

CDN Resource Laboratories Ltd.

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REFERENCE MATERIAL: CDN-ME-18

Recommended values and the “Between Lab” Two Standard Deviations

<i>Gold</i>	<i>0.512 g/t ± 0.070 g/t</i>	<i>Certified value</i>
<i>Silver</i>	<i>58.2 g/t ± 5.1 g/t</i>	<i>Certified value</i>
<i>Copper</i>	<i>1.931 % ± 0.086 %</i>	<i>Certified value</i>
<i>Lead</i>	<i>0.098 % ± 0.012 %</i>	<i>Certified value</i>
<i>Zinc</i>	<i>4.60 % ± 0.22 %</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: August 17, 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 Capstone Mining Corp. from the Kutcho Project in northern British Columbia, Canada. The material is from the “Esso Deposit”, one of three Kuroko-type or bimodal felsic volcanogenic massive sulphide deposits at Kutcho. Sulphide mineralogy consists of pyrite, chalcopyrite, sphalerite and bornite, with minor chalcocite and rare galena. Gangue minerals include quartz, dolomite, ankerite, sericite, gypsum and anhydrite.

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

	Percent		Percent
SiO ₂	44.1	MgO	4.1
Al ₂ O ₃	7.4	K ₂ O	1.0
Fe ₂ O ₃	19.0	TiO ₂	0.1
CaO	2.4	LOI	13.5
Na ₂ O	0.7	S	15.4
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 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
ME-18-1	0.512	0.728	0.530	0.500	0.487	0.560	0.540	0.589	0.508	0.569	0.537	0.509	0.519	0.55	0.535
ME-18-2	0.510	0.505	0.500	0.550	0.502	0.446	0.551	0.445	0.528	0.533	0.561	0.545	0.501	0.53	0.495
ME-18-3	0.484	0.417	0.480	0.510	0.506	0.530	0.573	0.427	0.488	0.585	0.522	0.488	0.496	0.57	0.515
ME-18-4	0.543	0.504	0.660	0.550	0.495	0.451	0.503	0.543	0.498	0.497	0.521	0.526	0.478	0.55	0.480
ME-18-5	0.519	0.583	0.410	0.510	0.515	0.456	0.466	0.440	0.528	0.545	0.532	0.550	0.503	0.41	0.500
ME-18-6	0.490	0.488	0.640	0.550	0.503	0.447	0.509	0.467	0.480	0.532	0.513	0.532	0.472	0.60	0.520
ME-18-7	0.528	0.547	0.490	0.520	0.498	0.463	0.612	0.498	0.530	0.504	0.520	0.523	0.478	0.51	0.485
ME-18-8	0.482	0.593	0.590	0.480	0.493	0.529	0.490	0.476	0.488	0.564	0.498	0.512	0.485	0.54	0.515
ME-18-9	0.519	0.447	0.480	0.520	0.484	0.441	0.490	0.531	0.508	0.532	0.563	0.528	0.492	0.53	0.505
ME-18-10	0.477	0.563	0.430	0.420	0.479	0.523	0.537	0.480	0.480	0.401	0.507	0.506	0.502	0.58	0.520
Mean	0.506	0.538	0.521	0.511	0.496	0.485	0.527	0.490	0.504	0.526	0.527	0.522	0.493	0.536	0.507
Std. Devn.	0.0221	0.0879	0.0841	0.0396	0.0109	0.0452	0.0442	0.0513	0.0199	0.0519	0.0214	0.0187	0.0145	0.0526	0.0172
% RSD	4.37	16.35	16.15	7.74	2.20	9.33	8.38	10.48	3.95	9.86	4.06	3.58	2.94	9.81	3.39
	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
ME-18-1	63.7	57	58.0	57	56.7	56.8	57	55.9	58.8	59.9	57.7	62	64	55.6	61.3
ME-18-2	61.1	59	54.5	54	57.7	55.0	55	56.4	57.8	64.1	59.9	59	59	57.9	60.8
ME-18-3	60.9	58	53.0	56	58.2	58.5	64	55.2	56.1	62.0	56.1	60	67	58.9	59.9
ME-18-4	61.6	56	61.0	55	56.9	56.6	61	55.5	56.7	61.9	55.4	56	60	55.2	60.6
ME-18-5	63.9	54	61.0	55	58.7	57.0	65	56.7	56.2	62.7	56.2	56	59	55.5	60.0
ME-18-6	62.3	55	58.5	59	61.4	58.2	65	53.7	57.3	62.5	58.4	60	59	54.4	61.0
ME-18-7	61.2	61	65.5	57	60.7	55.8	59	53.6	57.9	63.2	58.5	57	57	53.6	60.6
ME-18-8	59.7	56	56.5	56	58.0	59.2	60	56.1	56.4	60.2	56.7	58	60	57.0	59.6
ME-18-9	63.1	59	58.5	55	61.2	59.6	57	56.7	56.3	61.8	56.0	60	59	55.1	60.8
ME-18-10	59.8	56	58.0	55	58.4	57.1	58	54.2	56.4	61.9	56.1	58	59	59.5	59.9
Mean	61.7	57.1	58.5	55.9	58.8	57.4	60.1	55.4	57.0	62.0	57.1	58.6	60.3	56.3	60.5
Std. Devn.	1.4915	2.1318	3.5312	1.4491	1.7053	1.4718	3.5730	1.1898	0.9146	1.2457	1.4499	1.9551	2.9458	1.9642	0.5622
% RSD	2.42	3.73	6.04	2.59	2.90	2.57	5.95	2.15	1.60	2.01	2.54	3.34	4.89	3.49	0.93

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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
ME-18-1	1.94	1.97	1.87	1.90	1.96	1.95	1.77	1.85	1.89	1.96	1.95	1.89	1.97	1.90	1.86
ME-18-2	1.94	1.96	1.84	1.92	1.97	1.90	1.78	1.82	1.94	1.96	1.98	2.05	1.96	1.99	1.88
ME-18-3	1.93	1.98	1.92	1.93	1.97	1.88	2.08	1.84	1.89	1.97	1.90	1.96	1.94	1.93	1.89
ME-18-4	1.96	1.99	1.88	1.92	1.96	1.95	2.01	1.85	1.91	1.97	1.91	1.96	1.98	1.96	1.91
ME-18-5	1.95	1.98	1.87	1.94	1.96	1.96	2.05	1.85	1.91	1.96	1.93	1.90	1.92	1.97	1.90
ME-18-6	1.96	1.98	1.85	1.94	1.97	1.97	2.02	1.84	1.90	1.97	1.95	1.94	1.96	1.87	1.87
ME-18-7	1.94	1.99	1.90	1.90	1.98	1.99	1.93	1.83	1.88	1.97	1.91	2.02	2.00	1.93	1.88
ME-18-8	1.92	2.01	1.95	1.93	1.96	1.95	1.97	1.87	1.88	1.97	1.91	2.04	1.96	1.95	1.87
ME-18-9	1.95	1.98	1.90	1.93	1.96	2.00	1.90	1.82	1.85	1.98	1.94	1.92	1.94	1.90	1.90
ME-18-10	1.93	1.97	1.90	1.93	1.96	1.97	1.94	1.87	1.90	1.96	1.87	1.98	1.95	1.97	1.87
Mean	1.94	1.98	1.89	1.92	1.96	1.95	1.94	1.84	1.89	1.97	1.93	1.97	1.96	1.94	1.88
Std. Devn.	0.0120	0.0145	0.0329	0.0142	0.0074	0.0371	0.1063	0.0178	0.0221	0.0081	0.0314	0.0564	0.0225	0.0380	0.0164
% RSD	0.62	0.73	1.74	0.74	0.38	1.90	5.47	0.96	1.17	0.41	1.63	2.87	1.15	1.96	0.87
	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb	% Pb
ME-18-1	0.101	0.095	0.087	0.101	0.104	0.110	0.090	0.100	0.093	0.100	0.08	0.099	0.105	0.086	0.103
ME-18-2	0.102	0.098	0.088	0.100	0.106	0.100	0.090	0.100	0.095	0.101	0.08	0.101	0.099	0.087	0.110
ME-18-3	0.099	0.097	0.087	0.097	0.104	0.100	0.100	0.099	0.095	0.100	0.08	0.100	0.100	0.086	0.106
ME-18-4	0.102	0.098	0.087	0.100	0.101	0.110	0.100	0.100	0.093	0.100	0.08	0.096	0.101	0.081	0.104
ME-18-5	0.101	0.098	0.089	0.101	0.102	0.100	0.100	0.101	0.094	0.100	0.08	0.098	0.106	0.082	0.108
ME-18-6	0.101	0.098	0.087	0.100	0.103	0.100	0.100	0.100	0.093	0.101	0.08	0.098	0.104	0.079	0.101
ME-18-7	0.101	0.099	0.085	0.103	0.102	0.100	0.100	0.100	0.092	0.099	0.08	0.096	0.099	0.086	0.114
ME-18-8	0.099	0.099	0.089	0.102	0.101	0.100	0.100	0.099	0.094	0.100	0.08	0.101	0.101	0.088	0.109
ME-18-9	0.100	0.096	0.087	0.100	0.102	0.100	0.100	0.096	0.093	0.100	0.08	0.099	0.104	0.085	0.097
ME-18-10	0.100	0.097	0.089	0.097	0.102	0.110	0.100	0.100	0.094	0.099	0.08	0.096	0.102	0.085	0.105
Mean	0.101	0.098	0.088	0.100	0.103	0.103	0.098	0.100	0.094	0.100	0.080	0.098	0.102	0.085	0.106
Std. Devn.	0.0011	0.0013	0.0013	0.0017	0.0015	0.0048	0.0042	0.0014	0.0009	0.0008	0.0000	0.0020	0.0025	0.0029	0.0049
% RSD	1.07	1.30	1.45	1.72	1.46	4.69	4.30	1.36	0.94	0.75	0.00	1.99	2.46	3.40	4.59
	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn	% Zn
ME-18-1	4.50	4.57	4.69	4.67	4.56	4.55	4.33	4.47	4.46	4.60	4.85	4.53	4.68	4.78	4.49
ME-18-2	4.51	4.60	4.61	4.69	4.59	4.42	4.40	4.46	4.45	4.58	4.91	4.62	4.69	4.73	4.57
ME-18-3	4.50	4.57	4.73	4.70	4.59	4.45	4.98	4.45	4.50	4.58	4.84	4.53	4.72	4.78	4.54
ME-18-4	4.58	4.63	4.62	4.69	4.52	4.53	4.84	4.47	4.44	4.58	4.83	4.56	4.62	5.07	4.61
ME-18-5	4.53	4.60	4.62	4.70	4.55	4.54	4.87	4.50	4.49	4.56	4.78	4.46	4.66	4.75	4.57
ME-18-6	4.55	4.58	4.57	4.71	4.57	4.56	4.78	4.45	4.39	4.56	4.75	4.57	4.66	4.78	4.53
ME-18-7	4.54	4.64	4.67	4.61	4.59	4.58	4.78	4.44	4.42	4.54	4.75	4.46	4.68	4.72	4.50
ME-18-8	4.45	4.69	4.82	4.70	4.56	4.48	4.87	4.43	4.43	4.55	4.70	4.70	4.64	4.80	4.58
ME-18-9	4.49	4.60	4.62	4.69	4.58	4.69	4.70	4.37	4.45	4.57	4.74	4.55	4.61	4.85	4.49
ME-18-10	4.53	4.55	4.70	4.68	4.60	4.58	4.80	4.47	4.51	4.55	4.74	4.53	4.61	4.90	4.57
Mean	4.52	4.60	4.67	4.68	4.57	4.54	4.74	4.45	4.45	4.57	4.79	4.55	4.66	4.82	4.55
Std. Devn.	0.0349	0.0411	0.0732	0.0290	0.0238	0.0763	0.2090	0.0341	0.0375	0.0194	0.0654	0.0709	0.0368	0.1043	0.0417
% RSD	0.77	0.89	1.57	0.62	0.52	1.68	4.41	0.77	0.84	0.42	1.37	1.56	0.79	2.16	0.92

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Participating Laboratories:

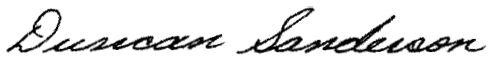
(not in same order as listed in table of results)

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Certified by



Duncan Sanderson, Certified Assayer of B.C.

Geochemist



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