

CDN Resource Laboratories Ltd.

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REFERENCE MATERIAL: CDN-FCM-7

Recommended values and the “Between Lab” Two Standard Deviations

<i>Gold</i>	<i>0.896 g/t ± 0.084 g/t</i>	<i>Certified value</i>
<i>Silver</i>	<i>64.7 g/t ± 4.1 g/t</i>	<i>Certified value</i>
<i>Copper</i>	<i>0.526 % ± 0.026 %</i>	<i>Certified value</i>
<i>Lead</i>	<i>0.629 % ± 0.042 %</i>	<i>Certified value</i>
<i>Zinc</i>	<i>3.85 % ± 0.19 %</i>	<i>Certified value</i>

Note: Standards with an RSD of near or less than 5% are certified; RSD's of between 5% and 15% are Provisional; RSD's over 15% are Indicated. Provisional and Indicated values cannot be used to monitor accuracy with a high degree of certainty.

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 10, 2011

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 mixer. Splits were taken and sent to 15 laboratories for round robin assaying.

ORIGIN OF REFERENCE MATERIAL:

The ore was supplied by Farralon 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 pyrrhotite. Standard CDN-FCM-7 was made by combining 300 kg of Farallon material with 400 kg of blank granitic ore.

Approximate chemical composition (from whole rock analysis) is as follows:

	Percent		Percent
SiO ₂	59.4	MgO	1.4
Al ₂ O ₃	7.0	K ₂ O	0.8
Fe ₂ O ₃	13.3	TiO ₂	0.3
CaO	.4	LOI	8.1
Na ₂ O	1.6	S	10.0

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 means and standard deviations 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.

Assay Procedures:

Au: Fire assay pre-concentration, AA or ICP finish (30g sub-sample).
Ag, Cu, Pb, Zn: 4-acid digestion, AA or ICP finish.

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Results from round-robin assaying:

	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
	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
FCM-7-1	0.916	0.898	0.994	0.87	0.84	0.935	0.841	0.88	0.887	0.800	0.840	0.965	0.82	0.918	0.961
FCM-7-2	0.915	0.875	0.968	0.88	0.87	0.890	0.826	1.05	0.876	0.887	0.850	0.940	0.79	0.918	0.896
FCM-7-3	0.937	0.860	1.006	0.84	0.90	0.905	0.800	0.85	0.870	0.852	0.881	0.932	0.76	0.914	0.919
FCM-7-4	0.940	0.910	0.914	0.87	0.92	0.905	0.840	0.89	0.844	0.853	0.818	0.915	0.81	0.908	0.969
FCM-7-5	0.940	0.886	0.900	0.83	0.86	0.895	0.844	0.93	0.896	0.955	0.868	0.974	0.78	0.892	0.936
FCM-7-6	0.899	0.862	0.920	0.87	0.85	0.880	0.821	0.99	0.874	0.838	0.898	0.955	0.76	0.939	0.950
FCM-7-7	0.859	0.900	0.972	0.91	0.93	0.925	0.789	0.82	0.896	0.882	0.855	0.954	0.76	0.925	0.907
FCM-7-8	0.892	0.864	0.976	0.94	0.92	0.875	0.764	0.94	0.920	0.900	0.863	0.969	0.78	0.876	0.929
FCM-7-9	0.893	0.927	1.018	0.87	0.86	0.880	0.830	1.00	0.938	0.900	0.825	0.928	0.77	0.907	0.902
FCM-7-10	0.888	0.868	1.016	0.92	0.84	0.915	0.832	0.94	0.911	0.879	0.827	0.944	0.82	0.911	0.937
Mean	0.908	0.885	0.968	0.880	0.878	0.901	0.819	0.929	0.891	0.875	0.853	0.948	0.785	0.911	0.931
Std. Devn.	0.0266	0.0230	0.0433	0.0343	0.0361	0.0202	0.0262	0.0713	0.0272	0.0421	0.0258	0.0192	0.0242	0.0173	0.0248
% RSD	2.93	2.60	4.47	3.90	4.11	2.24	3.20	7.67	3.06	4.82	3.03	2.03	3.08	1.90	2.67
	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
FCM-7-1	67	65	64.7	59.7	64.0	61.6	61.1	67	67	67	63.5	68.4	62.5	67	64
FCM-7-2	66	64	60.9	62.1	63.6	63.0	62.3	68	65	67	65.4	69.0	63.0	66	66
FCM-7-3	66	64	62.1	60.6	64.0	62.4	63.7	66	65	66	64.3	69.5	64.5	68	64
FCM-7-4	67	64	62.8	63.6	63.5	64.2	62.8	65	66	66	66.0	69.1	64.0	67	64
FCM-7-5	66	64	61.7	62.8	63.5	63.3	62.2	64	67	67	65.8	68.5	63.0	68	64
FCM-7-6	67	62	62.4	63.1	63.9	63.7	60.9	66	67	67	65.3	69.6	62.0	67	63
FCM-7-7	67	60	60.7	61.7	63.2	62.9	62.6	64	68	66	65.8	68.7	65.0	67	63
FCM-7-8	68	64	63.9	61.2	63.9	62.7	62.7	64	65	66	64.8	67.8	65.0	67	64
FCM-7-9	67	62	63.9	60.8	64.2	63.4	62.2	66	66	66	65.0	69.1	64.0	67	63
FCM-7-10	70	65	64.4	62.9	63.3	63.0	62.4	66	67	66	66.3	67.9	64.5	68	63
Mean	67.1	63.4	62.8	61.9	63.7	63.0	62.3	65.6	66.3	66.5	65.2	68.8	63.8	67.2	63.8
Std. Devn.	1.1972	1.5776	1.4316	1.2660	0.3496	0.7146	0.8089	1.3499	1.0593	0.3405	0.8509	0.6150	1.0607	0.6325	0.9189
% RSD	1.78	2.49	2.28	2.05	0.55	1.13	1.30	2.06	1.60	0.51	1.30	0.89	1.66	0.94	1.44

Note: Au results from Laboratory 13 were removed for failing the “t” test.

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Results from round-robin assaying:

	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
	% Cu	% Cu	% Cu	% Cu	% Cu	% Cu	% Cu	% Cu	% Cu	% Cu	% Cu	% Cu	% Cu	% Cu	% Cu
FCM-7-1	0.522	0.531	0.555	0.520	0.488	0.514	0.47	0.528	0.511	0.531	0.51	0.55	0.523	0.54	0.526
FCM-7-2	0.524	0.522	0.539	0.530	0.491	0.521	0.48	0.542	0.498	0.530	0.52	0.55	0.520	0.53	0.517
FCM-7-3	0.521	0.519	0.546	0.510	0.491	0.501	0.49	0.526	0.489	0.523	0.52	0.55	0.519	0.53	0.515
FCM-7-4	0.526	0.527	0.536	0.530	0.489	0.514	0.48	0.530	0.511	0.529	0.53	0.54	0.508	0.54	0.534
FCM-7-5	0.529	0.529	0.544	0.540	0.488	0.508	0.48	0.527	0.509	0.521	0.52	0.55	0.526	0.55	0.512
FCM-7-6	0.524	0.494	0.536	0.540	0.488	0.515	0.48	0.512	0.518	0.527	0.53	0.55	0.526	0.54	0.520
FCM-7-7	0.530	0.521	0.531	0.530	0.488	0.511	0.48	0.518	0.513	0.523	0.53	0.55	0.510	0.53	0.518
FCM-7-8	0.533	0.519	0.562	0.530	0.492	0.508	0.48	0.513	0.500	0.528	0.53	0.55	0.525	0.55	0.519
FCM-7-9	0.535	0.526	0.541	0.530	0.500	0.520	0.48	0.519	0.508	0.528	0.53	0.55	0.520	0.53	0.515
FCM-7-10	0.534	0.521	0.556	0.540	0.488	0.518	0.48	0.527	0.516	0.521	0.53	0.54	0.509	0.54	0.504
Mean	0.528	0.521	0.545	0.530	0.490	0.513	0.480	0.524	0.507	0.526	0.525	0.548	0.519	0.538	0.518
Std. Devn.	0.0051	0.0103	0.0101	0.0094	0.0037	0.0062	0.0047	0.0089	0.0090	0.0038	0.0071	0.0042	0.0071	0.0079	0.0080
% RSD	0.97	1.99	1.86	1.78	0.76	1.20	0.98	1.71	1.77	0.73	1.35	0.77	1.37	1.47	1.54
	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb
FCM-7-1	0.64	0.625	0.559	0.630	0.664	0.617	0.62	0.615	0.674	0.635	0.60	0.66	0.598	0.63	0.600
FCM-7-2	0.64	0.621	0.551	0.640	0.655	0.618	0.62	0.628	0.657	0.642	0.61	0.67	0.603	0.64	0.612
FCM-7-3	0.63	0.623	0.570	0.630	0.649	0.621	0.63	0.615	0.656	0.634	0.62	0.68	0.614	0.64	0.603
FCM-7-4	0.64	0.622	0.567	0.640	0.649	0.616	0.62	0.622	0.658	0.636	0.59	0.67	0.600	0.62	0.599
FCM-7-5	0.63	0.613	0.561	0.640	0.655	0.608	0.62	0.607	0.675	0.634	0.61	0.67	0.604	0.63	0.594
FCM-7-6	0.63	0.604	0.566	0.640	0.642	0.622	0.62	0.607	0.657	0.644	0.53	0.67	0.604	0.62	0.598
FCM-7-7	0.63	0.609	0.558	0.630	0.647	0.619	0.61	0.606	0.671	0.635	0.57	0.67	0.601	0.63	0.601
FCM-7-8	0.64	0.633	0.546	0.640	0.650	0.623	0.62	0.613	0.647	0.628	0.58	0.66	0.608	0.62	0.598
FCM-7-9	0.64	0.630	0.560	0.640	0.661	0.612	0.62	0.605	0.663	0.635	0.63	0.68	0.616	0.61	0.600
FCM-7-10	0.64	0.609	0.574	0.660	0.648	0.610	0.62	0.618	0.666	0.627	0.64	0.66	0.586	0.64	0.600
Mean	0.636	0.619	0.561	0.639	0.652	0.617	0.620	0.614	0.662	0.635	0.598	0.669	0.603	0.628	0.601
Std. Devn.	0.0052	0.0097	0.0085	0.0088	0.0069	0.0051	0.0047	0.0077	0.0090	0.0052	0.0322	0.0074	0.0084	0.0103	0.0047
% RSD	0.81	1.56	1.51	1.37	1.05	0.83	0.76	1.25	1.37	0.82	5.39	1.10	1.40	1.64	0.78
	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn
FCM-7-1	4.12	4.00	3.90	3.73	3.95	3.88	3.72	3.97	4.02	3.88	3.54	3.98	3.90	3.78	3.71
FCM-7-2	4.07	3.98	3.86	3.77	3.95	3.84	3.69	4.03	3.83	3.91	3.58	4.00	3.94	3.80	3.77
FCM-7-3	4.09	3.97	3.59	3.74	3.89	3.90	3.76	3.90	3.83	3.87	3.59	4.03	3.94	3.77	3.69
FCM-7-4	4.14	4.01	3.65	3.82	3.89	3.82	3.73	3.97	3.80	3.86	3.40	3.99	3.82	3.80	3.73
FCM-7-5	4.12	4.01	3.64	3.86	3.87	3.84	3.73	3.96	4.02	3.87	3.51	4.00	3.85	3.81	3.70
FCM-7-6	4.09	3.77	3.95	3.81	3.84	3.82	3.73	3.88	4.00	3.85	3.05	4.01	3.87	3.76	3.73
FCM-7-7	4.10	3.79	3.63	3.76	3.88	3.86	3.67	3.92	4.00	3.88	3.32	3.99	3.85	3.79	3.75
FCM-7-8	4.14	3.97	3.60	3.81	3.88	3.82	3.72	3.94	3.75	3.82	3.39	3.96	3.87	3.83	3.72
FCM-7-9	4.12	3.81	3.75	3.79	3.94	3.80	3.74	3.95	3.82	3.88	3.71	4.02	3.86	3.80	3.73
FCM-7-10	4.17	3.85	3.63	3.88	3.89	3.86	3.71	3.97	3.87	3.90	3.77	3.98	3.84	3.84	3.73
Mean	4.12	3.92	3.72	3.80	3.90	3.84	3.72	3.95	3.89	3.87	3.49	4.00	3.87	3.80	3.73
Std. Devn.	0.0295	0.0986	0.1365	0.0490	0.0355	0.0310	0.0254	0.0422	0.1044	0.0258	0.2077	0.0207	0.0406	0.0249	0.0232
% RSD	0.72	2.52	3.67	1.29	0.91	0.81	0.68	1.07	2.68	0.67	5.96	0.52	1.05	0.65	0.62

Note: Cu results from Laboratory 7 were removed for failing the “t” test.
Pb results from Laboratory 3 were removed for failing the “t” test.
Zn results from Laboratories 1 and 11 were removed for failing the “t” test

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Participating Laboratories:

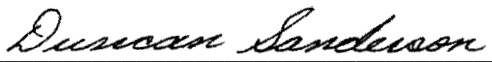
(not in same order as listed in table of results)

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Certified by



Duncan Sanderson, Certified Assayer of B.C.

Geochemist



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