TECHNICAL REPORT
AND
RESOURCE ESTIMATE
ON THE
PUFFY LAKE GOLD PROPERTY
MAVERICK GOLD PROJECT
SHERRIDON AREA, MANITOBA
CANADA

Located at
55° 01' 56" North latitude; 100° 58' 54" West longitude

PREPARED FOR:
AURIGA GOLD CORP.

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NI-43-101F1
TECHNICAL REPORT No. 223

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Effective Date: August 4, 2011
Signing Date: September 16, 2011
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1.0 SUMMARY

The following report was prepared to provide a NI 43-101 compliant Technical Report and Resource Estimate of the gold and copper mineralization contained in the Puffy Lake Gold Property located in Sherridon area of Manitoba, Canada. Auriga Gold Corp. (“Auriga Gold”) is the owner of 100% interest in the property.

This report was prepared by P&E Mining Consultants Inc. (“P&E”) at the request of Dr. Richard Sutcliffe, President and CEO of Auriga Gold, a public, Toronto-based resource company.

The Resource Estimate has been prepared in compliance with National Instrument 43-101 which requires that all estimates be prepared in accordance with the “CIM Definition Standards on Mineral Resources and Mineral Reserves” in effect as of the effective date of the report.

1.1 PROJECT DESCRIPTION

The Puffy Lake Gold Property consists of 8 staked claims and 1 leased claim which constitute a 1,977 hectare contiguous claim block that was acquired from Pioneer Metals ULC (“Pioneer”), a wholly owned subsidiary of Barrick Gold Corporation (“Barrick”). This is part of a larger contiguous land position owned by Auriga Gold that covers 6,640 hectares and includes 12 claims staked by Auriga Gold in 2011 (2,640 hectares) and 39 claims (2,023 hectares) that form the Nokomis Property that is a joint venture with Claude Resources Inc. (“Claude”).

1.2 PROJECT LOCATION, ACCESS & SETTING

The Puffy Lake Gold Property is located approximately 60 km northeast of the town of Flin Flon, Manitoba and 12 kilometres southeast of the community of Sherridon. It is centred at 55° 01’ 56” North latitude; 100° 58’ 54” West longitude.

Access to the Property is by a nine kilometre long gravel mine access road that extends east from kilometre 66 on the all season gravel road that connects the town of Sherridon to Provincial Highway 10. In addition, charter float planes and helicopters are available at the Flin Flon airport.

The town of Sherridon is located on the Keewatin Railway Company rail line and is about 110 rail kilometres from Flin Flon. The rail line passes 6 km west of the Property.

The Property is situated in terrain typical of the Canadian Shield with limited relief. Higher ridges expose extensive outcrop and are interspersed with laws and low-lying swampy areas. The elevations on the property range from 350 metres above sea level at the mill site to 340 metres at Puffy Lake.

1.3 MINERAL CONCESSION STATUS

Auriga Gold owns 8 staked claims which presently require an annual expenditure of $39,975. The transfer of 1 leased claim to Auriga Gold was confirmed in a letter dated October 29, 2010. The Puffy Lake Gold Property covers an area of 1,977 hectares.
1.4 LAND OWNERSHIP

Auriga Gold is the owner of 100% interest in the Puffy Lake Property, subject to royalties described in section 4.3.

1.5 GEOLOGY & MINERALIZATION

The following geological description of the Puffy Lake Gold Property draws heavily from material contained in Zwanzig and Bailes (2010).

The Puffy Lake Gold Property is located at the boundary of the Kiskeynew Domain and the Flin Flon Domain of the Paleoproterozoic (Precambrian) Trans Hudson Orogen. Lithologies in the area have been metamorphosed to middle and upper amphibolite facies. The metamorphic grade increases northward in the region.

The Flin Flon Domain forms a generally east trending 230 km by 80 km belt of complexly folded and metamorphosed volcanic, sedimentary and intrusive rocks. The belt is bounded by the Kiskeynew Domain to the north, Paleozoic cover rocks to the south, Archean rocks of the Superior Province to the east and by the Tabbernor fault and granitic rocks of the Glennie domain, Saskatchewan to the west.

The area around the Puffy Lake Mine Deposit is underlain by a sequence consisting of the Amisk (Flin Flon arc assemblage), Burntwood and Missi Groups and intrusive (gneissose) granitoid phases of the Sherridon-Hutchinson Lake Complex. The rocks have all been metamorphosed to upper amphibolite grade.

- Amisk Group (Flin Flon arc assemblage): This group is composed of a thick sequence of volcanic strata ranging from basalt to rhyolite, with intercalated volcaniclastic sediments. Amisk volcanism in the Flin Flon arc began with widespread extrusions of thick sequences of mafic flows, commonly pillowed and includes agglomerates, tuffs and ash deposits.
- The Burntwood Group: This group is generally comprised of graphitic greywacke-mudstone and garnet- biotite gneiss and locally amphibole-bearing metagreywacke derived from it. Zwanzig (1999) interpreted the Burntwood Group to be the distal facies of the Missi Group.
- The Missi Group: This group unconformably overlies the Amisk volcanic rocks and includes basal conglomerate (on the Amisk rocks), conglomerate, sandstone, and other related sediments.

The known mineralization at the Puffy Lake Deposit consists of five parallel gold-bearing veins that strike southeast and dip 30 degrees northeast. The zones are designated from top to bottom, as the Sherridon, Upper, Main, Lower and Lower 2 zones. The veins are hosted primarily by mafic amphibolites that are considered to be part of the Amisk Group and by metasedimentary gneisses of the Missi Group.

1.6 EXPLORATION STATUS

Auriga Gold has been conducting diamond drilling on the property since December 2010. At the time of the report Auriga Gold was conducting a drill program on the Puffy Lake Gold Property to expand the quantity and quality of near surface gold resources.
1.7 PAST OPERATIONS

Mining and processing of mineralized material was previously carried out by Pioneer Metals Corporation between December 1987 and March 1989. The mine operated as a ramp access, conventional room and pillar mine. The ramp was developed to a depth of 130 meters. The flotation concentrator was designed to process 1,000 ton of mineralized material per day for 355 days per year, giving an annual mill throughput of 355,000 tons. The plant operated nominally on a 24 hours per day, 7 days a week schedule.

1.8 MINERAL RESOURCES

In August of 2011, P&E prepared a mineral resource estimate based on over 496 drill holes, a combination of historical drill holes and 41 holes drilled by Auriga Gold since December 2010. The mineral resource estimate for the Puffy Lake Mine is reported at a cut-off grade of 0.6 g/t Au for the open pit and a cut-off grade of 2.5 g/t Au for the underground portion of the deposit (Table 1.1)

<table>
<thead>
<tr>
<th>Source</th>
<th>Class</th>
<th>Tonnes</th>
<th>Au g/t</th>
<th>Au ounces</th>
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<tr>
<td>In Pit</td>
<td>Indicated</td>
<td>242,000</td>
<td>4.16</td>
<td>32,000</td>
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<tr>
<td></td>
<td>Inferred</td>
<td>78,000</td>
<td>3.81</td>
<td>10,000</td>
</tr>
<tr>
<td>Underground</td>
<td>Indicated</td>
<td>702,000</td>
<td>6.29</td>
<td>142,000</td>
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<tr>
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<td>Inferred</td>
<td>3,018,000</td>
<td>5.65</td>
<td>548,000</td>
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<tr>
<td>Total</td>
<td>Indicated</td>
<td>944,000</td>
<td>5.73</td>
<td>174,000</td>
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<tr>
<td></td>
<td>Inferred</td>
<td>3,096,000</td>
<td>5.61</td>
<td>558,000</td>
</tr>
</tbody>
</table>

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(3) Mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(4) Grade capping of 30 g/t was utilized on composites.

(5) A bulk density of 2.72 t/m$^3$ was used for all tonnage calculations.

(6) Open pit resources were reported within an optimized pit shell.

(7) A gold price of US$1,231/oz and an exchange rate of US$0.97US=C$1.00 was utilized in the Au cut-off grade calculations of 0.6 g/t open pit and 2.5 g/t underground. Open pit mining costs were C$3.75/t for mineralized material and C$3.00/t for waste rock while underground mining costs were C$75/t. Process costs were C$17/t and G&A was C$6/t. Process recovery used was 95%.

1.9 CONCLUSIONS & RECOMMENDATIONS

During the preparation of the current Mineral Resource estimate, it became evident that a significant proportion of the mineralization is within 60 meters of surface and may be amenable...
to open-pit mining. An additional drilling program is recommended to further delineate the extent of potentially economic near-surface gold mineralization at the Puffy Lake Gold Property. In addition, a program of in-fill diamond drilling to upgrade Inferred Resources to the Indicated category or better was recommended prior to advancing underground development. In addition, a program of step-out exploration diamond drilling was recommended to seek to expand the known resource and test other sub-parallel targets.

The work program recommended below commenced in August of 2011.

<table>
<thead>
<tr>
<th>TABLE 26.1</th>
<th>RECOMMENDED WORK PROGRAM</th>
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<tbody>
<tr>
<td>ACTIVITY</td>
<td>BUDGET</td>
</tr>
<tr>
<td>Upgrade Access Road and Site Infrastructure</td>
<td>$80,000</td>
</tr>
<tr>
<td>Complete LIDAR Survey Including Colour Air Photography</td>
<td>$60,000</td>
</tr>
<tr>
<td>Upgrade and Further Delineate Potential Open Pit Resources 25-30 holes</td>
<td>$190,000</td>
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<tr>
<td>Upgrade and Further Delineate Shallow Underground Resources 20-25 holes</td>
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<tr>
<td>Step out Exploration Holes to Expand Known Resource 8-10 holes</td>
<td>$200,000</td>
</tr>
<tr>
<td>Commence Environmental Baseline Studies</td>
<td>$200,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>$1,180,000</strong></td>
</tr>
</tbody>
</table>
2.0 INTRODUCTION

2.1 TERMS OF REFERENCE

The following report was prepared to provide an NI-43-101 compliant Technical Report and updated Mineral Resource Estimate regarding the gold mineralization contained in the Puffy Lake Gold property (the “Property”).

This report was prepared by P&E Mining Consultants Inc., (“P&E”) at the request of Dr. Richard Sutcliffe, President and CEO of Auriga Gold. Auriga Gold is a publically traded corporation listed on the TSX-V exchange under the symbol “AIA”. The Company has its corporate offices at:

Auriga Gold Corp.
Suite 1300, 8 King Street East,
Toronto, Ontario, Canada M5C 1B5

This report has an effective date of August 4, 2011.

Mr. Eugene Puritch, P.Eng., a qualified person under the regulations of NI 43-101, conducted a site visit on May 30-31, 2011. An independent verification sampling program was conducted at this time.

Since 2006, the property has remained under care and maintenance and remains secure with a locked access gate and regular site inspections by a watchman.

The present Technical Report is prepared in accordance with the requirements of National Instrument 43-101 (“NI 43-101”) and form NI 43-101F1 of the Ontario Securities Commission (“OSC”) and the Canadian Securities Administrators (“CSA”) in force as of the effective date of this report. The mineral resources in the estimate are considered compliant with the current Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions as adopted by council.

The purpose of the current report is to provide an independent, NI 43-101 compliant, Technical Report and Resource Estimate of the Puffy Lake deposit. P&E understands that this report will be used for both internal decision making purposes and may be filed as required under TSX-V regulations in support of public equity financings.

2.2 SOURCES OF INFORMATION

This report is based, in part, on internal company technical reports, and maps, published government reports, company letters and memoranda, and public information as listed in the "References" section of this report. Several sections from reports authored by other consultants may have been directly quoted in this report, and are so indicated in the appropriate sections.

2.3 UNITS AND CURRENCY

Units of measurement used in this report conform to the SI (metric) system. Gold and silver assay values are reported in grams per tonne (“g /t”) unless ounces per ton (“oz /T”) are
specifically stated. Base metal assay values are given in percent (“%”) or in parts per million (“ppm”).

All currency in this report in Canadian dollars (C$) unless otherwise noted. As of the effective date of this report the exchange rate between the US and Canadian Dollars was 1 US$ = 0.98 C$.

2.4 GLOSSARY AND ABBREVIATION OF TERMS

In this document, unless the context otherwise requires, the following terms have the meanings set forth below.

Standard Units and Abbreviations

°F degree Fahrenheit
°C degree Celsius
Amp ampere
A annum
Ag Silver
Au gold
C$ Canadian dollars
Cal calorie
cfm cubic metre per minute
cm² square centimetre
Company Auriga Gold Corp.
d day
dia diameter
ft foot
ft² square foot
ft³ cubic foot
g gram
g/L gram per litre
g/t gram per tonne
gpm Imperial gallons per minute
Gal Imperial gallon
stpa short ton per year
hr hour
ha hectare
in inch
in² square inch
kg kilogram
km kilometre
km² square kilometre
km/h kilometre per hour
L litre
L/s litres per second
M mega (million)
m² square metre
m³ cubic metre
min minute
mm millimetre
3.0 RELIANCE ON OTHER EXPERTS

The authors wish to emphasize that they are Qualified Persons only in respect of the areas in this report identified in their certificates of Qualified Persons submitted with this report. The authors have relied, and believe that they have a reasonable basis to rely upon, Aikens, MacAulay & Thorvaldson LLP, with offices as noted below, for legal tenure documents as outlined in a letter dated October 29, 2010 as supplied to P&E by Auriga Gold. P&E has also relied upon tenure data effective as of 07/08/2011 that is publically available from the Manitoba Ministry of Innovation, Energy and Mines, Mines Branch, Unit 360, 1395 Ellice Avenue, Winnipeg, Manitoba R3G 3P2 or on their website www.gov.mb.ca/stem/mrd. Copies of government tenure documents were also supplied to P&E by Auriga Gold.

Aikens, MacAulay & Thorvaldson LLP
30th Floor Commodity Exchange Tower
360 Main Street
Winnipeg MB R3C 4G 1

Although copies of the licences, permits and work contracts were reviewed, P&E has not verified the legality of any underlying agreement(s) that may exist concerning the licences or other agreement(s) between third parties.

A draft copy of the report has been reviewed for factual errors by Auriga Gold. Any changes made as a result of these reviews did not involve any alteration to the conclusions made. Hence, the statement and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this report.
4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 PROJECT LOCATION

The Puffy Lake Gold Property is located in north-western Manitoba approximately 60 kilometres northeast of Flin Flon, Manitoba and approximately 12 kilometres southeast of the community of Sherridon.

The property is situated at, 55° 01’ 56” North latitude; 100° 58’ 54” West longitude

4.2 PROPERTY DESCRIPTION AND MINERAL CONCESSION STATUS

<table>
<thead>
<tr>
<th>Name</th>
<th>Number</th>
<th>Owner</th>
<th>Recorded Date</th>
<th>Expiry Date</th>
<th>Size (Ha)</th>
<th>Group</th>
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<td>239</td>
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<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,977</td>
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</table>

As shown in Table 4.1 and in Figure 4.1 the Puffy Lake property contains eight (8) staked claims covering an area of 1,599 hectares on which an annual expenditure of $39,975 is required. In addition, the Property contains one (1) mining lease covering an area of 378 hectares which requires an annual lease payment of $3,969.

In a letter from the Manitoba Mines Branch to the law firm of Aikens, MacAulay & Thorvaldson LLP of Winnipeg, Manitoba dated October 29, 2010 the government confirmed that the transfer of Lease No. 065 from Pioneer Metals Unlimited Liability Company to Auriga Gold Corp. was completed and registered in the Winnipeg Recording Office under Document No. 17465 on October 14, 2010.

Lease No. 065 was surveyed by Bastin & Shepherd, Manitoba Land Surveyors of Winnipeg, Manitoba. The survey took place during the period September 1 to 24, 1987. The eight mining claims have not been surveyed and the surface rights for all eight claims are owned by the Crown.
4.2.1 Permits

As of the date of this report the following valid permits and licences, are in good standing as shown in Table 4.2.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number</th>
<th>Owner</th>
<th>Recorded Date</th>
<th>Expiry Date</th>
<th>Size (Ha)</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>STU 8</td>
<td>P1262F</td>
<td>Auriga Gold</td>
<td>1992/07/15</td>
<td>2015/09/13</td>
<td>239</td>
<td>G11638</td>
</tr>
<tr>
<td>STU 1</td>
<td>P700F</td>
<td>Auriga Gold</td>
<td>1992/01/28</td>
<td>2015/03/29</td>
<td>232</td>
<td>G11638</td>
</tr>
<tr>
<td>UTS 1</td>
<td>P2728F</td>
<td>Auriga Gold</td>
<td>1994/06/17</td>
<td>2015/08/16</td>
<td>118</td>
<td>G11638</td>
</tr>
<tr>
<td>UTS 2</td>
<td>P2729F</td>
<td>Auriga Gold</td>
<td>1994/06/17</td>
<td>2015/08/16</td>
<td>152</td>
<td>G11638</td>
</tr>
<tr>
<td>STU 3</td>
<td>P781F</td>
<td>Auriga Gold</td>
<td>1992/03/16</td>
<td>2015/05/15</td>
<td>236</td>
<td>G10569</td>
</tr>
<tr>
<td>STU 10</td>
<td>P1326F</td>
<td>Auriga Gold</td>
<td>1992/11/04</td>
<td>2016/01/03</td>
<td>256</td>
<td>G10569</td>
</tr>
<tr>
<td>STU 9</td>
<td>P1325F</td>
<td>Auriga Gold</td>
<td>1992/11/04</td>
<td>2016/01/03</td>
<td>136</td>
<td>G11638</td>
</tr>
<tr>
<td>STU 13</td>
<td>P1346F</td>
<td>Auriga Gold</td>
<td>1993/01/14</td>
<td>2015/03/15</td>
<td>230</td>
<td>G11638</td>
</tr>
<tr>
<td>Sub-Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,599</td>
<td></td>
</tr>
<tr>
<td>Lease</td>
<td>065</td>
<td>Auriga Gold</td>
<td>1992/04/01</td>
<td>2013/04/01</td>
<td>378</td>
<td>--</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,977</td>
<td></td>
</tr>
</tbody>
</table>
Crown land permits are renewed on an annual basis. To date these permits have been maintained on an annual basis.

During operation of the mine, Pioneer had a multitude of minor permits (e.g. Sand & Gravel; Septic Effluent, etc.). These need to be identified and renewed prior to start of operations.

**Tailings Approval**

The entire “Ragged Lake Area” has been approved as a tailing depositional and mine water treatment area. A very minor amount of the lake has been used to date.

### 4.3 ROYALTIES

**Net Smelter Royalty**

Under the terms of Auriga Gold’s acquisition agreement with Pioneer, the property is subject to a net smelter royalty (NSR) in favour of Pioneer. The NSR varies with the price of gold and is 3.0% for a gold price greater than US$1,000/troy ounce, 2.5% for a gold price between US$750 and $1,000, and 2.0% for a gold price under US$750.

**Net Profits Interest**

In December 1984 Granges transferred to Maverick Mountain a 100% interest in the property, retaining a 20% net profits interest (NPI). Since that time several changes have occurred. For one the property size has been reduced substantially. Secondly several corporate changes have taken place. At date of this report, because of the dissolution and sale of the assets of Granges, the status of the NPI is uncertain. The authors of this report of not aware of any other royalties or encumbrances attached to the Property.
5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

This section of the report draws heavily from the Technical Report by Pieterse (2010).

5.1 ACCESSIBILITY

Access to the Property is by travelling 66 km north on the year-round gravel road that extends north from Provincial Highway 10, toward the town of Sherridon and then east 9 km along the mine access road. In addition, charter float plane and helicopter services are available at the Flin Flon airport.

The town of Sherridon is located on the Keewatin Railway Company line, and is about 110 rail kilometres north of Flin Flon. The rail line passes approximately 6 km west of the property.

Capitalizing on provincial access road from highway 10 to the community of Sherridon, Pioneer Metals Corporation constructed a 9 kilometre mine-access road from ‘mile 33’ on the Railway. This access was used to mobilize the contractor’s equipment to the underground development site in April 1986 (Figure 5.1).

Figure 5.1 Puffy Lake Property Access Map
5.2 CLIMATE

The Mid-north area of Manitoba, including the Puffy Lake site has a continental subarctic climate characterized by short warm summers and long cold winters. Environment Canada publishes temperature and precipitation detail for number of weather stations in the Mid-north. The closest station to Puffy Lake is just outside Flin Flon, 65 kilometres to the southwest. Temperature and precipitation data for the Flin Flon station are based on a 30-year period (1951-1980) for temperature and 25-29 year period for precipitation. It is unlikely that the local climate at Puffy Lake is significantly different.

Temperatures show a wide range from daily average minimums in January of less than minus 26°C to daily average maximums in July of plus 23.4°C. The yearly mean daily temperature is minus 0.3°C. Total precipitation amounts to 476 mm, which is about 10 percent less than the 525mm received in Winnipeg. 30% of the precipitation falls as snow. More than half of the precipitation (55%) falls in the four summer months of June, July, August and September. The driest month is February with barely 4% of the precipitation.

Operations can be year-round provided provisions are made to accommodate the range of temperature applicable to the area. Snow precipitation is not excessive and can be accommodated with conventional cleaning and maintenance technology.

5.3 LOCAL RESOURCES & INFRASTRUCTURE

5.3.1 Regional Infrastructure

The year-round gravel road which joins the community of Sherridon to Provincial Highway 10is located 9 kilometres west of the Property. The rail line access to Flin Flon is from the Jungle Lake siding, 14 km northwest of the Property, via Sherridon and Cranberry Portage. The rail line is owned by the Keewatin Railway Company, representing a consortium of three First Nation communities. The nearest hydro line is at Sherridon which is on a branch of the transmission line that runs from the Sandy Bay power station on the Churchill River in Saskatchewan to Snow Lake. The line connects to Manitoba Hydro’s transmission and distribution grid.

Town of Sherridon

Sherridon is the closest community to the property (about 20 km by road). The town originated as the service centre for the nearby Sherritt Gordon mine and grew to 1,500 people at its peak in the 1940’s. The mine closed in 1951 after 20 years of operation; the company moved the equipment, many of the houses, the school, the bank, and many of the people to Lynn Lake over the period 1946 to 1953. The community was also left with ongoing environmental concerns resulting from the tailings of the Sherritt Gordon operation.

Prior to 1985, access to Sherridon was by air or rail only. In 1985, Sherridon was connected by road to Provincial Highway 10 (between Flin Flon and Cranberry Portage).

The current population of Sherridon is approximately 200. Present sources of employment include fishing, trapping, tourism and forestry.
Community of Flin Flon

Flin Flon is approximately 115 road kilometres and 110 rail kilometres south-southwest of the Project Flin Flon, 110 km by road from Sherridon, has a population of 6,000 and is the site of the large mining and metallurgical centre, producing copper, zinc and gold owned by Hudbay Minerals (formerly HBED).

5.3.2 On-Site Infrastructure

During the period May 1986 through April 1989, considerable mining activity took place at the Puffy Lake deposit. These activities included general site development (
Figure 5.2) and underground excavation, in the form of ramps, drifts, raises and stopes. (Much of this infrastructure remains on site on a care and maintenance basis. The decline ramp is currently flooded.

As best as can be determined (monthly and other reports) some 350,000 tonnes of ore was mined from various stopes.
Figure 5.2  Puffy Lake General Site Plan Map
Source of Power

A 23 km power transmission line was constructed from Sherridon to the mine-site. This line followed the provincial access road south from Sherridon to a point close to the take-off point for the mine-access road. From there the power transmission line heads east to the mine site. There has been no power to the site since operations were shut down. The power line will require rehabilitation including reconstruction of several kilometres that were destroyed by forest fires.

Source of Water

Adequate supplies of fresh water (potable) are available from Jay Lake. A pipeline (destroyed by the 1989 forest fire) and access road from the site to this lake was constructed and permitted. Process water is recycled from the tailing clarification pond (Ragged Lake) – again the reclaimed water pipeline was destroyed by the 1989 forest fire.

Operating Personnel

During previous operations there was no appreciable problem in attracting suitable operating personnel. Although a workforce for future operations is not now readily available in the immediate area, it is assumed that a majority of the experienced personnel required could be recruited from the nearby mining communities of Lynn Lake, Leaf Rapids, Snow Lake and Flin Flon, where mining activity is in decline.

Tailing Storage Area

An approved tailing impoundment area at Ragged Lake exists. Approximately 350,000 tonnes of tailing material was discharged to this area previously.

Waste Disposal Area

During previous operations waste was utilized to construct roads and access ramps. By and large underground access development at Puffy Lake was in near-ore grade material and very little, if any, waste rock was generated.

More than adequate waste disposal area is available south of Fire Lake.

Processing Plant

The processing plant crushing complex, fine-ore bin, grinding complex and concentrator/recovery plant site is compact and well-planned. The fire of 1989 did not affect the concentrator and associated structures.

5.4 PHYSIOGRAPHY

Property is situated on terrain typical of the Canadian Shield with limited relief. Higher ridges expose extensive areas of rock outcrop and are interspersed with lakes and low lying swampy area. Elevations range from 350 meters above sea level at the mill site to 340 meters at Puffy Lake.
The plant site is located on a finger of high ground surrounded on three sides by swamps and has an average slope of 5 percent.

Rocky ridges trend north, following major fault and shear zones. The area is part of a typical boreal forest region in north-central Manitoba. Swamps and lakes occupy a significant part of the surface. Glacial overburden varies in thickness.

Black spruce and tamarack are most common in the lowlands whereas poplar, white spruce and jack pine dominate uplands. Considerable portions of the western part of the Property were burnt in the 1989 fire.
6.0 **HISTORY**

6.1 **HISTORICAL OWNERSHIP OF THE PUFFY LAKE PROPERTY**

The following Table 6.1 summarizes a series of agreements that resulted in Pioneer’s 100% interest in the Puffy Lake Project (subject to a 20 percent net profits interest payable to Granges) that has recently been acquired by Auriga Gold.

<table>
<thead>
<tr>
<th>Year</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>Mr. A. Oleson staked claims NIP 1-4 in February, 1953 over an area that presently includes the Puffy Lake Mine site.</td>
</tr>
<tr>
<td>1960</td>
<td>Mr. A. Oleson assigns all interests in the claims to Hudson Bay Exploration and Development (HBED) in March, 1960. The original NIP claims were allowed to lapse in 1966</td>
</tr>
<tr>
<td>1979</td>
<td>Mr. J.J. Studer staked CB 10186 over the original Puffy Lake Prospect in October 1979. A 100% interest in CB 10186 was then transferred to Granges for due consideration.</td>
</tr>
<tr>
<td>1980-1984</td>
<td><strong>Granges Option Agreement.</strong> On June 4, 1980, Maverick entered into an option agreement with Granges to earn an undivided 60% interest in the Bed Claim CB 10186 Sherridon area, Manitoba, by expending a total of $350,000 on exploration and development work by December 31, 1983. Subsequent program expenditures were to be 60% by Maverick and 40% by Granges. The agreement also provided for an area of interest around the Bed Claim; 3 miles to the north, west and east of the claim block. Between August 1980 and September 1981, an additional 20 claim blocks, contiguous to the original Bed Claim, were staked and became part of the Puffy Lake Joint Venture.</td>
</tr>
<tr>
<td>1985</td>
<td><strong>Homestake Option Agreement.</strong> On July 26, 1985, Homestake Mineral Development Company (Homestake) signed an option agreement with Maverick to acquire a 60% interest in the Puffy Lake claims. At that date, Maverick had earned a 71.8% ownership interest in the property and the right to acquire a 100% interest by expending an additional $300,000 on exploration and development in 1985, under the terms of the 1984 ED &amp; M agreement with Granges. Ownership Transfer to Maverick. On December 16, 1985, Granges transferred to Maverick 100% interest in the Puffy Lake Property, subject to a 20% NPI as defined under the original agreement dated June 4, 1980. In 1985, a further 11 claim blocks were staked, contiguous to the previous group.</td>
</tr>
<tr>
<td>1986</td>
<td>On January 30, 1986, Homestake terminated the option agreement and Maverick was free to enter into other agreements as follows:</td>
</tr>
</tbody>
</table>
**1986 Agreements.**
Pioneer entered into an agreement with 301639 B.C. Ltd., a British Columbia corporation, whereby a 10% interest in the Puffy Lake Property was acquired by the expenditure on road building of $300,000. Pioneer contributed $165,000 towards these expenditures by way of the purchase of the beneficial right to the property interest. Maverick entered into an agreement with Societe en Comandite Miniere S & S No. 1, a Quebec Limited Partnership, whereby it agreed to sell a 7 percent working interest in the Puffy Lake Project in consideration of the expenditure of $2,000,000 on the exploration of the property during 1986.

Pioneer entered into an agreement with a British Columbia Limited Partnership which agreed to spend up to $2,000,000 on further exploration of the Puffy Lake Project in part consideration of earning a 1 percent working interest in the property. Pioneer agreed to advance up to $1,100,000 toward these expenditures. In September 1986, Maverick and Pioneer Metals Corporation (Pioneer) merged under the latter name.

<table>
<thead>
<tr>
<th>1987</th>
<th>In 1987 a third group of 19 claim blocks were staked and added to the property.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Transfer of Puffy Lake Property to Auriga Gold is completed.</td>
</tr>
</tbody>
</table>

### 6.2 HISTORICAL EXPLORATION OF THE PUFFY LAKE PROPERTY

A brief summary of the exploration history of the Puffy Lake Property is given in Table 6.2.

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>Mr. A. Oleson staked claims NIP 1-4 in February, 1953 over an area that presently includes the Puffy Lake Mine site, approximately 8 km southeast of Sherridon, Manitoba.</td>
</tr>
<tr>
<td>1960</td>
<td>Mr. A. Oleson transfers all interests in the claims to Hudson Bay Exploration and Development (HBED) in March, 1960. From January to April, 1960, HBED conducted horizontal loop electromagnetic surveys of these claims and delineated an approx. 120 m long conductor. HBED drilled 14 diamond drill holes to test the conductor.</td>
</tr>
<tr>
<td>1966</td>
<td>The NIP claims lapsed in 1966.</td>
</tr>
<tr>
<td>1972</td>
<td>An airborne EM and magnetometer survey performed during 1972 by Sherritt Gordon Mines Ltd. included ground in the vicinity of the original Puffy Lake occurrence.</td>
</tr>
<tr>
<td>1979-81</td>
<td>J.J. Studer staked CB 10186 over the area in October 1979. In December, 1980 100% interest in the claims was transferred to Granges Exploration Aktiebolag (Granges). In June, 1980, Maverick Mountain Resources Limited (Maverick) entered into an option agreement with Granges. Early in 1981 Maverick completed a 30hole drill program and estimated reserves of 428,000 tonnes averaging 7.68 g/t gold (Canadian Mines Handbook, 1982)</td>
</tr>
<tr>
<td>1984-85</td>
<td>During the winter of 1984-1985 a 29 hole drill program was performed. The strike length of the main zone was increased to 1037 m and a second zone of mineralization was discovered 275 m north of and parallel to the main zone. In 1985, 29 additional diamond drill holes were completed. This confirmed the down dip plunge extension of the Main Zone gold mineralization to a vertical</td>
</tr>
<tr>
<td>Year</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
</tr>
<tr>
<td>1986</td>
<td>During 1986, a total of 75 diamond drill holes totalling 9,145 metres were completed. A $2 million underground development program was awarded to Canadian Mine Development that included a decline ramp to the 100 and 200 levels, drifting, trial stoping and bulk sampling (Northern Miner, April 7, 1986). Underground development began in May, 1986. A decline was collared and a crosscut was driven from the footwall to intersect the Main Zone. When the zone was encountered, the decline was turned and driven along strike and slightly down dip. This decline was driven to prove the continuity of the zone. The zone proved to be continuous and the decline was then spiralled down to intersect the zone at a lower elevation. Development totalled 650 metres of decline. In September 1986, Maverick and Pioneer Metals Corporation (Pioneer) merged under the latter name.</td>
</tr>
<tr>
<td>1987-1988</td>
<td>In January 1987, Pioneer announced plans to place the Puffy Lake gold deposit into production at a rate of 500 tonnes per day at an estimated capital cost of $18 million (Northern Miner, January 26, 1987). A feasibility study conducted by Kilborn Engineering Ltd. concluded that the reported resources of 1.3 million tons grading 7.88 g/t gold within four parallel mineralized zones could be mined using modified open stope methods (Northern Miner, January 26, 1987). A 93% rate of recovery was expected at an operating cost of $175 US per ounce (Pioneer news release, January 19, 1987). Reserves were calculated using an average 2 m mining width, 3.43 g/t cutoff grade and a 10% dilution factor. Mill site excavation began May 15, 1987 and pre-production underground development commenced near the month end. A raise was driven from the lower portion of the decline up dip to prove continuity in that direction and a test stope was mined. Additional diamond drilling from surface was undertaken. After completion of 225 diamond drill holes, Pioneer updated ore reserves to 2.25 million tonnes grading 7.99 g/t gold and increased projected production to 900 tonnes per day (Northern Miner, May 11, 1987). The claim was converted to a mining lease October 30, 1987. Milling began December 4, 1987 and the first dore bar was poured December 15, 1987 (Northern Miner, March 7, 1988). At this juncture, the deposit was estimated to contain probable and possible reserves of 3.54 million tonnes grading 7.88 g/t gold (Northern Miner, May 9, 1988).</td>
</tr>
<tr>
<td>1989</td>
<td>In March, 1989, Pioneer announced suspension of mining operations due to the failure to reach commercial production. (Globe and Mail, March 21, 1989). In the period August 8 to 11, 1989 a series of forest fires swept through the Sherridon – Puffy Lake area causing considerable damage to pipelines from the fresh water intake lake as well as discharge lines to the tailing pond. The crusher/mill/office complex had an adequate firebreak surrounding it and escaped damage from these fires.</td>
</tr>
</tbody>
</table>

**Table 6.2**

**SUMMARY OF HISTORICAL EXPLORATION ON THE PUFFY LAKE PROPERTY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>Depth of 183 metres. Four separate and distinct parallel gold-bearing lenses were identified – Sherridon, Upper Main, Main and Lower Main lenses, uppermost to lowest respectively. Upon completion of these programs, drill indicated reserves, in the four separate and distinct gold-bearing lenses, were calculated to be 603,000 tonnes averaging 6.86 g/t gold (Northern Miner, May 23, 1985).</td>
</tr>
</tbody>
</table>

**P&E Mining Consultants Inc.**

**Auriga Gold Corp. Puffy Lake Gold Property Report No. 223**

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**Table 6.2**

**SUMMARY OF HISTORICAL EXPLORATION ON THE PUFFY LAKE PROPERTY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>During February and March 1994, in anticipation of reactivating the Puffy Lake mine, a series of eight (8) holes for a total of 633 metres was drilled. The program was designed to better define reserves in the area to be mined – as infill drilling at 15 metre centres, over an area previously defined at 30 metre centres. The drilling confirmed the continuity of all four known zones and returned values similar to those received from past drilling in the area. (News Release dated March 17, 1994).</td>
</tr>
<tr>
<td>1999-2010</td>
<td>The property was dormant during this period save for an airborne geophysical survey conducted by Fugro in 2006.</td>
</tr>
</tbody>
</table>

**It should be noted that the resource estimates summarized above in Table 6.2 are historical in nature and as such are based on prior data and reports prepared by previous operators. The work necessary to verify the classification of the mineral resource estimates has not been completed and the resource estimates therefore, cannot be treated as NI 43-101 defined resources verified by a qualified person. The historical estimates should not be relied upon and there can be no assurance that any of the resources, in whole or in part, will ever become economically viable.**

6.3 PREVIOUS DRILLING

There are five gold bearing zones in the Puffy Lake area that are have been delineated by exploration drilling. These include, from the top downwards, the Sherridon, Upper, Main Lower and Lower 2 zones. All five zones were modelled and their resources estimated by Kilborn in 1993 after mining operations had ceased.

A total of 481 core holes were drilled by previous operators within the Puffy Lake area (including targets peripheral to the Puffy Lake deposit itself) of which 319 collars were surveyed at the surface. The coordinates of the remaining 162 holes were located by chain and compass. The actual Puffy Lake deposit was explored (1960-1994 inclusive) by approximately 410 drill holes as shown in Table 6.3. The Property was dormant from 1994 until 2010 when it was acquired by Auriga Gold.

Most of the holes were drilled vertically with the exception of 72 holes in areas of difficult or impossible access caused by swamps or lakes.

In September 1980 diamond drilling began at Puffy Lake along cross sections spaced 100 feet apart and aligned N 70° E. Nominal drill spacing along the section lines is 100 feet, but varied considerably during various drill campaigns between 1980 and 1987. There are areas of very dense drilling on the west side of an interpreted major fault. On the other hand, the east side of the fault is sparsely drilled with only 29 holes used to explore this area.

During the winter of 1984-1985 a 29 hole drill program was performed. The strike length of the main zone was increased to 1037 m and a second zone of mineralization was discovered 275 m north of and parallel to the main zone. In 1985, 29 additional diamond drill holes were completed. This confirmed the down dip plunge extension of the Main Zone gold mineralization to a vertical depth of 183 metres.

During 1986, a total of 75 diamond drill holes totalling 9,145 metres were completed in advance of $2 million underground development program was awarded to Canadian Mine Development
that included a decline ramp to the 100 and 200 levels, drifting, trial stoping and bulk sampling (Northern Miner, April 7, 1986).

For the purposes of their 1993 Feasibility study Kilborn (1993) used a diamond drilling data base consisting of the following numbers of drill holes.

Prior to the 1986 Feasibility Study 192 holes
Since the 1986 Feasibility Study 281 holes

The underground development and stoping has demonstrated continuity in the various zones. No underground drilling is reported on the Puffy Lake Deposit.

Subsequent to the Kilborn 1993 Feasibility study (February and March 1994), and in anticipation of reactivating the Puffy Lake mine, a series of eight (8) holes for a total of 633 metres was drilled. The program was designed to better define reserves in the area to be mined – as infill drilling at 15 metre centres, over an area previously defined at 30 metre centres. The drilling confirmed the continuity of all four known zones and returned values similar to those received from past drilling in the area. (Pioneer News Release dated March 17, 1994).

<table>
<thead>
<tr>
<th>Year</th>
<th>Company</th>
<th>No. of Holes</th>
<th>Total Meters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>Hudson Bay E&amp;D</td>
<td>14</td>
<td>uncertain</td>
</tr>
<tr>
<td>1981</td>
<td>Maverick Mountain Resources</td>
<td>30</td>
<td>uncertain</td>
</tr>
<tr>
<td>1984</td>
<td>Maverick Mountain Resources</td>
<td>29</td>
<td>uncertain</td>
</tr>
<tr>
<td>1985</td>
<td>Maverick Mountain Resources</td>
<td>29</td>
<td>uncertain</td>
</tr>
<tr>
<td>1986</td>
<td>Maverick Mountain Resources</td>
<td>75</td>
<td>9,145</td>
</tr>
<tr>
<td>1987</td>
<td>Pioneer Metals Corp</td>
<td>225</td>
<td>uncertain</td>
</tr>
<tr>
<td>1994</td>
<td>Pioneer Metals Corp</td>
<td>8</td>
<td>633</td>
</tr>
</tbody>
</table>

### 6.4 EXISTING RESOURCE/RESERVE ESTIMATES

#### 6.4.1 Resource Estimate

Prior to implementing a production decision in 1988, several phases of resource estimates were completed by Pioneer/Maverick. Although the Puffy Lake deposit had been explored and tested by surface drill holes prior to 1980, none of the data obtained prior to 1980 was available in a validated form thus the mineral inventory estimate was based on data obtained from 1980 to 1987. The various pre-production resource estimates are summarized as follows:

- Maverick, 1981 based on an additional 30 ddh 428,000 tonnes @ 7.68 g/t
- Pioneer 1985 based on additional 58 ddh 603,000 tonnes @ 6.86 g/t
- Pioneer May 31, 1986 and based on additional 154 ddh. 696,700 tonnes @ 7.99 g/t
- Pioneer (B. Simmons) April 1, 1987. 2,604,500 tonnes @ 7.54 g/t
- Piteau April 1, 1987. Review of Pioneer estimate. 1,192,000 tonnes @ 6.23 g/t

**Note:** The Resource Estimates noted above and elsewhere in this section 6.0 of this report are ‘historical’ in nature. The work necessary to confirm and classify these resources has not been completed and these estimates therefore cannot be treated as N.I.43-101 defined or verified by a ‘Qualified Person’. These historical estimates should not be relied upon and there can be no
assurance that any of the resources/reserves, in whole or in part, will ever become economically viable.

The calculation procedure used by Pioneer (Brian Simmons) and reviewed by Piteau Associates Engineering Ltd in April 1987 is reported to have been as follows:

- Geological logging of diamond drill core identified potential gold bearing quartz horizons and selected sample intervals for gold assays.

- The drill holes and gold assays were plotted on cross sections drawn perpendicular to the strike of the quartz veins. Correlations of the quartz-gold intersections, with the four principal horizons (Sherridon, Upper, Main and Lower), were made on these cross sections.

- All the drillhole and assay data were entered into the computer program together with the corresponding horizon identifier labels (Sherridon, Upper, Main, Lower). The computer program is specifically designed to handle vertical drillholes; consequently, the small number of inclined drillholes were handled by inserting the coordinates of the vein intersections as if a vertical drillhole was intersecting the vein at that point.

- The computer program calculated the area of influence of each drillhole and approximated true polygon construction by creating a block model and then assigning the drillhole grade outwards in ring increments.

- The memory capacity of the computer limited the size of the block model. Therefore, it was necessary to divide the property into three parts, the Main Zone to the south, the Fire Zone to the north, and the Ragged Lake Zone to the northeast.

- The tonnage of each polygon was estimated using a specific gravity of 2.77. A total tonnage and weighted average grade for each of the gold bearing horizons was calculated for each of the two halves of the deposit.

At the time of closing and subsequent to the mine being in production for approximately fifteen (15) months Pioneer reported a resource based on a cut-off of 3.5 g Au/t as follows;

- Indicated Resource 1,346,177 tones @ 7.86 g/tonne
- Inferred Resource 883,718 tonnes @ 6.35 g/tonne

Kilborn (1993) completed a feasibility study on the Puffy Lake deposit which included an updated resource estimate utilizing a resource cut-off of 3.5 g The resource estimated by Kilborn is as follows:

**Proven**

<table>
<thead>
<tr>
<th>Resource Quantity</th>
<th>Contained Gold</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,346,200 tonnes</td>
<td>340,200 oz troy</td>
</tr>
<tr>
<td>8.57 grams/tonne</td>
<td></td>
</tr>
</tbody>
</table>

P&E Mining Consultants Inc.
Auriga Gold Corp. Puffy Lake Gold Property Report No. 223
Possible

<table>
<thead>
<tr>
<th>Resource Quantity</th>
<th>1,346,200 tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Gold Grade</td>
<td>8.57 grams/tonne</td>
</tr>
<tr>
<td>Contained Gold</td>
<td>340,200 oz troy</td>
</tr>
</tbody>
</table>

6.4.2 Reserve Estimate

As part of their contribution to the 1993 Feasibility Tonto (1993) prepared an estimate of the mineable proven and probable ore reserves, based on the Kilborn resource numbers as follows:

<table>
<thead>
<tr>
<th>Ore Reserve Quantity</th>
<th>855,000 tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Gold Grade</td>
<td>6.7 grams/tonne</td>
</tr>
<tr>
<td>Contained gold</td>
<td>184,200 oz troy</td>
</tr>
</tbody>
</table>

6.5 SPECIFIC GRAVITY OF THE MINERAL DEPOSIT

Two determinations of the specific gravity of the Puffy Lake mineral deposit were available. Both values were from the Main Horizon in the Main Zone. The first determination, by Britton Research in 1981 on a 20kg sample from diamond drill core, gave a value of 2.87 g/cc. The second determination, by Lakefield Research on a 6.8 tonne bulk sample from surface trenches gave a value of 2.77 g/cc. The more conservative value of 2.77 was selected for the mineral inventory estimation because it was based on a larger sample.

6.6 EXISTING FEASIBILITY STUDY

In the early 1990’s, Pioneer proposed to reactivate the Puffy Lake Mine which operated from January 1988 to April 1989 and in 1993 commissioned Kilborn to complete feasibility study. The mining portion of the feasibility study and associated costs were provided by Tonto Mining, a Division of Dynatec International Ltd. (Tonto), who undertook this portion of the work as an independent contractor to Pioneer.

The mine was At the time of the Kilborn study the mine, which had been shut down because of a shortage of working capital, was flooded and as determined by Kilborn (1993) would require dewatering in order for preproduction mine development to take place. The mill was shut down in a proper manner but would still require some remedial work prior to reactivation. Fire-damaged lines would have to be repaired or replaced, and accommodation for the work force would have to be obtained as none presently exists.

6.6.1 Kilborn Project Summary

As proposed by Kilborn (1993) in their Feasibility Study the mine was to be reactivated at a mining rate of 750 tonnes per day, based on a 352 day per year mining operation, to produce 264,000 tonnes of ore per year. The mill would operate at a rate of 1,000 tonnes per day for 264 days per year to treat the ore.

Preproduction development and remedial work necessary to reactivate the mill and surface facilities would have required a period of six months.
The major mine activities would consist of procurement of the mining equipment, dewatering of the existing workings, driving of a second decline to provide access to additional ore and remove the previous bottleneck in the operation which limited the haulage capacity from the mine, and development of sufficient stopes so that the production rate of 750 tonnes per day could be maintained when production began. Sufficient lateral development would be undertaken to permit selective mining of the deposit from both the old and new declines as delayed development was a major factor in the problems encountered in the previous operation.

The major preproduction activities on surface would have consisted of replacing those items which were destroyed by the forest fire which passed through the area in the summer of 1989, provision of camp accommodation, rehabilitation of the mill which was shut down in 1989, acquisition of required mobile equipment and restocking of the warehouse. Associated with this work would have been the reactivation of the necessary permits for the mine and plant operation, reactivation of the electrical power supply and the recruiting of the operating personnel.

The mining of the proven and probable ore identified by Tonto would have taken 3.35 years at a rate of 264,000 tonnes ore per year to produce 51,200 troy ounces of gold per year. The deposit had the capability of sustaining a mining rate of 750 tonnes per mine operating day.

A total of $11,114,000 was proposed to complete the pre-production work.

The estimated Operating Costs are $16,240,000 or $61.52 per tonne.

Key statistics from the Kilborn 1993 economic evaluation of the reactivation of the Puffy Lake Mine were determined to be as follows:

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ore reserve processed</td>
<td>855,000 tonnes</td>
</tr>
<tr>
<td>Operating life</td>
<td>38.9 months</td>
</tr>
<tr>
<td>Ore grade</td>
<td>6.7 grams gold/tonne</td>
</tr>
<tr>
<td>Production rate</td>
<td>264,000 tonne/annum</td>
</tr>
<tr>
<td>Mill recovery</td>
<td>90.0 percent</td>
</tr>
<tr>
<td>Exchange rate</td>
<td>US$1.00 = Can $1.27</td>
</tr>
</tbody>
</table>

The average operating cost was estimated to be U.S. $250 per ounce of gold produced based on the previously stated estimated ore reserve, plant recovery and operating cost.

Although the Puffy Lake Mine experienced difficulties during its initial operating period during 1988 and 1989, the feasibility study indicated that these difficulties could be overcome by reducing the rate of production, changing the mining method and developing sufficient stopes before production resumes. Reactivation of the Puffy Lake Mine had several advantages compared to starting a new mine. Preproduction capital costs are relatively low as most of the mill and infrastructure were already in place as well as some of the underground development. The time to reactivate the mine would have been relatively short compared to developing and constructing a new mine.

6.7 HISTORIC PRODUCTION

Production from the Puffy Lake Mine began in January of 1988. Annual gold production was targeted at 72,000 ounces. Actual production in 1988 was 21,000 ounces and 8,500 ounces in
1989. At peak, the Puffy Lake Gold Mine employed 170 people. The first major employee layoff occurred in March of 1989, and the mine was completely closed by June 1989.

During the life of the mine the concentrating plant treated a total of 350,000 tonnes of mineral product producing 28,900 ounces of gold.

### 6.8 HISTORICAL MINING AND MILLING ACTIVITIES

Mining and processing of mineralized material was previously carried out by Pioneer Metals Corporation between December 1987 and March 1989 (*Northern Miner, March 7, 1988 and May 9, 1988*). A description of the mining methods and recovery methods and project infrastructure at that time is provided in Sections 16, 17, and 18, respectively.
7.0 GEOLOGICAL SETTING AND MINERALIZATION

The following geological description of the Puffy Lake Gold Property draws heavily from material contained in Zwanzig and Bailes (2010).

The Puffy Lake Gold Property is located at the boundary of the Kisseynew Domain and the Flin Flon Domain of the Paleoproterozoic (Precambrian) Trans Hudson Orogen. Lithologies in the area have been metamorphosed to middle and upper amphibolite facies. The metamorphic grade increases northward in the region.

The Flin Flon Domain forms a generally east trending 230 km by 80 km belt of complexly folded and metamorphosed volcanic, sedimentary and intrusive rocks. The belt is bounded by the Kisseynew Domain and Paleozoic cover rocks to the north and south, respectively, to the east by Archean rocks of the Superior Province, and by the Tabbernor fault and granitic rocks of the Glennie Domain, Saskatchewan to the west.

The area around the Puffy Lake Mine Deposit is underlain by a sequence consisting of the Amisk (Flin Flon arc assemblage). Burntwood and Missi Groups and intrusive (gneissose) granitoid phases of the Sherridon-Hutchinson Lake Complex. The rocks have all been metamorphosed to upper amphibolite grade.

- Amisk Group (Flin Flon arc assemblage): This group is composed of a thick sequence of volcanic strata ranging basalt to rhyolite, with intercalated volcaniclastic sediments. Amisk volcanism in the Flin Flon arc began with widespread extrusions of thick sequences of mafic flows, commonly pillowed and includes agglomerates, tuffs and ash deposits.

- The Burntwood Group: This group is generally comprised of graphitic greywacke-mudstone and garnet-biotite gneiss and locally amphibole-bearing metagreywacke derived from it. Zwanzig (1999) interpreted the Burntwood Group to be the distal facies of the Missi Group.

- The Missi Group: This group unconformably overlies the Amisk volcanic rocks and includes basal conglomerate (on the Amisk rocks), conglomerate, sandstone, and other related sediments.
### 7.1 PROPERTY GEOLOGY

The geology in the vicinity of the Puffy Lake property is comprised of fine-grained, intermediate to mafic biotite and amphibole-bearing schists and gneisses of the Amisk Group, greywacke derived gneisses of the Burntwood Group and quartzofeldspathic gneisses the Missi Group. Large tonalitic-granitic bodies have intruded all of the above rocks units.

Four main rock assemblages have been identified on the property. A structurally lower homogeneous, light grey to white, medium to coarse grained, lineated and gneissose hornblende-biotite tonalite (“Footwall Augen Gneiss” or “Archie Lake Pluton”) which forms a distinctive ‘footwall’ for drilling; a central, well layered, heterogeneous, generally mafic schist and gneiss package of the Amisk Group which is the host to the predominance of the gold bearing quartz veins; fine- to coarse-grained gneissose sandstone to conglomerate of the Missi Group and a structurally upper unit of more competent gneissose biotite granite (“Hangingwall Pink Granitic Gneiss” or “Ragged Lake Pluton”).

Although few faults have been mapped in the Puffy Lake area, a post ore fault appears to have offset the lower portions of the various zones. On the adjacent Nokomis property, the contact between the Burntwood Group and amphibolites of the Amisk Group is a major thrust fault which is part of the Loonhead Lake regional fault system (Buhlman, 2006; Zwanzig and Bailes, 2010).

In the Puffy Lake area, all lithologies have developed pronounced planar and linear fabrics with original bedding having been transposed by repeated isoclinal folding and shearing. Foliation
parallel quartz veins have been emplaced preferentially within schistose, pelitic and mafic gneisses.

On a property scale, the Puffy Lake deposit is located along the eastern flank of a southeasterly plunging anticline (Figure 7.4) consisting predominantly of interleaved Amisk Group intermediate to mafic gneisses. The Missi Group quartzofeldpathic gneiss (“Hangingwall Pink Granitic Gneiss”) unconformably overlies the Amisk and Nokomis gneisses which in turn structurally overlie a medium to coarse grained augen gneiss (“Footwall Augen Gneiss”) of uncertain origin.

**Figure 7.2 Property Geology**

The southern flank of the Kisseynew gneiss belt hosts several significant gold deposits including Puffy Lake Deposit (28,000 ounce from ~350,000 tonnes), the New Britannia Mine (1.4 M oz from 11.0 M tonnes grading 4.67 g/t) which is currently being evaluated by Alexis Minerals Corporation as well as the Tartan Lake Deposit (St. Eugene Mining). In addition the area hosts several other gold prospects including the Nokomis Gold Deposit located 8 kilometres to the northeast of the Puffy Lake Mine which is a 54/46 Joint Venture between Auriga Gold and Claude resources Inc. These gold deposits occur along the transition between the predominantly early juvenile assemblage of arc related volcanics related to the Amisk Group and the metasediments of the Nokomis and Missi Groups.

**7.2 MINERALIZATION – PUFFY LAKE**

The southern flank of the Kisseynew gneiss belt hosts several significant gold deposits including Puffy Lake Deposit (28,000 ounce from ~350,000 tonnes), the New Britannia Mine (1.4 M oz from 11.0 M tonnes grading 4.67 g/t) which is currently being evaluated by Alexis Minerals Corporation as well as the Tartan Lake Deposit (St. Eugene Mining). In addition the area hosts several other gold prospects including the Nokomis Gold Deposit located 8 kilometres to the northeast of the Puffy Lake Mine which is a 54/46 Joint Venture between Auriga Gold and Claude resources Inc. These gold deposits occur along the transition between the predominantly early juvenile assemblage of arc related volcanics related to the Amisk Group and the metasediments of the Nokomis and Missi Groups.
At Puffy Lake gold mineralization is found near surface over a strike length of 1,200 metres and occurs in five main, sub-parallel, stacked zones known as (from top to bottom) the Sherridon, Upper, Main, Lower and Lower 2 Zones. These zones have been outlined by surface drilling to a vertical depth of approximately 500 metres or 1,200 metres down dip with some of the zones remaining partially open at depth.

The gold bearing zones generally strike N30W and dip fairly consistently, sub-parallel to the regional foliation, at 30 degrees to the northeast (Figure 7.3). The zones are hosted within a 220-250 metre thick package of ortho- and paragneisses and related schists with lesser amounts of amphibolite and locally thin bands of conglomerate that are structurally overlain by a distinct, pink coloured, granitic gneiss (“Hangingwall Pink Granitic Gneiss”) and which in turn structurally overlie a light grey coloured augen gneiss (“Footwall Augen Gneiss”).
Figure 7.3  Property Geology – Puffy Lake Mill Area
In general, the gold bearing zones appear to be sub parallel to each other (Figure 7.4). The Upper, Main, Lower and Lower 2 Zones usually occur within 50 metres of the contact of the Footwall Augen Gneiss. In some instances the Lower or where it is present the Lower 2 Zone can occur at or within several metres of this contact. The Lower 2 Zone is more restricted in occurrence than the other principle veins and it may represent a splay off of or a bifurcation in the Lower Zone.

The Sherridon Zone occurs structurally higher up the ortho and paragneiss sequence. The central portion of the Sherridon Zone occurs within meters of the sill-like tonalite/granodiorite body. Unlike the Main, Upper, Lower and Lower 2 Zones, at the Sherridon Zone erratically distributed sulphide minerals (arsenopyrite, pyrite and pyrrhotite) and free gold also form veinlets that fill brittle fractures with the quartz veins and occur locally within the host ortho- and paragneisses. These veins, that are less than one centimetre in width crosscut the regional schistosity and are interpreted to have formed post peak deformation. They are interpreted as being formed by mobilization of quartz, sulphides and gold from earlier stage mineralization.

**Figure 7.4  Schematic Cross Section 1000-975N**

The gold bearing zones at Puffy Lake are typically <0.5 to 2.0 metres wide and characterized by quartz veining and silicification. Typically the quartz veins, where developed, range from a few centimetres to rarely >1.0 metre in width. There is usually 1 or sometimes 2 or more principle veins averaging 10 to 25 cm centimetres in width flanked on either side by <0.5 to 2 metres of silicification and/or quartz veinlets (Figure 7.5 & Figure 7.6). Arsenopyrite is ubiquitous in the gold bearing zones occurring as trace to 2%, fine to medium grained disseminations within the host rocks and more importantly, from trace to +5%, associated with the quartz veins especially
along the margins of the veins and along chloritic fractures/slips or associated with incorporated rafts of the foliated and mineralized wall rock. In general the higher gold grades are associated with increased arsenopyrite content.

Pyrite is a common sulphide mineral found with the arsenopyrite. Pyrrhotite is also present but appears to have formed latter as it can be observed surrounding the arsenopyrite and pyrite crystals (Murck). Gold is reported to occur as irregular inclusions within the arsenopyrite and less commonly as free gold within the quartz gangue. Lesser amounts of, sphalerite, galena and chalcopyrite have also been documented.

Besides quartz, gangue minerals include biotite, muscovite, chlorite, feldspar and amphibole. In addition tourmaline, sillimanite, graphite as well as a variety “skarn-type” or “calc-silicate” minerals including, scapolite, diopside and wollastonite have been observed (Murck).

7.2.1 214-Type Sulphide Mineralization

The 214 Type (Sulphide Type) mineralization has only been observed in the historic underground workings around stope 214. However, it is of some interest as it reported to have produced the highest grade gold ore from the Puffy Lake Mine. Typically quartz veins are absent instead gold is associated with crosscutting, anastomosing semi massive, sulphide veins (arsenopyrite +/- pyrrhotite, chalcopyrite and pyrite. Ostry and Halden (1995) interpreted the 214 Type mineralization as being formed by the late stage remobilization of the more dominant vein type mineralization described above.

Figure 7.5 Historic Photo showing several veins from Unknown Zone
7.3 MINERALIZATION – NOKOMIS CLAIMS

At the Nokomis deposit located approximately 8 kilometres to the northeast of the Puffy Lake Mine, gold mineralization is hosted within a shear related, intrusive hosted, lode gold system. The Nokomis deposit is made up of an Upper and Lower mineralized zones that have been separated by a steeply dipping, pegmatite filled, reverse fault.

At Nokomis, the gold mineralization occurs a differentiated gabbroic sill that was emplaced near the contact between metasediments of the Nokomis Group and mafic volcanics of the Amisk Lake group. The host unit for the gold mineralization has been described as a ferrotonalite to diorite. Alteration includes silicification, carbonatization, and albitization.

The Upper and Lower Zones range from <1 to 4 metres in width and have been traced by diamond drilling for approximately 150 metres along strike at surface and to +250 metres down dip.
8.0 DEPOSIT TYPES

8.1 PUFFY LAKE GOLD PROPERTY

The Property is thought to host mesothermal type deposits with multiple veins and lenses. Auriferous sulphide bearing quartz veins and zones of quartz free gold sulphide mineralization occur in a biotite rich gneiss/schist. Gold sulphide mineralization also occurs with or without quartz within fine to coarse grained felsic quartzofeldspathic gneiss.

At the Property, the recognition of an early mineralizing event and subsequent mobilization of the sulphides and gold offers an alternate model for the distribution of at least some of the gold sulphide mineralization. The mobilization of arsenopyrite sulphides and gold into structural traps that form high grade 214 type shoots would provide new exploration targets in addition to the typical veins.

8.2 MESOTHERMAL GOLD DEPOSITS

Mesothermal gold deposits are mainly quartz vein related, gold-only deposits with associated carbonatized wall rocks. They occur in low- to medium-grade metamorphic terrains of all ages, but only in those that have been intruded by granitoid batholiths (Hodgson, 1993). On a regional scale, the deposits occur in prograding arc-trench complexes in association with major transectural fault zones, linear belts of fluvialite to shallow-marine sedimentary rocks, and small felsic alkalic and trondhjemitic intrusions, a co-spatial assemblage of structures and rocks that developed after the main period of accretion-related contractional deformation, but before much of the metamorphism and penetrative fabric. At Puffy Lake, the strong lineation of 201-type arsenopyrite and the presence of a mineral assemblage indicative of a metamorphosed alteration (e.g., assemblage of coarse-grained diopside, Ca-amphibole and calcite associated with sulphide mineralization) strongly suggests a pre-peak metamorphism origin for the deposit (Gagne, et al., 2006).

One broad group of mesothermal gold deposits is hosted in belts dominated by volcanic rocks such as the greenstone belts in the Precambrian Superior Province of the Canadian Shield. One subclass of this group is auriferous quartz veins and veinlet systems, based on the dominant form of mineralization and host rock.

Most mesothermal gold deposits in supracrustal rock belts dominated by volcanic rocks are controlled by shear zones and by fracture systems related to shear zones. Shear-zone systems range from brittle to ductile, although at least some ductile shears have overprinted brittle shears and vice versa. Most mineralization is in shear veins within shear zones and in the immediate wall rocks.

Most gold-bearing mineralized zones are localized in fractures and schist zones that have dilated. Patterns of veins indicate that in most deposits, dilation is an integral part of bulk inhomogeneous strain due to alternating increments of simple shear along intersecting fracture sets.

Ore fluids are CO₂ rich and have been attributed to magmas, metamorphic devolatilization of supracrustal rocks and mantle degassing. Commonly associated minerals include pyrite (less commonly pyrrhotite), common base-metal sulphides, arsenopyrite, tourmaline and molybdenite.
9.0 EXPLORATION

9.1 PAST EXPLORATION

For a discussion of exploration prior to Auriga Gold’s acquisition of the property in 2010, see Section 6.0, History.

9.2 AURIGA GOLD EXPLORATION

Since acquiring the property in October 2010, Auriga Gold has carried out two drilling programs which are summarized in section 10.0.
10.0 DRILLING

All drilling prior to the 2011 drill program is summarized in section 5.0 of this report.

In December of 2010, Auriga Gold commenced Phase I of a diamond drill program. The 15 hole, (A3-01 to 15) 3,350 m program was completed in March of 2011 and intersected several high grade mineralized veins. The aim of the Phase I program was to confirm historical (non-NI43-101 resources) gold resources at the past producing Puffy Lake Mine. Boreholes A3-01 to A3-07, A3-09 and A3-12 intersected gold mineralization associated with quartz veins and silicification within the host rocks. This drilling confirmed several parallel gold mineralized zones that dip toward the northeast at approximately 30°.

Phase II drilling commenced in March of 2011 with the intention of testing the potential of shallow open pit mining of the mineralized vein system. The Phase II drill program consisted of 32 boreholes (A3-16 to 41) totalling 1,600 m of drilling. Holes A3-16 to 29 inclusive tested the near surface potential in the southern area of the mine area near the portal. Holes A3-30 to 33, and 35 tested the Sherridon Vein where comes close to surface while Holes A3-34, 36 to 41 tested the near surface potential in the northern mine area.

A list of boreholes and significant intersections can be found in Table 10.1. Borehole locations are presented in Figure 10.1. The results of the Phase I and II drill programs were used as the basis for the Resource Estimate prepared by P&E, presented in Section 14.

P&E did not find there were any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

<table>
<thead>
<tr>
<th>Hole No.</th>
<th>East (m)</th>
<th>North (m)</th>
<th>Az(°)</th>
<th>Dip(°)</th>
<th>From (m)</th>
<th>To (m)</th>
<th>Interval*(m)</th>
<th>Au(gpt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A3-01</td>
<td>373,520</td>
<td>6,100,750</td>
<td>0</td>
<td>-90</td>
<td>245.20</td>
<td>245.70</td>
<td>0.50</td>
<td>3.71</td>
</tr>
<tr>
<td>and</td>
<td>373,520</td>
<td>6,100,750</td>
<td>0</td>
<td>-90</td>
<td>247.20</td>
<td>247.70</td>
<td>0.50</td>
<td>8.17</td>
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<tr>
<td>A3-05</td>
<td>373,270</td>
<td>6,100,630</td>
<td>235</td>
<td>-59</td>
<td>52.77</td>
<td>55.27</td>
<td>2.5</td>
<td>11.99</td>
</tr>
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<td>including</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>53.27</td>
<td>53.77</td>
<td>0.50</td>
<td>52.61</td>
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<tr>
<td>A3-06</td>
<td>373,195</td>
<td>6,100,593</td>
<td>0</td>
<td>-90</td>
<td>8.77</td>
<td>9.61</td>
<td>0.84</td>
<td>18.65</td>
</tr>
<tr>
<td>and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>35.16</td>
<td>35.41</td>
<td>0.25</td>
<td>11.23</td>
</tr>
<tr>
<td>A3-02</td>
<td>373,415</td>
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<td>0</td>
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<td>175.75</td>
<td>177.75</td>
<td>2.00</td>
<td>9.19</td>
</tr>
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<td>including</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>176.25</td>
<td>176.75</td>
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<td>58.80</td>
<td>59.35</td>
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<td></td>
<td>63.50</td>
<td>65.00</td>
<td>1.50</td>
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<tr>
<td>A3-07</td>
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<td>300.10</td>
<td>2.00</td>
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<td>A3-09</td>
<td>373,815</td>
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<td>0</td>
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<td>165.64</td>
<td>0.51</td>
<td>9.64</td>
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<td>216.80</td>
<td>217.80</td>
<td>1.00</td>
<td>2.17</td>
</tr>
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<td>6,100,655</td>
<td>0</td>
<td>-90</td>
<td>96.98</td>
<td>98.48</td>
<td>1.50</td>
<td>7.73</td>
</tr>
<tr>
<td>and</td>
<td>129.07</td>
<td>130.57</td>
<td>1.50</td>
<td></td>
<td>7.88</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A3-16</td>
<td>373,435</td>
<td>6,100,181</td>
<td>0</td>
<td>-90</td>
<td>8.20</td>
<td>13.20</td>
<td>5.00</td>
<td>6.59</td>
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<td>including</td>
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<td>13.20</td>
<td>2.00</td>
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<td>11.98</td>
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</tbody>
</table>
**Table 10.1**

**HIGHLIGHTS OF DRILL INTERCEPTS FROM THE 2010/2011 PHASE I & II DRILL PROGRAM**

<table>
<thead>
<tr>
<th>Drill</th>
<th>Depth</th>
<th>Intersection</th>
<th>Width</th>
<th>Assay</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<td>0.21</td>
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<td>-45</td>
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<td>21.50</td>
<td>0.21</td>
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<td>32.23</td>
<td>2.37</td>
<td>7.08</td>
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<tr>
<td>A3-28</td>
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<td>1.62</td>
<td>2.30</td>
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<td>30.16</td>
<td>0.36</td>
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<td>Hole terminated before it intersected zone</td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>-90</td>
<td>156.13</td>
<td>157.69</td>
<td>1.56</td>
<td>10.48</td>
</tr>
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<td>Hole terminated before it intersected zone</td>
<td></td>
<td></td>
<td></td>
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<td>1.55</td>
<td>6.26</td>
</tr>
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<td>-45</td>
<td>23.83</td>
<td>24.16</td>
<td>0.33</td>
<td>9.19</td>
</tr>
</tbody>
</table>
### Table 10.1
**Highlights of Drill Intercepts from the 2010/2011 Phase I & II Drill Program**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<td></td>
<td></td>
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<td>including</td>
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<td>37.01</td>
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<td>3.50</td>
</tr>
<tr>
<td>including</td>
<td></td>
<td>37.51</td>
<td>38.01</td>
<td>0.50</td>
</tr>
<tr>
<td>and</td>
<td></td>
<td>46.00</td>
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<td>-90</td>
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<td>A3-41</td>
<td>373,174</td>
<td>6,100,600</td>
<td>235</td>
<td>45</td>
</tr>
</tbody>
</table>

*Note – True widths are currently estimated at 85-90% of drilled widths*
Figure 10.1  Drill Hole Location

Source: www.aurigagold.ca
11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

All drill core from the Phase I and II programs were NQTW in size. The assay and sample information as well as geological descriptions were taken from drill logs prepared under the supervision of Auriga Gold’s QP, Bruce Mackie. Assays were completed on split or sawed half-cores, with the second half of the core kept for future reference.

Samples were put into rice bags which were sealed with security locks for shipping directly to Accurassay Laboratories, an accredited assay laboratory, in Thunder Bay, Ontario. Accurassay Laboratories is independent of the issuer of this report. In 2002, Accurassay Laboratories was accredited for gold and other elements under ISO/IEC Guideline 17025. Accreditation covers assay laboratory practices including quality control and quality assurance.

The samples were analyzed using standard fire assay procedures with an AA/ICP finish, using 50 g aliquots. Assay results greater than 2.50 g Au/t were rerun using a gravimetric finish. In addition to the standard quality control of the laboratory, a series of blanks and standards were inserted with every shipment for quality control purposes.

11.1 CONCLUSIONS

The author is of the opinion that the sample preparation, security and analytical procedures are adequate for use in this report.
12.0 DATA VERIFICATION

12.1 SITE VISIT AND INDEPENDENT SAMPLING

Mr. Eugene Puritch, P. Eng., visited the Puffy Lake Project on May 30, 2011 for the purpose of doing the site visit and completing an independent verification sampling program. The Puffy Lake core was examined and 19 samples were taken in 18 holes by taking ¼ splits of the remaining half core in the box. An effort was made to sample a range of grades.

At no time were any employees of Auriga Gold advised as to the identification of the samples to be chosen during the visit.

The samples were selected by Mr. Puritch, and placed into sample bags which were sealed with tape and placed in a rice bag.

The samples were brought by Mr. Puritch to AGAT Laboratory, (“AGAT”) in Mississauga, Ontario for analysis.

AGAT has developed and implemented at each of its locations a Quality Management System (QMS) designed to ensure the production of consistently reliable data. The system covers all laboratory activities and takes into consideration the requirements of ISO standards.

AGAT maintains ISO registrations and accreditations, which provide independent verification that a QMS is in operation at the location in question. Most AGAT laboratories are registered or are pending registration to ISO 9001:2000.

Gold was determined using fire assay on a 30 gram aliquot, with an AAS finish. Samples assaying greater than 10 g/t Au were rerun using fire assay with a gravimetric finish.

A comparison of the results is presented in Figure 12.1.

Figure 12.1 Puffy Lake Site Visit Sample Results for Gold

![Graph showing Puffy Lake Site Visit Sample Results for Gold](image-url)
12.2 AURIGA QUALITY ASSURANCE/QUALITY CONTROL REVIEW

Auriga Gold implemented a quality assurance/quality control (QAQC) program for the 2010-2011 drilling program, with the addition of three different certified reference materials and a coarse gneissic blank, (which was later exchanged for a pulverized blank material) at a rate of approximately 1:20. P&E reviewed all data, and the discussion is presented in the following subsections.

12.2.1 Performance of Certified Reference Materials

Three certified reference materials were used for the drill program, which were purchased at CDN Resource Labs in Langley, BC. The grades of the reference materials ranged from 3.77 g/t Au to 13.2 g/t Au.

There were 30 data points for the material grading 3.77 g/t Au. The data were graphed using +/-2 standard deviations from the mean for the warning limits and +/- 3 standard deviations from the mean for the tolerance limits.

There were two misallocations (wrongly labeled standard inserted) and three data points that failed above the tolerance limit of +3 standard deviations.

The material grading 8.25 g/t Au had 31 data points. There was one misallocation and all remaining data were within the warning limits, spread evenly above and below the mean.

The material grading 13.2 g/t Au had a total of 27 data points and all data were within the warning limits, spread evenly above and below the mean.

12.2.2 Performance of Blank Material

The blank material used initially was a “barren” gneissic rock that went through all stages of sample reduction. After the initial 12 samples came back with elevated gold values (the highest being 1.03 g/t Au), it was recognized that the gneiss wasn’t actually devoid of gold, and its use was discontinued. Auriga Gold switched to a pre-pulverized commercial blank for the remainder of the program. There were 48 data points for the blank material and all were well below the upper threshold of three times the detection limit.

The commercial blank did not go through the sample reduction process – it monitored possible analytical contamination only, and it is recommended that Auriga Gold source another coarse blank material for use in future drill campaigns.

12.2.3 Historical Data Verification

Over 300 historical drill holes were used in the resource estimate; most of the holes date back to the mid 1980’s. Historic assay work was completed by Eco-Tech Laboratories Ltd., (“Eco-Tech”), CDN Resource Laboratories Ltd., (“CDN Labs”) and ALS Chemex Laboratories Ltd., (“Chemex”).

The majority of the analyses were completed using the metallic screen method, one where the coarse fraction (defined in this case by the labs as +100 mesh) and the fine fraction (defined in this case by the labs as -100 mesh) were weighed and analyzed separately before being
recombined to give a weighted average gold grade. The certificates listed the +100 mesh fraction grade and the -100 mesh fraction grade, as well as the average grade, however details of the individual weights of each fraction were not given. There were repeat analyses on a coarse reject split and almost none on a second pulp.

P&E compiled 1,674 reject split duplicate analyses from Eco-Tech, CDN Labs and Chemex that were completed during the historical programs. Only values greater than 1 g/t Au were compiled. Considering the duplicate pairs were derived from a coarse reject split, the resulting precision of 11%, when measured using the Thompson-Howarth precision plot is considered excellent.

P&E declares the data acquired and analyzed by Auriga Gold to be satisfactory for use in a resource estimate.
13.0 MINERAL PROCESSING AND METALLURGICAL TESTING


On April 13, 1981, Britton Research Limited (“Britton”) reported on a series of metallurgical tests (April 13, 1981. Project B495. Britton Research Limited. Vancouver, B.C. Metallurgical tests on a Sample of Gold Ore) which included grinding, cyanidation and flotation tests. The test results were summarized as follows:

- A composite sample was made up from 103 diamond drill core assay rejects. It had an average gold assay of 7.1 grams per tonne. Due to the erratic distribution of coarse gold in the sample, individual assays, including calculated test heads, ranged from 4.4 to 12.3 grams per tonne;
- The sample had a Bond Work Index of 14.7 kw.hr per ton for grinding from 10 mesh to 63% minus 200 mesh;
- The sample had a specific gravity of 2.87 g/cc;
- Although an appreciable amount of arsenopyrite was present in the sample, it was not refractory to cyanidation. Cyanidation for was carried out for 72 hours, after grinding to 63% minus 200 mesh and followed by amalgamation of the coarse fraction of the residue to remove coarse gold. This extracted 90.3% of the gold. Increasing the fineness to 87% minus 200 mesh raised the extraction to 92.7%. A further increase to 95% minus 200 mesh yielded an extraction rate of 95.4%.
- Three-stage rougher flotation, after grinding to 63% minus 200 mesh, followed by amalgamation of the tailing, recovered 93.1% of the gold, in combined concentrates, assaying 73.7 grams per tonne. Finer grinding to 95% minus 200 mesh, increased the recovery to 94.8%.
- Possible methods of treating the ore include the following. In each case, a jig would be installed in the grinding circuit to recover coarse gold:
  - Direct cyanidation after grinding.
  - Flotation, followed by shipment of the concentrate to a smelter.
  - Flotation followed by regrinding and cyanidation of the concentrate.
- Indications were that at least 90% of the gold could be recovered by any of these methods. The choice of the method to be used would depend on the results of additional metallurgical investigations, to be followed by a preliminary feasibility study, which would include estimates of capital and operating costs, as well as environmental studies. The possibility of shipping the ore direct to a smelter would also be investigated.

On October 4, 1984, Lakefield Research (“Lakefield”) reported on an investigation of the recovery of gold on a bulk sample (October 4, 1984. Project L.R.2873. Lakefield Research, Lakefield, Ont. An Investigation of the Recovery of Gold). The results are summarized as follows:

- Thirty (30) drums of material were received by Lakefield. Shipping weight was 6,818 kg (6.818 tonnes).
- The overall ‘calculated’ grade of the 6.8 tonne bulk sample was 4.17 g/t. Additional analyses on a representative head sample were: 2.2 g/t Ag; 0.37% Pb; 2.07% S; and 0.027% As.
- The flowsheet evaluated in the pilot plant is shown in Figure 13-1.
The circuit was operated for a period of 19 hours over 3 days and 6.8 tonnes of ore was processed;

Grinding Circuit. The average feed rate to the mill was 349 kg/hr and the net power consumption was 12.01 kW/t. The cyclone overflow was 71% passing 200 mesh. The calculated work index was 13.4;

Flotation & Gravity Circuits. Upon completion of the three days of tests the pilot plant was cleaned out and a mass balance was established. Gold recovered from tests together with that from clean-up (assumed to be recoverable during gravity concentration) an overall metallurgical balance was projected.

Gold recovery during concentration was 95.9% with 4.1% reporting to the tailing product. Distribution of gold to various products was gravity concentrate – 77.2%; Pyrite concentrate – 11.8%; Arsenopyrite concentrate – 6.9%; and Tailing product – 4.1%

Gold Recovery. Concentrates were cyanided to extract gold from the gangue minerals and this gold was recovered by electrolysis. During this process some further gold losses were experienced. Final recoveries were stated as Gravity concentrate – 76.0%; Pyrite concentrate – 11.5%; Arsenopyrite concentrate – 5.7%; and Tailing product – 4.8%
On November 25, 1986 Coastech reported on confirmatory metallurgical testwork (25 November, 1986. Coastech Research Inc., Vancouver, B.C. Confirmatory Metallurgical Testwork.) The essence of this work can be summarized as follows:

- The most significant estimate of head gold grade is by multiple sub-sample assay by fire/metallics. The mean gold grade for the twelve composite lots was 7.20 grams per tonne. Coarse, free gold was evident due to high variance of individual head assays. There was not economically significant copper, lead, or zinc values indicated. Silver is of minor economic and metallurgical significance;
- All of the composite lots responded to direct cyanidation. It is estimated that following optimization of the cyanidation parameters gold extractions typically >95% could be expected resulting in tailings grading 0.30 to 0.50 grams per tonne. Reagent consumptions <0.2 kg NaCN per tonne and <1 kg CaO per tonne are expected with minor solution fouling by soluble coppers. High dissolved arsenic is expected in the pregnant solution;
- Gravity concentration resulted in gold recoveries of 50 to 85% to a concentrate (uncleaned) grading >500 g Au/t and 30 to 40% As. Gravity and froth flotation combined bulk concentrate resulted in >95% gold recovery for all composite lots, except Lot 1. All flotation products contained high levels of arsenic. A separate base metal flotation concentrate for market is not viable. The most sensible processing route to pursue is a combined gravity flotation concentration followed by cyanidation of the combined or separate concentrates and conventional solution refining to bullion techniques;
- Waste management should not present extraordinary processing measures;
- All of the composite lots responded similarly to exploratory metallurgical testing;
- Future detailed design testwork should be limited to two composites, a high grade and a low grade.
14.0 MINERAL RESOURCE ESTIMATES

14.1 INTRODUCTION

The mineral resource estimate presented herein is reported in accordance with the Canadian Securities Administrators’ National Instrument 43-101 and has been estimated in conformity with generally accepted CIM “Estimation of Mineral Resource and Mineral Reserves Best Practices” guidelines. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no guarantee that all or any part of the mineral resource will be converted into mineral reserve. Confidence in the estimate of Inferred mineral resources is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Mineral resources may be affected by further infill and exploration drilling that may result in increases or decreases in subsequent mineral resource estimates.

All mineral resource estimation work reported herein was carried out by FH Brown, CPG, and Antoine Yassa, P.Geo., both independent Qualified Persons in terms of NI43-101, from information and data supplied by Auriga Gold. The effective date of this estimate is August 4, 2011. A draft copy of this report was reviewed by Auriga Gold for factual errors.

Mineral resource modeling and estimation were carried out using the commercially available Gemcom GEMS TM and Snowden Supervisor TM software programs.

14.2 PREVIOUS RESOURCE ESTIMATES

To the best of P&E’s knowledge, no previous NI43-101 compliant mineral resource has been disclosed. An historical resource has been previously referenced, (Pieterse, 2010) but is superseded by the current mineral resource estimate that is the subject of this report.

14.3 DATA SUPPLIED

All drilling and sampling data for the Puffy Lake mineral resource model were compiled by P&E staff under the supervision of Mr. Antoine Yassa, P.Geo., Senior Associate Geologist, P&E Mining Consultants. As implemented by P&E, the database contains 84,637.77 m of drilling from 496 drillhole records, as well as 22,550 Au g/t assay values.

The original assay database contained multiple gold results including metal sieve assay results and fire assay results, as well as check assay results. For the model interpretation the metal sieve assays results were used preferentially, or the average value of the remaining assay values when metal sieve assay results were not available.

14.4 DATABASE VALIDATION

Industry standard validation checks were completed on the database. P&E typically validates a mineral resource database by checking for inconsistencies in naming conventions or analytical units, duplicate entries, interval, length or distance values less than or equal to zero, blank or zero-value assay results, out-of-sequence intervals, intervals or distances greater than the reported drill hole length, inappropriate collar locations, and missing interval and coordinate fields. No significant validation errors were noted. P&E believes that the supplied database is suitable for mineral resource estimation.
14.5 SPECIFIC GRAVITY

A limited amount of specific gravity data is available for use. Previously, a value of 2.77 t/m$^3$ has been used at Puffy Lake, based on a 6.8 tonne surface bulk sample. (Reed, 1987). The specific gravity measurements of twenty samples collected during a site visit by Mr. Eugene Puritch, P.Eng. of P&E Mining Consultants, ranged from 2.50 t/m$^3$ to 2.96 t/m$^3$, with an average specific gravity of 2.72 t/m$^3$. A specific gravity of 2.72 t/m$^3$ was therefore used for mineral resource estimation.

14.6 DOMAIN MODELING

Six mineralization domain models were developed by Mr. Antoine Yassa, P.Geo., working in consultation with Mr. Bruce Mackie P.Geo, Auriga Gold’s geological consultant. Domain models were generated from successive polylines oriented perpendicular to the trend of the mineralization and spaced every twenty-five meters along the strike of the deposit. Preliminary mineralization domains were defined by continuous mineralized structures and assay intervals equal to or greater than 0.50 g/t Au. All polyline vertices were snapped directly to drillhole assay intervals, in order to generate a true three-dimensional representation of the extent of the mineralization. Below the 290 m level the 0.50 g/t Au mineralization domains were then clipped where possible to exclude material less than 2.50 g/t. Occasional lower grade assay intervals were included to maintain geological continuity. Domain wireframes were then clipped above a constructed overburden surface.

Overburden and topographic surfaces was also developed from drillhole logging and collar elevations respectively, and extended sufficiently to cover the block model extents.

The resulting domains were used as hard boundaries during estimation, and for rock coding, statistical analysis and compositing limits (Figure 14.1).
COMPOSITING

Constrained assay sample lengths range from 0.10 m to 7.90 m, with an average sample length of 0.68 m (Figure 14.2). Two distinct sample length populations are evident however, averaging 0.50 m and 1.00 m. In order to ensure equal sample support a compositing length of 1.00 m was therefore selected for use for mineral resource estimation.
Length-weighted composites were calculated within the defined domains. The compositing process started at the first point of intersection between the drillhole and the domain intersected, and halted upon exit from the domain wireframe. The wireframes that represent the interpreted domains were also used to back-tag a rock code field into the drillhole workspace. Assays and composites were assigned a domain rock code value based on the domain wireframe that the interval midpoint fell within. A nominal grade of 0.001 g/t was used to populate a small number of un-sampled assay intervals. Composites that were less than 0.33 m in length were discarded so as to not introduce a short sample bias into the estimation process. The composite data were then exported to extraction files for grade estimation.

### 14.8 COMPOSITE SUMMARY STATISTICS

P&E generated summary statistics for 1,224 composite samples from the defined mineralization domains, as well as total composite summary statistics and summary statistics for the total composite sample population above the 290 m level and below the 290 m level. P&E also computed multiple declustered means over a range of cell sizes in order to provide accurate grades for model comparison and validation (Table 14.1).

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<th>Rock Code Samples</th>
<th>Min g/t</th>
<th>Max g/t</th>
<th>Mean g/t</th>
<th>St Dev.</th>
<th>CV</th>
<th>Variance</th>
<th>Skewness</th>
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<td>102.71</td>
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<td>0.025</td>
<td>32.273</td>
<td>4.351</td>
<td>5.27</td>
<td>1.21</td>
<td>27.81</td>
<td>2.99</td>
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<td>0.030</td>
<td>25.353</td>
<td>2.508</td>
<td>3.96</td>
<td>1.58</td>
<td>15.70</td>
<td>3.38</td>
</tr>
<tr>
<td>Main HG Zone 1 Domain 321</td>
<td>133</td>
<td>0.025</td>
<td>64.170</td>
<td>5.249</td>
<td>8.26</td>
<td>1.57</td>
<td>68.25</td>
<td>4.30</td>
</tr>
<tr>
<td>Lower LG Zone 4 Domain 414</td>
<td>153</td>
<td>0.020</td>
<td>58.000</td>
<td>4.074</td>
<td>6.46</td>
<td>1.59</td>
<td>41.77</td>
<td>4.62</td>
</tr>
<tr>
<td>Lower HG Zone 4 Domain 424</td>
<td>243</td>
<td>0.050</td>
<td>74.786</td>
<td>4.644</td>
<td>7.31</td>
<td>1.57</td>
<td>53.47</td>
<td>5.70</td>
</tr>
<tr>
<td>Low Low LG Zone 5 Domain 515</td>
<td>81</td>
<td>0.019</td>
<td>46.363</td>
<td>3.874</td>
<td>6.11</td>
<td>1.58</td>
<td>37.27</td>
<td>4.57</td>
</tr>
<tr>
<td>Low Low HG Zone 5 Domain 525</td>
<td>60</td>
<td>0.025</td>
<td>31.239</td>
<td>4.417</td>
<td>6.07</td>
<td>1.37</td>
<td>36.87</td>
<td>2.98</td>
</tr>
<tr>
<td>Misc LG Zone 6 Domain 610</td>
<td>5</td>
<td>0.296</td>
<td>10.099</td>
<td>4.721</td>
<td>4.93</td>
<td>1.04</td>
<td>24.30</td>
<td>0.55</td>
</tr>
<tr>
<td>Misc HG Zone 6 Domain 620</td>
<td>6</td>
<td>1.083</td>
<td>36.008</td>
<td>10.854</td>
<td>13.39</td>
<td>1.23</td>
<td>179.22</td>
<td>1.74</td>
</tr>
<tr>
<td>Below 290 m Domain HG</td>
<td>577</td>
<td>0.025</td>
<td>74.786</td>
<td>4.879</td>
<td>7.25</td>
<td>1.49</td>
<td>52.60</td>
<td>4.50</td>
</tr>
<tr>
<td>Above 290 m Domain LG</td>
<td>645</td>
<td>0.004</td>
<td>66.496</td>
<td>3.218</td>
<td>3.69</td>
<td>1.96</td>
<td>39.60</td>
<td>5.03</td>
</tr>
</tbody>
</table>

### 14.9 TREATMENT OF EXTREME VALUES

The presence of high-grade outliers for the composite data was evaluated by a combination of decile analysis and review of probability plots. Decile analysis results indicate that grade capping is required, with 18.3% of the mineral content contained in the upper decile and 13.8% in the upper percentile for composites above the 290 m level, and 18.1% of the mineral content contained in the upper decile and 11.0% in the upper percentile for composites below the 290 m level. (Figure 14.3). A capping threshold of 30 g/t Au was selected, resulting in the capping of 18 composite samples prior to estimation (Table 14.2).
Figure 14.3  Decile analysis results above 290 m level

![Decile Analysis: Au Composites Above 290m Level](image)

Figure 14.4  Decile analysis results below 290 m level

![Decile Analysis: Au Composites Below 290m Level](image)

**Table 14.2**

<table>
<thead>
<tr>
<th></th>
<th>Capping</th>
<th>Number Capped</th>
<th>Uncapped Avg</th>
<th>Capped Avg</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 290m</td>
<td>30 g/t</td>
<td>9</td>
<td>4.88 g/t</td>
<td>4.64 g/t</td>
<td>4.81</td>
</tr>
<tr>
<td>Above 290m</td>
<td>30 g/t</td>
<td>9</td>
<td>3.22 g/t</td>
<td>3.05 g/t</td>
<td>5.24</td>
</tr>
</tbody>
</table>
14.10 CONTINUITY ANALYSIS

Domain-coded, composited sample data were used for continuity analysis. Strike and dip orientations for analysis were selected using the known geometry of the mineralization, which was assessed for geological reasonableness. Traditional and normal-scores experimental semi-variograms aligned with the best-fit orientations of the mineralization were then generated. Due to the small number of samples per domain only isotropic semi-variograms for the grouped sample populations above the 290 m level and below the 290 m level produced usable results.

Based on the analysis of the resulting experimental semi-variograms, a strike distance of 40.0 m, a dip distance of 40.0 m, and a cross-strike distance of 10.0 m were selected as appropriate ranges for mineral resource estimation. Continuity ellipses based on the observed ranges were then generated and used as the basis for estimation search ranges, distance weighting calculations and mineral resource classification criteria. Anisotropy was modeled based on an average strike direction of 145°, -25E° down dip and +65E° across strike.

14.11 BLOCK MODEL

A rotated block model was established across the property with the block model limits selected so as to cover the extent of the mineralized domains, and the block size reflecting the generally narrow widths of the mineralized zones and the proposed underground mining scenario (Table 14.3). The block model consists of separate models for estimated grade, rock code, percent, density and classification attributes. A percent block model was used to accurately represent the volume and tonnage contained within the constraining mineralization domains. As a result, the mineral resource boundaries are properly represented by the percent model’s capacity to measure infinitely variable inclusion percentages. The volume represented by the known historical underground workings was subsequently depleted from the model.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Number</th>
<th>Size (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>372,400</td>
<td>374,400</td>
<td>1000</td>
<td>2</td>
</tr>
<tr>
<td>Y</td>
<td>6,100,800</td>
<td>6,102,800</td>
<td>1000</td>
<td>2</td>
</tr>
<tr>
<td>Z</td>
<td>-240</td>
<td>400</td>
<td>320</td>
<td>2</td>
</tr>
<tr>
<td>Rotation</td>
<td>-55°</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14.12 ESTIMATION & CLASSIFICATION

Anisotropic inverse distance cubed (“ID3”) linear weighting of capped composite values was used for the estimation of block grades, with the anisotropy defined by the axes of the search ellipse. A two-pass series of expanding search volumes with varying minimum sample requirements was used for sample selection, grade estimation and classification. Composite data used during grade estimation were restricted to samples located within their respective domains.

During the first pass, three to twelve composites from two or more drillholes within a search ellipsoid of 40.0 m x 40.0 m x 10.0 m were required for estimation. All blocks estimated during the first pass were classified as Indicated.
During the second pass, three to twelve composites from one or more drillholes were required for estimation. The search ellipse was expanded to ensure that all remaining blocks within the defined mineralization domains were estimated. All blocks estimated during the second pass were classified as Inferred.

Mineral resources were classified in accordance with guidelines established by the Canadian Institute of Mining, Metallurgy and Petroleum:

Indicated Mineral Resource: “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.”

Inferred Mineral Resource: “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.”

14.13 MINERAL RESOURCE ESTIMATE

In order to ensure that the reported mineral resources meet the CIM requirement of “reasonable prospects for economic extraction”, a conceptual floating-cone pit shell was developed based on all available mineral resources (Indicated and Inferred), and mineral resources within the pit shell were accumulated against a cut-off grade of 0.60 g/t Au. For the design of the conceptual floating-cone pit shell partial blocks were not diluted. Additional resources below the pit-shell limits were accumulated using an underground cut-off of 2.50 g/t Au. Economic parameters were derived by P&E from knowledge of similar projects, and the gold price selected represents the two-year trailing average as of July 2011 (Table 14.4). Based on a pit slope of 70 degrees the pit was limited to a maximum depth of 35 m as a practical mining limit.
### Table 14.4

**MINERAL RESOURCE ECONOMIC PARAMETERS**

<table>
<thead>
<tr>
<th>Open Pit</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Ore</td>
<td>C$3.75/t</td>
</tr>
<tr>
<td>Mining Waste</td>
<td>C$3.00/t</td>
</tr>
<tr>
<td>Process Cost 1,000 tpd</td>
<td>C$17.00/t</td>
</tr>
<tr>
<td>G &amp; A</td>
<td>C$6.00/t</td>
</tr>
<tr>
<td>Au Price</td>
<td>US$1231.00/oz</td>
</tr>
<tr>
<td>SC/SUS</td>
<td>0.97</td>
</tr>
<tr>
<td>Process Recovery</td>
<td>95%</td>
</tr>
<tr>
<td>Cutoff Grade</td>
<td>0.60 g/t</td>
</tr>
<tr>
<td>Slope</td>
<td>70°</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Underground</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Cost 1,000 tpd</td>
<td>C$17.00/t</td>
</tr>
<tr>
<td>G &amp; A</td>
<td>C$6.00/t</td>
</tr>
<tr>
<td>Mining Cost</td>
<td>C$75.00/t</td>
</tr>
<tr>
<td>Au Price</td>
<td>US$1231.00/oz</td>
</tr>
<tr>
<td>SC/SUS</td>
<td>0.97</td>
</tr>
<tr>
<td>Process Recovery</td>
<td>95%</td>
</tr>
<tr>
<td>Cutoff Grade</td>
<td>2.50 g/t</td>
</tr>
</tbody>
</table>

The effective date for the Puffy Lake mineral resource estimate is August 4, 2011 (Table 14.5).

### Table 14.5

**SUMMARY OF THE PUFFY LAKE MINERAL RESOURCES**

<table>
<thead>
<tr>
<th>Source</th>
<th>Class</th>
<th>Tonnes</th>
<th>Au g/t</th>
<th>Au ounces</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Pit</td>
<td>Indicated</td>
<td>242,000</td>
<td>4.16</td>
<td>32,000</td>
</tr>
<tr>
<td></td>
<td>Inferred</td>
<td>78,000</td>
<td>3.81</td>
<td>10,000</td>
</tr>
<tr>
<td>Undergroun</td>
<td>Indicated</td>
<td>702,000</td>
<td>6.29</td>
<td>142,000</td>
</tr>
<tr>
<td></td>
<td>Inferred</td>
<td>3,018,000</td>
<td>5.65</td>
<td>548,000</td>
</tr>
<tr>
<td>Total</td>
<td>Indicated</td>
<td>944,000</td>
<td>5.73</td>
<td>174,000</td>
</tr>
<tr>
<td></td>
<td>Inferred</td>
<td>3,096,000</td>
<td>5.61</td>
<td>558,000</td>
</tr>
</tbody>
</table>

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(3) Mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(4) Grade capping of 30 g/t was utilized on composites.

(5) A bulk density of 2.72 t/m$^3$ was used for all tonnage calculations.

(6) Open pit resources were reported within an optimized pit shell.

(7) A gold price of US$1,231/oz and an exchange rate of US$0.97US=C$1.00 was utilized in the Au cut-off grade calculations of 0.6 g/t open pit and 2.5 g/t underground. Open pit mining costs were C$3.75/t for mineralized material and C$3.00/t for waste rock while underground mining costs were C$75/t. Process costs were C$17/t and G&A was C$6/t. Process recovery used was 95%.
14.14 VALIDATION

The block model was validated visually by the inspection of successive section lines in order to confirm that the block model correctly reflects the distribution of high-grade and low-grade samples. Local trends were evaluated by comparing the ID3 block estimates to a nearest neighbor estimate (“NN”) at zero cutoff along the strike of the Puffy Lake deposit (Figure 14.5). In general the ID3 block estimates are in good agreement with the NN estimates, demonstrating a slight amount of smoothing compared to the NN estimates with no evidence of systematic bias in the model.

**Figure 14.5  Puffy Lake domain swath plot**

![Au Block Grades](image)

As a further check on the model the average model block grade was compared to the NN average as well as the declustered composite mean and the mean of the composite data. No significant bias between the block model and the input data was noted (Table 14.6).

<table>
<thead>
<tr>
<th>Table 14.6</th>
<th>GLOBAL VALIDATION STATISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statistic</td>
<td>Above 290 m</td>
</tr>
<tr>
<td>Composite Mean</td>
<td>3.22 g/t</td>
</tr>
<tr>
<td>Declustered Composite Mean</td>
<td>3.17 g/t</td>
</tr>
<tr>
<td>Mean Block Estimate</td>
<td>2.72 g/t</td>
</tr>
<tr>
<td>Mean NN Estimate</td>
<td>2.74 g/t</td>
</tr>
</tbody>
</table>
15.0 MINERAL RESERVE ESTIMATES

Auriga Gold has not carried out any production feasibility studies designed to convert the Mineral Resources previously described in this report to Mineral Reserves.
16.0 MINING METHODS

Auriga Gold has not carried out any production feasibility studies designed to confirm mine operating methods or economics. The information provided here describes the previous mining operations carried out by Pioneer at the Property between December 1987 and March 1989 and is provided for general information purposes only. Any future mining operations may be different due to changes in operating conditions. Information in this section was taken from “Technical Report on Puffy Lake Mine”, dated July 23, 2010 and authored by Karl Pieterse.

During the previous mining activities, the mine did not regularly meet forecasted production and cost targets. This has been described as being related to the fact that conditions were encountered that were more challenging than originally anticipated.

These conditions included a more irregular dip and strike in the mineralized deposit, compared to original projections. The mining methods employed were not sufficiently flexible to accommodate these changes in conditions and this resulted in an inadequacy to produce at the scheduled rates. It should be noted that no underground drilling was conducted and there was limited surveying of surface boreholes. This would have contributed to the difficulty encountered in tracing the veins.

The deposit was originally envisaged as a fairly regular tabular deposit dipping at approximately 30 degrees. Conventional inclined room and pillar mining methods were appropriately planned using handheld equipment in the stopes and mechanized equipment to haul the ore from the stope to surface through the ramp system.

Apparently, the mineralization was actually offset either along strike or up dip by repeated changes resulting from the non-tabular nature of the deposit. This slowed the mining progress introduced additional waste rock dilution into the ore stream.

In practice it was found that the deposit was not uniformly structured. Instead, considerable rolling and boudinage structures were encountered.

Several changes to the mining plan were attempted, including mechanizing the stoping operation with longhole blasting, slashing of the walls from the access drifts and increasing the frequency of the rib pillars. None of these methods seem to have adequately addressed these problems.
17.0 RECOVERY METHODS

Auriga Gold has not carried out any production feasibility studies designed to confirm methods for recovering the metal content of the mineral resources or the associated economics. The information provided here describes the previous processing operations carried out by Pioneer at the Property between December 1987 and March 1989 and is provided for general information purposes only. Any future processing operations may be different due to changes in operating conditions. Information in this section was taken from “Technical Report on Puffy Lake Mine”, dated July 23, 2010 and authored by Karl Pieterse.

The mill was designed to process 1,000 ton of mineralized material per day for 355 days per year, giving an annual mill throughput of 355,000 tons. The plant operated nominally on a 24 hours per day, 7 days a week schedule.

Mill feed from the mine was delivered to a 100 ton capacity dump hopper located alongside the crusher building.

A primary jaw crusher, that reduced the ore to a nominal 220 millimetres, was fed from the hopper. A cone crusher, in closed circuit with a double deck vibrating screen, further reduced the material to 13 millimetres or less. The product was transported by conveyor to a 1500 ton capacity “fine ore bin” adjacent to the mill building.

This material was conveyed to a two-stage grinding circuit, containing a rod mill and a ball mill in closed circuit. This product was ground to a design P30 size of 100 microns. A duplex jig incorporated into the grinding circuit recovered coarse free gold that was then upgraded by spirals. The final high grade gravity concentrate was combined with the flotation concentrate for cyanidation.

Overflow from the ball mill was fed to a flotation circuit. Concentrate from the flotation cells, coupled with concentrate from the gravity circuit, was treated in a series of cyanide leach tanks.

Flotation tailings were pumped directly to the tailings pond. Residual solids from the leach cycle was filtered and washed using two drum filters in series and the re-pulped filter cake was also directed to the tailings pond.

The gold-bearing pregnant solution was mixed with the wash water from the drum filters and treated by the Merrill-Crowe process to precipitate the gold from solution. The precipitate was removed by filter press, mixed into batches with flux, and charged to a reverberatory furnace.

Gold bullion produced was re-melted and cast into ingots. Slag from the furnace was returned to the mill.

The barren solution filtrate from the filter press flowed to a storage tank from which about two-thirds was recycled through the leaching circuit. The remaining barren solution was bled at about 3.6 cubic metres per hour and treated with hydrogen peroxide in a two stage cyanide destruction plant before being discharged to the tailings pond.
18.0 PROJECT INFRASTRUCTURE

The information noted in this section briefly touches upon the remaining on-site infrastructure in place at the Property from previous mining and processing operations between December 1987 and March 1989 and is provided for general information purposes only.

18.1 EXISTING ON-SITE PROCESSING AND MINING FACILITIES

Much of the remaining on-site facilities such as the process plant and related service facilities (Figure 18.1), tailings dam structures, underground workings etc., are described by Kilborn (1993) as being largely intact and useful but in need of rehabilitation. Kilborn (1993) states “The mill was shut down in a proper manner but will require some remedial work prior to reactivation. Fire-damaged lines will have to be repaired or replaced, and accommodation for the work force will have to be obtained as none presently exists.” However, the current state of all such surface plant and service facilities will need to be re-assessed by a new and current feasibility study.

Although many of the process plant facilities as shown by Pieterse (2006) in Error! Reference source not found. appear to be rehabilitatable, this needs to be confirmed. Future operational requirements may be different due to changes in operating conditions and thus the existing on-site facilities maybe unusable. Similarly, the existing underground workings can likely be dewatered and assessed for adequacy for any new mining operation. In this regard, the reader is referred to the feasibility study by Kilborn (1993) and the NI 43-101 technical report by Pieterse (2010) for more detailed information.

18.2 SOURCE OF POWER

A power transmission line was constructed from Sherridon to mine-site. This line followed the provincial access road south from Sherridon to a point close to the take-off point for the mine-access road. From there the power transmission line heads east to the mine-site. There has been no power to the site since operations were shut down. The power line will require rehabilitation including reconstruction of several kilometres that were destroyed by forest fires.

18.3 SOURCE OF WATER

Adequate supplies of fresh water (potable) are available from Jay Lake. A pipeline from Jay Lake was destroyed in the 1989 forest fire. An access road from the site to this lake was constructed and permitted for the previous operations. Process water was recycled from the tailing clarification pond at Ragged Lake but the reclaim water pipeline was destroyed by the 1989 forest fire.
Figure 18.1  Puffy Lake Mill Site Layout
19.0  MARKET STUDIES AND CONTRACTS

This section is not applicable to this report.
20.0 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

Auriga Gold has not carried out any environmental studies, permitting or social or community impact studies.
21.0 CAPITAL AND OPERATING COSTS

This section is not applicable to this report.
22.0 ECONOMIC ANALYSIS

This section is not applicable to this report.
23.0 ADJACENT PROPERTIES

The Nokomis Property is adjacent to the Puffy Lake Gold Property, as per NI 43-101, and contains a historical resource of 349,110 tonnes grading 6.10 g Au/t (McCormack, 1985). It should be noted that the qualified person has been unable to verify the resource and the above information is not necessarily indicative of mineralization on the property that is the subject of the technical report.

Furthermore the Property is located at the boundary of the Flin Flon Domain with the Kisseynew Domain, which hosts both gold and base metal deposits. There are several mineral deposits located in the vicinity of the Puffy Lake. Some past and current properties are shown on Figure 23.1.

Figure 23.1 Properties in the Vicinity of Puffy Lake
24.0 OTHER RELEVANT DATA AND INFORMATION

There is no other relevant data or information with respect to this report.
25.0 INTERPRETATION AND CONCLUSIONS

The Puffy Lake Gold Property was modeled in compliance with CIM Definitions and Standards on Mineral Resources and Mineral Reserves, December 11, 2005. National Instrument 43-101 reporting standards and formats were followed in this document in order to report the mineral resource in a fully compliant manner.

Two drill programs, consisting of 41 boreholes totalling 4,950 m of drilling, were conducted by Auriga Gold since December, 2010. Phase I of the program was designed to confirm historical gold resources at the past producing Puffy Lake Mine. The aim of the Phase II drill program was to test the potential shallow open pit mining of the mineralized vein system.

Diamond drill data from over 496 drill holes, a combination of historical drill holes and the 47 holes drilled by Auriga Gold were used for the August 2011 Resource Estimate.

Potential exists for the expansion of the gold resources at the Puffy Lake Gold Property and increase the quality and quantity of the optimized near surface in-pit resources on the property. The next phase of drilling began in August of 2011.
26.0 RECOMMENDATIONS

During the preparation of the current Mineral Resource estimate, it became evident that the Puffy Lake Property offered potential to host near surface mineralization that could possibly be exploited by several small, starter open pits. Additional drilling would be required to fully delineate the extent of this type of mineralization. Therefore, a program of in-fill diamond drilling to delineate as well as upgrade Inferred Resources to the Indicated category or better is being recommended for the potential open pit resources.

In addition, a similar program of further delineating and upgrading of the shallow (<150 m) underground that could potentially be exploited from the current underground workings or their immediate extensions is also being recommended.

A program of step-out exploration diamond drilling is recommended to seek to expand the known resource and test other sub-parallel targets.

It is being recommended that a LIDAR Survey be completed over the project area including colour digital air photography as base for future engineering studies.

Camp and road infrastructure should be upgraded to support an expanded exploration program.

Environmental baseline studies (surface water, groundwater, lake sediment geochem, ARD characterization) should also be initiated.

The work program recommended above commenced in August of 2011. A proposed budget of $1,180,000 is proposed as outlined in Table 26.1 below.

| TABLE 26.1 |
| RECOMMENDED WORK PROGRAM |
| ACTIVITY | BUDGET |
| Upgrade Access Road and Site Infrastructure | $80,000 |
| Complete LIDAR Survey Including Colour Air Photography | $60,000 |
| Upgrade and Further Delineate Potential Open Pit Resources 25-30 holes | $190,000 |
| Upgrade and Further Delineate Shallow Underground Resources 20-25 holes | $450,000 |
| Step out Exploration Holes to Expand Known Resource 8-10 holes | $200,000 |
| Commence Environmental Baseline Studies | $200,000 |
| **TOTAL** | **$1,180,000** |
27.0 REFERENCES

Dyck, Lynn Cynthia, 1997: Fold geometry and structural history of the Puffy Lake area, Kisseynew Gneiss Belt, Manitoba, Canada, University of New Brunswick.


Murck, B., unpublished internal memo for Pioneer Metals Corp.


28.0 CERTIFICATES

CERTIFICATE OF QUALIFIED PERSON

WAYNE D. EWERT, P.GEO.

I, Wayne D. Ewert, P. Geo., residing at 10 Langford Court, Brampton, Ontario, L6W 4K4, do hereby certify that:

1. I am a principal of P & E Mining Consultants Inc. who has been contracted by Auriga Gold Corp.


3. I graduated with an Honours Bachelor of Science degree in Geology from the University of Waterloo in 1970 and with a PhD degree in Geology from Carleton University in 1977. I have worked as a geologist for a total of 42 years since obtaining my B.Sc. degree. I am a P. Geo., registered in the Province of Saskatchewan (APEGS No. 16217), British Columbia (APEGBC No. 18965), the Province of Ontario (APGO No. 0866) and the Province of Newfoundland and Labrador (PEG No. 06005).

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.

My relevant experience for the purpose of the Technical Report is:

- Principal, P&E Mining Consultants Inc. .......................................................... 2004 – Present
- Regional Manager, Gold Fields Canadian Mining Limited................................. 1986 – 1987
- Supervising Project Geologist, Getty Mines Ltd. .................................................. 1982 – 1986
- Supervising Project Geologist III, Cominco Ltd. ................................................. 1976 – 1982

4. I have not visited the Property that is the subject of this Technical Report.

5. I am responsible for authoring Sections 2.0 through 6.0 of this Technical Report


7. I have not had prior involvement with the project that is the subject of this Technical Report.

8. I have read NI 43-101 and Form 43-101F1 and the Technical Report has been prepared in compliance therewith.

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

Effective Date: August 4, 2011

Signed Date: September 16, 2011

{SIGNED AND SEALED}

[Wayne Ewert]

Dr. Wayne D. Ewert P. Geo.
CERTIFICATE OF QUALIFIED PERSON

EUGENE J. PURITCH, P. ENG.

I, Eugene J. Puritch, P. Eng., residing at 44 Turtlecreek Blvd., Brampton, Ontario, L6W 3X7, do hereby certify that:

1. I am an independent mining consultant and President of P & E Mining Consultants Inc.


3. I am a graduate of The Haileybury School of Mines, with a Technologist Diploma in Mining, as well as obtaining an additional year of undergraduate education in Mine Engineering at Queen’s University. In addition I have also met the Professional Engineers of Ontario Academic Requirement Committee’s Examination requirement for Bachelor’s Degree in Engineering Equivalency. I am a mining consultant currently licensed by the Professional Engineers of Ontario (License No. 100014010) and registered with the Ontario Association of Certified Engineering Technicians and Technologists as a Senior Engineering Technologist. I am also a member of the National and Toronto Canadian Institute of Mining and Metallurgy.

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.

I have practiced my profession continuously since 1978. My summarized career experience is as follows:

- Open Pit Mine Engineer – Cassiar Asbestos/Brinco Ltd., ................................................. 1981-1983
- Pit Engineer/Drill & Blast Supervisor – Detour Lake Mine, ............................................... 1984-1986
- Self-Employed Mining Consultant – Timmins Area, ......................................................... 1987-1988
- Self-Employed Mining Consultant/Resource-Reserve Estimator, ....................................... 1995-2004
- President – P & E Mining Consultants Inc, ........................................................................... 2004-Present

4. I have visited the Puffy Lake Property on May 30-31, 2011

5. I am responsible for authoring Section 18.1 and co-authoring Section 14.0 the Technical Report.

6. I am independent of the issuer. applying the test in Section 1.5 of NI 43-101.

7. I have not had prior involvement with the project that is the subject of this Technical Report.

8. I have read NI 43-101 and Form 43-101F1. This Technical Report has been prepared in compliance therewith.

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

Effective Date: August 4, 2011

Signed Date: September 16, 2011

[SIGNED AND SEALED]

[Eugene Puritch]

Eugene J. Puritch, P. Eng
CERTIFICATE OF QUALIFIED PERSON

FRED H. BROWN, CPG, PrSciNat

I, Fred H. Brown, residing at Suite B-10, 1610 Grover St., Lynden WA, 98264 USA, do hereby certify that:

1. I am an independent geological consultant and have worked as a geologist continuously since my graduation from university in 1987.


3. I graduated with a Bachelor of Science degree in Geology from New Mexico State University in 1987. I obtained a Graduate Diploma in Engineering (Mining) in 1997 from the University of the Witwatersrand and a Master of Science in Engineering (Civil) from the University of the Witwatersrand in 2005.

I am registered with the South African Council for Natural Scientific Professions as a Professional Geological Scientist (registration number 400008/04), the American Institute of Professional Geologists as a Certified Professional Geologist (certificate number 11015) and the Society for Mining, Metallurgy and Exploration as a Registered Member (#4152172).

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. This report is based on my personal review of information provided by Auriga and on discussions with its representatives. My relevant experience for the purpose of the Technical Report is:

- Chief Geologist, De Beers Consolidated Mines 2000-2004
- Consulting Geologist 2004-2008

4. I have not visited the Property that is the subject of this Technical Report.

5. I am responsible for authoring Section 14 of this Technical Report.

6. I am independent of the issuer applying the test in Section 1.5 of NI 43-101.

7. I have not had any prior involvement with the Project that is the subject of this Technical Report.

8. I have read NI 43-101 and Form 43-101F1 and the Technical Report has been prepared in compliance therewith.

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

Effective Date: August 4, 2011

Signed Date: September 16, 2011

[SIGNED AND SEALED]
[Fred H. Brown]

Fred H. Brown CPG, PrSciNat
CERTIFICATE of AUTHOR

Tracy J. Armstrong, P.Geo.

I, Tracy J. Armstrong, residing at 2007 Chemin Georgeville, res. 22, Magog, QC J1X 0M8, do hereby certify that:

1. I am an independent geological consultant contracted by P&E Mining Consultants Inc. and have worked as a geologist continuously since my graduation from university in 1982.


3. I am a graduate of Queen’s University at Kingston, Ontario with a B.Sc. (HONS) in Geological Sciences (1982). I am a geological consultant currently licensed by the Order of Geologists of Québec (License 566), the Association of Professional Geoscientists of Ontario (License 1204) and the Association of Professional Engineers and Geoscientists of British Columbia, (Licence No. 34720).

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 and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101. This report is based on my personal review of information provided by the Issuer and on discussions with the Issuer’s representatives. My relevant experience for the purpose of the Technical Report is:

- Exploration geologist, Laronde Mine 1993-1995;
- Exploration coordinator, Placer Dome 1995-1997;
- Senior Exploration Geologist, Barrick Exploration 1997-1998;
- Exploration Manager, McWatters Mining 1998-2003;
- Chief Geologist Sigma Mine 2003
- Consulting Geologist 2003-to present.

4. I have not visited the Property that is the subject of this Technical Report.

5. I am responsible for the preparation and authoring of Section 12 of this Technical Report.

6. I am independent of issuer applying the test in Section 1.5 of NI 43-101.

7. I have had no prior involvement with the Property that is the subject of this Technical Report

8. I have read NI 43-101 and Form 43-101F1 and the Technical Report has been prepared in compliance therewith.

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

Effective Date: August 4, 2011

Signing Date: September 16, 2011

[SIGNED AND SEALED]
[Tracy J. Armstrong]

Tracy J. Armstrong, P. Geo.
DAVID BURGA, P. GEO.

I, David Burga, P. Geo., residing at 3884 Freeman Terrace, Mississauga, Ontario, do hereby certify that:

1. I am an independent geological consultant contracted by P&E Mining Consultants Inc.


3. I am a graduate of the University of Toronto with a Bachelor of Science degree in Geological Sciences (1997). I have worked as a geologist for a total of 12 years since obtaining my B.Sc. degree. I am a geological consultant currently licensed by the Association of Professional Geoscientists of Ontario (License No 1836).

   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.

   My relevant experience for the purpose of the Technical Report is:

   - Exploration Geologist, Cameco Gold.......................................................... 1997-1998
   - Field Geophysicist, Quantec Geoscience .................................................. 1998-1999
   - Geological Consultant, Andenburg Consulting Ltd. .................................. 1999-2003
   - Geologist, Aeon Egmond Ltd................................................................. 2003-2005
   - Project Manager, Jacques Whitford ....................................................... 2005-2008
   - Exploration Manager – Chile, Red Metal Resources .................................. 2008-2009
   - Consulting Geologist............................................................................. 2009-Present

4. I have not visited the Puffy Lake Property.

5. I am responsible for co-authoring Section 1 and authoring Sections 7 through 11 and 23 through 27 of the Technical Report.

6. I am independent of the Issuer applying the test in Section 1.5 of NI 43-101.

7. I have had no prior involvement with the Property that is the subject of this Technical Report.

8. I have read NI 43-101 and Form 43-101F1 and this Technical Report has been prepared in compliance therewith.

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

Effective Date: August 4, 2011
Signed Date: September 16, 2011

{SIGNED AND SEALED}
[David Burga]

________________________________________
David Burga, P. Geo.
KIRK RODGERS, P.ENG.

CERTIFICATE OF AUTHOR

I, Kirk H. Rodgers, P. Eng., residing at 378 Bexhill Rd., Newmarket, Ontario, do hereby certify that:

1. I am an independent mining consultant, contracted as Vice President, Engineering by P&E Mining Consultants Inc.


3. I am a graduate of The Haileybury School of Mines, with a Technologist Diploma in Mining. I subsequently attended the mining engineering programs at Laurentian University and Queen’s University for a total of two years. I have met the Professional Engineers of Ontario Academic Requirement Committee’s Examination requirement for Bachelor’s Degree in Engineering Equivalency.

   I have been licensed by the Professional Engineers of Ontario (License No. 39427505), from 1986 to the present. I am also a member of the National and Toronto Canadian Institute of Mining and Metallurgy.

   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.

   My relevant experience for the purpose of the Technical Report is:
   
   • Underground Hard Rock Miner, Denison Mines, Elliot Lake Ontario ............................................................. 1977-1979
   • Mine Planner, Cost Estimator, J.S Redpath Ltd., North Bay Ontario ............................................................. 1981-1987
   • Chief Engineer, Placer Dome Dona Lake Mine, Pickle Lake Ontario ............................................................. 1987-1988
   • Project Coordinator, Mine Captain, Falconbridge Kidd Creek Mine, Timmins, Ontario ..................................... 1988-1990
   • Manager of Contract Development, Dynatec Mining, Richmond Hill, Ontario ............................................. 1990-1992
   • General Manager, Moran Mining and Tunnelling, Sudbury, Ontario ............................................................. 1992-1993
   • Independent Mining Engineer .......................................................... 1993
   • Project Manager - Mining, Micon International, Toronto, Ontario .............................................................. 1994 - 2004
   • Principal, Senior Consultant, Golder Associates, Toronto, Ontario .............................................................. 2004 – 2010
   • Independent Consultant, VP Engineering to P&E Mining Consultants Inc, Brampton Ontario . 2011 – present

4. I am responsible for co-authoring the Executive Summary and for authoring sections 13 and 15 through 22.

5. I have not visited the Puffy Lake Property.

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

7. I am independent of the Issuer applying the test in Section 1.5 of NI 43-101.

8. I have had no prior involvement with the Property that is the subject of this Technical Report.

9. I have read NI 43-101 and Form 43-101F1 and this Technical Report has been prepared in compliance therewith.

Effective Date: August 4, 2011
Signed Date: September 16, 2011

[SIGNED AND SEALED]
{Kirk Rodgers}

Kirk Rodgers, P.Eng.