additional 1½% interest. As of March 31, 2010 the property interests are Spider 26½ %, KWG 26½ % and Freewest 47%.

The two westernmost claims and both contiguous single units are subject to a 2% Net Smelter Return royalty currently held by Richard Nemis (1%) and KWG (1%).

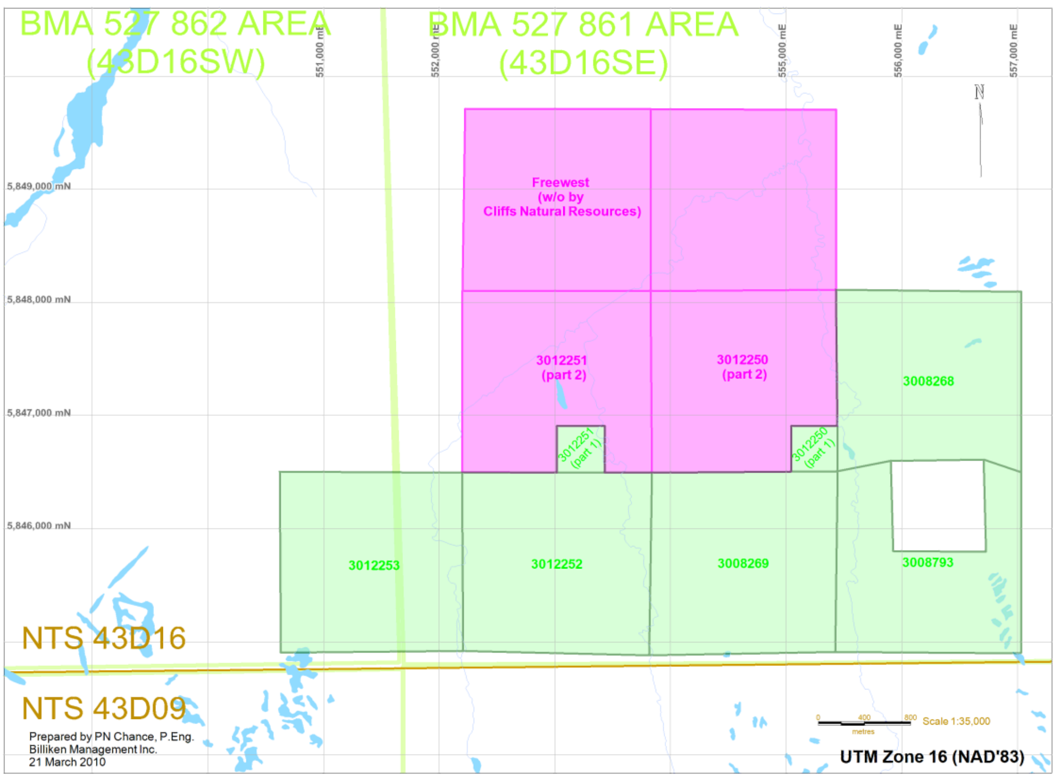
Table 4.1
SKF Property – Summary of Claim Abstracts as of March 19, 2010
(Freewest is the recorded holder of these claims. Claim abstracts are available at www.mci.mndm.gov.on.ca/claims)

Claim No	Units	Area (ha)[1]	Due Date	Recorded	Work Req'd	Total Work	Total Reserve	Present Work Assigned	NSR
P 3012253	16	249	2011-Apr-22	2003-Apr-22	$6,400	$38,400	$152,334	$30,786	2%
P 3012252	16	258	2011-Apr-22	2003-Apr-22	$6,400	$38,400	$0		2%
P 3008269	16	257	2011-Aug-11	2003-Aug-11	$6,400	$38,400	$33,429	$60,945	0%
P 3008793	12	202	2011-Aug-11	2003-Aug-11	$4,800	$28,800	$0	$0	0%

Claim No	Units	Area (ha)[1]	Due Date	Recorded	Work Req'd	Total Work	Total Reserve	Present Work Assigned	NSR
P 3008268	16	243	2011-Aug-11	2003-Aug-11	$6,400	$38,400	$20,203	$24,000	0%
	76	1,209				$182,400	$205,966	$115,731	
P 3012250[2]	1	16[3]	2011-Apr-22	2003-Apr-22	$6,400	$38,400	$10,560	$0	2%
P 3012251[2]	1	16[3]	2011-Apr-22	2003-Apr-22	$6,400	$38,400	$10,560	$0	2%
		32				$76,800	$21,120		
	78	1,241							

1 – Measured based on uncorrected, hand-held GPS-derived locations of claim [corner] posts.
2 - Assessment work is for entire claim which must be maintained to retain the optioned portions.
3 – Nominal areas based on descriptions of the optioned parcels and locations of relevant claim [corner] posts

Figure 4.1
SKF Project Claim Map. SKF Option claims are shown in green. Claim locations are "as staked" based on GPS-derived locations of claim posts



4.2 COSTS OF MAINTENANCE

In Ontario, mining rights are acquired by staking out and recording claims in a manner prescribed in the Mining Act (R.S.O. 1990, Chapter M. 14 Section 38 (1)). Claim holders are required to submit proof of permitted exploration expenditures at a rate of $400 per claim unit annually starting prior to the second anniversary of recording until the claims are taken to lease. The annual maintenance costs for 78 units are $31,200. Sufficient eligible work has been completed to retain the property in good standing for many years. An assessment report of recent drilling is in preparation.

4.3 ROYALTIES AND PROPERTY RIGHTS

4.3.1 4.3.1 Underlying Agreements

On 22 April, 2003, Richard Nemis became the recorded holder of six, 16-unit claims (the Nemis Claims), comprising the western two SKF Option claims (P 3012252 and P 3012253) and the four adjoining claims to the north that now comprise the Black Thor (Freewest, 100%) property (shown in pink on Figure 4.1).

On June 17, 2003, Richard Nemis agreed to sell 100% interest in the Nemis Claims to Freewest in consideration of a payment of $10,800 and a 2% NSR royalty. The claims were transferred to Freewest on August 14, 2003.

On August 11, 2003, Freewest caused the three claims that comprise the east part of the SKF property (P 3008269, P 3008793 and P 3008268) to be recorded.

On December 5, 2005, KWG and Spider, as equal partners, agreed to earn a 50% interest in Freewest's property comprising P 3012253, P 3012252, P 3008269, P 3008793 and P 3008268 together with two single claim units (~32 ha) excised from adjoining Freewest claims 302250 and 3022251 for exploration expenditures of $1,500,000 by October 31, 2009 of which $200,000 was to be spent by February 28, 2006. The addition of the two single units permits Spider and KWG to test two EM conductors that extend northwards onto the Black Thor property.

In March, 2009, Freewest, KWG and Spider entered into a letter agreement which forms the basis for the September 10, 2009 agreement described below.

On July 21, 2009, Nemis, Freewest and KWG entered an agreement whereby KWG purchased half of the Nemis NSR (i.e., 1% NSR royalty) which was conveyed to 7207565 Canada Inc., a subsidiary of KWG.

On September 10, 2009, Freewest, KWG and Spider amended and restated the December 5, 2005 agreement, allowing KWG and/or Spider to earn a combined additional 10% interest in the property through annual expenditures of $2,500,000 each within three years ending March 31, earning 3% in each of the first two years and 4% in the last year ending March 31, 2012. The additional 10% may also be earned should one or both parties spend a minimum of $5,000,000 and deliver a positive feasibility study to Freewest by March 31, 2012.

Title of the property was to be transferred to KWG to be held in trust. That has not yet occurred.

The September, 2009 agreement acknowledged that KWG and Spider had already each earned a 25% interest in the property and warranted that there were no encumbrances on the property beyond the NSR royalty.

Spider has operated the project from inception until March 31, 2010. KWG is to be operator for the year beginning April 1, 2010, with operatorship reverting to Spider during the following year, subject to conditions, after which a joint venture of the three parties is to be formed at which an operator is to be appointed by a simple majority.

4.3.2 Royalty Interests

Richard Nemis and KWG Resources each hold a 1% Net Smelter Return royalty on claims P 3012252, P 3012253 (Big Daddy deposit), and the adjoining single unit portions of P 3012250 and P 3012251.

4.3.3 Other Parties to the Agreement

Freewest Resources Canada Inc. is a wholly owned subsidiary of Cliffs Natural Resources Inc. KWG Resources Inc. is a junior exploration company in which Cliffs Natural Resources holds ~19.9% interest and has board representation.

4.4 ENVIRONMENTAL AND PERMITTING

There are no known environmental liabilities associated with the SKF property. No mining or other potentially disruptive work has been carried out on the current property beyond that described in this report. Current legislation (chiefly the Mining Act) does not require permitting of the early stages of exploration (e.g, ground geophysics, prospecting and drilling).

4.4.1 Current Status

Surface exploration to date has comprised line cutting of several grids, conducting magnetic, HLEM, gravity and PEM surveys over portions of the property and the drilling of 56 diamond drill holes. The drilling was supported by helicopter resulting in minimal ground disturbance (approximately 1.35 ha in total). At the cessation of the 2010 drilling campaign all foreign materials including containers, drill parts and garbage were removed. A final walkover is required in snow-free conditions.

On about January 20, 2010, Chief Elijah Moonias of the Marten Falls First Nation reported his community's concerns regarding the use of ice strips and the protection of caribou. Studies into the impacts of ice roads on fish and mammal populations carried out to the north of Yellowknife and elsewhere were unable to detect measureable impacts (e.g. Moulton et al., 2003).

The woodland caribou and wolverine are listed as species at risk in Ontario. Caribou tracks are plentiful during the winter, although sightings are rare.

In February, 2010, representatives of relevant federal, provincial and municipal regulatory agencies inspected the camp facilities at McFaulds Lake and were invited to visit the work site. The few concerns related to the camp site and have been addressed by Billiken, the camp owner.

4.4.2 Baseline Line Environmental Studies

In 2009, Spider, as project manager, retained AECOM, formerly Gartner-Lee, to initiate baseline environmental studies. AECOM established pairs of observation stations on the three drainages that cross the property, sited up and down-drainage of the property.

During 2009, AECOM completed spring, summer and fall sampling programs, measuring water flow, quality and physiochemical parameters. Biological (tissue) sampling was also undertaken.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 PHYSIOGRAPHY

The Big Daddy (average elevation 173 m) property lies near the western limit of the Hudson Bay Lowlands, a vast, poorly-drained area extending along the south and west coasts of James and Hudson Bays between the Ontario-Quebec boarder and Churchill, Manitoba (e.g., Brookes, 2010). The area corresponds with the maximum extent of periglacial marine inundation (to 180 m) by the ancient Tyrrell Sea and with that of the western margin of the Hudson Bay Platform. The Platform comprises Lower Paleozoic carbonates and clastics sediments. Remnants of the Paleozoic platform cover strata were reported in drill holes FW-06-04 and FW-08-11, which are collared within 200 m of the chromite sub-outcrop, as well as in holes drilled to the east of the Big Daddy deposit.

Sjörs (1959) describes four distinct landscape features; fens, bogs, black spruce islands and riparian zones. All are evident on the Big Daddy claim.

- Fens are the basic landscape feature characterized by shallow, typically circular ponds, relatively diverse vegetation, higher pH and metal contents.

- Bogs comprise island-like, thick sphagnum accumulations (~3 m) above the local surface with irregular, 1.5 m-deep ponds that form string bogs where gradients are steeper. Plant diversity is low due to acid, nutrient-poor water.

- Ovoid, black spruce islands are elevated 2 m above the surrounding area, commonly with treeless centres. Sjörs (ibid.) encountered frozen ground a metre or so below surface.

- The riparian zone comprises river banks including the area subject to seasonal flooding. Nutrient availability and locally good drainage contribute to a diverse flora including, locally, mature spruce and aspen.

5.2 RELIEF AND DRAINAGE

Big Daddy project area lies in the Attawapiskat drainage system which consist of one of the two great rivers (the other being the Albany) that drain northwestern Ontario. These provided convenient access for early explorers and traders. Drainage over the Lowlands is very poor due to the gentle slope (approximately 0.7 m / km).

Relief across the Big Daddy claim is about 4 m, and as much as 7 m above the closest points on the Muketei and Attawapiskat rivers. Water flow along creeks and rivers varies from a maximum in the spring falling gradually until the following spring. During the remainder of the year even local rainfall rapidly reaches the major drainages causing slight increases in water level.

The Big Daddy claim drains to Black Creek which straddles the east claim boundary. From there drainage is north-northwest towards the Muketei river.

5.3 ACCESSIBILITY AND INFRASTRUCTURE

The area is remote lying far from the nearest paved road at Nakina, 280 km to the south. A power line and road also serve the Musselwhite mine (Goldcorp Inc.) 280 km to the west over much better drained terrain. The area is currently accessible only by float and ski-equipped aircraft which can land on larger lakes. Aircraft are available in Nakina and Pickle Lake. Helicopters are essential for local transport, although skidoos and larger tracked vehicles are useful when the ground is frozen and there is sufficient snowpack.

Nakina has a paved 3,500 foot (about 1,000 m) runway. The main transcontinental CN rail line also passes through the town. Longer runways are available at Geraldton, (5,000 feet (about 1,500 m), 337 km south) and Pickle Lake (4,500 feet (about 1,400 m), 310 km southwest).

Thunder Bay (540 km south-southwest) is the regional centre with daily air service to the remote communities, Nakina and Pickle Lake. Although the Ministry of Northern Development, Mines and Forestry's (MNDM&F's) development coordinator is based in Thunder Bay, the area lies in the Porcupine Mining Division and is administered from Timmins (about 600 km southeast).

All-weather highways extend to Nakina (Highway 584) and Pickle Lake (Highway 808) from where the gravel North Road extends 193 km to Opapimiskan Lake (Musselwhite mine) to the west.

The Ontario power grid reaches the Victor mine (DeBeers Canada Inc.), 157 km to the east, Nakina, 280 km to the south and the Musselwhite mine 290 km to the west.

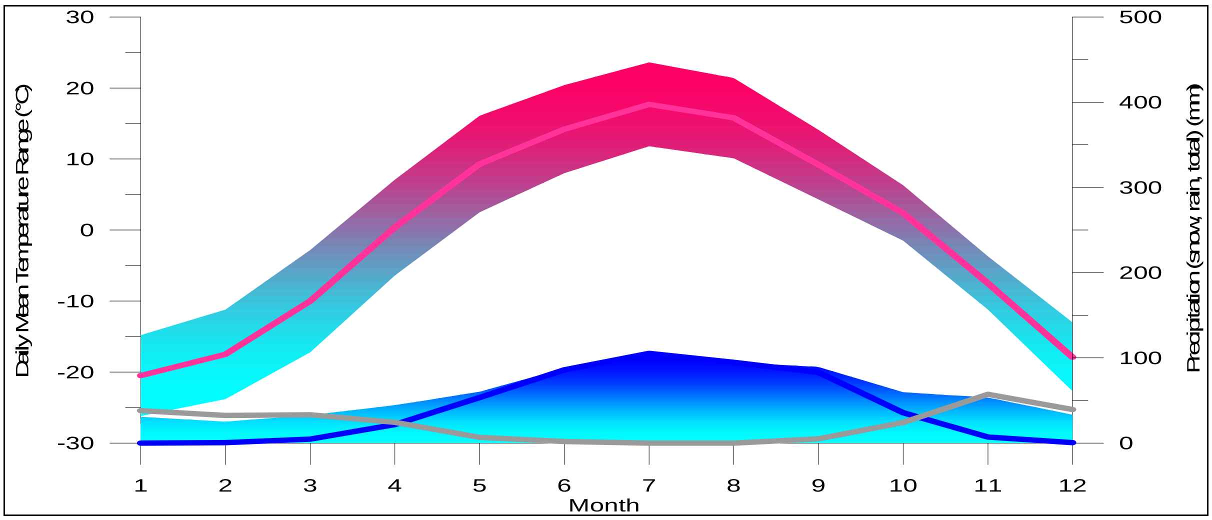
During 2009 Marten Falls Logistics began construction of an airstrip about four kilometres north of Noront's Esker camp. Work is reported as halted due in part to permitting issues.

In 2009 KWG through its subsidiary Canada Chrome Corporation, staked two "rail corridors". Subsequently Canada Chrome Corporation commenced a scoping study pertaining to costs for a rail link to the McFaulds Lake area. The company has completed a geotechnical, soil sampling program along a 340 km corridor to the area from the CN railway line at Exton near Nakina. Feasibility level engineering studies and cost estimates for a rail link are expected to be completed by the end of 2010 (M.J. Lavigne, personal communication, 2010).

5.4 CLIMATE

Mean temperatures range from -20°C in December and January to a peak of 15°C in July (Figure 5.1). Annual precipitation is about 70 cm, of which almost 70% falls as rain with peak amounts during July. Snowfall peaks in November gradually diminishing to March. Typical snow accumulations are about 0.6 m.

Figure 5.1
Annual Mean Daily Temperature and Range, January to December (month 1 to 12) (Upper curves, left scale) and monthly precipitation (lower curves, right scale) showing rain (blue curve) and snow (grey curve for Pickle Lake (1971-2010 data; source: www.climate.weatheroffice.gc.ca).).



5.5 VEGETATION

The property lies in a broad transition zone between the boreal forest and arctic tundra further north. It is covered by extensive fen and bog complexes with highly variable tree cover intermixed with vast numbers of ponds and lakes. The principal tree species include black spruce (Picea mariana), white spruce (Picea glauca) and tamarack (Larix laricina) (Sjörs, 1959). Caribou grazing locally alters plant community structure (Proceviat et al., 2001).

5.6 FAUNA

While a wide range of animals and birds are reported, those observed include fox, wolf, marten, moose, black bear and woodland caribou. The area lies in the northern range of the woodland caribou, a species at risk in its southern range due to habitat loss (removal of old-growth, boreal forest; Proceviat et al., 2001).

“Winter survival of woodland caribou in the black spruce peatlands of northeastern Ontario also appears to be dependent on the availability of ground and arboreal lichen and arboreal lichen biomass has been shown to be an important parameter identifying late winter habitat selected by this species." (ibid.)

Despite intermittent aerial surveys since 1950, the abundance and migration patterns of the lowland woodland caribou population are not well understood (Magoun et al, 2005).

5.7 FIRST NATIONS

First Nations communities are the principal permanent settlements in the far north of Ontario. Although the mineral rights were surrendered in the James Bay Treaty No. 9 in the early 20th century, recent court rulings combined with the absence of economic opportunity in the region have encouraged First Nations to assert rights to traditional lands. The Marten Falls First Nation asserts that the McFaulds area and KWG's currently proposed access corridor lie within its traditional lands. It is likely that other nearby communities (e.g., Webequie, Fort Hope, Lansdowne House and Summer Beaver) will seek economic advantage from developments in the area.

Prior to 2010 mineral exploration companies acted individually, reaching accommodations and in some cases agreements with First Nations. In early 2010, the Marten Falls First Nation with the support of the Webequie First Nation initiated a logistics blockade of Koper and McFaulds Lakes between January 20 and March 18. While the objectives of the blockade are unclear, the need for sustained engagement to structure development of and eventual mutually-beneficial operations in the area is clear.

The closest communities are members of the Matawa Tribal Council which represents Oji-Cree communities in an arc along the west edge of the James Bay Lowland from Constance Lake in the southeast to Neskantaga First Nation (Lansdowne House) in the northwest. The population of the remote communities is about 3,000 (2006 data; www.matawa.on.ca). The remaining 5,000 Matawa members live off reserve or in road accessible communities around Nakina, Long Lac and Hearst.

During the most recent Big Daddy drill campaigns, a third of the workforce comprised First Nations members. Geotechnical logging, down-hole and GPS surveys and all sampling were carried out to a high standard by First Nations members under supervision of the site geologist.

5.8 LOCAL RESOURCES

Few local resources have been identified to date. In particular there is little evidence of aggregate an essential commodity for mine and infrastructure development.

There is sufficient space on the current property to develop a mine and ancillary installations.

6.0 HISTORY

There is no evidence that the current property had been staked or otherwise explored prior to 2003, however, Spider/KWG and others had conducted diamond exploration in the area since the early 1990's.

Government survey agencies have carried out very limited, largely reconnaissance work in the area due to the perceived lack of outcrop and the high cost of supporting field programs. Prior to the 1990's there are few records of past exploration beyond a flurry of diamond drilling to the north and west of the current area in the early 1970's following the Kidd Creek (Timmins) VMS discovery.

6.1 GENERAL

Robert Bell (1886) provides the earliest account of the geology of the Attawapiskat and tributaries describing well-exposed Paleozoic stratigraphy along the river and including initial description of Archean rocks exposed in the headwaters of the river. McInnes (1910) travelled along the upper Attawapiskat and adjacent Winisk rivers a quarter century later. During the 1940's the Provincial Government investigated the lignite, gypsum and petroleum possibilities of the James Bay Lowland, drilling several drill holes to basement (e.g., Martison, 1953). The GSC completed regional mapping of the Hudson Bay Platform during the 1970's (e.g., Sandford & Norris, 1975). Although Bostock's (1968) work was of regional scope, he and colleagues reported much outcrop along drainages from the Muketei westwards.

Diamond explorers, Monopros (a subsidiary of De-Beers) and Selco, traced diamond indicator minerals from initial discoveries in the Kirkland Lake area into the Lowland in 1962 culminating in the discovery of the Jurassic-aged, Attawapiskat kimberlites in 1989. In 1971 Inco, Sherritt Gordon, Denison and Kennco drilled base metal targets to the north and west of the current area. During the mid-1990's the then Spider-KWG joint venture tested potential kimberlite targets over a 200 km square area centred on McFaulds Lake, quickly discovering the five, Proterozoic age Kyle diamondiferous kimberlites under Paleozoic cover. Elevated chromite counts were reported in drainage and overburden samples collected during this period marking the earliest report of chromite in the area (Gleason and Thomas, 1997).

The 2002 discovery of chalcopyrite by DeBeers and recognition of VMS mineralization in 2003 by Spider and KWG focused exploration attention in the McFaulds area prompting Richard Nemis and Freewest to cause the claims comprising the current property to be staked. Howard Lahti, PhD, P. Geo., was first to recognize chromite in situ noting two thin beds in drill hole FW-06-03. The Eagle One Ni-Cu-PGE discovery in 2007 precipitated intense exploration effort over the following two years during which time the Blackbird, Big Daddy, Black Thor, Black Label and Black Creek chromite and the Thunderbird vanadium deposits were discovered, Initial resource estimates have been made on all but the last three mentioned deposits (see Section 15 on Adjacent Properties).

6.2 PROPERTY HISTORY

Spider has managed exploration since inception, latterly through Billiken Management Services, Inc. In mid-2007 Billiken was sold to an unrelated party, thus Spider and Billiken have operated at arms-length for almost three years.

Early exploration programs (airborne surveys and ground follow-up) were conducted over contiguous properties. Costs were apportioned according to the work done over each property. For this reason the J (Big Daddy) grid extends over the adjacent properties.

At some time prior to 2007 Probe Mines held an option on the Freewest Claims, completing three short diamond drill holes (F-1 to F-3) that narrowly missed the chromite mineralization. The claims were returned to Freewest before Probe was vested.

The past exploration history, which was reported in the previous 43-101 report, has been summarized in Table 6.1.

6.3 HISTORIC PRODUCTION

The property has no historical resource or reserve estimates and there has been no prior production.

Table 6.1
Summary of Exploration Completed on SKF Property between 1995 and 2008

Year	Company / Contractor	Work completed	Results
Pre-1995		Assessment file search.	No work filed in Spider 3 area.
1995-1996	SPQ & KWG (Burns, 2005)	Fixed wing mag over Spider #3 area. Helimag over 48 targets. Ground mag over selected targets. Modern alluvium sampling. Limited bedrock mapping. Airphoto interpretation. Two diamond drill holes	McFaulds magnetic anomaly detected and detailed [Selected datasets sold to OGS (Operation Treasure Hunt) and subsequently released as MRD.]
2001-2002	DeBeers (Burns, 2005)	McFaulds anomaly designated SP3-0029. Helicopter mag & EM (N-S on 50 m lines, 20 m elevation 1.6 km sq. Ground mag (N-S, 50 m lines). Vertical reverse circulation drill hole (SP3-02-007R),	Results for SP3-0029. • Apparent resistivity correlates with mag over principal anomalies. • Anomaly detailed. • Cut 1.75% Cu/6.5 m below regolith (saprolite) from 25.0 below surface.
2003	Freewest	AeroTEM Fugro	Found numerous EM targets in an arc including McFaulds Lake and extending to south and west.
2003	R Nemis & Freewest	Claim staking	Staked current property
2003	Freewest	Line cutting (J & H); ground mag and Max-Min (Scott Hogg)	Detailed ground targets on J and H grids
2004	Freewest	FWM-04-01 (Grid H, L 37 E, 5+50 S; Az ~120 °, Dip -45°;P 3008269)	19 m overburden, 10 m unknown, 67.5 m gabbro and 93.5 m tuff (mineralized, VMS style pyrite). The gabbro reports elevated Cr & Ni.
2006	SPQ & KWG (Novak, 2006)	FW-06-02 (Grid H) FW-06-03 (353.5 m) & 04 (Grid J) to test coincident HLEM-magnetic anomalies.	Cut ~10 m sulphide mineralization in a fragmental pile. Howard Lahti noted two "massive chrome beds" [1.05 & 0.6 m] in FW-06-03 marking the discovery of in-situ chromite in McFaulds area. FW-06-04 cut hanging wall volcanics containing locally anomalous Ni (but not Cr) concentrations.
2008	SPQ & KWG	FW-08-05 to 23	Drilling defined the chromite mineralization for 400 m along strike and also tested nearby EM anomalies

Note: SPQ = Spider

7.0 GEOLOGICAL SETTING

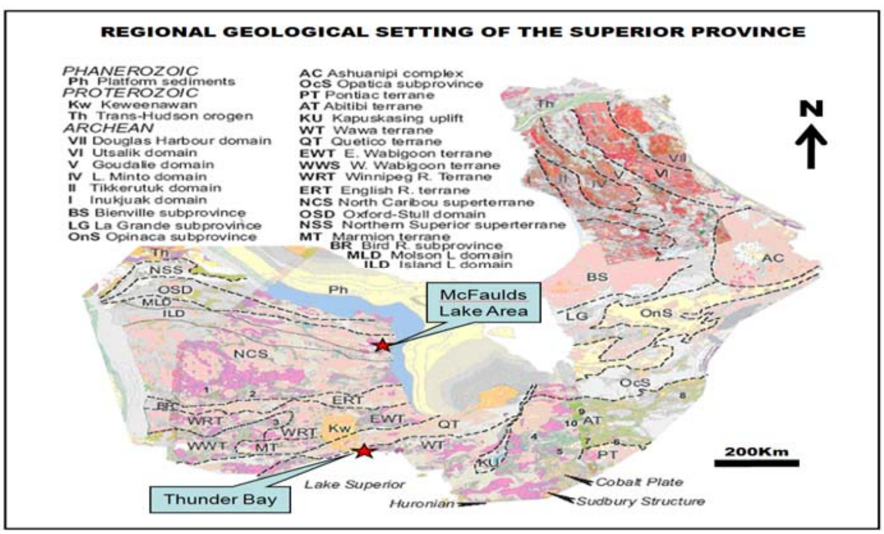
7.1 REGIONAL GEOLOGY

The edge of the Hudson Bay Platform also marks the maximum transgression (180 m above sea level) of the ancient Tyrrell Sea and of deposition of several metres of thixotrophic, fossil-bearing mud.

The property lies at the western edge of the preserved flat-lying, Lower Paleozoic Hudson Bay Platform, remnants of which were observed on the current property. The Hudson Bay Platform comprises Ordovician to Cretaceous sedimentary strata which reach a maximum known thickness of about 2,500 m in Hudson Bay. Two holes contain saprolite, indicative of an early Paleozoic tropical weathering event (Patrick Chance, personal communication, 2010).

The property lies in the Sachigo greenstone belt of the Oxford–Stull Domain (Stott and Rainsford, 2006) of the Sachigo Subprovince (Figure 7.1). The Sachigo greenstone belt is arcuate, west-facing and 100 km long by 5 km to 25 km wide belt. It is in intrusive contact with granodiorite rocks to the north and west (Atkinson et al., 2009). The Oxford-Stull Domain also contains a series of significant mafic to ultramafic intrusions including Big Trout, Springer, Highbank and McFaulds. Those at Big Trout and Highbank exhibit magmatic layering a characteristic of fertile mafic complexes.

Figure 7.1
Regional Geological Setting of the Superior Province



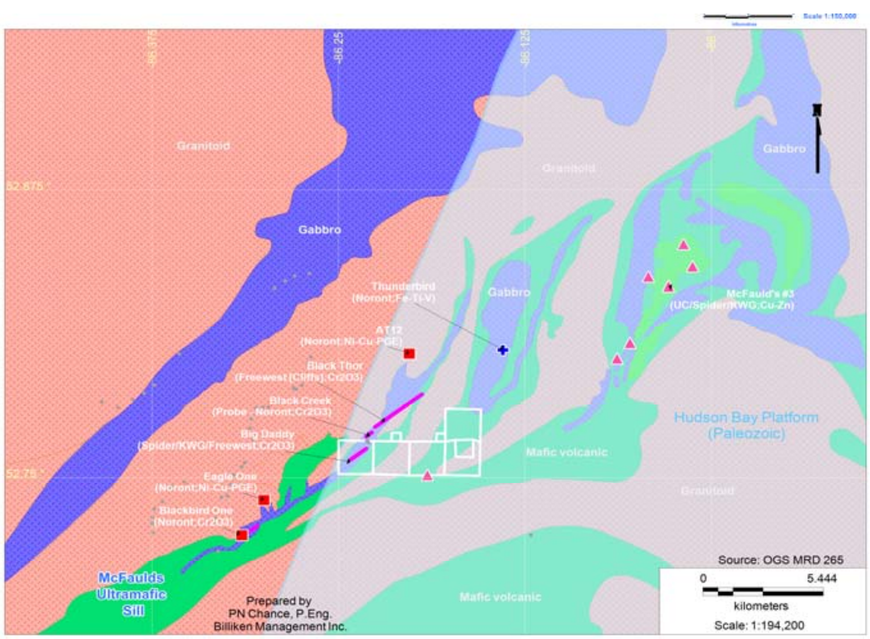
7.2 LOCAL GEOLOGY

Due to poor access, lack of abundant outcrop and limited mapping, local geology has been largely interpreted from airborne geophysical data and constrained by limited and selective diamond drilling (Figure 7.2). The area is underlain by volcanics of the Sachigo belt into which the Ring of Fire mafic-ultramafic complex is intruded. The Ring of Fire complex comprises three elements; the feeder dyke within which the Eagle One Ni-Cu-PGE deposit is contained, the sill or sills containing stratiform chromite deposits, here called the McFaulds Lake Sill, and the ferrograbbo bodies that contain the Thunderbird Fe-Ti-V prospect.

Petrographic and chemical evidence from the Big Daddy property (Scoates, 2009-03) indicate that the McFaulds Lake Sill is a well fractionated, body comprising lower (to the northwest) olivine-rich units overlain by upper olivine-poor units. The principal Big Daddy chromite bodies lie at the top of the olivine-rich unit.

The McFaulds Lake mafic-ultra-mafic sill (elsewhere termed the Ring of Fire intrusion) has been intermittently emplaced along a granodiorite-greenstone contact over a 20 km length of which 15 km between Eagle 2/Blackbird 1 (in the southwest) and Black Thor/Black Label (in the northeast) are known to be mineralized. The Thunderbird vanadium deposit occurs in ferrograbbos which form a distinct magnetic anomaly that lies parallel to and east of the main McFaulds Sill about 9 km northeast of the Big Daddy deposit.

Figure 7.2
Local Geology of the McFaulds Lake Sill showing the Big Daddy Chromite Occurrence.
(Symbols: Red - Ni-Cu-PGE, Purple lines - Cr_2O_3, Blue – Fe-Ti-V & Pink – VMS). Modified from OGS MRD 265

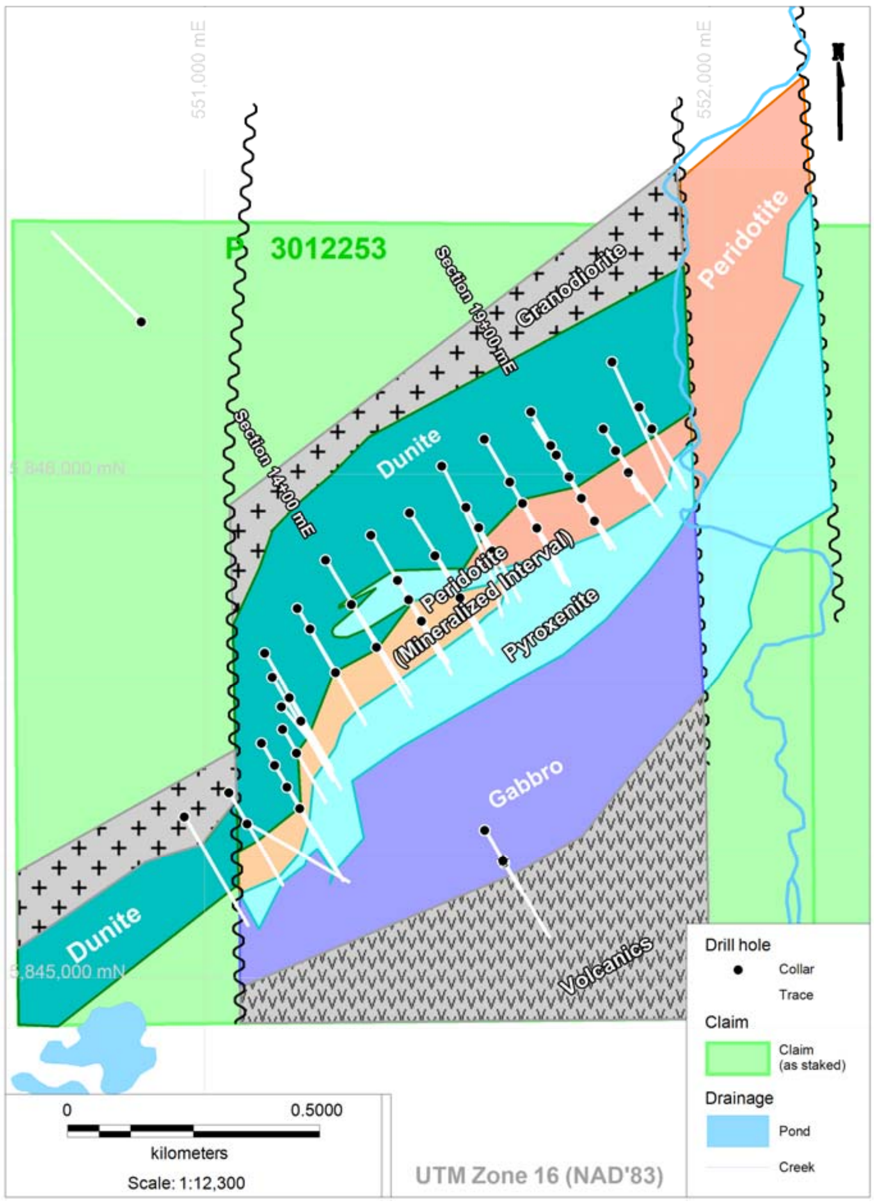


Volcanic rocks in the McFaulds Lake area have a U/Pb zircon isotopic age of 2737 ±7 Ma which is comparable with ages from other parts of the Superior Province of the Canadian Shield (Stott, 2007). It is older than most parts of the Abitibi belt, but similar in age to greenstone belts in Wabigoon and other belts.

7.3 PROPERTY GEOLOGY

The interpreted geology of the property is based on drill holes and ground geophysics (Figure 7.3). Bedrock is obscured by a relatively thin (approximately 10 m) layer of marine clay with the exception of two small areas of peridotite outcrop that straddle the creek near the north property boundary.

Figure 7.3
Bedrock Geology of the Big Daddy Deposit Based on Drill Hole and Ground Geophysics. (UTM Zone 16;NAD'83)



Glacial overburden over the deposit area is typically 6 m to 10 m thick but can be as little as 1.6 m (drill hole FW-09-30). It comprises marine clay with a few pebbles and cobbles at the bedrock surface. Locally, overburden may be as much as 13.4 m thick (drill hole FW-08-05).

Saprolite was reported in two holes (FW-04-01 and FW-09-45) drilled on EM targets off the sill. Oxidation (assumed to be due to deep, early Paleozoic weathering) is commonly observed to 50 m below surface but hematite has been reported as deep as 250 m.

Drilling and geophysical data suggest that the sill segment containing the Big Daddy deposit is about 1,000 m thick. Limited information suggests that the sill thins to the southwest. Mappable geologic contacts and limited igneosedimentary structures (e.g., bedding) indicate that the sill has been rotated from an original horizontal to a nearly vertical to overturned position.

Silicate minerals within the sill have been pervasively altered to serpentinite (serpentine-talc-chlorite), however, original textures are well preserved in both hand specimen and thin section.

Sill stratigraphy, comprising lower (to the northwest) olivine-rich and upper (to the southeast) olivine-poor units, indicates that the sill is strongly fractionated and that the top is to the east (Scoates, 2009-03). The olivine-rich units comprise a lower marginal pyroxenite, dunite, peridotite and chromitite. Overlying olivine-poor units are relatively Cr-poor comprising pyroxenite and gabbros which were observed in intrusive contact with overlying volcanics.

The dunite is typically coarse grained and dull green. While the grain size varies there is little evidence of disruption. Magnetite occurs as rims around former olivine grains, as diffuse patches and in narrow (~1 cm wide), massive veinlets. The latter are strongly conductive. The abundance of magnetite and presence of narrow but highly conductive magnetite veinlets produce large amplitude total magnetic fields and diffuse but persistent AEM anomalies that extend from the Big Daddy claim, northwards onto the Black Creek (Probe-Noront) and Black Thor-Black Label properties.

The peridotite is chaotic in appearance, being marked by abrupt grain size changes. Scoates (2009-03) describes an extensive, magmatic breccia unit that reflects a high energy magmatic environment possibly occupying a feeder dyke. Massive chromite fragments were observed in earlier (pre-2009) holes (ibid.) but were rare in subsequent holes.

The peridotite unit also contains the economically significant chromite mineralization of which two intervals were typically observed. The stratigraphically lower unit(s) are characterized by variable (from interval to interval) chromite contents between 15% and 40% Cr_2O_3. The upper massive unit comprises uniform, ~40% Cr_2O_3, grades, often within 1% over tens of metres. The grade of the upper unit is consistent over the deposit with the exception of the southwest part where grades drop to ~38% Cr_2O_3.

Drilling of the Big Daddy deposit has been carried out from footwall to hanging wall so that the peridotite has been well sampled. The unit is marked by frequent faulting and fracturing reflected in poor recoveries, lower RQD's and evidence of deep weathering. While the faulting and fracturing may be important in mine design through-going faulting is not required to resolve continuity between holes or sections. It is suggested that these faults reflect mechanical discontinuities between relatively unaltered massive chromite and pervasively altered, soft, host rocks (Patrick Chance, personal communication, 2010).

The upper contact of the massive chromitite with olivine-poor pyroxenite is sharp, occurring over as little as a centimetre. The pyroxenite comprises a distinctive pale green unit in which pseudomorphs after pyroxene are distinctive. In addition the Cr_2O_3 contents drops from ~40% to less than 1% across this contact.

Gabbros, some in contact with overlying volcanics, were reported in several holes.

Volcanic hanging wall rocks were not encountered during the recent drill campaign. Work on the McFaulds Lake volcanogenic massive sulphides suggests that they reflect a back arc environment (Jim Franklin, personal communication, 2010).

The Big Daddy appears to be contained between north-trending, left lateral faults near section 1000 E and 2100 E where geophysical anomalies appear to be truncated and along which the Black Creek deposit is shifted.

8.0 DEPOSIT TYPES

Primary/orthomagmatic chromite occurs in two types of deposits, stratiform and podiform. These both have comparable mineralogy but contrasting origins. Residual and transported deposits are additional but rarely significant producers (WIM, 2008). The Big Daddy chromite is a typical stratiform deposit by virtue of its setting, host rock lithologies, mineralogy and dimensions.

The current major producers are all stratiform and occur in sills typically emplaced in stable continent environments. Productive sills include the Bushveld (South Africa), Great Dyke (Zimbabwe), Sukinda (Orissa, India), Kemi (Finland) and Ipuera (Brazil).

The collectively important but individually minor podiform deposits occur as very small pods (median tonnage 20,000 t; Singer et al., 1986) in the tectonized base of obducted ophiolites. These deposits are preserved in younger mountain ranges including the Tethyan orogen from the Balkans, through Turkey to Pakistan and India. Similar deposits occur in the North American Cordillera in northern California and Oregon. In exceptional environments, larger, multimillion tonne, podiform deposits have developed (e.g., Kempirasai, Kazakhstan).

Residual secondary deposits are locally significant producers (e.g., Sukinda). Locally accumulations in beach sands may be significant (e.g., Oregon), however, these tend to have low Cr:Fe ratios making them problematic to market.

Stratiform deposits account for 45% of total world chromite production and 95% of reserves. The Bushveld alone accounts for 35% of production. Other significant producers are the Great Dyke, Kemi and Brazilian deposits, which together produce about 10% of the world's total. The many small scale podiform deposits produce the remaining 55% of chromite which enters the market as ores rather than ferrochrome.

8.1 RELATED DEPOSITS

The shear size, emplacement and crystallization processes associated with ultramafic sills give rise to an important group of four related deposit types, of which three have been found in the McFaulds Sill; magmatic massive sulphides (MMS: Ni-Cu-PGE's), stratiform chromite, Fe-Ti-V, and reef-type, low sulphide, PGE deposits (not yet found in the McFaulds Lake area).

MMS deposits (e.g., Eagle One, Voiseys Bay) represent the accumulation of sulphides in traps in the floors of feeder dykes below the main sill. The remaining deposits occur within the cooling sills under a set of crystallization conditions that favour the economically important minerals.

Additional details are available at several on-line sources including USGS (Cox and Singer, 1998), GSC (e.g. Eckstrand and Hulbert, 2008) and BC Department of Mines (Lefebure et al., 1995).

8.2 GENETIC MODEL FOR STRATIFORM CHROMITE

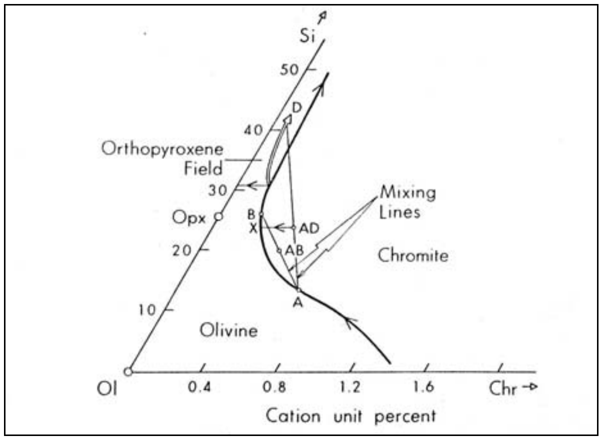
Stratiform chromite deposits are formed by magmatic segregation during fractional crystallization (fractionation) of mafic-ultramafic magma. Stratiform chromite deposits require that chromite be the major and ideally the sole crystallizing phase over an extended period. Irvine (1975, 1977) suggested two mechanisms whereby a chromite saturated picritic tholeiite liquid becomes more siliceous either by contamination (assimilation) with granitic and/or volcanosedimentary material or alternatively by mixing with a more siliceous differentiate of the parent magma, thereby causing chromite to precipitate in the absence of silicate minerals.

On the evidence of field relations and mineralogical data (Jackson 1961, von Gruenewaldt 1979) combined with isotopic studies (Kruger and Marsh 1982, Sharpe 1985, Lambert et al. 1989) it has been shown that large layered intrusions are not the result of single, one-event injections of magma, but are the result of repetitive inputs. Irvine (1977) demonstrated that if a new input of magma was injected into one that had reached a higher level of fractionation, the resultant mixing action could inhibit the fractional crystallization of silicate minerals such as olivine and orthopyroxene and permit the crystallization of chromite alone. This is the mechanism by which layers of massive chromitite can develop, without dilution by cumulate silicates. As illustrated in Figure 8.1 (after Irvine 1977), the mixing of liquid A which is on the olivine – chromite cotectic, with liquid D on the orthopyroxene field may, provided that points on the mixing line lie above the liquidus surface, culminate in a hybrid magma such as AD which will intersect the liquidus in the chromite field on cooling. Hence it will crystallize chromite alone while it moves to point X on the olivine – chromite cotectic, and thereafter it will continue to crystallize chromite and olivine. It has been shown that the decrease in the solubility of chromite in basaltic magma in equilibrium with chromite per degree centigrade fall in temperature is greater at high (1,300˚C – 1,400˚C) than at low (1,100˚C – 1,200˚C) temperature. Due to this concave – upward curvature of the solubility curve, the mixing of two magmas at different temperatures saturated (or nearly saturated) in chromite places the resultant mixture above the saturation curve, which suggests that point AD in Figure 8.1 is likely to lie above the liquidus.

The suggestions by Irvine (1977) are consistent with observations on chromitites in layered intrusions. Most significant amongst these observations is the fact that most of these chromitite layers occur at the base of well defined cyclic units (e.g. Bushveld Complex and Great Dyke in Southern Africa) or at/near the base of similar cyclic units. Further evidence comes from the textures of the underlying rock units which indicate a common cotectic crystallization of chromite with olivine or orthopyroxene showing that the magmas previously in the chambers were saturated with respect to chromite.

More recently, the crustal contamination hypothesis has been supported by MELTS (Ghiorso and Sack, 1995; Asimow and Ghiorso, 1998) thermodynamic modelling software and textural observations of xenolithic clasts of iron-formation occurring stratigraphically below the massive chromitite layers within the RFI. Workers investigating similar deposits such as the Ipueira-Merado Sill determined, supported by isotopic and textural observations, that crustal assimilation by a primitive and chrome enriched magma was the most likely cause for the formation of the chrome deposit (Marques et al., 2003).

Figure 8.1
Phase Relations in the System Olivine-Silica-Chromite as determined by Irvine (1977)
(Illustrating the consequence of mixing primitive magma (A) with well fractionated (D) and slightly fractionated (B) variants of the same primitive magma (Source: Naldrett et al., 1990))



Scoates (2009) speculates that both mixing of primitive magma with fractionated magma (Irvine, 1977) and crustal contamination of the parental magma (Irvine, 1975; Alapieti et al., 1989; Rollinson, 1997; Prendergast, 2008) appear to have had complementary roles in the formation of the Big Daddy chrome deposit. The hanging wall volcanics include both banded iron formation intervals and volcanogenic sulphide accumulations which, if assimilated by the sill, could alter magma chemistry sufficiently to deposit chromite.

Association of Ni-Cu-PGE with Stratiform Chromite

Stratiform chrome deposits are commonly associated with magmatic Ni-Cu-PGE mineralization. For sulphide precipitation to occur, the silicate liquid in the magma chamber must become sulphur-over saturated and this is dependent upon the following factors:

- Melt temperature.
- Oxygen fugacity.
- Magma composition – MgO/FeO ratio, SiO_2 content, and S content.
- Magma recharge

As far as magma mixing is concerned, it is generally accepted (Campbell and Turner, 1986) that layered intrusions have formed through repetitive inputs of magma. These inputs are likely to have been turbulent and thus to have involved significant entrainment and mixing of resident magma within the input. The resulting hybrid would also spread out at the appropriate density level to give rise to turbulently convecting layers. If sulphides formed in the hybrid at this stage, the turbulent mixing and convection would have provided the ideal environment in which they could have developed a high R-factor, and thus have become enriched in PGE. The R factor is defined as the ratio of silicate melt to sulphide melt during sulphide segregation.

Sulphide saturation may be achieved in one of three ways as proposed by Naldrett et al. (1990):

- Fractional segregation where sulphide saturation is attained through fractionation (Figure 8.2).
- Batch segregation where batch segregation of sulphide is achieved through mixing of a primitive magma with an evolved resident magma that is close to crystallizing plagioclase (Figure 8.2).
- Constitutional zone refining where sulphide saturation is preceded by volatile-induced partial melting and remobilization of cumulates and sulphides (Figure 8.3, example iv).

The above three processes lead to the formation of different types of deposits as illustrated in Figure 8.3. Subsolidus and deuteric processes are responsible for the modification of the original primary textures in these deposits.

It is important to note that the mixing of fresh primitive magma with that resident in an intrusion can give rise to a chromitite formation regardless of the degree of fractionation of the resident magma, whereas extensive segregation of sulphide will only occur as a consequence of this type of mixing close to or after the stage at which plagioclase saturation has been achieved by the resident magma.

Figure 8.2
Variation in Solubility of Fe-sulphide in Differentiating Basaltic Magma
(Modified after Naldrett & Von Gruenewaldt, 1989. (Source: Maier et al., 1998))

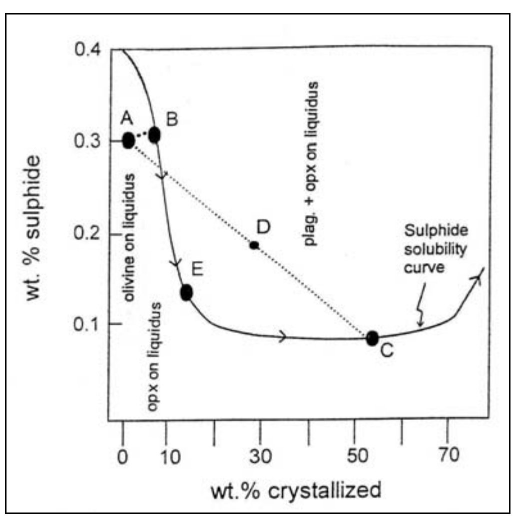


Figure 8.3
Cross-section through a Hypothetical Layered Intrusion

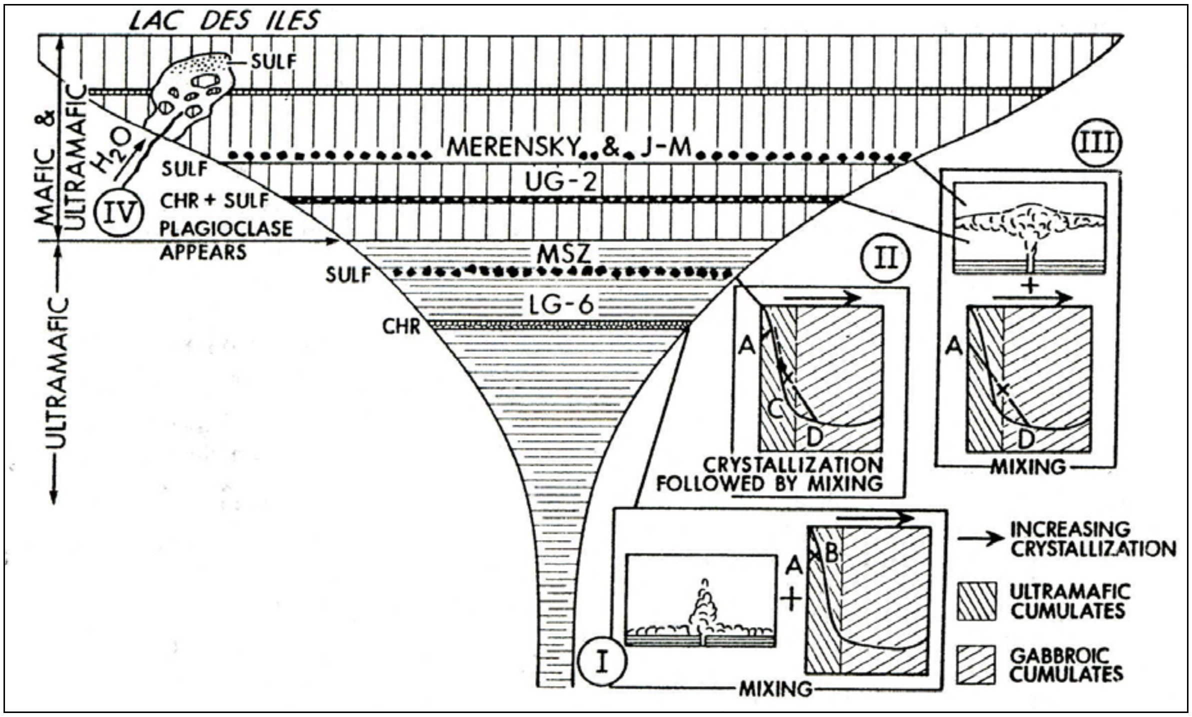


Diagram shows the types of chromitite and PGE-enriched sulphide deposits that can result from fractional crystallization, magma mixing and constitutional zone refining. Mixing of resident magma with primitive magma before plagioclase has appeared on the liquidus of the former is likely to produce sulphide- and, therefore, PGE- poor chromitite (Example I); fractional crystallization may give rise to a PGE-rich layer not associated with the base of a cyclic unit (Example II); mixing of resident magma with more primitive magma after plagioclase is crystallizing from the former may give rise to sulphide- and, therefore, PGE- enriched chromitites or PGE-rich sulphide layers (Example III). Volatile-induced partial melting of cumulates can give rise to constitutional zone refining and the concentration of PGE at the point at which the partial melt becomes saturated in sulphide (Example IV). (Re-drawn after Naldrett et al., 1990).

9.0 MINERALIZATION

9.1 OVERVIEW

The accumulation of chromite on the Big Daddy property depended on two processes. First, emplacement of the McFaulds Sill along a then near-horizontal contact between underlying granodiorite and overlying volcanic and sedimentary strata; and second, maintenance of the magma temperature and magma composition such that only chromite could crystallize over a prolonged period.

9.2 LOCALIZATION

The chromite mineralization of the Big Daddy deposit and similar discoveries such as the Black Thor and Black Label in the northeast and the Blackbird in the southwest (Figure 7.2) is hosted in the ultramafic unit (i.e. peridotite) of the McFaulds Lake Sill. Mineralization in the Big Daddy segment of the McFaulds Lake Sill occurs within a 65 to 180 metre thick, often brecciated peridotite interval lying stratigraphically above a dunitic footwall and below a pyroxenite hanging wall. The lower contact of mineralization tends to be gradational while the upper is sharp.

Mineralized rock comprises sub-millimetre-diameter, idiomorphic, cumulate, chromite grains. Mineralized intervals are a mixture of chromite and olivine crystals set in a fine grained peridotitic matrix. At lower Cr_2O_3 contents chromite grains are disseminated through the host rock. As concentration increases, bedding becomes evident but disappears at the highest grades (>35%Cr_2O_3) due to uniform crystal size and absence of silicate diluents.

The bulk of the Big Daddy chromite mineralization is manifested as a persistent tabular zone of massive chromite with distinct hanging and footwall contacts and with grades typically >35% Cr_2O_3.

9.3 DISTRIBUTION OF CHROMITE GRADES

Based on information derived from drill hole logs and assay data sheets, the Cr_2O_3 grades are distributed as shown in Table 9.1. In a generalized section, three broad grade-texture zones are evident. The onset of mineralization is marked by intermittent accumulations of heavily disseminated material with occasional massive beds. Stratigraphically above this zone, grades tend to be lower until the massive unit is reached. Grades in the massive unit are consistent and universally high (>40% Cr_2O_3) but fall slightly (36 to 38% Cr_2O_3) in the southern end of the deposit where pyroxene oikocrysts are indicative of lower grades.

Table 9.1
Distribution of Cr_2O_3 Grades

Mineralization Type	%Cr_2O_3	Remarks
Massive	30 – 50	Dominant type
Banded	20 – 30	Rare type. Individual bands may contain up to 40% Cr_2O_3
Semi-massive	20 – 30	Very minor type
Heavily disseminated	10 – 20	Locally common
Disseminated	1 – 10	Locally common [Background values]

9.4 SULPHIDES AND PGE

Massive sulphides have not been encountered in the chromite-rich zones. However, local sulphide disseminations have been noted within and immediately above the massive chromite layers. The identifiable sulphides are pyrrhotite, chalcopyrite, pyrite and rarely pentlandite.

A small (<10 cm diameter) sulphide-rich accumulation from hole FW-09-33 reported a massive, secondary Fe-Cu-Ni-sulphide assemblage (godevskite, Ni_9S_8 and mackinawite, $(Fe,Ni)_9S_8$ with minor chalcopyrite, chromite and trace millerite (Kjarsgaard, 2009), in a fault or shear zone. This assemblage is typical of low-temperature, hydrothermally emplaced nickel-iron sulphides.

10.0 EXPLORATION

The pre-2009 exploration is summarized under History (Section 6, Table 6.1) and was also described in detail in Micon's (2009) previous report. The following outlines results of the most recent exploration campaigns which follow Micon's (2009) recommendations.

10.1 2009-2010 EXPLORATION

Recent exploration programs reflect implementation of Micon's 2009 recommendations.

10.1.1 QA/QC

In early 2009, Spider/KWG retained Tracy Armstrong to review the assay data set, make recommendations for replicate analyses, review the analytical methods used and recommend appropriate standards and control sample methodologies to ensure quality and to recommend protocols to meet Spider/KWG's objective of rapidly acquiring the high quality data required to fully value the deposit.

Ms. Armstrong concurred with the adoption of XRF as the project's standard method for chrome analyses. She identified several problematic batches which were re-analyzed, and she designed comprehensive QA/QC protocols and supervised the preparation and certification of standard materials (BD-1, DB-2 and BD-3) prepared from coarse rejects from previously submitted samples.

10.1.2 Evaluation of PGE – Potential of Hanging Wall Pyroxenite

During the late summer of 2009, Howard Lahti completed a comprehensive resampling program focusing on PGE's in the hanging wall pyroxenite, taking almost 500 samples. These data show locally anomalous intervals containing up to 2 g/t Pt + Pd, however, there was no evidence of consistently mineralized interval that might reflect potential for a Merensky or Stillwater-style reef. Both these and subsequent data show a marked increase in PGE contents in the upper couple of sample intervals in the massive chromite.

10.1.3 Ground Geophysical Surveys

During 2009 and 2010, gravity, magnetic and pulse EM surveys were completed over the central portion of Grid J. In addition, a Max-Min survey was completed over a small oblique grid cut over the T-11 airborne target in the southwest corner of the property. A grid was also cut over the T-2 target and a hole (FW-09-45) was spotted using existing data.

In early 2009 the J grid was re-chained. Geosig (2009) then completed precise (+/- 0.1 m) Real Time Kinematic GPS levelling, gravity and gradiometer surveys. The gravity data, which were refined by modelling (e.g, Reed, 2009), show a distinct positive anomaly gaining width and magnitude from line 900 E to 1400 E and then continuing to about 2100 E where it is abruptly truncated. Total magnetic intensity data show broad areas lying adjacent to and immediately north of the gravity anomaly.

In late October, 2009, Crone completed pulse EM surveys based on seven loops centred on the gravity anomaly and extending to the north property boundary. Extension of the survey over the southwest corner of the property and across the creek near 2100 E was not possible due to late freeze-up. The survey detected a diffuse but persistent anomaly adjacent to and northwest of the gravity anomaly, coinciding with the total field magnetic anomaly above and earlier airborne anomalies that persist northwards across the Probe property and onto the Freewest property. Hole FW-09-46 was collared in massive chromite and drilled northwest into the sill footwall where it cut a wide interval of magnetite-bearing, serpentinized dunite containing occasional massive magnetite-filled veinlets which were found to be highly conductive.

In January, 2010 Max-Min was completed over the T-11 grid situated in the southwest corner of the property. The data collected were ambiguous. The most significant response was a broad and diffuse anomaly evident only in the higher frequencies suggesting an overburden source. No hole was completed in this area.

10.1.4 T-2 Target

The T-2 target lies on the north property boundary, extending onto the western excised claim unit. Airborne magnetic data suggested a strong, strike-parallel, magnetic feature that extends onto SKF property where it bifurcates and weakens.

A single hole, FW-09-45, tested the target, returning a broad (16 m) interval of pyritic, interflow cherts and volcaniclastics containing trace amounts of chalcopyrite in ampibolitic, fragmental volcanic strata.

10.2 DELINEATION STAGE - 2009/2010 DRILLING

Drilling was completed in two campaigns; late September to mid-November, 2009 and January to early February, 2010. A total of 32 holes were collared on the Big Daddy deposit two of which did not reach the deposit hanging wall. One, FW-09-44, was abandoned due to poor drilling conditions. The second, FW-10-52, was suspended at 195 m prior to intersecting mineralization due a blockade by First Nations.

Holes were spotted and aligned relative to grid pickets. Routine down hole directional surveys with Flexit and Deviflex suggested minimal deviation (<6 m/100 m). North-seeking gyro surveys, run on several casings, generated refined initial azimuths and reported drooping of casings due to low-strength overburden. All casings were subsequently surveyed using a Timble Pro-XRT with an Omni Real-Time Correction (RTC) signal activated, providing accuracies of better than +/-0.4 m.

Logging was enhanced with the adoption of a standard project legend, adoption of GeoTic© for data capture and use of a Niton hand-held XRF to aid discrimination of chromite grade. In addition magnetic susceptibility, specific gravity, recovery, RQD and additional geotechnical parameters were collected for all holes.

Initial holes (2009) designed to confirm continuity of the deposit were drilled in pairs on sections 100 m apart. Eventually, a third deep hole was added. Intermediate (50 m spacing) holes were added where additional hanging and footwall contacts were required. Many of the in-fill holes that Micon will recommend had been planned for the 2010 campaign but were not drilled due to delays and uncertain supplies due to the blockade initiated by the communities of Marten Falls and Webequie.

Eventually 32 drill holes were completed with between two and four holes per section, spaced 50 or 100 m apart. Section lines are 100 m apart. The layout is depicted in Figures 11.1 and 17.2 and covered a total strike length of 1 km down to a maximum depth of about 365 m.

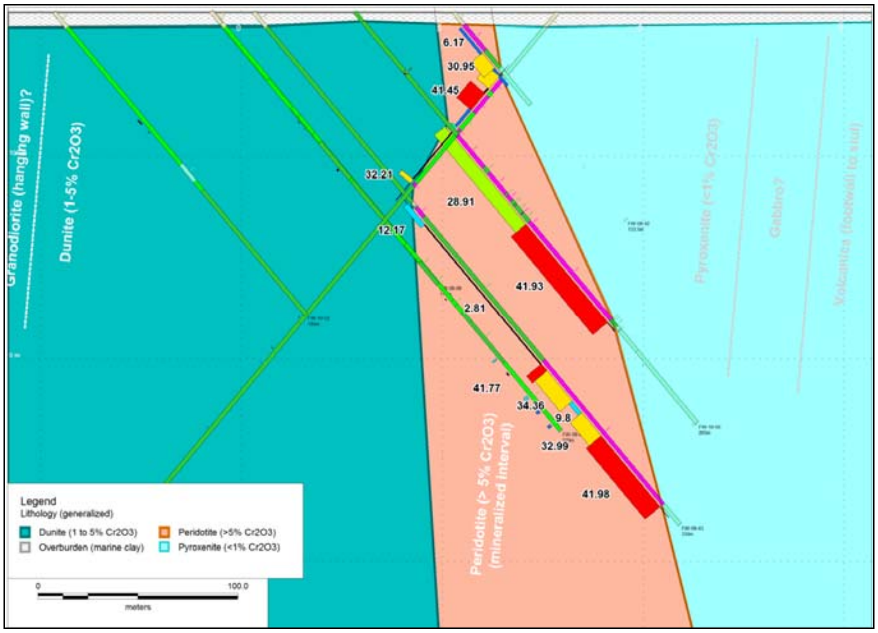
10.3 INTERPRETATION OF EXPLORATION INFORMATION

Although the geophysical techniques were initially aimed at identifying VMS and MMS targets, they were effective firstly in identifying the highly magnetic peridotitic phase of the McFaulds Lake Sill which contains the chromite mineralization, and secondly, in defining the potential chromite zone due to its high density characteristic. The strike lengths of the magnetic anomaly and gravity anomaly match the strike length of the chromite zone; furthermore, the intensity of the gravity anomaly is proportional to the thick massive chromite zone.

Drilling results indicate that the bulk of the Big Daddy deposit consists of massive chromite averaging 40% Cr_2O_3 with Cr/Fe ratio of approximately 2. The thickness of the deposit is variable but averages 17 m and 12 m for the southwest segment (BD 1) and northeast segment (BD 2), respectively. Both segments of the deposit remain open down dip and have yet to be closed off along strike.

The interpreted geology of the Big Daddy deposit is shown in Figure 7.3. A typical section of the deposit is shown in Figure 10.1.

Figure 10.1
Section 19+00 E (looking northeast) showing Pyroxenite cutting down into Massive Chromite Interval. Coloured bars below drill hole traces show chromite-bearing intervals with values below. Section is 400 m long



11.0 DRILLING

The layout and extent of drill holes covering the Big Daddy deposit is shown in Figure 11.1. Details for each hole are given in Table 11.1.

11.1 2004, 2006 AND 2008 DRILLING CAMPAIGNS

The initial diamond drilling on the SKF claims was conducted in the winter of 2004. In that year, drill hole FW-04-01 was completed in claim block 3008793 (H Grid). Drill hole FW-06-02 (H Grid) and discovery hole FW-06-03 and hole FW-06-04 in claim P 3012253 (J Grid) were drilled in 2006.

The test drilling operations were suspended during 2007 and then revived in the winter of 2008. Between January and December, 2008, nineteen NQ drill holes (6,098 m) were completed on three targets on the Big Daddy claim (J Grid). The drilling completed during this phase defined chromite mineralization over a strike length of 400 m.

11.2 2009/2010 DRILLING CAMPAIGN

A total of 32 holes directed at the Big Daddy deposit (J Grid) were drilled during the 2009/2010 drill campaign. This drilling tested the chromite mineralization to a vertical depth of about 365 m and increased the known strike length of the mineralization from 400 m to about 1,200 m.

11.3 DRILLING PROTOCOLS

11.3.1 Spotting and Surveying of Drill Collars

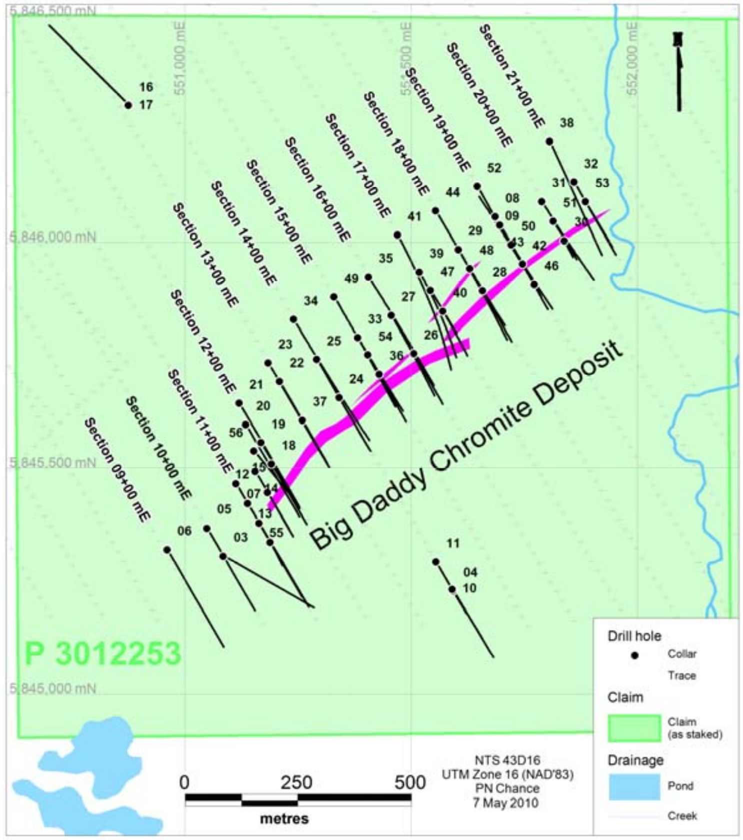
Collars were spotted relative to the 100 m cut lines. In early 2009, the J grid was re-cut and 25 metre-spaced pickets re-chained. Picket coordinates were located by GPS (Trimble GeoXH with post processing using an identical unit as a local base station (positional error is ±0.1 m)) and Trimble ProXRT with Omnistar real time correction (error is ±0.4 m). All coordinates are reported as metres in UTM Zone 16, NAD'83 datum. Elevations are reported as distance above sea level.

Cut lines and many pre-2009 drill pads are also visible on a Quickbird satellite image (circa summer 2008). All data points coincide within approximately 1 m.

Drill hole collars were spotted relative to the cut, J grid and azimuths were taken to be those of the cut lines. Initial collar dips were set using a builders' inclinometer. Azimuths and dips are reported in degrees.

Upon completion of drilling, all collars were surveyed using a pole-mounted, Trimble ProXRT GPS receiver. Buried casings were located using a magnetic pin finder.

Figure 11.1
Plan Showing all Drill Holes Covering the Big Daddy Deposit



Note: The deposit is shown in purple colour

Table 11.1
List of Drill Holes Drilled on SKF Property (2004 – 2010 Programs) (UTM Zone 16, NAD'83)

DDH Id	UTM_E	UTM_N	Elevation	Length	Grid	Line	Station	Azimuth	Dip
FW-04-01	555535.0	5846609.0	170.0	190.5	H	37+00 mS	05+50 mE	130.0	-45
FW-06-02	555368.0	5845849.0.	170.0	197.0	H	30+00 mE	09+00 mS	130.0	-50
FW-06-03	551084.5	5845307.3	174.0	353.5	J	10+00 mE	15+28 mN	150.6	-50
FW-06-04	551592.9	5845230.2	170.8	254.0	J	14+00 mE	12+01 mN	329.1	-50
FW-08-05	551048.2	5845369.3	174.7	327.0	J	10+00 mE	16+01 mN	151.1	-50
FW-08-06	550960.2	5845321.7	173.8	384.0	J	09+06 mE	16+00 mN	155.9	-50
FW-08-07	551138.6	5845423.6	172.9	405.7	J	11+00 mE	16+00 mN	149.6	-50
FW-08-08	551685.8	5846058.5	171.3	270.0	J	19+01 mE	18+72 mN	150.7	-50
FW-08-09	551685.4	5846059.1	171.6	176.0	J	19+01 mE	18+73 mN	150.7	-65
FW-08-10	551590.7	5845233.9	170.9	312.0	J	14+00 mE	12+06 mN	149.9	-50
FW-08-11	551554.3	5845294.9	170.7	309.0	J	14+00 mE	12+76 mN	149.2	-50
FW-08-12	551112.6	5845468.1	173.1	354.0	J	11+00 mE	16+51 mN	149.9	-50
FW-08-13	551163.3	5845380.4	172.8	297.0	J	10+99 mE	15+50 mN	150.5	-50
FW-08-14	551181.9	5845448.6	173.6	189.0	J	11+50 mE	16+00 mN	150.3	-50
FW-08-15	551154.8	5845495.5	172.1	240.0	J	11+50 mE	16+50 mN	147.7	-50
FW-08-16	550875.0	5846305.0	174.0	372.0	J	13+19 mE	24+97 mN	315.0	-50
FW-08-17	550875.0	5846305.0	174.0	376.0	J	13+19 mE	24+97 mN	315.0	-65

DDH Id	UTM_E	UTM_N	Elevation	Length	Grid	Line	Station	Azimuth	Dip
FW-08-18	551190.7	5845511.9	171.4	255.0	J	11+93 mE	16+50 mN	155.0	-50
FW-08-19	551167.7	5845558.9	171.8	273.0	J	11+97 mE	17+02 mN	145.4	-50
FW-08-20	551134.0	5845599.0	174.0	375.0	J	11+88 mE	17+55 mN	150.0	-50
FW-08-21	551119.3	5845646.5	172.3	447.0	J	12+00 mE	18+04 mN	150.6	-50
FW-08-22	551208.6	5845694.5	172.2	330.0	J	13+00 mE	18+02 mN	149.8	-50
FW-08-23	551183.6	5845735.8	172.4	424.0	J	12+99 mE	18+50 mN	145.8	-50
FW-09-24	551340.5	5845658.8	171.6	219.0	J	14+00 mE	17+00 mN	150.1	-50
FW-09-25	551290.9	5845743.4	172.0	339.0	J	14+00 mE	18+09 mN	148.6	-50
FW-09-26	551505.6	5845756.7	171.4	207.0	J	16+00 mE	16+98 mN	150.7	-50
FW-09-27	551455.7	5845840.7	171.5	321.0	J	16+00 mE	18+00 mN	149.7	-50
FW-09-28	551657.6	5845895.6	171.0	207.0	J	18+00 mE	17+45 mN	150.7	-50
FW-09-29	551603.9	5845986.4	171.3	368.0	J	18+00 mE	18+49 mN	149.4	-50
FW-09-30	551838.4	5846005.7	170.4	65.0	J	20+00 mE	17+51 mN	150.2	-50
FW-09-31	551788.6	5846092.2	171.1	339.0	J	20+01 mE	18+52 mN	148.4	-50
FW-09-32	551859.5	5846135.2	169.8	291.5	J	21+00 mE	18+50 mN	150.1	-50
FW-09-33	551381.9	5845791.6	172.7	267.0	J	15+00 mE	17+95 mN	149.6	-50
FW-09-34	551239.8	5845831.8	171.8	468.0	J	14+00 mE	19+02 mN	150.3	-50
FW-09-35	551405.3	5845925.7	171.7	429.0	J	16+00 mE	18+98 mN	150.2	-50
FW-09-36	551429.4	5845710.4	172.6	192.0	J	15+00 mE	17+01 mN	150.2	-50
FW-09-37	551259.4	5845608.0	172.2	175.0	J	13+00 mE	17+01 mN	150.4	-50
FW-09-38	551805.9	5846225.5	171.2	423.0	J	20+99 mE	19+55 mN	150.7	-50
FW-09-39	551517.7	5845936.5	171.9	328.0	J	17+01 mE	18+50 mN	149.5	-50
FW-09-40	551569.6	5845849.9	171.2	175.5	J	17+00 mE	17+49 mN	150.0	-50
FW-09-41	551469.6	5846018.6	171.8	490.5	J	17+01 mE	19+46 mN	150.9	-50
FW-09-42	551745.9	5845954.4	171.0	133.5	J	19+00 mE	17+51 mN	150.5	-50
FW-09-43	551696.0	5846040.5	171.1	330.0	J	19+01 mE	18+51 mN	150.7	-50
FW-09-44	551553.8	5846071.9	171.4	423.0	J	18+00 mE	19+49 mN	149.7	-50
FW-09-45	552792.0	5846549.0	174.0	228.0	J	31+00 mE	17+32 mN	135.0	-50
FW-09-46	551771.9	5845909.5	171.1	351.0	J	19+00 mE	16+99 mN	329.1	-50
FW-10-47	551542.3	5845896.2	171.2	177.0	J	17+01 mE	17+98 mN	149.1	-50
FW-10-48	551629.1	5845944.3	171.4	228.0	J	19+00 mE	18+02 mN	150.2	-50
FW-10-49	551329.4	5845881.5	172.1	456.0	J	15+00 mE	18+99 mN	150.2	-50
FW-10-50	551721.2	5845997.0	171.2	265.0	J	19+00 mE	18+00 mN	150.6	-50
FW-10-51	551813.5	5846048.9	170.3	156.0	J	20+00 mE	18+02 mN	148.8	-50
FW-10-52	551645.8	5846126.2	171.1	195.0	J	19+00 mE	19+50 mN	150.8	-50
FW-10-53	551884.7	5846091.9	169.5	182.0	J	20+99 mE	18+01 mN	149.3	-50
FW-10-54	551404.3	5845753.3	172.4	210.0	J	15+00 mE	17+51 mN	150.4	-50
FW-10-55	551188.2	5845338.3	173.7	95.0	J	11+00 mE	15+00 mN	153.1	-50
FW-10-56	551151.9	5845540.2	173.3	241.0	J	11+70 mE	16+94 mN	140.7	-50

11.3.2 In-hole Directional Surveys

In-hole deviations were determined using one of three instruments; Flexit, Deviflex and north-seeking gyro. The Flexit employs a pendulum for inclinations and a magnetic compass to measure azimuth. Magnetic azimuth data are not usable due to the prevalence of magnetite in the sill. The Deviflex employs a pendulum for inclination and deformation of a flexible tube to estimate deflection. The instrument is deployed inside the drill string and is run through the entire hole to correctly estimate deviation. A north-seeking gyro was used to determine the down-hole deviation parameters of 12 holes. Once set, the gyro provides both the dip and azimuth for each station down the hole. Plans to complete both Deviflex and north-seeking gyro readings on a number of holes to assess the quality of the methods were not possible due to scheduling and equipment issues.

A review of results suggests that maximum deviations are less than 6 m per 100 m in both azimuth and dip.

11.4 SUMMARY AND INTERPRETATION OF THE RESULTS OF THE DRILLING COMPLETED ON THE BIG DADDY DEPOSIT

Forty-two drill holes intersected chromite mineralization. All but three intersections (FW-06-03, FW-09-46 and FW10-56) were in holes collared at a 150° azimuth and -50° dip, thus footwall and hanging wall pierce points are evenly distributed providing good control on the mineralized envelopes.

Core recoveries were excellent particularly for the mineralized intercepts. Table 11.2 provides the composite assay results obtained from drill intersections >25% Cr_2O_3 on the Big Daddy deposit. An interpretation of the geometry of the deposit in plan view is given in Figure 11.1

The deposit consists of two segments, BD 1and BD 2 (Figure 17.2) and each segment comprises principal and subsidiary massive chromite bodies. The major massive chromite trends between 050 degrees and 060 degrees following the trend of the gravity anomaly. Based on the current drilling, the main mass of the Big Daddy deposit covers a strike length of 1 km and averages 17 m and 12 m in true thickness for BD 1 and BD 2, respectively. The mineralization has been tested to a vertical depth of about 365 m and remains open down dip and along strike.

Table 11.2

Big Daddy : Drill Intercept Summary (>25% Cr_2O_3)

Hole #	Section	Station	Azimuth	Dip	Length	Intercepts								
						From (m)	To (m)	Length (m)	Pd ppb	Pt ppb	Cr_2O_3 %	Fe %	Fe_2O_3 %	Cr:Fe
FW-08-05	10+00 E	1600 N	150°	50° SE	327	251.20	264.00	12.80	101	86	**25.18**		16.68	1.48
						264.00	270.00	6.00	49	41	**34.03**		18.69	1.78
						291.40	298.85	7.45	31	90	**37.00**		22.68	1.60
FW-08-07	11+00 E	1600 N	150°	50° SE	405.7	194.35	205.90	11.55	440	321	**28.63**	14.74		1.33
						209.80	223.20	13.40	88	186	**33.92**	18.67		1.24
FW-08-12	11+00 E	1650 N	150°	50° SE	354	228.25	240.00	11.75	407	177	**34.36**		21.99	1.53
						252.25	260.70	8.45	272	199	**33.23**		25.55	1.27
FW-08-13	11+00 E	1550 N	150°	50° SE	297	74.30	102.00	27.70	138	186	**33.06**		17.29	1.87
						116.35	142.15	25.80	283	205	**34.76**		24.34	1.40
FW-08-14	11+50 E	1600 N	150°	50° SE	189	36.25	81.00	44.75	166	189	**39.30**		20.27	1.90
						81.00	103.50	22.50	201	154	**26.64**		18.54	1.41
FW-08-15	11+50 E	1650 N	150°	50° SE	240	160.15	171.30	11.15	171	146	**34.41**		24.14	1.39
FW-08-18	12+00 E	1650 N	150°	50° SE	255	44.90	46.50	1.60	291	177	**31.77**		25.08	1.24
						104.70	136.60	31.90	67	88	**37.60**	15.61		1.65
FW-08-19	12+00 E	1700 N	150°	50° SE	273	141.50	144.10	2.60	222	199	**31.32**	13.79		1.55
						160.85	161.95	1.10	54	59	**32.16**	20.00		1.10
						183.00	229.50	46.50	189	212	**37.18**	15.30		1.66
FW-08-20	12+00 E	1750 N	150°	50° SE	357	260.10	263.70	3.60	173	153	**31.60**	14.30		1.51
						304.30	336.95	32.65	168	218	**39.56**	14.37		1.88
FW-08-21	12+00 E	1800 N	150°	50° SE	447	376.00	385.80	9.80	67	122	**37.33**		23.23	1.57
						405.00	417.00	12.00	105	144	**35.46**		21.99	1.58
FW-08-22	13+00 E	1800 N	150°	50° SE	330	256.05	262.65	7.60	247	260	**28.55**	10.34		1.89
						263.65	298.50	34.85	170	194	**42.08**	15.92		1.81
FW-08-23	13+00 E	1850 N	150°	50° SE	424	332.30	337.50	5.20	526	297	**37.36**	15.04		1.70
						337.30	351.50	14.00	133	157	**24.54**	11.41		1.47
						351.50	378.00	26.50	98	178	**38.78**	14.92		1.78
FW-09-24	14+00 E	1700 N	150°	50° SE	219	73.50	80.30	6.80	264	229	**41.01**		21.10	1.90
						100.87	132.20	31.33	167	230	**40.63**		23.40	1.70
FW-09-25	14+00 E	1800 N	150°	50° SE	339.5	232.10	270.35	38.25	167	231	**41.63**		21.04	1.94

						Intercepts								
FW-09-27	16+00 E	1800 N	150°	50° SE	321	173.30	186.80	13.50	282	245	**36.32**		20.77	1.71
						208.00	246.80	38.80	204	216	**42.99**		20.99	2.00
FW-09-28	18+00 E	1750 N	150°	50° SE	207	38.70	61.10	22.40	117	200	**41.30**		22.16	1.82
FW-09-29	18+00 E	1850 N	150°	50° SE	368	117.00	136.00	19.00	496	231	**40.02**		19.92	1.97
						226.00	230.70	4.70	456	267	**37.90**		20.39	1.82
						234.75	244.30	9.55	319	386	**38.33**		19.70	1.90
						248.60	323.75	75.15	234	248	**43.40**		21.26	2.00
FW-09-30	20+00 E	1750 N	150°	50° SE	77	24.10	32.75	8.65	263	257	**40.92**		22.61	1.77
FW-09-31	20+00 E	1850 N	150°	50° SE	339	207.00	214.50	7.50	184	218	**41.61**		20.49	1.99
						220.50	225.00	4.50	253	390	**36.46**		19.36	1.84
						235.90	264.50	28.60	179	215	**40.26**		19.80	1.99
FW-09-32	21+00 E	1850 N	150°	50° SE	291.5	180.90	186.00	5.10	301	238	**40.78**		22.57	1.77
						188.00	196.15	8.15	270	280	**38.50**		21.45	1.76
						200.60	206.60	6.00	215	190	**37.55**		21.79	1.69
FW-09-33	15+00 E	1800 N	150°	50° SE	267	195.00	203.70	8.70	289	185	**29.92**		22.25	1.32
						203.70	205.60	1.90	198	194	**34.89**		25.86	1.32
						207.60	210.00	2.40	145	197	**29.25**		23.45	1.22
						210.00	221.00	11.00	115	195	**40.29**		25.63	1.54
FW-09-34	14+00 E	1900 N	150°	50° SE	468	343.50	363.00	19.50	235	228	**33.17**		18.38	1.76
						383.50	415.22	32.72	247	252	**41.25**		20.93	1.93
FW-09-35	16+00 E	1900 N	150°	50° SE	429	349.16	355.50	6.34	259	345	**36.95**		28.80	1.25
						364.50	399.00	34.50	318	270	**41.15**		21.25	1.89
FW-09-36	15+00 E	1800 N	150°	50° SE	192	9.80	21.00	11.20	122	179	**40.14**		21.12	1.86
						24.90	38.00	13.10	139	235	**31.22**		20.39	1.50
						47.65	96.00	48.35	162	231	**41.35**		22.03	1.84
FW-09-37	13+00 E	1700 N	150°	50° SE	171	100.00	114.40	14.40	168	200	**41.07**		22.35	1.80
FW-09-38	21+00 E	1950 N	150°	50° SE	423	263.00	266.00	3.00	622	269	**34.10**		22.92	1.46
						390.50	398.00	7.50	240	201	**39.38**		24.58	1.57
FW-09-39	17+00 E	1850 N	150°	50° SE	328	119.10	124.50	5.40	406	206	**36.96**		21.84	1.66
						124.50	138.00	13.50	237	89	**33.44**		21.30	1.54
FW-09-40	17+00 E	1750 N	150°	50° SE	175	79.50	83.60	4.10	240	291	**34.62**		22.76	1.49
						87.40	102.20	14.80	150	225	**43.11**		20.95	2.01
FW-09-41	17+00 E	1950 N	150°	50° SE	490.5	234.00	235.50	1.50	311	173	**36.41**		28.53	1.25

						Intercepts								
						262.50	265.50	3.00	339	208	**33.39**		25.52	1.28
						319.50	320.60	1.10	782	257	**31.38**		23.23	1.32
FW-09-42	19+00 E	1750 N	150°	50° SE	133.5	25.50	31.50	6.00	115	210	**36.01**		20.32	1.73
						32.70	35.90	3.20	53	211	**39.45**		20.69	1.87
FW-09-43	19+00 E	1850 N	150°	50° SE	330	225.00	249.00	24.00	190	260	**35.75**		18.99	1.84
						260.00	317.00	57.00	216	241	**40.52**		20.73	1.91
FW-09-44	18+00 E	1950 N	150°	50° SE	423	281.35	314.00	32.65	508	252	**36.33**		19.11	1.86
FW-09-46	19+00 E	1700 N	330°	50° NW	350	43.00	51.10	8.10	117	211	**34.28**		20.39	1.64
						54.10	64.70	10.60	162	203	**41.45**		19.70	2.06
						109.50	112.00	2.50	525	220	**32.21**		19.77	1.59
FW-09-47	17+00 E	1800 N	150°	50° SE	177	66.00	76.20	10.20	297	135	**34.06**		22.34	**1.49**
FW-09-48	18+00E	1800 N	150°	50° SE	228	8.90	10.75	1.85	521	276	**40.44**		21.13	**1.87**
						13.65	28.50	14.85	299	149	**39.52**		21.41	**1.81**
						126.20	132.00	5.80	218	205	**37.79**		20.84	**1.77**
						136.93	144.10	7.17	186	330	**36.29**		20.61	**1.72**
						148.00	180.40	32.40	137	233	**42.51**		21.52	**1.93**
FW-10-49	19+00 E	1900 N	150°	50° SE	456	337.40	338.65	1.25	748	370	**41.47**		23.45	1.73
						346.30	403.30	57.00	237	259	**40.52**		20.58	1.93
FW-10-50	16+00 E	1800 N	150°	50° SE	256	79.50	100.00	20.50	241	243	**38.00**		19.19	1.94
						103.75	124.65	20.90	285	329	**38.13**		19.53	1.91
						135.00	198.30	63.30	211	237	**41.93**		20.97	1.96
FW-10-51	20+00 E	1800 N	150°	50° SE	156	111.55	116.00	4.45	169	226	**40.41**		20.82	1.90
						118.50	133.40	14.90	308	273	**41.02**		22.54	1.78
FW-10-53	21+00 E	1800 N	150°	50° SE	182	99.10	106.75	7.65	176	241	**40.52**		21.95	1.81
FW-10-54	19+00 E	1750 N	150°	50° SE	210	137.60	142.70	5.10	255	267	**26.70**		18.87	1.38
						155.00	181.80	26.80	124	212	**41.46**		22.31	1.82
FW-10-55	11+00 E	1500 N	150°	50° SE	95	10.70	44.00	33.30	239	209	**37.18**		21.21	1.72
FW-10-56	11+50 E	1750 N	150°	50° SE	240	146.67	147.62	0.95	84	191	**37.60**		24.60	1.50
						173.61	223.02	49.41	225	239	**37.86**		20.10	1.84

Notes: 1.Intercept lengths do not equal true widths. 2. Intercepts are as averaged by J. Burns of Spider. 3. Cr:Fe ratios are averages for the intercept for the elements.

12.0 SAMPLING METHOD AND APPROACH

The core logger marked out lithologic units including mineralized intervals. A Niton hand-held XRF was used to more precisely locate assay cut-off (<5% Cr_2O_3) and grade-range limits. Generally the entire mineralized interval plus a minimum of five intervals (~7.5 m) into sub-cut-off material were sampled. In a few places, wide (>20 m) sections containing <5% Cr_2O_3 were encountered within the broadly mineralized zone and were not sampled.

The geologist then marked out end points of sample intervals. All sample intervals were selected within geologically-defined intervals of uniform lithology (including alteration and structure) and then of consistent grade, finally selecting samples of ~1.5 m length. Lower grade "shoulders" on massive intervals and rare lower grade intervals within massive material were sampled separately to ensure that true grade-thickness profiles were captured. A few sample intervals were as short as 0.3 m.

In view of the wide intervals of consistently high grade material, geologists tended to synchronize sample start or finish positions with driller's blocks providing for great uniformity in the sampling process and allowing for consistency between geotechnical and chemical parameters. Once the sample intervals were selected, sample tags were inserted and sample descriptions recorded.

A technician then completed geotechnical observations including core photography, magnetic susceptibility, specific gravity (SG), recovery and RQD, after which samples were cut and packed. The sample cutters maintained a sample log which provided a means of verifying values entered by the logger.

Core cutting was carried out using diamond-embedded blades in a separate tent. Cutters wore face masks, gloves and glasses while the saw mist was vented from the tent. Core cuttings were accumulated and backhauled to a licensed landfill.

Samples were cut by batch, so that each batch was checked, packed and sealed before the next was started.

Samples were placed in 20 L plastic pails, in rice bags, sorted by batch position. Each rice bag (one per pail) was sealed with a numbered locking tag (Figure 12.1). The lid was then secured with locking ties inserted through drilled holes to avoid separation in transit. Samples were shipped by batch (typically three pails).

Pails were transported to Nakina, stored in a secure warehouse and then shipped by bonded carrier to Actlabs in Thunder Bay. Upon receipt Actlabs issued work orders by which the batch was tracked to completion.

The sampling process and data capture, evolved over the 2009/2010 drilling program, such that an already low error rate was reduced to near zero. In addition the grade of each interval as, visually estimated by the logger, may be validated against the specific gravity and checked on core photos.

Micon comments

Micon believes that the insertion of at least two standards in each sample batch and the monitoring of the analytical results by an independent consultant (i.e. Ms. Tracy Armstrong, P. Geo. – see Section 14) add confidence that the assays reported are reliable.

Given that down-hole surveys were conducted using appropriate methodology and equipment, and that core recoveries were good as described in Section 11, there are no factors known to Micon which might materially impact on the reliability of the results reported by Spider/KWG. The down-hole surveys and good core recoveries also ensured that samples are representative of the deposit.

A summary of the results of the composite samples is given in Table 11.2.

Figure 12.1
Sealed Rice Bags Being Placed into Pails

13.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

All on-site at McFaulds Lake sample handling and preparation were carried out by Billiken Management Services under the supervision of Qualified Persons (Lahti and Chance). At no time were employees, officers, directors or agents of Spider, KWG or Freewest involved in the sample selection, preparation and shipping process beyond exercising oversight to ensure that established protocols were being observed.

13.1 QUALITY CONTROL MEASURES BEFORE DISPATCH OF SAMPLES

13.1.1 Pre-2008 Drill holes and Samples

All pre-2008 drill holes and samples were purely of a reconnaissance nature designed to test geophysical anomalies for a variety of metals and no specific QA/QC measures were instituted for those samples.

13.1.2 2008 Analyses

During the 2008 drilling and sampling campaign, Howard Lahti, PhD, P. Geo. instituted an initial QA/QC program which involved inserting split duplicates and blanks in the sample stream.

13.1.3 2009-2010 Analyses

In March, 2009, Spider retained Tracy Armstrong, P. Geo., to institute a comprehensive QA/QC program which was achieved in two parts. First, samples were assigned to specific positions in batches of 35, leaving space for the laboratory to insert internal controls. Company control samples comprised two or three certified standards (Table 13.1), a project "blank", split, coarse reject and pulp duplicates. There were typically six QA/QC samples in each batch of 35.

Table 13.1
Standards Used During 2009/2010 Drilling and Re-sampling Programs

Standard	Cr_2O_3 (%)	Ni (%)	Pb (ppb)	Pt (ppb)	Au (ppb)	Source
OREAS 73A	1.69*	1.41	78	64	14	Ore Research, Australia
SARM 8	48.90					Mintek, South Africa
BD-1	21.60	0.124	182	177		CDN Resource Lab (custom)
BD-2	30.23	0.001	232	261	10.6	CDN Resource Lab (custom)
BD-3	40.75	0.097	234	197		CDN Resource Lab (custom)
PGMS 16			4,660	1,230	1120	CDN Resource Lab (custom)

* Cr (acid digestion)

Other than the insertion of QA/QC samples into sample batches, packing and dispatching the batches from McFaulds Lake, no other task was performed by employees of Billiken.

13.2 LABORATORY DETAILS

All Cr_2O_3 analyses completed in 2009 and 2010 were carried out by Activation Laboratories Ltd. (Actlabs) the principal office of which is in Ancaster, Ontario. Since February 27, 1998 Actlabs has been certified (accredited laboratory number 266) by the Standards Council of Canada as a mineral analysis laboratory with specific ability to analyze Cr_2O_3 by XRF fusion as follows:

"Fusion XRF using PHILIPS PW 2400 XRF Spectrometer (Quantify 15 analytes by X-ray Fluorescence which are fused with lithium and reported in the oxide form - SiO_2, Al_2O_3, Fe_2O_3, MnO, MgO, CaO, Na_2O, K_2O, T_iO_2, P_2O_5, Cr_2O_3, Co_3O_4, NiO, Zn, Sn and Cu)." (source: www.actlabs.com).

13.3 SAMPLE PREPARATION

In 2009 and 2010 sample preparation, ICP and fire assays were completed at Actlabs Thunder Bay facility. The material pulps were shipped by bonded courier to ActLabs, Ancaster laboratory for XRF analysis.

The following summary on sample preparation was provided by Actlabs, Thunder Bay: The entire sample is crushed to a nominal minus 10 mesh (1.7 mm), mechanically split (riffle) to obtain a representative sample (about 500 g) and then pulverized to at least 95 % minus 150 mesh (105 microns). (source: www.actlabs.com).

13.4 ANALYSES

Table 13.2 summarizes the sources of Cr/Cr_2O_3 data in the database. However, only the INAA and XRF results are used in the resource estimate. The large number of ICP analyses reflect the effort made to find potential PGE-enriched intervals for which geochemical evidence suggests reasonable potential. The evolution of analytical methods used reflects the growth of the project from Cu-Zn, through Ni-Cu-PGE to chrome.

Table 13.2
Summary of Cr and Cr_2O_3 Analyses by Method

Method	Count
ICP	5,662
INAA (only)	613
INAA + XRF	377
XRF (only)	2,359

Note: The ICP count includes 505 samples taken from holes that did not intersect the sill.

13.4.1 2006/2008 Analyses

Sample pulps were shipped to Ancaster where all were analyzed by ICP using a four acid digestion (Actlabs Method 1F2, Total Digestion – ICP; Table 13.3). Designated and ICP over-limit samples were analyzed for nickel and copper by Optical Emission Spectrometry (ICP-OES). Precious metals (Au, Pd and Pt) were determined by ICP analysis of a fire assay bead. Samples reporting >1% Cr by ICP were re-analyzed by Instrumental Neutron Activation Analysis (INAA).

13.4.2 2009/2010 Cr_2O_3 Analyses

In early 2009, following a QA/QC review by Tracy Armstrong, XRF analysis of fused borate disks was adopted as the method of choice due to shorter turn-around times, greater laboratory capacity and delivery of the major element oxides and loss on ignition (LOI). A summary of the 2009/2010 analytical procedures is presented in Table 13.3.

Table 13.3
Analytical Methods for 2009-2010 Drilling and Resampling Programs

Code	Method	Description
RX1	Sample preparation	Crush (<5kg > up to 75% passing 2 mm (coarse reject), split (250 g) and pulverize (hardened steel) to 95% passing 105 µ (pulp).
1F2	Total Digestion – ICP	A 0.25 g sample is successively digested with hydrofluoric, nitric and perchloric and finally hydrochloric acids. **Chromite is partially solubilized.** Analysis by Varian Vista ICP.
1C	Exploration - Fire Assay -Au,Pd,Pt-ICP/MS	A 30 g (may be 5 to 50 gram) sample is fired to 1060 °C with fluxes (borax, soda ash, silica, litharge) and an Ag collector for a hour. The lead button is cupelled at 950°C to recover the Ag (doré bead), acid digested and the solution analyzed for Au, Pt, Pd by ICP/MS. **Smaller sample splits are used for high chromite or sulphide samples to ensure proper fluxing and metal recoveries**. LDL's & UDL's are 1 ppb & 30 g/t repectively.
4C	XRF Fusion – XRF	The sample is roasted 1050°C for 2 hours (from which LOI is determined), a glass is formed by fluxing a portion of the roasted material with lithium borate flux. The glass is analyzed on a Panalytical Axios Advanced wavelength dispersive XRF. **The limit of detection is about 0.01 wt% for most of the elements including Cr_2O_3.**

Source: http://www.actlabs.com/list.aspx. (30 March 2010)

13.4.3 INAA versus Fusion XRF

Prior to 2009 INAA was the analytical method of choice due to perceived problems with fusions and limitations of acid digestions. XRF analysis of borate glass disks was adopted as a result of limited reactor capacity (required to irradiate samples), slow turn around time due to the delay between irradiation and counting and the importance of other major element oxides in characterizing potentially marketable products. These changes reflected the suggestions of a chromite expert (S. McQuade, personal communication, 2009).

Some cross-check analyses conducted under the supervision of independent consultant Tracy Armstrong, P. Geo., showed that the INNA and Fusion-XRF methods yielded the same result for Cr_2O_3. However, other than the problems associated with INAA already mentioned above, the latter was more preferable as it gave a quicker turn around.

13.4.4 Laboratory In-house QA/QC

The ActLabs in-house analytical QA/QC procedures include the following:

- Use of certified reference materials.
- Routine duplicate analyses.
- Use of blanks.
- Participation in round robin analytical exercises.

13.5 SECURITY

A chain of custody was maintained on dispatching the samples to the laboratory. Samples were shipped in complete batches (typically three pails) by backhaul flights to Nakina where they were stored in Nakina Air Services' secure warehouse before being shipped by bonded carrier to Actlabs facility in Thunder Bay.

Upon receipt of the samples in Thunder Bay, ActLabs personnel verified that seals were intact, checked the samples against the included packing slip and entered the batch into LIMS and forwarded a batch receipt, including the batch work order, to the sender, Ms. Armstrong, the client and Billiken's management and database manager. Any discrepancies were checked with the source prior to entry into LIMS. The laboratory's performance on control samples was monitored on a batch by batch basis by Tracy Armstrong, P.Geo. Ms. Armstrong "green-lighted" batches as received and compiled her analyses in reports issued approximately monthly and sent to Spider and copied to Billiken. An example of Ms. Armstrong's reports is in Appendix 2.

Micon Comments

Micon is satisfied that the sample preparation, security and analytical procedures follow the current CIM exploration best practices guide lines. This ensures credibility of the analytical results used for the resource estimate.

14.0 DATA VERIFICATION

14.1 INTRODUCTION

The data verification conducted by Micon comprised four separate phases as follows:

- Laboratory visit.
- Site visit to the Big Daddy chrome project area at the close of the initial 2008 drilling phase.
- Site visit to the Big Daddy chrome project area during the latter half of the 2009/2010 drilling campaign.
- Resource database validation prior to conducting the resource estimate.

The first two items above were completed in conjunction with the previous 43-101 report (Gowans and Murahwi, 2009). The second two items support the current report and are described below.

14.2 SITE VISIT (OCTOBER, 2009)

14.2.1 Overview

Micon conducted a second site visit to the Big Daddy chromite project area on October 22, 2009 primarily to review QA/QC procedures, the construction of the resource database and at the same time to provide guidance in geotechnical logging of drill cores. In line with Micon's recommendations contained in the March 31, 2009 Technical Report, the SKF project personnel were found to have introduced stringent QA/QC measures under the guidance of QA/QC specialist Tracy Armstrong, P. Geo. These measures include the use of standards (certified reference materials) and blanks and monitoring of the performance of the standards and blanks on a real time basis. Ms. Armstrong also carried out a random selection of some pulps of the earlier (2008) analyses for repeat analyses.

14.2.2 SG Determinations

Another important component for the second site visit was verification of the tonnage factor.

Specific gravities were determined using a Totalcomp strain gauge attached to a control unit generally following ASTM standard D5779 – 08. The strain gauge (Figure 14.1) was attached to a bracket on a length of casing driven into the overburden and thus isolated from the core shack floor. A basket allowed pieces of core to be suspended in air and then in water.

The operator selected intact pieces of core from each sample interval determined, numbering them in advance to aid correct replacement in the core tray. The apparatus was well damped such that the mass settled to ±0.001 kg in less than a couple of seconds. The masses in air and water were entered in a customized spreadsheet into which a correction for the buoyancy of the apparatus in water was inserted, the mass in air having been tared out. Initially the specific gravities of all mineralized intervals and adjacent wallrock were determined. Over the course of the project the frequency was reduced to every third mineralized and sixth un-mineralized interval with additional determinations across grade changes. A total of 2,216 observations were eventually made.

Figure 14.1
Technician Working the Totalcomp Strain Gauge

14.3 RESOURCE DATABASE VALDATION

The resource database validation conducted by Micon involved the following steps:

- Checking for any non-conforming assay information such as duplicate samples and missing sample numbers.

- Verifying collar elevations against survey information for each drill hole.

- Verifying collar coordinates against survey information for each drill hole.
- Verifying the dip and azimuth against survey information for each hole.
- Comparing the database assays and intervals against the original assay certificates and drill logs.

Some minor discrepancies were noted with duplication of sample intervals where duplicate analyses had been conducted. The necessary corrections were made.

14.4 CONCLUSIONS ON DATA VERIFICATION

Based on the foregoing data verification exercises, Micon is satisfied that the database used for the resource estimate in this Technical Report was generated in a credible manner and is representative of the main characteristics of the Big Daddy chromite deposit.

As described in its 2009 Technical Report, Micon had previously taken samples of core and of assay rejects which confirmed the presence of chromite at the grades reported for the Big Daddy deposit.

15.0 ADJACENT PROPERTIES

The following is a description of the properties adjacent to and within the environs of the Big Daddy deposit (Figure 15.1). The resources quoted below, with the exception of Black Thor, are taken from NI 43-101 compliant reports filed on SEDAR. The Black Thor estimate was reported in a press release (January 14, 2010) and the report, which states that it is NI 43-101 compliant, was obtained from Freewest's website in late January, 2010.

Micon has not independently verified the information contained in this section. Micon notes that the information is not necessarily indicative of the character and tenor of mineralization on the Big Daddy property.

15.1 CHROMITE

15.1.1 Black Thor / Black Label

The Black Thor and Black Label chromite deposits (owned by Freewest) are approximately 3 km northeast of the Big Daddy deposit. In early December, 2009 Freewest announced an initial resource estimate on its Black Thor and Black Label chromite properties (Table 15.1).

Table 15.1
Resource Estimate by the Sibley Basin Group Ltd. (A. Aubut, 2009)
All resources are in the inferred category

Tonnes (millions)	Grade % Cr_2O_3	Cut-Off (% Cr_2O_3)
121.9	27.8	20
69.6	31.9	25
36.1	36.1	30
16.7	40.5	35

15.1.2 Black Creek

The Black Creek chromite deposit is adjacent to the Big Daddy deposit. During the second half of 2009, the Probe Mines/Noront Resources joint venture completed 20 holes along a 200 m long gravity anomaly situated in the southeast corner of claim P 4208219. Eleven holes (1,706 m) were drilled towards the northwest on five lines spaced 50 m apart and were completed to between 150 m and 175 m below surface (Probe, 2009; Noront, 2010).

The results of fifteen holes drilled from southeast to northwest (Table 15.2) describe a higher grade interval overlying a lower, less consistently mineralized footwall to the north. These data suggest that the deposit is comparable to the Big Daddy deposit which is the subject of this report.

Table 15.2
Black Creek intersections (Probe Mines Ltd, 2009)

Drill Hole	Section	From (m)	To (m)	Width (m)	Cr_2O_3 (%)	Cr:Fe
MJV09-18	0E	37.2	66.4	29.2	32.0	
including		37.2	54.3	17.1	41.6	
MJV09-19	0E	102.0	142.5	40.5	19.5	
including		102.0	116.5	14.5	30.0	
MJV09-20	0E	122.9	138.2	15.3	35.6	
including		124.0	131.5	7.5	40.0	
MJV09-10	50E	52.0	95.0	43.0	26.3	
including		52.0	67.0	15.0	36.1	
MJV09-03	50E	148.6	188.7	40.1	37.4	1.7
including		149.0	174.0	25.0	41.0	1.8
MJV09-04	50E	173.0	202.3	29.3	39.2	1.8
including		173.5	199.1	25.6	42.7	1.9
MJV09-12	100E	131.7	174.3	42.6	34.6	
including		131.7	153.4	21.7	43.1	
also including		166.8	174.3	7.5	41.2	
MJV09-13	100E	158.7	222.3	63.6	33.9	
including		158.7	193.4	34.7	41.4	
MJV09-14	100E	56.2	95.5	39.3	36.8	
including		56.2	80.4	24.2	42.8	
MJV09-11	150E	44.0	78.5	34.5	33.8	
including		44.0	65.0	21.0	37.4	
also including		44.0	59.0	15.0	43.7	
MJV09-05	150E	123.8	174.4	50.6	32.2	1.6
including		123.8	146.0	22.2	43.1	2.0
also including		164.4	171.4	7.0	40.3	1.9
MJV09-06	150E	160.0	224.4	62.4	34.5	1.6
including		160.0	194.0	34.0	41.4	1.8
also including		214.0	222.4	8.4	43.4	1.7
MJV09-17	200E	51.4	82.0	30.6	28.2	
including		51.4	63.5	12.1	40.5	
MJV09-15	200E	107.0	132.0	25.0	34.8	
including		107.0	119.4	12.4	43.7	
MJV09-16	200E	164.0	204.0	40.0	32.0	
including		164.0	173.0	9.0	42.4	

15.1.3 Blackbird

Noront Resources' Blackbird 1 and 2 chromite deposits are located about 6 km to the southwest of the Big Daddy deposit. The resource estimate is based on 82 diamond drill holes (out of 154 drilled) completed on a 50 m grid. The database included 13,564 samples taken over 11,700 m of core. The area drilled extended along a 1,600 m portion of the sill over a 1,600 m width. Six mineralized zones have been outlined in an 1,100 m long by 800 m wide portion of drilled area, with estimated resources as shown in Table 15.3.

Table 15.3
Summary of Blackbird resource showing all categories (Micon, 2010)

Description	Category	Tonnes x 10^6	Avg. %Cr_2O_3	Cr:Fe
BB2 Massive Chromite	Measured(M)	4.2	36.55	1.94
BB1 & BB2 Massive Chromite	Indicated (I)	3.4	36.08	1.94
BB1 & BB2 Massive Chromite	**Total M & I**	**7.6**	**36.34**	**1.94**
BB2 Massive Chromite	**Total Inferred**	**3.5**	**34.93**	**1.95**
BB2 Intercalated Chromite	Measured (M)	1.0	25.40	1.6
BB2 Intercalated Chromite	Indicated (I)	0.3	26.00	1.57
BB2 Intercalated Chromite	**Total (M & I)**	**1.3**	**25.54**	**1.6**
BB2 Intercalated Chromite	**Total Inferred**	**2.6**	**31.39**	**1.77**

15.2 Fe-Va-Ti (THUNDERBIRD)

In 2009 Noront Resources tested a prominent magnetic anomaly lying about 2 km northeast of the Freewest-Cliffs property (Figure 15.1). Three shallow holes reported about 0.5% vanadium (V_2O_5) in three ~30 m wide intersections over 900 metres of strike in ferrogabbro. The company suggests that the ferrogabbro is a more evolved portion of the McFaulds Sill.

15.3 MAGMATIC MASSIVE SULPHIDES (Ni-Cu-PGE) – EAGLE ONE

Noront Resources' (Golder Associates, 2010) current resource estimate describes mineralization as being 30 m thick, extending 125 m along strike and defined to 1,200 m below surface. Elsewhere, the company describes a series of lenses (1B, 1C, 1D, etc.,) (Noront, 2009) or informally, a "string of pearls". See Table 15.4.

The deposit is reported to be contained in a narrow feeder dyke to the McFaulds sill. The discovery was made in 2007 when Noront gained access to the property and tested coincident airborne EM and magnetic anomalies thought to be similar to those at over the McFaulds VMS deposits.

Table 15.4
Eagles Nest Resource Estimate (Golder Associates, 2010) Indicated and Inferred

	Indicated							
	CUTOFF (Ni %)	**TONNES**	**Ni %**	**Cu %**	**Pt gpt**	**Pd gpt**	**Au gpt**	**Ag gpt**
	0.5	5,943,512	2.31	1.08	1.45	3.82	0.18	3.08
	1	4,841,619	2.67	1.23	1.64	4.35	0.20	3.47
	2	2,299,495	3.98	1.71	2.28	6.03	0.24	4.50
	3	1,250,402	5.31	2.16	2.80	7.63	0.28	5.45
	4	842,337	6.21	2.52	2.81	8.90	0.33	6.31
	5	600,292	6.91	2.82	2.90	9.94	0.38	6.97
	6	399,372	7.64	3.17	2.92	11.09	0.44	7.79
	7	259,562	8.24	3.36	2.80	11.96	0.50	8.26

Inferred								
	CUTOFF (Ni %)	TONNES	Ni %	Cu %	Pt gpt	Pd gpt	Au gpt	Ag gpt
	0.5	4,050,123	1.50	0.91	0.83	3.60	0.25	3.54
	1	2,650,781	1.88	1.11	0.90	4.21	0.28	4.24
	2	685,490	3.28	1.25	0.71	5.39	0.21	4.80
	3	280,372	4.60	1.17	0.56	6.33	0.14	4.32
	4	164,931	5.40	1.19	0.52	7.14	0.12	4.43
	5	91,834	6.12	1.22	0.47	7.93	0.10	4.62
	6	44,672	6.81	1.21	0.45	8.81	0.05	4.90
	7	15,870	7.52	1.15	0.42	9.22	0.05	4.69

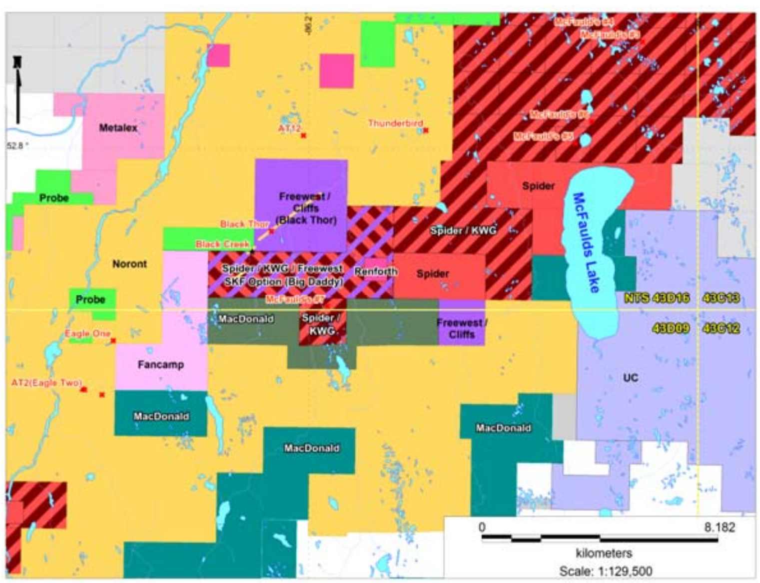
15.4 VOLCANOGENIC MASSIVE SULPHIDES (CU-ZN) – MCFAULDS DEPOSITS

In 2002 De Beers Canada discovered sulphides in a reverse circulation hole testing an isolated magnetic anomaly immediately to the north of McFaulds Lake. Spider and KWG drilled the McFaulds #1 and #3 prospects in sufficient detail to estimate resources on each deposit (Lahti, 2008). (See Table 15.5).

Table 15.5
Summary of Resources on McFaulds 1 and 3 (reported by Lahti, 2008)

Deposit	Class	t	Cu (%)	Zn (%)	Cut off	DDH	Drilled (m)
McFaulds 3	Indicated	802,000	3.75	1.10	1.5% CuEquiv	39	12,114
McFaulds 1	Inferred	279,000	2.13	0.58.	1.5% CuEquiv	15	4,715

Figure 15.1
Claim Map of the McFaulds Lake Area (as of 22 April 2010)
The SKF property is the multi-hatched area at the centre of the map



Other than the De Beers Victor diamond mine located approximately 100 km to the east, there are no producing mines in the James Bay Lowlands.

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Two phases of preliminary metallurgical testing have been completed using samples from the Big Daddy chromite deposit. The first phase comprised preliminary mineralogical, chemical and beneficiation testing by World Industrial Minerals, Arvada, Colorado, USA (WIM) in 2008.

The second phase consisted of a mineralogical and metallurgical test program undertaken by SGS Lakefield Research Limited, Lakefield, Ontario, Canada (SGS) in 2009. The metallurgical program completed by SGS was scoping in nature. It was designed to provide a preliminary indication of the metallurgical performance with regard to chromite recovery and upgrading potential of the Big Daddy mineralization.

16.1 METALLURGICAL SAMPLES

In July, 2008, quarter core samples taken from drill hole FW-08-05 were submitted to World Industrial Minerals (WIM) in Arvada, Colorado. Eight samples comprising two intervals (264.0 to 268.5 and 292 to 297 m) were tested.

Micon and Spider jointly selected the metallurgical samples in January, 2009 for the SGS test program. Eight composite metallurgical samples and twenty microprobe samples were prepared under the supervision of the Billiken's geological site team. Table 16.1 shows the sources of the metallurgical samples.

Table 16.1
SGS-L Metallurgical Samples

Sample ID	Drill Hole	No. of Intervals	Core Length (m)
Sample 2	FW-08-06	17	25.80
Sample 3	FW-08-23	17	25.50
Sample 4	FW-08-15	17	25.50
Sample 5	FW-08-18	16	24.00
Sample 6	FW-08-13	17	25.15
Sample 7	FW-08-22	16	24.35
Sample 8	FW-08-14	17	25.25
Sample 9	FW-08-12	16	20.80

The eight metallurgical composite samples, comprising split quarter drill core, were crushed, blended, assayed and tested to investigate chromite recovery and upgrading potential.

A total of 20 samples were selected for Electron Microprobe Probe Analysis (EPMA) of chromite grains identified in thin sections prepared from drill core samples. Samples were selected from drill holes FW-08-05, FW-08-12, FW-08-13, FW-08-18 and FW-08-21.

16.2 MINERALOGICAL AND CHEMICAL ANALYSIS

16.2.1 WIM Preliminary Test Program

The eight samples were submitted to DCM Science Laboratory Inc. of Wheat Ridge Colorado (DCM) for x-ray diffraction (XRD) analysis and The Mineral Lab. Inc., of Lakewood, Colorado for x-ray fluorescence (XRF) analysis. DCM also completed a petrographic study of the samples.

A summary of the XRD analytical results is presented in Table 16.2.

Table 16.2
Summary of XRD Analysis Results

Phase	17204	172405	172406	172426	172427	172428	172429	172430
Amphibole	-	-	8%	-	-	-	-	-
Chlorite	45%	45%	32%	37%	38%	36%	41%	34%
Pyroxene	5%	3%	-	-	-	-	-	-
Chromite	48%	51%	52%	61%	58%	60%	55%	50%
Talc	-	-	6%	-	2%	2%	1%	13%
Unaccounted	<5%	<5%	<5%	<5%	<5%	<5%	<5%	<5%

A summary of the XRF analytical results is presented in Table 16.3. Only elements and compounds with values above the instrument detection limit are included in the table.

Table 16.3
Summary of XRF Analysis Results

Element /Compound	Units	17204	172405	172406	172426	172427	172428	172429	172430
MgO	%	28	27	24	24	24	23	24	24
Al_2O_3	%	7	9	8	12	11	11	12	10
SiO_2	%	25	22	23	16	18	16	18	23
CaO	%	2.1	1.2	1.5	<0.1	<0.1	<0.1	<0.1	<0.1
TiO_2	%	0.3	0.3	0.4	0.4	0.3	0.3	0.4	0.3
MnO	%	0.2	0.2	0.1	0.2	0.3	0.3	0.3	0.3
Fe_2O_3	%	12	14	14	17	16	18	17	16
V	ppm	635	690	744	785	791	864	804	842
Cr	ppm	180,000	190,000	200,000	230,000	220,000	230,000	210,000	190,000
Co	ppm	135	142	162	176	170	174	155	176
Ni	ppm	1,320	825	1,040	1,120	1,070	921	1,130	819
Zn	ppm	316	348	403	529	518	540	499	567

As XRF analyses indicate that the chrome contents are between 18% and 23%, which corresponds to calculated chromite (Cr_2O_3) values of between 26% and 34%.

It is noted that the XRF analysis did not include PGM's, such as Pd, Pt and Rh.

The petrographic analysis showed that chromite grains were generally discrete and high grade. The grains typically had subhedral to euhedral shape and measured from 50 µm to

750 µm in size. The chromite grains tended to be of very high purity and no deleterious inclusions were identified.

The matrix containing the chromite grains is composed of altered chlorite and talc and the mineralogical investigations suggest that chromite could be liberated and recovered using standard mineral processing technology.

16.2.2 SGS-L Preliminary Testwork Program

Metallurgical Samples

Detailed analyses of the SGS-L metallurgical samples are included in Table 16.4.

Table 16.4
SGS-L Metallurgical Sample Chemical Analyses

Sample ID	Sample 2	Sample 3	Sample 4	Sample 5	Sample 6	Sample 7	Sample 8	Sample 9
Cr_2O_3 % [2]	3.99	7.85	10.1	20.2	35.5	43.3	40.2	34.1
Cr %	2.73	5.37	6.91	13.8	24.3	29.6	27.5	23.3
Fe %	8.46	10.0	9.79	12.4	17.9	15.2	14.2	17.0
Cr:Fe Ratio	0.32	0.54	0.71	1.12	1.36	1.95	1.94	1.37
SiO_2 %	35.6	30.6	30.5	22.9	11.8	8.29	10.1	12.4
Al_2O_3 %	2.42	2.87	4.58	7.46	12.5	13.3	13.5	11.8
Fe_2O_3 %	12.1	14.3	14	17.7	25.6	21.7	20.3	24.3
MgO %	28.6	32.8	30.2	23.4	12.3	13.8	13.8	14.3
CaO %	2.54	0.39	0.23	0.79	0.23	0.09	1.23	0.23
Na_2O %	0.03	0.03	0.05	0.07	0.07	0.07	0.08	0.085
K_2O %	< 0.01	< 0.01	0.03	0.08	0.11	0.05	0.2	0.010
TiO_2 %	0.11	0.1	0.17	0.33	0.53	0.42	0.45	0.40
P_2O_5 %	< 0.01	< 0.01	< 0.01	0.07	< 0.01	< 0.01	< 0.01	0.010
MnO %	0.16	0.07	0.11	0.16	0.4	0.21	0.26	0.31
Cr_2O_3 %	3.99	7.85	10.1	---	---	---	---	---
V_2O_5 %	0.03	0.03	0.05	0.11	0.18	0.17	0.16	0.14
LOI %	14	11.4	9.13	6.34	1.77	0.64	0.33	2.35
Sum %	99.6	100.4	99.1	---	---	---	---	---
Ni %	0.14	0.14	0.14	0.14	0.093	0.11	0.11	0.12
S %	0.15	0.06	0.08	0.22	0.05	0.04	0.03	0.075
Au g/t	0.07	0.02	< 0.02	0.07	0.03	0.03	0.03	0.07
Pt g/t	0.09	0.06	0.14	0.25	0.22	0.19	0.15	0.215
Pd g/t	0.16	0.08	0.23	0.26	0.32	0.14	0.1	0.41
Cr_2O_3 % [2]	---	---	---	20.2	35.5	43.3	40.2	34.05
Fe_3O_4 % [1]	2.2	5.4	2.9	0.6	0	0	0	0

[1] *Magnetic iron minerals using a Satmagan analyzer.*

[2] *SGS noted that chromite minerals are often difficult to digest when submitted for chemical analyses. For this test program, SGS used fusion for the digestion of the samples. Borate fusion was used for the whole rock assay suite (WRA), followed by x-ray fluorescence (XRF) analysis. For samples with greater than 15% Cr_2O_3 content the samples were submitted for a re-assay using a Na_2O_2 fusion, followed by analysis by atomic absorption (AA).*

Microprobe Analyses (EPMA)

A summary of the EPMA test results is presented in Table 16.5.

Microprobe work on 20 samples show that the Cr:Fe ratio of the chromite grains sampled ranges from 1.0 to 1.9. These ratios are lower than expected. The work also shows that the chromite grains are low in SiO_2 (<0.1%), contain about 14% Al_2O_3 and that there is a negative correlation between MgO and Fe. This is expected considering that the spinel structure of chromite generally has a positive correlation between Cr:Fe ratio and MgO content. This work also suggests a higher Cr:Fe ratio for the chromite grains for higher grade chromite samples.

Figure 16.1 compares the Cr:Fe ratio to the Al_2O_3 and MgO analysis. Figure 16.2 plots the FeO and MgO analyses against Cr_2O_3 and shows that as the MgO content of the chromite tends to increase when the Cr:Fe ratio increases. This is probably due to the spinel nature of the chromite and the substitution of Fe with Mg.

Figure 16.1
EPMA Samples, Cr:Fe Ratio vs Al_2O_3 and MgO

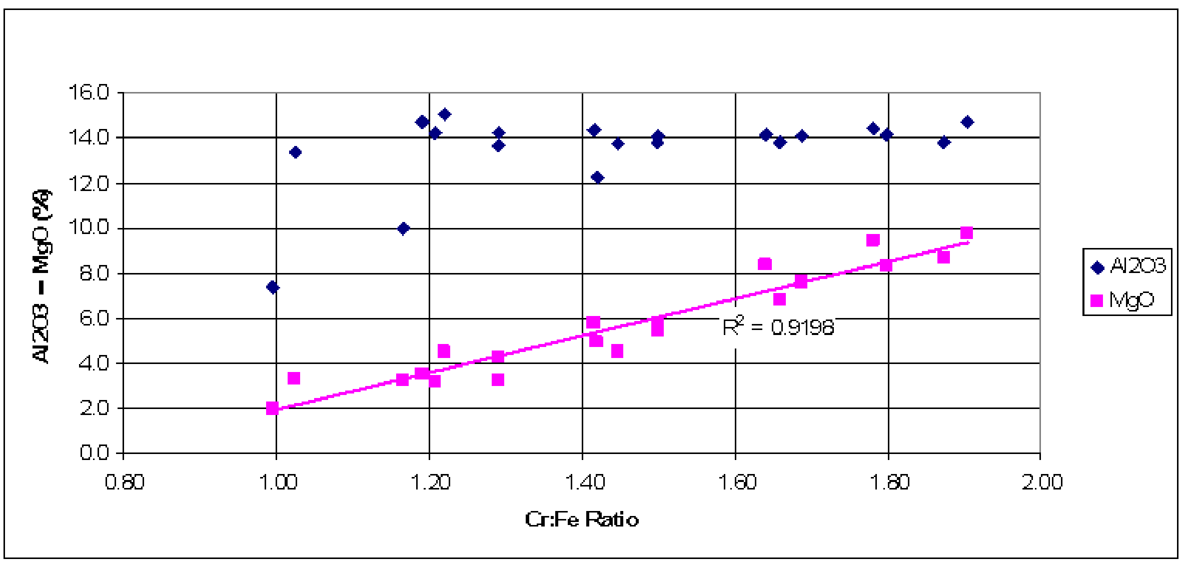
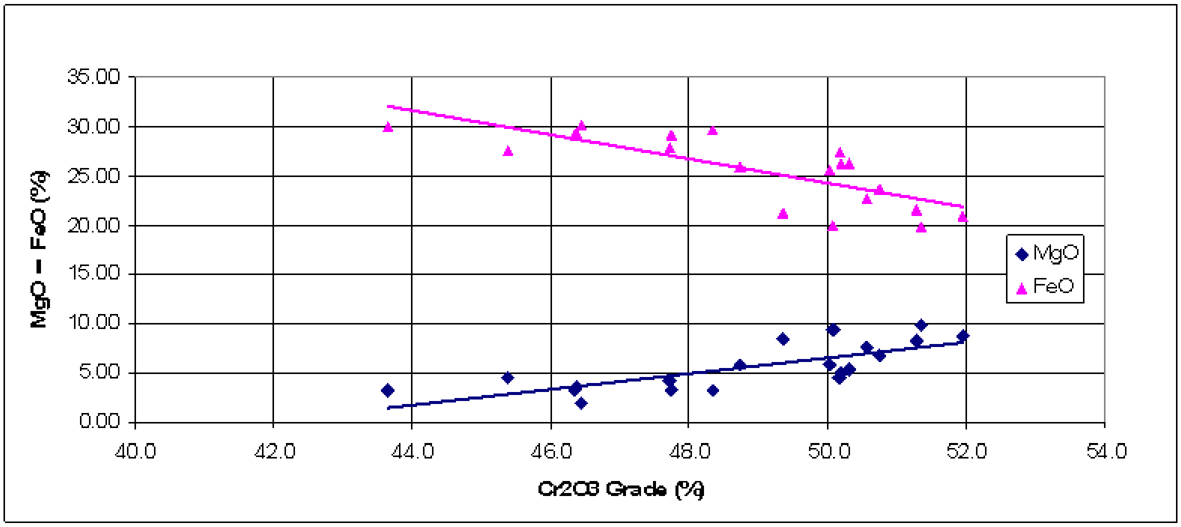


Table 16.5
SGS-L EPMA Results
(All Units are Percent)

Sample	Cr_2O_3	Fe_2O_3	FeO	Cr:Fe ratio	SiO_2	TiO_2	Al_2O_3	MgO	CaO	MnO	NiO	Na_2O	Total
PS 5-1	51.9	3.95	20.8	1.87	0.12	0.37	13.8	8.69	0.005	0.20	0.061	0.011	100.0
PS 5-2	51.3	4.42	19.7	1.90	0.001	0.45	14.7	9.82	0.005	0.17	0.058	0.014	101
PS 5-3	50.2	3.41	27.4	1.45	0.037	0.62	13.7	4.52	0.009	0.53	0.033	0.023	101
Ave 5	**51.1**	**3.93**	**22.7**	**1.74**	**0.053**	**0.48**	**14.1**	**7.68**	**0.006**	**0.30**	**0.050**	**0.016**	**100**
PS 12-1	48.3	7.54	29.7	1.17	0.059	1.49	9.98	3.26	0.001	0.41	0.090	0.005	101
PS 12-2	50.6	4.12	22.6	1.69	0.15	0.42	14.1	7.63	0.002	0.22	0.092	0.017	100.0
PS 12-3	47.7	5.27	27.8	1.29	0.095	0.70	13.7	4.28	0.002	0.36	0.057	0.010	100.0
PS 12-4	47.7	3.83	29.1	1.29	0.051	0.54	14.3	3.26	0.002	0.38	0.008	0.023	99.2
Ave 12	**48.6**	**5.19**	**27.3**	**1.36**	**0.089**	**0.79**	**13.0**	**4.61**	**0.002**	**0.34**	**0.062**	**0.014**	**100**
PS 13-1	46.4	12.1	30.2	1.0	0.063	0.82	7.40	1.95	0.005	0.44	0.020	0.025	99.5
PS 13-2	51.3	3.91	21.6	1.80	0.034	0.45	14.1	8.33	0.000	0.35	0.037	0.015	100
PS 13-3	50.7	3.62	23.7	1.66	0.052	0.47	13.8	6.85	0.000	0.35	0.009	0.028	99.6
PS 13-4	46.4	5.04	29.2	1.21	0.055	0.61	14.3	3.20	0.002	0.37	0.010	0.021	99.2
Ave 13	**48.7**	**6.17**	**26.2**	**1.42**	**0.051**	**0.59**	**12.4**	**5.08**	**0.002**	**0.38**	**0.019**	**0.022**	**100**
PS 18-1	45.4	5.80	27.5	1.22	0.044	0.69	15.1	4.54	0.004	0.35	0.16	0.008	99.6
PS 18-2	50.3	3.68	26.2	1.50	0.061	0.40	14.1	5.43	0.000	0.21	0.042	0.010	100
PS 18-3	50.1	5.28	20.0	1.78	0.049	0.44	14.5	9.43	0.000	0.21	0.098	0.001	100
PS 18-4	49.4	5.83	21.3	1.64	0.046	0.44	14.2	8.42	0.003	0.47	0.17	0.003	100
Ave 18	**48.8**	**5.15**	**23.8**	**1.53**	**0.050**	**0.49**	**14.5**	**6.95**	**0.002**	**0.31**	**0.116**	**0.005**	**100**
PS 21-1	50.2	5.37	26.3	1.42	0.061	0.46	12.2	4.96	0.005	0.46	0.17	0.009	100
PS 21-2	43.6	8.38	30.0	1.02	0.042	1.26	13.4	3.28	0.003	0.27	0.070	0.000	100
PS 21-3	48.7	4.92	25.9	1.42	0.054	0.54	14.4	5.75	0.003	0.24	0.055	0.025	101
PS 21-4	50.0	4.23	25.6	1.50	0.038	0.47	13.8	5.77	0.004	0.27	0.067	0.021	100
PS 21-5	46.4	5.45	29.4	1.19	0.075	0.64	14.7	3.54	0.000	0.25	0.037	0.016	100
Ave 21	**47.8**	**47.79**	**47.8**	**47.79**	**47.792**	**47.79**	**47.8**	**47.79**	**47.792**	**47.79**	**47.792**	**47.792**	**48**

Figure 16.2
EPMA Samples, Cr_2O_3 Grade vs MgO and FeO



16.3 METALLURGICAL TESTING

16.3.1 WIM Preliminary Test Program

Metallurgical testing on the Big Daddy composite sample was performed by Phillips Enterprises LLC of Golden, Colorado. The scope of this preliminary testwork program included gravity separation and flotation of ground material. The work was scoping in nature and significant improvements in results would be expected from more detailed studies.

Table 16.6 provides a summary of the scoping testwork results. These results are based on chemical analyses, which are generally more accurate for chromite determination than the XRF method.

Table 16.6
Summary of Metallurgical Test Results

Product	Chromite Grade (%)	Chromite Distribution (%)
Gravity concentrate	49	47
Flotation concentrate	43	28
Combined concentrate	47	74
Total Tailings	10	26
Feed	37	100

An XRF analysis of the combined concentrate is compared to the average feed analysis in Table 16.7.

Table 16.7
Average Feed and Combined Concentrate XRF Analyses

Stream	MgO (%)	Al_2O_3 (%)	SiO_2 (%)	CaO (%)	TiO_2 (%)	MnO (%)	Fe_2O_3 (%)	V (ppm)	Cr (ppm)	Co (ppm)	Ni (ppm)	Zn (ppm)
Feed	24	11	19	1.6	0.3	0.3	17	814	211,250	167	994	518
Conc.	18	10	11	0.2	0.5	0.2	22	954	280,000	221	761	652

Using the XRF analyses presented in Table 16.7, the calculated Cr to Fe ratio of both the average feed and combined concentrate is 1.83. However, using wet chemical methods to analyze for Cr_2O_3, which is more accurate than XRF due to potential incomplete dissolution of chromium using the XRF method, the value of Cr_2O_3 of 46.6% for the combined concentrate equates to a Cr to Fe ratio of 2.07.

Of note is the 11% SiO_2 assay of the combined concentrate which would preclude this product from some of the main chromite markets. However, mineralogical analyses suggest that the chromite grains are relatively pure, therefore additional liberation studies and metallurgical testing would most likely reduce this to an industry acceptable level.

16.3.2 SGS Preliminary Testwork Program

Metallurgical testwork on all eight composite samples comprised gravity separation tests and magnetic separation tests on fine gravity tailings. This work was designed to investigate the upgrading potential of the Big Daddy chromite samples.

In order to ascertain the pre-concentration potential, coarse separation tests (-½ inch) using heavy liquid separation (HLS) and magnetic separation were undertaken on two selected composites. Samples 6 and 9 were selected for these tests.

A scoping sulphide flotation test was undertaken to investigate sulphide-hosted base metals and PGM recoveries.

Gravity and Magnetic Separation

The gravity/magnetic separation test flowsheet developed by SGS is presented in Figure 16.3. This procedure had the following steps.

- The test sample is crushed to pass 20 mesh (850 µm).
- In order to enhance recovery as well as upgrading, the crushed sample is then split into three size fractions: 850 x 300 µm, 300 x 75 µm and -75 µm.
- The two coarsest sizes were passed over a Wilfley shaking table and the concentrates were processed on a Mozley mineral separator or a superpanner to further upgrade the heavy concentrate.

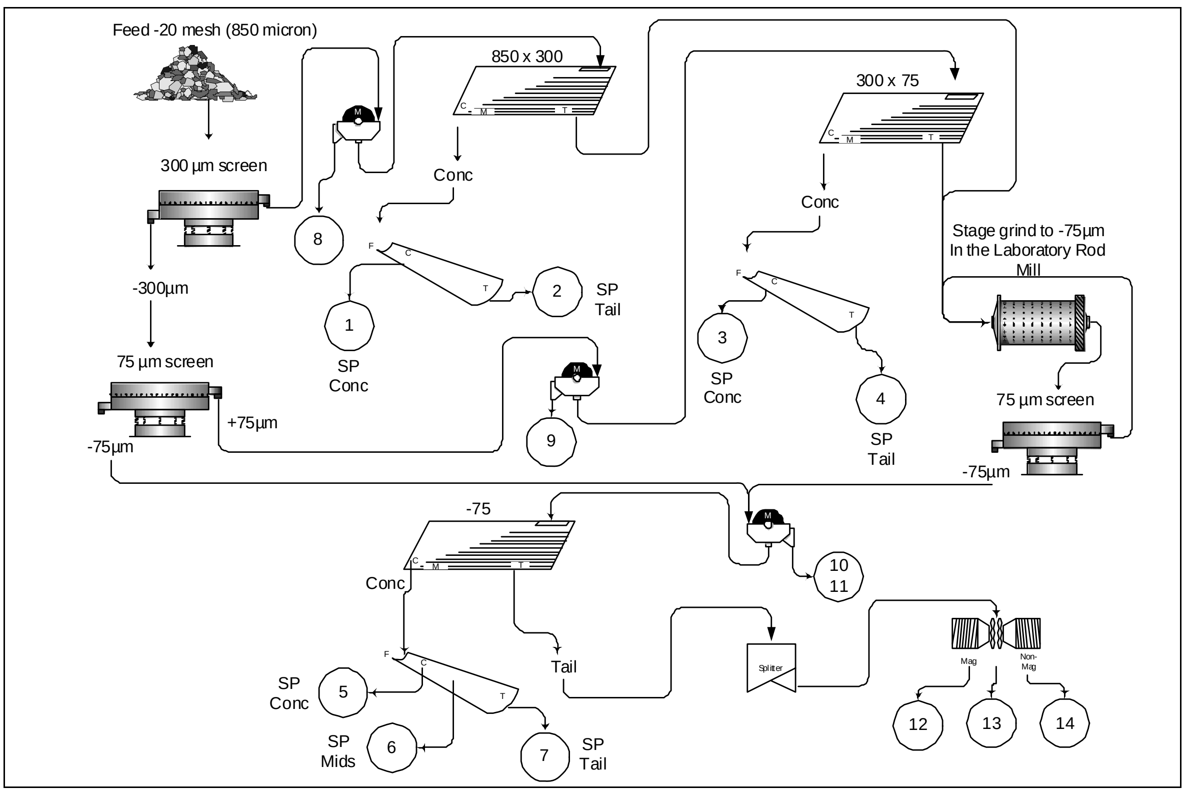
- To try and recover non-liberated chromite from the coarse gravity separation tailings, they were stage-ground to pass a 75 µm screen and combined with the original -75 µm fraction.

- Shaking table separation followed by the Mozley mineral separator or superpanner was used to produce a gravity concentrate from the -75 µm material.

- A sub-sample from the fine tailings was tested for chromite recovery by wet high-intensity magnetic separation [WHIMS].

- It is noted that prior to each gravity separation, the magnetic iron minerals were removed by low-intensity magnetic separation [LIMS].

Figure 16.3
SGS Gravity and Magnetic Separation Test Flowsheet



The results from the gravity/magnetic separation tests are summarized in Table 16.8 and Table 16.9.

Table 16.8
Gravity/Magnetic Separation Test Results - 1

Sample	Feed		+75 µ Grav Conc			-75 µ Grav Conc			Low-Intensity Magn.		High-Intensity Magnetics		
	Assay, %	Ratio	Cr_2O_3, %		Ratio	Cr_2O_3, %		Ratio	Cr_2O_3, %		Cr_2O_3, %		Ratio
	Cr_2O_3	Cr:Fe	Grade	Recovery	Cr:Fe	Grade	Recovery	Cr:Fe	Grade	Recovery	Grade	Recovery	Cr:Fe
2	4.42	0.35	37.0	5.93	0.83	34.8	4.34	0.77	14.0	56.2	7.05	16.8	0.32
3	7.96	0.56	42.5	1.57	1.28	41.4	1.79	1.09	11.2	92.2	1.96	2.06	0.29
4	12.3	0.76	41.2	11.4	1.26	42.7	7.55	1.19	16.2	65.7	7.20	8.21	0.67
5	20.4	1.17	44.8	22.4	1.47	46.8	25.5	1.49	14.9	7.20	20.5	13.5	1.17
6	35.4	1.35	44.3	57.2	1.37	47.3	19.5	1.37	23.0	0.32	40.8	8.87	1.37
7	42.9	1.88	49.0	51.6	1.89	50.3	4.10	1.89	32.5	0.53	47.6	32.0	1.90
8	40.0	1.96	47.3	52.9	2.02	51.2	16.9	2.10	28.3	0.63	46.4	23.2	1.88
9	34.8	1.43	46.3	33.2	1.43	47.5	10.7	1.39	28.2	0.78	42.0	15.0	1.37

Table 16.9
Gravity/Magnetic Separation Test Results - 2

Sample	Product	Weight	Assays (%)			Distribution (%)	
		%	Cr_2O_3	S	SiO_2	Cr_2O_3	S
Sample 2	Gravity Conc +75 µm	0.71	37.0	2.96	2.93	5.93	1.92
	Gravity Conc -75 µm	0.55	34.8	0.29	1.44	4.34	0.15
	LI Magnetic Fraction	17.8	14.0	0.14	23.6	56.2	2.31
	HI Magnetic Conc	10.6	7.05	3.18	19.2	16.8	30.7
Sample 3	Gravity Conc +75 µm	0.29	42.5	0.62	2.73	1.57	3.24
	Gravity Conc -75 µm	0.34	41.4	0.36	2.12	1.79	2.19
	LI Magnetic Fraction	65.2	11.2	0.07	26.5	92.2	84.09
	HI Magnetic Conc	8.4	1.96	0.02	34.7	2.1	3.0
Sample 4	Gravity Conc +75 µm	3.41	41.2	0.070	4.28	11.4	3.78
	Gravity Conc -75 µm	2.17	42.7	0.11	2.17	7.55	3.79
	LI Magnetic Fraction	49.9	16.2	0.074	24.2	65.7	58.4
	HI Magnetic Conc	14.0	7.20	0.046	33.7	8.21	10.2
Sample 5	Gravity Conc +75 µm	10.2	44.8	0.051	3.01	22.4	2.90
	Gravity Conc -75 µm	11.2	46.8	0.16	1.63	25.5	9.93
	LI Magnetic Fraction	9.90	14.9	0.79	22.4	7.20	43.6
	HI Magnetic Conc	13.5	20.5	0.14	23.3	13.5	10.5
Sample 6	Gravity Conc +75 µm	45.7	44.3	0.032	3.64	57.2	64.3
	Gravity Conc -75 µm	14.6	47.3	0.022	1.83	19.5	14.11
	LI Magnetic Fraction	0.50	23.0	0.14	17.8	0.32	3.06
	HI Magnetic Conc	7.71	40.8	0.015	6.57	8.87	4.91
Sample 7	Gravity Conc +75 µm	45.2	49.0	0.000	2.77	51.6	0.0
	Gravity Conc -75 µm	3.50	50.3	0.095	0.84	4.10	16.8
	LI Magnetic Fraction	0.69	32.5	0.085	11.4	0.53	2.98
	HI Magnetic Conc	28.9	47.6	0.025	3.40	32.0	36.4
Sample 8	Gravity Conc +75 µm	44.8	47.3	0.010	2.49	52.9	19.4
	Gravity Conc -75 µm	13.2	51.2	0.032	0.80	16.9	18.1
	LI Magnetic Fraction	0.89	28.3	0.073	15.3	0.63	2.83
	HI Magnetic Conc	20.0	46.4	0.026	3.24	23.2	22.9
Sample 9	Gravity Conc +75 µm	24.9	46.3	0.010	3.17	33.2	3.68
	Gravity Conc -75 µm	7.80	47.5	0.11	1.81	10.7	12.5
	LI Magnetic Fraction	0.96	28.2	0.48	15.2	0.78	6.82
	HI Magnetic Conc	12.4	42.0	0.12	5.78	15.0	21.3

The results from these tests suggest the following:

- Samples with Cr_2O_3 values of 20% and over (samples 5 to 9) upgraded to potentially marketable chromite concentrates with reasonable recoveries. The two samples grading between 8.0% and 12.3% Cr_2O_3 upgraded to over 40% Cr_2O_3 but with low recoveries.

- There tends to be a positive recovery/feed grade relationship for samples 5 to 9. Also, the Cr:Fe ratios of the respective feed and concentrates were similar suggesting that the ratio cannot be improved with upgrading.

- It is noted that for the low grade samples (samples 2, 3 and 4) the LIMS recoveries were relatively high while for the higher grade samples (samples 5 to 9) the recoveries were low. This suggests magnetite locking, magnetite surface coatings or magnetic chromite grains due to high Fe content.

- Good chromite recoveries (>85%) were maintained for samples 6 to 9 while keeping the SiO_2 content in the concentrate below 5%. The SiO_2 content of sample 5 rose above 5% at just over 70% Cr_2O_3 recovery. The SiO_2 content of the low grade sample (2 to 4) concentrates was consistently high.

Pre-Concentration Tests

Pre-concentration at a relative coarse size, which is common in many commercial chromite beneficiation facilities, was undertaken to see if heavy media separation (HMS) or coarse particle magnetic separation would be feasible. Minus ½ inch portions of samples 6 and 9 were used. Heavy liquid separation (HLS) tests at ¼ inch, 0.85 mm and 0.3 mm resulted in very little upgrading which suggests a smaller than 0.3 mm liberation size for the chromite samples. The coarse magnetic separation results also showed negligible upgrading.

Sulphide Flotation

One sulphide flotation test was performed to determine if a sulphide concentrate with platinum group metals (PGM) minerals can be extracted from the chromite ore. A composite of equal fractions of samples 5, 6 and 9 was used in a 10-kg flotation test. Table 16.10 summarizes the flotation test results.

Table 16.10
Flotation Test Results

Element	Head Grade	Rougher Recovery	Cleaner Grade	Cleaner Recovery
Sulphur:	0.11 %	71 %	6.4 %	47 %
Palladium	0.32 g/t	65 %	14 g/t	36 %
Platinum	0.22 g/t	46 %	3 g/t	11 %
Gold	0.05 g/t	43 %	1 g/t	19 %

The flotation test was not optimized and improved results would be expected with a more detailed testwork program.

16.4 RECOMMENDATIONS

Most of the various chemical correlations discussed in the report are interesting but not unexpected. These data would benefit from mineralogical or geo-met investigations. QEMSCAM was included as an option by SGS but initially declined due to budget constraints. This, or similar technology, should be included in the next phase of work undertaken on samples that will be more representative of the potential total mineral resource.

The testwork conducted so far was undertaken using either massive or disseminated material. The coarse beneficiation tests were conducted on massive material. No samples crossed the contact between the 2 types, therefore magnetic and gravity tests to upgrade material were, in effect, inconclusive. It was suggested that future tests should include samples of massive chromite and low grade contact material to ascertain coarse beneficiation waste rejection.

A more detailed metallurgical and geo-metallurgical program of work is recommended using samples representing the mineral resource in order to establish an optimum beneficiation flowsheet.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Prior to conducting the resource estimate, the integrity of the entire database was validated as per the methodology described in Section 14 of this report.

17.1 DATABASE DESCRIPTION

The mineral resources for the Big Daddy chromite deposit have been estimated from surface diamond drill holes only. The following is a concise description of the database composition and how the master database used in the resource estimate was derived.

17.1.1 Drill Holes and Assays

The Big Daddy deposit has been tested by 48 drill holes of NQ size on a grid of 100 m between lines taking 2 to 4 holes per line at between 50 m and 100 m apart. The layout is depicted in Figure 11.1. The drill holes cover a strike length of 1 km down to a maximum vertical depth of about 365 m. The assay database consists of 2,974 samples of which the principal analyses were for Cr_2O_3, Al_2O_3, Fe_2O_3, Cr, Fe, SiO_2, and PGEs.

17.1.2 Lithology and Mineralization

All drill holes have the major rock types identified and documented in a "from – to" interval format. The major rock types that have been coded include granodiorite, peridotite, harzburgite/dunite, pyroxenite, gabbro, banded ironstone, mafic volcanic rock, intermediate volcanic rock, felsic volcanic rock, mafic/felsic dykes, dolomite and limestone. The overburden averages about 10 m. The mineralization has also been recorded for each interval as being either massive, semi-massive, intermittent beds, heavily disseminated or disseminated.

17.1.3 Survey

The survey information recorded in the files includes collar co-ordinates, dip, azimuth and down-hole survey data. Collars were laid out relative to a surveyed grid (±0.1 m) and verified by GPS (±0.4 m). Down-hole deviations were measured using Flexit, Deviflex or north-seeking gyro (12 collars).

The Big Daddy project area is monotonously flat and therefore a digital terrain model (DTM) is not critical to the estimation of resources.

17.1.4 Specific Gravity (2,216 determinations)

Specific gravity determinations were carried out broadly following ASTM standard D5779 – 08 (Standard Test Method for Field Determination of Apparent Specific Gravity of Rock and Manmade Materials for Erosion Control) using an apparatus suggested by Dr. James Franklin, a director of Spider Resources.

Specific gravities were determined after the core was logged and marked for sampling but prior to the splitting/cutting of the core samples. Core was broken to about 35 cm or shorter pieces, the pieces were sequentially numbered to facilitate replacement in the core box, then weighed first in air and then in water. Shattered and excessively broken core was not included due to the difficulty in correctly returning it to the core box.

Micon witnessed these SG determinations during its site visit on October 22, 2009 and is satisfied that the dataset generated is representative of the mineralization encountered at the Big Daddy deposit. Based on 2,216 determinations, the SG data have been evaluated by Cr_2O_3 content and are summarized in Table 17.1

Table 17.1
Average Specific Gravity Determinations by Cr_2O_3 Content

%Cr_2O_3 Range	Density
0 – 15	2.8
15 – 20	3.0
20 – 25	3.2
25 – 30	3.3
30 – 35	3.4
>35	4.0

17.1.5 Surpac Master Database

The resource estimate was completed using Surpac Version 6.1.3 Software. The Surpac Master Database was created by importing the data described in Sections 17.1.1 to 17.1.4 from Excel spreadsheet files provided by Spider.

17.2 ESTIMATION DETAILS

17.2.1 Overview of Estimation Methodology

The Big Daddy resource estimate has been conducted using a systematic and logical approach involving geological modelling, conventional statistics, geostatistics, creation of interpolation parameters, block modelling, classification based on both geological and mineralization continuity and finally, block model validation.

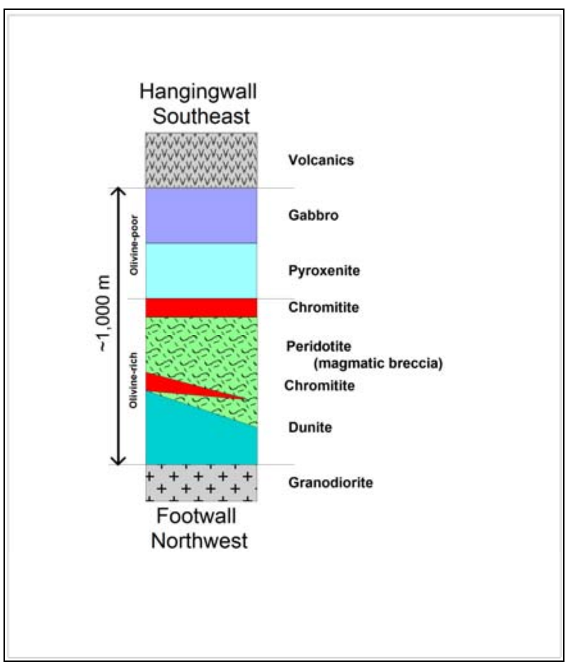
17.2.2 Geological Modelling/Interpretation

Based on a detailed analysis of the drill hole logs in conjunction with the assays, the major geological domains as encountered down-hole are dunite, peridotite, massive chromite, pyroxenite and gabbro (Figure 17.1). The sequence of appearance of these domains reflects a fractionation trend in the down-hole direction (northwest to southeast) thus confirming the conclusion that the mafic-ultramafic complex (sill) has been rotated.

The bulk of the chromite mineralization is confined to the massive chromite domain. However, the peridotite unit does contain sparsely disseminated chromite grains in concentrations varying between 0 and 10% Cr_2O_3. Locally, the chromite mineralization may also occur as either heavily disseminated or semi-massive or intermittent beds within the peridotite. Sectional interpretation of the drilled profiles shows that the massive chromite domain forms a distinct layer with observable continuity laterally and down dip. The deepest drill hole intercept is at a vertical depth of about 365 m below surface, with a true thickness of about 13 m; this thickness suggests that at this depth, the massive chromite layer is far from tapering off or pinching.

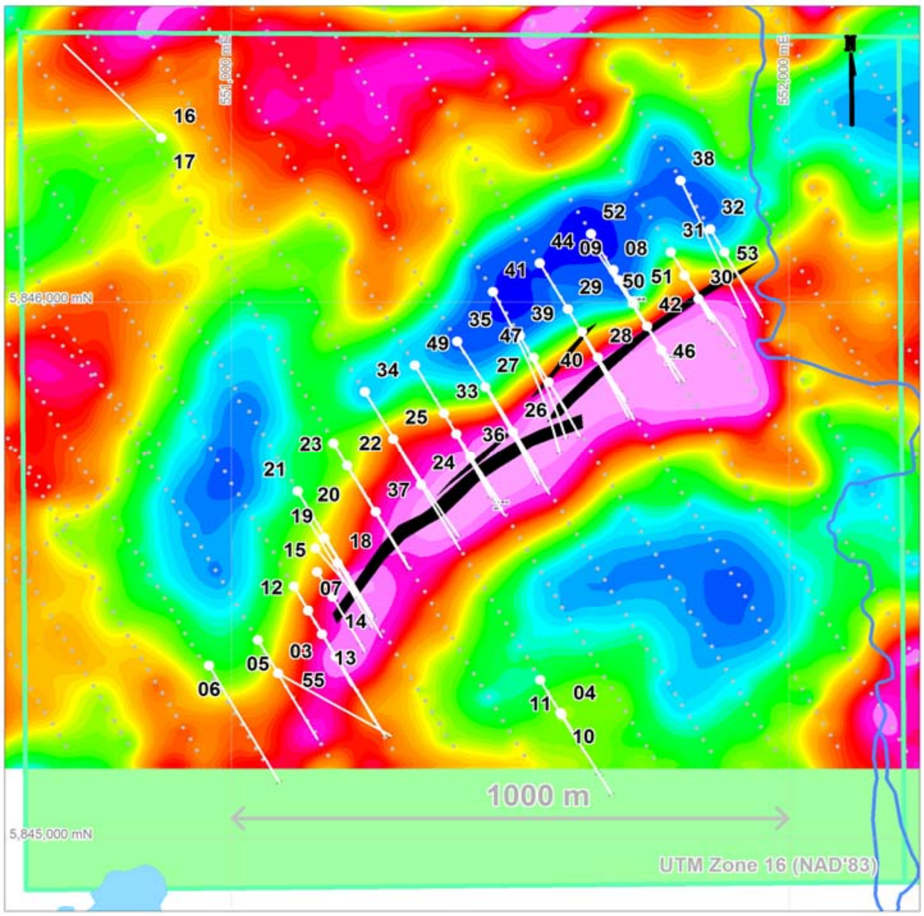
A surface trace of the massive chromite domain (based on plots from sectional projections) shows that the Big Daddy deposit comprises two segments which the authors have designated BD 1 and BD 2. These are plotted on a gravity map (Figure 17.2) and show a strong correlation between the massive chromite and the gravity anomaly. The subsidiary smaller massive bodies in the footwall are in this report referred to as BD 1 sub and BD 2 sub for BD 1 and BD 2, respectively. A longitudinal section of the two segments is presented in Figure 17.9 which also portrays the distribution of resources. Table 17.2 summarizes the major characteristics of the segments.

Figure 17.1
Schematic Lithologic Column for McFaulds Lake Sill, Big Daddy Segment
(Main Geological Domains)



The contact/boundary of the massive chromite (labelled as chromitite in Figure 17.1) with both the peridotite and pyroxenite is in the majority of instances very sharp. However, in rare instances the contact with peridotite is gradational from disseminated or intermittent beds or semi-massive chromite. No chromite content high enough to be considered economically significant (>15% Cr_2O_3) has been observed beyond the contact between massive chromite and pyroxenite; therefore the latter boundary is considered critical for geological continuity and has been used in linking massive chromite zones from section to section demonstrating continuity for the entire 450 m to 500 m of each segment.

Figure 17.2
Gravity Map Bandpass Filter Gravity (Upper Wavelength is 833 m) with the Massive Chrome Domain Projected to Surface from Sections



Note: The massive chromite is shown as linear black zones. White dots and numbers denote drill hole collars.

Table 17.2
Summary of the Major Characteristics of the Big Daddy Deposit

Segment	Approximate Strike Length (m)	Bearing (Degrees)	Dip (Degrees)	Geometry & Mineralizatiuon	Avg. True Thickness (m)	Remarks
BD 1	500	Varies between 50 and 60	Varies between -85 East and -90	Tabular; Massive	17	Compact; open down dip; limited potential along strike
BD 2	450	050	Varies between -70 and -80 East	Tabular; Massive	12	Compact; open down dip; limited potential along strike.

(Note: In both cases the footwall subsidiaries are excluded)

17.2.3 Statistical Interpretation of Grade Domains

Statistical analysis of the raw data comprising 2,974 samples (2,359 by XRF + 615 by INAA) shows a bimodal distribution (Figure 17.3) representing two extremes, i.e. low grade background mineralization disseminated in peridotite and high grade mineralization in massive chromite. The distribution clearly demonstrates that the mineralization is not fragmented or spread out, but compact. This is consistent with the geological model implying that the high grade mineralization envelope corresponds to the massive chromite geological domain. Using the same graph (Figure 17.3), the top-cut assay for Cr_2O_3 has been set at 45.3% which correspond to the 99.5 percentile. Table 17.3 summarizes the global statistics.

In order to analyze a broader zone of mineralization, a probability plot of the raw data was constructed and a 15% cut-off was selected based on the break in the probability plot (Figure 17.4). The statistics within this zone shows a very strong negative skewness thereby confirming the compactness and high grade nature of the Big Daddy deposit. This is demonstrated in Section 17.2.4.

Figure 17.3
Histogram of the Raw Assay Data for Cr_2O_3 (%)

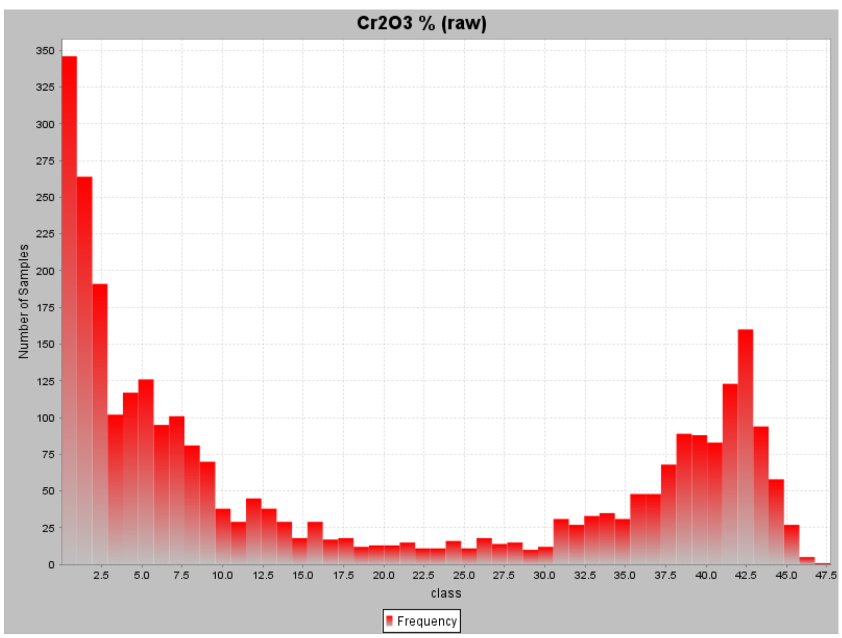
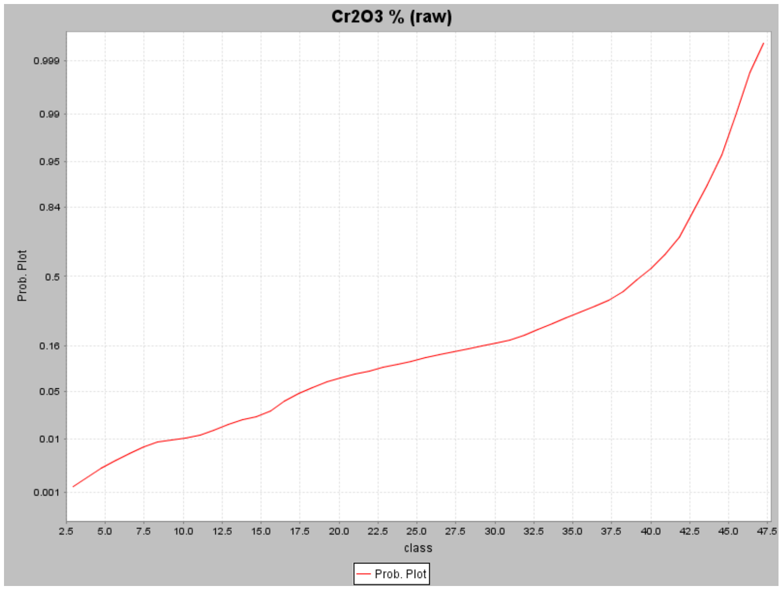


Table 17.3
Global Statistics of the Cr_2O_3 Raw Data

Variable	Cr_2O_3 %
Lower cut	0.001
Number of samples	2,974
Minimum value	0.005
Maximum value	47.7
	Ungrouped Data
Mean	18.247806
Median	9.435001
Geometric Mean	7.969418
Variance	285.284539
Standard Deviation	16.890368
Coefficient of variation	0.925611
Skewness	0.405344
Kurtosis	1.412646
Natural Log Mean	2.075611
Log Variance	2.697682
10.0 Percentile	0.82
20.0 Percentile	1.8805
25.0 Percentile	2.49
30.0 Percentile	3.69
40.0 Percentile	6.1045
50.0 Percentile (median)	9.435001
60.0 Percentile	20.475
70.0 Percentile	35.275
80.0 Percentile	39.575
90.0 Percentile	42.245
95.0 Percentile	43.27
96.0 Percentile	43.535
97.0 Percentile	43.9
98.0 Percentile	44.345
99.0 Percentile	44.905
99.5 Percentile	45.29
100.0 Percentile	47.7
Sichel-t	30.673167

Figure 17.4
Probability Plot of the Raw Cr_2O_3 Data

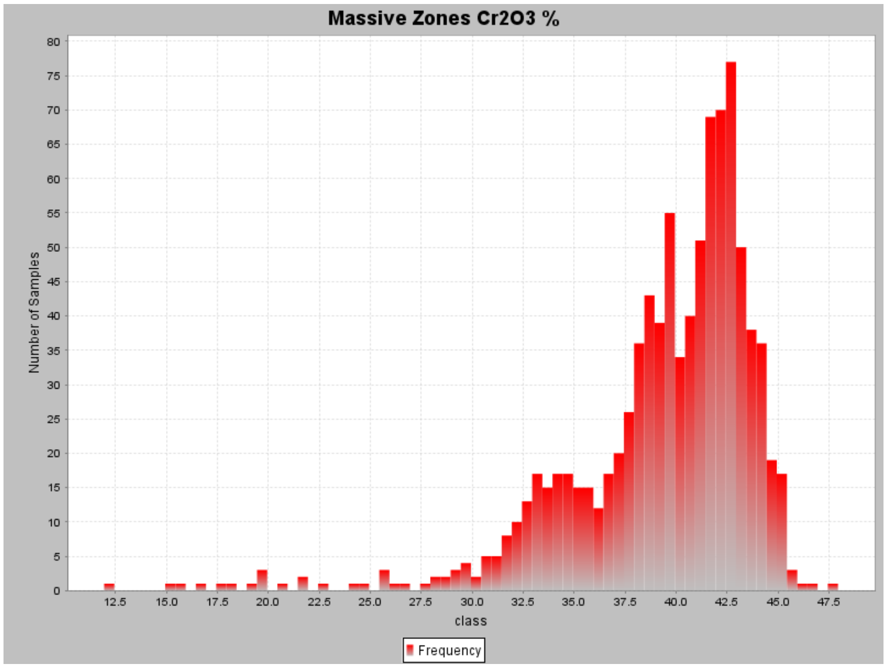


17.2.4 Composite Data and Grade Domains Statistics

Inspections of drill hole sample intervals augmented by a statistical analysis show that the majority of the sample intervals are 1.5 m. Thus 1.5 m was selected as the standard length (support) and compositing was done to normalize the database to this length.

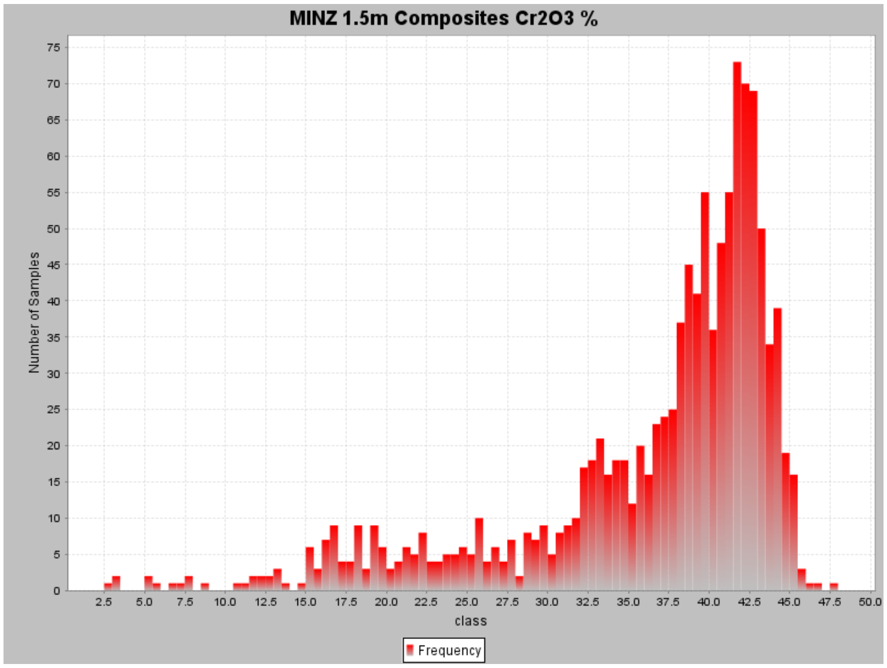
The statistical distributions of the massive chromite (mineralization domain 1) and the 15% cut-off envelope (mineralization domain 2) are presented in Figures 17.5 and 17.6. The similarity displayed by these distributions is further evidence of a compact distribution of the mineralization. A summary table comparing the statistics of the two grade domains is shown in Table 17.4.

Figure 17.5
Histogram of the Massive Chromite Domain



(Skewness: -1.90)

Figure 17.6
Histogram of Composites at 15% Cut-off with Internal Waste



(Skewness: -1.57)

Table 17.4
Composites Summary Statistics of the Massive Chromite Domain and the 15% Cr_2O_3 Cut-off Domain

Domain	No. of Samples	Min. Value	Max. Value	Mean	Median	Var.	Std	Coef. Var	Remarks
Massive Cr Zone	927	11.94	47.7	39.39	40.61	21.42	4.63	0.12	Includes internal waste in exceptional cases
15% Cut-off Zone	1,149	2.48	47.7	36.50	39.323	66.78	8.17	0.22	Includes internal waste within envelope (maximum 4.5 m)

17.2.5 Cut-off Grade and Economic Parameters

Demand for chromite is mainly for a metallurgical grade product which is around 40% Cr_2O_3 with a Cr:Fe ratio of generally at least 2. Metallurgical grades of this nature currently sell for US$180.00 to US$240.00 per tonne. Currently, the Bushveld complex (South Africa) and the Great Dyke (Zimbabwe) rank high amongst the world producers with many of their operations being underground mines.

The Kemi operations in Finland are mainly open pit with an end of 2009 reserve base of 37 Mt at 26% Cr_2O_3 (Outokumpu, 2009 Annual Report) and a Cr:Fe ratio of about 1.8. However, a portion of the Kemi production is upgraded by means of beneficiation. Thus in the Micon's opinion, two scenarios must be evaluated for the Big Daddy deposit:

- Scenario 1: Focuses on high grade massive material that would produce a lumpy product comparable to South African products with little or no beneficiation.

- Scenario 2: Defines a broad zone of mineralization to match the Kemi situation exploitable by open pit but requiring beneficiation to upgrade.

Hence, resources have been estimated for the massive zone only, and also for the broad zone constrained by a 15% Cr_2O_3 cut-off but including internal waste up to a maximum of 4.5 m. The 15% cut-off is based on the break in the probability plot (Figure 17.4).

17.2.6 Geostatistics

Fundamental geostatistical principles dictate that variography be conducted on data comprising a single population (i.e. samples from geologically homogeneous areas) and on samples representing the deposit (not barren samples). Thus only the massive chromite domain was considered suitable for spatial analysis. The variographic/spatial analysis was conducted to achieve the following:

1. To define the continuity of the mineralization in order to establish (a) the maximum range or distance over which samples and drill hole intercepts may be correlated, and (b) the adequacy of the drilling grid for a resource estimate.

2. To define the optimum parameters for the search ellipse to be used in the interpolation of block grades.

The geometry of the Big Daddy deposit is tabular (stratiform) with the major/principal direction along strike, the semi-major direction down dip and the minor axis across width. Hence, for each segment of the deposit three sets of variograms were computed to cover the three geometrical directions. The experimental variograms and their fitted models are presented in Appendix 3. The down-hole variograms are, as expected, quite stable due to the high density of sample information. The variograms for the major and semi-major axes are generally unstable due to low densities of sample information beyond the 275 m lag. Nonetheless, the variograms give a reasonable reflection of the highly continuous nature of the Big Daddy mineralization. The variogram models were fitted giving weight to the number of pairs in each lag in proportion to the drilling grid and using the variance to establish the sill. A summary of the spatial analysis is presented in Table 17.5.

Table 17.5
Summary Results of the Spatial/Variographic Analysis of the Big Daddy Deposits

Segment	Axis	Direction	Nugget	Structure 1	Range	Bearing	Dip
BD 1	Major	Along strike	0	11	250	60	-90
	Semi-major	Down dip	0	11	200		
	Minor	Down hole	0	21	40		
BD 2	Major	Along Strike	10	14	225	50	-75
	Semi-major	Down dip	10	14	225		
	Minor	Down hole	0	21	40		

17.2.7 Interpretation and Application of Spatial Analysis Results

The ranges of influence in the major and semi-major directions are in a broad sense about the same, reflecting the isotropic nature of the massive and compact Big Daddy deposit. The apparent shorter range in the down-hole direction (minor axis) is due only to the restriction imposed by the geometry, i.e. the restricted width of 30 m to 60 m of the deposit.

Taking the lower limit of the major axis reflected in BD 2, the range of influence and, therefore, the maximum distance over which drill intercepts and samples can be correlated is 225 m, indicating highly continuous mineralization. Thus, the drilling grid over the Big Daddy deposit as it stands at approximately 100 m x 50 m, is considered adequate for resource definition to the Indicated category. Similar stratiform chromite deposits in Southern Africa display even higher levels of continuity and ranges of influence.

Based on the ranges of influence, the maximum dimensions of the radii of the search ellipsoid for grade interpolation of the Big Daddy should not exceed 225 m x 225 m x 40 m for an Indicated resource.

The variogram range of influence in the major direction is often used in the categorization of resources. As a general rule, mineral resources are classified as follows:

- Measured Resource when the drill hole spacing is less than the variogram range of influence at 66% or less of the sill. This translates to approximately 110 m for the massive chromite domain.

- Indicated Resource when the drill hole spacing is less than the variogram range of influence at between 66% and 100% of the sill. (100% corresponds to the maximum range of influence beyond which there is no spatial correlation between samples). This translates to 225 m to 250 m for the massive chromite domain.

- Inferred resource when drill hole spacing is beyond the range of influence.

(Reference: PDAC Short course, 2009. "From the Core Barrel to a Resource Estimate.")

17.2.8 Block Size, Interpolation Search Parameters and Technique

In an ideal situation the longest axis of a block should equal the drill spacing but in practice it is varied between half and a quarter of the spacing. On this basis the longer axis of the block was selected as 25 m. The other dimensions of 10 m and 5 m were based on ideal minimum height and width, respectively, in a selective open pit or mechanized bulk mining situation.

In deriving the search radii for the major and semi-major axes, Micon adopted a prudent approach and halved the maximum range of influence as determined by the variography to fit the current spacing between lines of 100 m. For the minor axis, Micon adopted 5 m which is the width of the envisaged mining block.

The inverse-distance-cubed (ID^3) interpolation method was selected as the most ideal to bring out grade patterns inherent in the deposit at a micro-scale due to waste inclusions, particularly for the 15% cut-off domain. The search parameters are summarized in Table 17.6.

Table 17.6
Summary of Search Parameters

Attribute	Pass 1	Pass 2	Pass 3
Major axis search radius (m)	100	200	400
Semi-major axis search radius (m)	100	200	400
Minor axis search radius (m)	5	10	20
Maximum # of samples/drill hole	3	3	3
Minimum # of samples/interpolation	5	3	3
Maximum samples/interpolation	10	20	30
Interpolation method	ID^3	ID^3	ID^3

For the three passes, the maximum number of samples per drill hole is designed to manage and control the number of drill holes in the interpolation.

For Pass 1, the minimum and maximum number of samples for each interpolation is designed to ensure that the nearest sample(s) is/are accorded the highest weighting and that a maximum of the three closest holes are used in the interpolation.

For Pass 2, the minimum number of samples for interpolation is designed to ensure a minimum of two drill holes in the interpolation while the allowable maximum samples per interpolation are increased to twenty to go beyond the limits of Pass 1.

For Pass 3, the minimum number of samples for interpolation allows the interpolation to fill all the space in the solid. The maximum number of samples per interpolation is increased to 30 to allow the bigger ellipse to find at least a second hole for interpolation.

17.2.9 Block Modelling Description

Domain model solids were created to encompass the limits of the components of the deposit as defined by the geological interpretation. For scenario 1, only the massive chromite intercepts were considered with no allowance for internal dilution, except in <5% of the cases where linking sections dictated otherwise. For scenario 2, the 15% Cr_2O_3 cut-off envelope was used allowing for a maximum of 4.5 m of internal waste. (Note: The 4.5 m allowable internal waste equates to three samples and is just under the envisaged block width of 5 m).

An inclined, rotated, partial-percentage block model (i.e. the percentage of any block that is contained within the domain model is used to weight the volume and tonnage reports), with the long axis of the blocks oriented along an azimuth varying between 065 degrees and 050 degrees (parallel to the average domain orientation) and dipping at between -70 degrees and -90 degrees.

Cr_2O_3 grades and Cr/Fe ratios were interpolated into the individual blocks of the mineralized domains using ID^3. Ordinary kriging was used to run a parallel estimate to validate the ID^3 results.

17.3 CLASSIFICATION CRITERIA AND BLOCK MODELLING RESULTS

17.3.1 Classification Criteria

The mineral resources in this report were estimated in accordance with the definitions contained in the CIM Definition Standards on Mineral Resources and Mineral Reserves that were prepared by the CIM Standing Committee on Reserves Definitions and adopted by the CIM Council on December 11, 2005.

The mineralized material was classified into either the Indicated or Inferred mineral resource category on the basis of a combination of the following factors: (a) confidence in the geological and mineralization continuity, (b) position of blocks in relation to the range of influence as defined by the variographic analysis and (c) and the search ellipse ranges presented in Table 17.4.

17.3.2 Responsibility For Estimation

The Micon staff with responsibility for this resource estimate are Alan J. San Martin, and Charley Murahwi. All are Qualified Persons as defined in NI 43-101, and are independent of the SKF parties.

17.3.3 Statement of Results

Following the concepts and processes described above, the mineral resources for the Big Daddy deposit were estimated and include all blocks that are located within the domain models of the two scenarios. The results of the block model are summarized in Tables 17.7 and 17.8, and are exclusive of the overburden tonnages. The respective block models are presented in Figures 17.7 and 17.8.

Table 17.7
Summary of the Big Daddy Massive Chromite Resources

Deposit/Code	Category	Cr_2O_3% Interval	Tonnes x 10^6	Avg. Cr_2O_3%	Cr/Fe Ratio
BD 1 (100)	Indicated	>35.0	12.934	40.74	2.0
		30.0 – 35.0	0.435	33.63	1.8
		25.0 – 30.0	0.017	28.87	1.7
		20.0 – 25.0	0	0	0
		15.0 – 20.0	0	0	0
Sub-total			13.4	40.49	2.0
BD 2	Indicated	>35.0	9.234	41.44	2.0
		30.0 – 35.0	0.520	32.83	1.8
		25.0 – 30.0	0.090	29.36	1.7
		20.0 – 25.0	0	0	0
		15.0 – 20.0	0	0	0
Sub-total			9.8	40.88	2.0
Grand Total	**Indicated**		**23.2**	**40.66**	**2.0**
BD 1 (100)	Inferred	>35.0	6.216	39.34	2.0
		30.0 – 35.0	1.014	33.25	1.8
		25.0 – 30.0	0.005	27.97	1.7
		20.0 – 25.0	0	0	0
		15.0 – 20.0	0	0	0
Sub-total			7.2	38.48	2.0
BD 2	Inferred	>35.0	8.382	40.24	2.0
		30.0 – 35.0	0.609	33.32	1.8
		25.0 – 30.0	0.047	28.35	1.7
		20.0 – 25.0	0.021	22.87	1.5
		15.0 – 20.0	0.042	16.76	1.1
		.01 – 15.0	0	0	0
Sub-total			9.1	39.57	2.0
Grand Total	**Inferred**		**16.3**	**39.09**	**2.0**

Note: The tonnages have been rounded to 3 decimals for grade intervals and to 1 decimal for sub-totals and grand totals.

Table 17.8
Summary of the Big Daddy Chromite Deposit Mineral Resource @ 15% Cr_2O_3 Cut-off

Deposit/Code	Category	Cr_2O_3% Interval	Tonnes	Avg. Cr_2O_3%	Cr/Fe Ratio
BD 1 (100)	Indicated	>35.0	13.535	40.22	2.0
		30.0 – 35.0	1.333	32.98	1.8
		25.0 – 30.0	0.447	27.77	1.7
		20.0 – 25.0	0.152	23.34	1.5
		15.0 – 20.0	0.019	17.81	1.1
		0.01 – 15.0	0.001	12.09	0.7
Sub-total			15.5	39.05	2.0
BD 2	Indicated	>35.0	9.622	41.11	2.0
		30.0 – 35.0	1.031	32.97	1.8
		25.0 – 30.0	0.190	28.04	1.7
		20.0 – 25.0	0.007	22.56	1.4
		15.0 – 20.0	0.009	18.46	1.2
		0.01 – 15.0	0.087	7.74	0.6
Sub-total			10.9	39.82	1.9
Grand Total	**Indicated**		**26.4**	**39.37**	**2.0**
BD 1 (100)	Inferred	>35.0	7.097	39.14	2.0
		30.0 – 35.0	1.877	32.94	1.8
		25.0 – 30.0	0.543	27.93	1.7
		20.0 – 25.0	0.349	22.58	1.4
		15.0 – 20.0	0.174	18.33	1.1
		0.01 – 15.0	0.016	9.17	0.6
Sub-total			10.1	36.40	1.9
BD 2	Inferred	>35.0	8.993	39.80	2.0
		30.0 – 35.0	0.986	32.89	1.8
		25.0 – 30.0	0.241	28.06	1.7
		20.0 – 25.0	0.123	23.11	1.5
		15.0 – 20.0	0.059	16.90	1.0
		.01 – 15.0	0.014	11.96	0.9
Sub-total			10.4	38.51	2.0
Grand Total			**20.5**	**37.47**	**1.9**

(Includes internal waste within the 15% Cr_2O_3 envelope up to a maximum of 4.5m).

Note: The tonnages have been rounded to 3 decimals for grade intervals and to1 decimal for sub-totals and grand totals.

Figure 17.7
Block Model of the Massive Domain of the Big Daddy Chromite Deposit

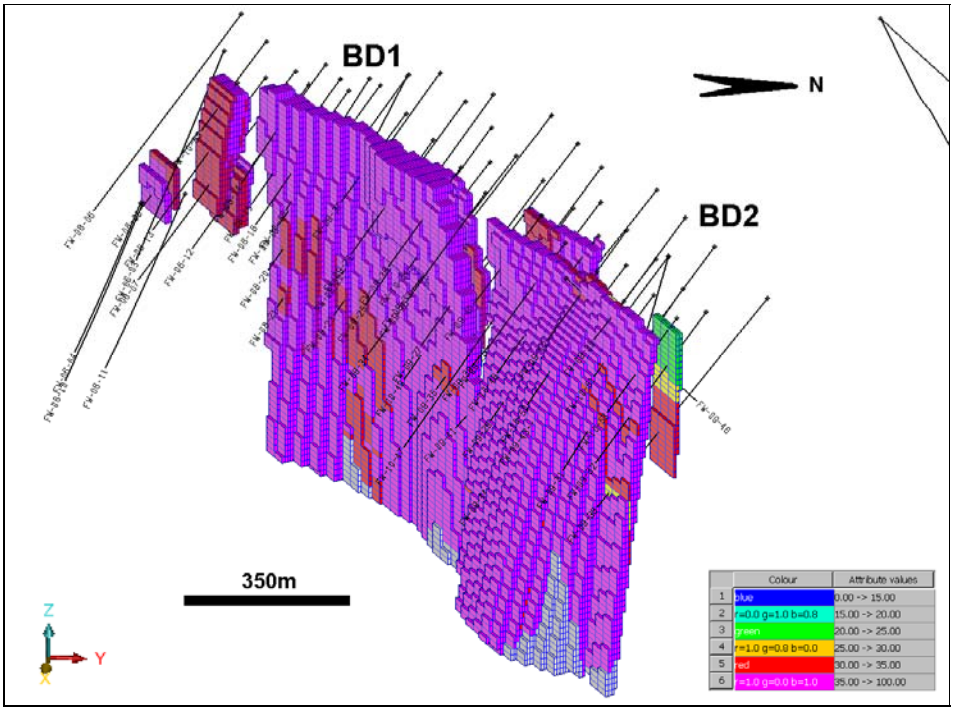
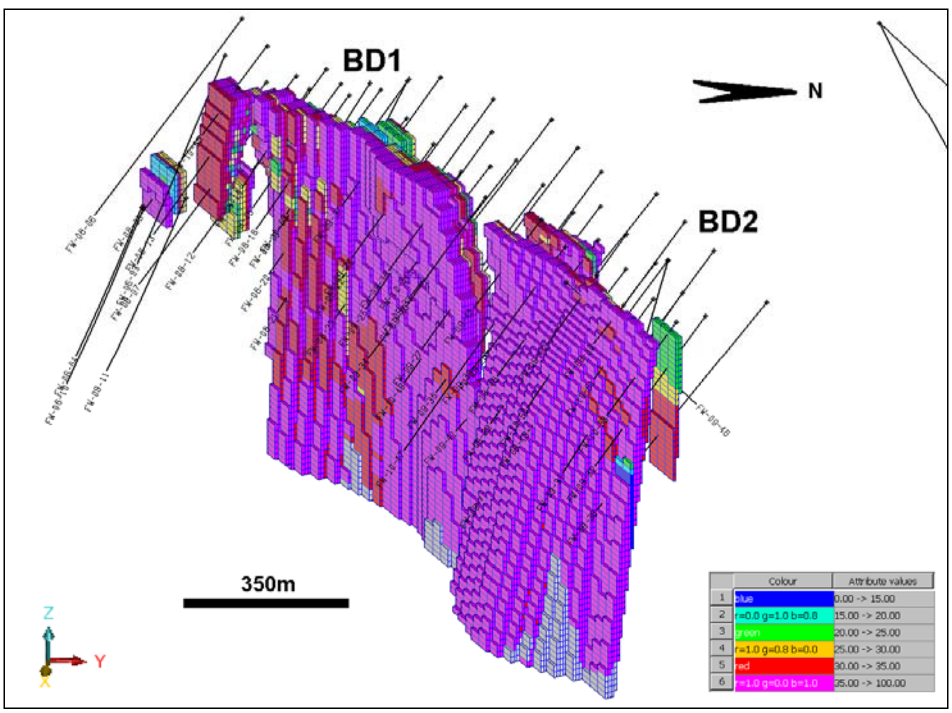


Figure 17.8
Block Model of the Big Daddy Chromite Zone Constrained at 15% Cr_2O_3 Cut-off



17.3.4 Comments

The block model grades for the massive chromite domain as displayed in Figure 17.7 are fully supported by the distribution of drill hole intercept grades seen in Figure 17.9. The distribution of the Indicated and Inferred Resources within the block model is presented in Figures 17.10 and 17.11 for the massive and 15% cut-off domains, respectively.

Indicated Mineral Resource

The CIM Definition Standards for Mineral Resources and Mineral Reserves of December, 2005 state that:

> *Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.*

On the evidence of the geological model/interpretation, statistical and spatial analysis, the Big Daddy deposit demonstrates a high level of continuity in the mineralization both in the lateral and vertical sense. The geological continuity is equally demonstrated, although minor displacements of the deposit, if any, may not have been revealed on the 50 x 100 m grid. Nonetheless, the broad zone of continuity along strike (Figure 17.2) and down dip (Figure 17.9) is sufficiently defined to justify the categorization of the drilled part of the deposit as an Indicated resource.

Inferred Mineral Resource

In accordance with the CIM definition of Inferred Resources , the portion of the Big Daddy deposit below the -220 m elevation for BD 1 and -160 m for BD 2, and all satellite bodies the geological continuity of which is questionable, have been categorized as Inferred. The bulk of the Inferred category of the major components of the deposit remains to be drill tested. Nonetheless, the lower limit of the inferred resource (at 600 m below surface) is considered appropriate. This interpretation is based on:

- The large thicknesses of the massive chromite encountered in the line of the deepest holes suggesting that, at between 350 m and 400 m depth, the deposit is not narrowing at depth.

- A Magnetic 3-D inversion which suggests that the ultramafic rocks hosting the chromite mineralization extend to a depth of +/- 1,700 m.

- Experience with similar type deposits: The sill hosting the chromite mineralization is known to extend for a lateral distance of over 12 km from Blackbird in the southwest to beyond Black Thor in the northeast. Thus, a depth extension of 600 m is conceivable and considered conservative by analogy with similar intrusions like the Stillwater, Bushveld and Great Dyke Complexes. The relatively thin (<1 m) chromite layers of the Great Dyke are known to be persistent for several km down dip. Recent geophysical investigations at the Kemi deposit indicate persistent mineralization at great depth. The Big Daddy ultramafic-mafic rocks may be part of a much larger intrusion or magmatic complex, extending at least 50 km along strike (Naldrett, 2009).

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

Figure 17.9
Sketch of Longitudinal Section of the Big Daddy Deposit, Looking West

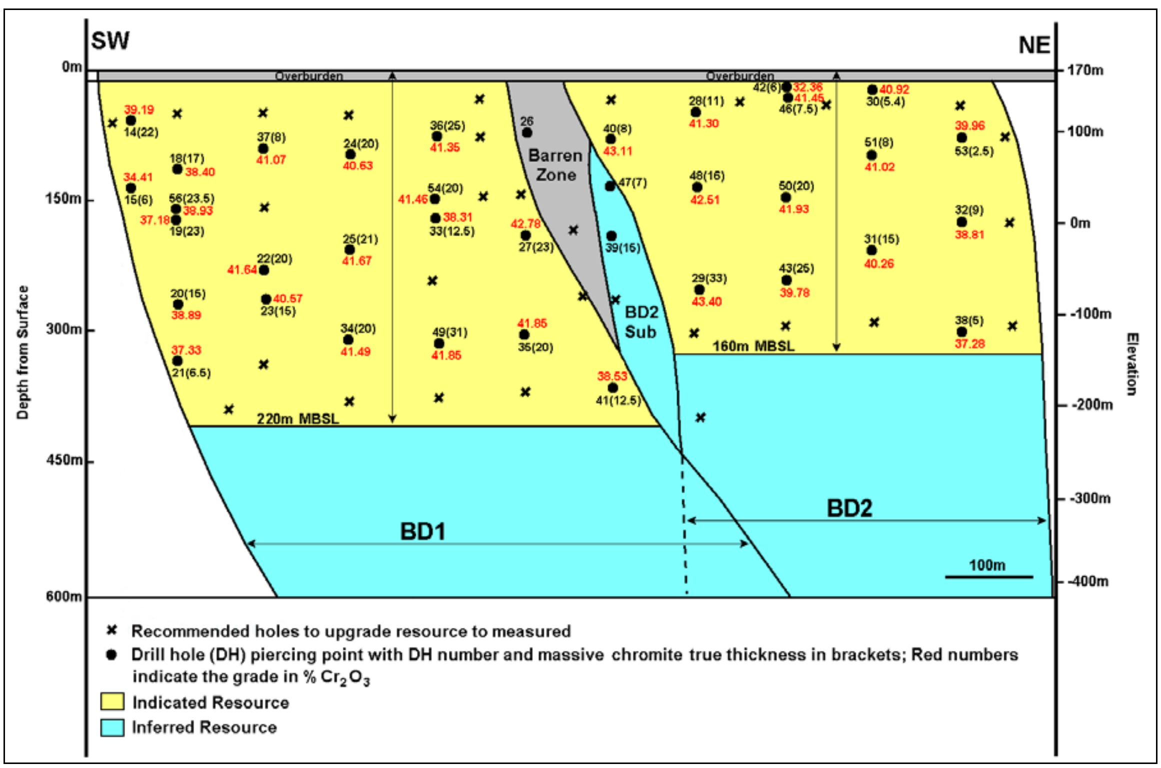


Figure 17.10
Distribution of Resources within the Block Model for the Massive Domain

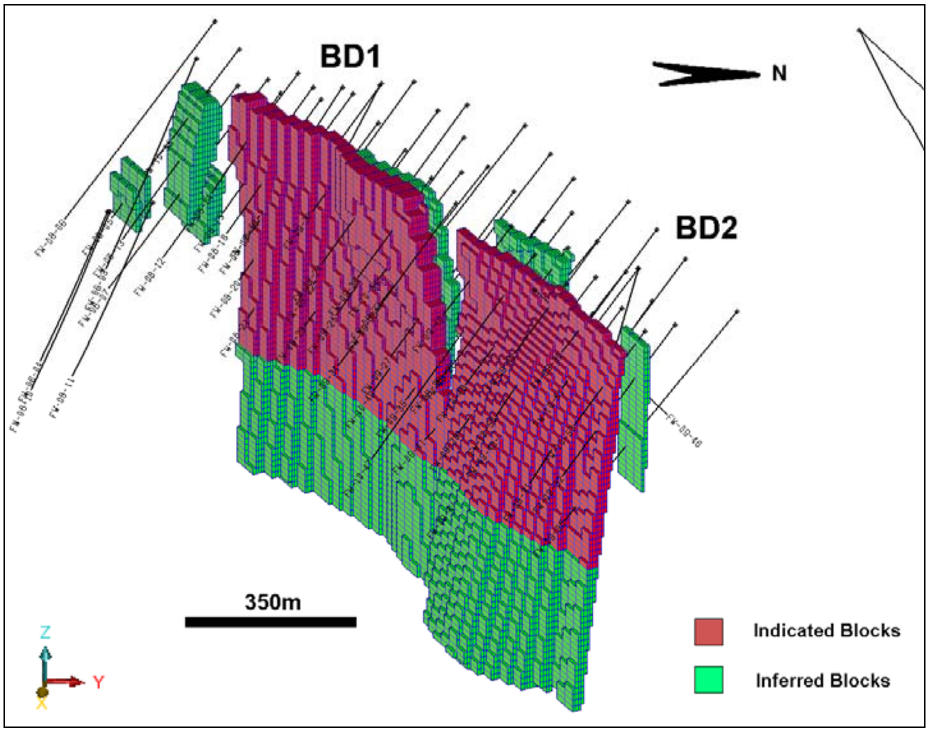
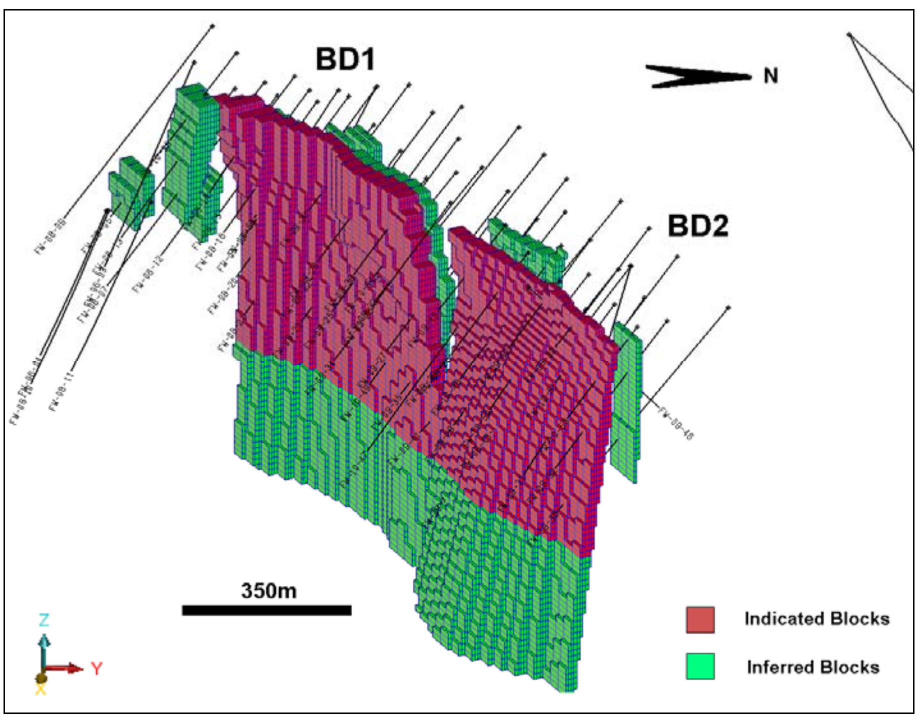


Figure 17.11
Distribution of Resources within the Block Model constrained at 15% Cut-off



17.3.5 Validation

Validation of the block model and tonnages was conducted manually using sectional and polygonal techniques and by ordinary kriging. A comparison of results obtained using ordinary kriging and ID^3 is presented in Table 17.9.

Table 17.9
Summary of Global Results of ID^3 Versus Ordinary Kriging (OK)

Description	OK Blocks	ID^3 Blocks
Count	15,645	15,645
Mean (%Cr_2O_3)	39.26	39.32
Median (%Cr_2O_3)	40.07	40.25
Variance	10.51	12.49
Standard Deviation	3.24	3.53
Coefficient of variation	0.08	0.09

17.3.6 Qualification of the Mineral Resources

Micon believes that at present there are no known environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues which would adversely affect the mineral resources estimated above. However, mineral resources, which are not mineral reserves, do not have demonstrated economic viability. Micon cannot guarantee that the SKF parties will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise for the project. Other future setbacks may include aboriginal challenges to title or interference with ability to work on the property and lack of efficient infrastructure. There are currently no mineral reserves on the Big Daddy property and there is no assurance that the project will be placed into production.

17.3.7 Potential Upgrading of the Indicated Resource

It is considered likely that, in order to upgrade the Indicated resource to the Measured category, a few strategically positioned drill holes will suffice. These positions are marked on the sketch long section shown in Figure 17.9. Additional holes are unlikely to improve the grade but may assist in revealing minor displacements.

18.0 OTHER RELEVANT DATA AND INFORMATION

18.1 THE MARKET FOR CHROMITE

The results of metallurgical testwork described in Section 16.0 of this report indicate that marketable chromite products may, potentially, be produced from the Big Daddy deposit.

18.2 OVERVIEW

Chromite is the source of the metallic element chromium which is used in a wide range of applications in metallurgy, refractory materials and chemicals. The principal end-uses are in stainless steel and non-ferrous alloys, and stainless steel accounts for approximately 94% of demand for chromite. Metallurgical grade chromite is converted to ferrochromium which is then added to steel and iron melts. The foundry sands sector accounted for approximately 3% of output in 2007, followed by chromium chemicals at 2% of output and refractories at less than 1%.

Chromite is produced in metallurgical, chemical, refractory and foundry grades for which the general specifications are shown in Table 18.1.

Table 18.1
General Specifications for Chromite Grades

	Metallurgical Grade	Chemical Grade	Refractory Grade	Foundry Grade
Cr_2O_3 (%)	>46	>44	30-40	44
Cr:Fe	>2:1	>1.5	2-2.5:1	
SiO_2 (%)	<10	<3.5	6	<4

Specific end-use sectors require additional physical and chemical characteristics. In metallurgical applications, phosphorus, sulphur and other minor elements should not exceed certain levels. Foundry sands require silica at less than 1%, sub-angular grains and specific grain sizes. Premium refractory grades are relatively coarse-grained.

The majority of chromite used in metallurgical applications is smelted to ferrochromium before it is added to the steel melt. The principal ferrochromium alloys are high-carbon ferrochromium (HCFeCr) for which the chromite ores should have a Cr:Fe ratio of 2.0-3.6, and charge chrome which is produced from lower grade ores with Cr:Fe ratio of 1.3-2.0. Direct shipping, or lumpy ore, has grain a size over 6 mm and is a premium product since it can be fed directly to the ferroalloy smelter. Fine grained chromite (less than 6 mm) must be pelletized before use.

Refractory chromite is further divided into magnesia-chromite (20-70% Cr_2O_3), chromite (>30% Cr_2O_3) and picrochromite (>70% Cr_2O_3), depending on the specific end use.

18.3 PRODUCTION OF CHROMITE AND FERROCHROMIUM

World production of chromite reached 22.5 Mt gross weight in 2008, having increased steadily since 2000 (International Chromium Development Association, (ICDA), 2008). Preliminary figures published by the United States Geological Survey indicate output of 23 Mt in 2009.

Table 18.2 shows the 10 largest producers in 2008 and world output for the five years from 2004 to 2008. Production in both Russia and Turkey has increased significantly since the early 2000s.

Table 18.2
World Chromite Production
(Thousand t gross weight)

	2004	2005	2006	2007	2008[1]
South Africa	7,310	7,244	6,865	8,720	8,646
Kazakhstan	3,290	3,581	3,366	3,687	3,940
India	2,949	3,255	3,600	3,320	2,895
Turkey	506	859	1,060	1,679	1,890[1]
Russia	320	772	966	777	1,020
Brazil	623	677	604	626	712
Zimbabwe	621	820	713	664	528
Finland	580	571	549	556	500
Pakistan	130	148	199	323	385
Oman	19	18	71	338	355
Others	1,254	1,196	1,248	1,464	1,656
Total	**17,602**	**19,141**	**19,241**	**22,154**	**22,527**

[1] Industrial Minerals, March, 2009 (reporting ICDA).
Source: ICDA, 2008 Statistical Bulletin.

There has been a general trend towards production of ferrochromium within the vicinity of chromite output, and away from the major stainless steel production centres, although China has emerged as a significant producer of both ferrochromium and stainless steel based primarily on imported feedstocks. China has the largest non-integrated ferrochromium capacity

Production of ferrochromium (high carbon charge grade) between 2004 and 2008 is given in Table 18.3 which shows the rapid increase in output in China.

Table 18.3
World Production of Ferrochromium
(Thousand t gross weight)

	2004	2005	2006	2007	2008[1]
South Africa	2,960	2,506	2,818	3,536	3,260
Kazakhstan	820	908	928	1,070	1,040
China	532	680	858	1,060	1,250
India	527	611	634	820	750

	2004	2005	2006	2007	2008[1]
Russia	147	295	304	345	320
Finland	264	235	243	242	240
Zimbabwe	218	257	214	201	210
Brazil	185	170	141	164	175
Sweden	128	127	136	124	115
Turkey	25	16	56	59	60
Others	60	54	39	18	42
Total	**5,866**	**5,859**	**6,371**	**7,639**	**7,462**

[1] Industrial Minerals, March, 2009 (reporting ICDA).
Source: ICDA, 2008 Statistical Bulletin.

18.4 END-USE SECTORS

The breakdown for the principal uses of chromite ores and concentrates is given in Table 18.4. The use of chromite in foundry sands has increased steadily since 2000 while, generally, chromium chemicals have accounted for a declining share of output. Use of chromite in refractories was strong in 2006 and 2007 compared with earlier years.

Table 18.4
Principal Uses for Chromite Ores and Concentrates
(Thousand t gross weight)

	2004	2005	2006	2007	2008
Metallurgical	16,254	17,878	17,723	20,756	21,400
Refractory	101	125	189	180	180
Chemical	753	595	672	531	450
Foundry sands	495	542	657	688	500
Total	**17,602**	**19,141**	**19,241**	**22,154**	**22,530**

Source: ICDA, 2008, Statistical Bulletin

Refractory chromite is used in products for the linings of iron and steel furnaces, flash and continuous smelters, rotary cement kilns, and glass manufacture.

Chromite is used to manufacture a wide range of chromium chemicals of which chromic acid, sodium dichromate, sodium chromate and sodium chromate tetrahydrate are the most important. The uses of chromium chemicals include metal finishing (corrosion resistance, promotion of adhesion of paint), wood preservative, dyes, oxidizing agents, pigments, leather tanning, oil well drilling and catalysts. However, a number of chromium compounds are hazardous or toxic (particularly hexavalent chromium) and the use of chromite in chromium chemicals has declined significantly with increasing control on usage and on the disposal of chromium-containing wastes.

Chromite foundry sands have good thermal conductivity, resist metal penetration and slag attack, resist thermal shock and have a low coefficient of thermal expansion. They are used in manganese-, carbon- and alloy-steel casting and non-ferrous casting.

Production of chromium metal is relatively minor at approximately 35,000 t/y. It is valued for its resistance to chemical corrosion.

18.4.1 Stainless Steel

Chromium is the only element which results in steels having stainless properties. Stainless steels contain a minimum of 10.5% chromium (International Stainless Steel Forum, ISSF) and are divided into ferritic, martensitic, austenitic and duplex types. All are corrosion resistant. Ferritic steels contain 13 to 17% chromium and martensitic steels contain around 12% chromium. Austenitic steels contain the highest proportion of chromium, typically 18%. Duplex steels combine austenitic and martensitic structures and contain 18 to 28% chromium, plus nickel and molybdenum and are used in particularly stringent corrosion conditions.

The ISSF reports production of stainless and heat resisting steels, as shown in Table 18.5. World output exceeded 20 Mt in 2002.

Table 18.5
Production of Stainless Steel by Region
(Thousand t ingot/slab equivalent)

Region	2004	2005	2006	2007	2008[1]	2009[1]
Western Europe/Africa	9,422	8,823	9,972	8,669	8,272	6,449
Central and Eastern Europe	318	310	363	364	333	237
Americas	2,933	2,688	2,951	2,604	2,315	1,958
Asia	11,897	12,498	15,074	16,200	15,011[2]	15,935[2]
Total	**24,570**	**24,319**	**28,359**	**27,836**	**25,930**	**24,578**

[1] Preliminary.
[2] From 2008, China's output reported separately: 6,943,000 t in 2008 and 8,805 t in 2009.

18.5 INDUSTRY STRUCTURE

The proportion of mined chromite production by independent, non-integrated companies has generally decreased over the past decade and the majority of mine capacity is now owned and operated by companies in the ferrochromium, chromium chemicals or chromite refractory sectors.

There remains, however, significant international trade in chromite concentrates, directly between producers and end-users or through trading houses.

18.6 PRICES

There is no terminal market, such as the London Metal Exchange, for chromite and ferrochromium and prices are negotiated between buyers and sellers, either on the spot market or under contract. Representative prices are reported by industry publications. Prices for chromite are quoted monthly by Industrial Minerals journal based on data from industry participants (producers, traders and consumers). It should be noted that such prices are indicative of market activity and do not represent actual transactions. Unit values may also be calculated from trade statistics although it should be noted that these represent value at the point of export or import and not at the mine gate. See Table 18.6.

Table 18.6
Representative Prices for Chromite
(US$/t)

	2005	2006	2007[1]	2008	2009	2010[2]
Metallurgical grade						
South African[3] 40% Cr_2O_3, fob	65-95	100-145	240-290	320-350	115-135	180-240
Turkish 40-402%, 2.5:1			200-300	350	240-260	240-260
Kazakh 40-41% min			200-300	350	220-250	220-250
46% Cr_2O_3, wet bulk, fob						
South African chemical grade	105-125	175-183	270-350	560-570	190-210	240-280
South African foundry grade	170-195	195-220	300-350	510	230-260	280-335
South African refractory grade	100-120	215-235	455	880	370-390	370-395

[1] Turkish and Kazakh metallurgical grades quoted starting January, 2007.
[2] May, 2010.
[3] Friable lumpy grade.
Source: Industrial Minerals, December issues.

Chromite prices in 2009 reflected the sharp slowdown in industrial and economic activity due to the recession. Prices for all South African grades started to fall at the beginning of 2009. By May, 2010, some firming in prices for South African grades was apparent.

18.7 OTHER RELEVANT DATA AND INFORMATION

All other relevant data and information regarding the Big Daddy chromite deposit has been disclosed under the relevant sections of this report.

19.0 INTERPRETATION AND CONCLUSIONS

19.1 EXPLORATION CONCEPT

Since 2006, the SKF personnel have employed a combination of geophysical techniques involving magnetic, electromagnetic and gravity surveys to determine the extent and rough geometry of the Big Daddy chromite mineralization prior to evaluation by drilling. This worked well, and has reduced the amount of drilling required to delineate the deposit.

19.2 GEOLOGY AND MINERAL RESOURCES

The Big Daddy deposit is tabular, as is typical of stratiform chromite deposits hosted by layered mafic-ultramafic intrusions. The tabular form and the continuity of massive chromite intersections from hole to hole and section to section has facilitated delineation of the deposit using relatively wide hole spacing. Three to four holes were drilled along sections cut at 100 m intervals so that collars were 50 or 100 m apart. The sections extend over a 1,200 m strike length of which ~1,000 m is mineralized. The current drill density is sufficient to estimate an Indicated resource over part of the deposit. The consistency and persistency of the deposit as revealed by variographic analysis implies that only very limited additional drilling should be necessary to upgrade the Indicated resource to the Measured category.

The two segments of the Big Daddy deposit (BD 1 and BD 2) remain open at depth but the lateral extents are unlikely materially to exceed the already established limits. In Micon's opinion, therefore, infill drilling to enhance the confidence level of the resource is more important than step-out drilling to increase tonnage.

19.3 METALLURGY

The preliminary metallurgical investigations completed to date are inconclusive but the initial work did indicate that marketable products were obtainable. In particular, the core of the Big Daddy deposit consists of massive mineralization which should generate a lumpy product comparable in quality to others currently offered in the marketplace. Further test-work is required.

19.4 MARKET OUTLOOK

Chromite is the source of chromium which is used in a wide range of applications in metallurgy, refractory materials and chemicals. The principal end uses are in stainless steel which accounts for approximately 94% of output of chromite, and non-ferrous alloys.

Potential new sources of supply will be evaluated in relation to the geographical location of potential markets and product quality.

19.5 PROJECT OBJECTIVES

Micon is satisfied that the overall project objectives as detailed in the previous Micon technical report (2009), have been met in a highly efficient and cost saving manner. The next major challenge will be to bring the property into production; prior to which additional technical and economic studies will be required.

20.0 RECOMMENDATIONS

Spider and KWG have established a firm resource base upon which to proceed with prefeasibility studies. However, in order to advance the project to the prefeasibility level, a critical prerequisite is to complete metallurgical investigations to establish the product quality of the massive chromite and the optimum beneficiation process for the disseminated/lower grade mineralization.

Whilst additional resources may be discovered by deeper drilling, Micon believes that the optimal economic depth for mining should be determined before such drilling is undertaken. Thus, in the short to medium term, additional drill programs are not a priority.

In view of the foregoing, Micon makes the following recommendations:

1. Detailed metallurgical work needs to be completed to enable prefeasibility studies to commence. The investigations should primarily focus on the establishment of product quality/recovery relationships and the marketing potential of the Big Daddy chromite concentrates.

2. Detailed mineralogical work should be conducted simultaneously with metallurgical investigations so as to elucidate chromite grain liberation characteristics, chromite grain chemistry and gangue mineralogy.

3. A prefeasibility study should to be conducted at the conclusion of metallurgical /mineralogical investigations, if warranted.

4. In addition to the above, a basic but detailed survey of the infrastructural requirements should be initiated, taking into account the possible synergies of cooperation with other parties holding prospective mineral resources in the McFaulds Lake area.

If prefeasibility studies are favourable, Micon recommends that infill drill holes as indicated on Figure 17.9 be drilled for the purpose of upgrading the resource from Indicated to Measured. Additional holes to increase the resource from Inferred to Indicated are not marked on Figure 17.9 but can be designed and drilled if warranted. In view of the remoteness and lack of infrastructure of the SKF project area, the overall (global) size of the deposit will impact significantly in any future investment decision making process.

Whilst current exploration/evaluation efforts are on chrome, the potential for other deposit types should not be overlooked, particularly MMS (which might occur in the same peridotite unit hosting the chrome mineralization) and VMS type deposits in the eastern segment of the SKF property area. Freewest's and Noront's MMS discoveries in peridotite (see Section 15) lend support for continued follow-up work on EM conductors

In line with these recommendations, Spider/KWG have proposed the following two-phased budget (Table 20.1)

Table 20.1
Summary of Budget Proposals for the Big Daddy Chromite Project

Phase	Description of Activity/Program	Estimated. Cost($)
1 a	Geometallurgical studies involving mineralogical and microprobe work	50,000
1 b	Metallurgical testing including allowance for drill holes to get metallurgical sample	500,000
1 c	Infrastructural study	50,000
1 d	Prefeasibility/scoping study	100,000
	Contingency on phase 1 activities (about 10% of totals 1 a to 1 d)	70,000
	Sub total Phase 1	**770,000**
2	Diamond drilling	4,000,000
	Contingency on phase 2 activities	400,000
	Sub-total phase 2	**4,400,000**
1 & 2	**Grand total**	**5,170,000**

Micon has reviewed Spider/KWG's budget proposals and recommends that Spider/KWG conduct the proposed activities subject to funding and any other matters which may cause the proposals to be altered in the normal course of their business activities or alterations which may affect the program as a result of exploration activities themselves.

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22.0 DATE AND SIGNATURE PAGE

MICON INTERNATIONAL LIMITED

Effective Date: March 30, 2010

Signing Date: June 4, 2010

Richard Gowans, P.Eng.
Micon International Limited

"Richard Gowans" {signed and sealed}

Jane Spooner, M.Sc., P. Geo.
Micon International Limited

"Jane Spooner" {signed and sealed}

Alan J. San Martin, MAusIMM
Micon International Limited

"Alan San Martin" {signed}

Charley Murahwi, M.Sc., P. Geo., Pr.Sc.Nat., MAusIMM
Micon International Limited

"Charley Murahwi" {signed and sealed}

23.0 CERTIFICATES

CERTIFICATE OF QUALIFIED PERSON
RICHARD M. GOWANS, P.Eng.

As a co-author of this report entitled "Technical Report on the Mineral Resource Estimate for the Big Daddy Chromite Deposit, McFaulds Lake Area, James Bay Lowlands, Northern Ontario, Canada", dated March 30, 2010, I, Richard M. Gowans P. Eng. do hereby certify that:

1. I am employed by, and carried out this assignment for

   Micon International Limited
   Suite 900, 390 Bay Street
   Toronto, Ontario
   M5H 2Y2
   tel. (416) 362-5135 fax (416) 362-5763
   e-mail: rgowans@micon-international.com

2. I hold the following academic qualifications:

   B.Sc. (Hons) Minerals Engineering, The University of Birmingham, U.K. 1980

3. I am a registered Professional Engineer of Ontario (membership number 90529389); as well, I am a member in good standing of the Canadian Institute of Mining, Metallurgy and Petroleum.

4. I have worked as an extractive metallurgist in the minerals industry for over 28 years.

5. I do, by reason of education, experience and professional registration, fulfill the requirements of a Qualified Person as defined in NI 43-101. My work experience includes the management of technical studies and design of numerous metallurgical test-work programs and metallurgical processing plants.

6. I have not visited the project site.

7. I am responsible for the preparation of Section 16 of this report entitled "Technical Report on the Mineral Resource Estimate for the Big Daddy Chromite Deposit, McFaulds Lake Area, James Bay Lowlands, Northern Ontario, Canada , dated March 30, 2010.

8. I am independent of the SKF option parties involved in the Big Daddy property, as described in Section 1.4 of NI 43-101.

9. I have had no prior involvement with the mineral property in question, other than that I was a co-author of the March 31, 2009 Technical Report.

10. I have read NI 43-101 and the portions of this report for which I am responsible have been prepared in compliance with the instrument.

11. As of the date of this certificate, to the best of my knowledge, information and belief, the sections of this Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make this report not misleading.

Effective Date: March 30, 2010
Signing Date: June 4, 2010

"Richard M. Gowans" {signed and sealed}

Richard M. Gowans, P.Eng.

CERTIFICATE OF QUALIFIED PERSON
JANE SPOONER, M.Sc., P.Geo.

As a co-author of this report entitled "Technical Report on the Mineral Resource Estimate for the Big Daddy Chromite Deposit, McFaulds Lake Area, James Bay Lowlands, Northern Ontario, Canada", dated March 30, 2010, I, Jane Spooner, P.Geo., do hereby certify that:

1. I am employed by, and carried out this assignment for
   Micon International Limited
   Suite 900, 390 Bay Street
   Toronto, Ontario
   M5H 2Y2
   tel. (416) 362-5135 fax (416) 362-5763
   e-mail: jspooner@micon-international.com

2. I hold the following academic qualifications:

   B.Sc. (Hons) Geology, University of Manchester, U.K. 1972
   M.Sc., Environmental Resources, University of Salford, U.K. 1973

3. I am a member of the Association of Professional Geoscientists of Ontario (membership number 0990); as well, I am a member in good standing of the Canadian Institute of Mining, Metallurgy and Petroleum.

4. I have worked as a specialist in mineral market analysis for over 30 years.

5. I do, by reason of education, experience and professional registration, fulfill the requirements of a Qualified Person as defined in NI 43-101. My work experience includes the analysis of markets for base and precious metals, industrial and specialty minerals, coal and uranium.

6. I have not visited the project site.

7. I am responsible for the preparation of Section 18 of this report entitled "Technical Report on the Mineral Resource Estimate for the Big Daddy Chromite Deposit, McFaulds Lake Area, James Bay Lowlands, Northern Ontario, Canada", dated March 30, 2010.

8. I am independent of the parties involved in the Big Daddy property, as described in Section 1.4 of NI 43-101.

9. I have had no prior involvement with the mineral property in question.

10. I have read NI 43-101 and the portions of this report for which I am responsible have been prepared in compliance with the instrument.

11. As of the date of this certificate, to the best of my knowledge, information and belief, the sections of this Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make this report not misleading.

Effective Date: March 30, 2010
Signing Date: June 4, 2010

"Jane Spooner" {signed and sealed}

Jane Spooner, M.Sc., P.Geo.

CERTIFICATE OF QUALIFIED PERSON
ALAN J. SAN MARTIN

As a co-author of this report entitled "Technical Report on the Mineral Resource Estimate for the Big Daddy Chromite Deposit, McFaulds Lake Area, James Bay Lowlands, Northern Ontario, Canada", dated March 30, 2010 , I, Alan J. San Martin do hereby certify that:

1) I am employed as a Mineral Resource Modeller by Micon International Limited, Suite 900, 390 Bay Street, Toronto, Ontario M5H 2Y2, tel. (416) 362-5135, fax (416) 362-5763, e-mail asanmartin@micon-international.com;

2) I hold a Bachelor Degree in Mining Engineering (equivalent to B.Sc.) from the National University of Piura, Peru, 1999;

3) I am a registered Engineer with the Colegio de Ingenieros del Peru (CIP) Membership # 79184;

4) I am a member of the Australasian Institute of Mining and Metallurgy (Membership #301778)

5) I have worked as a mining engineer in the minerals industry for 10 years;

6) I am familiar with NI 43-101 and I am a Qualified Person for the purposes of NI 43-101.

7) I have not visited the Big Daddy property.

8) I have had no prior involvement with the mineral property in question.

9) As of the date of this certificate to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make this report not misleading;

10) I am independent of the parties involved in the Big Daddy project as described in Section 1.4 of NI 43-101.

11) I have read NI 43-101 and the portions of this report for which I am responsible have been prepared in compliance with the instrument.

12) I am jointly responsible for the preparation of Section 17 of this Technical Report dated March 30, 2010 entitled "Technical Report on the Mineral Resource Estimate for the Big Daddy Chromite Deposit, McFaulds Lake Area, James Bay Lowlands, Northern Ontario, Canada."

Effective Date: March 30, 2010
Signing Date:June 4, 2010

"Alan J. San Martin" {Signed}

Ing. Alan J. San Martin, MAusIMM
Micon International Limited

CERTIFICATE OF QUALIFIED PERSON

CHARLEY Z. MURAHWI

As a co-author of this report entitled "Technical Report on the Mineral Resource Estimate for the Big Daddy Chromite Deposit, McFaulds Lake Area, James Bay Lowlands, Northern Ontario, Canada" dated March 30, 2010, I, Charley Z. Murahwi do hereby certify that:

1) I am employed as a Senior Geologist by, and carried out this assignment for, Micon International Limited, Suite 900, 390 Bay Street, Toronto, Ontario M5H 2Y2, telephone 416 362 5135, fax 416 362 5763, e-mail cmurahwi@micon-international.com.

2) I hold the following academic qualifications:

   B.Sc. (Geology) University of Rhodesia, Zimbabwe, 1979;

   Diplome d´Ingénieur Expert en Techniques Minières, Nancy, France, 1987;

   M.Sc. (Economic Geology), Rhodes University, South Africa, 1996.

3) I am a registered Professional Geoscientist of Ontario (membership number 1618) and am also a member of the Australasian Institute of Mining & Metallurgy (AusIMM) (membership number 300395).

4) I have worked as a mining and exploration geologist in the minerals industry for over 28 years;

5) I do, by reason of education, experience and professional registration, fulfill the requirements of a Qualified Person as defined in NI 43-101. My work experience includes 12 years on Cr-Ni-Cu-PGE deposits (on and off-mine), and the balance on a wide variety of other mineral commodities including gold, silver, copper, tin, and tantalite.

6) I visited the Activation Laboratory in Thunder Bay on 10 January, 2009 and the Big Daddy mineral property, between 11 and 13 January, 2009 and on October 22, 2009.

7) I have had no prior involvement with the mineral property in question, other than that I was a co-author of the March 31, 2009 Technical Report.

8) As of the date of this certificate to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make this report not misleading;

9) I am independent of the parties involved in the Big Daddy property as described in Section 1.4 of NI 43-101.

10) I have read NI 43-101 and the portions of this Technical Report for which I am responsible have been prepared in compliance with this Instrument.

11) I am responsible for the preparation of all sections except Sections 16 and 18 of this Technical Report dated March 30, 2010 and entitled "Technical Report on the Mineral Resource Estimate for the Big Daddy Chromite Deposit, McFaulds Lake Area, James Bay Lowlands, Northern Ontario, Canada".

Effective Date: March 30, 2010
Signing Date: June 4, 2010

"Charley Z. Murahwi" {signed and sealed}

Charley Z. Murahwi, M.Sc., P. Geo. Pr.Sci.Nat., MAusIMM

APPENDIX 1

Claim Abstracts

PORCUPINE - Division 60		Claim No: P 3012253	Status: ACTIVE
Due Date:	2011-Apr-22	**Recorded:**	2003-Apr-22
Work Required:	$ 6,400	**Staked:**	2003-Mar-26 13:15
Total Work:	$ 38,400	**Township/Area:**	BMA 527861 (G-4306)
Total Reserve:	$ 152,334	**Lot Description:**	
Present Work Assignment:	$ 30,786	**Claim Units:**	16
Claim Bank:	$ 0		

Claim Holders

Recorded Holder(s) Percentage	Client Number
RESSOURCES FREEWEST CANADA INC./FREEWEST RESOURCES CANADA INC. (100.00 %)	300786

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2003-Apr-22		RECORDED BY DER WEDUWEN, JOHN (M25244)		R0360.02089
STAKER	2003-Apr-22		DER, WEDUWEN JOHN (125420) RECORDS 100.00 % IN THE NAME OF NEMIS, RICHARD (175159)		R0360.02090
TRAN	2003-Aug-14		NEMIS, RICHARD (175159) TRANSFERS 100.00 % TO RESSOURCES FREEWEST CANADA INC., FREEWEST RESOURCES CANADA INC. (300786)		T0360.00236
OTHER	2005-Apr-18		WORK PERFORMED (AMAG, AVLF) APPROVED: 2005-APR-26	$ 3,549	Q0560.00686
OTHER	2005-Apr-18		WORK PERFORMED (EM, LC, MAG) APPROVED: 2005-MAY-13	$ 15,793	Q0560.00688
WORK	2005-Apr-18	$ 3,549	WORK APPLIED (AMAG, AVLF) APPROVED: 2005-APR-26		W0560.00686
WORK	2005-Apr-18	$ 15,793	WORK APPLIED (EM, LC, MAG) APPROVED: 2005-MAY-13		W0560.00688
OTHER	2006-Apr-21		WORK PERFORMED (ASSAY, PDRILL) APPROVED: 2006-MAY-12	$ 195,778	Q0660.00790
WORK	2006-Apr-21	$ 12,090	WORK APPLIED (ASSAY, PDRILL) APPROVED: 2006-MAY-12		W0660.00790
WORK	2009-Jan-16	$ 568	WORK APPLIED		W0960.00106
TRAN	2009-Jul-24		AGREEMENT: RESSOURCES FREEWEST CANADA INC./FREEWEST RESOURCES CANADA INC. (300786) AND NEMIS, RICHARD (175159)		T0960.00248
TRAN	2009-Jul-24		AGREEMENT: RESSOURCES FREEWEST CANADA INC./FREEWEST RESOURCES CANADA INC. (300786) AND RESSOURCES KWG INC./KWG RESOURCES INC. (224701)		T0960.00249
WORK	2009-Dec-22	$ 6,400	WORK APPLIED		W0960.03071

Claim Reservations

01 400' surface rights reservation around all lakes and rivers
02 Sand and gravel reserved
03 Peat reserved
04 Other reservations under the Mining Act may apply
05 Including land under water

PORCUPINE - Division 60		Claim No: P 3012252	Status: ACTIVE
Due Date:	2011-Apr-22	**Recorded:**	2003-Apr-22
Work Required:	$ 6,400	**Staked:**	2003-Mar-29 16:00
Total Work:	$ 38,400	**Township/Area:**	BMA 527861 (G-4306)
Total Reserve:	$ 0	**Lot Description:**	
Present Work Assignment:	$ 0	**Claim Units:**	16
Claim Bank:	$ 0		

Claim Holders

Recorded Holder(s) Percentage	Client Number
RESSOURCES FREEWEST CANADA INC./FREEWEST RESOURCES CANADA INC. (100.00 %)	300786

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2003-Apr-22		RECORDED BY DER WEDUWEN, JOHN (M25244)		R0360.02089
STAKER	2003-Apr-22		DER, WEDUWEN JOHN (125420) RECORDS 100.00 % IN THE NAME OF NEMIS, RICHARD (175159)		R0360.02090
TRAN	2003-Aug-14		NEMIS, RICHARD (175159) TRANSFERS 100.00 % TO RESSOURCES FREEWEST CANADA INC., FREEWEST RESOURCES CANADA INC. (300786)		T0360.00236
OTHER	2005-Apr-18		WORK PERFORMED (AMAG, AVLF) APPROVED: 2005-APR-26	$ 3,549	Q0560.00686
OTHER	2005-Apr-18		WORK PERFORMED (EM, LC, MAG) APPROVED: 2005-MAY-13	$ 3,009	Q0560.00688
WORK	2005-Apr-18	$ 3,549	WORK APPLIED (AMAG, AVLF) APPROVED: 2005-APR-26		W0560.00686
WORK	2005-Apr-18	$ 3,009	WORK APPLIED (EM, LC, MAG) APPROVED: 2005-MAY-13		W0560.00688
WORK	2005-Apr-18	$ 5,000	WORK APPLIED (ASSAY, PDRILL) APPROVED: 2005-MAY-13		W0560.00689
WORK	2006-Apr-21	$ 7,452	WORK APPLIED (ASSAY, PDRILL) APPROVED: 2006-MAY-12		W0660.00790
WORK	2007-Mar-12	$ 190	WORK APPLIED		W0760.00508
WORK	2008-Mar-10	$ 6,400	WORK APPLIED		W0860.00486
WORK	2009-Jan-16	$ 6,400	WORK APPLIED		W0960.00106
TRAN	2009-Jul-24		AGREEMENT: RESSOURCES FREEWEST CANADA INC./FREEWEST RESOURCES CANADA INC. (300786) AND NEMIS, RICHARD (175159)		T0960.00248
TRAN	2009-Jul-24		AGREEMENT: RESSOURCES FREEWEST CANADA INC./FREEWEST RESOURCES CANADA INC. (300786) AND RESSOURCES KWG INC./KWG RESOURCES INC. (224701)		T0960.00249
WORK	2009-Dec-22	$ 6,400	WORK APPLIED		W0960.03071

Claim Reservations

01 400' surface rights reservation around all lakes and rivers
02 Sand and gravel reserved
03 Peat reserved
04 Other reservations under the Mining Act may apply
05 Including land under water

PORCUPINE - Division 60	Claim No: P 3008269	Status: ACTIVE	
Due Date:	2011-Aug-11	**Recorded:**	2003-Aug-11
Work Required:	$ 6,400	**Staked:**	2003-Jul-27 15:30
Total Work:	$ 38,400	**Township/Area:**	BMA 527861 (G-4306)
Total Reserve:	$ 33,429	**Lot Description:**	
Present Work Assignment:	$ 60,945	**Claim Units:**	16
Claim Bank:	$ 0		

Claim Holders

Recorded Holder(s) Percentage	Client Number
RESSOURCES FREEWEST CANADA INC./FREEWEST RESOURCES CANADA INC. (100.00 %)	300786

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2003-Aug-11		RECORDED BY MORTSON, SCOTT ALEXANDER (M20734)		R0360.03487
STAKER	2003-Aug-11		MORTSON, SCOTT ALEXANDER (173106) RECORDS 100.00 % IN THE NAME OF RESSOURCES FREEWEST CANADA INC., FREEWEST RESOURCES CANADA INC. (300786)		R0360.03488
OTHER	2005-Apr-18		WORK PERFORMED (EM, LC, MAG) APPROVED: 2005-MAY-13	$ 21,057	Q0560.00688
WORK	2005-Apr-18	$ 21,057	WORK APPLIED (EM, LC, MAG) APPROVED: 2005-MAY-13		W0560.00688
OTHER	2006-Apr-21		WORK PERFORMED (ASSAY, PDRILL) APPROVED: 2006-MAY-12	$ 97,889	Q0660.00790
WORK	2006-Apr-21	$ 3,515	WORK APPLIED (ASSAY, PDRILL) APPROVED: 2006-MAY-12		W0660.00790
WORK	2008-Mar-10	$ 1,028	WORK APPLIED		W0860.00486
WORK	2009-Jan-16	$ 6,400	WORK APPLIED		W0960.00106
WORK	2009-Dec-22	$ 6,400	WORK APPLIED		W0960.03071

Claim Reservations

01 400' surface rights reservation around all lakes and rivers
02 Sand and gravel reserved
03 Peat reserved
04 Other reservations under the Mining Act may apply
05 Including land under water

PORCUPINE - Division 60	Claim No: P 3008793	Status: ACTIVE	
Due Date:	2011-Aug-11	**Recorded:**	2003-Aug-11
Work Required:	$ 4,800	**Staked:**	2003-Aug-01 14:00
Total Work:	$ 28,800	**Township/Area:**	BMA 527861 (G-4306)
Total Reserve:	$ 0	**Lot Description:**	
Present Work Assignment:	$ 0	**Claim Units:**	12
Claim Bank:	$ 0		

Claim Holders

Recorded Holder(s) Percentage	Client Number
RESSOURCES FREEWEST CANADA INC./FREEWEST RESOURCES CANADA INC. (100.00 %)	300786

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2003-Aug-11		RECORDED BY MORTSON, SCOTT ALEXANDER (M20734)		R0360.03487
STAKER	2003-Aug-11		MORTSON, SCOTT ALEXANDER (173106) RECORDS 100.00 % IN THE NAME OF RESSOURCES FREEWEST CANADA INC., FREEWEST RESOURCES CANADA INC. (300786)		R0360.03488
OTHER	2005-Apr-18		WORK PERFORMED (EM, LC, MAG) APPROVED: 2005-MAY-13	$ 14,853	Q0560.00688
WORK	2005-Apr-18	$ 14,853	WORK APPLIED (EM, LC, MAG) APPROVED: 2005-MAY-13		W0560.00688
WORK	2006-Apr-21	$ 7,335	WORK APPLIED (ASSAY, PDRILL) APPROVED: 2006-MAY-12		W0660.00790
WORK	2009-Jan-16	$ 1,812	WORK APPLIED		W0960.00106
WORK	2009-Dec-22	$ 4,800	WORK APPLIED		W0960.03071

Claim Reservations

01 400' surface rights reservation around all lakes and rivers
02 Sand and gravel reserved
03 Peat reserved
04 Other reservations under the Mining Act may apply
05 Including land under water

PORCUPINE - Division 60	Claim No: P 3008268	Status: ACTIVE	
Due Date:	2011-Aug-11	**Recorded:**	2003-Aug-11
Work Required:	$ 6,400	**Staked:**	2003-Jul-27 15:20
Total Work:	$ 38,400	**Township/Area:**	BMA 527861 (G-4306)
Total Reserve:	$ 20,203	**Lot Description:**	
Present Work Assignment:	$ 24,000	**Claim Units:**	16
Claim Bank:	$ 0		

Claim Holders

Recorded Holder(s) Percentage	Client Number
RESSOURCES FREEWEST CANADA INC./FREEWEST RESOURCES CANADA INC. (100.00 %)	300786

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2003-Aug-11		RECORDED BY MORTSON, SCOTT ALEXANDER (M20734)		R0360.03487
STAKER	2003-Aug-11		MORTSON, SCOTT ALEXANDER (173106) RECORDS 100.00 % IN THE NAME OF RESSOURCES FREEWEST CANADA INC., FREEWEST RESOURCES CANADA INC. (300786)		R0360.03488
OTHER	2005-Apr-18		WORK PERFORMED (EM, LC, MAG) APPROVED: 2005-MAY-13	$ 7,959	Q0560.00688
OTHER	2005-Apr-18		WORK PERFORMED (ASSAY, PDRILL) APPROVED: 2005-MAY-13	$ 50,598	Q0560.00689
WORK	2005-Apr-18	$ 7,959	WORK APPLIED (EM, LC, MAG) APPROVED: 2005-MAY-13		W0560.00688
WORK	2006-Apr-21	$ 29,046	WORK APPLIED (ASSAY, PDRILL) APPROVED: 2006-MAY-12		W0660.00790
WORK	2009-Dec-22	$ 1,395	WORK APPLIED		W0960.03071

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

APPENDIX 2

Example of QC Report for the Big Daddy Deposit

MEMORANDUM

TO: Jim Burns, VP Exploration, Spider Resources

FROM: Tracy Armstrong, P. Geo.

DATE: February 1, 2010

SUBJECT: January 2010 Quality Control Report for SKF Big Daddy JV Project

This report describes the results for 15 batches, which were treated in January and are described in Table 1. All samples were sent to Activation Laboratories ("Actlabs") in Thunder Bay, Ontario for sample preparation and forwarded to Actlabs in Ancaster, Ontario for analysis.

Table 1: List of Analytical Certificates Included in January 2010 QC Report

Batch no.	Laboratory	Lab Certificate #	No. of samples	Date green light
58	Actlabs	A09-6712final	35	January 11
59	Actlabs	A09-6713final	35	January 13
74	Actlabs	A09-6921final	35	January 11
75	Actlabs	A09-7395final	35	January 11
76	Actlabs	A09-7396final	35	January 13
77	Actlabs	A09-7398final	35	January 11
79	Actlabs	A09-7403rev1final	35	January 19
80	Actlabs	A09-6923final	35	January 13
81	Actlabs	A09-7406final	35	January 13
82	Actlabs	A09-7407final	35	January 11
83	Actlabs	A09-7408final	35	January 13
84	Actlabs	A09-7410final	35	January 11
85	Actlabs	A09-7415final	31	January 11
86	Actlabs	A09-7420final	35	January 19
87	Actlabs	A09-7421final	35	January 13
TOTAL			**521**	

A total of 521 samples were analyzed at Actlabs. This number includes the QC samples inserted in each batch. Samples were assembled into batches of 35 samples which included three certified reference materials, one blank sample comprised of sterile rock, one pulp duplicate, one coarse reject duplicate and one field (1/4 core) duplicate.

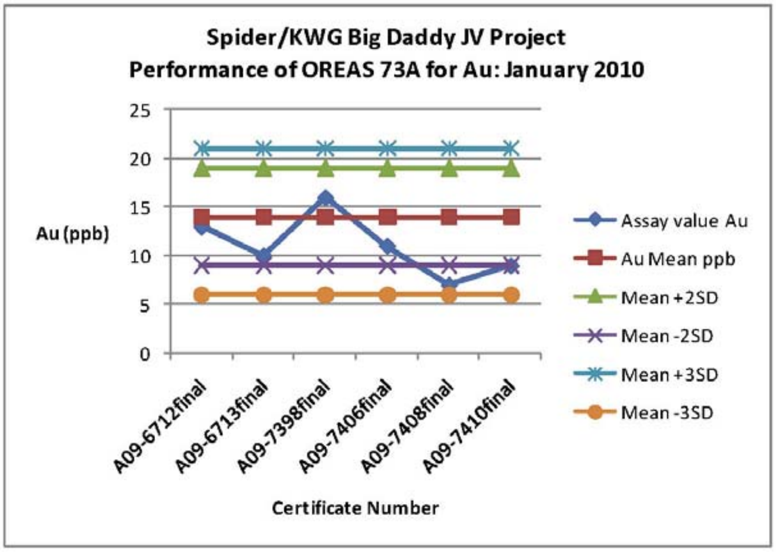
OREAS 14P Reference Material

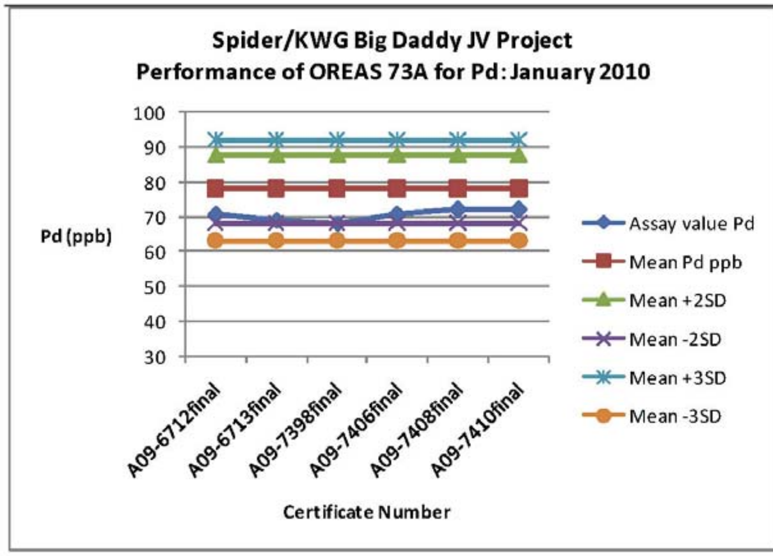
There were no batches containing OREAS 14P for the month of January.

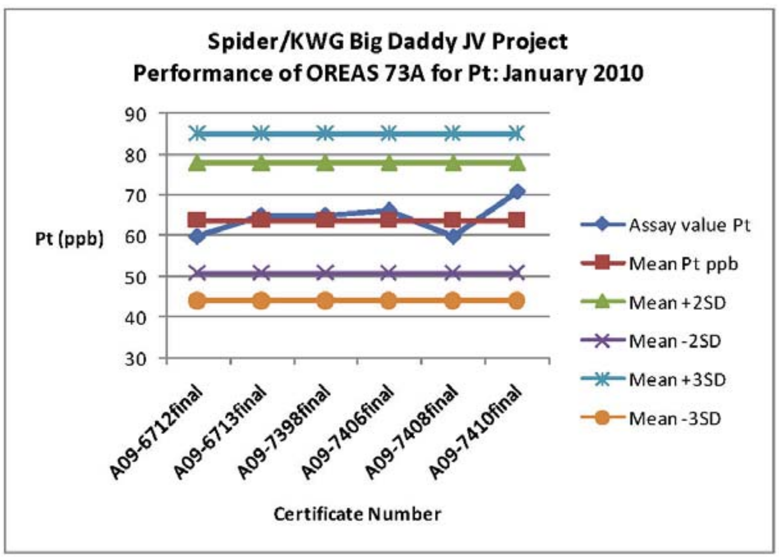
OREAS 73A Reference Material

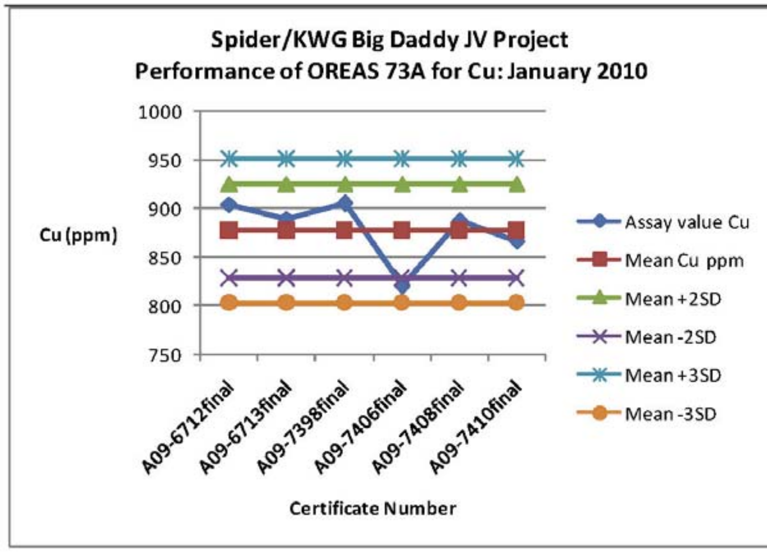
The OREAS 73A certified reference material was purchased from Analytical Solutions Ltd. ("ASL") in Toronto, Ontario. The supplier is Ore Research & Exploration Pty Ltd. in Australia. The standard is made from a blend of ore from the Cosmos Nickel Mine in Western Australia and barren ultramafic material. It is certified for Au, Pd, Pt, Cu and Ni. There were six data points for this reference material, however three samples were not analyzed for Ni, due to the standard being greater than 1% Ni and the analytical method having a maximum of 1% for the certificates in question.

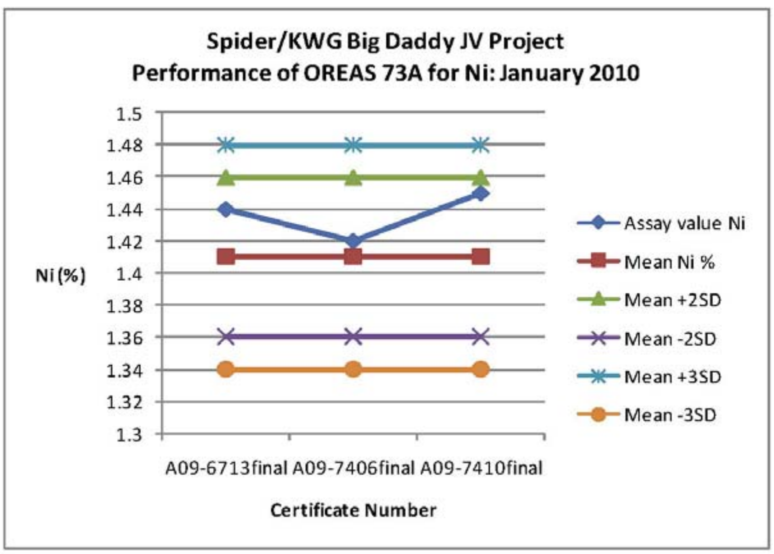
There were no failures.




Spider/KWG Big Daddy JV Project
Performance of OREAS 73A for Pd: January 2010
Pd (ppb)
100
90
80
70
60
50
40
30
A09-6712final
A09-6713final
A09-7398final
A09-7406final
A09-7408final
A09-7410final
Certificate Number
Assay value Pd
Mean Pd ppb
Mean +2SD
Mean -2SD
Mean +3SD
Mean -3SD


Spider/KWG Big Daddy JV Project
Performance of OREAS 73A for Pt: January 2010
Pt (ppb)
90
80
70
60
50
40
30
A09-6712final
A09-6713final
A09-7398final
A09-7406final
A09-7408final
A09-7410final
Certificate Number
Assay value Pt
Mean Pt ppb
Mean +2SD
Mean -2SD
Mean +3SD
Mean -3SD


Spider/KWG Big Daddy JV Project
Performance of OREAS 73A for Cu: January 2010
Cu (ppm)
1000
950
900
850
800
750
A09-6712final
A09-6713final
A09-7398final
A09-7406final
A09-7408final
A09-7410final
Certificate Number
Assay value Cu
Mean Cu ppm
Mean +2SD
Mean -2SD
Mean +3SD
Mean -3SD


Spider/KWG Big Daddy JV Project
Performance of OREAS 73A for Ni: January 2010
Ni (%)
1.5
1.48
1.46
1.44
1.42
1.4
1.38
1.36
1.34
1.32
1.3
A09-6713final A09-7406final A09-7410final
Certificate Number
Assay value Ni
Mean Ni %
Mean +2SD
Mean -2SD
Mean +3SD
Mean -3SD

SARM8 CR2O3 REFERENCE MATERIAL

The SARM 8 reference material is made from chromium ore from the basal zone of the Bushveld Complex, South Africa and was prepared and supplied by Mintek in South Africa. This reference material is certified for Cr_2O_3. There was only one data point for SARM8, and it passed the QC. The graph is not presented here.

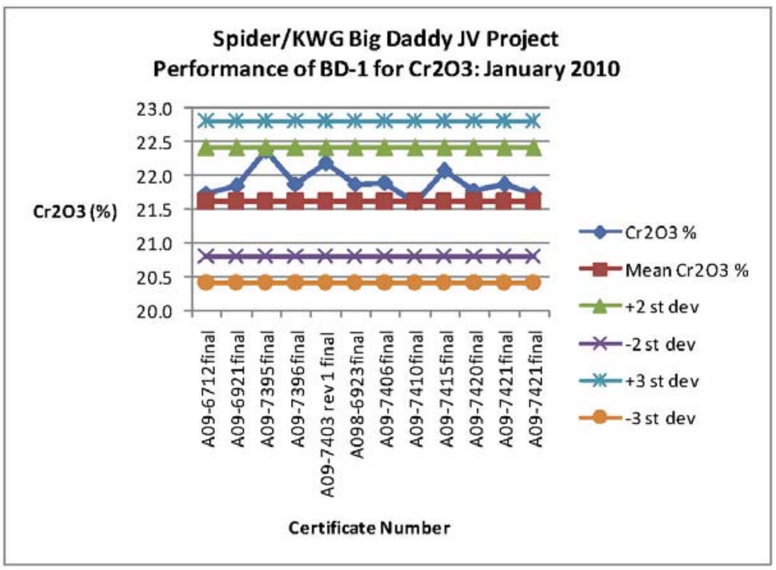
PGMS-16 REFERENCE MATERIAL

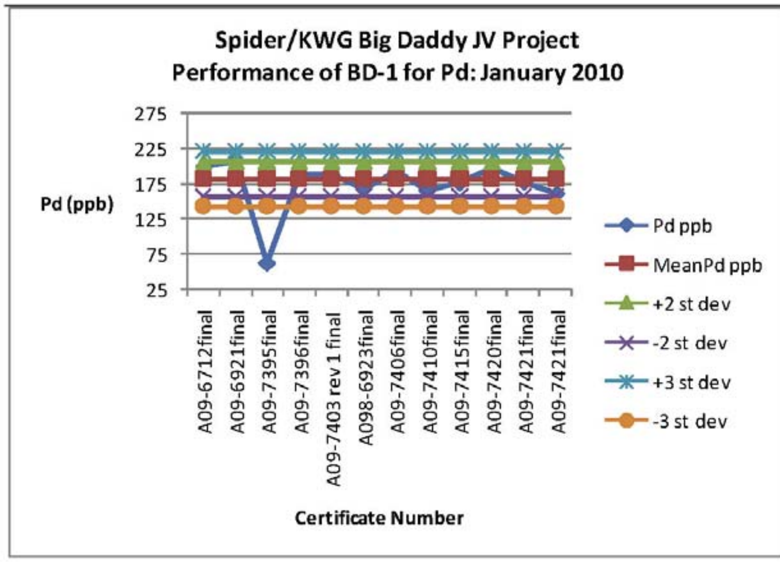
There were no batches containing PGMS-16 for the month of January.

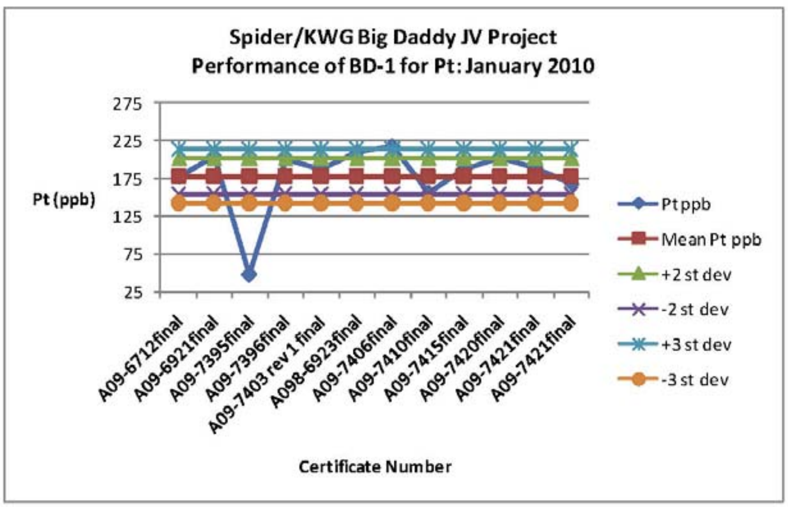
BD-1 REFERENCE MATERIAL

The BD-1 reference material is a reference material certified for Cr2O3, Pd and Pt, and was made from coarse reject material from Big Daddy drill core. CDN Resource Labs in Delta, British Columbia made the standard, sent 125 samples to five different labs for round robin analyses, and the standard was certified by Dr. Barry Smee, Ph.D.

This standard performed well for Cr2O3 with no failures, though Cr2O3 demonstrates a high bias with 100% of the points falling above the mean. There was one failure for each of Pd and Pt. No action was taken as either BD-3 and/or OREAS73A passed in the same batch.



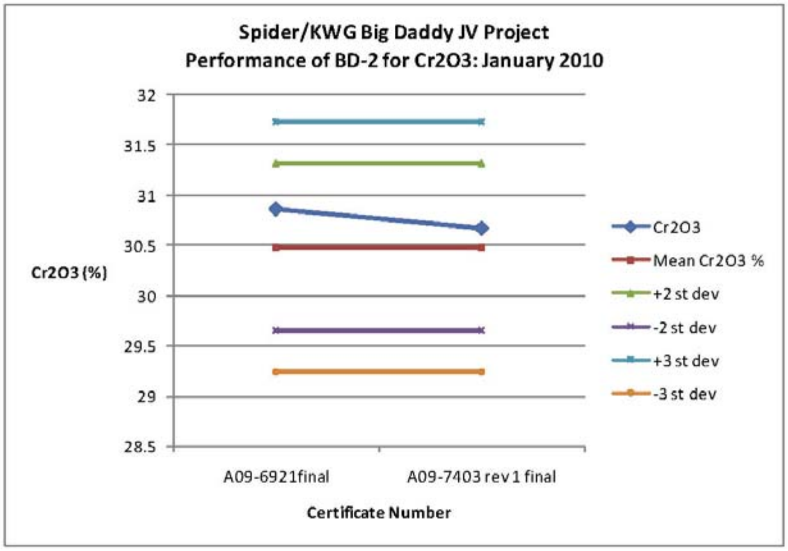


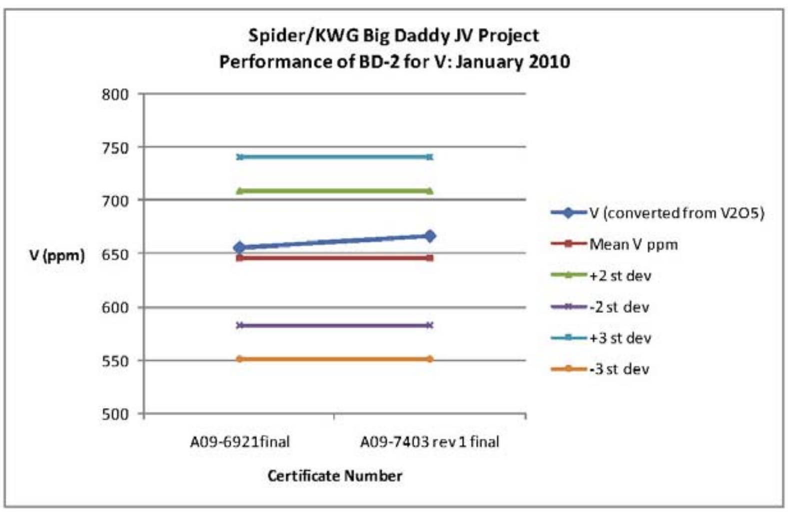


BD-2 REFERENCE MATERIAL

The BD-2 reference material is a reference material certified for Cr2O3 and Vanadium, and was made from coarse reject material from Big Daddy drill core. CDN Resource Labs in Delta, British Columbia made the standard, sent 125 samples to five different labs for round robin analyses, and the standard was certified by Dr. Barry Smee, Ph.D.

There were only two data points for this reference material and both passed the QC.

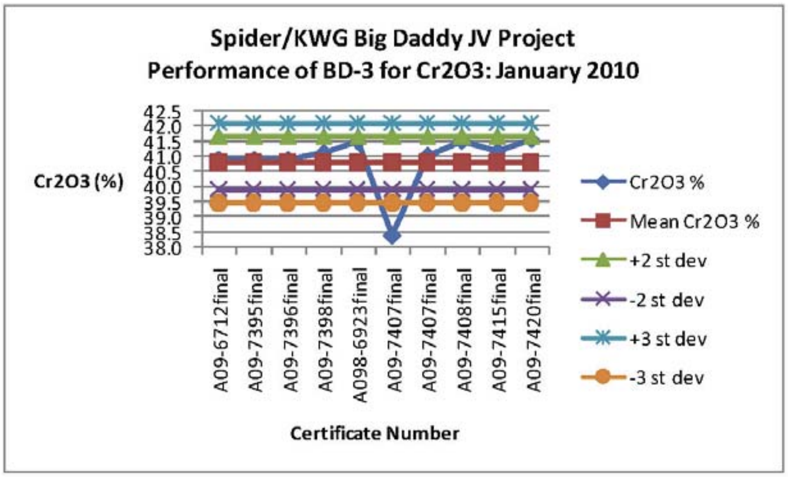


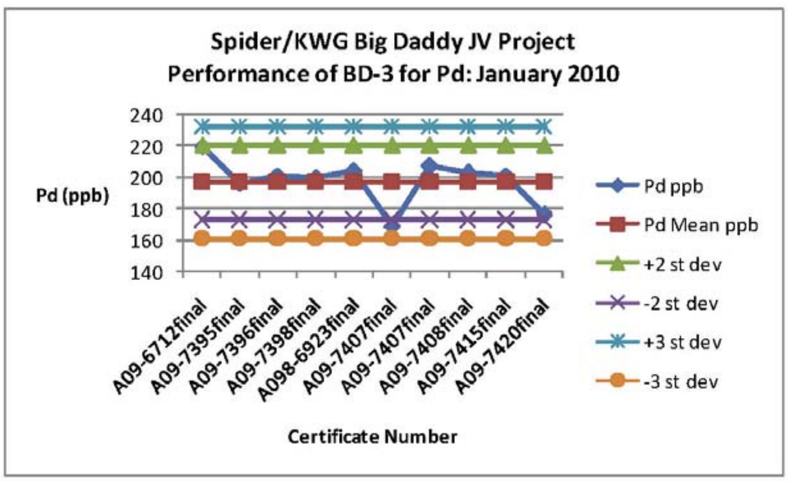


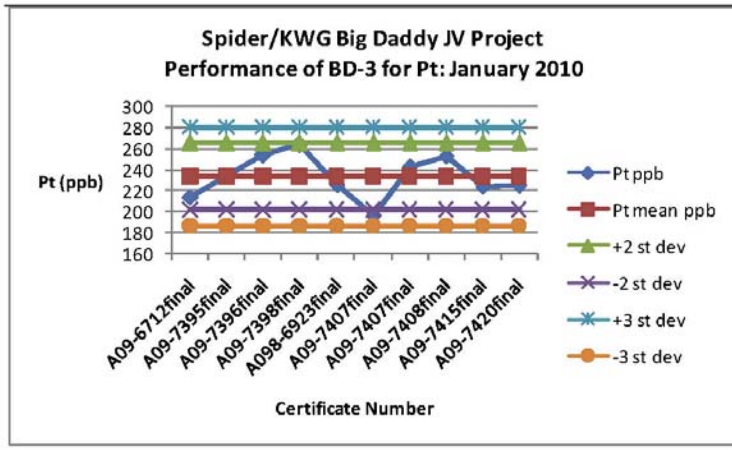
BD-3 REFERENCE MATERIAL

The BD-3 reference material is a reference material certified for Cr2O3, Pd and Pt, and was made from coarse reject material from Big Daddy drill core. CDN Resource Labs in Delta, British Columbia made the standard, sent 125 samples to five different labs for round robin analyses, and the standard was certified by Dr. Barry Smee, Ph.D.

There were ten data points for this standard. There was one failure for Cr2O3, however the other BD-3 in the same batch passed and no action was taken.





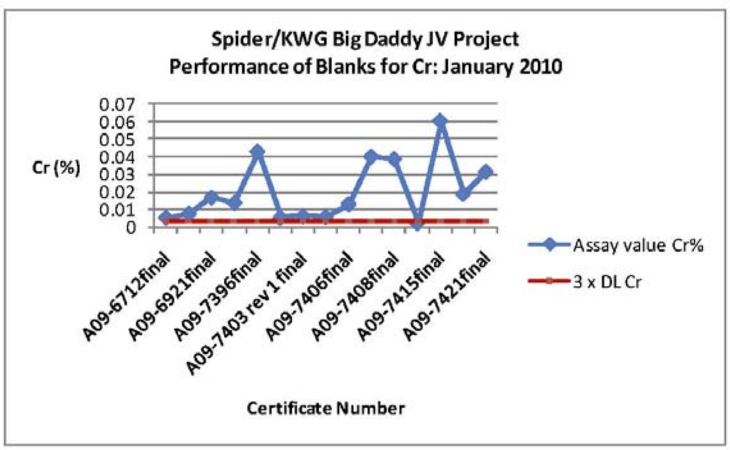


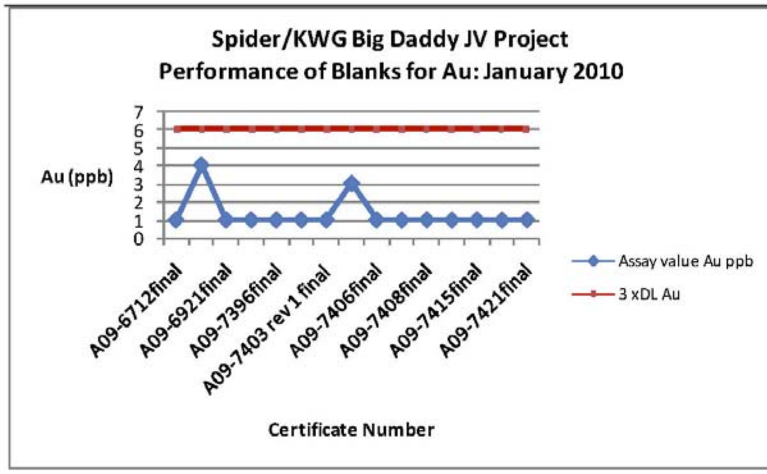
Blanks

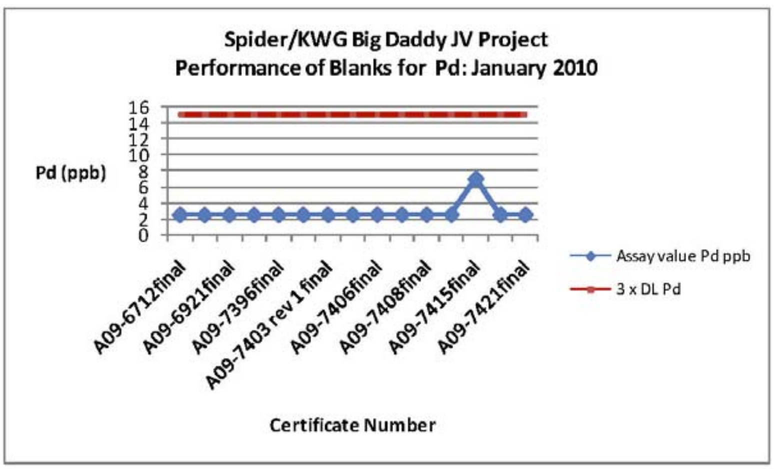
All blank data for Cr, Au, Pd, Pt, Cu and Ni were graphed. An upper tolerance limit of three times the detection limit was indicated for each element. If the assayed value in the certificate was indicated as being less than detection limit the value was assigned the value of half the detection limit for data treatment purposes.

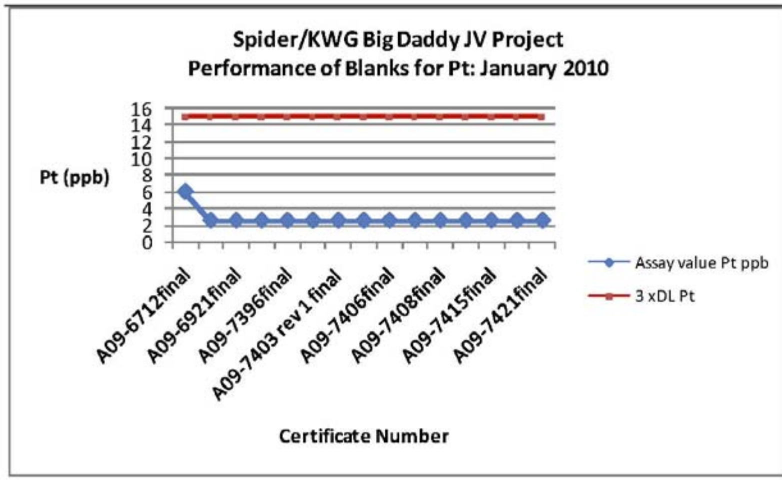
There were 15 blank samples analyzed.

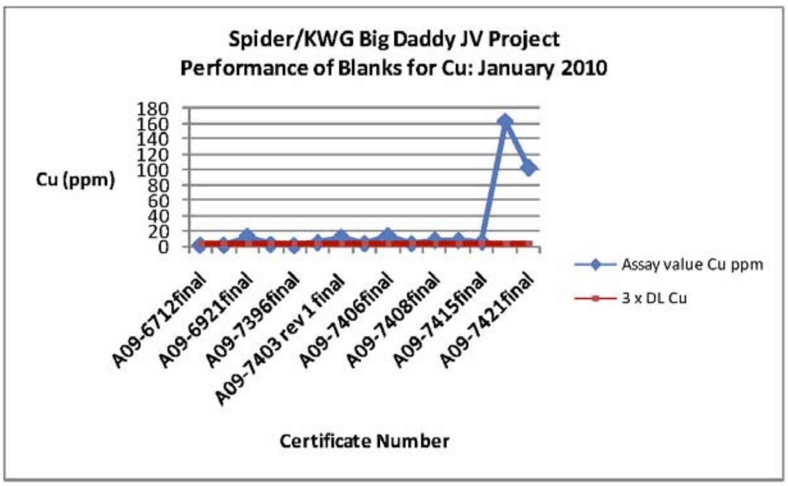
The Cr content of the blank material exceeds the threshold limit 100% of the time, however the highest grade reported in a blank sample was 0.06% Cr. Copper had two failures with a high value of 161 ppm (0.0161%). No action was taken.

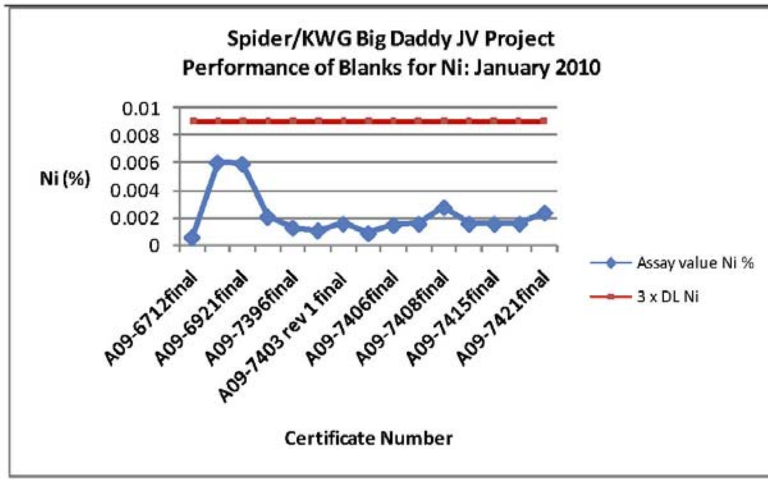



Spider/KWG Big Daddy JV Project
Performance of Blanks for Au: January 2010
Au (ppb)
7
6
5
4
3
2
1
0
A09-6712final
A09-6921final
A09-7396final
A09-7403 rev 1 final
A09-7406final
A09-7408final
A09-7415final
A09-7421final
Certificate Number
Assay value Au ppb
3 xDL Au


Spider/KWG Big Daddy JV Project
Performance of Blanks for Pd: January 2010
Pd (ppb)
16
14
12
10
8
6
4
2
0
A09-6712final
A09-6921final
A09-7396final
A09-7403 rev 1 final
A09-7406final
A09-7408final
A09-7415final
A09-7421final
Certificate Number
Assay value Pd ppb
3 x DL Pd


Spider/KWG Big Daddy JV Project
Performance of Blanks for Pt: January 2010
Pt (ppb)
16
14
12
10
8
6
4
2
0
A09-6712final
A09-6921final
A09-7396final
A09-7403 rev 1 final
A09-7406final
A09-7408final
A09-7415final
A09-7421final
Certificate Number
Assay value Pt ppb
3 xDL Pt


Spider/KWG Big Daddy JV Project
Performance of Blanks for Cu: January 2010
Cu (ppm)
180
160
140
120
100
80
60
40
20
0
A09-6712final
A09-6921final
A09-7396final
A09-7403 rev 1 final
A09-7406final
A09-7408final
A09-7415final
A09-7421final
Certificate Number
Assay value Cu ppm
3 x DL Cu



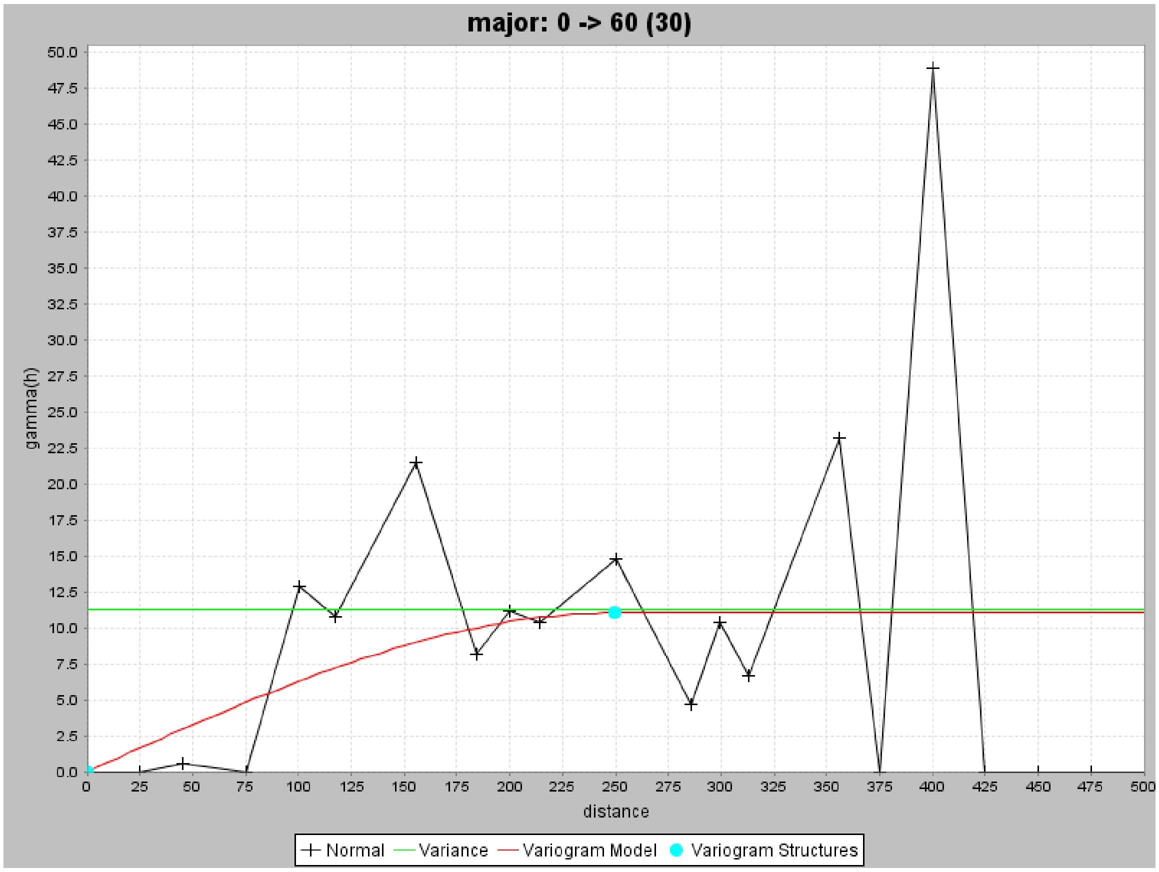
DUPLICATES

There were only 14 duplicate pairs analyzed in January, which is not enough to change the current statistics.

APPENDIX 3

Full Results of Variographic Analysis

BD 1 PRINCIPAL DIRECTION (MAJOR AXIS)



VARIOGRAM MODELLING 24-Mar-2010

Current anisotropy parameters

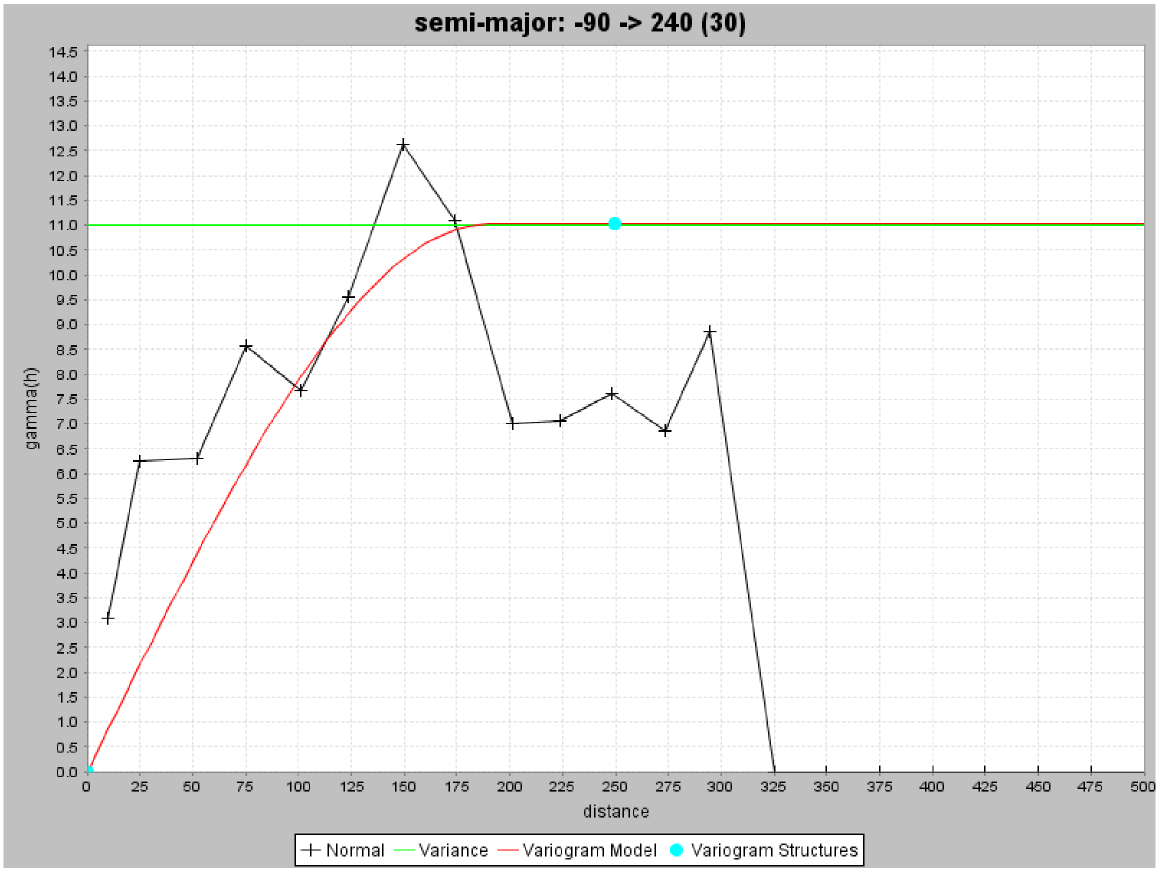
Ellipsoid plunge : 0.000000
Ellipsoid bearing: 60.000000
Ellipsoid dip : -90.000000
major:semi-major : 1.307016
major:minor : 1.000000

Current variogram model parameters

Model Type : Spherical
Nugget : 0.000000

Structure	Sill	Range
1	11.031010	249.452

BD 1 SEMI-MAJOR AXIS



VARIOGRAM MODELLING 24-Mar-2010

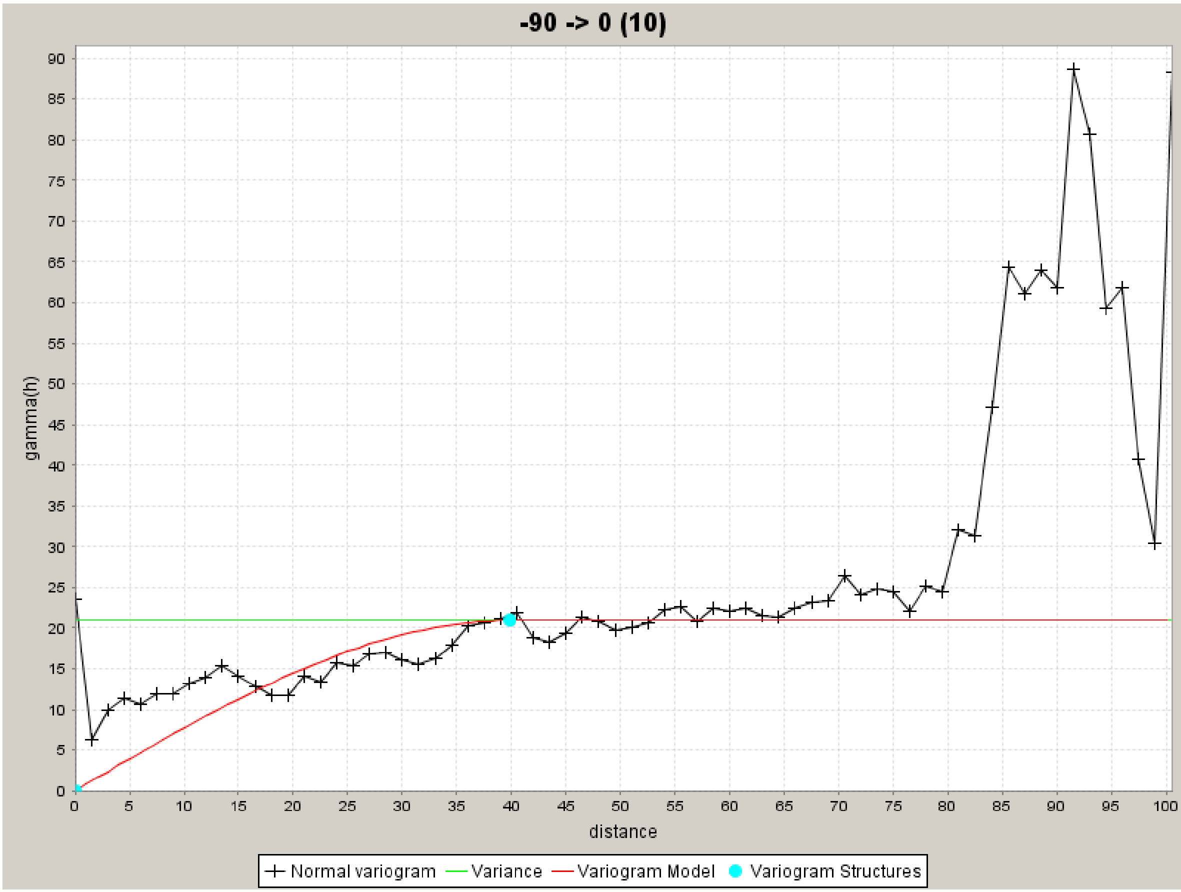
Current anisotropy parameters

Ellipsoid plunge : 0.000000
Ellipsoid bearing: 60.000000
Ellipsoid dip : -90.000000
major:semi-major : 1.307016
major:minor : 1.000000

Current variogram model parameters

Model Type : Spherical
Nugget : 0.000000

BD 1 MINOR AXIS (DOWNHOLE)



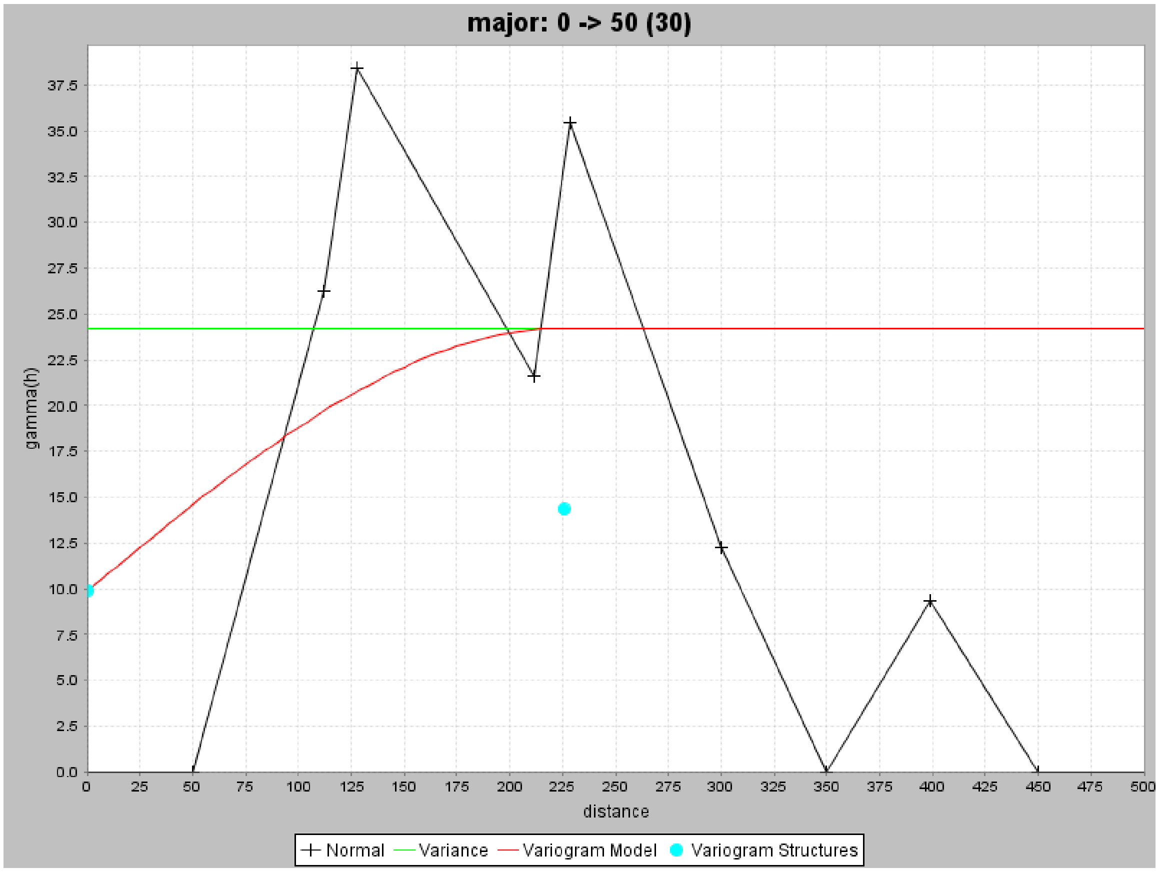
VARIOGRAM MODELLING 29-Apr-2010

Current variogram model parameters

Model Type : Spherical
Nugget : 0.000000

Structure	Sill	Range
1	20.954050	39.877

BD 2 PRINCIPAL DIRECTION (MAJOR AXIS)



VARIOGRAM MODELLING 30-Apr-2010

Current anisotropy parameters

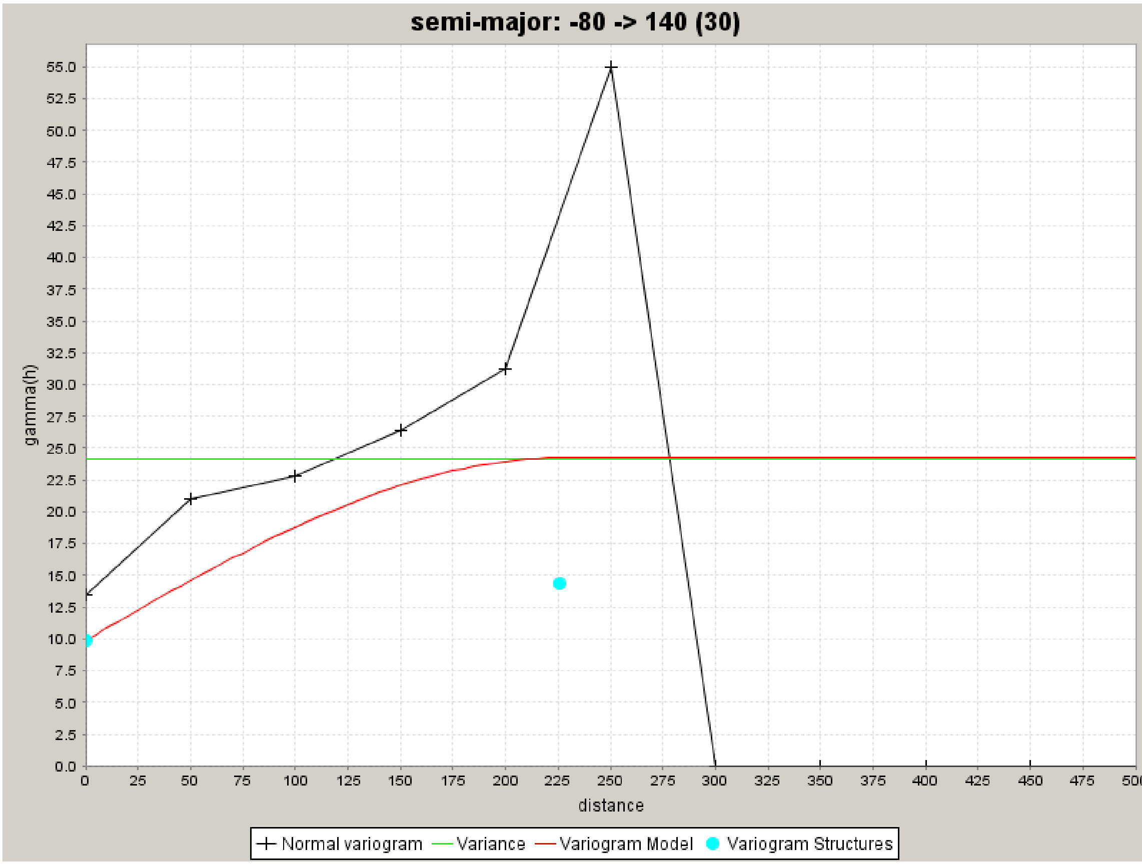
Ellipsoid plunge : 0.000000
Ellipsoid bearing: 50.000021
Ellipsoid dip : -79.999996
major:semi-major : 1.000000
major:minor : 1.000000

Current variogram model parameters

Model Type : Spherical
Nugget : 9.898158

Structure	Sill	Range
1	14.335420	225.509

BD 2 SEMI-MAJOR AXIS



VARIOGRAM MODELLING 30-Apr-2010

Current anisotropy parameters

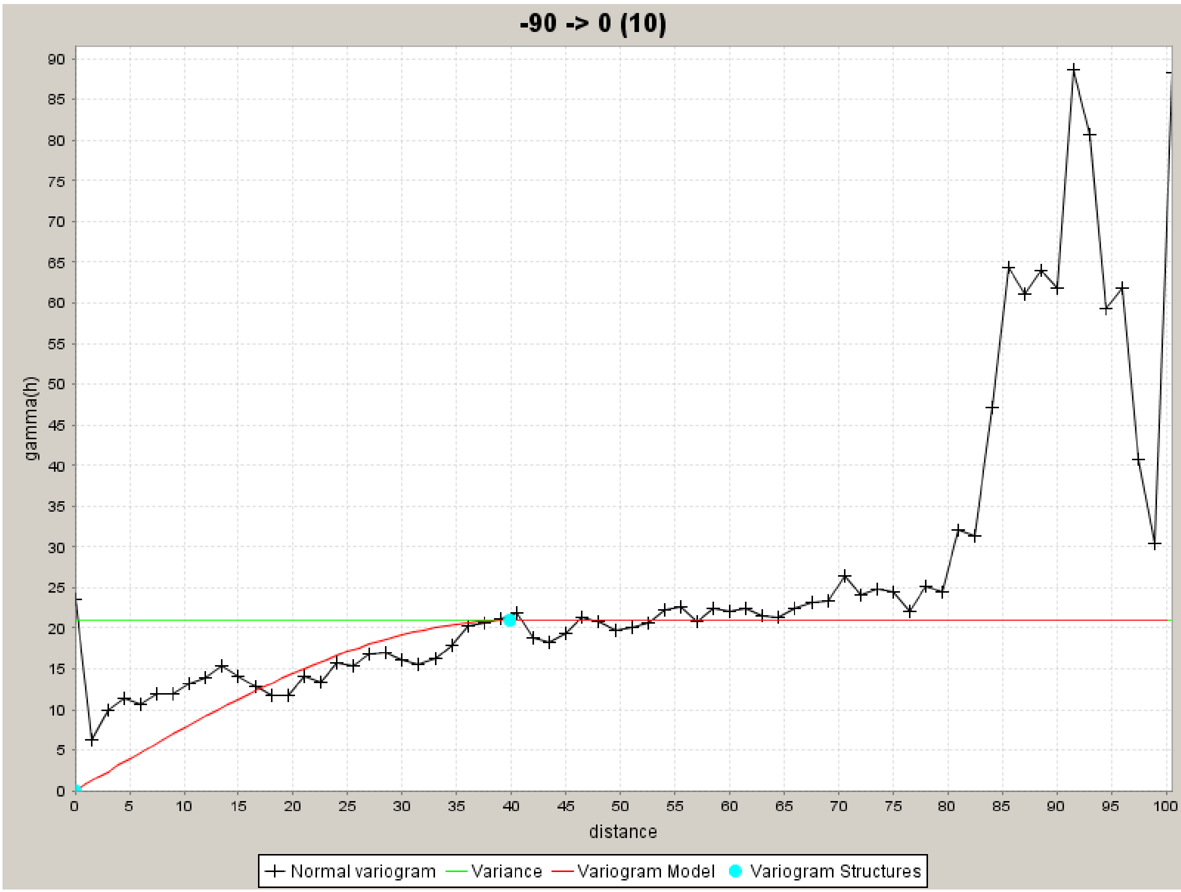
Ellipsoid plunge : 0.000000
Ellipsoid bearing: 50.000021
Ellipsoid dip : -79.999996
major:semi-major : 1.000000
major:minor : 1.000000

Current variogram model parameters

Model Type : Spherical
Nugget : 9.898158

Structure	Sill	Range
1	14.335420	225.509

BD 2 MINOR AXIS (DOWNHOLE)



VARIOGRAM MODELLING 29-Apr-2010

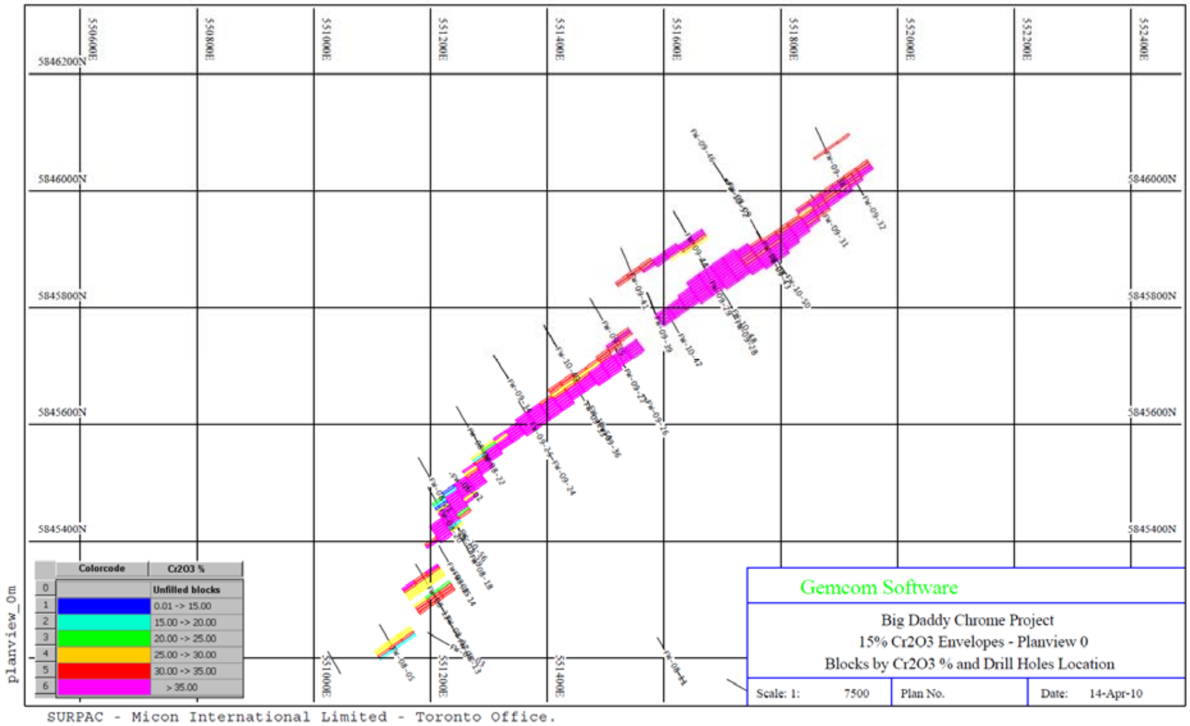
Current variogram model parameters

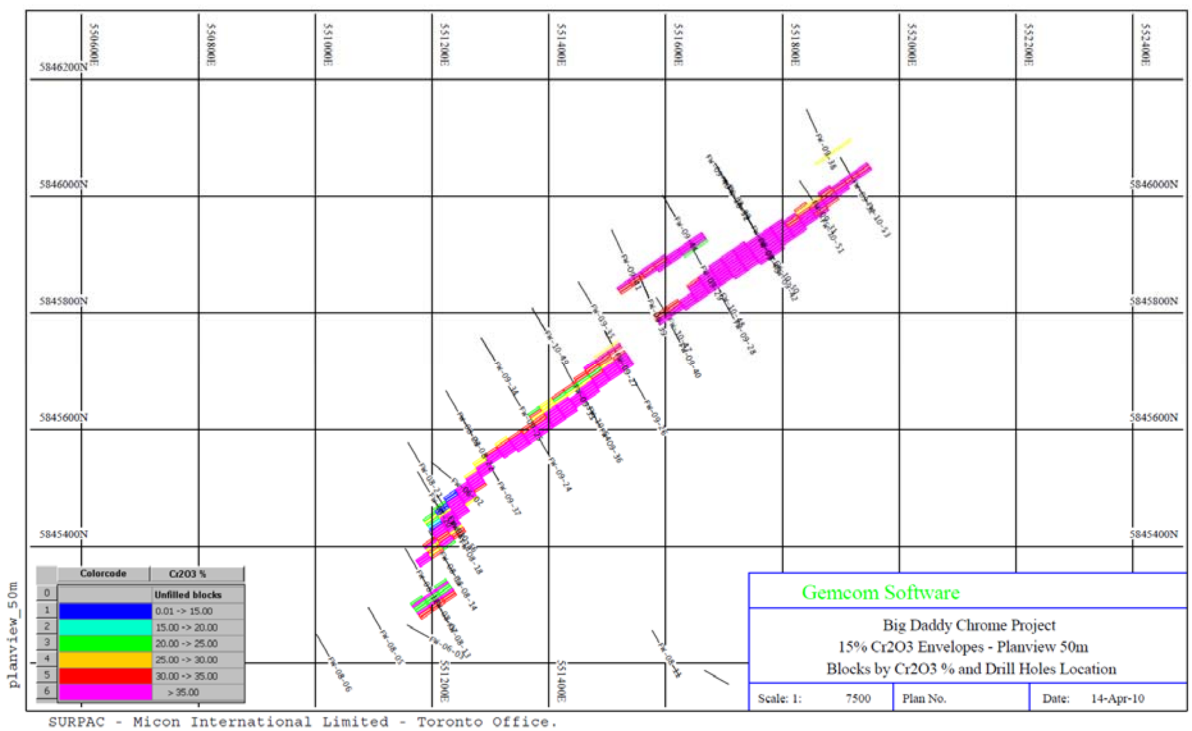
Model Type : Spherical
Nugget : 0.000000

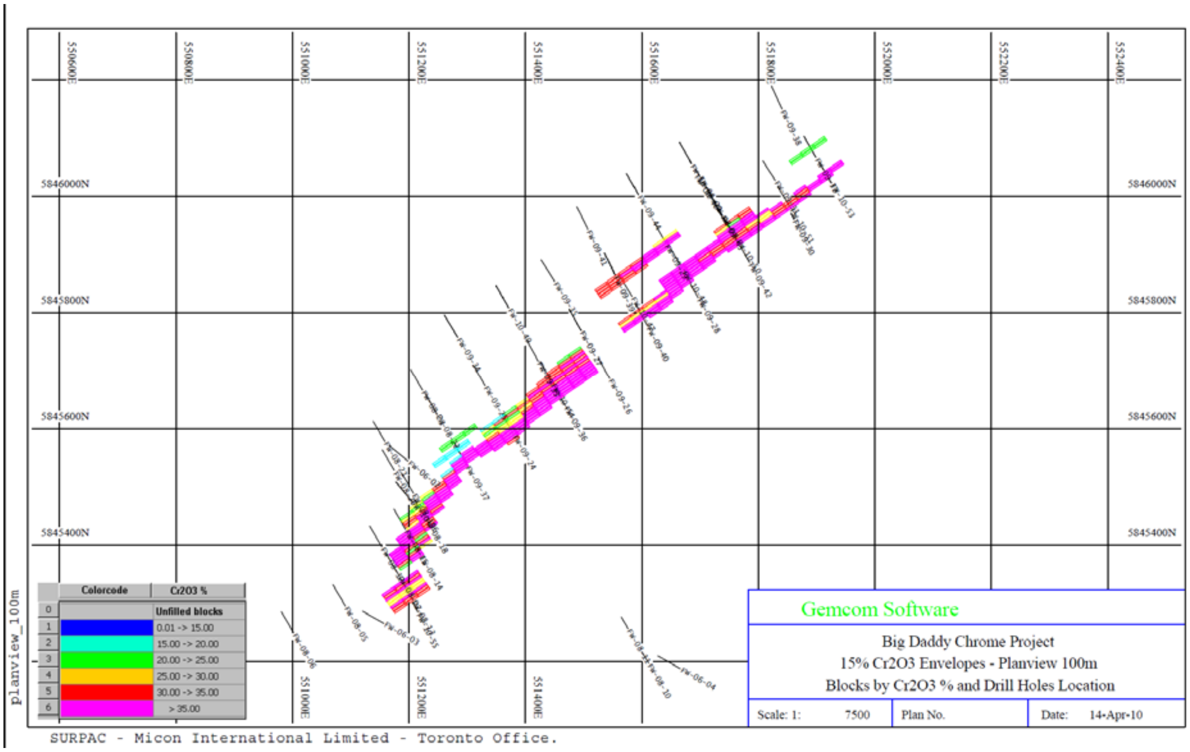
Structure	Sill	Range
1	20.954050	39.877

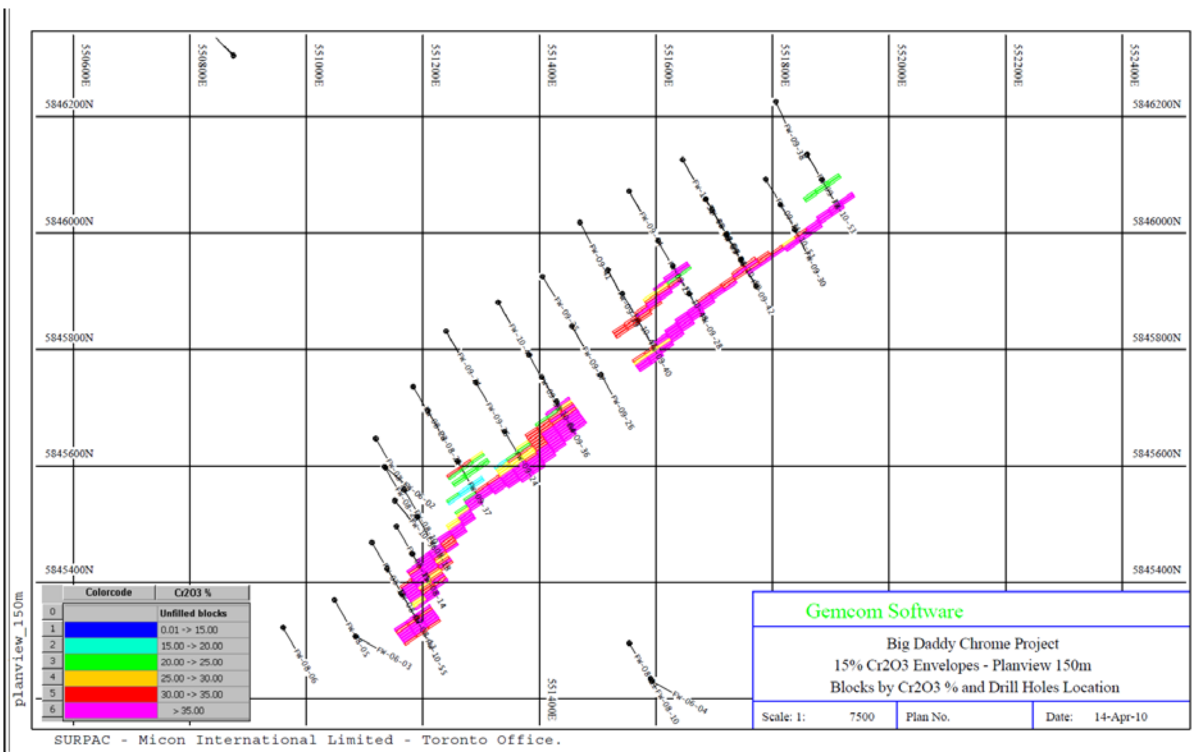
APPENDIX 4

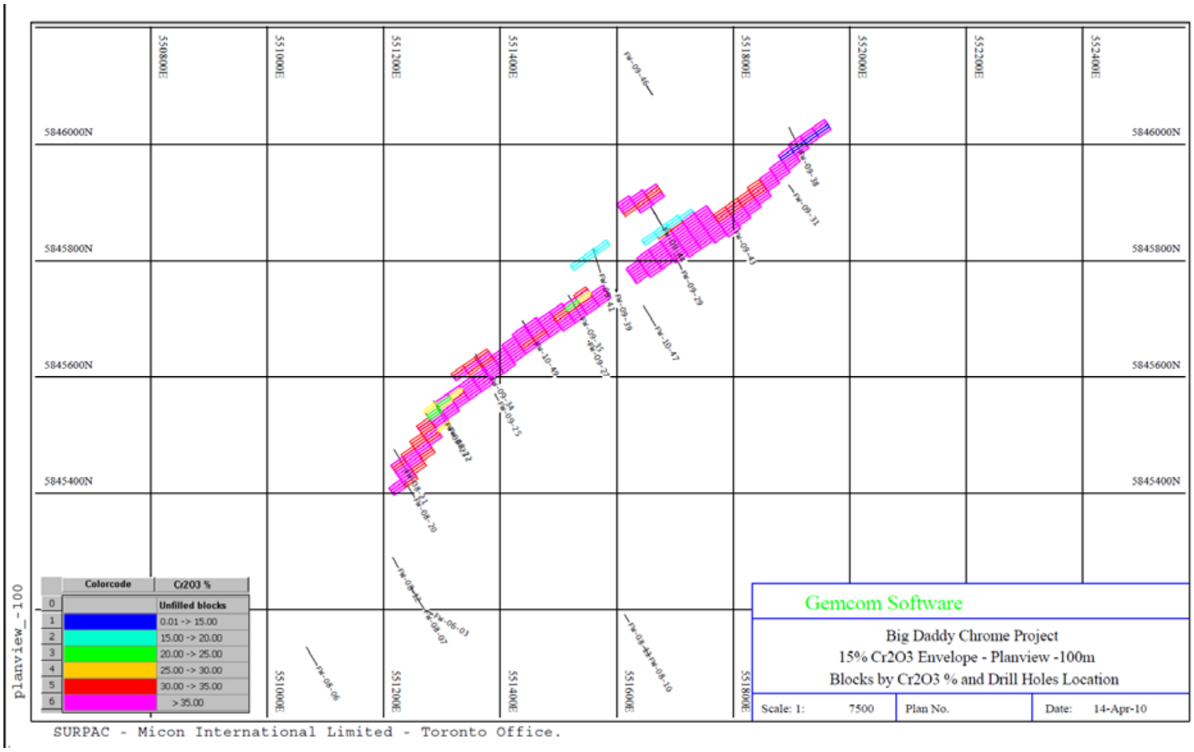
Level Plans at 50m Intervals Starting from Surface

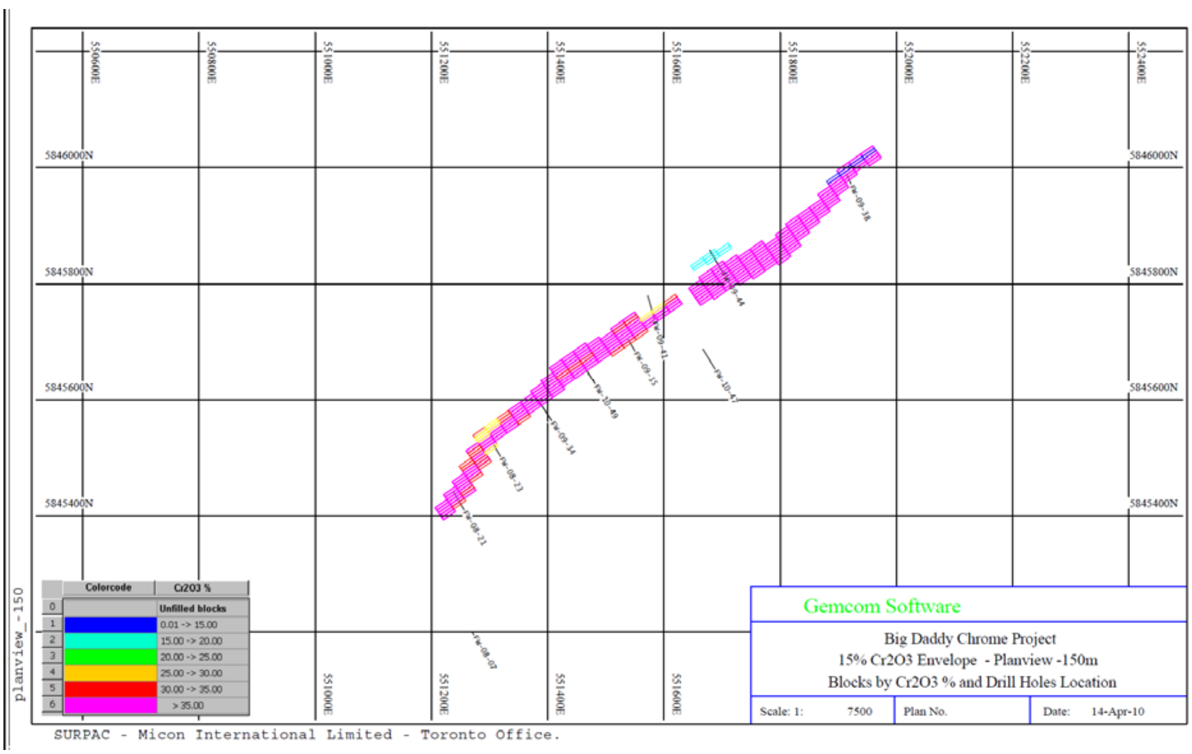

550600E
550800E
551000E
551200E
551400E
551600E
551800E
552000E
552200E
552400E
5846200N
5846000N
5845800N
5845600N
5845400N
planview_0m
Colorcode
Cr2O3 %
0 Unfilled blocks
1 0.01 -> 15.00
2 15.00 -> 20.00
3 20.00 -> 25.00
4 25.00 -> 30.00
5 30.00 -> 35.00
6 > 35.00
Gemcom Software
Big Daddy Chrome Project
15% Cr2O3 Envelopes - Planview 0
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 7500
Plan No.
Date: 14-Apr-10
SURPAC - Micon International Limited - Toronto Office.


550600E
550800E
551000E
551200E
551400E
551600E
551800E
552000E
552200E
552400E
5846200N
5846000N
5845800N
5845600N
5845400N
planview_50m
Colorcode
Cr2O3 %
0 Unfilled blocks
1 0.01 -> 15.00
2 15.00 -> 20.00
3 20.00 -> 25.00
4 25.00 -> 30.00
5 30.00 -> 35.00
6 > 35.00
Gemcom Software
Big Daddy Chrome Project
15% Cr2O3 Envelopes - Planview 50m
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 7500
Plan No.
Date: 14-Apr-10
SURPAC - Micon International Limited - Toronto Office.


550600E
550800E
551000E
551200E
551400E
551600E
551800E
552000E
552200E
552400E
5846000N
5845800N
5845600N
5845400N
planview_100m
Colorcode
Cr2O3 %
0 Unfilled blocks
1 0.01 -> 15.00
2 15.00 -> 20.00
3 20.00 -> 25.00
4 25.00 -> 30.00
5 30.00 -> 35.00
6 > 35.00
Gemcom Software
Big Daddy Chrome Project
15% Cr2O3 Envelopes - Planview 100m
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 7500
Plan No.
Date: 14-Apr-10
SURPAC - Micon International Limited - Toronto Office.

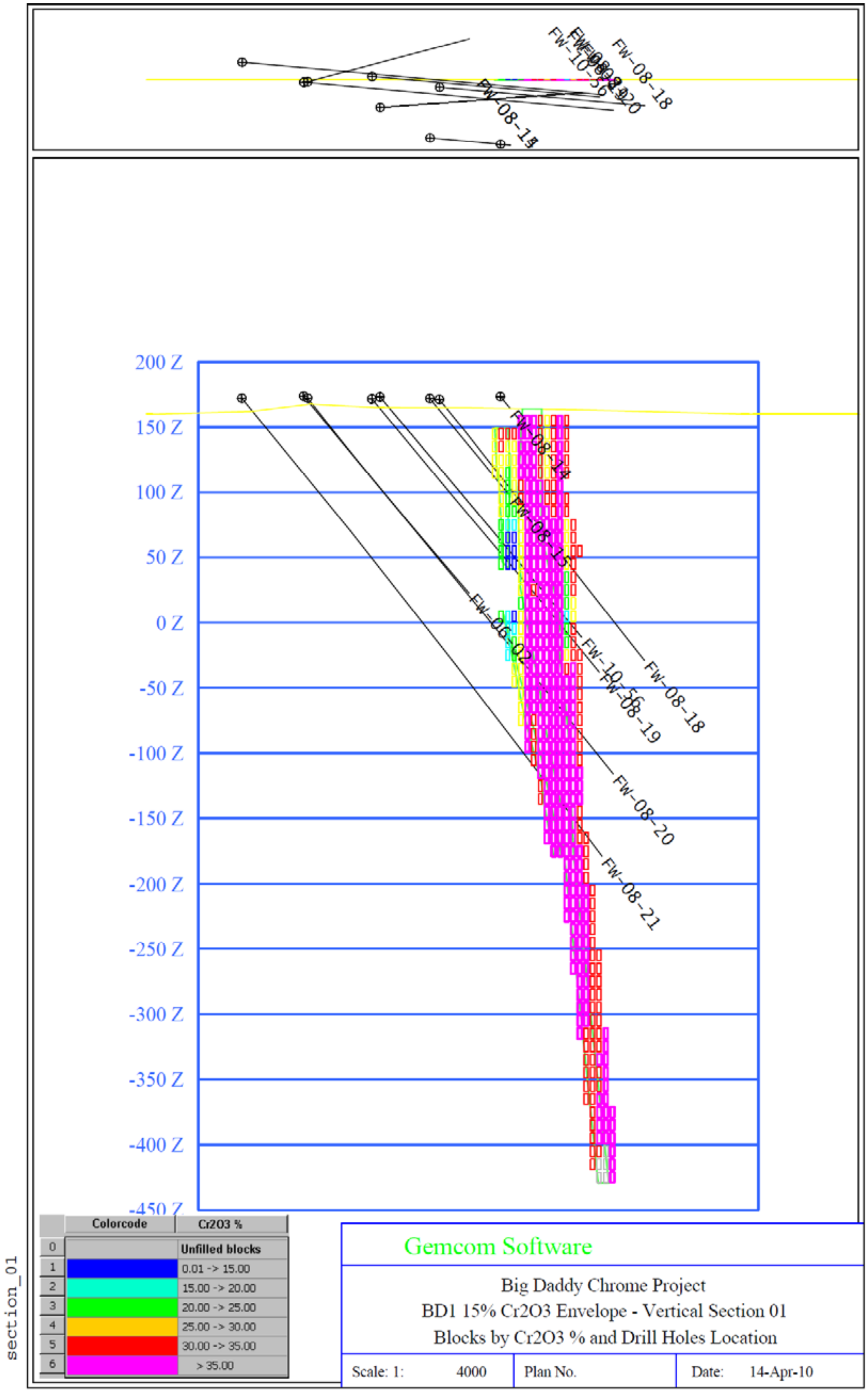

550600E
550800E
551000E
551200E
551400E
551600E
551800E
552000E
552200E
552400E
5846200N
5846000N
5845800N
5845600N
5845400N
planview_150m
Colorcode
Cr2O3 %
0 Unfilled blocks
1 0.01 -> 15.00
2 15.00 -> 20.00
3 20.00 -> 25.00
4 25.00 -> 30.00
5 30.00 -> 35.00
6 > 35.00
Gemcom Software
Big Daddy Chrome Project
15% Cr2O3 Envelopes - Planview 150m
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 7500
Plan No.
Date: 14-Apr-10
SURPAC - Micon International Limited - Toronto Office.


Gemcom Software
Big Daddy Chrome Project
15% Cr2O3 Envelope - Planview -100m
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 7500
Plan No.
Date: 14-Apr-10
Colorcode
Cr2O3 %
Unfilled blocks
0.01 -> 15.00
15.00 -> 20.00
20.00 -> 25.00
25.00 -> 30.00
30.00 -> 35.00
> 35.00
planview_-100
SURPAC - Micon International Limited - Toronto Office.
5846000N
5845800N
5845600N
5845400N
550800E
551000E
551200E
551400E
551800E
552000E
552200E
552400E

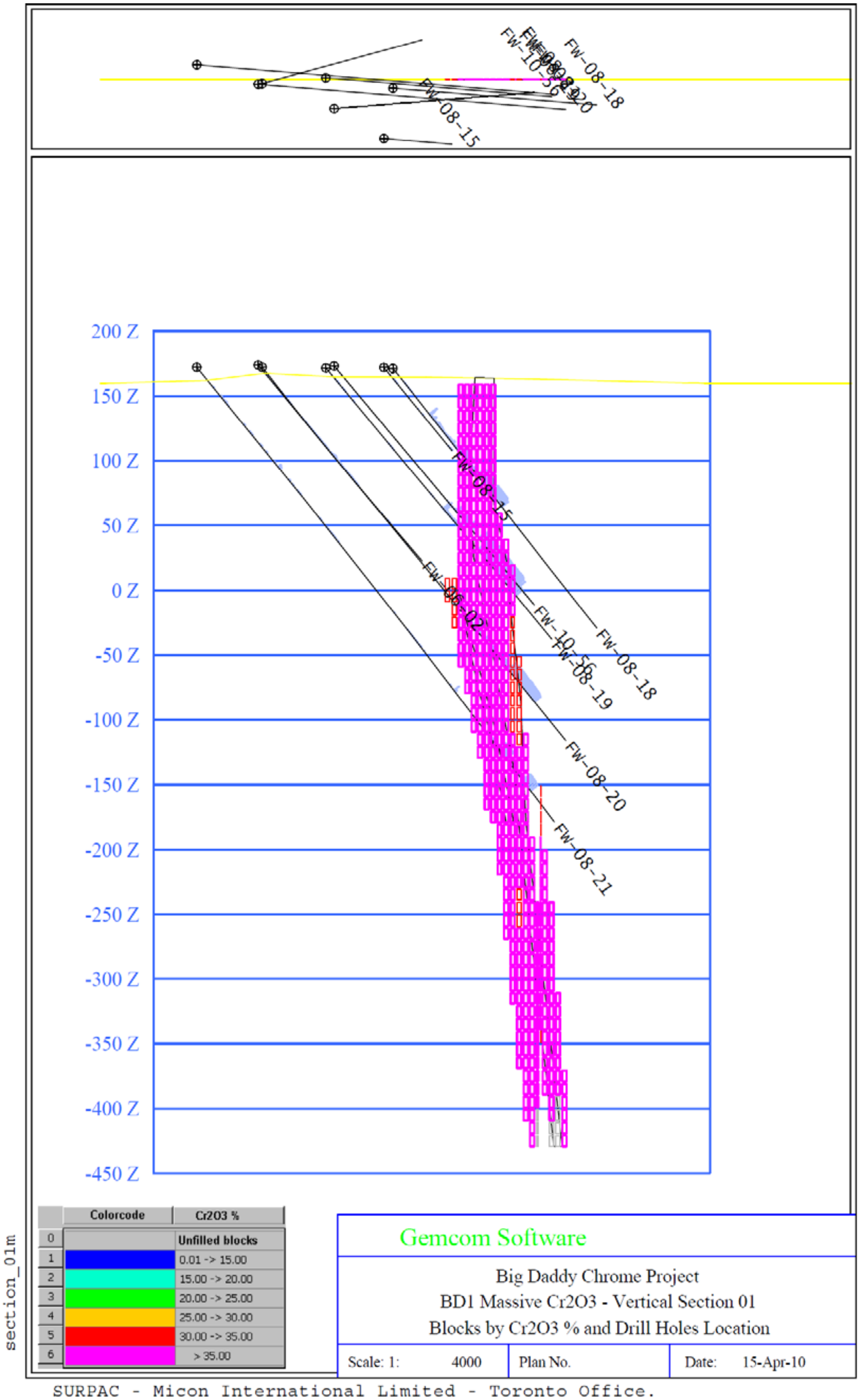

Gemcom Software
Big Daddy Chrome Project
15% Cr2O3 Envelope - Planview -150m
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 7500
Plan No.
Date: 14-Apr-10
Colorcode
Cr2O3 %
Unfilled blocks
0.01 -> 15.00
15.00 -> 20.00
20.00 -> 25.00
25.00 -> 30.00
30.00 -> 35.00
> 35.00
planview_-150
SURPAC - Micon International Limited - Toronto Office.
5846000N
5845800N
5845600N
5845400N
550600E
550800E
551000E
551200E
551400E
551600E
551800E
552000E
552200E
552400E

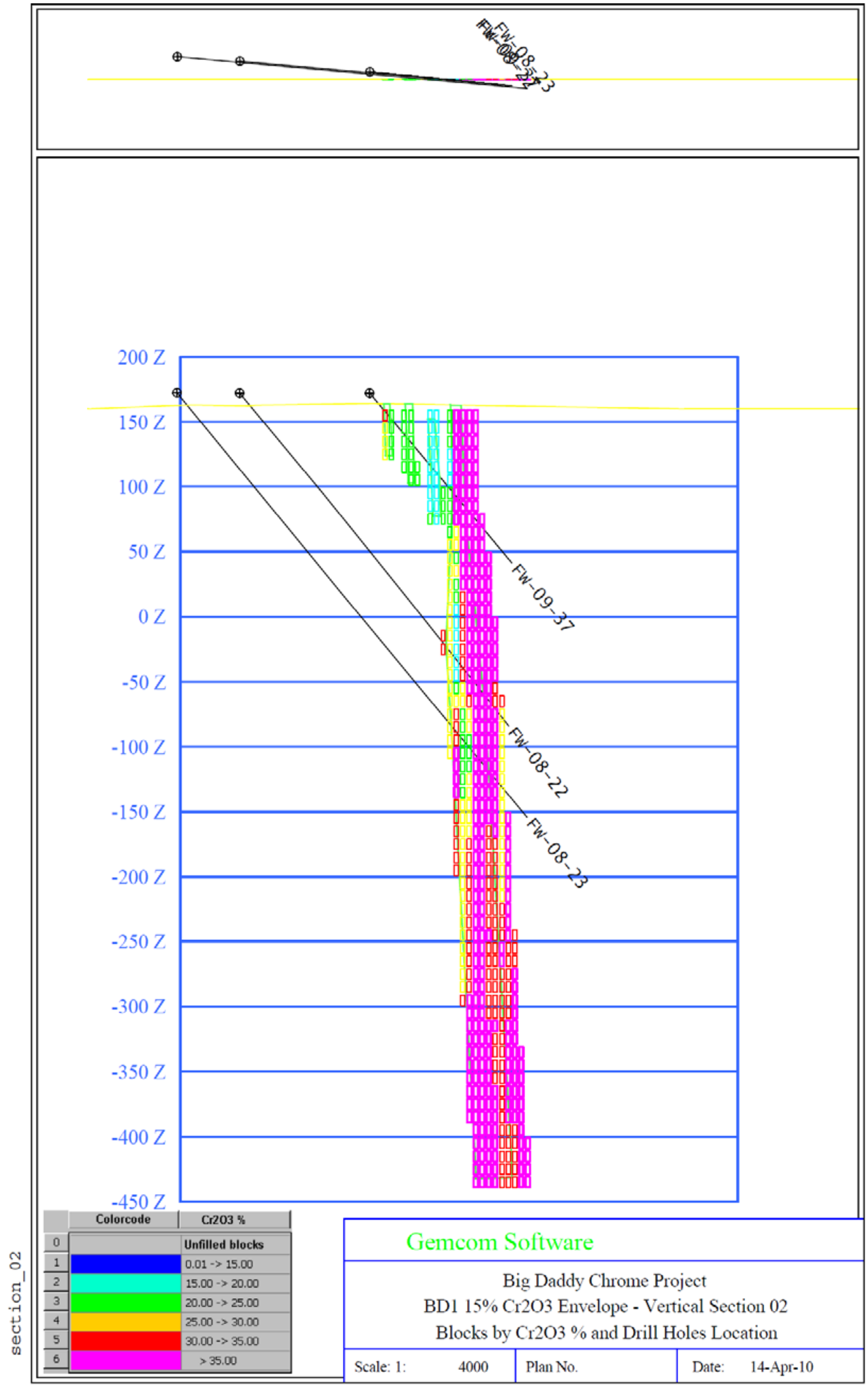
APPENDIX 5

Sections at 50m Intervals

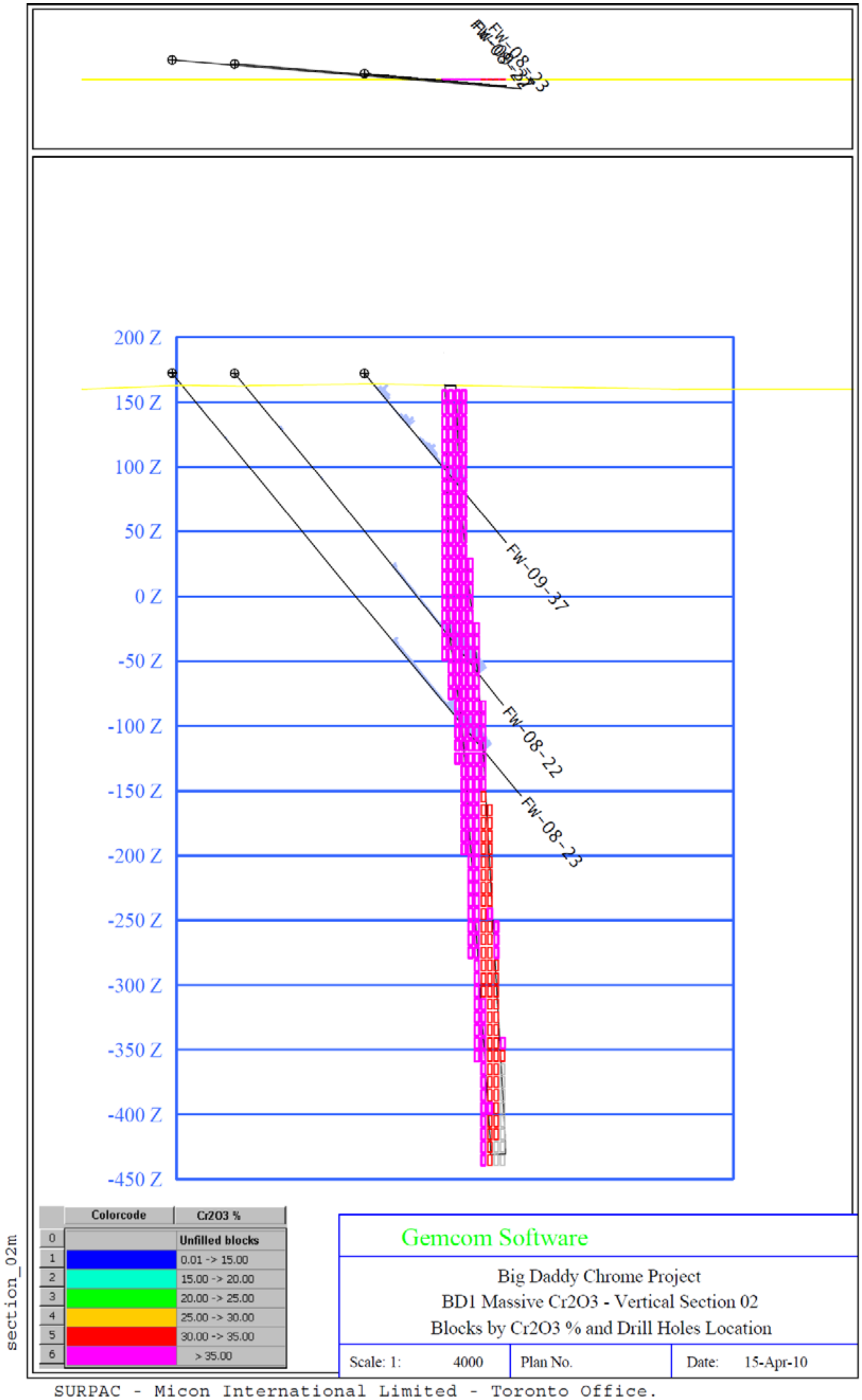


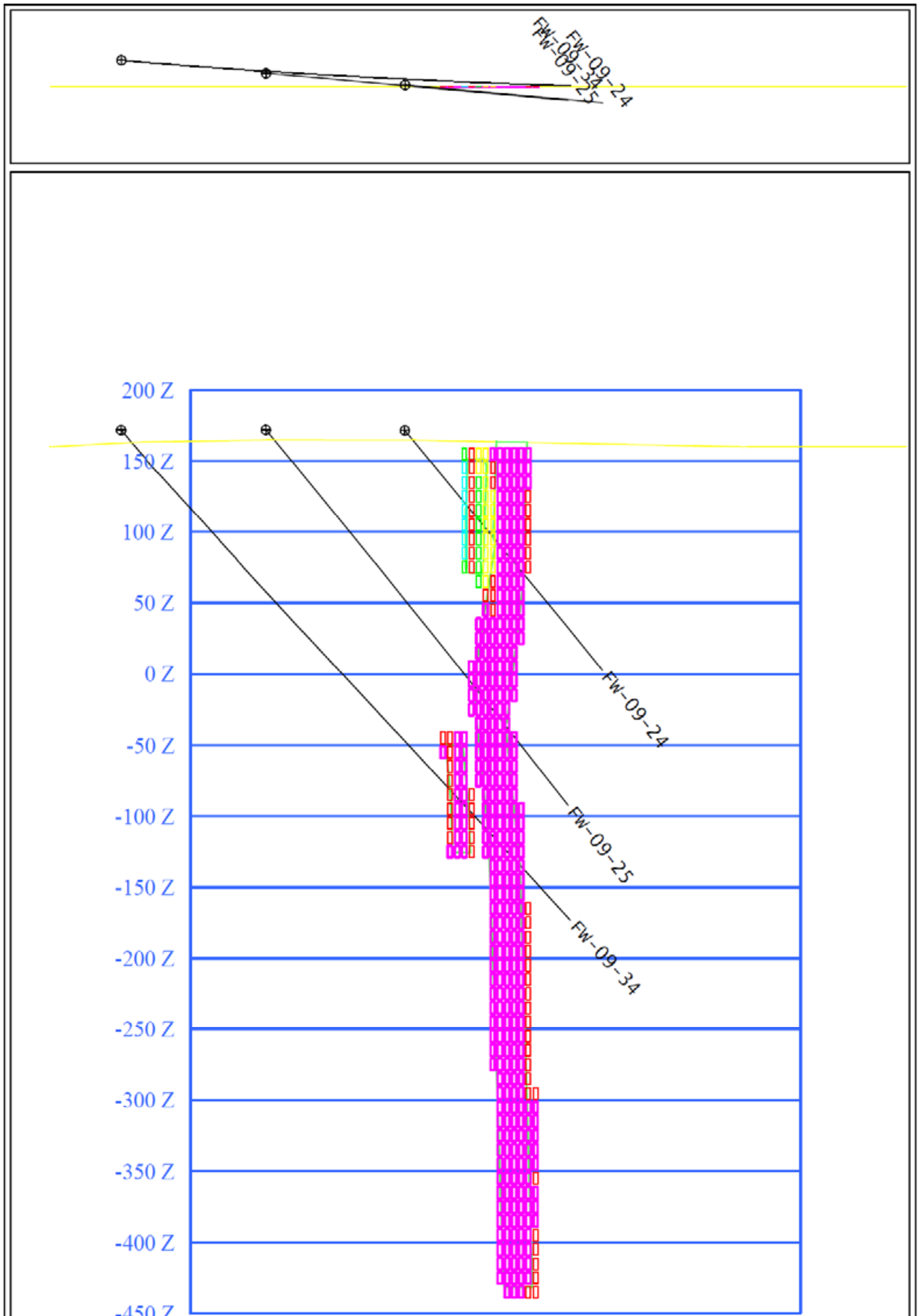
SURPAC - Micon International Limited - Toronto Office.


FW-08-15
FW-08-18
FW-08-19
FW-08-20
FW-08-21
FW-10-56
FW-08-02
200 Z
150 Z
100 Z
50 Z
0 Z
-50 Z
-100 Z
-150 Z
-200 Z
-250 Z
-300 Z
-350 Z
-400 Z
-450 Z
section_01m
Colorcode
Cr2O3 %
0 Unfilled blocks
1 0.01 -> 15.00
2 15.00 -> 20.00
3 20.00 -> 25.00
4 25.00 -> 30.00
5 30.00 -> 35.00
6 > 35.00
Gemcom Software
Big Daddy Chrome Project
BD1 Massive Cr2O3 - Vertical Section 01
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 4000
Plan No.
Date: 15-Apr-10
SURPAC - Micon International Limited - Toronto Office.



SURPAC - Micon International Limited - Toronto Office.


FW-08-23
FW-08-22
FW-09-37
200 Z
150 Z
100 Z
50 Z
0 Z
-50 Z
-100 Z
-150 Z
-200 Z
-250 Z
-300 Z
-350 Z
-400 Z
-450 Z
section_02m
Colorcode
Cr2O3 %
0 Unfilled blocks
1 0.01 -> 15.00
2 15.00 -> 20.00
3 20.00 -> 25.00
4 25.00 -> 30.00
5 30.00 -> 35.00
6 > 35.00
Gemcom Software
Big Daddy Chrome Project
BD1 Massive Cr2O3 - Vertical Section 02
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 4000
Plan No.
Date: 15-Apr-10
SURPAC - Micon International Limited - Toronto Office.



section_03

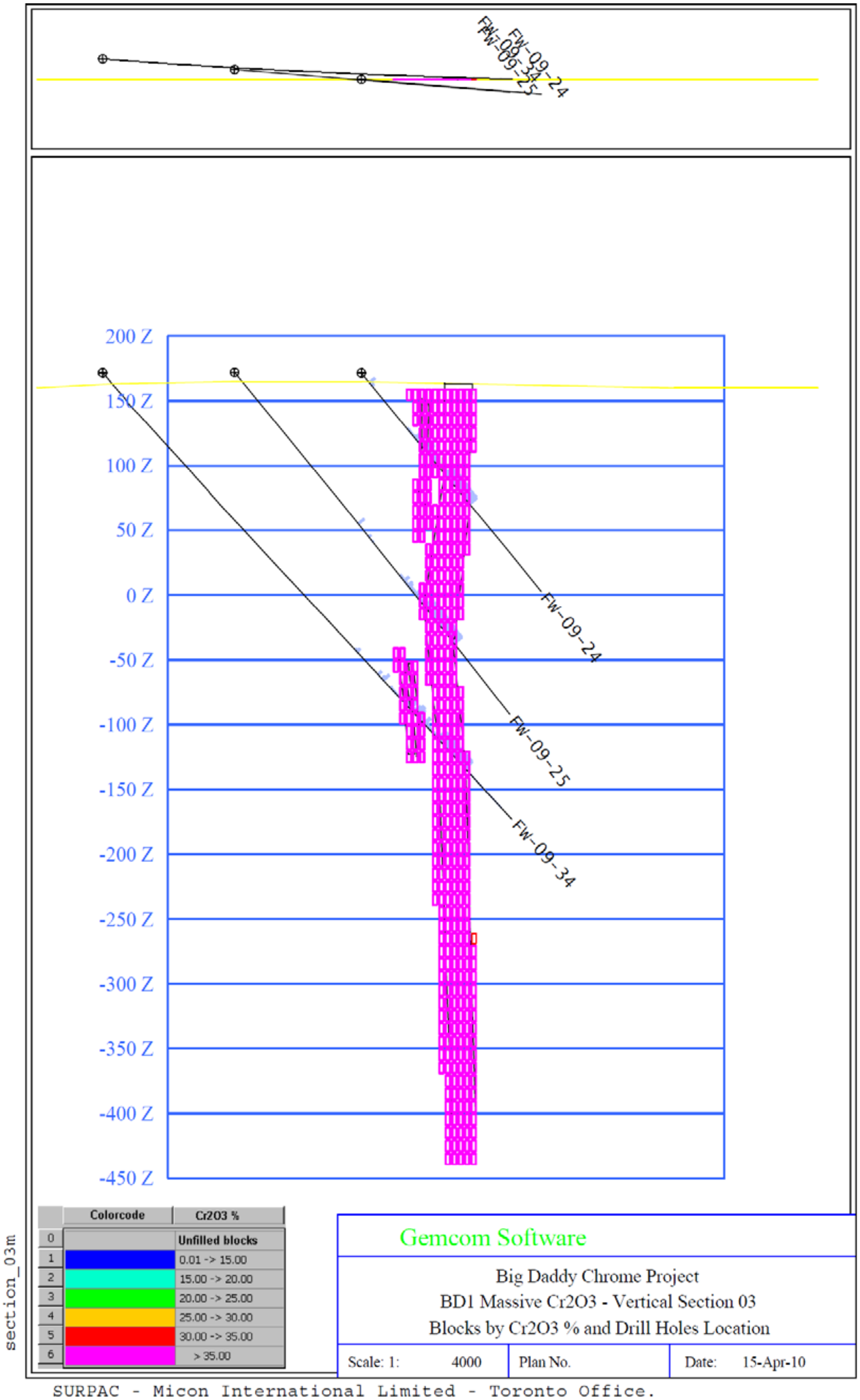
	Colorcode	Cr2O3 %
0		Unfilled blocks
1	(blue)	0.01 -> 15.00
2	(cyan)	15.00 -> 20.00
3	(green)	20.00 -> 25.00
4	(yellow)	25.00 -> 30.00
5	(red)	30.00 -> 35.00
6	(magenta)	> 35.00

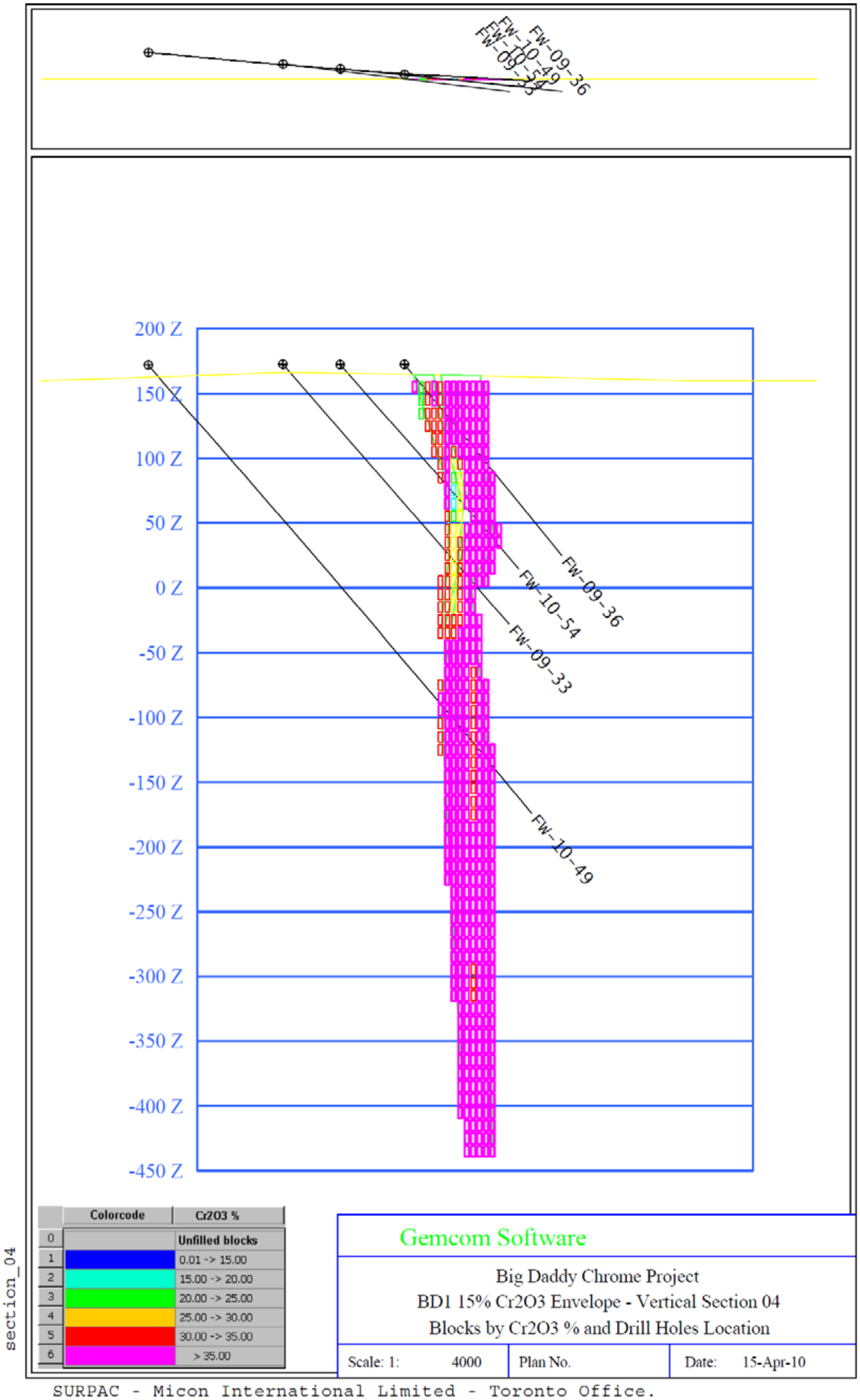
Gemcom Software

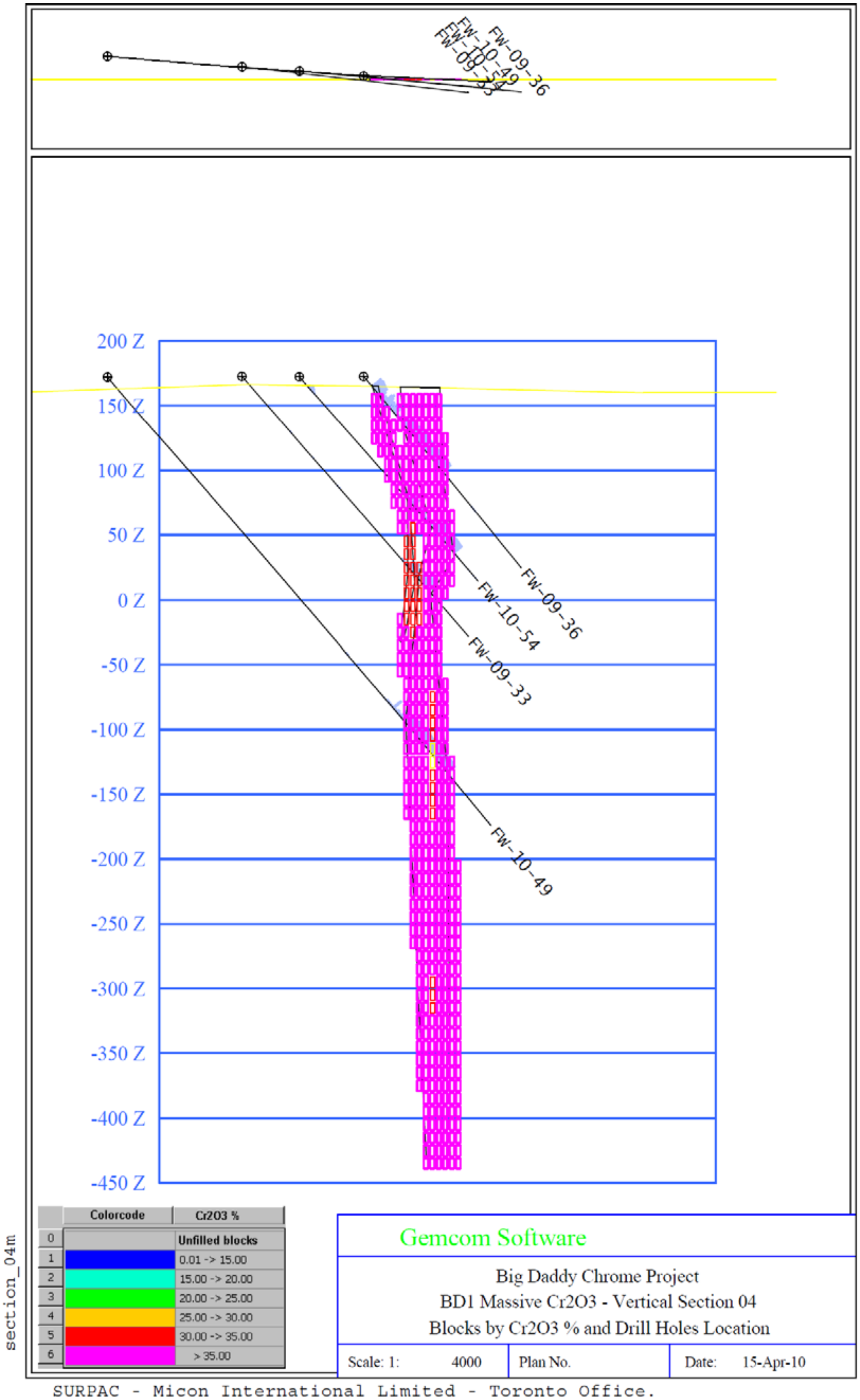
Big Daddy Chrome Project
BD1 15% Cr2O3 Envelope - Vertical Section 03
Blocks by Cr2O3 % and Drill Holes Location

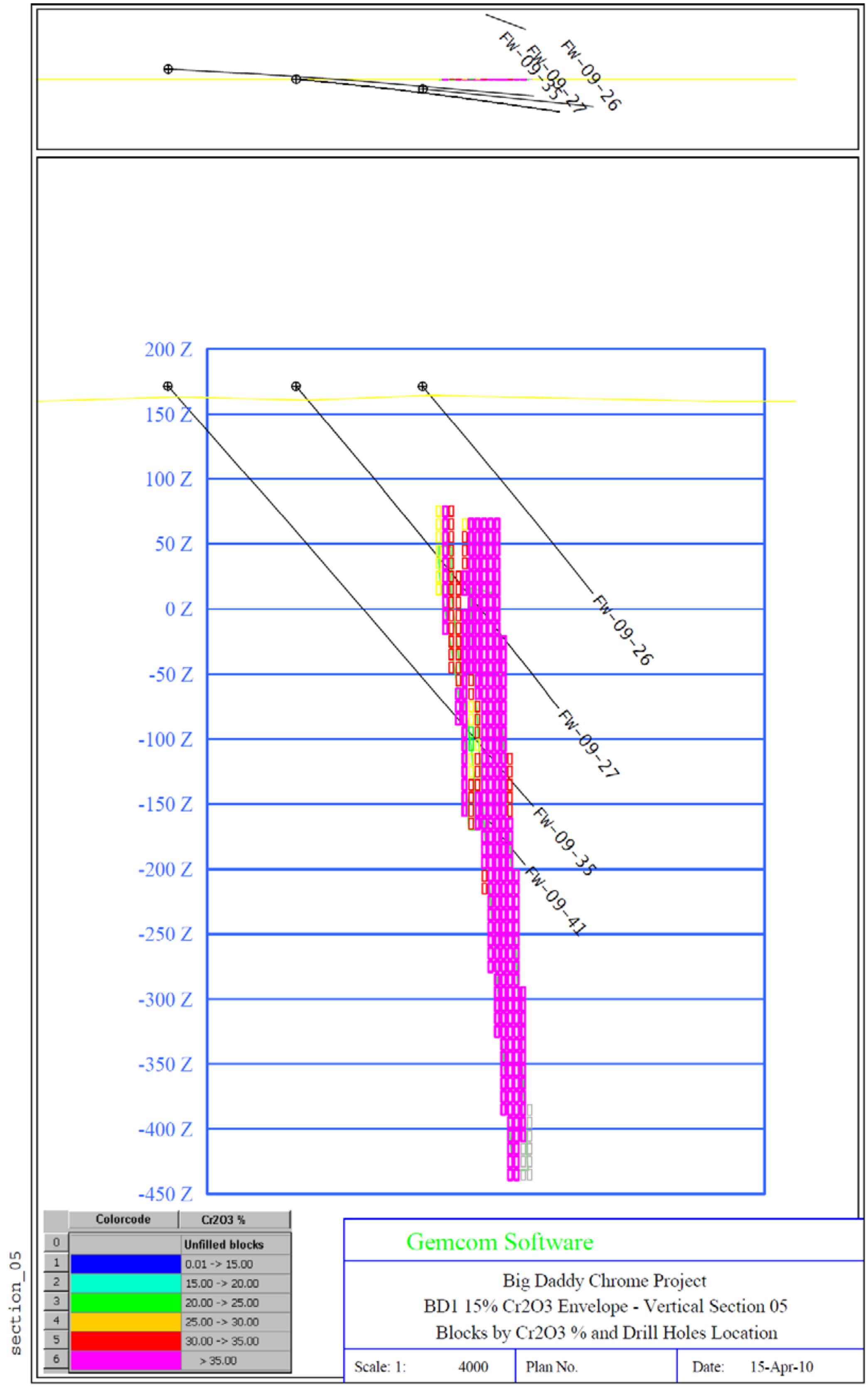
Scale: 1: 4000	Plan No.	Date: 14-Apr-10

SURPAC - Micon International Limited - Toronto Office.

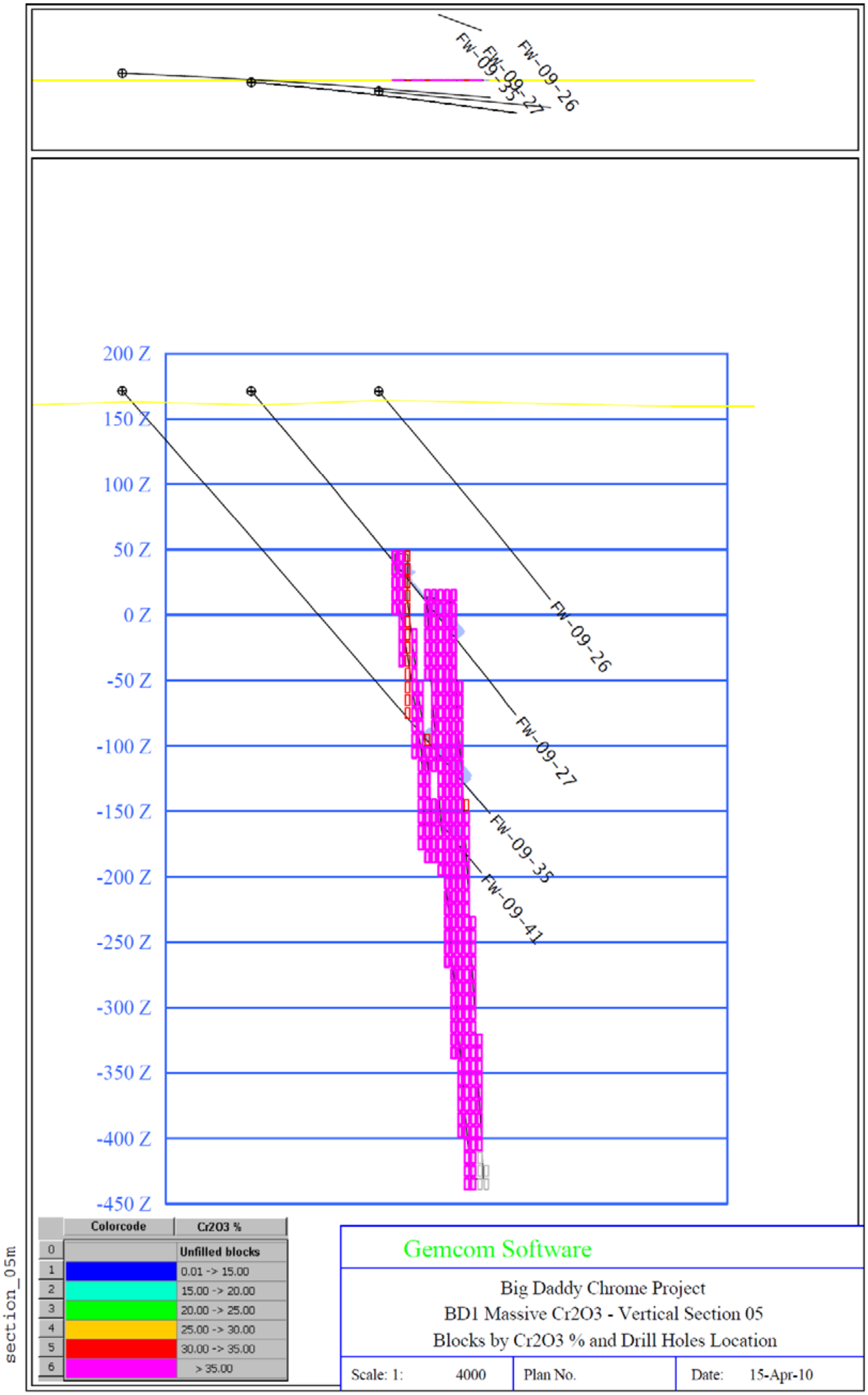

FW-09-24
FW-09-34
FW-09-25
200 Z
150 Z
100 Z
50 Z
0 Z
-50 Z
-100 Z
-150 Z
-200 Z
-250 Z
-300 Z
-350 Z
-400 Z
-450 Z
section_03m
Colorcode
Cr2O3 %
0 Unfilled blocks
1 0.01 -> 15.00
2 15.00 -> 20.00
3 20.00 -> 25.00
4 25.00 -> 30.00
5 30.00 -> 35.00
6 > 35.00
Gemcom Software
Big Daddy Chrome Project
BD1 Massive Cr2O3 - Vertical Section 03
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 4000
Plan No.
Date: 15-Apr-10
SURPAC - Micon International Limited - Toronto Office.


FW-09-36
FW-10-49
FW-10-54
FW-09-33
200 Z
150 Z
100 Z
50 Z
0 Z
-50 Z
-100 Z
-150 Z
-200 Z
-250 Z
-300 Z
-350 Z
-400 Z
-450 Z
section_04
Colorcode
Cr2O3 %
0 Unfilled blocks
1 0.01 -> 15.00
2 15.00 -> 20.00
3 20.00 -> 25.00
4 25.00 -> 30.00
5 30.00 -> 35.00
6 > 35.00
Gemcom Software
Big Daddy Chrome Project
BD1 15% Cr2O3 Envelope - Vertical Section 04
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 4000
Plan No.
Date: 15-Apr-10
SURPAC - Micon International Limited - Toronto Office.

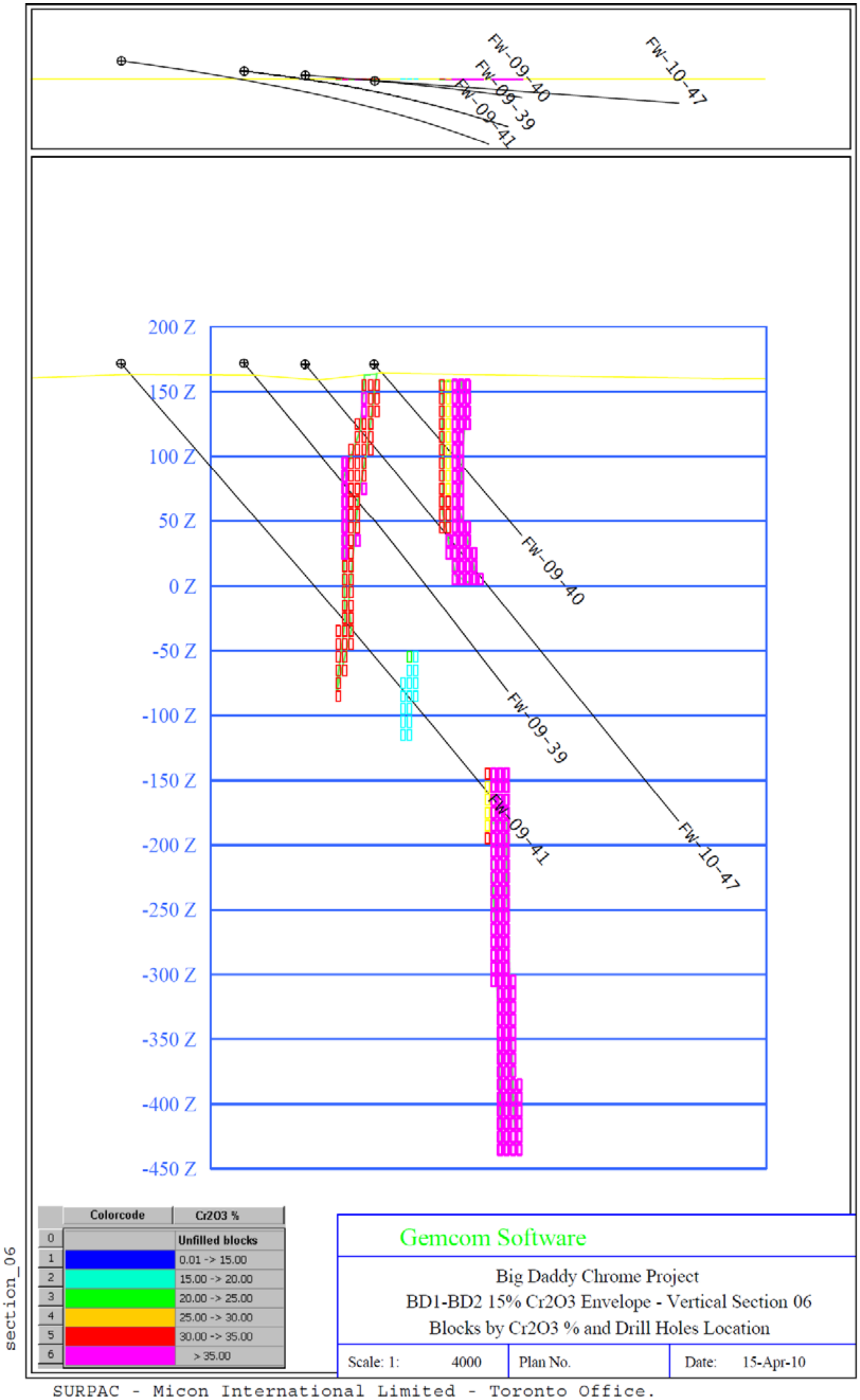

FW-09-36
FW-10-49
FW-10-54
FW-09-33
200 Z
150 Z
100 Z
50 Z
0 Z
-50 Z
-100 Z
-150 Z
-200 Z
-250 Z
-300 Z
-350 Z
-400 Z
-450 Z
section_04m
Colorcode | Cr2O3 %
0 | Unfilled blocks
1 | 0.01 -> 15.00
2 | 15.00 -> 20.00
3 | 20.00 -> 25.00
4 | 25.00 -> 30.00
5 | 30.00 -> 35.00
6 | > 35.00
Gemcom Software
Big Daddy Chrome Project
BD1 Massive Cr2O3 - Vertical Section 04
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 4000
Plan No.
Date: 15-Apr-10
SURPAC - Micon International Limited - Toronto Office.

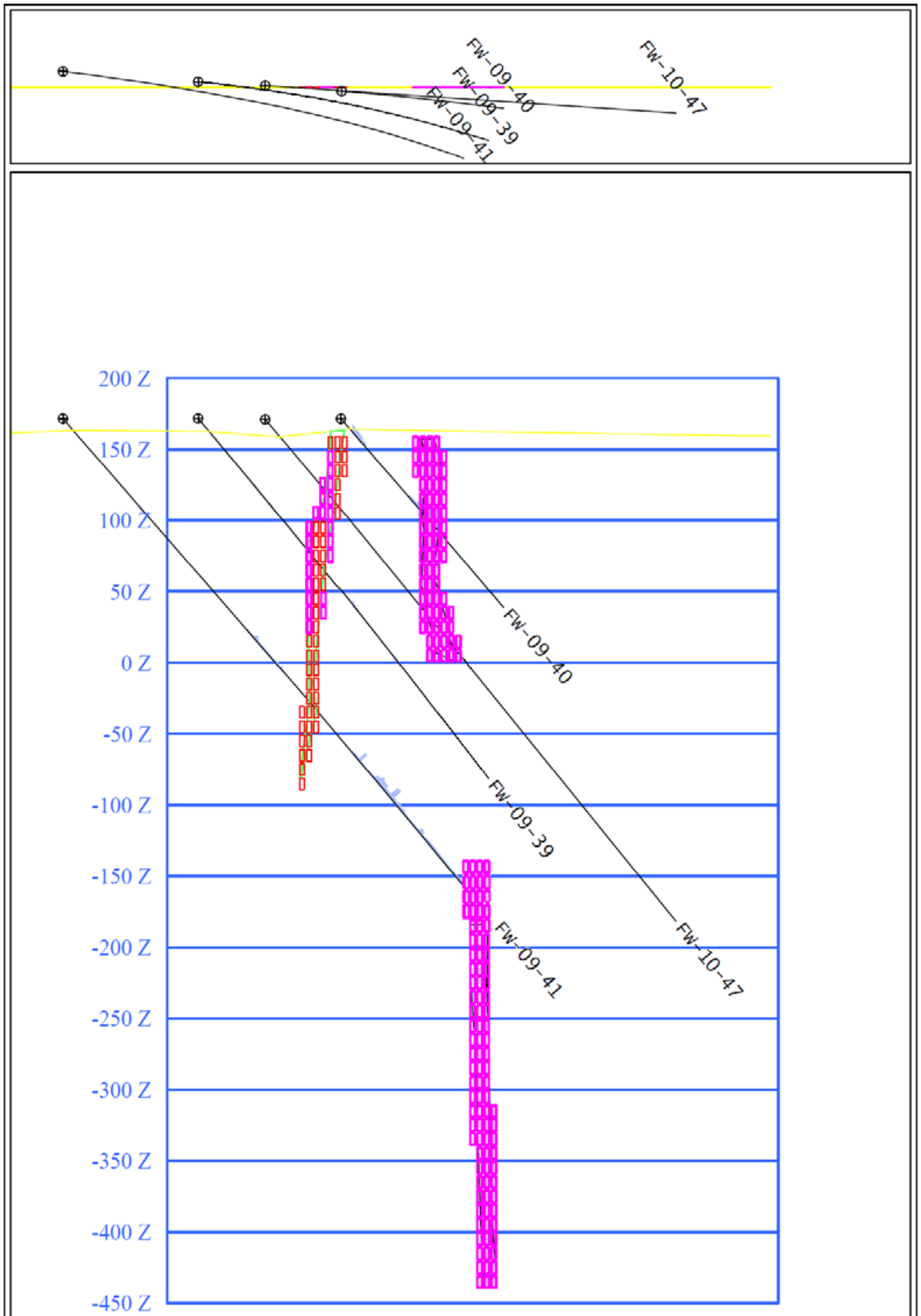


SURPAC - Micon International Limited - Toronto Office.



SURPAC - Micon International Limited - Toronto Office.


FW-09-40
FW-09-39
FW-09-41
FW-10-47
200 Z
150 Z
100 Z
50 Z
0 Z
-50 Z
-100 Z
-150 Z
-200 Z
-250 Z
-300 Z
-350 Z
-400 Z
-450 Z
Colorcode
Cr2O3 %
0 Unfilled blocks
1 0.01 -> 15.00
2 15.00 -> 20.00
3 20.00 -> 25.00
4 25.00 -> 30.00
5 30.00 -> 35.00
6 > 35.00
Gemcom Software
Big Daddy Chrome Project
BD1-BD2 15% Cr2O3 Envelope - Vertical Section 06
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 4000
Plan No.
Date: 15-Apr-10
section_06
SURPAC - Micon International Limited - Toronto Office.



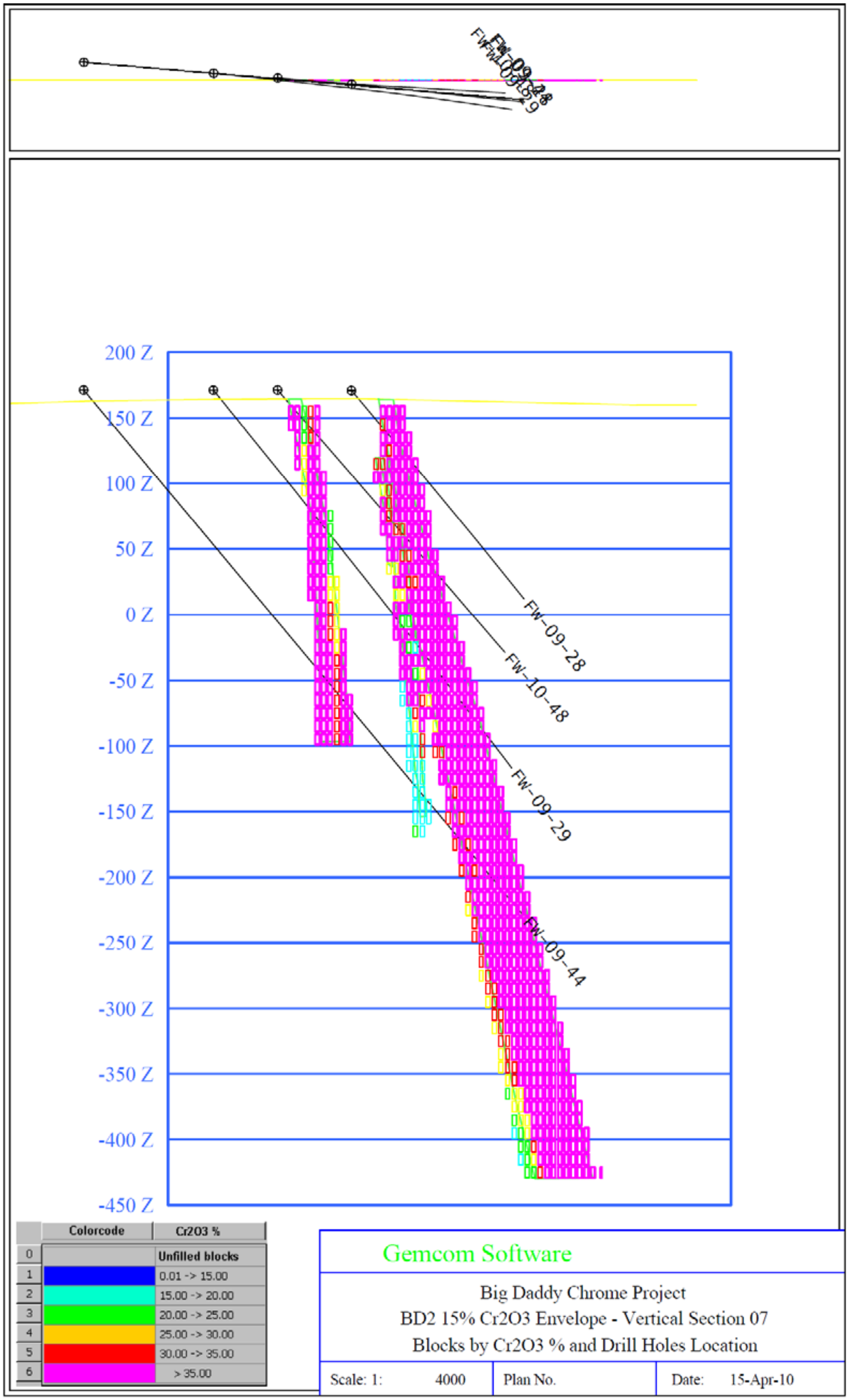
	Colorcode	Cr2O3 %
0		Unfilled blocks
1		0.01 -> 15.00
2		15.00 -> 20.00
3		20.00 -> 25.00
4		25.00 -> 30.00
5		30.00 -> 35.00
6		> 35.00

Gemcom Software

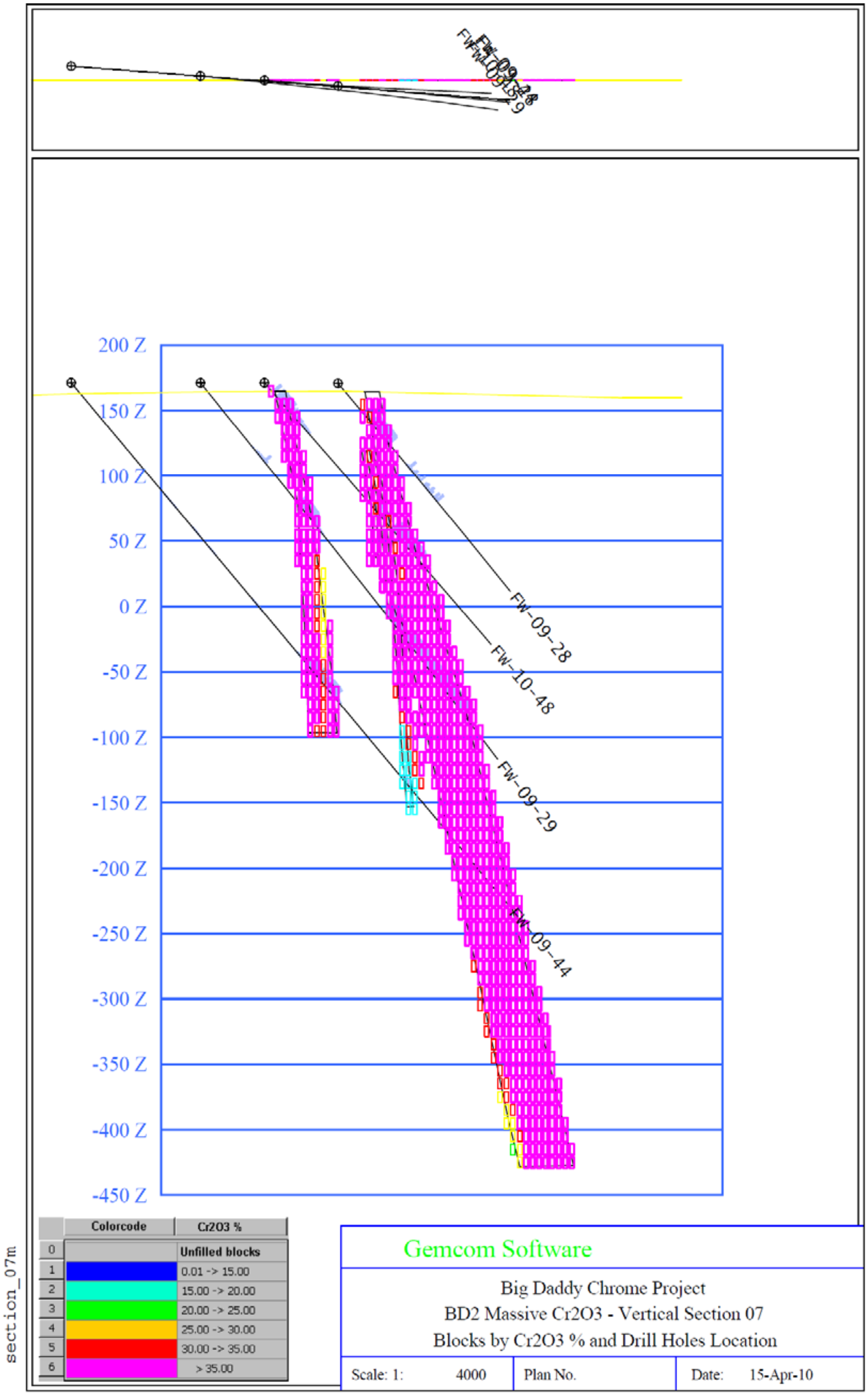
Big Daddy Chrome Project
BD1 - BD2 Massive Cr2O3 - Vertical Section 06
Blocks by Cr2O3 % and Drill Holes Location

Scale: 1: 4000	Plan No.	Date: 15-Apr-10

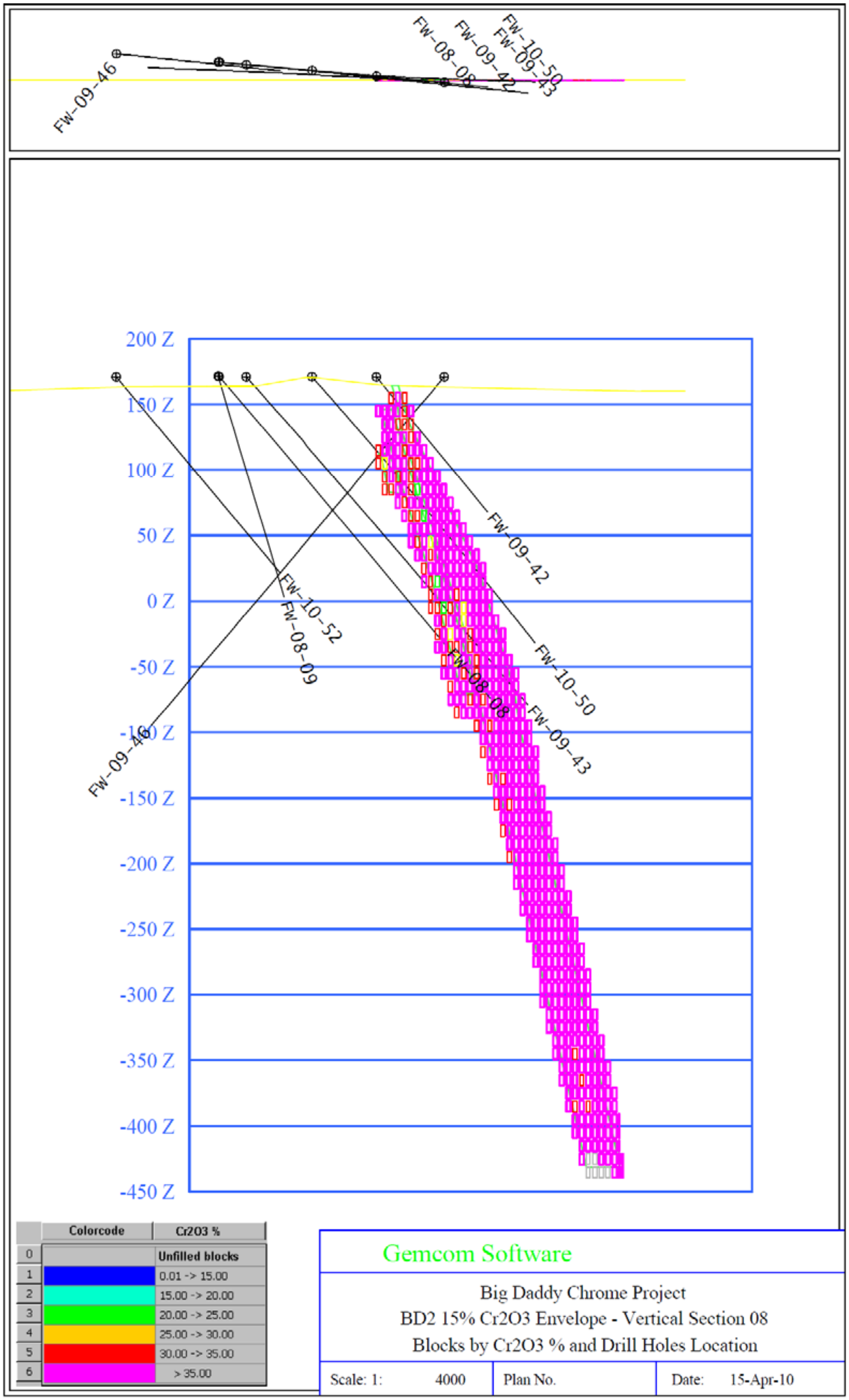
SURPAC - Micon International Limited - Toronto Office.



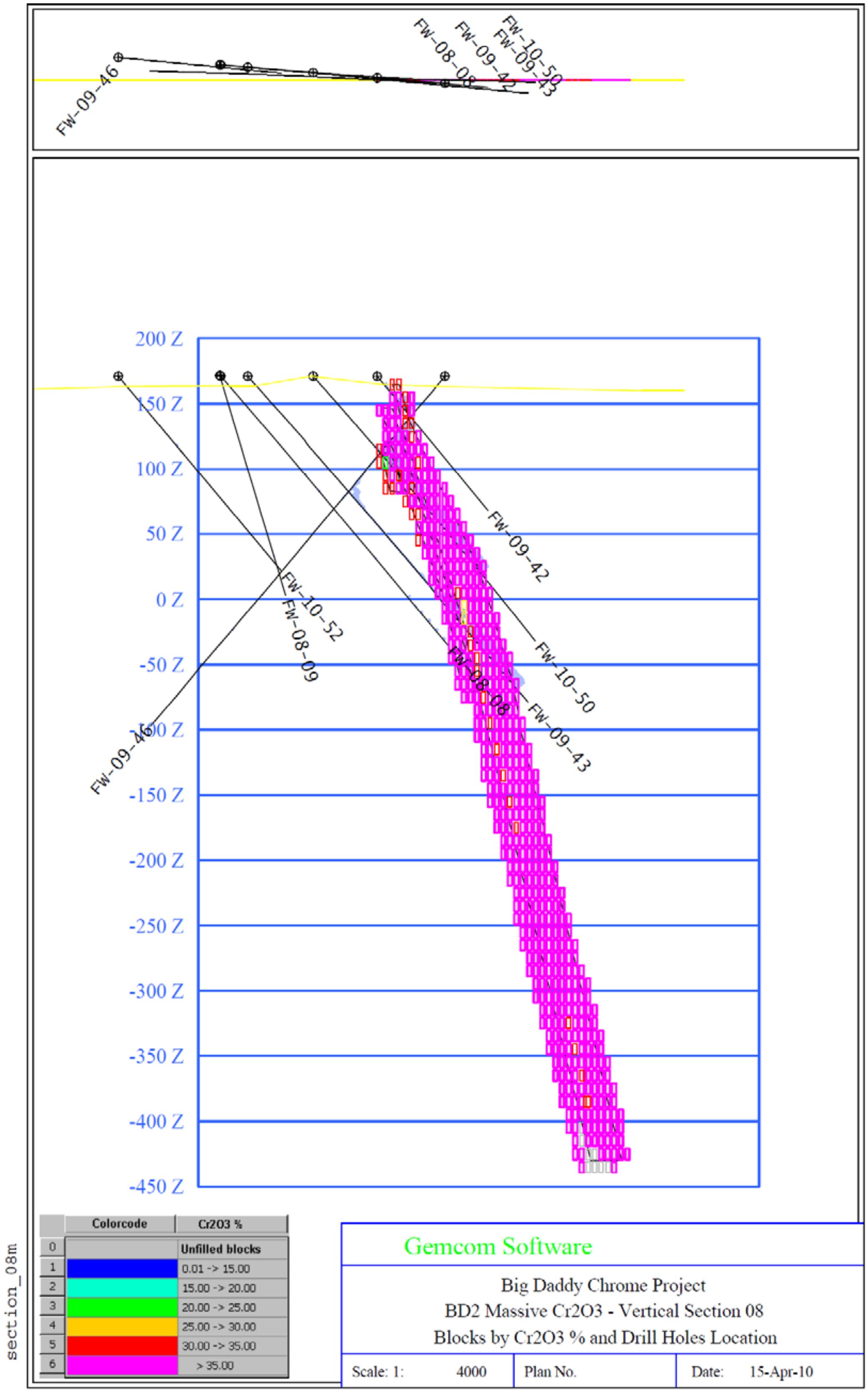
SURPAC - Micon International Limited - Toronto Office.



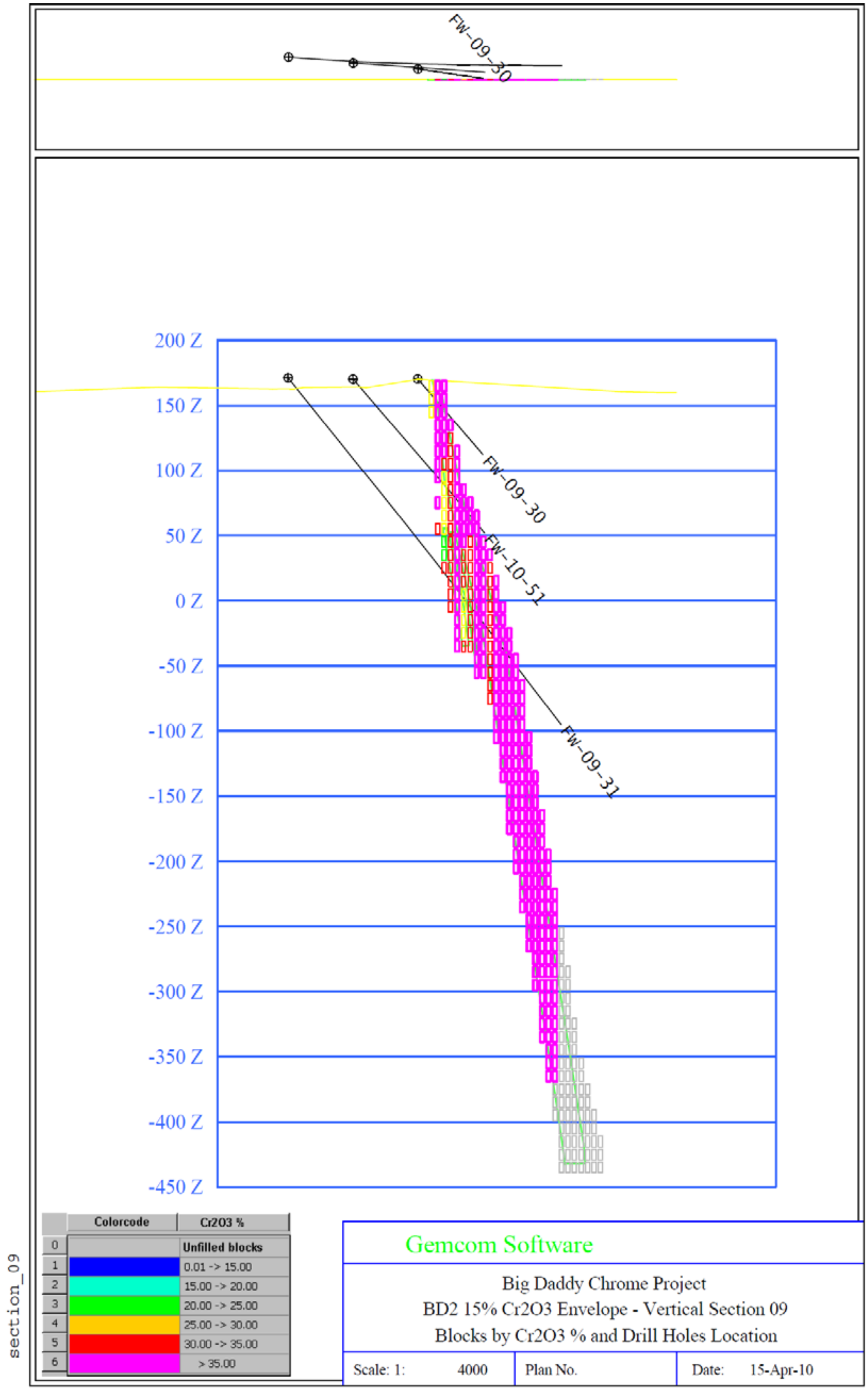
SURPAC - Micon International Limited - Toronto Office.



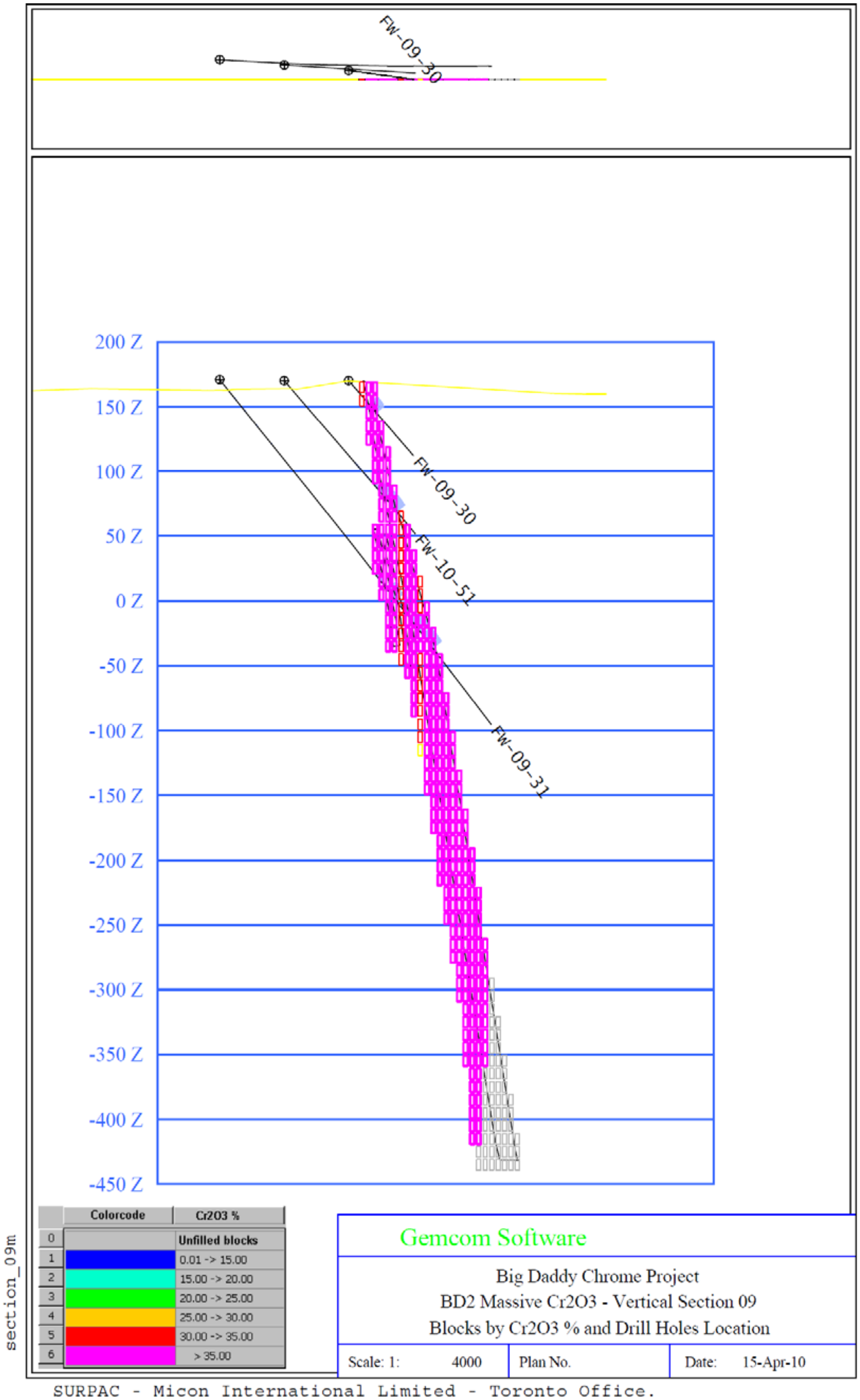
SURPAC - Micon International Limited - Toronto Office.

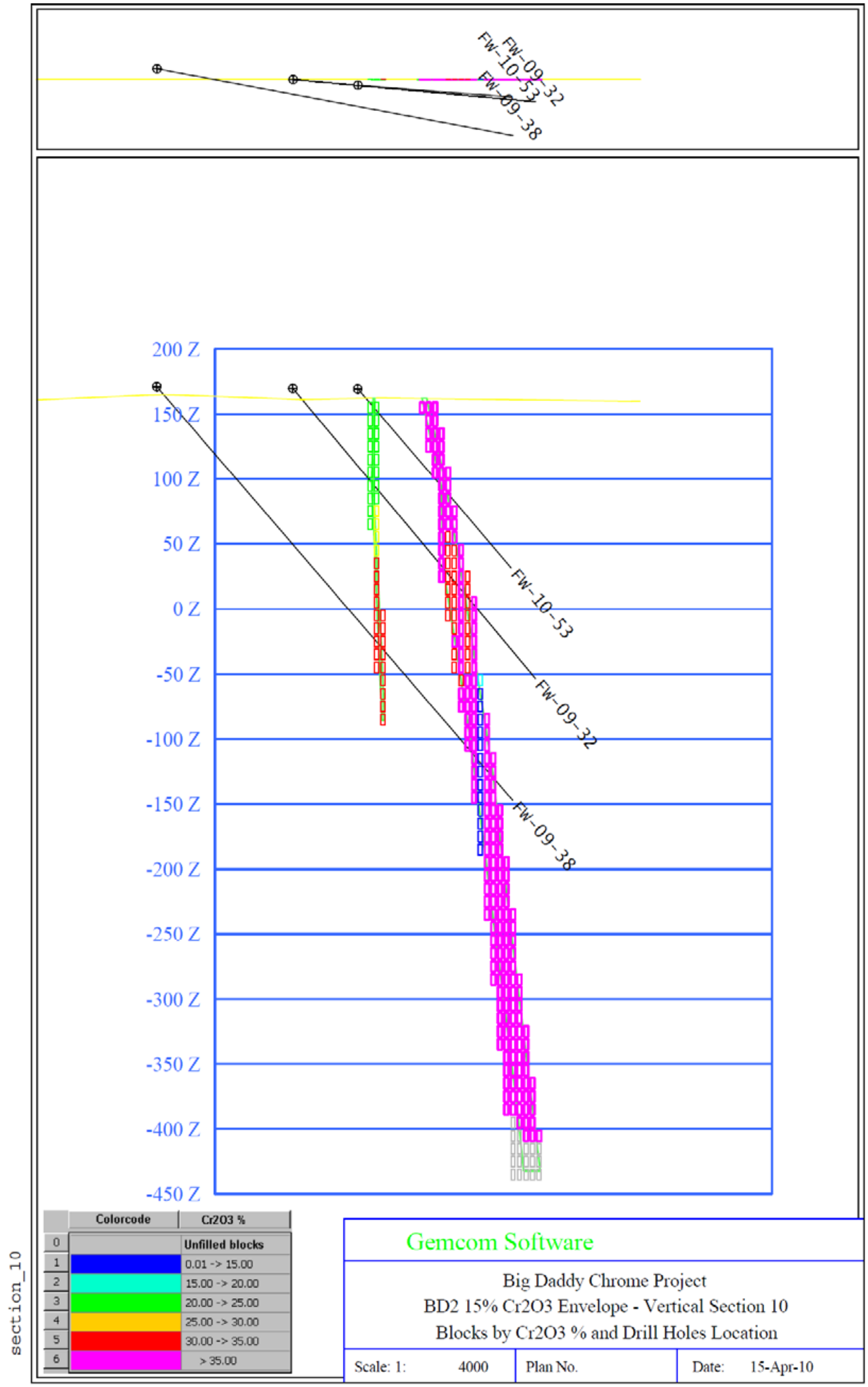


SURPAC - Micon International Limited - Toronto Office.

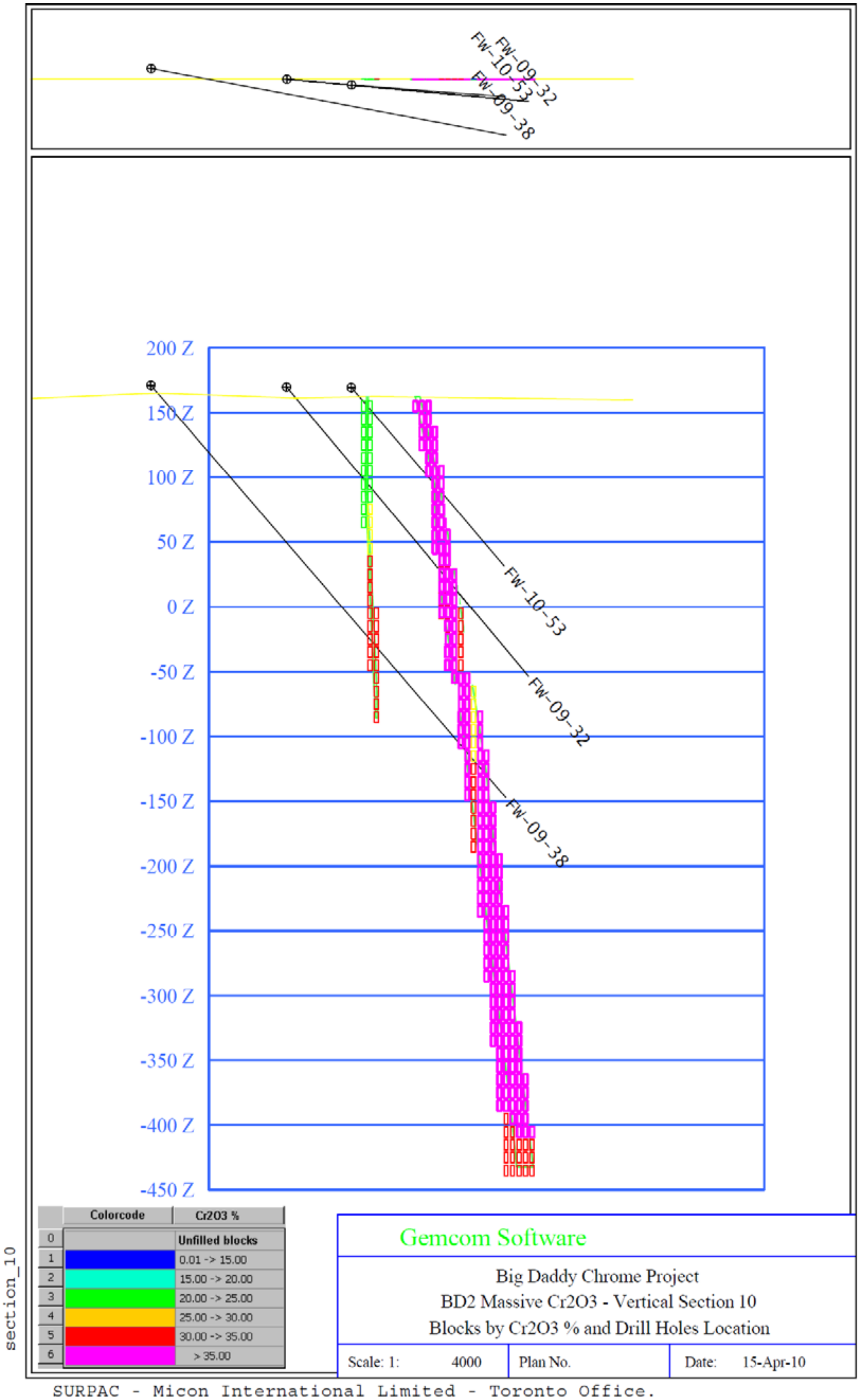


SURPAC - Micon International Limited - Toronto Office.


FW-09-30
FW-10-51
FW-09-31
200 Z
150 Z
100 Z
50 Z
0 Z
-50 Z
-100 Z
-150 Z
-200 Z
-250 Z
-300 Z
-350 Z
-400 Z
-450 Z
section_09m
Colorcode
Cr2O3 %
0 Unfilled blocks
1 0.01 -> 15.00
2 15.00 -> 20.00
3 20.00 -> 25.00
4 25.00 -> 30.00
5 30.00 -> 35.00
6 > 35.00
Gemcom Software
Big Daddy Chrome Project
BD2 Massive Cr2O3 - Vertical Section 09
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 4000
Plan No.
Date: 15-Apr-10
SURPAC - Micon International Limited - Toronto Office.



SURPAC - Micon International Limited - Toronto Office.


FW-09-32
FW-10-53
FW-09-38
200 Z
150 Z
100 Z
50 Z
0 Z
-50 Z
-100 Z
-150 Z
-200 Z
-250 Z
-300 Z
-350 Z
-400 Z
-450 Z
section_10
Colorcode
Cr2O3 %
0 Unfilled blocks
1 0.01 -> 15.00
2 15.00 -> 20.00
3 20.00 -> 25.00
4 25.00 -> 30.00
5 30.00 -> 35.00
6 > 35.00
Gemcom Software
Big Daddy Chrome Project
BD2 Massive Cr2O3 - Vertical Section 10
Blocks by Cr2O3 % and Drill Holes Location
Scale: 1: 4000
Plan No.
Date: 15-Apr-10
SURPAC - Micon International Limited - Toronto Office.