Berkwood Resources Ltd.

2012 NI 43-101 REPORT ON THE PROSPECT VALLEY PROJECT

Located in the Merritt Area, Nicola and Kamloops Mining Divisions
NTS 092I/3E; BCGS 092I-004, 005, 014, and 015
50˚ 08' N Latitude; 121˚ 12' W Longitude

-prepared for-

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January 11, 2012

EQUITY

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1.0 SUMMARY

The Prospect Valley property consists of 25 contiguous mineral claims covering 110 km^2 of rolling upland terrain in south-central British Columbia. The property is road-accessible, located 170 kilometres northeast of Vancouver and 30 kilometres west of Merritt, a town of 7,000 people which serves as a local supply centre and is the cross-roads of east-west and north-south highways. The property is owned outright by Berkwood Resources Ltd. ("Berkwood"), formerly known as Consolidated Spire Ventures Ltd. ("Spire"), subject to a 2% net smelter return ("NSR") royalty payable to Almaden Minerals Ltd. ("Almaden").

The first reported gold-bearing epithermal mineralization was discovered on the Prospect Valley property in 2001 by Fairfield Minerals Ltd. ("Fairfield"), a predecessor company to Almaden. Since that time, the property has been enlarged several times, covered by a heli-borne magnetic survey, undergone extensive soil geochemical and induced polarization ("IP") surveys, had 1,641 metres of trenching and been drilled by 57 core holes totalling 8,818 metres. The resource estimate in this report was originally prepared for Altair Ventures Inc. ("Altair") when it had the property under option in 2011.

The Prospect Valley property lies within the Intermontane Tectonic Belt of the Canadian Cordillera. It is almost entirely underlain by the Spius Creek Formation of the Cretaceous Spences Bridge Group, which is dominated by andesite and basalt flows with local flow breccia. Low-sulphidation epithermal mineralization has been found in outcrop at the Discovery, NIC and Northeast Extension zones and in float at the Bonanza Valley target. Bonanza Valley, Discovery and Northeast Extension are aligned along a north-northeast trend and are hypothesized to be related to a multi-kilometre scale fault system extending across the property.

Detailed mapping has only been carried out at the Discovery Zone, whose dominant feature is a NNE-striking fault system ("EFZ") which dips 30-45° to the west. The EFZ separates a poorly-mineralized footwall composed of highly magnetic basalt and tuff breccia with clastic intercalations from a hanging wall sequence dominated by nonmagnetic amygdaloidal basalt. The hanging wall rocks are pervasively silicified with a well-developed quartz+pyrite±adularia stockwork which hosts low-grade gold mineralization. Drilling has defined a gold-mineralized zone over an area approximately 1.5 kilometres long by 140-230 metres wide and dipping shallowly to the west. The Discovery Zone is marked by low-amplitude but pronounced Au, As, Ag, Sb and Mo soil geochemical anomalies, by a pronounced linear magnetic vertical gradient low, by a weak (3-8 mV/V) chargeability high, and by a weak (200-1000 ohm-m) apparent resistivity high.

A resource estimate was completed on the Discovery Zone using 45 drill holes and 3,609 assays for Au and Ag. Gold assays within the North zone were capped at 7 g/t Au while erratic high assays in the South Zone were capped at 4.3 g/t Au. Uniform 2.5 m composites were produced and used to model gold mineralization with semivariograms. A bulk density of 2.55 gm/cc was used to convert volume to tonnes based on 24 samples of drill core. Ordinary kriging was used to interpolate grades into blocks 10 x 10 x 5 m in dimension. The Discovery Zone hosts an inferred resource estimated at 166,000 ounces Au grading 0.511 g/tonne Au from 10.1 million tonnes, above a cut-off grade of 0.30 g/tonne Au.

A CDN $2.25 million program is recommended for the Prospect Valley property, composed of drilling and property-wide exploration. Mapping and stream sediment sampling should be carried out to fill gaps in the property-wide data. Contour soil sampling, prospecting and more detailed mapping should be done to investigate stream sediment anomalies, linear magnetic lows and isolated vein occurrences. The Discovery Zone soil and IP grid should be extended three kilometres to the north over the Northeast Extension Zone. Finally, 6,000 metres of core drilling is recommended, mainly to test the downdip potential of the South Discovery Zone and the drilling gap between the North and South Discovery zones.

2.0 INTRODUCTION

This technical report has been prepared in compliance with National Instrument 43-101 for Berkwood in connection with its Prospect Valley property, fulfilling the regulatory requirements of the TSX-V.

Information in this report was derived from publicly-available assessment and N. I. 43-101 reports, on news releases disseminated by Altair, Spire, Berkwood and Almaden, on private reports and data provided by Altair and on government maps and publications. A complete list of references is provided in Appendix A.

Henry J. Awmack, P.Eng. ("Awmack"), one of the authors, inspected the Prospect Valley property most recently on July 7, 2011, examining drill core from hole PV10-08, examining surface and trench exposures in the field, collecting four rock samples from trench exposures to corroborate reported grades and verifying some 2010 drill collar locations. No fieldwork has been carried out on the Prospect Valley property since his visit and it is considered current. Awmack had previously inspected the Prospect Valley property on July 8, 2009, examining drill core from holes 2007-1 and 2006-3, and examining surface and trench exposures in the field. Gary H. Giroux, P.Eng. ("Giroux") prepared the resource estimate which forms Section 14 in this report and has not examined the property in the field.

3.0 RELIANCE ON OTHER EXPERTS

The authors are not relying on a report, opinion, or statement of another expert who is not a qualified person, or on information provided by the issuer, concerning other legal, political, environmental, or tax matters relevant to the technical report.

4.0 PROPERTY DESCRIPTION AND LOCATION

The Prospect Valley property consists of 25 contiguous mineral claims which cover 11,027 hectares (110 km^2) of south-central British Columbia (Figures 1 and 2). It is centred at 50˚ 08' N latitude and 121˚ 12' W longitude, within the Kamloops and Nicola mining divisions.

Claim data is summarized in Table 1. The 5xxxxx series claims were acquired through Mineral Titles Online ("MTO") and cover cells whose boundaries are defined by latitudes and longitudes. The 4xxxxx series claims were staked on the ground prior to the introduction of MTO in January 2005 and their boundaries are now defined by their position shown on government claim maps. Where overlaps exist, mineral tenure belongs to the earliest-issued claim. If 4xxxxx series claims lapse, mineral tenure will automatically transfer to any overlying 5xxxxx series MTO claims. Overlaps between claims reduce the actual area covered by the Prospect Valley property by <5%.

Table 1: Tenure Data

Tenure Number	Claim Name	Issue Date	Good To Date	Area (ha)
403445	PV 11	2003/jun/21	2014/apr/27	25.000
410537	SHAK 1	2004/may/15	2014/apr/27	450.000
410538	SHAK 2	2004/may/15	2014/apr/27	450.000
410539	SHAK 3	2004/may/18	2014/apr/27	500.000
410540	SHAK 4	2004/may/18	2014/apr/27	250.000
410556	NU 7	2004/may/16	2014/apr/27	500.000
410557	NU 8	2004/may/16	2014/apr/27	500.000
410558	NU 9	2004/may/16	2014/apr/27	500.000
410559	NU 10	2004/may/16	2014/apr/27	500.000
410658	NU 11	2004/may/13	2014/apr/27	25.000
410659	NU 12	2004/may/13	2014/apr/27	25.000
410660	NU 13	2004/may/13	2014/apr/27	25.000

0 75 150 300

kilometres

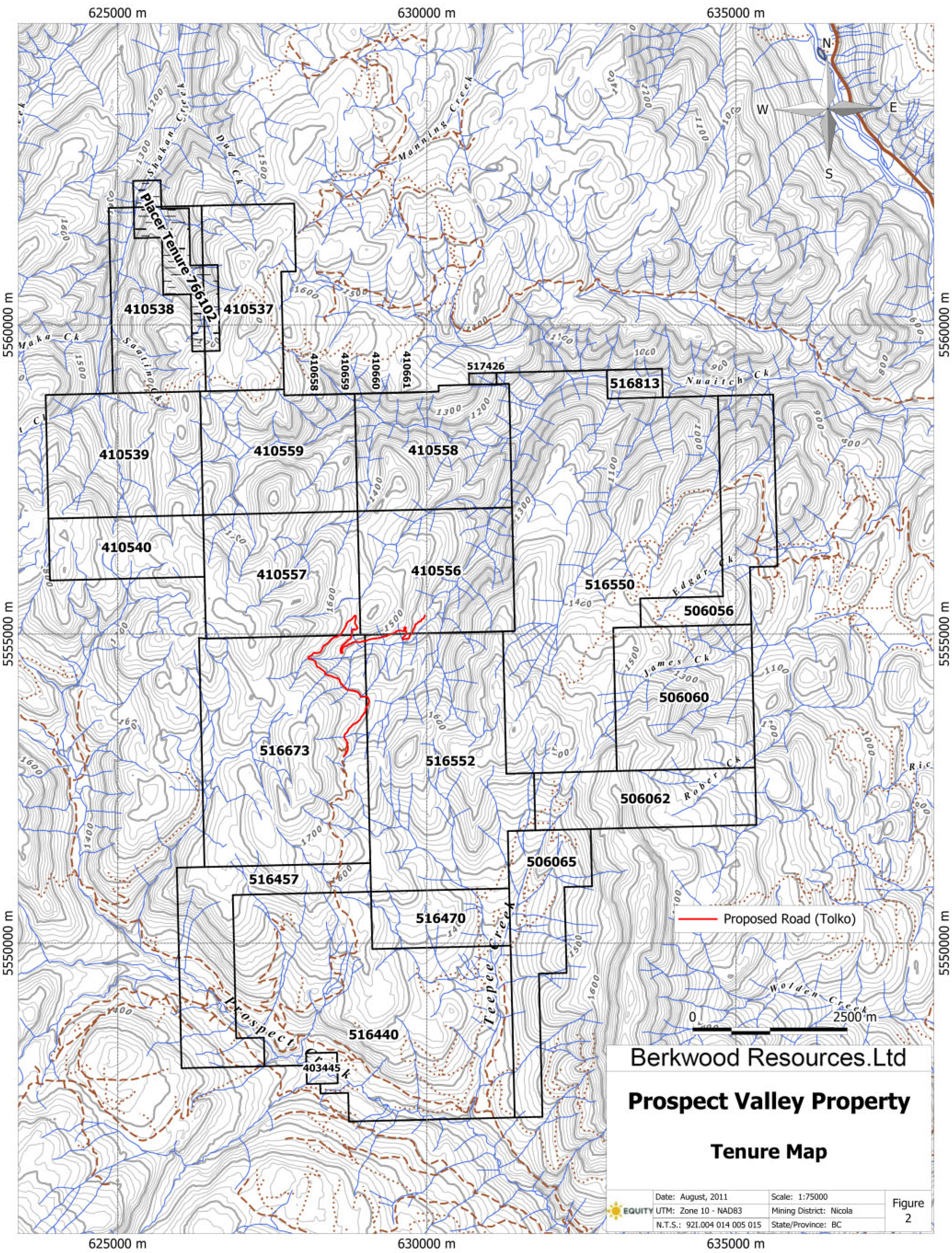
N

Berkwood Resources.Ltd

Prospect Valley Project

LOCATION MAP

EQUITY	Date: AUG 2011	Scale: 1:4,000,000	Figure
	U.T.M. Zone UTM 10 - NAD83	Mining District NICOLA	1
	NTS 92I/14,15	State/Province BC	


625000 m
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E
W
Shakan Creek
Dud Ck
Manning Creek
Maka Ck
Saatlin Ck
Nuaitch Ck
Edgar Ck
James Ck
Robert Ck
Teepee Creek
Prospect Creek
Wolden Creek
Placer Tenure 766102
410538
410537
410658
410659
410660
410661
517426
516813
410539
410559
410558
410540
410557
410556
516550
506056
506060
516673
516552
506062
506065
516457
516470
516440
403445
Proposed Road (Tolko)
0
2500 m
Berkwood Resources.Ltd
Prospect Valley Property
Tenure Map
Date: August, 2011
Scale: 1:75000
UTM: Zone 10 - NAD83
Mining District: Nicola
N.T.S.: 92I.004 014 005 015
State/Province: BC
EQUITY
Figure 2

Table 1: Tenure Data (continued)

Tenure Number	Claim Name	Issue Date	Good To Date	Area (ha)
410661	NU 14	2004/may/13	2014/apr/27	25.000
506056	PVE1	2005/feb/07	2014/apr/27	352.020
506060	PVE2	2005/feb/07	2014/apr/27	517.949
506062	PVE3	2005/feb/07	2014/apr/27	331.586
506065	PVE4	2005/feb/07	2014/apr/27	352.451
516440		2005/jul/08	2014/apr/27	1285.599
516457		2005/jul/08	2014/apr/27	414.629
516470		2005/jul/08	2014/apr/27	207.300
516550		2005/jul/10	2014/apr/27	1760.222
516552		2005/jul/10	2014/apr/27	973.869
516673		2005/jul/11	2014/apr/27	994.535
516813	PVE5	2005/jul/11	2014/apr/27	41.394
517426	PVE6	2005/jul/12	2014/apr/27	20.697
				11,027.251

All claims are registered in the name of Berkwood, which owns them 100%, subject to a 2% NSR royalty payable to Almaden.

The claims confer title to hard-rock mineral tenure only. Surface rights are held by the Crown, as administered by the Province of British Columbia. Along with mineral tenure, Figure 2 shows placer tenure on Shakan Creek, which gives rights to alluvial gold. The ownership of other rights (timber, water, grazing, etc.) over the Prospect Valley property has not been investigated by the author.

British Columbia law requires expenditures of $8/hectare per year, plus $0.40/hectare per year in filing fees, to maintain tenure ownership past the current expiry date of April 27, 2014.

To the authors' knowledge, the property has no royalties, back-in rights or other agreements and encumbrances, apart from the 2% NSR royalty payable to Almaden. No significant environmental liabilities were noted by the author on the Prospect Valley property.

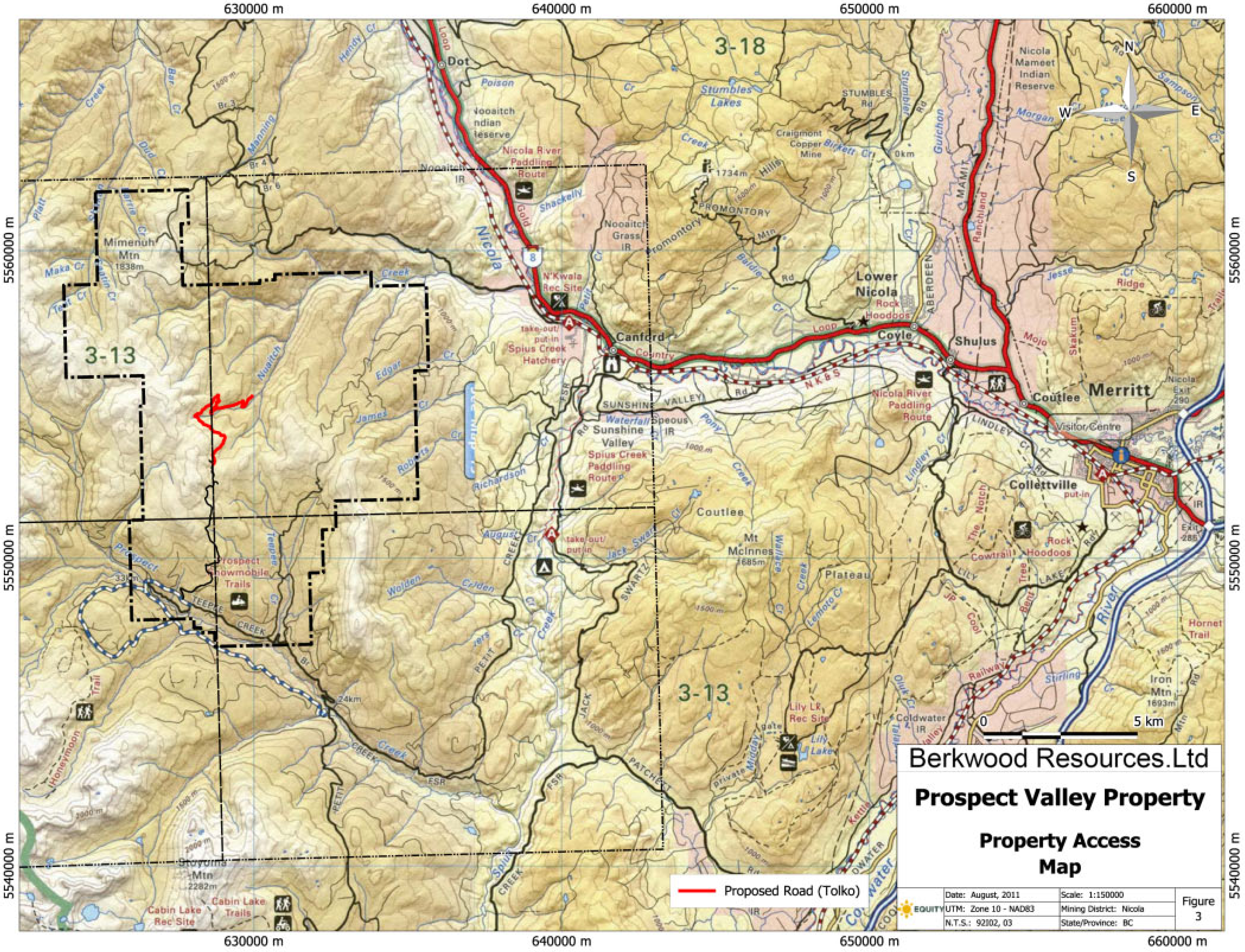
Permits are required for any mechanized exploration in British Columbia and will be necessary prior to carrying out the drilling and IP portions of the proposed exploration program.

The Prospect Valley property lies within the traditional territory of the Nlaka'pamux First Nation. Land claims have not been settled in this part of British Columbia and their future impact on the property's access, title or the right and ability to perform work remain unknown.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, PHYSIOGRAPHY

5.1 Accessibility

The Prospect Valley property is located approximately 170 kilometres northeast of Vancouver and 30 kilometres west of Merritt, in south-central British Columbia. Road access from Merritt to the South Discovery Zone on the Prospect Valley property currently takes about 1.5 hours to cover 55 kilometres (Figure 3), as follows:



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650000 m
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5560000 m
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N
S
E
W
3-18
3-13
3-13
Dot
Nooaitch Indian Reserve
Nicola River Paddling Route
Nicola
Stumbles Lakes
Craigmont Copper Mine
Promontory Hills
Nooaitch Grass IR
N'Kwala Rec Site
Spius Creek Hatchery
Canford
Lower Nicola
Rock Hoodoos
Coyle
Shulus
Nicola Mameet Indian Reserve
Merritt
Coutlee
Visitor Centre
Collettville
Sunshine Valley
Spius Creek Paddling Route
Coutlee
Mt McInnes 1685m
Plateau
Mimenuh Mtn 1838m
Prospect Snowmobile Trails
Lily Lk Rec Site
Coldwater IR
Iron Mtn 1693m
Stoyoma Mtn 2282m
Cabin Lake Rec Site
Cabin Lake Trails
0
5 km
Proposed Road (Tolko)
Berkwood Resources.Ltd
Prospect Valley Property
Property Access Map
Date: August, 2011
UTM: Zone 10 - NAD83
N.T.S.: 92I02, 03
Scale: 1:150000
Mining District: Nicola
State/Province: BC
Figure 3
EQUITY

a) Drive 17 kilometres west from Merritt on the paved Highway 8 towards Spences Bridge;

b) Turn left onto the paved Sunshine Valley road and follow it south for 2 km;

c) Veer right onto the gravel Petit Creek forestry road and follow it southwest for 7 km;

d) Continue on the gravel Prospect Creek forestry road at the 9 km sign and follow it southwest for 15 km;

e) Turn right at the 24 km sign onto the gravel Hooshum forestry road and follow it west for 8 km;

f) Turn right after the 32 km sign onto a dirt road and follow it north for 6 km through the Bonanza Zone to the South Discovery Zone.

An ATV road extends north from the South Discovery Zone to the North Discovery Zone. Tolko Industries Ltd. ("Tolko") is planning to upgrade the road from the Hooshum forestry road to the South Discovery Zone and build a haulage road for its logging operations a further five kilometres through the North Discovery Zone to the NE Extension Zone, providing excellent access to the most prospective parts of the property.

Eastern parts of the property are accessible by the Teepee Creek and Edgar Creek forestry roads, which connect into the Prospect Creek and Hooshum roads. Helicopter access is necessary for the north-central and western portions of the property.

5.2 Local Resources and Infrastructure

Merritt is the nearest full-service community to the Prospect Valley property. It is a town of approximately 7,000 people, most of whom are engaged in forestry, ranching and hospitality. It lies at the cross-roads between the Coquihalla Highway (#5) between Vancouver and Kamloops, the Okanogan Connector Highway (#97C) between Merritt and Kelowna and Highway 8 between Merritt and Spences Bridge. Merritt has a wide range of suppliers and contractors necessary for mineral exploration and mining, including a bulk fuel dealer, heavy equipment contractors, a helicopter base and labour. Merritt is served by a 69 kV electrical transmission line. Mainlines for the CP and CN railroads run down the Fraser River, located 25 kilometres west of Prospect Valley and the CPR formerly had a spur line into Merritt.

Forestry is important in the Merritt area, with Tolko operating a sawmill in Merritt and extensive logging operations throughout the region, which include plans for an extraction road and clear-cuts through the centre of the Prospect Valley property. Irrigated hay farms are extensive at lower elevations throughout the Nicola Valley, with widespread cattle grazing in grassy woodlands.

The 120,000 tonne/day Highland Valley copper mine is located 40 kilometres north of Merritt, with large-scale open-pit mining active since the 1950's. Much of the labour force for the Highland Valley mine is based in Logan Lake, Ashcroft and Kamloops, but labour, suppliers and contractors are also drawn from the Merritt area.

Surface rights over the Prospect Valley property are held by the Crown and controlled by the province of British Columbia, but should be available to support any eventual mining operations. Water appears plentiful from local creeks and rivers. No studies have been done to address potential waste disposal areas, heap leach pad areas or potential processing plant sites, given the relatively early stage of exploration and development on the property.

5.3 Physiography and Climate

The claims are situated within rolling upland terrain on the southern Interior (Nicoamen) Plateau. Topography is moderate to locally steep, with elevations ranging from 800m on Nuaitch Creek in the northeast corner of the property to over 1800m on the northwestern and east-central parts of the property. Elevations in the South and North Discovery area are 1500-1700 metres. The property covers some of the headwaters of three major creeks (Shakan, Nuaitch and Prospect) that all drain to the northeast into the Nicola River.

Soil and glacial till cover are extensive in areas of lesser relief and commonly >5 metres in depth. Much of the Nicoamen plateau was overridden during the last Pleistocene glaciation by ice moving southeastwards, but more directly southwards across the Prospect Valley area. Glacial striae in trenches show the local glacial ice-flow direction to be approximately 192° (Balon and Jacubowski, 2003).

Climate in the Merritt area is semi-arid, with average annual precipitation of 32 centimetres, including 83 centimetres of snowfall, spread throughout the year. Summers in Merritt are hot and dry, with average temperatures from 5° to 26° C; average winter temperatures range from 5° to -10° C. Since the Prospect Valley property is considerably higher than Merritt (elevation 605 metres), both winter and summer temperatures are colder and precipitation somewhat greater. The property is generally free of snow from early June through October, limiting mapping, prospecting and geochemical sampling to that period. Avalanches are not a concern on most of the property and drilling could be carried out essentially year-round, subject to water availability.

6.0 HISTORY

Table 2 summarizes all known exploration work carried out on the ground currently comprising the Prospect Valley property (Figure 4).

Table 2: Prospect Valley Exploration Programs

Program	Geochemistry	Geophysics	Drilling/Trenching	Reference
Fairfield (2001)	12 silts, 285 soils, 38 rocks			AR 27048 (Balon and Jacubowski, 2003)
Almaden (2002)	11 silts, 1241 soils, 123 rocks		25 test pits, 10 trenches (660m)	AR 27048 (Balon and Jacubowski, 2003)
Almaden (2003)	9 silts, 2 soils, 17 rocks	5 km IP		AR 27425 (Balon, 2004)
Spire (2004)	90 silts, 997 soils, 25 rocks			AR 27739 (Moore, 2005)
Spire (2005)	3722 soils, 4 rocks		33 trenches (324m)	AR 28162 (Moore, 2006)
Spire (2006)	419 soils, 2 rocks	>45 km magnetics, 45 km IP	28 DDH (5,079m)	AR 29316 (Thomson, 2007)
Spire (2007)	50 rocks	1188 km airborne magnetics	13 trenches (645m); 10 DDH (1,775m)	AR 30560 (Johnson and Jaramillo, 2008)
Spire (2008)			2 trenches (120m)	AR 30926 (Jaramillo, 2009)
Altair (2009)	402 soils			AR N/A (Callahan and Gruenwald, 2011)

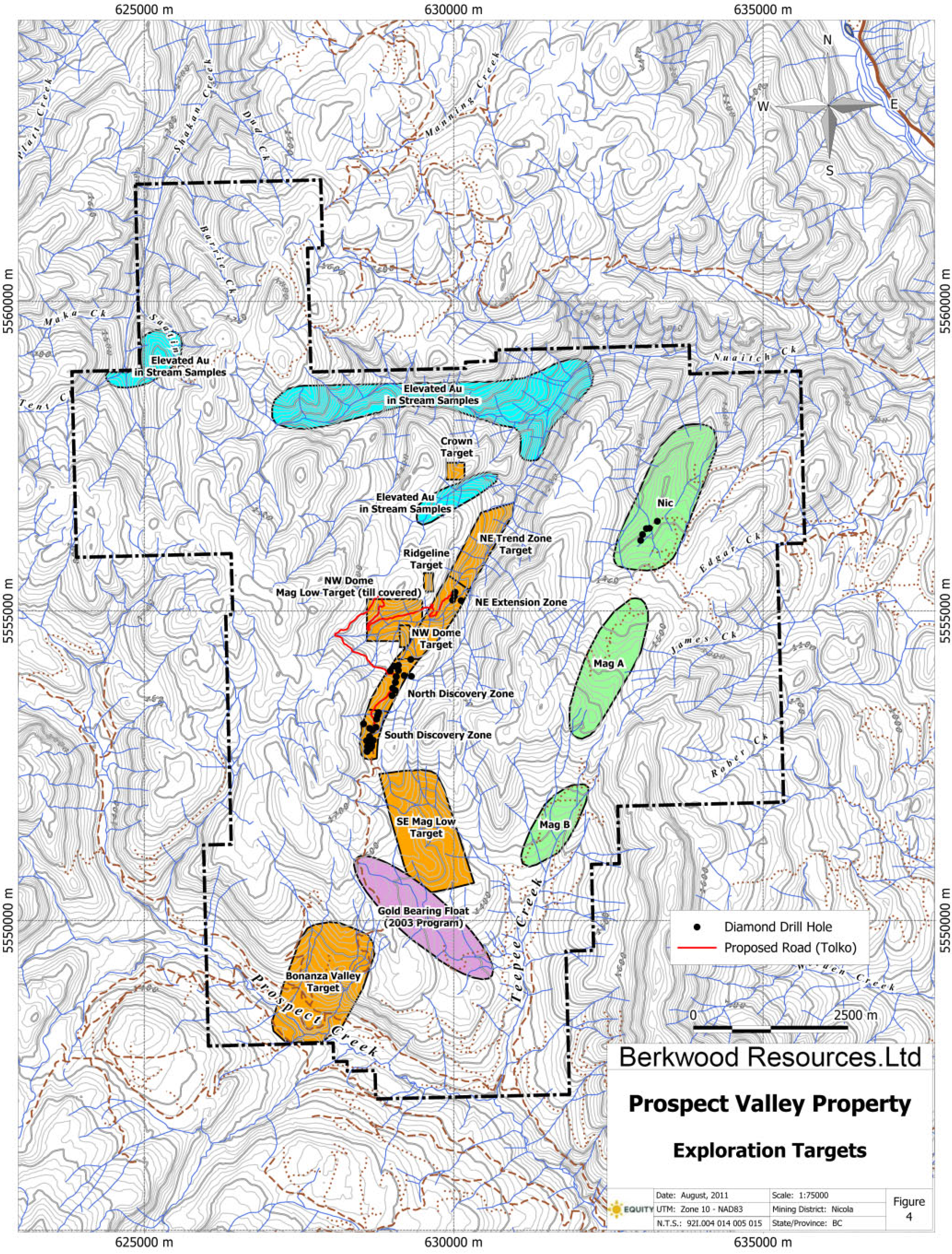

625000 m
630000 m
635000 m
5560000 m
5555000 m
5550000 m
N
S
E
W
Platt Creek
Shakan Creek
Dud Ck
Manning Creek
Barrie Ck
Maka Ck
Saatlin
Tent C
Nuaitch Ck
Edgar Ck
James Ck
Rober Ck
Teepee Creek
Prospect Creek
Elevated Au in Stream Samples
Elevated Au in Stream Samples
Crown Target
Elevated Au in Stream Samples
Nic
NE Trend Zone Target
Ridgeline Target
NW Dome Mag Low Target (till covered)
NE Extension Zone
NW Dome Target
Mag A
North Discovery Zone
South Discovery Zone
SE Mag Low Target
Mag B
Gold Bearing Float (2003 Program)
Bonanza Valley Target
Diamond Drill Hole
Proposed Road (Tolko)
0
2500 m
Berkwood Resources.Ltd
Prospect Valley Property
Exploration Targets
EQUITY
Date: August, 2011
UTM: Zone 10 - NAD83
N.T.S.: 92I.004 014 005 015
Scale: 1:75000
Mining District: Nicola
State/Province: BC
Figure 4

Table 2: Prospect Valley Exploration Programs (continued)

Program	Geochemistry	Geophysics	Drilling/Trenching	Reference
Altair (2010)				
	14 soils, 24 rocks		19 DDH (1,964m)	AR N/A (Callahan and Gruenwald, 2011)
Totals	132 silts, 7082 soils, 283 rocks	1188 km airborne magnetics, >45 km magnetics, 45 km IP	25 test pits, 58 trenches (1,641m), 57 DDH (8,818m)	

The earliest documented work on the Prospect Valley property was carried out by Fairfield in 2001. While investigating a 1994 Regional Geochemical Survey silt anomaly (150 ppb Au/rerun 193 ppb Au), Fairfield discovered quartz vein and breccia float in the vicinity of Bonanza Creek with up to 43.34 g/tonne Au, collected soil samples at 50-metre spacings along logging roads and subsequently staked the core of the Prospect Valley property (Balon and Jacubowski, 2003). Ownership of these claims passed to Almaden in February 2002 following the merger of Fairfield and another company.

In 2002, Almaden carried out grid-based soil sampling with samples taken at 50 metre intervals along lines spaced 200-400 metres apart in the Bonanza area. Additional soil samples were subsequently taken at 5-25 metre intervals in geochemically anomalous areas. Power auger samples were also collected in geochemically anomalous areas at depths up to 2.4 metres in an effort to more accurately define the anomalies. Soil results were generally low (90th percentile: 11 ppb Au, 0.3 ppm Ag, 8 ppm As) due to clay-rich till cover with a few single-station anomalies which were not always expanded by infill sampling. However, the gold-bearing float samples sampled in 2001 and 2002 were covered by a weak 500 x 2000 m northerly-trending Au-in-soil anomaly. A total of 25 test-pits and 10 trenches were excavated by machine. Most did not reach bedrock, but nine exposed bedrock and quartz stringers were noted in three (Balon and Jacubowski, 2003).

The following year, Almaden expanded the property to the north and carried out limited prospecting and reconnaissance geochemical sampling. Several new stream sediment anomalies and quartz vein boulders were identified within a drainage basin (currently referred to as the NIC Zone) on the northeastern claims; 13 of 15 float samples exceeded 0.1 g/tonne Au, up to 3.955 g/tonne Au. As a test, Almaden surveyed five 1-kilometre lines of IP over the Bonanza area, showing poorly-defined resistivity features within the soil geochemical anomaly (Balon, 2004).

In March 2004, Consolidated Spire Ventures Ltd. (“Spire”) optioned 60% of the Prospect Valley property from Almaden. In the summer and fall of that year, Spire carried out two exploration programs. In July, they collected soil samples at 25-50 metre intervals along lines spaced 200 metres apart and oriented at 119º over the NIC area, and carried out a helicopter-supported silt sampling program over the expanded property. Soil results from the NIC grid were generally low (maximum 205.2 ppb Au) and showed only poor correlations with epithermal pathfinder elements. The silt sampling returned 18 anomalous values (>10 ppb Au) in three clusters in the central, north-central and northwestern parts of the property. In November, Spire followed up on their July results by hand-pitting some anomalous soil sample sites from the NIC grid and by running reconnaissance soil lines (137 samples) across two of the three clusters of anomalous silt samples. In the Discovery Zone (then referred to as Anomaly Cluster 1), these revealed an open-ended 150 x 250 metre Au-As (>50 ppb Au; >15 ppm As) soil geochemical anomaly; a 4-metre hand trench averaged 0.62 g/tonne Au (Moore, 2005).

During the summer and late fall of 2005, grid-based soil samples in the North and South Discovery Zones (then referred to as the RM and RMX Zones) were taken at 25 metre intervals along lines trending 135º and spaced 50-200 metres apart. Although the soil geochemical percentile levels were not high, the soil response was strong relative to other areas of the property, with a well-defined NNE-trending Au (>20 ppb) anomaly covering an area 300-500 metres wide by 3.0 kilometres long, roughly coincident with Ag (>0.5

ppm), As (>22 ppm), Sb (>0.8 ppm) and Mo (>1.0 ppm) soil anomalies. Spire dug 33 hand-trenches within the soil anomaly on the RM (Discovery) Grid. All trenches returned gold-bearing intervals; excluding four trenches excavated parallel to the dominant orientation of veining, the best results reported were 10.0 metres averaging 501 ppb Au (Moore, 2006).

In 2006, Spire carried out ground magnetic and IP surveys over the RM (Discovery) Grid, showing a pronounced magnetic low and resistivity high coincident with the multi-element soil geochemical anomaly. Two separate drill programs were completed in 2006, with 23 holes (3,734.6m) on the North and South Discovery Zones and 5 holes (1,344.0m) on the NIC Zone. Most holes on the Discovery Zone intersected short intervals exceeding 1.0 g/tonne Au. The most significant hole (RM2006-21), drilled in the South Discovery Zone, intersected a wide interval of stockwork veining, silicification and brecciation and reported 45.7 metres grading 1.57 g/tonne Au. Only two holes on the NIC Zone intersected significant gold mineralization, with a vein in hole NIC2006-01 averaging 3.2 g/tonne Au across 1.3 metres and hole NIC2006-05 cutting 4.69 metres grading 1.06 g/tonne Au in a silicified interval with sparse stockwork. Additional magnetic surveying was later carried out over the NIC Zone and to detail portions of the RM Grid; soil sampling extended the RM Grid to the south (Thomson, 2007).

In 2007, Spire commissioned a helicopter-borne magnetic survey over the entire property, along E-W flight lines spaced 100m apart. This confirmed that mineralization in the Discovery Zone is hosted within a NNE-trending linear magnetic low; several similar magnetic lows were identified as prospective targets (Mag A, Mag B, SE Mag Low and NW Dome Mag Low on Figure 4). Topographic maps were prepared and used for detailed geological mapping of the central part of the property. An ATV trail was constructed from the Hoosham Road to the Discovery Zone. Ten trenches were dug by hand and with a small excavator at the North and South Discovery zones, exposing mineralization and improving knowledge of its geometry and controls. Three more trenches were excavated at the NW Dome target; they exposed veining and alteration but were not sampled. The 2006 holes were re-logged and a few additional samples were collected from them. Finally, ten additional diamond drill holes were cored on the North and South Discovery Zones, returning results consistent with the 2006 drill program (Johnson and Jaramillo, 2008).

In 2008, Spire investigated the Bonanza Valley target through mapping and trenching. Two hand-trenches were dug; they exposed weak to moderate phyllic alteration with a few quartz stringers but no significant gold values. Spire also upgraded the ATV trail to the South Discovery Zone for 4WD access (Jaramillo, 2009).

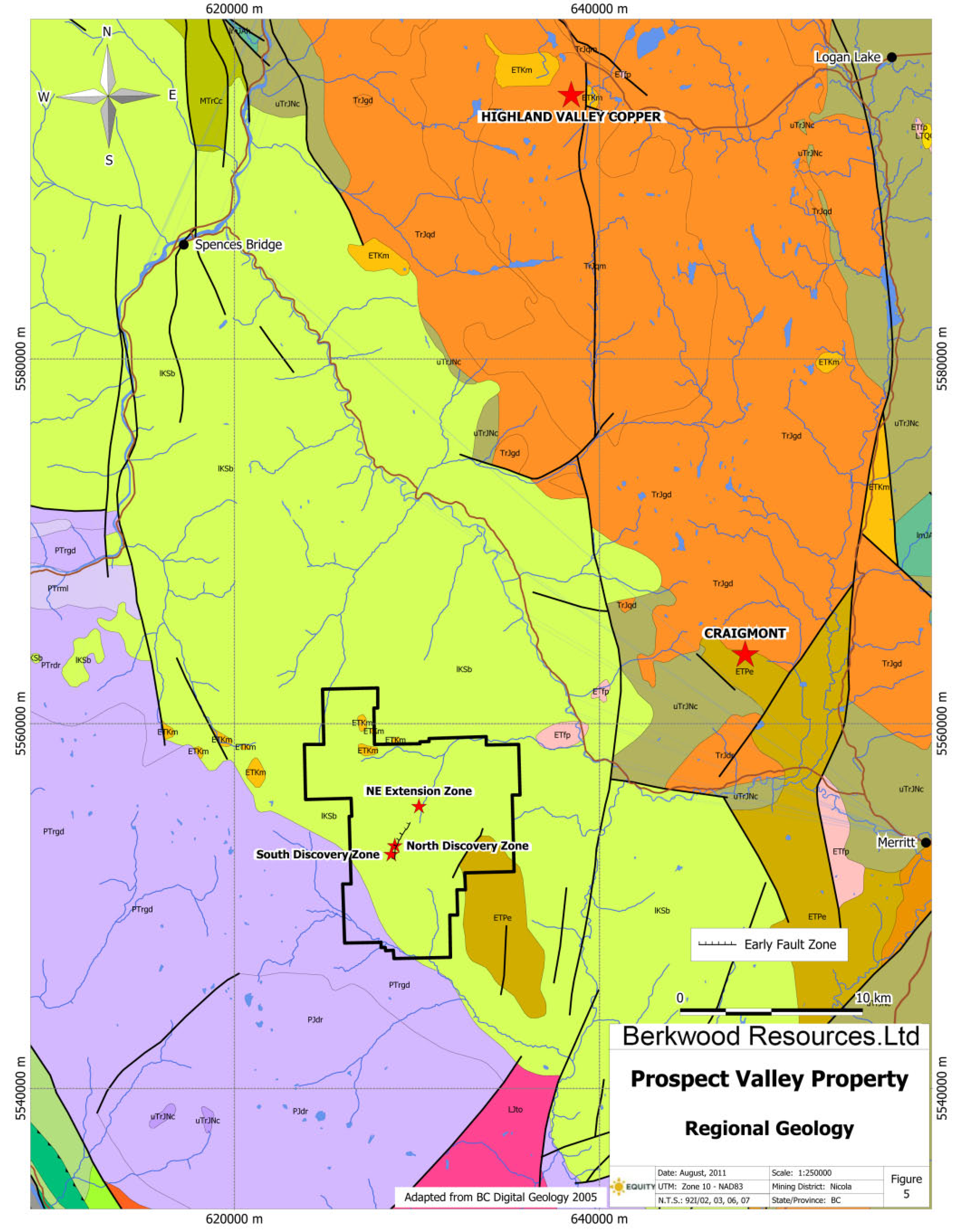
In July 2009, Altair optioned the Prospect Valley property from Spire. That fall, they collected soil samples from infill lines in the South Discovery area. In early 2010, Altair drilled 11 holes (1,242 metres) within the South Discovery Zone; the best hole reported 0.866g/t Au over approximately 69 metres in Hole PV10-08. Prospecting in September 2010 led to the recognition of epithermal gold mineralization in the NE Extension Zone, with quartz veining and stockwork exposed in outcrop for 135 metres, across a width up to 32 metres. Later that fall, eight holes (722 metres) were drilled to test the NE Extension Zone, but the program was cut short by bad weather without intersecting significant gold values (Callahan and Gruenwald, 2011).

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology and Mineralization

The following description of the regional geology is adapted from Callahan and Gruenwald (2011).

The Prospect Valley property lies within the Southern Intermontane Tectonic Belt of the Canadian Cordillera. Regional bedrock geology is shown on Figure 5, which has been compiled and condensed from parts of Monger and McMillan (1989) and Monger (1989). Lithologies within the Prospect Valley region include successions of Mesozoic (248-65 Ma) to Tertiary (65-1.8 Ma) volcanic and sedimentary rocks, which have been intruded by plutons of various compositions and ages from Late Triassic and/or Jurassic to Miocene (?). Locally thick deposits of Pleistocene and recent glacial till and alluvium are prevalent in all of the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5580000 m
5560000 m
5540000 m
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Logan Lake
HIGHLAND VALLEY COPPER
Spences Bridge
CRAIGMONT
Merritt
NE Extension Zone
North Discovery Zone
South Discovery Zone
Early Fault Zone
0
10 km
ETKm
TrJgd
TrJqm
ETfp
uTrJNc
MTrCc
lKSb
PTrgd
PTrml
PTrdr
ETPe
PJdr
LJto
lmJA
Adapted from BC Digital Geology 2005
Berkwood Resources.Ltd
Prospect Valley Property
Regional Geology
Date: August, 2011
Scale: 1:250000
UTM: Zone 10 - NAD83
Mining District: Nicola
N.T.S.: 92I/02, 03, 06, 07
State/Province: BC
Figure
5
EQUITY

Regional and Property Geology Legend
(Figures 5 and 6)

Volcanic and Sedimentary Rocks

CENOZOIC

Paleogene

ETKm — **Kamloops Group**
Sandstone, conglomerate, shale, argillite, coal; basalt, andesite, dacite, trachyte, rhyolite, related tuffs and breccias.

ETPe — **Pentiction Group**
Trachyte, phonolite,trachyandesite, andesite, pyroxene andesite, tuff and breccia; volcanic sandstones and siltstones, shale and conglomerate.

MESOZOIC

Lower Cretaceous

lKSb — **Spences Bridge Group**
Andesite and dacite flows and breccias; minor basalt and rhyolite; chert and volcanic-clast conglomerates; sandstone, siltstone and mudstone.

Lower to Middle Jurassic

lmJAh — **Ashcroft Formation**
Argillite, siltstone,sandstone, conglomerate; minor limestone.

Triassic to Jurassic

uTrJNc — **Nicola Group**
Undifferentiated mafic to felsic flows and volcaniclastic rocks, including augite- phyric flows, tuffs and breccias; feldspathic sandstone and siltstone, argillite, shale, polymict conglomerate; minor limestone and calcareous siltstone.

Intrusive Rocks

CENOZOIC

Early Tertiary

Etfp — Diorite (dr), monzodiorite (dg), gabbro (gb), granodiorite (gd),granite (gr), quartz diorite (qd), quartz monzonite (qm), syenite (sy), tonalite (to), diabase (db), quartz porphyry (qp), feldspar porphyry (fp),orthogneiss (og), migmatite (mi) and undifferentiated intrusive rocks (g).

MESOZOIC

Late Jurassic

Ljto — Diorite (dr), granodiorite (gd), granite (gr), quartz diorite (qd), quartz monzonite (qm) and tonalite (to).

Triassic to Jurassic

TRJ — Diorite (dr), monzodiorite (dg), gabbro (gb), granodiorite (gd), quartz diorite (qd), quartz monzonite (qm), syenite (sy),tonalite (to), quartz porphyry (qp), feldspar porphyry (fp) andundifferentiated intrusive rocks (g).

PALEOZOIC

Permian to Jurassic

PJ — Diorite (dr), tonalite (to) and orthogneiss (og).

PT — Diorite (dr), gabbro (gb), granodiorite (gd), tonalite (to)and diabase (db).

Metamorphic Rocks

MESOZOIC

MTrcc — Greenschist to mid-amphibolite facies rocks(gs, ml, mm), calcsilicates (mc), paragneiss (pg), mylonite (my) and undifferentiated metamorphic rocks (m).

PALEOZOIC

PTrml — Greenschist to lower-amphibolite facies rocks(gs, ml), paragneiss (pg) and undifferentiated metamorphic rocks (m).

major creek or river valleys. Much of the region was overridden during the last Pleistocene glaciation by ice moving southeastwards, but more directly southwards across the claims area (Nicoamen Plateau; Ryder, 1975).

The dominant rock assemblage underlying the property and the adjacent areas is the mid-Cretaceous Spences Bridge Group (KSB / KSBS), which is related to continental arc subduction-related volcanism. It is exposed in a 115 kilometre long northwest-trending Cretaceous structural depression called the Nicoamen Syncline, which formed as the volcanic rocks were deposited (Thorkelson and Smith, 1989). The Spences Bridge Group consists of two principal stratigraphic rock units based on work by Thorkelson and Rouse (1989) (1989). The Pimainus Formation (lKSB in Figure 5) forms the lower unit, is 2.5 km thick, and consists of basaltic to rhyolitic lavas intercalated with pyroclastic rocks consisting of welded and non welded ignimbrite, tuff, lahar, conglomerate, sandstone, mudstone, and coal. The Spius Formation (KSBS in Figure 5), formerly called the Kingsvale Group, forms the upper unit, is 1 km thick, and consists mostly of amygdaloidal andesite and basalt with some scoria and minor pyroclastic and epiclastic rocks (Thorkelson and Rouse, 1989; Thorkelson and Smith, 1989). Both volcanic units were sub-aerially deposited, concurrent with folding and faulting, and share a contact that varies from gradational to unconformable, and is locally faulted. Thorkelson and Smith (1989) identify the Spius Formation to be slightly more alkaline than the Pimainus Formation and characterized by higher levels of high field-strength elements. Volcanic rocks of the Spences Bridge Group near the Prospect Valley Project have variable strikes, with dips that typically range from 15° to 35° (Monger and McMillan, 1989). Dating of the Spences Bridge Group volcanic rocks indicates them to be late Albian (ranging from 96.8 - 104.5 Ma (Thorkelson and Rouse, 1989; Thorkelson and Smith, 1989). Rocks of the Spences Bridge Group are believed to have formed as a chain of strato volcanoes associated with subsiding, fault bounded basins. Thorkelson and Smith (1989) suggest the difference in volcanic rock lithologies from the Pimainus to the Spius Formation may reflect a transition from strato volcano to shield morphology.

The Spences Bridge Group unconformably overlies older plutonic rocks, mainly granodiorite to diorite/gabbro, of the Triassic-Jurassic Mount Lytton Complex (TrJgd) immediately southwest of the Prospect Valley area. The Spences Bridge Group is overlain by Tertiary (Eocene; 33.7 - 54.8 Ma) mafic to felsic volcanics of the Princeton and Kamloops Groups (Ep and Ek). These younger volcanic units are cut by small Miocene (5.3-23.8 Ma) intrusions of intermediate composition (Ti).

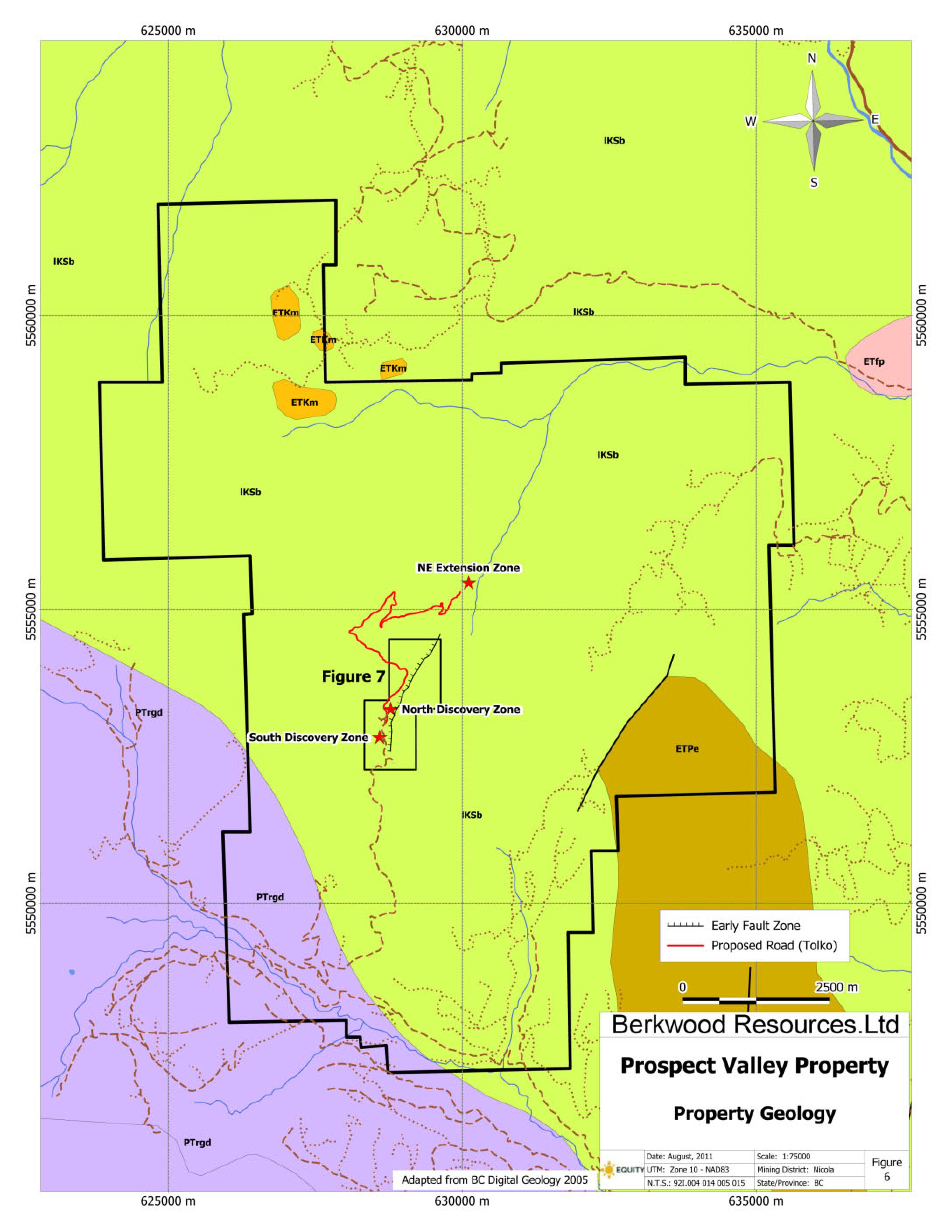
7.2 Property Geology

The following description of the Prospect Valley geology (Figure 6) is adapted from Thomson (Thomson, 2008).

Detailed geologic mapping by Spire in 2007 confirmed that the mid-Cretaceous Spences Bridge Group is exposed throughout the majority of the Prospect Valley claim area. The majority of the Prospect Valley property is underlain by the Spius Creek Formation (KSBS; upper Spences Bridge Group) that is dominated by andesite and basalt flows with local flow breccia.

The dominant rock types mapped throughout the Prospect Valley property include mafic-phyric basalt (Bp), aphyric basalt (B), mafic-phyric amygdaloidal basalt (amBp), and mafic-phyric andesite (ApF). In general, these mafic volcanic rocks are fine-grained, variable in color from dark brown, dark green, black, and maroon, and contain moderate amounts of amygdules. Mafic minerals dominated by olivine and pyroxene make up 3% to 10% of the basalt and andesite flow rocks (by volume) and are typically altered to hematite, hydrobiotite, and chlorite. Bright to dark green chert inclusions are locally abundant in basalt. The groundmass of the volcanic rocks varies from aphanitic to very fine-grained (trachytic). The amygdules and breccia matrix material commonly consist of zeolite minerals, calcite, and opaque white to translucent light blue-grey and/or clear-banded chalcedony (agate).

The Spences Bridge Group (KSB; undivided lower division) forms a narrow NW-trending segment on the southern extent of the property. Typically, these volcanic rocks comprise a thick accumulation of subaerial intermediate to felsic volcaniclastics and porphyritic flows that show great variations in lithology and/or texture over very short distances. Locally intercalated with these volcanic rocks are minor amounts of waterlain tuffs,


625000 m
630000 m
635000 m
5560000 m
5555000 m
5550000 m
N
S
E
W
lKSb
ETKm
ETfp
NE Extension Zone
Figure 7
North Discovery Zone
South Discovery Zone
PTrgd
ETPe
Early Fault Zone
Proposed Road (Tolko)
0
2500 m
Berkwood Resources.Ltd
Prospect Valley Property
Property Geology
Date: August, 2011
Scale: 1:75000
UTM: Zone 10 - NAD83
Mining District: Nicola
N.T.S.: 92I.004 014 005 015
State/Province: BC
Figure 6
EQUITY
Adapted from BC Digital Geology 2005

sandstones and tuffaceous conglomerates. The pyroclastic rocks form the most widespread sequence and consist of varicoloured (tan to rusty-orange, white, grey, brown, maroon, mauve, purple) lapilli tuffs, fine to coarse ash tuffs and explosion breccias/agglomerates. Fossilized non-marine plant stems, twigs and leaves are common in these rocks. The feldspar porphyry flows, which are exposed along a short segment of the Central Spur road (south-central part of the property), are very fine-grained maroon to dark brown rocks containing up to 10% plagioclase by volume.

In the central and north-central regions of the claims, the Spences Bridge Group volcanics are occasionally covered by Eocene (?) mafic to felsic volcanics of the Princeton and Kamloops Groups. These undifferentiated volcanics consist of basalt, andesite, dacite and rhyolite flows, with minor tuffs and sediments. Several bodies of andesite porphyry intrusive rock with rare quartz eyes due south of Mimenuh Mountain were previously identified by Monger and McMillan (1989) as part of the Eocene Kamloops Group. One other andesite porphyry body (sill?) of unknown affiliation outcrops in the east-central part of the Discovery South Zone.

The basal contact of the Spences Bridge Group (KSB) with older Triassic-Jurassic dioritic intrusions (TrJgd) is projected to straddle the southwestern property boundary but is covered by extensive overburden.

7.3 Discovery Zone Geology

The Discovery Zone was mapped at a scale of 1:1,000 by Johnson (2008). The following is abridged from his description (Figure 7).

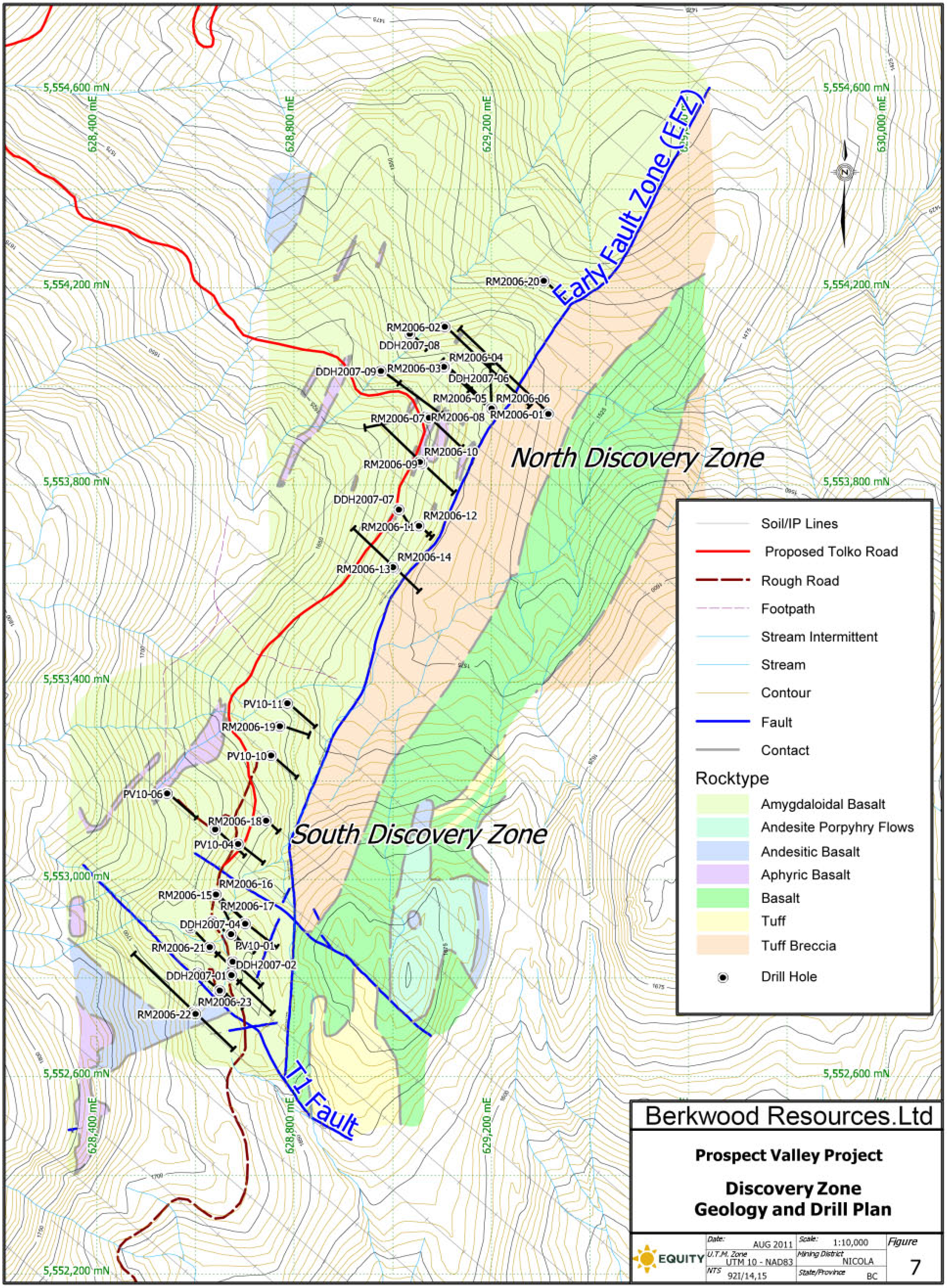
The rocks within the South and North Discovery Zones may be separated into four packages of rocks that are distinguished relative to their position with respect to a persistent southwest striking fault zone called the Early Fault Zone (“EFZ”): (1) early fault zone/hydrothermal breccia; (2) footwall rocks; (3) hanging wall rocks; and (4) late dykes that cut both footwall and hanging wall rocks.

The EFZ/hydrothermal breccia unit forms a continuous southwest-striking body that is not exposed on surface but has been intersected by drilling for a minimum linear length of 1.7 km. The surface trace projection of the EFZ closely parallels a mapped drainage throughout the South Discovery Zone.

The true width of the main EFZ body ranges from 1 to 12 m with moderate dips to the west ranging from 30 to 45°. Other strands of this fault zone occur along different orientations (with dips of up to 67° to the west) that are interpreted to join the main zone at depth. The sense of movement along the EFZ is difficult to assess since no well-defined marker beds may be traced from the hanging wall to the footwall across the main fault zone. The EFZ however separates two distinctly different volcanic rock sequences with generally oxidized, nonmagnetic amygdaloidal-rich basalts and lesser andesite in the hanging wall and moderately magnetic basalt and tuff breccia with some intercalations of argillite and volcaniclastic rocks (tuff and lapilli tuff) in the footwall. Rocks that make up the EFZ have characteristics of fault and hydrothermal breccias.

The EFZ/hydrothermal breccia unit cuts multiple rock types within the Spences Bridge Group including mafic-phyric basalt, amygdaloidal basalt, intraformational breccia, tuff breccia, and argillite/chert. This unit is typically clast-rich and characterized by homogeneous angular to subangular volcanic clasts less than 12.5 cm in diameter (average 0.3 cm to 1 cm diameter). Moderate rotation of the clasts is typical in the core of the Early Fault (hydrothermal breccia) zone. Crackle breccia generally occurs at the margins of the EFZ and is more abundant in the hanging wall rocks. The breccia matrix makes up approximately 10 to 20 percent of the rock by volume and is made up of different assemblages of alteration minerals that are dependent upon elevation and location within the hydrothermal system. In the shallow portions of the hydrothermal system, the breccia matrix is dominated by quartz, hematite and pyrite whereas hematite, pyrite, calcite, chlorite, and/or zeolite are abundant in the deeper portions of the hydrothermal system. Hydrothermal breccia is generally hard, with a reddish to pinkish color from hematite. Volcanic rock clasts within hydrothermal breccia are typically beige-coloured with strong pervasive hydrothermal alteration to K-spar, quartz, clay, sericite, and some pyrite with moderate textural destruction.

Rocks located in the footwall of the EFZ/hydrothermal breccia unit outcrop in the eastern fault block and consist mostly of dark green to black to brown tuff breccia (T bxa), basalt (B), and mafic-phyric basalt



Early Fault Zone (EFZ)
North Discovery Zone
South Discovery Zone
T1 Fault
5,554,600 mN
5,554,200 mN
5,553,800 mN
5,553,400 mN
5,553,000 mN
5,552,600 mN
5,552,200 mN
628,400 mE
628,800 mE
629,200 mE
630,000 mE
RM2006-20
RM2006-02
DDH2007-08
RM2006-04
DDH2007-09
RM2006-03
DDH2007-06
RM2006-05
RM2006-06
RM2006-07
RM2006-08
RM2006-01
RM2006-10
RM2006-09
DDH2007-07
RM2006-12
RM2006-11
RM2006-14
RM2006-13
PV10-11
RM2006-19
PV10-10
PV10-06
RM2006-18
PV10-04
RM2006-16
RM2006-15
RM2006-17
DDH2007-04
PV10-01
RM2006-21
DDH2007-02
DDH2007-01
RM2006-23
RM2006-22
Soil/IP Lines
Proposed Tolko Road
Rough Road
Footpath
Stream Intermittent
Stream
Contour
Fault
Contact
Rocktype
Amygdaloidal Basalt
Andesite Porpyhry Flows
Andesitic Basalt
Aphyric Basalt
Basalt
Tuff
Tuff Breccia
Drill Hole
Berkwood Resources.Ltd
Prospect Valley Project
Discovery Zone
Geology and Drill Plan
Date: AUG 2011
Scale: 1:10,000
Figure 7
EQUITY
U.T.M. Zone UTM 10 - NAD83
Mining District NICOLA
NTS 92I/14,15
State/Province BC

(Bp). In outcrop, the basaltic rocks dominate the immediate footwall south of 5552890N with tuff breccia occurring to the north. Local intercalations up to 12 m thick of lithic tuff (LT) and crystal tuff (CT) are exposed in the footwall basalts. Drilling in the footwall basaltic rocks also cut intercalations of black carbonaceous argillite, tuff sandstone, vitric tuff, black chert/argillite, argillite/sandstone, and rare coal seams. The volcanic flow units in the footwall are almost always highly magnetic (in sharp contrast to the non-magnetic to slightly magnetic hanging wall rocks to the west). The footwall rocks exhibit a gentle westerly regional dip (up to 6°).

Volcanic rocks in the hanging wall of the EFZ are dominated by nonmagnetic mafic-phyric amygdaloidal basalt (amBp) with lesser intercalations of nonmagnetic aphyric basalt (B) in the South Discovery Zone, and with moderately magnetic mafic-phyric basalt (Bp) and intraformational breccia (Ibxa) in the North Discovery Zone. Intraformational breccia (I bxa) up to 20 m in true thickness is locally present within the hanging wall and to a lesser extent in the footwall flow rocks and is typically clast-rich and dominated by one volcanic rock unit. The contacts between the aforementioned hanging wall rock units are often conformable and gradational with varying sizes and amounts of amygdules near the flow bases and tops. The mafic-phyric basalt (Bp) unit dominates in the lower part of the hanging wall volcanic rock sequence. Only one flow contact (oriented 055°/20°SE) was measured at the surface in volcanic rocks between intraformational breccia and amygdaloidal basalt. This eastern dip to the original volcanic flow rocks in the hanging wall of the EFZ appears to remain consistent in cross-section interpretations where the dips vary from 2 to 10°. Based on geological interpretations on cross-sections, the flow rocks from west to east across the EFZ appear to form a broad syncline with the axial plane striking parallel to the main southwest-striking EFZ.

Late andesite to basalt dykes were emplaced after the formation of the EFZ and are typically unaltered and unmineralized. The dykes typically intrude the footwall of the EFZ but also cut the EFZ. A major dyke, intersected in drilling over 1.6 km throughout the length of the Discovery Zone, strikes northeast and dips to the west from 28 to 42 degrees in the South Discovery Zone, and from 40 to 45 degrees in the North Discovery Zone. Its width varies from 2 m in the South Discovery Zone to 17 m in the North Discovery Zone. Narrow dykes < 2 m wide occur adjacent to the main late dyke zone.

Four main fault systems have been identified in the North and South Discovery Zones: (1) the southwest-striking EFZ described above; (2) southwest striking high-angled faults; (3) northwest and east-trending transverse faults; and (4) late fault zones. The occurrence of the EFZ/hydrothermal breccia, late dyke(s), and the late fault zone(s) within a small area spanning 25 to 40 m in true width indicates a long-lived structural/hydrothermal zone within the Spences Bridge Volcanic Belt.

High-angled faults have been identified sporadically throughout the hanging wall volcanic rocks, with northerly to northeasterly strikes and moderate (50 to 70°) dips to the northwest. Numerous intact planar-walled quartz veins lie adjacent and parallel to the faults and indicate a synmineral development.

Transverse faults cut the volcanic rocks in the South Discovery Zone with steep dips and fault traces that are almost perpendicular to the main southwest strike of the EFZ and the mapped set of southwest striking quartz veins. They locally contain abundant quartz-vein fragments within fault gouge; rare quartz veins strike subparallel to these faults indicating both pre- and post-mineralization activity. The transverse faults appear to confine the known gold mineralization in the South Discovery Zone.

Late faults cut all lithologies, including the late dykes. The late fault zones are concentrated in the footwall rocks, with up to 4 separate splays of late faults identified on some cross-sections. Late faults range up to 11 m in true thickness, are sinuous and appear to have a listric character in the footwall rocks. Interpretations suggest that the relative offset associated with the late fault zones is minimal.

7.4 Discovery Zone Mineralization

In the Discovery Zone, elevated gold values occur in the hanging wall of the EFZ/hydrothermal breccia unit, as epithermal mineralization associated with sheeted to stockwork microcrystalline quartz ± adularia veins and veinlets and disseminated/vein pyrite over an area approximately 2.5 km long by 140 to 230 metres wide and dipping shallowly to the west. As currently envisaged, the EFZ acted as a conduit for epithermal fluids and formed the major control on Discovery Zone mineralization. The following description is based on that of Callahan and Gruenwald (2011).

Alteration in the Discovery Zone hanging wall rocks proximal to the EFZ consists of weak to strong pervasive silicification, sheeted to stockwork microcrystalline quartz + pyrite ± adularia veins/veinlets, and siliceous breccia with variable pervasive alteration consisting of mixed potassic, argillic/sericite, fine-grained pyrite, and hematization. Multiple alteration assemblages are spatially associated with the quartz veins and include (from proximal to distal locations relative to the EFZ): pervasive silicification and silica breccia, sericitic /argillic, potassic, propylitic, hematite, and zeolite + calcite. Deeper veins in the immediate contact with the EFZ include white calcite with some chlorite + pyrite ± zeolite ± rare smokey quartz.

Peripheral alteration of amygdaloidal basalts in the hanging wall of the EFZ consists of stockwork veins and veinlets of calcite + zeolite ± hematite ± rare microcrystalline quartz. Amygdules are replaced by calcite±quartz±chlorite±pyrite in intervals associated with quartz veining and iron carbonate veining. More distal from veining, amygdules can be rimmed with zeolites+calcite±chlorite±white clays. Salmon pink euhehral (gypsum) crystals line walls of partially in filled cavities in fresh intraformational and amygdaloidal basalts that appear distal to any hydrothermal event. The volcanics are not pervasively silicified over thick continuous sequences or intensely K-feldspar altered.

In the South Discovery Zone, amygdule mineral fillings with pyrite in the basalts are laterally zoned relative to the EFZ. Proximal to the EFZ, the amygdules are replaced by drusy quartz, pyrite, and locally iron-oxide after pyrite. At moderate distances away from the EFZ, the amygdules are replaced by calcite with lesser quartz ± chlorite ± pyrite. At distal locations from the EFZ, amygdules are typically replaced by zeolite + calcite ± chlorite ± montmorillonite ± celadonite. The amygdules can be filled with more than one alteration mineral and may exhibit zoning from the core to the rim.

Gold mineralization is hosted mostly in the mafic-phyric amygdaloidal basalt unit in the hanging wall of the EFZ, with lesser gold mineralization hosted in andesite flow rocks, mafic phyric basalt, aphyric basalt, and intercalated intraformational breccia and local tuff breccia. Johnson (2008) believed there to be an elevation control to gold deposition in the hanging wall. Elevated gold mineralization (>0.5g/t) appears restricted to the hanging wall rocks and within the EFZ and ranges from 30 to 140 metres in lateral extent and 3 to 55 metres away from the EFZ. The dominant vein mineralogy appears to be vertically zoned which may be correlated with the gold mineralization.

The epithermal mineral system appears to be a consistent zone characterized by weak to strong pervasive silicification, sheeted to stockwork microcrystalline quartz + pyrite ± adularia veins/veinlets, and siliceous breccia with variable pervasive alteration consisting of mixed potassic, argillic/sericite, fine-grained pyrite, and hematization. Microcrystalline quartz veins with associated gold values extend for several tens of metres above the main interpreted EFZ, with the strongest silicification and veining and the highest associated gold values generally located within 10 to 30 metres above the fault. A late stage post-mineral porphyritic andesite dyke has been emplaced within the main EFZ and can form a sharp lower boundary to the mineralized zone. The footwall rocks exhibit chlorite-rich alteration with calcite-rich veins and veinlets that are typically <5 ppb gold.

7.5 Other Mineralization

Other zones of epithermal veining and gold mineralization have been discovered on the Prospect Valley property but have received far less exploration than the Discovery Zone:

1. **NE Extension Zone**: Outcrops containing locally intense quartz stockwork and vein zones have been traced for 135 metres along a NNE strike and across a width of up to 32 metres. The zone's strike correlates well with the orientation of the South and North Discovery zones and it lies about 1,500 metres northeast of the North Discovery Zone, not quite on trend with the EFZ. It has been suggested that it could form part of the same multi-kilometre long fault/epithermal system as the Discovery Zone and the Bonanza Valley target. Ten rock samples and one soil sample collected in 2010 contained 0.121 to 4.53 g/t Au with low silver values (Callahan and Gruenwald, 2011). In addition, Callahan and Gruenwald (2011) report outcrop exposures 300 metres west of the Northeast Extension drilling that

have similar hanging wall features to the South Discovery Zone; these have not been yet been investigated.

2. **NIC Zone**: The NIC Zone, located approximately 4.5 kilometres northeast of the North Discovery Zone, is described as containing “anomalous gold and silver values along an approximate 20-metre exposure of a brecciated and banded quartz vein structure” (Thomson, 2007).

3. **Bonanza Valley**: In 2001 and 2002, Fairfield and Almaden discovered quartz vein and breccia float with distinctive low-sulphidation epithermal textures in a largely overburden-covered area 3-4 kilometres south of the South Discovery Zone. No bedrock source has been found for this float, which returned up to 43.3 g/tonne Au, despite further prospecting, soil geochemistry, trenching and geophysical surveys in the next few years (Balon and Jacubowski, 2003).

8.0 DEPOSIT TYPES

The focus of exploration on the Prospect Valley property has been bulk-mineable low-sulphidation epithermal gold mineralization, formed as quartz + pyrite ± adularia vein stockworks above a major shallow-dipping fault zone.

Low-sulphidation epithermal deposits are precious metal-bearing quartz veins, stockworks and breccias which formed from boiling of volcanic-related hydrothermal to geothermal systems. Emplacement of mineralization takes place at depths ranging from near-surface hotspring environments to ~1 km, from near-neutral pH chloride waters with metal deposition through boiling and fluid mixing. Gangue mineralogy is dominated by quartz and/or chalcedony, accompanied by lesser and variable amounts of adularia, calcite, pyrite, illite, chlorite and rhodochrosite. This gangue mineral assemblage can host a spectrum of Au- to Ag-rich ores, as well as the Au-Ag±Te ores associated with alkaline rocks and the Ag-Pb-Zn ores of northern Mexico.

Vein mineralogy in low-sulphidation epithermal systems is characterized by gold, silver, electrum and argentite with variable amounts of pyrite, sphalerite, chalcopyrite, galena, tellurides, and rare tetrahedrite and sulphosalt minerals. Crustiform banded quartz veining is common, typically with interbanded layers of sulphide minerals, adularia and/or illite. At relatively shallow depths, the bands are colloform in texture and millimetre-scale, whereas at greater depths, the quartz becomes more coarsely crystalline. Lattice textures, composed of platey calcite and its quartz pseudomorphs, indicate boiling. Breccias in veins and subvertical pipes commonly show evidence of multiple episodes of formation. Quartz, adularia, illite and pyrite alteration commonly surround ores; envelope width depends on host rock permeability. Propylitic alteration dominates at depth and peripherally.

Regional structural control is important in localization of low-sulphidation epithermal deposits. Brittle extensional structures (normal faults, fault splays, ladder veins, cymoid loops, etc.) are common. Veins typically have strike lengths in the range of 100’s to 1000’s of metres; productive vertical extent is seldom more than a few hundred metres and closely related to elevation of paleo-boiling. Vein widths vary from a few centimetres to metres or tens of metres. High-grade ores are commonly found in dilational zones in faults at flexures, splays and in cymoid loops.

9.0 EXPLORATION

All exploration since 2004 on the Prospect Valley property has been carried out by Spire and Altair, which operated the property under option from Spire after 2009. This includes all drilling and most of the geochemical and geophysical surveys and trenching. In particular, all exploration of the Discovery Zone has been done by Spire and Altair. For completeness, however, the following discussion includes the results of exploration carried out by previous operators as well as by Altair.

9.1 Stream Sediment Geochemistry

The Prospect Valley property was first explored as a result of investigation of a gold-bearing regional silt sample on Prospect Creek along the south edge of the property. Subsequently, an additional 132 conventional silt samples were collected from the western two-thirds of the property (Figure 8), mainly by Spire, with 8 exceeding 50 ppb Au.

The North and South Discovery Zones were found by following up on a cluster of anomalous (>50 ppb Au) silt samples at the headwaters of Nuaitch Creek. Limited investigation has been done upstream of other anomalous samples near the northern and northwestern property boundaries, but no mineralization has been discovered to explain their source.

9.2 Soil Geochemistry

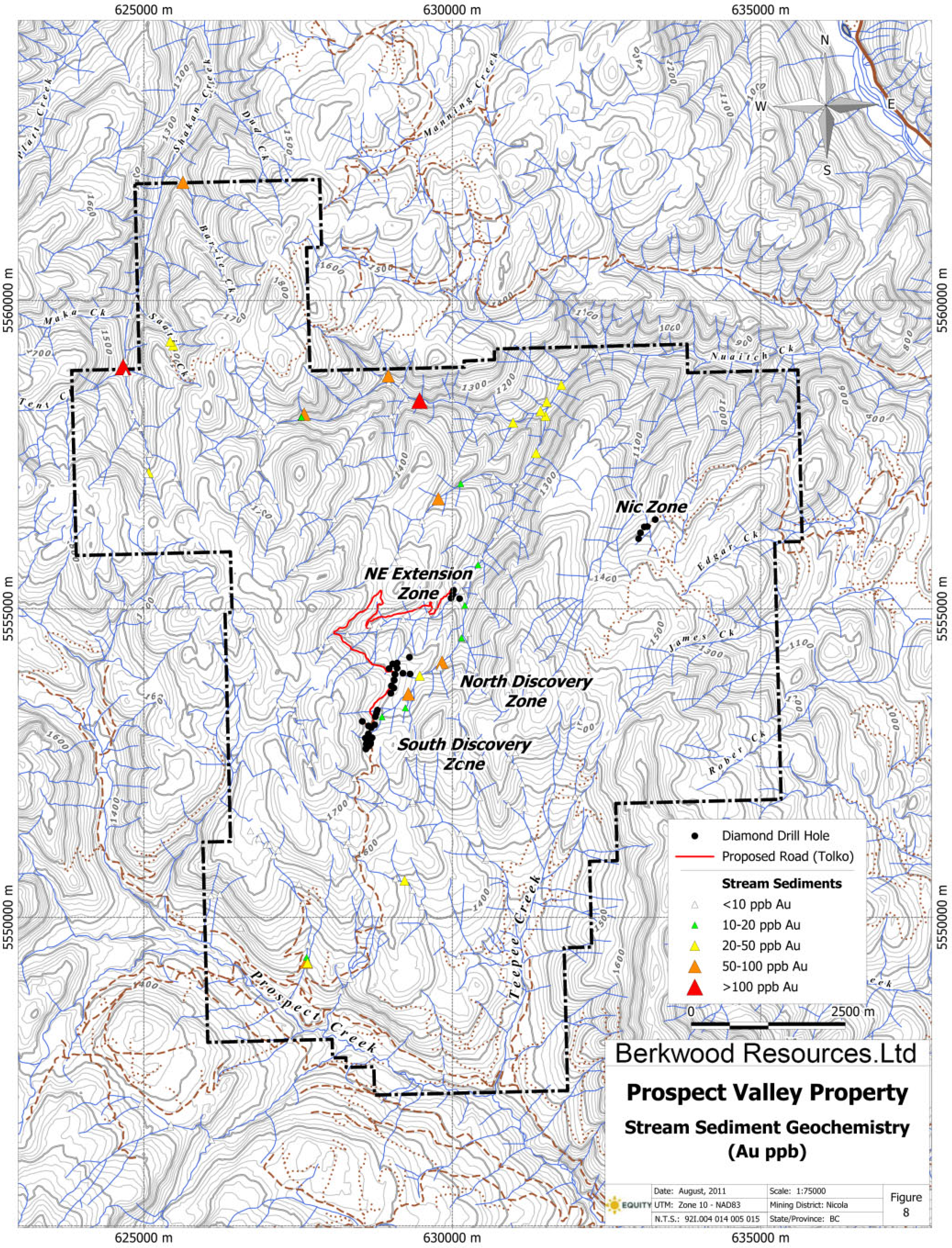
A total of 7,082 soil samples have been reported from the Prospect Valley property. These were taken from three areas: Discovery Zone, Bonanza Valley and NIC (Figure 9). The majority of the Bonanza Valley sampling was carried out by previous operators, but Spire and Altair collected all soil samples from the Discovery Zone and NIC. Interpretation of soil geochemical results is hampered by locally thick glacial overburden, particularly in the Bonanza Valley area.

1) **Discovery Zone:** At least 4,278 soil samples have been taken from the Discovery Zone area, initially from a few contour soil lines but mainly at 25 metre intervals along grid lines trending 135º and spaced 50-200 metres apart. Although the magnitude of soil geochemical values was not particularly high, the soil response was strong relative to other areas of the property, with a well-defined NNE-trending Au (>20 ppb) anomaly covering an area of 300-500 metres wide by 3.0 kilometres long, roughly coincident with Ag (>0.5 ppm), As (>22 ppm), Sb (>0.8 ppm) and Mo (>1.0 ppm) soil anomalies. Subsequent trenching and drilling of these anomalies led to the identification of the North and South Discovery zones.
2) **Bonanza Valley:** This area was the first focus of exploration on the Prospect Valley property, with the identification of epithermal quartz vein float assaying up to 43.34 g/tonne Au. Soil samples were initially collected at 50 metre intervals along logging roads and then at 50 metre intervals (locally infilled subsequently to 5-25 metre intervals) along N-S lines spaced 200-400 metres apart. Soil results were generally low (90^{th} percentile: 11 ppb Au, 0.3 ppm Ag, 8 ppm As) due to clay-rich till cover with a few single-station anomalies which could not always be expanded by infill sampling.
3) **NIC Zone:** Following discovery of epithermal quartz vein boulders (the NIC Zone) in the northeastern portion of the Prospect Valley property, a grid was laid out with soil samples taken at 25-50 metre intervals along lines spaced 200 metres apart and oriented at 119º. Soil results from the NIC grid were generally low (maximum 205.2 ppb Au) and showed only poor correlations with epithermal pathfinder elements. Pitting and trenching of higher values led to discovery of epithermal veining in bedrock.

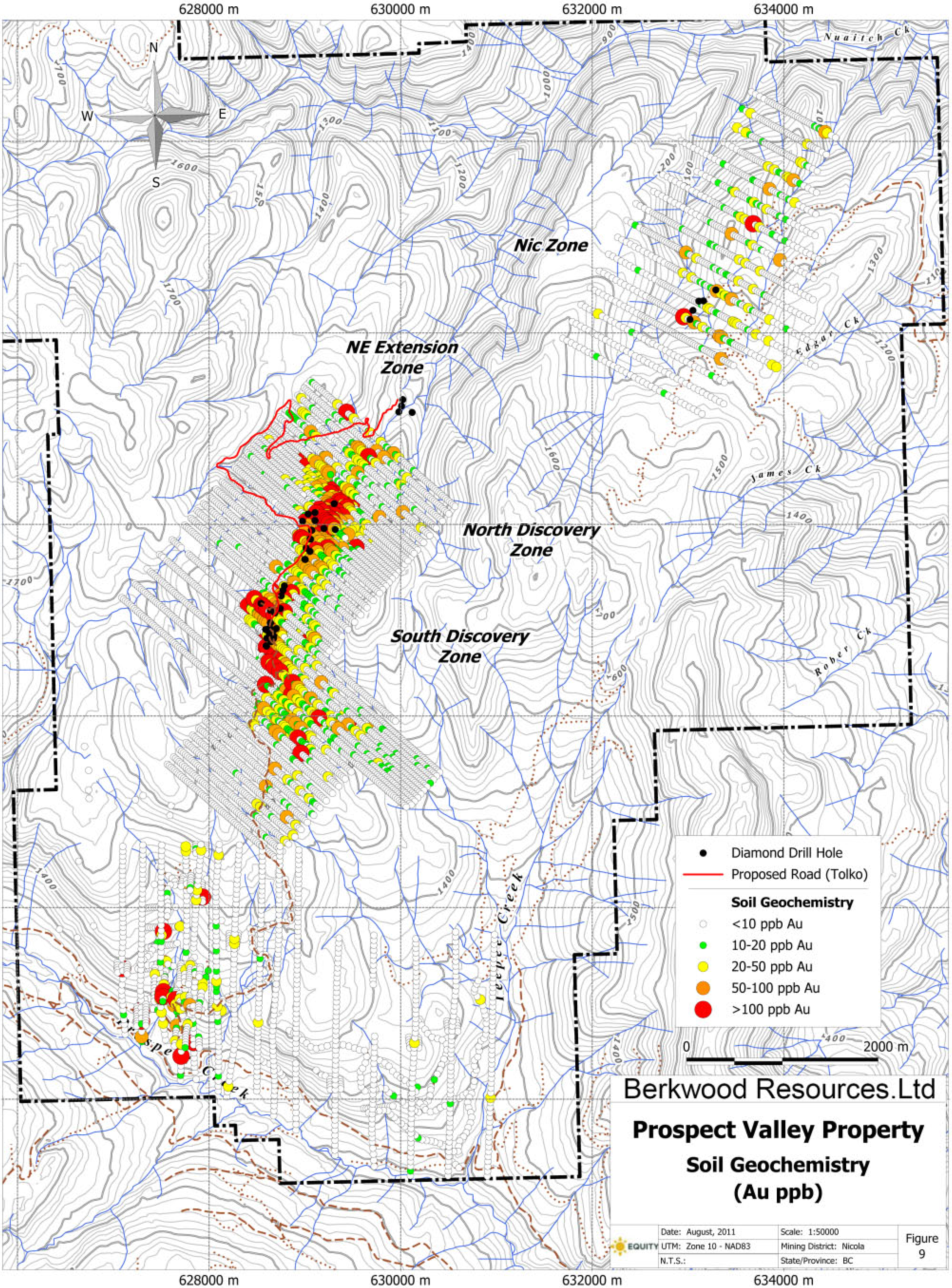
9.3 Geophysics (Magnetics)

In 2006, ground magnetics was carried out by Spire over the Discovery Zone, in conjunction with an induced polarization survey. The following year, the entire property was covered by an airborne magnetic survey along E-W lines spaced 100 metres apart and flown by Aeroquest (Figure 10).

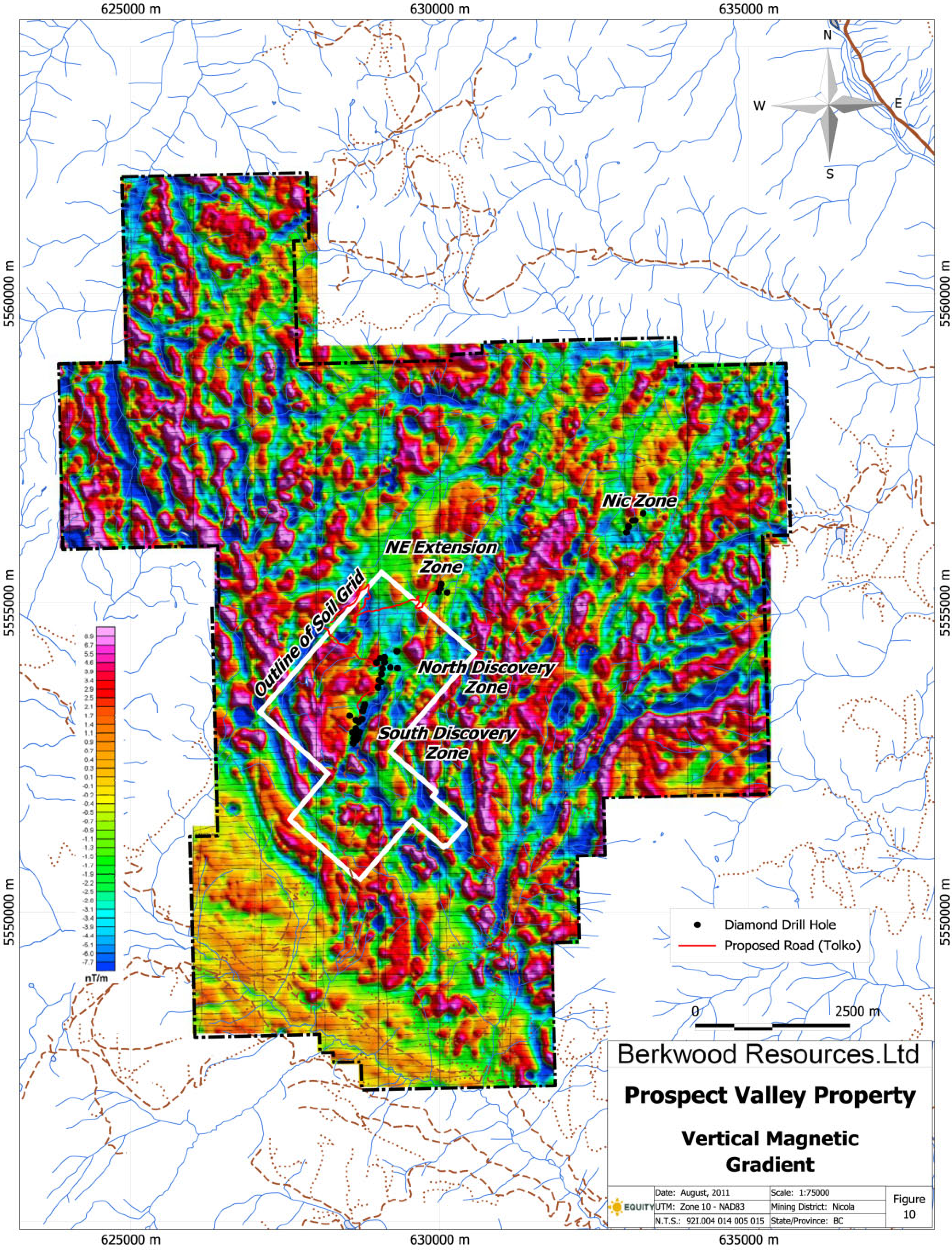
Both surveys showed a marked NNE-trending linear low for the magnetic vertical gradient, which coincides with the surface trace of the EFZ and the alteration/veining of the Discovery Zone. This reflects the magnetic rocks of the footwall volcanic package and the non-magnetic hanging wall package, and in particular the destruction of magnetite to form pyrite in the fault's hanging wall. The association of linear magnetic lows with faulting and gold-bearing mineralization on the vertical gradient map raises a few interesting possibilities:



625000 m
630000 m
635000 m
5560000 m
5555000 m
5550000 m
N
S
E
W
Platt Creek
Shakan Creek
Dud Ck
Manning Creek
Barrie Ck
Maka Ck
Saajip Ck
Tent C
Nuaitch Ck
Nic Zone
NE Extension Zone
Edgar Ck
James Ck
North Discovery Zone
South Discovery Zone
Rober Ck
Teepee Creek
Prospect Creek
Diamond Drill Hole
Proposed Road (Tolko)
Stream Sediments
<10 ppb Au
10-20 ppb Au
20-50 ppb Au
50-100 ppb Au
>100 ppb Au
0
2500 m
Berkwood Resources.Ltd
Prospect Valley Property
Stream Sediment Geochemistry
(Au ppb)
EQUITY
Date: August, 2011
Scale: 1:75000
UTM: Zone 10 - NAD83
Mining District: Nicola
N.T.S.: 92I.004 014 005 015
State/Province: BC
Figure 8



628000 m
630000 m
632000 m
634000 m
5558000 m
5556000 m
5554000 m
5552000 m
5550000 m
5548000 m
N
S
E
W
Nuaitch Ck
Nic Zone
NE Extension Zone
North Discovery Zone
South Discovery Zone
Edgar Ck
James Ck
Rober Ck
Teepee Creek
Prospect Creek
Diamond Drill Hole
Proposed Road (Tolko)
Soil Geochemistry
<10 ppb Au
10-20 ppb Au
20-50 ppb Au
50-100 ppb Au
>100 ppb Au
0
2000 m
Berkwood Resources.Ltd
Prospect Valley Property
Soil Geochemistry
(Au ppb)
Date: August, 2011
Scale: 1:50000
UTM: Zone 10 - NAD83
Mining District: Nicola
N.T.S.:
State/Province: BC
EQUITY
Figure 9


625000 m
630000 m
635000 m
5560000 m
5555000 m
5550000 m
N
E
S
W
Nic Zone
NE Extension Zone
Outline of Soil Grid
North Discovery Zone
South Discovery Zone
nT/m
Diamond Drill Hole
Proposed Road (Tolko)
0
2500 m
Berkwood Resources.Ltd
Prospect Valley Property
Vertical Magnetic Gradient
Date: August, 2011
Scale: 1:75000
UTM: Zone 10 - NAD83
Mining District: Nicola
N.T.S.: 92I.004 014 005 015
State/Province: BC
EQUITY
Figure 10

1) The magnetic low, and hence the South Discovery Zone, may be truncated or offset by a transverse fault immediately south of the southernmost drilling.
2) Two similar NNE-trending linear lows are present 2-3 kilometres to the east of the Discovery Zone, with kilometre-scale strike lengths (encompassing Mag Lows A and B); these have received very little reported investigation.
3) Two similar NNE-trending linear lows of about 500-1000 m strike length are located along strike and about four kilometres NNE of the North Discovery Zone in an area of moderately anomalous silt geochemistry. No further exploration has been reported in this area.
4) The South Discovery Zone appears to be at the intersection of NNE and NW grains in the magnetic vertical gradient data; this may reflect the intersection of structural regimes which could have helped localize mineralization there.

9.4 Geophysics (Induced Polarization)

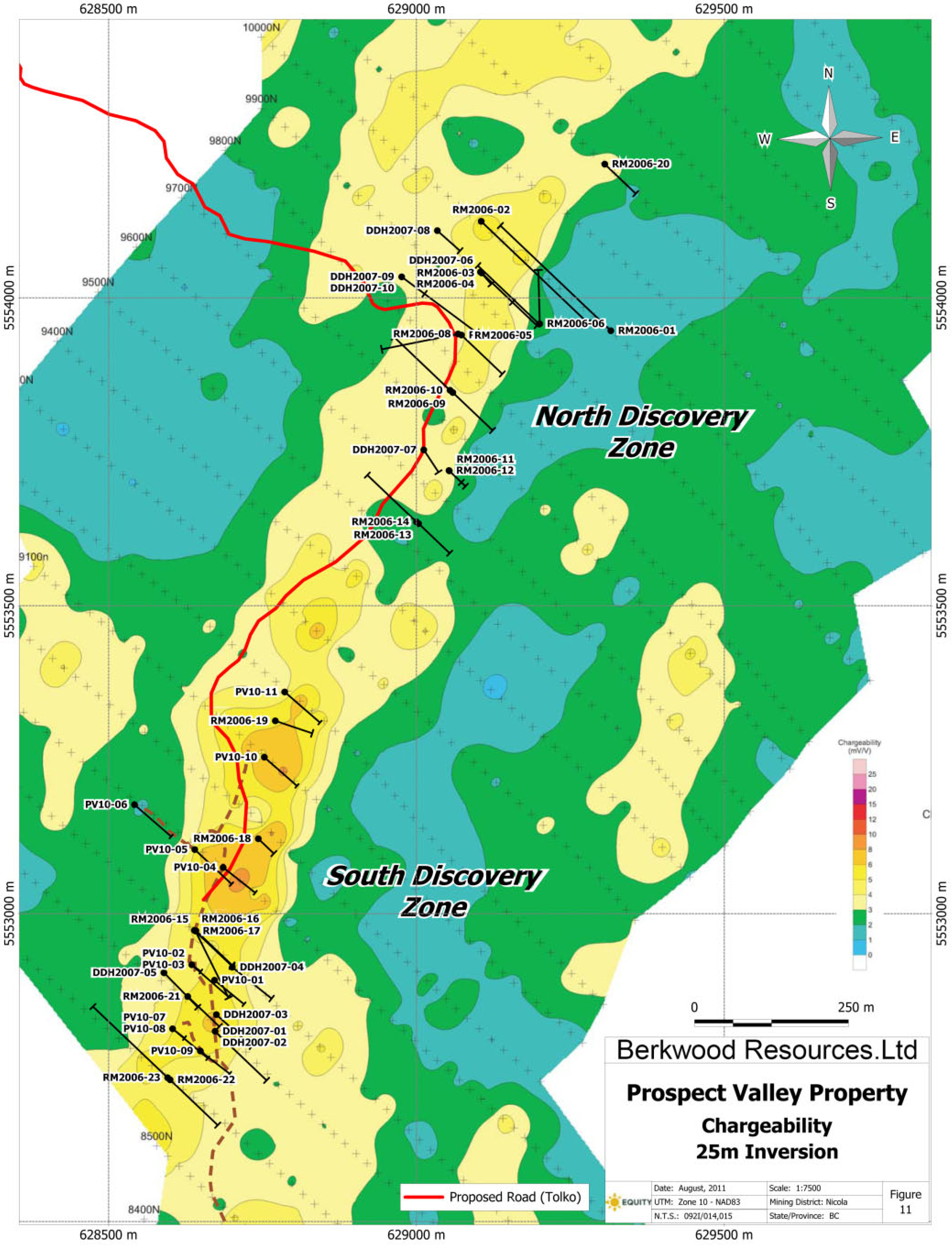
Two induced polarization ("IP") surveys have been carried out on the Prospect Valley. In 2003, Almaden surveyed 5 km of test IP lines over the Bonanza Valley target. In 2006, Spire surveyed 45 line-km of IP and magnetics over the Discovery Zone.

1) **Bonanza Valley:** Five lines, each 1.0 kilometre long, were run east-west and spaced 200 metres apart in an effort to find a bedrock source to Au-bearing epithermal vein float in the area. The survey method consisted of a pole-dipole array with dipole spacings of a = 25m and n levels 1 through 6. Line 9300N was repeated using dipole spacings of a = 12.5m with n levels 1 through 6. The survey showed consistently low (1-3 mV/V) and featureless chargeability throughout the area. Apparent resistivity showed a narrow contrast (20-200 ohm-m), but two NNE-trending resistivity lows were apparent (Balon, 2004).
2) **Discovery Zone:** In 2006, twenty-seven lines, spaced 100 metres apart, oriented at 135° and averaging 1.7 kilometres in length, were surveyed over the Discovery Zone. Surveying used a pole-dipole array with dipole spacings of a=50m and n levels 1 through 5. Inversions showed relatively low (<8 mV/V) chargeability values, with a prominent northerly trending chargeability high (3-8 mV/V) trending through the centre of the grid and migrating to the west with increasing depth. Subsequent drilling in the Discovery Zone showed that this chargeability high marks Au-bearing mineralization, probably because of the presence of its associated 1-3% pyrite (Figure 11). This chargeability high appears closed off to the north, but remains open to the south. Inversion modeling yielded an apparent resistivity range generally between 40 and 1000 ohm-metres, with northerly-trending alternating bands of high and low resistivity. Discovery Zone drilling showed that mineralization is mainly associated with one of these northerly-trending bands of high apparent resistivity, possibly reflecting silicification and quartz stockwork (Thomson, 2007).

9.5 Trenching

With the exception of 10 trenches and 25 test pits by Almaden in 2002, all trenching on the Prospect Valley property was done by Spire. Much of the early trenching was done in an effort to encounter bedrock and investigate soil geochemical anomalies on a property with sparse outcrop. Many of these trenches did not reach bedrock and only served to indicate the minimum depth of overburden where they were excavated.

Spire dug a number of trenches by hand and by small excavator in the Discovery Zone, where they were used to determine orientation of veining and to confirm geological concepts and relative timing of veins, faults and dykes. Sampling of the trench floors in the South Discovery Zone returned gold values similar to those of the holes drilled under them. Table 3 summarizes weighted averages reported for the 2007 South Discovery Zone trenches (Johnson and Jaramillo, 2008). However, these results should be treated with caution due to the inherent difficulties in cleaning and sampling trench floors.



628500 m
629000 m
629500 m
5554000 m
5553500 m
5553000 m
North Discovery Zone
South Discovery Zone
RM2006-20
RM2006-02
DDH2007-08
DDH2007-06
DDH2007-09
DDH2007-10
RM2006-03
RM2006-04
RM2006-06
RM2006-01
RM2006-08
RM2006-05
RM2006-10
RM2006-09
DDH2007-07
RM2006-11
RM2006-12
RM2006-14
RM2006-13
PV10-11
RM2006-19
PV10-10
PV10-06
RM2006-18
PV10-05
PV10-04
RM2006-15
RM2006-16
RM2006-17
PV10-02
PV10-03
DDH2007-04
DDH2007-05
PV10-01
RM2006-21
DDH2007-03
PV10-07
PV10-08
DDH2007-01
DDH2007-02
PV10-09
RM2006-23
RM2006-22
10000N
9900N
9800N
9700N
9600N
9500N
9400N
9100n
8500N
8400N
Chargeability (mV/V)
25
20
15
12
10
8
6
5
4
3
2
1
0
0
250 m
Proposed Road (Tolko)
Berkwood Resources.Ltd
Prospect Valley Property
Chargeability
25m Inversion
Date: August, 2011
Scale: 1:7500
UTM: Zone 10 - NAD83
Mining District: Nicola
N.T.S.: 092I/014,015
State/Province: BC
Figure 11
EQUITY

Table 3: Composites for 2007 South Discovery Zone Trenches

Trench Number	Sample Width	Au (g/tonne)	Ag (g/tonne)
2007-1	11.90	0.35	31.52
2007-2	32.50	0.82	5.69
2007-3	20.00	0.94	2.24
2007-4	35.30	0.82	3.13
2007-5	16.45	0.85	3.35
2007-6	8.00	0.45	1.48
2007-7	14.50	0.31	1.13

10.0 DRILLING

Five drill campaigns in 2006, 2007 and 2010, totalling 8,818 metres of core in 57 holes, have been carried out on the Prospect Valley property. The three 2006 and 2007 campaigns were carried out by Spire on the Discovery and NIC zones; the 2010 drilling was executed by Altair, with 11 holes (1,242 metres) on the South Discovery Zone and 8 holes (722 metres) on the NE Extension Zone.

Drilling has been carried out on four zones (North and South Discovery, NIC and NE Extension).

10.1 North and South Discovery Zones

Drill programs were carried out on the North and South Discovery Zones in 2006 and 2007 by Spire and in 2010 by Altair (Figures 7 and 11).

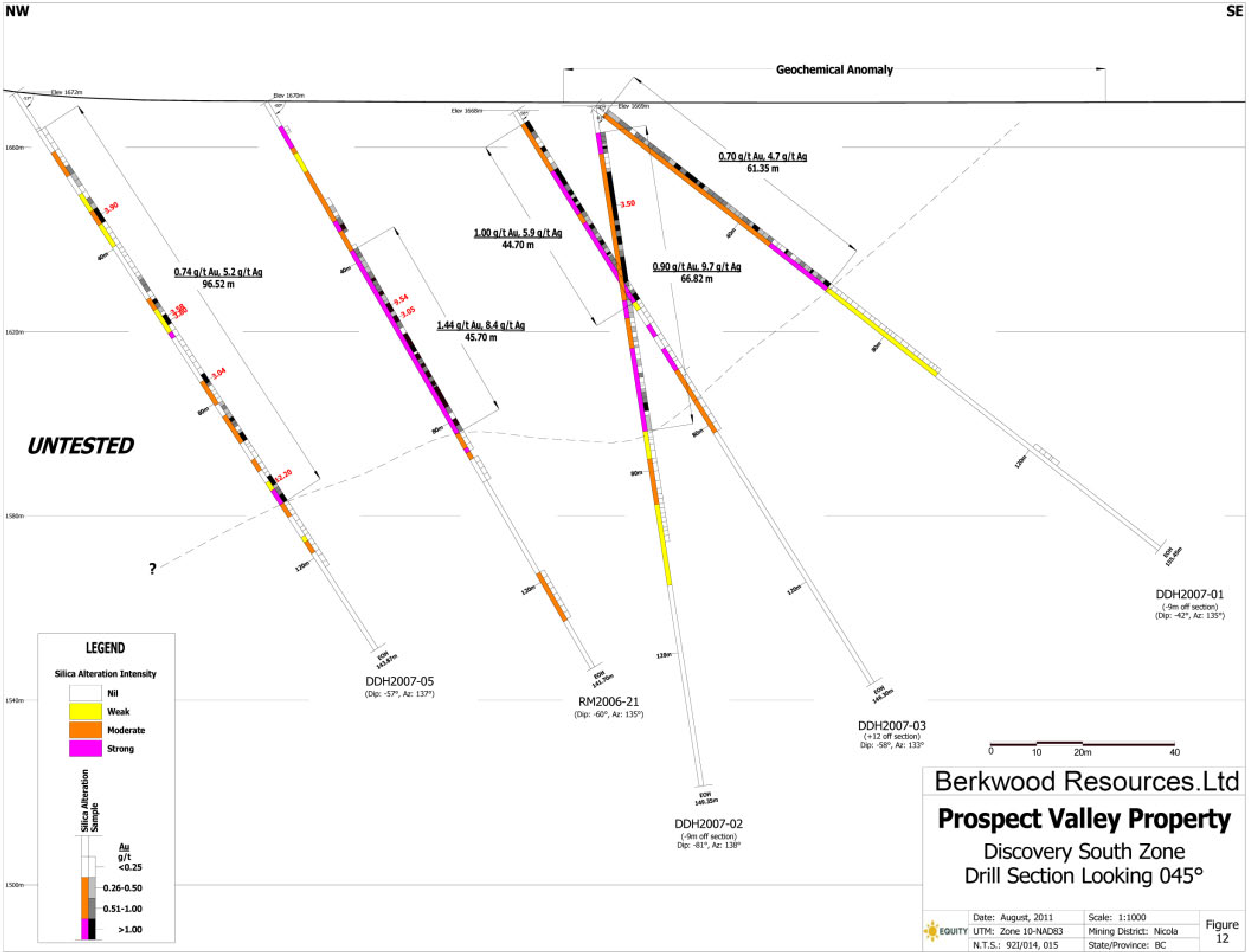
The 2006 program consisted of 23 holes totalling 3,734.6 metres of BTW core, using a helicopter-supported F-1000 drill operated by Falcon Drilling Ltd. of Prince George, BC. Core recoveries were generally above 90%, except in fault zones where core recoveries, in a few cases, dropped to approximately 40% to 60%.

The 2007 program consisted of 10 holes totalling 1,775.35 metres of NQ2 core, using a helicopter-portable Zinex A5 drill operated by Full Force Diamond Drilling Limited of Peachland, BC. Eleven holes totalling 1,242 metres of NQ2 core were drilled in 2010 on the South Discovery Zone by SCS Drilling of Merritt, BC.

Holes on the Discovery Zone were mainly drilled along section lines oriented at 135°/315°, roughly perpendicular to the EFZ. They were generally drilled southeasterly through hanging wall amygdaloidal basalt toward the EFZ, testing it along a strike length of 1,500 metres, with a 350 metre gap between the North and South Discovery zones. Most holes are less than 200 metres in length and only spotty drilling extends below 150 metres vertical depth. Drilling is generally confined to a <200 metre band to the west of the EFZ.

Drilling defines a tabular body of low-grade gold mineralization associated with stockwork veining and silicification in the amygdaloidal basalt which forms the structural hanging wall to the EFZ. The EFZ, and the mineralized zone above it, dip at 30-45° to the west (Figure 12). Drilling to date leaves the limits of mineralization open to the west throughout the South Discovery Zone and the southern part of the North Discovery Zone. To the east mineralization is limited by the EFZ fault. The southernmost holes on the South Discovery Zone (RM2006-22 and -23) did not intersect significant veining or Au values. Holes RM2006-22 and -23 lie on the south side of the transverse T1 Fault, which appears to truncate or offset the mineralized zone. At the northern end of the North Discovery Zone, hole RM2006-20 cut the same hanging wall lithologies as host the zone further south, but alteration and veining were weaker, suggesting that the Discovery Zone mineralization dissipates to the north.

It should be noted that the northernmost hole on the South Discovery Zone (PV10-11) intersected 6.35 metres @ 0.37 g/tonne Au, indicating that gold-bearing mineralization may extend north into the gap between the North and South Discovery zones.



Berkwood Resources.Ltd

Prospect Valley Property

Discovery South Zone
Drill Section Looking 045°

Date: August, 2011	Scale: 1:1000	Figure 12
UTM: Zone 10-NAD83	Mining District: Nicola	
N.T.S.: 92I/014, 015	State/Province: BC	

Tables 4 and 5 summarize the most significant Discovery Zone intersections, with a 0.3 g/tonne Au cut-off grade, minimum width of 5 metres and maximum 10 metres of internal waste. Higher-grade sub-intervals (in italics) use a 3.0 g/tonne Au cut-off and a minimum width of 1.0 metre.

Table 4: North Discovery Zone Intersections

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	As (ppm)	Mo (ppm)	Sb (ppm)
RM2006-02	6.00	25.60	19.60	0.42	0.5	45	<0.1	2
RM2006-03	72.50	104.60	32.10	0.43	1.0	53	2	1
RM2006-04	49.50	64.50	15.00	0.60	0.9	105	1	1
RM2006-04	83.50	109.50	26.00	1.28	4.1	105	3	1
RM2006-04	*98.50*	*100.50*	*2.00*	*5.09*	*10.0*	*104*	*1*	*1*
RM2006-05	44.90	61.60	16.70	1.02	2.0	105	19	1
RM2006-05	*47.00*	*48.00*	*1.00*	*4.96*	*9.0*	*91*	*117*	*1*
RM2006-05	74.00	82.50	8.50	0.54	1.0	80	1	0
RM2006-05	102.00	137.60	35.60	0.72	2.5	147	9	1
RM2006-05	147.00	172.50	25.50	0.38	1.4	88	1	1
RM2006-06	36.90	46.60	9.70	0.45	1.1	111	4	0
RM2006-06	52.10	61.00	8.90	0.59	2.5	111	15	1
RM2006-06	66.20	72.70	6.50	0.92	1.0	29	9	0
RM2006-07	74.80	81.80	7.00	0.45	0.7	38	<0.1	2
RM2006-07	91.00	99.10	8.10	0.66	1.8	131	3	1
RM2006-09	46.10	58.80	10.40	0.40	1.6	106	<0.1	1
RM2006-09	74.10	85.00	10.90	0.60	1.1	75	11	1
RM2006-11	22.10	32.90	10.80	0.91	1.5	122	20	1
RM2006-12	18.90	39.90	21.00	0.38	2.0	170	23	0
RM2006-20	6.90	14.60	7.70	0.80	1.4	78	<0.1	3
RM2006-20	30.70	36.80	6.10	0.44	1.3	70	<0.1	1
DDH 2007-06	51.04	60.81	9.77	0.36	1.3	115	5	11
DDH 2007-06	102.19	126.71	24.52	0.54	2.3	72	7	8
DDH 2007-09	101.84	107.98	6.14	0.86	0.8	99	<1	<5
DDH 2007-09	174.44	180.82	6.38	3.94	2.1	173	3	<5
DDH 2007-09	*175.45*	*176.42*	*0.97*	*22.20*	*<0.2*	*10*	*13*	*<5*

Table 5: South Discovery Zone Intersections

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	As (ppm)	Mo (ppm)	Sb (ppm)
RM2006-15	43.00	85.60	42.60	0.92	3.4	418	4	3
RM2006-16	62.80	70.90	8.10	0.46	3.3	323	1	2
RM2006-16	77.50	86.60	9.10	1.06	2.9	461	9	3
RM2006-17	65.00	89.70	24.70	0.53	1.9	421	2	5
RM2006-18	52.10	57.80	5.70	0.67	1.9	216	9	0
RM2006-19	48.30	85.00	36.70	0.66	1.3	153	2	2
RM2006-21	29.00	82.90	53.90	1.27	7.4	671	6	9
RM2006-21	*50.90*	*52.40*	*1.50*	*9.54*	*4.2*	*1083*	*1*	*25*

Table 5: South Discovery Zone Intersections (continued)

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	As (ppm)	Mo (ppm)	Sb (ppm)
RM2006-21	*54.00*	*55.50*	*1.50*	*3.05*	*11.5*	*696*	*<0.1*	*4*
RM2006-21	*67.90*	*69.40*	*1.50*	*4.89*	*46.5*	*952*	*9*	*7*
DDH 2007-01	3.05	63.90	60.85	0.66	4.7	731	6	17
DDH 2007-02	5.90	46.55	40.65	1.18	8.3	1141	4	27
DDH 2007-02	*21.34*	*22.70*	*1.36*	*3.50*	*18.8*	*1620*	*12*	*45*
DDH 2007-03	3.21	48.77	45.56	0.96	5.9	107	20	16
DDH 2007-04	34.45	40.46	6.01	1.09	1.7	299	13	7
DDH 2007-05	19.40	33.97	14.57	0.85	3.1	243	<0.1	9
DDH 2007-05	*31.50*	*32.86*	*1.36*	*3.90*	*10.5*	*645*	*<1*	*10*
DDH 2007-05	47.96	60.31	12.35	1.12	3.2	501	<1	24
DDH 2007-05	*57.91*	*60.31*	*2.40*	*3.70*	*3.9*	*461*	*<1*	*28*
DDH 2007-05	73.20	106.27	33.07	1.27	7.7	750	2	23
DDH 2007-05	*100.59*	*101.92*	*1.33*	*12.20*	*24.3*	*560*	*<1*	*10*
PV10-01	35.67	49.00	13.33	0.67	3.1	776	7	15
PV10-02	56.90	64.51	7.61	0.54	4.9	588	<2	17
PV10-02	78.29	91.46	13.17	0.96	5.9	753	11	6
PV10-03	56.15	83.88	27.73	0.84	2.7	553	8	1
PV10-03	*72.93*	*73.93*	*1.00*	*3.39*	*11.1*	*510*	*12*	*<5*
PV10-07	20.73	30.63	9.90	1.24	12.2	651	<2	14
PV10-07	38.76	47.94	9.18	0.68	5.4	1286	6	16
PV10-08	6.10	54.62	48.52	1.14	6.9	456	1	4
PV10-08	*18.54*	*21.26*	*2.72*	*6.27*	*43.5*	*1038*	*<2*	*27*
PV10-09	8.45	36.40	27.95	0.41	3.2	422	<2	3
PV10-10	7.10	28.64	21.54	0.41	2.0	851	3	11
PV10-11	22.62	28.97	6.35	0.37	1.5	160	1	<5

10.2 NIC Zone

Five holes totalling 1,344 metres of NQ core were drilled by Spire on the NIC Zone in 2006, using a cat-supported drill operated by SCS Diamond Drilling of Merritt, BC. Rock alteration and quartz veining were generally weakly developed through the majority of the 2006 drill holes and the NIC appears to be a narrow, structurally-controlled epithermal vein system.

Hole NIC2006-1, oriented under the trenched quartz vein exposure, intersected a 0.6 m frothy quartz-pyrite vein (215.0-215.6m) flanked by a zone of moderately brecciated, silicified and pyritic andesite; together, they graded 3.19 g/t Au across 1.3 metres. Hole NIC2006-5, collared 100 metres to the north, did not intersect the vein, but intersected 4.69 metres of sporadic quartz stockwork with 665-1551 ppb Au, which could represent its northern continuation. The remaining holes encountered sporadic narrow (<1.0m) zones of anomalous Au to a maximum of 1.335 g/tonne Au (Thomson, 2007).

Table 6 summarizes significant results from the NIC Zone, using the same criteria as Tables 4 and 5 for the Discovery Zone.

Table 6: NIC Zone Intersections

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	As (ppm)	Mo (ppm)	Sb (ppm)
NIC-2006-01	*215.00*	*216.30*	*1.30*	*3.19*	*1.5*	*93*	*0*	*1*
NIC-2006-03	53.60	61.47	7.87	0.52	0.4	358	0	0

10.3 Northeast Extension Zone

In 2010, Altair drilled eight holes (722 metres) on the NE Extension Zone, to test recently discovered outcrops of quartz-carbonate stockwork with up to 4.53 g/tonne Au, about 1,200 metres northeast of the most northerly hole on the North Discovery Zone. Six of the eight holes were abandoned prematurely due to drilling difficulties. Only one hole (PV10-16) passed through the interpreted projection of mineralization from the surface outcrops, but did not intersect epithermal-textured veining. Hole PV10-13, the other completed hole, intersected 6 metres of Fe-carbonate-silica alteration with quartz-carbonate stockwork and breccia; the best sample assayed 0.27 g/tonne Au (Callahan and Gruenwald, 2011).

There were no intersections in the Northeast Extension Zone exceeding 5 metres above a 0.30 g/tonne Au cut-off, or exceeding 1 metre above a 3.0 g/tonne Au cut-off.

11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

Warner Gruenwald, who oversaw Altair's 2010 drill program, described the procedures for core handling, logging, sampling and shipping methods as follows:

> *Drill core was transported by truck/helicopter to a gated and secure facility in Merritt. The sequence of core treatment began by measuring core recovery between each "drill run" identified by wooden markers. Detailed core logging was conducted followed by sample marking. Cores were cut longitudinally using an electric diamond saw or hydraulic splitter with one half collected as a sample and the other returned to the core box for storage in core racks. Sampling was not done across geologic, veining or notable alteration contacts.*
>
> *Certified reference standards and blanks (barren granite) were introduced into the sample stream every 20th sample. Core samples were collected in labelled, plastic sample bags along with a sample tag and secured by tamper proof, single use plastic straps. Samples were further packaged in sealed poly sacks and shipped along with a submittal form to Assayers Canada Lab in Vancouver, BC. Upon delivery the company was notified of the number of samples received thus completing the chain of custody. At no point were Altair management involved in the handling or shipping of the samples to the laboratory.*

Core handling, logging, sampling and shipping methods were roughly similar for the 2006 and 2007 drill programs.

The 2006 core samples from the Prospect Valley property were analyzed by Acme Analytical Laboratories in Vancouver, BC, which was accredited to ISO 9001 standards. The relationship between Acme and Berkwood is strictly arms-length, limited to Acme's commercial supply of analytical services. All core samples were crushed to -10 mesh followed by pulverizing a 250-gram split to -150 mesh (95% passing). Pulps (30g) were fire assayed for Au with an ICP finish, and for 35 other elements by ICP-MS (Inductively Coupled Plasma-Mass Spectrometry) methods using an aqua regia digestion.

In 2007, core samples were analyzed by Eco Tech Laboratories of Kamloops BC. Its accreditation status in 2007 is unknown, but it achieved ISO 9001:2008 accreditation in June 2011. The relationship between Eco Tech and Berkwood is strictly arms-length, limited to Eco Tech's supply of commercial analytical services. Samples were dried and crushed to -10 mesh (70% passing) followed by ring pulverizing a 250-gram split to 150 mesh (95% passing). Pulps (30g) were fire-assayed for Au with an atomic absorption finish and analyzed for 28 elements by ICP-AES (Inductively Coupled Plasma-Atomic Emission Spectra) methods using an aqua regia digestion. “Metallic screen Au assays were completed on 7 samples from hole DDH 2006-22 with no good results” (Johnson and Jaramillo, 2008).

The 2010 core samples were analyzed by Assayers Canada (purchased by SGS Canada Inc. in July 2010) laboratory in Vancouver, BC. The relationship between Assayers/SGS and Berkwood is strictly arms-length, limited to their commercial supply of analytical services. The Assayers Canada facility was accredited to ISO9001:2008 standards. Samples were fire-assayed for Au with an atomic absorption finish and analyzed for 30 other elements by ICP-AES methods using an aqua regia digestion.

In 2006, 131 blanks were submitted in the core sample stream; all of them assayed <0.03 g/tonne Au, indicating no contamination in sample preparation or analysis. Three different standards were inserted into the sample stream, with 24-33 of each analyzed. The standards form tight analytical clusters, with the exception of one standard from hole RM2006-10. No explanation or re-analysis of samples were reported; if pulps are still available, reanalysis should be done of the samples around the failing standard. No core duplicates were analysed from the 2006 program.

In 2007, standards, blanks and duplicates (quarter-core) were submitted, with approximately 5% QA/QC samples. All blanks assayed <0.03 g/tonne Au, indicating an absence of contamination. Seven different standards were used; analytical values for each standard cluster tightly, with the exception of two samples where the wrong standard appears to have been submitted.

In 2010, standards, blanks and duplicates were submitted in the core sample stream. All blanks assayed <0.03 g/tonne Au, indicating no contamination in sample preparation or analysis. Seven different standards were used; analytical values for each standard cluster tightly. Eighteen core duplicates were submitted in 2010; results are consistent with a 60% precision in Au analyses between the two quarter-cores.

The author is satisfied on the adequacy of sample preparation, security and analytical procedures.

12.0 DATA VERIFICATION

Data verification measures undertaken by Awmack included:

1. Examination of core from drill holes PV10-08, 2007-01 and 2006-03, paying particular attention to styles of alteration and mineralization and their relation to reported grades for gold and other metals;
2. Collection of four rock samples from trenches 2007-02, -03, -04 and -05 to corroborate reported grades;
3. Location of drill hole collars in the field by GPS for holes PV10-01, -02 and -03;
4. Comparison of Au values in the drill database against three randomly-selected analytical certificates from each of the 2006, 2007 and 2010 drill programs on the Discovery Zone.
5. Re-calculation of weighted averages for drill holes.

The results of these data verification procedures carried out by Awmack were:

1. Descriptions of lithologies and alteration in the examined drill holes were found to be adequate. Higher than average reported Au grades coincided with above average veining, alteration and pyrite mineralization.
2. Results of the four rock samples taken by Awmack are presented in Table 7, along with reported results from initial trenching. The trenches remain accessible, but it was not possible to duplicate the previous trench sampling intervals due to sloughing. However, the results of Awmack’s sampling are of the same tenor as those previously reported and tend to corroborate them.

Table 7: Data Verification: Trench Re-Sampling

Author's Sampling					Reported Values[1]	
Sample	**Trench**	**Type**	**Length (m)**	**Au (g/t)**	**Length (m)**	**Au (g/t)**
20603	2007-05	Dump	N/A	0.658	16.45	0.85
20604	2007-02	Chip	2.10	1.209	32.50	0.82
20605	2007-04	Chip	1.47	0.399	35.30	0.82
20606	2007-03	Chip	3.00	0.611	20.00	0.94

[1](Johnson and Jaramillo, 2008)

3. Awmack's locations for the three drill collars are within 5 metres of the locations reported in the drill database. This lies within the limit of accuracy for the author's GPS.
4. No discrepancies were found in the comparison of gold analyses between drill database and analytical certificates in any of the three years.
5. Two errors (<1%) were noted in the 2006 drill database, where sample intervals overlapped and appear to have been erroneously recorded on the drill logs. Weighted averages were comparable to those which had been reported in annual assessment reports, although inclusion criteria were different.

The author believes the data to be adequate for the purposes of this technical report.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

No mineral processing or metallurgical testwork has been reported on samples from the Prospect Valley property.

14.0 MINERAL RESOURCE ESTIMATES

In the summer of 2011, Giroux Consultants Ltd. was retained by Altair to produce a resource estimate on the Prospect Valley Gold Property located in the Nicola Mining Division B.C. At the request of Mr. Brian Buchanan, President of Berkwood, this estimate has been reproduced in this report. This estimate is based on 45 drill holes completed between 2006 and 2010. The effective date for this Resource is June 30, 2011.

G. H. Giroux is the qualified person responsible for the resource estimate. Mr. Giroux is a qualified person by virtue of education, experience and membership in a professional association. He is independent of both the issuer and the vendor applying all of the tests in section 1.4 of National Instrument 43-101. Mr. Giroux has not visited the property.

14.1 Data Analysis

The data base provided by Altair consisted of 45 drill holes totalling 6,940 m containing 95 down hole surveys and 3,609 assays. Assays for gold, silver, arsenic and antimony reported as less than some detection limit were converted to ½ that detection limit. Au assays that were blank or zero were set to 0.001 g/t in 136 samples. Silver assays reported as blank were set to 0.05 g/t in 108 samples.

When loading the assay data a total of 279 gaps, in the from-to record, were found. Values of Au=0.001 g/t and Ag = 0.05 g/t were inserted to fill these gaps. Several errors in from-to intervals were discovered and corrected.

The grade statistics for all samples below overburden are tabulated below.

Table 8: Statistics for Gold Assays by Domain

	Au (g/t)	Ag (g/t)	As (ppm)	Sb (ppm)
Number of Assays	3,841	3,841	3,499	3,499
Mean Au g/t	0.286	1.37	164.5	7.8
Standard Deviation	0.714	2.76	282.9	12.2
Minimum Value	0.001	0.05	0.3	0.1
Maximum Value	22.20	46.50	3,397	180.0
Coefficient of Variation	2.50	2.02	1.72	1.56

The correlation between these variables is shown below.

	Au	Ag	As	Sb
Au	1.000			
Ag	0.880	1.000		
As	0.685	0.703	1.000	
Sb	0.170	0.147	0.283	1.000

There is an excellent correlation between Au-Ag and a reasonable one between Au-As.

The distribution of gold grades was examined using a lognormal cumulative frequency plot. A total of 6 overlapping lognormal populations were identified (see Figure 13 and Table 9). The first four (Populations 1 to 4) represent the stockwork, disseminated gold mineralization present in the fault hanging wall. Populations 5 and 6 represent low grade or background mineralization from the fault foot wall, overburden or post mineral dykes. A threshold to separate the mineralized samples from waste would be two standard deviations above the mean of population 5, a value of 0.04 g/t Au.

Table 9: Gold Distribution from all assays Prospect Valley

Population	Mean Au (g/t)	Percentage of Total Data	Number of Samples
1	13.06	0.14 %	5
2	3.47	0.66 %	26
3	1.33	6.86 %	267
4	0.21	47.62 %	1,851
5	0.02	26.22 %	1,019
6	0.003	18.50 %	719

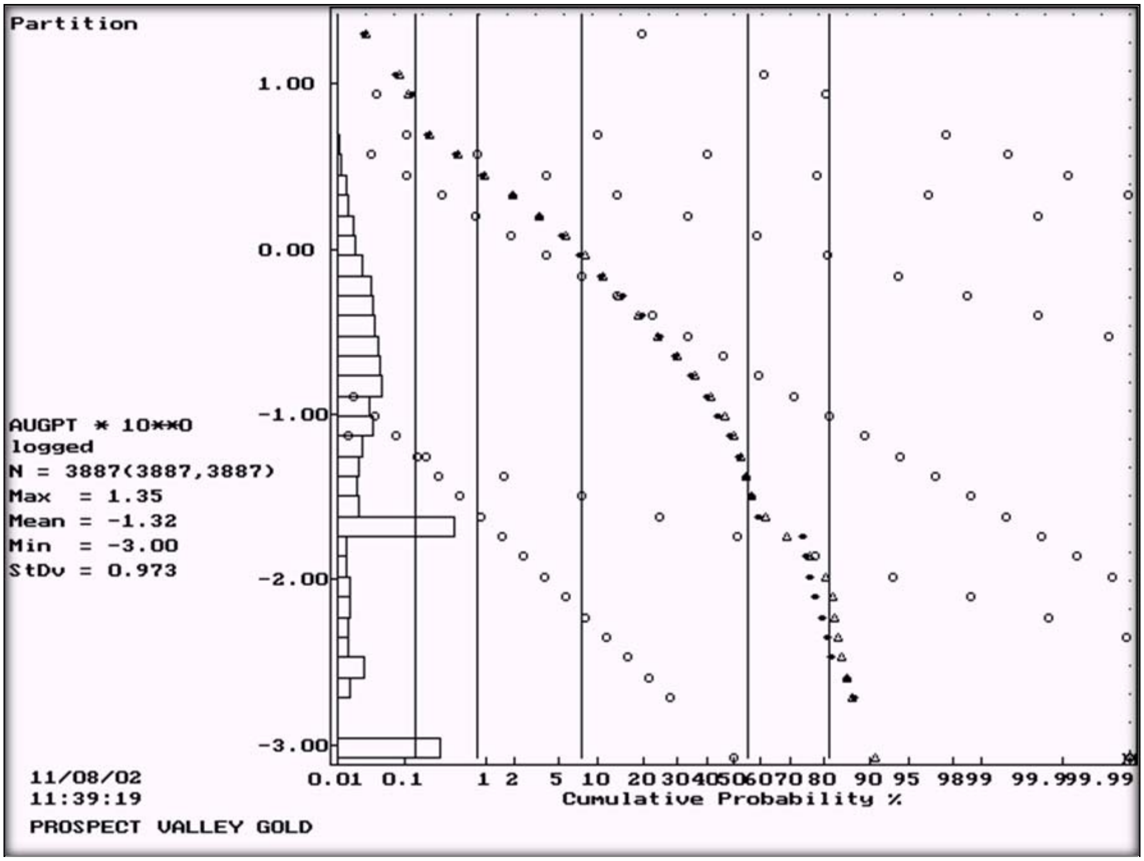


Figure 13: Lognormal Cumulative Frequency Plot for Gold in all samples

14.2 Geologic Model

Using a 0.04 g/t Au cut-off two 3 dimensional solids were built to constrain the North and South Discovery zones. Drill holes were then compared to these solids and individual assays were tagged if inside or outside the solids. The sample statistics are tabulated below. A list of Drill Holes is provided in Appendix B with the holes penetrating the two solids highlighted.

Table 10: Statistics for Gold Assays by Domain

	North Zone	South Zone	Waste
Number of Assays	1,769	1,235	837
Mean Au g/t	0.263	0.506	0.008
Standard Deviation	0.736	0.841	0.016
Minimum Value	0.001	0.001	0.001
Maximum Value	22.20	12.20	0.29
Coefficient of Variation	2.80	1.66	2.04

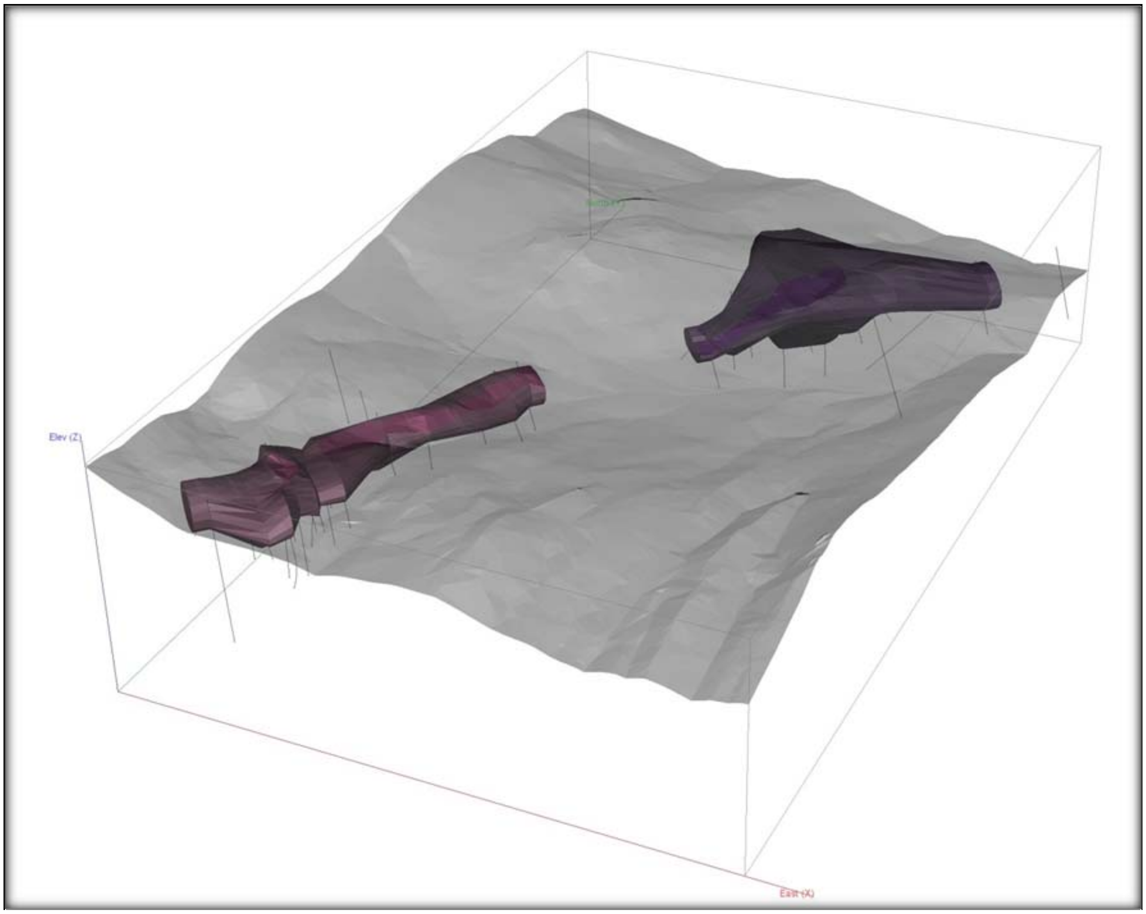


Figure 14: Isometric view looking NNW showing North and South Solids

To determine if capping was necessary and if so at what level, lognormal cumulative frequency plots were produced for gold in both the North and South Zones. In both domains the grade distribution was composed of multiple overlapping lognormal populations. The results are tabulated below.

Table 11: Gold Distribution for North Zone

Population	Mean Au (g/t)	Percentage of Total Data	Number of Samples
1	18.37	0.13 %	2
2	4.08	0.43 %	8
3	2.05	0.93 %	16
4	0.56	21.27 %	377
5	0.14	31.22 %	552
6	0.02	14.52 %	257
7	0.01	31.51 %	557

The distribution of gold grades in the North Zone shows 7 overlapping lognormal populations. Population 1 representing 0.13 % of the data with a mean of 18.37 g/t can be considered erratic high grade. A cap of 2 standard deviations above the mean of population 2 would cap 2 assays at 7.0 g/t.

Table 12: Gold Distribution for South Zone

Population	Mean Au (g/t)	Percentage of Total Data	Number of Samples
1	12.06	0.27 %	3
2	1.71	12.34 %	152
3	0.55	28.66 %	354
4	0.18	32.00 %	396
5	0.06	12.95 %	160
6	0.01	13.79 %	170

Within the South Zone the grade distribution for gold is made up of 6 overlapping lognormal populations. Population 1 representing 0.27 % of the total data at an average grade of 12.06 g/t Au can be considered erratic outliers. A cap at 2 standard deviations above the mean of population 2, a value of 4.3 g/t can be used to cap 5 assays.

The effects of capping are shown in Table 13 with the mean grade reduced slightly and the standard deviation and coefficient of correlation significantly lowered.

Table 13: Statistics for Gold Assays by Domain

	North Zone	South Zone
Number of Assays	1,769	1,235
Mean Au g/t	0.253	0.489
Standard Deviation	0.521	0.677
Minimum Value	0.001	0.001
Maximum Value	7.00	4.30
Coefficient of Variation	2.06	1.38

14.3 Composites

Drill holes were compared to the domain solids with the point each hole entered and left a solid recorded. Of the individual assay intervals within the mineralized solids, 95% were less than 2 m in length. Uniform 2.5 m composites were produced that honoured the solid boundaries. Short intervals at the boundary margins less than 1.25 m in length were combined with adjoining samples to produce a uniform support of 2.5 ± 1.25 m. The 2.5 m composite statistics are tabulated below.

Table 14: Statistics for 2.5 m Gold Composites by Domain

	North Zone	South Zone
Number of Assays	872	630
Mean Au g/t	0.186	0.425
Standard Deviation	0.327	0.515
Minimum Value	0.001	0.001
Maximum Value	4.22	3.97
Coefficient of Variation	1.76	1.21

14.4 Variography

Grade continuity for gold was examined using pairwise relative semivariograms within the combined North and South zone composites. The two domains were combined for variography since they lined up along the Early Fault Zone and Early Fault Zone Breccia. Semivariograms for gold were produced along a variety of horizontal directions with a geometric anisotropy shown and with Azimuth 45 showing the longest horizontal range. In the plane perpendicular to this direction the maximum range was along Azimuth 315 dipping -45 to the NW. Nested spherical models were fit to all directions with a common Nugget Effect (C_0), Short Range Structure (C_1) and Long Range Structure (C_2). The models are shown in Appendix C and the semivariogram parameters are tabulated below.

Table 15: Semivariogram Parameters for Gold in Mineralized Domains

Variable	Az / Dip	C_0	C_1	C_2	Short Range (m)	Long Range (m)
Au	045 / 0	0.10	0.50	0.37	10.0	60.0
	315 / -45	0.10	0.50	0.37	5.0	70.0
	135 / -45	0.10	0.50	0.37	15.0	50.0

14.5 Block Model

A block model with blocks 10 x 10 x 5 m in dimension was superimposed over the mineralized solids. For each block, the percentage below surface topography and the percentage within a mineralized solid, were recorded. The block model origin is shown below.

Lower Left Corner of Model		
Easting = 628450	Block Size = 10 m	105 Columns
Northing = 5552650	Block Size = 10 m	168 Rows
Top of Model		
Elevation = 1750	Block Size = 5 m	86 Levels
No Rotation.		

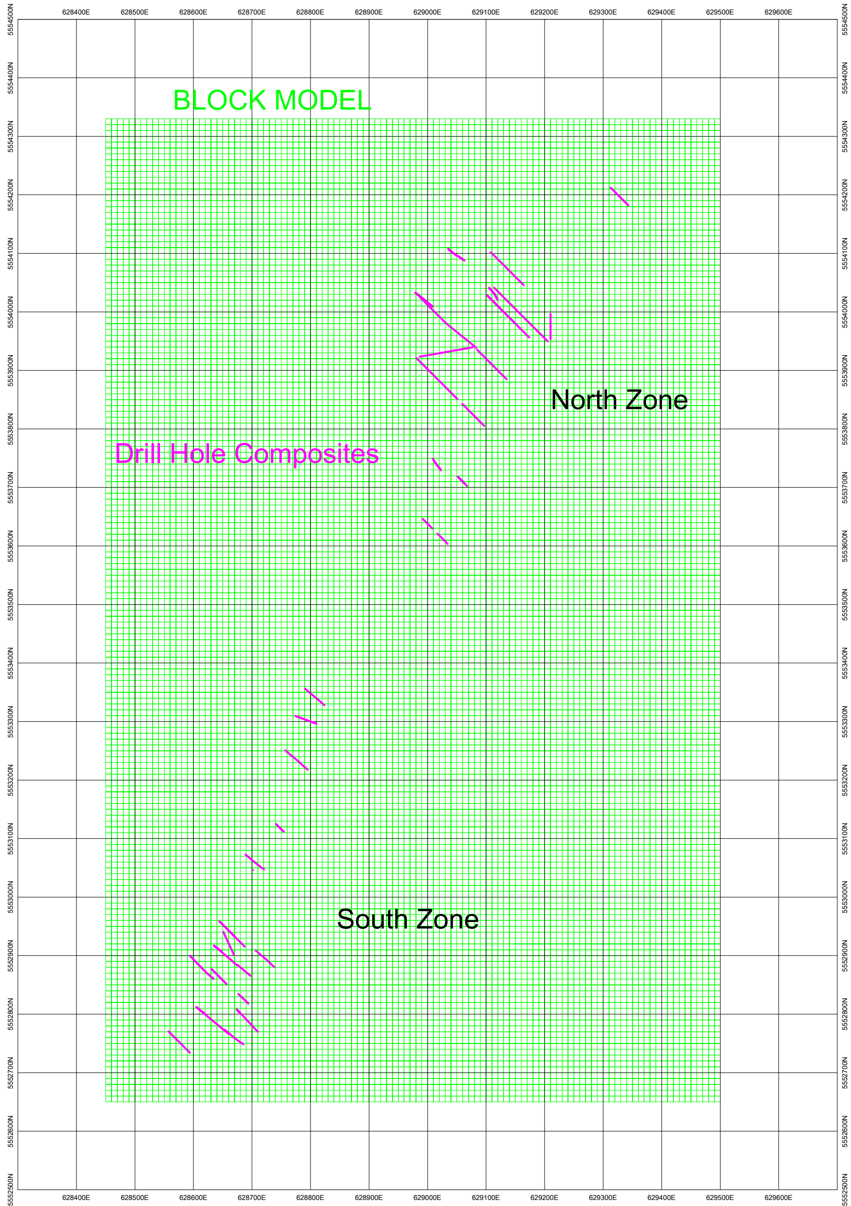


Figure 15: Plan view showing block model limits and drill hole composites

14.6 Bulk Density

A total of 24 pieces of drill core were selected by geologist Brian Callaghan and sent to Acme Labs for specific gravity determination. Acme coated the samples in wax and used the weight in air – weight in water approach to measure specific gravity. The Acme Certificate is appended to this report and the results are tabulated below sorted by gold grade. There appears to be no correlation between Au grade and SG. The samples range from a low of 2.33 to a high of 2.64 with a mean of 2.55. The average SG of 2.55 gm/cc was used to convert volume to tonnes.

Table 16: Acme Specific Gravity Determinations

Certificate	Sample #	DDH #	Depth (m)	Sample #	Gold g/t)	Specific Gravity	Domain
VAN11003802	C-01	2010-09	92.50	128966	0.003	2.54	FW Waste
VAN11003802	C-09	2010-11	58.00	129165	0.003	2.56	South
VAN11003802	C-02	2010-10	93.70	129118	0.005	2.36	FW Waste
VAN11003802	C-11	2007-04	26.50	5320	0.030	2.53	South
VAN11003802	C-22	2006-04	83.00	348154	0.090	2.64	North
VAN11003802	C-15	2010-03	54.65	128694	0.150	2.56	South
VAN11003802	C-14	2010-02	67.10	128626	0.178	2.52	South
VAN11003802	C-13	2010-01	33.85	128535	0.233	2.50	South
VAN11003802	C-17	2010-08	14.00	128835	0.284	2.59	South
VAN11003802	C-20	2010-10	56.70	129074	0.321	2.57	South
VAN11003802	C-10	2010-10	22.40	129045	0.413	2.58	South
VAN11003802	C-19	2010-11	47.50	129152	0.429	2.61	South
VAN11003802	C-07	2010-08	23.50	128843	0.463	2.62	South
VAN11003802	C-18	2010-09	20.50	128916	0.538	2.60	South
VAN11003802	C-08	2010-09	36.40	128929	0.549	2.61	South
VAN11003802	C-23	2006-21	72.60	426047	1.246	2.56	South
VAN11003802	C-04	2010-02	85.47	128648	1.480	2.60	South
VAN11003802	C-12	RM06-19	61.00	420913	1.602	2.42	South
VAN11003802	C-03	2010-01	6.90	128506	1.990	2.54	South
VAN11003802	C-16	2010-07	26.30	128760	2.230	2.59	South
VAN11003802	C-21	2006-04	94.50	348176	2.412	2.59	North
VAN11003802	C-06	2010-07	27.77	128761	2.640	2.60	South
VAN11003802	C-05	2010-03	73.00	129009	3.390	2.33	South
VAN11003802	C-24	2006-21	50.95	426026	9.541	2.47	South
				Average		**2.55**	

14.7 Grade Interpolation

Grades for gold were interpolated into blocks containing some percentage of North or South zone mineralized solids by ordinary kriging. For blocks in the North Zone only North Zone composites were used and likewise for blocks in the South Zone. The kriging exercise was completed in a series of 4 passes with the search ellipsoid for each pass a function of the semivariogram range. In Pass 1 a minimum of 4 composites were required within a search ellipsoid with dimensions equal to ¼ of the semivariogram range for Au. For blocks not estimated in Pass 1 a second pass was completed with search ellipsoid dimensions equal to ½ the semivariogram range. Again a minimum of 4 composites were required to estimate a block. A third pass at the full range and a fourth pass at twice the range completed the kriging. In all cases a maximum of 12 composites with a maximum of 3 from any one hole were allowed. If more than 12 composites were found in the search, the closest 12 were used. The kriging parameters are tabulated below along with the number of blocks estimated in each pass.

Table 17: Kriging Parameters for Prospect Valley Au

Domain	Pass	Number of Blocks Estimate	Az / Dip	Dist. (m)	Az / Dip	Dist. (m)	Az / Dip	Dist. (m)
NORTH	1	275	45 / 0	15.0	315/-45	17.5	135/-45	12.5
	2	2,116	45 / 0	30.0	315/-45	35.0	135/-45	25.0

Table 17: Kriging Parameters for Prospect Valley Au (continued)

Domain	Pass	Number of Blocks Estimate	Az / Dip	Dist. (m)	Az / Dip	Dist. (m)	Az / Dip	Dist. (m)
	3	11,743	45 / 0	60.0	315/-45	70.0	135/-45	50.0
	4	14,598	45 / 0	120.0	315/-45	140.0	135/-45	100.0
SOUTH	1	244	45 / 0	15.0	315/-45	17.5	135/-45	12.5
	2	2,189	45 / 0	30.0	315/-45	35.0	135/-45	25.0
	3	5,788	45 / 0	60.0	315/-45	70.0	135/-45	50.0
	4	3,246	45 / 0	120.0	315/-45	140.0	135/-45	100.0

14.8 Classification

Based on the study herein reported, delineated mineralization of the Prospect Valley Property is classified as a resource according to the following definition from National Instrument 43-101

> "*In this Instrument, the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Standards on Mineral Resources and Reserves Definitions and Guidelines adopted by CIM Council on August 20, 2000, as those definitions may be amended from time to time by the Canadian Institute of Mining, Metallurgy, and Petroleum."*

> *"A **Mineral Resource** is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge."*

The terms Measured, Indicated and Inferred are defined in NI 43-101 as follows:

> *"A **'Measured Mineral Resource**' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity."*

> *"An '**Indicated Mineral Resource**' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed."*

> *"An '**Inferred Mineral Resource**' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes."*

Geologic continuity is established by surface mapping and through the logging of drill core. This geologic continuity led to the interpretation of the North and South Zones in the hanging wall of the Early

Fault Zone. Grade continuity can be quantified by semivariograms. At this time the drill density is not sufficient to classify any material as measured or indicated. Within the North Zone 92% of blocks and within the South Zone 79% of blocks were estimated in Pass 3 or 4. Blocks estimated in all passes are classified as Inferred at this time. The Resource is tabulated below assuming one could mine to the limits of the mineralized solids. A possible open-pittable economic cut-off grade of 0.3 g/tonne Au has been highlighted, although no economic studies have been done to date.

Table 18: All Blocks - Inferred

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade > Cut-off Au (g/t)	Contained Ounces Au
0.20	17,643,000	0.398	226,000
0.30	10,077,000	0.511	166,000
0.40	5,926,000	0.628	120,000
0.50	3,768,000	0.733	89,000
0.60	2,458,000	0.832	66,000
0.70	1,632,000	0.927	49,000
0.80	1,079,000	1.020	35,000
0.90	709,000	1.109	25,000
1.00	458,000	1.198	18,000
1.10	312,000	1.271	13,000
1.20	185,000	1.356	8,100
1.30	103,000	1.445	4,800
1.40	47,000	1.570	2,400
1.50	27,000	1.658	1,400

These results can be subdivided into the North and South Zone Resource.

Table 19: North Zone - Inferred

Au Cut-off (g/t)	Tonnes> Cut-off (tonnes)	Grade > Cut-off Au (g/t)	Contained Ounces Au
0.20	8,842,279	0.330	94,000
0.30	3,955,976	0.433	55,000
0.40	1,834,288	0.538	32,000
0.50	856,224	0.648	18,000
0.60	390,109	0.772	10,000
0.70	218,817	0.873	6,000
0.80	107,586	1.005	3,000
0.90	59,943	1.132	2,000
1.00	35,718	1.269	1,500
1.10	28,050	1.331	1,200
1.20	19,125	1.414	900
1.30	11,475	1.533	600
1.40	6,375	1.693	300
1.50	6,375	1.693	300

Table 20: South Zone - Inferred

Au Cut-off (g/t)	Tonnes> Cut-off (tonnes)	Grade > Cut-off Au (g/t)	Contained Ounces Au
0.20	8,801,000	0.466	132,000
0.30	6,121,000	0.561	110,000
0.40	4,092,000	0.668	88,000
0.50	2,912,000	0.757	71,000
0.60	2,068,000	0.844	56,000
0.70	1,413,000	0.935	42,000
0.80	972,000	1.021	32,000
0.90	649,000	1.107	23,000
1.00	422,000	1.193	16,200
1.10	284,000	1.266	11,600
1.20	166,000	1.349	7,200
1.30	92,000	1.434	4,200
1.40	41,000	1.551	2,000
1.50	20,000	1.646	1,100

14.9 Model Verification

To check the model level plans were produced at various elevations through the two mineralized zones and estimated block grades were compared to drill hole composites grades to determine if the estimate was reasonable and non-biased. Level plans are shown as Figures 16-18 for the 1555, 1575 and 1595 Levels respectively.

Gold grades and composites are colour coded with composites shown from 10 m above and below the bench centroid. The kriged blocks match the composites well with no bias indicated.

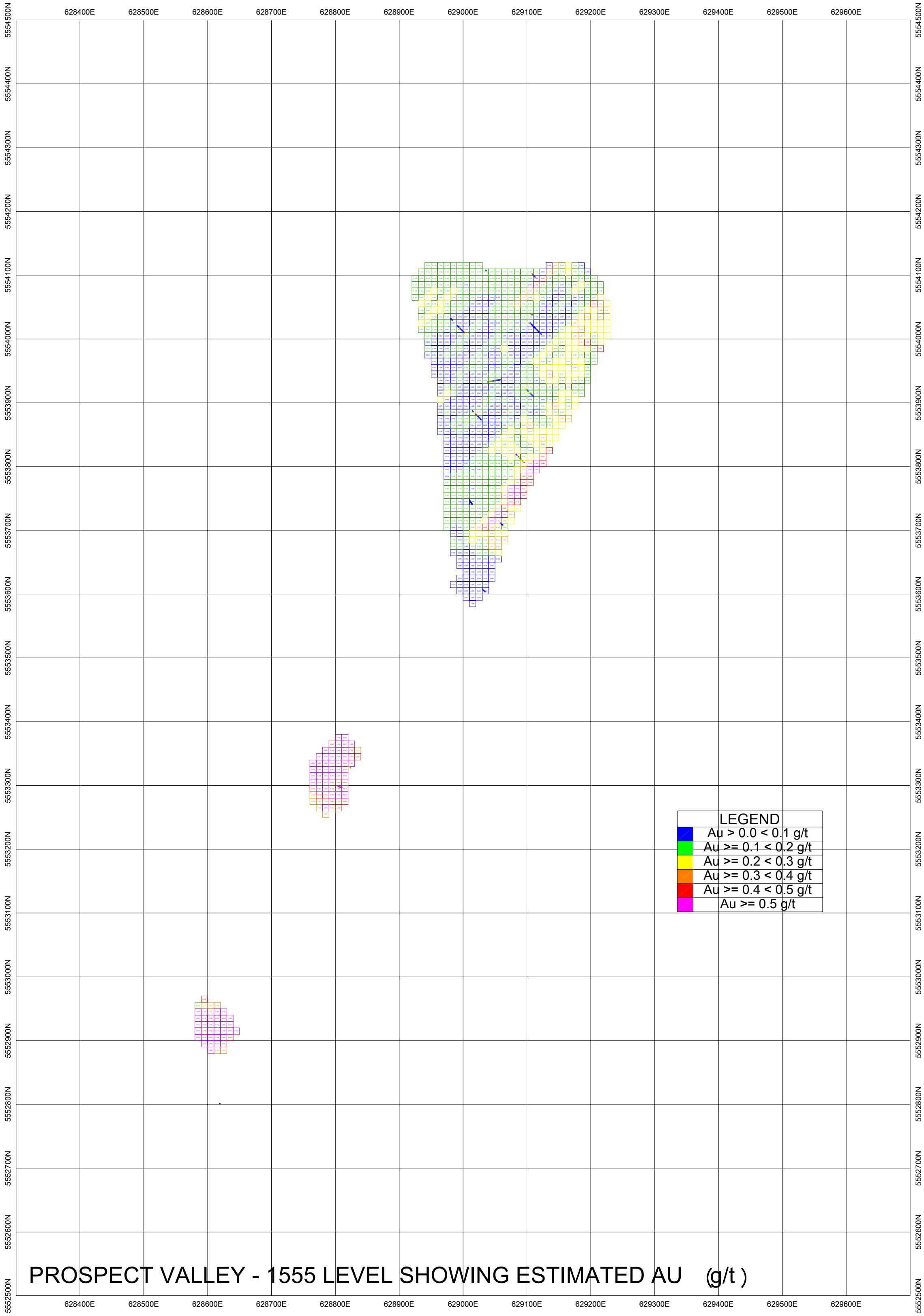


Figure 16: 1555 Level Showing Estimated Au (g/t)

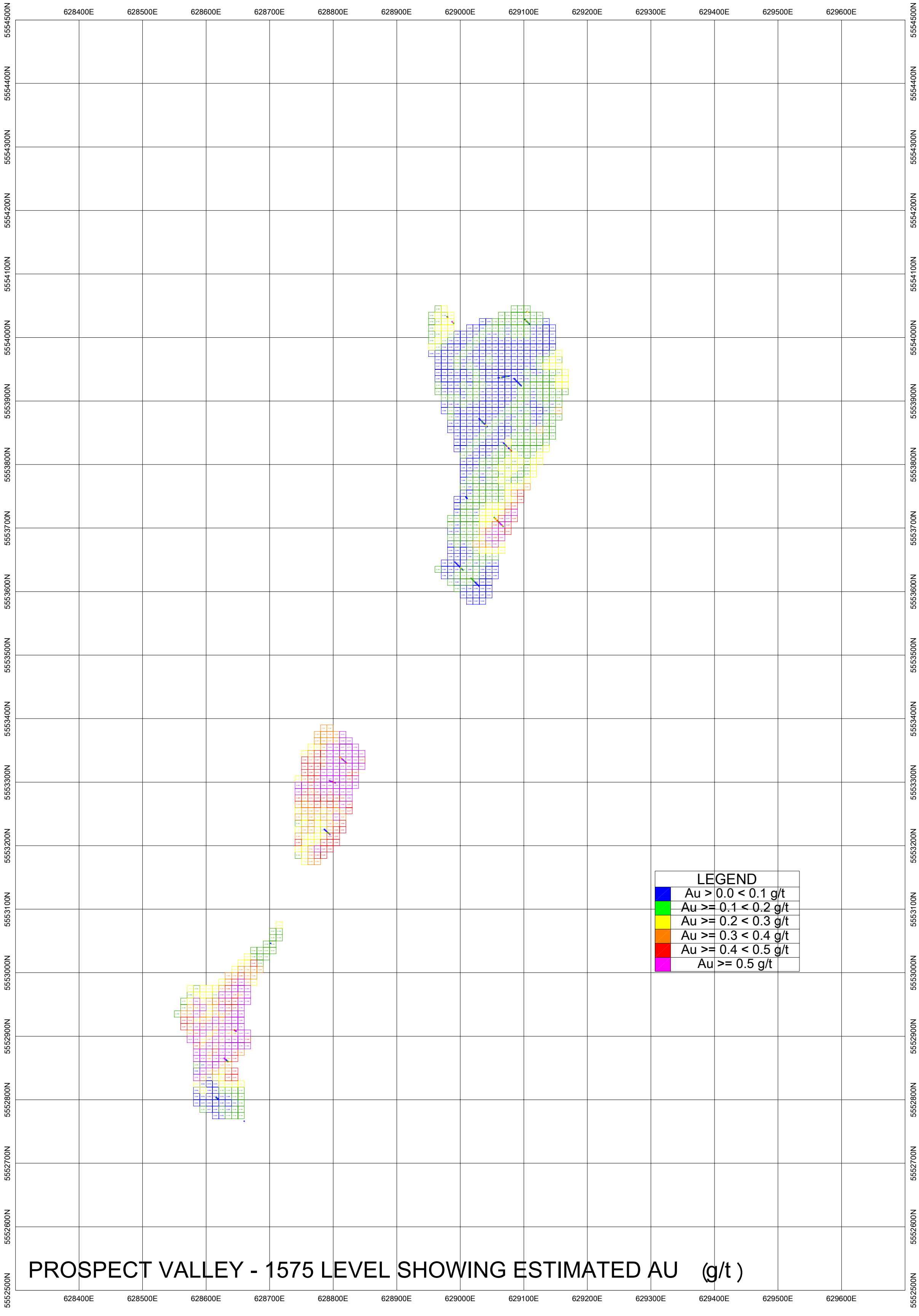


Figure 17: 1575 Level Showing Estimated Au (g/t)

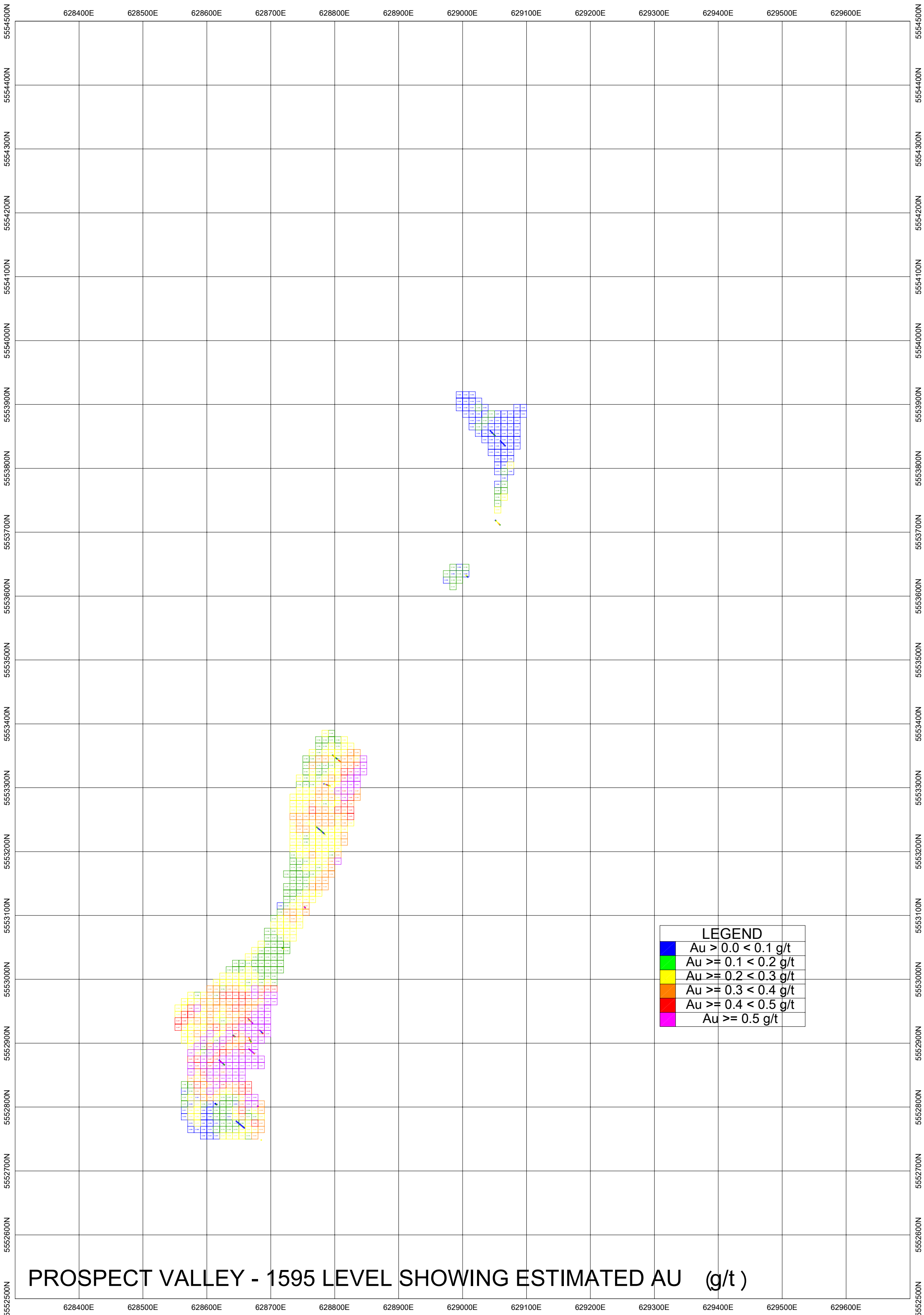


Figure 18: 1595 Level Showing Estimated Au (g/t)

15.0 ADJACENT PROPERTIES

No information on adjacent properties is necessary to make this technical report understandable and not misleading.

16.0 OTHER RELEVANT DATA AND INFORMATION

No other information or explanation is necessary to make this technical report understandable and not misleading.

17.0 INTERPRETATION AND CONCLUSIONS

The Prospect Valley hosts a low-grade gold resource in the Discovery Zone which could be amenable to open pit extraction in a favourable economic environment. The Discovery Zone is a low-sulphidation epithermal deposit controlled by a northerly-trending, moderately-dipping fault zone (EFZ) which has been partially tested by drilling over a strike length of 1,500 metres. Outcrops of gold-bearing epithermal veining are present a few hundred metres to the northeast of the North Discovery Zone in the Northeast Extension Zone, gold-bearing stream sediment samples were taken five kilometres north of the North Discovery Zone near the northern property boundary and gold-bearing quartz vein/breccia float has been discovered 3-4 kilometres to the south of the South Discovery Zone in the Bonanza Valley area. It seems quite possible that the fault/epithermal system which controls the Discovery Zone extends across the entire property from the Bonanza Valley target in the south to the stream sediment anomalies on the northern boundary, a distance of ten kilometres.

Exploration of much of the Prospect Valley property is hampered by limited outcrop exposure and glacial cover. However, it appears that basic property-wide exploration has been neglected. The Discovery Zone has been well mapped at a scale of 1:1,000 and is quite well understood. However, outside of the Discovery Zone, geological mapping has been limited to prospecting and reconnaissance mapping traverses, with no systematic data compilation. No records exist that indicate that the eastern third of the property has been covered by stream sediment sampling, although this technique led to the discovery of the Bonanza Valley target and the Discovery Zone. There is no record of any systematic investigation of the stream sediment anomalies on the northern and northwestern portions of the property or of the linear magnetic low targets produced by the airborne magnetic survey.

Mineralization in the Discovery Zone is well marked by several characteristics. Soil geochemistry (Au, As, Ag, Sb and Mo) works well where not masked by glacial overburden, and investigation of stream sediment anomalies led to its recognition in the first place. The zone follows a prominent magnetic (vertical gradient) low. It is indicated by a weak (3-8 mV/V) chargeability high and by a weak (200-1000 ohm-m) resistivity high. These characteristics should be used to search for more mineralization of a similar type along strike and elsewhere on the property, even where overburden does not allow direct prospecting.

The Discovery Zone itself shows good potential for expansion. The 350-metre gap in drilling between the North and South Discovery Zones appears to result from lower soil geochemical response in this area, which may reflect overburden depth rather than the lack of mineralization. The South Discovery Zone ends abruptly to the south at a transverse fault; it hasn't been determined whether the transverse fault offsets mineralization or was part of the structural regime which focused epithermal fluids on its north side, and hence truncates the zone. The Discovery Zone lies in the hanging wall of the EFZ, which dips at 30-45° to the west. Drilling down-dip along this structure only extends to a vertical depth of about 100 metres and the South Discovery Zone in particular remains open at depth. No study has been made of the economic parameters for development of the Discovery Zone, but it is not unreasonable to test the potential for open-pittable material to at least 300 metres vertical depth. More speculatively, it is possible that the epithermal fluids which migrated along the EFZ formed a narrower, higher-grade "feeder zone" at depth on the EFZ; drilling of the Discovery Zone's down-dip low-grade potential would test this hypothesis at the same time.

The Prospect Valley property hosts an inferred resource of 166,000 ounces in 10.1 million tonnes at a grade of 0.511 g/tonne Au, above a cut-off grade of 0.30 g/tonne Au. The low-grade nature of mineralization discovered to date will make it economically sensitive. There is insufficient information on some factors which could work against any future development of the Prospect Valley mineralization: (a) the metallurgical characteristics of the Discovery Zone mineralization are entirely unknown; (b) land claims have not yet been settled in this part of British Columbia; (c) drilling within the Discovery Zone is insufficient to calculate measured and indicated resources or reserves; and (d) no analysis has been done of its potential for economic extraction. However, there are a number of factors in its favour: (a) it is located 30 kilometres from paved highways, power and the supply centre of Merritt, in a region which has a long history of open pit mining and understands its benefits; (b) the Discovery Zone should have favourable stripping ratios, since the fault zone which controls it and forms its footwall dips at 30-45°; (c) there is good exploration potential for expanding the Discovery Zone along strike and at depth and of finding similar zones along strike and elsewhere on the property.

The author believes that further exploration of the Prospect Valley property is fully warranted.

18.0 RECOMMENDATIONS

18.1 Program

A comprehensive program of property-wide exploration and diamond drilling is recommended for the Prospect Valley property.

Stream sediment samples should be taken from the eastern third of the property at the same density as those previously taken from the rest. Soil samples should be taken along reconnaissance contour soil lines throughout the drainages which returned Au-bearing stream sediment samples in the northern and northwestern portions of the property.

The Discovery zone soil grid should be extended for three kilometres to the north-northeast, with samples taken at 25 metre intervals along lines spaced 100 metres apart. A pole-dipole IP survey should be run along these lines, with the same parameters as the 2006 survey. These surveys should be carried out once Tolko's haulage road has been completed, which should improve access and decrease costs substantially.

The entire Prospect Valley property should be mapped at a scale of 1:10,000. More detailed mapping and prospecting should be focused on the Bonanza Valley area, the NIC Zone, the areas of NNE-trending magnetic lows, the stream sediment anomalies in the northern and northwestern portions of the property and the corridors covering the northerly and southerly projected extensions of the major fault zone controlling the Discovery Zone. Prospecting should also focus on discovering sources for silt and soil geochemical anomalies from existing data and from new sampling.

A 6,000 metre diamond drill program is recommended. The majority of this (5,000 metres) will consist of fifteen to twenty 150-400 metre holes drilled to test the down-dip extent of the South Discovery Zone and the gap between the North and South Discovery zones. The remaining 1,000 metres will serve to test targets developed elsewhere on the property. Initial metallurgical testing of mineralization from the Discovery Zone should be done to determine its amenability for heap leaching and other types of mineral processing.

18.2 Budget

All figures are in Canadian dollars.

Personnel	$ 470,600
Camp and Support	432,127
Drilling (6,000m @ $110/m)	660,000
Aircraft	55,000

Metallurgy	10,000
Analyses	157,971
Report/Assessment Fees	50,000
	$ 1,835,698
Contingency	183,570
Project Supervision	206,541
	$ 2,225,809

The recommended program will cost approximately CDN $2.25 million to implement.

Respectfully submitted,

"signed and sealed"

____

Henry J. Awmack, P.Eng.
EQUITY EXPLORATION CONSULTANTS LTD.
Vancouver, British Columbia
January 11, 2012

"signed and sealed"

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Gary H. Giroux, M.A.Sc., P.Eng.
GIROUX CONSULTANTS LTD.

Appendix A: References

REFERENCES

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Appendix B: List of Drill Holes for Prospect Valley

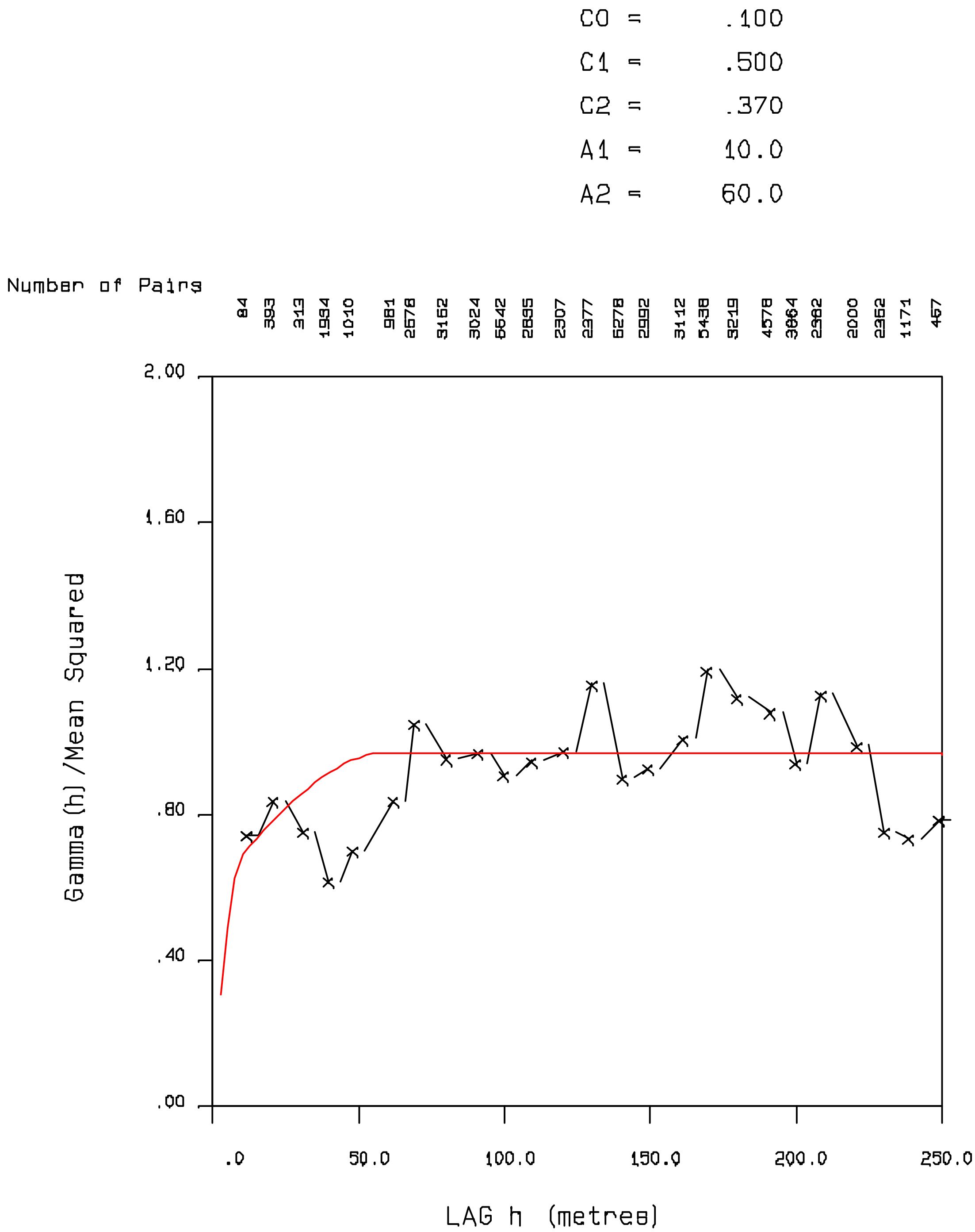
List of Drill Holes for Prospect Valley

Holes used in Estimate that penetrated the North and South Zones are highlighted.

Hole	Easting	Northing	Elevation	Hole Length (m)
DDH-2007-01	628673.00	5552809.00	1669.00	155.45
DDH-2007-02	628673.00	5552809.00	1669.00	149.35
DDH-2007-03	628675.00	5552836.00	1668.00	146.30
DDH-2007-04	628701.00	5552913.00	1667.00	109.73
DDH-2007-05	628590.00	5552904.00	1672.00	143.86
DDH-2007-06	629104.00	5554042.00	1583.00	168.49
DDH-2007-07	629003.00	5553758.00	1611.00	140.21
DDH-2007-08	629034.00	5554109.00	1564.00	283.00
DDH-2007-09	628978.00	5554034.00	1584.00	227.00
DDH-2007-10	628978.00	5554034.00	1584.00	300.00
DDH-2007-11	629412.00	5554415.00	1477.00	140.00
PV10-01	628673.00	5552886.00	1657.00	97.56
PV10-02	628634.00	5552918.00	1656.00	100.00
PV10-03	628634.00	5552918.00	1656.00	123.78
PV10-04	628685.00	5553076.00	1656.00	102.74
PV10-05	628642.00	5553102.00	1671.00	127.13
PV10-06	628542.00	5553177.00	1684.00	123.48
PV10-07	628604.00	5552813.00	1672.00	139.63
PV10-08	628604.00	5552813.00	1672.00	114.94
PV10-09	628649.00	5552777.00	1661.00	93.29
PV10-10	628753.00	5553254.00	1631.00	102.13
PV10-11	628786.00	5553360.00	1624.00	117.68
RM2006-01	629313.00	5553948.00	1540.00	350.20
RM2006-02	629105.00	5554105.00	1560.00	337.70
RM2006-03	629100.00	5554030.00	1580.00	175.30
RM2006-04	629100.00	5554030.00	1580.00	139.20
RM2006-05	629210.00	5553945.00	1550.00	194.50
RM2006-06	629210.00	5553945.00	1550.00	123.80
RM2006-07	629080.00	5553940.00	1590.00	129.50
RM2006-08	629080.00	5553940.00	1590.00	179.00
RM2006-09	629055.00	5553847.00	1605.00	126.20
RM2006-10	629055.00	5553847.00	1605.00	177.40
RM2006-11	629050.00	5553720.00	1600.00	51.20
RM2006-12	629050.00	5553720.00	1600.00	81.10
RM2006-13	629010.00	5553628.00	1595.00	98.50
RM2006-14	629010.00	5553628.00	1595.00	155.80
RM2006-15	628641.00	5552962.00	1665.00	114.60
RM2006-16	628641.00	5552962.00	1665.00	169.50
RM2006-17	628641.00	5552962.00	1665.00	171.60

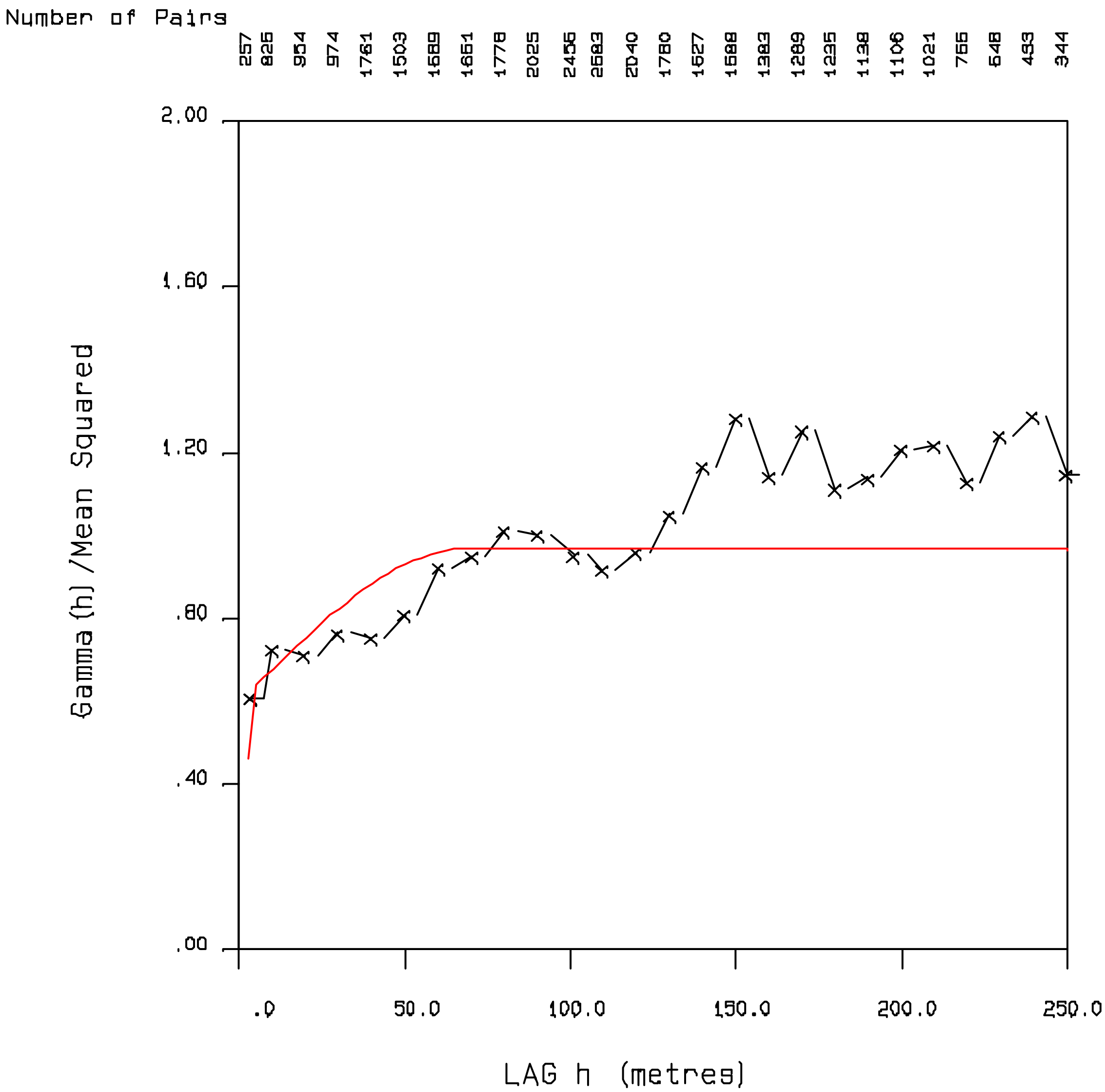
Hole	Easting	Northing	Elevation	Hole Length (m)
RM2006-18	628740.00	5553126.00	1655.00	102.10
RM2006-19	628770.00	5553311.00	1630.00	126.50
RM2006-20	629310.00	5554215.00	1520.00	139.00
RM2006-21	628628.00	5552880.00	1685.00	141.70
RM2006-22	628600.00	5552728.00	1675.00	213.40
RM2006-23	628600.00	5552728.00	1675.00	236.80
Total Length				**6940.35**

Appendix C: Semivariograms for Gold

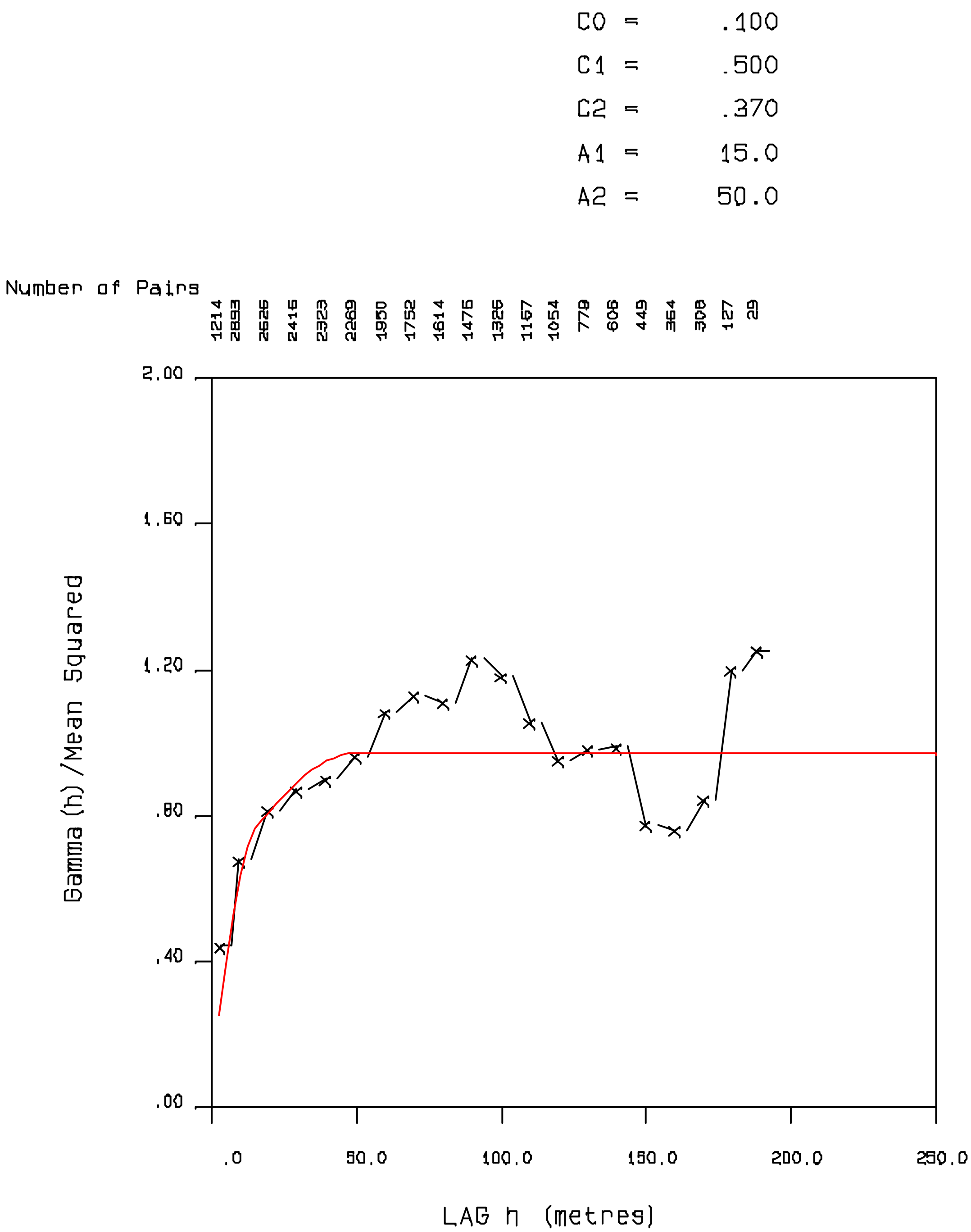


PROSPECT VALLEY AU – AZ 45 DIP 0

C0 = .100
C1 = .500
C2 = .370
A1 = 5.0
A2 = 70.0



PROSPECT VALLEY AU - AZ 315 DIP -45



PROSPECT VALLEY AU - AZ 135 DIP -45

Appendix D: Acme Specific Gravity Determination

AcmeLabs Acme Analytical Laboratories (Vancouver) Ltd.
1020 Cordova St. East Vancouver BC V6A 4A3 Canada

www.acmelab.com

Client: **Altair Ventures Inc.**
World Trade Cntre
404 - 999 Canada Place
Vancouver BC V6C 3E2 Canada

Submitted By: Fayyaz Alimohamed
Receiving Lab: Canada-Vancouver
Received: August 09, 2011
Report Date: August 16, 2011
Page: 1 of 2

CERTIFICATE OF ANALYSIS VAN11003802.1

CLIENT JOB INFORMATION

Project:	Prospect Valley
Shipment ID:	
P.O. Number	
Number of Samples:	24

SAMPLE DISPOSAL

RTRN-PLP Return

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Method Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
No Prep	24	Sorting of samples on arrival and labeling			VAN
Split Core	24	Core Chunk Split for SG or Specimin			VAN
G8SG	24	Specific Gravity on Waxed Core		Completed	VAN

ADDITIONAL COMMENTS

Invoice To: Altair Ventures Inc.
1220 - 800 W. Pender Street
Vancouver BC V6C 1K7
Canada

CC: Elaine Gruenwald
Warner Gruenwald
Bob Archer

AcmeLabs Acme Analytical Laboratories (Vancouver) Ltd.

1020 Cordova St. East Vancouver BC V6A 4A3 Canada
Phone (604) 253-3158 Fax (604) 253-1716
www.acmelab.com

Client: **Altair Ventures Inc.**
World Trade Cntre
404 - 999 Canada Place
Vancouver BC V6C 3E2 Canada

Project: Prospect Valley
Report Date: August 16, 2011

CERTIFICATE OF ANALYSIS VAN11003802.1

	Method	WGHT	G8SG
	Analyte	Wgt	SG
	Unit	kg	
	MDL	0.01	0
C-01	Drill Core	0.28	2.53906
C-02	Drill Core	0.37	2.35617
C-03	Drill Core	0.31	2.53658
C-04	Drill Core	0.39	2.59869
C-05	Drill Core	0.28	2.33377
C-06	Drill Core	0.29	2.60095
C-07	Drill Core	0.31	2.6155
C-08	Drill Core	0.29	2.61224
C-09	Drill Core	0.30	2.56348
C-10	Drill Core	0.56	2.57727
C-11	Drill Core	0.41	2.52774
C-12	Drill Core	0.29	2.42428
C-13	Drill Core	0.41	2.4997
C-14	Drill Core	0.32	2.52372
C-15	Drill Core	0.49	2.55845
C-16	Drill Core	0.37	2.58874
C-17	Drill Core	0.32	2.58865
C-18	Drill Core	0.42	2.59944
C-19	Drill Core	0.32	2.61494
C-20	Drill Core	0.38	2.5744
C-21	Drill Core	0.26	2.59455
C-22	Drill Core	0.25	2.63756
C-23	Drill Core	0.28	2.55829
C-24	Drill Core	0.21	2.47117

Acme Analytical Laboratories (Vancouver) Ltd.
1020 Cordova St. East Vancouver BC V6A 4A3 Canada
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www.acmelab.com

Client: **Altair Ventures Inc.**
World Trade Cntre
404 - 999 Canada Place
Vancouver BC V6C 3E2 Canada

Project: Prospect Valley
Report Date: August 16, 2011

QUALITY CONTROL REPORT VAN11003802.1

	Method	**G8SG**
	Analyte	**SG**
	Unit	
	MDL	**0**
Reference Materials		
STD MARBLE	Standard	2.70161
STD MARBLE Expected		2.7

Appendix E: Qualified Person Certificates

QUALIFIED PERSON'S CERTIFICATE

I, Henry Awmack, P.Eng., do hereby certify:

THAT I am a Professional Engineer with offices at 200-900 West Hastings Street and residing at 1735 Larch Street, Vancouver, British Columbia, Canada.

THAT I am co-author of the Technical Report entitled “2012 N.I. 43-101 Report on the Prospect Valley Project” and with effective date of January 11, 2012, relating to the Prospect Valley property (the “Technical Report”).

THAT I am responsible for all sections of the Technical Report with the exception of Section 14.0 (Mineral Resource and Mineral Reserve Estimates).

THAT I am a member in good standing (#15,709) of the Association of Professional Engineers and Geoscientists of British Columbia and a Fellow of the Society of Economic Geologists.

THAT I graduated from the University of British Columbia with a Bachelor of Applied Science (Honours) degree in geological engineering (Mineral Exploration Option) in 1982, and I have practiced my profession continuously since 1982.

THAT since 1982, I have been involved in mineral exploration for gold, silver, copper, lead, zinc, cobalt, nickel and tin in Canada, Costa Rica, Panama, Chile, Argentina, Brazil, Peru, Ecuador, Venezuela, Nicaragua, Bolivia, Mexico, Indonesia, China, Sénégal and Egypt.

THAT I am a Consulting Geological Engineer and principal of Equity Exploration Consultants Ltd., a geological consulting and contracting firm, and have been so since February 1987.

THAT I have read the definition of “independence” set out in Part 1.5 of National Instrument 43-101 (“NI 43-101”) and certify that I am independent of Berkwood Resources Ltd.

THAT I examined the property which is the subject of the Technical Report in the field on July 7, 2011. I examined that property previously on July 8, 2009, but have otherwise had no prior involvement with that property.

THAT I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

THAT as of the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

THAT I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form. I am responsible for the entire content of this report.

Dated at Vancouver, British Columbia, with effective date of January 11, 2012

“signed and sealed”

____

Henry J. Awmack, P. Eng.

QUALIFIED PERSON'S CERTIFICATE: G. H. GIROUX

I, G. H. Giroux, of 982 Broadview Drive, North Vancouver, British Columbia, do hereby certify that:

1) I am a consulting geological engineer with an office at #1215 - 675 West Hastings Street, Vancouver, British Columbia.

2) I am a graduate of the University of British Columbia in 1970 with a B.A. Sc. and in 1984 with a M.A. Sc., both in Geological Engineering.

3) I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia.

4) I have practiced my profession continuously since 1970. I have had over 30 years of experience calculating mineral resources. I have previously completed resource estimations on a wide variety of precious metal deposits both in B.C. and around the world, including La Colorada, La Jojoba and Livia de Oro, La India and Kisladag.

5) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by reason of education, experience, independence and affiliation with a professional association, I meet the requirements of an Independent Qualified Person as defined in National Instrument 43-101.

6) This report titled "**2012 N.I. 43-101 Report on the Prospect Valley Project**" and dated January 11, 2012 is based on a study of the data and literature available on the Prospect Valley Project. I am responsible for the Resource Estimation summarized in Section 14, which is based on drill data to June 30, 2011. To my knowledge no additional drilling has been completed since this estimate and therefore the results are still current and relevant

7) I have no interest in this property and have had no prior involvement with it. I have not visited the property.

8) I am not aware of any material fact or material change with respect to the subject matter of the technical report that is not reflected in the Technical Report.

9) I am independent of the issuer and of the property vendor, applying all of the tests in section 1.5 of National Instrument 43-101.

10) I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

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

Dated this 11th day of January, 2012

"signed and sealed"

G. H. Giroux, P.Eng, M.A.Sc.