Pebble Creek Mining Ltd.

Mineral Resource Estimation
Askot Polymetallic Project
Uttarakhand, India

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Cover: Top. Askot project view looking south, Bottom. Adit 3 portal on the 985-metre level.
Executive Summary

Introduction

The Askot polymetallic sulphide deposit is the principal asset of Pebble Creek Mining Ltd. (“Pebble Creek”) The deposit has been explored for decades, until Adi Gold Mining Pvt. Ltd. (“ADI”), a subsidiary of Pebble Creek took ownership of the project in 2002. In May 2008, ADI mandated SRK Mining Services (India) Private Limited (“SRK”) to prepare an initial mineral resource estimate for this sulphide deposit following the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1, and in conformity with generally accepted CIM “Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines”. This technical report summarizes the work undertaken by SRK.

Property Description and Agreements

The Askot property is situated in the State of Uttarakhand (Formerly Uttaranchal) in northern India and approximately 350 kilometres northeast of New Delhi. The Askot project comprises two overlapping tenements situated near Askot and Baira villages in Didihat Tehsil, District Pithorgarh, Uttarakhand State: a Prospecting License (“PL”), covering an area of 7.93 square kilometres and initially granted to ADI and a Mining Lease (“ML”) covering an area of 3.86 square kilometres inside the PL. The ML is approved by Ministry of Mines, government of India, in two stages, on September 26 2007 and on September 3 2008, subject to a clearance certificate from the environment and forest department. According to Indian mining law, the ML can be applied for before the expiry of the PL. The PL remains in good standing until the ML is fully executed. The center of the project is located at approximately twenty-nine degrees and forty-five minutes latitude north and eighty degrees and twenty minutes longitude east.

Location, Access and Physiography

The Askot project is located in the foothills of the Indian Himalayas. The region is characterized by sharp relief contrast resulting in a denuded and rugged terrain. The climate is temperate with minimum temperature of three to four degrees in winter and a maximum of thirty to thirty-five degrees in summer. The area receives maximum rainfall during June to October. This region is relatively remote from infrastructure and industrialization. The nearest broad gauge railway station is situated in Haldwani (approximately 300 kilometres from Askot). The area can be reached by the paved mountain road from Haldwani.

History

The first systematic exploration at Askot was conducted by the Geological Survey of India (“GSI”) during 1969 to 1975. A total of twenty-four diamond drill holes were drilled. From 1979 to 1982 and in 1988 the Directorate of Geology and Mines (“DGM”) and the Indian Government’s Mineral Exploration Corporation (“MEC”), under a United Nation Development Program, drilled thirty-three core boreholes (6,292 metres), and began underground exploration. In 1979, the MEC started driving three adits in the footwall of the sulphide zone. Only one, the Adit 3, reached the sulphide mineralization. ADI resumed exploration at Askot in 2006, after receiving the PL. seventeen core boreholes (4,642 metres were drilled in 2006 and 2007.
Regional and Local Geology

The Himalayas are divided into the Tethyan basin, the Higher Himalayan Crystalline, the Lesser Himalayan metasedimentary rocks and the Siwalik sedimentaries. The tectonic units are separated from each other by a dominant thrust plane. The Askot property falls within the geological domain of the Lesser Kumaon Himalaya, lying between the Kali River in the east and Sutlej in the west. The Lesser Himalaya is mainly formed by Upper Proterozoic to Lower Cenozoic detrital sediments from the passive Indian margin intercalated with some granite and acid volcanics.

Askot property is a part of the Askot Crystalline, considered to form a southern klippen of the vast Almora-Dudhatoli Nappe that was pushed southwards from the Central Crystalline of the higher Himalaya over the younger sedimentary rocks of the Lesser Himalaya. On a regional basis, the Askot Crystalline is folded into a large syncline with its axis trending roughly northwest-southeast. The northern limb is steep to vertical (locally overturned).

The property occupies the northern limb of the Askot syncline. Within the property area there are four main lithological units: biotite-augen gneiss (named as “Abag”), muscovite-chlorite schist (named as “Ams”), Metadiorite or hornblende biotite schist (named as “Adi”) and the sulphide mineralization.

Deposit Types and Mineralization

The Askot sulphide mineralization comprises thin tabular massive sulphide bodies trending southeast and dipping steeply to the northeast. The dominant sulphide minerals are chalcopyrite, sphalerite, galena and pyrite with subordinate amounts of arsenopyrite and pyrrhotite with gangue minerals of quartz and very little actinolite, phlogopite, chlorite and muscovite.

Sulphides occur as relatively thin veneers of massive sulphide, 2.5 metres in average thickness. A volcanogenic origin was postulated by previous workers for the Askot polymetallic deposit primarily on the basis of the occurrence of polymetallic massive sulphides in lenticular bodies sub-concordant to strongly foliated mica-schists, inferred of volcano-sedimentary origin. While a volcanogenic origin cannot be ruled out, the sulphide bodies exhibit geometries more consistent with syn-tectonic structural and metamorphic remobilization.

Exploration and Drilling

In 2004, ADI prepared a surface geological map at a scale of 1:10,000 covering the southeastern part of the Askot Crystalline, including the northwestern limb, southeastern closure, the Askot thrust and importantly the sulphide mineralization. A systematic channel sampling program was carried out across the strike of the sulphide mineralization in the Adit 3. A total of seventeen channel samples were taken and assayed for copper, lead, zinc, gold and silver.

ADI carried out ground magnetic and horizontal loop electromagnetic (Max-Min) surveys on the Askot property. A total of eighty-eight line kilometres of ground magnetic and twenty-seven line kilometres of Max-Min survey were completed. Results show very encouraging anomalous zones on the closure of the Askot syncline as well as on the southern limb.

In 2006, three diamond core holes were drilled from surface (1,137 metres). In 2007, ADI drilled a further fourteen HQ, NQ and BQ diamond drill holes (3,505 metres).
Sampling Method, Approach and Analyses

There are very limited records available for the drilling procedures used by GSI and the DGM. Samples collected by the GSI and the DGM were analyzed in the respective in-house laboratories. No further information is available for the GSI holes. The DGM primarily used a volumetric analysis procedure for assaying core samples for copper, zinc and lead.

For the ADI drilling, assay samples were collected from half core split lengthwise with a diamond saw in hard massive core or with a chisel and a hammer in soft schistose rock. Core was sampled at one metre intervals honouring geological boundaries. All core samples were prepared at the Askot project site by ADI personnel. Assay samples were coarse crushed manually in a mortar and then using a primary jaw crusher (with a yield size of fifteen millimetres) and split with a riffle splitter on site by ADI personnel.

ADI used one primary laboratory for assaying samples, collected from the Askot sulphide deposit. All core samples were assayed by the ISO accredited Shiva Analyticals (India) Ltd. (“SHIVA”), in Bangalore, India. Every sample was assayed for gold using conventional fire assay and atomic absorption finish. Samples were also assayed for silver by aqua regia digestion followed by ICP-optical emission spectroscopy (“ICP-OES”) and for a suite of twenty-nine elements including copper, lead and zinc by multi acid digestion in followed by ICP-OES. SHIVA used industry best practice internal quality control measures.

In 2006, ADI used ALS Chemex (North Vancouver, Canada) as a secondary laboratory and sent ten samples for analysis. In 2007, ADI sent seventy-one samples to the Acme Analytical Laboratory (Vancouver, Canada) for check assaying.

ADI implemented external analytical quality control measures to monitor the reliability of the assaying results delivered by SHIVA and the secondary laboratories. External control samples (blank and field standards) were inserted at a rate of one each of blank and one field standard in every ten samples randomly.

Data Verifications

In accordance with National Instrument 43-101 guidelines, SRK visited the Askot project on May 29 and 30, 2008. SRK could inspect recent drilling sites, review with Pebble Creek and ADI staff field and drilling procedures, data management and geological interpretations. Drill core from seven recent boreholes was examined to ascertain the geological setting of the Askot deposit. SRK collected three independent verification samples replicating underground channel samples. Assay results from these samples confirm the presence of copper, lead, zinc, gold and silver in the Askot sulphide mineralization.

SRK analyzed retrospectively the analytical quality control data produced by ADI in 2006 and 2007. These data were summarized on bias and precision plots to ascertain the reliability of assay data delivered by the primary laboratory. In general, the performance of the quality control samples (blanks, field standard and check assays) is acceptable. Check assay data to umpire laboratories reveal no apparent bias. SRK concludes that the limited quality control data produced by ADI suggest that the assay data delivered by SHIVA are generally reliable for the purpose of resource estimation.
Mineral Resource Estimation

The mineral resource model presented herein represents the first resource evaluation for the Askot polymetallic deposit. This mineral resource model was prepared to provide an assessment of sulphide zones delineated by drilling and underground tunnelling on this project and to provide Pebble Creek management an independent assessment to justify additional exploration and development work.

The resource estimate was completed by Mr. Souvik Banerjee under supervision of Dr. Jean-Francois Couture, P.Geo (APGO #0197) an independent qualified person as this term is defined in National Instrument 43-101. The effective date of this resource estimate is August 12, 2008; the date Pebble Creek announced the resource estimate publically.

The database used to estimate the Askot mineral resources was audited by SRK and the mineralization boundaries were modelled by SRK. The current drilling information is sufficiently reliable to interpret with confidence the boundaries of the sulphide mineralization and that the assaying data is sufficiently reliable to support estimating mineral resources.

Seven mineralization wireframes were constructed using Surpac to constrain geostatistical analysis and grade estimation. The grade domain boundaries were defined by geology and lower cut-off value of either 0.1 percent copper and/or 0.1 percent zinc that is useful in separating mineralized rock from barren host.

Assays were composited to equal one metre lengths for geostatistical analysis. After review of log probability plots no capping was used or necessary. A block model aligned with the local UTM grid was constructed to cover the entire extent of the Askot mineralization. Block size was set at three by three by ten metres based on deposit geometry, density of sampling and potential mining scenario.

Variography on aggregated composites from all zones suggests a maximum range of sixty metres for gold and silver and eighty meters for copper, lead and zinc based on a relatively high nugget. Though an anisotropic ellipse was modelled for the individual metals, directional variography had poor resolution, preventing the modelling of anisotropy with confidence. A spherical model was considered with the same range in all directions. A range of sixty metres (the range for gold and silver) was selected for all the elements. Metal grades were estimated in the block model using an inverse distance squared algorithm. Estimation was done in two successive runs. The first run considers full variogram ranges to estimate block metal grades assigned to Indicated Mineral Resource category. The second run considers twice the variogram ranges for Inferred Mineral Resource category. In the first pass a minimum of three and maximum of eight composites were needed to assign a grade in a block, whereas for the second pass the minimum was reduced to one composite.

Mineral resources for the Askot project have been classified according to the “CIM Definition Standards for Mineral Resources and Mineral Reserves” (December, 2005) by Souvik Banerjee, under supervision of Dr. Jean-Francois Couture, P.Geo.

There are five metals of economic significance in the Askot deposit. Four metals (copper, lead, zinc and gold) contribute significantly to the value of this mineralization. Accordingly, the mineral resources are reported at a net smelter return (“NSR”) cut-off grade considering the likely underground mining extraction scenario that would be used to mine this mineralization.
SRK considers that a cut-off grade of US$100 NSR is appropriate for reporting the Mineral Resources for the Askot polymetallic sulphide deposit.

Table i: Mineral Resource Statement* for the Askot Polymetallic Sulphide Deposit, India, SRK Consulting, August 12, 2008.

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity (t)</th>
<th>Cu (%)</th>
<th>Zn (%)</th>
<th>Pb (%)</th>
<th>Ag (gpt)</th>
<th>Au (gpt)</th>
<th>Cu (t)</th>
<th>Zn (t)</th>
<th>Pb (t)</th>
<th>Ag (oz)</th>
<th>Au (oz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated</td>
<td>1,860,000</td>
<td>2.62</td>
<td>5.8</td>
<td>3.83</td>
<td>36</td>
<td>0.48</td>
<td>49,000</td>
<td>108,000</td>
<td>71,000</td>
<td>2,153,000</td>
<td>29,000</td>
</tr>
<tr>
<td>Inferred</td>
<td>149,000</td>
<td>1.7</td>
<td>4.56</td>
<td>1.89</td>
<td>29</td>
<td>0.44</td>
<td>3,000</td>
<td>7,000</td>
<td>3,000</td>
<td>139,000</td>
<td>2,000</td>
</tr>
</tbody>
</table>

*Reported at a NSR cut-off of US$100 per tonne based on metal prices of US$2.00 per pound of copper, US$0.65 per pound of lead, US$0.90 per pound of zinc, US$15.00 per ounce of silver and US$900 per ounce of gold and metallurgical recoveries of eighty-five, seventy-eight, seventy-seven, sixty and sixty percent, respectively. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates.

The mineral resources for the Askot polymetallic sulphide deposit are not very sensitive to the selection of the cut-off grade for the Indicated Mineral Resources blocks variation in cut-off from 80 to 140 US$NSR (seventy percent increase) results in fifteen percent reduction in tonnage and nine percent increase in copper equivalent grade.

Conclusions and Recommendations

In the opinion of SRK, the block model resource estimate and resource classification reported herein are a reasonable representation of the global base and precious metal resources found in the Askot deposit. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserve.

In reviewing the mineral resource model, SRK draws the following conclusions:

- An analysis of the exploration data collected by ADI and historical data collected by third parties prior to ADI indicates that the exploration database is generally appropriate for resource estimation;
- A total of seven mineralized solids were interpreted and used for resource estimation;
- ADI was successful in delineating an Indicated Mineral Resource estimated at 1.9 million tonnes grading an average of 2.62 percent copper, 3.83 percent lead, 5.80 percent zinc, 36 gpt silver and 0.48 gpt gold and an additional 0.15 million tonnes of 1.70 percent, copper, 1.89 percent lead, 4.56 percent zinc, 29 gpt silver and 0.44 gpt gold in the Inferred category; and
- SRK considers that there is an opportunity to increase the mineral resources at depth below the 800 metre elevation and to the southeast with additional drilling.

The results of the work to date on the Askot deposit are of sufficient merit to recommend additional drilling. Infill drilling is required to improve the confidence in the interpretation of the sulphide mineralization boundaries. SRK is confident that additional infill drilling will greatly improve geostatistical analysis and variography, and may allow upgrading the classification of the mineral resources. The geological and structural setting of the Askot sulphide deposit remains relatively poorly constrained.

SRK recommends that ADI continues step out drilling towards the northwest and southeast, as well as below the 800 metre elevation. The proposed surface core drilling...
program comprises thirty-four boreholes totalling approximately 10,000 metres. The cost for the recommended drilling program is estimated at approximately US$1,725,000 based on a drilling cost of US$160 per metre. The unit drilling cost is based on ADI’s suggestion of procuring its own drilling equipment. A capital provision of US$600,000 is included to purchase the drilling equipment.

The proposed drilling programme has two objectives. The first objective is to upgrade the Inferred Mineral Resource. The second objective is to increase the mineral resources with step-out drilling.

SRK also recommends that ADI twins additional historical boreholes drilled by GSI or DGM to improve the confidence in the historical sampling data and thereby improve the confidence in the geological model and geostatistical analysis.

SRK also formulate a series of other recommendations including:

- Mineralogical studies to characterize the sulphide mineralization in terms of metallurgical properties of the mineralization and geochemical properties of waste rocks;
- ADI should maintain industry best practices quality control measures to monitor and document the reliability of all exploration data collected at Askot;
- ADI should also include specific gravity in the assaying protocols. ADI should request specific gravity measurements for all sampling intervals so that metal grades can be density weighted; and
- ADI should conduct downhole EM surveys in the future boreholes testing the depth and lateral extensions of known sulphide mineralization.
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1 Introduction

The Askot project is a resource delineation stage of base and precious metals exploration project located in the Indian foothills of the Himalayas. The property is owned by Adi Gold Mining Pvt. Ltd. (“ADI”), a subsidiary of Pebble Creek Mining Ltd. (Pebble Creek), a Canadian public exploration company. The project contains the Askot polymetallic copper-lead-zinc-silver-gold sulphide deposit that is the main focus of exploration work by ADI.

In May 2008, ADI commissioned SRK Mining Services (India) Private Limited (“SRK”) to prepare an initial mineral resource estimate for the Askot polymetallic sulphide deposit.

This technical report documents the resource model constructed by SRK for the Askot deposit. It was prepared following the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1, and in conformity with generally accepted CIM “Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines”.

1.1 Scope of Work

The scope of work as defined in a letter of engagement presented to ADI on May 12, 2008, involved the preparation of an initial mineral resource estimate for the sulphide mineralization delineated by underground tunnelling and diamond core drilling and compilation of an independent technical report in compliance with National Instrument 43-101 Form 43-101F1 guidelines. This typically requires an assessment of the following aspects of the project:

- Topography, landscape, access;
- Regional and local geology;
- Exploration history;
- Audit of historical exploration work;
- Audit of exploration work carried out by ADI;
- Mineral resource estimation for the Askot deposit;
- Validation; and
- Recommendations for additional work.
1.2 Work Program

The mineral resource estimate for the Askot polymetallic deposit is a collaborative effort between ADI and SRK personnel. The project database was compiled by ADI and audited by SRK. The geological model and outlines for the sulphide mineralization were constructed by SRK in July 2008 with interactive discussions with ADI personnel. The geostatistical analysis, variography and grade models were completed by SRK during the month of August 2008. The mineral resource statement was presented to ADI in August 2008 and disclosed publicly in a news release on August 12, 2008.

The technical report was assembled in Kolkata, India during the month of September 2008.

1.3 Basis of the Technical Report

This report is based on information collected by SRK during a site visit performed in May 2008 and on additional information provided by ADI, and other information obtained from the public domain. SRK has no reason to doubt the reliability of the information provided by ADI.

This technical report is based on the following sources of information:

- Discussions with ADI personnel;
- Inspection of the Askot project area, including drill core and underground excavations;
- Review of the exploration data collected by ADI and by different government agencies; and
- Additional information from public domain sources.

1.4 Qualification of SRK

The SRK Group comprises over 700 professionals, offering expertise in a wide range of resource engineering disciplines. The SRK Group’s independence is ensured by the fact that it holds no equity in any project and that its ownership rests solely with its staff. This permits SRK to provide its clients with conflict-free and objective recommendations on crucial judgment issues. SRK has a demonstrated track record in undertaking independent assessments of Mineral Resources and Mineral Reserves, project evaluations and audits, technical reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide. The SRK Group has also worked with a large number of major international mining companies and their projects, providing mining industry consultancy service inputs.
The initial geological interpretation and the resource modelling work were completed by Mr. Souvik Banerjee under supervision of Dr. Jean-François Couture, P.Geo (APGO#0197). This technical report was compiled by Mr. Souvik Banerjee and Dr. Jean-François Couture. By virtue of his education and relevant work experience, Dr. Couture is an “Independent Qualified Person” as this term is defined by National Instrument 43-101.

Dr. Couture is a Principal Geologist with SRK Consulting (Canada) Inc. based out of the Toronto, Canada office and has been employed by SRK since 2001. He has been engaged in mineral exploration and mineral deposit studies since 1982. Since joining SRK, Dr. Couture has authored and co-authored independent technical reports on several exploration and mining projects in Canada, United States, China, Kazakhstan, Northern Europe, South America, West Africa and South Africa. Dr. Couture visited the Askot project area in May 2009.

Mr. Banerjee is a Consultant Geologist with SRK Mining Services (India) Private Limited. Since joining SRK in early 2008, Souvik has worked on multiple iron ore projects. Previously, Mr. Banerjee worked for ADI, on exploring for base metals in Northern India. Since joining SRK, Mr. Banerjee has been involved with resource modelling for polymetallic sulphide deposits and managing exploration for iron ore exploration projects in South India.

1.5 Site Visit

In accordance with the National Instrument 43-101 guidelines, Dr. Couture and Mr. Banerjee visited the Askot project on May 29 and 30, 2008 accompanied by Dr. Andrew Nevin (President of Pebble Creek), and Eoin Rothery (Managing Director of India Resources Ltd and a Director of Pebble Creek).

The purpose of the visit was to review and audit exploration work completed by ADI, ascertain the geological and structural control of the Askot polymetallic sulphide deposit; and discuss geological and resource modelling work to be undertaken by SRK (India).

Verifications samples were collected in underground tunnel. Samples replicated channel samples collected by ADI in 2006. Samples were submitted to Shiva Analytical (India) in Bangalore for independent analyses. The purpose of the sampling was to verify the presence of copper, lead, zinc, silver and gold in the Askot massive sulphide zones.
2 Reliance on other Experts and Declaration

SRK’s opinion contained herein and effective August 12, 2008, is based on information provided to SRK by ADI throughout the course of SRK’s investigations, which in turn reflect various technical and economic conditions at the time of writing. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently, actual results may be significantly more or less favourable.

This report includes technical information that may require subsequent calculations to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.

SRK is not an insider, associate or an affiliate of ADI and Pebble Creek, and neither SRK nor any affiliate has acted as advisor to Pebble Creek or its affiliates in connection with this project. The results of the technical review by SRK are not dependent on any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings.

SRK has not researched ownership information such as property title and mineral rights and has relied on information provided by ADI as to the actual status of the mineral titles.

SRK was informed by ADI that there are no known litigations potentially affecting the Askot project.

The qualified person preparing this technical report is not expert in the assessment of potential environmental liabilities associated with the Askot project. As such, no verification was conducted by SRK and no opinion is expressed regarding the environmental aspect of this exploration project.
3 Property Description and Location

The Askot project is situated in the foothills of the Indian Himalayas approximately 350 kilometres northeast of New Delhi and five kilometres west of the Nepal border (Figure 1). The project is located in Survey of India Toposheet No. 62 C/5 and 62 C/6 at latitude twenty-nine degrees and forty-six minutes north and longitude eighty degrees and twenty minutes east at an elevation of around 1,000 metres above mean sea level. The property is situated in the State of Uttarkhand (Formerly Uttarakhand) in northern India. The property is within one kilometre of Askot village, which is under the administrative jurisdiction of Didihat Tehsil (County) and the regional centre of Pithoragarh District.

3.1 Land Tenure

The land tenure information presented herein is derived from communication with ADI personnel. The Askot project comprises two overlapping tenements (Table 1) situated near Askot and Baira villages in Didihat Tehsil, District Pithoragarh, Uttarakhand State: a Prospecting License (“PL”), covering an area of 7.93 square kilometres and initially granted to ADI on June 12, 2000 by the Ministry of Mines and renewed for a period of two years three years later; and a Mine Lease (“ML”) covering an area of 3.86 square kilometres inside the PL (Figure 1). ADI filed an ML application before the expiry of the PL and the Indian Mining Laws allow ADI to continue exploration until the ML is executed or discarded.

<table>
<thead>
<tr>
<th>Concession</th>
<th>Issued date</th>
<th>Expiry Date</th>
<th>Area (km²)</th>
<th>Title #</th>
<th>Ownership</th>
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<td>June 12, 2000</td>
<td>Valid until execution of ML</td>
<td>7.93</td>
<td>ADI</td>
<td></td>
</tr>
<tr>
<td>Licence</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
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<td></td>
<td>3.86</td>
<td>ADI</td>
<td></td>
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</table>

The Mining Lease area (hereafter referred to as the “Askot property”) comprises approximately one square kilometre of agricultural land, 2.75 square kilometres of government land (deemed forest land) and 0.05 hectare of surface water bodies. Though no reserve forest falls within the area, the “Askot Musk Deer Sanctuary” is situated within three kilometres of the lease boundary. Mine development will be subject to environmental and hydrological review.

submitted by ADI vide letter no. 614(2)/MP-A-282/08-DEDUN dated September 3, 2008. The execution the Mine Lease is subject to the environment and forest clearance.

The boundaries of the Mine Lease are defined by corner posts positioned according to geographic coordinates (UTM on WGS84 datum plane) as indicated on the land tenure map (Table 2 and Figure 1). Initially coordinates were not physically marked on the ground but derived from maps as shown by correspondence between ADI and the Government of India. In 2007, ADI surveyed almost all the boundary markers with a total station. The ADI survey was subsequently legally verified by the survey department of the Government of India.

Table 2: Location* of Corner Points of the Askot Mining Lease Area.

<table>
<thead>
<tr>
<th>Vertice</th>
<th>UTM zone</th>
<th>Easting (m)</th>
<th>Northing (m)</th>
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<td>B</td>
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</tr>
</tbody>
</table>

* UTM coordinates, WGS 84 datum, Zone 44N.
Figure 1: Askot Tenement Map.
3.2 Legal Aspects


3.3 Environmental Considerations

Mining and prospecting operations at Askot will need to address several environmental concerns associated with the specialized habitat and in particular, the effects upon fisheries, wildlife, water and forestry resources. Now that the Mine Plan has been accepted by Indian Bureau Mines, ADI will be required to submit an Environment Impact Assessment to the Ministry of Environment and Forestry (Government of India).
4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Askot project is located in the foothills of the Indian Himalayas. The region is characterized by sharp relief contrast with mean elevation ranging between 600 metres RL along Kali River and 1,400 metres for the highest peak near Askot. Considerably this is a denuded and rugged terrain (Figure 2) typically manifested by transverse spurs. These transverse spurs form water divides.

The area is drained by several orders of streams. There are numerous small streams (locally called “Gad”) that feed the Kali river to east of the Mining Lease area. One such important “Gad” is Raunitis Gad, which flows to the north of the lease boundary. These all flow parallel to the structural strike and drain the area either eastward or westward. Thus, a trellis-type of drainage pattern has developed.

The valley areas are principally used for agriculture, whilst the uplands are typically forested with pine trees and rhododendron shrubs. Many of the steep-sided hills show common landslide activity.

The climate, here is temperate with minimum temperature of three to four degrees in winter and a maximum of thirty to thirty-five degrees in summer. The area receives maximum rainfall during June to October. Maximum annual rainfall is 160 centimetres.

The mining lease area is situated approximately five kilometres west of the Indo-Nepal border and 110 kilometres south of the Indo-China border.

This region is relatively remote from infrastructure and industrialization. The site is located approximately 350 kilometres from New Delhi. The nearest broad gauge railway station is situated in Haldwani (approximately 300 kilometres from Askot). The area can be reached by the paved mountain road from Haldwani, leading towards the international border near Dharchula, through Almora and Pithoragarh. There is another paved road that connects Pithoragarh to another Railhead at Tanakpur. This road is maintained by the Armed Forces. The second road has better mobility for heavy vehicles.
Figure 2: Typical Landscape in the Askot Project Area. A. Askot Polymetallic Sulphide Deposit Area, Looking South (Cyan Arrow is the Adit 3). B. Close Up of the Adit Area. C. Typical Landscape Looking Southwest From Adit 3. D. Askot Village.
5 History

5.1 General History

Exploration of the Askot deposit started long ago as suggested by available literature. The presence of historic workings and “slag” on some of the village trails in Askot area attest of this long history.

Modern exploration work started after the discovery of gossan outcrop near the northern fringe of the sulphide body. The first systematic exploration work was started by the Geological Survey of India (“GSI”) in 1969 and continued until 1975. A total of twenty-four diamond drill holes were drilled (2,966 metres). The holes were drilled at azimuth of 207 to 240 degrees with inclination of forty-seven to ninety degrees. Out of those boreholes, twelve intersected the sulphide mineralization. Historical records indicate that core recovery was often poor (as low as ten percent) and downhole deviation was not monitored. Unfortunately, core from that drilling is not available for further inspection.

Later in 1977, a United Nation Development Program (“UNDP”) initiated exploration jointly with the Directorate of Geology and Mines (“DGM”) and the Indian Government’s Mineral Exploration Corporation (“MEC”). This program comprised the drilling of four core boreholes (565 metres), the starting of exploratory drifts and ground geophysical work. Three of the boreholes intersected the sulphide mineralization.

The DGM resumed the UNDP program in two stages between 1979 and 1982 and again in 1988, drilling a further twenty-nine inclined diamond core holes (5,727 metres). These holes were surveyed for inclination deviation, but not for azimuth. Recovery was greatly increased achieving between fifty-five and 100 percent. Out of these holes, fifteen intersected the sulphide mineralization.

In 1979, the MEC started exploring the Askot deposit by driving three adits in the footwall of the sulphide zone. Two adits were driven at the 1015 metre level. Adit 1 encountered bad ground or old working and was abandoned. The second adit also hit bad ground, but a cross-cut was driven and managed to explore part of the sulphide zone without getting into the hangingwall. Adit 3 was driven on the 985 metre elevation (Figure 4). This drive successfully intersected the mineralization opening both its footwall and hangingwall rocks. The main drive is around 320 metres along the strike of the mineralization, with an additional 200 metres of cross-cuts in the hangingwall. The adit access and most of the 985 metre level old workings have recently been rehabilitated by ADI. Figure 3 shows a generalized location map principal Askot borehole sites and underground workings. Systematic underground channel samples were collected.
Figure 3: A Generalized Map Showing Principal Drill Hole Locations and the Adit-3 Excavations
All the historical drilling samples were assayed at GSI and/or DGM laboratories. At that time Askot was regarded as a base metal sulphide deposit and therefore all the analyses were assayed for copper, lead and zinc. Gold and silver were not assayed. Analyses were conducted using by atomic absorption spectroscopy (AAS) or volumetric techniques.

The Indian Bureau of Mines (IBM) conducted three preliminary metallurgical bench tests on material from the Askot deposit. The first test was performed in 1981 on the samples collected by MEC. The results reported the mineralization had a light to medium grinding work index. The second and third tests were undertaken in 1992 and 1994 on material that had been stockpiled adjacent to the 985 metre adit.

GSI also carried out a regional geochemical survey that showed several anomalies near the deposit. Apart from copper, lead and zinc; cadmium, antimony, arsenic, gold and silver, with occasionally anomalous bismuth and mercury were also reported from anomalous soils.

5.2 Historic Resource Estimation

GSI reported an historical resource estimate (1977)* for the Askot deposit based on its drilling between 1969 and 1975 at 0.77 million tonnes of 2.32 percent copper, 2.64 percent lead and 3.93 percent zinc. The methodology adopted for this estimation is not known. The reader is cautioned that this information should not be relied upon.

The later work, of the MEC, was used to produce two resource estimates* using two separate methods. The first, using a polygonal method based upon the underground levels and projected onto a longitudinal section down to 885 metre elevation, gave a resource base of 1.35 million tonnes grading 2.12 percent copper, 2.87 percent lead and 5.14 percent zinc. A second estimate produced using a polygonal method on vertical cross-sections yielded 1.165 million tonnes containing 2.13 percent copper, 3.47 percent lead and 5.32 percent zinc. Both estimates were based on drill hole sampling only and did not consider underground channel samples. The reader is cautioned that the historical resource estimates prepared by MEC should not be relied upon.

Subsequently in 1999, the DGM, using a polygonal method on a longitudinal section estimated that the Askot deposit contained 1.6 million tonnes grading an average of more than ten percent combined copper, zinc and lead from the surface to the 885 metre elevation. The reader is cautioned that the historical resource estimate prepared by DGM should not be relied upon.

These historical resource estimates considered a specific gravity of 3.2.

*Historical resource estimate prepared before the development of National Instrument 43-101. The reader is cautioned that this information should not be relied upon.
5.3 Work by ADI

ADI resumed exploration work at Askot after a Prospecting Licence was granted by the Government of India in 2000. The work included surface geological mapping, rehabilitation of Adit 3, underground mapping and sampling, surface core drilling and limited underground development to establish drilling station.

Later in 2006, a systematic channel sampling program was carried out across the strike of the sulphide mineralization in the Adit 3. A total of seventeen channel samples were taken (Figure 5 and Figure 6) and assayed for copper, lead, zinc, gold and silver. ADI also drilled three diamond core holes from surface (1,137 metres). All of the holes intersected the sulphide mineralization. Only one hole was surveyed for azimuth and inclination deviation.

ADI engaged Indigeo Consultants Pvt. Ltd. (“Indigeo”) of Bangalore, India, to carry out ground magnetic and horizontal loop electromagnetic (Max-Min) surveys. A total of eighty-eight line kilometres of ground magnetic and twenty-seven line kilometres of Max-Min survey were completed. The ground magnetic surveys were conducted on fifty metre line spacing using a GEM Systems GSM-19 magnetometer with a built-in GPS system. The Max-Min survey was conducted on lines spaced at 100 metres with readings at twenty-five metres intervals.

The transmitter – receiver coil spacing was set at 200 metres for the majority of the grid, closing down to 100 metres in close proximity to the known sulphide mineralization and where power line interference was degrading the 200 metre coil. The sulphide mineralization exhibits a “text-book” conductive response from the Max-Min data. The ratio of in-phase to quadrature responses suggests the source of the anomaly is only moderately conductive with adjacent lines only vaguely conductive suggesting that the strike length of the “conductive” sulphides is restricted to approximately 100 to 150 metres. Additional high priority conductors semi-coincident with a magnetic horizon defining the trace of the Askot Syncline were identified on both limbs in proximity with the fold hinge.

ADI drilled fourteen core boreholes in 2007 (3,505 metres). The primary objective of this drilling was to verify some DGM and GSI historical drilling results. Three boreholes were drilled to check the north-western continuity of the mineralization and two holes were aimed as infill. Eight of the boreholes intersected the sulphide mineralization.

Until the first quarter of 2007 all exploration data was referenced to a local non-earth coordinate system established by DMG. ADI surveyed the Askot property using differential GPS and total station at a scale of 1:1000 and with two metre contour interval. The survey was tied to the local UTM grid using the WGS84 datum plane. All the available surface features (borehole collars, adit portals, old survey pillars etc.) were tied to this new survey. Adit 3 was also resurveyed using the WGS84 UTM grid.
Figure 4: Geological Map of the Adit 3. Map also shows cross-cutting done by ADI.

Figure 5: Channel Sample Locations in the NW Drifts of the Adit 3.
Figure 6: Channel Sample Locations in the SE drifts of the Adit 3.
In 2007, ADI also carried out a conventional soil geochemical sampling over the anomalous zones detected by the ground geophysical survey. Samples were collected from the B-horizon of the soil profile along grid lines spaced at 100 metres with sampling stations spaced at twenty-five metres. Soil samples were shipped to the Shiva Analyticals laboratory in Bangalore for preparation and assaying.
6 Geological Setting

6.1 Regional Geology

The lofty Himalayan mountain range is a modern manifestation of fold-and-thrust belt resulting from continuous north-eastern advent of the Indian shield. During the Lower Eocene, the Indian plate collided with the Eurasian plate. Since that time and until today, the Indian continent continues its northwards ascent at a rate of approximately five centimetres per year. Tectonically, the Himalayas are divided into the Tethyan basin, the Higher Himalayan Crystalline, the Lesser Himalayan metasedimentary rock and the Siwalik sediments. The tectonic units are separated from each other by a dominant thrust plane.

The Askot property falls within the geological domain of the Lesser Kumaon Himalaya, lying between the Kali River in the east and Sutlej in the west. The Lesser Himalaya is mainly formed by Upper Proterozoic to Lower Cenozoic detrital sediments from the passive Indian margin intercalated with some granite and acid volcanic rocks. The Lesser Kumaun Himalaya comprises four broad lithological units. These are: 1) the autochthonous unit of Damtha and Tejam Groups of possibly of Precambrian age; 2) the Krol Nappe, containing of Jaunsar and Mussoorie sedimentary groups of Palaeozoic age; 3) the Ramgarh Nappe carrying rocks resembling the Upper Damtha Group; and 4) the Almora Nappe, its klippen and the root at the base of the Higher Himalaya, made up of medium-grade metamorphic rock intruded by syntectonic granite. The root of the Almora Nappe has been thrust over by a lithotectonic unit composed of higher grade metamorphic rock, which belongs to the Higher Himalayan realm. Figure 7 shows dominant lithological units in the Lesser Kumaun Himalayas.
Figure 7: Simplified Geology of the Lesser Kumaun Himalayas (After Valdiya, 1980).
6.2 Local Geology

Geologically, the Askot property is a part of the Askot Crystalline, considered by most workers to form a southern klippen of the vast Almora-Dudhatoli Nappe that was pushed southwards from the Central Crystalline of the Higher Himalaya over the younger sedimentary rocks of the Lesser Himalaya. Between the thrust driven Almora Group of rocks and its root, there are several klippen representing detached lenses of presumably one continuous thrust sheet. The Askot Crystalline represents one such klippen zone. The Askot thrust separates the underlying Berinag quartzite (equivalent to Jaunsar Group) from the comparatively high-grade metamorphic rock and granitoids forming the Askot Crystalline.

The dominant lithologies within the Askot Crystalline are chlorite-muscovite-biotite schists (in places muscovite-chlorite schist), biotite-augen gneiss, metadiorite or hornblende-biotite schist, alkali granite augen gneiss and younger leucogranite. A Rb-Sr whole-rock date of 1,960±100 Million years ("Ma") from the alkali granite augen gneiss of the Askot Crystalline Complex and absence of this augen gneiss from the Berinag quartzite indicate that the intrusions are older than the Precambrian(?) to Early Cambrian age of the group.

On a regional basis the Askot Crystalline is folded into a large syncline with axis trending roughly northwest-southeast (Figure 8). The Crystalline occupies the core of the asymmetrical isoclinal syncline that is bounded to the southwest by a flat thrust. The northern limb is steep to vertical (locally overturned). The synclinal axis is folded giving rise to doubly plunging geometry. The exposures of the Askot Crystalline die out towards east and west, presumably because of the double plunge of the synclinal axis.

6.3 Property Geology

The Askot property occupies the northern limb of the Askot syncline. Within the property area there are four main lithological units: biotite-augen gneiss (named as “Abag”), muscovite-chlorite schist (named as “Ams”), Metadiorite or hornblende biotite schist (named as “Adi”) and the sulphide mineralization (Figure 9).

The Ams forms a folded belt 500 to 2,000 metres wide, extending from west of the Gurji Gād to northwest of Askot. This lithological unit yields scattered outcrops, which locally exhibit kink-folding and distinctive white landslides in steep gullies. The rock is fine to medium grained and silvery coloured. The Ams is soft and often includes centimetre-thick fault gouge. Apart from the mica minerals, the rock contains medium to fine grained garnet.
Figure 8: Geological Map of the Askot Crystalline Around the Synclinal Axis (After P B Read, 2004)
Figure 9: Geological Map of the Askot Property. (After P B Read, 2004)
A few north-westerly trending biotite augen gneiss sills, up to seventy metres in thickness, occur within in the mica schist unit. Typically they form blocky outcrops, small cliffs and waterfalls in the creeks. The unit is streaky, fine-grained (one millimetre) gneiss composed of fifteen to twenty-five percent biotite porphyroblasts preferentially oriented in a quartzo-feldspathic granoblastic matrix. Where deformation is weak, the quartz augen are up to one centimetre across.

Three metadiorite or hornblende biotite schist bodies are found within the property area. These are moderate to steep north-easterly dipping complex of sills, up to 500 metres wide folded around the Askot Syncline. The hornblende-biotite schists interfinger with and contain septa of Ams and Abag. Where the metadiorite is strongly deformed, it loses all igneous texture and becomes a hornblende-biotite-plagioclase schist. The contacts of Adi with Ams and Abag are transgressive in nature, betraying an intrusive origin for the metadiorite or the ADI precluding any stratigraphic significance to the unit.

The property falls on the north-eastern limb of the Askot syncline. This limb is overturned and steeply dipping towards the northeast. The rocks were subjected to many phases of complex ductile and brittle deformation as evident from development of multiple penetrative foliation fabrics, lineation, shear zones, cataclasis and fault gouges. The dominant foliation found in the Ams and Abag units trends southeast to south-south east with a moderate to steep north-easterly dip. The foliation is again broadly warped against a sub-horizontal axial plane.
7 Deposit Types and Mineralization

The Askot sulphide mineralization forms roughly thin tabular massive sulphide bodies trending southeast and dipping steeply to the northeast. The dominant sulphides include chalcopyrite, sphalerite, galena and pyrite with subordinate amounts of arsenopyrite and pyrrhotite. The main massive sulphide body is spatially associated with a discontinuous white-mica rock sub-unit and is hosted in muscovite-chlorite schist and biotite augen gneiss units that have undergone severe ductile strain and upper amphibolite metamorphism. There is little evidence for any original primary rock features.

Sulphides occur as relatively thin veneers of massive sulphide, 2.5 metres in average thickness, locally containing rock fragments; as disseminations and impregnations within the mica schist aligned along the ductile foliation fabric; and as fracture filling and veins. By far massive sulphide is the most abundant sulphide habit (Figure 14). The dominant gangue mineral is quartz with very minor amounts of actinolite, phlogopite, chlorite and muscovite.

The main massive sulphide bodies are sub-concordant with the penetrative foliation defining the muscovite-chlorite schists and surrounded by a distinctive brown-biotite alteration halo. This foliation is folded about the Askot Syncline.

Figure 10 to Figure 13 present composite core sections through the massive sulphide mineralization.

A volcanogenic origin was postulated by previous workers for the Askot polymetallic deposit primarily on the basis of the occurrence of polymetallic massive sulphides in lenticular bodies sub-concordant to strongly foliated mica-schists, inferred of volcano-sedimentary origin.

Although Askot sulphide mineralization presents characteristics analogous with volcanogenic sulphide deposits, the severe ductile strain and the upper amphibolite metamorphism have obliterated key genetic evidence. The specific controls on the distribution of the polymetallic sulphide mineralization remain elusive, but ductile strain and metamorphic recrystallization have played an important role in shaping the present geometry of the sulphide zones.

While a volcanogenic origin cannot be ruled out, the sulphide bodies exhibit geometries more consistent with syn-tectonic structural and metamorphic remobilization.
Figure 10: Composite Section Through Borehole A09T (section 49 to 68 metres). This Borehole Intersected Two Massive Spalerite-Galena Zones Enclosed in Muscovite-Chlorite Schists (Sp = Sphalerite; Gn = Galena; Cp = Chalcopyrite, Mu = Muscovite, Chl = Chlorite, Bt = Biotite).
Figure 11: Composite Section Through Borehole A15T (section 190 to 230 metres). Two Massive Sulphide Zones Intersected. Note the Foliation Sup-Parallel to Core around Massive Sulphide Zones.
Figure 12: Composite Section Through Borehole B9T-2 (section 127 to 150 metres). One Massive Sulphide Zone with Quartz-Sphalerite-Galena Veins in Structural Footwall. Note the Rotation of the Foliation to Sub-Parallel to Core Approaching the Sulphide Zone.
Figure 13. Composite Section Through Borehole B11X (section 130 to 150 metres). One Massive Sulphide Zone. Note the Brown Biotite Alteration in the Structural Hanging Wall of the Massive Sulphide Zone and the Rotation of the Foliation to Sub-Parallel to Core Approaching the Sulphide Zone.
8 Exploration

The Askot deposit has been explored for the last four decades, using primarily diamond core drilling and underground tunnelling. Three Government agencies at different times drilled the deposit. ADI started diamond core drilling in 2006 in order to verify some of the earlier drilled intersections and to test the northwestern strike extension. Apart from drilling, DGM dug nine trenches in the area and conducted a ground self potential ("SP") geophysical survey mostly around the known extent of the deposit. ADI also carried out a ground geophysical survey covering the Mining Lease area and later completed soil geochemical sampling to test geophysical targets. The details of the historical exploration work are presented in Section 5.1.

The exploration work to date has delineated the Askot polymetallic deposit as a steeply dipping tabular body over a strike length of approximately 600 metres. Massive sulphide is the dominant mineralization type with some disseminated sulphide occurrences toward the south-east. Sulphides are also found as fracture filling and within quartz veins, that are believed to represents sulphide remobilization. The deposit occupies the northern limb of the Askot Crystalline and trends southeast to south-southeast with a steep dip towards northeast.

8.1 Exploration Work by ADI

After the grant of a Prospecting License, ADI initiated exploration work in and around the Askot deposit. The work included core drilling, detailed surface geological mapping, topographic surveys, and ground geophysical and soil geochemical surveys.

In 2004, Dr. P B Read, an independent consultant, prepared a surface geological map at a scale of 1:10,000 covering the southeastern part of the of the Askot Crystalline, including the northwestern limb, southeastern closure, the Askot thrust and most importantly the sulphide mineralization. A more detailed map at a scale of 1:1,000 was prepared for the lease area.

ADI initiated diamond core drilling in 2006 and continued in 2007. A total seventeen boreholes were drilled (4,642 metres). Two different drilling contractors were engaged for the campaign. Core recovery within the sulphide mineralization was close to ninety to 100 percent. The drillholes are logged in detail for all the lithologies. The significant sulphide intersections were sampled at a specific interval. All the samples were analysed for copper, zinc, lead, gold and silver. A geochemical routine analysis was also performed for some important twenty-nine elements.

In 2006, ADI engaged Indigeo Consultants Pvt. Ltd. ("Indigeo") of Bangalore, India, to carry out ground magnetic and horizontal loop electromagnetic (Max-Min) surveys. A total of eighty-eight line kilometres of ground magnetic and
twenty-seven line kilometres of Max-Min survey were completed. The ground magnetic surveys were conducted on fifty metre line spacing using a GEM Systems GSM-19 magnetometer with built in GPS system. The Max-Min survey was conducted on lines spaced at 100 metres with readings at twenty-five metres intervals. The transmitter – receiver coil spacing was set at 200 metres for the majority of the grid, closing down to 100 metres in close proximity to the known sulphide mineralization and where power line interference was degrading the 200 metre coil. The sulphide mineralization exhibits a “textbook” conductive response from the Max-Min data. The ratio of in-phase to quadrature responses suggests the source of the anomaly is only moderately conductive with adjacent lines only vaguely conductive suggesting that the strike length of the “conductive” sulphides is restricted to approximately 100 to 150 metres. Additional high priority conductors semi-coincident with a magnetic horizon defining the trace of the Askot Syncline were identified on both limbs in proximity with the fold hinge.

In 2007, ADI also carried out a conventional soil geochemical sampling over the anomalous zones detected by the ground geophysical survey. Samples were collected from the B-horizon of the soil profile along grid lines spaced at fifty metres with sampling stations spaced at twenty-five metres. Soil samples were shipped to the Shiva Analyticals laboratory in Bangalore for preparation and assaying.
9 Drilling

9.1 Historical Drilling

The historical drilling programmes are described in Section 5.1.

9.2 Drilling by ADI

ADI’s initial drilling efforts focussed on validating historical drilling results. ADI also drilled few boreholes to test the strike extension of the main massive sulphide mineralization below the 985 metre level.

In 2006, three diamond core holes were drilled from surface (1,137 metres). The drilling contractor was Mining Associates based in Asansol in India. The drilling recovered HQ and NQ core with some BQ. Average core recovery in the sulphide zones is approximately ninety percent. All the holes intersected the sulphide mineralization.

Due to repeated occurrence of soft and crumpled mica schists, drilling suffered from sticking of drill strings, caving and slow progress. Rig alignment was done using compass and drill collars were subsequently surveyed using a total station. Only one hole out of the three drilled, was surveyed for downhole azimuth and inclination deviation using a multi shot camera. Borehole DDH 200-1 was drilled to test the extension of the main sulphide body 100 metres north of the northern tip of the 985-metre level Adit. This hole intersected thin sulphide mineralization with promising grade, but could not be surveyed for downhole deviation.

In 2007, ADI engaged Mitchell Drilling (India) to drill a further fourteen diamond HQ and NQ core holes (3,505 metres). Core recovery in the sulphide zones improved to nearly 100 percent. Boreholes A23T, B5T-2, B12T, B9T-2 A15T and A9T attempted to replicate historical boreholes. Boreholes B8X, B11X, 200-2, 200-3, 200-4 and 340-1 were drilled to test the strike extension of the deposit. Boreholes B5T and B9T missed the target due to deviation problem. The holes except B8X and B11X, tested for extension could not hit any mineralization, may be due to dragging along foliation within schistose rock or brittle faulting. Rig alignment for the holes was done by compass and collars were subsequently surveyed with a total station. All boreholes drilled in 2007 were surveyed for downhole deviation using a single-shot camera at drill interval ranging from twenty-five to fifty metres.
10 Sampling Approach and Methodology

10.1 Historical Sampling

There is no information available on the drilling and sampling methodologies used by GSI and very limited for the DGM. The DGM exploration report suggests that along with the core, sludge samples were also recovered. Sludge samples were taken for every five meters in the wall rocks and in sulphide zones at every one foot drill run. Core samples were selected on the basis of visible sulphide on split half core. One half was kept for record and the other for half (powdered to eighty mesh) was used for chemical analysis. The half split DGM core was not archived and therefore is not available for any further inspection.

10.2 Sampling by ADI

10.2.1 Core Drilling Samples

Core assay samples were collected from half core split lengthwise with a diamond saw in hard massive core or with a chisel and a hammer in soft schistose rock. Core was sampled at one metre intervals or along lithological break, whichever was earlier. Sample intervals vary between 0.2 to 1.65 metres in length (average of 1.0 metre) honouring geological, alteration and mineralization boundaries. Sampling intervals were marked by a geologist and core was typically sampled continuously across the sulphide zones, two metres in both the hanging wall and footwall. Care was taken to split the core perpendicular to the sulphide mineralization. One half was used for assaying and the other half replaced in the core box. Assay samples were coarse crushed and split with a riffle splitter on site by ADI personnel. Care was taken to avoid cross sample contamination.

10.2.2 Underground Channel Samples

ADI collected systematic channel samples from the Adit 3 (985-metre level). Samples were collected perpendicular to the sulphide mineralization from footwall to hanging wall on the back using a chisel and a hammer. Samples were mostly in the form of continuous rock chips. The sample location was marked by a geologist. Surveying and sampling was conducted under the supervision of ADI personnel. Sample length varies from 0.2 to 1.05 metres with a modal value of 1.0 metre.
10.2.3 Soil Samples

Soil samples were collected on fifty metres by twenty-five metre grids. The position of each sampling site was recorded with a GPS instrument, a compass and tape. Terrain corrections were made on the distance measurements. Soil samples were collected from the B-horizon of the soil profile by digging to a maximum vertical depth of eighty centimetres. Approximately two kilograms of material was sampled at each site. Samples were put in individual plastic bags with a sample tag number and sealed. The sample number was also written on the bag with a permanent marker. Sampling tools were cleaned between samples. Sample number, location and sample description were recorded in a field book used for this purpose.
11 Sample Preparation, Analyses and Security

11.1 Historical Samples

Core samples collected by GSI and DGM were analysed in the respective in-house laboratories. No further information is available for the GSI holes. The DGM used a volumetric analysis procedure for assaying core samples for copper, zinc and lead. Few samples were analysed using Atomic Absorption spectrometry (“AAS”). Sample preparation procedures of the GSI samples are unknown.

11.2 ADI Samples

ADI used documented procedures for all aspects of the field sampling, sample description, handling, and preparation for despatch to the assay laboratory.

ADI used one primary laboratory for assaying samples collected from the Askot gold deposit. All core samples were assayed by Shiva Analyticals (India) Ltd. (“SHIVA”), Bangalore, India. SHIVA is an accredited ISO 9001 by the Bureau of Indian Standards and ISO/IEC 17025 by the National Accreditation Board of India. In 2006, ADI submitted a total of sixty-three samples and in 2007, 111 samples.

Upon receipt, the samples were organized in numerical order and subdivided in batches and quality control samples inserted. Quality control samples a pulp replicate every tenth sample, and a Certified Reference Material (“CRM”) for every batch of samples. Every sample was assayed for gold using conventional fire assay and atomic absorption finish. Samples were also assayed for silver by aqua regia digestion followed by ICP-optical emission spectroscopy (“ICP-OES”) and for a suite of twenty-nine elements including copper, lead and zinc by multi acid digestion in followed by ICP-OES.

In 2006, ADI used ALS Chemex (North Vancouver, Canada) as a secondary laboratory and sent ten samples for analysis. In 2007, ADI sent seventy-one samples to the Acme Analytical Laboratory (Vancouver, Canada) for check assaying. The ALS Chemex has ISO 9001 and ISO 17025 accreditation and Acme laboratory has ISO 9001:2000 accreditation.

All the drill core samples were prepared at the Askot project site by ADI personnel. A diamond saw was used to split the cores of hard massive sulphide portion and chisel and hammer for soft schistose portion. Assay samples were coarse crushed manually in a mortar and then using a primary
jaw crusher (with a yield size of fifteen millimetres) and split with a riffle splitter on site by ADI personnel. Care was taken to avoid cross sample contamination. After the preparation, samples were packed, tagged and kept in secured place at the site office and then despatched for analysis. Samples were transported to Delhi office by ADI personnel by company vehicle and then couriered to the laboratories. Generally, each batch contained samples from one borehole. ADI keeps reports on chain of custody for the sample despatch. No sample preparation was conducted by an officer, director, or associate of the issuer. SRK found no evidence of active tampering.

The channel samples collected from the 985-metre level adit were in the form of rock chips. These samples were directly sent to ALS-Chemex laboratory in North Vancouver, British Columbia for assaying. The ALS Chemex Vancouver laboratory is accredited to ISO 9001 by QMI and ISO 17025 by the Standards Council of Canada for a number of specific test procedures, including fire assay for gold with atomic absorption and gravimetric finish, multi-element by ICP-OES and atomic absorption assays for silver, copper, lead and zinc. ALS Chemex laboratories also participate in a number of international proficiency tests, such as those managed by CANMET and Geostats. At ALS Chemex, core samples were prepared using industry standard preparation procedures. After reception, samples were organized into batches and weighed. Samples were then crushed, split and pulverized. Each sample was analyzed for copper, lead, zinc and silver by aqua regia digestion followed by atomic absorption spectroscopy and for gold by Fire assay followed by atomic absorption spectroscopy.

11.3 Quality Assurance and Quality Control Programs

Quality control measures are typically set in place to ensure the reliability and trustworthiness of exploration data. This includes written field procedures and independent verifications of aspects such as drilling, surveying, sampling and assaying, data management and database integrity. Appropriate documentation of quality control measures and regular analysis of quality control data are important as a safeguard for project data and form the basis for the quality assurance program implemented during exploration.

Analytical control measures typically involve internal and external laboratory control measures implemented to monitor the precision and accuracy of the sampling, preparation and assaying. They are also important to prevent sample mix-up and to monitor the voluntary or inadvertent contamination of samples. Assaying protocols typically involve regular duplicate and replicate assays and the insertion of quality control samples to monitor the reliability of assaying results throughout the sampling and assaying process. Check assaying is typically performed as an additional reliability test of assaying results. This typically involves re-assaying a set number of sample rejects and pulps at a secondary umpire laboratory.

Almost no information is available on the quality and quality control practices used by government agencies prior to the involvement of ADI.
The exploration work conducted by ADI was carried out using a quality assurance and quality control program meeting industry practices. Standardized procedures are used in all aspects of the exploration data acquisition and management including mapping, surveying, drilling, sampling, sample security, assaying and database management.

ADI implemented external analytical quality control measures to monitor the reliability of the assaying results delivered by SHIVA and the secondary laboratories. External control samples (blank and field standards) were inserted at a rate of one each of blank and one field standard in every ten samples randomly. This practice was in place particularly for the holes drilled in 2007, as ADI established an in-house sample preparation facility at the project site.

A second laboratory was used as an umpire laboratory and a total of eighty-one samples representing forty-eight percent of the samples assayed by Shiva were sent for check assaying.

The blank samples were prepared from barren muscovite quartzite and the field standard from the sulphide mineralization material exposed in the Adit 3. Throughout the drilling only one standard was used. A total ten blank and ten standard samples were used. Table 3 summarizes the assay results for the field standard.

| Table 3: Assaying Specifications for the Control Sample Used by ADI on the Askot Project. |
|-----|-----|-----|-----|-----|
|     | Au-ppm | Ag-ppm | Cu % | Pb % | Zn % |
| Mean | 0.18 | 192.65 | 2.85 | 13.91 | 21.54 |
| Standard Deviation | 0.12 | 72.33 | 1.09 | 5.25 | 8.19 |

SRK reviewed the field procedures and quality control measures used by ADI. The analysis of the analytical quality control data is presented in Section 12 below. In the opinion of SRK, ADI personnel used care in the collection and management of field and assaying exploration data.

The quality control program developed by ADI can be improved but is overseen by appropriately qualified geologists. In the opinion of SRK, the exploration data from the Askot deposit was acquired using quality control procedures that generally meet industry best practices for a drilling stage exploration property.
12 Data Verification

12.1 Verification by ADI

The exploration work in Askot is conducted by ADI personnel. ADI implemented a series of routine verifications to ensure the collection of reliable exploration data. All work is conducted by appropriately qualified personnel under the supervision of qualified geologists. In the opinion of SRK, the field procedures generally meet industry practices.

Field data is recorded on paper and subsequently transferred to digital support and verified for consistency. All the data are organized into a single Datamine database. The database is organized and validated by a database manager at the Askot site office. Mapping graphic data is recorded on paper and subsequently digitized into Mapinfo and AutoCad drawings. All graphic information is subsequently verified by a qualified geologist.

Sample shipments and assay deliveries are routinely monitored as produced by the assaying laboratory. Assay results for quality control data are aggregated into a quality control spreadsheet to facilitate analysis. ADI does a very frequent mapping and surveying for its ongoing underground excavations.

12.2 Verification by SRK

12.2.1 Site Visit

In accordance with National Instrument 43-101 guidelines, SRK visited the Askot project on May 29 and 30, 2008 to review recent exploration work completed at ADI, ascertain the geological setting of the Askot deposit and witness the extent of exploration work carried out on the property. SRK was given full access to project data.

During the visit, SRK visited the Adit 3 and inspected several abandoned drilling sites. The borehole collars are clearly marked by a concrete plug engraved with the borehole number and grid position.

While on site, SRK interviewed project personnel regarding the exploration strategy and field procedures. SRK also examined drill core from seven boreholes (A9T, A23T, A15T, B5T2, B8X, B11X and, 200-1) that have penetrated the sulphide mineralization at different levels.

During this visit SRK collected three verification samples from the Adit 3, replicating as closely as possible channel samples collected by ADI. Such a small sample collection cannot be considered representative to verify the metal
samples were submitted to the accredited SHIVA laboratory in Bangalore, India for assaying. Each sample was assayed for gold by conventional fire assay and a suite of forty-five elements using aqua regia or multi acid digestion and inductively coupled plasma scans. Assay results for the main metals of economic importance are summarized in Table 4 along with assay results for the respective ADI samples. The SRK samples yielded similar grades for the five metals considered indicating that there is significant copper, lead, zinc, gold and in the massive sulphides bodies of the Askot deposit.

**Table 4. Assay Results for SRK Verification Samples Collected at Askot, May 2008.**

<table>
<thead>
<tr>
<th>SRK Sample No</th>
<th>ADI Sample No</th>
<th>Cu (%)</th>
<th>Pb (%)</th>
<th>Zn (%)</th>
<th>Au (ppm)</th>
<th>Ag (ppm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRK-1</td>
<td>U-N-3/2</td>
<td>4.60</td>
<td>6.54</td>
<td>7.96</td>
<td>9.34</td>
<td>10.05</td>
</tr>
<tr>
<td>SRK-2</td>
<td>U-S-1/1</td>
<td>2.29</td>
<td>5.03</td>
<td>7.50</td>
<td>16.14</td>
<td>11.30</td>
</tr>
<tr>
<td>SRK-3</td>
<td>U-S-12</td>
<td>0.63</td>
<td>0.47</td>
<td>14.55</td>
<td>17.62</td>
<td>22.60</td>
</tr>
</tbody>
</table>

12.2.2 Verification of Quality Control Data

ADI made available to SRK the complete electronic data accumulated on the Askot project in the form of MS Access database, MS Excel tables and AutoCad drawings. This database contains a complete record of the electronic data produced for the Askot project by ADI and what could be recovered from the historical data.

SRK conducted a series of routine verifications to ensure the reliability of the electronic data provided by ADI. In the opinion of SRK, the electronic data generally are reliable.

ADI also made available to SRK internal and external analytical quality control data in the form of original digital assay certificates produced by the primary and secondary laboratories.

SRK aggregated the assay results for the external quality control samples for further analysis. Sample blanks, field standards and certified reference materials data were summarized on time series plots to highlight the performance of the control samples. Paired check assay data were analyzed using bias charts, quantile-quantile and relative precision plots. The analytical quality control data produced by ADI is summarized in graphical format in Appendix C.

In general, the performance of the control samples is acceptable.

Paired assay data produced examined by SRK suggest that copper, lead and zinc grades can be reasonably reproduced from the same pulp. Paired gold data
show more scatter. For all sample pairs examined, quantile-quantile and relative precision plots do not identify any particular bias in the assay deliveries by SHIVA.

SRK concludes that the limited quality control data produced by ADI suggest that the assay data delivered by SHIVA are generally reliable for the purpose of resource estimation.
13 Adjacent Properties

There are no adjacent properties that are considered relevant to this technical report.
14 Mineral Processing and Metallurgical Testing

Indian Bureau of Mines ("IBM") conducted three metallurgical tests on samples from the Askot deposit. The first test was conducted in March, 1981 (report no. IBM/RI 509) on a 1,000 kilogram sample collected by MEC in the Adit 3. A three kilogram sub-sample was used for grinding and floatation tests. Table 5 summarizes the results from these tests. Noticeably, the sample average grade was half the average of the deposit grade.

Table 5: Summary of Metallurgical Test by IBM in March 1981.

<table>
<thead>
<tr>
<th></th>
<th>Cu (%)</th>
<th>Pb (%)</th>
<th>Zn (%)</th>
<th>Au (%)</th>
<th>Ag (%)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head grade</td>
<td>1.59</td>
<td>3.33</td>
<td>4.18</td>
<td>n/r</td>
<td>&gt;0.001</td>
<td>91.53</td>
</tr>
<tr>
<td>Copper concentrate</td>
<td>28.80</td>
<td>1.87</td>
<td>4.65</td>
<td>n/d</td>
<td>0.008</td>
<td>97.41</td>
</tr>
<tr>
<td>Copper recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>90.75%</td>
</tr>
<tr>
<td>Wt con/wt heads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5.33%</td>
</tr>
<tr>
<td>Lead concentrate</td>
<td>0.78</td>
<td>72.20</td>
<td>4.2</td>
<td>n/d</td>
<td>0.01</td>
<td>109.56</td>
</tr>
<tr>
<td>Lead recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>81.67%</td>
</tr>
<tr>
<td>Wt con/wt heads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.4%</td>
</tr>
<tr>
<td>Zinc concentrate</td>
<td>0.12</td>
<td>1.20</td>
<td>55.00</td>
<td>n/d</td>
<td>0.002</td>
<td>103.00</td>
</tr>
<tr>
<td>Zinc recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>81.75%</td>
</tr>
<tr>
<td>Wt con/wt heads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6.04%</td>
</tr>
<tr>
<td>Final tails</td>
<td>0.08</td>
<td>0.23</td>
<td>0.24</td>
<td></td>
<td></td>
<td>1.69</td>
</tr>
<tr>
<td>Calculated heads</td>
<td>1.69</td>
<td>3.53</td>
<td>4.06</td>
<td></td>
<td></td>
<td>5.33%</td>
</tr>
</tbody>
</table>

* Results as provided by ADI. All entries in percent as originally reported (including gold and silver); "n/d" = not detected, "n/r" = not reported, "tr" = trace). Analysis included several other elements.

A second test was completed in November 1992 (report no. IBM/BNGRI 150), on a sample collected from a stockpile outside the portal of the Adit 3. Table 6 summarizes the results from this test. Again the sample grade did not replicate the average deposit grade. Moreover, the sample was collected from surface stockpiles and therefore suffered a considerable amount of oxidation.

Table 6: Summary of Metallurgical Test by IBM in November 1992*.

<table>
<thead>
<tr>
<th></th>
<th>Cu (%)</th>
<th>Pb (%)</th>
<th>Zn (%)</th>
<th>Au (gpt)</th>
<th>Ag (%)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head grade</td>
<td>5.96</td>
<td>10.25</td>
<td>14.62</td>
<td>0.91</td>
<td>tr</td>
<td>103.02</td>
</tr>
<tr>
<td>Copper concentration</td>
<td>25.31</td>
<td>3.59</td>
<td>6.57</td>
<td>tr</td>
<td>0.02</td>
<td>102</td>
</tr>
<tr>
<td>Copper recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>82.36%</td>
</tr>
<tr>
<td>Wt con/wt heads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19.96%</td>
</tr>
<tr>
<td>Lead concentration</td>
<td>1.24</td>
<td>62.87</td>
<td>5.84</td>
<td>tr</td>
<td>0.041</td>
<td>92.74</td>
</tr>
<tr>
<td>Lead recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>76.31%</td>
</tr>
<tr>
<td>Wt con/wt heads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11.98%</td>
</tr>
<tr>
<td>Zinc concentration</td>
<td>1.65</td>
<td>1.74</td>
<td>53.40</td>
<td>tr</td>
<td>tr</td>
<td>100.51</td>
</tr>
<tr>
<td>Zinc recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>74.33%</td>
</tr>
<tr>
<td>Wt con/wt heads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20.46%</td>
</tr>
</tbody>
</table>

* Results as provided by ADI. Final tails and calculated heads not reported in ADI's copy. All entries except gold in percent as originally reported; "tr" = trace). Analysis included several other elements.
The third test was completed in March 1994. The sample was taken from the stockpile outside the Adit 3 portal. The test results are presented in Table 7.

Years of weathering caused bornite coatings to form on the sphalerite grains, which misplaced coated zinc into the copper concentrates in the second and third tests.

Table 7: Summary of Metallurgical Test by IBM in March 1994.

<table>
<thead>
<tr>
<th></th>
<th>Cu (%)</th>
<th>Pb (%)</th>
<th>Zn (%)</th>
<th>Au (gpt)</th>
<th>Ag (gpt)</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head grade</td>
<td>6.09</td>
<td>9.23</td>
<td>13.33</td>
<td>0.6</td>
<td>145</td>
<td>89.07</td>
</tr>
<tr>
<td>Copper concentration</td>
<td>25.02</td>
<td>3.92</td>
<td>8.06</td>
<td>0.43</td>
<td>320</td>
<td>104.23</td>
</tr>
<tr>
<td>Copper recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>83.85%</td>
</tr>
<tr>
<td>Wt con/wt heads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19.60%</td>
</tr>
<tr>
<td>Lead concentration</td>
<td>1.43</td>
<td>58.83</td>
<td>1.43</td>
<td>0.42</td>
<td>300</td>
<td>89.38</td>
</tr>
<tr>
<td>Lead recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>67.59%</td>
</tr>
<tr>
<td>Wt con/wt heads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10.80%</td>
</tr>
<tr>
<td>Zinc concentration</td>
<td>1.23</td>
<td>3.89</td>
<td>73.46</td>
<td>0.21</td>
<td>180</td>
<td>121.67</td>
</tr>
<tr>
<td>Zinc recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>73.48%</td>
</tr>
<tr>
<td>Wt con/wt heads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18.80%</td>
</tr>
<tr>
<td>Final tails</td>
<td>0.50</td>
<td>0.59</td>
<td>0.61</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calculated heads</td>
<td>5.89</td>
<td>9.4</td>
<td>13.61</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Analysis included several other elements.
15 Mineral Resource and Mineral Reserve Estimates

15.1 Introduction

The mineral resource model presented herein represents the first resource evaluation for the Askot polymetallic deposit. This mineral resource model was prepared to provide an assessment of polymetallic sulphide zones delineated by drilling and underground tunnelling on this project and to provide ADI management an independent assessment to justify additional exploration and development work.

The resource estimate was completed by Mr. Souvik Banerjee under the supervision of Dr. Jean-Francois Couture, P.Geo (APGO #0197) an independent qualified person as this term is defined in National Instrument 43-101. The effective date of this resource estimate is August 12, 2008; the date Pebble Creek announced the resource estimate publically.

This section describes the work undertaken by SRK and key assumptions and parameters used to prepare the initial mineral resource model for the Askot deposit together with appropriate commentary regarding the merits and possible limitations of such assumptions.

In the opinion of SRK, the block model resource estimate and resource classification reported herein are a reasonable representation of the global copper, lead, zinc, gold and silver mineral resources found in the Askot deposit at the current level of sampling. The mineral resources presented herein are reported in accordance with Canadian Securities Administrators’ National Instrument 43-101 and have 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 certainty that all or any part of the mineral resource will be converted into mineral reserves. Mineral reserves can only be estimated as a result of an economic evaluation as part of a preliminary feasibility study or a feasibility study of a mineral project. Accordingly, at the present level of development there are no mineral reserves on the Askot project.

The database used to estimate the Askot mineral resources was audited by SRK and the mineralization boundaries were modelled by SRK using a geological interpretation from drilling and adit database. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries of the base metal mineralization and that the assaying data is sufficiently reliable to support estimating mineral resources.
The generation of sulphide solids, topography, statistical analysis, variography and resource estimation was completed using Surpac Version 6.0.3.

### 15.2 Resource Database

The database used to estimate the Askot mineral resources was audited by SRK and the sulphide mineralization boundaries were modelled by SRK using a geological interpretation derived from drilling and adit database.

The Askot project exploration database comprises descriptive and assaying information spanning several decades of exploration. The database was provided to SRK in a MS Access and AutoCad formats and is comprised of a total of 624 samples from seventy-five diamond core drill holes and seventeen channel samples collected in one underground adit. Drilling in Askot deposit was done in phases by different project operators. Core recovery data is not available for the historical boreholes drilled before the involvement of ADI. Table 8 provides a summary of the database used for resource estimation.

<table>
<thead>
<tr>
<th>Year</th>
<th>Type</th>
<th>No. of Collars</th>
<th>Length (metre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960s (?)</td>
<td>DDH</td>
<td>24</td>
<td>2,967</td>
</tr>
<tr>
<td>1977-1989</td>
<td>DDH</td>
<td>33</td>
<td>6,070</td>
</tr>
<tr>
<td>2006</td>
<td>DDH</td>
<td>3</td>
<td>1,137</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>60</td>
<td>10,174</td>
</tr>
<tr>
<td>2006</td>
<td>Channel Samples</td>
<td>1</td>
<td>42</td>
</tr>
<tr>
<td>2007</td>
<td>DDH</td>
<td>14</td>
<td>3,505</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>15</td>
<td>3,547</td>
</tr>
</tbody>
</table>

The Askot polymetallic sulphide mineralization was sampled using two distinct sampling techniques: diamond drill core and underground chip channels.

The Askot property was surveyed using differential GPS and total station. A topographic map with two metre contour interval is available at a scale of 1:2000.

A dataset 148 specific gravity measurements was supplied to SRK. The specific gravity determination was done by ADI personnel using a water displacement method on core samples, primarily from the sulphide zones. Specific gravity was not determined for all assay intervals. An average specific gravity of 3.32 grams per cubic centimetre was used to convert volumes into tonnages (Table 9). Historically an average tonnage factor of 3.2 was used. The specific gravity data is summarized in Figure 15. SRK notes that there are significant variations in specific gravity in the Askot sulphide mineralization. In the future specific gravity should be determined for all assaying intervals. Specific gravity should be modelled and assay data should be weighted by specific gravity to provide a better estimate of tonnages and metal content in this sulphide-rich deposit.
Table 9: Summary of Specific Gravity Data available for the Askot Polymetallic Sulphide Deposit.

<table>
<thead>
<tr>
<th></th>
<th>Biotite augen Gneiss</th>
<th>Mica schist and Tuffaceous schist</th>
<th>Sulphide mineralization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>9</td>
<td>24</td>
<td>115</td>
</tr>
<tr>
<td>Minimum</td>
<td>2.61</td>
<td>2.40</td>
<td>2.64</td>
</tr>
<tr>
<td>Maximum</td>
<td>2.77</td>
<td>2.92</td>
<td>4.47</td>
</tr>
<tr>
<td>Mean</td>
<td>2.73</td>
<td>2.77</td>
<td>3.49</td>
</tr>
<tr>
<td>Median</td>
<td>2.73</td>
<td>2.79</td>
<td>3.47</td>
</tr>
<tr>
<td>Standard deviation</td>
<td>0.05</td>
<td>0.11</td>
<td>0.41</td>
</tr>
</tbody>
</table>

Figure 15: Histogram of Specific Gravity Data Available for the Askot Polymetallic Sulphide Deposit.

15.3 Solid Body Modelling

The Askot polymetallic sulphide deposit form a steeply dipping tabular body trending north-northwest and dipping northeast. Using the drillhole database, underground geological map, vertical sections and plans, SRK modelled seven 3D wireframes using Surpac. The drilling was not done along a regular pattern; therefore the boreholes are not parallel to each other and exhibit a wide range azimuth and dip deviation.

A set of parallel vertical cross-sections trending N050 degrees was created across the dominant trend of the sulphide bodies. The vertical sections vary in distance between each other. On each section, boundaries for the sulphide mineralization were interpreted from drilling and underground mapping information and nominal cut-off grades. Two-dimensional strings were constructed on each section and connected to generate the sulphide mineralization wireframes. The boundaries of the sulphide zone were defined
using sulphide content and assay data (generally a cut-off around 0.1 percent copper and 0.2 percent zinc and considering the presence of other metals).

A single sulphide-rich lode averaging 2.5 metres in width was modelled (Figure 16). This sulphide body is cut by six west-northwest steeply dipping faults sub-dividing the sulphide zone into seven separate wireframes (from north to south WF1 to WF7). Wireframes WF2 to WF6 incorporate the majority of the sample data. Wireframe WF1 in the northern portion of the deposit and WF7 in the south have only been intersected by one and five boreholes, respectively. Four of these faults cross-cut were mapped in the underground tunnel. Two other faults are inferred from the geometry of the mineralization.

Figure 16: Drill Hole Plan and Solids Used for Resource Estimation.
15.4 Evaluation of Extreme Assay Values

Cumulative frequency plots for the composite data were reviewed to assess capping levels for all metals (Figure 17). After review, SRK considers that capping is not necessary.

Figure 17: Cumulative Frequency Plot for Copper, Lead and Zinc.
15.5 Compositing

The sample length histogram is presented Figure 18. Of the 620 assay samples intersecting the sulphide wireframes the vast majority (eighty-six percent) are one metre in length. Therefore all assay samples were composited to equal one metre lengths for geostatistical analysis and variography.

![Histogram of Sample Lengths](image)

**Figure 18: Histogram of Drillhole Sample Lengths.**

15.6 Composite Statistics

Statistics for uncut one metre composites were generated for five metals of economic significance at Askot (Table 10). Because of the extreme high grade, the relatively small number of high grade samples had a significant impact on the mean grade of the population.

![Table 10](image)

**Table 10: Descriptive Statistics for Uncut Composites.**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Au (gpt)</th>
<th>Ag (gpt)</th>
<th>Cu (%)</th>
<th>Pb (%)</th>
<th>Zn (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of samples</td>
<td>67</td>
<td>67</td>
<td>323</td>
<td>305</td>
<td>322</td>
</tr>
<tr>
<td>Minimum value</td>
<td>0.104</td>
<td>1.300</td>
<td>0.100</td>
<td>0.100</td>
<td>0.100</td>
</tr>
<tr>
<td>Maximum value</td>
<td>5.700</td>
<td>249.000</td>
<td>9.270</td>
<td>23.085</td>
<td>31.200</td>
</tr>
<tr>
<td>Mean</td>
<td>0.683</td>
<td>57.081</td>
<td>2.169</td>
<td>3.359</td>
<td>4.616</td>
</tr>
<tr>
<td>Variance</td>
<td>0.767</td>
<td>2,511.904</td>
<td>3.718</td>
<td>14.093</td>
<td>22.557</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>0.876</td>
<td>50.119</td>
<td>1.928</td>
<td>3.754</td>
<td>4.749</td>
</tr>
<tr>
<td>Coefficient of variation</td>
<td>1.282</td>
<td>0.878</td>
<td>0.889</td>
<td>1.117</td>
<td>1.029</td>
</tr>
<tr>
<td>Skewness</td>
<td>4.043</td>
<td>1.524</td>
<td>1.635</td>
<td>2.504</td>
<td>1.992</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>21.099</td>
<td>5.514</td>
<td>5.699</td>
<td>10.400</td>
<td>8.161</td>
</tr>
<tr>
<td>MAD</td>
<td>0.202</td>
<td>29.366</td>
<td>1.078</td>
<td>0.875</td>
<td>2.153</td>
</tr>
</tbody>
</table>
15.7 Resource Estimation Methodology

A sub-block model was created in Surpac with the parameters summarized in Table 11.

Table 11: Block Model Specifications

<table>
<thead>
<tr>
<th></th>
<th>X (m)</th>
<th>Y (m)</th>
<th>Z (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
<td>435,437</td>
<td>3,291,713</td>
<td>740</td>
</tr>
<tr>
<td>Maximum</td>
<td>435,903</td>
<td>3,292,397</td>
<td>1,070</td>
</tr>
<tr>
<td>Number of blocks</td>
<td>155</td>
<td>228</td>
<td>33</td>
</tr>
<tr>
<td>Parent block size</td>
<td>3</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Minimum block size</td>
<td>0.75</td>
<td>0.75</td>
<td>5</td>
</tr>
</tbody>
</table>

A sub-block routine was used to fill the sulphide mineralization wireframes with parent cell-size set at three by three by ten metres and minimum cell size of 0.75 by 0.75 by five metres.

The model block attributes include grades for copper (percent), lead (percent), zinc (percent), gold (gpt) and silver (percent), distance to nearest sample, number of nearest samples, average distance to nearest sample, and resource category.

15.8 Variography and Grade Interpolation

A variogram map module of Surpac software was used to generate the anisotropy and maximum search distance for search neighbourhoods. Variography was performed on a plane striking 320 degrees and dipping at seventy-two degrees to the northeast, sub-parallel to the trend of the sulphide-rich zone. Downhole variography was performed to determine the nugget. Variography was completed using ADI boreholes that have been surveyed for downhole deviation and underground channel samples. Due to limited data, good variograms can not be established for gold and silver. Nugget is almost fifty percent of the total variance. Modelled variogram parameters are presented in Table 12.

Table 12: Search Ellipse Parameters.

<table>
<thead>
<tr>
<th>Elements</th>
<th>Nugget</th>
<th>Range major axis Maj./Semimaj.</th>
<th>Anisotropy</th>
<th>Ellipsoid Parameters Maj./Min. Bearing</th>
<th>Plunge</th>
<th>Dip</th>
<th>Indicated</th>
<th>Inferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>0.11</td>
<td>62</td>
<td>1.3</td>
<td>1.4</td>
<td></td>
<td></td>
<td>60</td>
<td>120</td>
</tr>
<tr>
<td>Silver</td>
<td>451</td>
<td>83</td>
<td>1.4</td>
<td>3.5</td>
<td>165.5</td>
<td>47</td>
<td>63</td>
<td>80</td>
</tr>
<tr>
<td>Copper</td>
<td>0.8</td>
<td>83</td>
<td>1.4</td>
<td>3.5</td>
<td>164.0</td>
<td>46</td>
<td>63</td>
<td>80</td>
</tr>
<tr>
<td>Lead</td>
<td>2.21</td>
<td>82</td>
<td>1.3</td>
<td>3.5</td>
<td>165.0</td>
<td>46</td>
<td>60</td>
<td>80</td>
</tr>
<tr>
<td>Zinc</td>
<td>7.92</td>
<td>80</td>
<td>1.7</td>
<td>4</td>
<td>165.0</td>
<td>46</td>
<td>60</td>
<td>80</td>
</tr>
</tbody>
</table>
Copper, lead and zinc show similar anisotropy orientation and ratios, whereas gold and silver anisotropy differs slightly. SRK notes that gold and silver estimation suffers from the clustered dataset, primarily in the north-central part of the sulphide body investigated by ADI drilling. Since directional variography has poor resolution, preventing to model anisotropy with confidence, a spherical model was considered with the same range in all directions. A range of sixty metres (the range for gold and silver) was selected for all the elements.

Metal grades were estimated in the block model using an inverse distance squared algorithm. Estimation was done in two successive runs. The first run considers full variogram ranges to estimate block metal grades assigned to Indicated Mineral Resource category. The second run considers twice the variogram ranges for Inferrred Mineral Resource category. In the first pass, a minimum of three and maximum of eight composites were needed to assign a grade in a block, whereas for the second pass the minimum was reduced to one composite.

15.9 Mineral Resource Classification

The Askot polymetallic mineral resources were estimated in conformity with generally accepted CIM “Estimation of Mineral Resource and Mineral Reserve Best Practices” Guidelines. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

SRK is not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing or other relevant issues that could potentially affect this estimate of mineral resources. The mineral resources may be affected by further infill and exploration drilling which may result in increases or decreases in subsequent resource estimates. The mineral resources may also be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic and other factors. There is insufficient information in this early stage of study to assess the extent to which the resources will be affected by these factors which are more appropriately assessed in a conceptual study.

Mineral reserves can only be estimated based on the results of an economic evaluation as part of a preliminary feasibility study or feasibility study. As such no mineral reserves have been estimated by SRK as part of the present assignment. There is no certainty that all or any part of the mineral resource will be converted into a mineral reserve.

The mineral resources for the Askot polymetallic sulphide deposit were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005) by Mr. Souvik Banerjee of SRK under the supervision of Dr. Jean-Francois Couture, P.Geo (APGO #0197) also of SRK, an appropriate independent qualified person for the purpose of National Instrument 43-101. Mr. Banerjee and Dr. Couture visited the Askot project in May 2008.
15.10 Validation of the Block Model

Resource volumes were validated by comparing solid volumes to interpolated block volumes (Table 13). The maximum difference is 1.5 percent, well within the margin of error of the volume estimate.

Table 13: Comparison between Wireframe and Block Model Volumes.

<table>
<thead>
<tr>
<th>Wireframe</th>
<th>WF_Vol</th>
<th>BM_Vol</th>
<th>Difference (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WF1</td>
<td>6,626</td>
<td>6,722</td>
<td>98.6</td>
</tr>
<tr>
<td>WF2</td>
<td>134,901</td>
<td>134,865</td>
<td>100.0</td>
</tr>
<tr>
<td>WF3</td>
<td>197,511</td>
<td>197,471</td>
<td>100.0</td>
</tr>
<tr>
<td>WF4</td>
<td>145,796</td>
<td>145,718</td>
<td>100.1</td>
</tr>
<tr>
<td>WF5</td>
<td>51,855</td>
<td>51,826</td>
<td>100.1</td>
</tr>
<tr>
<td>WF6</td>
<td>150,282</td>
<td>152,648</td>
<td>98.5</td>
</tr>
<tr>
<td>WF7</td>
<td>101,954</td>
<td>102,083</td>
<td>99.9</td>
</tr>
</tbody>
</table>

The local block grade estimates were also validated by comparing visually block grades to drill-hole grades on a section by section basis and comparative statistics (Table 14).

Table 14: Comparative Statistics of the Composite Samples and the Block Model.

<table>
<thead>
<tr>
<th></th>
<th>Gold Comp. Block</th>
<th>Silver Comp. Block</th>
<th>Copper Comp. Block</th>
<th>Lead Comp. Block</th>
<th>Zinc Comp. Block</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of samples</td>
<td>67</td>
<td>67</td>
<td>323</td>
<td>305</td>
<td>322</td>
</tr>
<tr>
<td>Minimum value</td>
<td>0.10</td>
<td>1.30</td>
<td>0.10</td>
<td>0.10</td>
<td>0.10</td>
</tr>
<tr>
<td>Maximum value</td>
<td>5.70</td>
<td>249.00</td>
<td>9.27</td>
<td>23.09</td>
<td>31.20</td>
</tr>
<tr>
<td>25.0 Percentile</td>
<td>0.26</td>
<td>21.27</td>
<td>0.78</td>
<td>1.23</td>
<td>1.43</td>
</tr>
<tr>
<td>50.0 Percentile (median)</td>
<td>0.48</td>
<td>40.71</td>
<td>1.74</td>
<td>2.42</td>
<td>2.64</td>
</tr>
<tr>
<td>75.0 Percentile</td>
<td>0.67</td>
<td>79.04</td>
<td>2.80</td>
<td>3.31</td>
<td>5.88</td>
</tr>
<tr>
<td>Mean</td>
<td>0.68</td>
<td>56.47</td>
<td>1.77</td>
<td>3.75</td>
<td>4.62</td>
</tr>
<tr>
<td>Variance</td>
<td>0.74</td>
<td>2462.13</td>
<td>3.72</td>
<td>14.09</td>
<td>22.56</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>0.86</td>
<td>49.62</td>
<td>3.19</td>
<td>4.62</td>
<td>6.97</td>
</tr>
<tr>
<td>Coefficient of variation</td>
<td>1.27</td>
<td>0.88</td>
<td>0.89</td>
<td>1.12</td>
<td>1.03</td>
</tr>
<tr>
<td>Skewness</td>
<td>4.08</td>
<td>1.52</td>
<td>1.64</td>
<td>2.50</td>
<td>1.99</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>21.71</td>
<td>5.51</td>
<td>5.70</td>
<td>10.40</td>
<td>8.16</td>
</tr>
<tr>
<td>Trimean</td>
<td>0.47</td>
<td>45.43</td>
<td>1.77</td>
<td>2.35</td>
<td>3.15</td>
</tr>
<tr>
<td>Biweight</td>
<td>0.45</td>
<td>45.44</td>
<td>1.71</td>
<td>2.03</td>
<td>3.15</td>
</tr>
<tr>
<td>MAD</td>
<td>0.20</td>
<td>29.87</td>
<td>1.08</td>
<td>0.88</td>
<td>2.15</td>
</tr>
<tr>
<td>Alpha</td>
<td>-0.01</td>
<td>8.85</td>
<td>0.88</td>
<td>0.76</td>
<td>0.30</td>
</tr>
</tbody>
</table>
15.11 Mineral Resource Statement

CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005) defines a mineral resource as:

“[A] concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge”.

The “reasonable prospects for economic extraction” requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, SRK considers that sulphide mineralization delineated by drilling at Askot is amenable for underground extraction using a selective mining method that can more easily adapt to mine the thin and irregular sulphide bodies.

There are five metals of economic significance in the Askot deposit. Four metals (copper, lead, zinc and gold) contribute significantly to the value of this mineralization. Accordingly, the mineral resources are reported at a net smelter return (“NSR”) cut-off grade considering the likely underground mining extraction scenario that would be used to mine this mineralization. A US$ NSR value was calculated for each block based on the metal price and metallurgical assumptions presented in Table 15 and provided by Pebble Creek.

Table 15: NSR Calculation Assumptions Provided by Pebble Creek Mining Ltd.

<table>
<thead>
<tr>
<th>Metallurgical recovery</th>
<th>Metal price (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper 85%</td>
<td>$2.00 pound</td>
</tr>
<tr>
<td>Lead 78%</td>
<td>$0.65 pound</td>
</tr>
<tr>
<td>Zinc 77%</td>
<td>$0.90 pound</td>
</tr>
<tr>
<td>Silver 60%</td>
<td>$15.00 ounce</td>
</tr>
<tr>
<td>Gold 60%</td>
<td>$900 ounce</td>
</tr>
</tbody>
</table>

The sulphide zones form narrow irregular tabular bodies averaging 2.5 metres in thickness and displaced by late faults. A selective underground mining method will be required to maximize extraction of the irregular sulphide zones. SRK considers that a cut-off grade of US$100 NSR is appropriate for reporting the mineral resources for the Askot polymetallic sulphide deposit. The mineral resource statement is presented in Table 16.

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity (t)</th>
<th>Cu (%)</th>
<th>Zn (%)</th>
<th>Pb (%)</th>
<th>Ag (gpt)</th>
<th>Au (gpt)</th>
<th>Cu (t)</th>
<th>Zn (t)</th>
<th>Pb (t)</th>
<th>Ag (oz)</th>
<th>Au (oz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated</td>
<td>1,860,000</td>
<td>2.62</td>
<td>5.8</td>
<td>3.83</td>
<td>36</td>
<td>0.48</td>
<td>49,000</td>
<td>108,000</td>
<td>71,000</td>
<td>2,153,000</td>
<td>29,000</td>
</tr>
<tr>
<td>Inferred</td>
<td>149,000</td>
<td>1.7</td>
<td>4.56</td>
<td>1.89</td>
<td>29</td>
<td>0.44</td>
<td>3,000</td>
<td>7,000</td>
<td>3,000</td>
<td>139,000</td>
<td>2,000</td>
</tr>
</tbody>
</table>

*Reported at a NSR cut-off of US$100 per tonne based on metal prices of US$2.00 per pound of copper, US$0.65 per pound of lead, US$0.90 per pound of zinc, US$15.00 per ounce of silver and US$900 per ounce of gold and metallurgical recoveries of eighty-five, seventy-eight, seventy-seven, sixty and sixty percent, respectively. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates.

The mineral resources for the Askot polymetallic sulphide deposit are not very sensitive to the selection of the cut-off grade (Figure 19). Table 16 presents the global quantities and metal grades at various US$NSR cut-off. The reader is cautioned that these figures should not be misconstrued as a mineral resource. The reported quantities and grades are only presented as a sensitivity of the resource model to the selection of cut-off grade.

As can been seen in Table 17, for the Indicated Mineral Resources variation in cut-off from 80 to 140 US$NSR (seventy percent increase) results in fifteen percent reduction in tonnage and nine percent increase in copper equivalent grade. The modelled wireframes encompass much of the available sulphide zones and the metals are sharply constrained by the sulphide zones. For the Inferred Mineral Resource blocks, the variation is somewhat larger with a fifty percent reduction in tonnage for a twenty-six percent increase in copper equivalent grade (Figure 19).

Table 17: Global Block Model Quantity and Grade Estimates* at Various US$ NSR Cut-off Grades, Askot Polymetallic Sulphide Deposit.

<table>
<thead>
<tr>
<th>Cut-off NSR (US$)</th>
<th>Quantity (Million Tonnes)</th>
<th>Cu (%)</th>
<th>Zn (%)</th>
<th>Pb (%)</th>
<th>Ag (gpt)</th>
<th>Au (gpt)</th>
<th>Cu.Eq. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated 80</td>
<td>1.90</td>
<td>2.59</td>
<td>5.72</td>
<td>3.78</td>
<td>36</td>
<td>0.47</td>
<td>6.56</td>
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<tr>
<td>100</td>
<td>1.86</td>
<td>2.62</td>
<td>5.8</td>
<td>3.83</td>
<td>36</td>
<td>0.48</td>
<td>6.64</td>
</tr>
<tr>
<td>120</td>
<td>1.72</td>
<td>2.72</td>
<td>6.06</td>
<td>3.99</td>
<td>38</td>
<td>0.49</td>
<td>6.91</td>
</tr>
<tr>
<td>140</td>
<td>1.62</td>
<td>2.80</td>
<td>6.29</td>
<td>4.10</td>
<td>39</td>
<td>0.49</td>
<td>7.13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cut-off NSR (US$)</th>
<th>Quantity (Million Tonnes)</th>
<th>Cu (%)</th>
<th>Zn (%)</th>
<th>Pb (%)</th>
<th>Ag (gpt)</th>
<th>Au (gpt)</th>
<th>Cu.Eq. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inferred 80</td>
<td>0.18</td>
<td>1.56</td>
<td>4.18</td>
<td>1.79</td>
<td>25</td>
<td>0.42</td>
<td>4.19</td>
</tr>
<tr>
<td>100</td>
<td>0.15</td>
<td>1.70</td>
<td>4.56</td>
<td>1.89</td>
<td>29</td>
<td>0.44</td>
<td>4.56</td>
</tr>
<tr>
<td>120</td>
<td>0.12</td>
<td>1.83</td>
<td>5.00</td>
<td>1.93</td>
<td>33</td>
<td>0.47</td>
<td>4.93</td>
</tr>
<tr>
<td>140</td>
<td>0.09</td>
<td>1.99</td>
<td>5.39</td>
<td>2.04</td>
<td>34</td>
<td>0.47</td>
<td>5.29</td>
</tr>
</tbody>
</table>

*The reader is cautioned that the figures presented in this table should not be misconstrued as mineral resources. The reported quantities and grades are only presented as a sensitivity of the resource model to the selection of cut-off grade. Copper equivalent grade calculated using metal price and recovery assumptions presented in Table 15.
Figure 19: Askot Polymetallic Deposit Global Grade Tonnage Curves.

Vertical sections through the Askot block model are presented in Figure 20.
Figure 20: Vertical Longitudinal Section (Looking Northeast) Through the Askot Deposit Showing Resource Classification (Top); and Indicated Resource Blocks (Middle) and Inferred Resource Blocks (Bottom) Colour Coded by US$ NSR Value.
16 Interpretations and Conclusions

SRK reviewed and audited the exploration data collected by ADI and the historical exploration data collected by previous operators on the Askot polymetallic sulphide deposit. This review suggests that the exploration data are generally reliable for the purpose of resource estimation.

From the drilling data and underground mapping, SRK constructed three dimensional models for the main sulphide bodies and constructed a mineral resource model using the geostatistical block model approach constrained by the sulphide mineralization wireframes. Search neighbourhood and estimation parameters were adjusted based on geostatistical and variography results. Metal grades were estimated into a partial block model using an inverse distance algorithm. The block model constructed by SRK for the Askot sulphide deposit provides a reasonable representation of the global copper, lead, zinc, gold and silver mineral resources found in the Askot deposit at the current level of sampling. The mineral resources were classified as Indicated and Inferred Mineral Resources according to the “CIM Definition Standards for Mineral Resources and Mineral Reserves” (December, 2005), primarily on the basis of distance from the nearest informing samples.

SRK is of the opinion that the current drilling data and underground exposures are sufficient to demonstrate reasonable geological continuity of the sulphide mineralization between sampling points and to support resource estimation.

SRK is of the opinion that additional drilling below the 800 metre elevation may extend the sulphide mineralization at depth and has the potential to increase the mineral resources. Additional drilling at depth is highly warranted. SRK also believes that additional step-out drilling is required in the south-eastern part of the deposit with the objective of improving the classification of the Inferred Mineral Resources.

In reviewing the mineral resource model SRK draws the following conclusions:

- An analysis of the exploration data collected by ADI and historical data collected by third parties prior to ADI indicates that the exploration database is generally appropriate for resource estimation;
- A total of seven mineralized solids were interpreted and used for resource estimation;
- ADI was successful in delineating an Indicated Mineral Resource estimated at 1.9 million tonnes grading an average of 2.62 percent copper, 3.83 percent lead, 5.80 percent zinc, 36 gpt silver and 0.48 gpt gold and an additional 0.15 million tones of 1.70 percent, copper, 1.89 percent lead, 4.56 percent zinc, 29 gpt silver and 0.44 gpt gold in the Inferred category;
- SRK considers that there is an opportunity to increase the mineral resources at depth below the 800 metre elevation and to the southeast with additional drilling.
17 Recommendations

The results of the work to date on the Askot deposit are of sufficient merit to recommend additional drilling. Infill drilling is required to improve the confidence in the interpretation of the sulphide mineralization boundaries and improve variography at shorter ranges. SRK is confident that additional infill drilling will greatly improve geostatistical analysis and variography, and allow upgrading the classification of the mineral resources. The geological and structural setting of the Askot sulphide deposit remains relatively poorly constrained.

SRK recommends that ADI continues step out drilling towards the northwest and southeast, as well as below the 800 metre elevation. Interpretation of current drilling data indicates that the sulphide mineralization is open in both directions and at depth. There is a good potential to expand the mineral resources estimated for the deposit. The proposed core drilling program, from surface, comprises thirty-four boreholes totalling approximately 10,000 metres (Table 18). The cost for the recommended drilling program is estimated at approximately US$1,725,000 based on a drilling cost of US$160 per metre. The unit drilling cost is based on ADI’s suggestion of procuring its own drilling equipment. A capital provision of US$600,000 is included to purchase the drilling equipment.

The proposed drilling programme has two objectives. The first objective is to upgrade the Inferred Mineral Resource. The second objective is to increase the mineral resources with step-out drilling. The proposed boreholes aim at testing the main sulphide body between the 825-metre and 775-metre elevations.

SRK also recommends that ADI twins additional historical boreholes drilled by GSI or DGM to improve the confidence in the historical sampling data and thereby improve the confidence in the geological model and geostatistical analysis.

Mineralogical studies should be undertaken to characterize the sulphide mineralization in terms of metallurgical properties and to determine any adverse attributes potentially impacting on metallurgical and processing recoveries and the management of mine waste. This will help to assess, if metallurgical domaining should be considered for future revisions of the resource model.

ADI should maintain industry best practices quality control measures to monitor and document the reliability of all exploration data collected at Askot. All boreholes should be systematically surveyed for position and downhole deviation. Quality control samples should be inserted with all samples submitted for assaying and specific gravity should be measured on core at regular intervals for all rock types. Analytical quality control data should be compiled and reviewed as received from the laboratory.
ADI should also include specific gravity in the assaying protocols. The Askot mineralization is sulphide rich and metal grades should be density weighted to derive a better account of metal content. This can only be accomplished if specific gravity is determined for all sampling intervals. ADI should request that the assay laboratory measure specific gravity for all sampling intervals.

Finally, the Askot massive sulphides should form good electrical plates as demonstrated by ground electromagnetic data acquired by ADI. ADI should take advantage of this physical property of the sulphide mineralization. SRK recommends that ADI conduct downhole EM surveys in the future boreholes testing the depth and lateral extensions of known sulphide mineralization.

Table 18: Recommended Core Infill Drilling Program for The Askot polymetallic sulphide Deposit.

<table>
<thead>
<tr>
<th>DDH Name</th>
<th>UTM_East</th>
<th>UTM_North</th>
<th>Elevation</th>
<th>Azimuth</th>
<th>Inclination</th>
<th>Depth (m)</th>
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<tr>
<td>PDH_SRK_1</td>
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<td>3,292,432</td>
<td>1,118</td>
<td>230</td>
<td>79</td>
<td>330</td>
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<td>PDH_SRK_2</td>
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<td>3,292,401</td>
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<td>79</td>
<td>330</td>
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<tr>
<td>PDH_SRK_3</td>
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<td>3,292,370</td>
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<td>230</td>
<td>78</td>
<td>310</td>
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<tr>
<td>PDH_SRK_4</td>
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<td>3,292,340</td>
<td>1,107</td>
<td>230</td>
<td>79</td>
<td>320</td>
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<td>PDH_SRK_5</td>
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<td>3,292,309</td>
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<td>230</td>
<td>79</td>
<td>330</td>
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<tr>
<td>PDH_SRK_6</td>
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<td>PDH_SRK_7</td>
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<td>PDH_SRK_9A</td>
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<td>PDH_SRK_10A</td>
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<td>86</td>
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<td>PDH_SRK_11A</td>
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<td>3,292,075</td>
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<td>PDH_SRK_11B</td>
<td>435,775</td>
<td>3,292,045</td>
<td>1,135</td>
<td>230</td>
<td>78</td>
<td>360</td>
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<td>PDH_SRK_12A</td>
<td>435,782</td>
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<td>PDH_SRK_12B</td>
<td>435,798</td>
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<td>PDH_SRK_13A</td>
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<td>3,291,953</td>
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<td>PDH_SRK_13B</td>
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<td>PDH_SRK_14A</td>
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<td>PDH_SRK_14B</td>
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<td>PDH_SRK_15A</td>
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<td>68</td>
<td>230</td>
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<tr>
<td>PDH_SRK_15B</td>
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<td>3,291,799</td>
<td>973</td>
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<td>65</td>
<td>220</td>
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<tr>
<td>PDH_SRK_16A</td>
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<td>950</td>
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<td>60</td>
<td>200</td>
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</table>

Total 31 Holes 10,360
Figure 21: Proposed Drilling Layout with the Modelled Sulphide Mineralization for the Recommended Drilling Program.
18 References


Adi Gold Mining Private Ltd., 1996 Certificate of Incorporation and Memoranda of Association


APPENDIX A

Copy of Prospecting License agreement and Copy of the Letter of Intent (LOI) to Adi Gold Mining Pvt. Ltd. issued by Government of Uttarakhand based on the approval of Mining lease from Ministry of Mine (Government of India)
Copy of the Prospecting License Agreement with Government of India.
Copy of Letter of Intent from State Government of Uttarakhand (Translated in English)

NO. 5970/VII-1-07/188-Kh/2005

From:-
Shri P.C. Sharma,
Chief Secretary,
Uttarakhand Government.

To,
M/s Adi God Mining Pvt. Ltd.,
District Panchayat Building Tildhukari,
Distt. Pithoragarh.


Subject;
For sanction of Mining Lease of mineral like Copper,
Lead, Zinc, Gold, Silver, Antimony, Arsenic, Cadmium,
Tungsten, Bismuth and other associated mineral with
reference to your application dated 11-03-2005 within
the area of 3.86 Sq. Km. of District Pithoragarh, Tehsil
Didihat, Village Rasgarhi, Badhigaon, Bedda, Gadali,
Bijorri, Dumnikholla etc. —

With reference to your application dated 11-03-2005 on the above
noted subject, I have got instructions from the State Government through
this letter of intent to inform you that you have desire sanction vide your
above said application for Mining Lease of the mineral Copper, Lead, Zinc,
Gold, Silver, Antimony, Arsenic, Cadmium, Tungsten, Bismuth and other
associated mineral in the area Village Rasgarhi, Badhigaon, Bedda, Gadali,
Bijorri, Dumnikholla etc. area 3.86 Sq. Km.

Therefore, if you want to take the Mining Lease, kindly produce one
copy each of the following details, Mining Plan, Sanctioned Progressive
Mine Closure Plan and Financial Assurance Letter etc. to Chief Secretary,
Industrial Development Department, Government of Uttarakhand Dehradun,
upper Director, Geology and Mining Unit 252/2, Vasent Vihar, Dehradun
and Distt. Officer (D.M.), Pithoragarh, within six months of receipt of this
letter so that formal Mining Lease sanction may be issued;

Your written acceptance letter to take the Mining Lease.

The boundary fixation of the proposed area under sanction shall be
done by the Officers of the geology and Mining Unit along with
the representative of Revenue Department. At the time of boundary
fixation of the area, if any part thereof found objectionable then the
same shall be excluded resulting thereby any change in its area and
measurement, shall be acceptable to the Lease Holder.

3. Produce Mines Plan approved by Regional Controller, Indian
Mines Bureau, Dehradun according to Rule 22(4) of the Mineral
Concession Rule 1960.


6. For approval of the proposed 3.86 Sq. Km. i.e. 386 Hectares, out of this 217.967 Hectares unmeasured land, 67.457 Hectares Forest Panchayat Land total 285.424 Hectares unmeasured land, to carry out the mining work on this land produce the approval from Environment & Forest Ministry Govt. of India under Forest Conservation Act 1980.

7. Proposed area for sanction is in excess of 5.00 Hectares. Therefore, produce site clearance and Environment Clearance Certificate from Environment and Forest Ministry, Govt. of India, according to Environment (Protection) Act, 1986 and Environment Impact Assessment Notification dated 27-01-1994, and amendment therein from time to time.

8. Produce Character Certificate letter and No Dues Certificate on the prescribed form from the Distit. Officer (D.M.), that no dues are payable on mine and to other state departments.

9. Produce up to date Income Tax/Income Tax Return Filling Certificate from Income Tax Officer and if you are not Income Tax Payee in that event file up to date Affidavit.

That if the applicant Company does not fulfill all the Lease Conditions stated hereinabove within six months in that event, this order shall stand cancelled without any information.

Yours Sincerely,
Sd
(P.C. Sharma).
Chief Secretary.

Letter No. (1)/VII-1-07/188-Kh/2005, as dated:-

Copy sent to the following for the information and necessary action:


2. Upper Director / Senior Mines Officer, Geology and Mining Unit, Directorate of Industries, Dehradun, with reference to their letter No. 1173 Mukhyag Khaniy/Bhn0Khni0E0/2005-06, dated 7th February, 2006 for information and directions to make available following to the Government along with Mining Lease Deed proposal!

(a) Boundary fixation of the area sanctioned under this order, in any circumstances, be completed with in 60 days from the date of this order so that the Lease Deed may be executed within 6 months under Rule 31 of Mines Concession Rules, 1960.
(b) Information of Mining Lease boundary fixation along with boundary fixation report, site plan etc. be sent to the Government within 10 days from the date of completion of boundary fixation.

(c) In the boundary fixation report a certificate must be given that boundary fixed for the area sanctioned under Mining Lease does not include any other forest land except the sanctioned forest land and the circumference of the boundary fixed area is minimum ........................ meters away from the said land.

3. Regional Controller, Indian Bureau, Dehradun.

4. Guard File.

By order
Sd
(P.C. Sharma)
Chief Secretary.

[Translation stamp]

[Notary seal]

Certified that translation
From Hindi to English.
Valid Outside India.

My Commission will expire on
25-2-2011
APPENDIX B

Summary of Askot Exploration Database
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operator</strong></td>
<td>Geological Survey of India</td>
<td>Uttar Pradesh Directorate of Geology and Mining</td>
<td>Adi Gold Mining Pvt Ltd</td>
<td>Adi Gold Mining Pvt Ltd</td>
<td>Adi Gold Mining Pvt Ltd</td>
</tr>
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<td><strong>Drilling characteristics</strong></td>
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<td></td>
</tr>
<tr>
<td>Number of Borehole</td>
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<td>33</td>
<td>3</td>
<td>1</td>
<td>14</td>
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<td>Borehole type</td>
<td>DDH</td>
<td>DDH</td>
<td>DDH</td>
<td>channel samples</td>
<td>DDH</td>
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<tr>
<td>Collar position</td>
<td>Surface</td>
<td>Surface</td>
<td>Surface</td>
<td>Underground</td>
<td>Surface</td>
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<td>Borehole numbers</td>
<td>ASK-01 to ASK-23</td>
<td>B-01 to B-31</td>
<td>xxx-1</td>
<td>ask-U-5-01 to ask-U-N-13</td>
<td>xxx-1 to 4, B-xxT, B-xxX</td>
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<tr>
<td>Meterage (metres)</td>
<td>2,966</td>
<td>6,292</td>
<td>1,137</td>
<td>42</td>
<td>3,505</td>
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<td>Geological Survey of India</td>
<td>Uttar Pradesh Directorate of Geology and Mining</td>
<td>Adi Gold Mining Pvt Ltd</td>
<td>Mitchell Drilling Pvt India, Gurgaon</td>
<td></td>
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<td><strong>Borehole surveying</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Collar survey</td>
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<td>some, 3Singh</td>
<td>Yes, total station</td>
<td>Yes</td>
<td>Yes, total station</td>
</tr>
<tr>
<td>Collar Azimuth/plunge</td>
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<td></td>
<td>compass</td>
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<td>Compass</td>
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<td>Surveyor</td>
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<td></td>
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<td>Casing</td>
<td>None</td>
<td>None</td>
<td>Yes, cement block</td>
<td>N/A</td>
<td>Yes, cement block</td>
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<tr>
<td>Downhole Surveying</td>
<td>yes (unknown device)</td>
<td>single-shot (DDH 020-1)</td>
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<td>single shot</td>
<td></td>
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<tr>
<td>intervals</td>
<td>irregular: 20-150 metres</td>
<td>5 to 20 metres</td>
<td>N/A</td>
<td>25 to 50 metres</td>
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<td>Core orientation</td>
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<td>N/A</td>
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<td></td>
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<td><strong>Sampling procedure</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sampling procedure</td>
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<td>½ core, sawed</td>
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<tr>
<td>Sample Length</td>
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<td>0.20 - 3.10 metres</td>
<td>0.2 - 1.05 metre</td>
<td>0.2 - 1.65 metres</td>
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<tr>
<td>Average sample length</td>
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<td>0.95 metre</td>
<td>0.80 metre</td>
<td>0.86 metre</td>
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<td>Number of samples</td>
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<td>107</td>
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<tr>
<td>Sampled length</td>
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<td>61</td>
<td>42</td>
<td>99</td>
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<tr>
<td><strong>Assaying</strong></td>
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APPENDIX C

Quality Control Charts
Time series for Sample Blanks used by ADI

Time Series for Copper of Sample Blanks Assayed by SHIVA (2007 DDH Samples)

Time Series for Lead of Sample Blanks Assayed by SHIVA (2007 DDH Samples)

Time Series for Zinc of Sample Blanks Assayed by SHIVA (2007 DDH Samples)
Time series for Field Standard prepared by ADI

Time series of Copper in standard prepared by ADI and assayed by SHIVA (2007 drill core sample)

Time series of Lead in standard prepared by ADI and assayed by SHIVA (2007 drill core sample)

Time series of Gold in standard prepared by ADI and assayed by SHIVA (2007 drill core sample)

Time series of Zinc in standard prepared by ADI and assayed by SHIVA (2007 drill core sample)
Check Assay Sample Pairs (Copper)

Bias Chart Check Sample Pairs
(Shiva, ACME, and ALS Chemex; DDH Samples)

R2 = 0.9863

Check Assay Sample Pairs
(Shiva, ACME, and ALS Chemex; DDH Samples)

Ranked Half Absolute Relative Deviation Plot
(Shiva, ACME, and ALS Chemex; DDH Samples)

Mean versus Half Relative Deviation Plot
(Shiva, ACME, and ALS Chemex; DDH Samples)

Mean versus Half Absolute Relative Deviation Plot
(Shiva, ACME, and ALS Chemex; DDH Samples)
Check Assay Sample Pairs (Lead)

**Bias Chart Check Sample Pairs (SHIVA, ACME, and ALS Chemex; DDH Samples)**

- **N = 57 pairs**
- **y = 1.0267x**
- **R² = 0.9275**

**Ranked Half Absolute Relative Deviation Plot (SHIVA, ACME, and ALS Chemex; DDH Samples)**

- **N = 57 pairs**

**Mean versus Half Relative Deviation Plot (SHIVA, ACME, and ALS Chemex; DDH Samples)**

- **N = 57 pairs**

**Mean versus Half Absolute Relative Deviation Plot (SHIVA, ACME, and ALS Chemex; DDH Samples)**

- **N = 57 pairs**

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September 26, 2008
Check Assay Sample Pairs (Zinc)

**Bias Chart Check Sample Pairs**
(SHIVA, ACME, and ALS Chemex; DDH Samples)

- $y = 1.0418x$
- $R^2 = 0.9913$
- N = 65 pairs
- Original Assays (Zn Percent) vs. Check Assays (Zn Percent)

**Ranked Half Absolute Relative Deviation Plot**
(SHIVA, ACME, and ALS Chemex; DDH Samples)

- N = 65 pairs
- Half ARD (% vs. Rank)

**Q-Q Plot Check Sample Pairs**
(SHIVA, ACME, and ALS Chemex; DDH Samples)

- N = 65 pairs
- Original Assays (Zn Percent) vs. Pulp Duplicate Assays (Zn Percent)

**Mean versus Half Relative Deviation Plot**
(SHIVA, ACME, and ALS Chemex; DDH Samples)

- N = 65 pairs
- Individual Mean (Zn Percent) vs. HRD (%)

**Mean versus Half Absolute Relative Deviation Plot**
(SHIVA, ACME, and ALS Chemex; DDH Samples)

- N = 65 pairs
- Individual Mean (Zn Percent) vs. HARD (%)

September 26, 2008
Check Assay Sample Pairs (Gold)

Bias Chart Check Sample Pairs (SHIVA, ACME, and ALS Chemex; DDH Samples)

\[
y = 0.9543x \\
R^2 = 0.86
\]

N = 54 pairs

Ranked Half Absolute Relative Deviation Plot (SHIVA, ACME, and ALS Chemex; DDH Samples)

Mean versus Half Relative Deviation Plot (SHIVA, ACME, and ALS Chemex; DDH Samples)

Q-Q Plot Check Sample Pairs (SHIVA, ACME, and ALS Chemex; DDH Samples)

Mean versus Half Absolute Relative Deviation Plot (SHIVA, ACME, and ALS Chemex; DDH Samples)
CERTIFICATE AND CONSENT


I, Souvik Banerjee residing at 3, RKP Deb Road, Kolkata, West Bengal do hereby certify that:

1) I am a Consultant Geologist with the firm of SRK Mining Services (India) Private Limited with an office at BD-327, Salt Lake City, Kolkata–700064, India;

2) I am a graduate of the University of Burdwan in Burdwan City with a BSc. in Geology in 2000. I obtained an MSc. Geology from Université Burdwan in 2002 I have practiced my profession continuously since 2002;

3) I have personally inspected the subject property from May 29 to 30, 2008;

4) I am independent of the issuer as defined in Section 1.4 of National Instrument 43-101;

5) I am responsible for the preparation of all sections of this technical report under the supervision of Dr. Couture, P.Geo a Qualified Person for the purpose of National Instrument 43-101;

6) SRK Mining Services (India) Private Limited was retained by Pebble Creek Mining Ltd. to prepare a technical report for the Askot Polymetallic Project, Uttarakhand, India in accordance with National Instrument 43-101 and Form 43-101F1 guidelines. The preceding report is based on a site visit, our review of project files and discussions with Pebble Creek Mining personnel;

7) I have had prior involvement with the property that is the subject of the Technical Report as prior to joining SRK in early 2008, I was employed by ADI Gold Mining Pvt. Ltd. and work on the exploration team at Askot.

8) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;

9) I hereby consent to the filing of the technical report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the technical report.

Kolkata, India
Souvik Banerjee
September 26, 2008
Consulting Geologist
CERTIFICATE AND CONSENT


I, Jean-Francois Couture, residing at 59 Tiverton Avenue, Toronto, Ontario do hereby certify that:

1) I am a Principal Geologist with the firm of SRK Consulting (Canada) Inc. with an office at Suite 1000, 25 Adelaide Street East Toronto, Ontario, Canada;

2) I am a graduate of the Université Laval in Quebec City with a BSc. in Geology in 1982. I obtained an MSc.A. in Earth Sciences and a Ph.D. in Mineral Resources from Université du Québec à Chicoutimi in 1986 and 1994, respectively. I have practiced my profession continuously since 1982;

3) I am a Professional Geoscientist registered with the Association of Professional Geoscientists of the province of Ontario (APGO#0197) and a fellow with the Geological Association of Canada;

4) I have personally inspected the subject property on May 29 and 30, 2008;

5) I have read the definition of “qualified person” set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of National Instrument 43-101 and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;

6) I, as the qualified person, am independent of the issuer as defined in Section 1.4 of National Instrument 43-101;

7) I have supervised the work completed by Souvik Banerjee and accept professional responsibility for all sections of this technical report;

8) SRK Mining Services (India) Private Limited was retained by Pebble Creek Mining Ltd. to prepare a technical report for the Askot Polymetallic Project, Uttarakhand, India in accordance with National Instrument 43-101 and Form 43-101F1 guidelines. The preceding report is based on a site visit, our review of project files and discussions with Pebble Creek Mining personnel;

9) I have not had prior involvement with the property that is the subject of the Technical Report.

10) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;

11) I hereby consent to the filing of the technical report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the technical report.

Toronto, Canada
September 26, 2008

Jean-François Couture, Ph.D, P.Geo.
Principal Geologist
Project number: ADI001 – 3CG009.001

Kolkata, September 26, 2008

To: British Columbia Securities Commission
   Alberta Securities Commission

CONSENT of AUTHOR


I also certify that I have read the News Release and that it fairly and accurately represents the information in the Technical Report that supports the disclosure.

Dated this 26th day of September, 2008.

Souvik Banerjee
Consulting Geologist
Project number: ADI001 – 3CG009.001

Toronto, September 26, 2008

To: British Columbia Securities Commission
    Alberta Securities Commission

CONSENT of AUTHOR

I, Jean-François Couture, do hereby consent to the public filing of the written disclosure of the technical report Titled “Mineral Resource Estimation Askot Polymetallic Project, Uttarakhand, India” (the “Technical Report”) and dated September 26, 2008 and to extracts from or a summary of the Technical Report in the news release of Pebble Creek Mining Ltd. dated August 12, 2008 (the “News Release”).

I also certify that I have read the News Release and that it fairly and accurately represents the information in the Technical Report that supports the disclosure.

Dated this 26th day of September, 2008.

Jean-François Couture, Ph.D., P.Geo
Principal Geologist