

CDN Resource Laboratories Ltd.

#2, 20148 – 102nd Avenue, Langley, B.C., Canada, V1M 4B4, 604-882-8422, Fax: 604-882-8466 (www.cdnlabs.com)

REFERENCE MATERIAL: CDN-GS-2Q

Recommended value and the "Between Laboratory" two standard deviations

<i>Gold</i>	<i>2.37 g/t ± 0.17 g/t</i>	<i>30g FA, instrumental</i>	<i>Certified value</i>
<i>Silver</i>	<i>73.2 g/t ± 4.4 g/t</i>	<i>4-acid, instrumental</i>	<i>Certified value</i>

PREPARED BY: CDN Resource Laboratories Ltd.
CERTIFIED BY: Duncan Sanderson, B.Sc., Licensed Assayer of British Columbia
INDEPENDENT GEOCHEMIST: Dr. Barry Smee., Ph.D., P. Geo.
DATE OF CERTIFICATION: May 15, 2014

ORIGIN OF REFERENCE MATERIAL:

Standard CDN-GS-2Q was prepared using ore supplied by Farallon Resources from their Campo Morado property in Mexico. The Campo Morado precious-metal-bearing, volcanogenic massive sulphide deposits occur in a lower Cretaceous bimodal, calc-alkaline volcanic sequence. Most deposits occur in the upper part of a sequence of felsic flows and heterolithic volcanoclastic rocks or at its contact with overlying chert and argillite. Gold, silver, zinc, and lead are associated with pyrite, quartz, ankerite, sphalerite, chalcopyrite and galena, with minor tennantite-freibergite, arsenopyrite, and pyrrotite

800 kg of relatively barren ore was combined with 44 kg of a high grade gold, silver ore to make CDN-GS-2Q.

METHOD OF PREPARATION:

Reject ore material was dried, crushed, pulverized and then passed through a 270 mesh screen. The +270 material was discarded. The -270 material was mixed for 5 days in a double-cone blender. Splits were taken and sent to 15 commercial laboratories for round robin assaying. Round robin results are displayed below:

	Lab 1	Lab 2	Lab 3	Lab 4	Lab 5	Lab 6	Lab 7	Lab 8	Lab 9	Lab 10	Lab 11	Lab 12	Lab 13	Lab 14	Lab 15
SAMPLE	Au g/t	Au g/t	Au g/t	Au g/t	Au g/t	Au g/t	Au g/t	Au g/t	Au g/t	Au g/t	Au g/t	Au g/t	Au g/t	Au g/t	Au g/t
GS-2Q-1	2.42	2.41	2.37	2.42	2.41	2.53	2.37	2.31	2.44	2.33	2.46	2.28	2.14	2.35	2.32
GS-2Q-2	2.47	2.58	2.64	2.23	2.45	2.36	2.43	2.36	2.31	2.33	2.47	2.24	2.30	2.35	2.37
GS-2Q-3	2.34	2.34	2.31	2.40	2.44	2.34	2.36	2.33	2.34	2.28	2.34	2.26	2.22	2.34	2.38
GS-2Q-4	2.41	2.37	2.50	2.44	2.52	2.27	2.48	2.35	2.42	2.36	2.45	2.33	2.26	2.41	2.33
GS-2Q-5	2.52	2.60	2.50	2.20	2.55	2.38	2.39	2.37	2.35	2.39	2.46	2.46	2.27	2.42	2.40
GS-2Q-6	2.33	2.30	2.44	2.27	2.52	2.39	2.41	2.38	2.26	2.29	2.35	2.25	2.16	2.36	2.31
GS-2Q-7	2.55	2.38	2.51	2.27	2.41	2.23	2.44	2.36	2.31	2.30	2.53	2.29	2.19	2.31	2.46
GS-2Q-8	2.23	2.39	2.51	2.20	2.47	2.29	2.46	2.36	2.41	2.38	2.34	2.23	2.42	2.37	2.32
GS-2Q-9	2.41	2.44	2.36	2.35	2.43	2.44	2.37	2.31	2.23	2.36	2.35	2.30	2.20	2.40	2.46
GS-2Q-10	2.40	2.44	2.61	2.24	2.47	2.33	2.41	2.31	2.23	2.30	2.49	2.28	2.45	2.32	2.37
Mean	2.41	2.43	2.48	2.30	2.47	2.36	2.41	2.34	2.33	2.33	2.42	2.29	2.26	2.36	2.37
Std. Dev'n	0.0945	0.0969	0.1064	0.0924	0.0488	0.0867	0.0405	0.0258	0.0766	0.0398	0.0700	0.0661	0.1024	0.0363	0.0551
%RSD	3.92	3.99	4.30	4.01	1.98	3.68	1.68	1.10	3.29	1.71	2.89	2.89	4.53	1.54	2.32
SAMPLE	Ag g/t	Ag g/t	Ag g/t	Ag g/t	Ag g/t	Ag g/t	Ag g/t	Ag g/t	Ag g/t	Ag g/t	Ag g/t	Ag g/t	Ag g/t	Ag g/t	Ag g/t
GS-2Q-1	80	75	76	74.9	74.0	76.1	75.9	70.9	72.3	75.1	68.5	72.5	70.5	71.2	73.0
GS-2Q-2	79	75	76	76.0	72.9	73.8	75.2	70.6	74.1	77.1	70.8	72.9	73.3	72.3	71.0
GS-2Q-3	81	74	76	75.0	72.3	74.5	76.3	69.5	72.1	76.3	68.8	71.1	71.4	71.4	73.5
GS-2Q-4	80	73	76	74.6	73.0	71.9	76.3	70.5	71.8	74.4	68.5	70.8	72.6	72.4	73.5
GS-2Q-5	80	73	75	74.1	74.0	76.3	75.5	71.6	72.2	76.6	69.6	68.8	70.7	72.4	74.0
GS-2Q-6	81	73	75	73.2	72.6	74.0	76.3	70.4	72.2	77.7	69.5	73.7	69.5	71.7	75.5
GS-2Q-7	80	73	76	73.0	74.2	75.6	74.8	69.4	70.3	77.7	69.4	69.6	70.3	72.7	73.0
GS-2Q-8	82	75	76	74.0	72.6	73.4	76.4	71.2	74.0	74.8	69.8	73.3	67.5	73.9	73.5
GS-2Q-9	80	75	78	74.4	73.2	73.3	74.5	70.7	74.5	75.0	70.0	70.8	69.5	73.3	74.0
GS-2Q-10	81	72	76	74.8	74.3	73.4	75.4	71.3	70.0	73.9	69.0	72.1	67.3	73.3	75.0
Mean	80.4	73.8	76.0	74.4	73.3	74.2	75.7	70.6	72.3	75.9	69.4	71.6	70.3	72.5	73.6
Std. Dev'n	0.843	1.135	0.816	0.883	0.748	1.400	0.685	0.719	1.498	1.393	0.720	1.613	1.938	0.873	1.220
%RSD	1.05	1.54	1.07	1.19	1.02	1.89	0.91	1.02	2.07	1.84	1.04	2.25	2.76	1.21	1.66

Note: Ag data from laboratory 1 was excluded for failing the t test.

REFERENCE MATERIAL: CDN-GS-2Q

APPROXIMATE CHEMICAL COMPOSITION (by whole rock analysis):

	Percent			Percent
SiO ₂	60.0		Na ₂ O	0.2
Al ₂ O ₃	10.6		MgO	3.0
Fe ₂ O ₃	11.0		K ₂ O	1.7
CaO	2.0		TiO ₂	0.3
MnO	0.2		LOI	9.1
Total S	3.6		C	1.1

Statistical Procedures:

The final limits were calculated after first determining if all data was compatible within a spread normally expected for similar analytical methods done by reputable laboratories. Data from any one laboratory was removed from further calculations when the mean of all analyses from that laboratory failed a t test of the global means of the other laboratories. The mean and standard deviation were calculated using all remaining data. Any analysis that fell outside of the mean ± 2 standard deviations was removed from the ensuing data base. The mean and standard deviations were again calculated using the remaining data. This method is different from that used by Government agencies in that the actual "between-laboratory" standard deviation is used in the calculations. This produces upper and lower limits that reflect actual individual analyses rather than a grouped set of analyses. The limits can therefore be used to monitor accuracy from individual analyses, unlike the Confidence Limits published on other standards.


Participating Laboratories: (not in same order as table of assays)

Acme Analytical Laboratories Ltd., Vancouver, BC, Canada
Activation Laboratories, Ancaster, Ontario, Canada
Activation Laboratories, Thunder Bay, Ontario, Canada
ALS Canada, North Vancouver, BC, Canada
ALS, Loughrea, Ireland (Omac)
American Assay Laboratories Inc., Sparks, Nevada, USA
Alex Stewart Assayers, Mendoza, Argentina
Certimin, Lima, Peru
Intertek - Genalysis Lab Services, Perth, Australia
Met-Solve Analytical Services, Langley, BC, Canada
SGS, Vancouver, BC, Canada
SGS, Lima, Peru
Skyline Laboratories, Tucson, Arizona, USA
TSL Laboratories Ltd., Saskatoon, SK, Canada
Ultra Trace Laboratories Ltd., Perth, Australia


Legal Notice:

This certificate and the reference material described in it have been prepared with due care and attention. However CDN Resource Laboratories Ltd. nor Barry Smee accept any liability for any decisions or actions taken following the use of the reference material. Our liability is limited solely to the cost of the reference material.

Certified by


Duncan Sanderson, Certified Assayer of B.C.

Geochemist


Dr. Barry Smee, Ph.D., P. Geo.