TECHNICAL REPORT
ON THE
CENTRAL LAPLAND PROJECT
FINLAND

PREPARED FOR

AURION RESOURCES LTD.

PREPARED BY

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MERCATOR GEOLOGICAL SERVICES LIMITED

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Summary

Aurion Resources Ltd. (Aurion) retained Mercator Geological Services Limited (Mercator) in April of 2014 to prepare an independent, National Instrument 43-101 (NI43-101) compliant technical report describing the company's Central Lapland Project (CLP), located in northern Finland. Site visits to the subject properties were carried out by Mercator during April of 2014.

The CLP is comprised of the Kutuvuoma and Silasselkä exploration holdings that cover 6026 ha and 26,435 ha respectively. Aurion entered into a Purchase Agreement dated May 26th, 2014 with Dragon Mining OY (Dragon) with respect to these properties. Under terms of the agreement, Aurion are to purchase a 100% interest in the non-contiguous Kutuvuoma and Silasselkä properties through payment of 6 million common shares of Aurion, and expending €1,000,000 (Euros) over the three year agreement period. Dragon will retain a 3% Net Smelter Return (NSR) royalty for both properties and Aurion's interest is conditionally assignable. The entire NSR can be purchased at any time on or before the sixth anniversary of the purchase agreement through a single payment of €4,000,000 to Dragon, or 1% after the tenth anniversary for the same amount.

Both properties that comprise the CLP occur within the Central Lapland Greenstone Belt (CLGB) of the Fennoscandian Shield and are located approximately 850 kilometers north of the Finnish capital of Helsinki. Kutuvuoma is centered at approximately 67^{o} 36' 23" north latitude and 25^{o} 44' 58" east longitude and Silasselkä is centered at approximately 68^{o} 25' 36" north latitude and 25^{o} 00' 15" east longitude. Both properties occur entirely north of the Arctic Circle. The Kittilä gold mine operated by Agnico Eagle Mines Limited (Agnico) is currently Europe's largest gold mining operation and is located in the CLGB approximately 37 kilometers to the northwest of Kutuvuoma and 31 km southeast of Silasselkä in rock sequences of similar age. At December 31, 2013, Agnico reported proven and probable gold reserves for Kittilä of 4.7 million gold ounces contained in 31.6 million tonnes grading 4.64 g/t Au (Agnico website - http://www.agnicoeagle.com; Kittilä Mine Reserve and Resource Data, as of December 31, 2013). The author has not been able to verify this reserve

information and notes that it is not necessarily indicative of mineralization on the properties that are the subject of this technical report.

Access to both properties is very good, with forestry roads extending from paved highways providing access to the otherwise forested and undeveloped property areas. Topography in both cases is low and characterized by generally rolling hills with relief of less than 150 m.

Bedrock geology at Kutuvuoma is dominated by east to southeast trending Paleoproterozoic volcanic-sedimentary sequences of the CLGB's Savukoski Group and currently defined gold mineralization on the property occurs in association with sulphide-bearing quartz vein arrays, with disseminated sulphides in altered, albitic, silicious meta-mudstones and meta-igneous rocks as well as in sulphide matrix breccias. The main deposit at Kutuvuoma occurs as a moderately west-plunging zone localized along a south dipping, sheared graphitic unit within sheared and altered Savukovski Group country rocks. These include komatiites as well as graphitic-sulphidic schist, fine grained meta-sandstone and thin interbedded marble.

Most historic, economically important gold deposits of the CLGB occur in direct proximity to the metallogenically important "Sirkka Line" that is centered along the course of the Sirkka Shear Zone (SSZ), a major south dipping thrust fault system showing northeast transport that has been mapped for over 120 km along an east-southeast trend within the CLGB. This shear zone is characterized by numerous sub-parallel splays that also host important, structurally focused gold mineralization such as that present in the Pahtavaara deposit, located 30 km east of Kutuvuoma, and the Saattapora deposit, located 45 km southwest of Silasselkä. A set of north-south trending strike-slip shear zones that depart northward from the SSZ are also important regional controls to gold mineralization, the most important of these currently being the Kiistala Shear Zone that hosts the previously mentioned Kittilä gold mine. The Hanhimaa Shear Zone parallels the Kiistala structure and is located about 10 km to the west of it. In recent years, exploration by Dragon along the Hanhimaa trend has resulted in discovery of several significant new gold occurrences that serve to identify this as an emerging regional-scale gold trend. Aurion's Silasselkä property strategically adjoins Dragon's Hanhimaa property to the north and covers an essentially unexplored, 16 km long interpreted northern extension of the favorable Hanhimaa trend.

To date, 18 core holes and 29 reverse circulation holes have been drilled to define the main Kutuvuoma gold deposit. A surface bulk sample that reportedly produced about 72kg of gold was mined and processed at the nearby Pahtavaara mill by Terra Mining OY (TM) during the 1989-1990 period. Outokumpu prepared several mineral resource estimates for the deposit based on the drilling mentioned above, the most recent of which defined 67,600 tonnes of Indicated resource grading 6.95 g/t Au using a 40g/t Au top cut and 1.0 g/t Au cutoff (Hokka, et al., 1997). This estimate is historical in nature and is not compliant with NI 43-101. A Qualified Person has not done sufficient work to classify the historical estimate and Aurion is not treating this as a current resource estimate. It should therefore not be relied upon.

Exploration to date on the large Kutuvuoma property has largely been focused in the immediate area of the drilled deposit, with only regional scale surveys being applied to a portion of the rest of the holding. Interpretation by Aurion of historical soil geochemical and airborne geophysical survey results has resulted in definition of 6 untested target areas on the property that are defined by anomalous gold in till values associated with east to southeast trending conductivity and magnetic field anomalies. Similar coincident responses characterize the defined Kutuvuoma deposit and indicate that the untested examples should be considered high priority targets for future detailed follow-up programs.

The Silasselkä property is underlain by metavolcanic and metasedimentary sequences of the Kittilä Group and Sodankylä Group that are intruded by substantial volumes of younger monzonite, granodiorite and gabbro bodies. Relationships between the various igneous intrusions in the area are not entirely clear. The property covers a 16 km long interpreted northern extension of the Hanhimaa Shear Zone that, as noted above, is an important new focus for gold exploration.

Upper greenschist to amphibolite grade metamorphism marks the central metasedimentary and metavolcanic zones of the Silasselkä property and greenschist facies assemblages occur along its eastern limit. Banded sedimentary iron formation units occur within the metasedimentary section, along with a distinctive sequence of variably textured, layered amphibolites containing multiple, laterally continuous magnetite rich layers that host significant levels of vanadium (V) in association with titanium (Ti) and iron (Fe). Highest vanadium values typically occur where massive to sub-massive concentrations of magnetite or ilmeno-magnetite are present. The magnetite-rich units are recognizable in airborne magnetometer survey results and four target areas along a 15 km north-south positive aeromagnetic trend were drilled by Otanmaki OY in the 1960's. The following mineral resource estimates are based on results of that drilling.

Silasselkä Property Historic Mineral Resource Estimates – Non NI 43-101 Compliant

Deposit	Category	Lower Cutoff Value (V%)	Tonnes (Mt)	V%	V2O5%
Pyhäjärvi	Proven	0.3	2.2	0.35	0.62
	Probable	0.3	5.03	0.35	0.62
	Possible	0.3	6.0	0.35	0.62
Kuusilaanivaara	Probable	0.3	0.25	0.40	0.71
Koivusilasselkä	Probable	0.3	0.85	0.30	0.53
Pesosjärvi	NS		0.70	0.22	0.39

Note: All estimates were prepared by Otanmaki OY in 1968 and compiled in Hanes (2013).

All estimates presented above are historic in nature and not compliant with NI 43-101. A Qualified Person has not done sufficient work to classify them and Aurion is not treating these estimates as current mineral resource estimates. They should therefore not be relied upon.

The vanadium mineralization defined to date on the Silasselkä property occurs in distinct and correlatable layers within the amphibolite sequence, the protolith of which may have been a mafic intrusive system such as a sill that was emplaced concordantly into the host volcano-sedimentary sequence. This interpretation was favoured by Hanes (2013) in an assessment carried out for Dragon. Iron-titanium-vanadium rich magnetite-ilmenite deposits are often associated with anorogenic anorthosite-gabbro-norite-monzonite-charnokite-granite (AMCG) suites but can also be related to island arc magmatism that is followed by orogenic compression (Gross et al., 1998). Both of these tectonic settings have additional potential for occurrence of magmatic sulphide deposits of Ni-Cu or PGE association and the latter setting is one in which orogenic gold deposits could also be expected to occur. While vanadium grades of the Silasselkä area deposits are higher than average for many such magmatic accumulations, but the relatively thin mineralized intervals are separated by thick, non-mineralized zones that could negatively affect deposit economics.

Based on results of the work completed in support of this report, Mercator is of the opinion that both the Kutuvuoma and Silasselkä exploration properties warrant further exploration. Highest exploration priority should be assigned to discovery of new orogenic style gold deposits associated with the favorable Sirkka Line and associated structural settings in both areas. Secondary priority should be given to drill-testing defined deposit extension opportunities at the Kutuvuoma gold deposit and the third priority should be assigned to further assessment of mafic magmatic intrusions for iron-titanium-vanadium, nickel-copper and platinum group potential.

The exploration approach recommended for the two properties consists of two phases, with Phase I directed toward assembling all available exploration datasets through a desktop digital compilation study followed by a targeting exercise and sufficient field programs to define areas for Phase II follow-up. Further three dimensional modeling of the Kutuvuoma deposit should also be completed in Phase I. The recommended Phase II program consists of further detailed anomaly follow-up leading to initial drill testing of several target areas, as well as completion of a limited deposit extension drilling program at the Kutuvuoma gold deposit. A total of 3000m of drilling, 1000m and 2000m for each program respectively, is suggested. Estimated exploration expenditures for the Phase I program total $C350,000 and those for Phase II total $C1,300,000.

1.0 INTRODUCTION

1.1 General Terms and Project Scope

Aurion Resources Ltd. (Aurion) retained Mercator Geological Services Limited (Mercator) in April of 2014 to prepare an independent, National Instrument 43-101 (NI43-101) compliant technical report describing the company's Central Lapland Project (CLP), located in northern Finland. Aurion is a Canadian junior exploration company with head offices in Saint John's Newfoundland and Labrador, Canada and is listed on the TSX-Venture Exchange under the trading symbol AU.

The CLP is comprised of the Kutuvuoma and Silasselkä exploration holdings that cover 6026 ha and 26435 ha respectively (Figures 1.1 and 1.2). Aurion entered into a Purchase Agreement with Dragon Mining OY (Dragon) on May 26th, 2014 with respect to these properties. Under the terms of the agreement, Aurion will purchase a 100% interest in the non-contiguous Kutuvuoma and Silasselkä properties through payment of 6 million common shares of Aurion, and expending €1,000,000 (Euros) over the three year agreement period. Dragon will retain a 3% Net Smelter Return (NSR) royalty for both properties and Aurion's interest is conditionally assignable. The entire NSR can be purchased at any time on or before the sixth anniversary of the purchase agreement through a single payment of €4,000,000 to Dragon, or 1% after the tenth anniversary for the same amount.

Under terms of the engagement with Aurion, Mercator was retained to review all available technical information pertinent to the subject properties, carry out site visits to these properties and to provide a technical report for the CLP prepared in accordance with Canadian Securities Administrators National Instrument 43-101 (NI 43-101). All project work by Mercator was carried out on a strictly fee for service basis defined under terms of the consulting agreement between Mercator and Aurion.

Figure 1.1: Project location map

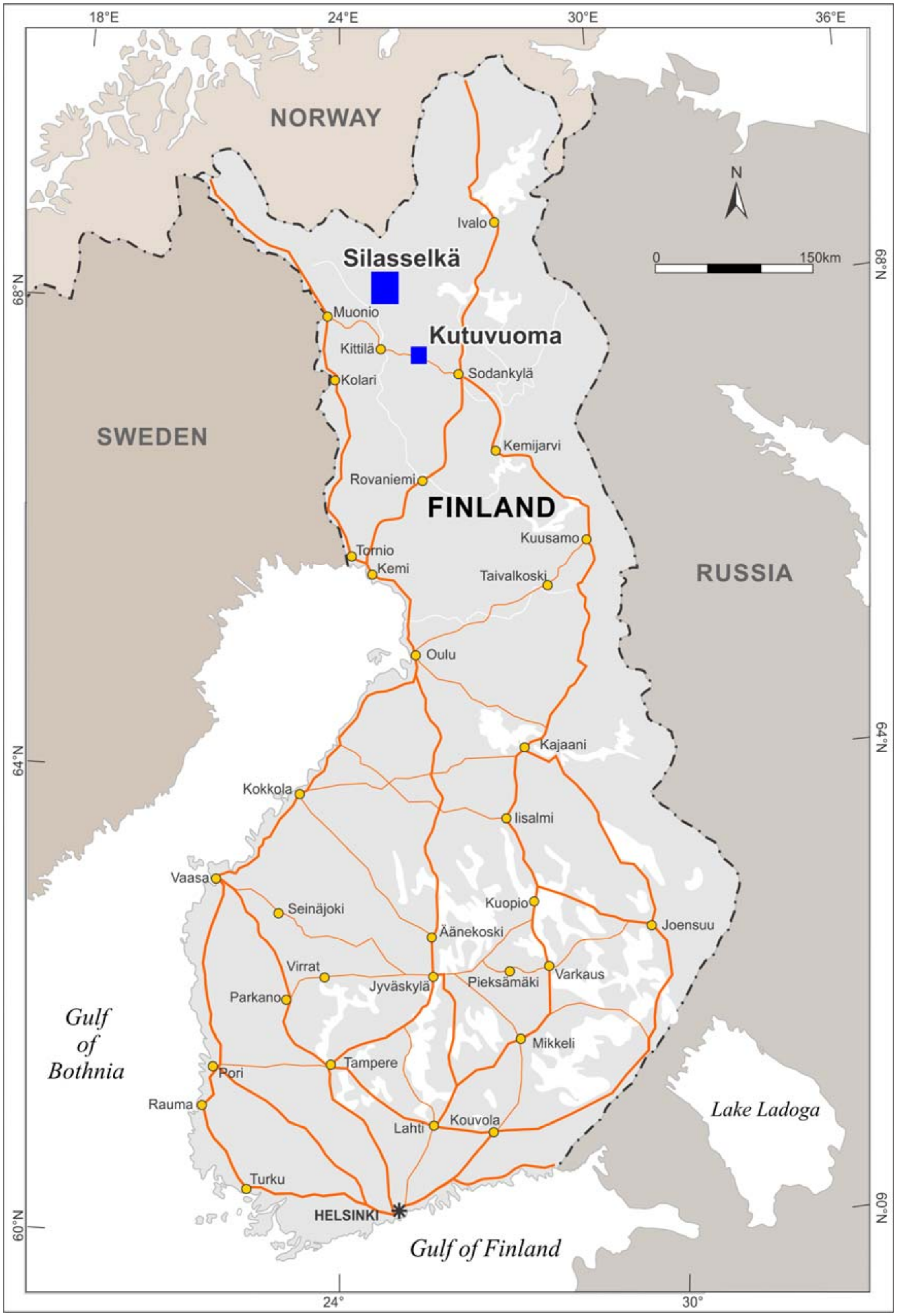
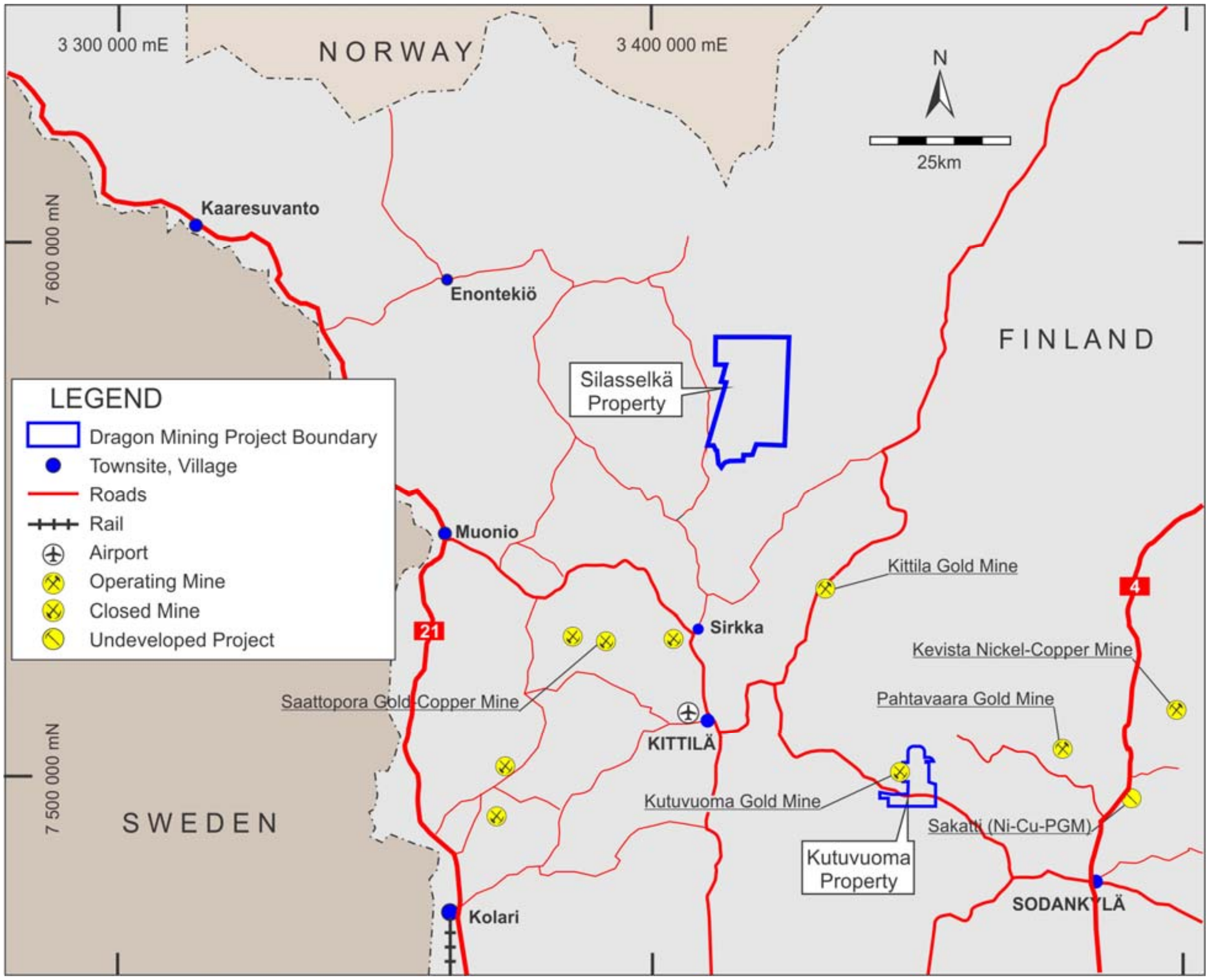


Figure 1.2: Regional location map



1.2 Site Visits by Mercator

The author spent the period between April 21st and 24th of 2014 in Finland to support preparation of this report. During that time the following activities were undertaken:

- discussions with respect to geology and exploration history of the subject properties were held with Mr. Matti Talikka, General Manager of Exploration for Dragon;
- drill core from the Kutuvuoma gold deposit was inspected and four quarter core check samples were collected at the Dragon core logging facility in Outokumpu;

- discussions were held with Aurion's consultant, Dr. Warren Pratt, an authority on structural geology of gold deposits of the CLGB, who was re-logging drill core from the Kutuvuoma property in Outokumpu at the time;
- drill core from the Silasselkä property core was inspected at the government of Finland's core storage facility located approximately 100 km from Helsinki, and three quarter core check samples were collected from separate drill holes;
- site visits were made to both the Kutuvuoma and Silasselkä property areas. Bedrock exposures and waste rock stockpiles were inspected in the vicinity of the Kutuvuoma open pit but deep snow cover in the Silasselkä area limited property activities to observations on the nature of landscape and forest cover, current land uses, drainage system features and local characteristics of unconsolidated overburden sections exposed in various road cuts located in the southern-most area of the property.

1.3 Independence of Author

Both the author and Mercator are fully independent of both Aurion and Dragon, as defined under NI 43-101.

1.4 Abbreviations Used in this Report

Table 1.2 presents abbreviations and conversion factors that have been used in this report and certain others are individually defined where they initially appear in text. All currency references in this report reflect Canadian funds, unless otherwise indicated.

Table 1.1: List of Abbreviations and Conversions

Abbreviation	Source	Abbreviation	Source
Agnico	Agnico Eagle Mines Ltd.		
Aurion	Aurion Resources Ltd.		
CLP	Central Lapland Project		
CLGB	Central Lapland Greenstone Belt		
CSA	Canadian Securities Administrators		
Dragon	Dragon Mining OY		
GTK	Geological Survey of Finland		
Mercator	Mercator Geological Services Limited		
NSR	Net Smelter Royalty		
NI 43-101	Canadian Securities Administrators National Instrument 43-101		
Otanmaki	Otanmaki OY		
Outukumpu	Outukumpu OY		
Rautaruuki	Rautaruuki OY		
Terra	Terra Mining OY		
C	Celsius		
cm	centimetre		
g	gram (0.03215 troy oz)		
ha	hectare		
kg	kilogram		
km	kilometer		
lb	pound		
m	meter		
mm	millimeter	Ba	Barium
oz	troy ounce (31.04 g)	Cu	Copper
Oz/T to g/t	1oz/T = 34.28 g/t	Fe	Iron
T	ton (2000 lb or 907.2 kg)	K	Potassium
t	tonne (1000 kg or 2,204.6 lb)	Mn	Manganese
PGE	Platinum Group Elements	Na	Sodium
Au	Gold	O	Oxygen
Ag	Silver	Sb	Antimony
Au	Gold	Si	Silica
As	Arsenic	Zn	Zinc

2.0 RELIANCE ON OTHER EXPERTS

Mercator has relied upon a legal opinion prepared for Aurion by Ramboll Finland OY (Rinne, 2014) with respect to confirmation and status of mineral exploration title and otherwise has relied upon Aurion for provision of terms of the Purchase Agreement with Dragon and disclosure of any known site environmental liabilities pertaining to the Kutuvuoma and Silasselkä properties. This information was used in the preparation of section 3.0 of this report and was supplied through written communication with Mr. Michael Basha, P. Eng., P.Geo., President of Aurion. Various technical studies, publications and website sources are referenced in this report, but the conclusions and recommendations presented herein are solely those of Mercator. This report represents Mercator's understanding of project technical aspects at the effective date of the report.

3.0 PROPERTY DESCRIPTION AND LOCATION

3.1 Location and of Exploration Holdings

The CLP is comprised of the Kutuvuoma and Silasselkä properties, which are located in the Central Lapland area of Finland, approximately 850 km north of the Finnish capital of Helsinki and, respectively, 200 km and 275 km north of the city of Rovaniemi (Figures 3.1 and 3.2). The approximate center of the Kutuvuoma property occurs at approximately 67° 36’ 23” north latitude and 25° 44’ 58” east longitude and Silasselkä is centered at approximately 68° 25’ 36” north latitude and 25° 00’ 15” east longitude. Both properties are located north of the Arctic circle (66° 33′ 44″ north latitude).

3.2 Description of Exploration Holdings

3.2.1 Kutuvuoma Property

The Kutuvuoma property consists of Mining Licence 4843, which covers a surface area of 41.05 ha in the immediate area of the drilling-defined gold deposit at Kutuvuoma, 18 Claim Applications that cover a surface area of 1647.8 ha and two Reservation Applications that cover a surface area of 4337.15 ha. Figure 3.1 presents a location plan for these holdings and details of the constituent Mining Licence and Claim and Reservation Applications appear in Table 3.1.

The Kutuvouma property as defined in Table 3.1 includes eighteen Claim Applications and two Reservation Applications submitted by Dragon in 2011 and 2014, respectively. The associated titles have not yet been issued for these applications and expiry dates have not, therefore, been entered in Table 3.1 for the areas. Dragon has advised that it anticipates issuance of associated titles within the next six months and that delay, to a large degree, is a result of various administrative changes related to implementation of the new Mining Act. Mercator notes that having certain mineral titles under application at the report date constitutes a project risk.

Figure 3.1: Kutuvuoma property tenements

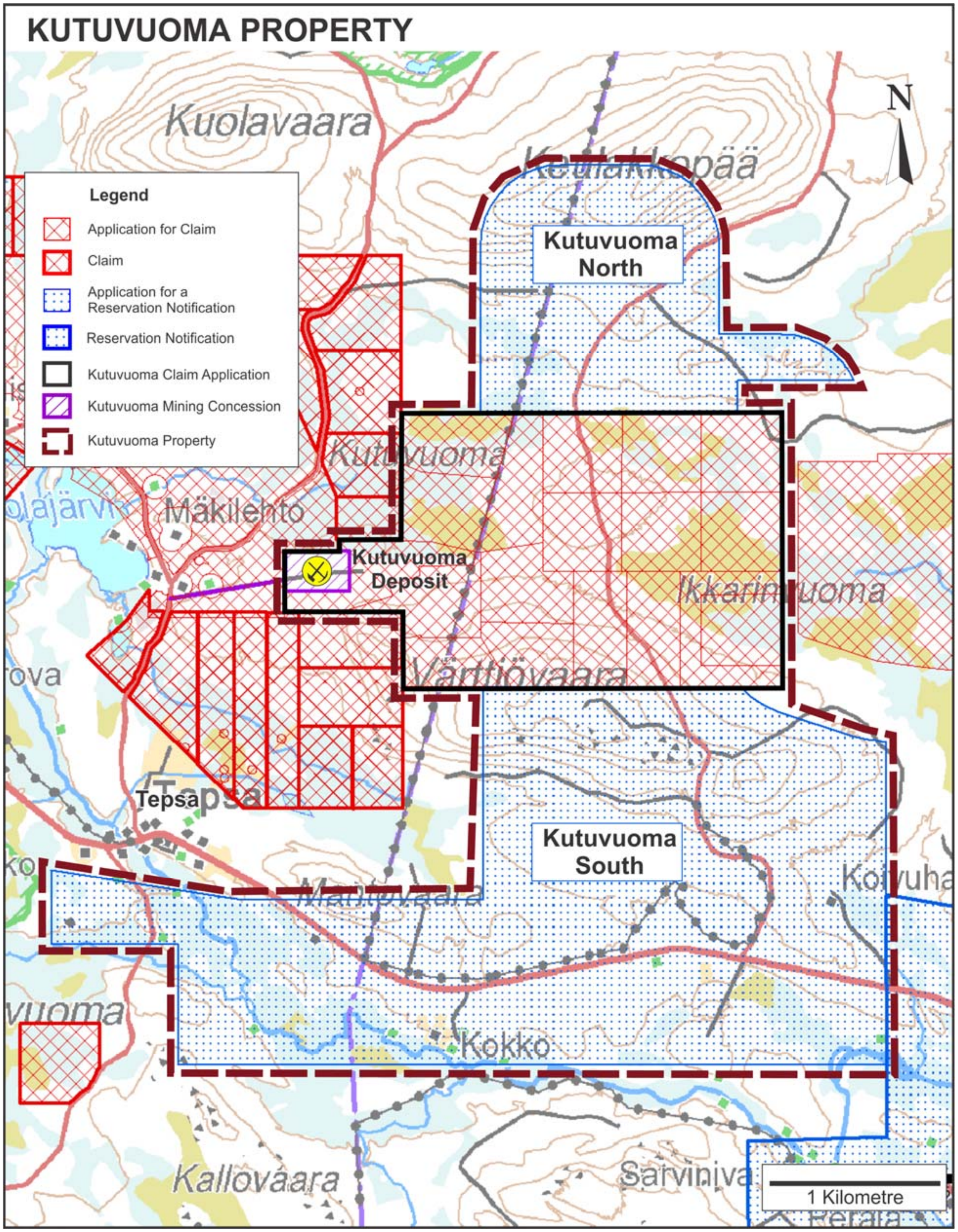


Table 3.1: Kutuvuoma Property Listing

*Type of Holding	Number	Name	Area (ha)	Granted	Expiry
Mining Licence	4843	Kutuvuoma	41.05	15 12 1998	18 04 2016
Claim	9129/1	Kutuvuoma 4	56.00	Application – Submitted 1 January 2011	NA
Claim	9129/2	Kutuvuoma 5	56.00	Application – Submitted 1 January 2011	NA
Claim	9275/1	Kutuvuoma 6	99.67	Application – Submitted 27 May 2011	NA
Claim	9275/2	Kutuvuoma 7	98.76	Application – Submitted 27 May 2011	NA
Claim	9275/3	Kutuvuoma 8	99.32	Application – Submitted 27 May 2011	NA
Claim	9275/4	Kutuvuoma 9	99.79	Application – Submitted 27 May 2011	NA
Claim	9275/5	Kutuvuoma 10	99.85	Application – Submitted 27 May 2011	NA
Claim	9275/6	Kutuvuoma 11	99.82	Application – Submitted 27 May 2011	NA
Claim	9275/7	Kutuvuoma 12	98.64	Application – Submitted 27 May 2011	NA
Claim	9275/8	Kutuvuoma 13	99.17	Application – Submitted 27 May 2011	NA
Claim	9275/9	Kutuvuoma 14	99.73	Application – Submitted 27 May 2011	NA
Claim	9275/10	Kutuvuoma 15	98.39	Application – Submitted 27 May 2011	NA
Claim	9275/11	Kutuvuoma 16	73.39	Application – Submitted 27 May 2011	NA
Claim	9275/12	Kutuvuoma 17	83.01	Application – Submitted 27 May 2011	NA
Claim	9275/13	Kutuvuoma 18	98.87	Application – Submitted 27 May 2011	NA
Claim	9275/14	Kutuvuoma 19	99.26	Application – Submitted 27 May 2011	NA
Claim	9275/15	Kutuvuoma 20	97.12	Application – Submitted 27 May 2011	NA
Claim	9275/16	Kutuvuoma 21	91.00	Application – Submitted 27 May 2011	NA
Reservation	VA2014:0009-01H	Kutuvuoma North	993.94	Application – Submitted 12 February 2014	NA
Reservation	Application	Kutuvuoma South	3,343.23	Application – Submitted May 2014	NA
Total			6026.01		

** Dragon Mining OY was the registered holder of all Table 3.2 titles and applications at the report date; NA = Not applicable*

None of the titles presented in Table 3.1 is immediately adjacent to a designated conservation area or nature protection area. However, as noted in Aurion's title opinion provided by Rinne (2014), the Tollovoum-Silmasvuoma-Mustaoja-Nunaravuoma (.(SCI and SPA, FI130 0608, fens and mires/bogs, Annex (IV) species of the Habitats Directive, annex I birds of the Birds directive) is situated to the west from Kutuvuoma 4–5 and 6–21 Claim Application areas. The Kuolajärvi bird-water protection programme area is located 2-3 km west of the Kutuvuoma property.

3.2.2 Silasselkä Property

The Silasselkä property consists of two Reservations that cover 24,933.46ha of surface area and 17 Claim Applications that cover a total of 1501.78ha of surface area. Figure 3.2 presents a location plan for the holding and details appear in Table 3.2.

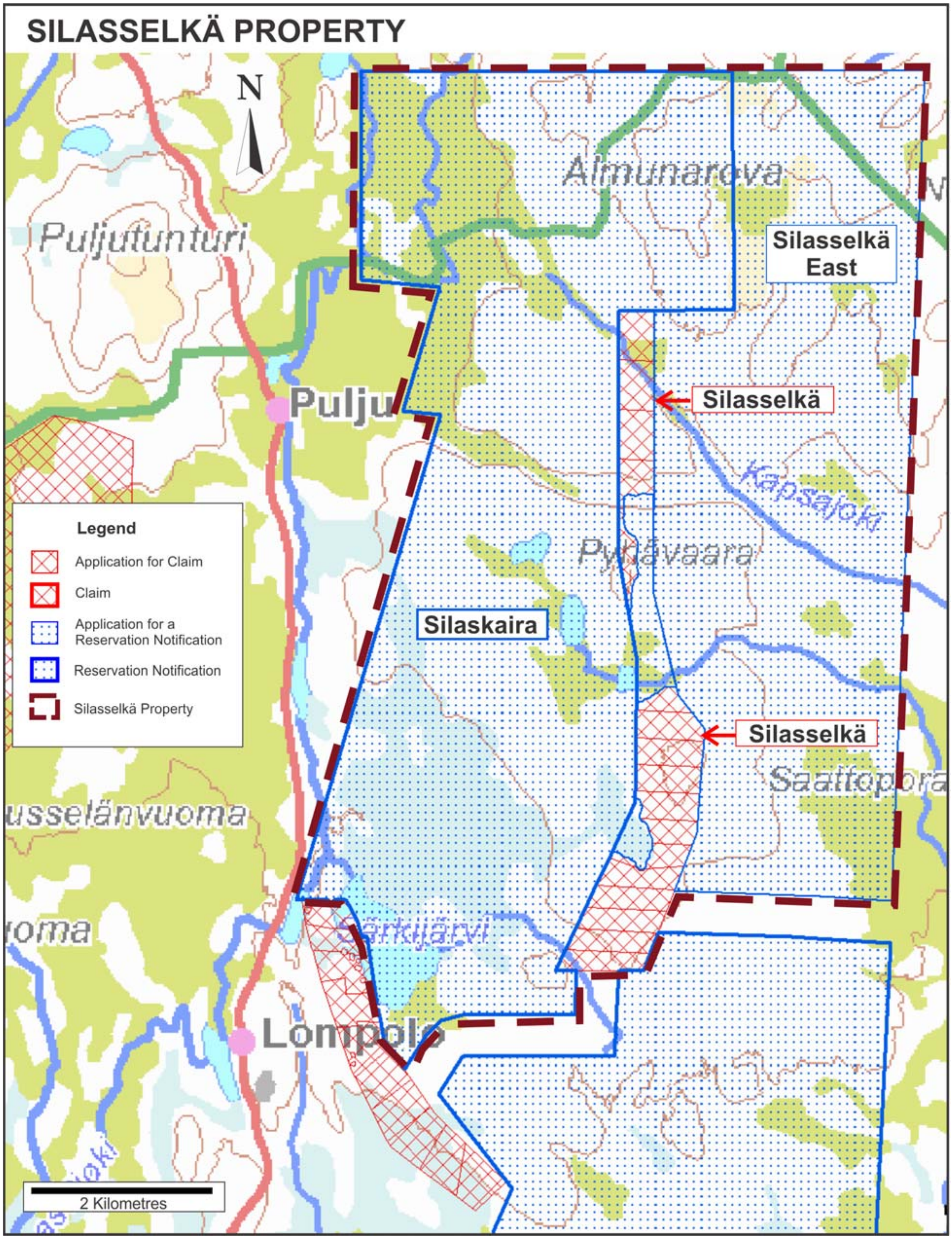
Table 3.2: Silasselkä Reservation and Claim Application List

Type of Holding	Number	Name	Area (ha)	Granted	Expiry
Claim	9202/1	Silasselkä 1	99.97	Application – Submitted 27 March 2011	NA
Claim	9202/2	Silasselkä 2	99.91	Application – Submitted 27 March 2011	NA
Claim	9202/3	Silasselkä 3	99.93	Application – Submitted 27 March 2011	NA
Claim	9202/4	Silasselkä 4	75.02	Application – Submitted 27 March 2011	NA
Claim	9202/5	Silasselkä 5	66.85	Application – Submitted 27 March 2011	NA
Claim	9202/8	Silasselkä 8	49.26	Application – Submitted 27 March 2011	NA
Claim	9202/9	Silasselkä 9	99.62	Application – Submitted 27 March 2011	NA
Claim	9202/10	Silasselkä 10	99.98	Application – Submitted 27 March 2011	NA
Claim	9202/11	Silasselkä 11	99.86	Application – Submitted 27 March 2011	NA
Claim	9202/12	Silasselkä 12	90.59	Application – Submitted 27 March 2011	NA
Claim	9202/13	Silasselkä 13	64.45	Application – Submitted 27 March 2011	NA
Claim	9202/14	Silasselkä 14	61.68	Application – Submitted 27 March 2011	NA
Claim	9202/15	Silasselkä 15	99.08	Application – Submitted 27 March 2011	NA
Claim	9202/16	Silasselkä 16	99.71	Application – Submitted 27 March 2011	NA
Claim	9202/17	Silasselkä 17	99.52	Application – Submitted 27 March 2011	NA
Claim	9202/18	Silasselkä 18	99.85	Application – Submitted 27 March 2011	NA
Claim	9202/19	Silasselkä 19	96.60	Application – Submitted 27 March 2011	NA
Reservation	VA2012:01 48- 01H	Silaskaira	14,640	17 06 2013	13 09 2014
Reservation	VA2014:00 07-01H	Silasselkä East	10,293.46	Application – Submitted May 2014	NA
Total			26,435.24		

Note: Dragon Mining OY was the registered holder of all Table 3.2 titles at the report date; NA = Not applicable

The Silasselkä property as defined in Table 3.2 includes seventeen Claim Applications and one Reservation Application submitted by Dragon in 2011 and 2014, respectively. The associated titles have not yet been issued and expiry dates have not, therefore, been entered in Table 3.2 for these areas. Dragon has advised that it anticipates issuance of associated titles within the next six months and that to a large degree, delay is a result of administrative changes related to implementation of the new Mining Act. Mercator notes that having certain mineral titles under application at the report date constitutes a project risk.

Figure 3.2: Silasselkä property tenements



Rinne (2014) notes in the title opinion completed for Aurion that Metsähallitus/ Metsätalous Länsi-Lappi, on behalf of the state as a landowner, has required Natura 2000 assessment concerning the Silasselkä 1–19 claim application areas that comprise a significant portion of the Silasselkä property. Natura 2000 assessment is carried out by the Finnish government and provides an assessment of ecological factors that are present on areas for which resource activities such as forestry, minerals exploration and mining development are contemplated. In the case of Silasselkä, the Centre for Economic Development, Transport and the Environment (Lappi ELY Centre) is the recognized competent authority in the field of Natura 2000 and nature protection and has not required Natura 2000 assessment. The same authors also note that Natura 2000 values may restrict certain exploration activities that have potential to impact protection values. Claims Applications submitted by Dragon have been modified as necessary to prevent any overlap with Natura 2000 areas.

3.3 Legal Opinion on Title to Exploration Holdings

Aurion retained the consulting group, Ramboll,, with offices in Finland, to provide a professional opinion with respect to integrity of mineral titles identified under terms of the original Letter of Intent between Aurion and Dragon that is dated March 2, 2014. The final agreement signed on May 26th of 2014 includes three additional Reservation applications. This opinion describes ownership rights by expressing the enumeration of real estate and ownership titles to real property in the area of mining districts, claims and claim applications. Since Claim Reservation notices do not include information on titles to real property, this information was not included in the title opinion. The opinion also identifies all known impediments within Claim Application areas and the status of planning and nature conservation areas within Claims and Claim Reservation areas identified in the March 2nd letter of intent. It also addresses the soundness and conformity of title and projects pursuant to public, private and criminal law.

In summary, Rinne (2014) determined that the mineral rights and applications involved in the March 2nd letter of intent were in good standing at that date and that Dragon could legally enter into such an agreement with respect to the subject titles on that date. Mercator has relied upon this opinion and, aside from confirming property details in the online mining registry mapping system of the Geological Survey of Finland (GTK), has not undertaken further efforts to validate exploration title. The following text provides more specific information regarding the legal opinion and appears without change from Rinne (2014).

"*Dragon has good title to the Kutuvuoma Gold Project and the Silasselkä Project, as specified in the list of Tenements in Annexure A of (the) LOI (Letter of Intent). There are not any other pending applications or notifications regarding the said projects. There is not any known impediment to the title or any known restrictions arising from other public or civil law or criminal legislation. All priorities and rights are registered to Dragon by the mining authority (Tukes or the Ministry as its predecessor). Parties may agree on the priority and consequential future rights and their transfer in advance, but only claim rights, exploration permits, mining concessions and mining permits can be assigned (transferred) according to law of property and the repealed and current Mining Act. Parties may agree also that a new eligible applicant substitutes the original applicant in pending authority proceedings. None of rights is pledged.*"

3.4 Mineral Title System in Finland

Mineral and exploration titles in Finland are currently addressed under the new Mining Act (621/2011 – "new Act") that came into effect on July 1, 2011. However, as outlined in Tables 3.1 and 3.2 above, mineral titles associated with some properties dealt with in this report were established prior to this date under the old Mining Act (503/1965- "old Act"). These older titles are duly recognized under the new Mining Act. The Government Decree on Mining Activities (391/2012) provides further regulatory dimension in Finland and was issued on June 28th, 2012. Permitting under the old Act was administered by the Ministry of Employment and the Economy (Ministry) but under the new Act this responsibility is held by the Finnish Safety and Chemicals Agency (Tukes).

Mineral activities under the new Act are carried out under terms of a Reservation Notification, Exploration Permit or Mining Permit. In contrast, the old Act recognized Claim Reservations, Claims and Mining Concessions (or Mining Licences). Non-intrusive assessments of mineral potential in Finland can be carried out without benefit of any mineral title under the "Everyman's

Right" that gives public access to all land, whether public or private. As a result, geological mapping, as well as limited sampling and prospecting can be carried out everywhere, provided that no damage is done to the landowner's property or to the environment.

An area not already covered by a valid mineral title, Exploration Licence Application or Reservation may be reserved for a period of up to 24 months. A Reservation Notification gives the reserving party priority to apply for an Exploration Permit but does not prevent others from prospecting in the reserved area during the period of Reservation. Minor non-disturbing exploration surveys are allowed in areas under application and without landholder approval. An Exploration Permit is necessary to conduct more extensive work and requires payment of yearly fees to affected landholders, beginning at 20 euros per ha per year, for the first four years, and then increasing to a maximum of 50 euros per hectare per year in years 11 through 15. Exploration Permits are valid for 4 years and may be extended for a maximum of three years at a time to a maximum of 15 years. An Exploration Permit is required in order to obtain a Mining Permit.

A Mining Permit entitles the holder to mine and utilize a specified area's minerals and their by-products and is issued for either a fixed term or until further notice. It requires that compensation be paid to affected landowners based on an annual excavation fee of 50 euros per hectare and a fee of 0.15% of the calculated value of mining minerals included in the metallic ores produced during the year. Annual compensation for other minerals produced and sold must also be established. Holders of Mining Permits must deposit collateral to cover potential damages and to cover rehabilitation work. All Mining Permits holders are required to submit annual reporting on activities performed, resources, production, etc.

3.5 Permits Required For Recommended Future Exploration

No additional permits are required by Aurion to carry out surface exploration programs recommended in this report. However, it will be necessary for the company to establish agreements with specific landowners in areas where more intrusive work such as core drilling and trenching are to be carried out. The company has not yet finalized definition of target areas for such work and therefore has not yet entered into agreements with specific landowners.

3.6 Purchase Agreement

Under terms of a Purchase Agreement with Dragon dated May 26th, 2014, Dragon will receive 6,000,000 Aurion Common Shares (Consideration Shares) over three years and Aurion will expend €1,000,000 on the Projects (Kutuvuoma and Silasselka) by the third year anniversary to earn a 100 per cent interest in the two projects, as per the payment schedule outlined in Table 3,3. In accordance with the conditional acceptance letter issued by the TSX-V Aurion has provided this NI 43-101 Technical Report and a title opinion to support final regulatory approval of the transaction.

Table 3.3: Purchase Agreement Payment Schedule

	Year 1	Year 2	Year 3	Years 4, 5
Expenditures (EUR- €)				1,000,000
Common Shares	2,000,000	1,000,000	1,000,000	2,000,000

Notes:

(1) Signing, subject to fulfilment of the conditions precendent of:
- *Aurion receiving all approvals required by the Toronto Stock Exchange; and*
- *Turvallisuus ja kemikaalivirasto (”Tukes”) accepting the bond proposal of Dragon Mining for the Kutuvuoma Mining Licence without material change.*

(2) Upon the Kutuvuoma Claim Applications 4-21 becoming valid;
(3) Upon the Silasselkä Claim Applications 1-19 becoming valid; and
(4) The third anniversary of the Kutuvuoma Claims 4-21 and the Silasselkä Claims 1-19 becoming valid.
(5) It is anticipated that most claims applications will be processed by Tukes over the next 2-6 months.

The initial tranche of 2,000,000 Consideration Shares to be received by Dragon will be escrowed for 18 months from the date of issuance of the shares. Any other Consideration Shares received by Dragon within 18 months from signing shall also be escrowed for the remaining portion of the 18 month time period.

In addition, Dragon will retain a 3% Net Smelter Royalty (“NSR”) on any deposit mined by Aurion or any associated third party within the Projects and their associated defined Areas of

Interest. Mapping coordinates that define respective Areas of Interest at Kutuvuoma and Silasselkä are included in Appendix 1. Aurion or its nominee may purchase the full 3% NSR at any time on or before the sixth anniversary of the signing of the Agreement with a one off payment of € 4,000,000 in cash or 1% of the NSR any time after the tenth anniversary of the signing of the agreement with a one off payment of € 4,000,000 in cash on the basis that Dragon has not sold the NSR to a third party. Dragon is at liberty to sell the NSR to a third party at any time after the sixth anniversary of the signing of the Agreement.

Aurion will also make bonus payments to Dragon of € 2,000,000 in cash or equivalent in Aurion Common Shares (share price based on a five day volume weighted average price ("VWAP") immediately before the agreed settlement date) at Aurion's discretion for the defining of one million ounces of gold equivalent material within the Projects and the defined Area of Interests that is categorised as Measured and Indicated in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") or National Instrument 43-101 Standards for Disclosure for Mineral Projects ("NI43-101"). Further bonus payments of €1,000,000 in cash or equivalent in Aurion Common Shares at Aurion's discretion for the defining of every additional one million ounces of gold equivalent material within the Projects and the defined Area of Interests that is categorised as Measured and Indicated in accordance with the JORC Code or NI43-101.

Mercator has relied upon Aurion with respect to details of the Purchase Agreement terms and conditions set out above and received a copy of the executed agreement for review. It has not otherwise assessed agreement terms and conditions but has no reason to question the information presented above.

3.7 Environmental Liabilities

Mercator was advised by Aurion that no recognized environmental liabilities are present on the subject properties. With the exception of maintaining a safety fence and appropriate warning signs, the small open pit area present on Mining Concession 4843 at Kutuvuoma has no ongoing legislated requirement for environmental monitoring or further reclamation work.

Notwithstanding such determination, Mercator notes that potential may exist around the open pit area for development of acid rock drainage conditions related to oxidation of sulphide minerals present in waste rock piles at the site. Additionally, future close-out of this site may require partial backfilling or other work to reduce pit slopes to safe and permanently acceptable angles. This liability, if present, rests with the owner of the Mining Concession. .

3.8 Availability of Land for Potential Future Site Development

Both the Kutuvuoma and Silasselkä properties are located in rural areas characterized by expansive tracts of undeveloped boreal forest. The relatively sparse population is generally concentrated along main highway and road routes. The dominant current land use on both properties is for forestry purposes. In Mercator's opinion, sufficient undeveloped land is present in both areas to support development of future open pit or underground mining operations and support facilities of the types considered reasonable for the style of mineral deposits being explored for in these areas. This includes tailings facilities, waste storage facilities and plant sites.

It is Mercator's understanding that with the exception of the relatively small (41.05 ha) Mining Concession at Kutuvuoma, where surface rights have been conveyed, neither Aurion or Dragon holds surface titles or access agreements with private landowners with respect to future mining developments within the property areas. This is not surprising, considering the relatively early stage of exploration activity in both areas and lack of defined potential future mining sites.

4.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

4.1 Accessibility

The Kutuvuoma and Silasselkä properties are located approximately 37km east and 55km north of the town of Kittilä in north-central Finland, respectively. Paved, all weather highway access is present to both areas and daily scheduled airline service is available from Helsinki to Kittilä and also to the regional governmental center of Rovaniemi, located 100km south of Kittilä by highway. Kittilä has a permanent population of 6,300 and Rovaniemi's population is 60,900. Agnico's Kittilä Gold Mine is located approximately 60 km from Kittilä Closest rail access to the properties is at Kolari, located approximately 60 km from Kittilä and the closest ocean port facility is at Kemi, located 215 km south of Kittilä on the Gulf of Bothnia (previous Figures 1.1, 1.2).

Access to the Kutuvuoma property area is via paved highway from Kittilä or Rovaniemi to the village of Tepsa and then via gravel secondary roads to forestry access roads that are present throughout the property. Under the Mining Act, access to the mining lease from public roads is unencumbered by any right of way or other obstruction. A similar situation exists at Silasselkä, where paved highway access to the village of Lompolo is possible, from which point travel then progresses to gravel secondary and forestry roads. Access conditions on both properties are considered good with respect to transportation of exploration crews and use of core drilling, trenching and other mechanized support equipment. Due to pervasive boreal forest cover in these areas, it can be anticipated that access to some future exploration sites on both properties may locally require establishment of new trails and tracks. Such work typically incorporates cutting of trees and completion of basic intrusive site preparation work such as grading and filling.

4.2 Climate

The Kutuvuoma property is located approximately 120 km north of the Arctic Circle (66° 33′ 44″ north latitude) and Silasselkä is located 190 km north of the Arctic Circle. Similar climatic conditions are present in both areas, with long cold winters followed by relatively short summer seasons being typical. The area has a subarctic continental climate with cool summers and no dry season. Average annual precipitation varies from 500 to 650 mm with the Lapland region having the lesser of this amount. Winter minimum temperatures are in the -10°C to -35°C range and maximum temperatures in summer commonly reach 25° C or slightly above. Winter snow in the northern Lapland region has accumulation typically being in the order of 150 cm and the southern regions of Finland can reach up to 1 m. Daylight on the summer solstice at this latitude totals about 23 hours and at the winter solstice darkness prevails for approximately the same period.

Climate conditions in this region are conducive to timely completion of exploration field programs, particularly during the long daylight periods of summer. As seen in Canada and other northern countries, an advantage exists during the winter period for exploration activities such as core drilling, etc., since freezing of lakes and accumulation of snow cover facilitates equipment access to areas that such as lake surfaces, bogs and other areas that are inaccessible during other seasons. Conversely, operating costs for winter programs are typically higher due to weather related considerations.

4.3 Local Resources and Infrastructure

Both properties occur in historically populated areas with numerous well established permanent communities. The major economic inputs for the region are based on either natural resources or tourism. The major resource sector input is forestry, but mining has also been a significant factor, most recently being represented by construction and operation of Agnico's Kittilä Gold Mine since May, 2009. Reindeer herding is also an important regional economic factor and small scale farming is carried on in some areas.

In addition to the above, development of several downhill skiing facilities in the Levi area has resulted in rapid growth of the region's tourism industry. Construction and operation of hotels, lodges, resorts, chalets and various support facilities associated with skiing venues has provided important economic growth for the area in recent years and continues at present.

Finnish national grid electrical services are present in parts of both subject properties and, as mentioned earlier, good road infrastructure exists in their proximity. Access to rail and port within a 215 km radius of Kutuvuoma and 275 km radius of Silasselkä could factor positively in future project economics. While relatively small, the local workforce has historically supported mining and forestry industries and should be considered a positive attribute with respect to any future mining developments in the area. Based on general climatic conditions, typical surface conditions and presence of well-developed drainage systems, it is probable that access to water resources necessary to support any future mine developments in either property area will not be problematic.

4.4 Physiography

Both properties are characterized by conifer-dominated northern-boreal forest conditions with well developed, relatively low gradient watershed systems and rolling upland topography. Areas of bog and marsh are common and glacial till or outwash deposits that vary in thickness from less than 1 m to 10 m are pervasive. Bedrock exposures are rare and are estimated to account for less than 1% of surface area. The Kutuvuoma site occurs within an elevation range of 220 m to 330m above sea level and Silasselkä is between 250 m and 325 m above sea level. Figure 4.1 presents a typical view of surface conditions in the southern part of the Silasselkä property and Figure 4.2 presents a comparable view for Kutuvuoma property. Foreground areas in both figures show effects of recent forestry activities.

Figure 4.1: Physiography and forest cover in southwest area of Silasselkä property

Figure 4.2: Physiography and forest cover in central area of Kutuvuoma property

5.0 HISTORY

5.1 Kutuvuoma Property

5.1.1 1993-1995 General Exploration

The Kutuvuoma gold deposit was discovered in 1993 by Outokumpu OY (Outokumpu) during follow-up reverse circulation drilling of a gold in till geochemical anomaly. The anomaly was defined by earlier results of a regional till geochemistry program completed by the Geological Survey of Finland (GTK). A. Bojorklund acquired a 6.0 ha claim (Kelo) in this area in 1991 based on the government till survey results and this claim was subsequently transferred in 1993 to Outkumpu Finnmines Oy after that company's regional heavy mineral till sampling program carried out by subsidiary Lapin Malmi Oy also returned anomalous gold results from the area. Outokumpu acquired a new 60.4 ha claim in the area in 1995 (Kutuvuoma) and on the basis of results of further till sampling acquired an additional 64 ha claim (Kutuvuoma 2) later the same year. A Mining Licence application was subsequently issued to Outokumpu on January 15th, 1999. The following summary presents a history of detailed exploration carried out on the property to date.

During the September to December period of 1998 Outokumpu completed four surface trenches to investigate till geochemistry anomalies. Trenches were located in a 60 m by 90 m area and exposed a zone of graphitic schist measuring from 2m to 15m in width and showing a variable south dip of between 18 and 80 degrees. Graphitic albite-carbonate-talc schist was also exposed along with gold-bearing quartz veins hosted by carbonate-albite-quartz-fuschite schist. Pyrite and pyrrhotite were noted in association with some gold-bearing quartz vein intervals. Gold values returned from trenching program samples ranged from near-detection limit levels to a high of 16.4 g/t Au over a 2 m channel sample from Trench 1. Angled, small diameter percussion drill holes were used to obtain near-continuous sampling sections along the trenches and a total of 143 samples in total were analyzed by the GTK laboratory in Rovaniemi. Table 5.1 presents significant results reported by Outokumpu for the 1998 trenching program (Lehto, 1999).

Table 5.1: 1998 Outokumpu Trenching Program Highlights

Trench Number	Sample Length (m)	Gold Grade (g/t Au)
1	16	3.3
1	6	1.0
2	8	2.7
2	4	2.2
3	22	1.2
4	2	0.9

Geological mapping and assay results for the 1998 trenched area were interpreted as defining four gold bearing zones that were identified as A through D. The A Zone was defined as being approximately 80m in east-west strike length and up to 15 m in width, the B Zone was noted as following a graphitic schist contact and being 2 m to 4 m in width, the C Zone was considered similar in dimension to the A Zone and the D Zone was noted as being comprised of intense quartz veining hosted by a silicified “marble” unit that measured up to 22 m in width. D Zone was further characterised as having near vertical dip and returned a best assay result of 6.3 g/t Au along a channel sample length of 2 m (Lehto, 1999).

Three 50 kg samples of weathered, gold-bearing trench material were subjected to concentration tests in 1998 and returned gold head grades of 0.7 g/t (Sample 1), 9.8 g/t (Sample 2) and 6.2 g/t in Sample 3. Outokumpu concluded that reasonable concentrates were produced from all samples and that a substantial amount of the gold present was free and amenable to recovery by gravity methods. Some concern was expressed for the possibility of elevated arsenic (As) levels in any future flotation concentrates and it was concluded that larger scale processing tests should be carried out in future (Lehto, 1999). The 1998 concentration work followed an earlier program carried out in 1995, results of which appear in report section 5.1.2.4

Between 1993 and 1995 Outokumpu completed a total of 29 reverse circulation (RC) drill holes (1,112 m) and 18 diamond drill holes (2,313 m) in the Kutuvuoma deposit area. A total of 1,430 samples accounting for 1,600 m of the 3425 m drilling total were analyzed. Drilling was primarily carried out along north-south section lines and RC work followed completion of the tenth diamond drill hole. RC holes ranged between 22 m and 72 m in depth and core holes ranged between 30.7 m and 268 m in depth. Core size (diameter) was NQ (47.6 mm) but the diameter of RC holes is not known. Table 5.2 presents drill hole identification, location, depth and orientation data and hole locations appear in Figure 5.1. Two of the Outokumpu holes are located outside of the Mining Licence area and do not appear in this figure.

Outokumpu noted concern with respect to poor core recovery in diamond drill holes in the top of bedrock zone and this in part prompted their move to RC drilling. However, based on results of its subsequent core re-logging program, Dragon concluded that core loss in the near-surface interval was of concern in only one hole.

Down hole survey data exist for only 9 of the drill holes that define the Kutuvuoma deposit and only inclination data were recovered in these instances. Other holes were modelled as being drilled continuously to completion at the collar azimuth and inclination values.

Results of the drilling program defined multiple intervals of gold mineralization at grades of economic interest, distribution of which was interpreted as representing two moderately south dipping (~ 45^{o}), parallel zones of mineralization. These were identified as the Northern Zone and Southern Zone and determined to have respective strike lengths of approximately 50 m and 90 m. The Northern zone is defined by relatively higher grade drilling intercepts. Anttonen (1995) reported on drilling program results and highlighted the mineralized intercepts presented in Table 5.2 as being of particular economic significance.

Table 5.2: Mineralized Drilling Intercepts Referenced by Anttonen (1995)

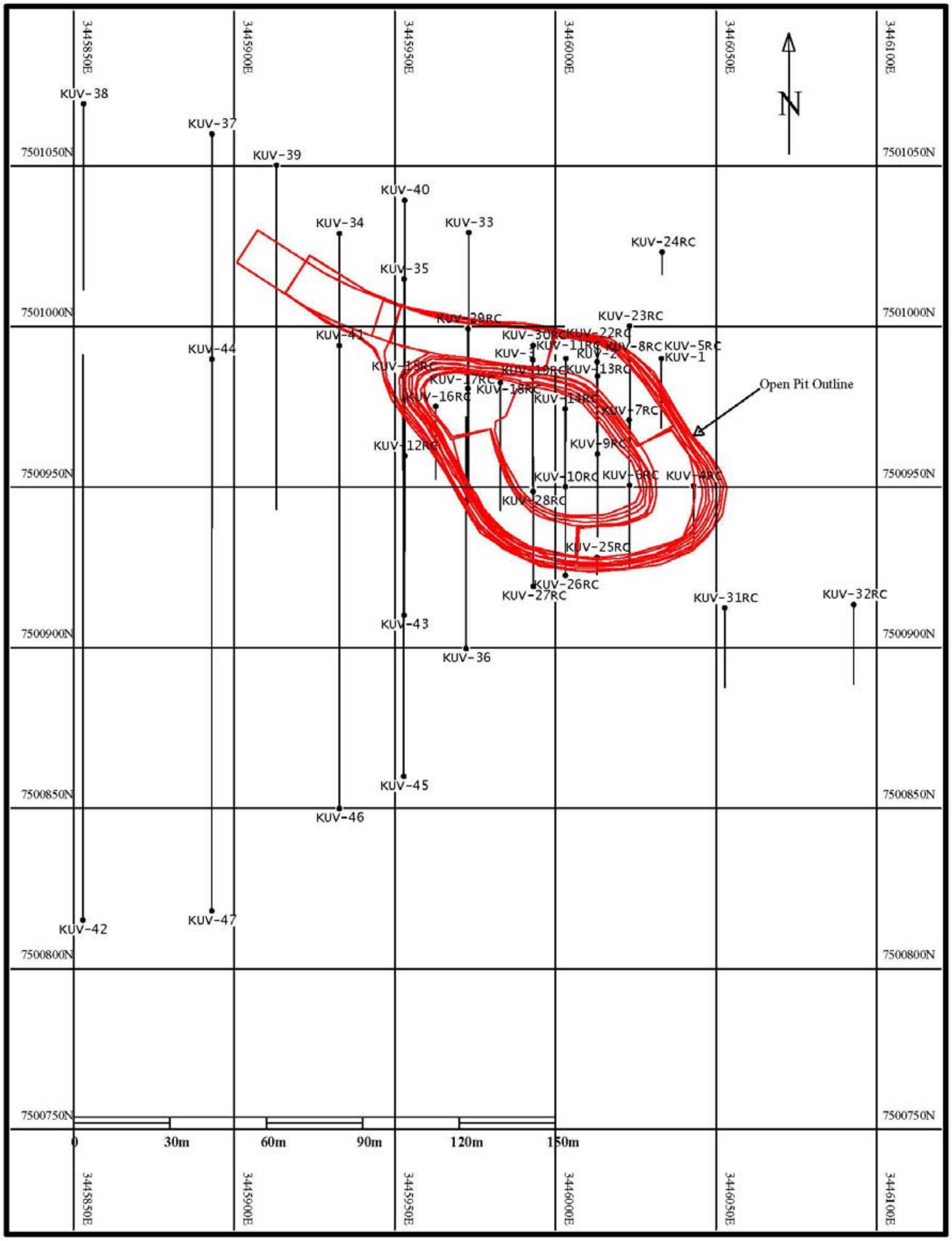
Hole Number	From (m)	To (m)	Length (m)	**Gold Grade (g/t Au)
*KUV-29	26	33	7	12.7 (9.4)
	54	55	1	53.1 (20.0)
	59	66	7	4.5
	69	70	1	7.7
KUV-19	6	22	16	8.7 (7.0)
	40	44	4	5.1
KUV-27	36	43	7	2.96
	50	52	2	12.3 (11.8)
KUV-10	6	8	2	2.2
KUV-14	25	33	8	8.1
KUV-26	29	36	7	3.1
KUV-9	10	21	11	16.5 (6.7)
KUV-13	12	21	9	13.5 (8.4)

** Hole numbers reflect Dragon database entries*
*** Grades in parentheses reflect re-analysis of original pulps*

5.1.2 1995-1999 Historic Mineral Resource Estimates

Three formal resource estimates for the Kutuvuoma deposit are documented in project literature reviewed for this report. The first was reported by Anttonen (1995) and is referenced in a subsequent conceptual study report by Outokumpu (Hokka et al., 1997) that presents two additional estimates based on differing methodologies. In addition to these, a draft Outokumpu exploration report prepared in early 1999 (Lehto, 1999) refers to another estimate for which Mercator could find no additional documentation. Brief descriptions of each estimate are presented below.

Figure 5.1: Kutuvuoma drill hole location plan



5.1.2.1 1995 Estimate

Anttonen (1995) prepared a conventional tonnage and grade estimate for the deposit based on available drilling data and determined that an unclassified resource of 68,000 tonnes grading 7.3 g/t Au was present in the area tested by drilling. A 20 g/t Au grade cap or cutting factor was applied along with a lower cut-off value of 1.0 g/t Au. The density value used is not stated. Mercator notes that this estimate is historic in nature and not compliant with NI43-101. A Qualified Person has not carried out sufficient work to classify it as a current resource and Aurion is not considering it to be a current recourse for the Kutuvuoma deposit. This estimate should not be relied upon.

5.1.2.2 1997 Estimates

In 1997 Outokumpu completed an initial conceptual study on modeling of mineral resources at Kutuvuoma and results of this program were reported by Hokka et al. (1997). This study was based on results of the 47 drill holes completed earlier and focused on estimation of insitu resources using both digital block modeling and volumetric solids methods. MEDSYSTEM modeling software was used for estimation purposes. Although some copper and sulphur values were available in the project database at that time, only gold was used in the estimation program.

Drill hole assay composites were created on a 1.0 m fixed length basis and statistical analysis of the dataset showed that an outlier population of high gold grades was present. A 40 g/t Au top cap or cut for gold grades was defined on the basis of observed grade distribution trends to minimize impact of such outliers. Quality of normal variograms for the project dataset were determined to be poor and a pair-wise relative variogram approach was therefore developed in conjunction with parameters derived from a global 3-D variogram.

Two volumetric solids were developed for the deposit using wire-framing techniques and a digital block model was created for comparative purposes. The wire-framed solids were based on the Anttonen (1995) interpreted drilling cross sections. A 2 m x 2 m x 5 m (XxYxZ) block size was used for the block model along with an initial 50m search radius and 8m secondary radius.

The conventional solid model estimate was made to provide comparison with the earlier Antonnen (1995) estimate. Similar lower cut-off and grade capping parameters were used along with a 2.9 g/cm3 density value. This resulted in definition of 79,000 tonnes grading 7.3 g/t Au that were classified as Indicated resources. Variation from the earlier estimate was attributed to differing assumptions on local mineralized zone continuity.

The 1997 digital block modeling program incorporated Inverse Distanced Squared (ID^2) grade interpolation methodology in conjunction with peripheral constraints based on the volumetric solids derived from cross sections used in the conventional model. Combined resources for the Northern and Southern zones total 67,000 tonnes grading 6.18 g/t using a 1.0 g/t Au lower cut-off and 20 g/t Au grade capping value.

Mercator notes that both 1997 estimates are historic in nature and not compliant with NI43-101. A Qualified Person has not carried out sufficient work to classify them as current resources and Aurion is not considering them to be current resources for the Kutuvuoma deposit. These estimates should not be relied upon.

5.1.2.3 1999 Estimate

Lehto (1999) provided a summary of Kutuvuoma exploration results through 1998 and that includes “reserve and resource estimate” figures. However, no support documentation for the estimate accompanies the report. The estimate consists of 100,000 tonnes of Inferred resources grading 5.0 g/t Au and “about 20,000 tonnes” of “Probable Reserves” grading 5.2 g/t Au to a depth of 120m below surface. No details of estimation methodology, reporting threshold or grade capping values appear in Lehto (1999). As in the earlier cases, Mercator notes that this estimate is historic in nature and not compliant with NI43-101. A Qualified Person has not carried out sufficient work to classify it as a current resource and Aurion is not considering it to be a current recourse for the Kutuvuoma deposit. This estimate should not be relied upon.

5.1.2.4 1995 Mineral Dressing Study

In 1995 Outokumpu initiated a mineral dressing study by its internal research group on drill cuttings from the Kutuvuoma property. Johansson (1995) reported on this work and noted that only preliminary testing was carried out before the project was set aside to accommodate higher priority projects. The stated aim of the project was to develop a treatment flow sheet for Kutuvuoma mineralization that would produce a concentrate with a minimum gold grade of 100g/t Au and at least 85% gold recovery. It was also specified that the concentrate should be sufficiently low in Ni, As, Te, Sb and Bi so as to avoid refining stage penalties.

The original composite chip sample was crushed to 100% passing 1mm and then split into 1 kg subsamples that were subsequently used for process testing. The mean gold grade in the feed samples was determined to be 6.6 g/t Au and the samples were described as having average pyrite content of approximately 20%.

Two flotation tests were carried out on 1 kg samples, with the main differences being in grinding times applied and reagent amounts used. One test returned a gold grade of 482.1 g/t Au for a final concentrate at a recovery of 36.0% and the other returned a concentrate gold grade of 58.4 g/t Au at 69.4% recovery. Obviously, neither test met the target gold grade and recovery values set for the project. Further testing was not carried out on the material but results were interpreted as showing that coarser grinding and higher reagent levels gave lower concentrate gold grades but higher relative recoveries.

Based on results of the initial program, it was recommended that future Kutuvuoma studies include assessment of gravity concentration methods in combination with flotation processes and that the possibility of some gold being present as inclusions in pyrite be addressed.

5.1.2.5 1998-1999 Open Pit Mining

Tera Mining OY (Tera) carried out a small open pit mining operation on the Kutuvuoma deposit during the 1998-1999 period under terms of agreement with Outokumpu. Ore was transported by truck from the site to Tera’s Pahtavaara Mine, located 30 km east of the property. The GTK gold database records indicate that 68 kg (approximately 2186 ounces) of gold were produced during this period. In contrast, Dragon documents (Gordon, 2013) indicate that as much as 3200 oz of gold may have been produced, with this total including some material subsequently milled by Scan Mining from surface stockpiles in 2006. No detailed production records from this period were available for report review purposes and it is Mercator's understanding that neither Aurion nor Dragon has been able to access such records. Dragon did obtain survey documentation for the final pit configuration from Outokumpu and this has been incorporated into the current project database. The open pit measures approximately 170 m in length at surface by 100 m in width and was developed to a maximum vertical depth below surface of approximately 30 m. The pit was not backfilled after mining and is currently water filled to the level of the local water table.

5.1.3 2003-2014 Programs by Dragon

Dragon acquired its interest in the Kutuvuoma property from Outokumpu in 2003 and since that time has completed relatively little on-site exploration. Work has been primarily restricted to creation of a digital compilation of available property exploration data received from Outokumpu under terms of their asset purchase agreement. This compilation includes results of drilling, till and soil geochemistry programs, ground geophysical work such as magnetics, very low frequency electromagnetics (VLF-EM), horizontal loop electromagnetics (HLEM or Slingram), and airborne magnetometer and electromagnetic surveying.

Figure 5.2 and 5.3 present compiled ground magnetometer survey and horizontal loop electromagnetic survey (HLEM) results, respectively, for the Kutuvuoma deposit area and Figure 5.4 outlines property areas in which ground geophysical surveys and follow-up till geochemistry programs were carried out by Outokumpu. The magnetometer survey results show the deposit area to be spatially associated with the south margin of a narrow, well defined positive anomaly that trends east to east-southeast. This may reflect altered and deformed mafic and ultramafic rocks in the Kutuvuoma deposit's immediate footwall sequence. HLEM results define an anomalous conductivity trend that is generally coincident with the magnetic field anomaly trend. This may in part reflect a sheared graphitic unit that is well represented in deposit area.

Figure 5.2: Kutuvuoma ground magnetometer survey results (From Dragon files)

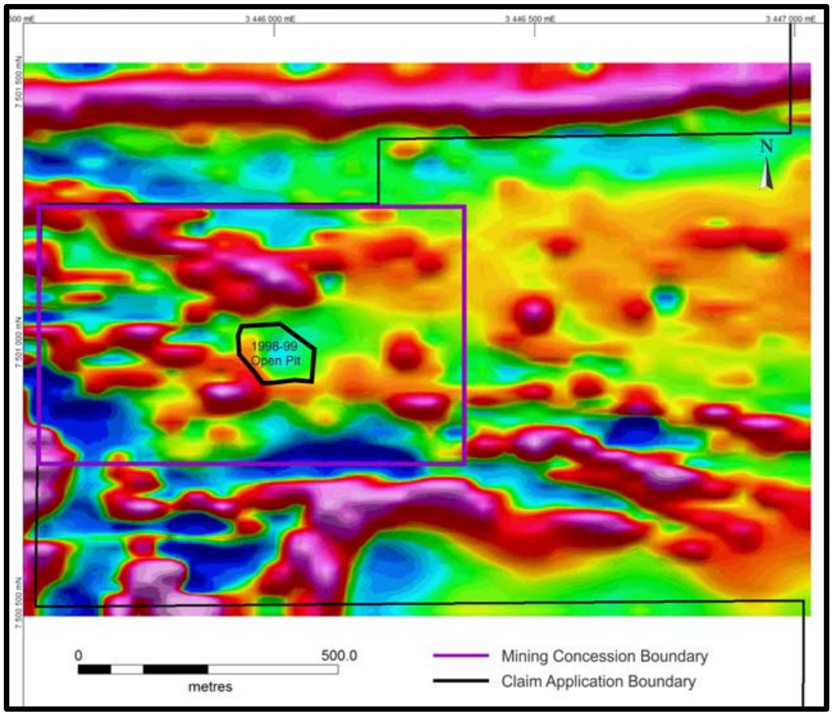


Figure 5.3: Kutuvuoma horizontal loop EM survey results -1777Hz (From Dragon files)

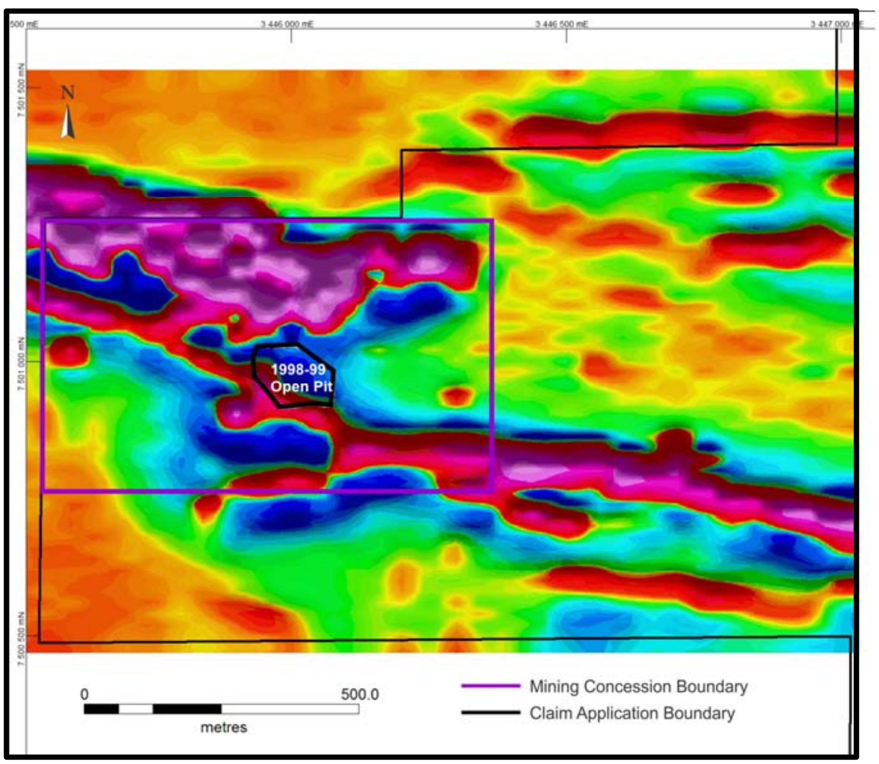
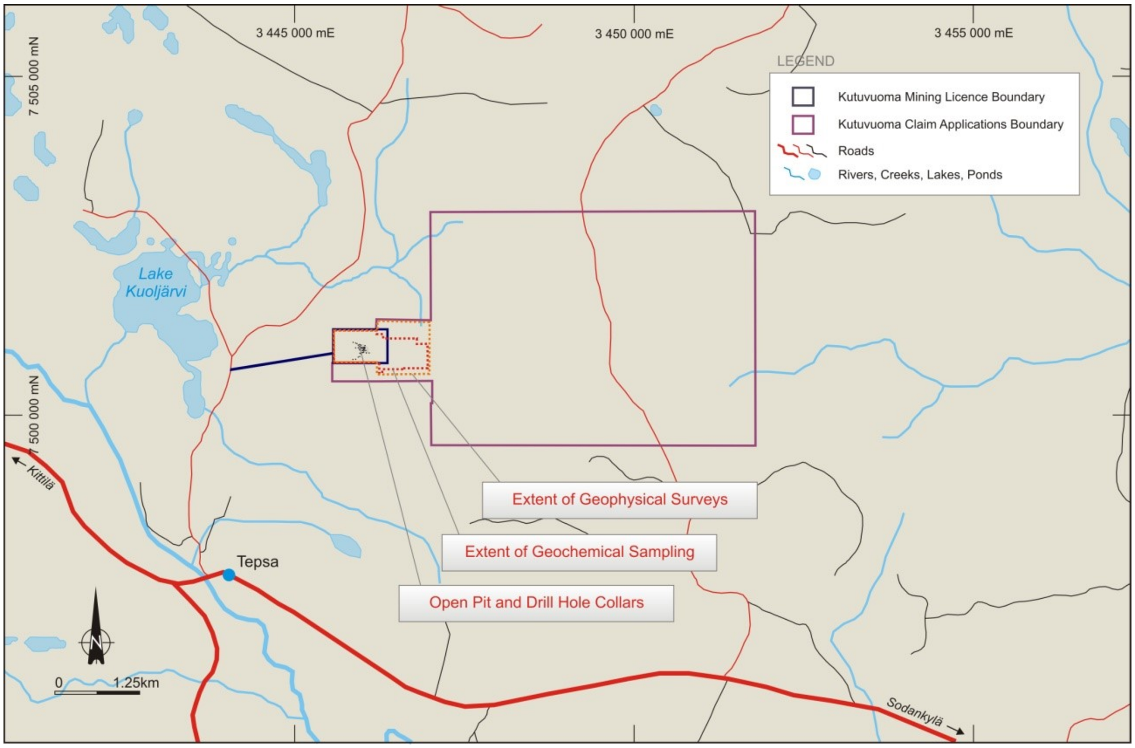


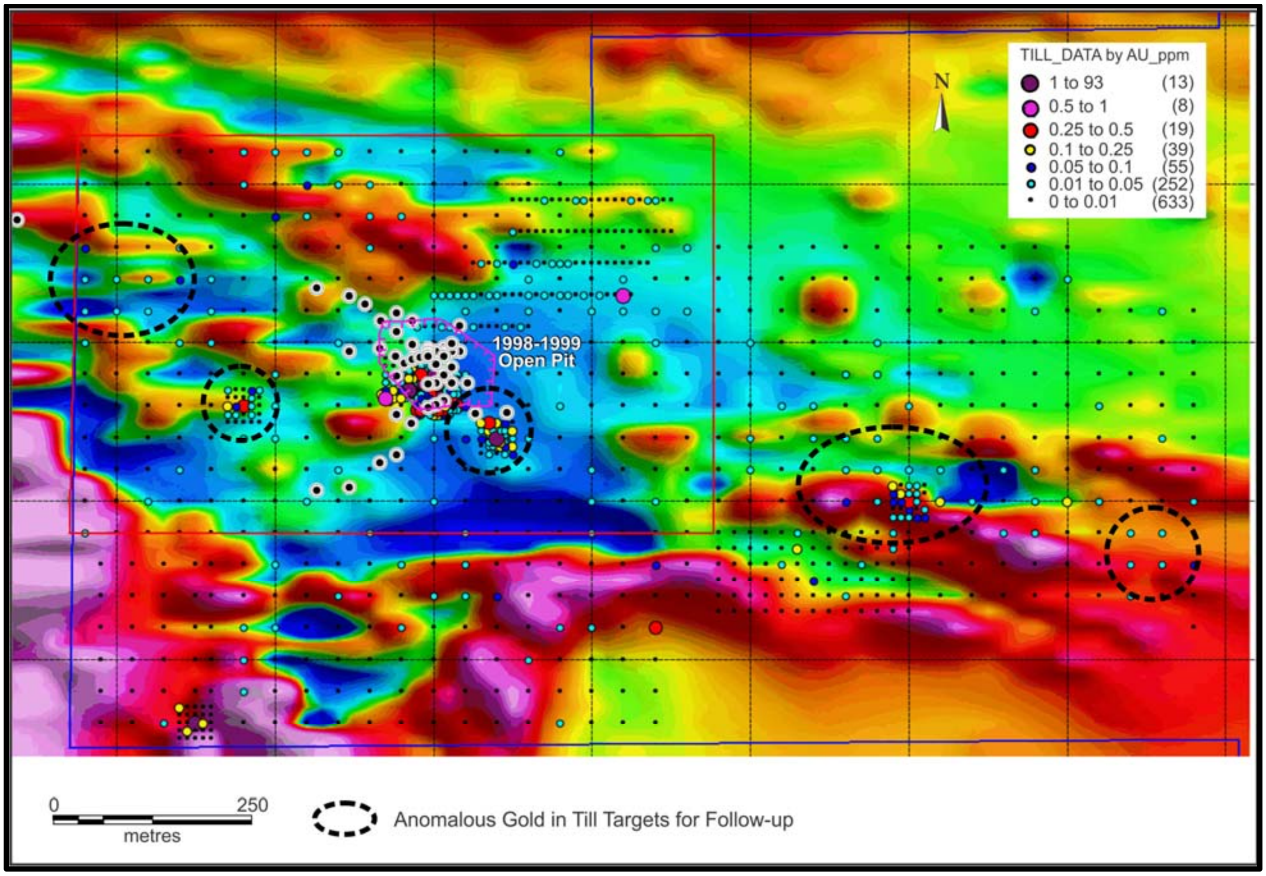
Figure 5.4: Areas of ground follow-up surveys by Outokumpu (From Gordon, 2013)



Compiled results of regional and detailed scale till geochemistry surveys clearly identify the Kutuvuoma deposit area and also define at least 6 additional areas of gold anomalism, most of which are supported by variable anomalous levels of Cu and As (Figure 5.5).

Dragon's compilation of historic project information for the Kutuvuoma property provided a geophysical and geochemical basis for definition of high priority future exploration targets, with survey attributes of the deposit area used as calibration. It also identified that gold mineralization of economic interest may in part be localized within tight to isoclinal fold closures that developed along the graphitic shear zone.

Figure 5.5: Compiled historic till geochemistry gold results (From Dragon files)



5.2 Silasselkä Property

5.2.1 1960's Exploration

The Silasselkä property covers a large area in which past exploration work has been specifically focused along one discrete, north-south trending positive airborne magnetic survey anomaly trend. Early work on the trend was carried out by Rautaruuki OY (Rautaruuki) and Otanmaki OY (Otanmaki) and included completion of airborne magnetic surveying, mapping, trenching, drilling and resource estimation programs. These were focused in the Pyhäjärvi, Koivusilasselkä, Kuusilaanivaara and Pesosjärvi areas where vanadium (V) mineralization was found to occur in amphibolite accompanied by magnetite and titaniferous ilmenite (Figure 5.6). Notably, interest in exploration potential for other metals such as Ni-Cu, Pt or Pd does not appear to have been present at this time.

During the 1967-1969 period, ground based magnetometer survey follow-up to earlier airborne survey results served to detail several local highs along a well-defined narrow, high amplitude magnetic anomaly that could be traced continuously for at least 16 km along strike. This work was followed by completion of gravity survey transects to better investigate the magnetic field anomalies. Subsequent core drilling targeted the best magnetic survey anomalies that are characterised by well-defined responses in both gradient and total field datasets. Gravity survey profiles typically show broader wavelength responses similarly centered on the sub-cropping magnetite-bearing amphibolite zones that host the vanadium mineralization of economic interest. Surface trenching to expose bedrock in areas of the geophysical anomalies was carried out and evidence of these trenches is still present (Figure 5.7).

The Pyhäjärvi, Koivusilasselkä, Kuusilaanivaara and Pesosjärvi areas were investigated by drilling between 1967 and 1969 in sufficient detail to allow estimation of tonnage and grade figures for the targeted magnetite-vanadium bearing zones in amphibolite. Table 5.3 presents a tabulation of contributing drill holes for these areas and results for selected mineralized intervals appear in Table 5.4. Several additional holes were drilled elsewhere in the district at this time to test other airborne magnetic survey anomalies, but resource estimation work did not follow.

Figure 5.6: Silasselkä Fe-Ti-V deposits having historic resources (from Hanes, 2013) GTK bedrock geology (left) and GTK aeromagnetic survey results (right) shown

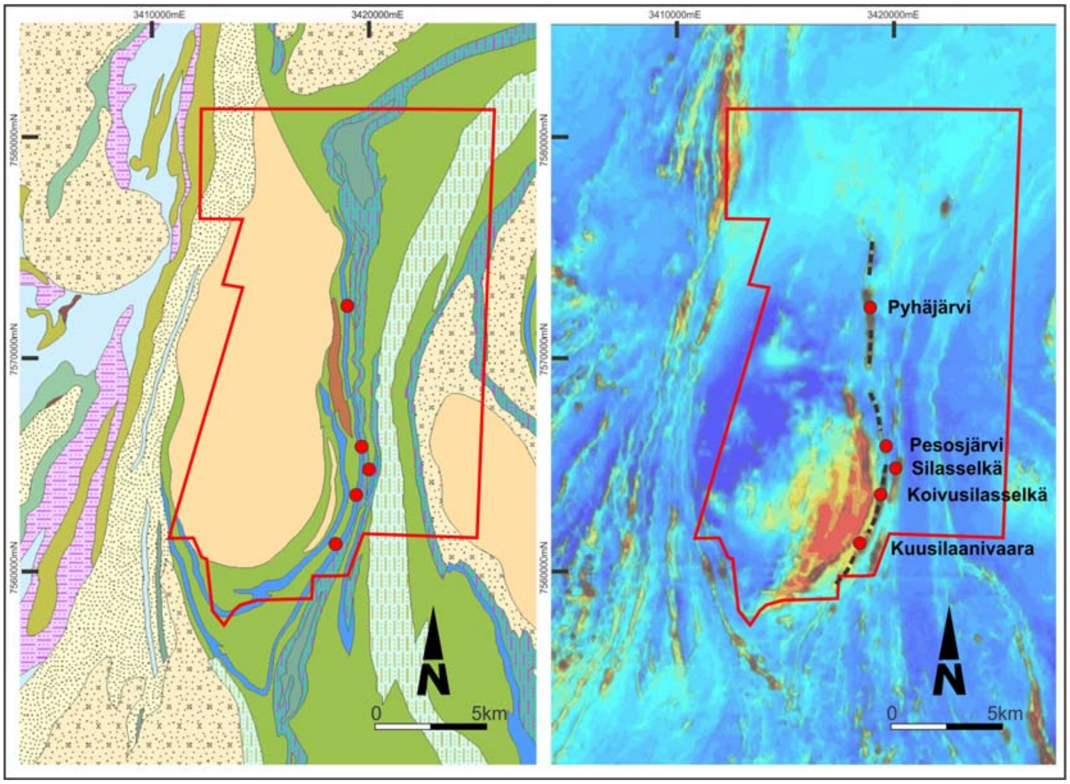


Figure 5.7: 1960's era Silasselkä surface trench by Otanmaki (Dragon file photo)

Table 5.3: Silasselkä Property Resource Estimation Drill Holes

Deposit	Drill Hole Series	Number of Holes	Total Drilled (m)
Koivu-Silasselkä and Kuusilaanivaara	Koivu-Silasselkä - 001 to 003 Silaskaira – 001 to 016	19	2696
Pesosjärvi	Pesosjärvi-001 to 003	3	431
Pyhäjärvi,	Pyhäjärvi – 001 to 024	24	2576
Total		46	5703

Table 5.4: Selected Mineralized Intercepts From 1968-1969 Silasselkä Property Drilling

*Hole Number	From (m)	To (m)	**Length (m)	V%	V_2O_5 %	Fe%
Pesosjärvi - 003	107.3	116.00	8.7	0.22	0.3916	20.86
Pyhäjärvi - 003	53.5	58.14	4.64	0.57	1.0146	42.97
Pyhäjärvi - 008	23.12	26.7	2.2	0.36	0.6408	31.54
Pyhäjärvi - 008	27	29.67	2.57	0.65	1.157	47.91
Pyhäjärvi - 009	61.5	63.76	2.26	0.40	0.712	31.60
Silaskaira-007	120.96	121.98	1.02	0.57	1.01	44.70

**Hole numbers reflect Dragon database entries; ** down hole lengths – true widths are estimated to range between 80% and 100% of these figures*

Otanmaki resource estimation results for the four deposits within the Silasselkä property appear in Table 5.5 and in combination reflect a total of 9.03 million tonnes of Proven and Probable resources grading 0.34% V (0.61% V_2O_5) plus 6 million tonnes of Inferred resources grading 0.35% V (0.62% V_2O_5). Resources are included in reporting by Hugg and Heiskanen (1983) for Rautaruukki OY and this source appears in the Fennoscandinavian Ore Deposit Database. However, original reporting by Otanmaki is available in Dragon records and was reviewed for this report. All estimates reflect conventional cross-section based methodology with application of averaged grades derived from drill hole intercepts along each line of section. Mercator notes that these estimates are historic in nature and not compliant with NI43-101. A Qualified Person has not carried out sufficient work to classify them as current resources and Aurion is not considering them to be current resources for the Silasselkä property. These estimates should not be relied upon.

Table 5.5: Historic Silasselkä Property Resource Estimates – Non-NI43-101 Compliant

Deposit Name	Resource Category	Tonnes (Millions)	Grade (V%)
Pyhäjärvi	Proven	2.20	0.35
	Probable	5.03	0.35
	Possible	6.00	0.35
Koivusilasselkä	Probable	0.85	0.30
Pesosjärvi	Probable	0.70	0.22
Kuusilaanivaara	Probable	0.25	0.40

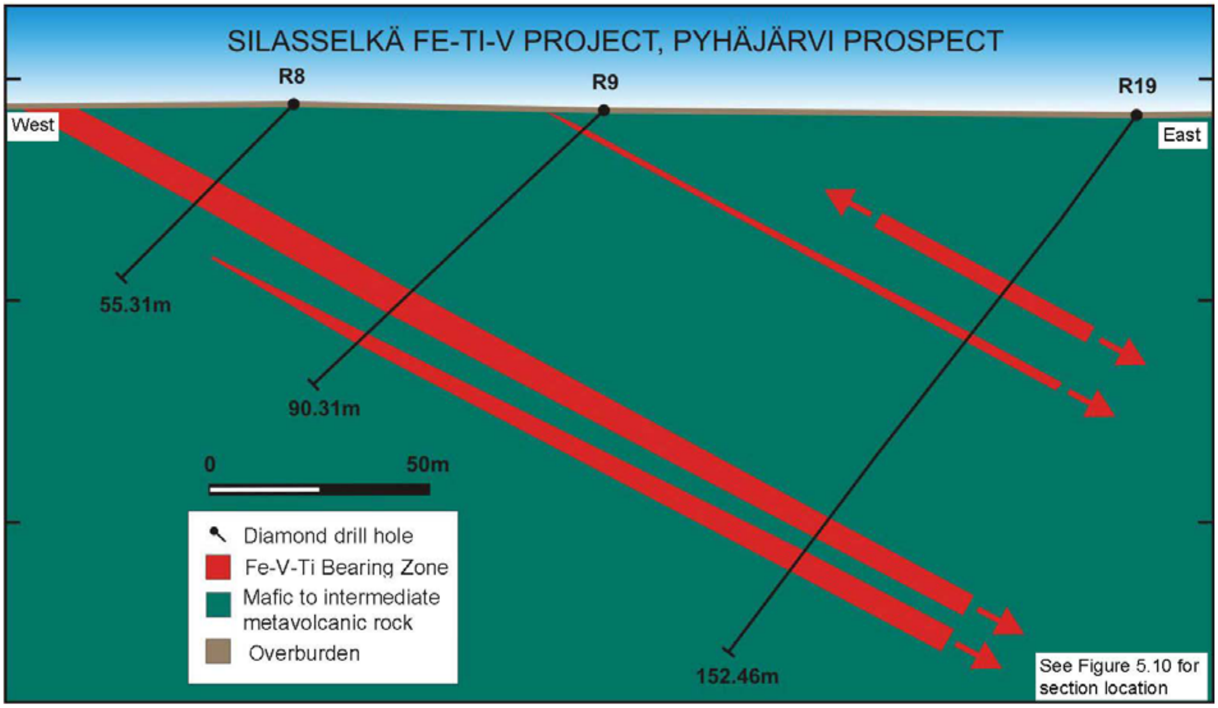
During the initial 1960's exploration period, the geological setting along the airborne survey trend was interpreted as a metamorphosed mafic sill complex in which multiple phases of magma emplacement had taken place. The sill's host metasedimentary sequence includes banded iron formation locally and both sill and host reflect amphibolite facies metamorphism.

The relationship of the interpreted sill to a large intermediate to mafic intrusion that occurs immediately to the west of the amphibolites was not defined at the time of initial work on the deposits. Figure 5.8 presents an interpreted historic drilling section from the Pyhajrvai deposit that is identified as Section 1 for report purposes. This section illustrates the consistent character and continuity of the magnetite-rich, vanadium-bearing zones that occur within the amphibolite sequence. Similar configurations and continuity are seen in other sections from this deposit and also from the other three deposits noted in Table 5.5.

5.2.2 Government Drilling and Ground Geophysical Programs – 1997-1998

During the 1997-1998 period GTK carried out field mapping, ground geophysical surveys and core drilling to better assess geology of the Kuusilaanivaara area, adjacent to Silasselkä to the southwest. Shallow (8.05m to 56.15m) reconnaissance drill holes were completed along existing access roads and trails during this program and a total of 42 such holes, presumed to be drilled by percussion equipment, are present in the current Dragon project drilling database.

Figure 5.8: Historic drill hole Section 1 for the Pyhajrvai deposit (After Hanes, 2013)



In addition to these, three core holes totaling 702 m of drilling were completed in 1998 to test magnetic and electromagnetic survey anomalies defined by the program. The core holes intercepted magnetite-bearing monzodiorite, deformed clastic metasedimentary sections with infrequent banded iron formation intervals, altered gabbroic rocks and one relatively thin, sheet-like zone of mafic material that was identified as either a dike or volcanic unit (Hanes, 2013).

5.2.3 2010 to 2014 Programs by Dragon

Dragon submitted a Claim Application in 2010 for an area covering the four drilling defined deposits of iron titanium and vanadium in the Silasselkä area and in 2011 applied for a two large adjoining Reservation areas. These areas were previously identified in Figure 3.1. Since that time, Dragon has completed two programs of property assessment, neither of which was extensive. The first program consisted of review and sampling of historic drill core from various historic Silasselkä property drill cores that are stored in GTK's core library and the second comprised field traversing, bedrock sampling, whole rock analysis and interpretation of associated results. No additional work has been carried out by Dragon since finalization of reporting for the 2013 field work and whole rock geochemistry programs. Details of both Dragon programs are summarized below.

5.2.3.1 Drill Core Review and Re-Sampling

In mid-2010 Dragon (then Polar Mining OY) carried out a review of archived drill core stored at the GTK core facility located at Loppi, approximately 100 km from Helsinki. This program included assessment of historic drill logs against lithologies present as well as collection of quarter core check samples of previously analysed intervals and new half core sampling of certain previously unsampled intervals. Detailed re-logging of the holes was not carried out and Table 5.6 presents a summary of Dragon's sampling program results.

The highest vanadium grade of the Dragon program was returned from hole Pyhäjärvi – 017, where a 1.72m sample interval beginning at a downhole depth of 92.2m returned a grade of 0.669% V (1.23%V_2O_5). Corresponding TiO_2 and Fe grades were 10.75% and 46.1% , respectively, and the sample lithology was noted as being a magnetite-ilmenite vein. Au, Pt, Pd and Ni values were all very low and typically reported near respective laboratory detection limits. Dragon's core review program showed that historic sampling is non-continuous across mineralized zones in some holes and that additional infill sampling would be required to support any future resource estimation program. Dragon check sample results show acceptable agreement with original results and are discussed further in report section 10.2.1.

5.2.3.2 Field and Whole Rock Geochemistry Studies

Dragon identified potential for expansion of existing vanadium resources along the airborne magnetic anomaly trend that had previously been explored at Silasselkä by Otanmaki. The company also recognized that potential was present in this area for occurrence of magmatic Ni-Cu or PGE deposits in association with poorly defined mafic-ultramafic intrusions that may be present as well as for orogenic gold deposits related to an interpreted north-south trending strike extension to the Hanhimaa Shear Zone that hosts several new gold occurrences defined by drilling on the adjacent Dragon property to the south. This structure extends southward into the Sirkka Line structural corridor.

Table 5.6: 2010 Sampling of Historic Silasselkä Property Drill Core

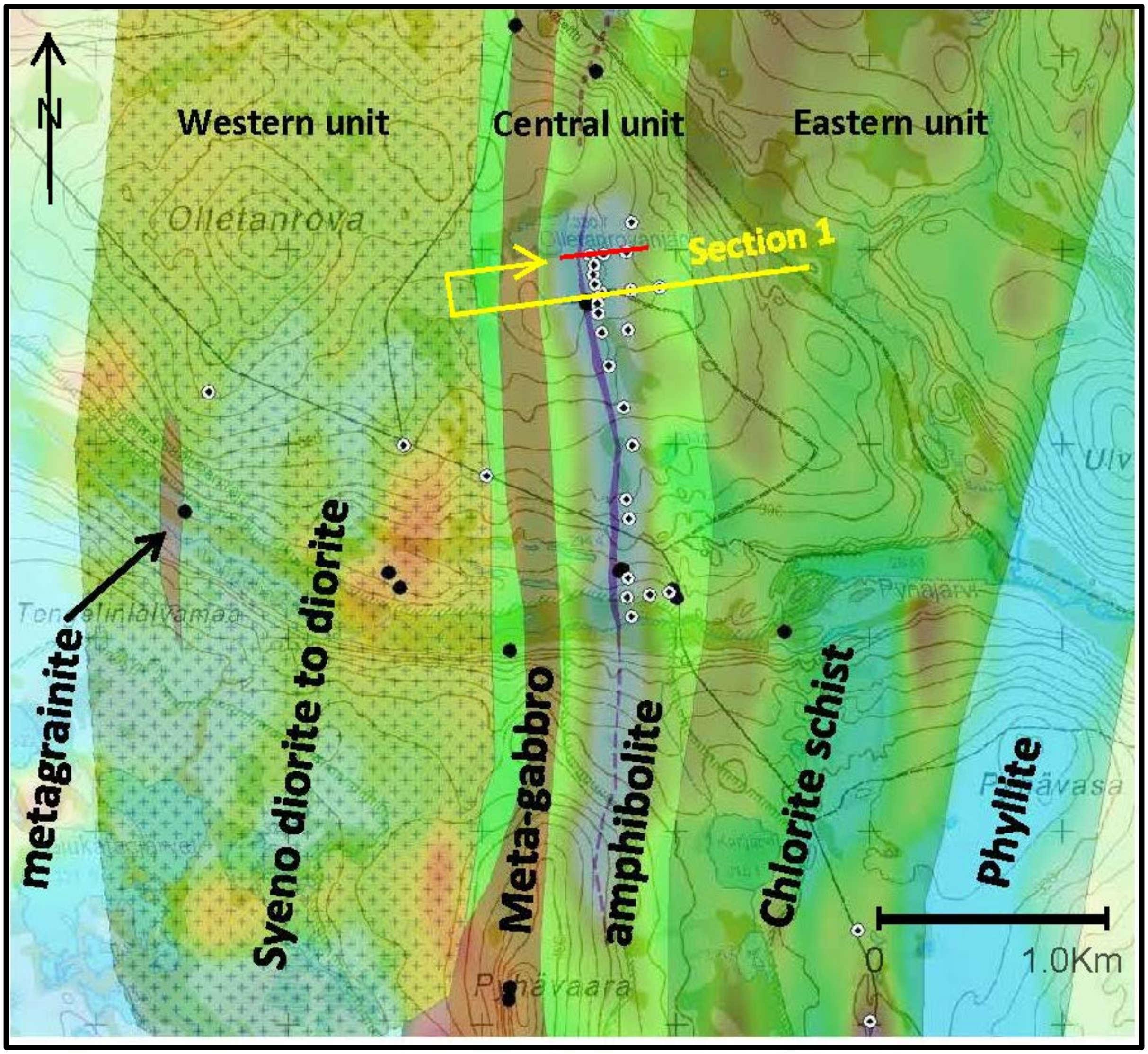
Hole Number	No. of Samples	Sample Length Range (m)	V% Range	Fe% Range	TiO_2% Range
Pyhäjärvi - 008	4	1.2 - 2.45	0.009-0.079	3.93-12.85	0.32-2.03
Pyhäjärvi - 011	19	0.15-2.57	0.002-0.639	1.14-45.1	0.92-10.99
Pyhäjärvi - 017	15	1.31-3.26	0.029-0.669	5.27-46.2	0.81-10.85
Pyhäjärvi - 019	23	0.17-2.45	0.025-0.601	5.38-45.1	0.8-12.0
Pyhäjärvi - 021	3	0.63-1.8	0.004-0.106	1.29-14.75	0.17-3.26
Pesosjärvi - 001	4	1.92-2.69	0.045-0.063	16.35-17.6	2.13-2.47
Koivusilasselkä - 003	1	0.40	0.04	11.7	1.72
Kuusilaanivarra -504	4	0.95-1.85	0.016-0.04	5.21-9.24	0.53-1.14
Total	73				

Dragon initially completed a desktop study of the Silasselkä property area and compiled readily available digital and hard copy file information for the project. This was followed in 2010 by the core review and sampling program described previously and in 2013 by a field traversing and whole rock geochemistry sampling focused on the various deposit areas and areas of highest outcrop potential.

The 2013 field program resulted in collection of 36 samples from outcrops, boulders and trenches and these were submitted to ALS Chemex, an internationally recognized and certified independent analytical firm, for whole rock and multi-element analysis. Additionally, geological sequences were established for each of four representative areas of the property that were correlated to corresponding airborne magnetic survey results accessed through GTK. A common lithologic sequence from east to west was established across approximately 5 km of the favorable, north-south trending airborne magnetics corridor, with the "Eastern Unit" comprised of phyllite and chlorite schist, the "Central Unit" comprised of amphibolites that host the iron-titanium-vanadium deposits, and a "Western Unit" comprised of syenodiorite, diorite and small amounts of meta-granite (Figure 5.8). This East-Central-West sequence was seen to be generally applicable along the entire strike length of the favorable, north-south airborne magnetic survey trend that characterises the Silasselkä property.

Results of Dragon's 2013 whole rock geochemical sampling program are presented by Hanes (2013). In summary, data were interpreted as showing that mafic lithologies in the Eastern and

Figure 5.9: Dragon geological sequences – 2013 program (After Hanes, 2013)



Central units in the Pyhäjärvi area show similar sub-alkaline to tholeitic geochemical association. The flat chondrite-normalized REE pattern is suggestive of a mantle-derived source and relative light REE enrichment characterises zones of iron-titanium-vanadium mineralization in the amphibolites. The average vanadium content of amphibolites in the sample suite is approximately 350ppm.

Intrusive rocks occurring in the Western unit, west of the mineralized amphibolite section at Pyhäjärvi, are classified as sub-alkaline to alkaline syenodiorite and diorite and suggest a calcalkaline association. Large variations occur in REE populations for this area and are interpreted as indicating a different magmatic source than that of the gabbros and amphibolites of the Eastern and Central units.

No further work on the Silasselkä property has been carried out by Dragon since completion of the Hanes (2013) summary report in mid-2013.

6.0 GEOLOGICAL SETTING AND MINERALIZATION

6.1 Geological Setting

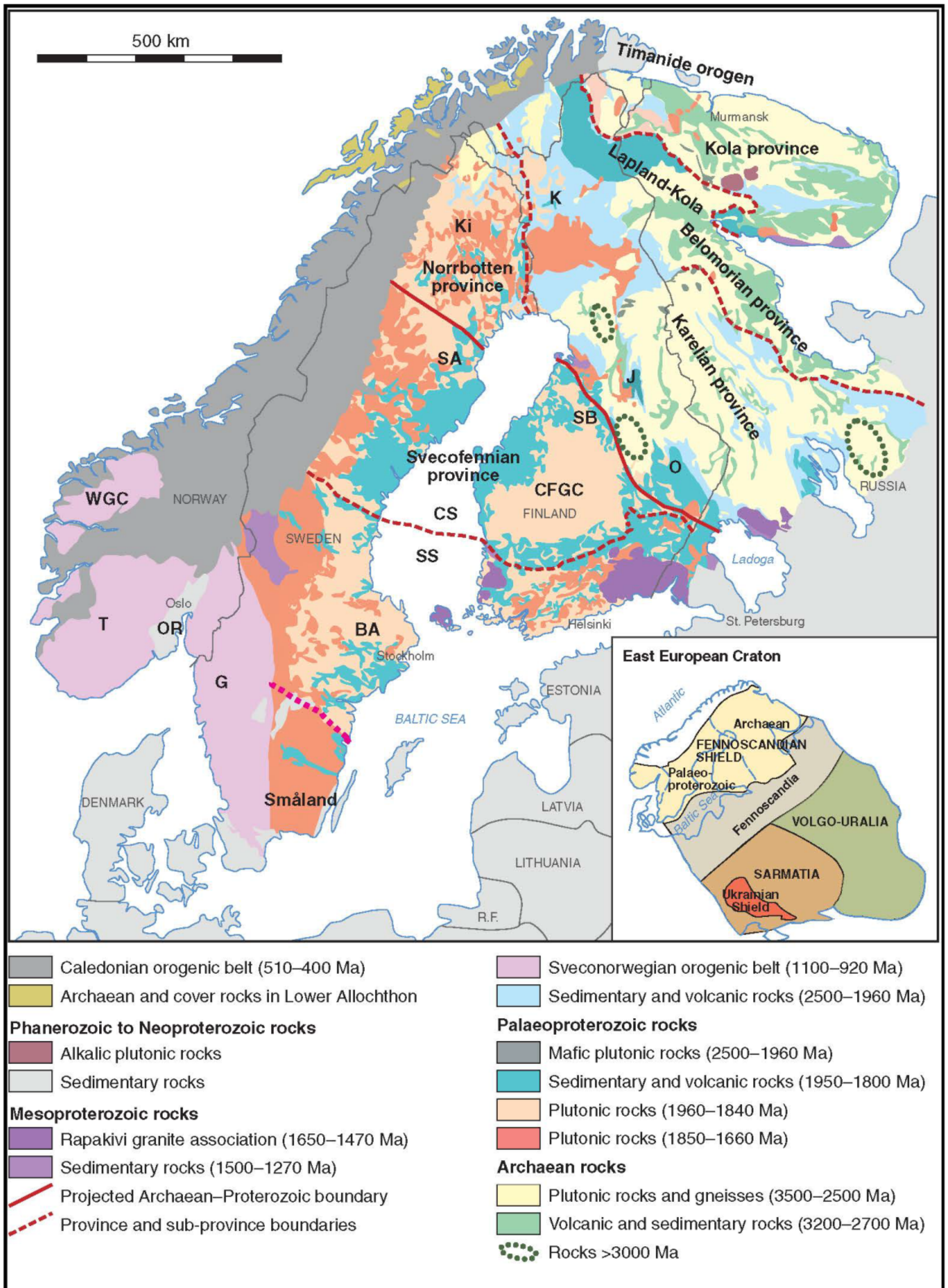
6.1.1 Regional Geology

As summarized by Eilu et al. (2007) four major components form the bedrock of northern Finland, these being (a) Archean granite-gneiss complexes and greenstone belts, (b) Paleo-Proterozoic greenstone belts, (3) the 1.9 Ga Lapland Ganulite Belt and (4) Svecokarelian syn- to late (1.89-1.80 Ga) and post orogenic (1.80-1.77 Ga) granitoid intrusions. Finnish Lapland comprises a significant part of the northern Archean Karelian province (Figure 6.1) and has a Paleoproterozoic geological evolution that reflects multiple periods of rifting, associated magmatism and deformation that are recorded in stratigraphic sequences of the Central Lapland Greenstone Belt (CLGB), the Kuusamo Schist Belt and the Perapohja Schist Belt. The CLGB is the focus of this report and Figure 6.2 outlines its major geological elements as summarized by Eilu and Niiranen (2013).

The Archean formations of the CLGB are mostly 2830–2680 Ma in age and in the east are comprised of tonalitic and granodioritic igneous complexes, paragneisses, granitic gneisses and zones of metavolcanics (Hanski et al. 2001). Amphibolites and komatiitic ultramafic rocks are common in the volcanic successions, along with locally developed silicate facies iron formations. The central part of the CLGB contains Archean granitoids and migmatites surrounded by Paleoproterozoic formations, with associated granodioritic and tonalitic gneisses (~2600 Ma) occurring in the western part (Eilu et al., 2007).

Paleoproterozoic supracrustal rocks overly Archaean basement sequences in the CLGB and the following summary of lithostratigraphy is based on GTK investigations . These define seven main groups of supracrustal lithologies which are, in decreasing age, the Vuojärvi, Salla, Onkamo, Sodankylä, Savukoski, Kittilä, Lainio and Kumpu groups. These groups are in turn

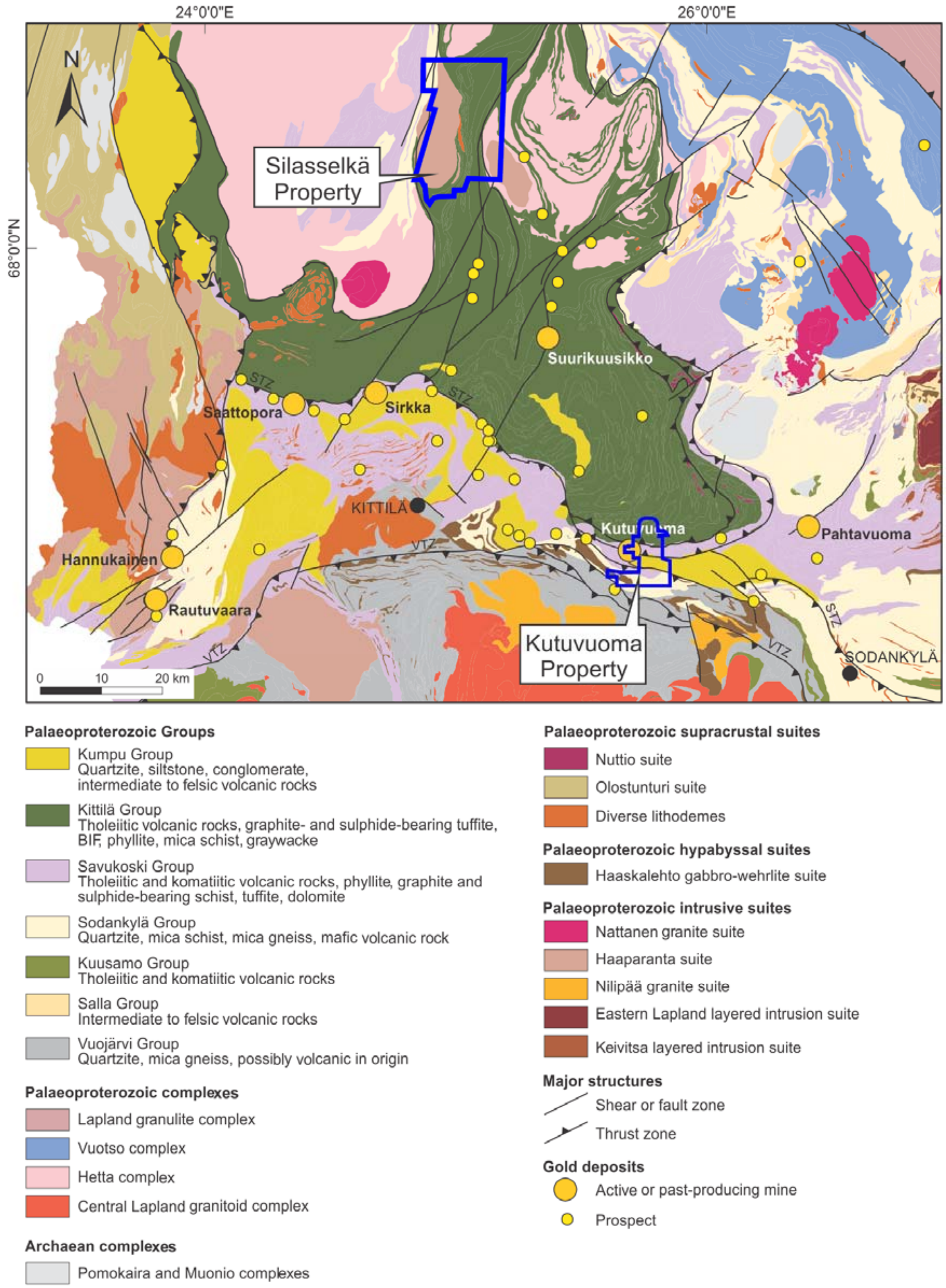
Figure 6.1: East European Craton elements of northern Fennoscandinavia



Fennoscandia and its location within the East European Craton (Lahtinen 2012). Simplified geological map based on Koistinen et al. (2001) and inset map based on Gorbatschev and Bogdanova (1993). Subareas: CS – Central Svecofennia, SS – Southern Svecofennia. Areas and localities: BA – Bergslagen area, G – Gothian terranes, J – Jormua, K – Kittilä, Ki – Kiruna, O – Outokumpu, OR – Oslo rift, SA – Skellefte Area, SB – Savo Belt, T – Telemarkian terranes, WGC – Western Gneiss Complex.

(Modified after Eilu and Niiranen, 2013)

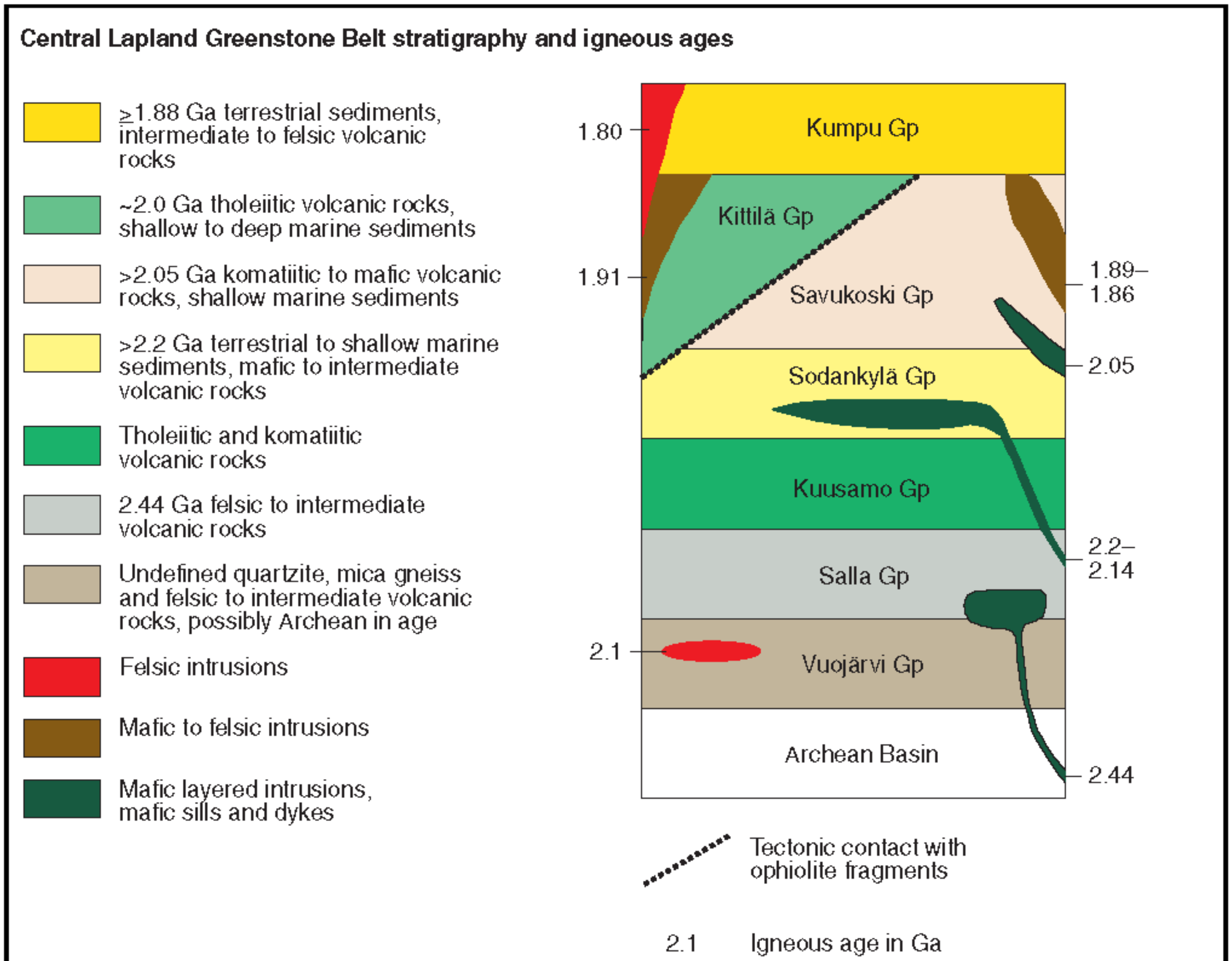
Figure 6.2: Regional geology of the CLGB (Modified after Eilu and Niiranen, 2013)



divided into lithostratigraphic formations (Figure 6.3). The Vuojärvi Group contains quartzitic paragenisis and mica gneisses, possibly of volcanic origin, the Salla Group (2520–2440 Ma) contains intermediate to felsic metavolcanic rocks and the Onkamo Group (2440–2400 Ma) contains tholeiitic and komatiitic metavolcanic rocks. The Sodankylä Group (2400–2200 Ma) contains metasedimentary schists and mica gneisses and locally albitized mafic to felsic metavolcanic rocks and the Savukoski Group (2200–2050 Ma) contains phyllite, graphitic schist, dolomite, tuff and mafic to ultramafic metavolcanic rocks. The Kittilä Group (2050–2000 Ma) contains Fe-tholeiitic metavolcanic rocks, iron sulphide, iron carbonate schists and banded iron formations, Mg-tholeiitic metavolcanics, mica schists and meta-greywackes. The Lainio and Kumpu groups (1930–1850 Ma) are the youngest formations in the CLGB and contain intermediate to felsic metavolcanics as well as quartzite, metaconglomerate and mica schist (Laino Group) and quartzite, metasiltstone and metaconglomerate (Kumpu Group) (Korkalo, 2006).

Hanski et al. (2001) referenced three age groups of younger magmatism in the CLGB, these being felsic plutonic rocks at 1920–1910 Ma, synorogenic monzonitic? plutonic rocks at circa. 1880 Ma and additional granitoids at circa 1800 Ma. Other large granitoid intrusions in the region are present but have not been definitively dated. However, the youngest acidic intrusive rocks present are interpreted to be post-orogenic granite intrusions associated with the NE-SW-trending deformation zones. In addition to the above, various phases of felsic and mafic dikes cut the Proterozoic sequences and may be circa. 2430–2000 Ma in age. At least three layered intrusions are present in the eastern region of the Belt, these being at Koitelainen, Kevitsa and Akanvaara. Potential for discovery of additional layered mafic intrusions or related conduit systems also exists, particularly in the western part of the CLGB where Aurion's Silasselkä property is located (Hanski et al., 2001 and Korkalo, 2006).

Figure 6.3: Stratigraphic column of the CLGB (From Eilu and Niiranen, 2013)



Stratigraphy of the Central Lapland greenstone belt. Ages given as Ga. 'Archaean Basin' means the Archaean TTG rocks on which part of the Palaeoproterozoic sequence unconformably lies. Compiled by Tero Niiranen (GTK), after Hanski et al. (2001) and the 2013 version of the GTK digital bedrock database.

6.1.1.1 Tectonic and Metamorphic History Summaries

Three main ductile deformation events of regional extent affected rocks of the CLGB and younger deformation associated with specific corridors of shearing are also present. Regional deformation events are recognized as D1 through D3. The D1 event imparted a bedding parallel foliation and this was overprinted by pervasively developed D2 foliation that is the dominant structural surface recognized. Isoclinal, inclined to recumbent folds (F2 structures) with near-horizontal axial planes are associated with D2, with vergence trends commonly being to the north, but being to the south in some areas, such as in proximity to the Lapland Granulite . D3 associated folds (F3 structures) show spatially variable vergence trends that include north, south and east directed domains. The overall structural style of the area is noted by Holtta et al. (2007) as resembling that of a fold and thrust belt and Figure 6.2 presents major structural components of the CLGB as represented by those authors. Gold mineralization in the CLGB has long been recognized as showing spatial association with either the main, east-southeast trending Sirkka Shear Zone (SSZ) (Figure 6.4) or with various north-south oriented shear zones that depart from the SSZ (Holtta et al., 2007).

Six metamorphic zones have been recognized in northern Finland based upon distribution of index mineral assemblages in mafic and pelitic rock sequences. Granulite facies rocks occur in Zone I, mid-amphibolite facies high pressure rock occur in Zone II, mid amphibolite facies low-pressure rocks occur in Zone III, greenschist facies rocks occur in Zone IV, lower to mid amphibolite facies rocks in Zone V and pluton-associated amphibolite facies rocks occur in Zone VI (Figure 6.5). The CLGB occurs almost entirely within Zone IV and therefore is characterised by greenschist facies metamorphic assemblages in most areas. Greenschist facies assemblages of Zone III are present in the Kutuvuoma property area but the Silasselkä property, located to the northwest and adjacent to a major granitoid complex, falls within amphibolite facies Zone VI (Holtta et al. 2007).

Figure 6.4: Major structural elements of northern Finland (from Holtta et al., 2007)

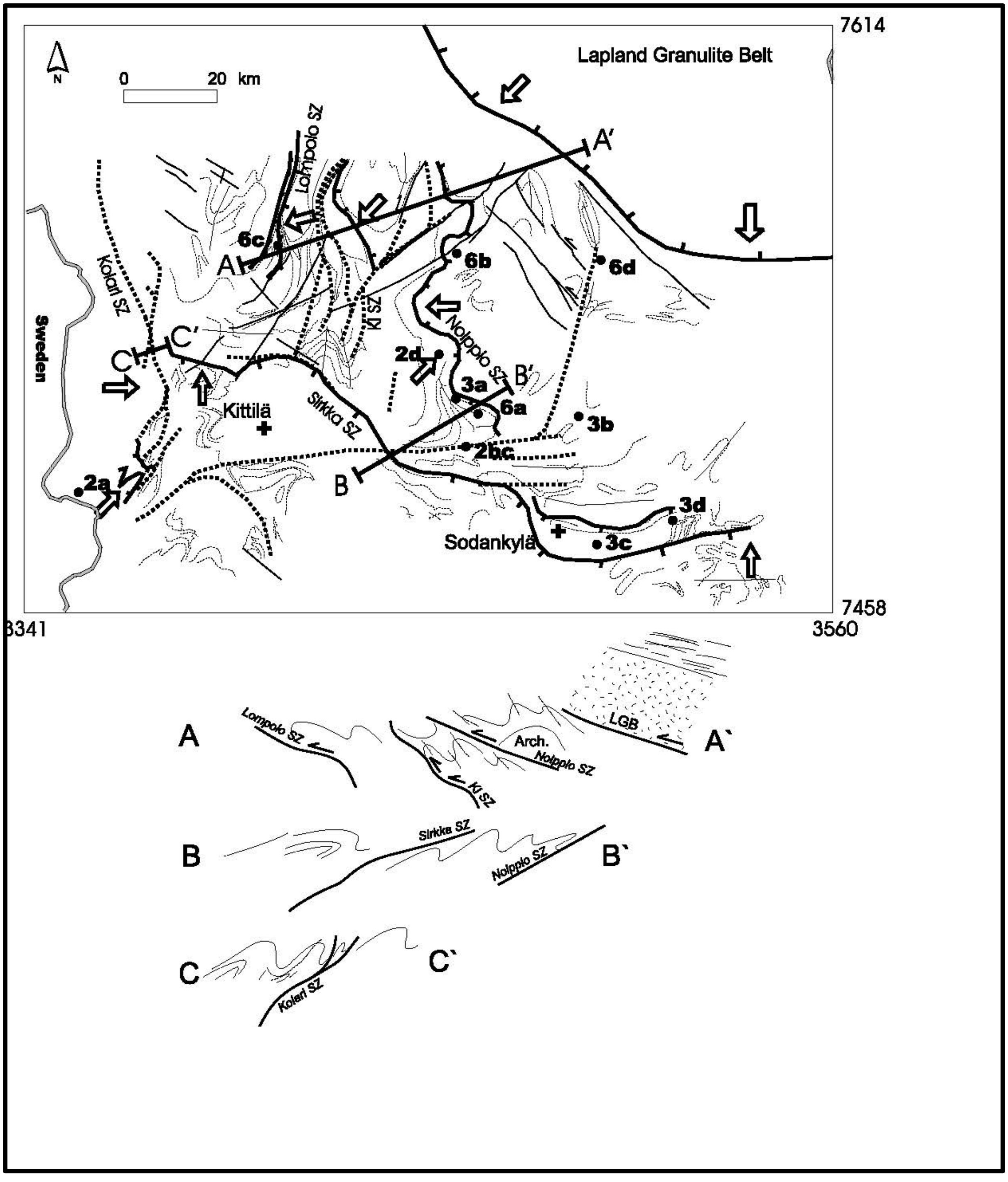
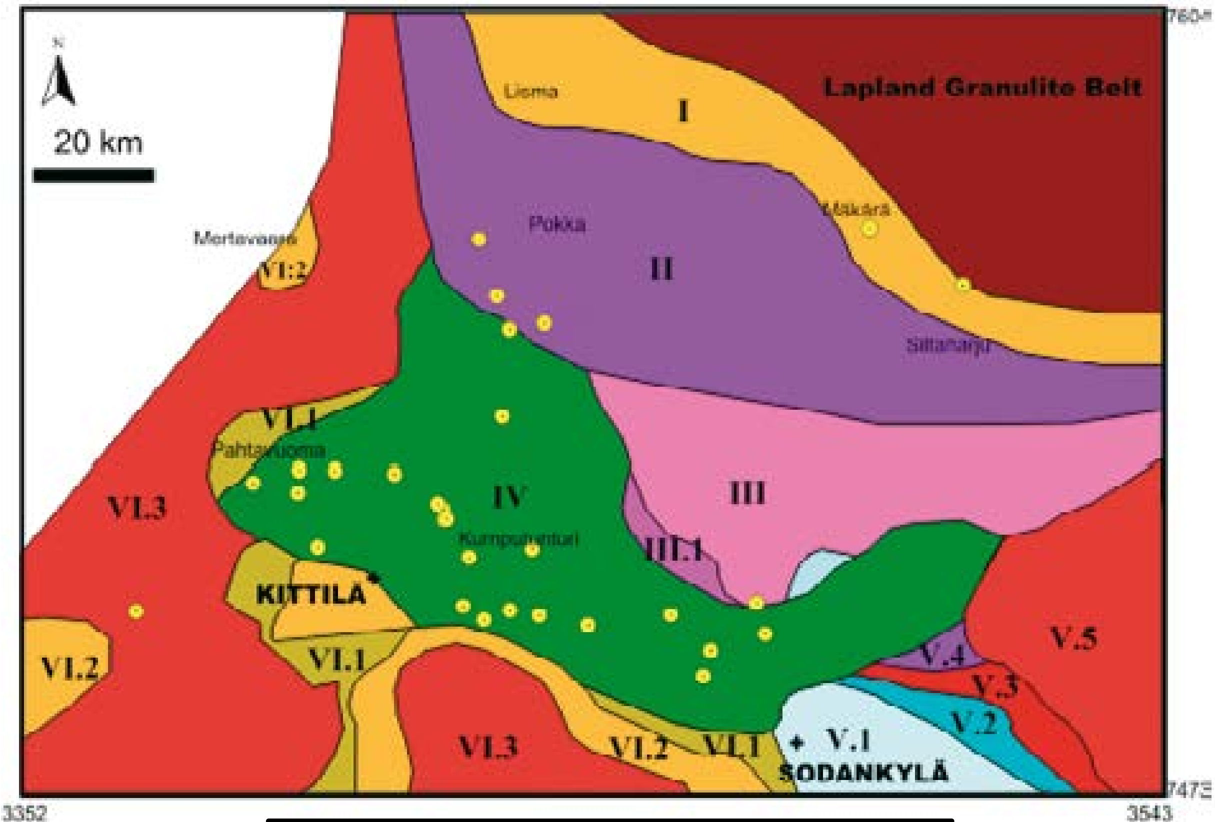


Figure 6.5: Major metamorphic zones in northern Finland (from Holtta et al., 2007)



Zone I: granulite facies

Zone II: mid amphibolite - high pressure facies

Zone III: mid amphibolite - low pressure facies

Zone IV: greenschist facies

Zone V: lower to mid amphibolite facies

Zone VI: pluton-associated amphibolite facies

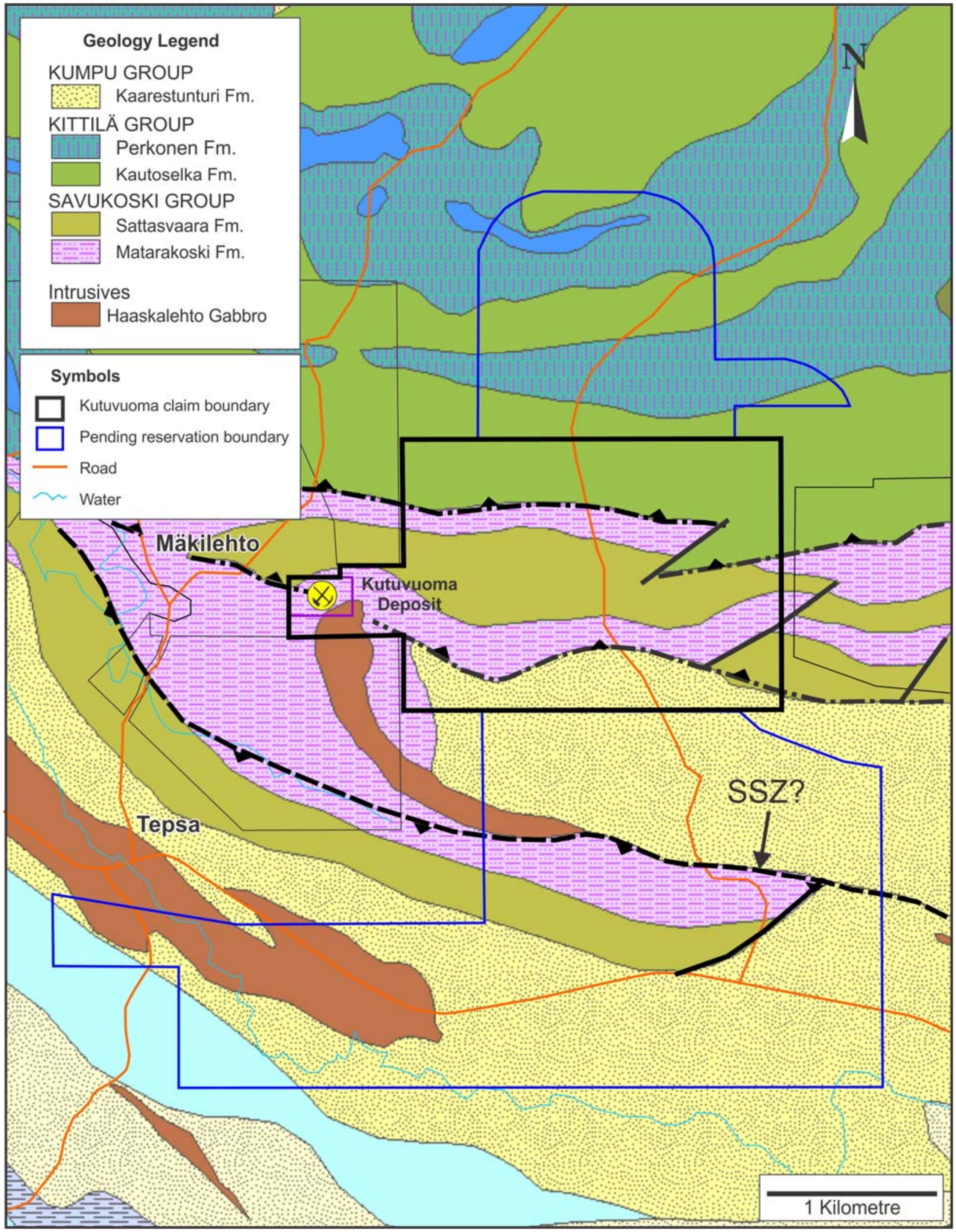
6.1.2 Kutuvuoma Property Geology

The Kutuvuoma property is mostly underlain by polydeformed metavolcanic and metasedimentary rocks of the Savukoski Group's Matarakoski and Sattasvaara Formations that strike generally east-west along the length of the property (Figure 6.6). An east-west trending thrust fault that dips north occurs about 1.2 km north of the Kutuvuoma deposit and brings sheared and altered mafic and ultramafic volcanics and interlayered pelitic rocks of the Kittilä Group into structural contact with older Savukoski Group units. The SSZ thrust is interpreted as trending east-southeast across the property approximately 2.5 km south of the deposit and to dip shallowly south. This structure may be present as a series of currently unmapped anastomosing splays.

GTK regional mapping defines three main east-west striking corridors of Savukoski Group metavolcanic and metasedimentary lithologies on the property and these are separated by less altered metavolcanic and metasedimentary rocks of the younger Sattasvaara Formation and also by unconformably overlying Kumpu Group rocks. This configuration may reflect a fold structure or a shear-repetition of units. Two strike-concordant intrusions of the Haaskalehto gabbro also occur in part within the Kutuvuoma property and these have strong and distinctive aeromagnetic anomalies. Northeast trending late brittle faults offset the thrust sheet successions locally and are also apparent in aeromagnetic and ground magnetic survey results.

Gordon (2013) reported that historic drilling results show the immediate Kutuvuoma deposit area to be dominated by meta-komatiites and low-grade metasedimentary rocks showing variable amounts of alteration. Based on results of a 2013 core re-logging program, the ultramafic sequence was subdivided by Dragon into four main lithologic sub-units and minor amounts of fine grained tuffite were noted as interlayers within the altered ultramafic sequence. Three main metasedimentary lithotypes were intersected by historic drilling, these being graphitic-sulphidic schist, fine grained meta-sandstone and marble. Graphitic lithologies are generally localized along the main mineralized shear trend and this spatial association may reflect exploitation by shearing of an original lithologic contact. The east-southeast striking graphitic shear or fault zone that controls the Kutuvuoma deposit is believed to be related to the SSZ but it is not clearly defined beyond the area of deposit drilling.

Figure 6.6: Kutuvuoma property scale geology (modified after GTK database)



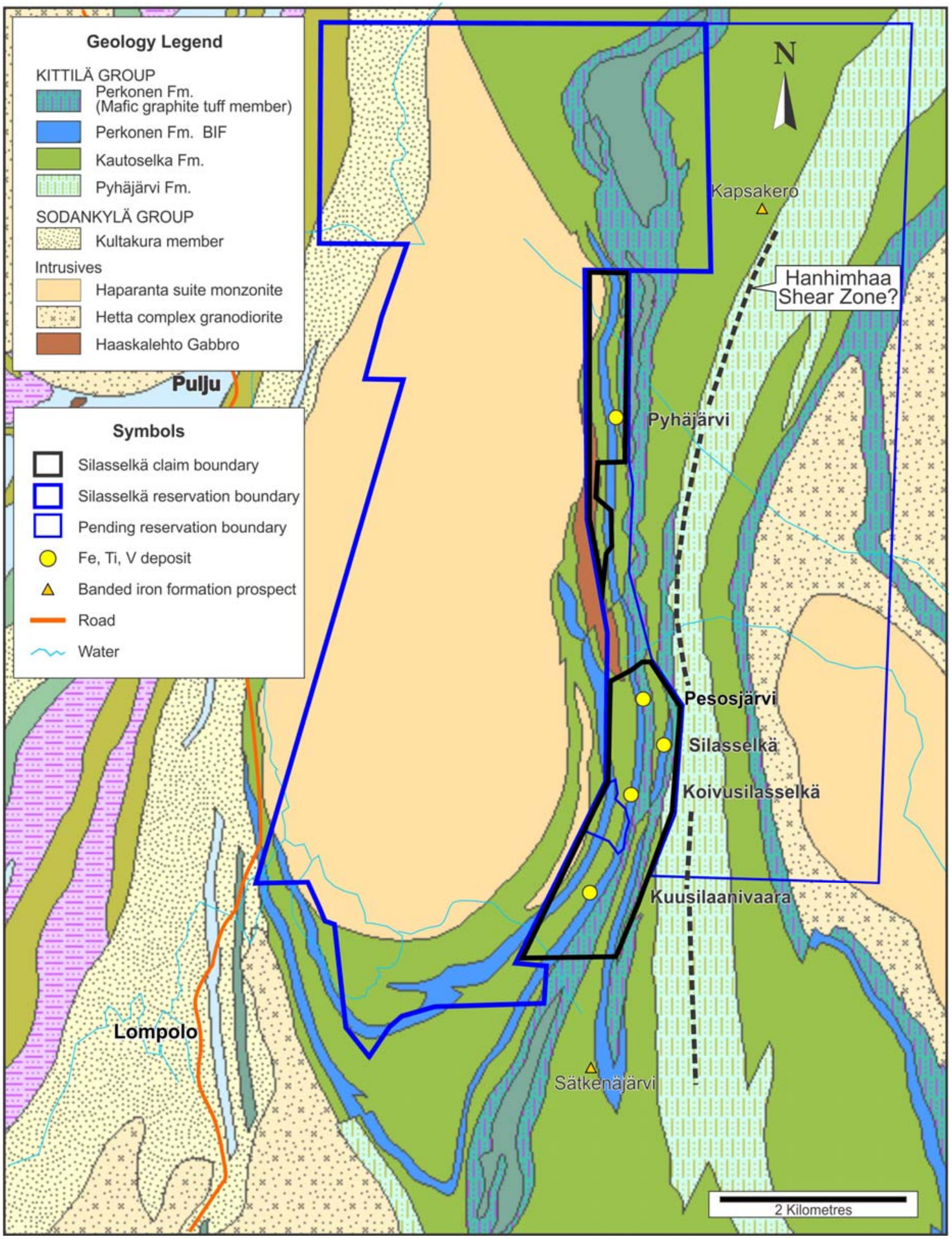
6.2 Silasselkä Property Geology

Figure 6.7 presents Silasselkä property geology as represented in the GTK map database. Kittilä Group metavolcanic and metasedimentary sequences predominate in the eastern part of the property and the western area is dominated by rocks assigned to the Haparanta Suite monzonite flanked by Sodankylä Group metasedimentary rocks. However, the internal nature of the intrusive complex is not well understood at this time. A very strong north-south structural grain predominates in this area and the distribution patterns for graphitic Porkonen Formation lithologies indicates that repetition of stratigraphy has taken place due to folding across north south axial surfaces. Due to sparse outcrop in the area, geological interpretation has been guided significantly by interpretation of aeromagnetic survey results.

The iron-titanium-vanadium deposits discussed earlier in this report are identified in Figure 6.7 and core drilling associated with these has shown that moderate east dips are present in amphibolites that host the mineralization. These rocks have been tentatively interpreted by Dragon as comprising a deformed and metamorphosed differentiated mafic sill of tholeiitic composition. Banded iron formation intervals also occur in the eastern property area and have been intersected by drilling in a few areas. Mapping and core re-logging data collected by Dragon in 2012 and 2013 have been used to sub-divide lithologies in the central and eastern area. The easternmost section is comprised of greenschist grade chlorite schists and phyllites that are followed to the west by the east-dipping amphibolite sequence that hosts the documented iron-titanium vanadium mineralization of this district that is described in the following report section. The amphibolites in turn are followed further west by additional metasedimentary rocks of the Kittalä group's Porkonen Formation and Kautoselka Formation and then by the intrusive Haparanta Suite monzonite complex. A meta-gabbro body identified as part of the Haaskalehto Suite is locally present in the central property area and its relationship to the amphibolite sequence is unclear.

Exploration by Dragon on the immediately adjacent Hanhimaa property to the south has shown that a large scale, north trending shear zone (HSZ- Hanhimaa Shear Zone) that hosts extensive hydrothermal alteration and at least four new gold prospects occurs on the Dragon property. It is

Figure 6.7: Silasselkä property geology (modified after GTK database)



assumed that this structure extends to the north across the Silasselkä property but this potential has not yet been assessed. No gold mineralization associated with the interpreted structure is presently known on the Silasselkä property.

6.3 Mineralization

6.3.1 Introduction

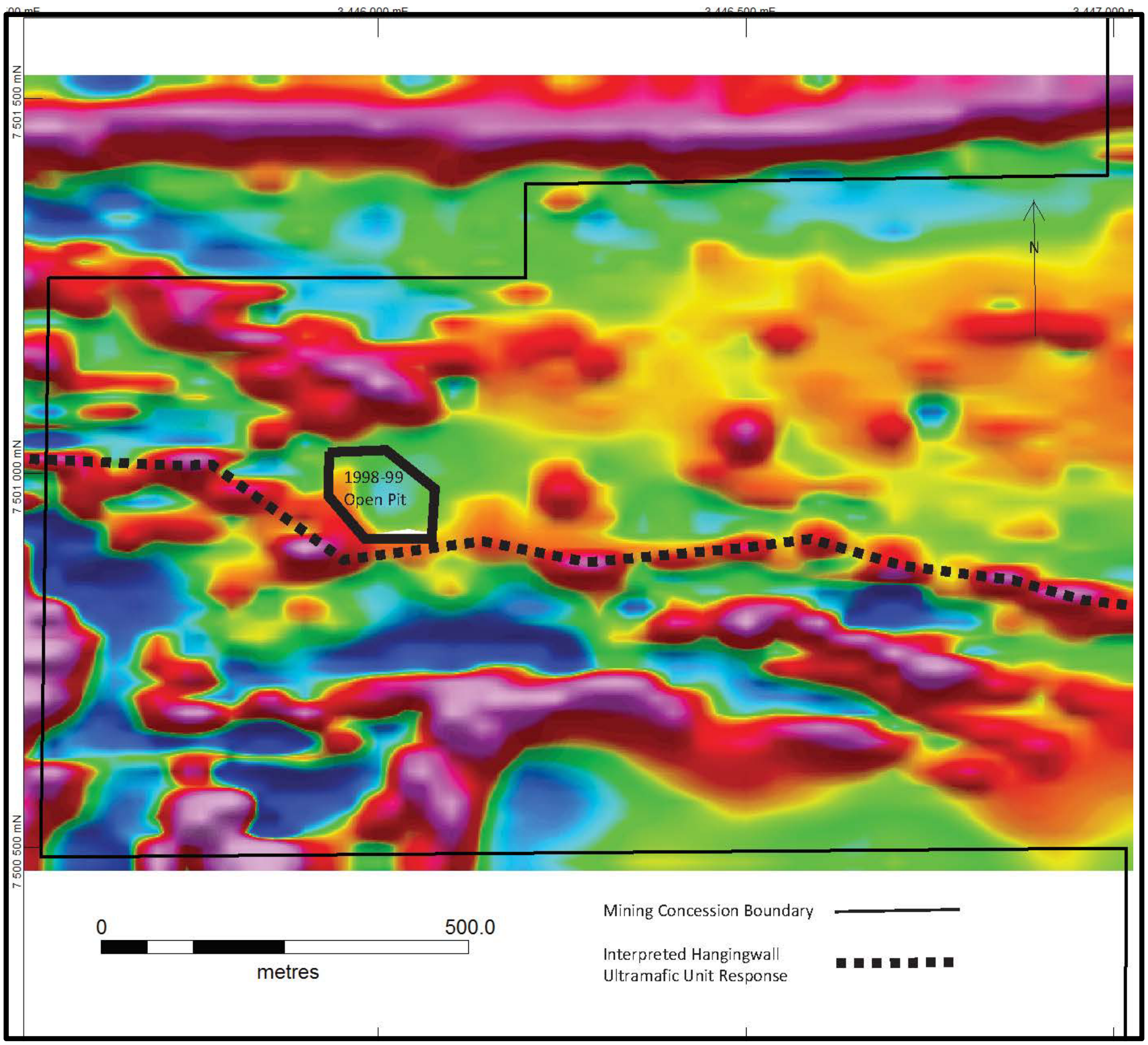
Mineralization currently defined on the Kutuvuoma and Silasselkä properties consists of, respectively, the Kutuvuoma gold deposit and the Pyhäjärvi, Pesosjärvi, Koivusilasselkä and Kuusilaanivaara iron-titanium-vanadium deposits. It is Aurion's intention to further assess economic potential of both deposit types through further detailed study, with priority placed on gold potential at Kutuvuoma. In both property cases, potential is recognized for discovery of new and potentially larger deposits of similar or related styles of mineralization. In addition, currently untested shear zone associated gold potential has been recognized at Silasselkä along with speculative potential for magmatic sulphide deposits. Details of mineralization defined to date on each property are presented below.

6.3.2 Kutuvuoma Property – Kutuvuoma Gold Deposit

One gold deposit has been defined by drilling to date on the Kutuvuoma property and the history of its exploration and definition was presented earlier in report section 5.0. In brief review, Outokumpu drilled 47 holes totaling 3425 m of reverse circulation and core drilling to define the deposit during the 1993 to 1995 period and surface bulk sampling program was carried out during the 1998-99 period which involved shipment of mineralized material to the Pahtavarra mill, located 35 km to the east for processing.

At the property-scale, Kutuvouma mineralization occurs in a west-northwest striking, vertical to moderately south-dipping zone consisting of discrete, gold-bearing quartz-sulphide veins and vein arrays, gold-bearing sulphide matrix breccia zones and gold-bearing zones of silicified and/or albitized felsic meta-igneous or metasedimentary rocks. These occur along a correlatable graphitic shear or fault zone that marks the transition between highly altered komatiitic meta-volcanics that form the hanging wall of the mineralized zone and a footwall sequence of altered metasedimentary rocks. The trend of the meta-komatiite hanging wall sequence is mappable at surface as a positive anomalous response (Figure 6.8) in Outokumpu-era ground magnetometer survey results and correlates along at least 1.5 km of strike length. Electromagnetic survey

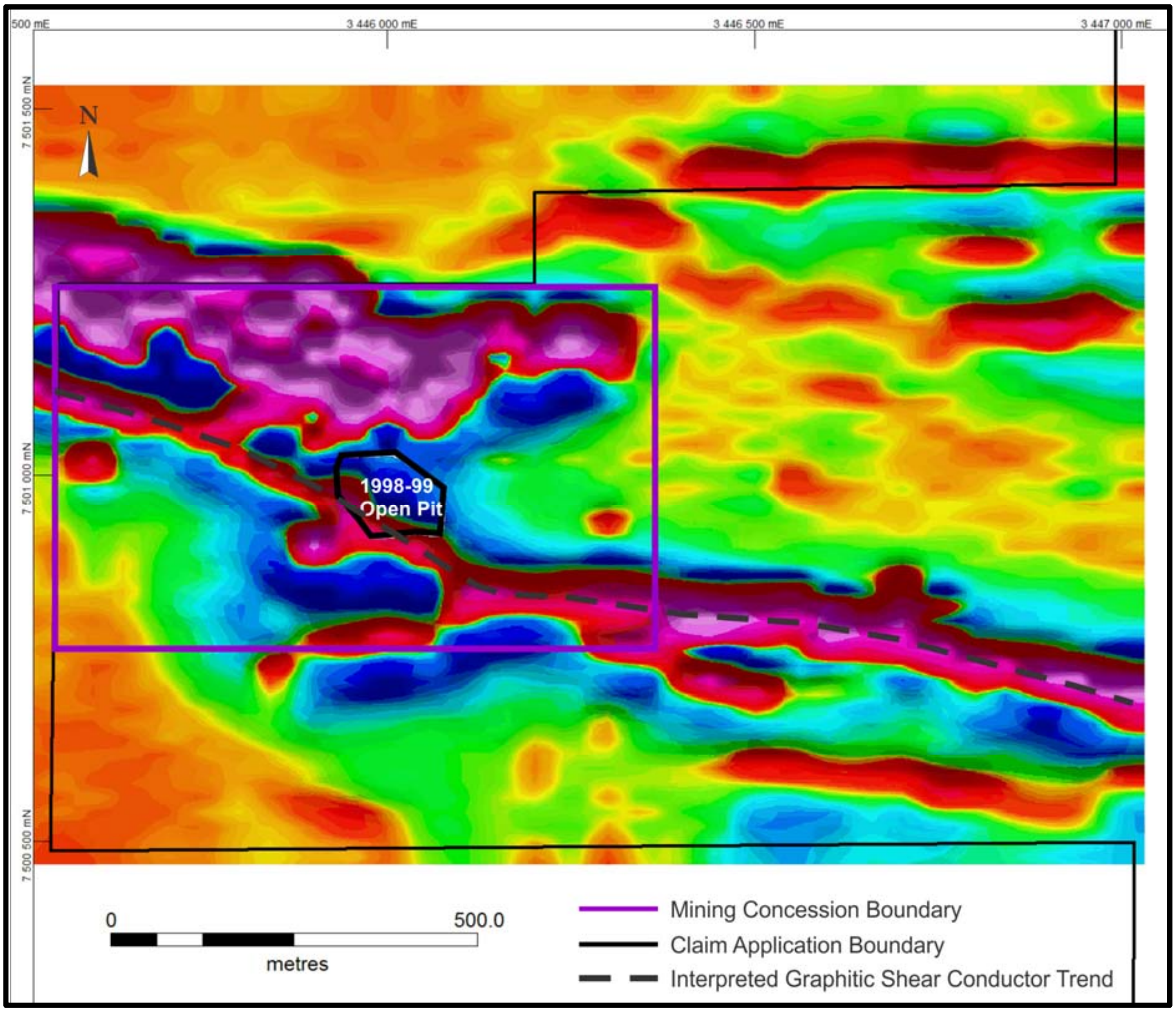
Figure 6.8: Ground magnetic gradient survey results (From Dragon files)



anomalies of the same vintage highlight bedrock conductivity trends that in part may be sourced by graphitic fault/shear zone material that is spatially associated with gold mineralization and related alteration (Figure 6.9).

As originally modeled by Outokumpu, the deposit was seen as consisting of two west-northwest plunging, parallel, tabular zones of mineralization identified as the Northern and Southern zones. These were defined as having respective lengths in plan projection of approximately 50 m and 95m, maximum mineralized thickness of about 16 m and a maximum drilling-defined down

Figure 6.9: Ground HLEM survey results (From Dragon files)



plunge extent of about 150 m that assigns to the Southern Zone. The Northern Zone was interpreted to have a more limited extent and both zones were modeled with a plunge component of approximately -45 degrees. Figure 6.10 presents weighted average gold grades derived from historic Outokuumpu drilling results that provide definition of the elongate, west-plunging character of gold mineralization defined by the drilling results.

Pratt (2014) reported on a core re-logging program carried out for Aurion and concluded that dolomite and ankerite are the main carbonates present and that the alteration assemblage pervasively occurring in the deposit area that consists of fuchsite, biotite and sericite (white mica) and that good correlation exists between logged pyrrhotite percentage and gold grades recorded for corresponding sample intervals. Pyrite is noted as being widespread in non-silicified graphitic mudstone intervals and is suggested as being a possible precursor phase to development of pyrrhotite (Pratt, 2014). Visible gold is commonly reported in Kutuvuoma core logs and statistical analysis of historic core sample analytical data by Outokumpu confirmed that a coarse gold "nugget effect" is present within the results. This prompted application of 20 g/t Au and 40 g/t Au top caps or cutting factors for data used in the 1995 resource estimations reported by Anttonen (1995) and Hokka et al.(1997). Figure 6.11 presents an example of fracture-sited, post-foliation visible gold noted at a depth of 74.5 m in KUV-36 during Aurion's 2014 re-logging program.

Figure 6.10: Longitudinal section of drilling intercepts (From Dragon files)

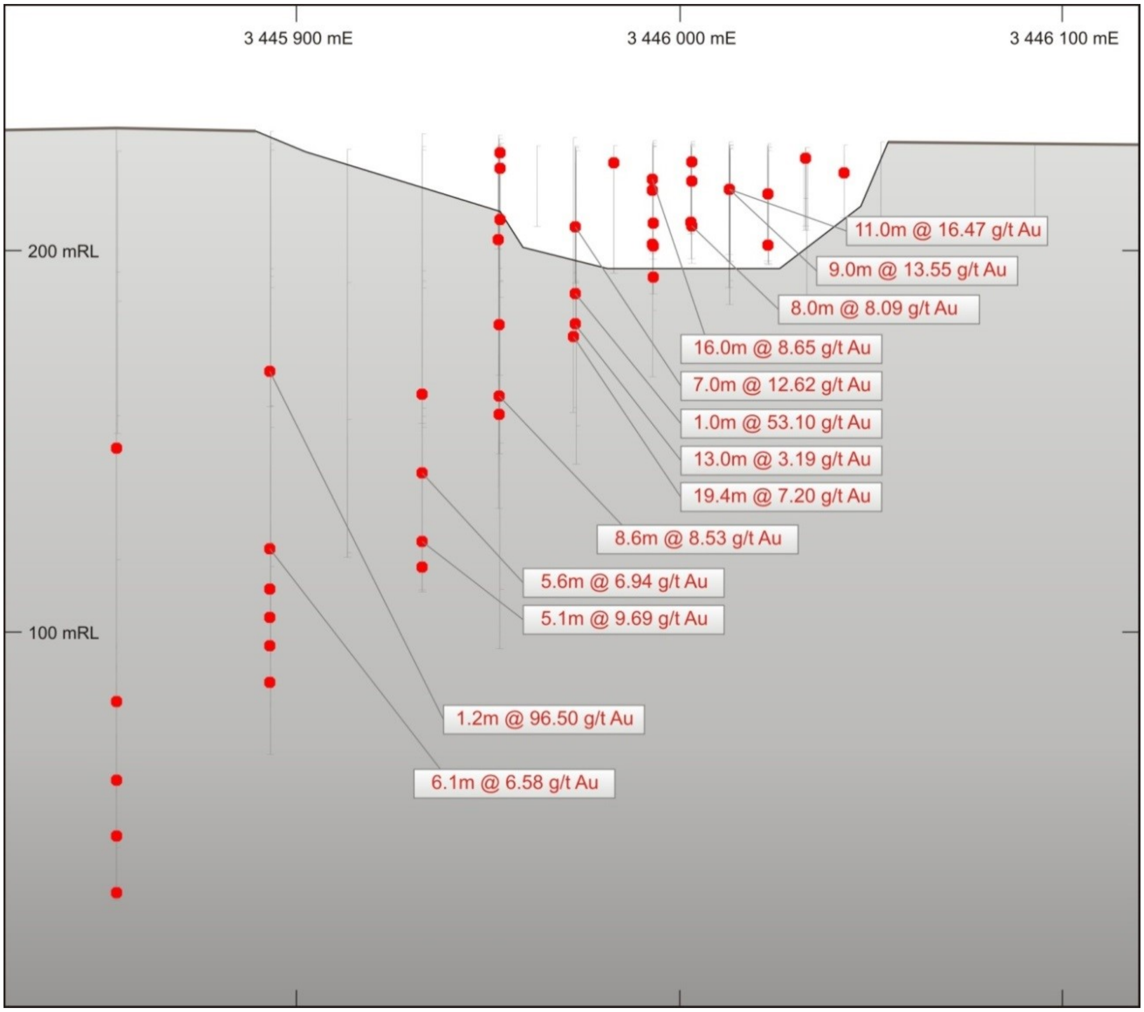
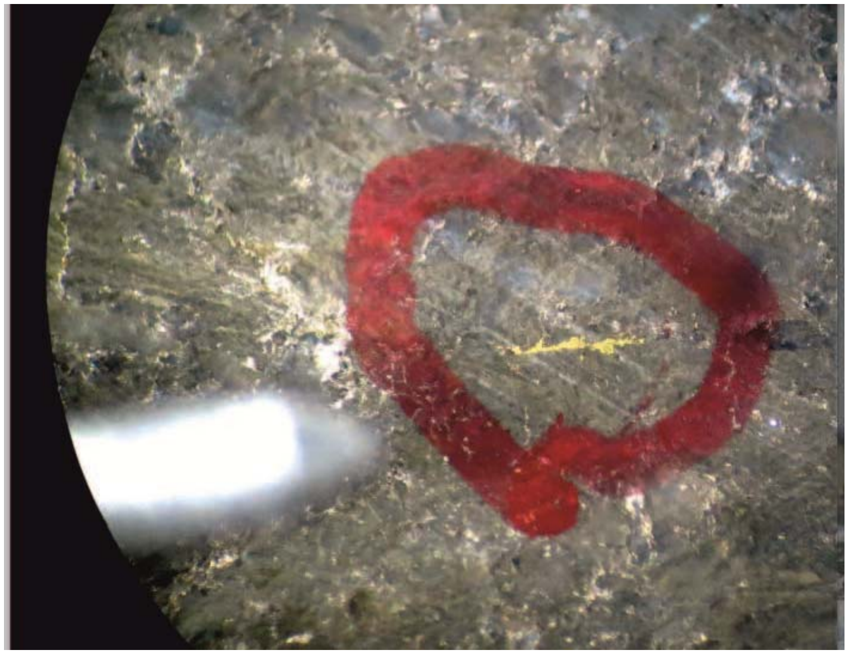


Figure 6.11: Coarse gold in post-foliation fracture - KUV-36 @74.5m (From Pratt, 2014)



The 2014 re-logging effort also resulted in identification of an albitized felsic lithology as being an important controlling factor with respect to development of gold-bearing, tensional quartz vein arrays (Figure 6.12) and gold-bearing sulphide matrix breccias zones in silicified siltstone intervals proximal to the albitized lithology (Figure 6.13). Competency contrast with the surrounding sheared and hydrothermally altered ultramafic schists and meta-sedimentary units may underlie this spatial association. If correct, distribution of albitized felsic intrusion intervals, or intervals of comparable lithologies, could influence the size and geometry of gold zones developed on the property. They could occur as structurally thickened intervals in detached fold closures, as isoclinally folded lensoid zones parallel to the shearing surface, or as shear-parallel tabular zones of boundinaged or shear-attenuated panels or pods. Figure 6.14 schematically represents a fold closure setting proposed by Pratt (2014).

Figure 6.12: Gold-bearing quartz veins in felsic intrusive from KUV-36 at 100m (From Pratt, 2014)

Figure 6.13: Gold-bearing sulphide (pyrrhotite) matrix breccia (From Pratt, 2014)

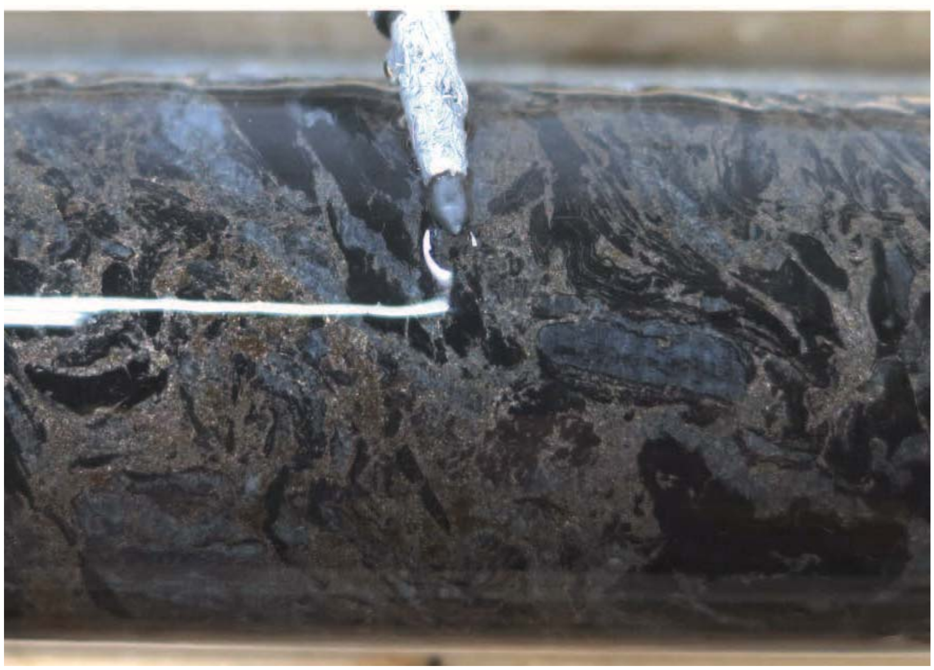
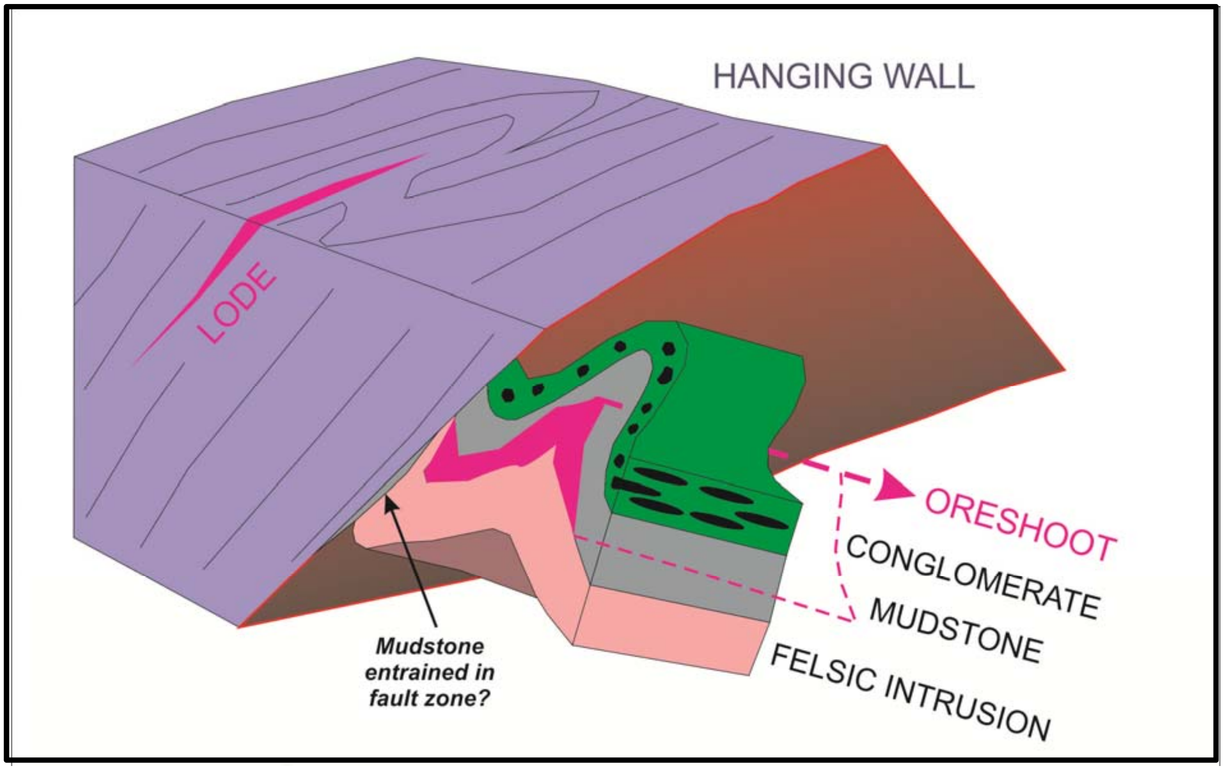


Figure 6.14: Schematic model for Kutuvuoma gold localization proposed by Pratt (2014)



6.3.3 Silasselkä Property – Iron-Titanium-Vanadium Deposits

The four iron-titanium-vanadium deposits that have been defined by drilling on the Silasselkä property to date occur along a 15 km interval of a relatively narrow, well defined airborne magnetic survey anomaly that trends north-south across the entire length of the property. All areas were assessed by grid-based ground magnetometer surveying and electromagnetic horizontal loop (Slingram) surveying prior to drill testing, this having been done to confirm ground locations for the anomalous responses targeted. Drilling of the four areas showed that a common and consistent style of iron-titanium-vanadium mineralization is present in the areas tested. This consists of massive, submassive and disseminated magnetite and ilmenite layers ranging in thickness from a few centimeters to about 10m within a generally fine grained amphibolite succession. The host sequence has been tentatively interpreted by Dragon (Hanes, 2013) as representing a metamorphosed differentiated mafic intrusive system having sill-like proportions and potentially being of tholeiitic composition.

Dragon carried out a core re-logging program in 2010 that focused on specific Otanmaki drill holes and (Hanes, 2013) reported on this program. The work identified four main lithologies within the iron-titanium-vanadium bearing amphibolite section: 1) fine grained, strongly foliated amphibolite, 2) amphibole augen schist, 3) epidote amphibolite, and 4) medium to coarse grained metagabbro. The fine grained amphibolite unit is the main host rock of mineralization and locally includes both porphyroblastic textures and intervals of apparent gabbroic character. Garnet porphyroblasts that overgrow the regional metamorphic fabric are present locally and historic logging outlines a correlatable layer of "epidote" amphibolite in the footwall of the mineralization. The epidote amphibolite is foliated and shows distinct banding defined by presence of white plagioclase. Layering in the sequence defined by both compositional units and foliation dips easterly (Hanes, 2013). Examples of the fine grained amphibolite and epidote amphibolite appear in Figures 6.15 and 6.16 respectively and an example of magnetite bearing amphibolite appears in Figure 6.17.

A distinctive amphibole augen schist unit occurs structurally above the mineralized amphibolite interval and meta-gabbro occurs in drilling along the structural footwall of all deposits but that

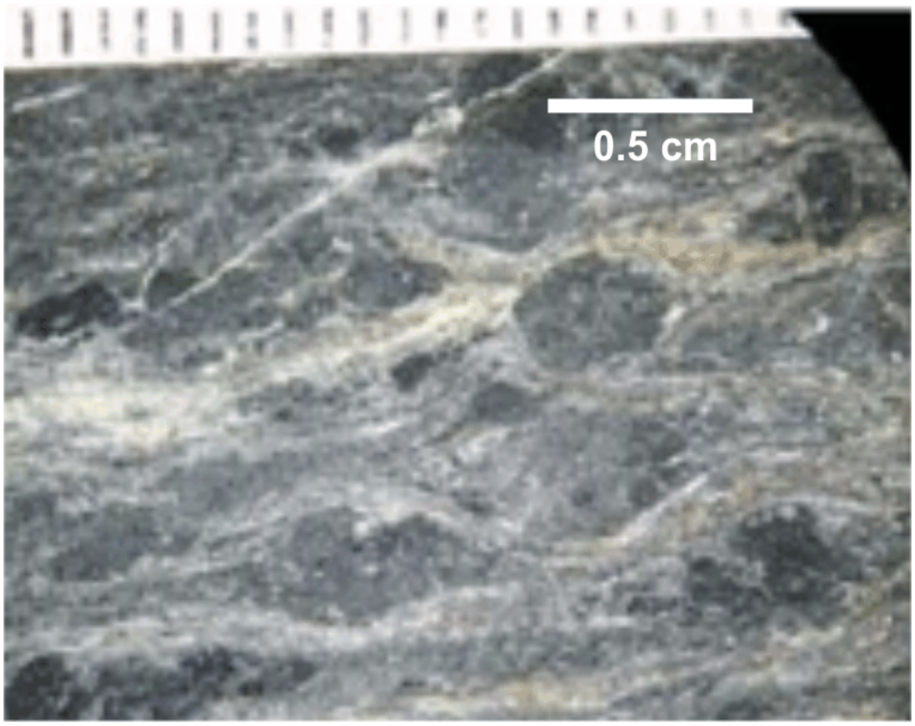
Figure 6.15: Fine grained amphibolite from Pyhäjärvi area (From Hanes, 2013)

Figure 6.16: Epidote amphibolite from Pyhäjärvi area (From Hanes, 2013)

Figure 6.17: Sub-massive magnetite in amphibolite from Pyhäjärvi area (Hanes, 2013)

at Pyhäjärvi. In that instance, meta-gabbro occurs in outcrop south of the drilling area. Distribution of metagabbro boulders along the entire north-south trend of the four defined deposits indicates generally continuous presence of this rock type in relative proximity to the mineralized amphibolite interval. An example of foliated metagabbro appears in Figure 6.18. Dragon staff noted that magnetic susceptibility of meta-gabbro is very low and that it associates spatially with a distinct low magnetic anomaly in magnetometer survey results (Hanes, 2013).

Figure 6.18: Augen amphibolite from Pyhäjärvi area (From Hanes, 2013)



Iron-titanium-vanadium mineralization occurs within the east-dipping fine grained amphibolite unit and highest concentrations are present in layers less than 1.0m in thickness. Layers are characterized by massive, semi-massive and disseminated magnetite and ilmenite distributed within chloritically altered amphibolite. Where massive magnetite is present, iron grades are between 40% and 50%, titanium grades are between 7% and 10% and vanadium grades are between 0.30% and 0.70%.

Textural characteristics of the important magnetite bearing layers vary between drill holes but massive magnetite intervals commonly show sharp contacts that parallel the metamorphic foliation within confining amphibolite. This attribute has prompted speculation that they may represent dike or sill-like bodies emplaced at some time prior to metamorphic peak conditions. As such, they could represent remobilized oxide phases originally accumulated elsewhere within the related magma system through gravity settling or other processes. No evidence is present in literature reviewed by Mercator to indicate that the amphibolite hosted magnetite layers represent metamorphosed sedimentary iron formation units within a meta-mafic volcanic sequence. Presence of vanadium and titanium at the levels documented would be inconsistent with a sedimentary origin for the iron deposits.

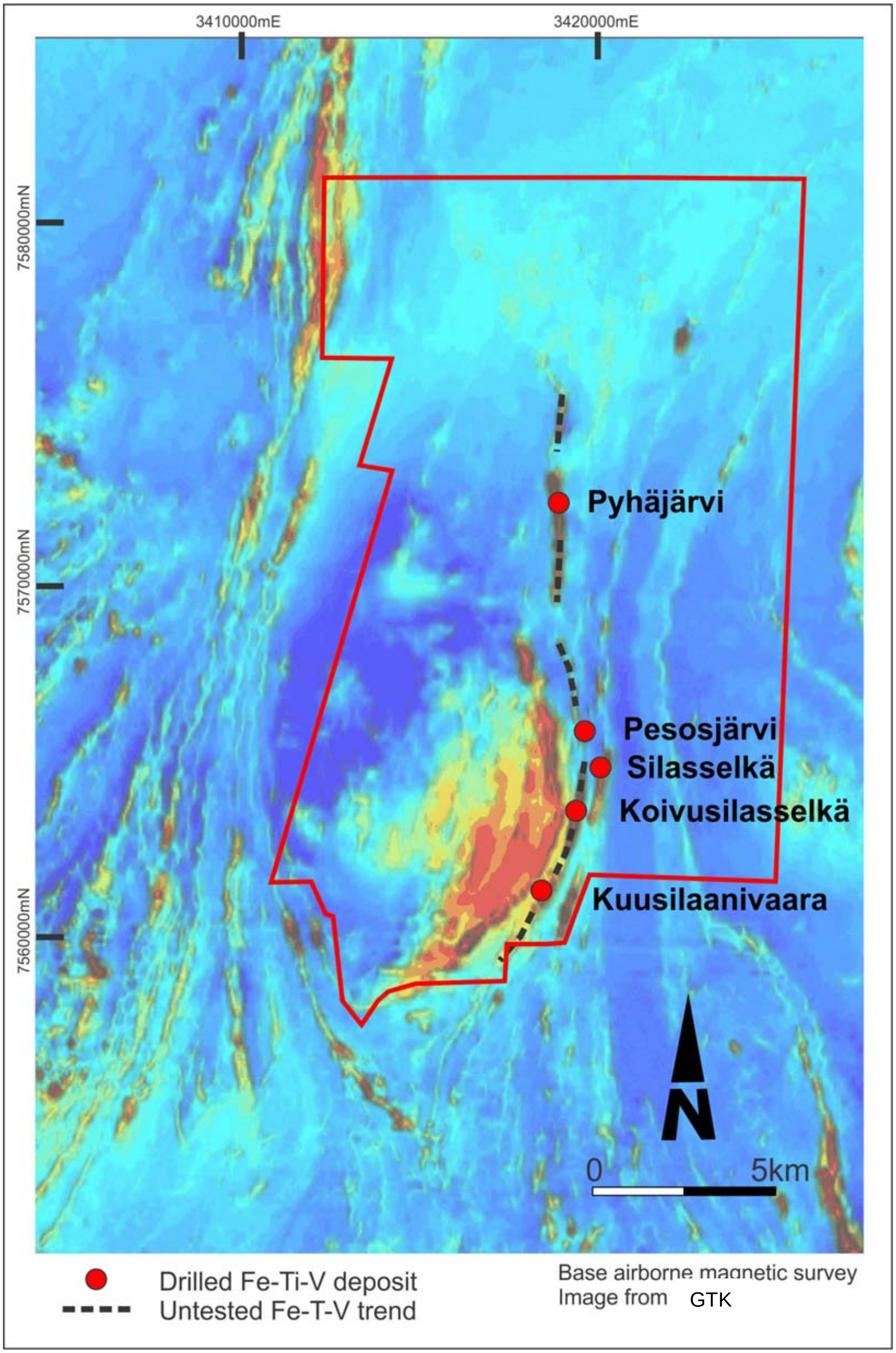
Otanmaki tested four anomalous areas along the favourable north-south airborne magnetics anomaly trend in the eastern half of the Silasselkä property, east of the central monzonite complex that is believed to postdate the mineralized amphibolite sequence. Drilling in each area supported establishment of corresponding mineral resource estimates and these were tabulated previously in report section 5.0. This tabulation is reproduced below in Table 6.1 for convenience and shows that the Pyhäjärvis deposit is by far the largest defined to date along the trend. As noted previously, these estimates are historic in nature, not compliant with NI 43-101, and a Qualified Person has not done sufficient work to classify them. Aurion is not treating these estimates as current resource estimates and they should not be relied upon.

Table 6.1: Historic Silasselkä Property Resource Estimates – Non-NI 43-101 Compliant

Deposit Name	Resource Category	Tonnes (Millions)	Grade (V%)
Pyhäjärvi	Proven	2.20	0.35
	Probable	5.03	0.35
	Possible	6.00	0.35
Koivusilasselkä	Probable	0.85	0.30
Pesosjärvi	Probable	0.70	0.22
Kuusilaanivaara	Probable	0.25	0.40

Review of drill hole locations relative to the targeted magnetic anomalies shows that 10 km or more of untested anomaly strike length remains. In combination with the observation that mineralized zones in all of the drilled deposits are open along strike, this indicates that opportunity exists on the Silasselkä property to define strike and dip extensions to amphibolite-hosted iron-titanium-vanadium mineralization defined to date. Figure 6.19 provides an overview of such potential.

Figure 6.19: Untested Silasselkä property iron-titanium-vanadium potential



7.0 DEPOSIT TYPES

7.1 Introduction

Review of geological settings and mineral deposits defined to date within the extents of the CLGB shows that two main deposit types are represented on the properties dealt with in this report. The Kutuvuoma deposit can be classified as an example of the “orogenic gold deposit” type defined by Groves (1998) and the iron-titanium-vanadium deposits on the Silasselkä property can be classified as intrusion-related orthomagmatic oxide deposits related to a poorly defined, deformed and metamorphosed mafic sill or intrusion complex of Paleoproterozoic age. The mineralized sill or intrusion setting implied for the Silasselkä deposits indicates that potential may also be present elsewhere within the same host intrusive complexes for occurrence of magmatic sulphide deposits of Ni-Cu, particularly in association of with magma conduit or feeder zones, and also for PGE positions in higher levels of any related layered mafic intrusions.

7.2 Orogenic Gold Deposit Type

The Kutuvuoma deposit is understood to be associated with the Sirkka Line which is broadly centered on the SSZ high strain corridor. Based on location within sequences related in part to Paleoproterozoic collisional tectonism, the structured style of the deposit, association with a crustal-scale high strain corridor, occurrence within a large hydrothermal alteration envelope and nature of the constituent quartz vein and breccia styles of gold localization, the Kutuvuoma deposit qualifies for classification as an “orogenic deposit’ as originally defined by Groves (1998).

Gold-bearing quartz veins that characterise the “orogenic deposit” type are typically emplaced over a depth range at or above 15–20 km from surface and are commonly post-orogenic with respect to regional tectonism of their immediate host rocks. They are, however, in formation, synchronous with deeper seated thermal processes related to evolution of the collisional margin. Prominent examples of the deposit type cited by Groves (1998) include the Ashanti gold district in western Ghana, where mineralization occurs along a major shear zone in Early Proterozoic rocks that is interpreted as a thrust fault bringing tightly folded and metamorphosed metasedimentary rocks and less deformed metavolcanic rocks into structural contact. The gold mineralization occurs in secondary splays and shear zones that are characteristically associated with carbonaceous schists. Most gold mineralization is hosted by quartz veins that contain sulphide mineralization in the form of iron sulphides and/or base metal sulphides such as galena, chalcopyrite or sphalerite. Mineralized bodies occur within broadly developed hydrothermal alteration envelopes and may show pinch and swell along both strike and dip dimensions.

Mercator notes that the comment above with respect to the Ashanti gold district is not meant to indicate that the Kutuvuoma deposit and its geological setting have defined potential equal to that of the prolific Ashanti district.

7.3 Intrusion Related (Orthomagmatic Oxide) Iron-Titanium-Vanadium Deposit Type

Orthomagmatic iron-titanium-vanadium deposits form the most important class of primary vanadium production in the world and are typically associated with large, layered mafic intrusions or anorthosite complexes. Kerr et al. (2013) cite the Rhovan deposit of the Bushveld Complex in South Africa as being a prominent example of this deposit type and also highlight the Mustavaara deposit in Finland, the Lac Dore deposit in Canada, Maracas deposit in Brazil and Mindimurra deposit in Australia, among others.

As summarized by Kerr et al. (2013), vanadium-bearing mineralization in orthomagmatic oxide deposits occurs in oxide-rich layered sequences, typically in upper sections of the host intrusions where fractionated iron-rich gabbroic rocks and plagioclase cumulates are present. Individual oxide-rich layers range in thickness from a few centimetres to 10 m or more and often show substantial lateral extent. The iron-titanium-vanadium rich oxides are concentrated by gravity settling within the host intrusion and commonly reach levels of economic interest in layers of oxide cumulates. Remobilization of such cumulate material may also take place and provide a mechanism by which local zones of massive oxide or dyke-like intrusive oxide bodies are developed (Cawthorn, 1996).

Insitu resource grades for such deposits generally range between 0.3% to about 1.5% V_2O_5 [0.17% to 0.84% V] and other elements of economic interest such as iron and titanium are typically present. Magnetite (Fe_3O_4) and ilmenite ($FeTiO_3$) are generally the dominant oxide minerals present and vanadium occurs in the magnetite. Titanium may be present at economically significant levels in deposits where ilmenite forms a large part of the oxide assemblages present and apatite may also occur at levels of interest for phosphorus assessment. The vanadium grade is often directly related to the amount of magnetite present. For comparative purposes, resource estimates for several of prominent Fe-Ti-V deposits of orthomagmatic association are presented in Table 7.1. These figures are provided for information purposes only and Mercator is not implying that currently defined mineral deposits and exploration potential of the Silasselka property are directly comparable to any of the deposits noted in Table 7.1.

Table 7.1: Resource figures for selected Fe-Ti-V deposits

Deposit	Location	Category (Date)	Tonnes (Mt)	V%	Fe%	TiO_2%
Rhovan	South Africa	Proven (2008)	39.20	0.29		
		Probable (2008)	10.50	0.30		
		Measured (2008)	64.40	0.29		
		Indicated (2008)	13.70	0.30		
		Inferred (2008)	124.90	0.29		
Lac Dore*	Canada	Non-Compliant	102.00	0.28	31.73	9.16
Iron-T Property	Canada	Inferred (2011)	14.38	0.24	27.30	6.55
Maracas	Brazil	Measured (2013)	8.87	0.77		
		Indicated (2013)	15.77	0.54		
		Inferred (2013)	2.61	0.43		
		Proven and Probable (2013)	13.10	0.75		
Mustavaara	Finland	Measured (2006)	30.00	0.51	12.16	
Windimurra	Australia	Measured (2011)	49.90	0.25		
		Indicated (2011)	100.28	0.26		
		Inferred (2011)	59.79	0.27		
		Proven (2011)	40.70	0.26		
		Probable(2011)	57.10	0.26		

* Pending NI43-101 Resource Estimate and Feasibility Study (PR March 27,2014)

7.4 Magmatic Sulphide Deposit Type

Magmatic sulfide deposits result from development and concentration of immiscible sulfide liquids in mafic and ultramafic magmas and are generally categorized on the basis of tectonic setting and petrologic characteristics of the associated intrusive assemblages, in combination with their spatial relationship to the host sequence. Exsolution of immiscible sulfide liquids from mafic-to-ultramafic magmas is the basic process that forms magmatic sulfide deposits and droplets of immiscible sulfide liquid settle through less dense silicate magma. These collect cobalt (Co), copper (Cu), nickel (Ni), and platinum-group elements (PGE) that may become highly concentrated in the sulfide liquids relative to surrounding silicate liquids. To a lesser degree, iron is also preferentially partitioned into the sulfide liquid and, because of its greater abundance, most immiscible sulfide liquid is iron-rich. The combination of physically concentrating dense sulfide liquid and chemically concentrating elements in the sulfide liquid may result in formation of magmatic-sulfide accumulations of economic interest (Foose et al., 1995).

Magmatic sulfide deposits are commonly associated with: (1) abrupt variations in the cumulus-mineral succession, including major lithologic changes, reversals or changes in crystallization order, discontinuities in mineral fractionation patterns and cyclic units, (2) rocks near the lower contact of an intrusion that may contain country rock xenoliths and may be characterized by irregular variations in grain size, mineralogy, and texture, (3) rocks near the base of a flow, or (4) pegmatoids and rocks enriched in minerals that crystallize late from silicate magmas (Foose et al., 1995). In more recent years, the important role that magma conduit systems, associated magma chambers and magma subchambers play in development of associated sulphide deposits has become more apparent.

Two main types of mafic intrusion deposits are commonly recognized. Ni and Cu are the main metals of economic interest in the first, which is characterized by substantial amounts of massive and submassive sulphide occurring in differentiated mafic or ultramafic sills or stocks. The second is characterised by PGE mineralization associated with sparsely dispersed sulphides in medium to very large layered mafic/ultramafic intrusions. In the first type, Ni forms the dominant metal of economic interest and Cu, Co and possibly PGE and Au may be by-products. Rift and continental flood basalts associated mafic sills and intrusions are typically associated with these deposits. The second type of deposit is characterized by PGE at levels of economic interest, with platinum (Pt), paladium (Pd) being the most important metals present. Reef-type or stratiform occurrences are commonly developed in large layered intrusions such as the Bushveld Complex but PGE enriched magmatic breccia zones within such intrusions also occur. Examples of the first include the Merenskey Reef and UG-2 chromite layers of the Bushveld Complex and of the second, the Lac des Isles deposit in Ontario, Canada, and the Platreef deposits of the Bushveld Complex (Eckstrand and Hulbrert, 2007).

In the context of northern Finland, the Kevitsa deposit and associated mine located near the community of Petula and owned by First Quantum Minerals Ltd. is associated with a bowl-shaped layered intrusion that occurs within the CLGB. This deposit consists of more than 400 million tonnes of defined resources having an average grade ranging between 0.29%Ni and 0.31% Ni (GTK mineral deposit database). Prospectivity for magmatic sulphide deposits associated with other similar-age mafic intrusions within the CLGB can be inferred based on the confirmed mineralized environment. Although age dating is incomplete, mafic intrusions that are mapped or inferred to be present on the basis of airborne magnetics survey interpretations within the Silasselkä property in particular are of interest with respect to this deposit type.

8.0 EXPLORATION

8.1 Introduction

Aurion signed a purchase agreement letter of intent with Dragon to acquire interests in the Kutuvuoma and Silasselkä properties on March 2nd, 2014 and a definitive Purchase Agreement was executed on May 26th, 2014. As a result, the company has not yet completed substantive amounts of property exploration. Work to date has been limited to a due diligence review of project data by Aurion management in support of the property acquisition process, and completion of an initial Kutuvuoma core re-logging program carried out by Dr. Warren Pratt of UK-based Geological Mapping Ltd. (GML). This program contributed to Aurion's due diligence process and results are reported in Pratt (2014). A summary of the GML program and results is presented below and no other work by Aurion has been completed on the properties to date.

8.2 2014 Core Re-logging by GML

GML carried out a brief review of selected Kutuvuoma drill cores on behalf of Aurion during January of 2014 and this was followed up by a focused program of re-logging carried out over a 6 day period in April of 2014. Archived Outokumpu drill core from the Kutuvuoma property was examined at the Dragon core logging and storage facility located in the town of Outokumpu. Re-logging of 11 historic holes was completed by GML and the property was not visited. Table 8.1 identifies re-logged drill holes.

Table 8.1: Outokumpu archived drill holes re-logged during GML 2014 program

Hole Number	Collar Easting (m)	Collar Northing (m)	Azimuth	Inclination	Depth (m)
KUV-34	3445932.80	7501029.00	180	-46.00	159
KUV-35	3445952.86	7501014.87	180	-45.00	113.5
KUV-36	3445972.20	7500899.74	360	-45.00	101.9
KUV-37	3445893.07	7501060.00	180	-46.00	178.6
KUV-38	3445853.13	7501069.38	180	-52.00	94.1
KUV-39	3445913.17	7501050.33	180	-44.40	151.5
KUV-42	3445852.89	7500815.09	360	-49.00	268.4
KUV-43	3445952.88	7500910.12	360	-48.00	83.35
KUV-45	3445952.78	7500859.89	360	-44.00	140.7
KUV-46	3445932.76	7500849.95	360	-46.00	166.1
KUV-47	3445893.02	7500817.97	360	-46.00	227.1

A new lithologic coding system was developed by GML to facilitate core re-logging, with this being comprised of the 13 codes presented in Table 8.2. This system is substantially simpler than those used previously by Outokumpu and Dragon.

Table 8.2: GML re-logging program major rock types and lithocodes

Lithology	GML 2014 Lithocode
Felsic intrusive	FELS
Talc schist	TALC
Talc schist (porphyroblastic)	TALCP
Biotite schist	BTS
Vein	VN
Granular schist	GRAN
Mudstone, siltstone	MST
Quartz, sericite schist	SERS
Sedimentary breccia, conglomerate	SEDBX
Breccia	BX
Carbonate schist	CARB
Albite schist (commonly with fuschite)	ALB
Siliceous schist	SIL

The GML study highlights the role of a felsic intrusion unit (FELS rock code) in controlling localization of gold mineralization at Kutuvuoma and also identifies a spatial association of high grade gold intersections and highest hydrothermal alteration (silicification) with the hinge zone of a deposit-scale anticline. The stratigraphic sequence present in the deposit area was divided into footwall and hanging wall components based on core re-logging results, with the hanging wall sequence being comprised of intercalated feldspar-rich schists and minor talc schists. The footwall sequence consists of intercalated mudstones, talc schists and carbonate-rich schist. The contact between the two sequences is noted as being typically sharp, with carbonate schist of the hanging wall sequence generally occurring in contact with sheared graphitic mudstone of the footwall sequence. Shearing is interpreted to have been controlled in the deposit area by distribution of this graphitic mudstone unit. As a result, the overall stratigraphic sequence from hanging wall through footwall is not considered to have been discordantly offset due to shearing within the graphitic mudstone unit. It is assumed that displacement was at least locally accommodated within the limits of the sheared unit. This faulting interpretation differs from the earlier Outokumpu interpretation that included the total discordance of certain rock units in the deposit area due to shearing.

GML also categorized the main styles of gold mineralization and the associated hydrothermal alteration assemblage present in the drill core studied. It was concluded that while silica (silicification) correlates well with gold occurrence, there is no clearly represented 'distal to proximal' type zoning of alteration minerals around the gold zones. However, biotite was noted as being commonly present in the immediate hanging wall of well mineralized gold-bearing intercepts. Protolith composition is suggested as a prominent control on distribution of the specific alteration assemblages present, such that rocks of ultramafic association produced talc-rich altered equivalents and felsic protoliths generated feldspathic schists through deformation and alteration. The alteration assemblage pervasively present in the deposit area consists of fuchsite, biotite and sericite (white mica) and may be indicative of potassium introduction during hydrothermal alteration. Presence of silicification and pyrrhotite were identified as the most reliable indicators of proximity to gold mineralization.

With respect to vein paragenesis and timing of gold introduction, Pratt (2014) concluded that early veins within the deposit are carbonate-rich and late veins are dominated by milky, massive quartz. Vein types were also seen as reflecting host lithology to some degree, since albitized felsic intrusion intervals are commonly characterised by quartz veins and ultramafic intervals are commonly characterised by carbonate (dolomite + ankerite) veins. Core observations during the 2014 program showed that gold introduction post-dated development of both regional foliation and local shear fabrics and occurred contemporaneously with, or slightly later than, development of quartz veins with pyrrhotite, chalcopyrite and rare sphalerite and sulphide matrix breccia zones. Good correlation exists between logged pyrrhotite percentage and gold grades recorded for corresponding sample intervals.

The configuration of albitized felsic intrusion intervals and intervals of comparably competent other lithologies was identified by Pratt (2014) as having a strong influence on the size and geometry of gold zones developed at Kutuvuoma. For example, they can occur as structurally thickened intervals in detached fold closures, as isoclinally folded lensoid zones parallel to the shearing surface but showing substantial preservation of fold limbs, or as shear-parallel tabular zones of boudinaged or shear-attenuated panels or pods. All such settings would be expected to show spatially ordered gold grade shoots reflective of their formative kinematic setting. The well documented west plunging gold grade trend defined by deposit drilling to date at Kutuvuoma is cited as an example of gold distribution being controlled by the combination of an albitized felsic igneous unit occurring within a near-isoclinal fold closure zone showing strong limb attenuation. Figure 8.1 presents the schematic representation of this setting and Figure 8.2 presents a more complex drilling-based example of a potentially comparable actual setting. Gold concentration apparent in Figure 8.2 is peripheral to the altered and folded felsic intrusion and is interpreted to reflect a competency contrast effect on adjacent ground.

Figure 8.1: Schematic model for Kutuvuoma gold localization proposed by Pratt (2014)

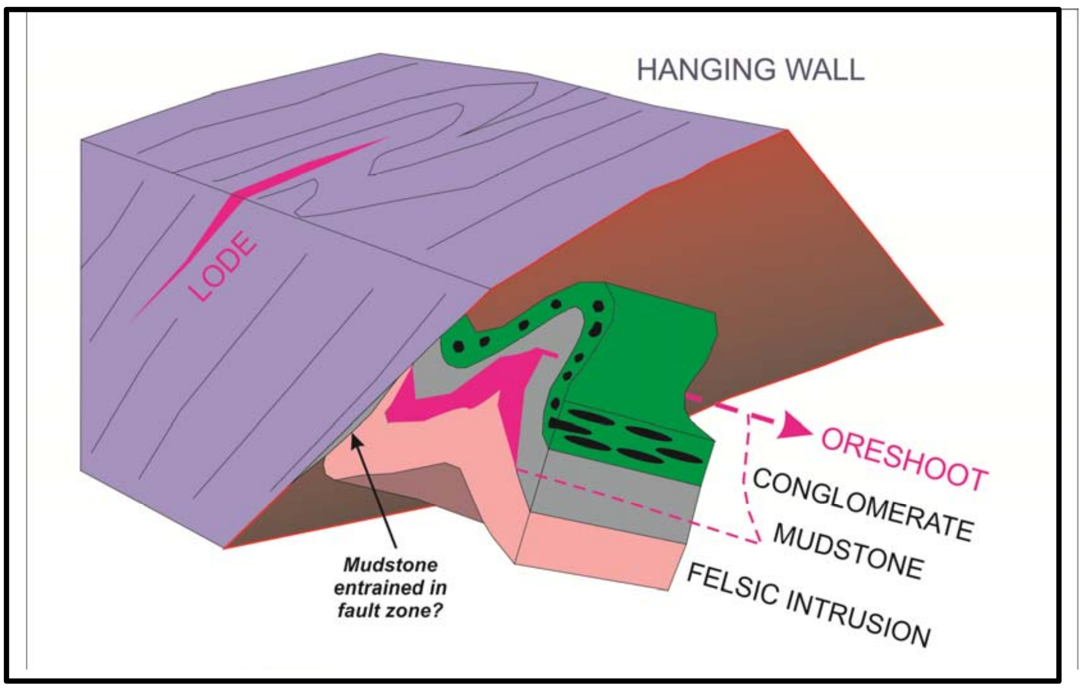
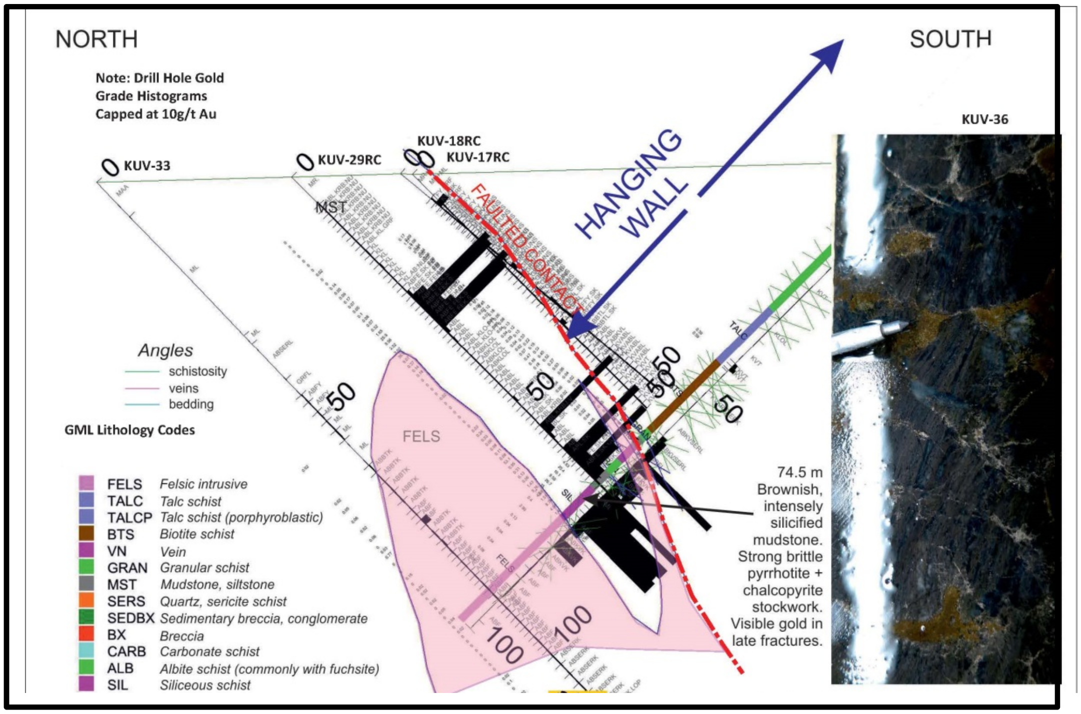


Figure 8.2: Kutuvuoma drilling section interpretation from Pratt (2014)



GML concluded that good potential exists on the property for definition of substantial plunge extensions to the known mineralized zone at Kutuvuoma. This is based on comparison with depth extents of plunging gold grade shoots present at other Sirkka Line orogenic gold deposits such as Pahtavaara. Potential for occurrence of plunging, knife-like, gold-bearing quartz lode systems in highly strained intervals of the hanging wall and footwall sequences at Kutuvuoma is also recognized, since these have been documented at Pahtavaara. Finally, the value of magnetometer survey results in identifying new fold closure exploration targets on the property was highlighted, along with demonstrated efficacy of till geochemistry surveys with respect to identifying and filtering exploration targets for drill testing.

8.3 Aurion Core Sampling Program

During April of 2014 Aurion carried out a core sampling program in conjunction with the re-logging work by GML. The purposes of the program was to collect additional core samples from the archived Outokumpu era drill core to establish more complete sampling coverage throughout the deposit area. Previous sampling by Outokumpu had been focused on the zones of quartz-vein mineralization, silicification and pyrrhotite-bearing sulphidic intervals historically recognized as being gold-bearing. Such sampling frequently had not included intervening zones of poorly mineralized or inferred barren material. Aurion's 2014 program was designed to fill in analytical results for such previously unsampled intervals.

A total of 345 half core samples were collected during the 2014 program, which was carried out at Dragon's drill core logging and storage facility in Outokumpu. These were submitted to ALS Chemex for preparation and analysis of Au using fire assay-atomic absorption methods (ALS code Au-AA25), 51 element Inductively Coupled Plasma Mass Spectroscopy (ICP-MS) analysis (ALS code ME-MS41) and total sulphur determination (ALS core S-IR08), but associated results were not available at the effective date of this report. The sampling program was supported by systematic inclusion of Quality Control samples consisting of certified reference material, blank material and half core duplicate samples.

9.0 DRILLING

Aurion has not carried out any drilling on the Kutuvuoma and Silasselkä exploration properties. However, Outokumpu completed 29 reverse circulation drill holes and 18 diamond drill holes on the Kutuvuoma property during the 1994-1995 period and a summary description of these programs and their results was presented earlier in report section 5.0. Otanmaki completed a total of 46 diamond drill holes during the 1964 to 1967 period in the area covered by Aurion's Silasselkä property to define the four iron-titanium-vanadium deposits for which vanadium resources were subsequently estimated. In addition, GTK completed 3 diamond drill holes within the Silasselkä property to better define regional stratigraphic relationships. Summary comments on these programs also appear in report section 5.0.

Aurion received a digital database from Dragon that includes all of the drill holes mentioned above and has used this to better understand geology and metal distribution patterns that characterize the areas tested by drilling to date on the two properties. Mercator received a copy of this digital drilling database in April of 2014 and briefly reviewed the associated collar coordinate, hole survey, lithocode and assay table components using Geovia-Surpac Ver. 6.01® deposit modelling software. Mercator did not validate contents of this database and notes that satisfactory completion of such work is necessary before use of associated data in any future mineral resource estimation program.

Historic records show that core recovery issues were encountered in some lithologic intervals at Kutuvuoma, particularly in association with the graphitic mudstone unit, but this factor was not noted as being problematic with respect to use of drilling results in historic resource estimation programs. During the 2014 site visit by the author, it was noted that generally good core recovery was apparent in all 6 drill holes reviewed, 3 of which came from each property.

Downhole deviation measurements were recorded for some of Outokumpu's Kutuvuoma holes but this was limited to inclination data. No downhole survey information appears in the 1960's era Otanmaki drilling logs but both azimuth and inclination down hole measurements were obtained for the three regional stratigraphy holes drilled by GTK in 1998 within the Silasselkä property area.

Based on its review for this report, Mercator is of the opinion that compiled historic drilling program data sets for the Kutuvuoma and Silasselkä properties appear to be essentially complete and functional. However, a thorough validation of the entire digital drilling database and associated support documents would be necessary before the compiled data can be used for resource estimation purposes.

10.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

10.1 Introduction

Aurion carried out a program of infill core sampling on archived core at Dragon's logging facility in Outokumpu during April of 2014, with a total of 345 core samples and quality control samples being submitted to ALS Chemex for analysis. Results of the program were not available at the effective date of this report but details of sample preparation, analyses and security relating to the program are presented below. Dragon also carried out a core re-sampling program on selected Silasselkä core in 2010 and results for the 77 samples were made available to Aurion for purposes of its 2014 property review and due diligence assessments. Although not conducted by the issuer (Aurion), details of Dragon's sample preparation, analyses and security program were reviewed by Mercator to provide context with respect to the most recent analytical programs carried out on the two properties.

10.2 Description of Aurion (2014) and Dragon (2010) Programs

Core samples for both the Aurion and Dragon programs were collected by Dragon staff, with Kutuvuoma core being sampled at the Dragon core logging facility in Outokumpu. Silasselkä core was sampled at the GTK core archive facility located approximately 100km from Helsinki. Both sites are secure and provide excellent facilities for core logging and sampling. The GTK site is served by government staff who are responsible for its daily operation and Dragon staff use the Outokumpu site as required. Access to both facilities is controlled and they are locked when not in use.

The in-fill sampling program carried out by Aurion consisted of half core sampling of previously unsampled core intervals. A staff geologist marked out the required sample intervals using a colored logging pencil and entered associated downhole interval and sample number data into the digital sampling record for the project. Core boxes with marked samples were then loaded on pallets and transported by Dragon staff to the ALS Chemex (ALS) laboratory facility in Outokumpu where half core samples were cut using a diamond saw under safe workplace conditions. One sample half was placed in a pre-numbered plastic sample bag with a corresponding number tag inserted and then the bag was placed in the sample preparation sequence for standard preparation consisting of crushing, splitting and pulverizing to create 80% minus 150 mesh pulp material for analysis. Core samples collected at the GTK facility were managed in the same manner as those in Outokumpu but were cut by GTK staff at the facility and then returned to Dragon for subsequent delivery to ALS.

Kutuvuoma core samples were submitted to ALS for preparation and analysis of gold using fire assay-atomic absorption methods (ALS code Au-AA25), 51 element ICP-MS analysis (ALS code ME-MS41) and total sulphur determination (ALS core S-IR08), but associated results were not available at the effective date of this report. ALS is an international, fully independent and accredited analytical services firm in which most laboratories are registered to the ISO 9001:2008 standard and some have received ISO 17025 accreditations for specific laboratory procedures.

Silasselkä samples were prepared using the same ALS protocols used for Kutuvuoma but were subjected to whole rock analysis using XRF methods after fusion (ALS code ME-XRF-11b) plus analysis of gold platinum and palladium levels using Inductively Coupled Plasma – Atomic Emission Spectroscopy (ICP-AES) methods after fire assay pre-concentration (ALS code PGM-ICP23). The whole rock XRF suite provided accurate analysis of titanium and vanadium levels that are of particular interest at Silasselkä. Delivery of analytical results plus internal laboratory quality control sample results in both digital spreadsheet and hard copy form was specified for both programs.

All core samples were under the secure supervision of Dragon staff while being sampled and responsibility for sample security was then transferred to either GTK or ALS staff during the core cutting procedures. Responsibility remained with ALS for Kutuvuoma samples through to completion of analyses but reverted to Dragon staff after core cutting at GTK. Dragon staff maintained control of samples until they were delivered to ALS for analysis.

10.2.1 Quality Control and Quality Assurance

Both the Aurion and Dragon programs were subject to Dragon's standard analytical Quality Control (QC) protocols. These require blind insertion of certified reference materials, blank samples and duplicate split samples in the laboratory sample stream at an insertion rate of one such sample in 10 samples submitted. Random sequencing of the standard QC sample types was applied. Several check samples were also collected as quarter cores of historic Ontamaki sample intervals from Silasselkä. The standard project Quality Assurance (QA) protocol requires timely review of in-house and laboratory QC results to identify any irregularities requiring attention, with follow-up as necessary of any items identified as being problematic.

Since analytical data for the 2014 Aurion program were not available at the report date, no comment can be made at this time with respect to related QC results. However, Mercator extracted results for 2 certified reference material samples, 2 blank samples and 13 check samples submitted during the 2010 Silasselkä program. Figure 10.1 presents results for certified reference material SN38 and SN35 that were obtained from ROCKLABS Ltd in Australia. These standards are generally used for Au programs and do not have certified values for other metals of primary interest at Silasselkä. Gold results for all samples fall within the mean plus or minus two standard deviations project control limits and indicate that acceptable accuracy is present for that metal in the dataset. Non-certified iron, titanium and vanadium values reported for the reference material also compare favourably with values reported by ALS (Table 10.1).

Table 10.1: Certified Reference Material Results for Silasselkä Core samples

Element	Certified Value SN38	Non-Certified Value	2010 Value
Au (ppm)	8.573 ± 0.061	-	8.59
Fe (%)	-	3.20	4.34
TiO_2 (%)	-	0.47	0.47
V (%)	-	-	0.002
Element	Certified Value SN35	Non-Certified Value	2010 Value
Au (ppm)	1.323 ± 0.017	-	1.16
Fe (%)	-	3.00	4.00
TiO_2 (%)		0.39	0.36
V (%)		-	0.003

Figures 10.1 through 10.3 present Dragon check sample results for historic Silasselkä core sampling intervals and these all show acceptable agreement. Average ALS results for Fe and TiO_2 are slightly lower that the averages for original samples.

10.3 Comment on Sample Preparation, Analysis and Security Programs

Mercator is of the opinion that the sample preparation, analysis and security protocols employed for the Kutuvuoma and Silasselkä core sampling programs by Aurion and Dragon that are addressed in this report are acceptable and appropriate for projects of this size. However, future programs should include certified reference materials that better match the metal assemblage of interest at Silasselkä. From discussions with Aurion and Dragon staff during the April, 2014 site visit, Mercator also concludes that sufficient Quality Assurance (QA) oversight of analytical program QC results has been in place to identify and address any irregularities that could have developed.

Figure 10.1: Silasselkä check sample results for vanadium - Dragon 2010 program

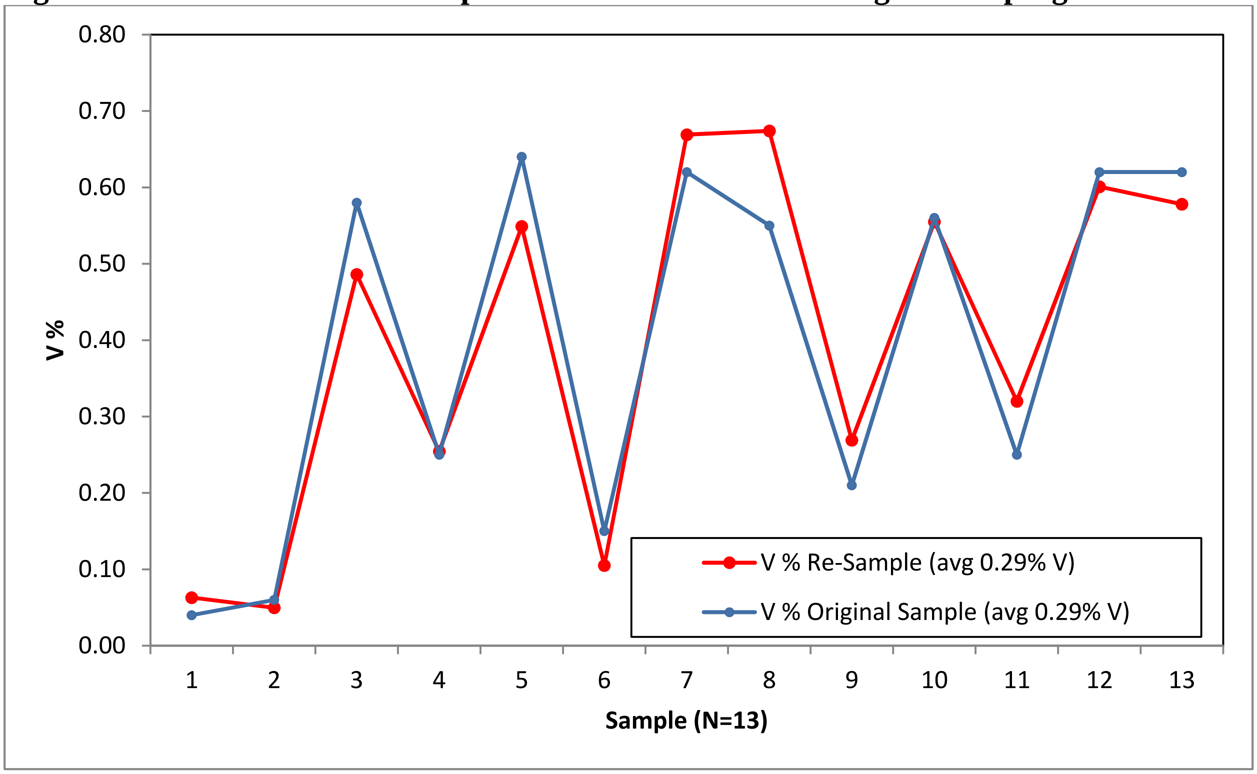


Figure 10.2: Silasselkä check sample results for iron - Dragon 2010 program

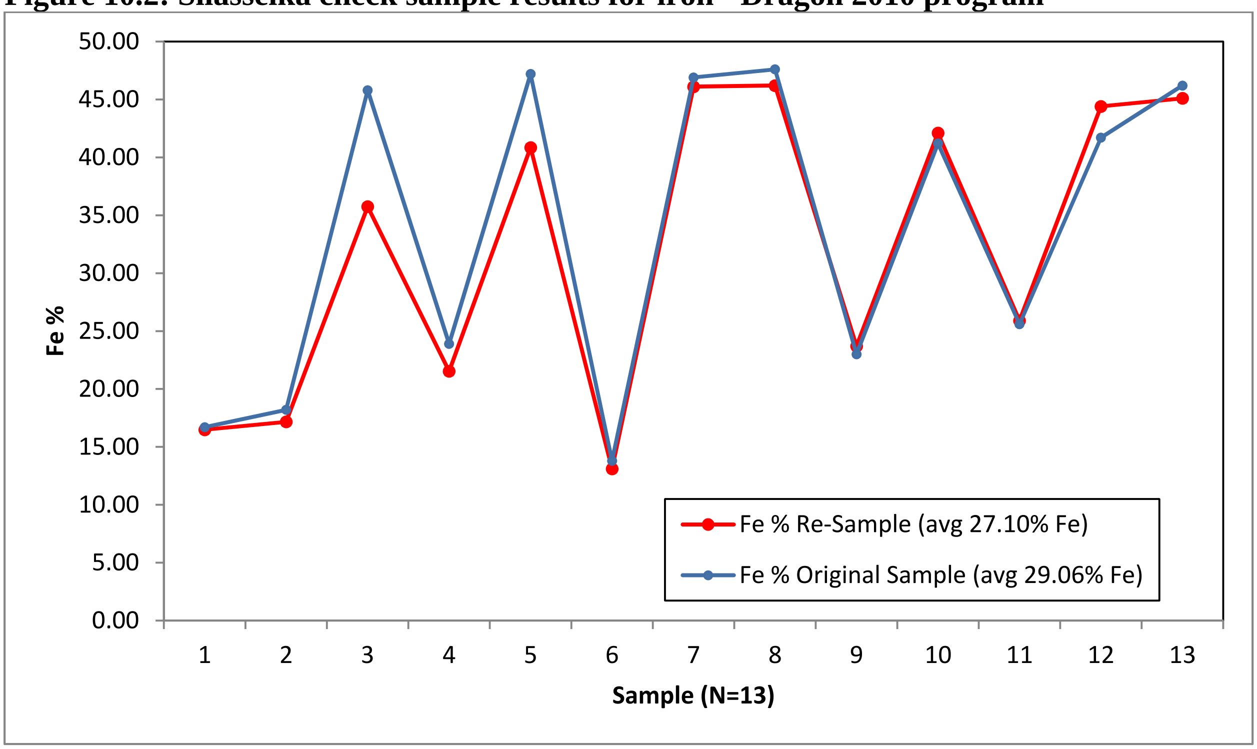
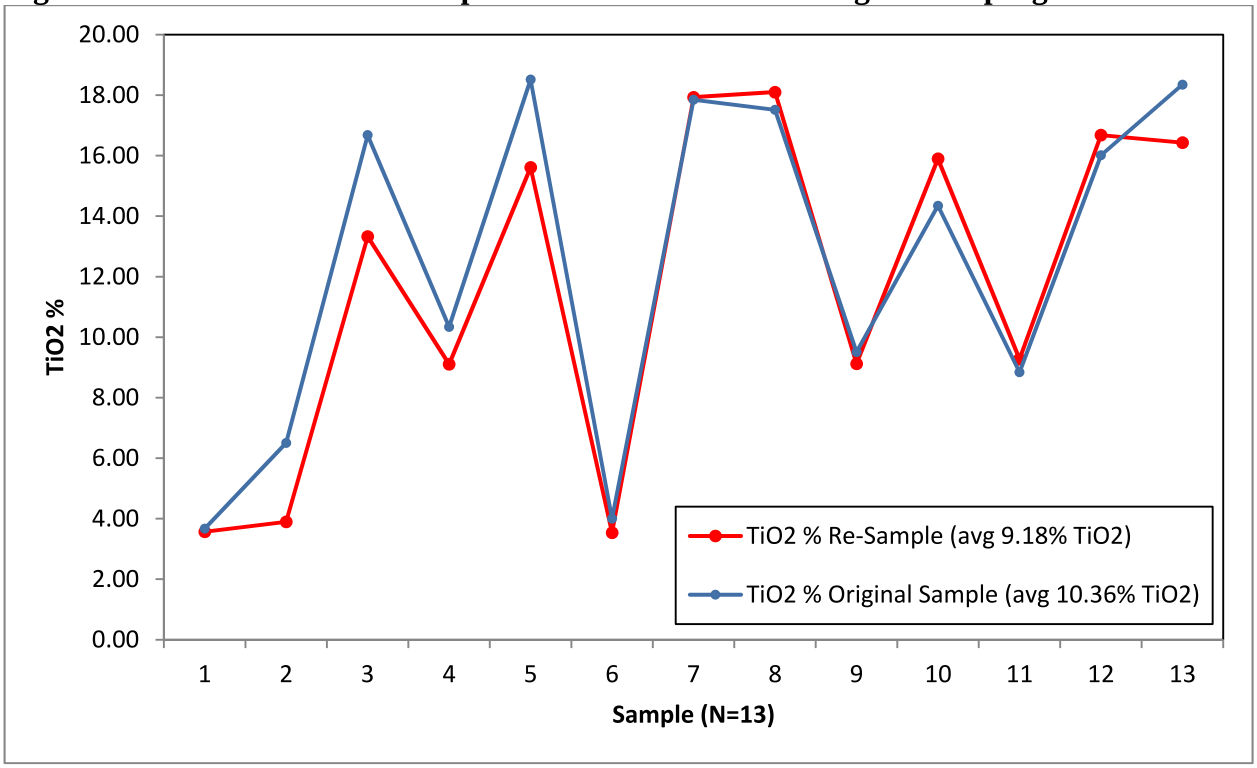


Figure 10.3: Silasselkä check sample results for titanium - Dragon 2010 program



11.0 DATA VERIFICATION

11.1 Review and Validation of Project Documentation

Project reports by Dragon, government documents, various published reports, core sample records, lithologic logs, laboratory reports and associated drill hole information for the main drill programs completed on the Kutuvuoma and Silasselkä properties were assembled by Aurion and made available to Mercator. This information was reviewed in conjunction with newly generated records for the 2014 core re-logging program carried out by Aurion and used in support of report preparation. Compiled digital drilling and analytical information was not subjected to a formal data validation assessment.

11.2 Site Visit by Mercator

The author carried out site visits to the Kutuvuoma and Silasselkä exploration properties and also reviewed and sampled archived drill core between April 22nd and 25th, of 2014. Discussions pertaining to the two Aurion properties were held during this time with Mr. Matti Talikka, General Manager of Exploration for Dragon, and Dr. Warren Pratt of GML, who was completely a core re-logging program for Aurion in Outokumpu at the time of the visit.

Reviews of archived historic drill core from the Kutuvuoma and Silasselkä properties formed an important component of the property review and assessment program. These reviews were carried out on April 22nd at Dragon's Outokumpu logging facility for Kutuvuoma core and at GTK's archive facility on April 24th for Silasselkä core (Figures 11.1 to 11.4).

A review of selected Kutuvuoma core was carried out at Outokumpu and four independent check samples were collected from archived Outokumpu drill holes KUV 35 and KUV 43. Original sample records for the holes were checked against database and log entries and check sample intervals were checked against original Outokumpu intervals. After marking, core was transported by Dragon staff to the ALS Chemex facility in Outokumpu where original half cores were cut using a diamond saw to create quarter core splits. One quarter core split was retained by

Figure 11.1: Dragon core logging facility in Outokumpu

Figure 11.2: Internal view of Dragon core logging facility at Outokumpu

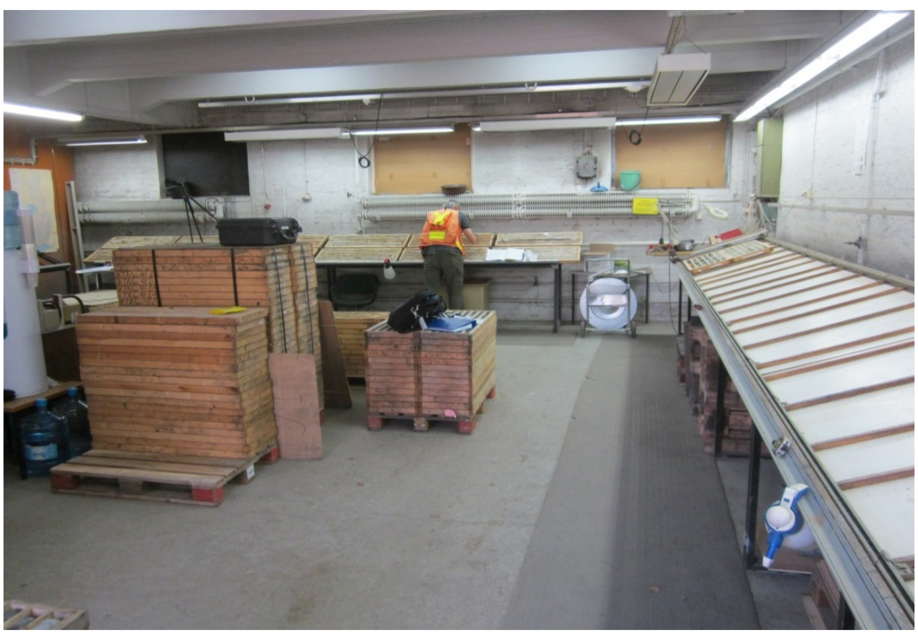


Figure 11.3: GTK core archive and logging facility at Loppi

Figure 11.4: Internal view of GTK core logging facility at Loppi

the author for independent analysis and the other was returned to the core archive. All check sample intervals were identified in corresponding core boxes (Figure 11.5).

A similar approach to the above was used at the GTK core archive where Dragon's M. Talikka and the author reviewed Otanmaki drill holes Pesojarvi R-1, Pyhäjärvi R-19, Pyhäjärvi R-11 and GTK drill hole M52 2744 96 R-504 from Aurion's Silasselkä property. Three quarter core check samples were collected, one from each of holes R-1, R-11 and R-19, and each sample was directly coordinated to previously sampled magnetite zones. No significant mineralization was observed in core from hole M52 2744 96 R-504 and it was not sampled. Quarter core samples were cut by GTK staff from the selected original sample intervals and the author retained one quarter core sample from each interval for check sample purposes. All check sample intervals were identified in corresponding core boxes.

Figure 11.5: Mercator check sample (MGS-14007) from Pyhäjärvi R-11 drill hole

In both core reviews, historic lithologic logs and sample records were found to adequately reflect sample intervals and lithologic unit distinctions within the drilled sections. However, variability was noted in detail of original logging and lithology designations for both properties and this factor can be addressed through up to date core re-logging programs.

Table 11.1 presents details of the independent check sampling carried out during the core reviews and associated analytical results are graphically presented in Figures 11.6 through 11.10.

Table 11.1: Mercator quarter core check samples

Property	Original Sample Number	MGS Sample Number	From (m)	To (m)	Length (m)	Lithology
						CDN-GS-6C
Kutavouma	9518927	MGS14001	96.70	98	1.3	Siliceous grey mudstone with Py and Po
Kutavouma	9518926	MGS14002	96.00	96.7	0.7	Siliceous grey mudstone with Py and Po
Kutavouma	951820	MGA14003	90.00	91	1	Siliceous grey mudstone with Py and Po
Kutavouma	9519067	MGS14004	65.40	65.8	0.4	Sulphide matrix breccia (Py Po)
		MGS-14004A				Grey fine grained marble
Silasselka	6565	MGS14005	154.72	156.26	1.54	Hornblende bearing Fe (Magnetitie) zone
Silasselka	5978	MGS14006	62.85	64.17	1.32	Fe-Ilmenite Zone
Silasselka	201026015	MGS14007	28.10	29.88	1.78	Garnet amphibolite

11.2.1 Site Visit Field Observations

The Kutuvuoma open pit site was visited on April 23rd and major rock units exposed along the north side of the pit were inspected, as were the main waste rock storage and mineralized material piles that exist at the site (Figures 11.12 and 11.13). A general location coordinate check for the open pit area and associated historic drilling was carried out using a hand-held GPS unit and satisfactory correlation to mapped coordination was obtained. However, individual drill collar locations were not checked. Substantial snow cover at the time of the site visit limited access to other areas of the property.

Figure 11.6: Mercator 2014 check sample results, Kutuvuoma - Gold

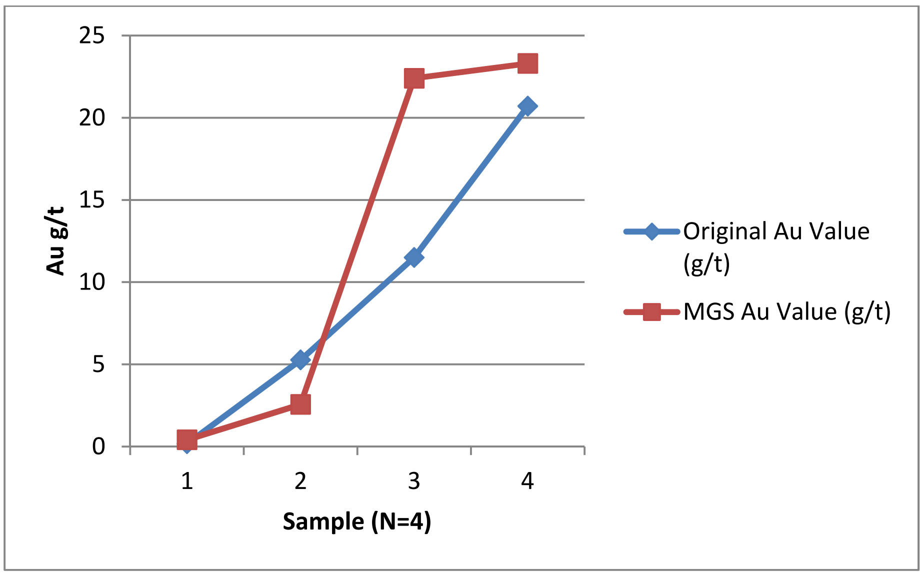


Figure 11.7 Mercator 2014 check sample results, Kutuvuoma - Copper

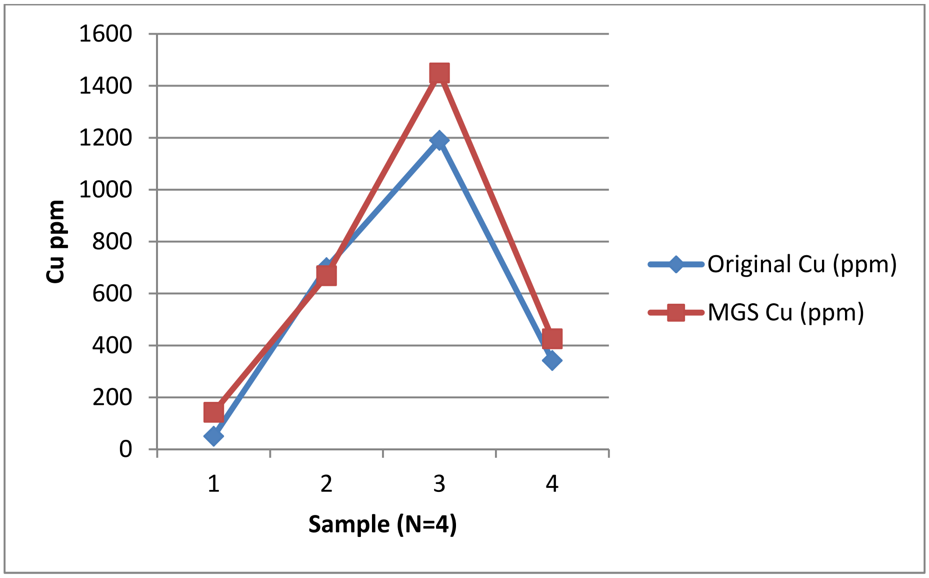


Figure 11.8: Mercator 2014 check sample results, Silasselkä - Titanium

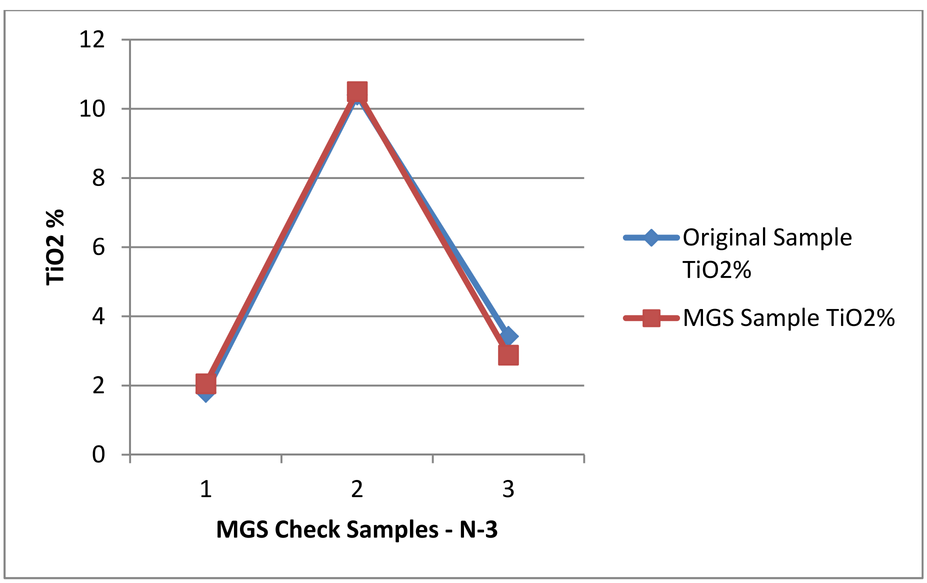


Figure 11.9: Mercator 2014 check sample results, Silasselkä -Iron

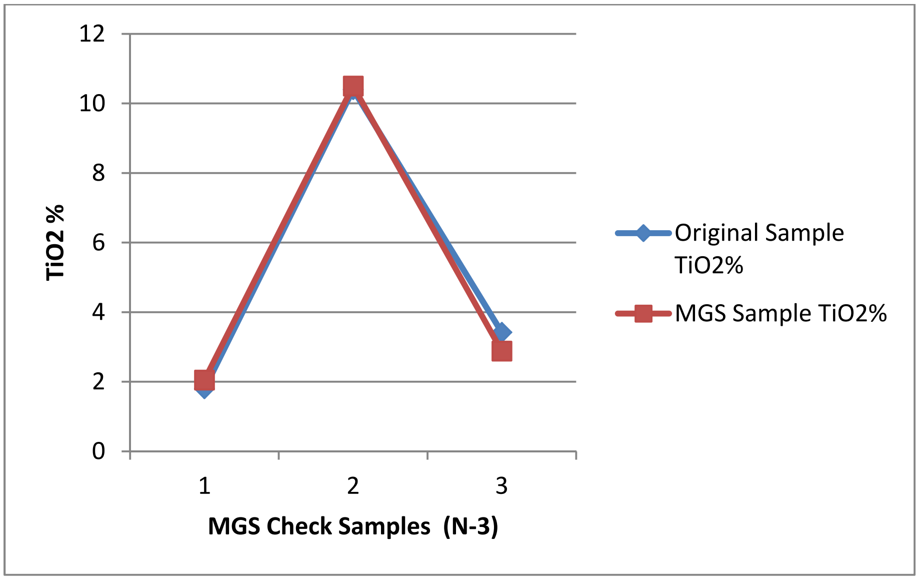


Figure 11.10: Mercator 2014 check sample results, Silasselkä - Vanadium

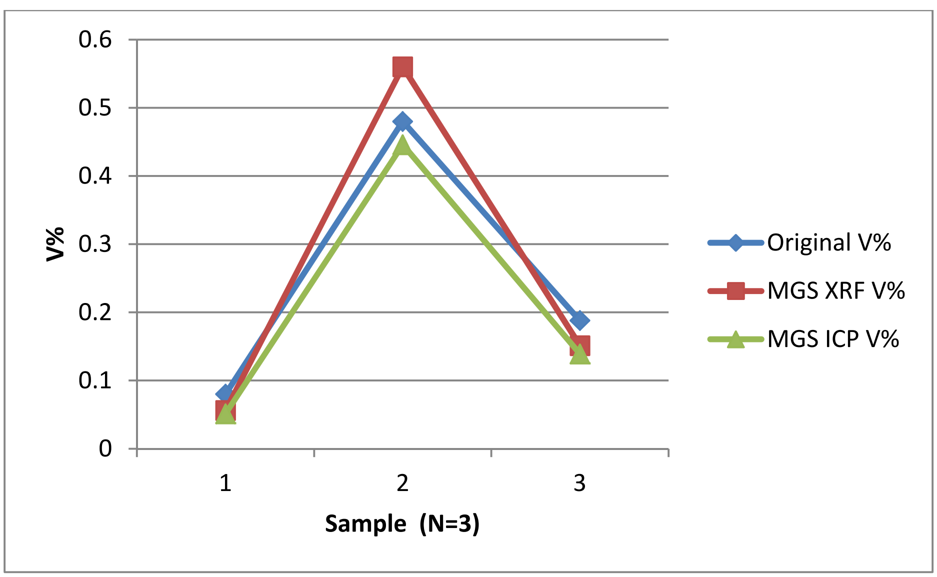


Figure 11.11: Kutuvuoma open pit area looking southeast during April site visit

Figure 11.12: Pyrrhotite-bearing mineralized breccia boulder at Kutuvuoma open pit

The southernmost portion of the Silasselkä Claim Application area was also accessed on April 23rd but the originally planned visit to one of the historic drilling areas was not carried due to deep snow. However, landscape observations and photographs (Figures 11.13) were collected within the Claim Application area and several till cuts were viewed in roadside exposures. Boulders of local major rock types were noted in the till sections.

Figure 11.13: Landscape view of southern Silasselkä property area

11.3 Comment on Data Verification Program

Mercator is of the opinion that combined results of data verification program components are acceptable and that related project information is acceptable for current technical report purposes

12.0 MINERAL PROCESSING AND METALLURGICAL TESTING

No mineral processing and metallurgical testing programs have been carried out to date by Aurion. Brief descriptions of historical processing results appear in report section 5.0.

13.0 MINERAL RESOURCE ESTIMATES

No mineral resource estimates have been prepared to date by Aurion. Brief descriptions of historical estimates appear in report section 5.0.

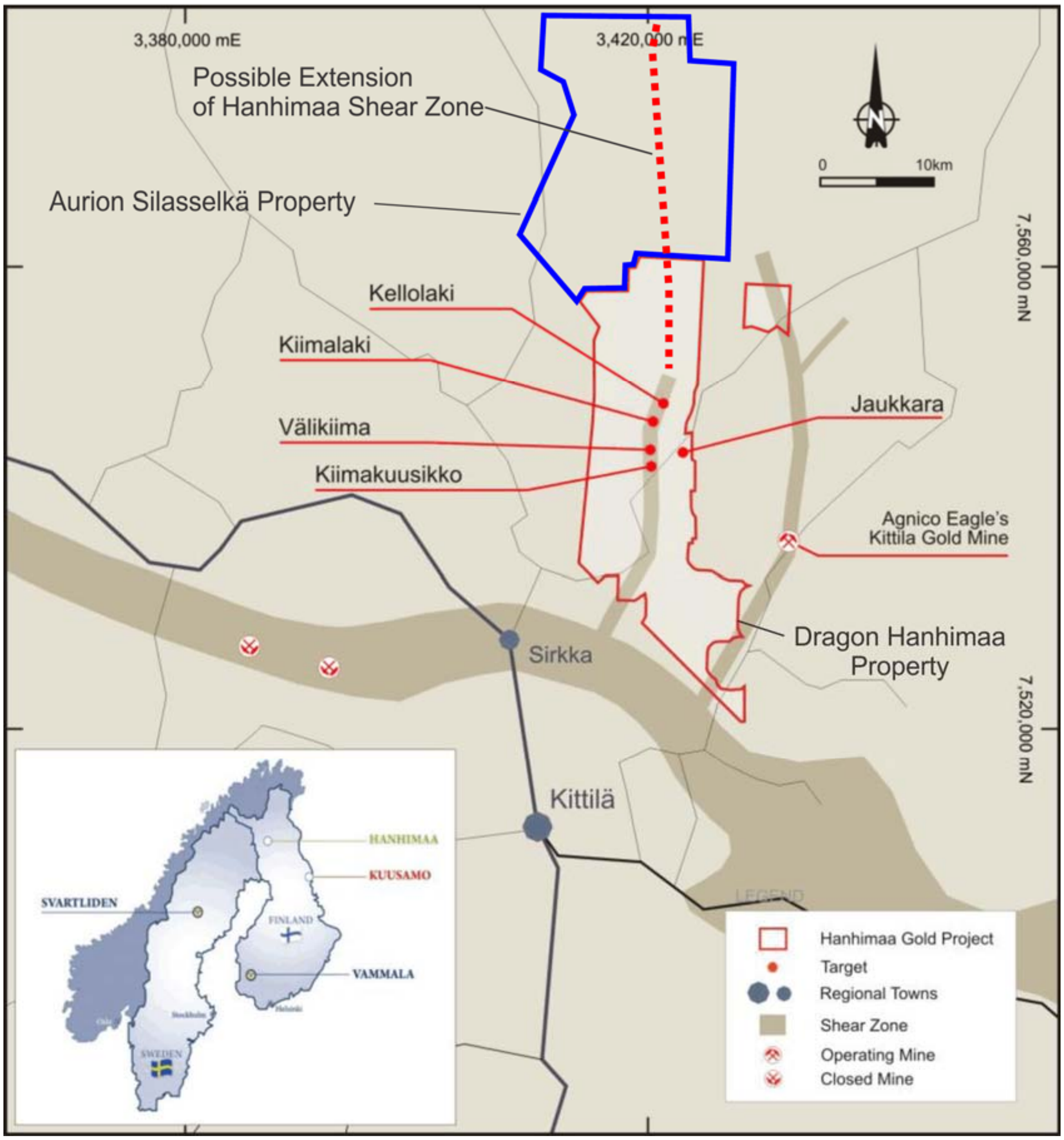
14.0 ADJACENT PROPERTIES

There are no adjacent properties as defined under NI43-101 that pertain to Aurion's Kutuvuoma property. However, Dragon's Hanhimaa property, located immediately south of Aurion's Silasselkä property, qualifies as an adjacent property due to discovery by Dragon of bedrock gold prospects along the Hanhimaa Shear Zone (HSZ) in that area. Dragon entered an Agreement with Agnico in early 2013, whereby Agnico can earn up to 70% interest in the Hanhimaa Gold Project. Additional drilling and other investigations have been carried out on the main prospects since that time, as well as on new areas of interest (Dragon Annual Report, 2013). Figure 14.1 illustrates the adjacent property relationship and identifies the new gold occurrences reported by Dragon.

Significant results from Dragon's drilling programs include 11.70m @ 4.48 g/t Au in hole KTÄ/HAM-4, 7.50m @ 5.88 g/t Au in hole KTÄ/HAM-31 and 5.00m @ 5.96 g/t Au in hole KTÄ/HAM-6-at Kiimalaki, plus 8.00m @ 1.95 g/t Au in hole KTÄ/HAM-23 and 8.55m @ 1.51 g/t Au in hole KTÄ/HAM-25 from Kellolaki (Dragon Press Release dated May 25th, 2012). Rock chip sample results from the Kiimakuusikko prospect were previously reported in a September 12, 2008 press release by Dragon and range between 0.45g/t Au and 3.8 g/t Au, with some samples having highly anomalous levels of antimony (to 19,700ppm, lead (to 80,900ppm), zinc (to 4,220ppm), copper (to 3,590ppm) and silver (to >100ppm).

Mercator has not verified the technical information presented above that pertains to the adjacent property and cautions that it is not necessarily indicative of mineralization that may be present on the Silasselkä property that is included in this technical report.

Figure 14.1: Location plan for the HSZ and Dragon's adjacent Hanhimaa property



(Figure modified after Dragon Press Release dated November 13, 2013)

15.0 OTHER RELEVANT DATA AND INFORMATION

No other relevant data was identified by Mercator with respect to this report.

16.0 INTERPRETATION AND CONCLUSIONS

Aurion's current focus in the CLGB is exploration for orogenic style gold deposits on the Kutuvuoma and Silasselkä properties. Both properties are proximal to the metallogenically significant Sirkka Line structural corridor that is recognized as a key element with respect to development of orogenic gold deposits in the CLGB. This corridor is centered on the SSZ, a major south dipping thrust system. The main SSZ and various north-trending subsidiary zones that merge with it are interpreted to be present on the Kutuvuoma property and the Silasselkä property covers an interpreted strike extension to the HSZ, a newly defined, north-south trending gold-mineralized shear structure that merges with the Sirkka Line at its southern extent. This structure is also sub-parallel to the KSZ, a major shear zone located approximately 10km to the east that hosts Agnico's Kittilä gold deposit.

Review of project documentation for this report by Mercator has shown that historic exploration programs within the extent of Aurion's current Kutuvuoma property have been concentrated in the vicinity of the drill-defined Kutuvuoma gold deposit. The rest of this large exploration holding has been subjected to comparatively little modern gold exploration, but covers ground centrally located within the favorable Sirkka Line structural corridor. Various anomalous results from regional scale soil and till geochemical surveys compiled by GTK are present on the property, along with favorable Savukoski Group metavolcanic and metasedimentary host lithologies and evidence of structural complexity as defined by airborne geophysical survey results. Some of these occur near the main deposit and are covered by results of more detailed historic soil geochemistry and till surveys as well as results of ground geophysical surveys. As such, they form well-defined targets for immediate follow-up investigations.

Based upon the information reviewed for this report, Mercator is of the opinion that the Kutuvuoma property has very good untested exploration potential with respect to orogenic gold deposits and that re-logging and re-interpretation of Kutuvuoma drill core by GML has shown that good opportunities are present to define extensions to the known gold deposit, particularly down-plunge to the west and along strike to both east and west.

Silasselkä property records show that it does not currently cover any known bedrock gold prospects. Part of the property was previously explored for iron-titanium-vanadium deposits of magmatic association and this resulted in four separate deposits being defined by drilling along a discrete aeromagnetic survey anomaly having a strike length of at least 15 km. Multiple magnetite rich zones that are spatially correlatable within the host amphibolite sequence characterize these deposits and their overall setting has been interpreted as a metamorphosed, diffentiated mafic sill of tholeiitic composition. The most economically important metal present in this setting is vanadium and historic resource estimate grades in the magnetite-rich intervals defined by past drilling are favorably comparable to the major Rhovan deposit in South Africa, which has a 0.29%-0.30% V grade range across resource classes. In contrast, the Mustavaara deposit in Finland shows a higher average resource grade at 0.51% as does the Maracas deposit in Brazil, which has a 0.43-0.77% V grade range across resource categories. The spatial configuration of relatively thin (0.5 m to 10 m thick) mineralized intervals separated by thick sections of barren amphibolite may reduce economic potential of the deposits defined to date by drilling at Silasselkä.

The eastern portion of Aurion's Silasselkä property covers an interpreted strike extension to the gold mineralized HSZ that is host to at least four drilling defined gold prospects on the adjoining property to the south that is held by Dragon and in which Agnico is now earning an interest. Four new gold prospect areas have been defined along the trend on that property and this enhances prospectivity along the interpreted HSZ extension trend on Aurion's Silasselkä property. The entire interpreted extent of the HSZ extension on Aurion's property is considered prospective for orogenic gold deposits and Mercator is of the opinion that assessment of such potential constitutes the highest exploration priority for the property. Further assessment of the iron-titanium-vanadium potential is considered secondary to that of gold potential.

In addition to the above, the tectonic association and spatial configuration of mafic and ultramafic intrusions and their metamorphosed equivalents in both the Silasselkä and Kutuvuoma areas of the CLGB is not well understood. As a result, potential may exist in both areas for discovery of magmatic sulphide deposits (Ni-Cu or PGE settings) in association with currently unmapped mafic or ultramafic intrusions and this should be borne in mind during all phases of future property exploration.

Mercator is of the opinion that no extraordinary risk factors have been identified to date for the Kutuvuoma and Silasseolka exploration properties described in this report. However, uncertainty associated with metal markets and geological factors is always present in mineral exploration and these generally apply to the report properties. An additional risk factor that could influence future exploration of the report properties is later than expected issuance of Claim and Reservation titles that are currently pending. Aurion should pursue timely finalization of title application processing to eliminate this risk factor.

17.0 RECOMMENDATIONS

17.1 Exploration Approach

The following recommendations with respect to further evaluation of Aurion's Kutuvuoma and Silasselkä properties reflect the assumption that highest exploration priority should be assigned to discovery and assessment of orogenic style gold deposits associated with the favorable Sirkka Line structural setting (Kutuvuoma) and the new north-south Hanhimaa structural trend (Silaselka). Secondary priority should be assigned to testing of new deposit extension opportunities at the Kutuvuoma gold deposit and the third priority should be assigned for the present to assessment of iron-titanium-vanadium potential of the Silasselkä property.

The exploration approach recommended for the two properties consists of two phases, with Phase I directed toward assembling all available exploration datasets through a desktop digital compilation project followed by a targeting exercise and sufficient field work to define areas for Phase 2 follow-up. Further three dimensional modeling of the Kutuvuoma deposit is also included in Phase I. The recommended Phase 2 program consists of further detailed anomaly follow-up leading to initial drill testing of several target areas as well as completion of a limited deposit extension drilling program at Kutuvuoma.

The Phase I desktop compilation should include all available exploration data from government and other sources and be developed using a Geographic Information System (GIS) platform such as ArcGIS®. The goal of this compilation is to develop "best information" datasets for results of historic geological mapping and prospecting programs, airborne and ground geophysical surveys, exploration drilling of all kinds, soil, till, lake sediment and water geochemistry surveys, topographic information, mineral title holdings, land use mapping, park and protected area mapping, lineament analysis, etc. Once the compilation is completed, datasets should be assessed and interpreted in light of both conceptual and empirical deposit models being considered in the area assessment. This should include detailed reviews of geochemical, geological and geophysical datasets for areas of the various major deposits of the GLGB, with priority given to the major gold deposits such as Pahtavaara, Sattaapora, Kittilä, etc.

Bearing in mind the current early stage of property exploration, initial field programs that follow the Phase I desktop compilation work will almost certainly consist of geological mapping and prospecting plus regional and detailed level soil and/or till geochemistry programs. On a separate front, the digital modeling of the Kutuvuoma deposit should include integration of existing ground geophysical survey results to better constrain the design of a deposit extension drilling program contemplated under the recommended Phase II program.

Recommended Phase 2 exploration consists of continuation of basic follow-up work required to define drilling targets and includes allowances for completion of both geochemical and geophysical surveys. Initial drill testing of several new targets through 1000 m of exploratory drilling is also included, along with a drilling allowance of 2000 m for assessment of Kutuvuoma deposit extension work.

17.2 Estimated Exploration Budget

Estimated exploration expenditures for the Phase I program total \$350,000 and those for Phase II total \$1,300,000. Program components are summarized in Table 17.1 and it is expected that the two phase program would take up to two years to complete.

Table 17.1: Estimated Exploration Expenditures

Program Phase	Program Component	Estimated Cost ($C)
1	Desktop compilation and interpretation	25,000
1	Mapping and prospecting	100,000
1	Geochemical soil/till surveys	100,000
1	Kutuvuoma deposit modeling	10,000
1	Reporting and Supervision	30,000
1	Exploration title retention fees and payments	35,000
1	Administration	15,000
1	Contingency	35,000
1	**Total**	**350,000**
2	Mapping and prospecting	100,000
2	Geochemical soil/till surveys	150,000
2	Ground geophysics	50,000
2	Target Drilling	200,000
2	Kutuvuoma deposit drilling	400,000
2	Reporting and Supervision	75,000
2	Exploration title retention fees and payments	150,000
2	Administration	25,000
2	Contingency	150,000
2	**Total**	**1,300,000**
1,2	**Grand Total**	**1,650,000**

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19.0 STATEMENT OF QUALIFICATIONS

CERTIFICATE OF AUTHOR

I, Michael P. Cullen, P.Geo., do hereby certify that:

1. I reside in Halifax, Nova Scotia, Canada
2. I am currently employed as Chief Geologist with:
3. Mercator Geological Services Limited
   65 Queen St Dartmouth,
   Nova Scotia, Canada B2Y 1GA
4. I received a Master's Degree in Science (Geology) from Dalhousie University in 1984 and a Bachelor of Science Degree (Honours, Geology) in 1980 from Mount Allison University.
5. I am a member in good standing of the Association of Professional Geoscientists of Nova Scotia (Registration Number 064), the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador (Member Number 05058) and Association of Professional Engineers and Geoscientists of New Brunswick, (Registration Number L4333).
6. I have worked as a geologist in Canada and internationally since graduation.
7. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
8. I am the qualified person responsible for preparation of the Technical Report titled "Technical Report On The Central Lapland Project, Finland" having an effective date of May 23rd, 2014. I am responsible for all report sections of the Technical Report.
9. My relevant experience with respect to this project includes past professional responsibility with respect to review, assessment, design or management of gold and other metal exploration programs in Canada, the United States, Africa and South America.
10. I have no previous involvement with the property that is the subject of this Technical Report.
11. I visited the Kutuvuoma and Silasselkä properties for purposes of this report and also carried out related discussions and core sample reviews in Finland during the period April 21st to 24th, 2014.

12. I am independent of both Aurion and Dragon, , applying all of the tests in section 1.5 of National Instrument 43-101 and National Instrument 43-101 Companion Policy Section 3.5
13. I have read National Instrument 43-101 (NI 43-101) and the parts of this Technical Report for which I am responsible have been prepared in compliance with NI 43-101 and Form 43-101F1.
14. As of the date of this Certificate, to my knowledge, information and belief, the sections of this Technical for which I am responsible contain all scientific and technical information that is required to be disclosed to make this report not misleading.

Signed, stamped and dated this 25th day of June, 2014.

(original signed and stamped by)

____

Michael P. Cullen, P. Geo., M. Sc.

APPENDIX 1

Defined Areas of Interest

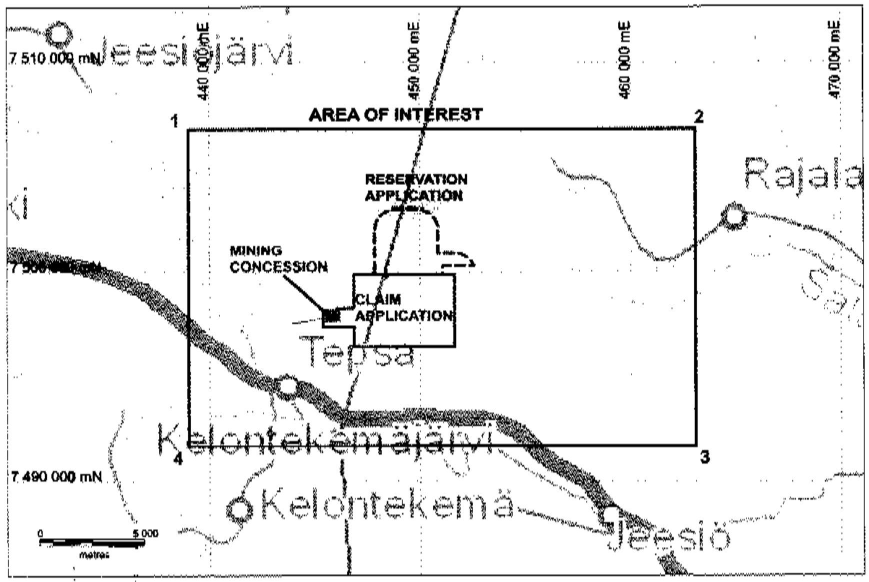
"Agreement Schedule B"

From Purchase Agreement Dated May 23rd, 2014

SCHEDULE "B"

AREAS OF INTEREST

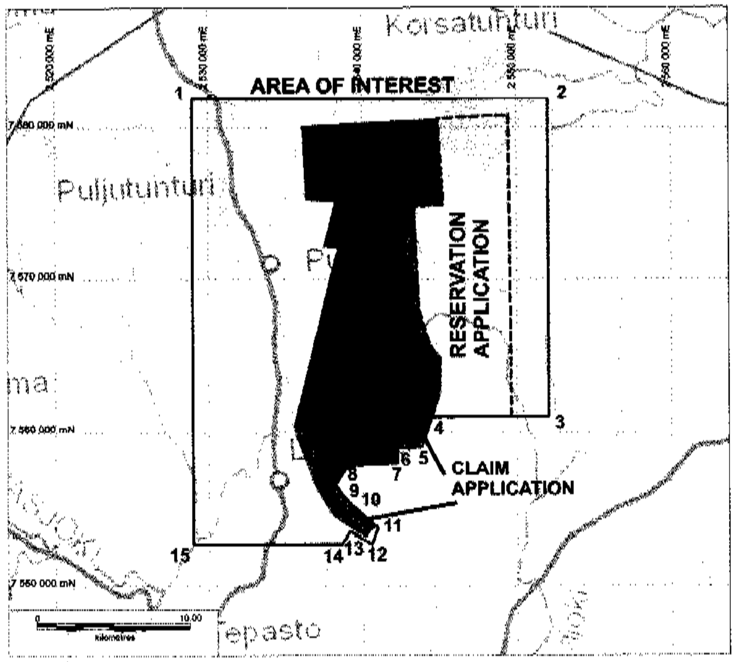
Kutuvuoma Project and the Area of Interest as defined in the Letter of Intent.



	Easting	Northing
1	2,567,110	7,510,055
2	2,590,515	7,510,055
3	2,590,515	7,496,075
4	2,567,110	7,496,075

Projection: Finnish KKJ Zone 2

Silasselkä Project and the Area of Interest as defined in the Letter of Intent.



	Easting	Northing
1	2,528,960	7,581,840
2	2,552,060	7,581,840
3	2,552,060	7,560,991
4	2,544,462	7,560,994
5	2,543,815	7,559,037
6	2,542,218	7,558,946
7	2,542,204	7,557,928
8	2,538,931	7,557,792
9	2,538,103	7,556,633
10	2,539,011	7,555,417
11	2,540,945	7,553,722
12	2,540,558	7,552,713
13	2,539,134	7,553,468
14	2,538,606	7,552,721
15	2,528,960	7,552,721
Projection: Finnish KKJ Zone 2		