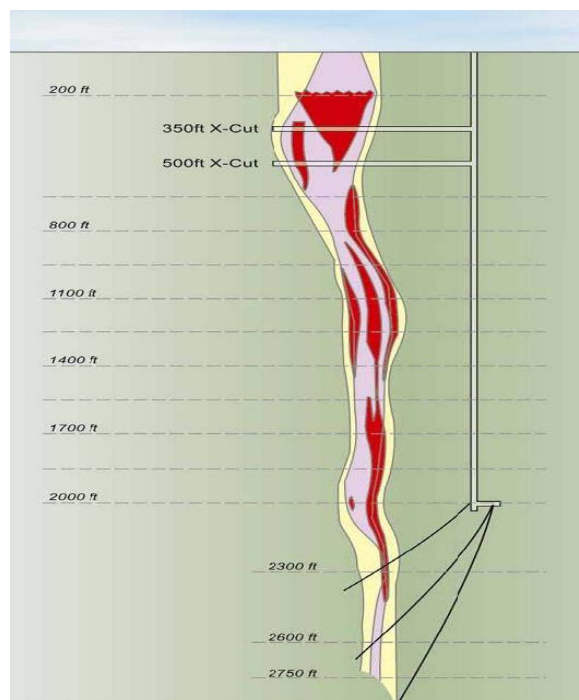


**Technical Report On
A Preliminary Assessment Study For
The Kenbridge Deposit, Kenora, Ontario, Canada
for**



CANADIAN ARROW MINES LTD.



February 2008



TABLE OF CONTENTS

	Page
EXECUTIVE SUMMARY	1
MINERAL RESOURCE	2
PRELIMINARY ASSESSMENT STUDY	4
Mining	4
Processing	5
Infrastructure and G&A	5
Manpower	6
Capital Expenditures and Operating Costs	6
Financial Analysis	6
RECOMMENDATIONS	7
1.0 INTRODUCTION	9
2.0 DISCLAIMER	11
3.0 LOCATION & ACCESS	13
3.1 LOCATION	13
3.2 ACCESS	13
4.0 PHYSIOGRAPHY & CLIMATE	15
4.1 PHYSIOGRAPHY	15
4.2 CLIMATE	15
5.0 PROPERTY DESCRIPTION AND OWNERSHIP	16
5.1 OWNERSHIP	16
5.2 OWNERSHIP OBLIGATIONS	16
6.0 GEOLOGICAL SETTING	19
6.1 REGIONAL GEOLOGICAL SETTING	19
6.2 PROPERTY GEOLOGY	19
6.3 DEPOSIT TYPES	26
7.0 MINERALIZATION	28
8.0 EXPLORATION	34
8.1 EXPLORATION HISTORY	34
8.2 GEOLOGICAL SURVEYS	35
8.3 CANADIAN ARROW TRENCHING AND DRILLING	38
9.0 DRILLING	40
9.1 SURVEYING	40
9.2 DRILLING PATTERN AND DENSITY	44

10.0	SAMPLING APPROACH AND METHODOLOGY	47
10.1	SAMPLING PROTOCOLS	47
11.0	SAMPLE PREPARATION, ANALYSES AND SECURITY	51
11.1	SAMPLE PREPARATION AND ANALYSES	51
11.2	QUALITY ASSURANCE AND QUALITY CONTROL PROGRAMME	52
11.3	SPECIFIC GRAVITY DATABASE	60
12.0	DATA VERIFICATION	65
12.1	HISTORICAL DATA VERIFICATION	65
12.2	CONTROL SAMPLING ASSAY PROTOCOLS	65
12.3	INDEPENDENT VERIFICATIONS	65
13.0	ADJACENT PROPERTIES	67
14.0	MINERAL PROCESSING, MINERALOGY AND METALLURGICAL TESTING	68
15.0	MINERAL RESOURCE ESTIMATES	69
15.1	DATABASE VALIDATION	69
15.2	RESOURCE ESTIMATION	70
15.2.1	Database	70
15.2.2	Solid Body Modelling	70
15.2.3	Compositing	71
15.2.4	Statistics	74
15.2.5	Grade Capping	74
15.2.6	Variography	74
15.2.7	Block Model and Grade Estimation	83
15.3	MODEL VALIDATION	86
15.4	MINERAL RESOURCE CLASSIFICATION	86
15.5	MINERAL RESOURCE STATEMENT	89
15.6	RESOURCE INTERPRETATIONS AND CONCLUSIONS	95
15.7	RECOMMENDATIONS	96
16.0	MINING	97
16.1	GENERAL DESCRIPTION	97
16.2	GEOTECHNICAL	97
16.3	EXISTING MINE INFRASTRUCTURE	97
16.4	OPEN PIT MINING	98
16.5	OPEN PIT OPTIMIZATION	98
16.6	POTENTIAL MINEABLE RESOURCE ESTIMATE	101
16.7	MINE PLAN AND PRODUCTION SCHEDULE	101
16.8	OPEN PIT MINING OPERATIONS	104
16.8.1	Waste Stockpile	104
16.9	UNDERGROUND MINE DESIGN	105
16.10	POTENTIAL MINEABLE RESOURCE ESTIMATE	107
16.11	MINE ACCESS AND INFRASTRUCTURE	107

16.11.1	Shaft Hoisting Facilities	107
16.11.2	Shaft Configuration	108
16.11.3	Shaft Dewatering	108
16.12	RAMP AND SUBLEVELS	108
16.13	OTHER INFRASTRUCTURE	112
16.13.1	Ore Pass and Waste Pass	112
16.13.2	Ventilation	112
16.13.3	Mine Dewatering	112
16.13.4	Maintenance Shop	113
16.13.5	Other Facilities	113
16.13.6	Mine Communications and Controls System	114
16.14	MINING METHOD	114
16.15	MINING OPERATIONS	115
16.15.1	Stope Development	115
16.15.2	Drilling	115
16.15.3	Blasting	115
16.15.4	Mucking	115
16.15.5	Backfilling	115
16.16	MINING SEQUENCE	116
16.17	UNDERGROUND PRODUCTION & DEVELOPMENT SCHEDULES	116
16.18	MINING AND SERVICES MOBILE EQUIPMENT	116
16.19	WASTE STOCKPILE	116
16.20	MINE SUPPORT FACILITIES	119
16.21	CAPITAL EXPENDITURES	119
16.22	MANPOWER	120
16.23	OPERATING COSTS	120
17.0	PROCESSING AND TAILINGS	128
17.1	ORE CHARACTERIZATION, MINERALOGY AND METALLURGY	128
17.1.1	Falconbridge Pilot Plant Tests	128
17.1.2	SGS Laboratory Tests (2006)	130
17.1.3	Mineralogy	130
17.1.4	Grindability	130
17.1.5	Pre-Concentration	132
17.1.6	Flotation	132
17.2	CONCEPTUAL PROCESS DESIGN	132
17.2.1	Process Flowsheet	132
17.2.2	Process Design Criteria	135
17.2.3	Material Balance	137
17.3	TAILINGS MANAGEMENT	137
17.4	ORDER OF MAGNITUDE PROCESS CAPITAL COST ESTIMATE	137
17.5	ORDER OF MAGNITUDE PROCESS OPERATING COST ESTIMATE	141
17.6	SUMMARY AND RECOMMENDATIONS	147
18.0	INFRASTRUCTURE	148
18.1	ACCESS ROAD	148
18.2	SITE ROADS	148

18.3 MINE SUPPORT SERVICES SITE	150
18.3.1 Surface Maintenance Shop	150
18.3.2 Mine Dry/Administration Building	150
18.3.3 Warehouse/Laydown Yard	150
18.4 ELECTRICAL POWER SUPPLY	151
18.5 WATER SUPPLY	151
18.6 WASTE DISPOSAL	151
18.7 TELECOMMUNICATIONS AND COMPUTER NETWORKING	151
18.7.1 Telecommunications	151
18.7.2 Computer LAN's and Networking	152
18.8 CAPITAL EXPENDITURES	152
18.9 MANPOWER	152
18.10 OPERATING COSTS	152
 19.0 GENERAL & ADMINISTRATION	 155
19.1 ADMINISTRATION	155
19.2 PROCUREMENT	155
19.3 HUMAN RESOURCES	156
19.4 SECURITY	156
19.5 MANPOWER	156
19.6 OPERATING COSTS	156
 20.0 MANPOWER	 159
 21.0 SOCIO ECONOMIC AND ENVIRONMENTAL	 161
 22.0 CAPITAL EXPENDITURES	 164
22.1 PROJECT CAPITAL EXPENDITURES	164
22.2 PROJECT SUSTAINING CAPITAL	164
 23.0 OPERATING COSTS	 166
 24.0 PROJECT SCHEDULE	 168
 25.0 FINANCIAL ANALYSIS	 170
25.1 FINANCIAL RETURNS	171
 26.0 CONCLUSIONS AND RECOMMENDATIONS	 173
26.1 CONCLUSIONS	173
26.2 RECOMMENDATIONS	174
 27.0 REFERENCES	 177
 28.0 CERTIFICATES	 178
 APPENDICES	 182