

**Q. How does the Company view the results of the PEA?**

A. The Company stated in its June 29, 2011 news release:

“The PEA is a very good start. It indicates that the F2 Gold System is a potentially viable project capable of producing a steady state average of 180,000 ounces of gold per year and over 200,000 ounces at its peak using conventional mining and processing techniques with an initial capital investment of \$214 million. The use of a 30% contingency on capital costs represents a reasonably conservative approach which recognizes the reality of cost escalation in the industry. We are also pleased to have been able to convert a significant portion of resources to the Indicated category. The deposit remains open in all directions and the PEA outlines a number of areas for potential future optimization.”

**Q. So the Company is not disappointed?**

A. Not at all. We note the PEA shows the project is potentially viable at a range of gold prices from 3 year average to current spot price. It is situated in a very well-known gold producing district that has shown a tendency for deposits to be very long lived. So, we see the PEA as a very good start for us, coming less than 3 ½ years since discovery.

**Q. Why has the share price dropped given your public statements about the PEA?**

A. Unfortunately, we cannot under securities legislation speculate on share price. However, we re-iterate that the PEA, which we view as conservative, indicates this project to be robust.

**Q. Why do you consider the PEA to be conservative?**

A. As stated in our June 29, 2011 news release, we consider the application of a 30% contingency to resources to be conservative which reflects the current inflationary cost environment. Even so, the capital costs are low compared to many other gold projects.

Also, the mining model uses only two million ounces in its modeled production forecast. This means there is an opportunity for us to demonstrate that currently excluded resources should be included in the model going forward.

The June 29, 2011 news release notes that the lower 305 metres of the deposit have been assigned a lower gold grade than the modeled gold grade by the AMC mining team, the authors of the PEA. This represents an opportunity to redress the decision of the AMC mining team with further exploration.

Our June 29, 2011 release also notes that the F2 Gold System is open to growth, through further exploration. We think it is very important to note that this is a new discovery, less than 3 ½ years old. While future growth is subject to risk and requires additional exploration, this is the ultimate opportunity for the Company in this famous gold producing district.

**Q. What is the reason for the difference between the stated resources in the June 29th release and the mine model?**

A. It is normal in any mining study that a proportion of resource ounces is not considered in the mine model. The mine model should not be confused with the stated resources.

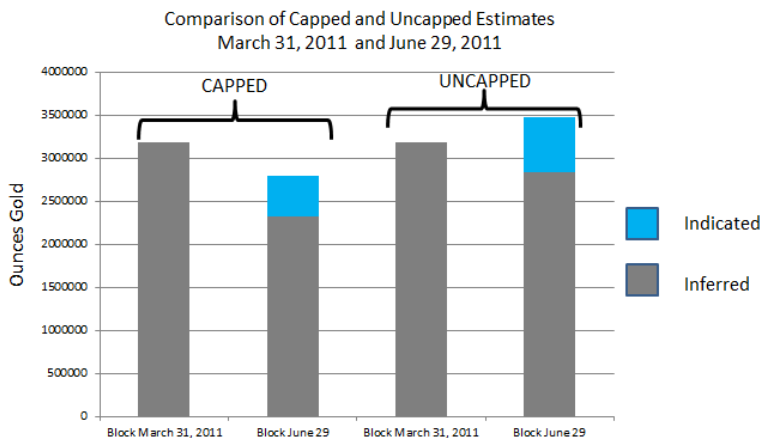
**Q. How does the AMC resource compare to the previous March 2011 resource?**

A. As stated in our June 29, 2011 news release:

“Management considers the range of results presented by AMC to be largely consistent with our most recent (March 31, 2011) resource estimates with the important difference of the conversion of some previously categorized Inferred Resources to a significant Indicated Resource component in the new AMC estimates.”

**Q. I have read the resource has become smaller and lower grade compared to the March, 31, 2011 estimate – is this true?**

A. No, as illustrated in the chart below, the range of estimates presented by AMC spans the previous block modeled ranges with the exception that the latest estimate includes an important Indicated Resource component that must be stated separately from Inferred Resources. Indicated resources are of a higher category than Inferred Resources. Our estimates are readily available in news releases issued by the Company and available on our website. The Company cautions that investors should rely only on information or interpretations published by the Company and is not responsible for comments or interpretations made by unrelated third parties since such comments may not be subject to the rigorous requirements of NI 43-101 and related securities legislation.



See News releases dated March 31, 2011 and June 29, 2011 for methods and assumptions

**Q. There has been a lot of drilling since the March 31, 2011 news release. Why is the resource not bigger?**

A. There are two main reasons. Firstly, AMC used different parameters in their estimation than the March 31, 2011 release so they are not directly applicable. Secondly, the distribution of new drilling in the '9X' target area, as identified in numerous of our news releases, is very similar in the two estimates. In other words, the same area was drilled. The result of the additional drilling was thus to convert appreciable Inferred Resources to Indicated Resources.

**Q. Why didn't you drill outside the '9X' area?**

A. Creating the access necessary to drill deeper requires considerable additional cost and time. The PEA confirms our view that the F2 deposit is already of significant size and has good potential to grow and we will look at this potential going forward. Our main focus though is to use this PEA to take the Project forward with a view to realizing our target of making F2 the next Red Lake producer.

**Q. How do the bulk sample results impact the resource or the PEA outcomes?**

A. They do not. This is because they are sampling a very small part (about 0.07%) of the overall resource volume which is informed by well over 250,000 metres of diamond drilling. The decision to take the bulk sample on the 305 metre level was made many months before the detailed resource drilling was completed. It could not be predicted at that time what results would come from the area. Once at the 305 level, there was no flexibility to access levels both above and below the 305 metre level. Our sample was thus selected well ahead of any knowledge of the grade in the area of the bulk sample.

**Q. So what does the bulk sample mean?**

A. As stated in our new release of June 29, 2011:

“Although the bulk sampling is located in part of the deposit that is lower grade than the overall resource average grade, it successfully confirms that the capped, diluted delineation drilling weighted average grade in this area is a reasonable determinant of recovered grade.”

**Q. Can you apply these results to the larger resource?**

A. No. We can only state the results and their significance as they apply to the very small area of the bulk sample itself. They are therefore of no impact on the overall resource and mining plan although in the area of the bulk samples themselves they appear to confirm the drill indicated grades.

**Q. How long has the Company known the results of the PEA and bulk sampling?**

A. The Company learned of the draft results of the PEA and bulk samples sampling results a few days before the news release. The data in the news release are generated by outside consultants. Once the results were checked and verified by our consultants, we were able to incorporate the results into our news release on June 29, 2011.

***Note: The PEA is preliminary in nature as it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred resources are too speculative to have economic considerations applied to them and there is no certainty that the inferred resources will be converted to measured and indicated resources. For additional important disclaimers with respect to forward-looking statements and inferred and indicated mineral resources, please refer to the Company's news release of June 29, 2011 and to the Cautionary Notes link on this website.***