

## APPENDIX A – BACKGROUND TO THE CAMERON CAMP GOLD PROJECT, ONTARIO

### OVERVIEW

The Cameron Gold Camp Project comprises the Cameron Gold Project and the West Cedartree Gold Project located approximately 80 km to the southeast of Kenora in western Ontario, Canada (Figure 1). In total, the combined area of the two properties that make up the Cameron Gold Camp Project is 140 sq km or 14,000 hectares.

Coventry Resources has defined a gold resource at the Cameron Gold Camp Project, with a NI 43-101 and JORC compliant **Measured & Indicated Mineral Resource of 8.26 million tonnes at 2.45 grams gold per tonne for 651,000 ounces of contained gold.**

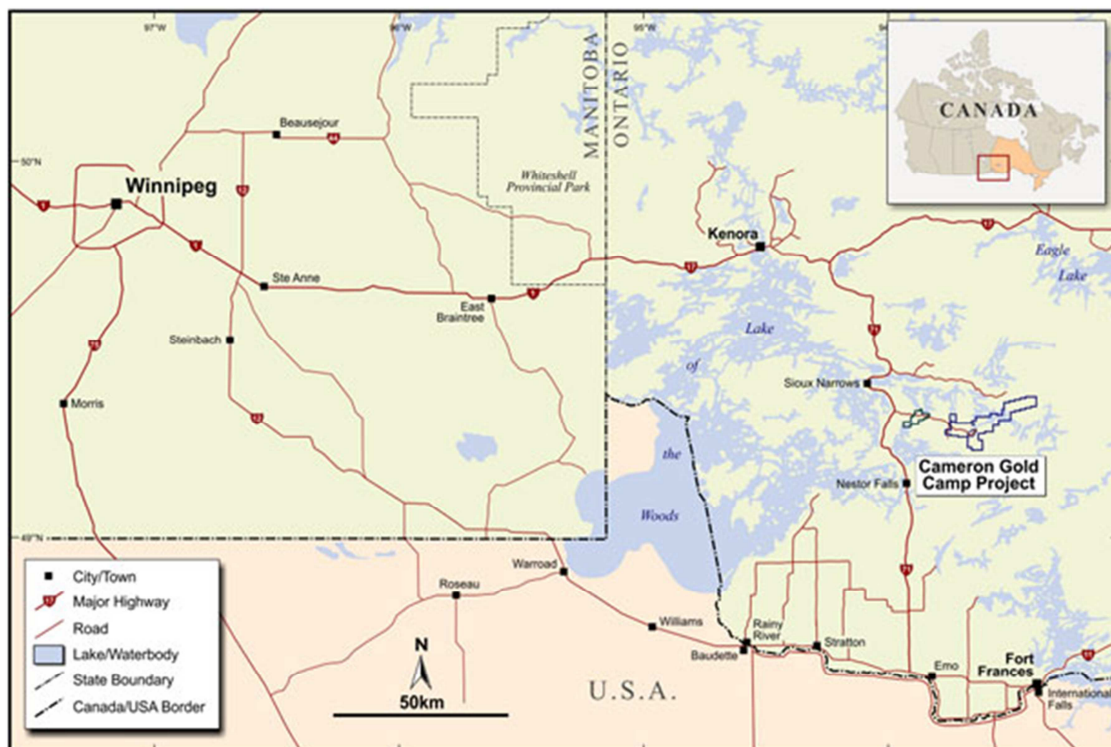


Figure 1: Location Plan of the Cameron Gold Camp Project (Source: Coventry)

### HISTORY

Modern exploration at the Cameron Gold Project commenced in the 1960s and numerous companies have carried out prospecting, geological mapping, trenching, soil and outcrop sampling and ground magnetic and electromagnetic (EM) geophysical surveys. The first drilling was undertaken in 1960 at what is now the Cameron Gold Deposit. Prior to Coventry purchasing the project in 2010, 836 holes comprising in excess of 90 kilometres of diamond drillcore were drilled by six companies. The majority of the exploration conducted previously was completed by Nuinsco Resources Limited.

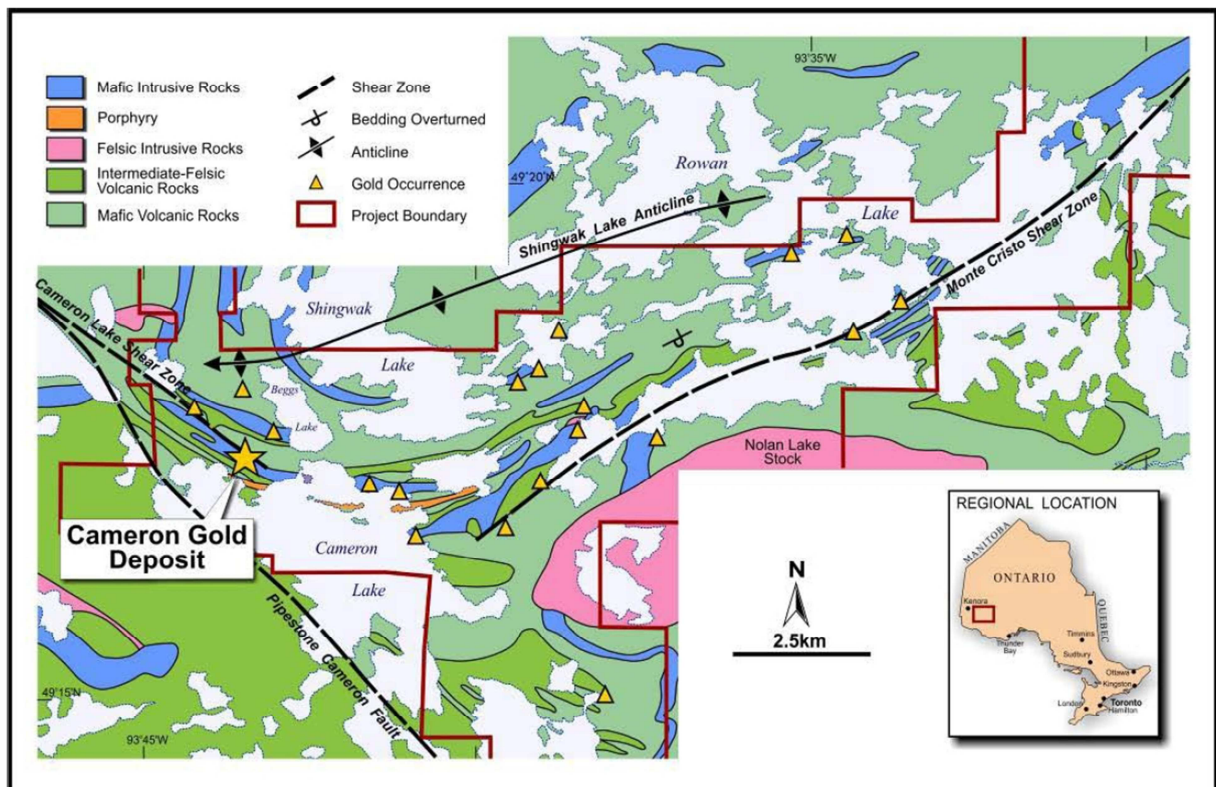
In 1987, underground development for an extensive sampling program was undertaken. Some 65,000m<sup>3</sup> of material was excavated and bulk sampling, diamond drilling and rock chip sampling was completed, however no commercial production has ever been undertaken.

Company-driven exploration at the West Cedartree Gold Project commenced in 1945 and has been conducted intermittently until the present day. The most significant exploration directed at the Dubenski Gold Deposit has been undertaken during the late 1990's by Avalon Ventures Inc. and from 2007 onwards by Houston Lake Mining Inc.

## GEOLOGY

The Cameron Gold Camp Project is located at the western end of the Late Archaean Savant Lake-Crow Lake Greenstone Belt in north-western Ontario. The region is dominated by the crustal-scale, southeast-striking and northwest-dipping Cameron-Pipestone Fault which extends over a strike length of greater than 100 kilometres.

A series of large-scale secondary shear zones and faults splay from the Cameron-Pipestone Fault, trending southeast from this regional crustal-scale structure, before striking east-northeast along the northern margin of the intrusive body. There are two main splays, the Cameron Lake and Monte Cristo Shear Zones (Figure 2).



**Figure 2: Regional Geology – Cameron Gold Project (Source: Coventry)**

The Cameron Gold Deposit is associated with, and partially hosted by, the Cameron Lake Shear Zone. The Monte Cristo Shear Zone is also associated with a number of gold occurrences, principally the Victor and Monte Cristo prospects. The Cameron Gold Project is located on the southeastern limb of the large-scale, east-northeast-trending Shingwak Lake Anticline. The Shingwak Lake Anticline is dominated by tholeiitic basalt of the Rowan Lake Volcanics, overlain by felsic to mafic volcanics and lesser sedimentary rocks of the Cameron Lake Volcanics. These units have been intruded by a series of mafic and felsic intrusive bodies. The mineralisation at the Cameron Lake Gold Deposit is hosted by mafic volcanic rocks within the northwest-trending CLSZ, which forms the contact between these lithologies and gabbro in the footwall (Figure 3).

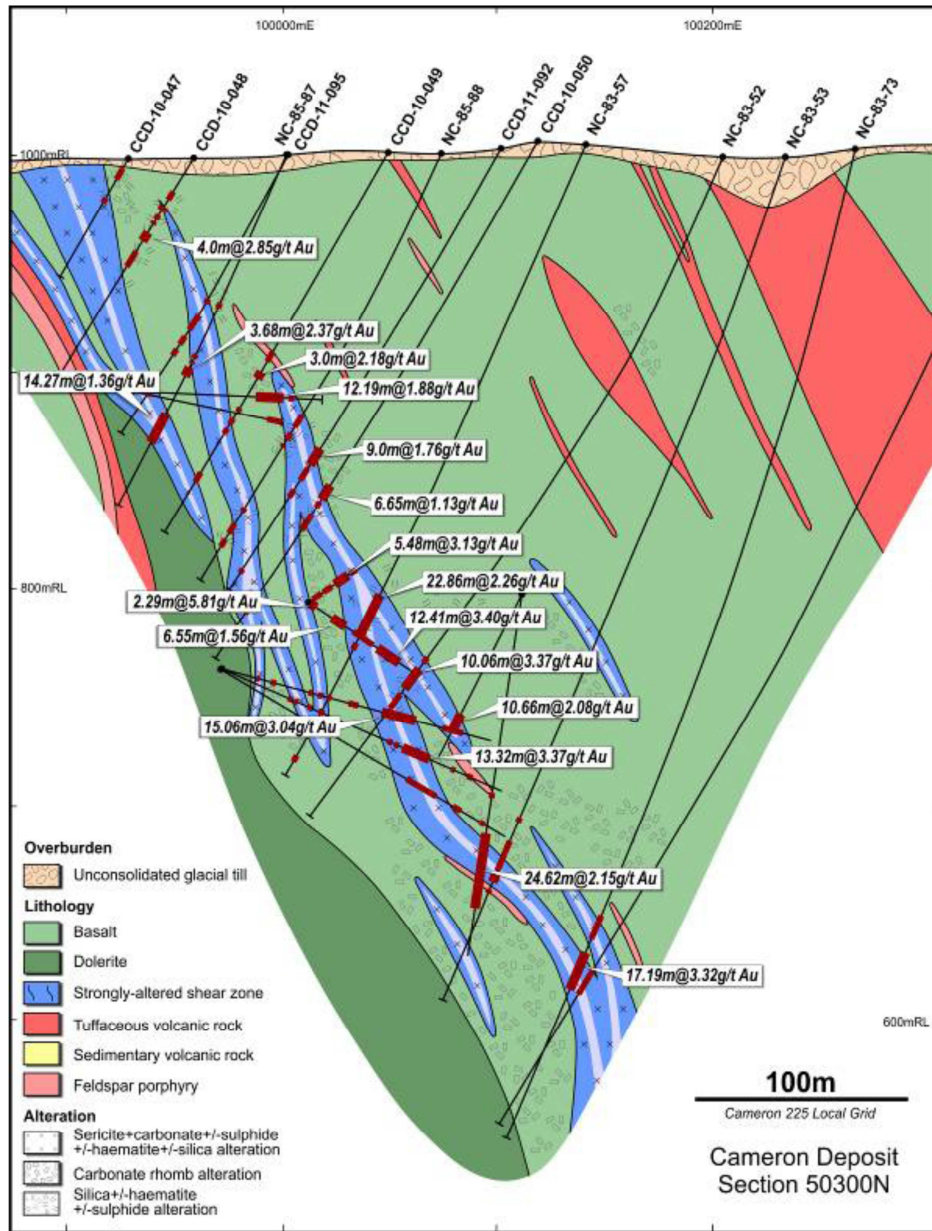
The geological setting of the West Cedar Tree Project deposits is less well-known. It is believed that the Dubenski Gold Deposit is hosted by the Flint Lake Shear Zone, a zone of highly-foliated and variably-sheared rocks traceable for about 2 km. It appears to be a splay from the Cameron-Pipestone Fault, similar to the Cameron Lake Shear Zone.

The Cameron Gold Camp Project is extensively mantled by unconsolidated glacial overburden. The thickness of glacial overburden across the project is variable and ranges from less than 1-3m up to 20m. This, along with the extensive lakes, presents a significant impediment to exploration.

#### **MINERALISATION**

Mineralisation at the Cameron Gold Deposit comprises quartz-albite veins and breccia associated with intense silica-sericite-carbonate-pyrite alteration in a series of zones that dip moderate-steeply to the north and plunge steeply to the northwest (Figure 3). Mineralisation has been intersected in drilling over a strike length of more than 1,000 metres and to a vertical depth of greater than 700 metres. The mineralisation is continuous over these extents, but varies in thickness from between 5 to more than 50 metres wide, depending on its position within the orebody.

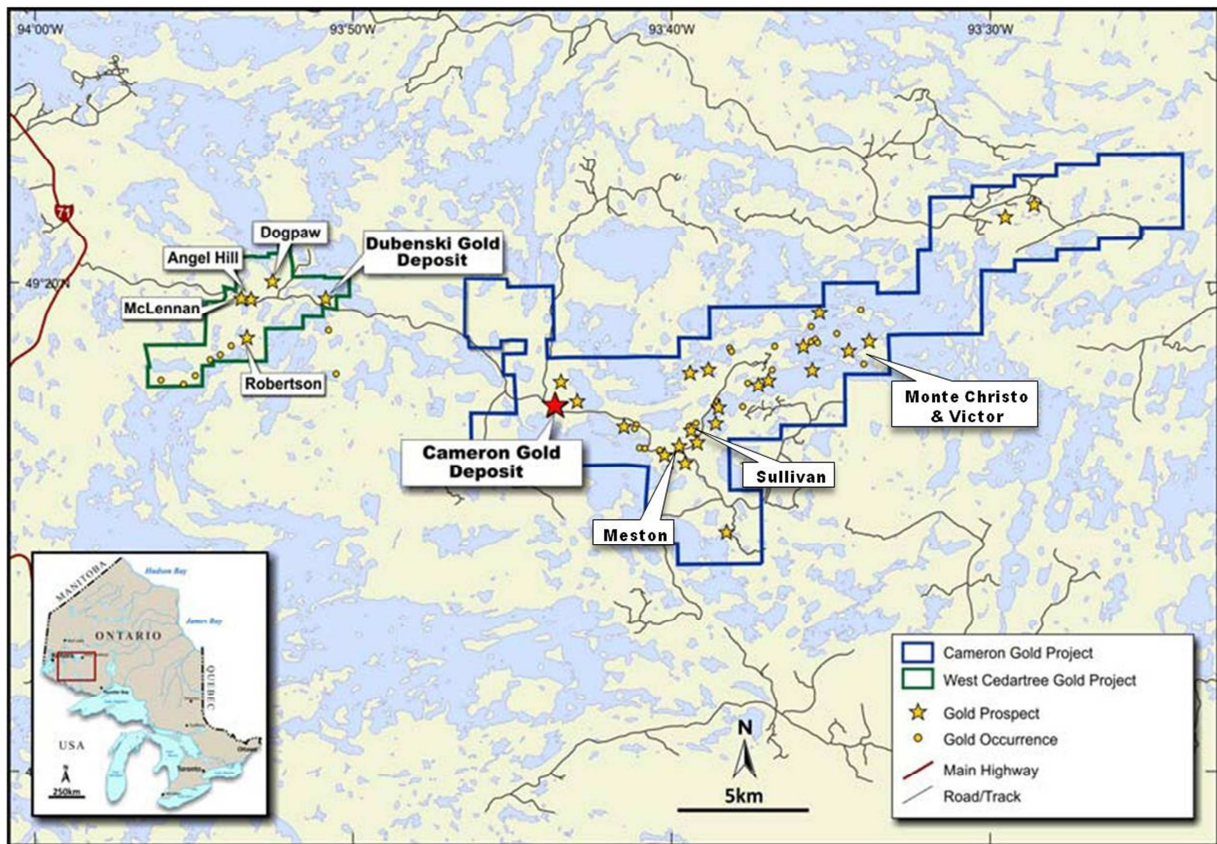
Disseminated sulphide replacements makes up the largest component of the mineralized material. This style comprises mostly fine-grained pyrite, ranging from trace amounts to greater than 10% in rare cases, in association with carbonate-sericite alteration (lower gold-grades) and also carbonate-sericite-silica-albite alteration (high gold-grades). Generally pyrite comprises between 0.5% - 2% by volume. Gold is associated with disseminated pyrite, with high sulphide concentrations generally corresponding with higher grades. Visible gold is present, but rare.



**Figure 3: Cameron Gold Project Cross Section 50300N (Source: Coventry)**

Mineralisation at the Dubenski Gold Deposit is hosted by a sub-vertical shear zone over a strike of 400m that is up to 20m wide and has been delineated to a vertical depth of more than 150m. The mineralisation consists of fine-grained pyrite and free gold associated with carbonate, sericite, silica and locally, fuchsite alteration within strongly-deformed mafic volcanic rocks. The mineralisation is open in all directions.

The Cameron Gold Project area also contains more than 30 known gold prospects and occurrences. Several of these, including the Monte Cristo and Victor prospects have had significant gold mineralisation intersected in previous exploration drilling. Like the Cameron Gold Deposit, most of the other gold prospects are associated with a similar style of mineralisation and alteration and are commonly associated with shear zones developed at or near lithological contacts with competency contrasts. The West Cedartree Project, in addition to the Dubenski Gold Deposit, also holds the Angel Hill, Dogpaw and McLennan Prospects, as well as a number of other prospective targets.



**Figure 4: Regional prospects, Cameron Gold Camp Project (Source: Coventry)**

## RESOURCE ESTIMATES

The independent Mineral Resource estimates and reports for the Cameron, Dubenski and Dogpaw Gold Deposits were prepared by DataGeo Geological Consultants (DataGeo). The Cameron and Dubenski resource estimates were prepared in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code; 2004) and National Instrument NI43-101. The Dogpaw Mineral Resource estimate was prepared in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code; 2012) and National Instrument NI43-101. Mineralised zones were defined using both geological and assay data.

The Mineral Resource estimate for the Cameron Gold Deposit was based on data up to 30 October 2011 and consisted of 908 diamond drillholes with a combined length of 112,293 m. The holes varied in core diameter from BQ to NQ and were drilled from both surface and underground.

The Mineral Resource estimate for the Dubenski Gold Deposit was based on data up to September 2012 and consisted of 112 diamond drillholes with a combined length of 15,421 m. The core diameter was mostly NQ-size and all holes were drilled from surface.

The Mineral Resource estimate for the Dogpaw Gold Deposit was based on data up to 30 January 2013 and consisted of 93 diamond drillholes with a combined length of 10,475 m. The core diameter was mostly NQ-size and all holes were drilled from surface.

The following tables present the resource estimates for the various deposits. Note in all cases that Mineral Resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.

**NI 43-101 and JORC-Code (2004) compliant Mineral Resource estimate for the Cameron Gold Deposit, part of the Cameron Gold Camp Project.**

Cut-off grade (g/t gold)	Category	Tonnes	Grade (g/t gold)	Ounces of Gold
1.0	Measured	2,472,000	2.68	213,000
	Indicated	4,724,000	2.33	354,000
	<b>Measured &amp; Indicated</b>	<b>7,196,000</b>	<b>2.45</b>	<b>567,000</b>
	<i>Inferred</i>	<i>12,226,000</i>	<i>2.11</i>	<i>829,000</i>

**NI 43-101 and JORC-Code (2004) compliant Mineral Resource estimate for the Dubenski Gold Deposit, part of the Cameron Gold Camp Project.**

Cut-off grade (g/t gold)	Category	Tonnes	Grade (g/t gold)	Ounces of Gold
1.0	Indicated	806,000	2.28	59,000
	<i>Inferred</i>	<i>392,000</i>	<i>1.44</i>	<i>18,200</i>

**NI 43-101 and JORC-Code (2012) Compliant Mineral Resource Estimate, Dogpaw Gold Deposit, part of the Cameron Gold Camp Project.**

Cut-off grade (g/t gold)	Category	Tonnes	Grade (g/t gold)	Ounces of Gold
0.5	Indicated	247,000	3.02	24,000
	<i>Inferred</i>	<i>64,000</i>	<i>2.27</i>	<i>4,600</i>

**PRELIMINARY ECONOMIC ASSESSMENT**

A National Instrument 43-101 compliant Preliminary Economic Assessment ("PEA") has been completed for the Cameron Gold Camp Project. The PEA was prepared by Lycopodium Minerals Pty Ltd ("Lycopodium") with input from its Toronto and Perth offices to evaluate the conceptual development of a mine and centralized processing plant at Cameron. AMC Consultants Pty Ltd. ("AMC") (geotechnical and mining), Knight Piésold (tailings dam and environment) and DataGeo Geological Consultants (resources and geology) also contributed to the study. All dollar amounts below are stated in US dollars.

The PEA is considered preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them

to be categorised as mineral reserves and there is no certainty that the PEA will be realised. Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

## **PEA HIGHLIGHTS**

- Base case pre-tax NPV of \$111 million, 20.1% IRR (at \$1,472/oz gold); Pre-tax NPV of \$205 million, 31.2% IRR (at \$1,700/oz gold) at a discount rate of 5%.
- Base case after-tax NPV of \$79 million, 17.0% IRR (at \$1,472/oz gold); After-tax NPV of \$143 million, 25.7% IRR (at \$1,700/oz gold) at a discount rate of 5%.
- Initial 10 year mine life producing 604,673 ounces of gold from only the Cameron and Dubenski gold deposits.
- Average annual production of 61,000 ounces of gold at an average cash cost of \$852/oz; Average open-pit fully diluted head grade of 1.96 g/t Au, average fully diluted underground head grade of 2.60 g/t Au (on the basis of initial “un-optimized” mine plans and schedules).
- Life of mine gold recoveries averaging 91.5%.
- Estimated initial development capital expenditure of \$110 million, including 20% contingency.
- High level of confidence with Measured and Indicated Mineral Resources accounting for 75% of the total material included in the PEA:
  - Cameron Gold Deposit open pit (47% Measured, 52% Indicated and 1% Inferred).
  - Dubenski Gold Deposit open pit (88% Indicated and 12% Inferred).
  - Cameron Gold Deposit underground (3% Measured, 25% Indicated and 72% Inferred).
- 2,750 tonne per day (1 million tonne per annum) conventional crush, grind, and CIL processing route.

The study found further opportunities to substantially improve the economics at Cameron including:

- Further planned geotechnical drilling to lower the strip ratio by optimising pit wall angles. Pits were designed with conservative slope angles due to limited geotechnical data.
- Optimization of mine scheduling, including results of ongoing exploration and pending resource estimates at satellite prospects in the area.
- Optimization of processing costs and metallurgy, including refining power costs (\$0.10/kWh used in the PEA) and a reduction in milling consumables, in particular cyanide.

## **OTHER COVENTRY EXPLORATION PROJECTS**

### ***RAINY RIVER, CANADA***

The Rainy River Project is located in the western-most part of northern Ontario, immediately to the north of Canada’s border with the United States and approximately 60 kilometres to the northwest of the City of Fort Frances.

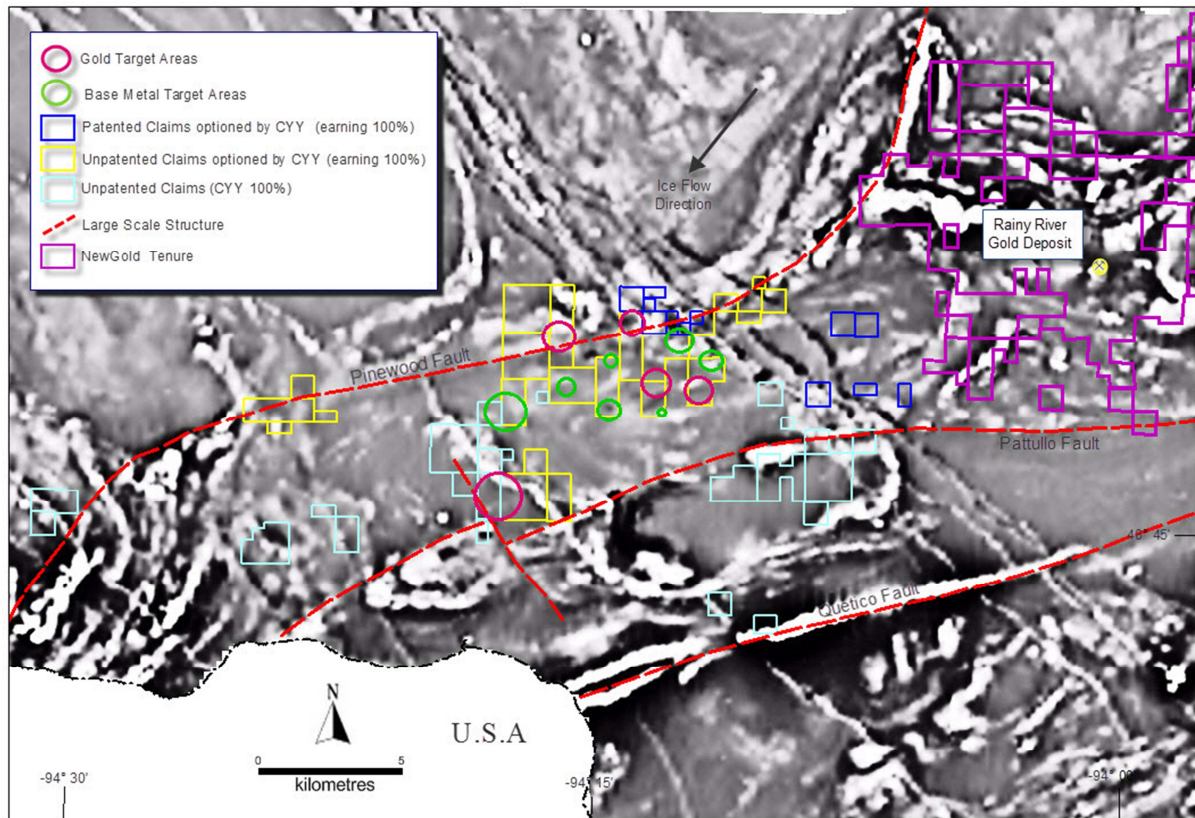
The Rainy River District Properties comprise mineral rights over an area of 57.3 sq km adjacent to the Rainy River Gold Deposit. The Rainy River Gold Deposit is currently reported to contain Proven and Probable Mineral reserves of 4.0 million ounces of gold and 10.3 million ounces of silver and is one of the most significant gold discoveries in Canada in the past decade.

Geologically the project is located within the Archaean Rainy River Greenstone Belt of the Western Wabigoon Subprovince. The geology of the Rainy River GSB is poorly known due to extensive glacial

till blanketing much of the area, with outcrop amounting to less than 1%. As a consequence, the published geological map of the area is principally interpretative and extremely general in nature. Basement lithologies are dominated by mafic to intermediate volcanic rocks, predominately overlain by intermediate volcanic and volcanoclastic rocks and minor sedimentary rocks, intruded by a wide variety of felsic to alkaline plutonic rocks.

Since acquiring the Rainy River Project, Coventry has undertaken detailed interpretation of geophysical data, geological mapping, geochemical water sampling and has completed 46 backhoe dug pits and 181 Reverse Circulation (“RC”) drillholes (4,349 metres) for geochemical analyses as part of a first stage evaluation.

Coventry recently completed a 46 hole, 1,058 metre, overburden RC drilling program as follow up to four high priority gold anomalies (Conqueror, Royal, Aries and Martin) and three base metal anomalies (Scylla, Charybdis and Bellepheron) generated from its winter 2012 RC program (Figure 5). This work defined two significant, discrete, high-priority gold anomalies at Conqueror and Royal, both with high proportions of “modified” and “pristine” gold grains suggesting a distance to the primary source of mineralization of between 500 and 1,000 metres. Further drilling is planned to locate the primary sources to the mineralization.



**Figure 5: Coventry tenure in the Rainy River district showing newly generated till geochemical anomalies (Source: Coventry)**

**ARDEEN GOLD PROJECT, ONTARIO**

The Ardeen Gold Project is located approximately 110 kilometres west of the City of Thunder Bay, which is situated on the western edge of Lake Superior in northwestern Ontario. The Project comprises 153



unpatented mining claims (4,540 hectares) and four patented mining claims (404.3 hectares) that cover Archaean greenstone sequences with potential for shear hosted gold deposits.

***UNCLE SAM GOLD PROJECT, ALASKA***

The Uncle Sam Project is located 75 kilometres southeast of the City of Fairbanks. The Uncle Sam Project is an intrusion related gold target hosted in a similar age of intrusive rocks to those which host the Pogo Gold Mine approximately 60 kilometres to the east of the Uncle Sam Project. A comprehensive exploration data package compiled by previous operators of the Uncle Sam Project indicates that there are extensive anomalous areas defined by surface gold geochemistry and numerous significant drill intercepts.