TECHNICAL REPORT ON MINERAL PROPERTIES IN

THE SUDBURY BASIN, ONTARIO

FOR

FORT KNOX GOLD RESOURCES INC.

Report Prepared by

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Executive Summary

Fort Knox Gold Resources Inc., a public company trading on the Toronto Stock Exchange (FNX), has entered into a Letter of Intent with Inco Limited (Inco) outlining the principal business terms on which Fort Knox can acquire a 100% interest in five Sudbury Basin mineral properties. The Letter of Intent records the mutual intent of Inco and Fort Knox to use their best efforts to negotiate and execute a definitive Option to Purchase Agreement incorporating the terms of the Letter of Intent and such other terms and provisions as Inco and Fort Knox may agree.

The property package includes former producing mines known as the Victoria, McCreedy West, Levack, Norman and Kirkwood mines. If negotiations are successfully completed and regulatory and shareholder approvals are obtained, a Joint Venture will be formed between the Company and Dynatec Corporation. The Joint Venture, owned as to 75% by the Company and as to 25% by Dynatec, will make the acquisition and explore, develop and, if economically appropriate, mine these properties.

Dr. James M. Patterson, BA Hons Geology, Ph.D., DIC has been retained by Fort Knox to prepare this technical report.

The subject properties, comprising some 4,500 acres (1,820 hectares), are all located within 35 km of the City of Sudbury. Located in Northeastern Ontario some 400 km from Toronto and with a population of 165,000, Sudbury is the major centre in northeastern Ontario for mining, medicine, education, business and commerce, and government administration. Access is excellent with the city being well served by air, rail and road.

The area has a history of nickel and copper mining stretching back over 100 years with two of the world's major nickel producers, Inco Limited and Falconbridge Limited having been active in the area since 1902 and 1928 respectively. These companies have

extensive mining, smelting and refining operations in the area and these constitute the largest fully integrated mining complex in the world. The nickel-copper-platinum group metals (Ni-Cu-PGM) orebodies at Sudbury constitute the world's largest known concentration of Ni-Cu sulphides. Platinum Group Metals, gold and cobalt are among important byproducts recovered from these ores.

The Sudbury Basin, the major topographic feature of the area and forming an elliptical ring some 60 km in the northeast direction by 28 km wide, is also the most important feature of economic interest. This Basin, also referred to as the Sudbury Structure, is the geological expression of events triggered by the impact of a giant meteorite approximately 1.8 billion years ago and which led to the formation of the well known and economically important Ni-Cu-PGM deposits upon which Sudbury has been built.

Modeling of the Sudbury Structure suggests that the original crater caused by the meteorite was more than 150 km in diameter. Erosion has exposed the smaller, lower portion of the crater and tectonic squeezing and thrusting has deformed the once circular structure into the elliptical shape of today. Extensive thrusting of the South Range exposes a deeper level of the Sudbury Igneous Complex (SIC) compared to the North and East Ranges. This difference in level is reflected in variations in the petrology and the nature of the orebodies between the North and South Ranges.

All five of the proposed project areas lie within the confines of the Sudbury Structure that straddles the boundary between the Archean Superior Province and the Early Proterozoic Southern Province. The Late Proterozoic Grenville Province and its northern limit, the Grenville Front, lie some 10 km south of the Sudbury Structure.

The Superior Province Archean rocks to the north of the Sudbury Structure consist mainly of granitic plutons and gneisses and minor volcanic rocks of the Levack Gneiss Complex which has been dated at 2.7 billion years and which were subsequently deformed and metamorphosed. A swarm of northwest-trending dykes, known as the Matachewan dyke swarm, intrudes the Archean rocks.

South of the Superior Province is the younger Southern Province of Early Proterozoic age represented by metavolcanic and metasedimentary rocks deposited between 2.49 billion and 2.2 billion years ago. These rocks are extensively intruded by younger sills and dykes of Nipissing Diabase.

The **Mineral Deposits** associated with the Sudbury Structure constitute the largest known concentration of nickel-copper sulphides in the world. Total reserves and production are estimated at approximately 1.6 billion tonnes of ore. Metal production to date from these deposits exceeds 8.5 million tonnes of nickel and 8.4 million tons of copper. By-products from this production include cobalt, platinum, palladium, gold, silver, osmium, iridium, rhodium and ruthenium.

The vast bulk of sulphides in the Sudbury ores consists essentially of varying proportions of pyrrhotite, chalcopyrite and pentlandite with varying amounts of other Cu-, Ni-, Co-, PGM-bearing minerals and gold.

Three main types of ore deposits, Contact, Footwall and Offset Dyke types are recognized.

The **Contact Deposits** occur along the lower contact of the SIC in areas where Sublayer is preserved in embayments in the footwall contact. These embayments are the topographic expression of what were originally troughs or rills in the wall of the impact crater (major lunar craters commonly exhibit this feature) and, having acted as traps for Sublayer material, they account for the pipe-like geometry of many of the Sudbury orebodies. Terraces in the crater wall have also acted as Sublayer traps and many ore zones occur at sites where there is a flattening of the footwall to form ledges or terraces where sulphides are concentrated.

Contact deposits on the South Range have little interaction with the footwall rocks. The footwall contact is generally sharp and inclusions of footwall material in the sublayer are

minor. On the North Range the contact deposits commonly penetrate into the brecciated granitic footwall forming a granite breccia-type ore below the sublayer. Copper and precious metals tend to concentrate in the granite breccia-type ore. All the properties within the Company's Sudbury Project include contact type Cu-Ni deposits.

Footwall Deposits are offshoots of Contact deposits. They tend to occur more on the North Range than the South Range. Brecciated footwall rocks adjacent to contact Ni-Cu sulphide deposits can act as a conduit for mineralizing fluids and as a medium for deposition of sulphides. A distinct metal zoning occurs between Contact Deposits and the accompanying Footwall Deposits in that the Contact Deposits have low Cu/Ni ratios and low PGM content compared to the high Cu/Ni ratios and enriched PGMs in the Footwall Deposits. These observations can be applied in exploration. A contact deposit with low Cu/Ni ratios and PGM content indicates the possible presence of a high Cu high PGM footwall deposit in adjacent footwall breccia. Footwall deposits occur on the North Range in the McCreedy West and Levack properties.

The **Offset Deposits** are located in the radial and concentric quartz diorite offset dykes and occur as thin, steeply dipping sheets to steeply plunging pipes in barren to weakly mineralized quartz diorite. The deposits consist of cores of inclusion-bearing sulphide ore surrounded by quartz diorite with variable sulphide dissemination and confined within the width of the offset, which is commonly less than 100 m. Offset-type mineralization occurs on the Norman and Victoria properties.

The properties included in the package have all been mined by Inco. Two of the deposits, McCreedy West (15.8 million tons mined) and Levack (60.6 million tons), were substantial mines. The other properties each had total production less than 6 million tons.

Inco has accumulated a vast amount of data (over 8,000 boreholes) during their exploration and mining of the subject properties. These data were made available for examination by Fort Knox. The information reviewed consists primarily of diamond drillholes and associated sampling, assaying, plans and sections. The essential details of

these data are not in the public domain and originate exclusively from Inco data files. Review of data has focused primarily on the mineralized areas at each of the properties.

Though giving free access to all information on the properties, much of it of a proprietary nature, Inco has not guaranteed or warranted the accuracy or completeness of the data and information that it provided to Fort Knox. Inco expressly disclaims any and all liabilities for any representations, warranties or omissions in the written information or oral communications made to Fort Knox and any subsequent communications made by Fort Knox regarding the data or the properties.

Fort Knox has independently verified the drill assay data received from Inco. Fort Knox has also completed comprehensive studies of the detail assay records and has re-graded portions of the boreholes that intersected the mineralized zones of interest and produced longitudinal cross sections of the mineralized zones.

As part of the data **verification process** Fort Knox retained Spiteri Geological and Mining Consultants Inc. (SGM) to review Inco information and procedures. SGM was provided with Inco's complete computer database which includes, thousands of drill holes and some digitized development headings. SGM examined short form drill logs and assay certificates for four, randomly selected holes and database records were checked against faxed copies of the Chemex Assay Certificates. No errors were found.

Fort Knox also commissioned SGM to undertake an independent review of Inco's analytical practices and assay database. As part of this process, SGM commissioned an independent laboratory to carry out check assaying of selected core, reject and pulp samples presently residing at Inco's storage facilities in Sudbury.

SGM concluded that Inco's analytical practices and its database are acceptable for copper, nickel, and platinum, but that Inco's palladium determinations were biased high compared to those from the independent laboratory. SGM also found a variance of 10% or more between Inco's gold determinations and those of the independent lab and

concluded that the wide scatter in gold checks and the palladium bias requires, at this time, a reduction in these two metals by 10%, in all grade estimations.

Dr. Patterson, while noting that the scatter in gold assays could indicate a gold "nugget effect" rather than a laboratory variance, recommends that Fort Knox reconcile these variances by undertaking umpire assaying at a third laboratory.

As the properties are exploration projects that will receive extensive diamond drilling to further explore and define the mineralized zones, Patterson recommends that the Inco assay database be accepted at this time. However, it is recommended that, prior to undertaking any resource estimations, the results of the additional analytical testing, the historical assay database and Fort Knox's new assay database which will be generated from its own exploration programs, be compared and reconciled.

In addition, Fort Knox reviewed in detail the assay records of all boreholes that intersected the mineralized zones and calculated weighted grade averages for the portions of the boreholes that intersected the mineralized zones. Dr. Patterson conducted a detailed audit of Fort Knox's borehole grading calculations and confirms that the results accurately represent the assayed intersections.

The Company has not carried out any exploration on the properties. Dr. Patterson, accompanied by Company personnel and consultants, has visited the properties, has reviewed the technical information in the Inco data room in Sudbury and has reviewed and discussed with Inco personnel the original plans, sections and assay records pertaining to the subject properties. As a result, Dr. Patterson has been able to comment on the potential of each property, assess the potential for further discoveries and has participated in the preparation of detailed and logical exploration programs and budgets to adequately test the properties.

The **Victoria Property**, **(**1,282.9 acres) is located 30 km southwest of Sudbury in Denison Township. Copper and nickel sulphide mineralization was discovered in 1886

and the property has been mined intermittently since 1900. The total historical production for the Victoria property was **1,543,000 tons grading 2.26% Cu and 1.57% Ni, + approximately 2 g/t Total Precious Metals (TPM).** TPM refers to platinum + palladium + gold. Infrastructure remaining at Victoria consists of a three-compartment vertical shaft measuring 5.0 ft by 13.5 ft, sunk to a depth of 3000 ft., with development on 18 Levels. The property has now been abandoned, the underground workings flooded, and the shaft capped. No surface infrastructure remains.

The property is situated at the junction of the SIC and the Worthington quartz diorite offset dyke, approximately 6.5 km northeast of Inco's Totten property.

The Cu-Ni-PGM sulphide mineralization at the Victoria property is characterized by a complex assemblage of irregular lenses of chalcopyrite, pentlandite and pyrrhotite. The lenses dip and plunge steeply and are typically pipe-like. Numerous zones of Cu-Ni-PGM mineralization are present and four of these warrant further exploration.

The Fort Knox exploration program is designed to confirm and delineate near surface potential for ores mineable by open pit, and to explore and evaluate deeper known zones and their possible extensions.

The Victoria property is in-board from the Totten deposit which is also on the Worthington Offset dyke. Inco has announced a new discovery with published resources in excess of 10 million tonnes and grading approximately 2.0% Cu, 1.5% Ni and 4.8 g/t PGM. The important point in this comparison is that this new discovery was found below and adjacent to a deposit that was mined during the 1960s.

Proposed exploration expenditures for this program are estimated at $2.4 million.

The **McCreedy West Mine Property** (804 acres) is located 34 km northwest of Sudbury in Levack Township. The property has been explored since the early 1900s and mining commenced in 1974. Production to 1998 totalled **15,758,000 tons** averaging **1.70% Cu,**

1,44% Ni, 0.043 oz/ton TPM. The Mine is located at the western limit of an extensively mineralized 8.5 km long portion of the North Range of the SIC. This part of the North Range encompasses all of the major Inco and Falconbridge past and current producing mines of the North Range (Strathcona, Coleman, Levack, McCreedy East, Onaping, McCreedy West, Hardy).

The infrastructure at McCreedy West includes an accessible –20% grade 20 ft x 16 ft ramp decline to the 1,600 ft Level with average level development spaced at 150 ft intervals. Ventilation raises with fans remain in place. The 1600 Level track haulage drift to Levack Mine remains available. A few buildings remain on surface including the electrical substation, heater house and fresh air raise fans. Hydroelectric power is currently available on the site. Mine water is being drained to Levack Mine along the 1600 Level drift and pumped through the McCreedy East/Coleman Mine shaft.

The ore zones are hosted in a suite of sulphide and inclusion-rich sublayer norites and leucocratic breccias. Hangingwall rocks comprise basal mafic norite with the felsic norite of the main SIC overlying the mineralized zones. Brecciated rocks of the Levack Complex, consisting of granodiorite, granodiorite-gneiss and migmatites, form the footwall to the deposits. The ore-hosting Sublayer phase consists dominantly of granite breccia with subordinate sublayer norite and xenolithic norite.

Mineralization occurs as **Contact-** and **Footwall-type** Deposits. Previous operations exploited both Contact Cu-Ni mineralization along the base of SIC and within the granite breccia-filled embayment, and Footwall Cu-Ni-PGM mineralization in the footwall Sudbury Breccia environment.

The **Contact Deposits** are related to a suite of sulphide and inclusion-rich sublayer norites and leucocratic granitic breccias. The orebodies occupy embayment structures that penetrate into the footwall of the SIC. These contact deposits are typified by Ni contents much higher than the Cu content, and contain negligible precious metal values.

The depletion in Cu and PGMs in these zones is reflected in the high Cu and PGM values in the adjacent Footwall Deposits and may be a useful exploration guide.

The **Upper Main** Ni-Cu Zone was completely mined out from the 250 ft Level to the 600 ft Level but mineralization extends 100 to 150 ft below the 600 Level, and remains un-mined at this location. This zone may be mineable and an engineering assessment is recommended.

The **East Main** Ni-Cu Zone occurs between 200 and 920 ft levels, east of the main ramp. It is characterized by massive to inclusion-rich massive sulphide situated at or near the base of the SIC contact. A portion of this zone was mined above the 950 Level in 1997. Precious metal values are low. Drilling here indicates potential and an engineering assessment is recommended.

The **Boundary/Lower Main** Ni-Cu Zone has been mined to the 1450 ft Level. Wide-spaced drilling below this level suggests that it may extend 1500 ft down plunge and down dip towards the property boundary. The mineralization occurs along the basal contact of the SIC and consists of disseminated to massive chalcopyrite, pentlandite and pyrrhotite. The Cu-Ni mineralization ranges in thickness from 6.5 ft. to 46 ft and dips from 35 to 60° south. Additional surface diamond drilling and borehole UTEM is recommended to test the known zone of mineralization and to explore the entire SIC contact environment below the 1450L towards the property boundary to the south.

The **Footwall Type** Cu-Ni- PGM vein deposits are represented by the 700 Vein Complex; 950 Vein Complex; and the PM Zone.

The **700 Vein Complex,** located between the 500 and 700 Levels, is part of an eastward-plunging and south-dipping structural zone contained within an area of footwall Sudbury Breccia that extends from surface to a depth of 3000 ft. The zone was partially mined in 1997 prior to the mine being closed and production from narrow veins totalled 41,000 tons averaging **5.35% Cu, 0.56% Ni, 0.13 oz/t TPM.**

One hundred and ninety-eight drillholes with 437 significant intersections have been reported from this zone. Individual veins, ranging in thickness from several inches up to 13 ft, are composed of massive chalcopyrite with accessory pentlandite and pyrrhotite, and have strike and dip lengths ranging from 25 to 350 ft. The average grade of the massive sulphide veins is **25.5% Cu, 2.2% Ni, 0.48 oz/t TPM.**

The 700 Complex mineralization is untested up dip and up plunge to the west. An initial shallow surface diamond drilling program to test for possible extensions is recommended. Closer spaced drill information would be required from underground should this initial drilling be successful.

The **950 Vein Complex** is located to the east of the 700 Complex workings It consists of a zone of massive chalcopyrite, pentlandite and pyrrhotite veins ranging in thickness from 4 inches to 6.5 ft. The veins appear to have the same grade and physical characteristics as the 700 Complex veins. The 950 Complex has been defined by limited underground drilling from 950 Level and was intersected in the 950 Level access drift, where four Cu-PGM veins were exposed. No mining has taken place in this Zone.

Additional underground drilling is required to fully define the 950 Complex, but preliminary surface drilling is recommended in order to confirm the possible extensions of the high-grade veins.

The **PM Zone** occurs in footwall Sudbury Breccia located between the 1,450 and 2,500 ft Levels. It consists of a zone (33 ft to 200 ft. thick) of narrow, irregular Cu-PGM stringers, joint fillings and disseminations hosted within a wider zone of Sudbury Breccia. The PM Zone dips to the south at 35-45° and has a strike length of approximately 600 ft. A plunge direction has yet to be confirmed but appears to be to the east at 35°. Forty-three drill holes yielded 42 significant intersections, 32 of which are greater than 20 ft. thick

The broad zone of narrow, irregular stringers, joint fillings and disseminations makes the PM Zone potentially amenable to bulk mining. A program of surface diamond drilling with borehole UTEM-4 is recommended for confirmation sampling and expansion of the PM Zone.

The prime objective of the recommended program for McCreedy West is to determine, as quickly as possible, if the established mineralized zones contain mineable ore reserves. Detailed evaluation of the available Inco data will be followed by a program of diamond drilling, initially from surface and then moving to underground as the rehabilitation of the underground workings progresses. Reactivation of underground workings at the McCreedy West Mine will commence as soon as possible after property acquisition, in conjunction with reactivation of Levack Mine workings.

Proposed exploration expenditures for this program are estimated at $4.92 million.

The **Levack Mine Property** (811 acres) is located 34 km northwest of Sudbury in Levack Township and immediately adjacent to the McCreedy West property. Access is via a year round highway and a rail spur passes within 1 km of the property site.

The Levack Mine, the first deposit discovered on the North Range, was discovered in 1887. Production started from the No.1 inclined shaft in 1915. Following reopening in 1937 the three-compartment No. 2 Shaft was sunk to a depth of 4,050 ft. During the 1930s and 40s additional orebodies were discovered. The Mine operated continuously from1937 until closing in 1997. The total ore production was **60,500,000 tons grading 1.31% Cu, 2.00% Ni, 0.049 oz/t TPM.**

The No. 2 Shaft remains accessible and usable to approximately the 3,600 ft Level. The cage and skips remain functional. A ventilation system using the available raises, drifts and shafts is in use to service the McCreedy East Mine return air. Most necessary surface infrastructure is available and hydroelectric power is currently available to the project site.

The focus of the exploration program proposed by Fort Knox is to further evaluate the economic viability of several unexploited mineralized zones.

The orebodies at the Levack Mine are contained within terrace structures that have acted as traps for the sublayer material that hosts sulphide mineralization. Brecciated granodiorite, granodiorite gneiss and migmatites of the Levack complex form the footwall to the deposits and are referred to as megabreccia.

Cu-Ni-PGM sulphide mineralization occurs in several zones which penetrate the footwall rocks to varying degrees. The orebodies consist of thick lenses and stringers of massive Cu-Ni sulphide situated at or near the contact between granite breccia and the Levack footwall complex. Each zone has an area of associated Cu-PGM-rich sulphides that occurs as a stockwork of massive stringers in the footwall Sudbury Breccia.

Fort Knox has identified six target areas. Two targets are of the **Contact Type** deposits, one is a Cu-Ni-PGM **Footwall Type,** and one is regarded as a **hybrid-type** exhibiting features of both Contact- and Footwall-types. The remaining two areas are high priority targets. The first is an untested UTEM anomaly located between two of the identified zones and the second target area, located in the footwall area extending north from the SIC contact, is a prime target for high grade Cu-Ni PGM vein-type mineralization.

Four of the six target areas outlined contain known mineralization and are considered to have production potential.

The **Contact – Type** Deposit Targets include the **1300 Zone** which has a strike length of 650 ft., a dip length of 590 ft and dips 45° to the south. It is characterized by massive to inclusion-rich massive sulphide stringers consisting of pyrrhotite, pentlandite and chalcopyrite, and is hosted by sublayer norite and granite breccia sublayer. In this zone the nickel values generally exceed the copper values by a ratio of at least 2:1, while PGM

values are depleted. This, combined with the low copper values is considered to indicate possible migration of copper and PGMs into an adjacent footwall environment.

The Zone remains untested down dip where it could connect to the **1900** Ni-Cu-PM Zone around a large ultramafic to mafic body. The re-compilation of previous UTEM-4 surveys indicates a sub-vertical conductive body in the area between the 1300 and 1900 Zones. The 1300 Zone is open for over 300 ft. to the west, and sparsely drilled over 300 ft. to the east. The zone is open towards the surface. There is excellent potential for expansion of the mineralization in this area and an exploration program consisting of surface drilling and borehole UTEM-4 is recommended.

The **No.7 Zone** is an area of unmined Ni-Cu contact-type mineralization located mainly above the 1600 Level, below and west of the Levack Main Orebody. It is an elongate, trough-like zone approximately 200 ft wide and extending approximately 1000 ft down dip. Ni values exceed copper values by a ratio of at least 2:1 and PGM values are very depleted. This depletion in Cu and PGMs suggests the migration of these elements into a footwall environment.

The **Footwall – Type** Deposit mineralization is represented by the No.3 Orebody, which is situated 3,600 ft. east of the No. 2 shaft and up dip from the Levack No.3 Orebody. It has been explored by two recent surface drill holes and several underground exploration drill holes. As is typical of the footwall environment, the mineralized intersections are Cu and PGM enriched. In-hole UTEM-4 surveys indicate that the zone may be open along strike and dip. The potential is high for this style of mineralization to occupy the open area of over 800 by 800 ft. The zone can be accessed from the Levack Mine 2050 Level drift where narrow Cu-PGM stringers similar to those intersected in the diamond drill holes are present. Further exploration consisting of surface drilling and borehole UTEM-4 is recommended.

The **1900 Zone** is regarded as a hybrid of the Contact and Footwall deposit types. It is hosted by granite breccia and partially by footwall Sudbury Breccia, has a strike length of

900 ft., a dip length of 1300 ft. and dips to the south at up to 60°. The zone is characterized by massive to inclusion-rich massive sulphide stringers consisting of pyrrhotite, pentlandite, chalcopyrite and minor millerite. The 1900 Zone contains significant PGM mineralization with values in excess of 0.1 oz/ton. It should also be noted that in the lower parts of some of the boreholes there are narrow (<3 ft) mineralized intercepts with enriched Cu and PGM values typical of the footwall, vein- type Cu-PGM mineralization.

As noted above the 1900 Zone may have a connection to the 1300 Zone, and possibly with the Levack No. 3 Orebody some 800 ft. to the east. This untested area measures 800 by 500 ft and an exploration program consisting of surface drilling and borehole UTEM-4 is recommended.

UTEM surveys have identified a significant conductive body over 500 by 500 ft in a thick zone of sublayer and granite breccia located south of the Levack Main Zone and between the western limits of the 1300 and 1900 zones. This area is sparsely drilled and could contain a considerable mass of sulphide in an as yet undefined terrace structure. Exploration consisting of a digital recompilation of the target area with possible follow up surface drilling with borehole UTEM-4 surveys is recommended.

Further evaluation of the area will require data compilation, follow-up diamond drilling from surface and borehole UTEM-4 surveys.

The prime objective of the Levack Mine program is to determine, as quickly as possible, if the established mineralized zones can be upgraded to ore reserve category. This will be achieved by a program of detailed evaluation of Inco data, together with diamond drilling, initially from surface and then moving to underground as rehabilitation of the underground workings progresses.

Proposed exploration expenditures for this program are estimated at $2.96 million.

The **Norman Property** (1,111 acres), is located in Norman Township 32 km north-northeast of Sudbury.

The property has been intermittently explored since 1971 by surface drilling and geological mapping. The former Whistle open pit mine is located on the property and interrupted mining between 1988 and 1997 produced **5.71 million tons grading 0.33% Cu, 0.95% Ni, 0.034% Co and 0.11 oz/ton TPM.** The Whistle contact-type deposit was located in an embayment from which the Parkin Offset trends in a northeastward direction away from the SIC. Three zones of PGM-Cu-Ni mineralization (North, South and 2000 Zones) have been discovered in the Parkin Offset, northeast of the Whistle mine.

The Offset extends north-eastward from the Whistle embayment as a vertically dipping dyke varying in thickness from 50 ft. to greater than 300 ft., and consisting of irregular, discontinuous lenses of quartz diorite within a wider zone of Sudbury Breccia.

Three zones of Cu-Ni- PGM mineralization have been discovered along the Parkin Offset. The mineralization occurs as discontinuous and irregular veins and lenses of massive chalcopyrite as well as chalcopyrite stringers, fracture fillings and disseminations. Intersections as high as 19% Cu over 19 ft. have been returned from drillholes. Mineralization outcrops in the North Zone, and this may be connected to the South Zone. Depth potential is demonstrated by the 2000 Zone, located 2,000 ft further to the southwest and at a depth of 2,000 ft.

Further stripping is planned to expose a much larger area of the North Zone so that a better understanding of the distribution and relationships of the mineralization can be obtained. In addition, a program of surface drill holes will be undertaken to sample and test the dip, strike and plunge extensions of the North Zone mineralization and to explore the area between the North and the South zones and down plunge towards the deeper 2000 zone

Exploration to date on the Parkin Offset has shown that it is a high priority geological environment for Cu-PGM mineralization. The Offset extends for a distance of 2.0 km across the property and it is possible that similar zones of Cu-PGM mineralization exist elsewhere on the property. Of particular interest is the unexplored portion (some 2000 ft) of the Offset lying between the North and South Zones, and the deeper 2000 Zone. A program of surface drilling with borehole UTEM is warranted.

The recommended exploration program has been budgeted at $1.1 million.

The **Kirkwood Property** (473.0 acres) is located in Garson Twp., some 11 km northeast of Sudbury.

Copper and nickel sulphide mineralization was discovered 1892 and, prior to Inco's involvement, minor production was recorded.

In 1969 a new vertical, three-compartment shaft was excavated to a depth of 2,100 ft. The total historical production from the Kirkwood property was **2,695,000 tons grading 1.00% Cu and 0.90% Ni.**

Underground exploration outlined extensive contact mineralization and also mineralization associated with a quartz diorite dyke. There has been limited surface exploration drilling and mapping completed at Kirkwood since the mine closure and flooding in 1977.

Infrastructure at Kirkwood consists of a three-compartment vertical shaft to a depth of 2100 ft. The underground workings are flooded and the shaft is capped. There are open pits and a head frame with associated auxiliary buildings as well as mine water settling ponds on the site. Hydroelectric power is currently available to the project site.

The Kirkwood property is located towards the southeast end of the Sudbury Basin at the contact between the SIC and the Elsie Mountain metavolcanics. The contact strikes east-west and dips steeply to the south.

Cu-Ni-PGM sulphide mineralization has been defined in six distinct zones. The higher-grade Main and East orebodies were mined during the period 1969 to 1976, leaving unrecoverable remnant pillars of mineralization. The West, Lower East and 3800 zones contain unmined low-grade Cu-Ni-PGM mineralization. Additional evaluation of these zones is warranted to determine if there is potential for mineable zones of higher-grade material with possible PGM enrichment.

The **3800 Zone** of Cu-Ni-PGM mineralization consists of a vertical zone of disseminated and inclusion massive Cu-Ni sulphide along the contact between the SIC and metamorphosed volcanic and sedimentary rocks. The 3800 Zone has a 330 ft strike length, a dip length of 660 ft, and a true thickness of 10-50 ft.

All the exploration targets at Kirkwood are deep (below the 2000 level) with existing drill intersections, for the most part, of marginal economic grade. Though this project does not warrant a substantial exploration effort at this time it is proposed to examine the data in detail to ensure that more favourable targets have not been missed.

A budget of $91,000 has been proposed to undertake the recommended program.

The **North Range Footwall Exploration Project** offers an early stage exploration opportunity with potential to host significant footwall Cu-Ni-PGM deposits similar to those mined in the North Range of the Sudbury Basin. As noted above, both the McCreedy West and Levack Properties contain Footwall Deposits which have been mined. Footwall targets have been identified for follow up on both of the Properties. Of special interest is the high precious metal content of these Footwall deposits

All of the major Inco and Falconbridge past and current producing mines of the North Range (Strathcona, Coleman, Levack, McCreedy East, Onaping, McCreedy West, Hardy) occur within an extensively mineralized 8.5 km-long portion of the North Range of the SIC. Obviously this is an important exploration target. The McCreedy West and Levack Properties cover some 50% of this target area.

Limited exploration to date in the footwall rocks to the north of the mines has demonstrated potential for this belt. Within the McCreedy West property previous wide-spaced drilling has indicated favourable zones of Sudbury Breccia with trace Cu-PGM sulphide mineralization. On the adjacent Levack property the brecciated footwall rocks have been tested by a small drilling program and surface mapping has identified large zones of footwall Sudbury Breccia. These findings suggest that a significant zone of Cu-PGM mineralization could occur in this area proximal to surface and that an exploration program is warranted to test this relatively unexplored area.

The belt to be explored is 4 km long by 1 km wide and, following data compilation and other preparatory work, it is intended to drill a series of deep holes which will, in addition to directly testing ground, will also serve as a platform for in-hole UTEM surveys to locate any off-hole anomalies. These in turn will be drilled

A budget of $2.06 million has been proposed to carry out the initial exploration program.

Though several of the properties, namely McCreedy West, Levack and possibly Norman, contain deposits with potentially quantifiable resources, Fort Knox has not yet completed any resource estimates to the level required by National Instrument 43-101. Until such estimates are completed, Patterson, though of the opinion that no mineral resource or reserves can be said to be present on any of the Properties, recommends an early evaluation of the resource potential of the McCreedy West and Levack properties as a priority.

In addition to two of the Properties offering potential near-term mine production, all of the Properties may be considered to be at an advanced exploration stage.

The work program as outlined above is budgeted at $14.0 million.

It should be noted that all intersection lengths referred to in this report are lengths of drill core and should not be interpreted as being true widths.

1. INTRODUCTION

Fort Knox Gold Resources Inc (the Company) has entered into letter of intent with Inco Limited (Inco) outlining the principal business terms on which Fort Knox can acquire a 100% interest in five Sudbury Basin mineral properties for which, as previously indicated, Inco has no current mining or development plans. The letter of intent records the mutual intent of Inco and Fort Knox to use their best efforts to negotiate and execute a definitive Option to Purchase Agreement incorporating the terms of the letter of intent and such other terms and provisions as Inco and Fort Knox may agree.

The property package includes former producing mines known as the Victoria, McCreedy West, Levack, Norman and Kirkwood mines (Figure 1). Inco has elected to negotiate, on an exclusive basis, an agreement with the Company for continuing exploration and, if warranted, development of the subject properties. If negotiations are successfully completed and regulatory and shareholder approvals are obtained, a Joint Venture will be formed between the Company and Dynatec Corporation. The Joint Venture, owned as to 75% by the Company and as to 25% by Dynatec, will make the acquisition and explore, develop and, if economically appropriate, mine these properties.

The following Table demonstrates the longevity, scope and grade of the operations.

TABLE 1: Sudbury Project Properties – Production History

Property	**Production Data**							
	Years	**Tons**	**Cu %**	**Ni %**	**Pt oz/t**	**Pd oz/t**	**Au oz/t**	**TPMs oz/t**
Victoria	1900-23	890,000	2.99	2.12	na	na	na	na
	1973-78	650,000	1.26	0.83	na	na	na	0.07
	Total	1,540,000	2.26	1.57	na	na	na	+0.06[1]
McCreedy West	1974-98	15,800,000	1.70	1.44	0.02	0.02	0.01	0.05
Levack	1915-29	na						
	1937-97	60,560,000	1.31	2.00	0.02	0.02	0.01	0.05
Norman[2]	1988-91	na						
	1994-97	5,710,000	0.33	0.95	na	na	na	0.11
Kirkwood	1914-16	71,600	1.53	2.81	na	na	na	na
	1969-76	2,488,000	0.99	0.87	na	na	na	na
Open Pit	1970-72	134,800	0.96	0.53	na	na	na	na
	Total	2,694,400	1.00	0.90	na	na	na	na

Source: Donald Phipps, M.Sc., Oct. 2001
Notes: [1]Total PMs estimated in line with production data from 1973-1978 (JMP)
[2] Production from the Whistle Mine. na : Not assayed or assays unavailable for these elements

FORT KNOX GOLD RESOURCES INC.

SUDBURY BASIN
Simplified Geological Map & Location of Cu-Ni-PGM Properties

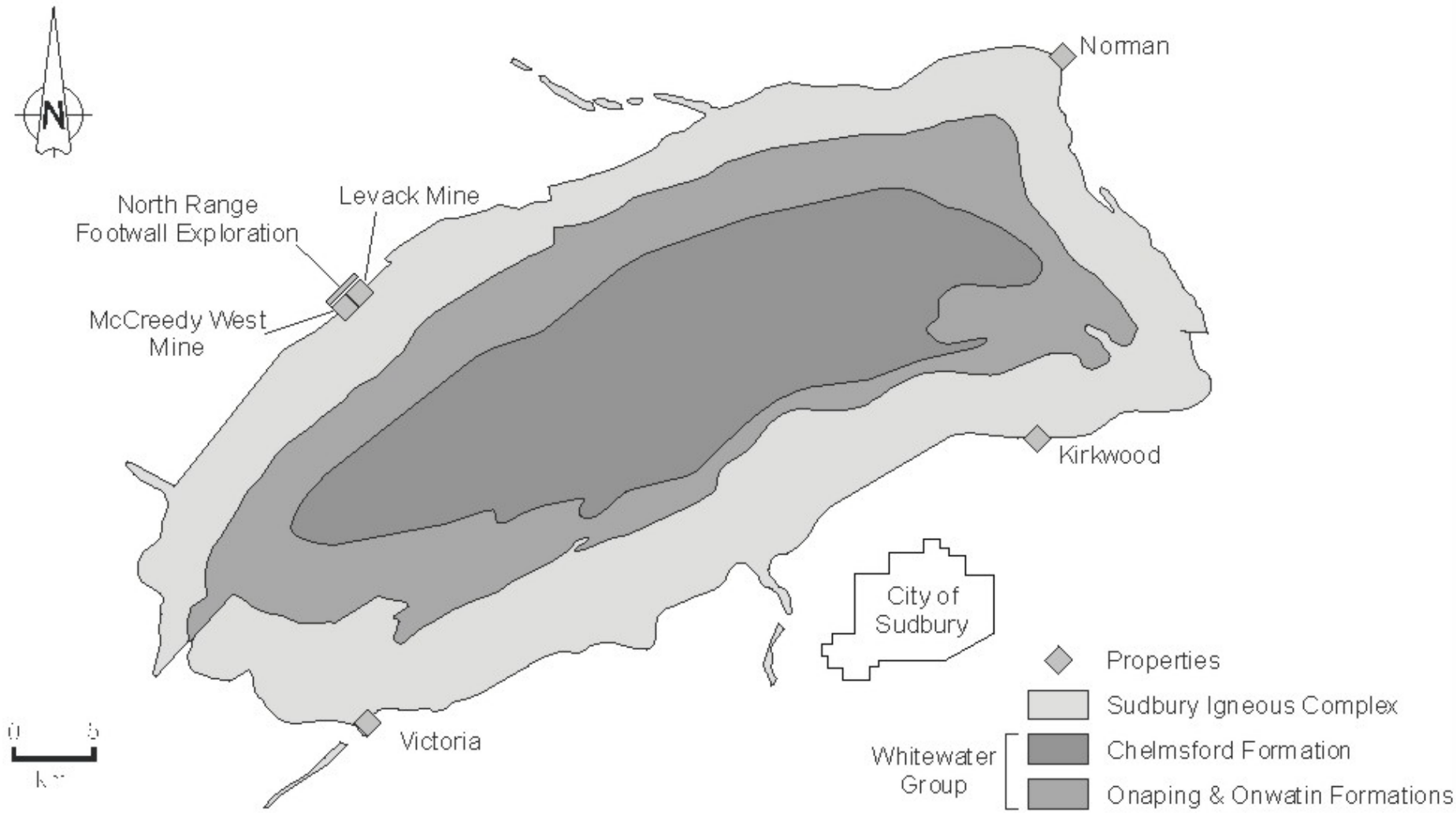


FIGURE 1

2. THE SUDBURY AREA

2.1 General

The Inco properties covered by this report are located in close proximity to the City of Sudbury, in northeastern Ontario, and approximately 400 km north of Toronto. With a population of some 165,000, Sudbury is the major centre in northeastern Ontario for mining, medicine, education, business and commerce, and government administration.

The area has a history of nickel and copper mining stretching back over 100 years with two of the world's major nickel producers, Inco Limited and Falconbridge Limited having been active in the area since 1902 and 1928 respectively. These companies have extensive mining, smelting and refining operations in the area and these constitute the largest fully integrated mining complex in the world. The nickel-copper-platinum group metals (Ni-Cu-PGM) orebodies at Sudbury constitute the world's largest known concentration of Ni-Cu sulphides. Total reserves and historic production are estimated at 1.66 billion tonnes of ore with production in excess of 8.5 million tonnes of nickel metal and 8.4 million tonnes of copper metal. Platinum Group Metals, gold and cobalt are among important byproducts recovered from these ores.

2.2 Physiography and Climate

The area is located in the Canadian Shield with a typical topography of low, rocky hills interspersed with numerous lakes and swamps. Elevations range from 230 to 460 m above sea level with local relief in the order of 30 to 60 m. The major topographic feature of the area is the Sudbury Basin which forms an elliptical ring some 60 km in the northeast direction by 28 km wide. The topographically higher outer portions of the Basin are formed by igneous rocks of the Sudbury Igneous Complex (SIC). The northern, southern and eastern parts of the rim are referred to as the North Range, South Range and East Range respectively. The central part of the Basin is occupied by low-lying flat agricultural land.

The dominant vegetation type is temperate boreal forest which, before the onset and growth of the mining industry, supported a thriving lumber industry. The climate is northern temperate with warm summers and cold winters. Average temperatures range from 24.8^{o} C in the summer to minus 8.4^{0} C in winter and with annual precipitation of 62.2 cm of rain and 247.5 cm of snow.

3. GEOLOGY OF THE SUDBURY AREA

All five of the proposed project areas lie within the confines of the Sudbury Structure (Figure 1). This structure straddles the boundary between the Archean Superior Province and the Early Proterozoic Southern Province. The Late Proterozoic Grenville Province and its northern limit, the Grenville Front, lie some 10 km south of the Sudbury Structure.

The Superior Province Archean rocks to the north of the Sudbury Structure consist mainly of granitic plutons and gneisses and minor volcanic rocks of the Levack Gneiss Complex which has been dated at 2700 Ma and which were deformed and metamorphosed by a 2640 Ma tectonic event. A swarm of northwest-trending dykes, known as the Matachewan dyke swarm, intrudes the Archean rocks.

South of the Superior Province is the younger Southern Province of Early Proterozoic age represented by metavolcanic and metasedimentary rocks deposited between 2490 and 2200 Ma. These rocks are extensively intruded by sills and dykes of Nipissing Diabase dated at 2200 Ma.

3.1 The Sudbury Structure

Superimposed on the rocks of the Superior and Southern Provinces is the Sudbury Structure. This is the geological expression of events triggered by the impact of a giant meteorite approximately 1850 Ma ago, followed by deposition of fallback material and

Whitewater Group sediments, intrusion of the Sudbury Irruptive Complex (SIC), and formation of the well known and economically important Ni-Cu-PGM deposits.

Modeling of the Sudbury Structure suggests that the original crater caused by the meteorite was more than 150 km in diameter. Erosion has exposed the smaller, lower portion of the crater and tectonic squeezing and thrusting has deformed the once circular structure into the elliptical shape of today. Extensive thrusting of the South Range exposes a deeper level of the SIC compared to the North and East Ranges. This difference in level is reflected in variations in the petrology and the nature of the orebodies between the North and South Ranges.

There are three main lithological components recognizable within the Sudbury Structure:

1) Sudbury Breccia- brecciated rocks surrounding the structure,
2) Sudbury Igneous Complex (SIC) and
3) The Whitewater Group sediments occupying the centre of the basin.

3.1.1 Sudbury Breccia

An important feature of an impact site is the extensive brecciation of the rocks around the point of impact. This is particularly evident in the rocks which encircle the Sudbury Structure and form the footwall to the SIC. This impact-derived brecciation is commonly referred to as “Sudbury Breccia” and is concentrated in the country rocks close to the SIC and decreases in intensity outwards from this body for a distance of up to 80 km.

The Breccia occurs as erratic and irregular zones of brecciated country rock, characterized by extreme variability in distribution, size and geometry. Zones of Sudbury Breccia vary from many meters across to thin veins. Angular to semi-rounded clasts of country rock, varying in size from minute fragments to massive boulders, occur in a finely-comminuted, dark, flow-banded matrix. The matrix is thought to have formed by the rapid injection of locally crushed and frictionally melted material created by violent

movements at the time of impact and is referred to as pseudotachylite. Close to the SIC, the Sudbury Breccia matrix commonly displays thermal metamorphic effects and is termed meta-Sudbury Breccia.

Of vital importance for ore formation is that Sudbury Breccia, adjacent to Ni-Cu sulphide deposits at the SIC footwall contact, has provided an environment conducive to the migration of copper and precious metals into the footwall to form Cu/PGM-rich orebodies. Such migration of Cu and PGMs is reflected in depletion of these elements in the contact orebodies.

3.1.2 Whitewater Group

Occupying the centre of the Sudbury Structure is the Whitewater Group of sediments formed by the fallback into the crater of impact debris and the subsequent erosion of surrounding debris fields into the basin created by the impact. The Whitewater Group consists of the Onaping, Onwatin and Chelmsford formations. The Onaping and Onwatin formations show a fining upwards sequence from very coarse debris deposits at the base to very fine muddy sediments at the top and are interpreted as representing a very rapid fallback of impact debris into the crater. Many clasts in the Onaping Formation display shock (impact) metamorphic effects.

Overlying the Onwatin slate is the Chelmsford sandstone, a well-bedded and gently folded turbidite sequence of greywacke sandstones.

3.1.3 Sudbury Igneous Complex (SIC)

The SIC, divided into a lower unit of norite overlain by micropegmatite and dated at 1850 Ma, was intruded between the base of the impact crater and the overlying Whitewater Group sediments. Between the two is an oxide-rich, quartz gabbro transition zone.

Many of the Ni-Cu-PGM deposits of the Sudbury Basin are hosted by the Sublayer, a sulphide-rich, xenolith-bearing norite occurring as a discontinuous layer up to 100 m thick and filling depressions or embayments between the footwall and the overlying main mass norite. The xenoliths in the Sublayer are dominantly of gabbroic and ultramafic composition and are thought to have been carried up from depth.

Radiating from and concentric to the SIC are dyke-like bodies of quartz diorite termed "offsets". The dykes infill major impact-derived radiating fracture zones. Radial offsets connect to the SIC whereas the concentric dykes commonly show no physical connection to the SIC. The radial offsets, averaging less than 100 m wide, become narrower with increasing distance from the junction with the SIC.

The offsets host Ni-Cu-PGM deposits and have spawned a number of very productive mining operations (Copper Cliff North, Copper Cliff South, Frood-Stobie, Totten).

3.2 Mineral Deposits

The orebodies associated with the Sudbury Structure constitute the largest known concentration of nickel-copper sulphides in the world. Total reserves and production are estimated at approximately 1.6 billion tonnes of ore. Metal production to date from these deposits exceeds 8.5 million tonnes of nickel and 8.4 million tons of copper. By-products from this production include cobalt, platinum, palladium, gold, silver, osmium, iridium, rhodium and ruthenium.

The vast bulk of sulphides in the Sudbury ores consists essentially of varying proportions of pyrrhotite, chalcopyrite and pentlandite with varying amounts of other Cu-, Ni-, Co-, PGM-bearing minerals and gold.

Three main types of ore deposits are recognized: Contact, Offset Dyke and Footwall.

3.2.1 Contact Deposits

The Contact Deposits occur along the lower contact of the SIC in areas where Sublayer is preserved in embayments in the footwall contact. The embayments are the topographic expression of what were originally troughs or rills in the wall of the impact crater (major lunar craters commonly exhibit this feature). These troughs have acted as traps for Sublayer material and account for the pipe-like geometry of many of the Sudbury orebodies. Terraces in the crater wall have also acted as Sublayer traps and many ore zones occur at sites where there is a flattening of the footwall to form ledges or terraces where sulphides are concentrated.

Contact deposits on the South Range have little interaction with the footwall rocks. The footwall contact is generally sharp and inclusions of footwall material in the sublayer are minor; most of the inclusions are xenolithic. On the North Range the contact deposits commonly penetrate into the brecciated granitic footwall forming a granite breccia-type ore below the sublayer. Copper and precious metals tend to concentrate in the granite breccia-type ore.

All the properties within the Company's Sudbury Project include contact type Cu-Ni deposits.

3.2.2 Offset Deposits

The Offset Deposits are located in the radial and concentric quartz diorite offset dykes and occur as thin, steeply dipping sheets to steeply plunging pipes in barren to weakly mineralized quartz diorite. The deposits consist of cores of inclusion-bearing sulphide ore surrounded by quartz diorite with variable sulphide dissemination and confined within the width of the offset, which is commonly less than 100 m.

Exceptions do occur however, as the Frood-Stobie concentric offset is unique in that nearly all of the quartz diorite contains sufficient sulphide to form ore. The intensity of

the dissemination increases downwards grading into massive sulphide which continues several thousand feet below the level at which the quartz diorite pinches out.

Offset-type mineralization occurs on the Norman and Victoria project areas.

3.2.3 Footwall Deposits

Footwall deposits are offshoots of contact deposits. They tend to occur more on the North Range than the South Range. Brecciated footwall rocks adjacent to contact Ni-Cu sulphide deposits can act as a conduit for mineralizing fluids and as a medium for deposition of sulphides. There is a distinct metal zoning between Contact Deposits and the accompanying Footwall Deposits in that the Contact Deposits have low Cu/Ni ratios and low PGM content compared to the high Cu/Ni ratios and enriched PGMs in the Footwall Deposits. These observations can be applied in exploration. A contact deposit with low Cu/Ni ratios and PGM content indicates the possibility of the presence of a high Cu high PGM footwall deposit in adjacent footwall breccia.

Footwall deposits occur on the North Range in the McCreedy West and Levack properties.

4. SOURCES, HANDLING AND VERIFICATION OF DATA

4.1 Data Sources

Inco has not guaranteed or warranted the accuracy or completeness of the data and information that it provided to Fort Knox and expressly disclaims any and all liabilities for any representations, warranties or omissions in the written information or oral communications made to Fort Knox and any subsequent communications made by Fort Knox regarding the data or the properties.

Fort Knox has independently verified the drill assay data received from Inco. The Company has also completed comprehensive studies of the detail assay records and has re-graded portions of the boreholes that intersected the mineralized zones of interest and produced longitudinal cross sections of the mineralized zones.

In sections of this report dealing with the presentation of data on the five properties the Imperial System is used. Activity on the project properties dates back to the early part of the 20th Century and a large database relating to surveying, exploration, development and production had been generated prior to the introduction of the metric system to Canada. To avoid errors in translating such a vast amount of data into the Metric System and to facilitate reference to the large existing database, it was decided to continue with the Imperial System when presenting the data. Borehole coordinates and intersections are recorded in feet. Precious metal values (Pt, Pd, Au and Total Precious Metals) are reported in troy ounces/short ton. Some of the graded intersections have been converted to grams/ton in order to facilitate comparisons.

Inco has accumulated a vast amount of data (over 8,000 boreholes) during their exploration and mining of the subject properties. These data were made available for examination by Fort Knox. The information reviewed consists primarily of diamond drillholes and associated sampling, assaying, plans and sections. The essential details of these data are not in the public domain and originate exclusively from Inco data files. Review of data has focused primarily on the mineralized areas at each of the properties.

4.2 Data Verification

Fort Knox has not carried out any exploration on the Properties.

Dr. Patterson, accompanied by Fort Knox personnel and consultants, has visited the properties, has reviewed the technical information in the Inco data room in Sudbury and has reviewed and discussed with Inco personnel the original plans, sections and assay records pertaining to the subject properties. As a result, he has been able to comment on

the potential of each property, assess the potential for further discoveries and has participated in the preparation of detailed and logical exploration programs and budgets to adequately test the Properties.

In addition, Fort Knox reviewed in detail the assay records of all boreholes that intersected the mineralized zones and calculated weighted grade averages for the portions of the boreholes that intersected the mineralized zones. Dr. Patterson conducted a detailed audit of the Corporation's borehole grading calculations and confirmed that the results accurately represent the graded assay intersections.

Spiteri Geological and Mining Consultants Inc. (SGM) was retained by Fort Knox to review Inco's information and procedures and reported that the data included various plans and sections of a historical nature. SGM was provided with Inco's complete computer database which includes thousands of drillholes and some digitized development headings. SGM examined short form drill logs and assay certificates for four randomly selected holes and database records were checked against faxed copies of the Chemex Assay Certificates. No errors were found.

To assist in its evaluation of the data and information provided to it by Inco, Fort Knox commissioned SGM to conduct an independent check sampling and assay program of Inco's assay methods and results. In addition, SGM commissioned an independent laboratory to carry out check assaying of selected core, reject and pulp samples presently residing at Inco's storage facilities in Sudbury.

SGM concluded that Inco's analytical practices and its database are acceptable for copper, nickel, and platinum. SGM concluded that Inco's palladium determinations were biased high compared to those from the independent lab and found a variance of 10% or more between Inco's gold determinations and those of the independent lab. SGM concluded that the wide scatter in gold checks and the palladium bias requires, at this time, a reduction in these two metals by 10%, in all grade estimations.

It is recommended that the Corporation reconcile the apparent variance by undertaking umpire assaying at a third laboratory as the scatter in gold assays could indicate a gold "nugget effect" rather than a laboratory variance. As the properties are exploration projects that will receive extensive diamond drilling to further explore and define the mineralized zones, the Inco assay database is considered acceptable for this stage of the program. However, it is recommended that, prior to undertaking any resource estimations, the results of the additional analytical testing, the historical assay database and the Corporation's new assay database, as generated from its own exploration programs, be compared and reconciled.

Though several of the properties, namely McCreedy West, Levack and possibly Norman, contain deposits with potentially quantifiable resources, the Corporation has not yet completed any resource estimates to the level required by National Instrument 43-101. Until such estimates are completed Patterson, though of the opinion that no mineral resources or reserves can be said to be present on any of the Properties, recommends an early evaluation of the resource potential of the McCreedy West and Levack properties as a priority

In this report the term PGM refers to Platinum Group Metals and includes Platinum (Pt), Palladium (Pd), which comprise the major part of the PGMs, $\pm$ Ruthenium, Rhodium, Osmium and Iridium. The term TPM refers to Total Precious Metals and includes the PGMs + gold. A list of abbreviations and conversion factors is included in Appendix 1.

5. FORT KNOX SUDBURY PROJECT – PROPERTIES

All of the subject properties are located within 35 km of Sudbury (Figure 1), and are 100% owned by Inco (Table 2). Ownership is primarily by patent but two are mining leases renewable in 2007.

Table 2: Sudbury Project Properties

PROPERTY	TWP	AREA Acres	OWNER Inco %	Km from Sudbury	MINE	PATENTS	LEASES
Victoria	Denison	1,282.90	100	30	Yes	2	-
McCreedy West	Levack	804.24	100	34	Yes	7	-
Levack	Levack	811.37	100	34	Yes	6	-
Norman North	Norman	1,111.33	100	32	Yes	-	2*
Kirkwood	Garson	473.00	100	11	Yes	3	-
TOTALS		**4,482.84**				**18**	**2**

Note *: 5 mining parcels held under 2 leases (287 & 288) renewable April 1, 2007

For each of the projects described the following are included:

- a locational map,
- longitudinal sections and plans identifying
    - the separate zones identified within a deposit
    - the relationships of these zones
    - geological structure
    - drillhole pierce points
- tables showing the graded assays for holes in each zone with weighted assays for each
- exploration targets

The graded assays, which were prepared by Fort Knox, have been audited by the writer. The method employed was to regrade the complete set of assays for the Victoria Property and carry out spot checks on the other properties by recalculating a selection of the

sections graded by Fort Knox. Both calculations compare very favourably and certainly within acceptable limits for the requirements of this report.

5.1 Victoria Property

5.1.1 Location, History & Infrastructure

The Victoria project comprising 1,282.9 acres of mining rights contained in two patented mining parcels is located 30 km southwest of Sudbury in Denison Township (Figure 2). Access is via paved roads and a rail spur from the main CPR line is located 2.5 km south of the property.

Copper and nickel sulphide mineralization was discovered in 1886. Following the 1899 acquisition of the property by the Mond Nickel Company, ore production and shaft sinking continued from 1900 to 1918. In 1918 a vertical three-compartment production shaft was sunk to a depth of 3,012 ft. During the period 1900-1923, 888,000 tons of ore averaging 2.99% Cu and 2.12% Ni were produced. Following cessation of mining in 1923 the mine was flooded. The property was acquired by Inco in 1931 following the merger with Mond Nickel.

During the period 1945-1964, 175 surface exploration holes were drilled to delineate the Victoria West low-grade zone. The mine was dewatered in 1969 and production resumed in 1973. A total of 649,000 tons of ore averaging 1.26% Cu, 0.83 % Ni, 0.067 oz/ton Pt-Pd-Au was produced between 1973 and 1978 when the mine was closed and flooded. The principal extraction methods at that time were shrinkage and long-hole mining. The total historical production for the Victoria property was **1,543,000 tons grading 2.26% Cu and 1.57% Ni, + TPM.** (Table 1). The TPMs, in the order of + 2 g/t, are extrapolated from the production data for 1973-78.

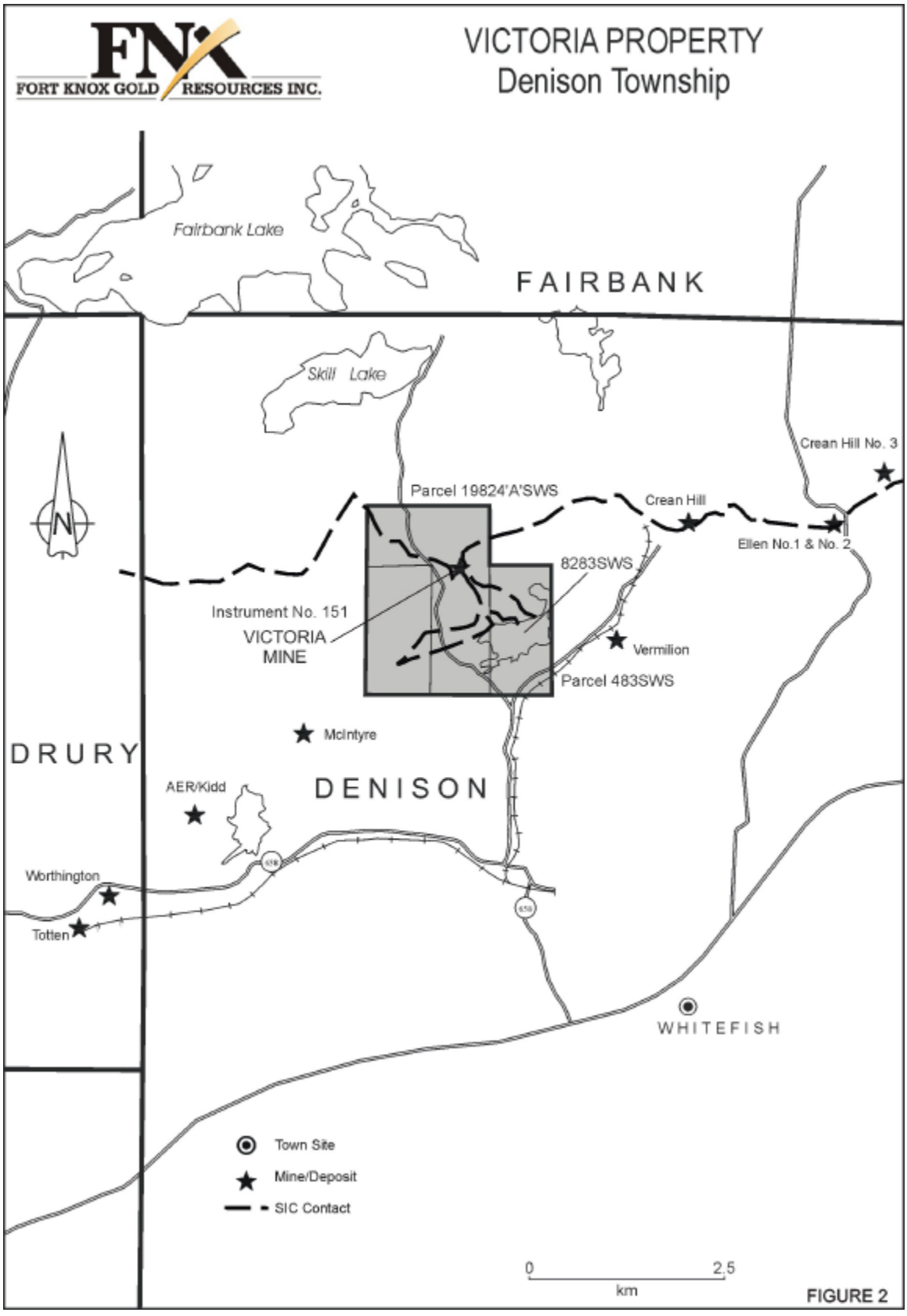

FORT KNOX GOLD RESOURCES INC.
VICTORIA PROPERTY
Denison Township
Fairbank Lake
FAIRBANK
Skill Lake
Crean Hill No. 3
Parcel 19824'A'SWS
Crean Hill
Ellen No.1 & No. 2
8283SWS
Instrument No. 151
VICTORIA MINE
Vermilion
Parcel 483SWS
McIntyre
DRURY
DENISON
AER/Kidd
Worthington
Totten
WHITEFISH
Town Site
Mine/Deposit
SIC Contact
0
2.5
km

FIGURE 2

Infrastructure at Victoria consists of a three-compartment vertical shaft measuring 5.0 ft by 13.5 ft, sunk to a depth of 3000 ft., with development on 18 Levels. Exploration drifts were driven on the 1350 and 3000 ft Levels.

The property has now been abandoned, the underground workings flooded, and the shaft capped. No surface infrastructure remains.

Some closure work has been done on the site under Inco's ongoing environmental reclamation program. The site of the old shaft has been fenced off and grassed over.

A closure plan would have to be developed as required by the Ontario Mining Act prior to commencing an advanced exploration program or mine development.

5.1.2 Property Geology & Mineralization

The Victoria property is situated at the junction of the SIC and the Worthington quartz diorite offset dyke, approximately 6.5 km northeast of Inco's Totten property. Other mineralized locations are known along the Worthington Offset between the Victoria property and the Totten Mine. Two of these, the adjacent McIntyre deposit and the AER/Kidd Copper property, located 3 km further southwest from the Victoria property, were the objects of small mining operations.

Within the property, both the footwall contact of the SIC and the Worthington Offset dyke dip steeply about the vertical. Both intrude sheared and metamorphosed mafic volcanic and sedimentary rocks of the Stobie Formation. Zones of Sudbury Breccia occur throughout the property as discontinuous lenses. Late quartz diabase and olivine diabase dykes cross-cut all lithologies. Two dominant structural shear directions, one set trending northwest-southeast and the other trending northeast-southwest, have been defined and these control the distribution of mineralization on the property.

The Cu-Ni-PGM sulphide mineralization at the Victoria property is characterized by a complex assemblage of irregular lenses of chalcopyrite, pentlandite and pyrrhotite. The lenses dip and plunge steeply and are typically pipe-like (Figure 3). The complex structural features of the property have caused remobilization of the sulphides and control the lateral extent and dimensions of the mineralization.

5.1.3 Targets

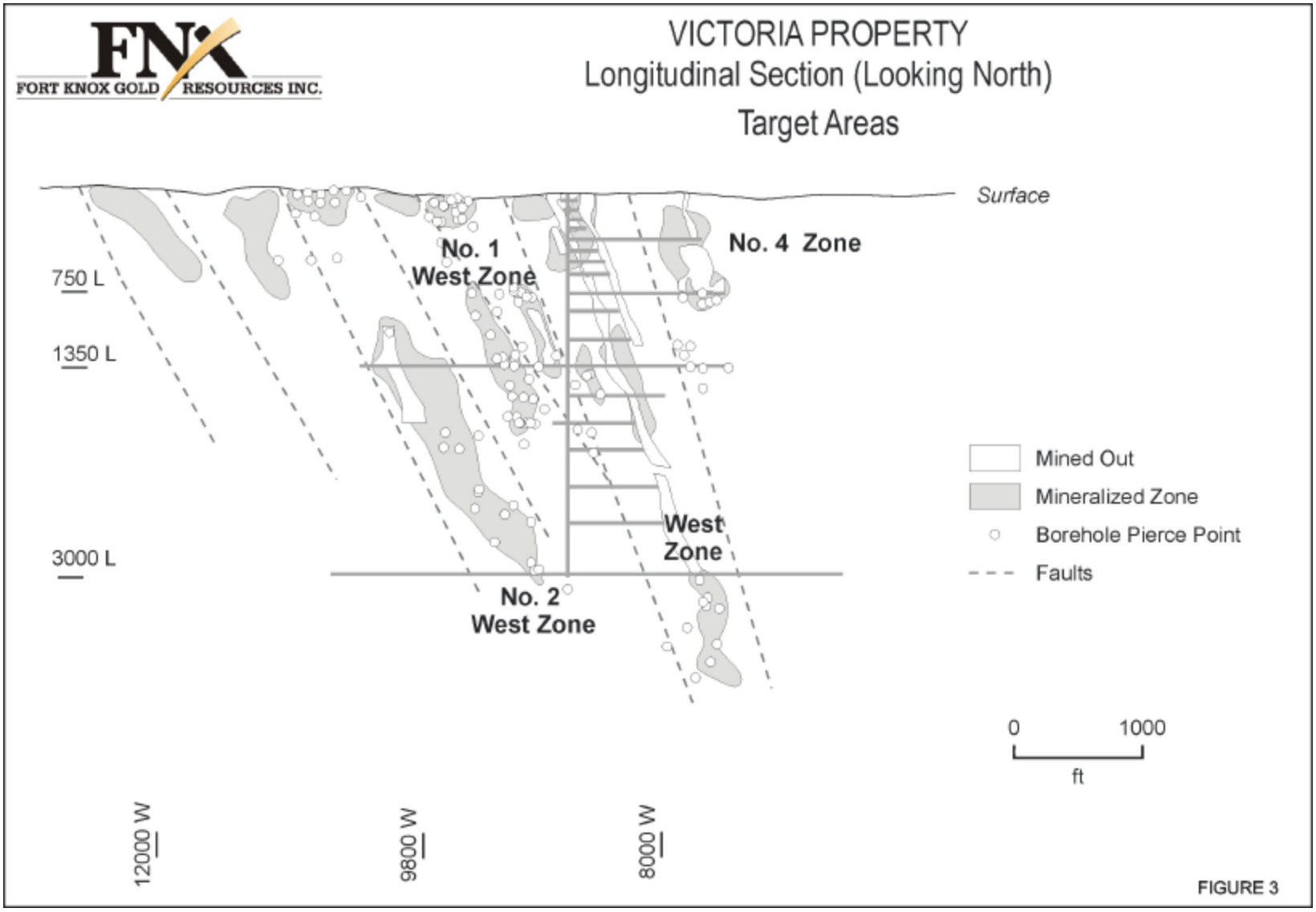
Numerous zones of Cu-Ni-PGM mineralization are present and four of these, the No. 4 Zone; West Zone; No. 1 West and No. 2 West Zones, warrant further exploration.

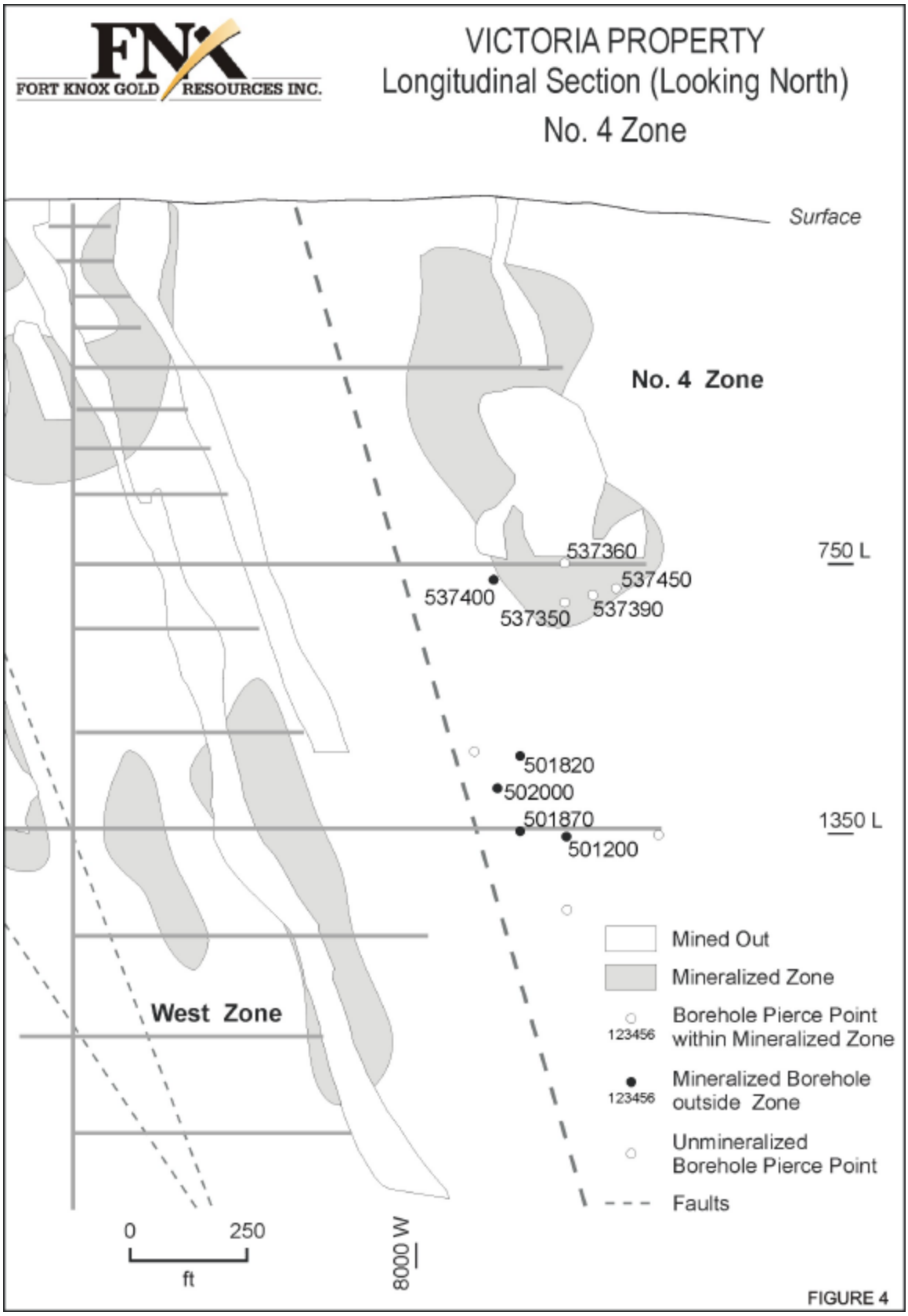
5.1.3.1 **No.4 Zone**

The **No.4 Zone** (Figure 4), lies 820 ft east of the Victoria shaft and contains Cu-Ni-PGM bearing sulphides hosted by diorite, quartz diorite, metagabbro and metasedimentary rocks. The zone was mined above 750 ft Level and graded assays for holes drilled below the mined-out area are presented in Table 3.

Table 3: Victoria # 4 Zone – Graded Assays

BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/ton				g/t
501200	318.5	319.7	1.2	8.40	0.14	0.02	0.002	0.015	0.04	1.2
501820	369.5	375.0	5.5	1.66	0.13				0.02	0.8
501870	337.5	338.0	0.5	2.69	0.02	0.01	0.000	0.014	0.02	0.7
502000	360	361.4	1.4	1.06	0.31	0.05	0.003	0.052	0.11	3.3
537350	**102.4**	**107.6**	**5.2**	**7.11**	**0.23**	**0.30**	**0.640**	**0.020**	**0.96**	**29.8**
Including	15.2	16.2	1.0	16.15	0.24	0.02	0.005	0.430	0.46	14.2
""	22.7	82.1	59.4	4.69	0.42	0.06	0.210	0.020	0.30	9.2
""	22.7	33.7	11.0	5.38	0.03	0.02	0.12	0.35	0.49	15.4
""	39.4	64.6	25.2	5.41	0.68	0.04	0.09	0.21	0.34	10.6
""	73.8	82.1	8.3	9.51	0.52	0.04	0.01	0.40	0.45	14.0
537360	**22.7**	**82.1**	**59.4**	**4.69**	**0.42**	**0.07**	**0.21**	**0.02**	**0.30**	**9.2**
537390	107.2	108.9	1.7	2.24	0.11	0.02	0.029	0.324	0.37	11.6
537400	51.7	52.2	0.5	4.03	0.37	0.06	0.016	0.244	0.32	10.0
537450	89.0	91.2	2.2	0.71	0.34	0.03	0	0	0.03	0.9


FNX
FORT KNOX GOLD RESOURCES INC.
VICTORIA PROPERTY
Longitudinal Section (Looking North)
Target Areas
Surface
No. 1
West Zone
No. 4 Zone
750 L
1350 L
3000 L
West
Zone
No. 2
West Zone
Mined Out
Mineralized Zone
Borehole Pierce Point
Faults
0
1000
ft
12000 W
9800 W
8000 W
FIGURE 3


FORT KNOX GOLD RESOURCES INC.
VICTORIA PROPERTY
Longitudinal Section (Looking North)
No. 4 Zone
Surface
No. 4 Zone
750 L
537360
537450
537400
537350
537390
501820
502000
501870
1350 L
501200
West Zone
Mined Out
Mineralized Zone
Borehole Pierce Point within Mineralized Zone
123456
Mineralized Borehole outside Zone
123456
Unmineralized Borehole Pierce Point
Faults
0
250
ft
8000 W
FIGURE 4

The Zone remains effectively untested between 750 and 3000 Levels with the exception of minor drilling from the 1350 Level. This possible down dip extension of the No.4 Zone represents an area of 400 by 2200 ft. Two drill holes cut the zone immediately below 750 Level and returned the following grades:

- **4.69% Cu, 0.42% Ni, 0.30 oz/t TPM over 59.4 ft.** in hole 537360
- **7.11% Cu, 0.23% Ni, 0.96 oz/t TPM over 5.2 ft.** in hole 537350 which cut the Zone approximately 100 ft below the Level.

Exploration consisting of surface drilling followed by borehole UTEM-4 surveys is proposed to evaluate the dip extension of the No. 4 Zone.

5.1.3.2 West Zone

The **West Zone,** (Figure 3), was the focus of previous production at Victoria and was mined to a depth of 3000 ft. Cu-Ni-PGM sulphide mineralization occurs as structurally controlled massive to inclusion-rich massive sulphide adjacent to the SIC contact and graded assays for holes drilled below the mined-out area are presented in Table 4.

Table 4: Victoria: West Zone Below Mined Area – Graded Assays

BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
470920	285.2	290.4	5.2	2.60	1.00	0.03	0.08	0.01	0.12	3.6
470930	323.3	341.3	18.0	1.10	0.45	0.01	0.05	0.00	0.06	1.9
470980	718.7	729.7	11.0	0.84	0.13	0.01	0.01	0.01	0.03	0.9
501120	340.5	349.0	8.5	0.64	0.62	0.02	0.03	0.10	0.15	4.7
501340	**321.1**	**342.5**	**21.4**	**2.13**	**1.33**	**0.02**	**0.11**	**0.02**	**0.15**	**4.6**
501430	638.8	646.1	7.3	0.65	0.41	0.02	0.02	0.00	0.04	1.2

These holes (Figure 5) confirm that the mineralization extends at least a further 700 ft below the 3000 Level. Drillhole 501340 yielded an intersection assaying **2.13% Cu, 1.33% Ni, 0.15 oz/ton TPM over 21.4 ft** some 250 ft below 3000 Level, while the downward continuation of the mineralization to at least 3700 L was confirmed by drillhole 470980. These holes are widely spaced and more detailed drilling is required to further explore this zone.

Surface exploration drilling and borehole UTEM-4 is recommended to test the down-plunge extension of the West Zone.

5.1.3.3 **No. 1 West Zone**

The **No.1 West Zone,** (Figures 3 & 6), is located 330 ft. west of the Victoria shaft and consists of a structurally controlled, steeply plunging, zone of Cu-Ni sulphides. The zone has been traced from surface to approximately the 2000 Level where it is still open to depth.

The zone may be best divided into shallow and deep sections. Both sections have been explored primarily by diamond drilling from both surface and underground with a drift on the 1350 Level serving as a drilling platform for the deeper section (Figure 6). The drillhole intersections for the near-surface zone (shallow mineralization) are presented in Table 5 and those for the deep mineralization in Table 6. Of particular interest is that the shallow mineralization in this # 1 West Zone may coalesce with the near surface part of the # 2 West Zone, lying immediately to the west.

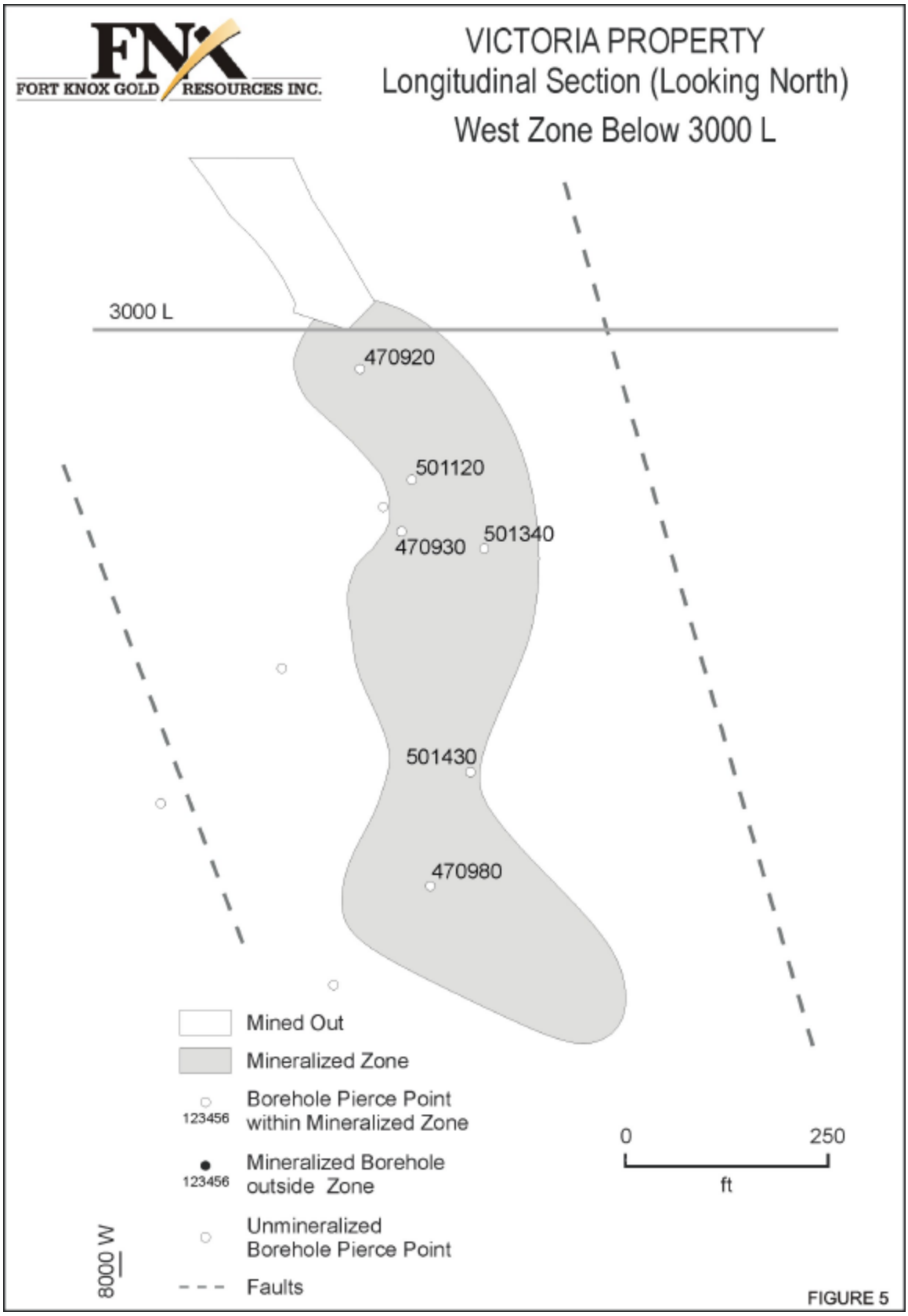

FORT KNOX GOLD RESOURCES INC.
VICTORIA PROPERTY
Longitudinal Section (Looking North)
West Zone Below 3000 L
3000 L
470920
501120
470930
501340
501430
470980
Mined Out
Mineralized Zone
123456
Borehole Pierce Point within Mineralized Zone
123456
Mineralized Borehole outside Zone
Unmineralized Borehole Pierce Point
Faults
0
250
ft
8000 W
FIGURE 5

Table 5: Victoria: No.1 West Zone – Near Surface Mineralization - Graded Assays

BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
244390	**131.2**	**144.8**	**13.6**	**5.02**	**0.41**	**0.03**	**0.15**	**0.01**	**0.19**	**5.8**
244000	308.3	321.8	13.5	1.87	0.78	0.05	0.09	0.01	0.15	4.7
244410	186.6	187.0	0.4	0.12	2.97	0.00	0.10	0.00	0.10	3.2
244420	135.0	137.2	2.2	1.92	0.33	0.02	0.05	0.01	0.08	2.5
244430	274.9	275.5	0.6	12.73	0.32	0.01	0.07	0.01	0.09	2.8
244440	69.3	78.3	9.0	2.71	0.60	0.01	0.09	0.02	0.12	3.7
244470	152.4	162.1	9.7	3.06	0.41	0.01	0.05	0.01	0.07	2.2
244480	281.2	305.0	23.8	0.38	0.16	0.01	0.03	0.01	0.04	1.3
244540	106.7	110.5	3.8	0.33	0.06	0.01	0.02	0.00	0.03	0.9
251740	229.3	240.9	11.6	1.52	0.23	0.03	0.03	0.05	0.11	3.4
251770	**214.2**	**229.6**	**15.4**	**1.51**	**1.17**	**0.02**	**0.16**	**0.01**	**0.19**	**5.9**
251780	59.5	66.6	7.1	2.39	0.31	0.02	0.08	0.05	0.15	4.7
62100	114.3	131.2	16.9	0.56	0.61	na	na	na	na	na
	209.0	214.1	5.1	0.37	1.37	na	na	na	na	na
	227.9	247.7	19.8	0.61	0.65	na	na	na	na	na
62110	607.8	625.7	17.9	1.48	0.58	na	na	na	na	na
62120	**509.4**	**560.5**	**51.1**	**0.57**	**0.63**	**na**	**na**	**na**	**na**	**na**
244370	65.0	81.0	16.0	0.84	0.60	0.03	0.01	0.01	0.05	1.6
244380	60.0	101.3	41.3	0.52	0.68	0.03	0.01	0.01	0.05	1.5
Including	91.7	101.3	9.6	0.35	1.71	0.07	0.03	0.01	0.11	3.4
527810	152.9	180.2	27.3	1.13	0.67	0.02	0.01	0.01	0.04	1.2
527820	113.6	154.6	41.0	0.54	0.79	0.02	0.01	0.01	0.04	1.2
527830	129.6	141.8	12.2	0.40	0.43	0.01	0.01	0.01	0.03	0.9
527840	264.3	288.3	24.0	0.81	0.87	0.03	0.01	0.01	0.05	1.5
527940	275.2	297.6	22.4	0.45	0.80	na	na	na	na	na
	311.9	323.7	11.8	0.34	0.71	na	na	na	na	na

Drillholes 244390 and 251770, intersecting good values in Cu and Ni, demonstrate the potential of this near surface zone. Of particular interest is hole 62120 (Figure 6) which shows the zone to be open down dip towards the top of the deep part of the zone, a distance of approximately 500 ft. Further drilling will be required to test this zone.

The results from drilling the deeper part of this zone are presented in Table 6. These show significant mineralization over substantial intersection lengths and holes demonstrating potential are

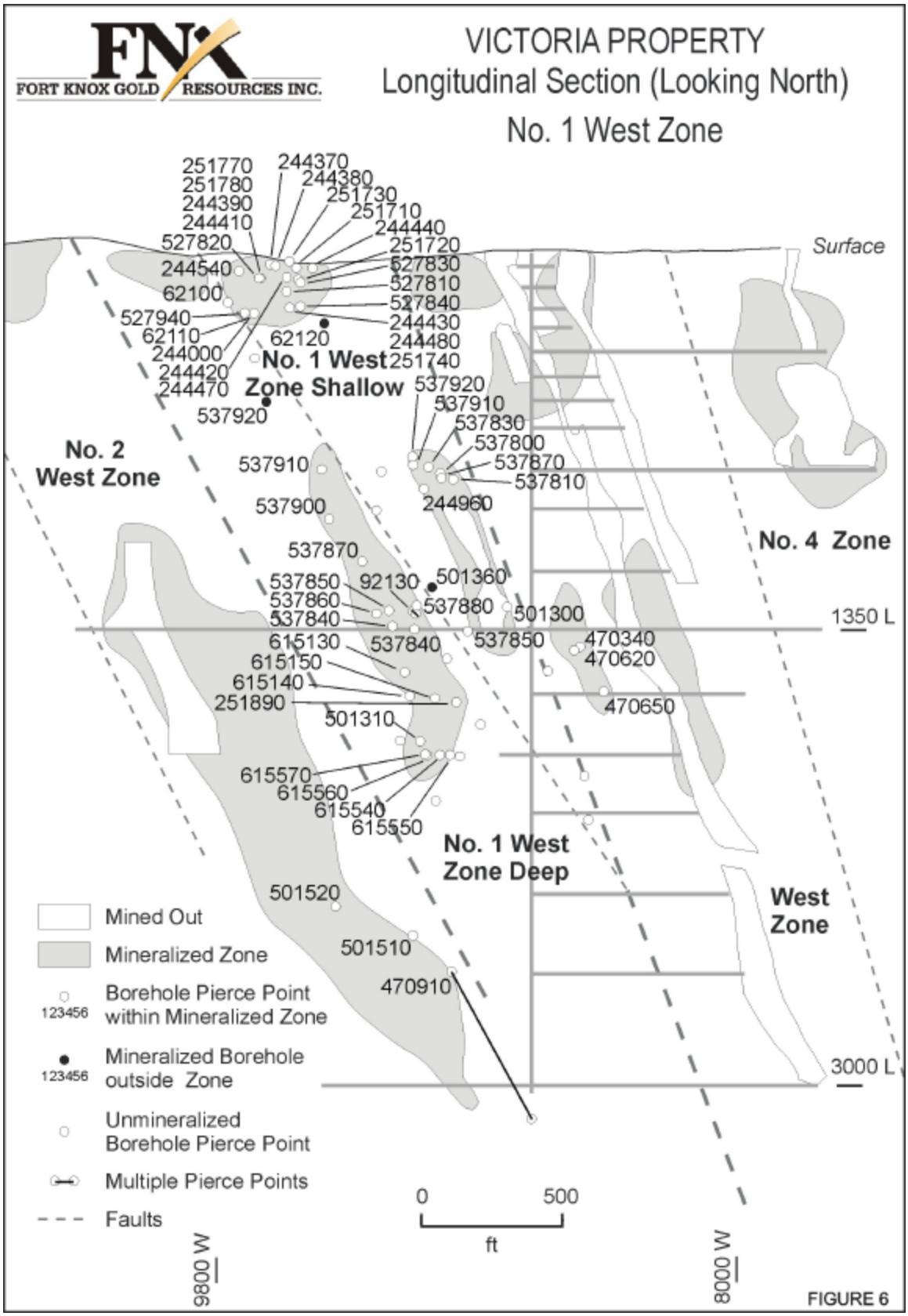
- **1.56% Cu, 2.55% Ni, 0.16 oz/t TPM over 20.4 ft** in drillhole 501300
- **0.68% Cu, 0.51% Ni, 0.01 oz/t TPM over 14.9 ft** in drillhole 537920
- **0.89% Cu, 0.19% Ni, 0.21 oz/t TPM over 11.4 ft** in drillhole 615550

Table 6: Victoria: No.1 West Zone – Deep Mineralization - Graded Assays

BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
244960	745.0	775.0	30.0	0.64	0.43	0.01	0.02	0	0.03	0.9
251890	1624.9	1689.7	64.8	0.51	0.54	0.01	0	0.01	0.02	0.6
	1714.7	1727.7	13.0	0.88	0.68	0.01	0.01	0	0.02	0.6
251930	843.4	844.8	1.4	0.52	2.24	0.01	0.04	0.01	0.06	1.9
470620	26.0	40.0	14.0	0.61	0.03	0.00	0.02	0.01	0.03	0.9
	62.0	72.0	10.0	0.88	0.87	0.01	0.33	0.00	0.34	10.6
	115.1	122.0	6.9	1.22	1.20	0.05	0.13	0.01	0.19	5.9
470650	205.0	216.0	11.0	1.42	1.10	0.01	0.01	0.00	0.02	0.6
501300	**399.9**	**420.3**	**20.4**	**1.56**	**2.55**	**0.05**	**0.10**	**0.01**	**0.16**	**5.0**
501310	833.3	840.4	7.1	2.38	0.43	0.04	0.02	0.01	0.07	2.1
501360	518.0	532.0	14.0	0.65	0.67	0.02	0.04	0	0.06	1.9
501510	1377.1	1400.0	22.9	0.60	0.54	0.01	0.01	0.01	0.03	0.09
501520	1281.6	1291.8	10.0	0.78	0.88	0.05	0.04	0.01	0.10	3.1
537800	515.5	555.0	39.5	0.53	0.54	0.01	0.01	0	0.02	0.6
537810	547.3	555.5	8.2	0.47	0.68	0.02	0.01	0.01	0.04	1.2
537840	527.3	555.0	27.7	0.51	0.61	0.01	0.01	0.01	0.03	0.9
537850	450.0	540.0	90.0	0.46	0.53	0.01	0	0	0.01	0.3
537860	410.0	425.0	15.0	0.47	0.63	0.02	0.01	0	0.03	0.9
537870	522.9	524.2	1.3	3.42	0.28	0.04	0.04	0.03	0.11	3.4
	573.3	612.5	39.2	0.66	0.62	0.01	0.01	0.01	0.03	0.9
537880	445.0	490.0	45.0	0.50	0.56	0.01	0	0	0.01	0.3
537900	526.3	576.1	49.8	0.47	0.48	0.03	0.01	0.01	0.05	1.5
537910	25.9	33.5	7.6	1.07	0.27	0.01	0.01	0	0.02	0.6
	535.3	554.5	19.2	0.70	0.67	0.02	0.02	0.02	0.06	1.9
537920	**687.9**	**708.7**	**20.8**	**0.42**	**0.73**	**0.01**	**0.01**	**0.01**	**0.03**	**0.9**
	854.2	869.1	14.9	0.68	0.51	0.01	0	0	0.01	0.3
537930	**10.0**	**20.4**	**10.4**	**1.62**	**0.66**	**0.00**	**0.01**	**0.00**	**0.01**	**0.3**
615130	306.4	313.6	7.2	0.62	0.46	0.20	0.02	0.01	0.25	7.8
	406.9	418.8	11.3	0.51	0.65	0.02	0.03	0.01	0.06	1.9
615140	298.4	302.8	4.4	0.66	0.86	0.02	0.03	0.03	0.08	2.5
	460.7	477.2	16.5	0.59	0.89	0.01	0.02	0.01	0.04	1.2
	506.9	515.7	8.8	0.37	1.67	0.02	0.06	0.01	0.09	2.8
615150	498.5	528.7	30.2	0.52	0.52	0.01	0	0	0.01	0.3
615550	**110.3**	**121.7**	**11.4**	**0.89**	**0.19**	**0.05**	**0.14**	**0.02**	**0.21**	**6.5**
615560	236.3	238.6	2.3	1.15	0.57	0.02	0.05	0.01	0.08	2.5

These intersections suggest the presence of a mineralized envelope within which local higher values are present and it should be noted that drillhole 615550 is open down dip. The zone warrants additional exploration drilling, as it appears to be open down dip and down plunge towards the 3000 ft Level

Analogies with other deposits along the Worthington Offset suggest that significant PGM mineralization could occur at increased depth in this geological environment. In addition, the near surface potential of this zone should be explored, as a possibly significant shallow zone of mineralization appears to be present.


FORT KNOX GOLD RESOURCES INC.
VICTORIA PROPERTY
Longitudinal Section (Looking North)
No. 1 West Zone
Surface
No. 1 West Zone Shallow
No. 2 West Zone
No. 4 Zone
No. 1 West Zone Deep
West Zone
1350 L
3000 L
9800 W
8000 W
0
500
ft
Mined Out
Mineralized Zone
Borehole Pierce Point within Mineralized Zone
Mineralized Borehole outside Zone
Unmineralized Borehole Pierce Point
Multiple Pierce Points
Faults
251770
251780
244390
244410
527820
244540
62100
527940
62110
244000
244420
244470
537920
244370
244380
251730
251710
244440
251720
527830
527810
527840
244430
244480
251740
62120
537920
537910
537830
537800
537870
537810
244960
537910
537900
537870
537850
537860
537840
92130
501360
537880
501300
615130
615150
615140
251890
501310
537840
537850
470340
470620
470650
615570
615560
615540
615550
501520
501510
470910
FIGURE 6

5.1.3.4 **No.2 West Zone**

The **No.2 West Zone,** (Figures 3 & 7), is adjacent to and some 400 ft. west of the No.1 West Zone. It consists of a steeply eastward-plunging lens of disseminated to semi-massive Cu-Ni-PGM sulphide hosted by Sublayer norite and metagabbro between two fault zones.

The Zone is similar to the No 1 West Zone in that a shallow, near-surface, zone has been outlined by drilling. These results are shown in Table 7. Part of the deeper section has been mined from the 1300 L and drilling has shown the zone to extend to the 3000 L where it is still open. Again, as in the No 1 West Zone, there is a 650 ft gap between the top of the deep part and the known base of the near-surface part of the Zone where there is no information.

Drill intersections demonstrating he potential of this near surface part of the #2 West Zone include

- **1.09% Cu, 0.58% Ni over 16.5 ft** in drillhole 92030
- **1.98% Cu, 0.58% Ni, 0.07 oz/t TPM over 19.6 ft** in drillhole 244280
- **1.35% Cu, 1.09% Ni, 0.12 oz/t TPM over 24.1 ft** in drillhole 994070

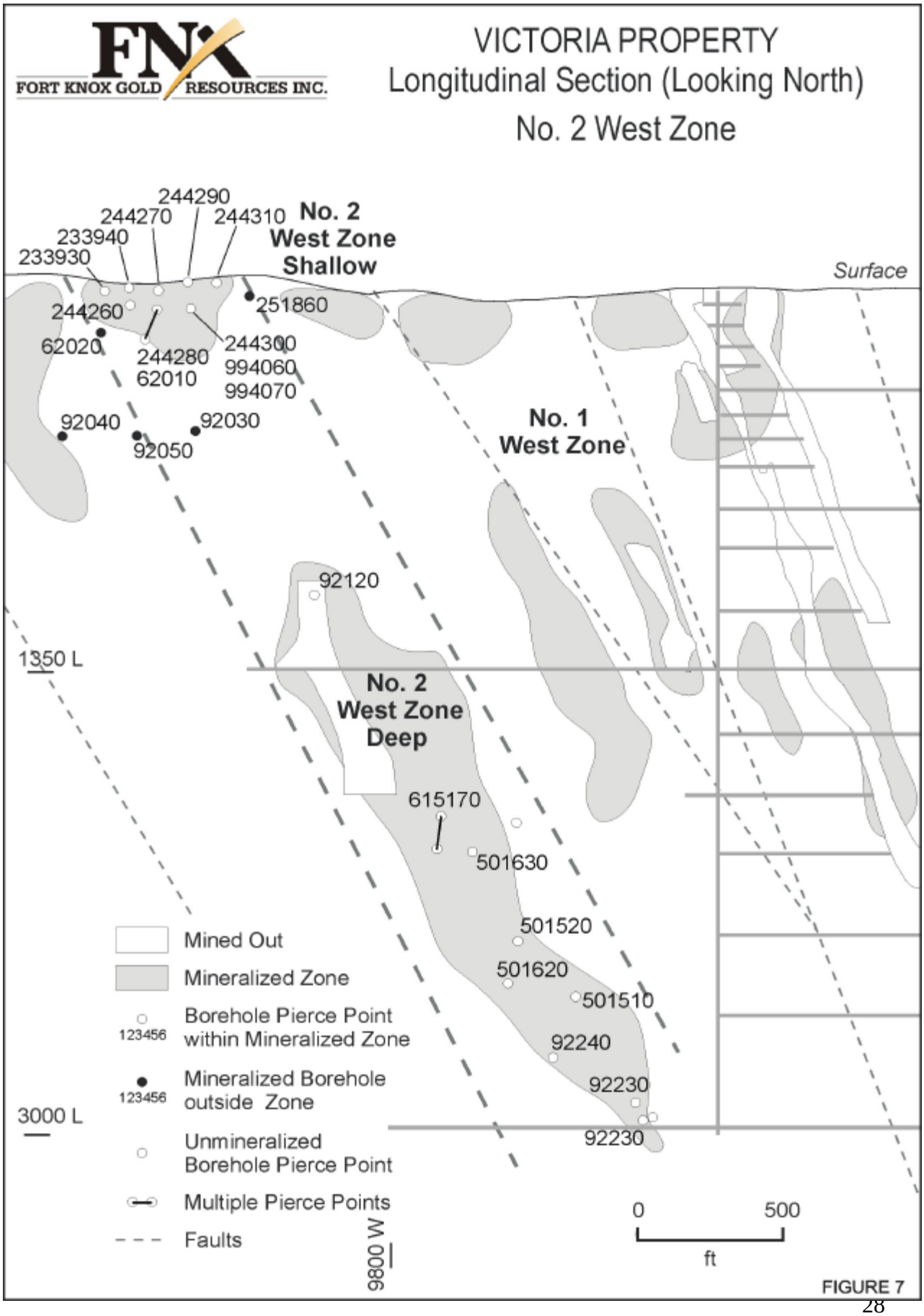

FORT KNOX GOLD RESOURCES INC.
VICTORIA PROPERTY
Longitudinal Section (Looking North)
No. 2 West Zone
244290
244270
244310
233940
233930
No. 2 West Zone Shallow
Surface
244260
251860
62020
244280
62010
244300
994060
994070
92040
92030
92050
No. 1 West Zone
92120
1350 L
No. 2 West Zone Deep
615170
501630
501520
501620
501510
92240
92230
92230
3000 L
Mined Out
Mineralized Zone
Borehole Pierce Point within Mineralized Zone
123456
Mineralized Borehole outside Zone
123456
Unmineralized Borehole Pierce Point
Multiple Pierce Points
Faults
9800 W
0
500
ft
FIGURE 7

Table 7: Victoria: No. 2 West Zone - Near Surface – Graded Assays

BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
62010	141.2	149.8	8.6	0.85	1.02	na	na	na	na	na
	151.6	161.6	10.0	1.01	0.63	na	na	na	na	na
	299.1	309.1	10.0	1.02	0.53	na	na	na	na	na
	357.9	367.9	10.0	1.19	0.45	na	na	na	na	na
62020	202.2	223.5	21.3	0.62	0.59	na	na	na	na	na
	249.8	263.2	13.4	0.69	1.40	na	na	na	na	na
92030	**667.0**	**683.5**	**16.5**	**1.09**	**0.58**	**na**	**na**	**na**	**na**	**na**
	722.0	736.0	14.0	0.55	0.33	na	na	na	na	na
	781.0	790.7	9.7	0.83	0.94	na	na	na	na	na
92040	575.0	608.0	33.0	0.66	0.77	na	na	na	na	na
	644.9	660.0	15.1	0.59	1.04	na	na	na	na	na
92050	607.0	615.0	8.0	0.61	0.55	na	na	na	na	na
	666.8	668.2	1.4	0.50	5.61	na	na	na	na	na
233930	60.9	83.3	22.4	0.86	0.35					
Including	60.9	67.2	6.3	1.20	0.79	0.01	0.01	0.01	O.03	O.9
“”	78.5	83.3	4.8	1.86	0.24	0.01	0.01	0.01	0.03	0.9
233940	**65.0**	**80.3**	**15.3**	**0.69**	**1.81**	**0.01**	**0.03**	**0.00**	**0.04**	**1.3**
244260	141.7	173.3	31.6	0.93	0.72	0.01	0.03	0.00	0.04	1.2
Including	141.7	150.0	8.3	1.17	0.75	0.02	0.02	0.00	0.04	1.2
244270	92.9	98.6	5.7	0.78	2.64	0.01	0.04	0.01	0.06	1.8
244280	**235.8**	**255.4**	**19.6**	**1.98**	**0.58**	**0.02**	**0.05**	**0.00**	**0.07**	**2.2**
244290	48.0	56.7	8.7	0.81	2.1	0.02	0.04	0.00	0.06	1.8
244300	246.5	252.5	6.0	0.28	1.20	0.01	0.02	0	0.03	0.9
244310	31.1	41.1	10.0	1.02	3.14	0.00	0.02	0.00	0.02	0.6
251860	206.9	224.9	18.0	0.61	0.71	0	0.01	0.01	0.02	0.6
994070	292.6	316.7	24.1	1.35	1.09	0.02	0.09	0.01	0.12	3.7

The No. 2 West Zone has been explored to below the 3000 L and two holes demonstrate the potential of this deep part of the zone.

- **2.03% Cu, 0.35% Ni, 0.05 oz/t TPM over 34.6 ft** at the 1900 L
- **1.11% Cu, 0.66% Ni, 0.11 oz/t TPM over 162.7 ft** immediately below the 3000 Level.

Table 8: Victoria: No. 2 West Zone - Deep – Graded Assays

BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
92120	1521.6	1528.0	6.4	1.11	0.36					
92230	**3144.3**	**3307.0**	**162.7**	**1.11**	**0.66**	**0.03**	**0.07**	**0.01**	**0.11**	**3.6**
Including	3180.0	3195.7	15.7	1.79	0.68	0.04	0.09	0.01	0.13	4.1
“”	3224.0	3236.3	12.3	0.79	1.75	0.04	0;090	0.01	0.13	4.1
“”	3263.6	3282.5	18.9	2.19	1.02	0.03	0.10	0.03	0.16	5.0
“”	3286.4	3301.2	14.8	2.26	0.90	0.03	0.10	0.03	0.16	5.0
92240	2960.0	3042.0	82.0	0.49	0.39	0.02	0.05	0.00	0.07	2.3
Including	2982.8	3002.5	19.7	0.93	0.59	0.03	0.06	0.01	0.10	3.1
501510	1377.1	1400.0	22.9	0.60	0.54	0.01	0.01	0.01	0.03	0.9
501520	1281.6	1291.8	10.0	0.78	0.88	0.05	0.04	0.01	0.10	3.1
501620	1210.6	1247.7	37.1	0.54	0.62	0.01	0	0	0.01	0.3
501630	684.0	689.2	5.2	1.43	0.45	0.16	0.12	0.03	0.31	9.6
615170	**552.5**	**587.1**	**34.6**	**2.03**	**0.35**	**0.01**	**0.02**	**0.03**	**0.05**	**1.7**
Including	552.5	574.0	21.5	2.89	0.35	0.01	0.02	0.03	0.06	1.8
	706.5	710.5	4.0	3.25	0.44	0.00	0.13	0.04	0.17	5.4

5.1.4 Recommended Work Program and Budget

The exploration program is designed to confirm and delineate near surface potential for ores mineable by open pit, and to explore and evaluate deeper known zones and their possible extensions.

In addition to the specific recommendations for continuing exploration of each zone, it is recommended that digital modeling of the zones of mineralization be undertaken. This, by developing an understanding of the complex structural geology of this area, will in turn assist in the identification of subsequent follow-up drill targets.

More specifically, the following are the main objectives of the proposed exploration program:

1. explore, and define the near surface portions of the Nos. 1 & 2 West Zone, especially directed toward outlining sufficient resources to establish an open pitable reserve

2. explore the down dip extension of the West Zone, #No 1 West and #No 2 West zones
3. explore the parts of the # 1 and # 2 West Zones between the near surface and deeper mineralization

Approximately 87 surface drill holes are proposed to fulfill the outlined program objectives. UTEM will be utilized as appropriate. Proposed expenditures for this phase are estimated at $2.40 million.

As noted above the Victoria property is in-board from the Totten deposit which is also on the Worthington Offset dyke. A new mine with published resources in excess of 10 million tonnes and grading approximately 2.0% Cu; 1.5% Ni and 4.8 g/t PGM has been announced by Inco. It is anticipated that the announced resources will be increased significantly. The important point of this analogy is that this new deposit has been found below and adjacent to an older deposit which was mined during the 1960s.

Table 9: Victoria Property Budget

Category	Target	Number of Holes	Av.ft/hole	Total ft	Cost	Category Subtotal
Data Compilation						50,000
Drilling:						
a) Confirmation/Infill	Near surface pods					
	No.1 and No.2 West Zones	70	400	28,000	840,000	
	West Zone below 3000 Level	2	3,500	7,000	210,000	
	Subtotal	72		35,000		1,050,000
b) Exploration	Below near surface pods and	9	1,200	10,800	324,000	
	down to 1200 ft level					
	Down dip of No.4 Zone	4	2,000	8,000	240,000	
	Down dip of West Zone	2	5,000	10,000	300,000	
	Subtotal	15		18,000		864,000
Supervision/Administration @ 10%						196,400
Contingency @ 10%						216,040
				Victoria Property Total		**2,376,440**

5.2.1 McCreedy West Mine Property

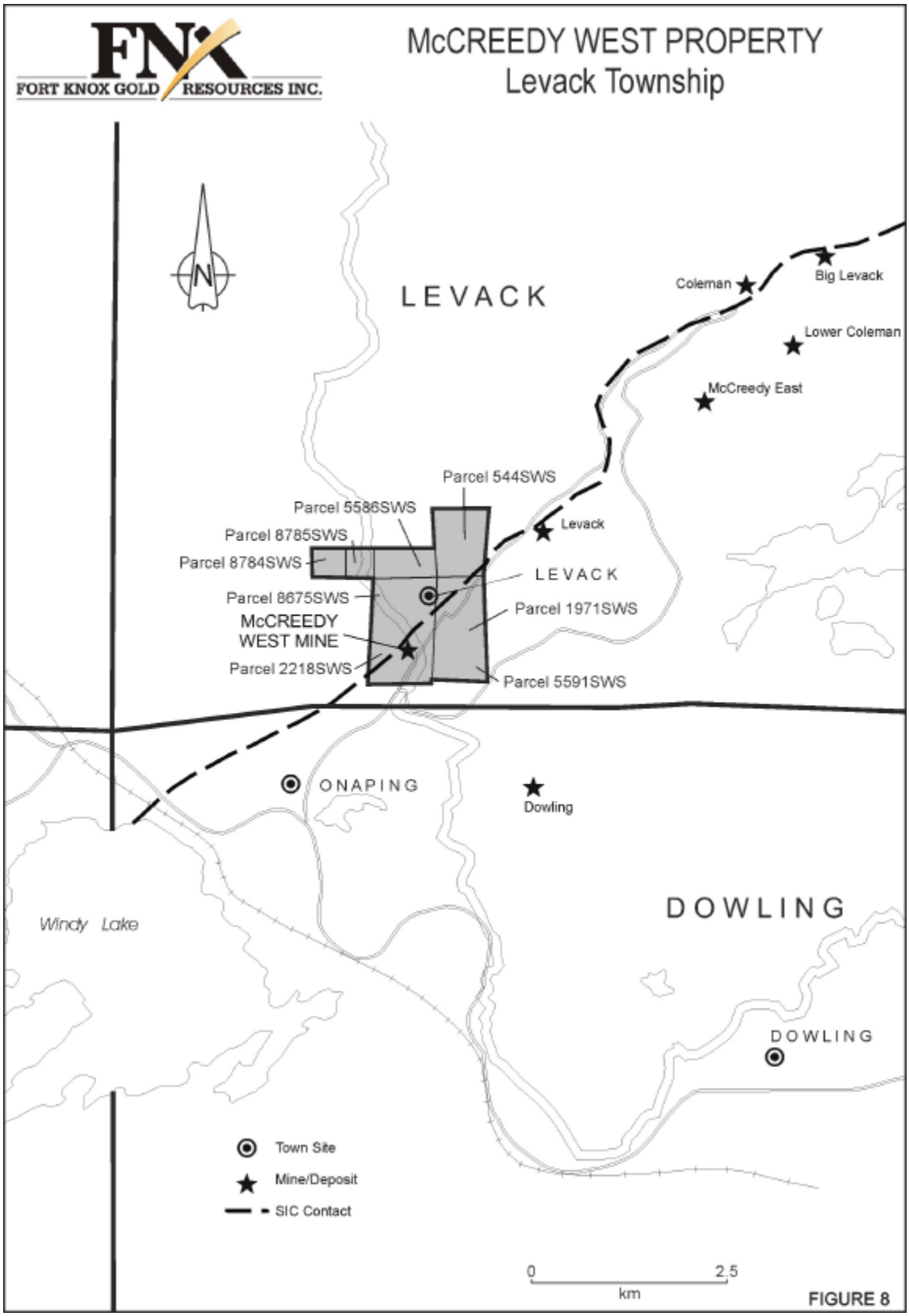
5.2.1 Location, History & Infrastructure

The McCreedy West Mine project area, (Figure 1), comprising 804.24 acres of mining rights contained in seven mining patents, is located 34 km northwest of Sudbury in Levack Township (Figure 8). Road access is excellent and the site is served by an active rail spur.

The Mond Nickel Company purchased the McCreedy West (formerly Levack West) property in 1913 and Inco acquired the property in 1929 following the merger with Mond. In 1939 surface diamond drilling discovered the Main zone. In 1970 development of the access ramp from surface and the haulage drift from Levack 1600 Level was initiated. Mining of the orebodies commenced in 1974, concentrating in the Upper Main, Middle Main, Lower Main and Footwall orebodies. Production to 1998 totalled **15,758,000 tons** averaging **1.70% Cu, 1,44% Ni, 0.017 oz/ton Pt, 0.017 oz/ton Pd, 0.009 oz/ton Au (0.043 oz/ton TPM).**

During the last two years of production, mining of the high grade Cu-PGM-Au-Ni veins of the 700 Footwall Vein Complex was initiated, yielding 40,965 tons grading 5.35% Cu, 0.56% Ni and 0.129 oz/ton TPM. This operation was used as a test site for narrow vein mining techniques.

The infrastructure at McCreedy West includes an accessible –20% grade 20 ft x 16 ft ramp decline to the 1,600 ft Level with average level development spaced at 150 ft intervals. Ventilation raises with fans remain in place. The 1600 Level track haulage drift to Levack Mine remains available. A few buildings remain on surface including the electrical substation, heater house and fresh air raise fans. Hydroelectric power is currently available on the site. Mine water is being drained to Levack Mine along the 1600 Level drift and pumped through the McCreedy East/Coleman Mine shaft.


FORT KNOX GOLD RESOURCES INC.
McCREEDY WEST PROPERTY
Levack Township
N
LEVACK
Coleman
Big Levack
Lower Coleman
McCreedy East
Parcel 544SWS
Parcel 5586SWS
Parcel 8785SWS
Parcel 8784SWS
Parcel 8675SWS
McCREEDY
WEST MINE
Parcel 2218SWS
Levack
LEVACK
Parcel 1971SWS
Parcel 5591SWS
ONAPING
Dowling
DOWLING
Windy Lake
DOWLING
Town Site
Mine/Deposit
SIC Contact
0
2.5
km
FIGURE 8

The property is covered by a joint Inco-Falconbridge environmental closure plan which is being continually updated. A revised closure plan would have to be prepared, as required by the Ontario Mining Act, prior to commencing an advanced exploration program or mine development.

5.2.2 Property Geology

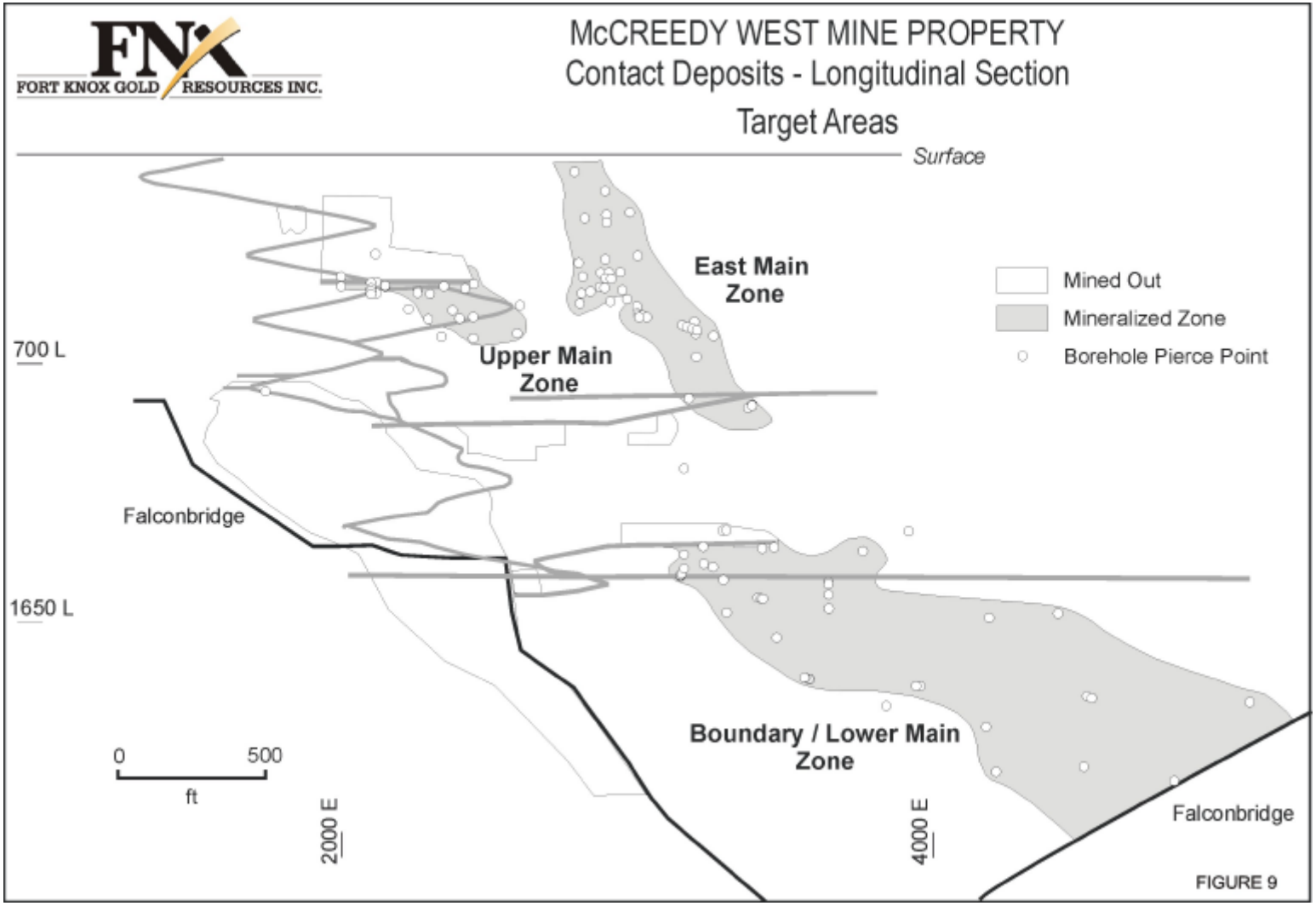
The McCreedy West Mine occurs at the western limit of an extensively mineralized 8.5 km long portion of the North Range of the SIC. This part of the North Range encompasses all of the major Inco and Falconbridge past and current producing mines of the North Range (Strathcona, Coleman, Levack, McCreedy East, Onaping, McCreedy West, Hardy).

The ore zones are hosted in a suite of sulphide and inclusion-rich sublayer norites and leucocratic breccias. Hangingwall rocks comprise basal mafic norite with the felsic norite of the main SIC overlying the mineralized zones. Brecciated rocks of the Levack Complex, consisting of granodiorite, granodiorite-gneiss and migmatites, form the footwall to the deposits. The ore-hosting sublayer phase consists dominantly of granite breccia with subordinate sublayer norite and xenolithic norite.

5.2.3 Deposit Types

At the McCreedy West Mine, mineralization occurs as Contact and Footwall Deposits. Previous operations exploited both **Contact Cu-Ni** mineralization along the base of SIC and within the granite breccia-filled embayment, and **Footwall Cu-Ni-PGM** mineralization in the footwall Sudbury Breccia environment.

The **Contact Deposits** on the property (Upper Main, East Main and Boundary/Lower Main), (Figure 9), are related to a suite of sulphide and inclusion-rich sublayer norites and leucocratic granitic breccias. The orebodies occupy embayment structures that


FORT KNOX GOLD RESOURCES INC.
McCREEDY WEST MINE PROPERTY
Contact Deposits - Longitudinal Section
Target Areas
Surface
East Main Zone
Upper Main Zone
Mined Out
Mineralized Zone
Borehole Pierce Point
700 L
Falconbridge
1650 L
Boundary / Lower Main Zone
0
500
ft
2000 E
4000 E
Falconbridge
FIGURE 9

penetrate into the footwall of the SIC. These embayment structures are characterized by significant thickening of the mafic norite and sublayer units accompanied by thicker zones of footwall breccia. Hangingwall rocks composed of basal mafic norite and felsic norite of the main SIC overlie the contact mineralized zones. Brecciated rocks of the Levack complex consisting of granodiorite, granodiorite gneiss and migmatites form the footwall to the deposits.

These contact deposits are typified by Ni contents much higher than the Cu content, and contain negligible precious metal values. The depletion in Cu and PGMs in these zones is reflected in the high Cu and PGM values in the adjacent Footwall Deposits.

The **Footwall Type** Cu-Ni- PGM vein deposits are represented by three deposits known as 700 Vein Complex; 950 Vein Complex; and the PM Zone.

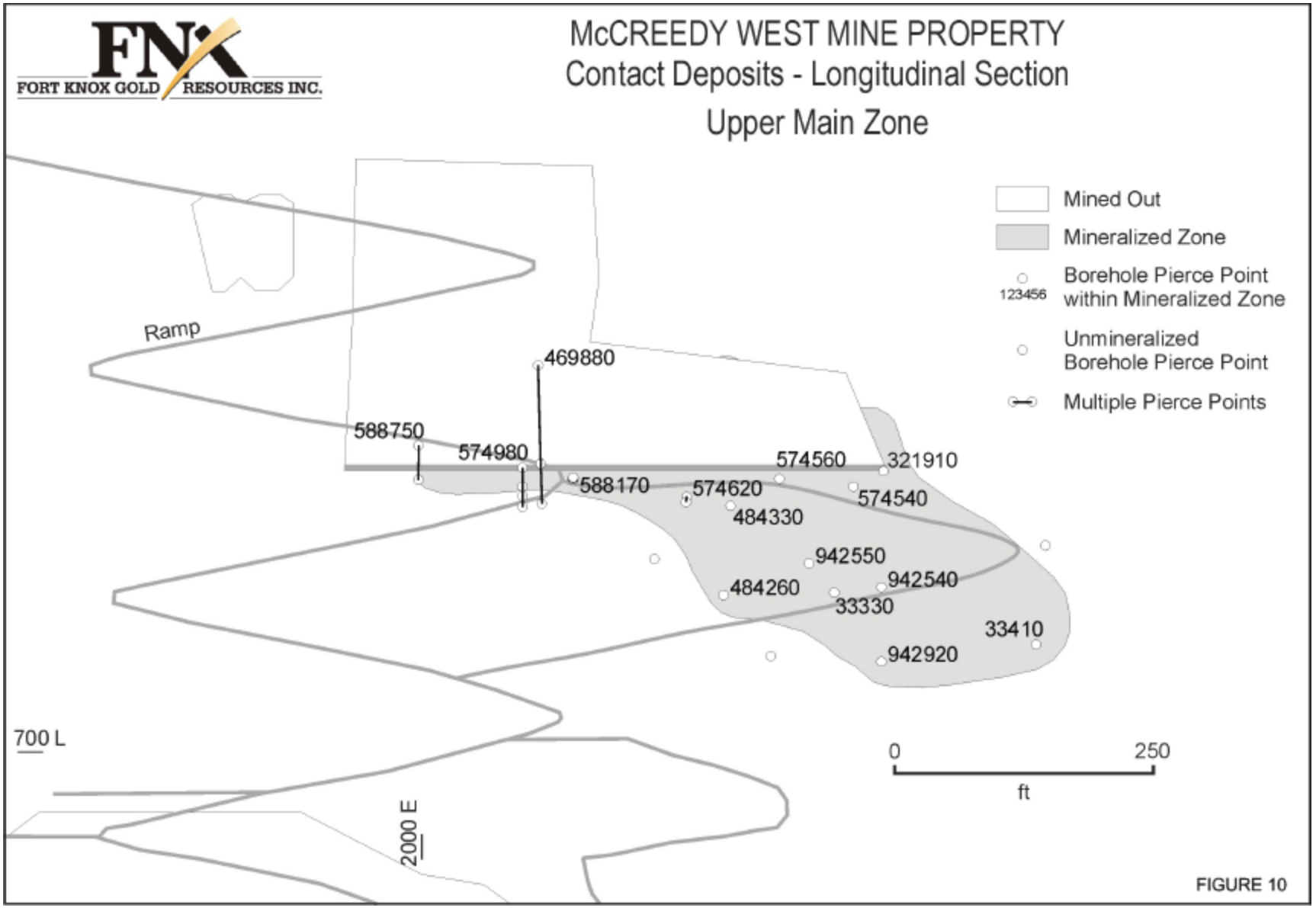
5.2.4 **Contact-Type** Deposit Targets

5.2.4.1 **Upper Main** Ni-Cu Zone,

This zone, (Figure 9), was completely mined out from the 250 ft Level to the 600 ft Level. It consists of disseminated and massive nickel sulphide occurring at the base of the SIC. The mineralization extends 100 to 150 ft below the 600 Level, and remains un-mined at this location.

Twenty-five significant graded intersections of Cu-Ni mineralization were cut in the 14 holes drilled to test for extensions below the 600 L. The pierce points of these holes are shown in Figure 10. Fourteen of these intersections were in excess of 10 ft with the following examples best demonstrating potential.

- **0.75% Cu, 2.19 % Ni, over 44.6 ft**. in drillhole 588170.
- **0.73% Cu, 2.21 % Ni, over 19.3 ft.** in drillhole 574540.
- **0.74% Cu, 2.01% Ni. over 34.0 ft.** in drillhole 574560.


FORT KNOX GOLD RESOURCES INC.
McCREEDY WEST MINE PROPERTY
Contact Deposits - Longitudinal Section
Upper Main Zone
Mined Out
Mineralized Zone
123456
Borehole Pierce Point within Mineralized Zone
Unmineralized Borehole Pierce Point
Multiple Pierce Points
Ramp
469880
588750
574980
574560
321910
588170
574620
574540
484330
942550
942540
484260
33330
33410
942920
700 L
2000 E
0
250
ft
FIGURE 10

The graded intersections for this zone are displayed in Table 10.

Table 10: McCreedy West: Upper Main Zone – Graded Assays

BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
33330	627.6	637.0	9.4	0.17	1.34	0.00	0.00	0.00	0.00	0.0
33410	686.8	695.5	8.7	0.12	2.06	0.00	0.00	0.00	0.00	0.0
469880	417.4	426.2	8.8	0.95	1.95	0.01	0.01	0.00	0.02	0.7
	509.6	524.7	15.1	0.37	1.43	0.00	0.00	0.00	0.00	0.1
	552.6	559.6	7.0	0.42	1.56	0.00	0.00	0.00	0.01	0.2
484260	621.5	646.0	24.5	0.39	1.24	0.00	0.00	0.00	0.01	0.2
484330	538.9	558.9	20.0	0.68	1.90	0.00	0.01	0.00	0.01	0.3
574540	**145.7**	**165.0**	**19.3**	**0.73**	**2.21**	**0.00**	**0.01**	**0.00**	**0.01**	**0.2**
574560	**128.5**	**162.5**	**34.0**	**0.74**	**2.01**	**0.01**	**0.01**	**0.00**	**0.01**	**0.4**
574620	130.5	147.0	16.5	0.29	1.98	0.00	0.00	0.00	0.00	0.0
	233.2	237.0	3.8	0.39	3.09	0.00	0.00	0.00	0.00	0.0
574980	359.0	365.4	6.4	0.16	1.50	0.00	0.00	0.00	0.00	0.1
	375.0	387.0	12.0	0.20	1.03	0.00	0.00	0.00	0.00	0.0
	388.2	392.4	4.2	0.20	1.27	0.00	0.00	0.00	0.00	0.1
	397.8	404.0	6.2	0.13	1.69	0.00	0.00	0.00	0.00	0.0
588170	**214.5**	**259.1**	**44.6**	**0.75**	**2.19**	**0.00**	**0.00**	**0.00**	**0.00**	**0.0**
	283.4	320.5	37.1	0.60	1.88	0.00	0.00	0.00	0.00	0.0
	341.3	343.1	1.8	0.52	3.30	0.00	0.00	0.00	0.00	0.0
	354.9	371.5	16.6	0.51	1.33	0.00	0.00	0.00	0.00	0.0
588750	329.7	336.0	6.3	0.30	1.78	0.01	0.00	0.00	0.01	0.3
	350.5	382.3	31.8	0.67	1.96	0.00	0.00	0.00	0.01	0.3
942540	416.8	439.0	22.2	0.71	1.74	0.00	0.00	0.00	0.00	0.0
942550	241.8	318.6	76.8	0.35	2.16	0.00	0.00	0.00	0.00	0.0
942920	521.3	530.2	8.9	0.38	1.38	0.00	0.00	0.00	0.00	0.0

This zone is potentially mineable and an engineering assessment is recommended.

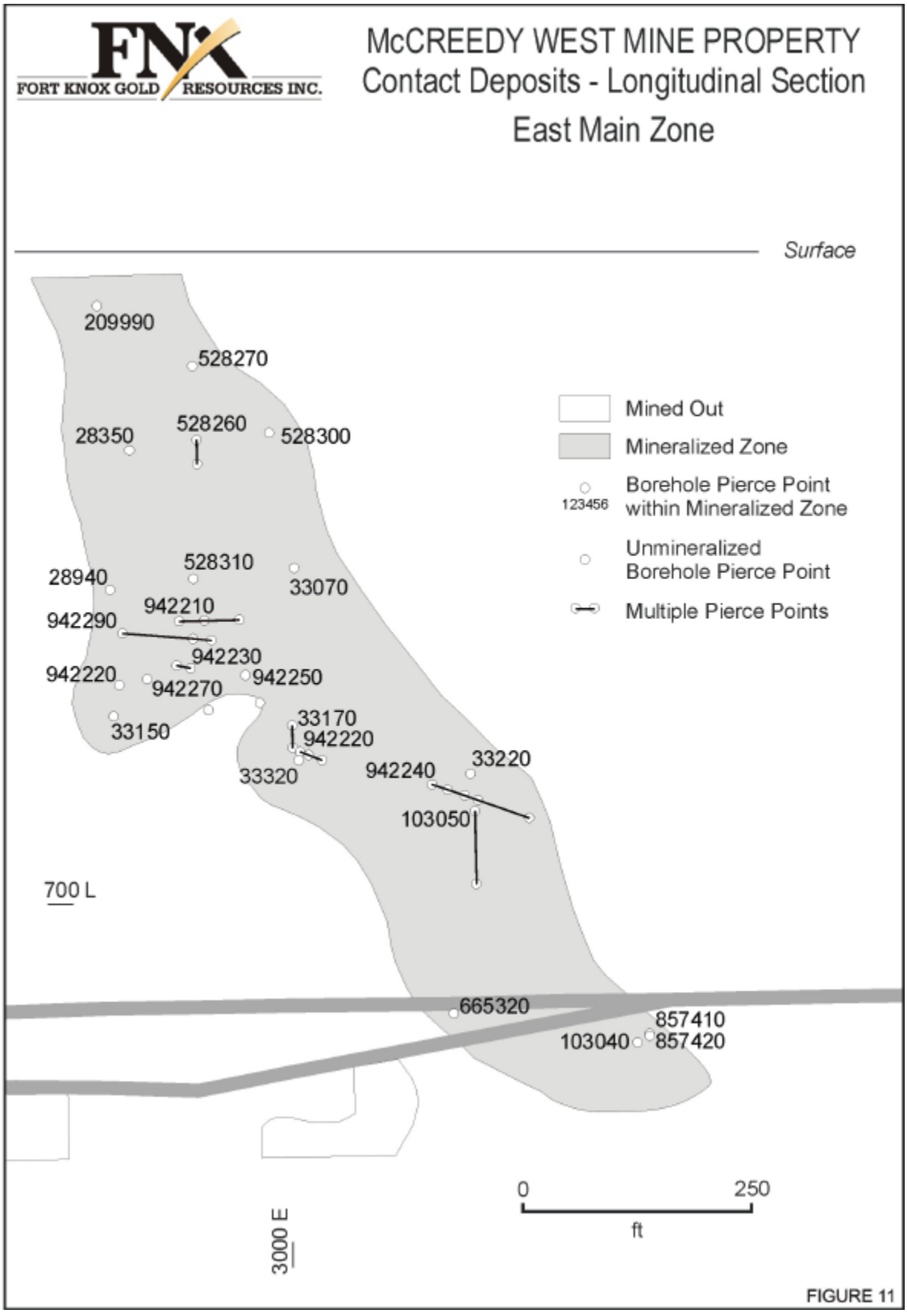
5.2.4.2 **East Main** Ni-Cu Zone

This zone (Figure 9) occurs between 200 and 920 ft levels, east of the main ramp. It is characterized by massive to inclusion-rich massive sulphide situated at or near the base of the SIC contact. A portion of this zone was mined above the 950 Level in 1997. Twenty-three drillholes (Figure 11) cut 38 significant intersections with 17 of these in excess of 10 ft., (Table 11). Precious metal values are low. Intersections demonstrating potential are

- **0.40% Cu, 1.69% Ni over 109.1 ft.** in drillhole 665320
- **0.28% Cu, 3.74% Ni over 20.3 ft.** in drillhole 857410
- **0.94% Cu, 1.52% Ni, over 50.7 ft.** in drillhole 33150

Table 11: McCreedy West: East Main Zone – Graded Assays

BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
103040	969.3	987.3	18.0	0.25	2.26	0.00	0.00	0.00	0.01	0.3
103050	721.4	728.9	7.5	0.59	0.97	0.00	0.00	0.00	0.01	0.2
	801.8	807.9	6.1	0.72	2.71	0.00	0.00	0.00	0.01	0.2
209990	110.7	167.1	56.4	0.38	2.38	0.00	0.00	0.00	0.00	0.1
Including	142.7	167.1	24.4	0.57	4.72	0.00	0.00	0.00	0.00	0.0
28350	285.8	306.9	21.1	0.46	4.43	0.00	0.00	0.00	0.00	0.0
28940	447.3	451.2	3.9	0.55	1.79	0.00	0.00	0.00	0.00	0.0
33070	458.7	459.3	0.6	0.52	3.03	0.00	0.00	0.00	0.00	0.0
33150	**597.3**	**648.0**	**50.7**	**0.94**	**1.52**	**0.00**	**0.00**	**0.00**	**0.00**	**0.0**
Including	609.5	648.0	38.5	1.06	1.76	0.00	0.00	0.00	0.00	0.0
33170	626.0	641.2	15.2	0.32	1.21	0.00	0.00	0.00	0.00	0.0
	647.2	668.7	21.5	0.39	1.71	0.00	0.00	0.00	0.00	0.0
33220	679.0	695.5	16.5	0.25	0.50	0.00	0.00	0.00	0.00	0.0
528260	279.3	289.9	10.6	0.41	3.98	0.00	0.00	0.00	0.00	0.0
	307.8	314.2	6.4	0.56	3.70	0.00	0.00	0.00	0.00	0.0
528270	207.5	211.5	4.0	0.38	0.98	0.00	0.00	0.00	0.00	0.0
528300	282.6	288.9	6.3	0.37	1.28	0.00	0.00	0.00	0.00	0.0
528310	434.3	448.0	13.7	0.22	1.64	0.00	0.00	0.00	0.00	0.1
665320	**102.1**	**211.2**	**109.1**	**0.40**	**1.69**	**0.00**	**0.00**	**0.00**	**0.00**	**0.0**
857410	**16.9**	**37.2**	**20.3**	**0.28**	**3.74**	**0.00**	**0.00**	**0.00**	**0.00**	**0.1**
857420	21.5	34.8	13.3	0.34	2.79	0.00	0.01	0.00	0.01	0.3
942210	282.0	284.0	2.0	0.84	2.76	0.00	0.00	0.00	0.00	0.0
	295.4	332.4	37.0	0.30	1.58	0.00	0.00	0.00	0.00	0.0
	353.9	359.2	5.3	0.88	2.26	0.00	0.00	0.00	0.00	0.0
942220	236.7	239.1	2.4	2.86	2.26	0.01	0.02	0.01	0.04	1.1
	486.7	490.6	3.9	0.46	1.64	0.00	0.00	0.00	0.00	0.0
	497.7	503.3	5.6	0.18	1.30	0.00	0.00	0.00	0.00	0.0
	517.3	521.0	3.7	0.58	1.34	0.00	0.00	0.00	0.00	0.0
942230	305.0	311.3	6.3	0.72	2.06	0.00	0.01	0.00	0.01	0.2
	320.0	334.0	14.0	0.34	2.15	0.00	0.00	0.00	0.00	0.0
942240	615.6	620.4	4.8	0.64	2.68	0.00	0.00	0.00	0.00	0.0
	635.8	640.4	4.6	0.52	1.36	0.00	0.00	0.00	0.00	0.1
	658.4	661.8	3.4	0.32	2.08	0.00	0.00	0.00	0.00	0.0
	675.5	678.0	2.5	0.48	2.51	0.00	0.00	0.00	0.00	0.1
	737.7	747.0	9.3	0.54	1.51	0.00	0.00	0.00	0.00	0.0
942250	366.4	372.2	5.8	1.74	2.60	0.00	0.01	0.00	0.01	0.2
942270	295.4	348.5	53.1	0.63	1.62	0.00	0.00	0.00	0.00	0.0
942290	228.3	238.3	10.0	0.48	1.46	0.00	0.00	0.00	0.00	0.0
	323.1	331.5	8.4	0.50	1.46	0.00	0.00	0.00	0.00	0.0
	344.5	358.9	14.4	0.36	1.30	0.00	0.00	0.00	0.00	0.0


FORT KNOX GOLD RESOURCES INC.
McCREEDY WEST MINE PROPERTY
Contact Deposits - Longitudinal Section
East Main Zone
Surface
209990
528270
28350
528260
528300
528310
28940
33070
942210
942290
942230
942220
942250
942270
33170
33150
942220
33320
942240
33220
103050
700 L
665320
857410
103040
857420
Mined Out
Mineralized Zone
123456
Borehole Pierce Point within Mineralized Zone
Unmineralized Borehole Pierce Point
Multiple Pierce Points
0
250
ft
3000 E
FIGURE 11

This East Main Zone is potentially mineable and an engineering assessment is recommended.

5.2.4.2 **Boundary/Lower Main** Ni-Cu Zone

This Zone (Figure 9) has been mined to the 1450 ft Level. Wide-spaced drilling below this level suggests that it may extend 450 m (1500 ft) down plunge and down dip towards the property boundary. The mineralization occurs along the basal contact of the SIC and consists of disseminated to massive chalcopyrite, pentlandite and pyrrhotite. The Cu-Ni mineralization ranges in thickness from 6.5 – 46 ft and dips from 35 to 60° south.

Forty intersections, (Figure 12 & Table 12), of which 20 are in excess of 10 ft., were cut in 25 drill holes below the 1450 L. Intersections demonstrating potential are

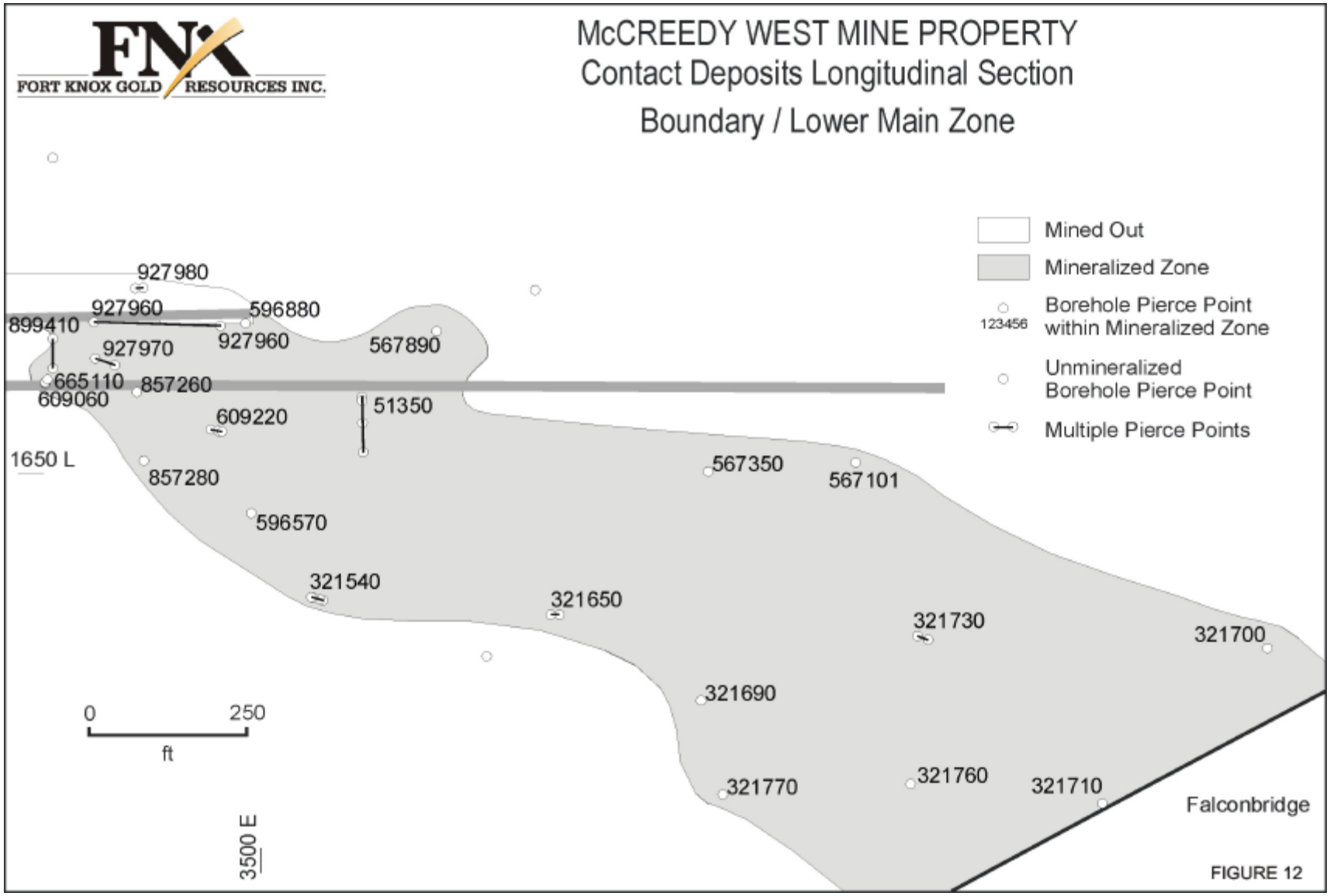
- **0.32% Cu, 2.02% Ni, over 27.9 ft.** in drillhole 596880
- **1.08% Cu, 4.68% Ni over 8.8 ft.** in drillhole 857280
- **0.31% Cu, 2.47% Ni over 23.5 ft.** in drillhole 321700

Table 12: McCreedy West: Boundary/Lower Main Zone – Graded Assays

BHID	FROM	TO	LENGTH	Cu	Ni
	ft	ft	ft	%	
321540	764.0	770.4	6.4	0.16	1.62
	785.4	793.1	7.7	0.07	1.23
	835.5	841.9	6.4	0.13	1.23
	847.8	857.6	9.8	0.27	1.45
321580	515.0	522.5	7.5	0.15	0.55
321650	924.1	930.1	6.0	0.98	3.46
	984.6	997.6	13.0	0.71	2.58
321690	825.0	850.0	25.0	0.18	1.60
321700	**1225.0**	**1248.5**	**23.5**	**0.31**	**2.47**
321710	866.7	871.3	4.6	0.18	1.75
321730	728.0	740.0	12.0	0.26	1.53
	809.0	816.0	7.0	0.28	1.31
321760	734.5	737.0	2.5	0.35	1.06
321770	729.2	733.8	4.6	0.61	1.72
567101	877.0	879.8	2.8	0.13	1.74
51350	1614.0	1629.0	15.00	0.09	1.20
Including	1614.0	1619.0	5.0	0.06	1.37

BHID	FROM	TO	LENGTH	Cu	Ni
	ft	ft	ft	%	
Including	1624.0	1630.6	6.6	0.15	1.30
51350	1655.6	1671.7	16.1	0.19	1.64
	1710.2	1712.6	2.4	1.30	3.51
567350	917.4	920.4	3.0	0.17	3.36
567890	507.1	536.8	29.7	0.12	1.77
596570	959.0	963.1	4.1	0.27	0.94
596880	**560.8**	**588.7**	**27.9**	**0.32**	**2.02**
609060	578.0	603.1	25.1	0.09	1.09
	630.2	650.0	19.8	0.18	1.54
	700.1	711.7	11.6	0.30	1.45
609220	686.1	720.0	33.9	0.12	1.23
	730.0	740.0	10.0	0.14	1.11
	750.0	754.7	4.7	0.21	2.10
665110	391.4	397.8	6.4	1.71	1.08
857260	701.3	702.3	1.0	0.38	4.04
857280	**735.6**	**744.4**	**8.8**	**1.08**	**4.68**
899410	62.0	97.1	35.1	0.39	1.35
	440.0	450.9	10.9	0.06	1.02
	499.5	513.4	13.90	0.11	1.95
927960	184.3	195.2	10.9	0.25	1.38
	405.3	416.6	11.3	0.34	2.70
927970	183.4	198.8	15.4	0.09	1.25
927970	220.3	230.2	9.9	0.30	2.86
927980	281.1	284.7	3.6	0.40	1.76
	292.9	303.3	10.4	0.16	1.34

Additional surface diamond drilling and borehole UTEM-4 is recommended to test the known zone of mineralization as well as to explore the entire SIC contact environment below 1450 Level towards the property boundary to the south.


FORT KNOX GOLD RESOURCES INC.
McCREEDY WEST MINE PROPERTY
Contact Deposits Longitudinal Section
Boundary / Lower Main Zone
Mined Out
Mineralized Zone
123456
Borehole Pierce Point within Mineralized Zone
Unmineralized Borehole Pierce Point
Multiple Pierce Points
927980
927960
596880
899410
927960
927970
567890
665110
857260
609060
609220
51350
1650 L
857280
567350
567101
596570
321540
321650
321730
321700
321690
0
250
ft
321770
321760
321710
Falconbridge
3500 E
FIGURE 12

5.2.5 **Footwall-Type** Deposit Targets

The **Footwall Type** Cu-Ni- PGM vein deposits are represented by three deposits known as 700 Vein Complex; 950 Vein Complex; and the PM Zone. The relationships of these are shown on Figure 13.

5.2.5.1 **700 Vein Complex**

This Zone, located between the 500 and 700 Levels, is part of an eastward-plunging and south-dipping structural zone contained within an area of footwall Sudbury Breccia that extends from surface to a depth of 3000 ft. The zone was partially mined in 1997 prior to the mine being closed and production from narrow veins totalled 41,000 tons averaging **5.35% Cu, 0.56% Ni, 0.053 oz/ton Pt, 0.053 oz/ton Pd and 0.023 oz/ton Au. (0.13 oz/t TPM).**

One hundred and ninety-eight drillholes with 437 significant intersections have been reported from this zone (Table 13). One hundred –twenty eight (29.3%) of the intersections are in excess of 0.5 oz/t, with the highest being 3.53 oz/t over 0.4 ft. in drillhole 927210. Individual veins, ranging in thickness from several inches up to 13 ft, are composed of massive chalcopyrite with accessory pentlandite and pyrrhotite, and have strike and dip lengths ranging from 25 to 350 ft. (Figure 14). The average grade of the massive sulphide veins is **25.5% Cu, 2.2% Ni, 0.138 oz/t Pt, 0.257 oz/t Pd, 0.087 oz/t Au (0.48 oz/t TPM).** Intersections demonstrating potential include

- **13.50% Cu, 17.4% Ni, 0.57 oz/t TPM over 2.5 ft.** in drillhole 321990
- **13.93% Cu, 2.20% Ni, 0.51 oz/t TPM over 14.5 ft.** in drillhole 857060
- **5.50% Cu, 0.16% Ni, 0.20 oz/t TPM over 27.2 ft.** in drillhole 857940
- **28.60% Cu, 4.46% Ni, 1.04 oz/t TPM over 2.4 ft.** in drillhole 899950
- **13.35% Cu, 3.80% Ni, 0.60 oz/t TPM over 11.8 ft.** in drillhole 908370
- **30.60% Cu, 0.30% Ni, 0.67 oz/t TPM over 4.0 ft.** in drillhole 916470
- **1.00% Cu, 0.18% Ni, 0.16 oz/t TPM over 117.2 ft.** in drillhole 916500
- **31.10% Cu, 0.36% Ni, 0.59 oz/t TPM over 3.0 ft,** in drillhole 942040

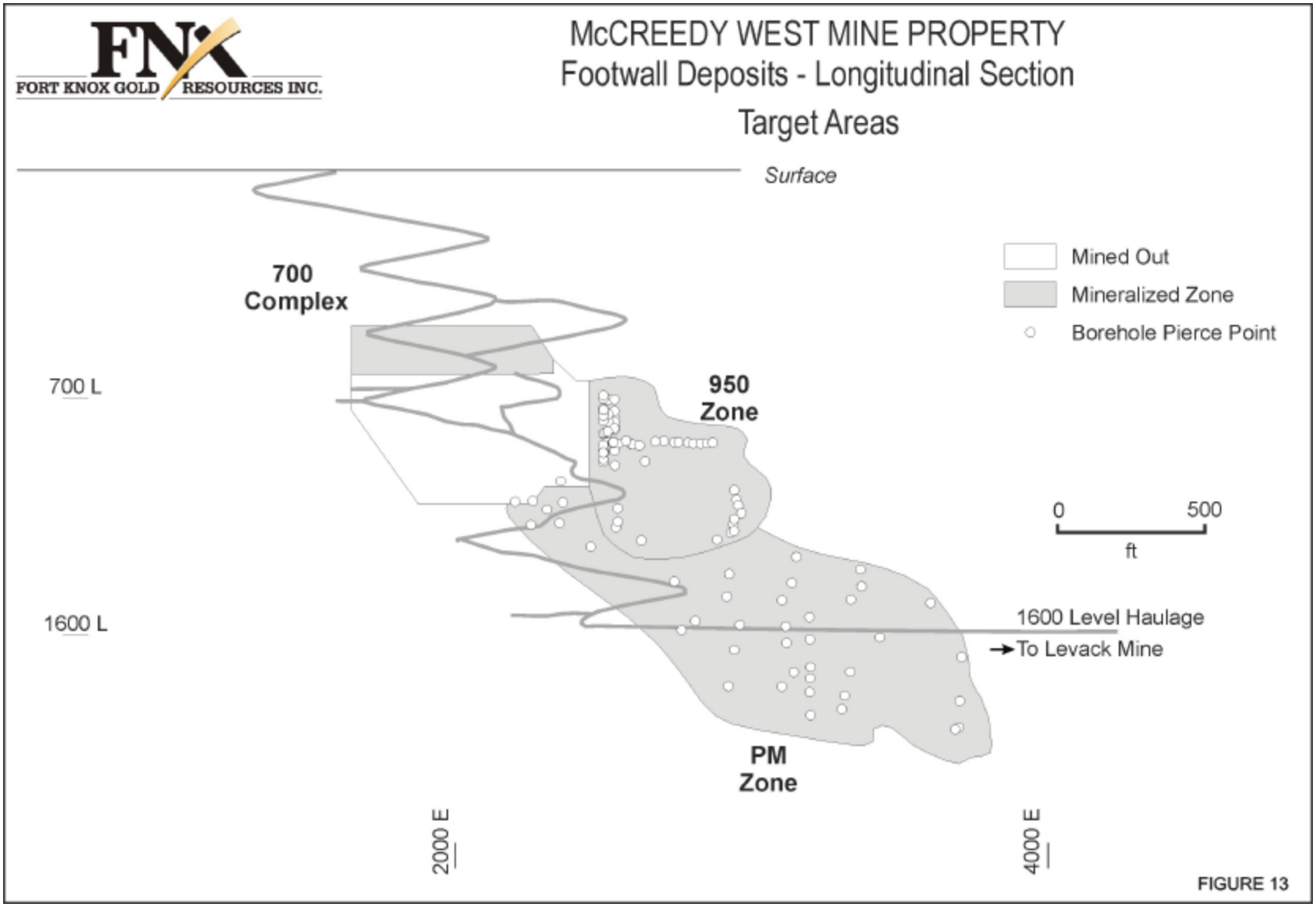

FORT KNOX GOLD RESOURCES INC.
McCREEDY WEST MINE PROPERTY
Footwall Deposits - Longitudinal Section
Target Areas
Surface
700 Complex
950 Zone
PM Zone
Mined Out
Mineralized Zone
Borehole Pierce Point
700 L
1600 L
0
500
ft
1600 Level Haulage
To Levack Mine
2000 E
4000 E
FIGURE 13

Table 13: McCreedy West: 700 Vein Complex – Graded Assays

BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
321790	222.5	224.5	2.0	25.57	0.58	0.15	0.48	0.02	0.65	20.2
	351.8	357.6	5.8	1.09	0.15	0.06	0.06	0.02	0.15	4.5
	367.0	371.5	4.5	1.71	0.09	0.05	0.05	0.14	0.25	7.7
321820	217.0	221.5	4.5	12.62	0.84	0.08	0.14	0.05	0.27	8.5
	252.0	253.3	1.3	23.77	1.98	0.13	0.50	0.26	0.89	27.7
321830	358.0	377.3	19.3	2.50	1.54	0.12	0.12	0.05	0.29	8.9
321840	21.0	23.8	2.8	19.59	0.41	0.06	0.12	0.05	0.23	7.0
	122.0	123.9	1.9	10.38	0.80	0.14	0.28	0.94	1.36	42.2
321850	9.4	10.7	1.3	18.86	1.76	0.06	0.12	0.10	0.28	8.7
	59.0	71.0	12.0	3.99	0.42	0.03	0.05	0.11	0.20	6.1
	82.8	83.6	0.8	23.13	0.71	0.15	0.34	0.00	0.49	15.4
	115.0	116.5	1.5	26.94	0.19	0.32	0.60	0.04	0.96	29.8
	134.2	137.0	2.8	4.37	1.87	0.04	0.10	0.04	0.18	5.6
	168.0	169.3	1.3	13.12	5.32	0.24	0.25	0.38	0.86	26.8
	208.7	210.4	1.7	12.71	1.04	0.28	0.36	0.67	1.30	40.5
321941	389.0	391.0	2.0	29.71	1.23	0.62	0.50	0.04	1.16	36.2
321950	306.0	312.5	6.5	1.26	0.19	0.06	0.05	0.06	0.18	5.6
	356.4	403.1	46.7	1.77	0.44	0.11	0.06	0.01	0.19	5.8
321960	224.7	229.0	4.3	3.69	2.20	0.05	0.07	0.03	0.14	4.4
	360.8	367.8	7.0	3.28	0.10	0.06	0.08	0.01	0.16	4.8
321970	101.4	108.1	6.7	4.92	0.36	0.03	0.06	0.03	0.12	3.9
	158.8	160.3	1.5	29.26	0.98	0.22	0.41	0.15	0.78	24.2
	203.9	205.0	1.1	17.10	0.88	0.18	0.28	0.22	0.67	20.8
	262.4	273.2	10.8	4.05	0.44	0.07	0.08	0.01	0.16	4.9
	312.7	319.0	6.3	8.61	0.63	0.14	0.23	0.03	0.40	12.3
	331.9	335.1	3.2	6.84	1.61	0.13	0.22	0.20	0.55	17.1
321990	**127.5**	**130.0**	**2.5**	**13.50**	**17.40**	**0.25**	**0.26**	**0.06**	**0.57**	**17.7**
322000	189.3	209.5	20.2	1.99	0.32	0.01	0.03	0.11	0.15	4.7
	240.8	246.5	5.7	9.90	1.39	0.13	0.18	0.08	0.39	12.2
469890	721.7	746.0	24.3	8.23	1.25	0.06	0.10	0.01	0.17	5.2
469911	698.7	703.3	4.6	23.53	0.50	0.05	0.19	0.08	0.31	9.8
469960	718.5	725.0	6.5	6.48	2.55	0.07	0.10	0.03	0.20	6.2
469970	662.3	675.5	13.2	19.24	0.13	0.11	0.25	0.02	0.38	11.8
	697.0	712.3	15.3	3.94	0.26	0.02	0.03	0.04	0.09	2.8
	761.2	762.2	1.0	23.48	0.93	0.10	0.31	0.24	0.65	20.2
469991	764.5	774.8	10.3	5.31	1.69	0.06	0.14	0.02	0.21	6.5
470000	589.0	591.5	2.5	26.40	2.04	0.06	0.09	0.04	0.19	5.8
	650.0	659.4	9.4	2.91	1.93	0.07	0.12	0.04	0.23	7.2
	688.5	690.3	1.8	13.31	0.20	0.05	0.19	0.02	0.26	8.0
	758.0	762.0	4.0	29.70	1.53	0.13	0.36	0.02	0.51	16.0
484280	579.9	585.0	5.1	26.82	1.34	0.10	0.22	0.03	0.35	10.8
	645.5	647.2	1.7	22.48	1.71	0.13	0.46	0.13	0.72	22.5

Table 13: 700 Vein (Continued)										
BHID	**FROM**	**TO**	**LENGTH**	**Cu**	**Ni**	**Pt**	**Pd**	**Au**	**TPM**	**TPM**
	ft	**ft**	**ft**	**%**		**oz/t**				**g/t**
484280	702.4	703.2	0.8	21.73	0.55	0.14	0.44	0.06	0.64	20.0
	741.5	742.2	0.7	18.68	7.02	0.17	0.32	0.40	0.89	27.8
	755.5	759.0	3.5	4.45	0.15	0.06	0.07	0.36	0.49	15.4
551110	364.4	371.1	6.7	9.24	0.53	0.08	0.15	0.01	0.23	7.3
	481.7	483.1	1.4	13.64	0.65	0.21	0.27	0.10	0.59	18.2
	547.7	556.0	8.3	4.88	1.15	0.15	0.21	0.06	0.42	13.1
551120	418.8	423.8	5.0	0.78	0.15	0.11	0.05	0.03	0.18	5.7
	449.8	457.8	8.0	4.27	0.29	0.11	0.12	0.30	0.53	16.4
	597.7	598.4	0.7	17.61	0.38	1.16	1.76	0.00	2.92	91.0
551320	171.4	175.9	4.5	23.60	4.29	0.06	0.20	0.05	0.31	9.5
	216.6	217.5	0.9	24.87	1.46	0.06	0.12	0.12	0.30	9.4
551420	325.4	326.6	1.2	24.44	0.14	0.14	0.28	0.04	0.47	14.5
	373.7	378.7	5.0	2.80	0.08	0.06	0.10	0.03	0.18	5.7
	444.4	457.3	12.9	4.64	1.12	0.10	0.07	0.02	0.18	5.7
	495.0	510.0	15.0	0.59	0.20	0.25	0.09	0.04	0.38	11.8
551430	141.7	158.8	17.1	0.29	0.10	0.07	0.11	0.08	0.26	8.2
551470	189.1	191.2	2.1	29.99	0.39	0.04	0.15	0.01	0.19	5.9
574160	432.9	435.6	2.7	7.23	0.22	0.20	0.15	0.98	1.33	41.3
	538.9	539.8	0.9	3.49	8.20	0.39	0.18	0.06	0.63	19.7
574370	376.1	376.8	0.7	22.07	0.84	0.52	0.58	0.04	1.13	35.1
574390	531.5	542.0	10.5	0.23	0.05	0.31	0.14	0.01	0.45	14.1
574510	398.5	403.5	5.0	2.71	0.07	0.05	0.13	0.02	0.19	6.0
665930	99.2	100.2	1.0	27.28	1.16	0.08	0.21	0.24	0.53	16.5
665940	53.5	54.5	1.0	18.34	3.46	0.41	0.34	0.06	0.81	25.3
665980	69.0	110.0	41.0	4.37	1.44	0.11	0.11	0.02	0.25	7.6
665990	78.5	82.8	4.3	5.41	1.15	0.16	0.15	0.03	0.34	10.5
666000	36.3	48.9	12.6	6.11	1.64	0.11	0.09	0.02	0.22	6.9
857010	85.3	87.0	1.7	28.54	0.23	0.09	0.22	0.07	0.38	11.9
857020	89.8	106.5	16.7	2.16	0.29	0.05	0.06	0.05	0.17	5.3
	130.5	145.7	15.2	5.75	1.23	0.11	0.11	0.01	0.24	7.3
857030	47.2	60.6	13.4	1.88	0.81	0.05	0.05	0.04	0.14	4.4
	106.3	114.7	8.4	6.00	0.84	0.15	0.20	0.03	0.38	11.7
857040	10.4	11.4	1.0	24.01	0.97	0.10	0.35	0.38	0.83	25.9
	50.0	57.0	7.0	2.85	0.74	0.03	0.05	0.14	0.22	6.8
	91.4	93.0	1.6	22.43	4.09	0.82	0.31	0.39	1.52	47.4
857050	77.0	84.4	7.4	7.19	0.88	0.08	0.15	0.05	0.28	8.8
	130.6	140.2	9.6	9.79	0.55	0.20	0.20	0.05	0.46	14.4
857060	**0.0**	**14.5**	**14.5**	**13.93**	**2.20**	**0.08**	**0.18**	**0.25**	**0.51**	**16.0**
	35.3	46.8	11.5	5.90	1.92	0.04	0.08	0.04	0.16	5.0
857070	35.8	41.5	5.7	13.44	1.47	0.04	0.12	0.05	0.21	6.4
857080	0.0	2.5	2.5	2.55	1.22	0.09	0.04	0.16	0.29	8.9
	22.2	28.8	6.6	10.52	2.06	0.04	0.14	0.01	0.19	6.0
	80.5	82.7	2.2	29.01	1.26	0.09	0.12	0.01	0.22	6.7
857090	0.0	11.5	11.5	14.80	0.32	0.09	0.12	0.02	0.23	7.3

Table 13: 700 Vein (Continued)										
BHID	**FROM**	**TO**	**LENGTH**	**Cu**	**Ni**	**Pt**	**Pd**	**Au**	**TPM**	**TPM**
	ft	**ft**	**ft**	**%**		**oz/t**				**g/t**
857090	79.0	82.5	3.5	21.59	0.42	0.08	0.11	0.10	0.29	9.1
857100	138.5	142.0	3.5	23.20	0.26	0.36	0.39	0.08	0.83	25.7
	159.2	161.0	1.8	7.70	0.98	0.21	0.15	0.06	0.42	13.1
857180	128.5	138.0	9.5	4.32	0.94	0.03	0.06	0.10	0.19	5.8
857320	36.7	40.7	4.0	11.85	0.24	0.04	0.08	0.00	0.11	3.5
	82.3	85.0	2.7	29.70	0.30	0.03	0.11	0.01	0.15	4.7
857330	9.0	9.9	0.9	21.70	1.54	0.07	0.33	0.02	0.41	12.9
	51.2	51.8	0.6	13.95	14.30	0.04	0.02	0.09	0.15	4.6
857340	90.8	92.6	1.8	25.50	5.14	0.04	0.12	0.02	0.18	5.5
857630	81.2	82.6	1.4	23.20	0.28	0.10	0.24	0.16	0.50	15.6
857640	39.0	48.8	9.8	7.13	0.36	0.04	0.09	0.33	0.46	14.3
857780	28.2	31.0	2.8	13.95	1.38	0.20	0.22	0.01	0.43	13.3
	56.0	69.0	13.0	1.69	0.72	0.04	0.04	0.01	0.09	2.9
	90.0	91.0	1.0	20.60	1.64	0.31	0.23	0.03	0.57	17.7
857790	17.7	19.5	1.8	19.30	0.98	0.18	0.13	0.03	0.34	10.6
857810	116.2	130.5	14.3	4.71	2.58	0.07	0.06	0.21	0.34	10.5
	146.2	148.0	1.8	27.70	1.60	0.18	0.22	0.19	0.59	18.4
	205.8	226.3	20.5	3.52	0.54	0.07	0.12	0.20	0.39	12.3
	238.0	251.5	13.5	4.87	0.79	0.12	0.19	0.01	0.32	10.1
857820	8.1	12.5	4.4	17.75	0.12	0.05	0.15	0.01	0.22	6.7
	99.7	104.6	4.9	6.09	0.40	0.08	0.11	0.01	0.20	6.3
	136.4	143.5	7.1	7.88	2.27	0.10	0.16	0.04	0.30	9.2
	163.5	168.0	4.5	27.80	1.64	0.26	0.14	0.26	0.66	20.5
857840	23.4	29.6	6.2	6.67	1.29	0.03	0.03	0.13	0.19	6.0
	61.0	64.7	3.7	13.05	0.32	0.05	0.07	0.01	0.13	4.1
857890	29.0	34.0	5.0	18.20	0.66	0.07	0.12	0.06	0.25	7.8
	149.0	185.0	36.0	2.56	0.24	0.06	0.06	0.03	0.15	4.5
	225.4	235.4	10.0	2.36	2.42	0.14	0.17	0.02	0.33	10.4
857900	0.0	32.0	32.0	4.14	0.66	0.05	0.07	0.02	0.15	4.5
	122.5	123.1	0.6	24.10	1.40	0.17	0.32	0.60	1.09	33.9
	151.8	206.0	54.2	1.39	0.56	0.14	0.07	0.01	0.22	6.8
857920	99.5	104.0	4.5	4.75	0.14	0.08	0.14	0.01	0.22	7.0
	125.8	137.5	11.7	5.08	0.18	0.15	0.11	0.26	0.52	16.2
	152.6	181.5	28.9	1.10	0.31	0.07	0.07	0.03	0.17	5.2
857930	34.0	35.6	1.6	28.80	1.40	0.26	0.51	0.04	0.80	25.0
	62.2	69.5	7.3	2.59	0.06	0.05	0.06	0.01	0.12	3.6
	92.5	94.5	2.0	3.32	1.44	0.19	0.16	0.09	0.44	13.7
	132.6	134.6	2.0	6.86	4.33	0.24	0.29	0.26	0.79	24.6
857940	0.0	13.0	13.0	2.25	0.42	0.02	0.02	0.01	0.05	1.5
	53.2	54.3	1.1	25.60	2.40	0.17	0.22	0.11	0.50	15.6
	73.6	**100.8**	**27.2**	**5.50**	**0.16**	**0.08**	**0.10**	**0.02**	**0.20**	**6.1**
858000	47.5	94.4	46.9	1.49	0.23	0.04	0.03	0.01	0.08	2.6
890010	63.3	64.5	1.2	23.70	3.98	0.40	0.70	0.03	1.13	35.2
	104.0	107.5	3.5	21.20	2.22	0.39	0.58	0.15	1.12	34.8

Table 13: 700 Vein (Continued)

BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
890020	73.0	83.6	10.6	3.84	0.18	0.07	0.06	0.04	0.17	5.4
	96.5	103.7	7.2	4.98	1.49	0.15	0.10	0.01	0.26	8.1
890030	58.2	60.0	1.8	12.80	2.38	0.18	0.22	0.07	0.47	14.7
890040	27.7	32.1	4.4	13.00	0.26	0.02	0.08	0.08	0.18	5.4
	103.7	107.2	3.5	16.85	0.12	0.05	0.12	0.04	0.21	6.5
	144.6	149.1	4.5	21.70	1.22	0.15	0.33	0.18	0.66	20.5
890050	27.7	29.1	1.4	26.00	0.88	0.06	0.14	0.01	0.21	6.4
	111.9	113.0	1.1	27.50	0.80	0.12	0.12	0.60	0.84	26.1
	144.2	152.6	8.4	12.00	5.07	0.08	0.17	0.08	0.32	10.0
890060	29.6	32.0	2.4	30.20	0.82	0.08	0.22	0.04	0.34	10.5
	66.1	67.4	1.3	28.20	0.26	0.08	0.16	0.08	0.32	10.0
	108.5	110.0	1.5	20.50	1.10	0.17	0.28	0.14	0.59	18.4
	151.8	165.0	13.2	6.07	0.62	0.04	0.05	0.05	0.14	4.4
890070	34.1	36.8	2.7	27.00	0.32	0.10	0.16	0.01	0.27	8.6
	63.1	65.0	1.9	23.90	1.50	0.10	0.18	0.17	0.45	13.9
	134.5	137.8	3.3	25.30	0.90	0.15	0.28	0.05	0.48	14.8
890080	52.8	54.6	1.8	18.45	3.30	0.06	0.05	0.01	0.11	3.5
	74.0	76.2	2.2	25.70	1.18	0.08	0.20	0.06	0.34	10.4
890330	177.7	183.4	5.7	10.85	0.78	0.04	0.10	0.08	0.23	7.1
	318.4	319.5	1.1	7.62	4.64	0.06	0.17	0.12	0.35	10.9
	335.9	345.0	9.1	8.68	2.20	0.17	0.16	0.03	0.36	11.1
890460	68.0	69.0	1.0	19.60	4.89	0.08	0.12	0.02	0.23	7.1
	130.7	135.0	4.3	5.59	0.44	0.04	0.07	0.09	0.19	6.0
	148.0	153.0	5.0	12.75	8.07	0.09	0.14	0.04	0.27	8.3
	225.7	226.7	1.0	24.60	0.06	0.19	0.30	0.05	0.54	16.8
890470	157.1	159.3	2.2	17.20	0.38	0.32	0.30	0.10	0.72	22.4
890480	53.0	56.5	3.5	0.28	17.05	0.05	0.28	0.05	0.38	11.9
	102.0	103.5	1.5	24.30	1.02	0.16	0.47	0.04	0.66	20.6
899230	0.0	9.0	9.0	14.35	1.38	0.07	0.19	0.08	0.34	10.5
	133.0	139.0	6.0	2.21	0.08	0.09	0.07	0.02	0.18	5.6
	167.6	174.0	6.4	6.81	0.85	0.14	0.18	0.03	0.35	10.9
	201.5	207.5	6.0	3.60	0.10	0.12	0.10	0.03	0.25	7.8
	219.4	223.4	4.0	17.45	0.84	0.34	0.50	0.18	1.02	31.7
899260	91.0	92.0	1.0	24.90	0.72	0.33	0.34	0.28	0.95	29.5
899510	0.0	8.0	8.0	12.45	0.58	0.06	0.14	0.08	0.28	8.6
	67.3	81.2	13.9	2.96	0.96	0.04	0.07	0.01	0.12	3.7
	137.3	160.2	22.9	4.15	0.73	0.12	0.11	0.10	0.34	10.4
899530	219.6	225.0	5.4	3.12	0.56	0.14	0.13	0.04	0.31	9.5
	284.5	311.6	27.1	3.34	0.46	0.14	0.13	0.03	0.31	9.6
899540	191.9	199.0	7.1	6.24	0.52	0.14	0.07	0.08	0.29	9.1
899550	73.7	77.0	3.3	11.90	0.16	0.12	0.26	0.10	0.48	14.9
	110.3	117.5	7.2	3.02	0.32	0.06	0.10	0.03	0.19	5.9
	146.2	154.4	8.2	5.34	0.16	0.07	0.11	0.02	0.19	6.0
	185.5	187.3	1.8	18.80	0.74	0.37	0.45	0.09	0.91	28.3

Table 13: 700 Vein (Continued)										
BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
899560	130.0	131.6	1.6	19.60	9.08	0.25	0.26	0.14	0.65	20.2
899570	28.3	36.1	7.8	9.20	3.10	0.07	0.10	0.05	0.23	7.1
	112.3	138.6	26.3	3.03	0.83	0.08	0.07	0.02	0.17	5.3
899580	71.4	85.5	14.1	4.09	0.12	0.07	0.08	0.01	0.17	5.3
	107.2	132.9	25.7	4.71	1.45	0.07	0.08	0.03	0.18	5.6
899590	135.0	136.1	1.1	26.60	1.70	0.23	0.32	0.03	0.58	17.9
899600	55.1	56.5	1.4	25.80	0.46	0.05	0.13	0.01	0.19	5.9
899640	122.2	132.5	10.3	9.02	5.14	0.10	0.07	0.20	0.37	11.4
899650	56.5	63.9	7.4	13.30	1.00	0.04	0.12	0.25	0.41	12.8
	116.6	121.7	5.1	11.95	2.00	0.07	0.08	0.04	0.19	5.8
	146.1	155.0	8.9	8.18	2.50	0.10	0.08	0.04	0.21	6.5
899660	18.2	19.4	1.2	23.20	0.10	0.03	0.08	0.06	0.17	5.3
899670	63.6	69.0	5.4	28.30	2.86	0.09	0.21	0.04	0.34	10.6
	127.7	129.0	1.3	23.40	1.04	0.11	0.21	0.08	0.40	12.4
899760	29.5	32.5	3.0	14.65	2.04	0.07	0.16	0.09	0.32	10.0
	82.5	88.1	5.6	17.80	2.56	0.14	0.22	0.29	0.64	20.0
	165.4	171.3	5.9	6.68	0.14	0.04	0.06	0.18	0.28	8.8
899770	49.8	51.2	1.4	24.20	0.38	0.14	0.23	0.06	0.43	13.3
	248.5	258.7	10.2	2.78	0.22	0.08	0.11	0.07	0.26	8.0
	269.0	270.8	1.8	13.40	0.84	0.23	0.39	0.79	1.41	43.9
899780	16.2	17.9	1.7	10.75	3.86	0.06	0.17	0.01	0.24	7.5
	26.7	37.7	11.0	6.42	2.56	0.04	0.10	0.02	0.16	4.9
	71.1	74.8	3.7	16.15	1.48	0.10	0.20	0.07	0.37	11.6
	203.3	209.2	5.9	7.12	2.54	0.13	0.16	0.03	0.32	9.8
	250.2	251.4	1.2	23.50	3.22	0.37	0.63	0.82	1.82	56.5
	276.6	283.5	6.9	3.76	0.62	0.08	0.07	0.05	0.20	6.1
899790	17.2	24.3	7.1	13.30	0.74	0.05	0.16	0.04	0.25	7.8
	52.6	54.5	1.9	11.20	1.02	0.08	0.19	0.10	0.37	11.5
	67.0	68.8	1.8	23.20	1.64	0.12	0.26	0.01	0.40	12.4
	171.9	174.5	2.6	16.95	0.54	0.38	0.46	0.11	0.95	29.5
	268.8	269.8	1.0	19.20	0.42	0.19	0.63	0.02	0.84	26.1
899800	13.3	18.8	5.5	12.20	0.48	0.06	0.17	0.01	0.23	7.3
	46.7	48.1	1.4	26.10	0.16	0.14	0.31	0.05	0.51	15.7
	66.8	68.7	1.9	24.60	1.90	0.16	0.29	0.08	0.53	16.5
	136.5	163.5	27.0	5.74	0.56	0.14	0.15	0.05	0.34	10.7
	215.0	225.0	10.0	4.86	0.74	0.12	0.11	0.01	0.24	7.6
899810	69.2	75.0	5.8	8.12	0.20	0.07	0.13	0.10	0.30	9.4
	127.4	139.6	12.2	6.28	0.66	0.09	0.12	0.10	0.31	9.6
	174.2	180.0	5.8	3.02	2.08	0.08	0.09	0.02	0.18	5.7
899820	71.1	77.4	6.3	11.70	0.68	0.06	0.10	0.02	0.19	5.8
	120.0	126.5	6.5	6.00	1.86	0.07	0.12	0.04	0.23	7.2
	152.3	172.9	20.6	1.10	0.24	0.05	0.04	0.07	0.15	4.7
899830	51.0	55.8	4.8	19.60	1.20	0.15	0.23	0.04	0.43	13.3
	63.0	69.1	6.1	0.76	2.48	0.14	0.03	0.00	0.17	5.2

Table 13: 700 Vein (Continued)										
BHID	**FROM**	**TO**	**LENGTH**	**Cu**	**Ni**	**Pt**	**Pd**	**Au**	**TPM**	**TPM**
	ft	**ft**	**ft**	**%**		**oz/t**				**g/t**
899830	84.0	90.5	6.5	6.04	0.98	0.06	0.10	0.05	0.21	6.5
	119.6	150.5	30.9	2.71	0.61	0.12	0.06	0.04	0.22	6.9
899940	**188.6**	**190.6**	**2.0**	**33.60**	**0.18**	**0.13**	**0.32**	**0.00**	**0.45**	**14.1**
899950	183.5	186.9	3.4	11.15	0.56	0.04	0.11	0.54	0.70	21.6
	264.0	267.1	3.1	14.70	0.42	0.12	0.28	0.31	0.71	22.0
	290.5	**292.9**	**2.4**	**28.60**	**4.46**	**0.08**	**0.30**	**0.65**	**1.04**	**32.3**
899960	243.6	246.4	2.8	9.56	2.30	0.07	0.15	0.01	0.23	7.1
908130	73.5	76.5	3.0	19.80	0.72	0.05	0.22	0.02	0.29	9.0
	102.8	105.0	2.2	24.20	2.80	0.16	0.22	0.05	0.42	13.2
	147.6	152.9	5.3	1.50	0.10	0.04	0.07	0.03	0.14	4.4
908150	53.6	57.2	3.6	11.95	2.12	0.05	0.10	0.00	0.15	4.8
	93.4	95.5	2.1	12.10	0.04	0.05	0.16	0.01	0.22	6.8
908160	58.8	63.0	4.2	19.00	1.54	0.06	0.11	0.02	0.19	6.0
	133.1	134.1	1.0	24.60	1.76	0.19	0.16	0.08	0.42	13.0
908170	63.8	69.2	5.4	25.80	3.02	0.08	0.20	0.12	0.40	12.4
	100.0	103.5	3.5	2.96	1.10	0.06	0.06	0.01	0.13	4.1
908180	13.1	18.6	5.5	18.85	0.72	0.02	0.11	0.02	0.15	4.7
	106.0	112.5	6.5	23.80	3.22	0.07	0.19	0.22	0.48	15.0
908360	105.6	106.6	1.0	15.30	6.70	0.29	0.22	0.08	0.58	18.2
908370	**42.2**	**54.0**	**11.8**	**13.35**	**3.80**	**0.06**	**0.18**	**0.36**	**0.60**	**18.7**
	89.3	90.3	1.0	26.20	0.44	0.10	0.28	0.01	0.39	12.0
	100.4	107.6	7.2	1.64	0.64	0.10	0.07	0.02	0.19	5.9
	130.1	141.4	11.3	4.90	0.52	0.07	0.08	0.02	0.18	5.5
	149.6	150.5	0.9	19.90	0.08	0.16	0.33	0.06	0.55	17.2
	161.6	162.6	1.0	22.70	0.70	0.24	0.27	0.05	0.55	17.2
908380	91.6	96.6	5.0	15.75	1.10	0.07	0.19	0.11	0.37	11.4
908390	51.8	54.5	2.7	30.10	0.82	0.11	0.25	0.08	0.44	13.7
908400	55.3	66.9	11.6	12.86	1.24	0.05	0.12	0.05	0.21	6.6
	90.4	92.9	2.5	12.75	2.26	0.08	0.14	0.05	0.27	8.3
908450	41.6	44.7	3.1	9.10	1.70	0.08	0.12	0.05	0.25	7.7
	138.0	145.0	7.0	7.26	0.06	0.07	0.15	0.04	0.26	8.0
	230.2	230.9	0.7	20.20	2.80	0.22	0.45	0.05	0.72	22.5
	291.8	310.0	18.2	2.62	0.37	0.09	0.08	0.04	0.22	6.9
908460	337.8	340.8	3.0	5.28	0.38	0.25	0.28	0.04	0.57	17.8
908470	188.3	196.1	7.8	11.60	0.85	0.17	0.36	0.02	0.55	17.1
	233.8	245.9	12.1	4.87	0.16	0.30	0.21	0.05	0.56	17.4
	279.8	285.7	5.9	2.83	0.52	0.08	0.10	0.03	0.21	6.5
	347.7	349.1	1.4	6.59	2.73	0.45	0.09	0.00	0.54	16.9
908480	59.3	63.5	4.2	13.20	3.21	0.08	0.24	0.03	0.35	10.8
	82.5	85.2	2.7	28.30	0.92	0.17	0.36	0.02	0.55	17.1
	166.2	171.2	5.0	8.71	0.65	0.22	0.26	0.16	0.64	19.8
	201.2	202.1	0.9	18.30	2.44	0.38	0.38	0.75	1.51	46.8
908490	60.3	67.0	6.7	8.74	1.68	0.06	0.20	0.03	0.29	9.1
	75.8	83.0	7.2	10.40	1.58	0.13	0.20	0.05	0.38	11.7

Table 13: 700 Vein (Continued)										
BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
908490	158.0	161.6	3.6	11.50	4.00	0.22	0.34	0.14	0.70	21.7
	192.2	193.5	1.3	11.95	2.40	0.27	0.38	0.07	0.72	22.3
	219.0	225.0	6.0	2.42	0.52	0.07	0.08	0.05	0.20	6.3
908510	63.9	65.7	1.8	20.50	4.30	0.16	0.23	0.08	0.47	14.6
	82.8	86.5	3.7	11.55	0.34	0.07	0.21	0.23	0.51	15.9
	139.5	142.0	2.5	5.92	1.40	0.08	0.09	0.10	0.27	8.3
908520	28.0	40.3	12.3	11.30	3.60	0.06	0.08	0.04	0.17	5.4
	67.9	70.4	2.5	15.60	7.34	0.18	0.19	0.03	0.40	12.5
	82.5	85.3	2.8	14.40	3.92	0.11	0.32	0.01	0.44	13.7
908560	74.8	77.5	2.7	22.60	1.48	0.11	0.28	0.03	0.42	13.2
	91.4	113.3	21.9	14.06	1.47	0.07	0.16	0.06	0.29	9.2
908820	30.0	31.6	1.6	23.70	1.27	0.12	0.21	0.04	0.36	11.2
	66.2	80.9	14.7	9.63	2.00	0.10	0.14	0.04	0.28	8.6
	175.5	178.0	2.5	5.37	0.41	0.06	0.13	0.04	0.23	7.0
908830	61.3	63.5	2.2	24.60	2.48	0.15	0.29	0.06	0.50	15.5
	131.7	153.8	22.1	1.58	0.46	0.10	0.07	0.04	0.20	6.2
908840	97.0	105.3	8.3	13.70	2.20	0.08	0.24	0.17	0.49	15.2
	120.5	122.8	2.3	24.20	1.76	0.19	0.27	0.15	0.61	19.0
908850	293.3	299.0	5.7	14.85	6.04	0.18	0.15	0.07	0.40	12.5
	328.2	331.4	3.2	22.10	0.20	0.14	0.41	0.13	0.69	21.4
908860	309.0	310.6	1.6	27.70	0.30	0.13	0.37	0.09	0.59	18.3
	333.3	334.2	0.9	14.00	3.40	0.31	0.20	0.08	0.59	18.4
908870	360.3	362.7	2.4	21.00	0.38	0.34	0.24	1.09	1.67	52.1
908920	11.6	12.4	0.8	28.60	2.34	0.16	0.31	0.07	0.54	16.7
	30.8	32.0	1.2	25.50	2.22	0.16	0.40	0.12	0.68	21.1
908960	247.6	249.4	1.8	26.20	3.14	0.17	0.43	0.01	0.62	19.2
908970	253.7	256.0	2.3	29.70	0.24	0.14	0.37	0.01	0.53	16.5
	436.6	444.0	7.4	2.68	0.34	0.07	0.11	0.03	0.21	6.4
	521.3	530.0	8.7	2.70	0.30	0.14	0.16	0.08	0.38	11.7
908980	311.0	313.3	2.3	6.32	0.06	0.11	0.16	0.04	0.31	9.5
	380.6	392.7	12.1	5.05	0.98	0.09	0.18	0.07	0.33	10.4
	442.2	446.5	4.3	5.60	1.80	0.22	0.22	0.04	0.49	15.1
	456.5	481.5	25.0	0.64	0.08	0.31	0.09	0.04	0.43	13.5
	501.8	508.8	7.0	2.80	0.30	0.11	0.11	0.00	0.22	6.9
908990	208.3	213.8	5.5	10.40	2.52	0.06	0.13	0.11	0.30	9.2
	226.5	231.3	4.8	16.00	2.26	0.07	0.27	0.08	0.41	12.8
	317.0	329.9	12.9	3.80	0.30	0.09	0.16	0.05	0.30	9.3
	341.6	346.9	5.3	19.85	2.56	0.29	0.46	0.20	0.94	29.3
916010	222.7	234.8	12.1	13.00	3.98	0.07	0.19	0.05	0.31	9.6
916020	179.0	180.2	1.2	28.20	0.08	0.07	0.22	0.00	0.29	9.1
916460	166.1	173.0	6.9	6.98	0.04	0.03	0.14	0.07	0.24	7.5
	212.2	213.9	1.7	30.60	0.30	0.23	0.42	0.01	0.66	20.7
	217.8	219.1	1.3	7.16	31.80	0.10	0.46	0.08	0.65	20.1
	243.8	245.0	1.2	30.80	0.12	0.14	0.68	0.03	0.85	26.3

Table 13: 700 Vein (Continued)										
BHID	**FROM**	**TO**	**LENGTH**	**Cu**	**Ni**	**Pt**	**Pd**	**Au**	**TPM**	**TPM**
	ft	**ft**	**ft**	**%**		**oz/t**				**g/t**
916460	267.2	272.7	5.5	1.18	0.20	0.04	0.12	0.39	0.55	17.0
916470	**185.8**	**189.8**	**4.0**	**30.60**	**0.30**	**0.14**	**0.46**	**0.07**	**0.67**	**20.7**
	246.5	249.7	3.2	8.38	1.24	0.07	0.14	0.17	0.37	11.6
	283.2	307.7	24.5	1.68	0.24	0.07	0.06	0.02	0.15	4.6
	315.4	364.0	48.6	2.95	0.94	0.11	0.09	0.02	0.22	6.9
916480	174.3	180.9	6.6	5.40	1.10	0.05	0.09	0.04	0.19	5.8
	187.0	193.3	6.3	1.48	0.44	0.11	0.14	0.01	0.26	8.0
	287.8	302.9	15.1	2.93	0.98	0.07	0.09	0.03	0.19	5.8
	378.2	387.5	9.3	4.53	1.58	0.12	0.19	0.07	0.38	11.8
916490	431.6	445.0	13.4	6.98	1.22	0.14	0.26	0.04	0.44	13.6
916500	323.0	348.2	25.2	2.84	0.38	0.16	0.13	0.05	0.34	10.6
	378.8	**496.0**	**117.2**	**1.00**	**0.18**	**0.08**	**0.05**	**0.03**	**0.16**	**5.0**
916510	256.3	258.3	2.0	29.60	0.42	0.15	0.56	0.14	0.85	26.4
916650	340.8	349.6	8.8	3.64	0.14	0.04	0.07	0.12	0.23	7.2
916660	291.4	303.0	11.6	3.10	0.24	0.05	0.08	0.04	0.16	5.0
	329.2	333.9	4.7	5.90	0.76	0.08	0.21	0.13	0.42	13.2
916680	435.0	447.2	12.2	1.94	0.76	0.05	0.09	0.04	0.18	5.6
916690	252.8	263.7	10.9	13.80	0.90	0.17	0.28	0.05	0.50	15.5
	431.3	435.8	4.5	6.72	0.32	0.15	0.22	0.01	0.38	11.9
	455.8	475.8	20.0	0.55	0.15	0.14	0.06	0.02	0.22	6.9
916700	272.0	275.6	3.6	14.10	2.98	0.11	0.35	0.03	0.49	15.4
	391.4	403.7	12.3	1.69	0.10	0.10	0.08	0.02	0.19	6.0
	429.0	525.0	96.0	0.88	0.09	0.10	0.07	0.03	0.21	6.4
916850	267.0	271.5	4.5	18.00	2.02	0.18	0.43	0.70	1.31	40.8
	447.3	452.3	5.0	1.14	0.22	0.10	0.08	0.02	0.20	6.3
916860	311.4	321.2	9.8	6.38	0.78	0.06	0.11	0.02	0.19	6.0
916880	150.0	157.1	7.1	1.72	0.90	0.03	0.01	0.26	0.31	9.6
	189.9	190.8	0.9	21.60	6.70	0.07	0.20	0.06	0.34	10.5
927210	447.2	447.6	0.4	21.20	0.10	0.31	0.71	2.50	3.53	109.7
927230	421.3	422.3	1.0	23.30	0.18	0.24	0.46	0.01	0.71	22.1
	444.3	450.0	5.7	7.04	0.48	0.19	0.18	0.04	0.41	12.6
927240	241.8	244.3	2.5	25.80	0.26	0.16	0.40	0.12	0.68	21.0
	278.0	280.2	2.2	29.00	0.36	0.16	0.55	0.02	0.73	22.8
	406.6	416.6	10.0	0.66	0.14	0.09	0.07	0.02	0.18	5.6
927270	493.3	500.0	6.7	2.32	0.64	0.10	0.15	0.02	0.27	8.5
927280	426.0	438.9	12.9	2.24	0.56	0.07	0.09	0.01	0.17	5.4
927290	230.4	233.3	2.9	22.60	2.44	0.11	0.29	0.30	0.70	21.7
927300	208.4	209.5	1.1	17.55	1.04	0.11	0.07	0.45	0.63	19.7
927400	39.0	40.6	1.6	12.70	1.98	0.12	0.26	0.15	0.53	16.4
927550	275.4	276.2	0.8	29.60	0.06	0.38	0.77	0.01	1.17	36.3
	337.3	346.8	9.5	2.38	0.32	0.07	0.08	0.04	0.19	5.9
	388.8	418.1	29.3	2.07	0.30	0.07	0.08	0.02	0.17	5.3
927560	142.5	143.2	0.7	28.40	0.12	0.16	0.45	0.02	0.63	19.5
	159.3	172.8	13.5	4.11	1.52	0.03	0.10	0.16	0.29	9.1

Table 13: 700 Vein (Continued)										
BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
927560	351.9	354.7	2.8	2.28	1.38	0.07	0.09	0.01	0.17	5.4
	397.6	401.1	3.5	4.54	2.92	0.11	0.21	0.02	0.34	10.5
927570	130.9	133.4	2.5	20.10	0.78	0.12	0.26	0.05	0.43	13.3
	295.0	304.4	9.4	1.12	0.51	0.07	0.11	0.04	0.21	6.7
	318.1	319.5	1.4	27.10	0.16	0.31	0.73	0.06	1.10	34.2
927580	321.2	325.6	4.4	10.00	1.32	0.18	0.29	0.22	0.69	21.5
927600	143.2	148.9	5.7	14.65	1.34	0.07	0.22	0.01	0.30	9.2
	158.4	159.7	1.3	11.70	1.82	0.65	0.06	0.02	0.73	22.6
927610	122.1	131.3	9.2	11.52	0.46	0.06	0.19	0.01	0.26	8.0
	206.5	213.5	7.0	3.24	0.90	0.01	0.06	0.27	0.34	10.6
927620	104.0	105.3	1.3	18.35	0.82	0.10	0.19	0.05	0.33	10.4
927630	91.7	92.6	0.9	20.10	0.46	0.08	0.40	0.01	0.49	15.3
	107.9	109.5	1.6	11.90	1.16	0.10	0.07	0.05	0.23	7.1
	182.3	186.3	4.0	9.06	0.32	0.09	0.11	0.00	0.20	6.3
	247.5	251.5	4.0	2.54	1.26	0.09	0.14	0.01	0.24	7.5
	265.9	267.5	1.6	5.78	0.58	0.14	0.20	0.14	0.48	14.9
	302.8	303.9	1.1	24.00	1.70	0.40	0.51	0.03	0.94	29.2
927660	93.1	104.0	10.9	3.70	11.08	0.08	0.15	0.03	0.26	8.2
927680	4.8	5.6	0.8	15.80	3.86	0.11	0.37	0.04	0.51	16.0
	14.5	18.8	4.3	16.05	0.38	0.13	0.18	0.05	0.35	11.0
	29.4	31.0	1.6	2.26	0.26	0.37	0.18	0.04	0.59	18.4
927710	110.0	112.9	2.9	3.40	1.44	0.07	0.23	0.04	0.33	10.4
	124.9	126.3	1.4	21.40	1.16	0.42	0.33	0.03	0.78	24.4
927720	79.4	81.2	1.8	26.80	0.24	0.11	0.37	0.01	0.48	15.0
	134.9	138.6	3.7	13.15	0.04	0.06	0.22	0.03	0.32	9.8
	181.9	184.7	2.8	7.54	0.06	0.10	0.15	0.02	0.28	8.7
927730	83.6	85.9	2.3	26.30	1.50	0.16	0.30	0.05	0.51	15.9
	121.9	124.8	2.9	19.65	2.76	0.21	0.25	0.04	0.50	15.5
927760	117.7	121.0	3.3	11.97	0.42	0.08	0.16	0.02	0.26	8.2
	175.2	178.1	2.9	19.40	0.22	0.12	0.46	0.10	0.68	21.2
	252.1	258.1	6.0	3.84	0.48	0.06	0.11	0.02	0.18	5.7
	271.6	277.9	6.3	8.25	0.16	0.17	0.24	0.04	0.45	13.9
927770	91.1	104.4	13.3	6.24	0.09	0.06	0.09	0.04	0.18	5.7
927780	88.9	91.7	2.8	11.35	1.84	0.09	0.10	0.01	0.20	6.3
927790	67.4	68.4	1.0	21.50	5.48	0.12	0.19	0.04	0.35	10.8
	108.9	113.8	4.9	24.90	2.66	0.15	0.31	0.13	0.58	18.1
927800	111.3	113.2	1.9	7.90	7.98	0.04	0.08	0.24	0.37	11.5
	152.8	153.6	0.8	22.30	0.10	0.13	0.65	0.02	0.81	25.2
	228.2	232.0	3.8	26.40	0.36	0.42	0.61	0.33	1.36	42.3
927810	12.2	13.4	1.2	19.15	0.52	0.11	0.22	0.07	0.40	12.3
	71.8	72.9	1.1	27.90	0.14	0.12	0.34	0.03	0.48	15.0
	103.8	104.8	1.0	15.50	1.28	0.18	0.21	0.03	0.42	13.2
	176.3	178.9	2.6	4.54	1.28	0.10	0.10	0.01	0.21	6.6
	213.7	217.4	3.7	0.44	1.34	0.16	0.15	0.05	0.37	11.5

Table 13: 700 Vein (Continued)										
BHID	FROM	TO	LENGTH	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
927810	223.3	230.7	7.4	3.08	1.48	0.15	0.11	0.08	0.34	10.6
927820	90.1	91.9	1.8	19.30	1.22	0.16	0.26	0.03	0.46	14.2
927830	64.0	81.6	17.6	4.78	0.13	0.08	0.07	0.02	0.16	5.0
942010	270.9	275.7	4.8	4.34	0.90	0.09	0.16	0.02	0.27	8.5
	286.2	287.0	0.8	21.20	0.64	0.25	0.41	0.05	0.71	22.2
942020	111.7	112.7	1.0	31.80	0.08	0.14	0.44	0.03	0.61	18.9
	147.5	152.0	4.5	3.00	0.08	0.01	0.02	0.17	0.19	5.8
	209.5	213.5	4.0	6.40	0.32	0.07	0.13	0.02	0.21	6.7
	267.5	273.3	5.8	4.42	2.94	0.16	0.08	0.04	0.28	8.6
942030	45.2	65.0	19.8	3.71	1.27	0.03	0.04	0.03	0.09	2.9
	76.9	78.7	1.8	30.80	1.82	0.15	0.31	0.02	0.48	14.9
	213.3	221.0	7.7	1.16	0.18	0.04	0.04	0.19	0.26	8.2
942040	61.5	64.5	3.0	31.10	0.36	0.12	0.46	0.01	0.59	18.4
942500	242.1	256.8	14.7	14.59	1.57	0.05	0.26	0.03	0.33	10.4
942510	224.1	227.1	3.0	15.80	0.18	0.05	0.17	0.00	0.22	7.0
942580	70.4	72.6	2.2	23.90	2.04	0.05	0.13	0.13	0.30	9.5
942590	63.0	64.2	1.2	26.60	0.34	0.04	0.13	0.01	0.18	5.7
	69.3	71.1	1.8	24.40	1.96	0.04	0.13	0.02	0.18	5.6
942600	55.4	57.5	2.1	30.40	0.62	0.04	0.14	0.00	0.19	5.8
942610	85.4	89.0	3.6	22.40	1.38	0.04	0.12	0.02	0.17	5.4
942650	65.5	69.5	4.0	30.70	0.28	0.04	0.13	0.02	0.19	6.0
964140	193.8	202.8	9.0	5.04	0.64	0.07	0.16	0.02	0.24	7.6
964190	215.4	216.4	1.0	13.00	1.00	0.25	0.37	0.07	0.68	21.3
964200	246.6	257.7	11.1	3.15	0.34	0.07	0.11	0.20	0.38	11.8
964210	221.4	222.0	0.6	30.30	0.10	0.38	0.40	0.00	0.79	24.5
	236.7	238.1	1.4	13.30	11.10	0.21	0.34	0.08	0.63	19.6
964290	107.1	112.8	5.7	5.90	1.34	0.05	0.10	0.03	0.18	5.6
964300	89.5	92.5	3.0	13.90	0.52	0.08	0.19	0.03	0.29	9.1
964310	108.3	120.8	12.5	3.80	0.79	0.13	0.15	0.02	0.30	9.2
964320	92.7	104.1	11.4	1.63	0.12	0.21	0.15	0.32	0.68	21.2
	97.7	104.1	6.4	0.22	0.00	0.35	0.23	0.03	0.60	18.8
964330	62.2	68.3	6.1	4.68	0.65	0.16	0.16	0.06	0.38	11.9
	67.2	68.3	1.1	24.70	3.34	0.82	0.86	0.32	2.00	62.1
	93.6	108.0	14.4	4.21	0.93	0.08	0.05	0.03	0.17	5.3
964340	74.9	81.5	6.6	7.24	0.33	0.10	0.22	0.00	0.33	10.1
	95.5	121.6	26.1	8.57	0.36	0.11	0.31	0.15	0.58	17.9
964350	103.9	118.2	14.3	12.11	1.00	0.28	0.30	0.10	0.69	21.5
964370	160.4	163.7	3.3	32.60	0.56	0.06	0.23	0.03	0.32	10.0
964430	103.4	107.5	4.1	9.12	1.70	0.16	0.14	0.02	0.33	10.2
	112.5	119.0	6.5	2.50	0.86	0.06	0.04	0.19	0.28	8.7
964450	27.4	28.3	0.9	18.35	3.42	0.74	0.25	0.20	1.19	36.9
	75.3	81.0	5.7	3.96	0.21	0.03	0.08	0.04	0.15	4.5
	173.0	181.6	8.6	3.97	0.11	0.09	0.10	0.03	0.23	7.0

A simple analysis of the above graded intersections (Table 13) shows the following:

Table 14: 700 Zone: Length of Graded Sections

Length	< 3 ft	3 – 5 ft	5- 10 ft	10-15 ft	15 –30 ft	30 – 50 ft	50–100 ft	> 100 ft	Total #
#	175	75	102	46	29	7	2	1	437
%	40	17.2	23.3	10.5	6.6	1.6	0.5	0.3	100%

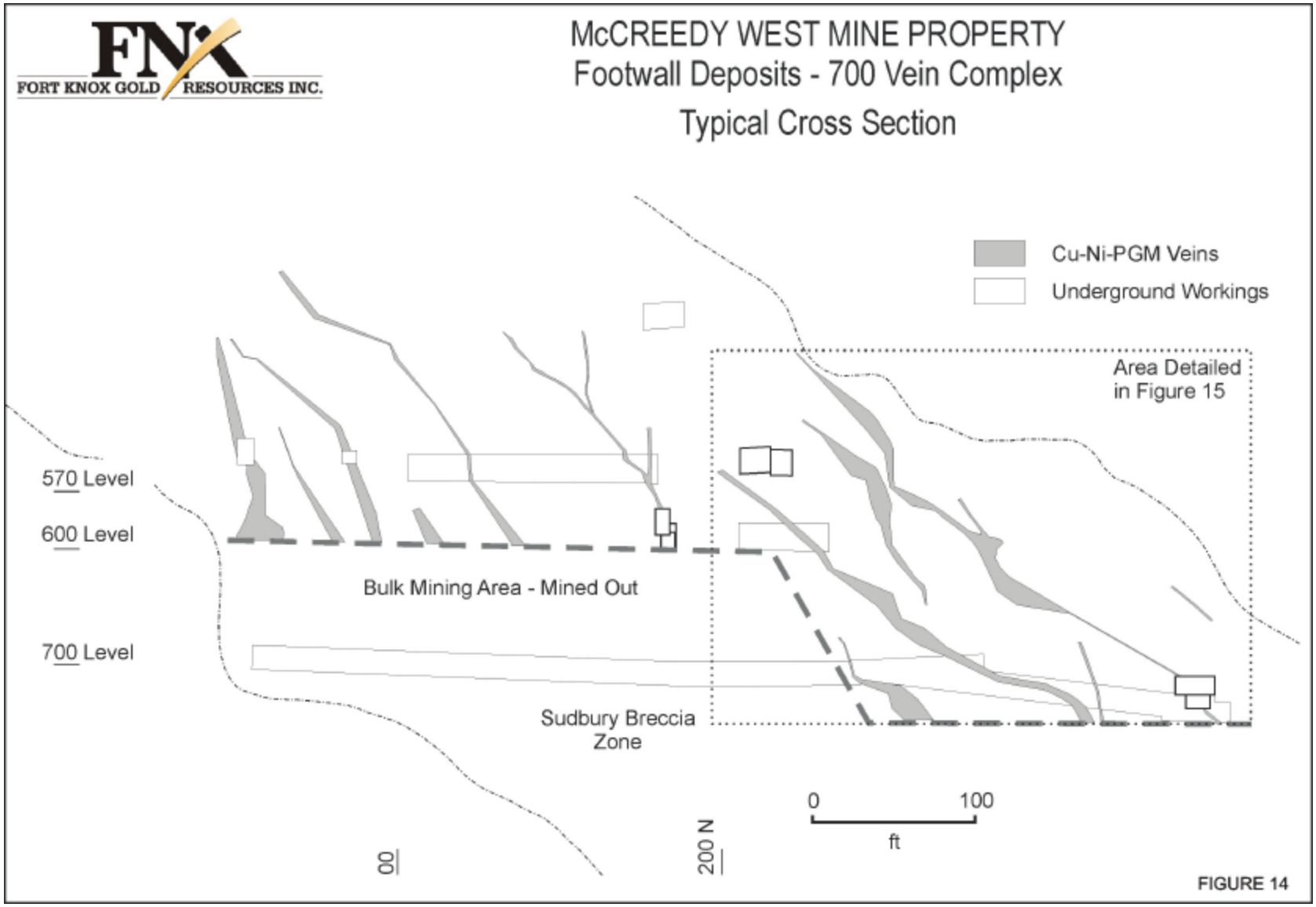
The distribution of Total Precious Metal values is shown in Table 15.

Table 15: 700 Zone: Graded Sections: –Distribution of TPM Values

oz/t TPM	<0.1	0.1-0.3	0.3 – 0.5	0.5 – 1.0	> 1.0 oz/t	Totals
g/t TPM	*<3.1*	*3.1 – 9.3*	*9.3 – 15.6*	*15.6 – 31.1*	*> 31.1 g/t*	
# Graded Sections	5	181	123	105	23	**437**
%	1.1	41.4	28.2	24.0	5.3	**100%**

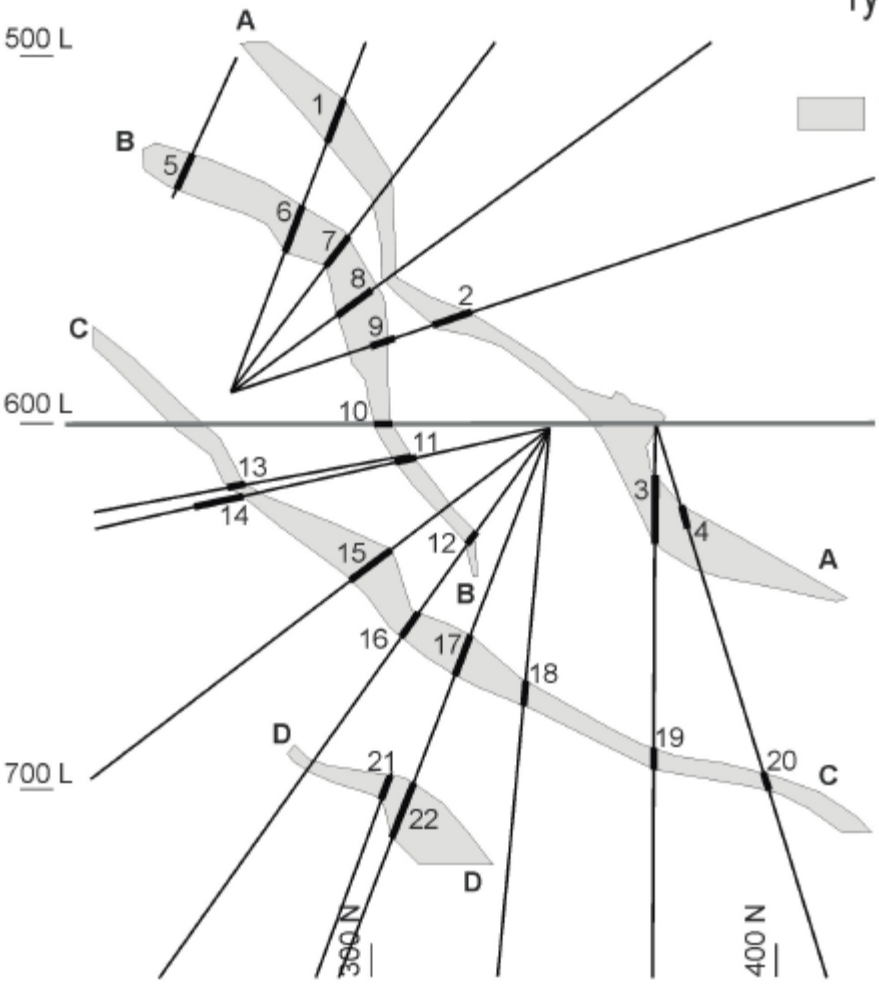
Figure 14 shows the cut and fill mining method employed to generate the 41,000 tons recovered from this section and demonstrates the potential for this zone to be selectively mined. Figure 15 shows the veins in plan and examination of this together with the data in Tables 13 & 14 may suggest that bulk mining could be a possibility. The Fort Knox program will determine the appropriate mining method at an early stage of the program.

The 700 Complex mineralization is untested up dip and up plunge to the west. An initial shallow surface diamond drilling program to test for possible extensions is recommended. Closer spaced drill information would be required from underground should this initial drilling be successful.


FORT KNOX GOLD RESOURCES INC.
McCREEDY WEST MINE PROPERTY
Footwall Deposits - 700 Vein Complex
Typical Cross Section
Cu-Ni-PGM Veins
Underground Workings
Area Detailed in Figure 15
570 Level
600 Level
Bulk Mining Area - Mined Out
700 Level
Sudbury Breccia Zone
0
100
ft
200 N
00
FIGURE 14

FORT KNOX GOLD RESOURCES INC.

McCREEDY WEST MINE PROPERTY
Footwall Deposits - 700 Vein Complex - 1900 E Section
Typical Vein Intersections



Cu-Ni-PGM Veins	Site #	Cu %	Ni %	TPM oz/t	TPM g/t	Length ft
A	1	10.40	1.60	0.078	2.43	11.0
	2	17.55	0.30	0.105	3.26	9.3
	3	17.04	1.02	0.089	2.77	16.0
	4	13.05	0.10	0.087	2.71	4.7
B	5	5.52	0.28	0.067	2.08	10.9
	6	5.70	0.44	0.036	1.12	11.8
	7	9.74	0.22	0.057	1.77	9.9
	8	3.08	0.18	0.032	1.00	10.0
	9	10.10	0.30	0.078	2.43	6.0
	10	11.85	0.24	0.014	0.44	4.0
	11	6.82	0.42	0.078	2.43	4.5
	12	4.98	0.24	0.054	1.68	3.5
C	13	19.80	0.72	0.288	8.96	3.0
	14	4.85	0.44	0.074	2.30	17.4
	15	9.02	0.26	0.246	7.65	11.9
	16	13.3	1.00	0.412	12.82	7.4
	17	10.40	0.96	0.132	4.11	10.4
	18	28.30	2.86	0.340	10.58	5.4
	19	28.7	3.22	0.312	9.70	3.8
	20	21.00	6.34	0.279	8.68	4.4
D	21	5.44	1.18	0.066	2.05	6.9
	22	4.28	0.26	0.045	1.40	14.8

0 50
ft

FIGURE 15

5.2.5.2 **950 Vein Complex**

This Zone is located to the east of the 700 Complex workings described above (Figure 13). It consists of a zone of massive chalcopyrite, pentlandite and pyrrhotite veins ranging in thickness from 4 inches to 6.5 ft. The veins appear to have the same grade and physical characteristics as the 700 Complex veins. The 950 Complex has been defined by limited underground drilling from 950 Level (Figure 16) and was intersected in the 950 Level access drift, where four Cu-PGM veins were exposed. No mining has taken place in this Zone.

Twenty-one drillholes (Figure 16 & Table 16) yielded 54 significant intersections, 22 of which were greater than 10 ft. In many cases shorter sections of better grade are included in longer sections. Intersections demonstrating potential are

- **31.90% Cu, 1.68% Ni, 1.18 oz/t TPM over 2.8 ft.** in drillhole 942530
- **0.81% Cu, 0.26% Ni, 0.10 oz/t TPM over 196 ft.** in drillhole 943000
- **3.06% Cu, 0.46% Ni, over 20.3 ft.** in drillhole 321890
- **0.86% Cu, 0.22% Ni, 0.20 oz/t TPM over 53.2 ft.** in drillhole 942990

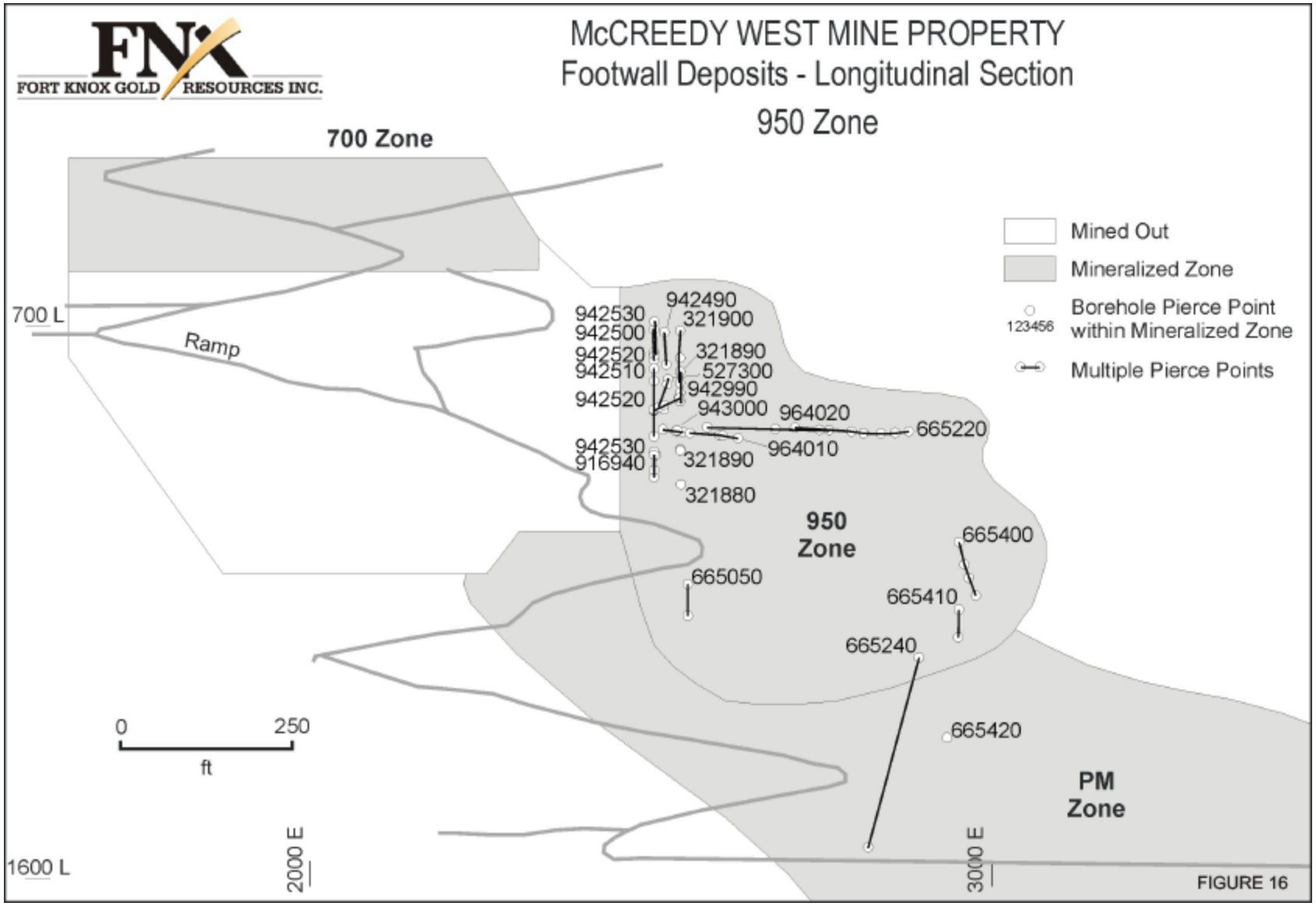

FORT KNOX GOLD RESOURCES INC.
McCREEDY WEST MINE PROPERTY
Footwall Deposits - Longitudinal Section
950 Zone
700 Zone
700 L
Ramp
Mined Out
Mineralized Zone
Borehole Pierce Point within Mineralized Zone
123456
Multiple Pierce Points
942490
942530
321900
942500
942520
321890
942510
527300
942990
942520
943000
964020
665220
942530
964010
916940
321890
321880
950 Zone
665400
665050
665410
665240
665420
PM Zone
0
250
ft
1600 L
2000 E
3000 E
FIGURE 16

Table 16: McCreedy West: 950 Zone – Graded Assays

BHID	From	To	Length	Cu	Ni	Pt	Pd	Au	TPM	PM
	ft	ft	ft	%		oz/t				g/t
321880	540.0	540.5	0.5	13.30	1.17	0.05	0.27	0.05	0.37	11.5
321890	**363.7**	**384.0**	**20.3**	**3.06**	**0.46**	**0.00**	**0.00**	**0.00**	**0.00**	**0.0**
	404.3	406.1	1.8	5.00	0.11	0.00	0.00	0.00	0.00	0.0
	416.8	419.2	2.4	1.09	1.51	0.00	0.00	0.00	0.00	0.0
	466.8	512.0	45.2	0.36	0.10	0.09	0.04	0.01	0.14	4.4
Including	482.7	500.0	17.3	0.08	0.06	0.19	0.07	0.02	0.27	8.6
321900	399.5	440.0	40.5	0.35	0.11	0.03	0.02	0.01	0.06	1.9
	460.0	490.0	30.0	0.35	0.08	0.01	0.01	0.01	0.04	1.1
	507.5	537.6	30.1	0.62	0.20	0.06	0.05	0.01	0.11	3.5
527300	915.7	917.0	1.3	5.68	0.25	0.19	0.13	0.08	0.40	12.3
	938.0	960.0	22.0	0.89	0.50	0.06	0.08	0.02	0.16	5.0
	967.5	973.7	6.2	1.55	1.05	0.06	0.05	0.05	0.17	5.3
665050	241.3	245.0	3.7	1.45	0.18	0.01	0.02	0.02	0.04	1.2
	326.7	328.0	1.3	2.07	1.02	0.21	0.36	0.13	0.70	21.6
665220	661.5	671.5	10.0	1.72	0.62	0.02	0.04	0.01	0.07	2.0
	740.7	750.0	9.3	2.16	0.25	0.03	0.06	0.03	0.12	3.8
	880.0	881.9	1.9	3.14	0.99	0.09	0.14	0.08	0.31	9.5
	993.6	999.1	5.5	0.54	0.06	0.09	0.05	0.02	0.16	4.8
	1031.5	1042.3	10.8	0.49	0.27	0.06	0.09	0.01	0.16	4.9
665240	514.0	516.6	2.6	4.94	0.69	0.06	0.08	0.04	0.18	5.6
	533.2	535.0	1.8	1.32	0.31	0.21	0.20	0.15	0.56	17.4
665250	443.2	444.2	1.0	0.38	0.11	0.02	0.03	0.00	0.05	1.5
665400	685.0	686.8	1.8	18.48	0.39	0.07	0.71	0.07	0.85	26.5
	798.5	806.0	7.5	0.67	0.18	0.10	0.09	0.02	0.22	6.7
	851.0	866.0	15.0	0.12	0.06	0.05	0.04	0.01	0.09	2.9
	929.8	975.0	45.2	0.20	0.04	0.08	0.06	0.02	0.16	4.9
665410	532.9	533.7	0.8	2.80	0.11	0.04	0.09	0.49	0.62	19.1
	608.8	617.0	8.2	2.08	0.16	0.07	0.14	0.03	0.24	7.5
665420	557.8	558.7	0.9	9.57	1.69	0.19	0.33	0.07	0.59	18.5
916940	483.6	484.5	0.9	12.45	3.32	0.10	0.25	0.05	0.39	12.2
	510.6	542.8	32.2	1.29	0.19	0.08	0.04	0.02	0.14	4.5
Including	510.6	522.5	11.9	1.98	0.28	0.17	0.06	0.03	0.25	7.9
942940	429.8	450.3	20.5	1.63	0.10	0.03	0.04	0.02	0.09	2.9
	503.8	514.5	10.7	1.34	0.20	0.04	0.09	0.00	0.13	4.1
942500	370.0	488.7	118.7	0.66	0.12	0.04	0.03	0.01	0.08	2.6
Including	370.0	380.0	10.0	0.50	0.08	0.11	0.06	0.02	0.18	5.6
942510	393.3	473.0	79.7	1.66	0.23	0.06	0.06	0.02	0.14	4.4
Including	393.3	408.3	15.0	3.21	0.36	0.11	0.08	0.04	0.23	7.2
“”	425.2	428.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.0
“”	463.5	473.0	2.4	8.80	0.32	0.20	0.31	0.05	0.56	17.3
942520	334.9	353.4	18.5	2.70	0.45	0.04	0.05	0.01	0.10	3.2
	414.2	415.3	1.1	11.20	0.40	0.47	0.52	0.11	1.09	34.1

Table 16 (Continued)

BHID	From	To	Length	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
	458.0	483.9	25.9	0.77	0.52	0.04	0.04	0.02	0.10	3.0
	572.3	572.9	0.6	12.00	4.04	0.36	0.39	0.13	0.88	27.3
942530	294.9	295.9	1.0	10.20	0.96	0.01	0.05	0.01	0.07	2.1
	362.8	363.9	1.1	18.85	1.00	0.14	0.22	0.04	0.39	12.1
	480.3	**483.1**	**2.8**	**31.90**	**1.68**	**0.11**	**0.79**	**0.28**	**1.18**	**36.7**
	488.2	494.1	5.9	6.46	1.96	0.09	0.16	0.16	0.42	13.0
942990	209.8	213.6	3.8	0.40	0.06	0.07	0.04	0.02	0.13	3.9
	246.7	249.7	3.0	26.10	1.90	0.19	0.20	0.12	0.51	16.0
	282.4	287.0	4.6	7.17	1.81	0.08	0.19	0.06	0.33	10.1
	359.5	**412.7**	**53.2**	**0.86**	**0.22**	**0.14**	**0.03**	**0.02**	**0.20**	**6.1**
Including	359.5	377.1	17.6	0.24	0.06	0.36	0.02	0.01	0.39	12.2
943000	**259.3**	**455.3**	**196.0**	**0.81**	**0.26**	**0.04**	**0.04**	**0.02**	**0.10**	**3.2**
Including	267.6	268.4	0.8	17.40	1.48	0.13	0.05	0.08	0.26	7.9
“”	339.2	358.5	19.3	1.19	0.46	0.12	0.10	0.02	0.24	7.3
“”	385.7	398.5	12.8	1.21	0.15	0.05	0.14	0.03	0.22	7.0
“”	425.0	450.3	25.3	1.71	0.65	0.08	0.08	0.06	0.22	6.8
964010	185.9	192.3	6.4	0.99	0.33	0.04	0.06	0.01	0.11	3.5
	341.6	352.9	11.3	1.48	0.55	0.28	0.22	0.06	0.55	17.2
	307.6	364.5	56.9	0.64	0.20	0.08	0.06	0.02	0.15	4.7
	394.6	404.6	10.0	0.55	0.15	0.05	0.05	0.02	0.12	3.6
964020	189.3	190.2	0.9	6.18	0.10	0.05	0.14	0.06	0.26	8.0
	336.1	336.7	0.6	11.45	0.00	0.19	0.44	0.02	0.65	20.2
	402.0	455.3	53.3	0.86	0.22	0.02	0.03	0.03	0.08	2.6
Including	448.6	450.3	1.7	15.55	5.64	0.08	0.45	0.01	0.54	16.9

The mineralization is untested to the east and down dip where it joins the PM Zone mineralization (see below). There has been no previous mining of the 950 Complex as access was restricted due to bulk mining activities.

Additional underground drilling is required to fully define the 950 Complex, but preliminary surface drilling is recommended in order to confirm the possible extensions of the high-grade veins.

5.2.5.3 **PM Zone**

This Zone occurs in footwall Sudbury Breccia located between the 1,450 and 2,500 ft Levels (Figure 13). It consists of a zone (33 ft to 200 ft. thick) of narrow, irregular Cu-PGM stringers, joint fillings and disseminations hosted within a wider zone of Sudbury Breccia. The PM Zone dips to the south at 35-45° and has a strike length of approximately 600 ft. A plunge direction has yet to be confirmed but appears to be to the east at 35°.

Forty-four drill holes (Figure 17) yielded 44 significant intersections, 34 of which are greater than 20 ft. thick. Many longer intersections are comprised of shorter and higher-grade intersections and these are shown as "included" in Table 16. Intersections demonstrating the potential of the PM Zone are

- **0.66% Cu, 0.27% Ni, 0.13 oz/t TPM over 136.7 ft.** in drillhole 596720
- **10.75% Cu, 2.81% Ni, 3.92 oz/t TPM over 7.5 ft.** in drillhole 665080
- **0.72% Cu, 0.29% Ni, 0.14 oz/t TPM over 97.5 ft.** in drillhole 665450
- **0.85% Cu, 0.20% Ni, 0.11 oz/t TPM over 136.2 ft.** in drillhole 665830

The broad zone of narrow, irregular stringers, joint fillings and disseminations makes the PM Zone potentially amenable to bulk mining.

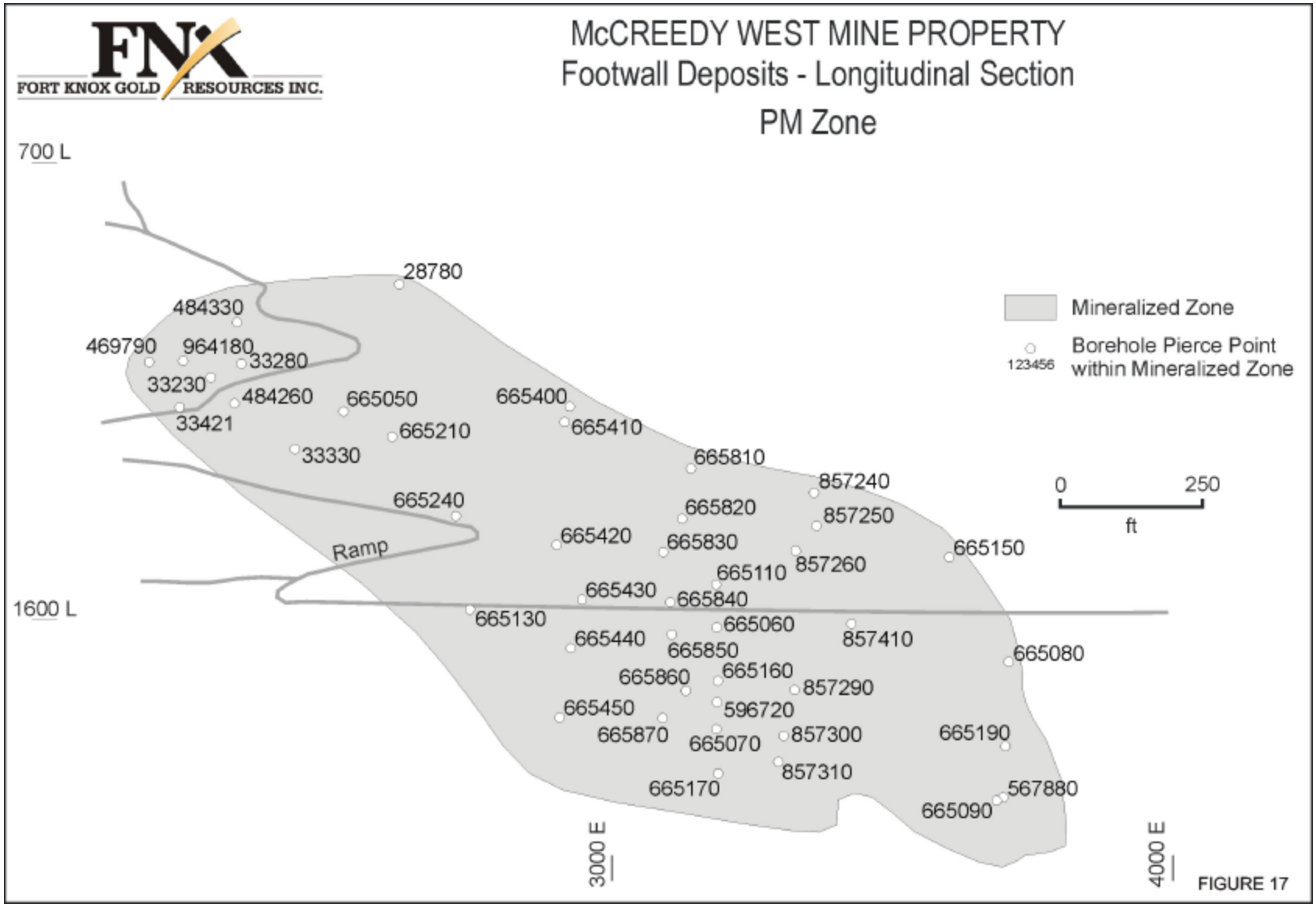

FORT KNOX GOLD RESOURCES INC.
McCREEDY WEST MINE PROPERTY
Footwall Deposits - Longitudinal Section
PM Zone
700 L
1600 L
Ramp
Mineralized Zone
123456 Borehole Pierce Point within Mineralized Zone
0 250
ft
28780
484330
469790
964180
33280
33230
484260
665050
665400
33421
665210
665410
33330
665810
857240
665240
665820
857250
665420
665830
665150
665110
857260
665430
665840
665130
665060
665440
857410
665850
665080
665860
665160
857290
665450
596720
665870
665070
857300
665190
857310
665170
567880
665090
3000 E
4000 E
FIGURE 17

Table 17: McCreedy West: PM Zone – Graded Assays

BHID	From	To	Length	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
28780	1012.5	1045.0	32.5	0.83	0.16	0.10	0.06	0.02	0.18	5.5
33230	1178.5	1224.0	45.5	0.33	0.05	0.04	0.02	0.01	0.07	2.3
Including	1222.0	1224.0	2.0	0.88	0.15	0.20	0.09	0.04	0.33	10.4
33280	1163.0	1185.1	22.1	0.50	0.13	0.01	0.01	0.01	0.02	0.5
33330	1320.0	1337.0	17.0	0.84	0.25	0.04	0.03	0.02	0.09	2.7
33421	1235.0	1275.0	40.0	0.70	0.12	0.03	0.04	0.01	0.09	2.6
469790	1163.5	1205.0	41.5	1.90	0.77	0.07	0.08	0.03	0.18	5.7
Including	1164.2	1169.9	5.7	5.44	2.80	0.17	0.23	0.04	0.44	13.7
“”	1184.2	1197.7	13.6	3.08	1.02	0.10	0.12	0.07	0.28	8.6
484260	1239.3	1250.4	11.1	2.08	0.08	0.04	0.05	0.01	0.10	3.1
484330	1101.6	1110.0	8.4	0.63	0.08	0.04	0.05	0.01	0.09	2.9
Including	1101.6	1103.5	1.9	2.49	0.17	0.16	0.21	0.03	0.40	12.6
567880	405.0	440.0	35.0	0.78	0.04	0.10	0.16	0.01	0.274	8.5
Including	405.0	412.3	7.3	0.09	0.04	0.12	0.07	0.03	0.22	6.8
“”	412.3	413.2	0.9	23.98	2.22	1.36	3.16	0.08	4.60	143.0
“”	431.2	440.0	9.0	0.23	0.05	0.11	0.17	0.00	0.29	8.9
596720	**185.5**	**322.2**	**136.7**	**0.66**	**0.27**	**0.06**	**0.06**	**0.02**	**0.13**	**4.1**
Including	288.3	322.2	33.9	1.24	0.65	0.11	0.14	0.03	0.28	9.1
665050	385.2	406.6	21.4	0.21	0.05	0.03	0.02	0.01	0.05	1.7
665060	200.9	270.1	69.2	1.11	0.14	0.04	0.03	0.01	0.08	2.5
Including	200.9	206.5	5.6	3.77	0.02	0.07	0.14	0.06	0.27	8.4
“”	234.4	270.1	35.7	1.07	0.16	0.04	0.03	0.00	0.07	2.3
665070	307.9	357.3	49.4	0.52	0.13	0.03	0.04	0.00	0.07	2.1
Including	309.4	316.3	6.9	1.60	0.21	0.04	0.11	0.00	0.16	4.8
“”	345.1	347.0	1.9	2.48	1.63	0.13	0.15	0.04	0.32	9.9
665080	**368.1**	**375.6**	**7.5**	**10.75**	**2.81**	**1.58**	**2.05**	**0.29**	**3.92**	**122.0**
665090	475.3	480.1	4.8	0.09	0.53	0.12	0.54	0.00	0.66	20.5
665110	387.2	520.0	132.8	0.62	0.18	0.04	0.05	0.02	0.11	3.3
Including	387.2	397.8	10.6	2.05	0.93	0.08	0.12	0.08	0.28	8.8
“”	413.4	426.5	13.1	1.36	0.26	0.05	0.09	0.03	0.17	5.3
“”	510.0	520.0	10.0	0.32	0.06	0.15	0.13	0.04	0.31	9.7
665130	360.9	401.2	40.3	0.48	0.07	0.02	0.04	0.01	0.07	2.2
Including	360.9	376.1	15.2	0.79	0.04	0.02	0.08	0.00	0.11	3.3
665150	557.2	593.0	35.8	0.01	0.01	0.00	0.00	0.00	0.00	0.0
665160	160.0	286.0	126.0	1.06	0.27	0.06	0.08	0.04	0.18	5.6
Including	204.7	215.5	10.8	2..23	0.93	0.12	0.14	0.03	0.29	9.0
“”	237.7	240.6	2.9	0.41	0.25	0.03	0.02	0.02	0.07	2.2
“”	253.1	271.5	18.4	2.05	0.20	0.09	0.15	0.15	0.38	12.0
665170	551.7	564.0	12.3	0.00	0.00	0.00	0.00	0.00	0.00	0.0
665190	334.0	419.4	85.4	0.10	0.05	0.06	0.05	0.01	0.12	3.7
Including	341.0	355.0	14.0	0.29	0.18	0.06	0.08	0.04	0.17	5.4
“”	408.0	419.4	11.4	0.05	0.08	0.29	0.17	0.00	0.46	14.2

Table 17 (Continued)

BHID	From	To	Length	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
665210	463.6	481.0	17.4	0.37	0.11	0.01	0.01	0.02	0.04	1.2
Including	463.6	467.0	3.4	1.63	0.30	0.03	0.05	0.08	0.15	4.8
665240	514.0	570.3	56.3	0.53	0.13	0.04	0.04	0.02	0.10	3.2
665400	798.5	975.0	176.5	0.11	0.03	0.03	0.02	0.01	0.06	2.0
Including	798.5	806.0	7.5	0.67	0.18	0.10	0.09	0.02	0.22	6.7
“”	929.8	975.0	45.2	0.17	0.04	0.08	0.06	0.02	0.16	5.0
“”	945.0	960.0	15.0	0.29	0.05	0.12	0.09	0.03	0.24	7.3
665410	608.8	617.0	8.2	2.08	0.16	0.07	0.14	0.03	0.24	7.5
665420	659.0	688.0	29.0	0.99	0.08	0.04	0.06	0.01	0.11	3.6
665430	650.5	752.0	101.5	0.78	0.14	0.04	0.05	0.02	0.11	3.3
Including	650.5	678.7	28.2	1.07	0.11	0.05	0.05	0.02	0.15	4.6
“”	715.6	738.6	23.0	1.36	0.35	0.05	0.09	0.02	0.16	5.0
665440	734.5	803.3	68.8	0.89	0.13	0.04	0.04	0.01	0.08	2.5
Including	753.9	762.9	9.0	2.95	0.30	0.08	0.16	0.01	0.25	7.9
Including	786.9	788.1	1.2	19.86	3.44	0.97	0.71	0.08	1.76	54.7
665450	**884.5**	**982.0**	**97.5**	**0.72**	**0.29**	**0.06**	**0.06**	**0.01**	**0.14**	**4.3**
Including	893.6	898.4	4.8	4.51	0.89	0.16	0.24	0.16	0.57	17.6
“”	920.0	924.9	4.9	1.42	0.93	0.37	0.18	0.01	0.55	17.2
“”	952.0	971.5	19.5	1.12	0.66	0.12	0.13	0.01	0.26	8.0
665810	631.0	662.6	31.6	1.23	0.42	0.05	0.04	0.02	0.26	8.0
Including	631.0	634.4	3.4	2.55	0.73	0.12	0.18	0.06	0.36	11.2
665820	597.1	695.5	98.4	0.57	0.10	0.03	0.03	0.01	0.07	2.1
Including	645.9	659.6	13.7	1.08	0.07	0.04	0.05	0.03	0.12	3.7
665830	**581.5**	**717.7**	**136.2**	**0.85**	**0.20**	**0.04**	**0.05**	**0.02**	**0.11**	**3.4**
Including	597.1	695.5	98.4	0.57	0.10	0.03	0.03	0.01	0.07	2.0
“”	625.0	633.1	8.1	2.05	0.29	0.05	0.12	0.02	0.19	5.8
“”	645.9	659.6	13.7	1.08	0,07	0.04	0.05	0.03	0.26	8.0
“”	653.1	678.8	25.7	1.41	0.27	0.07	0.07	0.03	0.18	5.5
“”	690.6	699.1	8.5	1.14	0.36	0.08	0.10	0.16	0.33	10.4
“”	713.9	717.7	3.8	4.92	1.95	0.20	0.20	0.04	0.44	13.7
665840	645.0	768.3	123.3	0.58	0.16	0.04	0.03	0.01	0.08	2.4
Including	655.9	678.3	22.4	1.54	0.27	0.05	0.08	0.01	0.14	4.5
“”	655.9	665.9	10.0	1.56	0.53	0.06	0.06	0.02	0.14	4.2
665850	709.3	788.7	79.4	0.76	0.20	0.04	0.04	0.02	0.10	3.1
Including	709.3	715.4	6.1	2.17	0.10	0.10	0.10	0.18	0.38	11.7
“”	733.1	742.3	9.2	2.90	0.56	0.12	0.13	0.01	0.26	8.1
“”	778.7	788.7	10.0	0.54	0.64	0.10	0.07	0.00	0.18	5.5
665860	789.3	913.0	123.7	0.97	0.23	0.06	0.08	0.02	0.16	5.1
Including	806.1	821.5	15.4	1.32	0.11	0.09	0.09	0.07	0.25	7.7
“”	845.2	850.0	4.8	2.79	2.15	0.21	0.33	0.06	0.60	18.7
“”	869.0	873.0	4.0	3.67	1.87	0.31	0.31	0.02	0.64	19.8
665870	931.0	938.2	7.2	5.62	0.82	0.13	0.21	0.02	0.36	11.2
857240	722.0	767.5	45.5	0.38	0.03	0.02	0.04	0.01	0.06	1.8
Including	746.6	752.5	5.9	2.10	0.14	0.06	0.17	0.01	0.24	7.6

Table 17 (Continued)

BHID	From	To	Length	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
857250	667.2	734.2	67.0	0.37	0.04	0.03	0.03	0.01	0.07	2.1
Including	682.0	687.3	5.3	0.72	0.06	0.07	0.08	0.03	0.17	5.3
""	722.5	727.5	5.0	1.62	0.04	0.11	0.12	0.02	0.25	7.7
857260	641.2	702.3	61.1	0.43	0.19	0.02	0.03	0.01	0.06	1.8
Including	641.2	653.1	11.9	0.64	0.06	0.02	0.04	0.01	0.07	2.1
Including	671.8	675.0	3.2	2.78	1.12	0.09	0.18	0.03	0.30	9.3
857290	752.1	936.2	184.1	0.79	0.25	0.07	0.08	0.02	0.16	5.0
Including	825.0	834.4	9.4	1.62	0.88	0.09	0.17	0.02	0.28	8.7
""	866.0	889.0	23.0	1.90	0.10	0.16	0.19	0.03	0.38	11.7
""	908.6	916.2	7.6	2.31	2.89	0.36	0.46	0.10	0.92	28.5
857300	924.0	995.0	71.0	0.21	0.04	0.02	0.02	0.01	0.05	1.4
857310	1046.0	1066.0	20.0	0.03	0.00	0.00	0.00	0.00	0.00	0.0
857410	773.0	783.0	10.0	0.12	0.04	0.01	0.01	0.27	0.29	9.1
964180	248.3	268.3	20.0	1.14	0.23	0.06	0.05	0.05	0.15	4.8

A program of surface diamond drilling with borehole UTEM-4 is recommended for confirmation sampling and expansion of the PM Zone.

The diamond drilling will provide a sample for necessary metallurgical testing and geotechnical information for future engineering studies and mining plans.

5.2.6 Recommended Work Program and Budget

The prime objective is to determine, as quickly as possible, if the established mineralized zones described above contain mineable ore reserves. This will be achieved by a program of detailed evaluation of Inco data followed by a program of diamond drilling, initially from surface and then moving to underground as the rehabilitation of the underground workings progresses. Reactivation of underground workings at the McCreedy West Mine will commence as soon as possible after property acquisition, in conjunction with reactivation of Levack Mine workings.

The diamond drilling will consist of

1. confirmation drilling to verify Inco's drill results,
2. in-fill drilling to give an optimum sample spacing for resource estimations and
3. drilling to check for possible extensions of known mineralized zones.

The exploration program outlined above has been budgeted at $4.91 million

Table 18: McCreedy West Property: Work Program & Budget

Category	Target	Number of Holes	Av. ft/hole	Total ft	Cost $	Category Subtotal
Data Compilation						50,000
Drilling:						
a) Confirmation/Infill	700 Vein Complex	20	500	10,000	300,000	
	950 Vein Complex	20	1,200	24,000	720,000	
	East Main Zone	12	1,000	12,000	360,000	
	Lower Main/Boundary	8	600	4,800	144,000	
	PM zone	10	1,200	12,000	360,000	
	Subtotal	70		62,800		1,884,000
b) Exploration	700 Vein Complex	20	500	10,000	300,000	
	950 Vein Complex	2	1,400	2,800	84,000	
	Connection? 950 to PM	2	1,200	2,400	72,000	
	PM zone	10	1,000	10,000	300,000	
	Footwall Breccia	5	2,500	12,500	375,000	
	Subtotal	44		37,700		1,113,100
Surface/Underground Rehabilitation						1,000,000
Supervision and Administration						406,500
Contingency						447,150
	McCreedy West Mine Total					**4,918,650**

5.3 Levack Mine Property

5.3.1 Location, History & Infrastructure

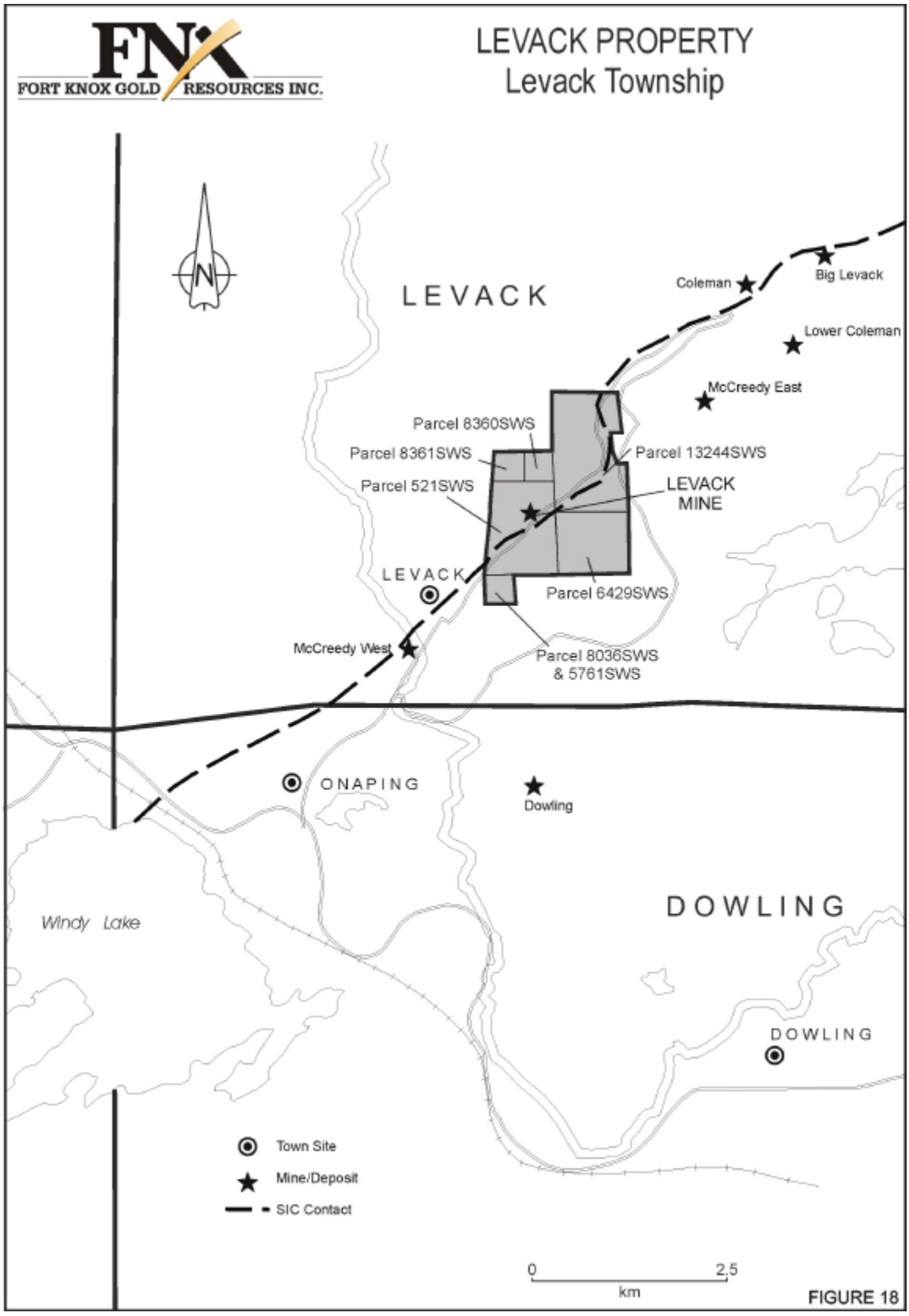
The Levack Mine property, comprising 811.37 acres in six mining patents, is located 34 km northwest of Sudbury (Figure 1) in Levack Township and immediately adjacent to the McCreedy West property described above (Figure 18). Access is via a year round highway and a rail spur passes within 1 km of the property site.

The Levack Mine, the first deposit discovered on the North Range, was discovered in 1887 and patented in 1889. The Mond Nickel Company acquired the property in 1912 and production started from the No.1 inclined shaft in 1915. Following the merger with Inco in 1929 the surface plants were destroyed by fire and the mine was closed. Following reopening in 1937 the three-compartment No. 2 Shaft was sunk to a depth of 4,050 ft. In 1939 the No.1 and No.2 East Orebodies were discovered and the No.3 and No.4 Orebodies were discovered by diamond drilling in 1947. The No.3 internal shaft was collared in 1950.

The Levack Mine operated continuously from1937 until closing in 1997. The total ore production was **60,500,000 tonnes grading 1.31% Cu, 2.00% Ni, 0.02 oz/ton Pt, 0.02 oz/ton Pd and 0.009 oz/ton Au (0.049 oz/t TPM).**

The focus of the exploration program proposed by Fort Knox is several un-exploited mineralized zones (1900, 1300, No. 7), which require further evaluation as to their economic viability.

The No. 2 Shaft remains accessible and usable to approximately the 3,600 ft Level. The cage and skips remain functional. A ventilation system using the available raises, drifts and shafts is in use to service the McCreedy East Mine return air.


FORT KNOX GOLD RESOURCES INC.
LEVACK PROPERTY
Levack Township
N
LEVACK
Coleman
Big Levack
Lower Coleman
McCreedy East
Parcel 8360SWS
Parcel 8361SWS
Parcel 521SWS
Parcel 13244SWS
LEVACK MINE
LEVACK
Parcel 6429SWS
McCreedy West
Parcel 8036SWS & 5761SWS
ONAPING
Dowling
DOWLING
Windy Lake
DOWLING
Town Site
Mine/Deposit
SIC Contact
0
2,5
km
FIGURE 18

The surface infrastructure includes the collar house, hoist room with hoist and miscellaneous surface buildings including the sand plant. Some of these buildings are scheduled for demolition. Hydroelectric power is currently available to the project site. The surface load out and rail car loading area are functional and currently being used. Re-entry to the Levack workings will not conflict with the current McCreedy East operations of Inco.

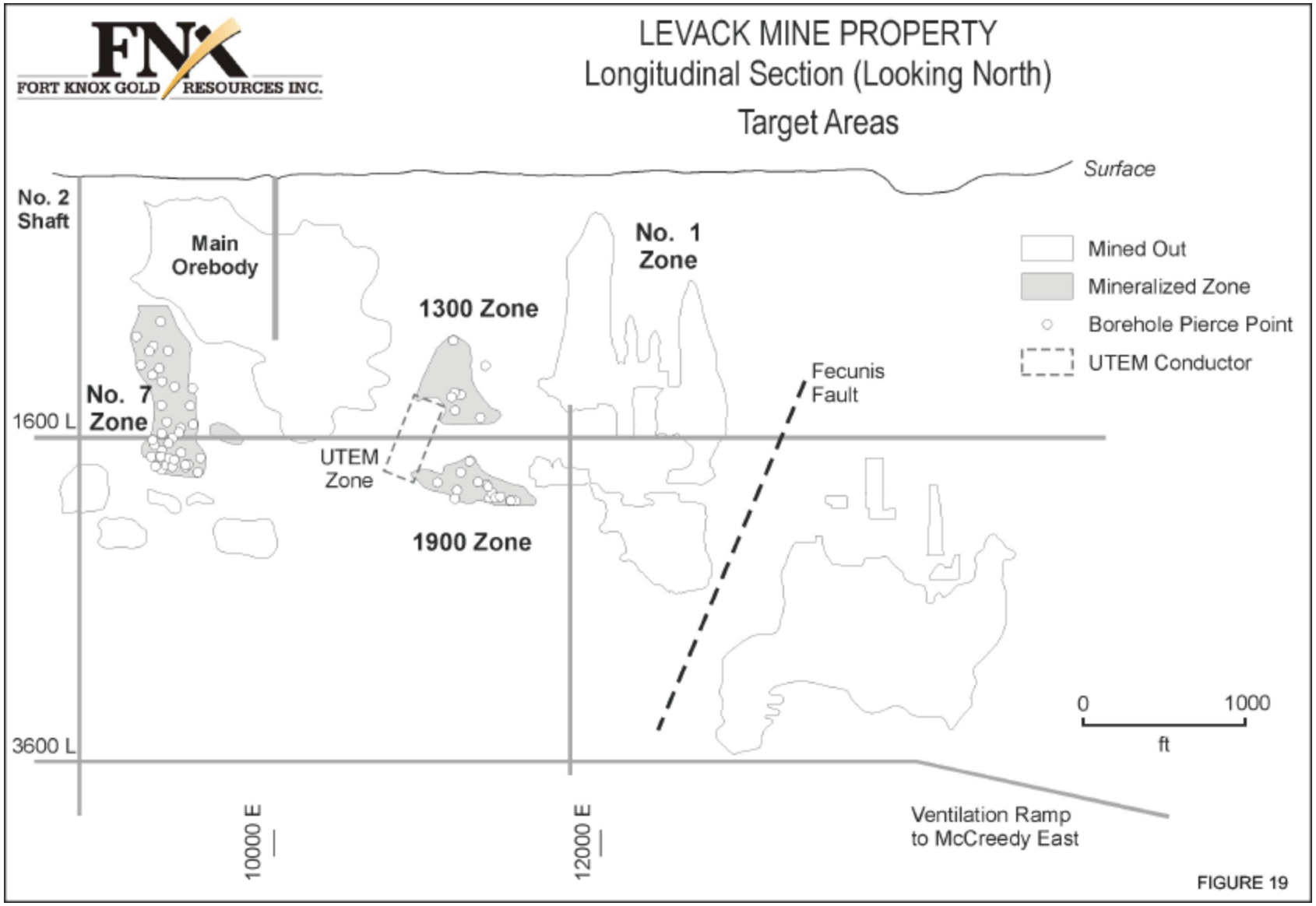
This property is covered by the joint Inco-Falconbridge environmental closure plan, which also covers McCreedy West. A revised closure plan would have to be prepared as required by the Ontario Mining Act prior to commencing an advanced exploration program or mine development.

5.3.2 Property Geology & Mineralization

The Levack Mine is located on the northwest margin of the SIC. It is situated within the Levack trough, an 8.5 km long structure that generally strikes northeast, dips at 40-45° southeast and contains all of the major North Range deposits.

The orebodies at the Levack Mine are contained within terrace structures that have acted as traps for the sublayer material that hosts sulphide mineralization. In these terrace environments there is a thickened sequence of sublayer, consisting dominantly of granite breccia with sublayer norite containing sulphide mineralization. Hangingwall rocks consist of a basal mafic norite overlain by felsic norite of the SIC. Brecciated granodiorite, granodiorite gneiss and migmatites of the Levack complex form the footwall to the deposits and are referred to as megabreccia. The sulphide mineralization and the host rocks have been disrupted by northwest-trending faults.

Cu-Ni-PGM sulphide mineralization occurs in several zones (Figure 19) including the Levack Main, No. 1, No. 2, No. 3 and No. 4 Zones. All penetrate the footwall rocks to varying degrees.


FORT KNOX GOLD RESOURCES INC.
LEVACK MINE PROPERTY
Longitudinal Section (Looking North)
Target Areas
Surface
No. 2 Shaft
Main Orebody
No. 1 Zone
1300 Zone
No. 7 Zone
1600 L
UTEM Zone
1900 Zone
Fecunis Fault
Mined Out
Mineralized Zone
Borehole Pierce Point
UTEM Conductor
0
1000
ft
3600 L
10000 E
12000 E
Ventilation Ramp to McCreedy East
FIGURE 19

The orebodies consist of thick lenses and stringers of massive Cu-Ni sulphide situated at or near the contact between granite breccia and the Levack footwall complex. The sulphides in the granite breccia are typically disseminated, blebby or inclusion massive sulphides consisting of pyrrhotite, pentlandite, chalcopyrite and minor pyrite. Each zone has an area of associated Cu-PGM-rich sulphides that occurs as a stockwork of massive stringers in the footwall Sudbury Breccia.

5.3.3 Deposit Types

The **Contact Type** deposits are represented by the 1300 Zone & No. 7 Zone, which are primarily Ni-Cu deposits with minor PGM content. The 3 Orebody is of the Cu-Ni-PGM **Footwall Type,** while the 1900 Zone, can be regarded as a **hybrid-type** exhibiting features of both Contact- and Footwall-types.

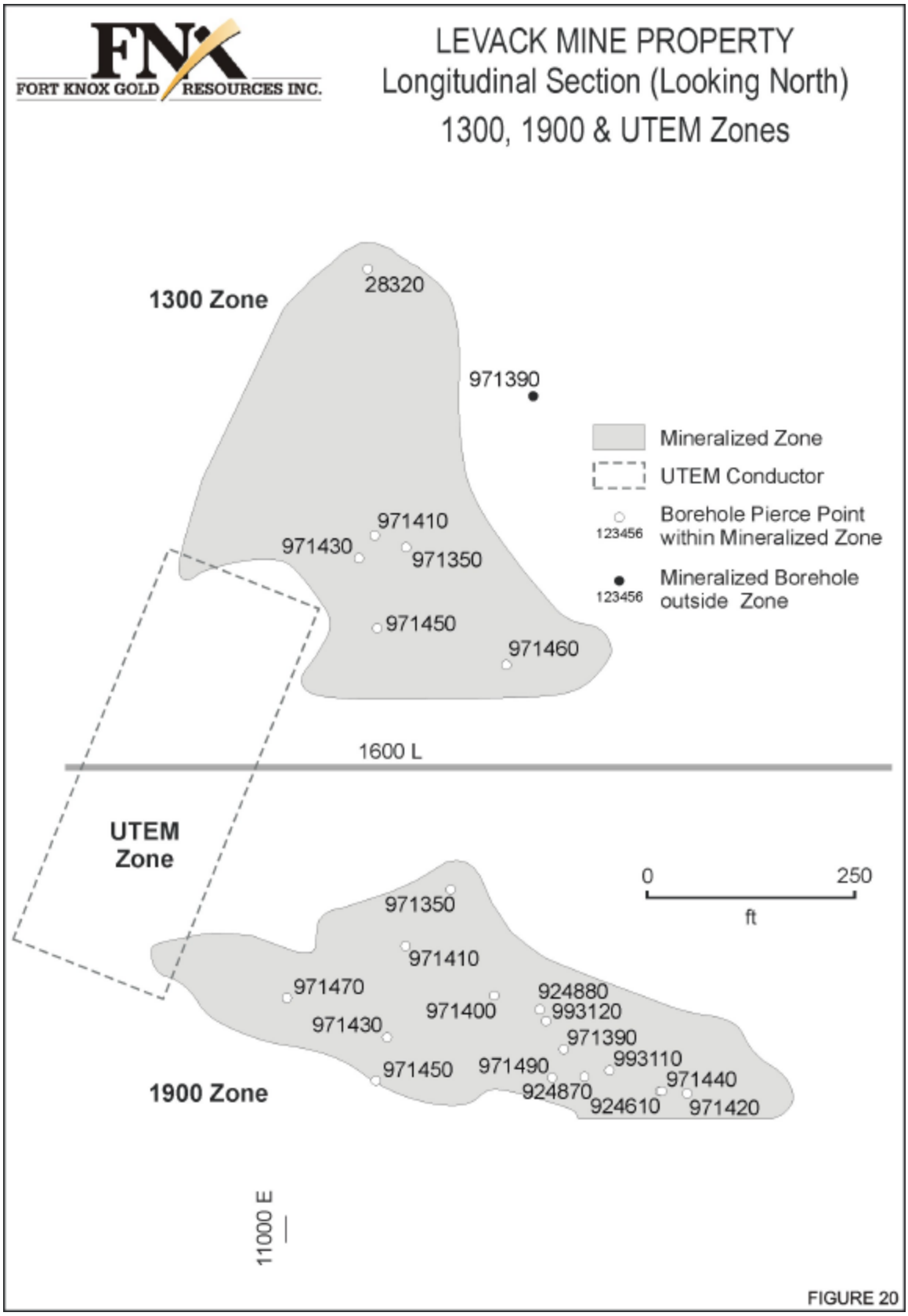
The remaining two areas are high priority targets. The first is a UTEM anomaly located between the 1300 and 1900 Zones and which could indicate Ni-Cu contact type mineralization linking the two zones. The second target area, located in the footwall area extending north from the SIC contact, is a prime target for high grade Cu-Ni PGM vein-type mineralization.

Four of the six target areas outlined (Figure 19) contain known mineralization and are considered to have production potential.

5.3.4 **Contact – Type** Deposit Targets

5.3.4.1 **1300 Zone**

This mineralized zone has a strike length of 650 ft., a dip length of 590 ft and dips 45° to the south (Figure 20). It is characterized by massive to inclusion-rich massive sulphide stringers consisting of pyrrhotite, pentlandite and chalcopyrite, and is hosted by sublayer


FORT KNOX GOLD RESOURCES INC.
LEVACK MINE PROPERTY
Longitudinal Section (Looking North)
1300, 1900 & UTEM Zones
1300 Zone
28320
971390
971410
971430
971350
971450
971460
Mineralized Zone
UTEM Conductor
123456
Borehole Pierce Point within Mineralized Zone
123456
Mineralized Borehole outside Zone
1600 L
UTEM Zone
0
250
ft
971350
971410
971470
924880
971400
993120
971430
971390
971450
971490
993110
971440
924870
924610
971420
1900 Zone
11000 E
FIGURE 20

norite and granite breccia sublayer. In this zone the nickel values generally exceed the copper values by a ratio of at least 2:1, while PGM values are depleted. This, combined with the low copper values is considered to suggest possible migration of copper and PGMs into an adjacent footwall environment.

Seven boreholes have intersected this zone with 6 intersections greater than 10ft. Intersections demonstrating potential are;

- **1.10% Cu, 3.33% Ni, over 65.7 ft.** in drillhole 971410
- **0.80% Cu, 3.63% Ni over 5.8 ft.** in drillhole 28320
- **0.48% Cu, 1.30% Ni, over 74.5 ft.** in drillhole 971450

Table 19: Levack Property: 1300 Zone - Graded Assays

BHID	From	To	Length	Cu	Ni
	ft	ft	ft	%	
28320	232.2	256.7	24.5	0.53	1.48
including	**250.9**	**256.7**	**5.8**	**0.80**	**3.63**
971350	1264.5	1286.5	22.0	0.87	1.47
including	1276.7	1286.5	9.8	1.03	2.26
971390	1167.5	1175.6	8.1	0.28	0.85
971410	1352.0	1430.6	78.6	0.98	2.88
including	**1354.8**	**1420.5**	**65.7**	**1.10**	**3.33**
“”	1399.0	1408.7	9.7	1.83	5.04
971430	1385.0	1399.0	14.0	0.68	1.10
including	1472.5	1482.8	10.3	0.86	2.58
971450	**1388.6**	**1463.1**	**74.5**	**0.48**	**1.30**
including	1452.5	1461.5	9.0	0.61	2.98
971460	1494.7	1507.3	12.6	0.26	1.33

The Zone remains untested down dip where it could connect to the 1900 Ni-Cu-PM Zone around a large ultramafic to mafic body. The re-compilation of previous UTEM-4 surveys indicates a sub-vertical conductive body in the area between the 1300 and 1900 Zones. The 1300 Zone is open for over 300 ft. to the west, and sparsely drilled over 300 ft. to the east. The zone is open towards the surface. Figure 20 shows the excellent

potential for expansion of the mineralization in this area and an exploration program consisting of surface drilling and borehole UTEM-4 is recommended.

5.3.4.2 **No.7 Zone**

This is an area of unmined Ni-Cu contact-type mineralization located mainly above the 1600 Level, below and west of the Levack Main Orebody (Figure 19). It is an elongate, trough-like zone (Figure 21) approximately 200 ft wide and extending approximately 1000 ft down dip. Thirty-seven Inco boreholes with 48 intersections, twenty-six of which are greater than 10 ft., cut the zone and assays (Table 20) show that Ni values exceed copper values by a ratio of at least 2:1 and PGM values are very depleted. This depletion in Cu and PGMs suggests the migration of these elements into a footwall environment. Intersections demonstrating potential are

- **0.93% Cu, 1.64% Ni over 78.7 ft.** in drillhole 886930
- **0.54% Cu, 5.78% Ni over 3.2 ft.** in drillhole 900460
- **0.48% Cu, 1.53% Ni over 36.0 ft.** in drillhole 466820

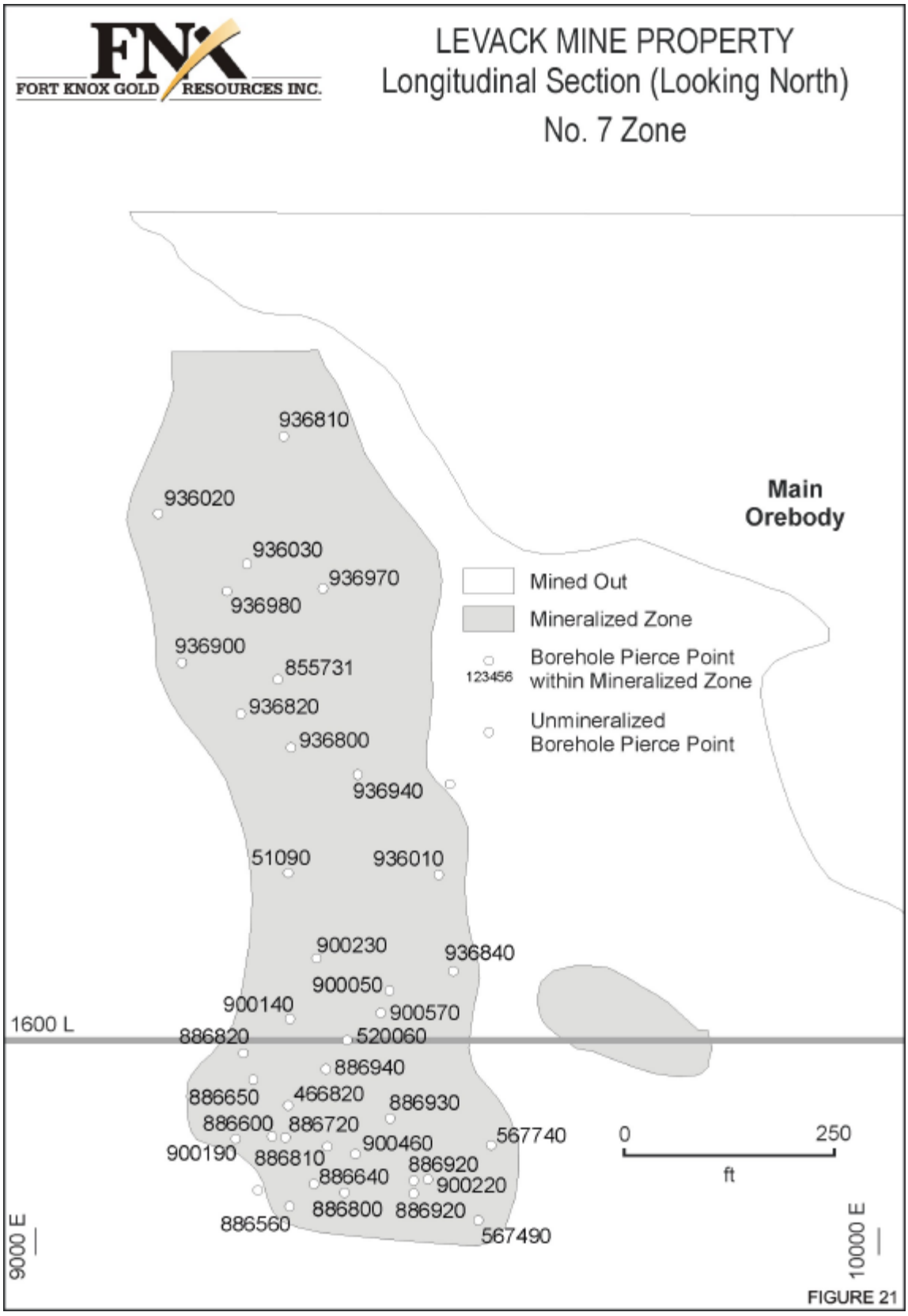

FORT KNOX GOLD RESOURCES INC.
LEVACK MINE PROPERTY
Longitudinal Section (Looking North)
No. 7 Zone
Main Orebody
Mined Out
Mineralized Zone
123456
Borehole Pierce Point within Mineralized Zone
Unmineralized Borehole Pierce Point
936810
936020
936030
936970
936980
936900
855731
936820
936800
936940
51090
936010
900230
936840
900050
900140
900570
1600 L
886820
520060
886940
886650
466820
886930
886600
886720
900460
567740
900190
886810
886920
886640
900220
886800
886920
886560
567490
0
250
ft
9000 E
10000 E

FIGURE 21

Table 20: Levack Property: No.7 Zone - Graded Assays

BHID	From	To	Length	Cu	Ni
	ft	ft	ft	%	
51090	1373.5	1378.5	5.0	0.99	1.18
	1402.5	1405.4	2.9	1.24	3.61
466820	**810.8**	**846.8**	**36.0**	**0.48**	**1.53**
520060	970.4	985.0	14.6	0.39	1.45
	1039.5	1044.8	5.3	0.67	1.00
567490	942.0	948.2	6.2	0.14	0.43
567740	977.8	980.8	3.0	1.34	3.54
855731	1140.0	1164.0	24.0	1.01	2.68
886560	200.0	236.5	36.5	0.24	1.45
including	200.0	210.7	10.7	0.52	3.94
886600	199.7	204.6	4.9	0.42	2.12
886640	203.0	227.0	24.0	0.19	1.14
886650	204.6	214.0	9.4	0.74	1.80
886720	187.7	207.5	19.8	0.45	2.43
	226.2	245.2	19.0	0.17	1.31
886800	213.4	227.2	13.8	0.60	1.82
	243.8	273.8	30.0	0.50	1.79
886810	224.4	283.6	59.2	0.40	1.16
including	224.4	232.0	7.6	0.58	2.57
including	273.8	283.6	9.8	0.62	1.85
886820	227.7	253.5	25.8	0.35	1.17
886920	282.0	313.0	31.0	0.17	0.94
886930	**295.7**	**374.4**	**78.7**	**0.93**	**1.64**
886940	260.0	281.9	21.9	0.54	2.53
900050	370.0	383.5	13.5	0.54	2.03
900140	302.8	388.3	85.5	0.38	1.62
including	302.8	323.0	20.2	0.50	2.15
including	342.5	354.8	12.3	0.40	2.58
900190	186.0	194.0	8.0	0.20	1.79
900220	292.0	332.7	40.7	0.62	2.13
including	292.0	317.0	25.0	0.86	2.79
900230	355.0	362.5	7.5	0.32	1.25
	372.9	389.8	16.9	0.65	1.45
900460	**223.8**	**227.0**	**3.2**	**0.54**	**5.78**
	263.1	281.0	17.9	0.76	2.13
900570	359.6	364.6	5.0	0.64	2.18
936010	1383.0	1399.4	16.4	0.16	1.36
936020	969.4	974.2	4.8	0.15	1.50
	994.6	1000.1	5.5	0.34	1.98
	1005.7	1014.0	8.3	0.93	2.53
936030	1008.4	1039.7	31.3	0.61	2.14
including	1028.5	1035.3	6.8	0.28	4.33

Table 20 (Continued)					
BHID	From	To	Length	Cu	Ni
	ft	ft	ft	%	
936800	1216.3	1241.6	25.3	0.14	1.80
including	1233.0	1237.2	4.2	0.09	3.95
936810	886.5	893.0	6.5	0.38	1.68
936820	1192.0	1195.6	3.6	0.18	1.47
	1250.6	1259.6	9.0	0.60	1.65
936840	1508.0	1510.3	2.3	0.37	2.40
936900	1130.9	1131.5	0.6	0.42	1.75
936940	1257.5	1271.2	13.7	0.10	1.08
	1285.5	1291.8	6.3	0.11	1.48
	1293.8	1310.6	16.8	0.13	1.27
936970	1050.4	1063.0	12.6	0.58	1.44
936980	1022.3	1079.5	57.2	0.64	1.62

5.3.5 **Footwall – Type** Deposit Targets

The **Footwall Type** of mineralization is represented by the No.3 Orebody, which is situated 3,600 ft. east of the No. 2 shaft and up dip from the Levack No.3 Orebody (Figure 19). It has been explored by two recent surface drill holes and several underground exploration drill holes. As is typical of the footwall environment, the mineralized intersections are Cu and PGM enriched. Significant drill hole intersections include

- **1.01% Cu, 1.85% Ni, 12.3 g/tonne PGM over 1.2 m,**
- **3.50% Cu, 0.20% Ni, 17.0 g/tonne PGM over 3.6 m.**

In-hole UTEM-4 surveys indicate that the zone may be open along strike and dip. The potential is high for this style of mineralization to occupy the open area of over 800 by 800 ft. The zone can be accessed from the Levack Mine 2050 Level drift where narrow Cu-PGM stringers similar to those intersected in the diamond drill holes are present. Further exploration consisting of surface drilling and borehole UTEM-4 is recommended.

5.3.5.1 **1900 Zone**

The **1900 Zone** (Figures 19 & 20) is regarded as a hybrid of the Contact and Footwall deposit types. It is hosted by granite breccia and partially by footwall Sudbury Breccia, has a strike length of 900 ft., a dip length of 1300 ft. and dips to the south at up to 60°. The zone is characterized by massive to inclusion massive sulphide stringers consisting of pyrrhotite, pentlandite, chalcopyrite and minor millerite. The 1900 Zone contains significant PGM mineralization with values in excess of 0.1 oz/ton. It should also be noted that in the lower parts of some of the boreholes there are narrow (<3 ft) mineralized intercepts with enriched Cu and PGM values typical of the footwall, vein- type Cu-PGM mineralization.

Fifteen drillholes have made 18 intersections, (Table 21), with 7 being greater than 10 ft. in this zone and intersections demonstrating potential include

- **1.94% Cu, 2.60% Ni, 0.14 oz/t TPM over 87.4 ft.** in drillhole 971390
- **1.28% Cu, 0,35% Ni, 0.46 oz/t TPM over 8.1 ft.** in drillhole 971420
- **3.32% Cu, 4.87% Ni, 0.34 oz/t TPM over 5.3 ft.** in drillhole 971430

As previously noted the 1900 Zone may have a connection to the 1300 Zone, and possibly with the Levack No. 3 Orebody which is located some 800 ft. to the east. This untested area measures 800 by 500 ft and an exploration program consisting of surface drilling and borehole UTEM-4 is recommended.

Table 21: Levack: 1900 Zone – Graded Assays

BHID	From	To	Length	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
924610	496.5	518.2	21.7	0.75	1.50					
including	514.2	518.2	4.0	0.40	7.40					
924870	564.6	566.1	1.5	2.48	3.62					
924880	552.0	555.0	3.0	0.37	1.75					
971350	1809.4	1812.2	2.8	1.21	2.41	0.05	0.05	0.05	0.15	4.5
	1835.0	1836.2	1.2	0.35	2.92	0.06	0.05	0.04	0.14	4.5
	1842.4	1843.8	1.4	0.78	2.39	0.04	0.04	0.02	0.11	3.3
	1861.6	1863.8	2.2	5.90	0.09	0.02	0.05	0.09	0.16	4.9
971390	**1934.0**	**2021.4**	**87.4**	**1.94**	**2.60**	**0.07**	**0.05**	**0.01**	**0.14**	**4.4**
including	1934.0	1947.6	13.5	1.41	5.43	0.10	0.12	0.10	0.31	9.7
“”	1967.0	1974.0	7.0	4.31	5.28	0.12	0.16	0.06	0.35	10.8
“”	1981.0	1997.0	16.0	2.70	4.04	0.09	0.12	0.10	0.31	9.6
“”	1998.6	2003.0	4.4	5.38	4.02	0.07	0.13	0.11	0.31	9.7
“”	2015.3	2017.5	2.2	4.77	4.82	0.07	0.16	0.07	0.29	9.1
971400	2098.0	2101.0	3.0	6.08	0.32	0.01	0.18	0.00	0.19	6.0
971410	1869.0	1949.6	80.6	0.59	0.39	0.01	0.02	0.00	0.03	1.0
including	1869.0	1872.2	3.2	1.92	1.71	0.04	0.04	0.06	0.14	4.2
“”	1914.0	1916.3	2.3	1.52	1.62	0.036	0.030	0.000	0.07	2.1
“”	1946.5	1949.6	3.1	2.76	2.74	0.02	0.09	0.20	0.31	9.8
971420	2138.9	2170.0	31.1	0.57	0.31	0.07	0.07	0.03	0.17	5.3
including	**2138.9**	**2147.0**	**8.1**	**1.28**	**0.35**	**0.24**	**0.14**	**0.11**	**0.46**	**14.3**
“”	2169.0	2170.0	1.0	5.60	5.59	0.08	0.14	0.22	0.45	13.9
971430	1944.8	2030.5	85.7	0.72	0.65	0.02	0.03	0.00	0.06	1.8
including	**2025.2**	**2030.5**	**5.3**	**3.32**	**4.87**	**0.11**	**0.10**	**0.13**	**0.34**	**10.7**
971440	2193.0	2207.3	14.3	0.57	0.65	0.02	0.06	0.00	0.08	2.5
including	2205.2	2207.3	2.1	1.51	0.41	0.030	0.258	0.009	0.30	9.2
971450	1965.1	1965.8	0.7	5.74	0.72	0.05	0.02	0.01	0.08	2.5
971470	1902.5	1914.3	11.8	1.13	2.12	0.03	0.04	0	0.07	2.2
971490	2013.4	2014.4	1.0	1.34	0.21	0.04	0.06	0.01	0.11	3.4
993110	532.5	536.5	4.0	3.80	0.51					
993120	550.5	552.0	1.5	0.80	2.26	0	0	0	0	0

5.3.5.3 **UTEM Zone**

UTEM surveys have identified a significant conductive body over 500 by 500 ft in a thick zone of sublayer and granite breccia located south of the Levack Main Zone and between the western limits of the 1300 and 1900 zones (Figure 20). This area is sparsely drilled and could contain a considerable mass of sulphide in an as yet undefined terrace

structure. Exploration consisting of a digital recompilation of the target area with possible follow up surface drilling with borehole UTEM-4 surveys is recommended.

A digital compilation of all available data followed by some detailed mapping and ground geophysics is recommended. Further evaluation of the area will require follow-up diamond drilling from surface and borehole UTEM-4 surveys.

5.3.4 Recommended Work Program and Budget

The prime objective is to determine, as quickly as possible, if the established mineralized zones described above can be upgraded to ore reserve category. This will be achieved by a program of detailed evaluation of Inco data, together with diamond drilling, initially from surface and then moving to underground as rehabilitation of the underground workings progresses. Reactivation of underground workings at Levack Mine will commence as soon as possible after property acquisition and will be done in conjunction with reactivation of the McCreedy West Mine workings.

Some 37 surface and underground drill holes have been budgeted in order to achieve the outlined program objectives. After completion of a more thorough data compilation, detailed program planning will determine the most practical locations from which to drill all targets. UTEM-4 will be utilized where appropriate. Metallurgical testing will be completed for all zones being contemplated for mining.

Proposed exploration expenditures for this program are estimated at $2.96 million.

Table 22: Levack Mine Property – Work Program & Budget

Category	Target	Number of Holes	Av.ft/hole	Total ft	Cost $	Category Subtotal
Data Compilation						50,000
Diamond Drilling:						
a) Confirmation/infill	No.7 Zone	10	1,000	10,000	300,000	
	1300 Zone	5	500	2,500	75,000	
	1900 Zone (from u/g)	8	800	6,400	192,000	
	1900 (from surface)	2	2,400	4,800	144,000	
	Subtotal	25		23,700		711,000
b) Exploration	UTEM anom. 1300 to 1900	6	800	4,800	144,000	
	Down dip of 1900	3	3,000	9,000	270,000	
	Footwall Breccia zone	3	3,000	9,000	900,000	
	Subtotal	12		22,800		684,000
Surface/Underground Rehabilitation						1,000,000
Supervision/Administration @ 10%						244,500
Contingency @ 10%						268,950
		Levack Mine Total				**2,958,450**

5.4 Norman Property

5.4.1 Location, History & Infrastructure

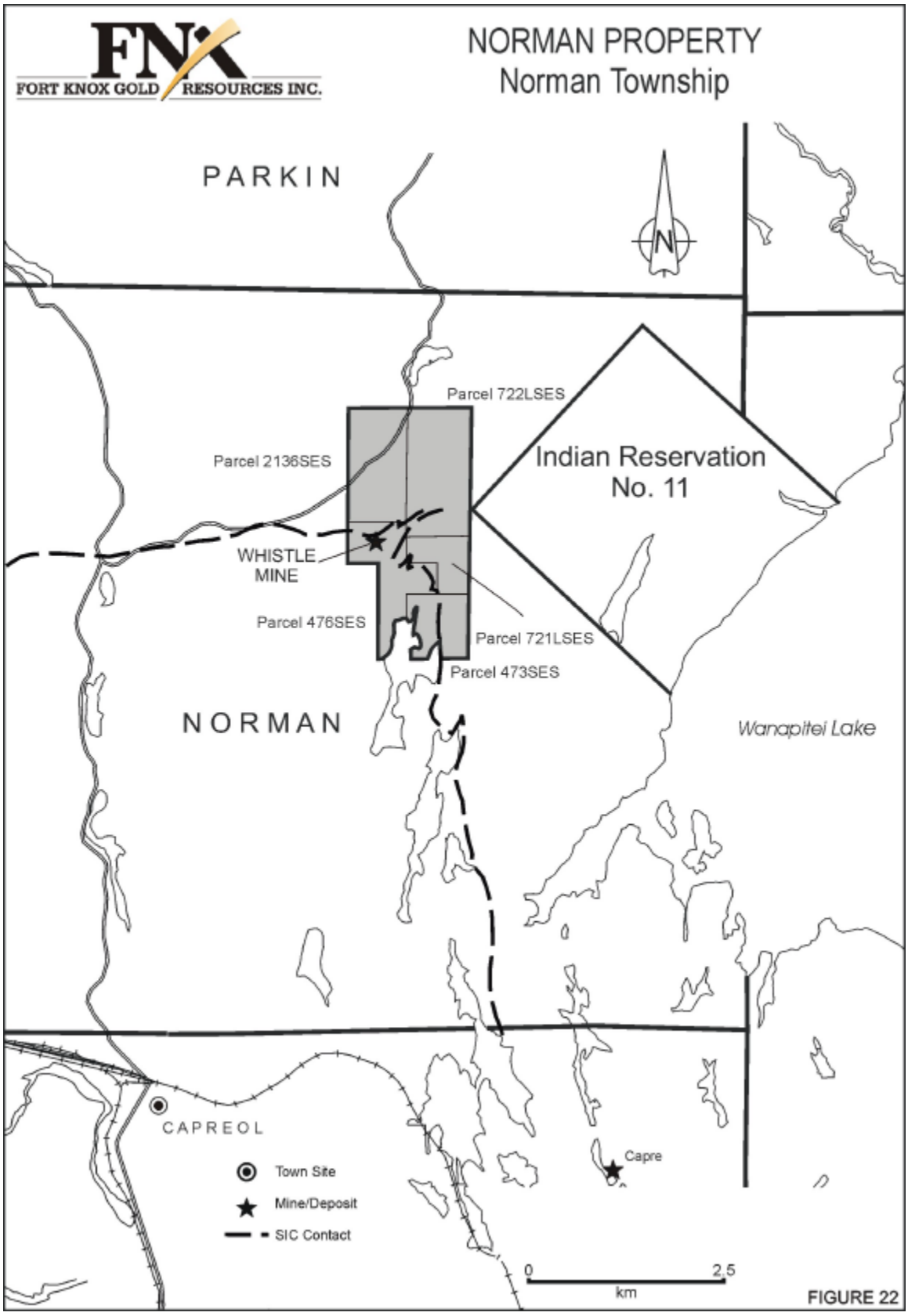
The Norman property, comprising 1,111.33 acres, is located in Norman Township 32 km north-northeast of Sudbury (Figure 1). The mining rights are held under ten-year mining and surface rights leases, 287 and 288, and are renewable April 1, 2007. Excellent road access is available and the main Ontario line of the CNR passes approximately 6.5 km west of the project site.

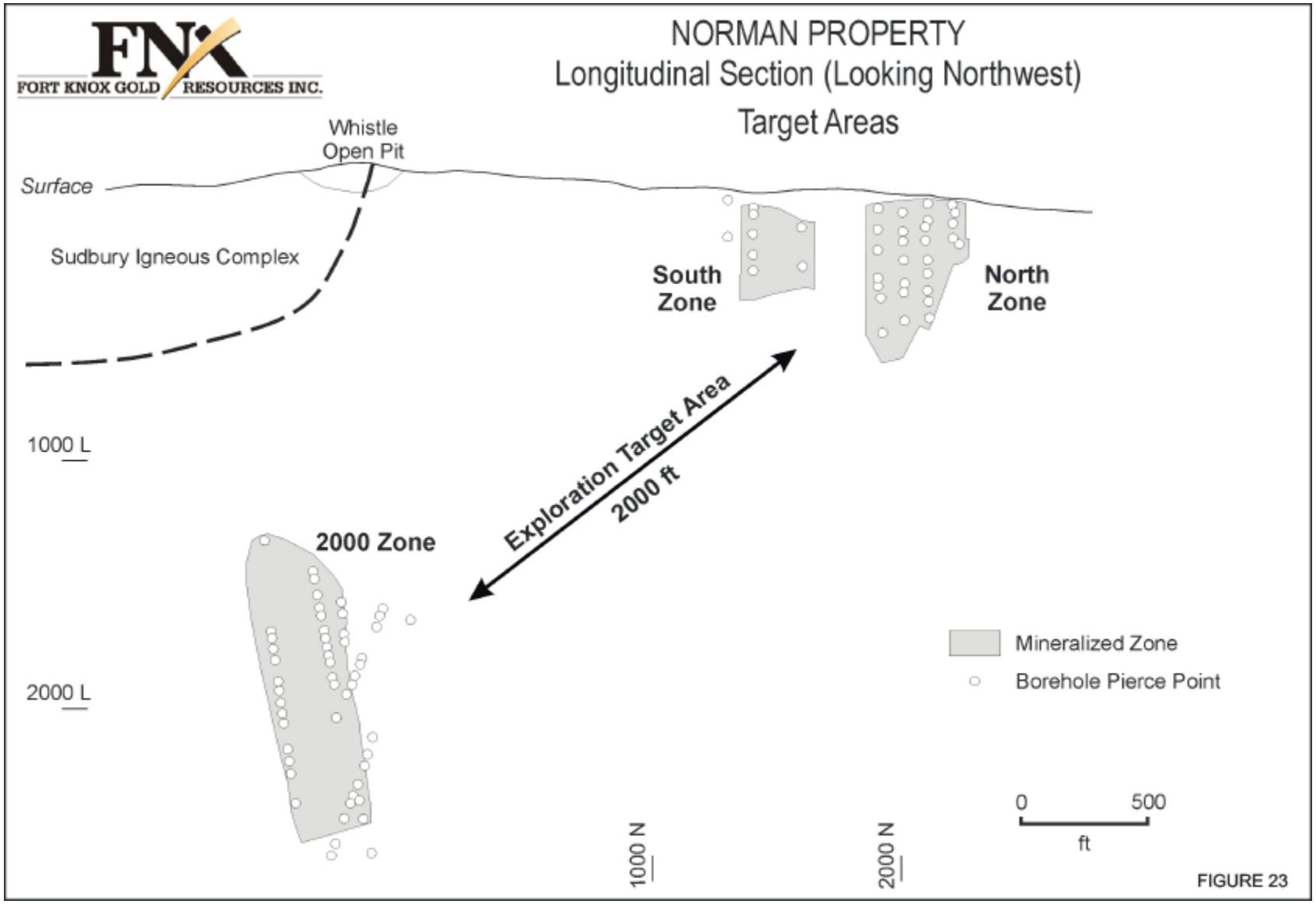
The property has been intermittently explored since 1971 by surface drilling and geological mapping. The former Whistle open pit mine is located on the property and was in production between 1988 and 1991 and again between 1994 and 1997. The mine produced **5.71 million tons grading 0.33% Cu, 0.95% Ni, 0.034% Co and 0.11 oz/ton TPM.** The Whistle contact-type deposit was located in an embayment from which the Parkin Offset trends in a north-eastward direction away from the SIC. Three zones of PGM-Cu-Ni mineralization (North, South and 2000 Zones) have been partially delineated in the Parkin Offset, northeast of the Whistle open pit.

The former Whistle open pit mine site is currently being reclaimed under a conceptually approved closure plan. The Wahnapitei First Nation is a party to the closure plan and any changes will have to be negotiated with them as well as the Ministry of Northern Development and Mines (MNDM).

5.4.2 Property Geology & Mineralization

The Norman property is located (Figure 22) at the northeast apex of the SIC where the strike of the SIC changes from the east-west direction of the North Range to the north-south direction of the East Range. The property includes the Whistle embayment and the southern portion of the Parkin Offset dyke.


FORT KNOX GOLD RESOURCES INC.
NORMAN PROPERTY
Norman Township
PARKIN
N
Parcel 722LSES
Parcel 2136SES
Indian Reservation
No. 11
WHISTLE
MINE
Parcel 476SES
Parcel 721LSES
Parcel 473SES
NORMAN
Wanapitei Lake
CAPREOL
Capre
Town Site
Mine/Deposit
SIC Contact
0
2.5
km
FIGURE 22


FORT KNOX GOLD RESOURCES INC.
NORMAN PROPERTY
Longitudinal Section (Looking Northwest)
Target Areas
Whistle
Open Pit
Surface
Sudbury Igneous Complex
South
Zone
North
Zone
1000 L
Exploration Target Area
2000 ft
2000 Zone
2000 L
Mineralized Zone
Borehole Pierce Point
0
500
ft
1000 N
2000 N
FIGURE 23

The Offset extends north-eastward from the Whistle embayment into the gneissic footwall rocks as a vertically dipping dyke varying in thickness from 50 ft. to greater than 300 ft., and consisting of irregular, discontinuous lenses of quartz diorite within a wider zone of Sudbury Breccia.

5.4.3 Targets

Within the Norman Property, three zones of PGM-Cu-Ni mineralization have been discovered along the Parkin Offset (Figure 23).

5.4.3.1 **North Zone**

The **North Zone,** exposed at surface in a small area where overburden has been removed, consists of widespread, erratic Cu-PGM rich mineralization contained in a 200 ft. wide zone hosted by breccia and minor quartz diorite of the Parkin Offset Dyke. At this location the dyke is approximately 350 ft. wide. The mineralization occurs as discontinuous and irregular veins and lenses of massive chalcopyrite as well as chalcopyrite stringers, fracture fillings and disseminations.

Sixteen drillholes yielded 25 intersections (Table 22) ranging from 2.6 ft to 85.6 ft., and with 17 intersections greater than 10 ft. Significant intersections include

- **5.91% Cu, 0.25% Ni, 0.3 oz/t TPM over 3.0 ft.** in drillhole 779980
- **5.49% Cu, 0.92% Ni, 0.1 oz/t TPM over 80.3 ft**. in drillhole 779800
- **12.38% Cu, 0.74% Ni, 0,2 oz/t TPM over 12.0 ft**. in drillhole 779820

Table 23: Norman Property: North Zone – Graded Assays

BHID	From	To	Length	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft		%				oz/t	g/t
484360	103.3	112.9	9.6	1.50	0.25	0.05	0.02	0.01	0.1	2.6
	162.2	168.2	6.0	1.09	2.33	0.02	0.02	0.01	0.0	1.4
	236.4	322.0	85.6	1.24	0.38	0.02	0.01	0.01	0.0	1.4
484380	104.7	141.3	36.6	1.11	0.26	0.04	0.03	0.01	0.1	2.6
	164.7	188.5	23.8	3.68	0.04	0.02	0.03	0.00	0.0	1.3
484410	27.1	34.7	7.6	0.84	0.09	0.02	0.02	0.00	0.0	1.2
484420	60.3	115.0	54.7	1.18	0.15	0.01	0.01	0.01	0.0	1.2
	218.2	277.1	58.9	0.68	0.09	0.01	0.03	0.05	0.1	2.6
484430	289.1	367.6	78.5	0.27	0.08	0.00	0.00	0.01	0.0	0.4
484450	568.3	570.9	2.6	1.80	0.38	0.05	0.02	0.00	0.1	2.2
	683.4	744.7	61.3	1.05	0.51	0.02	0.01	0.02	0.1	1.8
779730	115.6	134.0	18.4	1.28	0.06	0.02	0.02	0.01	0.1	1.8
779740	390.9	435.2	44.3	1.92	0.26	0.03	0.03	0.01	0.1	2.4
	598.5	606.0	7.5	4.55	0.85	0.13	0.05	0.02	0.2	6.0
779750	236.1	253.9	17.8	1.92	0.17	0.01	0.03	0.01	0.0	1.5
	502.4	570.9	68.5	0.58	0.06	0.02	0.02	0.01	0.0	1.4
779780	214.6	232.5	17.9	1.17	0.11	0.02	0.00	0.01	0.0	1.2
779790	129.4	153.5	24.1	2.47	0.06	0.01	0.02	0.00	0.0	0.8
779800	284.8	325.1	40.3	3.53	0.38	0.08	0.06	0.02	0.2	5.0
	360.2	**440.5**	**80.3**	**5.49**	**0.92**	**0.04**	**0.02**	**0.02**	**0.1**	**2.3**
779810	250.4	255.0	4.6	1.54	0.14				0.01	0.2
779820	**59.7**	**71.7**	**12.0**	**12.38**	**0.74**	**0.08**	**0.07**	**0.01**	**0.2**	**5.1**
779980	652.5	656.8	4.3	0.60	0.07	0.01	0.03	0.00	0.0	1.3
	745.9	**748.9**	**3.0**	**5.91**	**0.25**	**0.14**	**0.08**	**0.07**	**0.3**	**9.0**
779990	615.2	626.3	11.1	0.30	0.07	0.03	0.02	0.01	0.1	1.8

The North Zone has a confirmed strike length of 460 ft. and a depth extent of 600 ft. from surface and appears to plunge to the southwest at 60°.

Further stripping is planned to expose a much larger area so that a better understanding of the distribution and relationships of the mineralization can be obtained. In addition, a program of surface drill holes is required to sample and test the dip, strike and plunge extensions of the North Zone mineralization. This drilling will also provide core samples for metallurgical testing.

5.4.3.2 **South Zone**

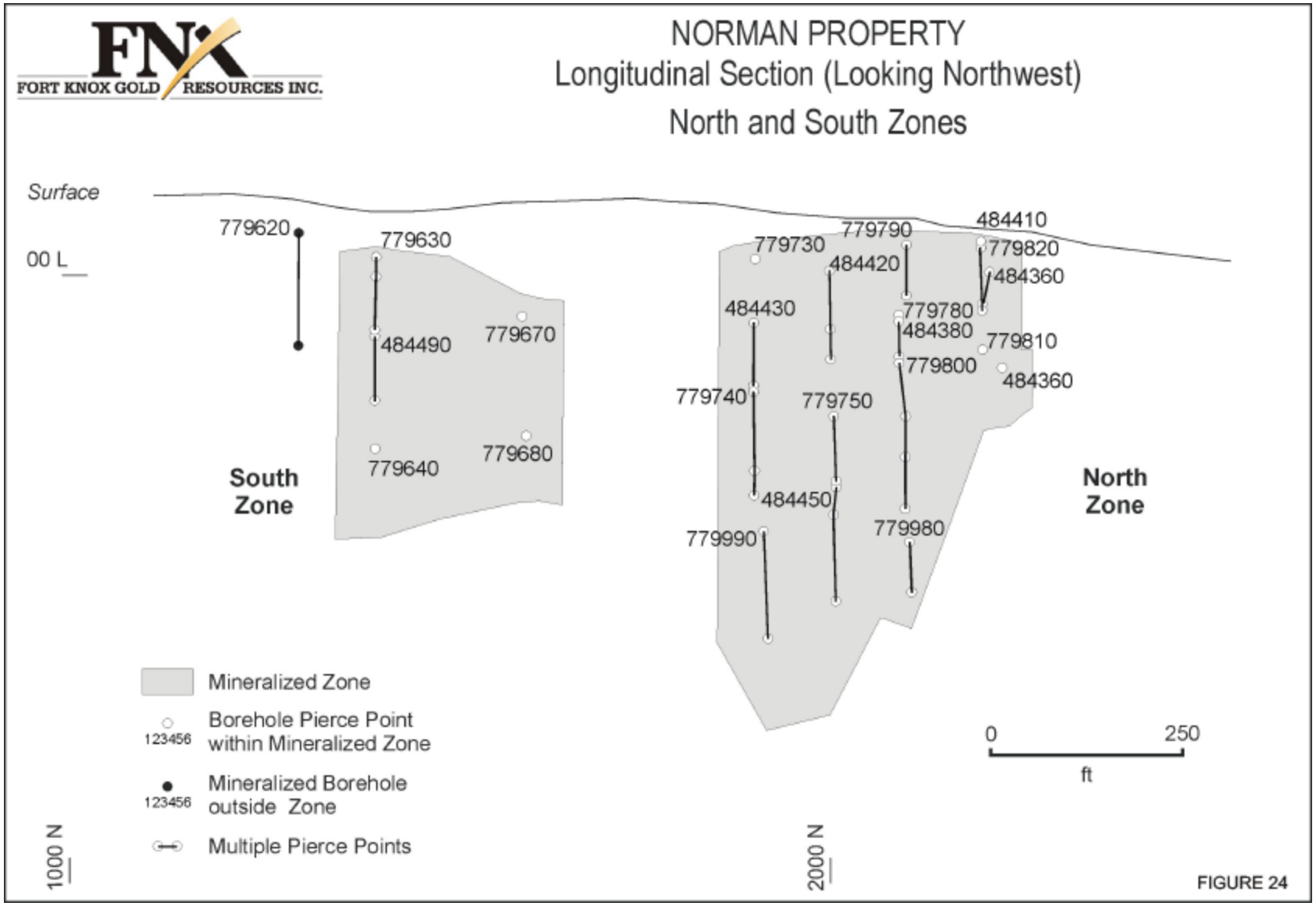
The **South Zone,** (Figure 24) is also located within the Parkin Offset dyke and some 350 ft. southwest and along strike from the North Zone. Mineralization, which has a confirmed strike length of 200 ft. and a dip length of 250 ft., is similar to that in the North Zone. The mineralization appears to be open down dip, along strike and down plunge to the west. Six drill holes yielded 12 intersections with only three greater than 10ft in length. Intersections demonstrating potential include

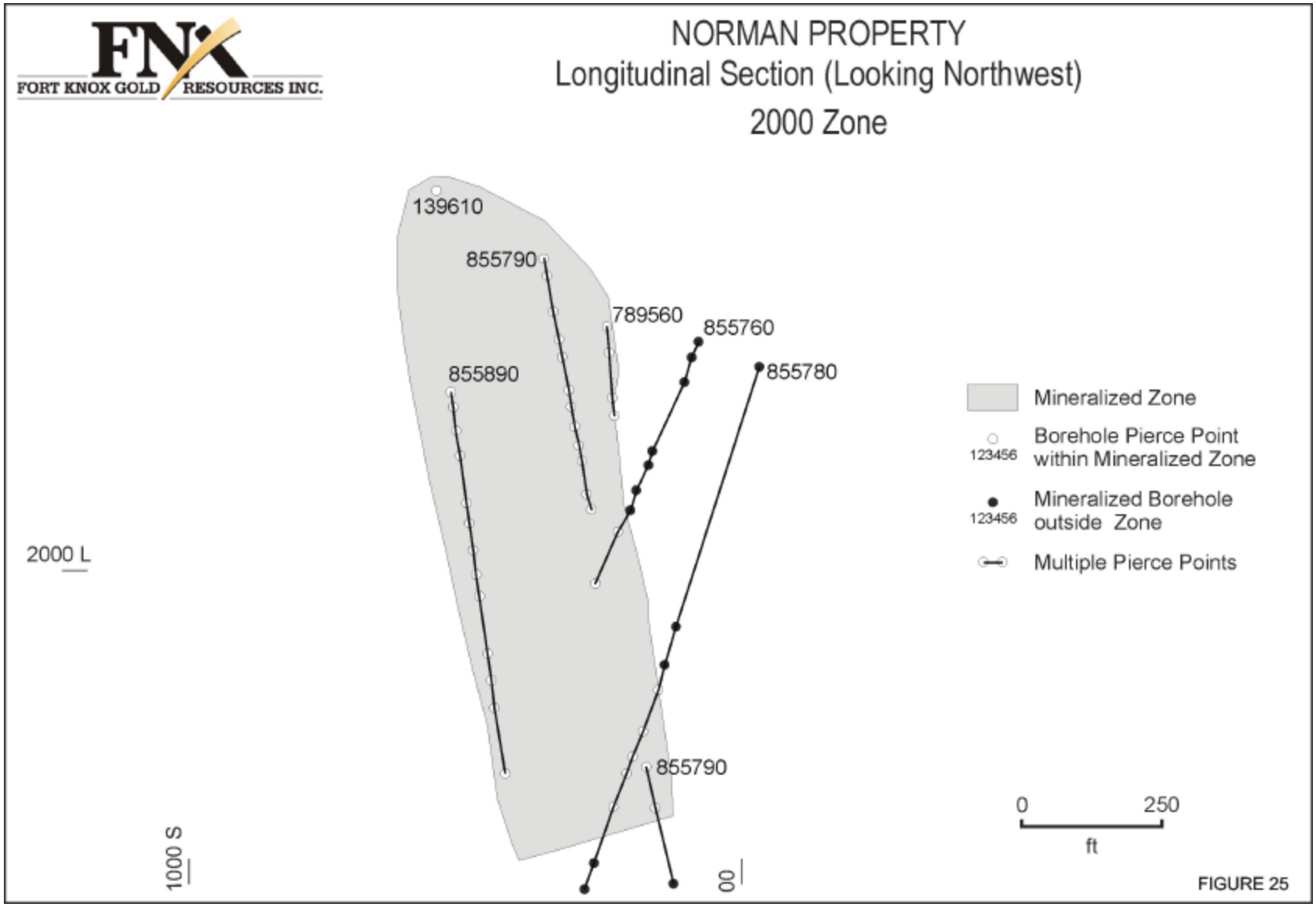
- **8.32% Cu, 0.26% Ni, 0.16 oz/t TPM over 6.5 ft.** in drillhole 779630
- **2.73% Cu, 0.14% Ni, 0.23 oz/t TPM over 6.4 ft.** in drillhole 484490

Table 24: Norman Property: South Zone – Graded Assays

BHID	From	To	Length	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
484490	**231.3**	**237.7**	**6.4**	**2.73**	**0.14**	**0.15**	**0.04**	**0.05**	**0.23**	**7.2**
	348.3	351.1	2.8	0.15	0.62	0.07	0.06	0.00	0.13	4.0
779620	66.7	68.1	1.4	4.29	0.68	0.08	0.09	0.03	0.19	6.0
	266.0	271.5	5.5	0.34	0.03	0.03	0.01	0.00	0.05	1.5
779630	83.3	95.5	12.2	2.17	0.12	0.03	0.02	0.02	0.06	2.0
	115.4	124.2	8.8	3.63	0.14	0.03	0.05	0.00	0.08	2.5
	126.9	**133.4**	**6.5**	**8.32**	**0.26**	**0.02**	**0.02**	**0.12**	**0.16**	**5.0**
	201.4	211.8	10.4	1.90	0.09	0.02	0.02	0.01	0.05	1.5
779640	466.2	471.8	5.6	6.99	0.86	0.02	0.05	0.01	0.08	2.6
779670	223.9	232.8	8.9	0.43	0.16	0.00	0.00	0.03	0.04	1.3
779680	457.1	463.4	6.3	3.37	0.14	0.03	0.04	0.01	0.08	2.5
	475.4	486.0	10.6	0.03	0.01	0.02	0.02	0.00	0.04	1.3

A program of surface diamond drilling is recommended to explore the area between the North and the South zones and down plunge towards the deeper 2000 zone (see below).


FORT KNOX GOLD RESOURCES INC.
NORMAN PROPERTY
Longitudinal Section (Looking Northwest)
North and South Zones
Surface
00 L
779620
779630
484490
779670
779640
779680
South Zone
779730
779790
484410
779820
484420
484360
484430
779780
484380
779810
779800
484360
779740
779750
484450
779990
779980
North Zone
Mineralized Zone
123456 Borehole Pierce Point within Mineralized Zone
123456 Mineralized Borehole outside Zone
Multiple Pierce Points
0
250
ft
1000 N
2000 N
FIGURE 24


FORT KNOX GOLD RESOURCES INC.
NORMAN PROPERTY
Longitudinal Section (Looking Northwest)
2000 Zone
139610
855790
789560
855760
855890
855780
855790
2000 L
1000 S
00
Mineralized Zone
Borehole Pierce Point within Mineralized Zone
123456
Mineralized Borehole outside Zone
123456
Multiple Pierce Points
0
250
ft
FIGURE 25

5.4.3.3 **2000 Zone**

The **2000 Zone** (Figure 25) lies at a depth of 2000 ft. within the same structure as the North and South Zones. It dips vertically, has an average thickness of 50 ft. and has been defined over a strike length of 350 ft. The mineralized zone consists of Cu-PGM rich chalcopyrite stringers, fracture fillings and disseminations within a larger meta-breccia zone believed to be an expression of the Parkin Offset dyke.

Seven drillholes yielded 70 intersections (Table 24) ranging from 0.4 ft to 50.1 ft and with 20 intersections greater than 10 ft. Intersections demonstrating potential assay

- **19.97% Cu, 0.26% Ni, 0.42 oz/t TPM over 19.2 ft.** in drillhole 855760
- **0.83% Cu, 0.30% Ni, 0.10 oz/t TPM over 49.0 ft.** in drillhole 855780
- **11.54% Cu, 0.46% Ni, 0.21 oz/t TPM over 20.0 ft.** in drillhole 855790

Table 25: Norman Property: 2000 Zone – Graded Assays

BHID	From	To	Length	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
139610	1437.2	1446.8	9.6	1.49	0.42	0.01	0.03	0.54	0.57	17.9
789560	1803.8	1808.6	4.8	0.42	0.05	0.03	0.00	0.05	0.08	2.6
	1833.5	1850.0	16.5	4.39	3.30	0.03	0.01	0.09	0.13	4.2
	1916.5	1966.6	50.1	0.49	0.07	0.01	0.05	0.08	0.14	4.4
789561	1987.8	1989.8	2.0	1.09	0.07	0.07	0.02	0.01	0.09	3.0
855760	1937.8	1939.5	1.7	0.81	0.05	0.17	0.03	0.01	0.20	6.3
	1953.8	1955.2	1.4	1.68	0.06	0.09	0.08	0.01	0.17	5.3
	1972.3	2001.0	28.7	0.80	0.09	0.06	0.02	0.01	0.10	3.1
	2129.3	2130.0	0.7	21.38	0.19	0.19	0.08	0.13	0.40	12.3
	2142.8	**2162.0**	**19.2**	**19.97**	**0.26**	**0.10**	**0.31**	**0.01**	**0.42**	**13.0**
	2232.4	2261.7	29.3	7.75	0.35	0.05	0.15	0.00	0.21	6.4
	2272.8	2276.1	3.3	7.24	0.66	0.06	0.05	0.01	0.12	3.8
	2291.6	2294.1	2.5	1.45	0.10	0.03	0.02	0.03	0.08	2.4
	2311.7	2313.9	2.2	11.95	13.35	0.00	0.12	0.07	0.20	6.1
	2396.8	2400.2	3.4	1.71	0.14	0.04	0.00	0.02	0.06	2.0
855780	2390.0	2398.7	8.7	0.09	0.01	0.07	0.01	0.00	0.08	2.4
	2457.3	2482.7	25.4	0.85	0.23	0.07	0.03	0.01	0.12	3.7
	2494.0	**2543.0**	**49.0**	**0.83**	**0.30**	**0.05**	**0.04**	**0.01**	**0.10**	**3.0**
	2581.8	2619.3	37.5	0.67	0.08	0.06	0.03	0.01	0.10	3.0
	2641.0	2658.4	17.4	0.83	0.08	0.07	0.02	0.02	0.11	3.4
	2667.0	2685.3	18.3	0.93	0.11	0.07	0.03	0.02	0.12	3.7

Table 25 (Continued)

BHID	From	To	Length	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
	2687.6	2699.6	12.0	0.56	0.05	0.05	0.02	0.01	0.09	2.7
	2750.5	2751.0	0.5	0.00	0.00	0.21	0.37	0.01	0.60	18.6
	2855.5	2864.4	8.9	2.83	0.30	0.06	0.02	0.01	0.10	3.1
	2903.5	2913.0	9.5	0.19	0.09	0.08	0.03	0.00	0.12	3.7
855790	1594.7	1595.3	0.6	1.45	0.15	0.26	0.04	0.01	0.31	9.6
	1629.0	1630.1	1.1	6.77	0.53	0.12	0.05	0.01	0.18	5.7
	1743.0	1745.8	2.8	2.11	0.59	0.11	0.05	0.01	0.17	5.4
	1839.7	1840.7	1.0	23.97	0.10	0.28	0.17	0.06	0.51	15.9
	1856.0	1856.4	0.4	23.15	0.06	0.15	0.57	0.02	0.74	23.0
	1862.8	1879.6	16.8	2.79	0.07	0.03	0.04	0.03	0.10	3.0
	1895.0	**1915.0**	**20.0**	**11.54**	**0.46**	**0.06**	**0.11**	**0.03**	**0.21**	**6.6**
	1936.2	1950.1	13.9	3.74	0.20	0.13	0.05	0.04	0.21	6.4
	1963.0	1972.4	9.4	4.43	0.59	0.03	0.04	0.08	0.14	4.4
	1977.0	1979.6	2.6	6.64	0.16	0.05	0.06	0.01	0.12	3.8
	1987.3	1990.8	3.5	8.53	0.11	0.04	0.13	0.01	0.18	5.6
	2011.8	2053.2	41.4	3.24	0.29	0.06	0.04	0.04	0.13	4.1
	2545.0	2546.1	1.1	6.47	2.13	0.17	0.62	0.38	1.18	36.6
	2763.0	2766.3	3.3	0.00	0.00	0.12	0.06	0.02	0.20	6.3
855890	1840.4	1843.5	3.1	1.10	0.15	0.03	0.03	0.01	0.07	2.1
	1918.3	1919.5	1.2	4.54	0.22	0.06	0.13	0.04	0.23	7.1
	2021.4	2024.4	3.0	0.63	0.10	0.06	0.05	0.02	0.13	4.0
	2041.0	2044.6	3.6	6.76	3.84	0.08	0.08	0.03	0.19	5.9
	2047.4	2047.8	0.4	19.85	1.51	0.15	0.21	0.12	0.48	14.9
	2091.8	2094.5	2.7	8.98	0.65	0.07	0.22	0.03	0.33	10.1
	2110.6	2111.4	0.8	1.42	0.29	0.09	0.07	0.04	0.20	6.2
	2133.0	2142.6	9.6	7.87	0.55	0.07	0.06	0.02	0.15	4.6
	2152.8	2158.6	5.8	5.71	1.74	0.14	0.05	0.01	0.20	6.1
	2174.0	2178.8	4.8	7.95	0.22	0.05	0.15	0.01	0.21	6.6
	2281.7	2285.7	4.0	8.10	0.15	0.07	0.14	0.01	0.22	6.8
	2330.0	2335.8	5.8	4.36	0.35	0.03	0.09	0.04	0.16	5.1
	2366.0	2397.0	31.0	2.93	0.25	0.05	0.02	0.01	0.07	2.3
	2401.9	2408.8	6.9	5.58	0.15	0.04	0.05	0.01	0.10	3.0

The extent and character of the 2000 Zone has not been sufficiently explored and a program of 3,000 ft. deep surface drill holes with borehole UTEM-4 is proposed in order to expand and explore the possible extensions of the 2000 Zone.

Exploration to date on the Parkin Offset has shown that it is a high priority geological environment for Cu-PGM mineralization. Outside of the mineralized zones described above, the Parkin Offset within the property boundaries has not been systematically

explored. The Offset extends for a distance of 2.0 km across the property. It is possible that zones of Cu-PGM mineralization similar to the North, South and 2000 Zones exist elsewhere on the property. Of particular interest is the unexplored portion (some 2000 ft) of the Offset lying between the North and South Zones, and the deeper 2000 Zone. A program of surface drilling with borehole UTEM is warranted.

5.4.4 Recommended Work Program and Budget

The immediate high priority targets at the Norman Project are the surface and near surface mineralization known in the adjacent North and South Zones. Stripping and detailed geological mapping of the North Zone and possibly the South Zone will give a good two-dimensional understanding of the distribution of the mineralization in this environment. Diamond drilling will test the depth potential of these zones and provide data for a better economic evaluation. On the 2000 Zone a program of 800 m holes is required to further test the zone.

The untested remainder of the Parkin offset on the property, particularly between the near surface North and South Zones and the 2000 Zone, presents a high priority grass roots target area.

The above exploration program has been budgeted at $1.1 million.

Table 26: Norman Property – Work Program & Budget

Category	Target	Number of Holes	Av.ft/hole	Total ft	Cost $	Category Subtotal
Drilling:						
a) Confirmation/Infill	North Zone	8	600	4,800	144,000	
	South Zone	4	600	2,400	72,000	
	2000 Zone	3	3,000	9,000	270,000	
	Subtotal	15		16,200		486,000
b) Exploration	N.Extension Parkin Offset	6	600	3,600	108,000	
	Between South and 2000 Zones	4	2,400	9,600	288,000	
	Subtotal	15		13,200		396,000
Stripping	North zone					10,000
Geological Mapping	North Zone, Parkin Offset					15,000
Supervision/Administration @10%						90,700
Contingency @10%						99,770
		Norman Project Total				**1,097,470**

5.5 Kirkwood Property

5.5.1 Location, History & Infrastructure

The Kirkwood property, comprising 473.0 acres in three patented mining parcels**,** is located in Garson Twp., some 11 km northeast of Sudbury, (Figure 1). The property is easily accessible by road and a rail line passes approximately 1.0 km south of the project area.

Copper and nickel sulphide mineralization was discovered 1892 and the property was purchased by the Mond Nickel Company. During the period 1914-1916, three shallow shafts (38 m; 61 m; & 18 m) were excavated and production totalled 71,600 tons grading 1.53% Cu and 2.81% Ni. The mine was closed and flooded in 1916. The property was acquired by Inco following the acquisition of Mond Nickel and exploration drilling was carried out during the period 1947-1964.

In 1969 a new vertical, three-compartment shaft was excavated to a depth of 650 m. A total of 2,488,000 tons of ore averaging 0.99% Cu and 0.87% Ni was produced from the Main and East orebodies between 1969 and 1976. A total of 134,000 tons of ore grading 0.96% Cu and 0.53% Ni was produced from a small open pit between 1970-1972. The total historical production from the Kirkwood property was **2,695,000 tons grading 1.00% Cu and 0.90% Ni.**

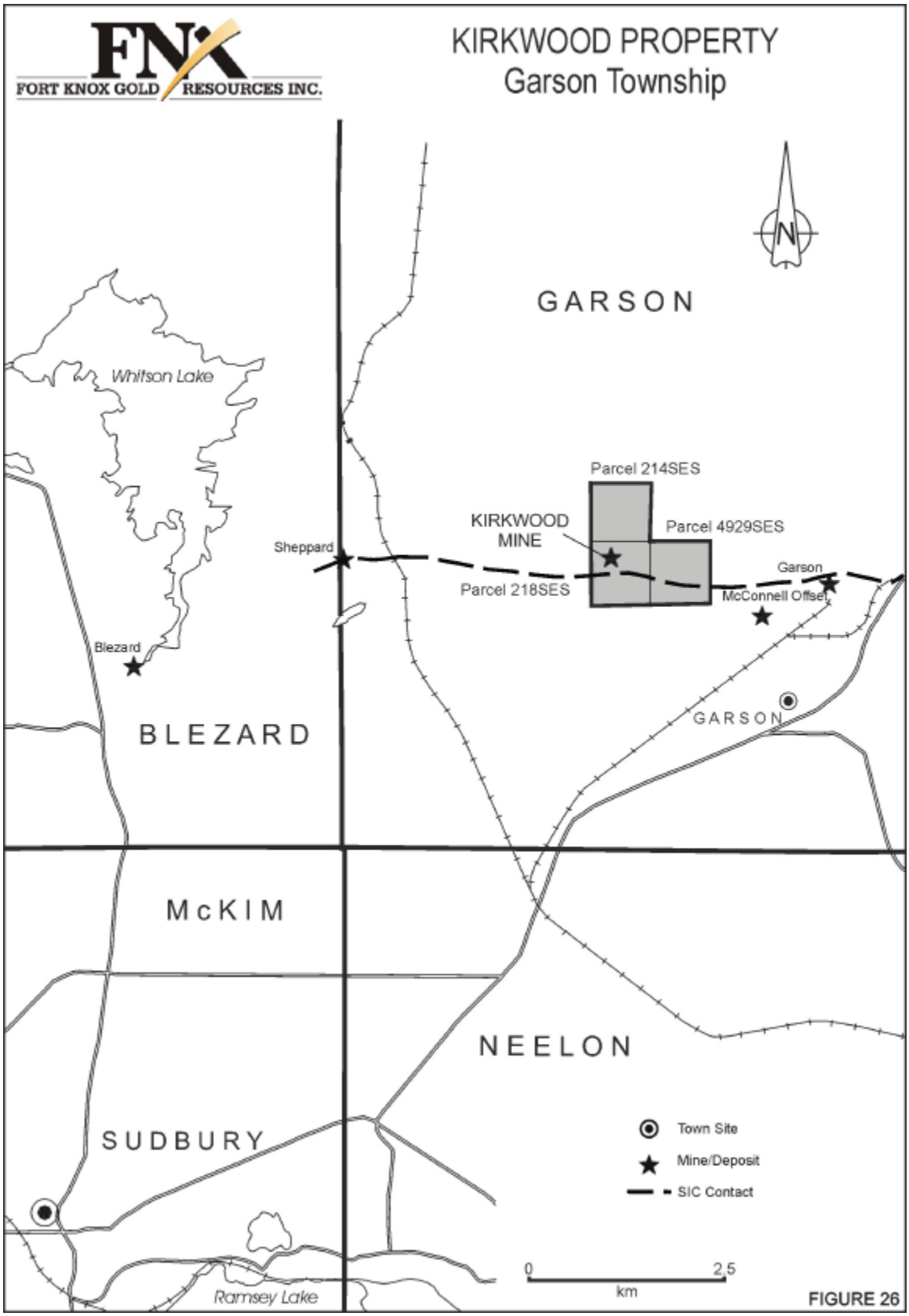
Exploration drifts were driven on the 1,000 and 2,000 ft levels and underground drilling was carried out to the east and west of the shaft. This program outlined extensive contact mineralization in the West Zone and contact mineralization in the 3800 Zone to the east. In addition, mineralization associated with a quartz diorite dyke was also outlined to the east of the shaft. There has been limited surface exploration drilling and mapping completed at Kirkwood since the mine closure and flooding in 1977.

Infrastructure at Kirkwood consists of a three-compartment vertical shaft measuring 9 ft by 18 ft, excavated to a depth of 2100 ft. Level development occurs on the 100, 200, 300, 400, 600, 800, 1,000, 1,200, 1,600 and 2,000 ft levels. The underground workings are flooded and the shaft has been capped. There are open pits and a head frame with associated auxiliary buildings as well as mine water settling ponds on the site. Hydroelectric power is currently available to the project site.

A closure plan will be required prior to commencing a program of advanced exploration or mine development**.**

5.5.2 Property Geology & Mineralization

The Kirkwood property is located towards the southeast end of the Sudbury Basin at the contact between the SIC and the Elsie Mountain metavolcanics (Figure 26). The contact strikes east-west and dips steeply to the south. The footwall norite is medium-grained and generally sheared at and adjacent to the contact. The hangingwall consists of a series of metamorphosed sediments and volcanics with minor schist zones.


FORT KNOX GOLD RESOURCES INC.
KIRKWOOD PROPERTY
Garson Township
N
GARSON
Whitson Lake
Parcel 214SES
KIRKWOOD MINE
Parcel 4929SES
Sheppard
Garson
Parcel 218SES
McConnell Offset
Blezard
BLEZARD
GARSON
McKIM
NEELON
SUDBURY
Town Site
Mine/Deposit
SIC Contact
0
2.5
km
Ramsey Lake
FIGURE 26

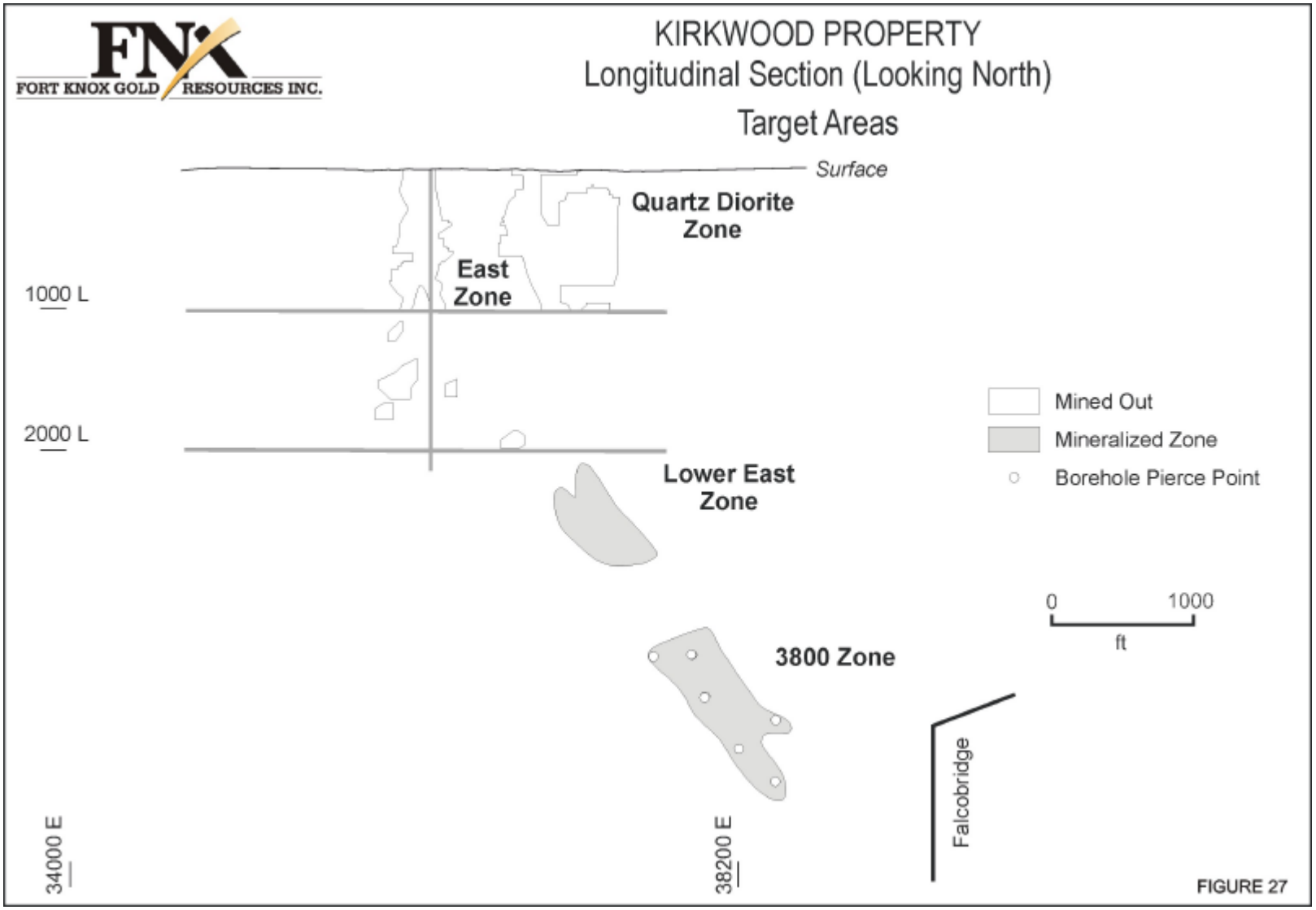
An east-trending quartz diorite dyke occurs south of the norite contact within a zone of Sudbury breccia, which parallels the norite contact.

5.5.3 Targets

Cu-Ni-PGM sulphide mineralization at Kirkwood has been defined in six distinct zones. These are the Main, East, West, Lower East, Quartz Diorite and 3800 zones. Four of these zones are shown in Figure 27. The higher-grade Main and East orebodies were mined during the period 1969 to 1976, leaving unrecoverable remnant pillars of mineralization. The West, Lower East and 3800 zones contain low-grade Cu-Ni-PGM mineralization, which has not been mined. Additional evaluation of these zones is warranted to determine if there is potential for mineable zones of higher-grade material with possible PGM enrichment.

5.5.3.1 **West Zone**

The **West Zone,** lying to the west of the shaft and down dip from the East Zone, consists of a large mass of disseminated sulphides with minor massive sulphide bands within norite adjacent to the contact with the volcanics and sediments. The Zone extends 2000 ft west of the main shaft, dips steeply south and has an average thickness of 30 ft. Cu-Ni-PGM mineralization has been defined from surface to a depth of 4,300 ft. Below this level the zone is unexplored. Two areas of elevated PGM values (>0.044 oz/ton) have been defined within the larger West Zone mineral envelope and a digital assessment and compilation of the available diamond drilling results and possible follow up diamond drilling is recommended.


FORT KNOX GOLD RESOURCES INC.
KIRKWOOD PROPERTY
Longitudinal Section (Looking North)
Target Areas
Surface
Quartz Diorite Zone
East Zone
1000 L
2000 L
Lower East Zone
3800 Zone
Mined Out
Mineralized Zone
Borehole Pierce Point
0
1000
ft
Falcobridge
34000 E
38200 E
FIGURE 27

Lower East/3800 Zones

The **Lower East and 3800 Zones** (Figure 27) can be combined, as one is probably a continuation of the other. They occur within a broader zone of elevated PGM mineralization (>0.044 oz/ton) that plunges to the east at 55°. Both zones have been partially defined by underground drillholes.

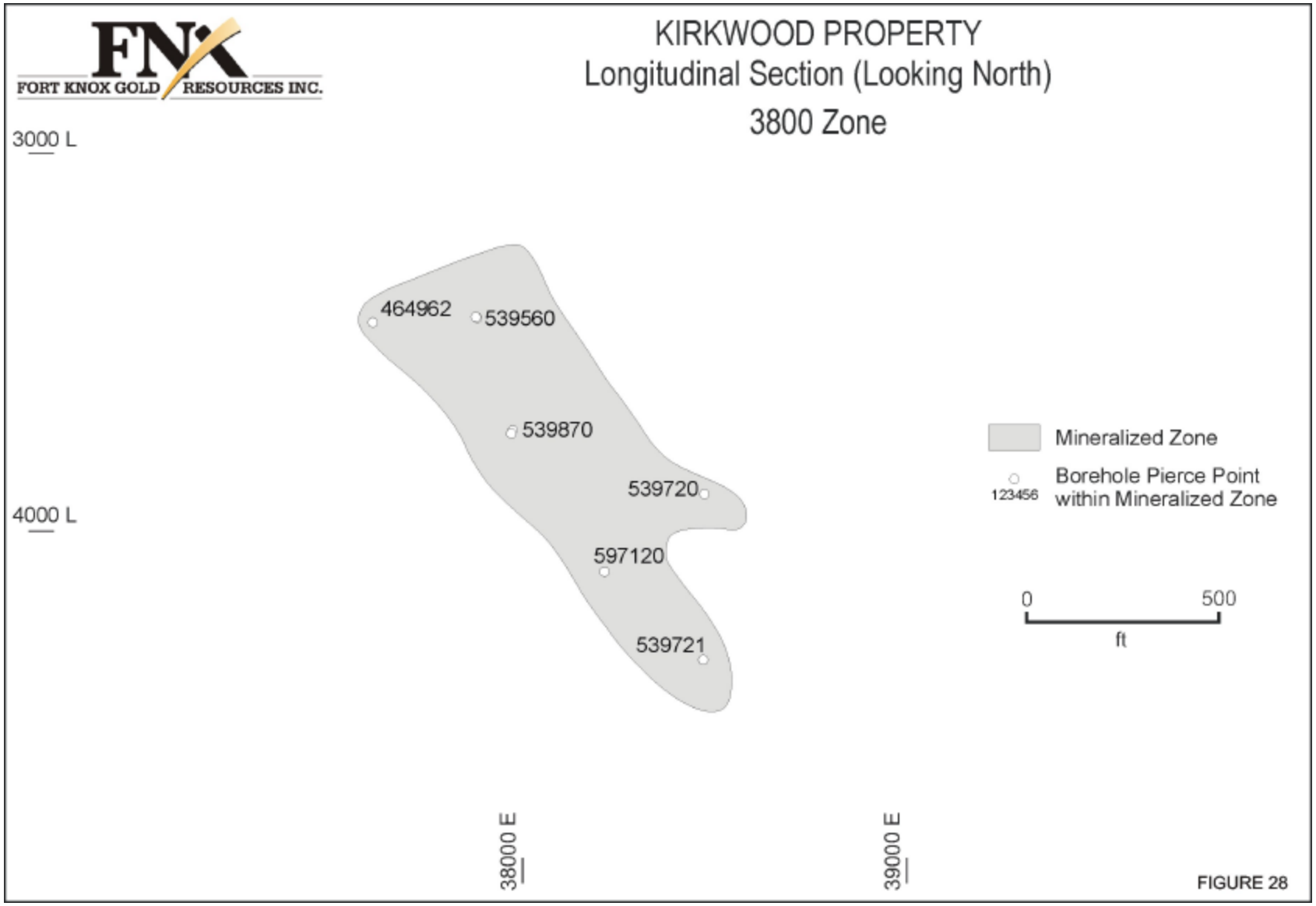
The Lower East Zone lies between the 2000 and 3000 Levels and up-plunge from the 3800 Zone. It consists of disseminated sulphides within norite adjacent to the contact with the volcanics and sediments. It dips steeply south, has a strike length of 500 ft and an average thickness of 50 ft.

The **3800 Zone** of Cu-Ni-PGM mineralization (Figure 28) is situated on the 3800 Level and centred on section 38200 E. It consists of a vertical zone of disseminated and inclusion massive Cu-Ni sulphide along the contact between the SIC and metamorphosed volcanic and sedimentary rocks. The 3800 Zone has a 330 ft strike length, a dip length of 660 ft, and a true thickness of 10-50 ft. Six drillholes yielded 7 intersections, five of which are greater than 10ft, ranging from 2.9 to 81.2 ft. Intersections include

- **3.98% Cu, 2.51% Ni, 0.04 oz/t TPM over 2.9 ft.** in drillhole 539721
- **2.31% Cu, 1.28% Ni, 0.09 oz/t TPM over 29.0 ft.** in drillhole 539720
- **0.99% Cu, 1.19% Ni, 0.05 oz/t TPM over 81.2 ft.** in drillhole 539870

Table 27: Kirkwood Property: 3800 Zone – Graded Assays

BHID	From	To	Length	Cu	Ni	Pt	Pd	Au	TPM	TPM
	ft	ft	ft	%		oz/t				g/t
464962	1471.0	1475.0	4.0	0.12	0.52	0.03	0.02	0.00	0.06	0.2
539560	1532.0	1576.0	44.0	0.92	1.15	0.02	0.03	0.02	0.06	1.9
539560	1556.0	1576.0	20.0	1.10	1.66	0.02	0.02	0.03	0.07	2.2
539720	**2019.0**	**2048.0**	**29.0**	**2.31**	**1.28**	**0.02**	**0.06**	**0.01**	**0.09**	**2.8**
539721	**2494.1**	**2497.0**	**2.9**	**3.98**	**2.51**	**0.03**	**0.02**	**0.00**	**0.04**	**1.3**
539870	**1769.0**	**1850.2**	**81.2**	**0.99**	**1.19**	**0.02**	**0.03**	**0.00**	**0.05**	**4.1**
including	1797.0	1811.5	14.5	2.00	0.73	0.03	0.02	0.00	0.05	1.6
597120	2203.2	2223.8	20.6	0.99	1.05	0.01	0.04	0.02	0.07	2.2


FORT KNOX GOLD RESOURCES INC.
KIRKWOOD PROPERTY
Longitudinal Section (Looking North)
3800 Zone
3000 L
4000 L
464962
539560
539870
539720
597120
539721
Mineralized Zone
123456
Borehole Pierce Point within Mineralized Zone
0
500
ft
38000 E
39000 E
FIGURE 28

A digital compilation of the Lower East and 3800 Zones and the elevated PGM envelope is required. If warranted, follow-up exploration drilling with UTEM-4 surveys will explore the two zones, in particular covering the area between the two zones and the untested area below the 4000 level.

5.5.4 Recommended Work Program and Budget

All the exploration targets at Kirkwood are deep (below the 2000 level) with existing drill intersections, for the most part, of marginal economic grade. Success at depth will require a substantial tonnage (>10 million tons) at grades in excess of 3% Cu+Ni to justify underground development. Though this project does not warrant a substantial exploration effort at this time it is proposed to examine the data in detail to ensure that more favourable targets have not been missed on this property.

A budget of $91,000 has been proposed to undertake the recommended program.

5.6 North Range Footwall Exploration

As noted above all of the major Inco and Falconbridge past and current producing mines of the North Range (Strathcona, Coleman, Levack, McCreedy East, Onaping, McCreedy West, Hardy) occur within an extensively mineralized 8.5 km-long portion of the North Range of the SIC. Obviously this is an important exploration target and some 50% of this prolific area is included in the Sudbury Project Properties subject to this agreement.

The McCreedy West Mine and Levack Mine properties cover some 4 km of this strike and limited exploration to date in the footwall rocks to the north of the mines has demonstrated potential for this belt.

Within the McCreedy West property previous wide-spaced drilling has indicated favourable zones of Sudbury Breccia with trace Cu-PGM sulphide mineralization. On

the adjacent Levack property the brecciated footwall rocks have been tested by a small drilling program and surface mapping has identified large zones of footwall Sudbury Breccia. These findings suggest that a significant zone of Cu-PGM mineralization could occur in this area proximal to surface and that an exploration program is warranted to test this relatively unexplored area.

The belt to be explored is 4 km long by 1 km wide and, following data compilation and other preparatory work, it is intended to drill a series of deep holes. These holes, spaced at 400 m intervals along strike, will be drilled to 1500 m depth, and will serve as a platform for in-hole UTEM surveys to locate any off-hole anomalies, which will be tested by wedging from the original hole.

A budget of $2.06 million has been proposed to carry out the initial exploration program on this most important early stage exploration program.

6. CONCLUSIONS & RECOMMENDATIONS

The following conclusions can be stated**.**

Fort Knox Gold Resources Inc. is in the final stages of acquiring five highly regarded mineral properties in the Sudbury Mining Camp. These properties offer the potential for near-term production and also for significant exploration success.

The infrastructure available in the Sudbury Area together with the mining culture and ready availability of all services required by an exploration and mining company makes this acquisition very attractive for a junior.

The high value of Sudbury ores together with the variety of metals is more beneficial than reliance on one or two metals.

The precious metal content of the Sudbury ores is also attractive.

The local availability of mills, smelters and refineries enhances the project economics.

The properties themselves are all former producers and infrastructure is in place on the key properties.

Examination of the data would suggest that there is sufficient prospect of establishing resources at an early stage in the program.

A very large database is available on all of the properties and the vendor, Inco Limited, has a vested interest in providing information and technical assistance.

A review of the properties leads to the following conclusions:

Victoria:

- This property has the potential for Contact and Offset - type deposits.
- The location on the favourable Worthington Offset dyke and along strike from the new Totten discovery of Inco makes exploration of the depth potential of this property attractive.
- The shallow drilling has indicated the presence of significant shallow mineralization with the possibility that two “separate” zones may actually coalesce into one deposit.
- The presence of significant TPM values will enhance the value of any ore produced.

McCreedy West

- This property supported a substantial mining operation
- The property is located within the 8.5 km-long North Range mineralized belt which has hosted 8 current and past producers Contact and Footwall

deposits have been mined and the differing mineralogy offers the ability for selective mining as metal prices vary.

- Not all of the ore appears to have been mined out and potential exists for early mining and future exploration success.
- Several of the targets are sufficiently advanced that an engineering assessment as to mining potential could be undertaken at an early stage.
- Widely spaced drillholes on some of the targets suggest that infill drilling could be successful
- Two targets in particular have high grade Cu-Ni-TPM vein mineralization and assessment of these could be beneficial.
- The status of the on-site infrastructure is such that access to underground workings will be readily obtained

Levack Property

- This property adjoins the McCreedy Mine on the east.
- The mine produced in excess of 60 million tons of Cu-Ni-TPM ore
- The # 2 shaft is accessible and usable to approximately the 3600 ft Level.
- Orebodies mined include Contact and Footwall - type with a hybrid type also present.
- Fort Knox has identified 6 targets, four of which are considered to have near-term production potential.
- Two areas of exploration potential exist and one of these, a geophysical anomaly, may link two of the better known and advanced target areas.
- The second area of potential is for high grade Cu-Ni-TPM in the footwall

As noted, the Levack and McCreedy properties cover some 50% of this prolific 8.5 km-long North Range mineralized zone and Fort Knox plans to explore for near surface footwall-hosted targets.

Norman Property

- This property is located along the Parkin Offset dyke to the northeast of the former Whistle mine.
- Drilling has identified three zones of Cu-Ni –TPM mineralization over a strike length of 2000 ft and from surface to a depth of 2000 ft.
- The relationships of the three zones have not been established though the high grades encountered together with the geological setting will ensure continuing exploration of the potential.

Kirkwood

- Drilling has outlined a potential target at this former producer.
- However the depth to the zone is of the order of 2000 ft and grades are marginal
- It is concluded that a detailed review of the data is required prior to mounting a drilling program

North Range Footwall Exploration

This is essentially a grass roots exploration of the potential for near surface Cu-Ni-TPM deposits in a 4.5 km section of the North Range mineralized belt. The fact that footwall mineralization has been mined in the McCreedy West and Levack mines down dip to the south, make this project very attractive. Surface indications of mineralization in the right setting have been found on both properties and it is concluded that Fort Knox's proposed program is soundly based and could be rewarding.

Recommendations

It is recommended that Fort Knox proceed with the technical programs outlined for each of the properties and that the Phase 1 program, budgeted at $14.0 million, be initiated.

7. BUDGET

The work program as outlined above is budgeted at $14.0 million including administration and contingency allowances (Table 28).

The objective of this work program is to identify at an early stage those of the properties with the potential to be a producer in the near term. The work program recommended for the McCreedy West and Levack Properties includes surface diamond drilling, rehabilitation of the ramp and underground workings, and underground drilling. As this program progresses, a priority will be an assessment of the economic viability of these two properties. If this assessment is positive, it is anticipated that funds will be reallocated to mine development. It should be noted that all components of the program are flexible in that full expenditure of the budgeted amount will depend on positive results. However, uncommitted funds will be available to aggressively pursue successful programs.

Fort Knox Gold Resources Inc

Item 3: Add Table No Table 28

Fort Knox Gold Resources Inc

SUDBURY PROJECT – EXPLORATION PROGRAM & BUDGET BY ACTIVITY & PROPERTY

Property	Data Compil Mapping	Drilling						Mine Rehab	Supervis/ Admin 10%	Contin-gency 10%	Total Budget
		Confirmation/ Infill			Exploration						
	$	# Holes	Ft	$	# Holes	Ft	$	$	$	$	$
Victoria	**50,000**	72	35,000	**1,050,000**	15	28,800	**864,000**	**0**	**196,400**	**216,040**	**2,376,440**
McCreedy W	**50,000**	70	62,800	**1,884,000**	39	37,700	**1,131,000**	**1,000,000**	**406,500**	**447,150**	**4,918,650**
Levack	**50,000**	25	23,700	**711,000**	12	22,800	**684,000**	**1,000,000**	**244,500**	**268,950**	**2,958,450**
Norman	**15,000**	15	16,200	**486,000**	10	13,200	**396,000**	**0**			
					Stripping		**10,000**		**90,700**	**99,770**	**1,097,470**
Kirkwood	**75,000**	0	0	0	0	0	0	0	**7,500**	**8,250**	**90,750**
North Range Footwall	**50,000**	0	0	0	11	55,000	**1,650,000**	0	**170,000**	**187,000**	**2,057,000**
TOTALS	**290,000**	182	137,700	**4,131,000**	87	157,500	**4,735,000**	**2,000,000**	**1,115,600**	**1,227,160**	**13,498,760**
Contingency for Exploration Drilling											**500,000**
							TOTAL BUDGET - SAY			**$14,000,000**	
Distribution	2.1%			30.6%			35.1%	14.8%	8.3%	9.1%	100%

8. CERTIFICATE

CERTIFICATE
To accompany the technical report dated November 7, 2001:
Property Report, Sudbury, Ontario Cu-Ni-PGE Properties (Victoria, McCreedy West, Levack, Norman and Kirkwood)

I, **Dr. James M. Patterson, BA (Hons. Geology), Ph.D., DIC.**, do hereby certify that:

1. I reside at **2292 Carol Road, Oakville, Ontario, L6J 6B6.**
2. I am a **Consulting Geologist.**
3. I am a member of the Association of Geoscientists of Ontario; Member of the Prospectors & Developers Association of Canada; Founding President Irish Association for Economic Geology and a former Member of the Society of Economic Geologists. I hold an Honours Geology Degree (BA Hons) from Trinity College, University of Dublin, Ireland; a Ph.D in Mining Geology from the Royal School of Mines, University of London, England and a Diploma of Imperial College, University of London, England. I have practised my profession as a geologist for the past 38 years and have worked in Europe, SE Asia and North America. During my career I have worked with the private sector, government geological surveys, Canadian International Development Agency and have completed assignments for the UN. For the past 20 months I have been involved in an exploration program in the Sudbury Basin and am familiar with the geology and mineral deposits of that area.
4. I am a qualified person for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").
5. I visited the subject properties 26 October, 2001 (McCreedy West, Levack, Victoria and Kirkmont) and had visited the Norman property October 28, 2000.
6. I have prepared the Technical Report in its entirety.
7. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report which is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.
8. Neither I nor any affiliated entity of mine is at present, nor under any agreement, arrangement or understanding expects to become, an insider, associate, affiliated entity, partner or employee of Fort Knox or of an associate or affiliate of Fort Knox.
9. Neither I nor any affiliated entity of mine owns, directly or indirectly, nor under any agreement, arrangement or understanding expects to receive:
   (a) any securities of Fort Knox or of an affiliate of Fort Knox, or
   (b) any royalty interest in the properties which are the subject of the Technical Report.

10. Neither I nor any affiliated entity of mine have earned the majority of our income during the preceding three years from Fort Knox or an associate or affiliate of Fort Knox.

11. Neither I nor any affiliated entity of mine
    (a) is, or by reason of an agreement, arrangement or understanding expects to become an insider, affiliate or partner of any person or company which has an ownership or royalty interest; or
    (b) has, or by reason of an agreement, arrangement or understanding expects to obtain, an ownership or royalty interest; in a property which has a boundary within two kilometres of the closest boundaries of the subject properties.

12. I have not previously worked on these properties. I have worked on a property some 3 km along strike from the Victoria Property.

13. I have read NI 43-101 and Form 43-101F1 and have prepared the Technical Report in compliance with NI 43-101 and Form 43-101F1 and in conformity with generally accepted Canadian mining industry practices.

Dated the 7th day of November, 2001

("Signed")
Dr. James M. Patterson

REFERENCES

Inco Limited

Confidential Company Files

Ontario Geological Survey

The Geology and Ore Deposits of the Sudbury Structure,
Special Volume 1, 603 pages. 1984

Phipps, Donald

Personal Communications: 2001

Spiteri Geological & Mining Consultants Inc. (SGM)

Fort Knox Project, Sudbury, Ontario. Independent Check Sampling & Assaying Program: July 27, 2001

Fort Knox Gold Resources Inc. Technical Review & Mineral Asset Valuation of Sudbury Area Properties, Sudbury Ontario; November 1, 2001

Appendix: 1

ABBREVIATIONS AND CONVERSIONS

Abbreviation	Metal	Minerals	Chemical Formula
Au	Gold		Au
Co	Cobalt		
Cu	Copper	Chalcopyrite	$CuFeS_2$
Ni	Nickel	Pentlandite, Millerite	(FeNi)S; NiS
Pd	Palladium		
Pt	Platinum		
		Pyrrhotite	$Fe_{1-X}S$
Ag	Silver		

Additional abbreviations are as follows: **PGM** - Platinum Group Metals
TPM - Total Precious Metals = **PGM + Au**

It should be noted that Pt + Pd values are greater than Au, and that Au rarely contributes more than 20% of the TPM content.

The following table will assist in conversions from metric to imperial equivalents.

To Convert From	To	Multiply By
Centimetres	Inches	2.54
Metres	Feet	3.218
Kilometres	Miles	0.621
Hectares	Acres	2.471
Tonnes	Short tons	1.102
Grams	Ounces (Troy)	0.032
Grams per tonne	Ounces (Troy) per ton	0.029

The factor used to convert ounces (Troy) per short ton (oz/t) to grams per short ton (g/t) is 31.1048 grams.

BHID : Borehole Identification No

All intersection lengths referred to are lengths of drill core and should not be interpreted as being true widths.

CONSENT

TO: **FORT KNOX GOLD RESOURCES INC. ("FORT KNOX")**

AND TO: **THE ONTARIO SECURITIES COMMISSION, THE ALBERTA SECURITIES COMMISSION AND THE BRITISH COLUMBIA SECURITIES COMMISSION (collectively the "Securities Regulators")**

RE: **TECHNICIAL REPORT OF DR. JAMES M. PATTERSON DATED NOVEMBER 7, 2001 IN RESPECT OF CERTAIN MINING PROPERTIES TO BE ACQUIRED BY FORT KNOX.**

Reference is made to the technical report dated November 7, 2001 which I prepared for Fort Knox in respect of the acquisition by Fort Knox of certain miming properties from Inco Limited (the "Technical Report"). I hereby consent to the filing of the Technical Report with the Securities Regulators, to the written disclosure of the Technical Report and to the inclusion of extracts therefrom or a summary thereof in the information circular of Fort Knox in respect of the annual and special meeting of shareholders of Fort Knox to be held on December 7, 2001 (the "Information Circular") and in the annual information form of Fort Knox for the year ended June 30, 2001 (the "Annual Information Form").

I further confirm that I have read the Information Circular and the Annual Information Form and do not have any reason to believe that there are any misrepresentations in the information derived from the Technical Report or that the Information Circular or Annual Information Form contain any misrepresentation of the information contained in the Technical Report.

Date this 7th day of November, 2001.

(Signed)_____
Dr. James M. Patterson