

Report to:

FOUNDATION RESOURCES INC.



ALTO VENTURES LTD.



**Technical Report and
Resource Estimate on the Osmani
Gold Deposit, Coldstream Property,
Northwestern Ontario**

Document No. 1192010100-REP-R0001-05



Report to:

FOUNDATION RESOURCES INC.



ALTO VENTURES LTD.



TECHNICAL REPORT AND RESOURCE ESTIMATE
ON THE OSMANI GOLD DEPOSIT,
COLDSTREAM PROPERTY,
NORTHWESTERN ONTARIO

EFFECTIVE DATE: DECEMBER 12, 2011

Prepared by Todd McCracken, P.Geol.



330 Bay Street, Suite 900, Toronto, ON M5H 2S8
Phone: 416-368-9080 Fax: 416-368-1963

Report to:

FOUNDATION RESOURCES INC.



ALTO VENTURES LTD.



TECHNICAL REPORT AND RESOURCE ESTIMATE
ON THE OSMANI GOLD DEPOSIT,
COLDSTREAM PROPERTY,
NORTHWESTERN ONTARIO

EFFECTIVE DATE: DECEMBER 12, 2011

| | | | |
|---------------|---|------|--------------------------|
| Prepared by | <u><i>“Original document signed and sealed by Todd McCracken, P.Ge.”</i></u> Todd McCracken, P.Ge. | Date | <u>December 12, 2011</u> |
| Reviewed by | <u><i>“Original document signed and sealed by Jeff Wilson, Ph.D., P.Ge.”</i></u> Jeff Wilson, Ph.D., P.Ge. | Date | <u>December 12, 2011</u> |
| Authorized by | <u><i>“Original document signed and sealed by Jeff Wilson, Ph.D., P.Ge.”</i></u> Jeff Wilson, Ph.D., P.Ge. | Date | <u>December 12, 2011</u> |

JW/vc



330 Bay Street, Suite 900, Toronto, ON M5H 2S8
Phone: 416-368-9080 Fax: 416-368-1963

REVISION HISTORY

| REV. NO | ISSUE DATE | PREPARED BY AND DATE | REVIEWED BY AND DATE | APPROVED BY AND DATE | DESCRIPTION OF REVISION |
|---------|------------|----------------------|----------------------|----------------------|-------------------------|
| 00 | 2011/11/15 | Todd McCracken | Jeff Wilson | Jeff Wilson | Draft to Client |
| 01 | 2011/12/14 | Todd McCracken | Jeff Wilson | Jeff Wilson | Final Report |
| 02 | 2011/12/22 | Todd McCracken | Jeff Wilson | Jeff Wilson | Final Report w/ amendm |
| 03 | 2011/12/22 | Todd McCracken | Jeff Wilson | Jeff Wilson | Final Report w/ amendm |
| 04 | 2011/01/27 | Todd McCracken | Jeff Wilson | Jeff Wilson | Final Report w/ amendm |
| 05 | 2011/02/01 | Todd McCracken | Jeff Wilson | Jeff Wilson | Final Report w/ amendm |

TABLE OF CONTENTS

| | | |
|-------------|---|-----------|
| 1.0 | SUMMARY | 1 |
| 2.0 | INTRODUCTION | 3 |
| 3.0 | RELIANCE ON OTHER EXPERTS | 4 |
| 4.0 | PROPERTY DESCRIPTION AND LOCATION | 5 |
| 4.1 | UNDERLYING ROYALTIES | 11 |
| 4.2 | ENVIRONMENTAL LIABILITIES | 11 |
| 4.3 | PERMITS | 11 |
| 4.4 | OTHER RELEVANT FACTORS | 12 |
| 5.0 | ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY | 13 |
| 5.1 | ACCESS | 13 |
| 5.2 | TOPOGRAPHY AND PHYSIOGRAPHY | 13 |
| 5.3 | CLIMATE | 13 |
| 5.4 | INFRASTRUCTURE | 14 |
| 6.0 | HISTORY | 15 |
| 7.0 | GEOLOGICAL SETTING AND MINERALIZATION | 21 |
| 7.1 | REGIONAL GEOLOGY | 21 |
| 7.2 | PROPERTY GEOLOGY | 27 |
| 7.2.1 | BURCHELL EAST BLOCK | 28 |
| 7.3 | MINERALIZATION | 28 |
| 7.3.1 | OVERVIEW | 28 |
| 8.0 | DEPOSIT TYPE | 32 |
| 9.0 | EXPLORATION | 33 |
| 9.1 | GEOPHYSICAL SURVEYS | 33 |
| 9.2 | SURFACE WORK | 35 |
| 10.0 | DRILLING | 38 |
| 10.1 | 2010 DRILLING PROGRAM | 38 |
| 10.2 | 2011 DRILLING PROGRAM | 40 |
| 10.3 | CORE LOGGING | 45 |
| 11.0 | SAMPLE PREPARATION, ANALYSES, AND SECURITY | 47 |
| 11.1 | DIAMOND DRILLING | 47 |
| 11.1.1 | QA/QC PROGRAM | 48 |
| 11.2 | SURFACE WORK | 49 |