

**A TECHNICAL REVIEW
OF THE
CALLING LAKE DIAMOND EXPLORATION PROJECT,
CALLING LAKE, ALBERTA
FOR
CLARION MINING CORPORATION**

prepared by

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1. SUMMARY

Clarion Mining Corporation ("CMC") is exploring for diamonds on its Calling Lake Property ("the Property"), which covers 70,016 hectares located near Calling Lake in northern Alberta. The Property comprises 11 metallic and industrial mineral exploration permits and is in an area that received early stage diamond exploration efforts in the 1990s. CMC has contracted **Watts, Griffis and McOuat Limited** ("WGM") to prepare a technical report in compliance with Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") and the **Canadian Institute of Mining Metallurgy and Petroleum** ("CIM") guidelines, review the exploration work completed to date and evaluate the diamond potential of the Property.

After reviewing historical exploration data from the property and surrounding area, conducting a site visit, collecting independent samples, and holding discussions with the staff and principals of CMC, WGM concludes that the Property merits continued diamond exploration work and recommends a two-phase program to further evaluate the property's potential to host diamonds. Although the basement rocks beneath the property is largely obscured by the thick cover of Western Canadian Sedimentary Basin strata, available geophysical interpretations put the Property within the same Buffalo Hills Terrain which hosts the Buffalo Head Hills diamond-bearing kimberlites discovered by Ashton in the late 1990s.

Moreover, kimberlite indicator minerals ("KIMs") have been recovered adjacent to the CMC property and may quite possibly have been derived from within their 's permits.

Samples reportedly from beach sands on the southwest shore of Calling Lake yielded Cr-pyropes with compositions suggestive of a high pressure origin within the diamond stability field. The previous operators tried unsuccessfully to find the source of these high-interest indicator minerals, mostly by assuming they were carried by glaciers from an up-ice direction towards the north. CMC has suggested that these high-interest indicators, might actually have been derived from bedrock sources proximal to the southern shore of Calling Lake, and may have been transported into the lake by small tributary streams from the south. WGM believes this theory has merit and warrants further exploration work to confirm or deny targets within the CMC permits.