

Technical Report of 2011-2012 Exploration Activities

On The

Red Lake Project: Dome & McManus Properties

EXECUTIVE SUMMARY

This report summarizes the results of mineral exploration activities on the Sphere Resources Inc. (“Sphere”) and Duncan Park Holdings Corporation (“Duncan Park”) Red Lake Project and provides recommendations based on the 2011 and 2012 mineral exploration field work in the search for economic concentrations of gold.

The Sphere/Duncan Park Red Lake gold project is located in the Red Lake gold camp which is arguably one of the world’s highest grade gold camps. In 2011, Goldcorp Inc. produced 622K ounces, at an average grade of 23.9 g/t gold at its Red Lake Gold Mine (RLGM) averaging 2,630 tonnes/day from their underground mining operation. In 2011, proven and probable reserves were 3.95M oz. Currently, Goldcorp is developing the Cochenour (Gold Eagle) deposit, 5 km to the west of the RLGM with an inferred resource of 9.27M tonnes at 10.77 g/t Au (3.21M oz) (Goldcorp, AIF, 2011). Between 1930 and 2011, the core area of the Red Lake mining camp produced 26.4 million ounces of gold from 55.4 million tons of ore (MNDM, 2011).

In 2011 Sphere & Duncan Park discovered a new mineral system in the Red Lake mining camp within the Chukuni Deformation Zone. Drilling of 10 diamond drill holes over a strike length of 1200m on the deformation zone has delineated the Chukuni-McManus mineralized gold system as part of the Chukuni deformation. This mineralized system situated 3 km south and parallel to the Red Lake Mine trend is a 440m wide by 1.2km long, hydrothermally altered geological structure was initially targeted for drilling when a broad iron carbonate and sulphide alteration system was exposed in the Chukuni Bridge and the Bennett Drive outcrop area.

In November 2009, Sphere entered into an earn-in option agreement with Global Minerals to acquire a 75% interest in thirteen (13) mining claims (Global Option Agreement) referred to as the Dome Claims located in Dome, Byshe and Heyson townships, in the Red Lake mining camp in consideration for three annual payments of \$75,000 to Global, the incurring of \$925,000 in exploration expenses, and the issue to Global by Sphere of 500,000 shares per year for three years. Coincidentally, by way of a letter of intent which was formalized in an agreement in March 2010, Sphere and Duncan Park entered into an option agreement (the “Dome Option”) whereby Sphere optioned the 75% interest to Duncan Park in consideration for Duncan Park making the required cash payments to Global, paying the required exploration costs, and issuing to Sphere 2,000,000 Duncan Park shares for three years. Sphere acquired four additional claims which were added to the Dome Agreement. Sphere subsequently purchased the

Dome claims from Global. The result is that the Dome property consists of 17 unpatented, contiguous mining claims covering 624 hectares or 39 claim units, a contiguous land package four km south of the Goldcorp RLGGM within the Municipality of Red Lake, Ontario. All of the earn-in requirements have been met and Sphere owns a 25% interest in the property and Duncan Park has the other 75% interest. The respective interests are the subject of a joint venture agreement which is in draft form.

In March 2011, Sphere & Duncan Park entered into an earn-in agreement with Camp McMan Red Lake Gold Mines Ltd. (“Camp McMan”) to acquire the adjacent McManus patents; a contiguous block of patented mining lands comprised of 17 mineral rights only, freehold patented claims and 11 Licenses of Occupation covering 324.185 hectares by payments to Camp McMan totaling \$210,000, the incurring of \$1,200,000 in exploration costs and the issue by Sphere of 1,700,000 shares. This earn-in option is substantially complete. Upon completion Duncan Park will own a 100% interest in the property subject to a Sphere option to claw-back 51% by paying Duncan Park four times the expenditures made by Duncan Park to effect the earn-in from Camp McMan.

Currently, the Sphere/Duncan Park Red Lake Project is comprised of two contiguous properties, the Dome Claims and the McManus Patents, totaling 948.185 ha (2,342.9 acres).

The Red Lake area is accessible by Highway 105, which joins the Trans-Canada Highway at Vermillion Bay, 175 kilometers south of Red lake and 100 kilometers east of Kenora, Ontario. The largest regional centers are Winnipeg, Manitoba, located 270 km southwest, and Thunder Bay, Ontario, approximately 440 km southeast of Red Lake. Refer to Figure 4-1 for a provincial location map outlining Red Lake in northwestern Ontario.

In 2010, Sphere & Duncan Park engaged Caracle Creek International Consulting Inc. (“CCIC”) to provide geophysical. Geological and project management services to guide the exploration of the Dome Claims and to produce a NI 43-101 property report on the Dome Property.

It was determined that it was best to explore the property initially using shallow and intermediate depth Induced Polarization (“IP”) geophysical surveys, followed by diamond drilling of selected targets identified. The first geophysical study was done on the south-eastern, land based claims of the Dome property, the only accessible property at the time, in the summer of 2010. After the addition of the adjacent McManus patents later in 2010, a comprehensive geophysical study of the combined properties was performed in the winter of 2011. These resulted in the identification of a number of promising targets.

In January 2011, Sphere and Duncan Park contracted the author to provide mineral exploration consultation and project management services and expanded the exploration program to include uniform geophysical coverage over the land & water portion of Dome Claims and over much of the land & water portion of the McManus Patents with the establishment of 65km of survey control grid, completion of three geophysical surveys including ground magnetic survey, a proprietary technologically innovative IPOWER3D™ induced polarization survey and a resistivity survey, and by the spring of 2012, completed 21 diamond drill holes totaling 7,016 metres of core drilling on the Project.

In 2011-2012, Sphere/ Duncan Park completed nine diamond drill holes totaling 2,342m and analyzed 1,148 drill core samples on the Dome claims. Eight sample intervals reported assays greater than 0.1 g/t Au. During the 2011 drill campaign five drill holes tested IP anomalies intersected 3 assays greater than 0.1 g/t Au. In 2012, two of four holes collared on the ice if Red Lake were drilled at the interpreted intersection of the northwest Chukuni trend and the northeast Madsen Trend intersected a 3.0 metre section grading 0.34 g/t Au (SD12-09 on section 2000mN). The other two holes (SD12-07 & SD12-08) were aborted attempts and lost in overburden before the successful completion of hole SD12-09 from the same location.

Sphere/Duncan Park also completed 12 diamond drill holes totaling 4,674m on the McManus Patents and analyzed 3,126 drill core samples. Seventy-eight (78) of those samples returned assays greater than 0.1 g/t Au. In 2011, of 10 diamond drill holes completed, eight tested the Chukuni –McManus mineralized system and two holes tested geological contacts and an IP target. In 2012, two holes were completed on the westerly extension of the Chukuni – McManus mineralized system. There were at least four significant intersections over broad widths, such as

- 6.2m @ 0.426 g/t Au (SM11-03 on reference section 100mS),
- 6.6m @ 0.31g/t Au (SM11-07 on reference section 100mN),
- 3.0m @ 0.94 g/t Au (SM11-10 on reference section 00mN), and
- 9.0m @ 0.288 g/t Au (SM12-11 on reference section 700mN).

As well, narrow high grade assay intervals of

- 0.7m @ 23.256 g/t Au was noted in ddh SM11-07 on reference section 100N, and
- 0.4m @ 12.988 g/t Au in ddh SM11-05 on reference section 400N.

Drilling on the McManus Patents has traced a newly recognized hydrothermally-altered mineral system of iron carbonate and sulphides over a strike length of 1200m, a width of 440m and to a depth of 400m. Pathfinder minerals such as gold and sulphide minerals such as pyrite, arsenopyrite and chalcopyrite along with minor quartz-carbonate veining were noted in drilling throughout this system.

Drill testing of numerous IP targets in the southern portion of the Dome claims did not provide any significant drill results, but drilling on the westerly strike extension of the Chukuni sulphide system beneath the waters of Red Lake on the Dome claims did offer encouraging gold results such as 0.342 g/t over 3m at 172.0-175.0m, and 0.116 g/t over 1.5m at 184.5-186.0m in drill hole SD12-09.

Based on the results of this exploration work, additional deep drilling on the Chukuni-McManus mineral system is strongly recommended. A \$2M diamond drill program is proposed to explore the mineral system at depth on the McManus mineralized system. Drilling is also proposed on the westerly strike extension of the McManus mineral system on the Dome Property and within the geological environment on the Dome Claims. The drill program will consist of 18 holes totaling 7,440m targeting five target environments. Accompanying the drilling, detailed geological mapping and sampling is recommended

across the Sphere/Duncan Park project area. Downhole IP and Between Hole IP surveys are recommended in the investigation of sulphide enriched sections of the sulphide system. First Nation consultation and notification are strongly encouraged.

The recommended priority drill targets include

- McManus Deep: 6 holes - (3,890m) sulphide system at depth of 400m; (High priority). Drilling is proposed to intersect the gold-arsenic system between 150 & 550m vertical depth, along strike and extend the system easterly to a length of 1300m.
- McManus Shallow: 4 holes - (800m) test narrow high grade vein system along strike (Moderate priority). Drilling is targeted to test the strike extension of the high grade McManus Main Zone gold vein system at between 75 and 125m depth over a strike length of 300m.
- McManus (Madsen Trend): 3 holes - (1500m) to evaluate northeast structural complexities between McManus Island & McManus Peninsula (Moderate priority). A significant northeast trending geological structure appears to separate two sedimentary packages of rock is interpreted to be related to the Madsen-Goldcorp Trend, separates the McManus Island sediments from the McManus Peninsula sediments. A marker package of sedimentary rock intersected in ddh SD12-06 & SD12-09, west of the McManus Island and the McManus Island exposure (McManus Island sediments) versus the sedimentary package of rock south of the McManus Peninsula (McManus Peninsulas sediments) intersected in SM11-09 situated 1100m to the east appear to trend at different attitudes.
- Dome Section: 2 holes - (800m) to evaluate the south Diorite contact (Low priority). Geological contacts such as between intrusive body and volcanic flows represent competency contrasts, a typical focus for structures and mineralizing systems. Although the northern contact was not mineralized, the south contact remains to be drill tested.
- Dome Claims – McKee Main Occurrence 3 holes (450m) to evaluate the strike and depth extent of encouraging chip sample taken along a 2m wide shear zone hosting quartz veins encountered during reconnaissance geological investigations on the Howey diorite.

Additional exploration related activities should proceed concurrently or in preparation for drilling.

- Geological Mapping & Sample: Three weeks are proposed to explore and map key outcrop areas and sample fresh exposed mineral systems.
- Geophysical surveys such as Down Hole IP (DHIP) are recommended to delineate sulphide enriched zones within the Chukuni sulphides and Between Hole IP surveys are recommended to correlate sulphide horizons.
- Commence FN notification & consultation in preparation for Exploration Permit applications.

- Exploration Permits for proposed drilling on the Dome mining claims and/or on the McManus Licenses of Occupation will be required. Exploration permits are not required on private patented lands.

PROJECT OVERVIEW

The southern half of the McManus Patents and the Dome claims overlies a quartz diorite intrusion, the Howey Diorite. The Howey Diorite is host to or is proximal to several past-producing gold mines (Hasaga & Howey Bay Gold Mines ~ 639,800 oz gold: circa. 1930-57) and numerous gold occurrences.

Most of the gold in the Red Lake Camp appears to be spatially associated with the unconformity or structural break between the 2992-2964 Ma aged Balmer Assemblage consisting of mostly tholeiitic metavolcanic rocks and younger 2739-2748 Ma aged Confederation Assemblage comprised of mostly calc-alkaline metavolcanic and metasedimentary rocks. This unconformity or structural trend is inferred to occur in the northwestern part of the Dome & McManus properties.

Scattered historic exploration data exists for the Dome Claims. The most recent work in 2007, Global Minerals contracted Abitibi Geophysics to complete a pole-dipole IP survey over the southeast portion of the Dome property. The depth extent of this survey was approximately 50 m. This survey delineated a geophysical anomalous area but no follow-up drilling was completed.

In early 2010, after optioning the Dome Claims, Sphere/Duncan Park commenced exploration activities with CCIC as project manager. Geoserve Logging & Tomography (“Geoserve”) was engaged to complete a new type of Direct Current Induced Polarization (DCIP) survey on the same southwest part of the Dome Claims. The survey totaled 14.7 line kilometres and penetrated to a depth of 200 m and delineated 24 geophysical anomalies, two of which were recommended as drill targets based on an integration of geophysical and geological data.

Since 1936, there was little documented work for the McManus Patents. The first of the McManus claims were staked by Mr. Gus McManus in 1922 and the McManus Red Lake Gold Mines Limited incorporated in 1927. Surface work included stripping, trenching and sampling of twelve quartz vein occurrences. Between 1933 and 1936, enough work was completed to take 19 mining claims on the land portion to freehold patent status and the lands under water portion to Licenses of Occupation status. In 1936, a total of approximately 30 ddh were reportedly drilled, of which 24 locations are noted in historic records and plotted on plans. This early drilling focused on drill testing the quartz vein occurrences. Several of the drill holes were aborted in overburden in attempts to drill test for mineralization beneath the waters of Red Lake.

CONCLUSIONS

In 2011 Sphere & Duncan Park discovered a new mineral system in the Red Lake mining camp within the Chukuni Deformation Zone. Drilling of 10 diamond drill holes over a strike length of 1200m on the deformation zone has delineated the Chukuni-McManus mineralized gold system as part of the Chukuni deformation. This mineralized system situated 3 km south and parallel to the Red Lake Mine trend is a

440m wide by 1.2km long, hydrothermally altered geological structure was initially targeted for drilling when a broad iron carbonate and sulphide alteration system was exposed in the Chukuni Bridge and the Bennett Drive outcrop area. Geochemically significant gold assays were received in surface sampling in the Bennett Drive outcrop exposure along Hwy 125, and subsequent drill sampling programs tested the alteration system. Although there are few economic assay results, the system hosts broad intersections of geochemically anomalous gold as well as narrow high grade gold intersections. Also indicative of gold systems in Red Lake, arsenopyrite mineralization, arsenic trace elements geochemistry and an increase in sulphide (pyrite, pyrrhotite & chalcopyrite) mineralization suggests an auriferous hydrothermal plumbing system has been intersected to a depth of at least 400m on the McManus-Dome properties along the northwest trending Chukuni deformation zone.