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PRELIMINARY REPORT ON THE DUFAY PROPERTY

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PRELIMINARY REPORT ON THE DUFAY PROPERTY

DUFAY PROPERTY
NTS Map Sheets 32D/03 & 32D/04
Quebec, Canada

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LAKESIDE MINERALS CORP.

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Appendix II – Helicopter-Borne Magnetic Gradiometer, VLF and Gamma-Ray Spectrometry Geophysical survey (<i>Geophysics GPR International Inc.</i>)	
Appendix III – Independent Technical Report, Dufay Property, Rouyn-Noranda, Quebec, Canada – Amended and Restated (<i>ACA Howe International Limited, Caracle Creek International Consulting Inc.</i>)	

SUMMARY

The Dufay property is located in northwestern Quebec some 30 km west-southwest of the city of Rouyn-Noranda, Quebec. The property lies within the area covered by National Topographic System (NTS) map sheets 32D/03 and 32D/04 and consists of 53 contiguous map designated claims that cover a total area of 27.45 km² in one irregularly shaped block spanning over the Dufay and Dasserat townships. The property can be accessed using 4x4 trails, which are accessible from provincial highway 117.

The Dufay property is located within the northwestern portion of the Pontiac subprovince, just south of the Abitibi subprovince, and approximately midway between the mining camps of Kirkland Lake and Rouyn-Noranda. The Pontiac subprovince is a late Archean metasedimentary granitoid-gneiss terrane bound to the north by the Abitibi subprovince and to the south by the Grenville Province. The northwestern portion of the Pontiac subprovince is dominated by metasediments (biotite schists), tonalitic gneiss, locally abundant mafic to ultramafic rocks (volcanic rocks or sills), amphibolite, and granitic to syenitic felsic intrusive units.

Exploration work in the area of the Dufay property dates back to the late 1920's when copper rich float was discovered on adjacent claims northeast of the property. Claims on the property were first staked in 1928 by a group known as Carlson Copper Syndicate. An extensive northeast-trending quartz vein (Vein 1) with disseminated chalcopyrite was discovered. Soon thereafter, the Carlson Copper Syndicate initiated trenching, pitting, and diamond drilling. The majority of historical exploration work, including most of the drilling, was carried out over a small area, 1.0 km x 1.3 km, centered on Vein 1 and surrounding area.

The explored portion of the Dufay property surrounding Vein 1 displays both quartz-sulphide vein-type and sulphide disseminated-type mineralization. Principal sulphides are chalcopyrite and pyrite. The quartz-sulphide veins, stringers, and stockwork, as well as the talc-chlorite schist are associated with northeast-trending zones of brecciation and shearing spread out over a width of at least 250 m. This may represent an important yet unrecognized extensive northeast fault system or major shear zone with potential for copper and gold mineralization that remains to be fully explored.

During 2011, Lakeside Minerals Corp. carried out a ground induced polarization (IP) survey, an independent technical evaluation and a helicopter-borne magnetic gradiometer, VLF and gamma-ray spectrometry geophysical survey in order to evaluate the mineral potential of the property. From the IP survey, several anomalous chargeability responses have been identified. Whereas, the total magnetic field, the diurnal free horizontal magnetic gradient, the EM-VLF total field and gamma-ray spectrum measured by the helicopter-borne survey are currently being used by Lakeside Minerals Corp. to further define the geology of the property and plan additional field work.

1.0 INTRODUCTION

In 2011, Lakeside Minerals Corp. (LAKESIDE), a wholly owned subsidiary of Lakeside Minerals Inc. (TSX-V: LAK), carried out an EarthProbe high resolution resistivity/induced polarization (DCIP) survey, a National Instrument 43-101 (NI 43-101) compliant technical evaluation and a helicopter-borne magnetic gradiometer, VLF and gamma-ray spectrometry geophysical survey on the Dufay property claims located in the Abitibi region of the province of Quebec, Canada.

This report is in part co-authored by Mario Justino, P.Geo., President and CEO of Lakeside Minerals Inc. The report and its attachments present the results from the conducted geophysical surveys and technical evaluation.

Work carried out on behalf of LAKESIDE and presented in this report was performed by *Caracle Creek International Consulting Inc. (CCIC)*, *ACA Howe International Limited (ACA)* and *Geophysics GPR International Inc. (GPR)* between February and September of 2011.

2.0 PROPERTY DESCRIPTION & LOCATION

The property is located in northwestern Quebec some 30 km west-southwest of the city of Rouyn-Noranda, Quebec (Figure 1). The property lies within the area covered by National Topographic System (NTS) map sheets 32D/03 and 32D/04.

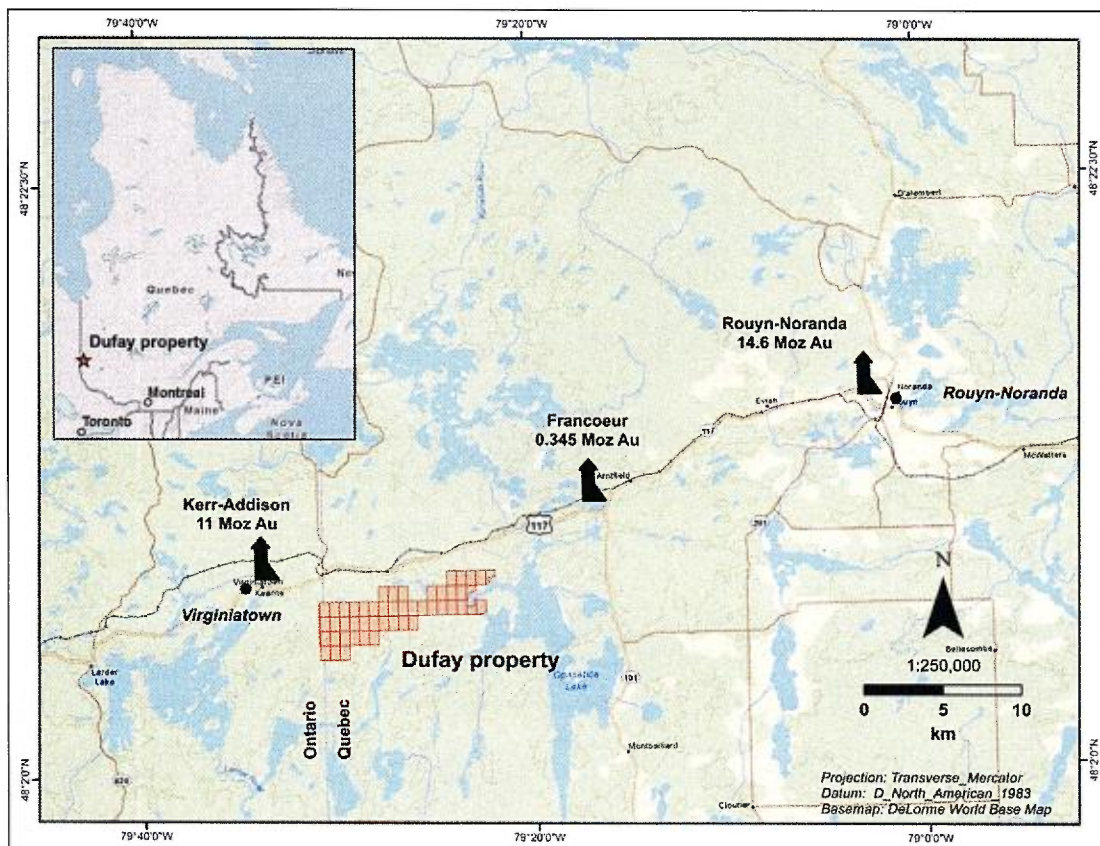


Figure 1: Location map of the Dufay property. Historical gold production (Moz Au = million ounces gold) is indicated for the nearby Kerr-Addison and Francoeur Mines, as well as the Rouyn-Noranda area. The Francoeur Mine is currently being re-opened by Richmond Mines Inc.

The Dufay property consists of 53 contiguous map designated claims that cover a total area of 27.45 km² in one irregularly shaped block spanning over the Dufay and Dasserat townships. The western boundary of the claims is adjacent to the Ontario-Quebec provincial border (Figure 2).

LAKESIDE entered into an option agreement to acquire all rights, title and interest in the fifty-three (53) claims of the Dufay property (Table 1).

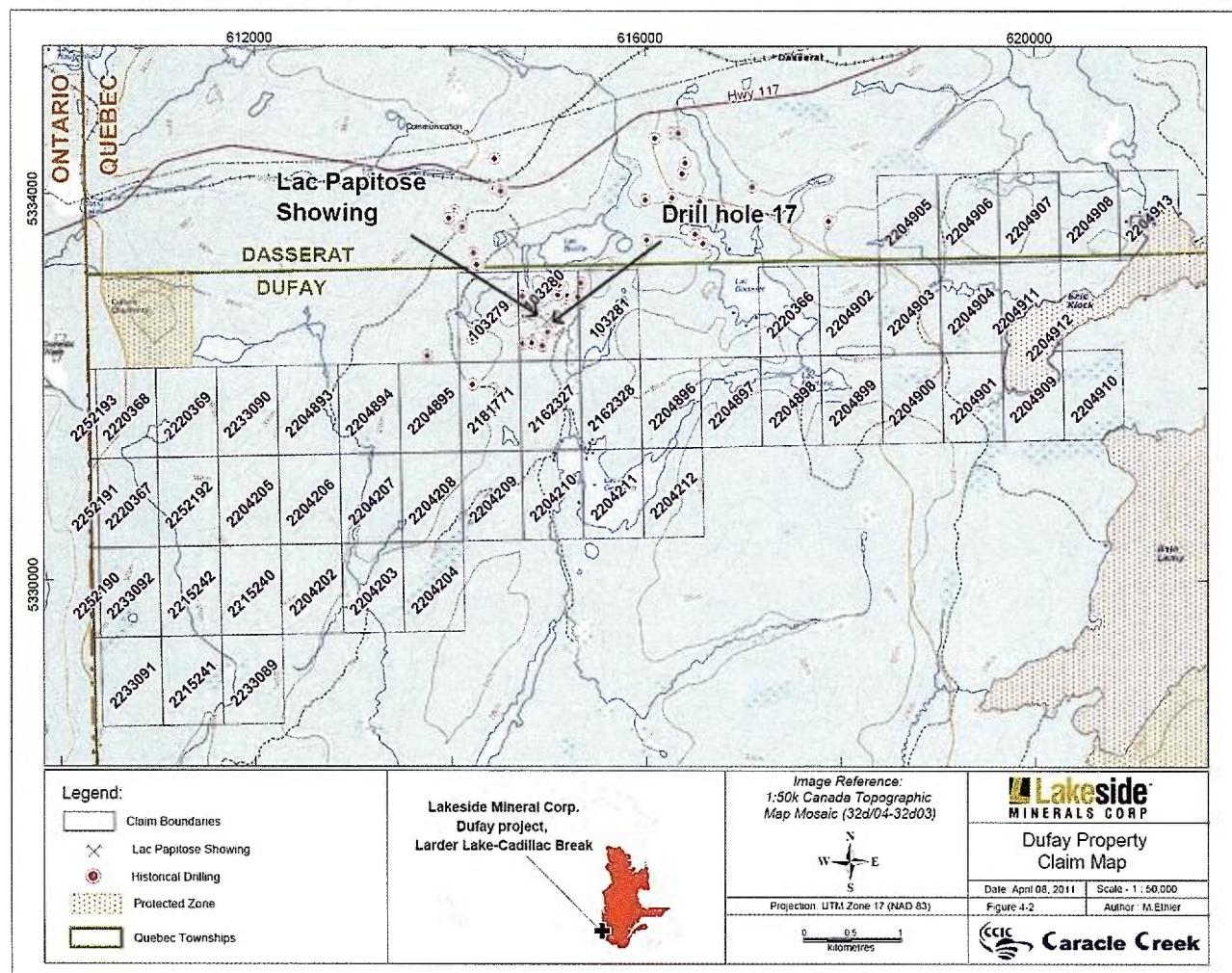


Figure 2: Dufay property claims (map from CCIC report "Independent Technical Report, Dufay Property, Rouyn-Noranda, Quebec, Canada – Amended and Restated").

Table 1: List of the Dufay property claims.

Title #	Area/Block	NTS Sheet	Range	Lot	Part	Area (ha)	Type	Registry Date	Expiry Date	Holder (Name, MRNF ID number and Percent Ownership)
2204202	DUFAY	32D03	14	2	0	57.47	CDC	03/02/2010	02/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204203	DUFAY	32D03	14	3	0	57.47	CDC	03/02/2010	02/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204204	DUFAY	32D03	14	4	0	57.47	CDC	03/02/2010	02/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204205	DUFAY	32D03	15	1	0	57.46	CDC	03/02/2010	02/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204206	DUFAY	32D03	15	2	0	57.46	CDC	03/02/2010	02/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204207	DUFAY	32D03	15	3	0	57.46	CDC	03/02/2010	02/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204208	DUFAY	32D03	15	4	0	57.46	CDC	03/02/2010	02/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204209	DUFAY	32D03	15	5	0	57.46	CDC	03/02/2010	02/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204210	DUFAY	32D03	15	6	0	57.46	CDC	03/02/2010	02/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204211	DUFAY	32D03	15	7	0	57.46	CDC	03/02/2010	02/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204212	DUFAY	32D03	15	8	0	57.46	CDC	03/02/2010	02/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204893	DUFAY	32D03	16	2	0	57.45	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204894	DUFAY	32D03	16	3	0	57.45	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204895	DUFAY	32D03	16	4	0	57.45	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204896	DUFAY	32D03	16	8	0	57.45	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204897	DUFAY	32D03	16	9	0	57.45	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204898	DUFAY	32D03	16	10	0	57.45	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204899	DUFAY	32D03	16	11	0	57.45	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204900	DUFAY	32D03	16	12	0	57.45	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204901	DUFAY	32D03	16	13	0	57.45	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204902	DUFAY	32D03	17	11	0	57.44	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204903	DUFAY	32D03	17	12	0	57.44	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204904	DUFAY	32D03	17	13	0	57.44	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204905	DUFAY	32D03	18	12	0	57.44	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204906	DUFAY	32D03	18	13	0	57.44	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204907	DUFAY	32D03	18	14	0	57.44	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204908	DUFAY	32D03	18	15	0	57.44	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204909	DUFAY	32D03	16	14	1	37.54	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204910	DUFAY	32D03	16	15	1	55.44	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204911	DUFAY	32D03	17	14	1	32.94	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204912	DUFAY	32D03	17	14	2	0.64	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2204913	DUFAY	32D03	18	16	1	36.86	CDC	11/02/2010	10/02/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2215240	DUFAY	32D03	14	1	0	57.47	CDC	16/04/2010	15/04/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2215241	DUFAY	32D04	13	60	0	57.48	CDC	16/04/2010	15/04/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2215242	DUFAY	32D04	14	60	0	57.47	CDC	16/04/2010	15/04/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2220366	DUFAY	32D03	17	10	0	57.44	CDC	26/04/2010	25/04/2012	Mundiregina Resources Canada Inc. (91120) 100 %

Title #	Area/Block	NTS Sheet	Range	Lot	Part	Area (ha)	Type	Registry Date	Expiry Date	Holder (Name, MRNF ID number and Percent Ownership)
2220367	DUFAY	32D04	15	59	0	57.46	CDC	26/04/2010	25/04/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2220368	DUFAY	32D04	16	59	0	57.45	CDC	26/04/2010	25/04/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2220369	DUFAY	32D04	16	60	0	57.45	CDC	26/04/2010	25/04/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2233089	DUFAY	32D03	13	1	0	57.48	CDC	11/05/2010	10/05/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2233090	DUFAY	32D03	16	1	0	57.45	CDC	11/05/2010	10/05/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2233091	DUFAY	32D04	13	59	0	57.48	CDC	11/05/2010	10/05/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2233092	DUFAY	32D04	14	59	0	57.47	CDC	11/05/2010	10/05/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2162327	DUFAY	32D03	16	6	0	57.45	CDC	25/06/2008	24/06/2012	Jean Robert (3790) 100 %
2162328	DUFAY	32D03	16	7	0	57.45	CDC	25/06/2008	24/06/2012	Jean Robert (3790) 100 %
2252190	DUFAY	32D04	14	58	0	7.03	CDC	30/09/2010	29/09/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2252191	DUFAY	32D04	15	58	0	7.05	CDC	30/09/2010	29/09/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2252192	DUFAY	32D04	15	60	0	57.46	CDC	30/09/2010	29/09/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2252193	DUFAY	32D04	16	58	0	6.69	CDC	30/09/2010	29/09/2012	Mundiregina Resources Canada Inc. (91120) 100 %
2181771	DUFAY	32D03	16	5	0	57.45	CDC	27/03/2009	26/03/2013	Jean Robert (3790) 100 %
103279	DUFAY	32D03	17	5	0	57.44	CDC	15/11/2005	14/11/2013	Jean Robert (3790) 100 %
103280	DUFAY	32D03	17	6	0	57.44	CDC	15/11/2005	14/11/2013	Jean Robert (3790) 100 %
103281	DUFAY	32D03	17	7	0	57.44	CDC	15/11/2005	14/11/2013	Jean Robert (3790) 100 %

3.0 ACCESSIBILITY, CLIMATE AND PHYSIOGRAPHY

The property can be accessed using 4x4 trails (old logging roads and hunting trails), which are accessible from provincial highway 117 approximately 40 km west of the city of Rouyn-Noranda.

The climate is characterised by cold winters and mild summers. Temperatures can range from 5°C to 35°C during the summer months and can reach -35°C, rarely rising above 0°C during the winter months. Lakes are typically frozen and suitable for drilling from January to March.

The topography is characterized by many high ridges that are abruptly broken by low swampy areas, the altitude ranges from 300 m to 450 m. The region is partially covered by glacial deposits, with a thickness ranging from one metre to a few metres thick.

4.0 HISTORY

Exploration work in the area of the Dufay property dates back to the late 1920's when copper rich float was discovered on adjacent claims northeast of the property (GM09721). Claims on the property were first staked in 1928 by a group known as Carlson Copper Syndicate. An extensive northeast-trending quartz vein (Vein 1) with disseminated chalcopyrite was discovered in what are now claims 103280, 2162327, 2181771. Soon thereafter, the Carlson Copper Syndicate initiated trenching, pitting, and diamond drilling.

On the Dufay property, the majority of historical exploration work, including most of the drilling, was carried out over a small area some 1.0 km x 1.3 km, centered on Vein 1, the "main quartz vein", and surrounding area (Figure 3).

The historical gold showing of drill hole 17 (on Vein 1) is now referred to in the Quebec governmental mineral database (SIGEOM) as the "Lac Papitose" showing (Figure 2 & 3). A brief summary of historical work follows:

1928 - 1937 Carlson Copper Syndicate

- 1928, 1929 - Trenching, pitting
- 1929 - Diamond drilling - Holes # 1 to 12; total of 12 holes, 3000 ft (914 m)
- No record of Holes # 13 and 14

1937 - 1960 Carlson Copper Mines

- 1939 - Diamond drilling - Holes # 15 to 17; total of 3 holes, 1000 ft (305 m)
- 1940, 1941 - Diamond drilling - Holes # 18 and 19; total of 2 holes, 789.8 ft (241 m)
- 1941 - Magnetometer survey
- 1945 - Diamond drilling - Holes # S-1 to S-26; total of 26 holes, ~11,367 ft (~3311 m)
- 1950 - Magnetometer survey

1960 New Consolidated Canadian Exploration Ltd.

- Line cutting, electromagnetic and self-potential surveys

1968 Kerr Addison Mines Ltd.

- Electromagnetic survey

1970 Tagami Mines Ltd.

- VLF survey

- Diamond drilling – Holes # 1 to 4; total of 4 holes, 1450 ft (442 m)

1980 Placer Development Ltd.

- Heliborne radiometric survey, geological mapping

1981 Progress Resources Ltd.

- Property evaluation

1983 Group Minier Sullivan

- Diamond drilling – Holes # SD-83-1 to 83-3; total of 3 holes, 2091 feet (637 m)

1986 Les Mines Monoro Ltée.

- Outcrop stripping, channel sampling

1993 Raven Resources Inc.

- Magnetic, VLF electromagnetic, and Max-Min II surveys

2007-2008 Les Explorations Carat Inc.

- Outcrop stripping, sampling, and mapping

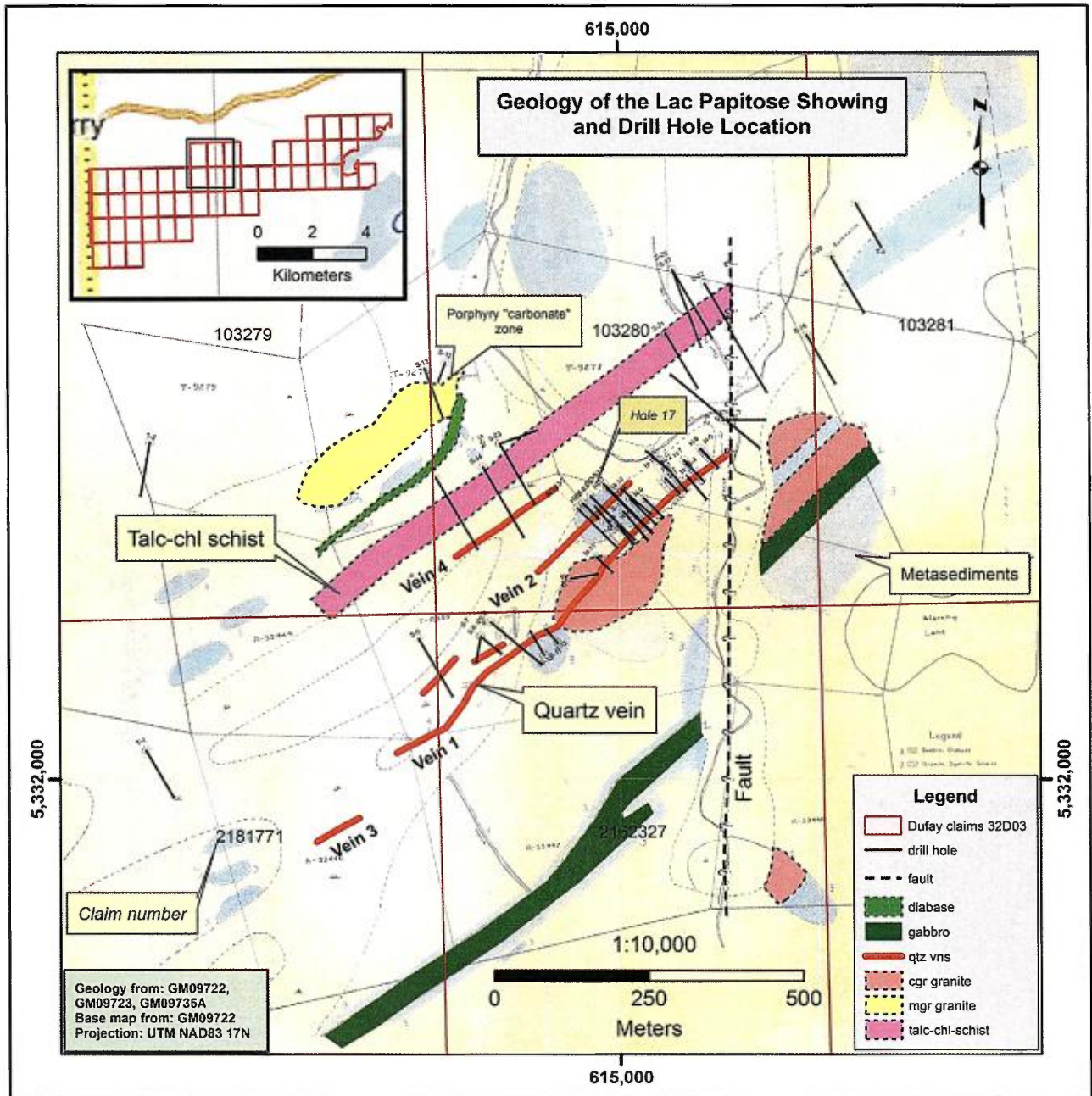


Figure 3: Schematic geology and drill hole location map of the area surrounding Vein 1, also referred to as the drill hole 17 gold showing or the Lac Papitose showing. Geology and drill hole locations compiled from drill logs and maps from reports GM09722, GM09723, GM09735A, GM09735B, GM03694, GM26284, GM26285, and GM40088; geology base map from GM09722. Drill hole locations are approximate. Geology: quartz vein (red); diabase (pale green); gabbro (dark green); granite: coarse-grained to porphyritic (cgr granite)(pale red); granite: massive, medium-grained (mgr granite)(yellow); Talc-chlorite schist (talc-chl schist)(purple); Metasediments (blue, basemap) – metagreywacke, quartzite, gneiss.

5.0 GEOLOGICAL SETTING

5.1 Regional Geology

The Dufay property is located within the northwestern portion of the Pontiac subprovince, just south of the Abitibi subprovince, and approximately midway between the mining camps of Kirkland Lake and Rouyn-Noranda. The property is situated 4 km south of the Larder Lake-Cadillac Fault (Figure 4).

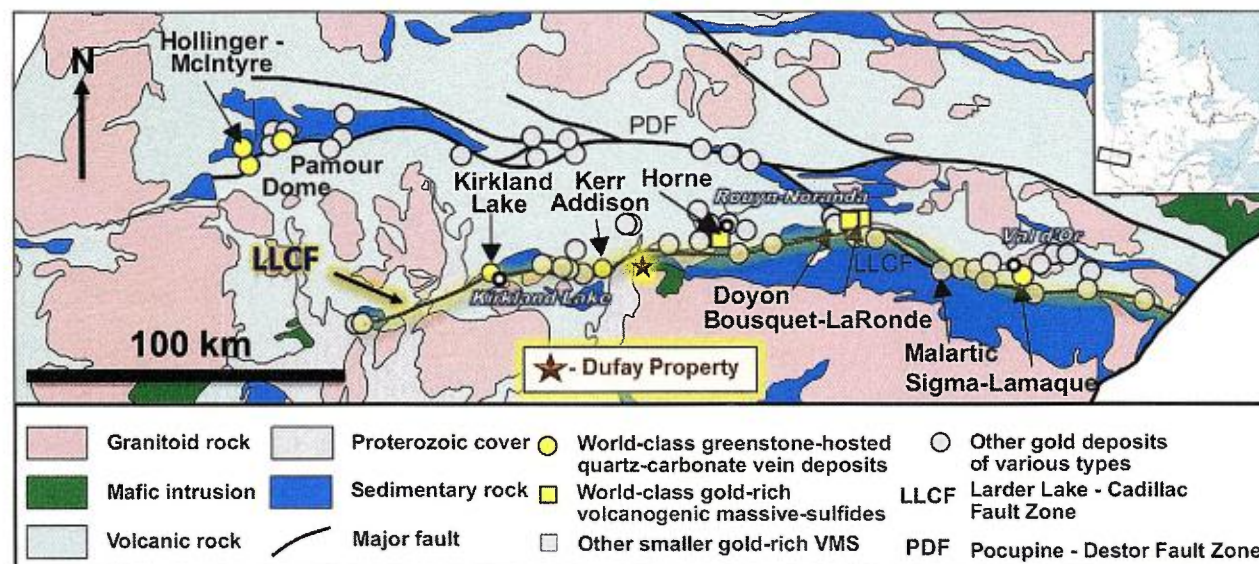


Figure 4: Location of the Dufay property in proximity to the Larder Lake – Cadillac Fault Zone (LLCF) (highlighted in yellow) over a simplified geological map of the Abitibi and Pontiac subprovinces showing the distribution of selected major fault zones and location of major gold deposits. (Source: map modified after Dubé and Gosselin, 2007)

The Pontiac and Abitibi subprovinces are separated by the Larder Lake-Cadillac Fault (LLCF), a major east-west structure over 250 km in length extending from west of Kirkland Lake in Ontario to east of Val d’Or in Quebec. Major gold deposits situated along and adjacent to the LLCF structure have produced over 85 million ounces of gold (Dubé and Gosselin, 2007). The historic Kerr-Addison mine, past production over 11 million ounces of gold, is located on the LLCF just 5 km west of the Dufay property (Figures 1 and 4).

The Pontiac subprovince is a late Archean metasedimentary granitoid-gneiss terrane bound to the north by the Abitibi subprovince and to the south by the Grenville Province (Benn et al., 1994). The northwestern portion of the Pontiac subprovince is dominated by metasediments (biotite schists), tonalitic gneiss, locally abundant mafic to ultramafic rocks (volcanic rocks or sills), amphibolite, and granitic to syenitic felsic intrusive units (Benn et al., 1994; SIGEOM) (Figure 5). The metasediments have been classified as greywackes and argillites or as quartz-rich sandstones and pelites (Benn et al., 1994). Metamorphic grade increases from greenschist facies in the north to amphibolite facies in the south (Benn et al., 1994).

Proterozoic sedimentary rocks of the Cobalt Group overlie Pontiac rocks along the western portion of the Dufay property. North of the property, the Cobalt Group overlies a northeast to east-west segment of the Larder Lake-Cadillac Fault (Figure 5).

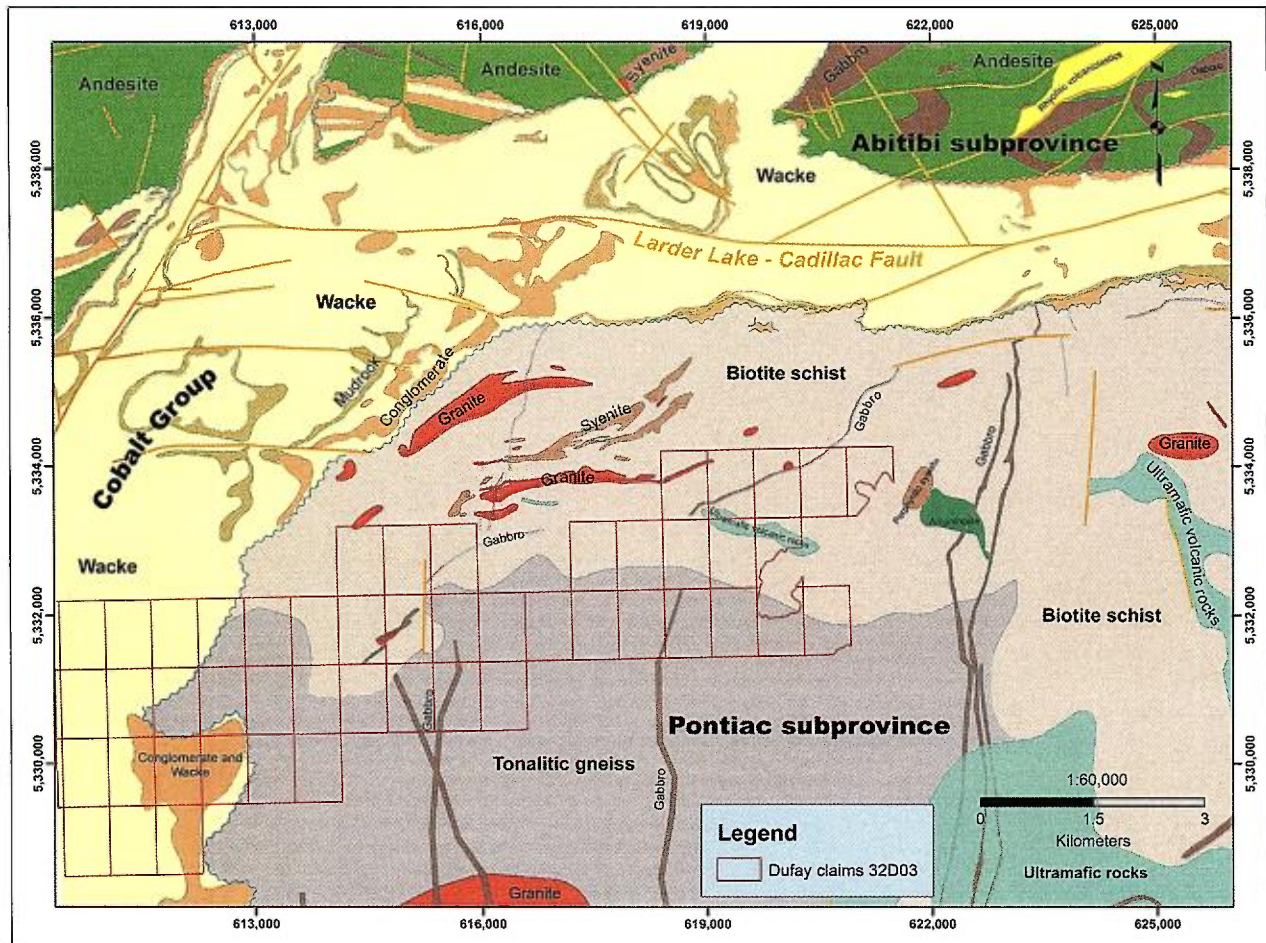


Figure 5: Simplified geological map of the area surrounding the Dufay property in the northwestern portion of the Pontiac subprovince. The dominantly metasedimentary Pontiac subprovince is separated from the dominantly mafic volcanic Abitibi subprovince to the north by the east-west trending Larder Lake – Cadillac Fault. The latter are overlain by younger rocks of the Cobalt Group, mainly along segments of the Larder Lake – Cadillac Fault. (Source: map from E-Sigcom Atlas; NTS map sheets 32D03, 32D04; NAD83 UTM 17N)

5.2 Regional Structure

Structural studies of the Pontiac subprovince are limited. Benn et al. (1994) describe the structure of the northwest corner of the subprovince, located east of the Dufay property, as follows:

- "From the surface to the deep crust, the structure of the northwestern Pontiac Subprovince records south- to southeast-directed thrusting and important crustal thickening during a collisional event."
- "Penetrative D1 fabrics in the Pontiac Group and in the underlying Opasatica Gneiss may record south-vergent thrusting of a high-grade nappe."
- "D2 and D3 structures record southeast-vergent folding and thrusting within the Pontiac Group."
- "Steeply dipping **northeast-trending ductile shear zones** may represent oblique ramps during D1."

Of particular interest is that two steeply dipping, northeast-trending ductile shear zones were identified. Both dip steeply to the northwest, are dominantly sinistral, and deformation within the

shear zones continued during emplacement of monzonitic and granitic plutonic rocks (Benn et al., 1994).

5.3 Local Geology

The geology of much of the Dufay property is only known at a regional reconnaissance level (Figure 5). Description of the Dufay property geology is mainly derived from filed assessment reports and is limited to the claims surrounding Vein 1: it is briefly summarized below and a compiled schematic geology map is presented in Figure 3.

Claims in the vicinity of Vein 1 are chiefly underlain by metasediments, greywacke and interbedded quartzites, intruded by northeast-trending mafic to ultramafic dykes or sills, irregular bodies and small dykes of felsic intrusive units and gneiss, and cut by northeast-trending quartz-sulphide veins. Felsic intrusive units have been referred to as "granite", "feldspar-porphyry", "syenite", and "granitic gneiss". The following are brief descriptions or quotes on the geology and structure of the property from assessment reports:

- *"The sediments consist mainly of [greywacke] and quartzite although there is considerable interbedded gneissic rock..." (GM09721)*
- *"The [greywacke rocks are]... largely altered to mica schist" (GM09722)*
- *"The sediments appear to strike North 50 East and for the most part are quite flat lying, dipping about 25 degrees north west except toward the north where they appear to be steepening to about 60 degrees." (GM09721)*
- A diabase dyke, 35 m wide, striking N45°E is exposed cutting greywacke and granite for a length of 350 m.
- *"In places there is considerable folding and twisting on a small scale..." (GM09721)*
- *"Schistosity strikes N30°W and dips steeply north." (GM09721)*
- South of the diabase dyke, a northeast-trending shear zone, consisting of talc-chlorite and sericite schist has been traced for some 800 m. This zone is at least 50 to 60 m wide.
- South of the quartz veins is a northeast-trending gabbro dyke or sill some 30 m wide that extends for at least 1.2 km. It is offset 220 m north by the north-trending fault.
- A north-trending, sinistral fault is reported to offset Vein 1 some 275 m to the north.

There is little detail on both the geology and structure of the Dufay property. Mineralization surrounding the Vein 1 showing (**Error! Reference source not found.**), discussed in the following section, appears to be related to major northeast-east trending structural zones that remain to be mapped and defined.

6.0 MINERALIZATION

Based on a review of assessment reports and drill logs, the following types of mineralization and zones of "reported" mineralization occur in the general area surrounding the Vein 1 showing (Figure 3). Below, quoted true widths of veins are estimates based on veins being nearly vertical.

6.1 Quartz-sulphide veins, stringers, and stockwork

- **Disseminated to blebby chalcopyrite +/- pyrite in quartz veins:** Examples are Veins 1, 2, 3, and 4, which are described below. Locally this type of mineralization may assay up to several percent copper: up to 16% over 0.93 m, Hole 2 (GM03694); and, may contain up to several grams/tonne gold: Hole 17 intersected 3.14 m averaging 8.82 g/t Au (GM03694).

Historically, drill core with this type of mineralization, within quartz veins, was typically assayed for copper, but not always assayed for gold.

- **Massive chalcopyrite +/- pyrite veins:** An example is found in Hole S-4, which cut a 6.1 m section of massive pyrite plus chalcopyrite (GM09735A). Copper and gold assay values of interest are reported over narrow widths. Hole 2 on Vein 1 cut an interval of 1.5 m described as *"the core consists of broken pieces of nearly pure chalcopyrite."* (GM09720)
- **Zones of quartz stringers or stockwork:** These are reported from several drill holes, including Hole S-14.

Vein 1 is described as a vertically dipping white quartz vein striking N50°E, varying in width from 0.9 m to 4 m, and having an average width of 1.5 m. Calculated average true width from 12 drill holes is 2.9 m; maximum true width from Hole 19 is 6 m. Vein 1 is at least 760 m long. To the northeast, Vein 1 is cut and displaced by a north-trending fault; to the southwest, it may extend another 200 m (Vein 3).

Vein 1 was stripped over a length of 580 m. It appears to parallel a granite-metasediment contact also striking N50°E. It cuts both the metasediments and the granite. The vein is described as follows:

- *"white and gray quartz, with fair chalco content and some intermixed chlorite rock (greywacke?)"* (GM09720)
- *"The quartz appears to be filling a sheared zone on the contact of the sedimentary biotite schists and a coarse-grained granitic rock."* (GM09720)
- Vein 1 *"follows the contact of a small body of granite with greywacke and cuts the granite for part of its length."* (GM09722)
- *"The south wall of the vein is altered pink granite, the north wall sheared greywacke."* (GM09722)
- *"The main vein ...appears to be an intrusive pegmatite at the start and as it continues southwesterly, more quartz appears with considerable replacement of the country gneiss or greywacke."* (GM09720)
- *"Some of the quartz appears zoned. The vein is sheared and brecciated with chalcedonic quartz cementing fragments together."* (GM09722)
- *"Chalcopyrite occurs along fractures in the quartz, in irregular masses, up to 6 inches [9 cm] in diameter, in brecciated zones, and in disseminated grains. Gold usually accompanies the chalcopyrite."* (GM09722)
- Hole 2: *"From 213 feet to 218 feet, the core consists of broken pieces of nearly pure chalcopyrite."* (GM09720)
- *"Locally the quartz is bluish gray in color and carried a fair amount of fine pyrite. This type of quartz and mineralization carried appreciable gold values..."* (GM09724)

Vein 2 is located some 60 m northwest of and is subparallel to Vein 1. It is exposed for a minimum length of 150 m. Possible southwest extensions of this vein would give it a length of 460 m.

Vein 2 is described as striking N53°E, having a vertical dip, and averaging 0.3 m in width. It most likely varies from a single vein to a series of subparallel quartz veins: Hole 15 cut a quartz vein 2.2 m in true width; Hole 5 cut a series of four quartz veins, 0.1 m to 0.8 m in width, over a true width of 6.2 m. Descriptions of Vein 2 are as follows:

- Vein 2 *"...lies in a shear zone in greywacke striking N53°E..."* (GM09735A)
- *"...drill intersections indicate an actual length of 205 ft [62 m] and a probable length of 1500 feet [460 m]."* (GM09735A)

- *"The bulk of the mineralization consists of chalcopyrite with some fine pyrite. It occurs as splashes in the quartz in many places and in others is quite disseminated". (GM09720)*
- *"It consists of coarse crystalline quartz, in part ferruginous, well mineralized with massive and disseminated chalcopyrite and some pyrite." (GM09735A)*

Vein 3 is located 120 m southwest of Vein 1 and may be a southwestern extension of Vein 1. It strikes N50°E, has a maximum width of 1.5 m, and is exposed for a length of 45 m. This vein consists of quartz with "considerable calcite and specularite" (GM09723).

Vein 4 is located 45 m southeast of the talc-chlorite schist zone. It is described in drill logs as follows:

- *"S-14, S-15 ... cut sections of vein 2 [erroneously termed Vein 2] consisting of quartz mineralized with chalcopyrite 20 to 24 ft wide [6.1 to 7.3 m]". (GM09735A)*
- *Hole S-15: "476 ft to 509 ft [true width: 26 ft or 7.9 m] – fractured zone, granite gneiss, quartzite and [greywacke] with 30% quartz and scattered chalcopyrite" (GM09735B)*
- *"Hole S-17 cut 18 ft [5.4 m] of vein matter of which 8 ft [2.4 m] averaged 0.016 oz [0.55 g/t Au] and 3.5% Cu. The remaining 10 ft were not assayed for copper, and the gold assays were negligible." (GM09725)*

Zones of quartz stringers or stockwork +/- chalcopyrite +/- pyrite are reported from several drill holes. These zones often accompany or border some of the larger quartz veins. Quartz stringers occur in country rock and cut "granitic" intrusive units. Descriptions of these include the following:

- *Hole 10: 150 ft to 214 ft – Granite and syenite; "at 14 ft [4.3 m] from vein, quartz stringers begin to come in".*
- *Hole S-15: "509 ft to 550 ft [true width: 32 ft or 9.8 m] – [greywacke] and quartzite with quartz injections from 2 ft [0.6 m] widths down to tiny stringers with a small amount of chalco and specularite, a stockwork of stringers on the south side of the vein [Vein 4]" (GM09735B)*
- *Hole 18: "intersected greywacke intruded by syenite porphyry dykes and a few quartz stringers mineralized with pyrite and chalcopyrite". (GM09723)*
- *Hole S-23: 331.2 ft to 380 ft [48.8 ft or 14.9 m] – "Irregular stockwork of quartz stringers in matrix of quartzite and granite gneiss". (GM09735B)*

6.2 Disseminated sulphides

Disseminated sulphides, principally chalcopyrite or pyrite, occur in metasediments, in "granitic gneiss", and in intrusive "granitic" units. This type of mineralization is mainly reported from drill core and was largely overlooked: it was not assayed for copper or gold. The extent or importance of this type of mineralization has never been the focus of previous exploration and remains to be systematically assessed. Drill log descriptions include the following:

- *Hole S-5: 285 ft to 292 ft [width 7 ft or 2.1 m] "light coloured sericitic [greywacke] sheared, considerable scattered fine pyrite".
"..there is considerable mineralization scattered throughout this hole specially in the sericite schist". (GM09735B)*
- *Hole 15: 103 ft to 166 ft [true width 45 ft or 13.6 m] zone of interbanded syenite and "altered greywacke", both with weak up to 5% disseminated pyrite. (GM03694)*
- *Hole 19: 190 ft to 298 ft [true width 55 ft or 16.7 m] – Zone of interbanded "syenite porphyry" and "granite gneiss" with weak to 2% disseminated chalcopyrite (GM 09723).*

- Hole S-20: 383 ft to 443 ft [18.2 m] – *"Coarse reddish to grey granite gneiss, scattered coarse pyrite from 410 [ft] to 425 [ft] [width of 4.5 m]."* (GM09735B)

6.3 Talc-chlorite schist zone

Located 190 m northwest of Vein 1, the talc-chlorite schist zone was labelled early on as a potential target for exploration:

- *"The presence of gold and copper mineralization in association with the talc schist zone warrants further exploration of this structure."* (GM09725)
- *"Four of the holes drilled to prospect this zone yielded some encouragement with low values in gold and respectable values in copper over narrow width..."* (GM09725)

The talc-chlorite schist is possibly derived from a sheared basic or ultramafic dyke or sill: Hole S-15 cut wide intersections of "highly altered basic rock, peridotite or serpentine" (GM09735B).

The northeast-trending talc-chlorite schist zone is described from drill logs as a wide zone of brecciation and shearing with quartz veining, quartz stringers, locally displaying disseminated pyrite or chalcopyrite.

- Hole S-23: *"There is a wide zone of brecciation from 326 ft to 392 ft [width of 66 ft or 20 m]."* *"Breccia zone: grey and white quartz stringers in fractures, [greywacke], quartzite, and granite gneiss weakly mineralized with chalcopyrite and scattered pyrite."*
- Hole S-17 cut from "295 ft to 495 ft: [width of 200 ft or 61 m] Shear zone. Talc-chlorite schist"; from "511 ft to 525 ft: Shear zone. Talc-chlorite schist. Disseminated pyrite and chalcopyrite in silicified schist and quartz." (GM09735A)
- Hole S-22: 167 ft to 347 ft [width of 180 ft or 54.9 m] – *"Talc-chlorite schist, some scattered coarse pyrite, minor amounts of carbonate..."*(GM09735B)
- Hole S-23: 9 ft to 236 ft [width of 227 ft or 69.2 m] - *"Talc-chlorite schist, scattered coarse pyrite, small amounts of carbonate"* (GM09735B)

The extent of the talc-chlorite schist zone is unclear. However, drilling indicates it is up to 50 m to 60 m wide and extends northeasterly for at least 1 km. It coincides with a known EM-VLF conductor that is 1.9 km long (conductor "C", GM26284). The talc-chlorite schist zone also borders a northeasterly trending magnetic high that extends for at least 3.3 km (Figure 6).

6.4 Porphyry carbonate zone

Assessment reports describe a "porphyry carbonate zone" that returned low gold values: exposed in old pits located 150 m northwest of the talc-chlorite schist zone. This zone appears to be a northeast-trending, 1.8 m wide, dyke of "quartz porphyry" with highly sheared and "dolomite" altered wall rocks. The zone is described as follows:

- *"Just to the north of the quartz-albite porphyry an old pit ,...,exposes on its walls a very pronounced shearing which is fairly well dolomitised. Gold assays are reported as having been obtained from this pit in early exploration. ... appears to warrant further exploration."* (GM09724)
- *"...a dyke of quartz porphyry about 6 ft [1.8 m] wide striking N 50 E and dipping 60° NW with the wall rocks heavily carbonated ... Values up to \$3.00 [2.94 g/t Au] are said to have been secured here."* (GM09721)

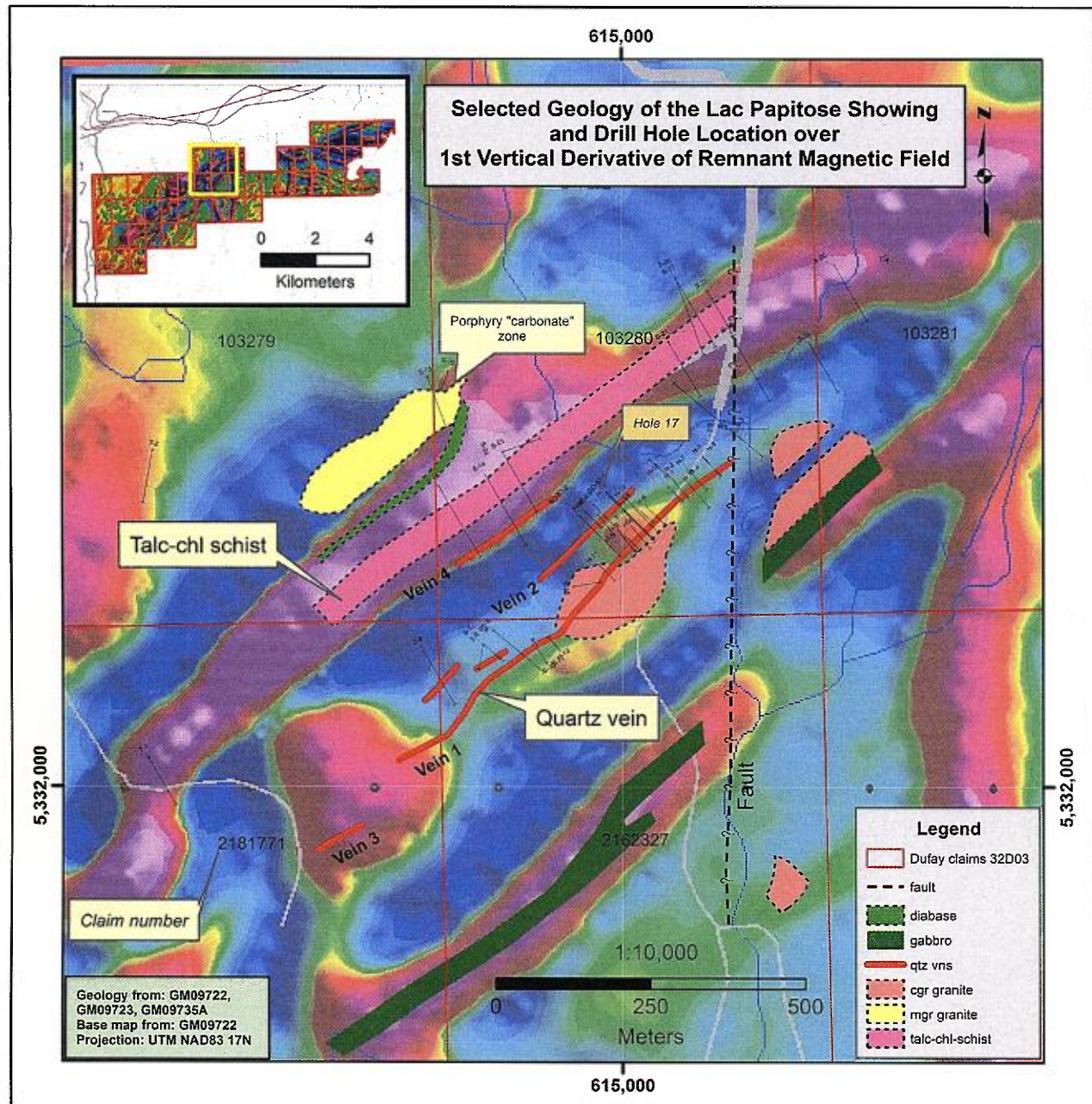


Figure 6: Schematic map of geology elements, as in Figure 3, over first vertical derivative map of the remnant magnetic field. Note well-defined northeast trending changes in magnetic field associated with mafic units and the talc-chlorite schist (Talc-chl schist). Also, note extensive potential lateral extension of the talc-chlorite schist to the northeast and southwest.

6.5 East-west zones

In report GM09724, a brief reference is made to zones of east-west shearing with some "gold values":

- "The strong east-west shearing with some gold values on the northwest claim justifies further exploration in order to determine its extent and nature." (GM09724)

An EM-VLF survey of the property (GM26284) describes two east-west conductive zones, conductor A and B, 600 m to 730 m long, of strong to moderate strength (GM26284). These conductors remain to be adequately tested.

7.0 DEPOSIT TYPES

To date, the majority of historical exploration work on the Dufay property, including most of the drilling, was carried out over a very limited area, about 1.5 km², centered on Vein 1 and the immediate surrounding area (Figure 3). Much of the remaining 26 km² of the property remains virtually unexplored.

The explored portion of the Dufay property surrounding Vein 1 displays both quartz-sulphide vein-type and sulphide disseminated-type mineralization. Principal sulphides are chalcopyrite and pyrite.

Low grade to high grade, copper and gold values are reported over narrow widths: principally from quartz-sulphide veins associated with northeast-trending zones of quartz veining, brecciation, and shearing. The northeast-trending quartz veins (Veins 1, 2, 3 and 4) and the talc-chlorite schist are subparallel zones of brecciation and shearing spread out over a width of at least 250 m. This may represent an important yet unrecognized northeast fault system or major shear zone with potential for copper and gold mineralization that remains to be fully explored. Northeast-trending shear zones have been recognized elsewhere in the Pontiac subprovince (Benn et al., 1994).

Sulphide disseminated-type mineralization, mainly chalcopyrite and pyrite, is locally present in metasediments, in felsic intrusive units, and in shear zones. It is mainly reported in drill logs. The surface extent of this type of mineralization has not been delineated and remains unknown. Sulphide disseminated-type mineralization has not been adequately tested for its gold or copper potential.

Although conceptual in nature, the Dufay property shows potential to host mineralization of the following deposit types:

- Shear zone-related gold
- Intrusion-related gold or "Porphyry gold (copper)"

7.1 Shear zone-related gold mineralization

Because of proximity, the Dufay property has the potential to host splays off the Larder Lake - Cadillac Fault (LLCF) (Figure 5). The historic Kerr-Addison mine, past production over 11 million ounces of gold, is located on the LLCF just 5 km west of the Dufay property (Figure 1). The northern portion of the property is located only 3 to 4 km south of the east-west segment of the LLCF, but as close as 1 km south of known east-west splays (Figure 5).

East-west zones of shearing with some "gold values" have been reported on the property (GM09724). At least two east-west conductive zones of strong to moderate strength are described on the property (GM26284). These east-west shear zones or conductors remain to be adequately tested for their gold potential.

7.2 Intrusion-related gold or "Porphyry gold (copper)" type mineralization

Both the quartz-sulphide vein-type and sulphide disseminated-type mineralization present on the Dufay property may represent Intrusion-related gold or "Porphyry gold (copper)" type mineralization. These deposit models have never been applied to the property.

Intrusion-related gold or "Porphyry gold (copper)" mineralization has been reported both in the Abitibi subprovince and in the Pontiac subprovince (Jébrak, 1992; Legault et al., 2009; Morasse et al., 1995; Mercier-Langevin et al., 2007; Robert, 2001). Possibly one of the more comprehensive descriptions of regional-scale gold mineralization associated with intrusions is that by Robert (2001) and Legault et al. (2009). They describe sulphide-disseminated type gold deposits associated with Timiskaming-age "syenitic intrusions":

Robert (2001) - Syenite-associated disseminated gold deposits.

- *"Disseminated gold orebodies occur within composite syenitic stocks or along their margins, along satellite dikes and sills, and along faults and lithologic contacts away from intrusions."*
- *"Deposits of this group, designated syenite-associated disseminated gold deposits, have characteristics that differ from those of more common quartz-carbonate vein-type (orogenic) deposits."*
- *"...orebodies consist of zones of disseminated sulfides with variably developed stockworks in intensely altered wallrocks."*
- *"Disseminated sulphides are fine- to very fine-grained and consist dominantly of pyrite with significant arsenopyrite in a few deposits."*
- *"In addition...ore-related metallic minerals include minor to trace amounts of chalcopyrite and hematite."*
- *"Strongly foliated rocks and shear zones are present in most examined disseminated gold deposits."*
- *"The deposits considered here share a number of characteristics with some styles of Phanerozoic intrusion-related gold deposits..." (Robert, 2001)*

Legault et al. (2009) - Discrimination of Syenites Associated with Gold Deposits in the Abitibi Subprovince, Québec, Canada.

- *"Three types of gold mineralization are spatially associated with alkaline intrusions in the Abitibi and Pontiac subprovinces: 1) gold bearing disseminated sulphides, 2) Au-Cu-Mo disseminated sulphides, and 3) gold bearing quartz veins." Legault et al. (2009)*

Selected properties within the southern Abitibi subprovince and the northwest corner of the Pontiac subprovince (Figure 7) that display mineralization with Intrusion-related gold or "Porphyry gold (copper)" type characteristics include the following:

- **Canadian Malartic Property:** Osisko Mining Corp. 10.7 Million Oz Au, NI 43-101 Proven and Probable Gold Reserves (Source: Osisko Mining Corp. website)
- **Granada Gold Property**
- **Galloway Property**

These properties are briefly described below:

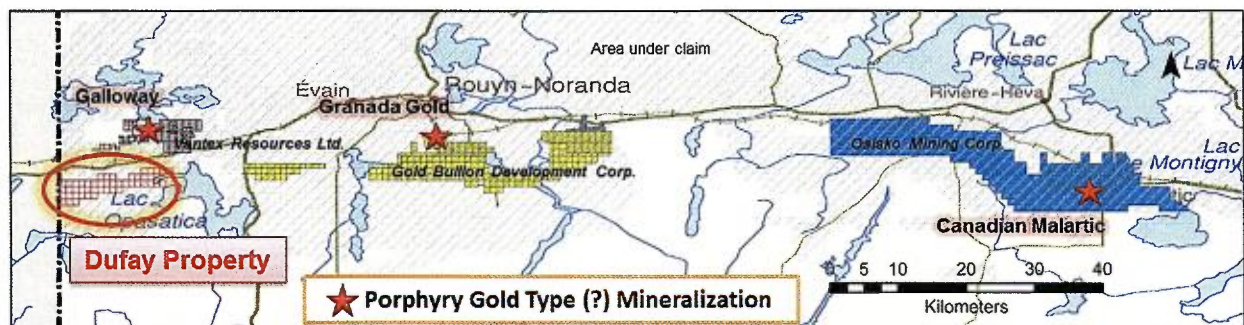


Figure 7: Map showing location of the Dufay property relative to selected properties with known or potential Intrusion-related gold or "Porphyry gold (copper)" type mineralization

Canadian Malartic Property: Osisko Mining Corp.

*"The rocks of the Pontiac and Piché Groups are intruded by a number of epizonal felsic porphyritic bodies, variously described as syenites, quartz syenites, quartz monzonites, granodiorites and tonalities. The geometries of these felsic intrusions are highly variable, and occur on the property as sills, dykes, discontinuous lenses or small isolated stocks. **The gold deposits of the Malartic area are related to porphyries that are generally considered to be syenitic (alkaline) in composition and of Temiskaming (syntectonic) age.**"*

"Mineralisation in the Canadian Malartic deposit occurs as a continuous shell of 1-5% disseminated pyrite with fine (< 20 microns) native gold and traces of chalcopyrite, sphalerite and tellurides.... The mineralisation is mostly hosted by altered clastic sediments of the Pontiac Group (turbiditic greywacke, mudstone and minor siltstone) overlying an epizonal dioritic porphyry intrusion. Mineralisation also occurs in the upper portions of the porphyry body."

"The close spatial association between voluminous, low-grade, disseminated gold mineralisation and an epizonal, intermediate porphyry intrusion, as well as the presence of widespread potassic alteration throughout the system, suggests the Canadian Malartic deposit may be an Archaean porphyry gold system."

Source: Gossage and Inwood 2007: Technical Report for the Canadian Malartic Gold Project

"Unlike most of the major gold mines of the Abitibi greenstone belt, the Canadian Malartic deposit lies southward of the major Kirkland - Cadillac fault zone, in the Pontiac subprovince at the boundary with the Abitibi greenstone belt."

"The character of this deposit is, however, atypical in the Abitibi mining context as its disseminated and widespread mineralization is distinct from the more usual quartz-carbonate vein deposit."

"There is no consensus as to whether or not the Canadian Malartic is a porphyry-type deposit, but there are several factors in favour of a syn-magmatic mineralization: widespread potassic alteration, well-developed and different generation of brecciation processes with favourable metal associations, and a strong spatial association with a syn-tectonic porphyry unit."

Source: Beaulieu, 2010 : Le Gisement Aurifère Peri-Granitique de Canadian

Galloway Property: Vantex Resources Ltd.

"The Galloway property hosts several gold bearing environments. Two main types of gold mineralization can be observed on the property. The first type is related to veins type gold lode related to ENE or EW striking shear zones that are subsidiaries to the Cadillac-Larder Lake break. This type of mineralization is exemplified by the Francoeur mine. The second type of mineralization is found in the Galloway area. It consists of disseminated pyrite in volcanic and intrusive rocks (syenite). This pyrite carries anomalous gold values (hundreds of ppb's, up to a few ppm's) over considerable widths (over hundreds of meters). It has been described by various writers as being related to a porphyry system."

Source: Vantex Resources Ltd. website

Granada Property: Gold Bullion Development Corp.

The Granada property is a "sediment-hosted, structurally controlled vein-type deposit (quartz veins, veinlets, stockworks, breccias) that has been intruded by a series of syenite feldspar porphyry sills and dykes mineralized with finely disseminated pyrite and/or arsenopyrite. It is underlain by conglomerates and greywackes of the Archean Timiskaming group sediments and intruded by later syenite".

Source: Gold Bullion Development Corp., press release dated September, 9th, 2010

8.0 EXPLORATION

8.1 Historical Exploration Highlights

The Dufay property was originally explored for copper. Of the nearly 6000 m of drilling on the property, 80% was carried out from 1929 to 1945. Much of the drill core was only selectively assayed for copper over core intervals with quartz veins that typically display chalcopyrite +/- pyrite mineralization. The limited core intervals that were assayed for copper were not all assayed for gold, or just sparingly assayed for gold.

Of the 52 historic drill holes on the property, complete core log and assay information are only available for a limited number of drill holes. The following is the available information:

- complete drill core logs with assay results are available for 18 drill holes
- complete drill core logs with no assay results are available for 4 drill holes
- summary or incomplete core logs with no assay results are available for 21 drill holes
- core logs and assay results are unavailable for 9 drill holes

Vein 1 was the main focus of historical exploration. Other targets with "reported" mineralization of interest include Vein 2, the zone of "talc-chlorite schist", and the "porphyry carbonate zone" (Figure 3).

A review of historical assessment reports related to drilling campaigns and property visits, as well as from drill logs, shows much "reported" mineralization: some with "reported" gold or copper assay results. A summary of "reported" mineralization is presented in Table 2.

Table 2: Summary of reported mineralization on the Dufay property, in the general vicinity of Vein 1.

Year	Type	Target	ID	Reported mineralization	Source
1939	DDH	Vein 1	Hole 19	Hole "No. 19 ... intersected greywacke and interbedded quartzite intruded by porphyry and granitic gneiss mineralized with chalcopyrite, up to 2%" "Large widths of mineralized quartz with low gold and copper values assaying up to \$2.80 in gold per ton [2.74 g/t Au] and 3% copper."	GM09723
1945	DDH	Vein 1	S-4	Hole "cut a 20 ft [6.1 m] section of massive pyrite and chalcopyrite" "Hole S-4 cut the main vein ... and gave assays up to \$1.05 over 0.8 feet [1.03 g/t Au over 0.24 m] - and 13.65% Cu over 0.5 feet [0.15 m]"	GM09735A GM09724
1945	DDH	Vein 1	S-5	"there is considerable mineralization [fine pyrite or chalcopyrite] scattered throughout this hole specially in the sericite schist"	GM09735B
1939	outcrop	Vein 1		"This company reported ... surface assays up to \$3.80 over 4.5 ft [3.72 g/t Au over 1.37 m]."	GM09722
1945	DDH	Vein 2 ?	S-9	Hole "cut fractured and silicified material and 9 feet [2.74 m] of quartz heavily mineralized with sulphides carrying low gold values " [Interpreted to cut vein 2, not vein 1]	GM09735A
1939	pit	Vein 2	pit	"near the bottom of this 20 ft pit values up to \$7.00 [6.86 g/t Au] are said to have been secured."	GM09721
1945	DDH	Porphyry "carbonate" zone	S-12, S-13	Holes "drilled to test the shearing in the vicinity of the feldspar porphyry and the diabase dyke in the north of claim T9278, cut some mineralized material assaying low gold values "	GM09735A
1939		Porphyry "carbonate" zone		"...a dyke of quartz porphyry about 6 ft [1.8 m] wide striking N 50 E and dipping 60° NW with the wall rocks heavily carbonated ... Values up to \$3.00 [2.94 g/t Au] are said to have been secured here." ... "Conditions similar to Larder Lake might be found hereabout."	GM09721
1945		Porphyry "carbonate" zone		"Just north of the quartz-albite porphyry an old pit, now filled with water, exposes on its walls a very pronounced shearing which is fairly well dolomitized . Gold assays are reported to have been obtained in this pit in early exploration."	GM09724
1945		Talc-chlorite schist zone		" A second structure of possible importance is the band of talc schist ... Four of the holes drilled to prospect this zone yielded some encouragement with low values in gold and respectable values in copper over narrow widths." ... "While no ore has been found by this drilling, the fact that mineralized zones carrying gold and copper values are apparently associated with the talc schist zone may be of importance and further explorations of this zone appears to be justified."	GM09725
1945	DDH	Talc-chlorite schist zone	S-14, S-15	Holes "cut sections of Vein 2 consisting of quartz mineralized with chalcopyrite 20 to 24 feet [6.1 to 7.3 m] wide" [Note: this report erroneously refers to this zone as vein 2]	GM09735A
1945	DDH	Talc-chlorite schist zone	S-17	295 ft - 495 ft Shear zone. Talc-chlorite schist. 511 ft - 525 ft Shear zone. Talc-chlorite schist. Disseminated pyrite and chalcopyrite in silicified schist and quartz	GM09735A
1945		East - west shearing		"The strong east-west shearing with some gold values on the northwest claim justifies further exploration in order to determine its extent and nature."	GM09724

Gold and copper assay highlights from limited available drill core assay results and outcrop sampling are presented in Table 2.

Table 3: Gold and copper assay highlights from available historical drill core assay results and outcrop sampling on the Dufay property, in the general area surrounding Vein 1.

Year	Type	Target	ID	From (m)	To (m)	Interval* (m)	True width** (m)	Au g/t	% Cu
1939	DDH	Vein 1	Hole 17	125.4	128.5	3.1	2.2	8.82	
			<i>includes</i>	125.4	126.3	0.9	0.7	20.91	
			<i>includes</i>	127.1	127.9	0.8	0.5	10.29	
1929	DDH	Vein 1	Hole 1	39.3	42.6	3.3	2.3	0.54	0.70
1929	DDH	Vein 1	Hole 2	64.7	66.8	2.1	0.9	0.66	16.00
				68.1	69.6	1.5	0.7	0.66	1.08
1929	DDH	Vein 1	Hole 4	63.3	64.7	1.4	0.7	0.63	0.52
1929	DDH	Vein 1	Hole 10	69.5	75.0	5.5	2.3		2.34
1983	DDH	Vein 1	SD-83-1	213.7	223.8	10.1	4.1		0.55
			<i>includes</i>	218.6	222.1	3.5	1.4		1.00
			<i>includes</i>	221.6	222.1	0.5	0.2	2.06	0.88
1929	Outcrop	Vein 1				1.4		6.32	
DDH = diamond drill hole; * Drill interval; ** Estimated true width									

Best results are from Hole 17 that cut Vein 1 and assayed:

- **8.82 g/t Au over 3.1 m**, with higher grade intervals of
Includes 20.91 g/t Au over 0.9 m and
Includes 10.29 g/t Au over 0.8 m.

8.2 Current Exploration Work Program

In 2011, LAKESIDE carried out an EarthProbe high resolution resistivity/induced polarization (DCIP) survey, a National Instrument 43-101 (NI 43-101) compliant technical evaluation and a helicopter-borne magnetic gradiometer, VLF and gamma-ray spectrometry geophysical survey on the Dufay property.

1) EarthProbe High Resolution Resistivity/Induced Polarization (DCIP) Survey

An EarthProbe high resolution resistivity/induced polarization (DCIP) survey was completed by CCIC over 1.04 km² on the property. The survey was completed intermittently between February 3rd and May 17th of 2011. Total production was 5.98 line-kilometres in three separate grids (Figure 8). The results, resistivity and chargeability pseudosections, are presented in the EarthProbe Survey Interpretation Report (CCIC) and attached to this report in Appendix I. The following summarizes the survey results.

Extract from the CCIC's EarthProbe Survey Interpretation Report:

Below a relatively conductive overburden (less than 35,000 Ω.m), the apparent resistivity response across the site is relatively high (greater than 50,000 Ω.m). No subsurface conductive anomalies were identified in the survey area. Several anomalous chargeability responses (zones and features exhibiting chargeability greater than 45 mV/V) have been identified in the data. These include:

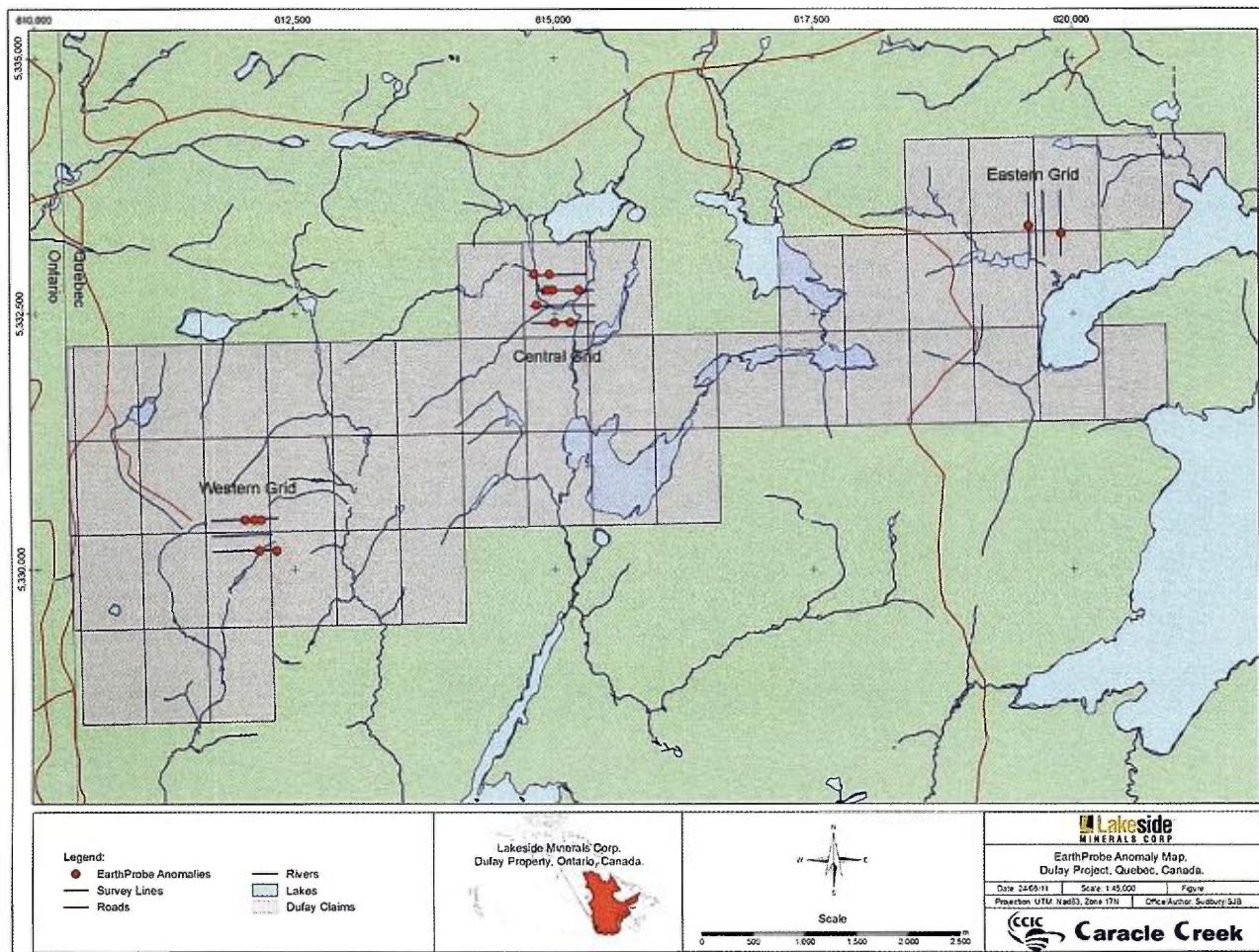


Figure 8: EarthProbe high resolution resistivity/induced polarization (DCIP) survey grid and anomaly locations, map from CCIC's EarthProbe survey interpretation report.

West Grid

- L1: A moderately chargeable surface feature (WG_IP002) coincides with the eastern edge of the magnetic anomaly in a region where the surface conductivity thickens marginally compared to the surrounding ground. Two additional moderately chargeable responses are present at approximately 100m and 80 m depth (WG_IP001 and WG_IP003, respectively) extending over distances of approximately 50 m.
- L3: Two extensive highly chargeable surface features (WG_IP004 and WG_IP005) are present immediately east of the magnetic anomaly in a region where the surface conductivity thickens marginally compared to the surrounding ground.

Central Grid

- Several moderately chargeable and slightly discontinuous features (CG_IP001, CG_IP003, CG_IP006, and CG_IP007) are present across the western portions of L4 – L7 coincident with the occurrence of a magnetic anomaly.
- L4/L5: Two moderately chargeable features (CG_IP002 and CG_IP004) are present at depths of approximately 120 m and 80 m respectively between 100 m and 150 m from the western end of the lines. CG_IP004 is coincident with gold showing.
- L5: A moderately chargeable feature (CG_IP005) is present at approximately 20 m depth along the eastern portion of the line and is laterally extensive over 100 m.

- L7: An extensive but discontinuous chargeable feature (CG_IP008) is present at depth (100 m) over the central portion of L7 immediately adjacent to the magnetic anomaly in a region where the higher resistivity bedrock appears to project towards the surface.

Eastern Grid

- L8: A slightly chargeable feature (EG_IP001) is present at an estimated 60 m depth over a distance of 120 m coincident with the interface between a magnetic high and low and a historically identified EM anomaly.
- L10: A slightly chargeable feature (EG_IP002) is present near surface at the southern edge of the magnetic high and coincident with a 75 m region where apparent conductivity increases at the surface.

2) Helicopter-Borne Magnetic Gradiometer, VLF and Gamma-Ray Spectrometry Survey

In July of 2011, *Geophysics GPR International Inc.* carried out a helicopter-borne magnetic gradiometer, VLF and gamma-ray spectrometry geophysical survey on behalf of LAKESIDE. The survey covers the entire Dufay claim block for a total of 608.4 line-km (Figure 9).

The total magnetic field, the diurnal free horizontal magnetic gradient, the EM-VLF total field, its quadrature, and gamma-ray spectrum were measured by the helicopter-borne system. DGPS positioning, magnetic diurnal variation and radar altitude data were also collected. The final paper products consist of maps at scale 1:25 000. A total of ten (10) maps were produced:

- 1) Flight path recovery and claims limit map;
- 2) Enhanced Residual Magnetic Field, (nT);
- 3) First Vertical Derivative, (nT/m);
- 4) Potassium Concentration, (%);
- 5) Equivalent Uranium Concentration, (eppm);
- 6) Equivalent Thorium Concentration, (eppm);
- 7) Air Absorbed Dose Rate, (nGy/h);
- 8) VLF Quadrature component, (V);
- 9) VLF Total Field component, (V);
- 10) Digital Elevation Map, (m).

Data processing and quality control was carried out by *Geophysics GPR International Inc.*, final maps, and report are presented and attached to this report in Appendix II.

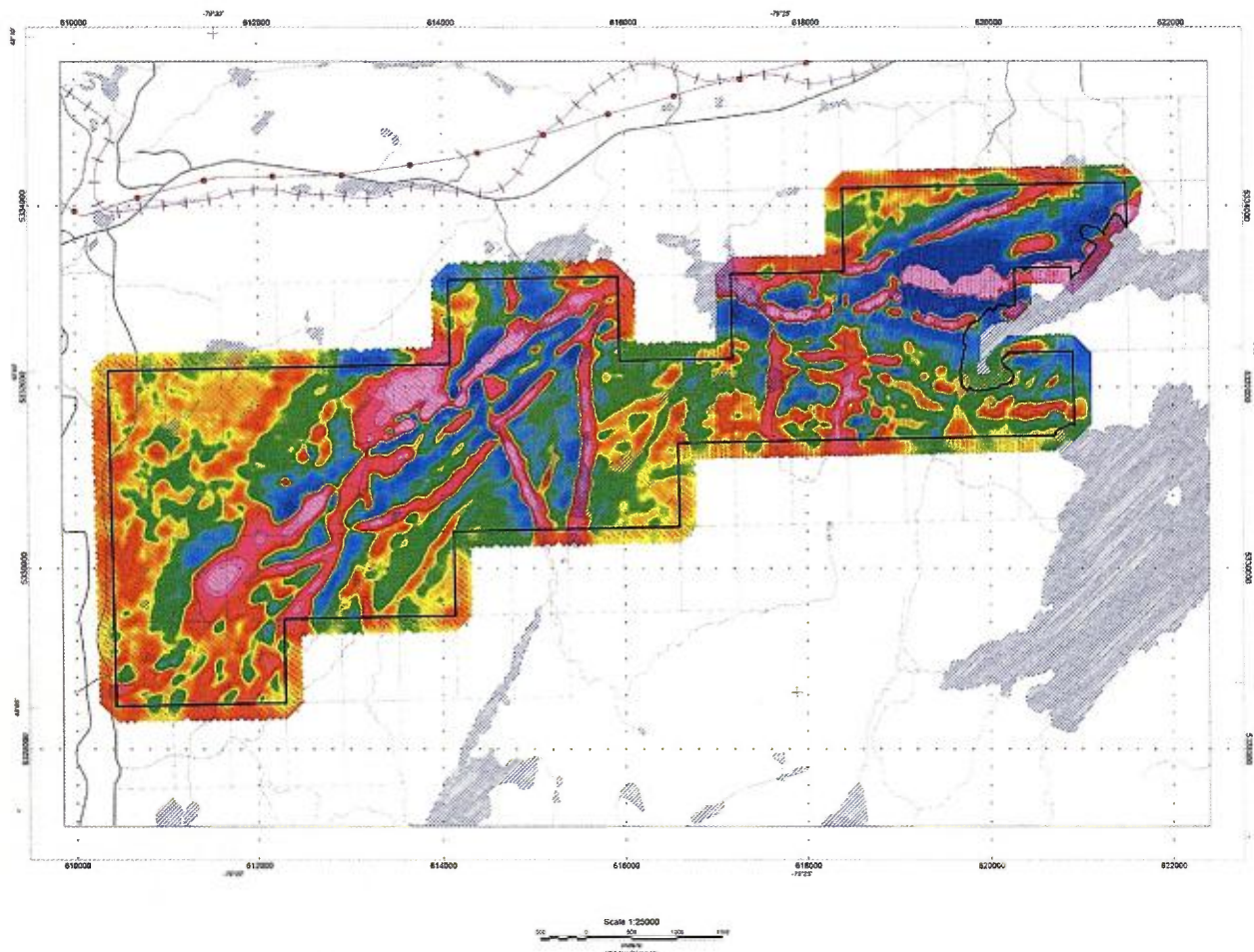


Figure 9: Flight path and first vertical derivative of residual magnetic field over the Dufay property: data from 2011 *Geophysics GPR International Inc.* helicopter-borne survey (see Appendix II).

3) Independent Technical Report

Caracle Creek International Consulting Inc. (CCIC) of Toronto, Ontario, Canada was contracted by LAKESIDE to review the Dufay property, and prepare an independent technical report, compliant with National Instrument 43-101 (NI43-101), companion policy NI43-101CP and Form 43-101F1. An initial technical report on the property was prepared with an effective and submission date of April 12th, 2011. The presented report is an amended and restated version of the initial technical report and is compliant with the new NI 43-101, companion policy NI43-101CP and Form 43-101F1 format effective June 30th, 2011. The purpose of this amended and restated technical report by LAKESIDE was to meet the minimum listing requirements of the TSX Venture Exchange ("TSXV"). The amended and restated report was reviewed and signed off by independent Qualified Person Mr. Felix Lee of *ACA Howe International Limited* and is presented in its integral form in Appendix III.

The NI 43-101 technical report concludes that upon review of historical exploration data and results of the 2011 IP survey on the Dufay property further exploration on the property is warranted and recommends an exploration budget of \$513,375. The recommended field program consists of stripping, geological mapping, structural mapping, geochemical soil sampling and a high resolution airborne geophysics survey.

9.0 CONCLUSIONS & RECOMMENDATIONS

The purpose of this report was to present a brief overview of the Dufay property historical exploration work, the current geophysical surveys and independent technical evaluation conducted on behalf of LAKESIDE.

The majority of historical exploration work on the Dufay property, including most of the drilling, was carried out over a very limited area, about 1.5 km². Much of the remaining 26 km² of the property remains virtually unexplored.

During 2011, LAKESIDE carried out a ground induced polarization survey, an independent technical evaluation and a helicopter-borne magnetic gradiometer, VLF and gamma-ray spectrometry geophysical survey in order to evaluate the mineral potential of the property. From the IP survey, several anomalous chargeability responses have been identified. Whereas, the total magnetic field, the diurnal free horizontal magnetic gradient, the EM-VLF total field and gamma-ray spectrum measured by the helicopter-borne survey are currently being used by LAKESIDE to further define the geology of the property and plan additional field work.

The explored portion of the Dufay property surrounding Vein 1 displays both quartz-sulphide vein-type and sulphide disseminated-type mineralization. Principal sulphides are chalcopyrite and pyrite. The quartz-sulphide veins, stringers, and stockwork, as well as the talc-chlorite schist are associated with northeast-trending zones of brecciation and shearing spread out over a width of at least 250 m. This may represent an important yet unrecognized extensive northeast fault system or major shear zone with potential for copper and gold mineralization that remains to be fully explored.

Low grade to high grade, copper and gold values are reported over narrow widths: principally from quartz-sulphide veins associated with northeast-trending zones of quartz veining, brecciation, and shearing.

Sulphide disseminated-type mineralization, mainly chalcopyrite and pyrite, is locally present in metasediments, in felsic intrusive units, and in shear zones. The surface extent of this type of mineralization has not been determined. This type of mineralization has not been adequately tested for its gold or copper potential.

Intrusion-related gold or "Porphyry gold (copper)" deposit exploration models remain to be tested on the Dufay property.

In view of above considerations, property claims should be maintained and additional exploration work is warranted. Such work may include the following:

- Ongoing compilation and integration of geological report, drilling reports, geophysical ground and airborne surveys.
- Field prospecting and follow up of the identified geophysical anomalies.
- Property scale geological mapping and geochemical soil survey to define anomalous zones and alterations.
- Additional ground IP & Mag/EM surveys.
- Detailed analysis of acquired information in order to re-evaluate the mineral potential and delineate the appropriate location and orientation of drill holes.
- Diamond drilling.

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11.0 CERTIFICATE OF QUALIFICATION

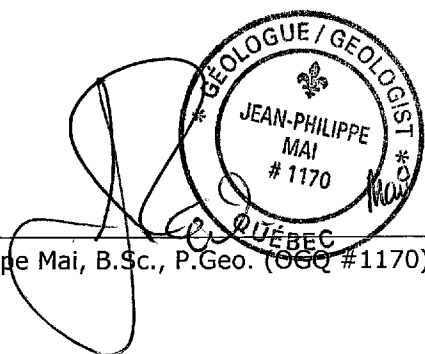
Report Title: **PRELIMINARY REPORT ON THE DUFAY PROPERTY**

I, Jean-Philippe Mai, residing in St-Bruno-de-Montarville, Québec, Canada do hereby certify that:

- I am a consulting geologist contracted by *LAKESIDE MINERALS CORP.* to carry out this report on the *DUFAY PROPERTY*.
- I am a graduate of Université du Québec à Montréal (UQAM), Montréal, Québec with a B.Sc. in Geology in 2003; I have participated in exploration programs for gold, base metals and coal in Canada, Guyana, Australia and in the Dominican Republic.
- I am a member in good standing of l'Ordre des Géologues du Québec (#1170).
- I am the co-author of this report, titled "*PRELIMINARY REPORT ON THE DUFAY PROPERTY*" and dated *January 9th 2012*
- I have personally visited the property on October 18th and 19th of 2011.

Dated January 9th, 2012

Montréal, Québec, Canada



Jean-Philippe Mai, B.Sc., P.Geo. (OGQ #1170)

APPENDIX I

Voir GM66130.

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APPENDIX II

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Voir GM66131

APPENDIX III

voir GM66132

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