

February 29, 2012

File #: 11-5475

Lorax Environmental Services Ltd.
2289 Burrard Street
Vancouver, British Columbia V6J 3H9

Attn: Justin Stockwell

Dear Justin:

Re: Field Notes - Visit To Mount Nansen Mine, Yukon

As requested by Lorax Environmental Services Ltd. (Lorax), Norwest Corporation (Norwest) personnel completed a field visit to the Mount Nansen site, Yukon Territories between October 14 and October 18, 2011. The purpose of the visit was:

- sampling of tailings;
- borrow source investigation;
- measurement of groundwater levels;
- in situ hydraulic conductivity measurement; and
- pressure transducer installation and downloading.

Tailings sampling:

Two samples were collected from within the tailings pond. The sample locations are shown in Figures 1 and photo 1 and brief descriptions of the samples are provided in Table 1. The samples were collected with a small shovel, placed in a large plastic sample bags marked with the sample number and transported to Norwest Corporation's Calgary office.

Borrow source investigation:

In support of the borrow source investigations, three potential borrow material sources were sampled. In total four samples were collected, two from colluvium (NW-11523 and 11526) and two from pit waste piles (NW-11524 and 11525), each about 5 kg in weight. Locations of the samples are shown in Photos 2 and 3. A brief sample description is provided in Table 2. No excavator borrow pits were completed as a suitable sources within the restricted investigation area were not identified.

Colluvium material has been extensively used for local road building on site and could be a source for a small volume of fine grained material but striping a large area to obtain a large volume of material would create another reclamation issue. Mine pit waste piles could be a source of material and two surface samples were collected from these piles. Norwest recommends that all four samples be sent for particle size determinations. Samples are also large enough to carry Standard Proctor testing if required at this stage of the project.

Jack Dennett of EBA completed the *Mt. Nansen Mine Reclamation Terrain Mapping and Materials Search* report in September 2009. This report identified a location for fine grained material about 25 km east of site. His report summarizes the materials search very well and the difficulty in finding a large volume of fine grained material near roads that could handle large trucks. Other suggested targets for suitable material are existing placer workings or the head waters of the Klaza River but the roads to these targets would require some upgrading to handle a large volume trucking operation.

Depth to Water Measurements

Depth to water (DTW) and total depth (TD) was measured from top of casing (TOC) using a Solinst water meter probe and the results are provided in Table 3. A total of 30 wells were identified as candidate wells for monitoring of DTW and TD. Of these, mini-piezometer MP09-05 was reportedly intended for water quality (seep) sampling, not water level monitoring. Of the remaining 29 wells, six (6) were frozen and two (2) were dry, as summarized in Table 3 and illustrated in Figure 2.

In Situ Hydraulic Conductivity Tests

Appropriate slug length and diameter was used based on the standing water column inside pipe to grant slug/bailer submersion. A total of 20 slug/bail tests, 18 slug/bail tests in monitoring wells and two slug tests in minipiezometers, were conducted. Quick recovery from bail tests at MW09-16, MW09-17 and MW09-18 were first observed; therefore, slug tests were repeated using solid slugs. The slug test at MP09-04 was not successful due to quick recovery. Slug testing in the remaining six (6) monitoring wells and three (3) minipiezometers was not conducted because they were frozen, dry or not intended for testing (Table 3).

Slug/bail tests at nested wells locations MW09-01, MW09-02, MW09-03, MW09-04 and MP09-09 and MP09-10 were first conducted in the shallowest well allowing enough recovery period before testing of the deepest well was attempted. Recovery data from slug/bail tests were recorded using Solinst and In-situ level loggers. A digital file named "Mount Nansen-CSV Slug tests files.zip" with the slug/bail test data in csv format (excel compatible) was distributed by email to Lorax.

Pressure Transducer Installation and Downloading

Four new Solinst level loggers were installed at MW09-03, MW09-04, MW09-21 and MW09-23. Solinst level loggers were selected to be the same brand and type as the ones in operation at the mine to keep consistency on precision and sensitivity. Level loggers were set and synchronized to record water head (m) every hour for a year period. Depth to water was recorded at each location prior to the installation of the solinst level loggers to be used as reference for DTW computations (Table 3). Although DTW can be accurately derived from current settings, it is highly recommended to measure depth to the level logger (DTLL) during upcoming monitoring events for QA/QC purposes.

Stored data from two existing Solinst level loggers and a barologger were downloaded. The level loggers were found at GLL07-03 and MW09-15. The barologger is located at GLL07-03. Download data of a third level logger was scheduled, but it could not be completed because the location of the level logger was not provided nor found at the site. Downloaded data from accessible level loggers was stored in csv files and distributed to Lorax by email. Data from existing and new level loggers should be downloaded quarterly.

Norwest believes that the information provided in this letter report meets the proposed scope of work and look forward for the opportunity of assisting Lorax in future phases of the project. In the meantime feel free to contact us if you have any questions or requires further assistance.

Yours sincerely,

NORWEST CORPORATION



Tom Becker, P.Geol.
Field Operations Manager



Luis Rivera, P.Geol. MSc
Hydrogeologist

FIGURE 1
TAILINGS SAMPLE LOCATIONS

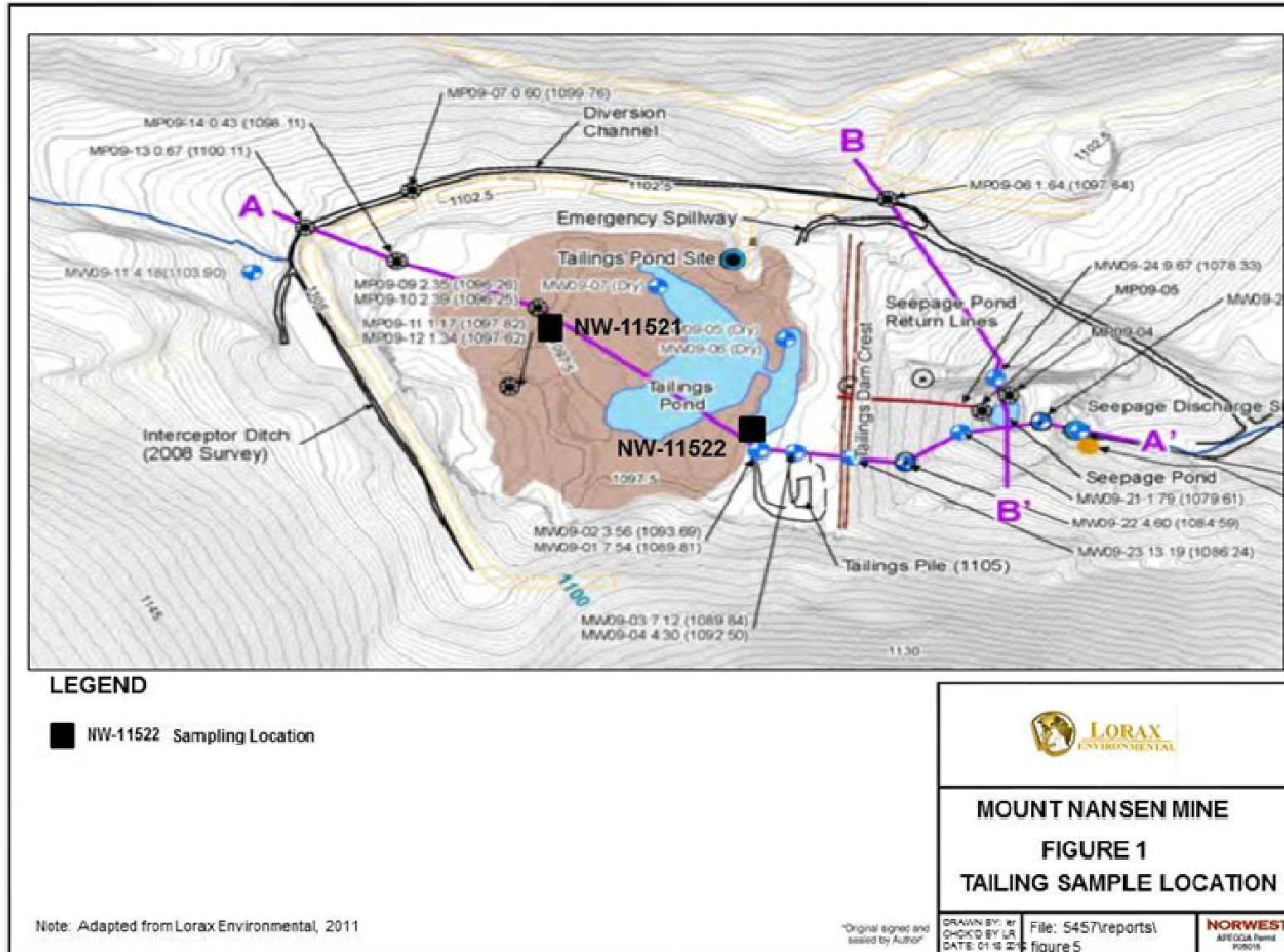


FIGURE 2
DEPTH TO WATER AND HYDRAULIC CONDUCTIVITY LOCATIONS

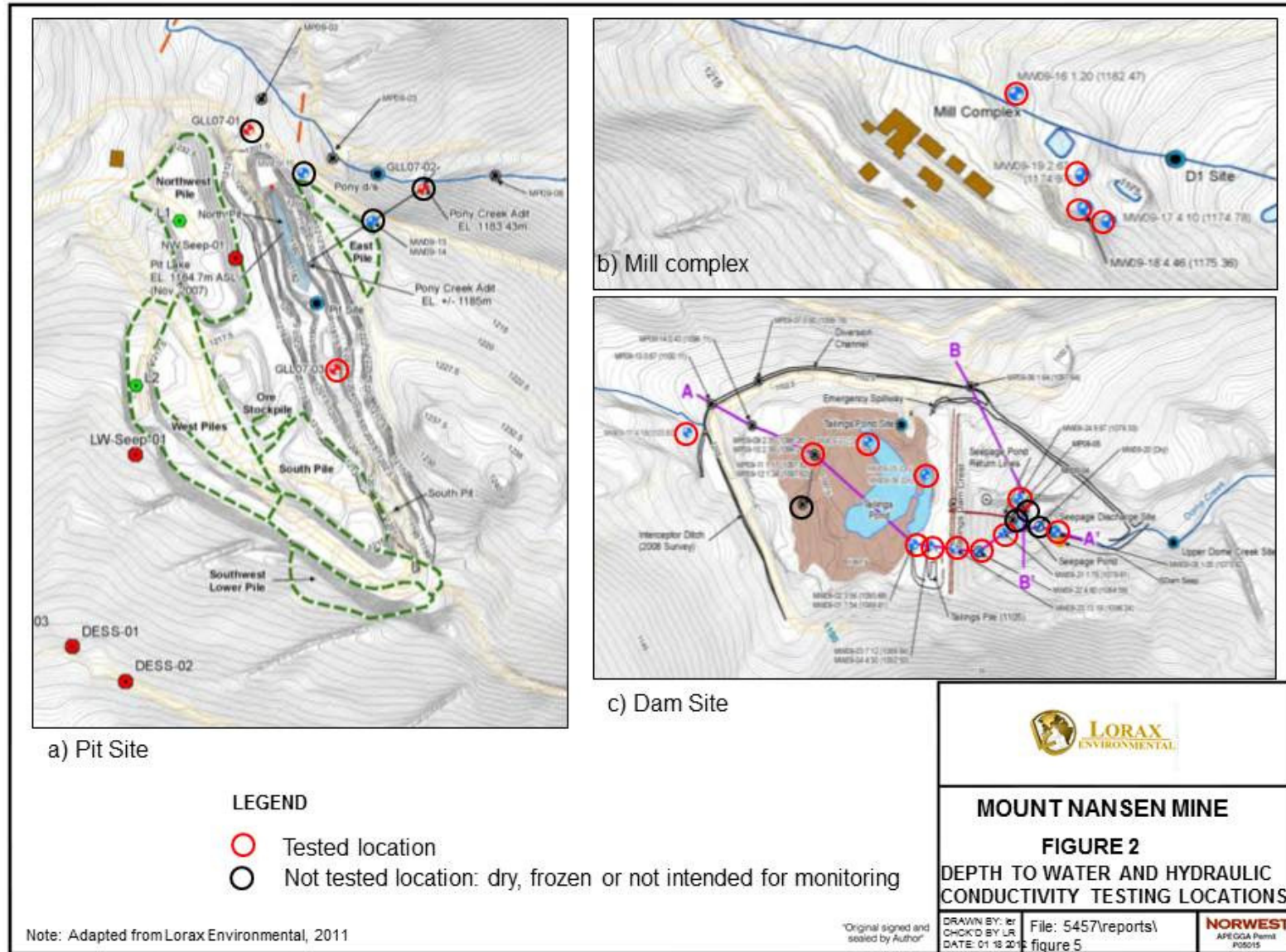


TABLE 1
TAILING SAMPLES DETAILS

Sample	Details
NW-11521	<ul style="list-style-type: none"> About 3.5 kg in weight. Location 6,880,682 N, 389,240 E (NAD83, Zone 8) and 1,097.20 meter above sea level (masl). See Figure 1 and Photo 1. Collected from four spots within 5 m of drill hole MP09-09 and MP09-10. Samples collected at a depth between 0 and 20 cm with frozen ground from 1 – 5 cm, tailing material was dry with some ice crystals. Closer to the tailings pond the tailing material was frozen to 20 cm depth and not sampled.
NW-11522	<ul style="list-style-type: none"> About 5.5 kg in weight. Location 6,880, 0559 N, 389,395 E (NAD83, Zone 8) and 1,096.25 masl. See Figure 1 and Photo 1. Collected from three spots, adjacent to well NW09-01 and MP09-02 and two spots 5 and 10 m to the NW of the wells. Material was light brown at depth, toward surface material, becoming darker brown with a thin white crust.

TABLE 2
BURROW SAMPLES DETAILS

Sample	Details
NW-11523	<ul style="list-style-type: none"> Colluvium sample collected along the Mt. Nansen road, south of the water well turn-off and NW of Victoria Creek crossing. See Photo 2. Location 6,880,795 N 391,056 E (NAD83, Zone 8) and 1,059 masl About 4.7 kg sample weight. Sample taken from a colluvium road building stock pile. Appears that the material in the pile was collected from the immediate area and pushed into the pile for road fill. Colluvium in this area starts at a depth of 10 to 20 cm and ends at the top of bedrock at a depth of 1-2 m. Finer grained near surface with sand, silt and clay. Becomes courser grained at depth and as proximity to bedrock approaches, eventually turning into angular bedrock with clay/silt along fractures.

Sample	Details
NW-11524	<ul style="list-style-type: none"> • Waste Pile Sample, collected from the southeast toe of the Northwest waste pile. • Location 6,881,436 N 388,775 E (NAD83, Zone 8) and 1,105 masl • About 6 kg sample weight. • All material in the area is moderately to strongly weathered with limonite and manganese coating, some areas of strongly weathered ore, some fragments with sulphide and pyrite. • About 3% of waste pile is >1m boulders, 35% is 3-15 cm angular boulders, 27% sand to 3 cm and the remaining 35% is sand/clay/silt.
NW-11525	<ul style="list-style-type: none"> • Waste Pile Sample, collected from south waste pile along the south access road. • Sample collected from 7 sites along a 10 m stretch along the south tow of the waste pile at Location 6,881,259 N 388,951 E (NAD83, Zone 8) and 1,213 masl • About 6 kg sample weight • Similar material to NW-11524 except stronger weathering/oxidation, less sulphides, more clay altered fragments. • About 40% of the waste pile is sand/silt/clay sized particles.
NW-11526	<ul style="list-style-type: none"> • Colluvium sample collected along north access road, west of the Mt. Nansen Pit in an exploration trench. See Photo 3 • Approximate coordinates, due to bad GPS reception. 6,881,700 N, 388,450 E (NAD83, Zone 8) and 1,245 masl • Typical colluvium material collected between 10 cm depth and top of bedrock at about 1 m depth. • About 4 kg sample weight.

TABLE 3
MONITORING AND HYDRAULIC CONDUCTIVITY TESTING SUMMARY

Location	Date	Test Type	Depth to Water (m) – Below To of Pipe (BTOP)	Total Depth (m) Below – Top of Pipe (BTOP)	Depth to Water (m) at Level Logger Install	Comments
GLL07-01	October 15, 2011	No Test				Frozen @ 14:40 m
GLL07-02	October 15, 2011	No Test				Dry @ 7:14 m
GLL07-03	October 15, 2011	Bail Test	1.18	11.70		Long -term data downloaded
MW09-01	October 16, 2011	Slug test	4.85	10.96		
MW09-02	October 15, 2011	Bail Test	2.25	5.65		
MW09-03	October 17, 2011	Bail Test	4.01	9.93	4.00	10-m head, Solinst Level Logger installed
MW09-04	October 16, 2011	Bail Test	2.42	7.67	2.41	10-m head, Solinst Level Logger installed
MW09-05	October 16, 2011	Bail Test	5.13	7.65		
MW09-06	October 16, 2011	Slug test	1.83	6.04		
MW09-07	October 16, 2011	Bail Test	1.79	3.39		
MW09-08	October 16, 2011	Slug test	1.20	3.90		
MW09-11	October 16, 2011	Slug test	4.09	4.90		
MW09-13	October 15, 2011	No Test				Frozen @ 9:30 m
MW09-14	October 15, 2011	No Test				Frozen @ 6:80 m
MW09-15	October 15, 2011	No Test				Frozen @ 13:90 m - Long-term Data download
MW09-16	October 17, 2011	Slug test	1.39	2.66		Quick recovery-repeated
MW09-17	October 17, 2011	Slug test	4.95	5.65		Quick recovery-repeated
MW09-18	October 17, 2011	Slug test	4.76	7.76		Quick recovery-repeated
MW09-19	October 15, 2011	Bail Test	2.79	5.86		
MW09-20	October 16, 2011	No Test				Dry @ 3.66 m
MW09-21	October 16, 2011	Bail Test	1.75	3.59	1.75	10-m head, Solinst Level Logger installed
MW09-22	October 16, 2011	Bail Test	3.44	5.27		
MW09-23	October 16, 2011	Bail Test	10.85	15.80	10.86	10-m head, Solinst Level Logger installed
MW09-24	October 17, 2011	Bail Test	9.30	11.195		
MP09-04	October 16, 2011	No Test	1.5	3.05		Test not successful, quick recovery. Requires pneumatic slug set-up
MP09-05	October 16, 2011	No Test				Not intended for testing or monitoring
MP09-09	October 16, 2011	Slug test	2.05	5.65		
MP09-10	October 16, 2011	Slug test	1.88	5.30		
MP09-11	October 16, 2011	No Test				Frozen @ 0.95 m
MP09-12	October 16, 2011	No Test				Frozen @ 1.17 m
30		20/30	21	21	4	

BTOP = below top of pipe. Note that MW09-09, MW09-10, and MW09-12 do not exist

PHOTO 1. TAILINGS SAMPLE LOCATIONS LOOKING EAST FROM UPSTREAM END OF THE TAILINGS POND

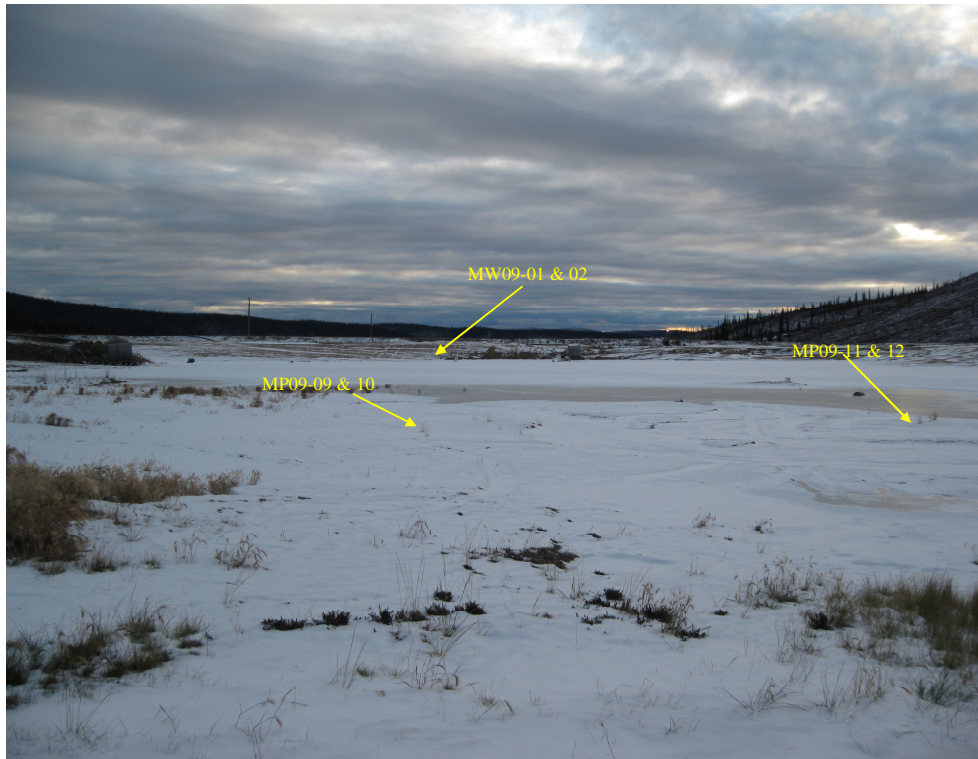


PHOTO 2. COLLUVIUM PUSH PILE ALONG MT NANSEN ROAD, AT SAMPLE SITE NW-11523, PICTURE LOOKING NORTH



PHOTO 3. COLLUVIUM ON TOP OF THE WEATHERED BEDROCK AT SAMPLE SITE NW11526, PICTURE LOOKING WEST

