MHAKARI RESOURCES INC.

Induced Polarization Survey
Over the

ARGYLE PROPERTY

Argyle and Bannockburn Townships, Ontario
TABLE OF CONTENTS

1. SURVEY DETAILS .................................................................................................................................... 3
   1.1 PROJECT NAME .................................................................................................................................... 3
   1.2 CLIENT ..................................................................................................................................................... 3
   1.3 LOCATION ............................................................................................................................................. 3
   1.4 ACCESS .................................................................................................................................................. 3
   1.5 SURVEY GRID ....................................................................................................................................... 4

2. SURVEY WORK UNDERTAKEN ....................................................................................................................... 5
   2.1 SURVEY LOG ........................................................................................................................................ 5
   2.2 PERSONNEL ......................................................................................................................................... 5
   2.3 INSTRUMENTATION ............................................................................................................................. 5
   2.4 SURVEY SPECIFICATIONS ................................................................................................................... 5

3. OVERVIEW OF SURVEY RESULTS .............................................................................................................. 7
   3.1 SUMMARY INTERPRETATION ................................................................................................................ 7

LIST OF APPENDICES

APPENDIX A: STATEMENT OF QUALIFICATIONS
APPENDIX B: THEORETICAL BASIS AND SURVEY PROCEDURES
APPENDIX C: INSTRUMENT SPECIFICATIONS
APPENDIX D: LIST OF MAPS (IN MAP POCKET)

LIST OF TABLES AND FIGURES

Figure 1: Location of Argyle Property ......................................................................................................... 3

Table 1: Survey log ......................................................................................................................................... 5
1. SURVEY DETAILS

1.1 PROJECT NAME

This project is known as the Argyle Property.

1.2 CLIENT

Mhakari Gold Corp.
141 Davisville Ave.
Suite 506
Toronto, Ontario
M4S 1G7

1.3 LOCATION

The Argyle Property is located approximately 60km west of Kirkland Lake, Ontario and 50km south-southeast of Timmins, Ontario. The survey grid is located in Argyle and Bannockburn Townships and covers a portion of mining claims 4215051, 4213648, 4225052, 3013816, 4209220 and 4245838 within the Larder Lake Mining Division.

![Figure 1: Location of Argyle Property](image)

1.4 ACCESS

The Argyle property can be readily accessed by Highway 566 approximately 17km east of Matachewan. From here, ATVs were used over a network of logging roads which crossed the northern part of the survey area.
1.5 Survey Grid

The grid consisted of approximately 22.9 kilometers of previously established grid lines. The grid lines are spaced 100 meter increments with stations picketed every 25m intervals. The baseline ran at 90°N for a total length of 500m.
2. SURVEY WORK UNDERTAKEN

2.1 SURVEY LOG

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Line</th>
<th>Min Extent</th>
<th>Max Extent</th>
<th>Total Survey (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 31, 2010</td>
<td>Locate and access grid at 1650S. Begin cutting tieline. Establish transmit wires and begin survey. Electrical storms damage equipment.</td>
<td>1500E</td>
<td>1650S</td>
<td>1550S</td>
<td>100</td>
</tr>
<tr>
<td>June 3, 2010</td>
<td>Continue survey.</td>
<td>1500E</td>
<td>1550S</td>
<td>225S</td>
<td>1325</td>
</tr>
<tr>
<td>June 4, 2010</td>
<td>Continue survey.</td>
<td>1500E</td>
<td>225S</td>
<td>0</td>
<td>225</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1400E</td>
<td>225S</td>
<td>0</td>
<td>225</td>
</tr>
<tr>
<td>June 5, 2010</td>
<td>Continue survey.</td>
<td>1400E</td>
<td>1225S</td>
<td>225S</td>
<td>1000</td>
</tr>
<tr>
<td>June 6, 2010</td>
<td>Continue survey.</td>
<td>1400E</td>
<td>1650S</td>
<td>1225S</td>
<td>425</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1300E</td>
<td>1650S</td>
<td>1025S</td>
<td>600</td>
</tr>
<tr>
<td>June 7, 2010</td>
<td>Continue survey.</td>
<td>1300E</td>
<td>1050S</td>
<td>0</td>
<td>1050</td>
</tr>
<tr>
<td>June 8, 2010</td>
<td>Continue survey.</td>
<td>1200E</td>
<td>1025S</td>
<td>0</td>
<td>1025</td>
</tr>
<tr>
<td>June 9, 2010</td>
<td>Continue survey.</td>
<td>1200E</td>
<td>1650S</td>
<td>1025S</td>
<td>625</td>
</tr>
<tr>
<td>June 10, 2010</td>
<td>Continue survey.</td>
<td>1100E</td>
<td>1650S</td>
<td>575S</td>
<td>1075</td>
</tr>
<tr>
<td>June 11, 2010</td>
<td>Continue survey.</td>
<td>1100E</td>
<td>575S</td>
<td>0</td>
<td>575</td>
</tr>
<tr>
<td>June 12, 2010</td>
<td>Continue survey.</td>
<td>1000E</td>
<td>1000S</td>
<td>0</td>
<td>1000</td>
</tr>
<tr>
<td>June 13, 2010</td>
<td>Complete northern block and recover gear.</td>
<td>1000E</td>
<td>1650S</td>
<td>1000S</td>
<td>650</td>
</tr>
</tbody>
</table>

Table 1: Survey log

2.2 PERSONNEL

Bruce Lavalley of Sudbury, Ontario, was crew chief and operated the IP receiver. His crew consisted of Keith Lavalley, Jason Ploeger, Dylan Pardy, Quinlin Peever, Neil Jack, Dan Pegg and Jamie Collins.

2.3 INSTRUMENTATION

A 10 channel Elrec Pro receiver was employed for this survey. The transmitter consisted of a VIP 3000 (3kW) with a Honda 5000 as a power plant.

2.4 SURVEY SPECIFICATIONS

Dipole-Dipole Array

The dipole-dipole survey configuration was used for this survey. This array consists of 7 mobile stainless steel read electrodes and two current electrodes C1 and C2. The seven potential electrodes were connected to the receiver by means of the "Snake". The power location C1 was maintained at a distance of 25m behind the read electrode and the read electrodes had a 25m spacing to a depth of n=6. A second power location C2 was maintained at a distance of 25m behind C1. A two second transmit cycle time was used with a minimum number of receiver stacks of 12.
A total of 9.9 line kilometers of Pole Dipole IP was performed between May 31st and June 13th, 2010.
3. OVERVIEW OF SURVEY RESULTS

3.1 SUMMARY INTERPRETATION

Six chargeability zones of note occur within the survey area. Of these two zones indicate a marked increase in apparent resistivity. The most prominent zone is from line 1200E at 1100S and extends through 1500E and 1175S. A weak chargeability signature occurs from line 1300E at 850S and extends to 1400E at 900S. These two signatures may indicate the presence of mineralized resistive geologic unit and should be explored further.

The remainder of these signatures appear along the flanks of an apparent resistivity change. These can be seen at 700S on lines 1100E and 1200E, 700S through 800S on lines 1400E to 1500E, 1300S on line 1100E and 1450S on line 1500E. These signatures may indicate geological or topographical contact areas. They may also represent mineralized stringer zones.

All of the outlined chargeability anomalies should be further explored through prospecting to determine the source of the anomaly.
APPENDIX A

STATEMENT OF QUALIFICATIONS

I, C. Jason Ploeger, hereby declare that:

1. I am a geophysicist (non-professional) with residence in Larder Lake, Ontario and am presently employed as Geophysical Manager of Larder Geophysics Ltd. of Larder Lake, Ontario.

2. I graduated with a Bachelor of Science degree in geophysics from the University of Western Ontario, in London Ontario, in 1999.

3. I have practiced my profession continuously since graduation in Africa, Bulgaria, Canada, Mexico and Mongolia.

4. I am a member of the Ontario Prospectors Association, a director of the Northern Prospectors Association and a member of the Society of Exploration Geophysicists.

5. I have no interest, nor do I expect to receive any interest in the properties or securities of MHAKARI RESOURCES INC.

6. I am responsible for the final processing and validation of the survey results and the compilation of the presentation of this report. The statements made in this report represent my professional opinion based on my consideration of the information available to me at the time of writing this report.

Larder Lake, ON
June 2010

C. Jason Ploeger, B.Sc. (geophysics)
Geophysical Manager of Larder Geophysics Ltd.
APPENDIX B

THEORETICAL BASIS AND SURVEY PROCEDURES

Induced Polarization Surveys

Time domain IP surveys involve measurement of the magnitude of the polarization voltage (Vp) that results from the injection of pulsed current into the ground.

Two main mechanisms are known to be responsible for the IP effect although the exact causes are still poorly understood. The main mechanism in rocks containing metallic conductors is electrode polarization (overvoltage effect). This results from the build up of charge on either side of conductive grains within the rock matrix as they block the flow of current. On removal of this current the ions responsible for the charge slowly diffuse back into the electrolyte (groundwater) and the potential difference across each grain slowly decays to zero.

The second mechanism, membrane polarization, results from a constriction of the flow of ions around narrow pore channels. It may also result from the excessive build up of positive ions around clay particles. This cloud of positive ions similarly blocks the passage of negative ions through pore spaces within the rock. On removal of the applied voltage the concentration of ions slowly returns to its original state resulting in the observed IP response.

In TD-IP the current is usually applied in the form of a square waveform, with the polarization voltage being measured over a series of short time intervals after each current cut-off, following a short delay of approximately 0.5s. These readings are integrated to give the area under the decay curve, which is used to define Vp. The integral voltage is divided by the observed steady voltage (the voltage due to the applied current, plus the polarization voltage) to give the apparent chargeability (Ma) measured in milliseconds. For a given charging period and integration time the measured apparent chargeability provides qualitative information on the subsurface geology.

The polarization voltage is measured using a pair of non-polarizing electrodes similar to those used in spontaneous potential measurements and other IP techniques.
APPENDIX C

Iris Elrec Pro Receiver

Specifications

- 10 CHANNELS / IP RECEIVER FOR MINERAL EXPLORATION
- 10 simultaneous dipoles
- 20 programmable chargeability windows
- High accuracy and sensitivity

**ELREC Pro**: this new receiver is a new compact and low consumption unit designed for high productivity Resistivity and Induced Polarization measurements. It features some high capabilities allowing to work in any field conditions.

**Reception dipoles**: the ten dipoles of the ELREC Pro offer a high productivity in the field for dipole-dipole, gradient or extended poly-pole arrays.

**Programmable windows**: beside classical arithmetic and logarithmic modes, ELREC Pro also offers a Cole-Cole mode and twenty fully programmable windows for a higher flexibility in the definition of the IP decay curve.

**IP display**: chargeability values and IP decay curves can be displayed in real time thanks to the large graphic LCD screen. Before data acquisition, the ELREC Pro can be used as a one channel graphic display, for monitoring the noise level and checking the primary voltage waveform, through a continuous display process.

**Internal memory**: the memory can store up to 21 000 readings, each reading including the full set of parameters characterizing the measurements. The data are stored in flash memories not requiring any lithium battery for safeguard.

**Switching capability**: thanks to extension Switch Pro box(es) connected to the ELREC Pro unit, the 10 reception electrodes can be automatically switched to increase the productivity in-the-field.
FIELD LAY-OUT OF AN ELREC PRO UNIT

The ELREC Pro unit has to be used with an external transmitter, such as a VIP transmitter. The automatic synchronization (and re-synchronization at each new pulse) with the transmission signal, through a waveform recognition process, gives a high reliability of the measurement.

Before starting the measurement, a grounding resistance measuring process is automatically run; this allows to check that all the electrodes are properly connected to the receiver.

Extension Switch Pro box(es), with specific cables, can be connected to the ELREC Pro unit for an automatic switching of the reception electrodes according to preset sequence of measurements; these sequences have to be created and uploaded to the unit from the ELECTRE II software.

The use of such boxes allows to save time in case of the user needs to measure more than 10 levels of investigation or in case of large 2D or 3D acquisition.

DATA MANAGING

PROSYS software allows to download data from the unit. From this software, one has the opportunity to visualize graphically the apparent resistivity and the chargeability sections together with the IP decay curve of each data point. Then, one can process the data (filter, insert topography, merge data files…) before exporting them to “txt” file or to interpretation software:

RES2DINV or RESIX software for pseudo-section inversion to true resistivity (and IP) 2D section. RES3DINV software, for inversion to true resistivity (and IP) 3D data.

TECHNICAL SPECIFICATIONS

- Input voltage:
  - Max. for channel 1: 15 V
  - Max. for the sum from channel 2 to channel 10: 15 V
  - Protection: up to 800V

- Voltage measurement:
  - Accuracy: 0.2 % typical
  - Resolution: 1 µV

- Chargeability measurement:
  - Accuracy: 0.6 % typical

- Induced Polarization (chargeability) measured over to 20 automatic or user defined windows
• Input impedance: 100 MW
• Signal waveform: Time domain (ON+, OFF, ON-, OFF) with a pulse duration of 500 ms - 1 s - 2 s - 4 s - 8 s
• Automatic synchronization and re-synchronization process on primary voltage signals
• Computation of apparent resistivity, average chargeability and standard deviation
• Noise reduction: automatic stacking number in relation with a given standard deviation value
• SP compensation through automatic linear drift correction
• 50 to 60Hz power line rejection
• Battery test

GENERAL SPECIFICATIONS.

• Data flash memory: more than 21 000 readings
• Serial link RS-232 for data download
• Power supply: internal rechargeable 12V, 7.2 Ah battery; optional external 12V standard car battery can be also used
• Weather proof
• Shock resistant fiber-glass case
• Operating temperature: -20 °C to +70 °C
• Dimensions: 31 x 21 x 21 cm
• Weight: 6 kg
APPENDIX C

VIP 3000/VIP 4000

Specifications

IP AND RESISTIVITY ADVANCED TRANSMITTER

Features
3000V output voltage
Full microprocessor control
Ease-of-use
Standard motor generator

General
The VIP family of transmitters is now available in either a 3000 or 4000 watt version. Both VIP Systems are power current regulated Time Domain and Frequency Domain electrical transmitters.

VIP 3000/VIP 4000 Major Benefits
Light in weight and provided with a high voltage (3000V) output, the VIP 3000/VIP 4000 are particularly convenient for IP surveys in high resistivity rugged areas and for deep resistivity soundings. Microprocessor controlled for ease of operation and protection against misuse, all injection parameters (current, voltages, ...) are controlled. The VIP 3000/VIP 4000 can also be operated through its remote control port (RS232).

The VIP 3000/VIP 4000 eight output dipoles provide for higher productivity in the field. Powered from a standard 220V single phase motor generator, the VIP 3000/VIP 4000 eliminates the maintenance and supply problems associated with custom power sources. It also reduces the costs and problems of shipping motor generators over long distances, namely by plane.

High Outputs
The VIP 3000/VIP 4000 will generate up to 3000 volts for work in high resistivity areas and up to 5 amperes at 600 volts (VIP 3000) / 800 volts (VIP 4000) for low resistivity regions.

With its weight of only 16kg, the VIP 3000/VIP 4000 are the lightest 3000W/4000W units on the market.

Heavy Duty Construction
Very high quality connectors, and heavy duty industrial components are used throughout. The VIP3000/VIP 4000 are shock resistant and weatherproof, for a higher reliability.

**Fully Automated**

The VIP 3000/VIP 4000 are designed for ease of operation. They have a much simplified front panel: current, dipole and frequency (in the frequency domain) settings are the only parameters to be selected by the operator. All the other functions, like voltage range setting, are fully automated.

**Programmable**

Programming functions are also available, either through the front panel, with a suitable key, or from an external computer terminal. These functions are used to select the parameters and options that are not normally changed during a survey: operating mode, time or frequency domain, cycle time, frequencies, etc.

This approach reduces front panel cluttering and drastically reduces the possibility of operator mistake. Instrument reliability is also increased. For example, it is not possible to switch dipoles when transmitting. This eliminates the possibility of burning out the selector switch or the output circuitry.

**Error Messages**

Intelligent messages and warnings are displayed in case of problem or malfunction. Furthermore, the permanent storage of all the parameters related to the operation of the unit make easier the remote identification of a trouble by the manufacturer for quicker instrument servicing.

**Complete Display**

A large backlit LCD alphanumeric display is provided for the simultaneous indication of all output parameters. Output current, output voltage, contact resistance and output power are continuously displayed.

**Intelligent Regulation**

The VIP 3000/VIP 4000 internal microprocessor is capable of excellent current regulation in almost any load.

Current is operator selectable in preprogrammed steps from 50mA to 5 amperes. Intelligent current adjustment algorithms are always in operation. For example, the contact resistance will occasionally be too high for the VIP 3000/VIP 4000 to provide the requested current setting. In such cases, the VIP 3000/VIP 4000 will display a warning message and will set the current to the maximum value allowable under that combination of current setting and contact resistance. Some reserve current capacity will always be kept to insure that the current stays constant during the measurements, whatever the contact resistance fluctuations.

**Remote Control**

The VIP 3000/VIP 4000 are provided with a remote control port. By using radio modems, it can be operated from a remote location.

The VIP 3000/VIP 4000 can also be linked to an intelligent receiver such as the ELREC 6 or the ELREC 10, or to a computer, for the automatic recording of current settings. Finally, synchronization with a receiver or system is also possible in both directions (i.e. Rx to Tx or Tx to Rx).

**Works With Almost Any Power Generator**

The VIP 3000/VIP 4000 IP transmitter can be powered by almost any motor generator providing a nominal 230V, 45-450 Hz output, single phase, at a suitable KVA rating.

Low cost commercial generator sets, available at local hardware or equipment rental stores are perfectly suitable.

For related interpretation software see RESIX IP, RESIX 2DI, and RESIX IP2DI.

**Specifications**

- Output Power: 3000/4000VA maximum
• Output Voltage: 3000 V maximum, automatic voltage range selection
• Output Current: 5 amperes maximum, current regulated
• Current accuracy: better than 1%
• Current stability: 0.1%
• Dipoles: 8, selected by push button
• Output Connectors: connectors accept bare wire or plug of up to 4mm. diameter.
• Tune Domain Waveforms: On+, off, on-, off, (on = off) preprogrammed cycle. Automatic circuit opening in off time. Preprogrammed on times from 0.5 to 8 seconds by factor of two. Other cycles programmable by user.
• Frequency Domain Waveforms: Square wave, Preprogrammed frequencies from 0.0625 Hz to 4 Hz by factors of 2. Alternate or simultaneous transmission of any two frequencies. Other frequencies programmable by user.
• Time and Frequency Stability: 0.01%, 1 PPB optional
• Display: Alphanumeric liquid crystal display. Simultaneous display of output current, output voltage, contact resistance, and output power.
• Protection: Short circuit at 20 ohms, Open loop at 60000 ohms, Thermal, Input overvoltage and under-voltage.

Miscellaneous
• Dimensions (h w d): 41 x 32 x 24 cm.
• Weight: 16 kg
• Power Source: 175 to 270 VAC, 45-450 Hz, single phase Motor Generator
• Operating Temperature: -40 to +50 degrees Celsius.
• Standard Components
• VIP 3000 or VIP 4000 Console, Programming Key, RS-232 Interface Cable, Motor Generator Cable, Operations Manual and Shipping Case.
APPENDIX D

LIST OF MAPS (IN MAP POCKET)

Pseudo-Sections (1:2500)

1) MHAKARI-ARGYLE-DpDp-1500E
2) MHAKARI-ARGYLE-DpDp-1400E
3) MHAKARI-ARGYLE-DpDp-1300E
4) MHAKARI-ARGYLE-DpDp-1200E
5) MHAKARI-ARGYLE-DpDp-1100E
6) MHAKARI-ARGYLE-DpDp-1000E

Posted Contoured Filtered Plan Maps (1:2500)

7) MHAKARI-ARGYLE-DpDp-Res
8) MHAKARI-ARGYLE-DpDp-Chrg

Claim Map with Grid Sketch (1:20000)

9) MHAKARI-ARGYLE-GRID

TOTAL MAPS = 9
MHAKARI GOLD CORP.
ARGYLE PROPERTY
Argyle and Bannockburn Townships, Ontario

Drawing : MHAKARI-ARGYLE-DpDp-1300E

Processed by:
C Jason Ploeger, B.Sc.

Map Drawn By:
C Jason Ploeger, B.Sc.

June 2010

Pseudo Section Plot
Dipole-Dipole Array

Pyramid Filter

Apparent Resistivity
Ohm*m

Chargeability
mV/V