TECHNICAL REPORT
ON THE SHINING TREE PROJECT,
TYRRELL AND KNIGHT TOWNSHIPS
LARDER LAKE MINING DIVISION
ONTARIO
FOR
CRESO EXPLORATION INC.

By: G.A. Harron, P.Eng.
Effective Date: December 12, 2011
Revised Signing Date: April 19, 2012

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1.0 Summary

The Shining Tree Project of Creso Exploration Inc. ("Creso" or the "Corporation") is located approximately 520 km north of Toronto, Ontario, Canada and approximately 120 km north of Sudbury Ontario, in the townships of Knight and Tyrrell, in the Larder Lake Mining Division, Ontario, (NTS:41P11).

The Shining Tree Project properties can be reached by traveling west along Hwy 560 for approximately 105 km from Timiskaming Shores (Hwy 11). The highway traverses the Minto property approximately 18 km west of Gowganda. The Tyranite Mine Road departs to the north near this location. The Duggan zone is located approximately1 km west-northwest of the main Tyranite shaft on the NE shore of McIntyre Lake. The western part of the Duggan zone can be accessed by driving an additional 4 km to the west on Highway 560, then departing north along a network of gravel roads.

The Tyranite Mine property consists of 9 surveyed contiguous leasehold patented claims containing 9 claim units and covering 144.898 hectares. Both surface and mining rights are included in the title. The Duggan Zone, located adjacent to the Tyranite Mine, includes both west and north blocks consists of 8 un-surveyed claims containing 14 contiguous claim units, covering an area of approximately 224 hectares. Claims comprising the North Zone are: 4215039, 4225011 and 4245744 and are all located in Knight Township. The other 5 claims located in Knight and Tyrrell townships comprise the west zone. Both surface and mining rights are attached to the 5 claims. Details of option agreements concerning individual claims are summarized in section 4 of this report.

The Minto property consists of a contiguous block of 4 surveyed leasehold claims covering an area of 56.33 hectares, and includes both surface and mining rights.

The project is considered to be at an "advanced" stage of exploration, as diamond drilling and detailed geophysical surveys are the primary exploration tools. The Shining Tree Project is material to the Corporation as it represents the most significant asset.

This technical report is to conform to National Instrument 43-101 standards. Terms of engagement are in a letter from GAHA to Creso dated September 30, 2011, indicating that GAHA is providing a service for a fee.

Prior to this assignment GAHA has co-authored a technical report for the Corporation on the Shining Tree Project, dated March 23, 2010 and filed on www.Sedar.com. (Harron & White, 2010).

It is understood that this report will be used to provide current disclosure of the Shining Tree Project to the Creso Board of Directors and as a support document for future financing and listing activities of the Corporation.

The 13 patented claims comprising the Minto and Tyranite properties require the payment of annual rent of approximately $ 604 payable to the Ministry of Northern Development Mines and Forestry.

Tenure of staked claims is maintained by annual filings of $400 per claim unit commencing in the second year of ownership. Excess annual expenditures can be banked for future use, which currently are sufficient to extend tenure for at least 15 years. However unpatented claims have a maximum 10 year life after which the lands can be leased.

Creso management warrants that the Corporation has not received from any government authority any notice of, or communication relating to, any actual or alleged breach of any environmental laws, regulations, policies or permits regarding exploration activities on the properties. No permits issued by municipal, provincial or federal governments are required to undertake low impact exploration activities on the subject properties. A tailings disposal area present on the Tyranite property is not a liability as long as Creso does not disturb the waste material.

Creso management further warrants that there are no current or pending challenges to ownership of the staked, leased and/or patented claims comprising the Shining Tree Project.

Approximately 50 holes were drilled on the Duggan / Tyranite property between 1937 and 1997. Between 1939 and 1942 the Tyranite Mine recorded total production of 975 kg (31,352 oz) gold and 151.2 kg (4,860 oz) silver extracted from 210,290 tonnes (231,810 tons) of ore grading 5.04 g/t (0.147 oz/ton) gold (Carter, 1977).

In 1984 Mr. H.A. Pearson of Duncan Gold Resources, reported a "resource" of 204,000 tonne (225,000 tons) at 6.9 g/t (0.2 oz/t) Au to a depth of 229 m (750 ft) at the Minto deposit. The resource category used to describe the Minto deposit included both inferred and indicated resources added together. Additional drilling and deposit modeling will be required in order to correctly classify the mineralization into categories compliant with CIM Definition Standards on Mineral Resources and mineral reserves.

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the issuer is not treating the historical estimate as current mineral resources or mineral reserves. This historical estimate should not be relied upon.

The gold mineralization was found to be related to a more or less circular breccia pipe and associated with auriferous quartz-carbonate veining containing disseminated pyrite. Gold mineralization appears to be related to pyrite and quartz vein structures trending along north-south and northeast-southwest foliation planes.

Since acquiring the properties that comprise the Shining Tree Project in 2007, Creso exploration activities have focused on geophysical surveys and diamond drilling in the vicinity of north-trending known gold mineralization.

A fixed-wing airborne survey designed to collect magnetic, VLF-EM, and radiometric responses over the property was completed by Terraquest in February 2008. The survey comprised 370.2 line km, flown with 100 m line spacings in 2 directions, 287° and 197° at a height of 70 m with a sample interval of 7-8 m.

In August – September 2010, a helicopter airborne geophysical survey was flown by Terraquest Ltd. over two portions of the Shining Tree Project area. The Shining Tree Block survey consists of 4,411 line-kilometers of coverage with a flight line spacing of 15 m oriented in a 45°/225°direction. The helicopter airborne surveys show the presence of numerous anomalous linear features oriented parallel to the predominant 350° structural trend in the Shining Tree area.

A second fixed-wing airborne survey was flown by Terraquest in August 2010 to the south and west of the above-noted helicopter survey in the Shining Tree Block survey to fill-in the area between the 2010 helicopter survey and the 2008 fixed-wing survey. This second fixed-wing survey was also designed to collect magnetic, VLF-EM, and radiometric responses. A total of 5,998 line km were flown with 100 m line spacings in two directions, 270° and 180° at a height of 89 m with a sample interval of 7-8 m. The combined airborne magnetic data suggest that the known gold mineralizion at both the Minto and Tyranite zones appear to be localized at triple intersection locations of N10W, N45E, and E-W structures.

Ground geophysical surveys performed include gamma radiation logging, resistivity, magnetic susceptibility, induced polarization, DC/IP, and spontaneous potential. In addition, optical televiewer logs were acquired in DDHs MC09-01 and 02 to aid in structural analysis of fractures, faults and dikes encountered during drilling. A total of 1,620 m of borehole were logged with the optical and geophysical systems.

In October - November, 2010 a gradient array and "Insight Section" DC/IP surface survey across 23 line km in a North-South gradient direction and 20 line km in an East-West gradient direction was conducted over the Minto claim group with a line separation of 50 m and station intervals of 25 m. "Insight Section" Apparent Resistivity and Total Chargeability plots were done on six E-W sections and four N-S sections. DC Resistivity and IP array plots were also done in plan for each gradient direction.

In January – February, 2011 a gradient array and "Insight Section" DC/IP surface survey across 37 line km in an East-West gradient direction. Apparent Resistivity and Total Chargeability plots were done on seven E-W sections and in plan for the E-W gradient direction.

At Minto, the gradient array and "Insight Section" DC/IP survey results indicate that the gold mineralization is associated with coincident highs in DC resistivity and IP chargeability responses in the area of the pit. In four other anomalous zones within the Minto survey area, increased resistivity and increased chargeability appear to be associated with interpreted faults that are oriented N10W, NE-SW, and sub E-W.

At Tyranite,a very strong chargeability high and a coincident resistivity high appear to define a nearly N-S striking silicified shear zone. Other structures that strike NW-SE, N40E, and N60E are also evident by increased chargeability signatures that may be associated with either an increase or decreased resistivity signatures. Ten zones have been identified along these interpreted structures as possible follow-up targets.

At Duggan, anomalous chargeability measurements are confined to the west side of the property, bu t the survey gradient data displays inferred structural directions of N10W, N60E, and N40E in a somewhat similar pattern as at Tyranite. Five zones for possible follow-up show increased chargeability signatures associated with either an increase or decreased resistivity signature.

Downhole geophysical logs and DC/IP array surveys conducted on the Minto zone (MC-09-01 and MC-09-02 in May and July 2010 by JVX Ltd. confirmed that gold intercepts associated with pyrite mineralization had increased IP responses. From January 4-17, 2011, JVX Ltd. collected additional borehole gradient array time-domain IP/Resistivity data from Minto holes MC-09-01, MC09-02, and MC10-04. From January 31 through June 9, 2011 several 3D Chargeability and Resistivity Models were constructed from inversion plots of "Spectral Pole-Dipole" pseudo sections. Time-decay variants were developed to distinguish fine-grained disseminated pyrite (short decay time) from coarser-grained disseminated pyrite (longer decay time) in the areas surrounding the boreholes from which the measurements were taken. Initial studies suggest that gold is more closely associated with the finer grained pyrite, but it appears that several generations of pyrite mineralization are present at Minto, not all of which are auriferous.

Diamond drilling by Creso in the period 2007-2010 aggregates 23 diamond drill holes (10,482 m) with most interest focused on the Minto Zone. Highlights of DDH # MC09-01 include intersections of 13.2 g/t Au over 82.9 m, and 16.1 g/t Au over 76.9 m in DDH # MC09-02, as well as 302m of 1.65 g/t in MC10-3b.

Gold mineralization and sulphide minerals appear to be related to hydrothermal activity accompanying intrusion of syenites and intermediate to felsic porphyries. The mineralization occurs as lode deposits and vein systems, and also as disseminations within volcanic and sedimentary rocks.

Injection of hydrothermal fluids was localized along structural zones and vents resulting in vein systems and breccia deposits, creating both local high grade gold zones and larger disseminated low grade gold envelopes. In the Duggan zone, mineralization is contained almost entirely within altered monzonite and diorite. Alteration comprises pervasive calcite and hematization and moderate silicification. Quartz and quartz-calcite stringers are common throughout the zone.

Based on previous and current work, this report recommends a $500,000 exploration program to support the following Phase 1 proposed exploration. It is recommended that the Phase I program focus on the mineral potential of the north-south faults located at the Duggan, Tyranite and Minto gold zones, to test the shallow chargeability and resistivity anomalies determined by Insight Geophysics Inc. (see full reports on Creso Web site (www.Creso.ca) under Exploration-Reports) with 2,000 meters of diamond drilling.

A Phase 2 program of $ 1,000,000 is recommended, provided that favourable results are received from the Phase 1 exploration and the data continues to reflect the presence of one or more potentially economic gold deposits on the Project.

A Phase 2 Program to consist of significant additional diamond drilling for resource definition and the possible preparation of a prefeasibility study is proposed. A large drilling program (5,000 m) is also recommended to provide additional drilling in zones of known gold mineralization, and other geophysically defined targets. A budget of $1,000,000 is allocated for this work.

In aggregate a two phase budget of $1,500,000 is proposed to move the Shining Tree Project forward.

2.0 Introduction and Terms of Reference

At the request of Creso Exploration Inc. (“Creso” or the “Corporation”), G.A. Harron & Associates Inc. (“GAHA”) has been contracted to prepare an up-dated Technical Report on the Tyranite Mine and the associated Duggan Zone as well as the Minto Gold Zone collectively known as the Shining Tree Project (“Project”) as of December 12, 2011. Collectively the three properties comprise the most important asset of the Corporation. Gerald Harron P.Eng. of GAHA is the independent qualified person and accepts responsibility for the contents of the report.

The Project area is located approximately 520 km north of Toronto, Ontario, and approximately 120 km north of Sudbury, Ontario in, the townships of Knight, Tyrrell and Churchill in the Larder Lake Mining Division, Ontario, (Figure 2-1). GAHA was also requested to qualify the proposed exploration program and budget for the on-going development of the major mineralized quartz veins on the project. The project is considered to be a mineral project as there are no mineral reserves, or mineral reserves the economic viability of which is supported by a preliminary economic assessment, a prefeasibility study or a feasibility study. The Shining Tree Project is material to the Corporation as it represents the most significant asset.

Creso is a public issuer minerals exploration corporation that was incorporated on February 22, 2005 under the Canada Business Corporation Act and is listed on the TSX Vancouver stock exchange. The Corporation is a public issuer in British Columbia, Alberta and Ontario, and operates under the jurisdiction of the Ontario Securities Commission. The address of the Corporation is 600 boul. de Maisonneuve O, Suite 2750, Montreal (Québec) Canada H3A 3J2.

It is understood that this report will be used to provide current disclosure of the Shining Tree Project to the Creso Board of Directors and to support future activities of the Corporation.

This technical report is to conform to National Instrument 43-101 standards. A revision of this technical report has been completed and presented here pursuant to letter issued by the TSX Venture Exchange detailing deficiencies in the report. Terms of engagement and a fee schedule are in a letter from GAHA to Creso dated September 30, 2011.

Prior to this assignment GAHA has co-authored a technical report on the Shining Tree Project, dated March 23, 2010 for Willowstar Capital Inc. (a related corporation), (Harron and White, 2010).

GAHA has conducted many site visits in the Shining Tree area in the past 10 years, including the area of the subject properties. GAHA has managed exploration programs on neighbouring properties owned by competitors in the past. The objective of the site visits was to assess the mineral potential of various properties including the subject properties. The latest visit to the area of the Shining Tree Project was on October 5, 2011, at which time salient features of the project were reviewed.

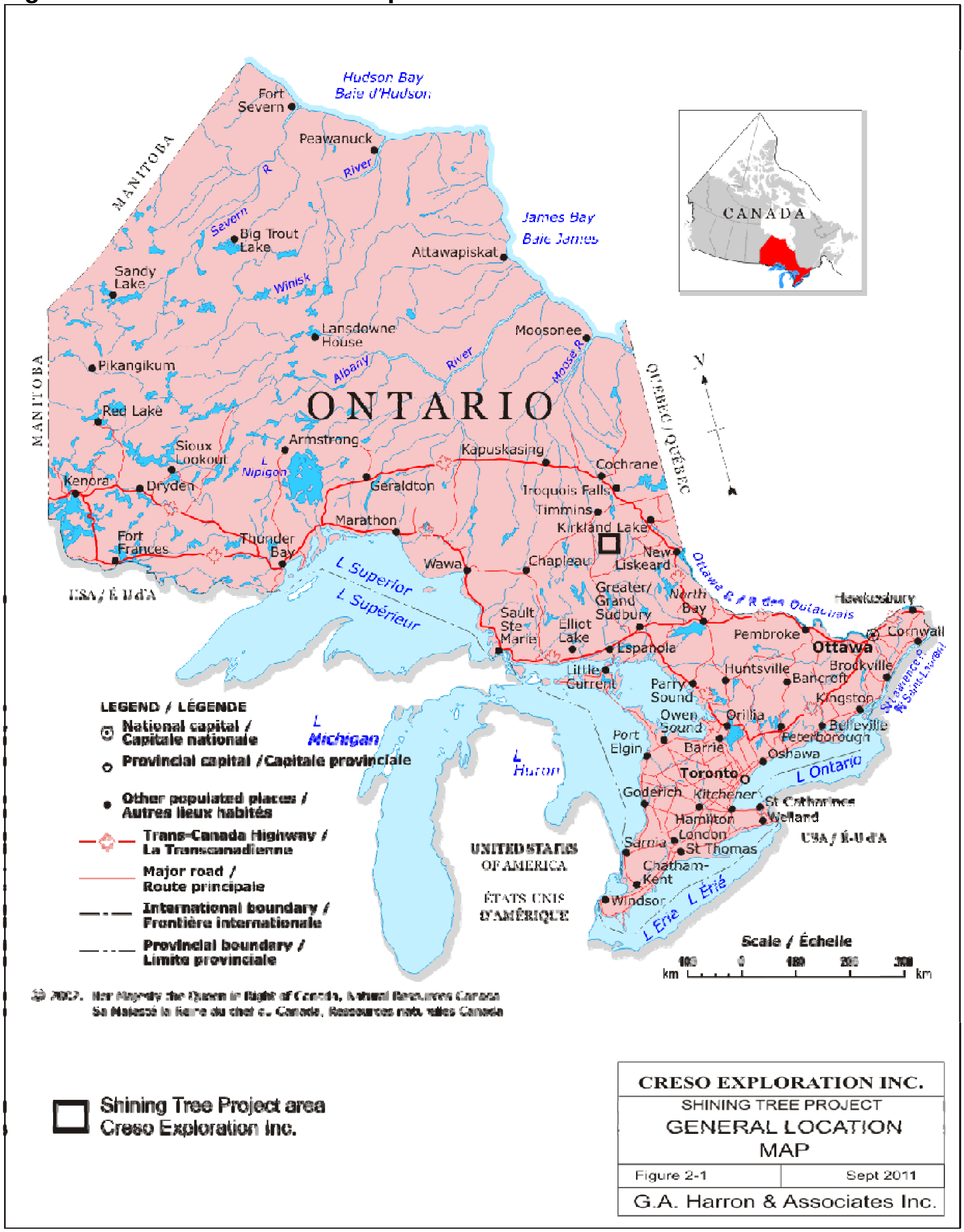
The information herein is derived from a review of documents listed in the Section 27.0, private files maintained by GAHA and Creso, and news releases issued by the Corporation.

There were no limitations put on the author with respect to technical information by Creso's management in the preparation of this report. However it is noted that significant volumes of historical data are not accessible.

This report contains details of the land tenure, a summary of previous exploration and development work, a compilation and synthesis of geology, geophysics and historical inferred resource data. The report also contains recommendations for further exploration and development of the properties within the project.

Cost data used to create proposed budgets to support the proposed work programs are based on expenditures incurred on the project and general knowledge of current costs in northern Ontario.

Figure 2-1 General Location Map



Metric units of measure are used in this report, mostly converted from Imperial units of measure. References to dollars in the report are to Canadian currency, unless otherwise indicated.

The following list shows the meaning of the abbreviations for technical terms used throughout the text of this report.

Abbreviation	Meaning
AAS	atomic absorption spectroscopy
AEM	airborne electromagnetic survey
AFRI	Assessment File Research Imaging
Au	gold
C°	celsius temperature
cm	centimetre
FA	fire assay
ft	foot
g/t	gram per tonne
GPS	Global Positioning System
HLEM	horizontal loop electromagnetic survey
ICP-OES	inductively coupled plasma optical emission spectroscopy
ICP-MS	inductively coupled plasma mass spectroscopy
IP/RES	Induced Polarization / Resistivity survey
K_2O	potassium oxide
Km	kilometre
m	metre
mm	millimetre
MNDMF	Ministry of Northern Development Mines & Forestry
Na_2O	sodium oxide
Ni	nickel
oz	troy ounce
Pd	palladium
ppb	part per billion
ppm	part per million
Pt	platinum
SiO_2	silica oxide
T	short ton (Imperial) 2,000 pounds
t	tonne (metric) 2,204 pounds
VLF-EM	very low frequency electromagnetic survey
XRF	X-ray fluorescence

3.0 Reliance on Other Experts

Land tenure information for staked claims has been obtained from the MNDMF web site, which contains a disclaimer as to the veracity of the data. In the absence of a title search the information posted on the web site is taken at face value. In addition, the existence and validity of any un-registered agreements between parties are not reflected in the MNDMF land management system. Information concerning patented and leased lands was obtained from Creso's 2010 "Statement of Mining Lease Rent", which indicates that all rents are current. GAHA has not researched property title or mineral rights for the leased claims, and therefore GAHA provides no legal opinion as to the ownership status of the Project lands.

The author has relied on four principle sources of information for the data contained in this report as follows; (1) Creso's private technical files, (2) government assessment and geological reports, (3) GAHA private files and (4) Creso news releases. Therefore in writing this technical paper the author relies on the truth and accuracy of the data presented in these source documents by other experts and professional persons.

The information, conclusions, opinions, and estimates contained herein are based on, (a) information available to the writer at the time of preparation of this report, (b) assumptions, conditions, and qualifications as set forth in this report, and (c) data, reports, and other information supplied by Creso and other third party sources.

4.0 Project Description and Location

The project consists of the Tyranite Mine property, the related Duggan Zone and the Minto Mine property. The contiguous Tyranite and Duggan properties are located in Knight and Tyrrell townships, and the Minto property is wholly within Tyrrell Township. Both townships are located approximately 18 km west of Gowganda in the Larder Lake Mining Division of northeastern Ontario (Figure 4-1 and 4-2). The area is also referred to as the Shining Tree Mining Camp. A large roadside sign in Tyrrell Township identifies the location of the Tyranite mine site. The location of the centre of the Tyranite claims can also be described as UTM Zone 17, 498000mE by 5278500mN. The majority of the claimsare located within NTS 41P/11 (Tyrrell Township).

The Tyranite Mine property consists of 9 surveyed contiguous leasehold patented claims containing 9 claim units and covering 144.898 ha (Table 4-1 and Figure 4.2). The Minto property consists of a contiguous block of 4 surveyed leasehold claims covering an area of 56.33 hectares, and includes both surface and mining rights.

Table 4-1 Shining Tree Project, Tyranite & Minto Properties, Leasehold Patented Claims

Lease #	Parcel #	Claim #	Due Date	Owner	Area [2] (ha)	Rent [1] ($)	Township
Tyranite Property							
19503	4059LT	GG5800[3]	12/15/2015	Creso	20.388	61.16	Knight
19504	4063 LT	GG5801[3]	12/15/2015	Creso	17.017	51.05	Tyrrell
19505	4064 LT	GG5802[3]	12/15/2015	Creso	13.828	41.48	Tyrrell
19510	4079 LT	GG5803[3]	12/15/2015	Creso	14.362	43.09	Tyrrell
19509	4056 LT	GG5804[3]	12/15/2015	Creso	10.081	30.24	Tyrrell
19511	4065 LT	GG5805[3]	12/15/2015	Creso	20.307	60.92	Tyrrell
19506	4060 LT	GG5815[3]	12/15/2015	Creso	9.385	28.16	Knight
19507	1661 LT	GG5816[3]	12/15/2015	Creso	18.049	54.15	Knight
19508	4062 LT	GG5817[3]	12/15/2015	Creso	21.481	64.44	Tyrrell
Totals	9				144.898	$434.69	
Minto Property							
19512	4264 LTIM	GG5840[3]	12/31/2016	Creso	15.499	46.50	Tyrrell
19513	4265 LTIM	GG5841[3]	12/31/2016	Creso	16.956	50.87	Tyrrell
19571	4307 LT	GG5909[3]	3/31/2028	Creso	9.915	29.75	Tyrrell
19670	4308 LT	GG5910[3]	3/31/2028	Creso	13.962	41.89	Tyrrell
Totals	4				56.333	169.01	
Grand Total 13					201.231	$603.70	

Figure 4-1 Access Map

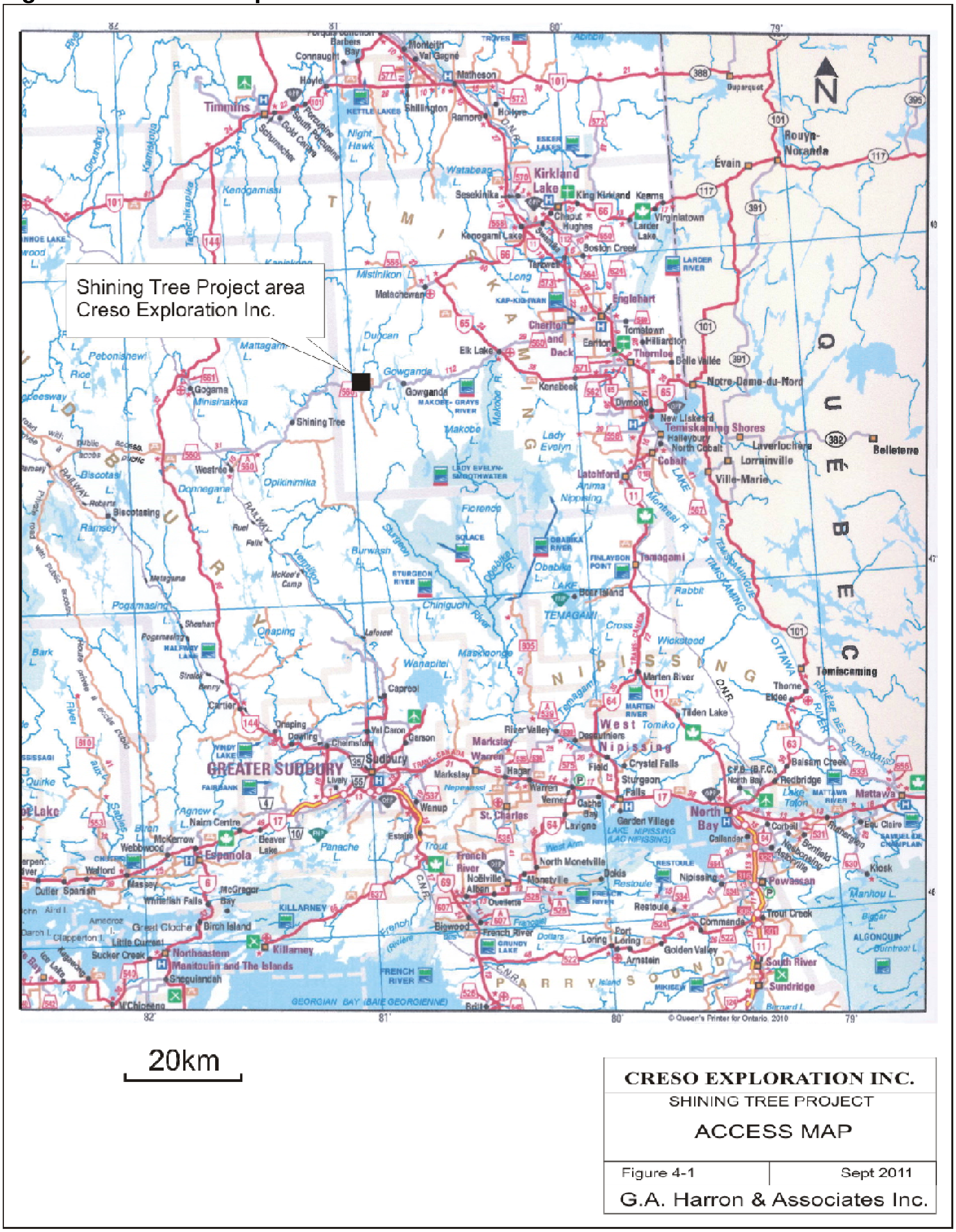
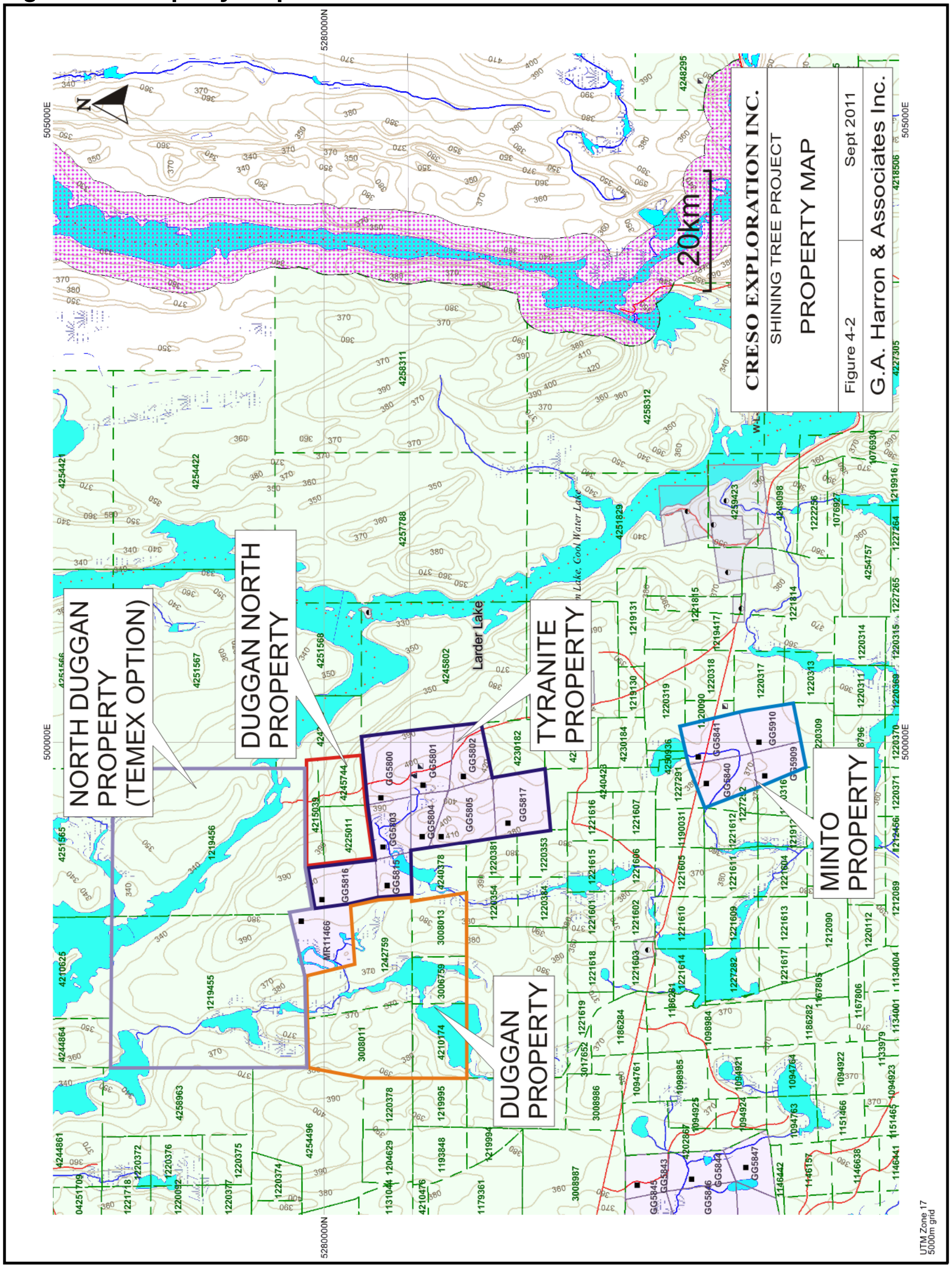


Figure 4.2 Property Map



The Duggan property, located adjacent to the Tyranite Mine, includes both west and north blocks consists of 8 un-surveyed claims containing 14 contiguous claim units, covering an area of approximately 224 ha (Table 4-2 and Figure 4-2). Claims comprising the North Zone are: 4215039, 4225011 and 4245744 and are all located in Knight Township. The other 5 claims located in Knight and Tyrrell townships comprise the West zone. Both surface and mining rights are attached to all claims.

Table 4-2 Shining Tree Project, Duggan Property Claims

Staked Claims							
Township	Claim No.	Claim Units	Work Req'd	Banked Credits	Area	Owner	Expiry
Duggan Property			($)	($)	(ha)		Date
Tyrrell							mm-dd-yy
	3006759[1]	1	400	0	~16	Creso	08/6/2013
	4210174[1]	2	800	0	~32	Creso	05/25/2013
	3008013[1]	1	216	54,058	~16	Creso	08/1/2012
Knight							
	1242759[1]	4	1,600	371,181	~64	Creso	05/6/2013
	3008011[1]	3	1,200	0	~48	Creso	12/31/2014
	4215039[2]	1	400	0	~16	Creso	10/22/2014
	4225011[3]	1	400	0	~16	Creso	12/10/2011
	4245744[3]	1	400	0	~16	Creso	10-16-2011
					~224		
Totals		14	$5,600	$425,239			

Notes: (1) optioned from Mr Rosko and subject to a 1% NSR
(2) staked for Creso by Mr, C.J. Barrette (no NSR)
(3) option to purchase from Mr. D. Burda / Mr. L. Corby and subject to a 2.5% NSR.

On March 27, 2007 Creso entered into an option agreement to acquire a 100% interest in all of the mining claims held by Mr. P.A Rosko in the townships of Knight, Tyrrell, MacMurchy and Churchill. A total of 5 of these claims are included in the Project area (Table 4-2), and others form a portion of the Churchill- Gold Corona joint venture. The “Banked Credits” column in Table 4-2 indicates that there are sufficient assessment credits available to maintain tenure for more than 10 years into the future.

Under the Rosko Option Agreement, Creso paid $25,000 upon execution of the agreement. Creso exercised the option on August 3, 2007, and pursuant to an agreement executed on that date, Creso had to make the following payments and common share issuances: $ 65,000 paid on August 3, 2007, $99,000 to be paid on August 3, 2008, and $ 99,000 to be paid on August 3, 2009 plus 880,000 Creso Common Shares issued on August 3, 2009, on which $18,000 and 80,000 Creso Common Shares were issued to a third party as a finder's fee. The parties agreed to settle the 2008 and 2009 cash obligation payments totaling $ 180,000 by a cash payment of $ 60,000 and the issuance of 1,000,000 Creso Common Shares on October 30, 2009. Concurrently, Creso paid $ 6,000 in cash and issued 100,000 Creso Common Shares to a third party as a finder's fee.

Under the terms of the Rosko Option Agreement, Mr. Rosko was entitled to a 3% NSR royalty. In August 2007 Creso entered into a NSR royalty purchase agreement with Mr. Rosko, pursuant to which Creso purchased for cancellation, 2% of the NSR royalty in consideration of $ 125,000. Mr. Rosko retains a 1% NSR royalty.

In September 2009, Creso acquired from New Texmont Exploration Inc. and Dalhousie Oil Company Ltd. the Tyranite and Minto properties by issuing 1,500,000 Creso Common Shares and 500,000 Creso Share Purchase Warrants. Each warrant entitled the holder to acquire one Creso Common Share at a price of $ 0.25 until September 25 2012, which have been fully exercised. The vendors retain a 2% NSR royalty on the first 500,000 ounces of gold produced from the Tyranite and Minto properties and a 3% NSR royalty on production in excess of 500,000 ounces. Creso has the option to purchase 1% of the NSR royalty for $ 1,000,000 at any time. These claims associated with this royalty are noted in Table 4-2.

On December 1, 2009 Creso entered into an option and joint venture agreement to earn a 75% interest in two claims owned by Temex and located on the northern boundary of the Tyranite Project, referred to as the North Duggan Zone (Creso News Release, Sept. 28,2010). Terms include a $ 2,000 cash payment at the effective date, and a $250,000 work commitment prior to the Earn-in date. Creso completed 1,485 m of diamond drilling to satisfy the terms of the option. The location of the two claims (1219455 and 1219456) is shown in Figure 4-2. These claims are not further discussed in this report.

On November 11, 2009 (amended November 11, 2011) Creso entered into an option to purchase agreement ("Purchase Option") to acquire a 100% interest in five un-surveyed mining claims in Knight Township and one un-surveyed mining claim in Tyrrell Township, all owned by Mr. Burda (80%) and Mr. Corby (20%). Terms include a cash payment of $ 60,000 to Mr. Burda and $ 15,000 to Mr. Corby upon execution of the agreement. Within 10 days of the execution of the agreement Creso issued 120,000 common shares to Mr. Burda and 30,000 common shares to Mr. Corby (done). The Purchase Option could be exercised 30 months after the execution of the agreement ("Option Period"). During the Option Period Creso shall make cash payments and issue common shares to the individual optionors and complete work commitments by the dates indicated in the following table.

Date	Payment (Burda)	Payment (Corby)	Shares (Burda)	Shares (Corby)	Work Commitments
Execution	$ 60,000	$ 15,000	120,000	30,000	na
May 2011	$ 120,000	$ 30,000	120,000	30,000	$ 200,000
May 2012	$ 80,000	$ 20,000	160,000	40,000	$ 400,000

Two mining claims (4225011 and 4245744) located on the northern Tyranite Property are included in the Project. Three of the four mining claims in this area are considered to be "tie-on claims", peripheral to the north and east sides of the Tyranite Mine Property. Claim 4240378, a part of the Burda/Corby Option is located in the northeastern corner of the Duggan Zone and is not included in the option agreement

One claim (4215039) staked by Creso adjoins these optioned claims and is also considered a "tie on claim". This claim covers a nominal 16 ha and is adjacent to the Burda / Corby claims in the northern part of the Tyranite Mine property.

The optionees, (Burda and Corby) were granted a 2.5% NSR in respect of all six mining claims in the event that Creso exercises the Purchase Option. Creso retains the right to reduce the NSR to 1.5% at any time within a five year period following the execution of the Option to Purchase Agreement by paying $ 1,000,000 to the optionees.

The Duggan Zone (South) is located approximately 1 km west of the main Tyranite shaft on the northeast shore of McIntyre Lake and is 100% owned by Creso The Duggan property consists of five claims in one internally contiguous claim group. The claims hosting the historical Duggan Zone consists of 5 claims (11 units) covering a nominal 176 ha.

Three contiguous claims containing 3 units covering a nominal 48 ha comprise the second group (Duggan North), and are located adjacent to the north side of the Tyranite Property (Figure 4-2). Two of the claims were acquired from Mr. Burda and Mr. Corby, while claim 4215039 was acquired by staking. All the claims have both surface and mineral rights attached and are currently in good standing.

The Duggan property was acquired in 2007 and was subject to a 3% NSR royalty of which 2% is retained by Anglo Pacific Plc and 1% by Mr. Rosko. Pursuant to a private placement financing with Franco-Nevada Corporation ("Franco") announced on September 21, 2010 Creso granted Franco an option to purchase a perpetual 2% NSR on gold and other minerals produced from all Creso properties in the Shining Tree area.

To accommodate the Franco NSR, the right of first refusal of a 2% NSR held by Anglo Pacific Plc was repurchased by the issuance of 500,000 common Creso shares.

The Franco NSR Option may be exercised within 60 days following the date on which (i) a decision is made to construct a mine by Creso and (ii) the planned mine is fully financed either with cash on hand, or a firm commitment of bank financing.

The NSR Option may be exercised at a purchase price equal to the after tax net present value of the royalty revenue calculated using a 6.5% discount rate applied to the base case model assumptions in a feasibility study used to make the decision to construct and finance a mine. Franco has the right to exercise its option for any mine developed within the Shining Tree area, and subsequently for any mine developed by Creso.

As of February 26, 2010, assessment work was filed on the Duggan staked claims, extending tenure for an additional two years. The 13 patented claims comprising the Duggan and Tyranite properties require the payment of annual rent of approximately $ 604 payable to the Ministry of Northern Development Mines and Forestry (Table 4-1).

In Ontario tenure of staked claims is maintained by annual filings of $400 per claim unit commencing in the second year of ownership. Excess annual expenditures can be banked for future use. The quantity of “Banked $” are sufficient extend tenure for at least 15 years. However unpatented claims have a maximum 10 year life after which the lands can be leased.

Creso management warrants that the Corporation has not received from any government authority any notice of, or communication relating to, any actual or alleged breach of any environmental laws, regulations, policies or permits regarding exploration activities on the properties. No permits issued by municipal, provincial or federal governments are required to undertake low impact exploration activities on the subject properties. A tailings disposal area present on the Tyranite property is not a liability as long as Creso does not disturb the waste material.

To the author’s knowledge there are no current or future significant factors and risks that may affect access title or the right, or ability to perform work on the properties.

Cresco management further warrants that there are no current or pending challenges to ownership of the staked, leased and/or patented claims comprising the Shining Tree Project.

Creso is currently staking and optioning additional claims in the Shining Tree area, which are not the subject of this technical report. Consequently discussion of the mineral potential and exploration programs by Creso and related to the Matona and Porphyry Lake properties are not considered further.

The only leased, patented and staked claims considered in this report are listed in tables 4-1 and 4-2.

5.0 Accessibility, Climate, Local Resources, Infrastructure & Physiography

The Shining Tree Project properties can be reached by traveling west along Hwy 560 for approximately 105 km (Figure 4-1) from Temiskaming Shores (Hwy 11). The highway traverses the Minto property approximately 18 km west of Gowganda. The Tyranite Mine Road departs to the north near this location and is marked by a large sign. The Duggan zone is located approximately1 km west of the main Tyranite shaft on the NE shore of McIntyre Lake. The western part of the Duggan zone can be accessed by driving an additional 4 km to the west on highway 560, then departing north along a network of gravel roads.

Forestry roads and all-terrain vehicle trails provide additional access throughout the properties. The northern boreal forest climate in the region is moderate enough for year round exploration and mining development activities, excluding geological and geochemical surveying. The average winter temperature (December to February) is -9° C and the average summer temperature (June to August) is +16°C. The average annual winter snowfall is 285 cm and the average annual rainfall is 805 mm.

The region is one of modest relief, amounting to approximately 20 m above a 340-360 m gently undulating terrain. The topography is generally glacially sculpted rounded hills covered with boreal forest type vegetation. Glaciation has also left a thin veneer of sandy till on upland areas and swampy sections at lower elevations.

Drainage is typical of the Canadian Shield featuring chaotic and immature development. The overall drainage of the area is via the West Montreal River system which drains eastward into the Ottawa and St. Lawrence Rivers and finally the Atlantic Ocean.

Local resources in the area include paved highway access to other northern Ontario population centers, hydro electricity, satellite communications, mail service, and rudimentary medical services. The nearest source of mining personnel and related equipment is Kirkland Lake (85 km northeast), Sudbury (105 km south) and Timmins (100 km) north (Figure 4-1).

On the Tyranite Gold Mine Property infrastructure consists of a head frame and a shaft down to 343 m (1,125 ft.), more than 1368 m (4,500 ft.) of drifts, and two surface warehouse-type buildings. Recent additions include a field office, a dry building, cookery, sleeping accommodations, core handling and logging facilities and electrical generators.

6.0 History

Recorded exploration activity in the map area began in 1930 in Knight Township and in 1945 in Natal Township (Carter, 1983). This continued up to 1967 in Natal Township, but extended up to 1971 in Knight Township, with a lull in activities from 1940 to 1943. Exploration in Knight Township was carried out primarily for gold in the early years, but later, from 1965, nickel was actively sought. In Natal Township exploration activity was mainly for copper. Since the 1970s gold mineralization has been the focus of the majority of the exploration activities.

6.1 Tyranite / Duggan Zone

The first significant exploration work for gold was carried out by McIntyre Porcupine Mines Limited in 1930. This work consisted of trenching a metavolcanic-granodiorite contact on a nine claim property located at the northern end of McIntyre Lake in the south-western part of Knight Township. Part of the property was later trenched by a Mr. Duggan in 1937, and later diamond drilled in 1938, when 13 diamond drill holes totalling 596 m were completed with economically interesting results.

In 1931, the L.O. Hedlund property, located 1.6 km to the east of the McIntyre Porcupine Mines Limited property in Knight Township, was optioned to Mr. J.C. Waite in June 1931, then to Ventures Limited and Nipissing Mining Company in September 1931, and later to Mr. M.J. O'Brien in September 1931(Carter 1983).the option to M.J. O'Brien was allowed to lapse in 1932. In 1934 Consolidated Smelters held an option on the property, which was allowed to lapse in 1935. In 1936 the project was taken over by Tyranite Mines Limited and a three-compartment shaft was excavated in Tyrrell Township. Trenching and diamond drilling for gold were carried out on that portion of the property extending southward into Tyrrell Township. Sufficient economic gold mineralization was delineated to allow mine development and production. Between 1939 and 1942 a total production of 975 kg (31,352 oz) gold and 151.2 kg (4,860 oz) silver were extracted from 210,290 tonnes (231,810 tons) of ore grading 5.04 g/t (0.147 oz/ton) gold (White, 2007).

An inferred resource of 472,000 tons (428,000 t) grading 6.9 g/t Au is estimated to exist in the underground workings as reported by (White, 2007) and is attributed to Mr. H.A. Pearson P. Eng. (1984) of Duncan Gold Resources Inc. The designation of the mineralization as an inferred resource is compatible with CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

A qualified person has not done sufficient work to classify the historical estimate as a current estimate. The Company is not treating the historical estimate as a current estimate and this historical estimate should not be relied upon. Additional drilling would be required to substantiate the historical results.

There is little recorded work on the properties until 1986. From 1986 to 1988, Tyrrell Holdings, Dalhousie Oil Company and Norwin Resources (Gunnar Gold/Mill City) performed bedrock stripping, geological mapping, MAG, VLF-EM and IP/RES surveys along with 13,148 m of diamond drilling in 94 holes.

Within the Duggan Zone 11 DDHs, (# 2001-01 to 11), and 7 short DDHs were drilled through the mineralized zone (# 1316-33 to 39). In 1991, Northfield Minerals performed 665 m of diamond drilling in 1995-1996; Haddington Resources drilled an additional 3,175 m in 1997 and Tyranex Gold Syndicate / Mill City Gold drilled 12 DDHs aggregating 3,916 m on the main shear zones of the property including 4 DDHs on the Duggan Zone (#97-223 to 226). In total approximately 50 holes were drilled on the Duggan properties between 1937 and 1997 (Figure 6-1). However, almost all drill logs and related data have been destroyed.

In 1987, Mill City Gold Inc. conducted a tailings reprocessing test on selected portions of the 181,400 tonnes (220,000 tons) of tailings grading (1.2 g/t) (0.034 oz per ton) Au (White, 2010). The results were not economically favourable at the prevailing gold price.

The designation of the mineralization as an inferred resource is compatible with CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

A qualified person has not done sufficient work to classify the historical estimate as a current estimate. The Company is not treating the historical estimate as a current estimate and this historical estimate should not be relied upon. A large scale sampling program would be required to substantiate the historical results and estimate the potential size and grade of the resource.

In 1990 the Ontario Government contracted a combined AMAG and AEM survey of the entire Shining Tree area, with data collection along flight lines 200 m apart for a total of 20,805 line km (OGS, 1990 a, b).

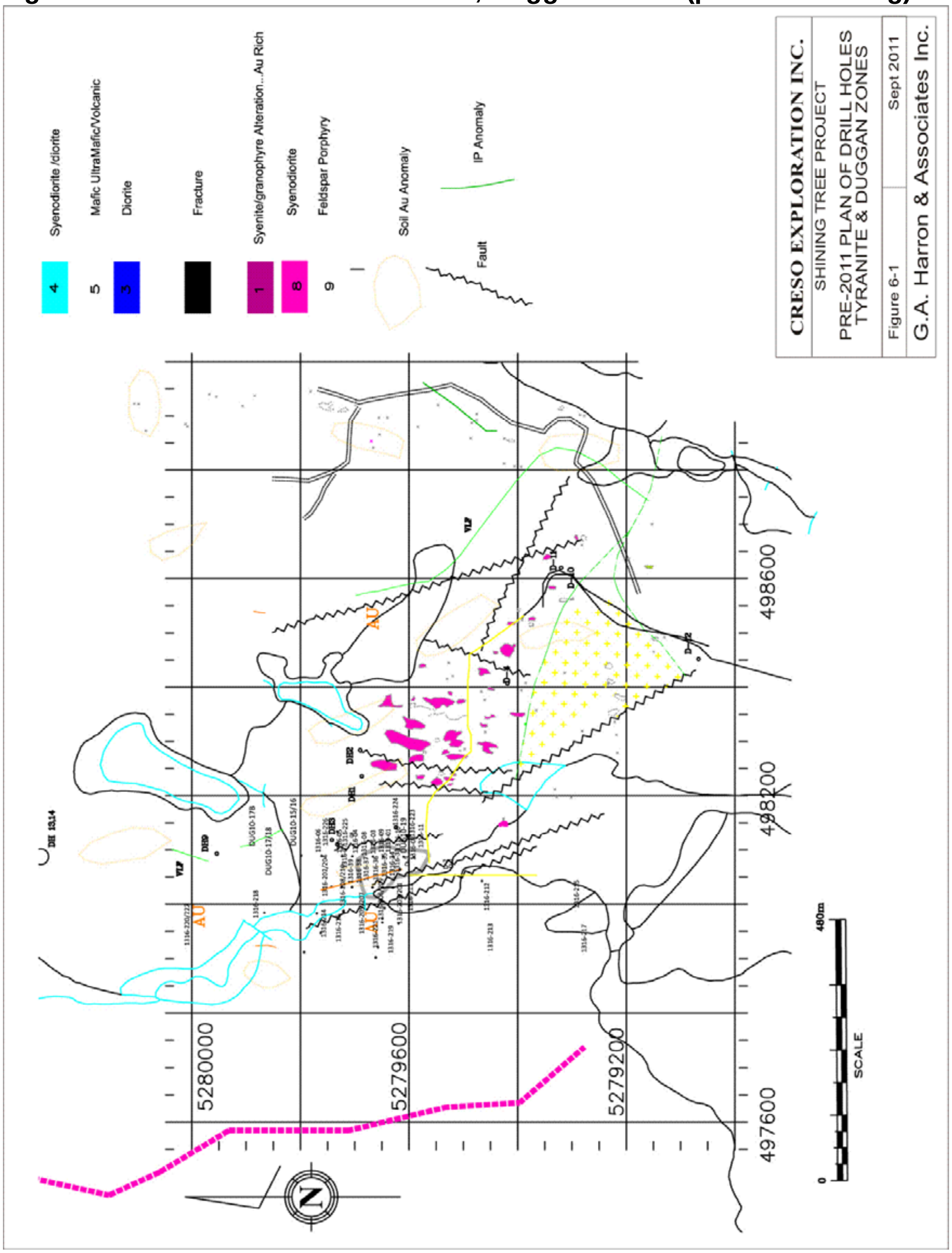
This was followed by a combined vertical gradient AMAG, AVLF-EM and ARAD (radiometric), survey of the Shining Tree and Gowganda area (Sial Geosciences, 1998).This airborne survey consisted of 2,261 line km of data collected along lines 150 m apart.

A third government sponsored airborne survey featuring AMAG, AVLF-EM and ARAD (radiometric), of the Shining Tree area was released in 2009. Data acquisition was along flight lines 150 m apart for a total of 23,662 line km.

The objective of the 2009 surveys was to highlight the base metal and gold potential of the Shining Tree area. The potassium data collected in the 1998 and 2009 airborne surveys generally identified the location of the Milly Creek Stock. The magnetic and electromagnetic data largely supports the results of the earlier airborne geophysical surveys.

In the late 1980s a synthesis of the drill results, geophysical surveys and geological mapping indicated that the Tyranite mineralized zone extends along a northerly trending shear for 1km and consists of 3 lenses down to a depth of 350 m. The mineralized structure cuts across both ultramafic volcanic and syenodiorite intrusive rocks and appears to dip steeply west. Lithogeochemistry data confirms the original rock types and identified carbonate/sericite hydrothermal alteration with elevated potash values associated with the gold mineralization.

Figure 6-1 Drill Hole Collar Locations, Duggan Zones (pre-2011 drilling)



6.2 Minto Property

In 1971 Dalhousie Oil Company Limited held the current four claim property (Table 4-1). These claims were part of the original Gordon Syndicate (Graham, 1932). In 1938 Minto Gold Mines Limited acquired the property.

Prospecting discovered gold at several points on the property. During April and May 1931 the Minto deposit was explored by trenching and 304 m of diamond drilling. The diamond drilling demonstrated vertical continuity of the mineralization beneath the surface showing (Graham, 1932).

A diamond drill program on the Minto Zone by Duncan Gold Resources Inc., supervised by H.A Pearson, P.Eng. (1983 and 1984) increased the resource to 204,000 tonne (225,000 tons) of 6.9 g/t (0.2 oz/t) Au to a depth of 229 m (750 ft) (White 2010).

The designation of the mineralization as an inferred resource is compatible with CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

A qualified person has not done sufficient work to classify the historical estimate as a current mineral resource, and the issuer is not treating the historical resource estimate as a current mineral resource. The author views this historical estimate as a conceptual indication of the potential size and grade of the resource. Additional diamond drilling is required to upgrade the database describing this deposit prior to estimating current resources.

The gold mineralization is found to be spatially related to a more or less circular, vertical breccia pipe and associated with auriferous quartz-carbonate veining containing disseminated pyrite. Gold mineralization appears to be related to pyrite and quartz veining trending along north-south and northeast-southwest foliation planes.

A bulldozer stripping program in 1984 removed approximately 5,900 cubic yards (4,510 cubic metres) of overburden. The overburden removal program indicated that there is considerable visible gold, particularly in the rhyolite rocks immediately adjacent to the breccia pipe, and this gold can be recovered by gravity methods.

A limited IP survey was conducted by Phoenix Geophysics Ltd. of Toronto in the immediate vicinity of the breccia pipe. Results indicated that the data was compromised by difficult electrode grounding conditions. However, the survey successfully outlined the gold- bearing sulphide mineralization in the deposit.

In 1984 an air-track percussion drill supplied by Diepdaume Mines, Timmins, Ontario completed 59 holes for a total of 639 metres. Sampling of the rock chips was done at approximately 1.5 m intervals. Assay results of this work have not been verified. One objective of this work was to obtain a more accurate outline of the gold-bearing breccia and to establish a grade for mining purposes (particularly in the top 122 m of the deposit. The work was also oriented towards increasing the mineral resource by extending the deposit to depth and to further investigate the gold metallurgy. However details are not available for perusal.

In addition, 278.4 m were diamond drilled as 12 Winkie drill holes (Nos. 84DG1 to 84DG12 inclusive). AX core size was recovered in this drilling. The core was sampled at approximately 1.5 m intervals within the breccia zone.

Also in 1984, diamond drilling recovering BQ core size amounted to 1,112 m in six holes (84-1 to 84-6, inclusive). The location of these drill holes is indicated in (Figure 6-1).

Milling tests by Diepdaume Mines (Pearson, 1984) indicated that gold is closely associated with pyrite. After fine grinding and cyaniding the concentrates, only 50% gold extraction could be achieved. The milling tests indicated that the sulphide concentrates would have to be treated at a smelter to achieve an acceptable recovery.

A 6,000 ton (5,400 tonne) bulk sample was excavated in 1987, which graded approximately (0.11 ounces gold per ton) 3.8 g/t Au. In 1988 Duncan Gold Resources Incorporated dewatered a small open pit previously mined by the company. Fourteen 12.2 m vertical holes were grilled into the pit floor in an attempt to identify additional economic gold mineralization. Results of this work are not available for perusal.

7.0 Geological Setting and Mineralization

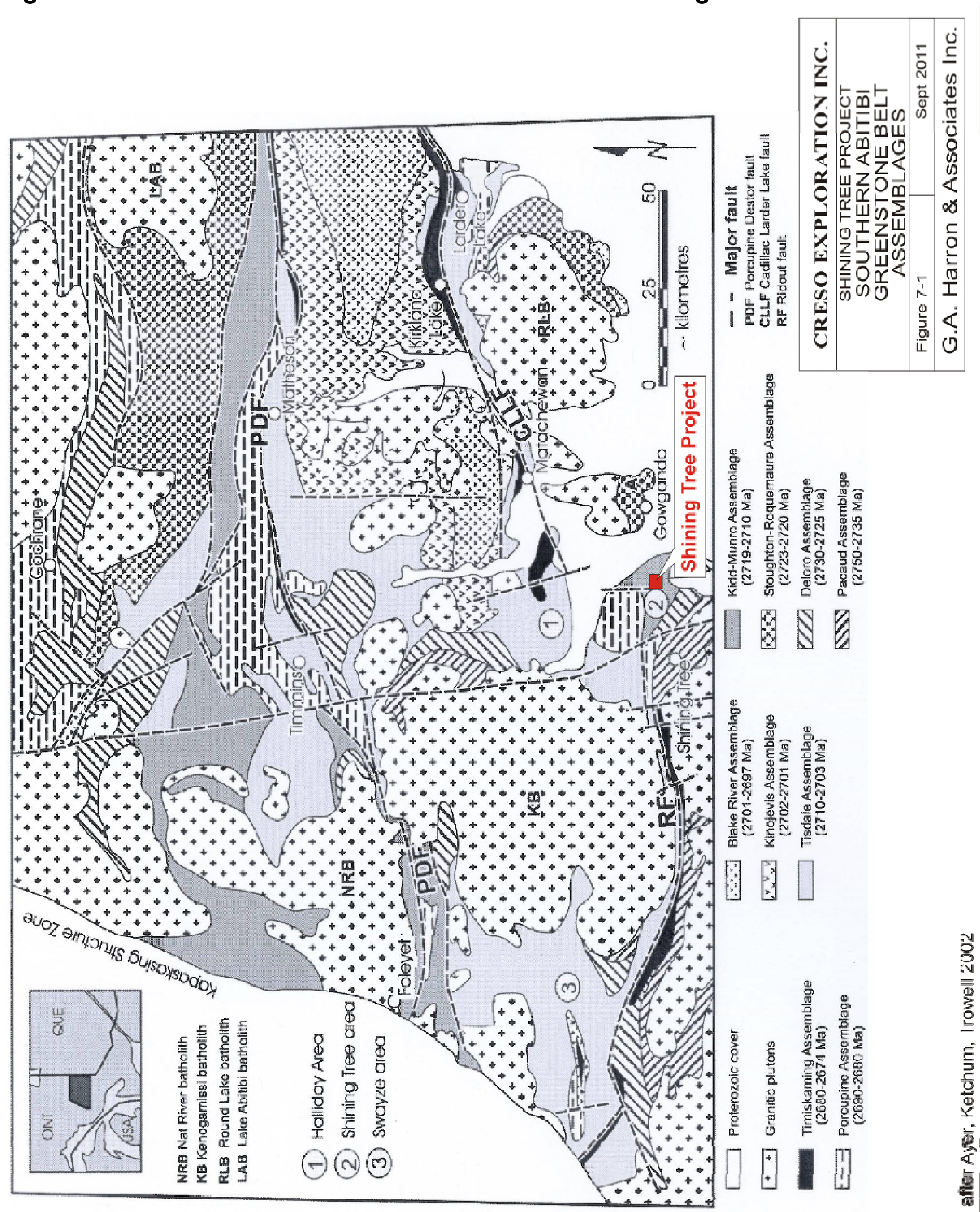
7.1 Regional Geology

The Archean age supracrustal rocks in the area are divided into 8 assemblages. Assemblages are groups of rocks containing unique geochemical, geophysical, tectonic features and related age dates. A summary of the assemblages is presented in Table 7-1. The distribution of these assemblages is illustrated in Figure 7-1 (after Johns, 2003).

Table 7-1 Assemblages of the Southern Abitibi Greestone Belt (after Ayer et al 2005)

Assemblage Age (Ma)	Dominant Rock Type	Volcanic chemical affinity
Timiskaming (2677-2670)	polymict conglomerate, sandstone as subaerial mafic to intermediate volcanics	alkalic, calc-alkalic
Porcupine (2690-2685)	Turbidite, minor conglomerate and iron formation	calc-alkalic
Upper Blake River (2701-2696)	mafic to felsic volcanics	tholeiitic and calc-alkalic
Lower Blake River (2704-2701)	mafic and minor felsic volcanics	tholeiitic
Upper Tisdale (2706-2704)	Intermediate to felsic volcanics	calc-alkalic
Lower Tisdale (2710-1207)	ultramafic, mafic, felsic volcanic and iron formation	komatiitic, tholeiitic, and calc-alkalic
Upper Kidd-Munro (2717-2711)	ultramafic, mafic, felsic volcanic and iron formation	komattiitic, tholeiitic
Lower Kidd-Munro (2719-2717)	intermediate to felsic volcanics	calc-alkalic
Stoughton-Roquemaure (2723-2720)	ultramafic, mafic, intermediate and felsic volcanic	
Deloro (2730-2724)	mafic, intermediate and felsic volcanic, and iron formation	tholeiitic and calc-alkalic
Pacaud (2750-2735)	ultramafic, mafic and felsic volcanic	komatiitic, tholeiitic, and calc-alkalic

Figure 7-1 Southern Abitibi Greenstone Belt Assemblages



The major elements of the regional geology are presented in detail by M W.Carter, (1983), Johns (2003), Ayer et al (2008) and illustrated in Figure 7-1. Recent uranium/lead age dating indicates that the mafic to intermediate volcanic rocks underlying the project area belong to the lower Kidd-Munro assemblage (2717 Ma) (Ayer et al 2008), which is further described below.

The Shining Tree Project lies at the northeastern edge of the Shining Tree Greenstone Belt (STGB), which in turn is located along the southern edge of the Abitibi Greenstone Belt ("AGB"). The AGB is a belt of Precambrian (Archean) aged volcanic, sedimentary and related intrusive rocks that extends across northeastern Ontario and northwestern Quebec. The rocks consist of a variety of ultramafic to felsic volcanic rocks, related volcaniclastic sediments, and detrital and chemical sediments intruded by felsic to ultramafic intrusions. Proterozoic magmatic events affecting the AGB are mainly diabase swarms and kimberlitic intrusions. Emphasis in this section is focused on the Archean assemblages in the STGB portion of the AGB (Figure 7-1).

The stratigraphically lowest assemblage in the Shining Tree area is the 2770-2735 Ma Pacaud assemblage (Ayer et al. 2002). It consists predominantly of tholeiitic volcanic rocks with calc-alkalic intermediate to felsic volcanic rocks and minor komatiites outcropping on the flanks of the Round Lake and Ramsey-Algoma and Chambers batholiths. The base of the Pacaud assemblage is everywhere cut by batholiths, obscuring its relationship with older assemblages. The age of the Pacaud assemblage compared to the overlying Deloro assemblage in the southern AGB suggests a local depositional hiatus of 2-5 million years between the two assemblages.

The Deloro assemblage (2730-2724 Ma) (Ayer et al. 2005) occurs as homoclinal panels underlain by the Pacaud assemblage on the southwestern flank of the Kenogamissi batholith and on the northern flank of the Ramsey-Algoma batholith. The Deloro assemblage also occurs in the core of the Shaw Dome, south of Timmins, and north of the Porcupine-Destor deformation zone, west of Timmins. The Deloro is dominantly composed of calc-alkalic volcanic rocks and regionally extensive iron formations. Tholeiitic mafic volcanic rocks of Deloro age are present east of the Kenogamissi Batholith.

The overlying Stoughton-Roquemaure assemblage bracketed by 2723 to 2720 Ma age dates consists of mafic volcanic rocks with subordinate intermediate to felsic volcanic rocks and komatiite. It is a very widespread assemblage in the northern part of the AGB. However in the Kirkland Lake and Timmins regions it is restricted to areas north and south of the Porcupine-Destor Deformation Zone (PDDZ) and Larder Lake-Cadillac (LLCDZ) Deformation Zone, respectively. North of the PDDZ the Deloro assemblage conformably underlies the Roquemaure assemblage, whereas south of the LLCDZ the assemblage is separated from the underlying Pacaud assemblage by a 12 Ma gap in the vicinity of the Round Lake Batholith (Ayer et al. 2006).

The Kidd-Munro assemblage outcrops over a 450 km strike length and is subdivided into an upper (2717-2711 Ma) and a lower (2719-2717 Ma) part (Ayer et al. 2005). The lower part includes dominantly intermediate to felsic calc-alkalic volcanic rocks.

The upper part of the Kidd-Munro assemblage extends across the AGB north of the PDDZ and is composed of tholeiitic and komatiitic units with minor thin graphitic sedimentary units and localized felsic volcanic centers. In the Timmins area the southern contact of the assemblage is with the Porcupine sedimentary rocks. West of the Mattagami River Fault the assemblage is north-facing and is in tectonic contact with the upper part of the Blake River assemblage. South of the Kamiskotia area, the base of the upper part of the Kidd-Munro has an unconformable contact with pillow basalts of the Deloro assemblage, with the depositional gap representing approximately 13 Ma (Ayer et al 2005).

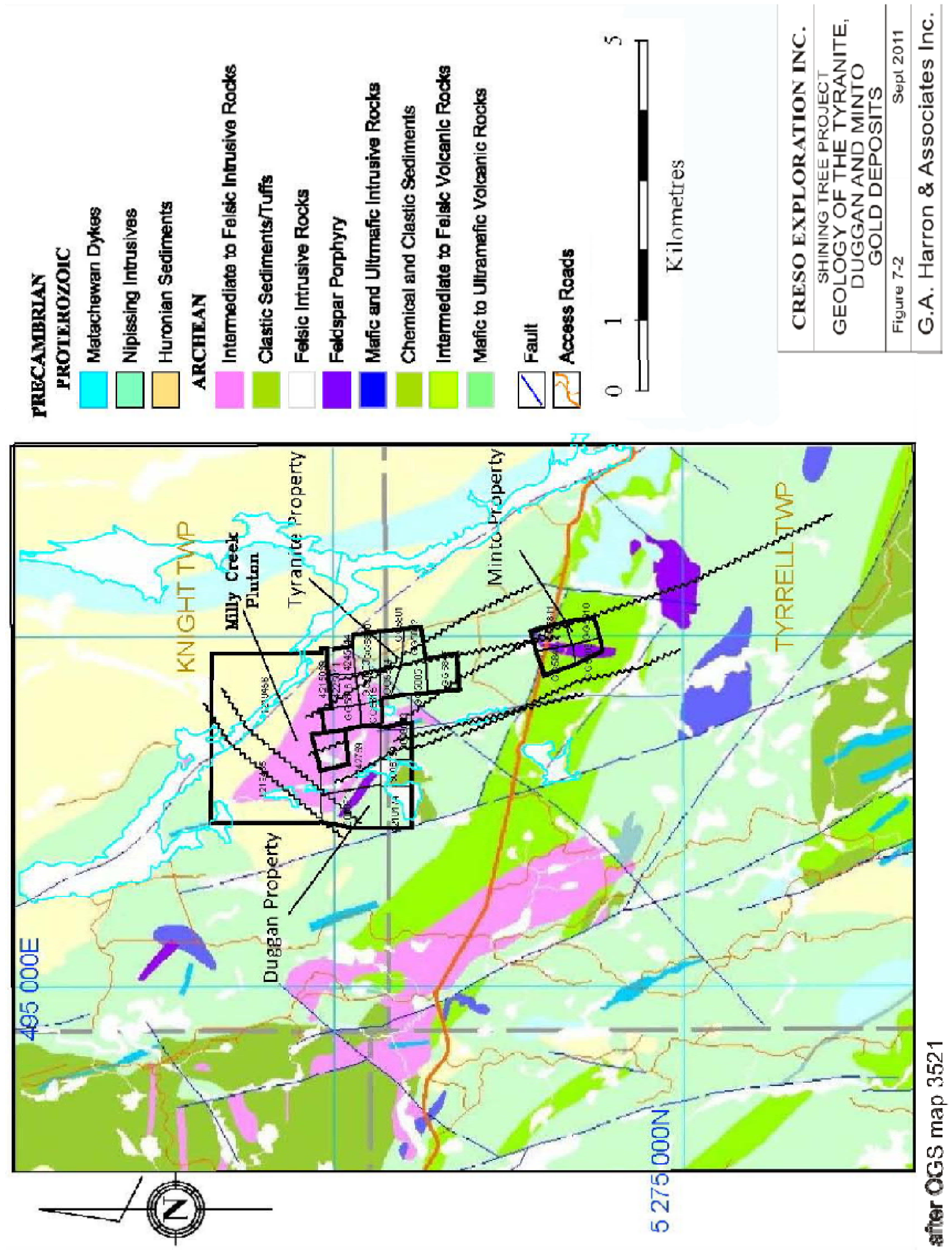
Above the upper Kidd Munro are the Tisdale and Blake River volcanic assemblages as well the sedimentary Porcupine and Temiskaming assemblages. These are not further discussed in this report (see Table 7-1).

7.2 Geology and Mineralization of the Tyranite & Duggan Gold Zones

The Duggan / Tyranite deposit areas are underlain by Archean age mafic and ultramafic rocks of the upper Kidd-Munro assemblage and intruded by the Milly Creek Pluton, a multiphase intrusion varying from alkali gabbro to syenitic rocks. This pluton is about 10 km^2 in size and bounded by sedimentary rocks on the eastern and northern boundaries of the property (Beecham 1987) (see Figure 7-2).

Late north-south trending Matachewan dykes crosscut the property. To the south of the Milly Creek pluton, near and within the Minto zone, volcanic rocks of intermediate to felsic composition with local basaltic flows dominate the stratigraphy. The volcanic rocks include dacitic to rhyolitic flows and breccias of similar composition to the syenitic phase of the Milly Creek stock. Locally these flow breccias are gold mineralized.

Figure 7-2 Geology of the Tyranite, Duggan and Minto Gold Deposits



The Tyranite, Duggan and Minto deposits all appear to be spatially related to the north-trending steeply dipping shear zones containing abundant brecciation and quartz veining. These linear features are evident in the magnetic data (Figure 7-3).

Generally, the shear zones are potash (K_2O) enriched reflecting the composition of pervasive Au bearing fluids. In addition, these alteration zones are reflected as north trending magnetic lows that appear to extend over several kilometers.

7.3 Geology and Mineralization of the Minto Gold Deposit

At the Minto zone, volcanic rocks of intermediate to felsic composition with local basaltic flows dominate the stratigraphy. The volcanic rocks include dacitic to rhyolitic flows and breccias of similar composition to the syenitic phase of the Milly Creek stock.

Locally these flow breccias are gold enriched as evidenced by visible gold in quartz-carbonate breccias. The Minto property itself has numerous quartz veins trending both northeast and north and steeply dipping to the west.

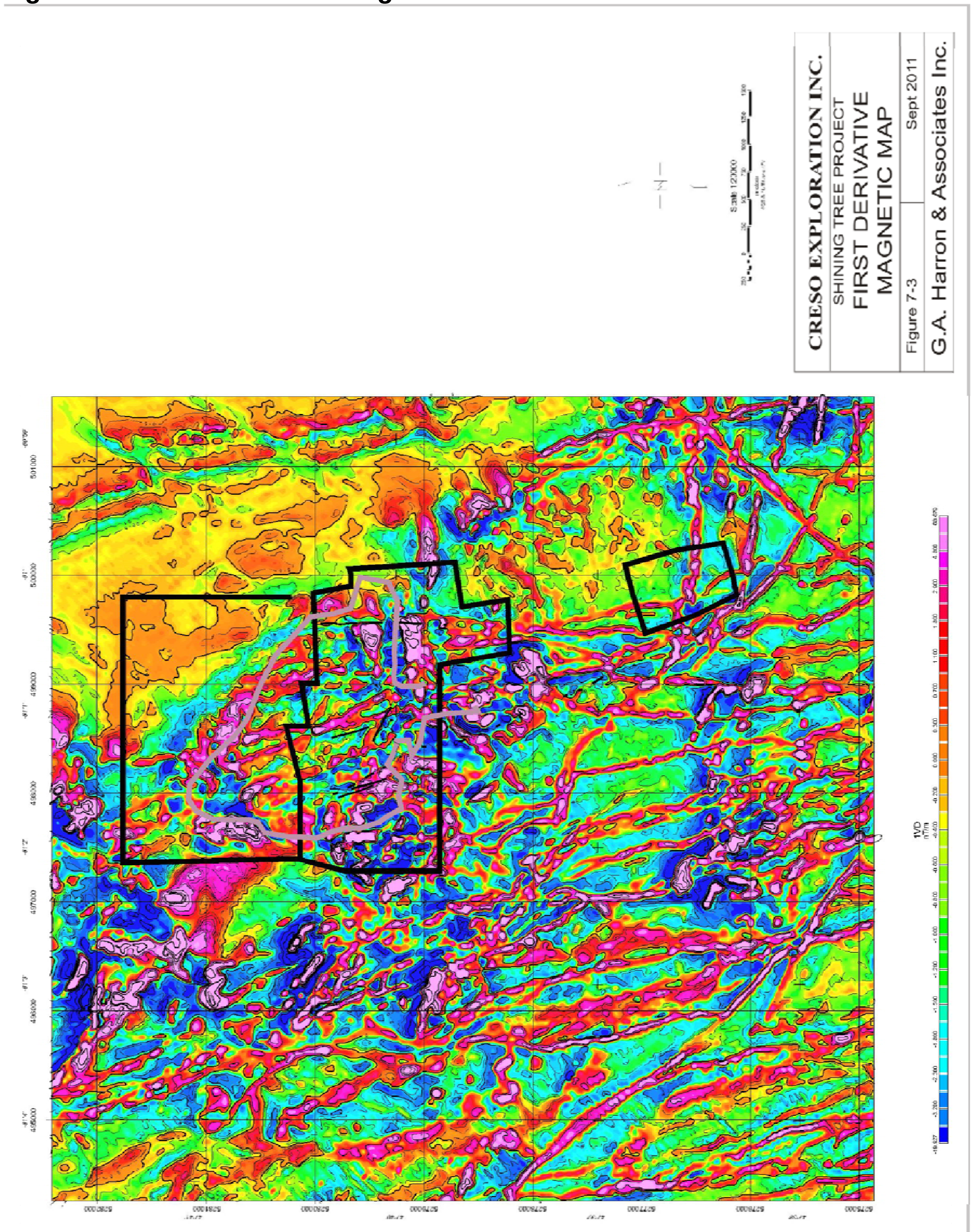
Bedrock in the vicinity of the deposit is described as multiple layers of andesite, rhyolite and felsic volcaniclastic rocks intruded by diorite, syenite, feldspar porphyry, lamprophyre and diabase.

The metavolcanic rocks in this area also belong to the upper Kidd Munro assemblage, a sub-alkalic and alkalic metavolcanic rock series. Pyroclastic rocks occur predominantly as intermediate rocks: They are mainly tuffs and crystal tuffs that were deposited in a subaqueous environment. Well-preserved sedimentary structures comprising graded bedding, load casting and ball and flame structures are common.

Matachewan diabase dykes, most of which are 30-45 m wide and trend north-northwest are present in the area and are marked by linear positive magnetic features.

The Precambrian rocks are folded about a plunging regional synclinal axis located in Natal Township; the axial trace of which trends N60°W over most of Tyrrell Township. Several major un-named faults cross the Minto area in a north to northwest direction, and appear to be southern extensions of the faults present at the Tyranite deposit.

Figure 7-3 First Derivative Magnetic Data



Gold mineralization is the only commodity sought on the Property at this time. The exploration/deposit model is similar to that hosting the Matachewan deposits to the north and the deposits of Kirkland Lake to the north east. There gold is related to intrusive syenite and porphyries as veins and disseminations, and within volcanic and sedimentary rocks as lode deposits and vein systems.

Within the Project area, gold is related to one or more volcanic/intrusive systems in which hydrothermal fluids were active and injected over a considerable period of time resulting in the observed rock alteration, sulphide deposition and gold mineralization.

Injection was localized along structural zones and vents resulting in vein systems and breccia deposits, creating both local high grade gold zones and larger disseminated low grade gold zones.

In the Duggan zone, mineralization is contained almost entirely within altered monzonite and diorite. Alteration comprises pervasive calcite and hematization and moderate silicification. Quartz and quartz-calcite stringers are common throughout the zone.

Fragments of mafic and ultramafic volcanic rocks have pervasive chlorite and calcite alteration with trace amounts of disseminated pyrite. Pyrite is the main sulphide mineral, with trace amounts of chalcopyrite and arsenopyrite. Visible gold occurs in small amounts throughout the zone and is also found with pyrite and chalcopyrite (Norwin Resources, 1988b).

Previous data show the high grade zone cannot be correlated with any confidence from hole to hole, probably related to a strong nugget effect. Bulk sampling will likely be required to evaluate the true grade of the zone. However, the main alteration zone trends approximately N-S and has dimensions of some 200 m by 100 m, with anomalous Au values (>100 ppb). In 2007, Duggan Zone diamond drilling (DDHs # D1-07, D3-07, D4-07 and D9-07) indicated extensions of the mineral zone 220 m north-northwest and to a depth of 250 m. The zone has probable extensions to the north and to depth.

In contrast to the main Tyranite shear (to the east) where gold is fine-grained and associated with pyrite, the Duggan Zone contains coarse visible gold thus producing a nugget effect and which indicates that particular care has to be taken during the sampling process.

In the Minto deposit gold mineralization is contained within a broad zone of potassic alteration within a hydrothermal breccia that displays rims of what are interpreted to be very fine grained secondary K-feldspar on many breccia fragments within a matrix of quartz and calcite. Within the mineralized zone fine grained disseminated pyrite makes up approximately 3% by volume of the hydrothermal breccia (Creso Press Release, July 21, 2010). Visible gold is commonly observed and often is associated with quartz-carbonate-sulphide breccia. Several gold bearing rock types were intersected varying from rhyolitic flows and breccias to dacitic flows and breccias and also a basaltic breccias/quartz carbonate unit.

Two modes of occurrence of gold are recognized in the deposit: (1) quartz-carbonate vein deposits over widths up to 4.5 m: (2) disseminated low grade gold zones over widths of 15 m or more with occasional erratic high grade lenses. Gold zones appear to be controlled by a steeply westerly dipping shear and occur in intrusive and extrusive rock types.

The Tyranite Au bearing pyritic shear zone trends north –south, dips 73° west, and is comprised of at least 3 lenses consisting of both lode/vein systems several metres in width and wide zones of erratic and disseminated Au with patchy high grade pods. Mineralization has been confirmed over a 1.2 km north-south extension and down to a depth of 470 m (Creso News Release, April 21, 2011). Airborne geophysical data suggests that the Tyranite Main Zone mineralization aligns with the Minto deposit 2.25 km to the south-southeast along a narrow structural corridor trending 350°.

The mineralized structure trends across both ultramafic volcanic and syenodiorite intrusive rocks and appears to dip steeply west. Mineralization is confirmed to extend to a depth of over 300 metres. Lithogeochemistry data confirms rock types and carbonate/sericite with elevated potassium alteration associated with the ore zone.

The mineralized structure trends across both ultramafic volcanic and syenodiorite intrusive rocks and appears to dip steeply west. Mineralization is confirmed to extend to a depth of over 300 m. Lithogeochemistry data confirms rock types and carbonate/sericite alteration with elevated potash (K_2O) alteration associated with the ore zone.

Previous work indicated a gold bearing breccia pod extending to a depth of at least 235 metres. Gold, structures and alteration appears to define to a more or less circular breccia pipe and associated with quartz-carbonate veining and disseminated pyrite.

8.0. Deposit Models

Gold mineralization on the Creso lands is generally considered to be of the quartz-sulphide lode gold type of mineralization. This deposit type has characteristics similar to the gold deposits located in the Timmins, Kirkland Lake and Val d'Or areas of Ontario and Quebec (Robert, 1995).

Exploration techniques used to discover these gold-bearing veins include induced geological mapping, induced polarization/resistivity, magnetic and rock geochemical surveys. Geochemical surveys can take the form of gaseous, mobile metal ion, alteration studies or conventional overburden heavy mineral concentrate sampling.

9.0 Exploration

Since acquiring the properties that comprise the Shining Tree Project in 2007, Creso exploration activities have focused on geophysical surveys and diamond drilling in the vicinity of north-trending known gold mineralization.

An airborne survey designed to collect magnetic, VLF-EM and radiometric responses over the property was completed by Terraquest in February 2008. The survey comprised 370.2 line km, flown with a 100 m line spacings in 2 directions, 287° and 197°, at a height of 70 m with a sample interval of 7-8 metres.

Compared to an earlier Ontario Government sponsored Shining Tree survey flown at wider spacings, the syenitic intrusion (Milly Creek Pluton) shows as a continuous magnetic high, but in the Terraquest survey, the multiphase composition (high frequency magnetic highs and lows) is evident and highlights the known geological and structural features. The more magnetic alkali gabbro/diorite and less magnetic syenite rocks are well defined, as well as the granophyric alteration and structural trends associated with the Duggan and Tyrenite mineralized gold trends shown by an associated low magnetic response and potash (K_2O) enrichment.

Diamond drilling in the 2007-2008 period consisted of 8 DDHs (3,654 m) of NQ size core with the purpose of better defining geological, structural and alteration patterns associated with the mineralization controls.

During 2009, the geoscientific data on the Tyranite and Minto deposits were examined in detail. All previous available drill and exploration data was examined and converted to NAD 83 UTM coordinates, and where possible, into a digital format.

During the period August 15, 2010 through September 19, 2010, a helicopter airborne geophysical survey was flown by Terraquest Ltd. over two portions of the Shining Tree Project area. The Shining Tree Block survey consists of 4,411 line-kilometers of coverage with a flight line spacing of 15 m oriented in a 45°/225°direction. The surveys acquired AMAG, VLF-EM data collected using proprietary XDS system developed by Terraquest Ltd., and radiometric data.

The helicopter airborne surveys show the presence of numerous anomalous linear features oriented parallel to the predominant 350° structural trend of the Shining Tree area. Many of the linear magnetic features have been determined to be associated with post-mineralized dikes. While the dikes are not of primary importance, they indicate areas of structural preparation that may have preferentially channelled ore forming fluids and localized ore hosting breccias. Many of the linear magnetic anomalies are offset and indicate the presence of additional structures oriented in both the NE-SW and E-W directions. There are numerous magnetic and radiometric anomalies that correlate well to RES and IP responses measured within the Minto and Tyranite claim blocks.

Physical property borehole surveys were conducted on holes MC-09-01 and MC-09-02 located on the Minto claim block by DGI Geoscience Inc, between August 4 and August 16, 2010. A suite of data including gamma radiation, resistivity, magnetic susceptibility, induced polarization, and spontaneous potential logs were acquired. In addition, optical televiewer logs were acquired in both holes to aid in structural analysis of fractures, faults and dikes encountered during drilling. A total of 1,620 m of borehole were logged with the optical and geophysical systems. Upon completion of the physical property logs, down hole detection and directional DC/IP array surveys were conducted by JVX Ltd. A total of 1,090 m of data were collected. The results from the borehole DC/IP array surveys were referenced against the surface DC/IP surveys to assist in the integrated interpretation of all the resistivity and IP data collected on the Minto claim block.

Geophysical surveys in the vicinity of the Minto deposit carried out in October-November 2010 consisted of 43 line km of gradient array IP/RES and 8.75 line km of "Insight Section" data. Data was collected from a grid with east-west lines spaced at 50 m and 25 m stations, covering both the Tyranite and Duggan zones as well as the Minto deposit area. Data collected allows the creation of 3 dimensional conductivity and chargeability models using 10 m grid cells and iso-surface values. This type of data presentation allows the development of non-outcropping geophysically based drill targets.

Several "Insight Sections" were collected over areas of high IP response identified in the DC/IP gradient array survey. The "Insight Sections" are collected using an expanding transmitter dipole, thus increasing depth of exploration and providing multiple source-receiver combinations making them amenable to 2D inversion for depth-to-source analysis. The DC/IP data is collected and processed in the same manner as the gradient DC/IP data. Six sections were acquired on the E-W grid and four were read on the N-S grid. A total of 8.75 line-kms of DC/IP Insight Section data were collected.

In the Minto claim area, the gradient and "Insight Section" DC/IP survey results indicate that the gold mineralization is associated with DC resistivity highs and elevated IP responses. Downhole geophysical logs and DC/IP array surveys confirm the association of gold intercepts associated with sulphide mineralization as having increased IP responses. The airborne magnetic data also show that the known gold mineralized breccia appears to be localized at a triple intersection location of 350°, 45° and 90° structures. Several additional triple structural intersection locations associated with IP highs have been identified on the Minto property and have been suggested as targets for the next stage of drilling.

The 3D conductivity model represented by an iso-surface value of 0.005 Siemens/m shows three conductive features. The first conductive feature is at shallow depth and is strong in the west direction as well as in the east direction. The second conductive feature is disseminated in the middle while the third conductive feature is at depth and to the southeast. The 3D chargeability model shows three chargeable features. The third chargeable feature (northwest – southeast) at depth is strongest. The second and third inversion shells correlate with the gold mineralization.

In the August 19, 2010 to September 19, 2010 period Terraquest completed a 4,511 line km AMAG, AVLF-EM and ARAD with (mostly) 15 m line spacing and a 45° flight line direction. The objective was to provide uniform magnetic coverage and create a database of measurements for 3D inversion useful in defining the Milly Creek pluton.

10.0 Drilling

The following table lists the physical parameters of Creso diamond drill holes on the Shining Tree project from 2007 to the present.

Table 10-1 Summary of Drill Statistics

Duggan Zone						
DDH ID	mE	mN	Azim°	Inclin°	Length	Year
D1-07	498236	5279687	270	-45	522	2007
D2-07	498284	5279690	90	-45	504	2007
D3-07	498110	5279732	270	-45	470	2007
D4-07	498407	5279419	260	-45	260	2007
D9-07	498093	5279954	270	-45	414	2007
D10-07	498620	5279320	80	-45	255	2007
D11-07	498620	5279320	260	-45	507	2007
D12-07	498452	5279067	260	-45	427	2007
DUG 10-13	498089	528028	260	-45	731	2010
DUG 10-14	498089	528028	90	-45	758	2010
DUG 10-15	498103	5279817	270	-45	278	2010
DUG 10-16	498103	5279817	270	-70	191	2010
DUG 10-17B	498099	5279873	270	-45	197	2010
DUG 10-18	498099	5279873	270	-70	241.33	2010

DUG 10-19	498102	5279620	270	-45	126	2011
<u>Tyranite</u>						
Tyr 09-01	499493	5279383	92	-50	157	2009
TY11-01	499433	5279274	136	-79	473	2011
TY11-02	499433	5279274	165	-82	614	2011
TY11-03B	499495	5279278	153	-77	611	2011
<u>Minto Zone</u>						
MC09-01	500126	5276774	169	-78	920	2009&2010
MC09-02	500118	5276741	157	-75	672	2009&2010
MC10-03A	500088	5276773	168	-79	250	2010
MC10-03B	500083	5276765	154	-80	1039	2010
MC10-03C	wedge hole from 3B failed, no core					
MC10-04	500143	5276780	194	-78	1050	2010
MC10-05	499966	5276879	202	-50	893	2010
MC10-06	500120	5276660	356	-45	263	2010
MC10-07	500120	5276660	356	-60	308	2010
MC10-08	500120	5276660	356	-75	260	2010
MC10-09	500120	5276660	18	-45	150	2010
MC10-10	500160	5276620	340	-80	791	2010
MC11-11	500158	5276780	187	559	250	2011
MC11-12	500120	5276660	342	-45	140	2011
AT10-01	500280	5276580	80	-60	452	2011
AT11-02	500262	5276664	80	-60	443	2011

Creso completed one hole on the Tyranite Zone (# Tyr 09-01) for 159 m in 2009, to test and confirm mineralization and geology in the central part of the zone. The location of DDH #Tyr.09-01 and other neighbouring drill holes is illustrated in Figure 10-1.

The hole confirmed previous gold intersections in DDH #1316-13, (Table 10-2). Similar to the Duggan Zone, an association with potash (K_2O) enrichment demonstrates hyrdrothermal /metasomatic activity and gold mineralization. Composite intervals have not been corrected to "true width", as more drill intercepts are required to understand the geometry. The mineralized structure trends across both ultramafic volcanic and syenodiorite intrusive rocks and appears to dip steeply west. Mineralization is confirmed (with elevated potash (K_2O) alteration) to a depth of over 300 metres. Lithogeochemistry confirms rock types and carbonate/sericite alteration.

The three drill holes (# TY11 01-03) completed in 2011 were designed to test coincident IP and RES positive anomalies that are also coincident with projected extensions of historic mineralization and high grade mineral intercepts (eg 16.8 g/t Au over 4.7 m) directly beneath the bottom of the Tyranite shaft (Creso News Release April 21, 2011) (Figure 10-2 and 10-3). The best and deepest intercept from this drill program is 5.22 g/t Au over 11.8 m in DDH # TY 11-02 from 492.5 to 504.3 m. This intercept penetrates the Tyranite Main Zone 130 m below the deepest level (1,1125-foot level) of the historic Tyranite Mine, or 470 m below surface. DDH # TY 11-03b suggests that the mineralized portions of the Tyranite Zone rake to the south. The deposit remains open to depth and along strike beyond 1,200 m (Figure 10-4).

Table 10-2 Drill Hole Intercepts, Tyranite Zone

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)
Tyr 09-01	84.8	92.7	7.9	2.5
	101.6	107.0	5.4	1.3
1316-13	84.1	97.1	12.9	3.2
incl	84.1.0	87.2	3.1	3.4
incl	93.3-	97.1	3.8	4.0
TY11-01	390.1	393.8	3.7	5.83
and	409.3	412.8	3.5	5.02
and	419.0	421.0	2.0	6.31
and	437.4	438.1	0.7	5.53
TY11-02	492.5	504.3	11.8	5.22
incl	495.5	499.5	4	10.61
TY11-03b	406.7	408.9	2.2	4.3
	413.0	443.0	30.0	3.68
incl	426.5	431.0	4.5	6.5

Note: True widths of the intercepts mentioned above are approximately 0.65 of reported intervals.

Figure 10-1 Location of DDH #Tyr.09-01, Tyranite Gold Zone

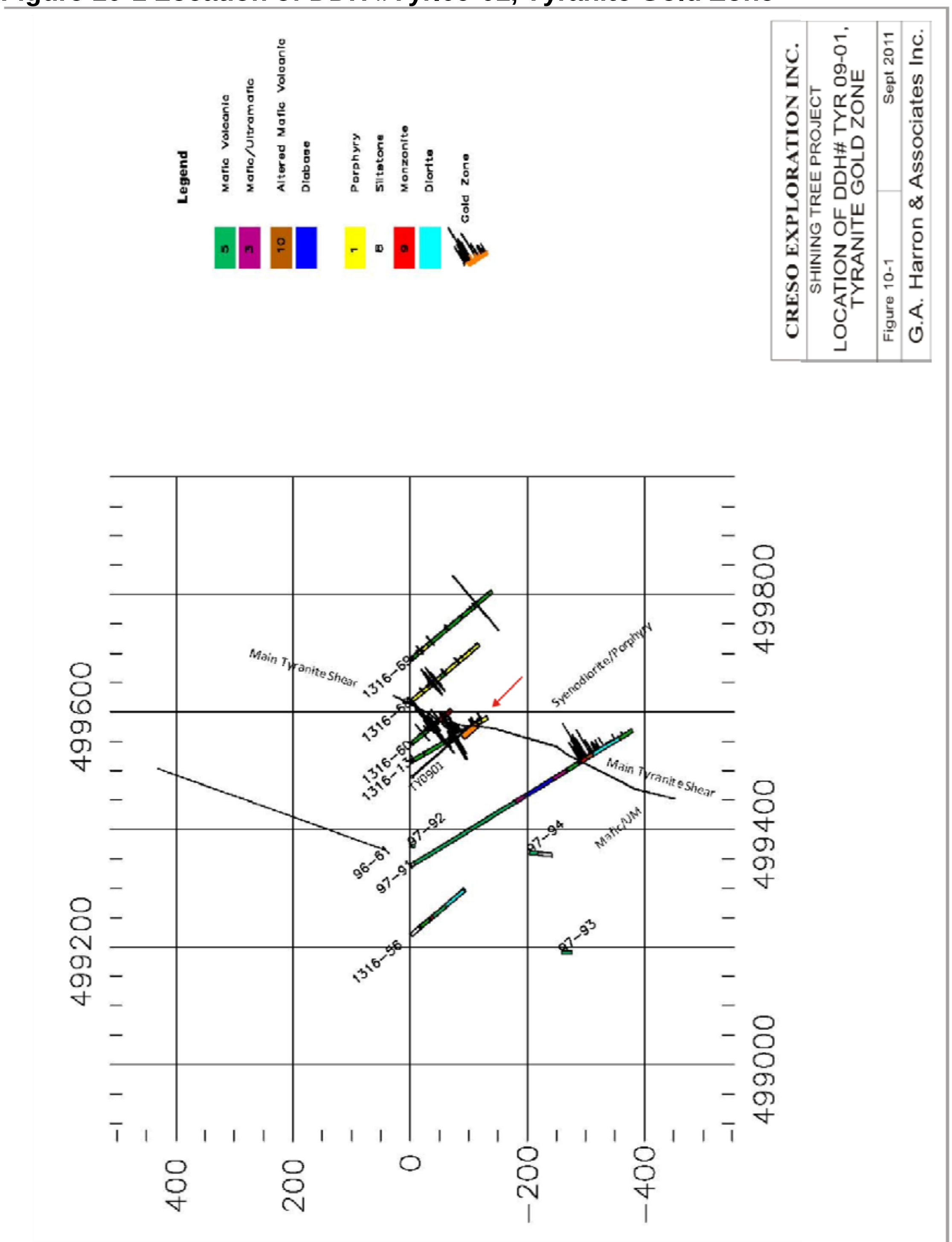


Figure 10-2 Plan Map of Tyranite Zone

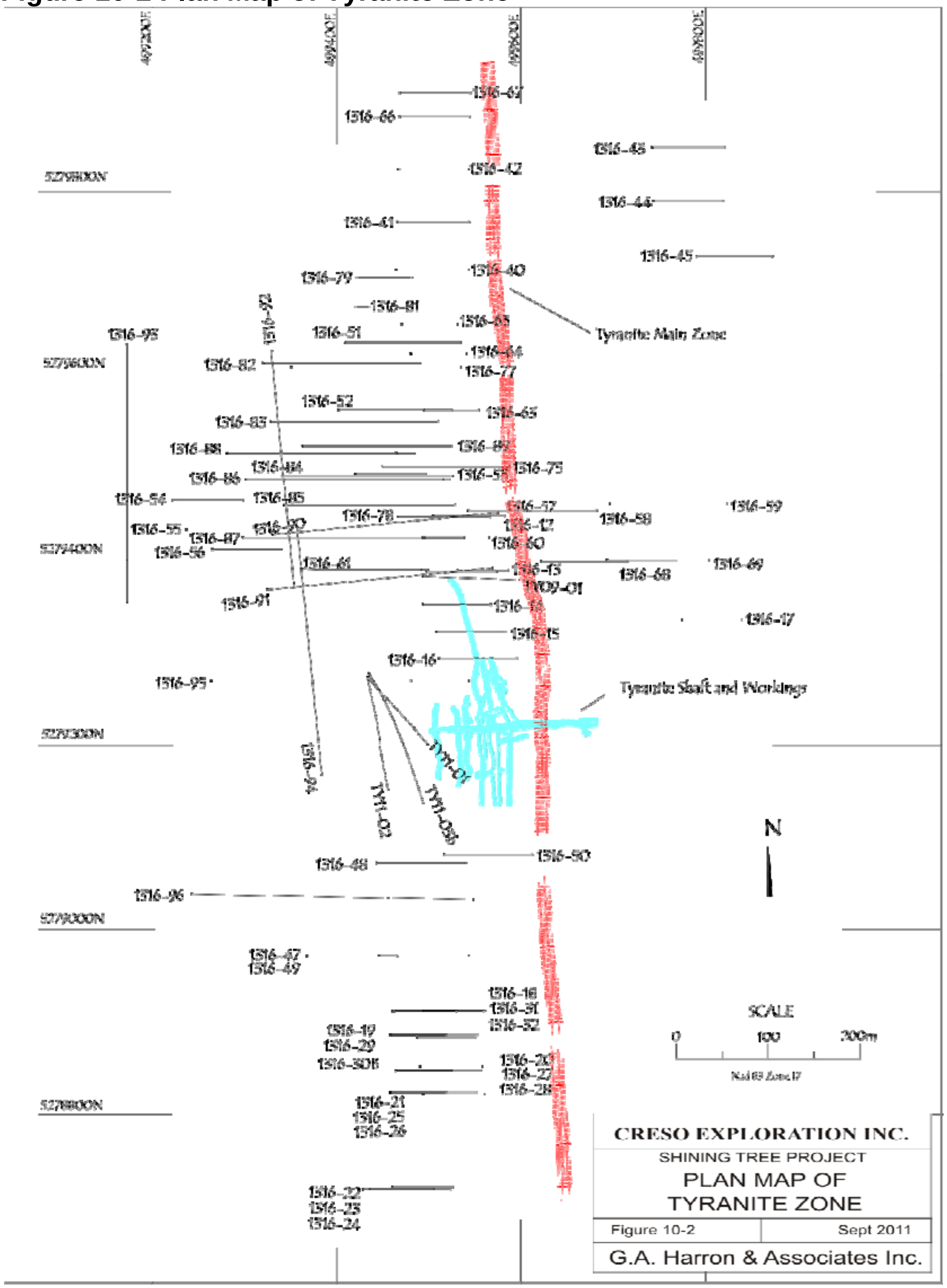


Figure 10-3 Inclined Long Section of the Tyranite Zone

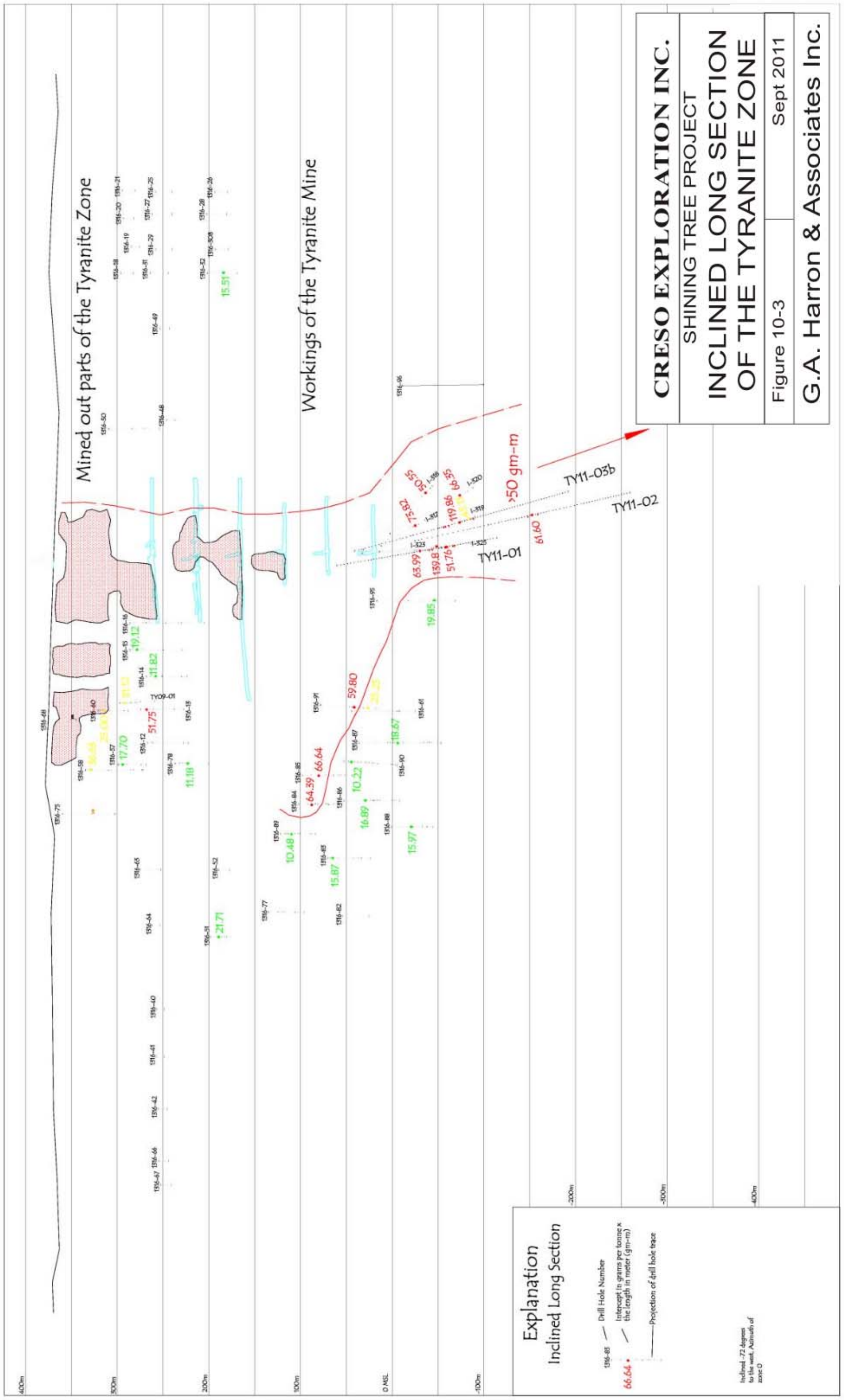
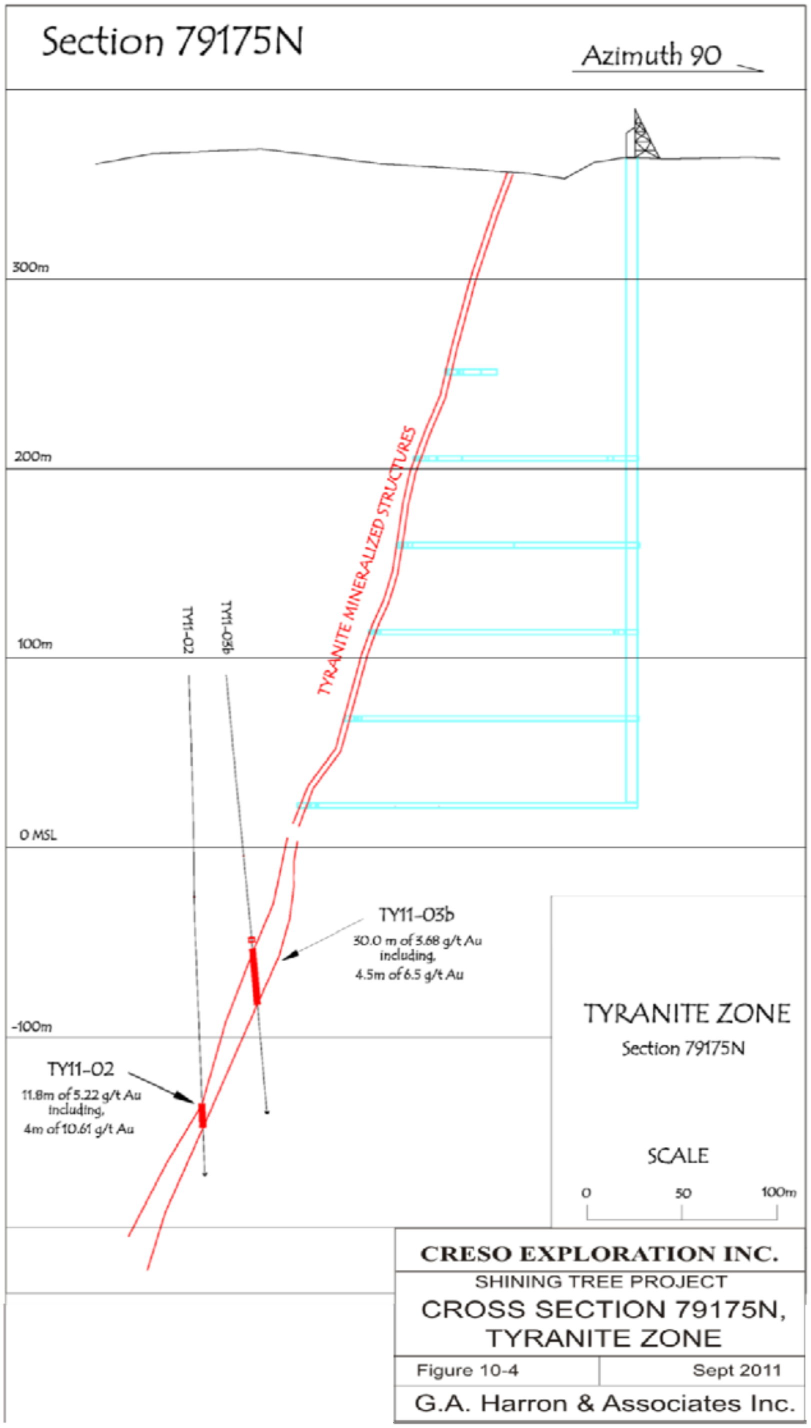


Figure 10-4 Cross Section 79175N, Tyranite Zone



In 2007 exploration on the Duggan property featured an 8 DDH program (D1-07 to D4, and D9-07 to D12, 3,359 m of NQ size core) completed by Foramex between August and December 2007. Diamond drill collar locations were established by GPS tools in NAD 83 coordinates. Figure 10-5 illustrates a new gold mineralized zone discovery located at the northern end of the Duggan Zone (DDH # D09-07) and Figure 10-6 illustrates the location of other DDHs.

Drill hole trajectories were monitored with “acid test” methods, which yield information about inclination of the drill hole only. The distance between “acid tests” was variable between 100 and 200 m apart. An analysis of the inclination data indicates normal deviation (~1° per 100 m).

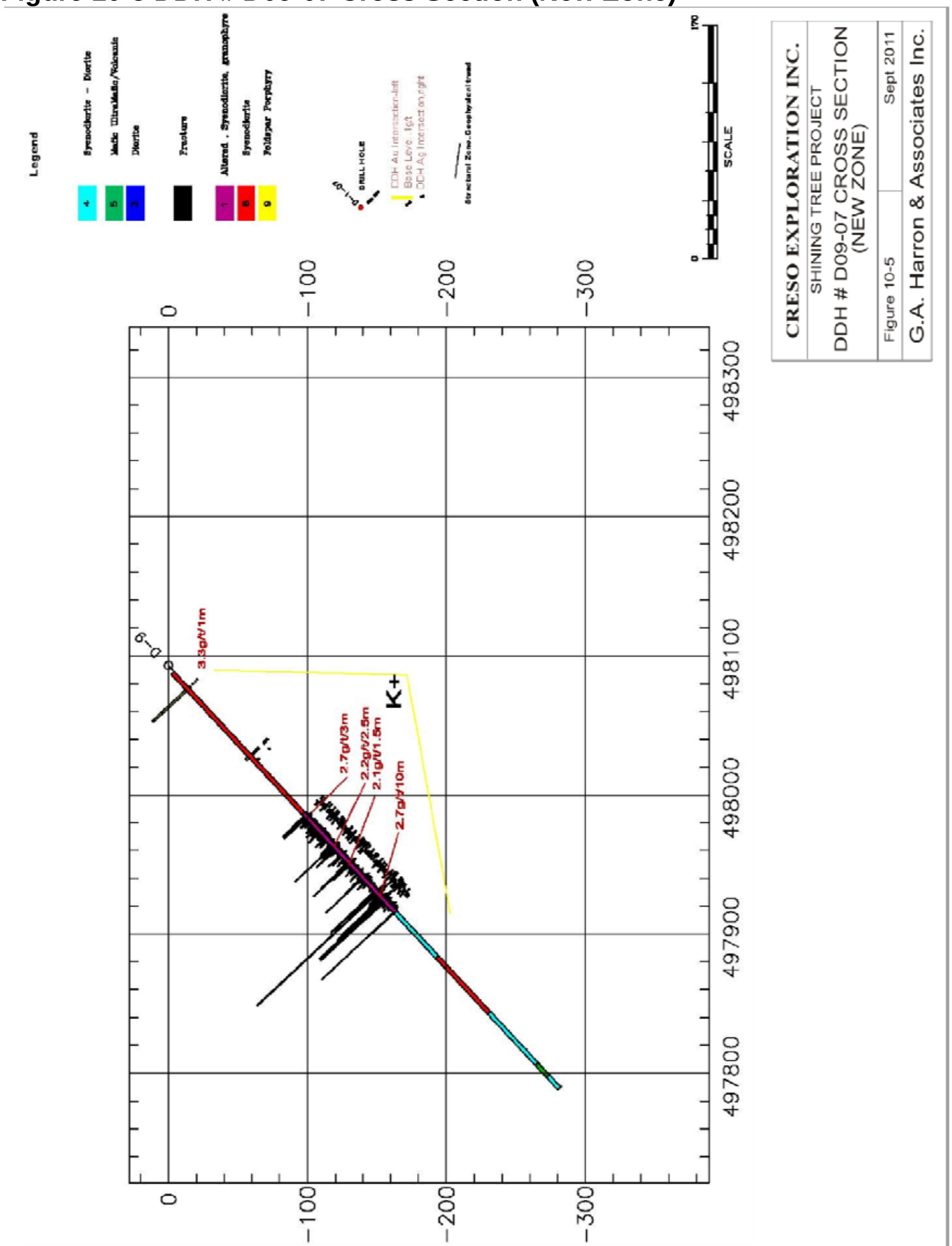
Composite assays for drill holes completed in the period 2007-2010 on the Duggan zone are presented in Table 10-3. Some composite intervals have been re-cast to more accurately reflect the nature of the mineralized zones.

Table 10-3 2007 - Diamond Drill Hole Intercepts Duggan Zone

Duggan Zone				
DDH s	From (m)	To (m)	Interval (m)	Au (g/t)
D1-07	136.0	137.0	1.0	6.1
	145.5	146.5	1.0	5.5
	333.0	334.0	1.0	6.1
D2-07	303.0	305.0	3.0	2.1
D3-07	84.0	86.0	2.0	4.6
	111.5	112.5	1.0	10.1
	119.5	120.5	1.0	33.8
	131.0	133.0	2.0	10.1
	148.0	149.0	1.0	4.3
D4-07				nsv
D9-07	87.0	89.0	2.0	3.3
	176.0	176.5	0.5	3.6
	192.5	193.5	1.0	3.0
	207.0	208.0	1.0	2.6
	222.0	223.0	1.0	7.1
D10-07				nsv
DUG 10-13	292.7	295.9	3.3	0.49

DUG 10-14	111.0	113.0	2.0	2.8
DUG 10-15	77.6	127.2	49.6	0.48
DUG 10-16	63.5	77.5	14.0	0.4
and	145.5	155.3	9.8	0.71
DUG 10-17B	96.0	144.8	48.8	0.69
incl	103.5	114.5	11.0	1.51
DUG 10-18	109.9	117.3	7.4	0.6
DUG 10-19	53.3	82.2	28.9	1.25
incl	79.4	79.9	0.5	38.0

Figure 10-5 DDH # D09-07 Cross Section (New Zone)



In 2009 and 2010 Creso completed 10 diamond drill holes (6,347.30 m) at the Minto deposit. Figure 10-7 illustrates the spatial distribution of the Creso drill holes in 2009 and 2010 at the Minto deposit.

Four of the drill holes on the Minto property were designed to verify mineralization, test geology and previous drilling results. Drill hole MC09-02 crossed the ore zone at a 70° angle and indicated a gold zone about 30 m in true width down to a depth of 190 m. The gold zone is open in both north and south directions as well as below the depth of 190 m because of the limited extent of previous exploration.

Composite assays for the Minto Zone are presented in Table 10-4. Composite assays considered significant are >1 g/t Au. Some composite intervals have been re-cast by GAHA to more accurately reflect the nature of the mineralized zones.

This drilling demonstrates that a strong alkalic gold system is developed over 800 vertical metres and at least 100 m in a north-south direction. The mineralized zone is open to both along strike and to depth.

Two mineralized zones (Upper and Lower) are recognized at Minto separated by a pre-mineral mafic intrusive unit (Figure 10-8, 10-9). Both Upper and Lower zones show affinities to alkalic style gold mineralization and appear to have a pipe shaped geometry, plunging steeply to the south-southeast. (Creso News Release, Feb. 9, 2011). Gold mineralization within this zone may be present in veins of diverse orientations hosted in pyritic chlorite breccias.

Figure 10-6 Surface Plan of DDHs by Creso, Duggan Zone

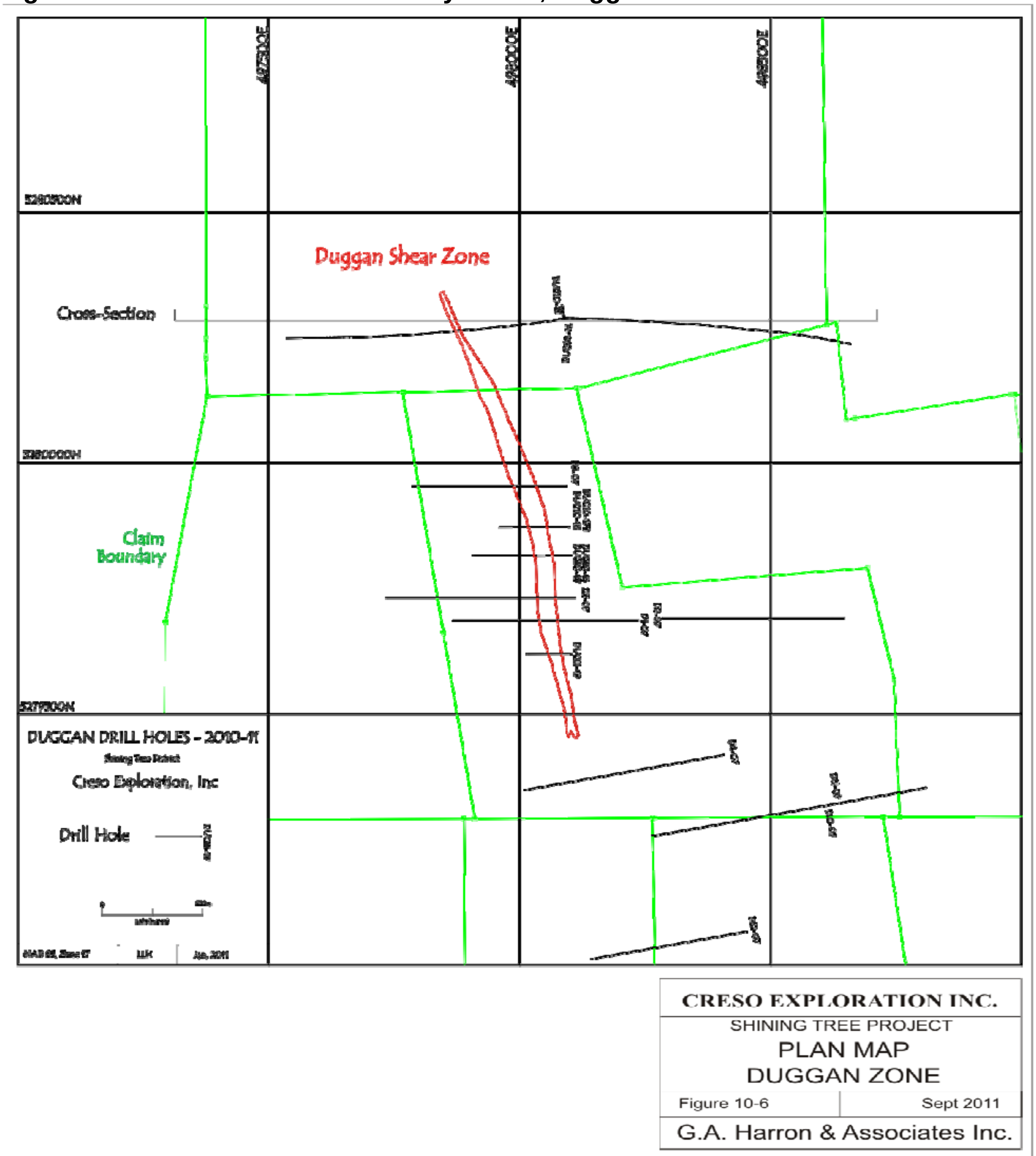


Figure 10-7 Surface Plan, Minto Deposit

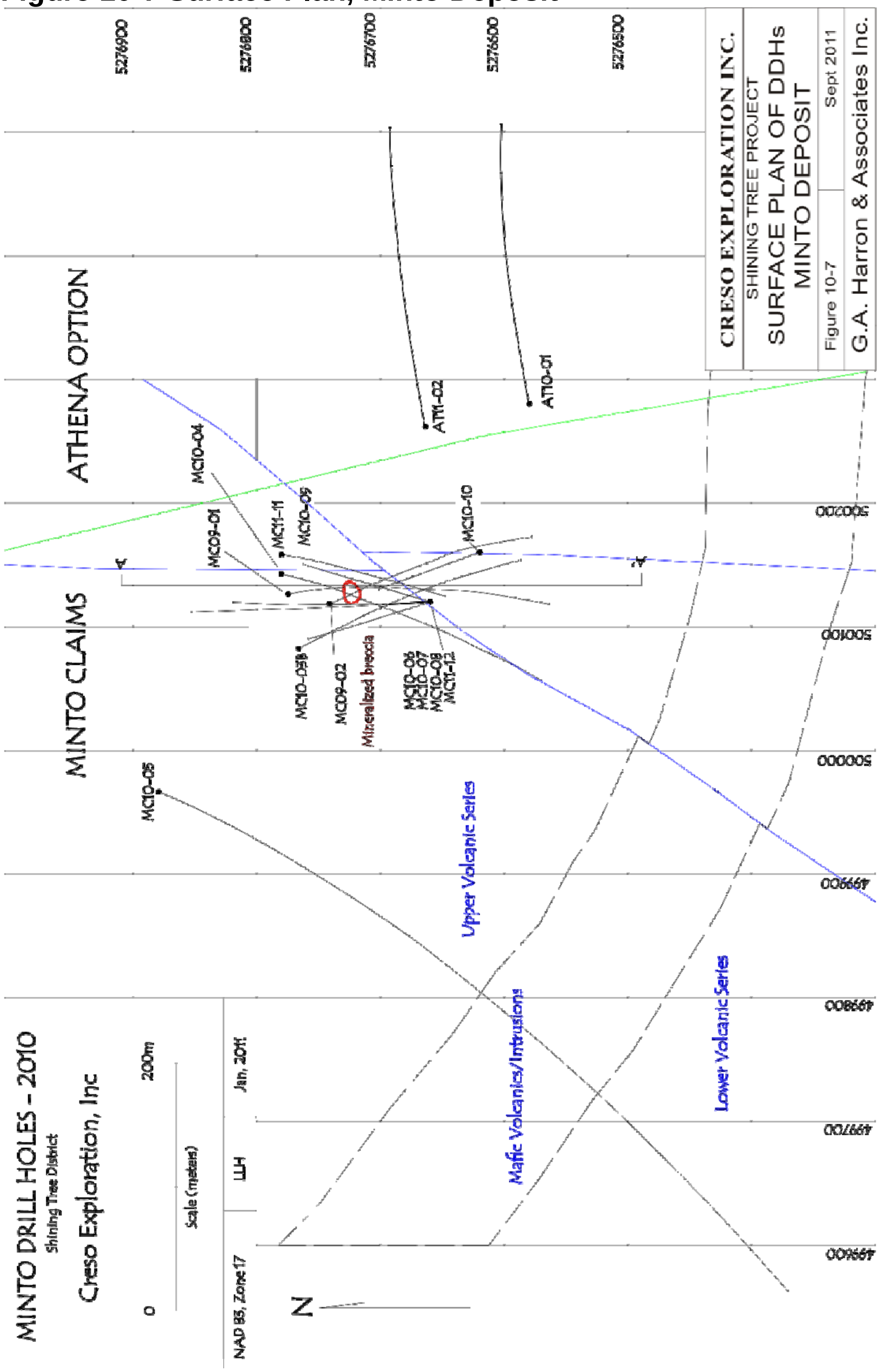


Figure 10-8 Inclined Section, Upper and Lower Zones, Minto Deposit

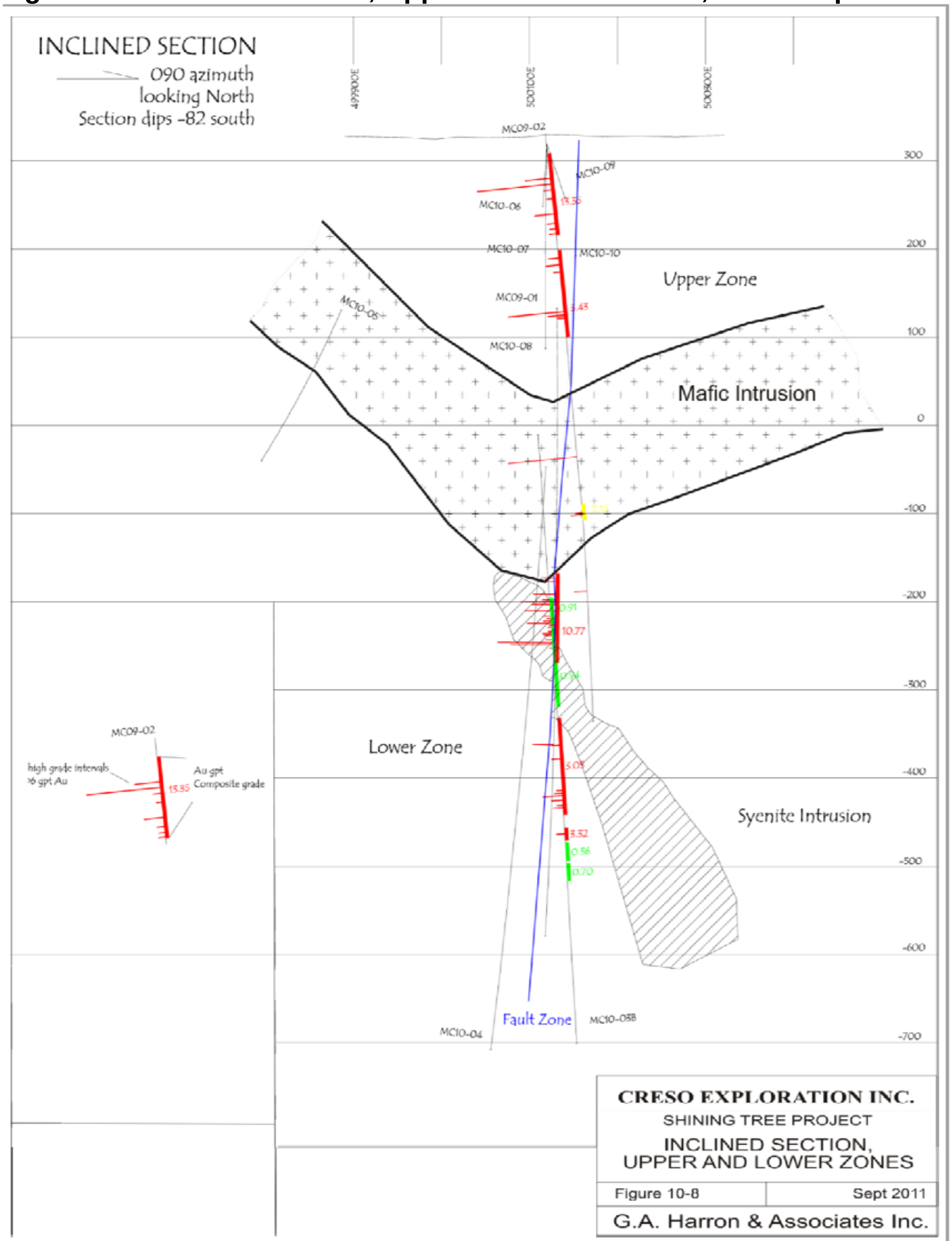


Figure 10-9 Cross Section, Upper and Lower Zones, Minto Deposit

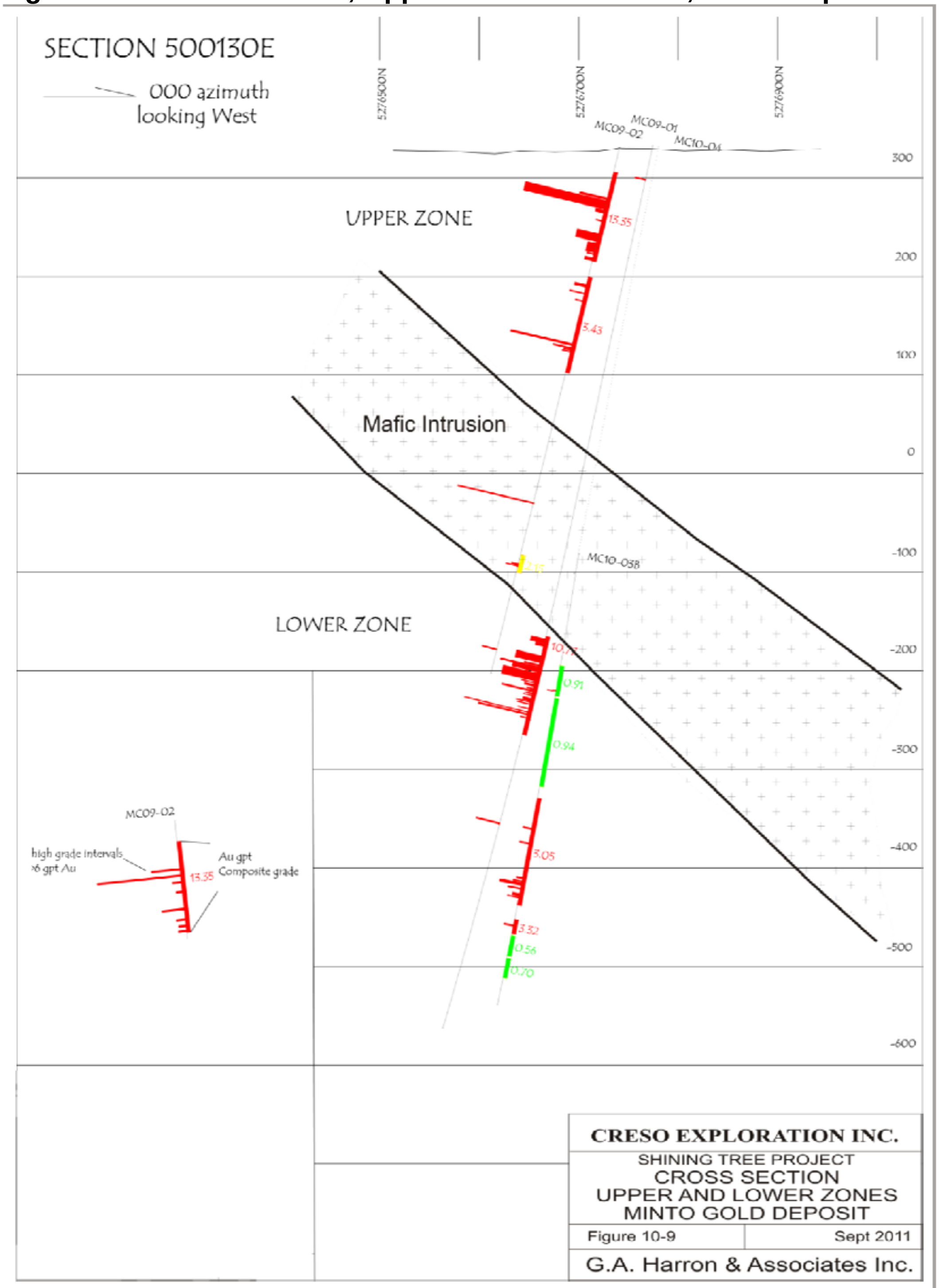


Table 10-4 Diamond Drill Hole Intercepts, Minto Zone

	From	To	Interval	Grade	Target
Hole Id	(m)	(m)	m	Au g/t	
MC09-01	508.5	591.41	82.91	13.2	Lower Zone
incl	522.84	591.41	68.57	14.5	Lower Zone
and	700.81	702.22	1.41	24.5	Lower Zone
MC09-02	38.1	115.0	76.9	16.1	Upper zone
and	194.4	214.4	20.0	9.6	Upper zone
and	430.7	437.59	6.89	5.2	Feeder between Upper & Lower zones
MC10-03B	557.96	860.15	302.19	1.65	Lower zone
incl	681.59	720.54	39.82	2..37	Lower zone
incl	728.91	808.52	79.61	3.3	Lower zone
incl	754.38	775.17	20.79	6.8	Lower zone
incl	756.36	757.73	1.37	38.0	Lower zone
incl	794.52	808.52	14.0	3.3	Lower zone
MC10-04	73.5	75.0	1.5	1.1	Lower zone
and	519.0	520.5	1.5	2.8	Lower zone
and	526.5	528.0	1.5	2.1	Lower zone
MC10-05	426	426.7	0.7	1.9	IP Anomaly
MC10-06	75.0	87.0	12.0	3.2	Upper zone
incl	83.1	84.5	1.4	10.4	Upper zone
and	103.0	104.0	1.0	3.2	Upper zone
MC10-07	95.0	107.0	12.0	3.0	Upper zone
incl	101.0	102.5	1.5	4.4	Upper zone
and	113.0	116.0	3.0	1.7	Upper zone
MC10-08	168.4	170.0	1.6	2.5	Upper zone
MC10-09	68.0	69.5	1.5	2.1	Upper zone
and	83.0	84.5	1.5	3.1	Upper zone
and	93.5	95.2	1.7	2.3	Upper zone
and	98.0	99.5	1.5	2.3	Upper zone
MC10-10				nsv	
MC11-11	108.0	109.5	1.5	4.67	Upper zone
and	126.2	178.9	42.7	3.94	
incl	145.9	170.3	24.4	5.04	
and	182.9	185.7	2.8	1.3	
	218.6	220.0	1.4	5.87	
MC11-12				nsv	

In 2009, drilling was executed by Rosko Mining Equipment and Resources Inc. and by Larry J. Salo. Supervision was provided by Michael White, core logging and sampling was provided by D. Robinson, P.Eng. of Kirkland Lake, Ontario. In 2011 supervision was by R. Casaceli, while core logging and sampling was provided primarily by L. Hillesland and Chris Albert, and assays were done by ALS Chemex in North Vancouver.

The assay results from DDHs # MC09-01 and MC09-02 returned encouraging results (Table 11-4). In DDH M09-01 several Au- bearing rock types were intersected varying from rhyolitic flows and breccias to dacitic flows and breccias and also a basaltic breccias/quartz carbonate unit. High gold grades are related to areas of potash (K_2O) enrichment. Visible gold was noted in several locations associated with quartz veining with a core angle of 15 degrees corresponding to steeply dipping surface quartz veining trending in a northerly direction.

Drill hole MC09-02 crossed the ore zone at 70 °, and indicated a gold zone about 30 m in true width down to a depth of 190 m. The gold zone is open in both north and south directions as well as below the depth of 190 m because of the limited extent of previous exploration.

Drill hole trajectories were monitored with the “acid test” method, prior to 2010, which yields information about inclination of the drill hole and nothing about the azimuth of the drill hole. The distance between “acid tests” was variable between 100 and 200 m apart. An analysis of the inclination data indicates normal deviation (~1° per 100m). Since 2010 drill hole surveys were conducted with a Reflex ® instrument.

Drill hole MC10-03A was drilled to a depth of 74 meters and terminated there, well above target depth when it was realized that the azimuth and inclination at that point would not allow the hole to reach its targeted projection. The collar was then re-located 10 m to the SSW and hole MC10-03B was drilled initially on an azimuth of 160° and an inclination of 80° to an ultimate depth of 1,039.47 m and succeeded in passing 25 m beneath the lower portion of hole MC09-01. In an effort to offset mineralization that appears to be partly continuous between the lower parts of MC09-01 and MC10-03B, MC10-03C was begun as a wedge offset from MC10-03B at a depth of 350 meters, where a conventional steel wedge was set. Hole MC10-03C was then drilled an additional 61 m to 411 m depth, where a retractable “Clappison” wedge was set. The setting of the second wedge failed and the hole was permanently lost at that point. No samples were taken from MC10-03A, which showed no visible mineralization; or from MC10-03, which showed no visible mineralization and which was immediately adjacent to MC10-03B, which was systematically sampled in the same interval, with no significant visual mineralization or assay values.

The author is not aware of any drilling, sampling or recovery factors that would impact the reliability of the core sample assays.

11.0 Sampling Preparation, Analysis and Security

All drill core is logged by geologists employed by Creso in a formal core logging facility, with adequate security, lighting, temporary core storage, core sawing area and a shipping area. All logging information is recorded directly into a core logging program loaded on a lap top computer.

As a first step the length of core is measured and compared to the position of depth markers placed in the core boxes by the drill contractors' personnel. This activity is to check for misplaced markers and for lost core.

The entire core is sampled after logging with sample intervals marked up on the core by a geologist. Sampling of the mineralization is based on visual observations of contacts, rock type, alteration, structures and sulphide mineralization, with particular attention paid to the presence of silicification, brecciation and sulphide minerals. Individual sample lengths are adjusted to accommodate lithological and alteration changes, and the presence of quartz veins and sulphides. In general the sample length within the mineralized zone is 1.0 metre. Half cores are sawn from only one side of a sampling line and bagged with the first part of a three-part assay tag bearing a unique identifier number. The other half of the core is archived with the second part of the three part assay fastened to the core box at the beginning of the sample interval.

In lithogeochemical sampling, 15 cm samples were taken every 10 m or less to identify rock type and alteration features. Duplicate samples were taken from the second half of split core every 10 regular sample intervals.

Records of the sampled intervals and sample numbers are recorded in the logs, on a sampling sheet and on the third part of a three part assay tags. The sampler also completes an assay requisition sheet listing the sample numbers, and requested assay and preparation procedures for inclusion with each batch of 25 samples shipped to Swastika Laboratories (2007-09), AGAT Laboratories in 2010 and ALS Chemex in 2011.

No sample preparation beyond documenting, sawing, numbering and bagging took place at the Creso / Rosko core handling facility in Kirkland Lake during the 2007-2009 period.

Security of samples prior to dispatch is maintained by limiting access of un-authorized persons to the core handling facility. Bagged samples readied for shipment are kept inside the core logging facility until transportation is arranged. Detailed records of sample numbers and descriptions of the samples provide integrity of the samples. Labelled samples packed in sealed bags robust enough to survive the journey to the assay laboratory also provide sample integrity. The assay laboratory completes sample preparation operations at their relatively secure location, and employs bar-coding and scanning technologies to provide complete chain of custody records for every sample.

Drill core from the Project was delivered to Creso /Rosko's secure core handling facility in Kirkland Lake once a day during the 2007 and 2008 exploration campaigns. In 2009 the core was picked up by personnel of a Creso contractor, Rosko Mining Inc. and transported to their secure facilities in Kirkland Lake, under exclusive lease to Creso. In 2010 a core handling facility was established at the Tyranite Mine site and core was delivered by the drilling contractor in sealed boxes twice daily.

Sampling of the core was the only sample preparation activity conducted by Creso and its contractors. Sampling involves the selection of samples on the basis of visible sulphide mineral content and rock alteration. Samples containing greater than 1% sulphide or with quartz veining are sampled at 0.5 to 1.0 m intervals and, where more uniform, at 1.0 m to 1.5 m intervals. Whole rock samples (15 cm length) are taken at approximately 10 m intervals to check rock type and intensity of alteration. Selected samples are taken for petrographic analysis to confirm rock type and alteration. All samples were selected from sawn core.

Records of the sampled intervals and sample numbers are recorded in the logs, on a sampling sheet and on the third part of a three part assay tag bearing an identical identifier number as the other two parts of the assay tag. The sampler also completes an assay requisition form describing the sample type, the identifier number and the requested assay and preparation procedures for inclusion with each batch of 25 samples shipped to Swastika Assay Laboratories Swastika, Ontario, or AGAT Laboratories, Mississauga, Ontario or ALS Chemex, North Vancouver, B.C.

Sample preparation at Swastika in the 2007 to 2009 period starts with drying of the samples and crushing them to ½ inch in a jaw crusher and then to –10 mesh in a roller crusher. The sample is split with a Jones riffle, and 350 g of material is taken for analysis; the remainder is placed in a numbered plastic bag and stored. The 350 g sample is then pulverized (85-95% passing minus 150 mesh) and homogenized, prior to selecting the sample for analyses. Compressed air is used to clean the equipment between samples, and the roller crusher is also cleaned with a wire brush. Barren material is crushed between sample batches. All Creso samples have been analyzed for Au by a fire assay collector (FA) and an atomic absorption spectroscopy (AAS) determination technique. Swastika routinely re-assays every tenth sample as an internal quality control procedure to maintain laboratory precision.

Samples collected for whole rock analyses were sent to ALS Laboratories in North Vancouver for analyses of 14 major and 36 minor and trace elements including LOI.

For major elements pulp samples were fused with lithium borate, dissolved and determined by inductively coupled plasma/optical emission spectroscopy. For the minor and trace elements the sample was dissolved in aqua regia followed by determination of the elements using inductively coupled plasma dispersion with an optical emission spectroscopy determination.

Swastika also completed screened metallic gold assays for Creso when required. The method requires the entire sample to be pulverized and placed on a 100 mesh screen and mechanically shaken until it is visually apparent that all of the fine material has passed through the screen. Coarse gold remaining on the screen is weighed and saved. The -100 mesh material is assayed in its entirety and weighed, with the combined weights being used to report the gold grade.

Swastika Laboratories Limited participates in the Proficiency Testing Program for Mineral Analysis Laboratories, a testing program conducted bi-annually by the Standards Council of Canada. Swastika is the holder of a Certificate of Laboratory Proficiency. Sample preparation follows industry best practices and procedures. The analytical methods used are routine and provide robust data associated with a high degree of analytical precision.

Starting in 2010 analytical work was carried out by AGAT Laboratories, which is accredited by the Standards Council of Canada (SCC) and/or the Canadian Association for Laboratory Accreditation Inc.("CALA") for specific tests listed in the scope of accreditation at specific locations. AGAT also holds ISO/IEC 10725 and ISO 9001.

ALS Chemex is accredited by the Standards Council of Canada (SCC) and/or the Canadian Association for Laboratory Accreditation Inc..("CALA") for specific tests listed in the scope of accreditation at specific laboratory locations. ALS Chemex also holds ISO/IEC 10725 and ISO 9001.

Sample preparation at AGAT includes drying and weighing samples and logging the sample numbers into a sample tracking program. All of the sample is crushed to 70% plus 2 millimetres with a 250 gm split taken for pulverization to 80-85% passing a 150 mesh screen.

Primary analysis used a 30 gm subsample with fire assay collection and atomic absorption spectroscopy determination. Samples reporting > 2 g/t Au were subjected to a regular assay (gravimetric). A screened metallic assay was performed on samples containing > 10 g/t Au.

To monitor analytical precision Creso introduced their own blank and standard samples into each lot of 20 samples commencing with DDH # MC10-03B. The gold analysis protocol includes an AAS determination of every sample, a FA-AAS analysis of samples containing > 2 g/t Au as determined by the AAS analysis, and a screened metallics assay of samples reporting >10 g/t Au. Comparison of the standard sample analytical results indicates a fair degree of precision for the analytical techniques employed (Figure 13-1).

AGAT also completed an aqua regia dissolution and an ICP-optical emission spectrometric ("ICP-OES") determination of 46 elements on all regular samples. Samples selected for whole rock analyses were treated with a lithium borate fusion prior to analysis by ICP-OES methods.

It is GAHA's opinion that security, sample collection, preparation and analytical procedures undertaken on the Shining Tree Project conform to industry standards and analytical results were not compromised.

GAHA is not aware of any drilling, sampling or recovery factors that would impact on the reliability of the core samples.

Creso's employees and contractors are independent of the Swastika, AGAT and ALS Chemex assay laboratories.

Table 11-1 is a tabulation of blanks and standards entered into the analytical sample stream related to the Minto deposit assaying.

Table 11-1 Quantity of QA/QC Blanks and Standards, Minto Deposit

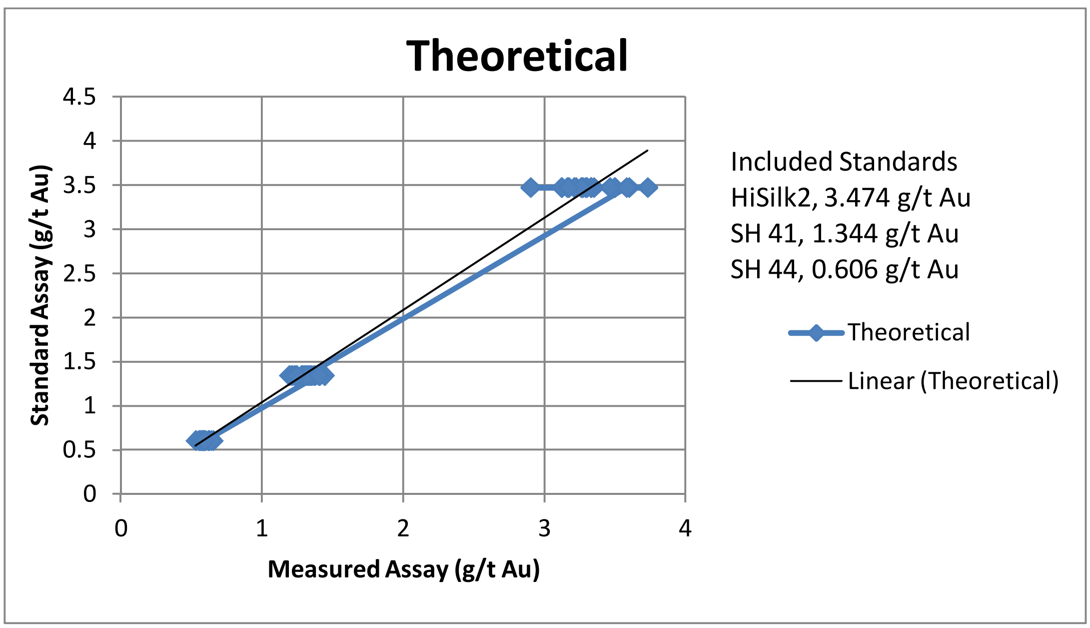
DDH Id	Number of Blanks	SE44	SH 41	HiSilK2
MC09-01	0	0	0	0
MC09-02	0	0	0	0
MC10-03B	1	13	14	4
MC10-04	8	8	10	13

MC10-05	14	4	5	3
MC10-06	4	3	1	1
MC10-07	1	0	0	0
MC10-08	0	0	0	0
Totals		28	30	21

Results from assaying the blank samples indicated that 75 of the 79 samples returned values less than the lower limit of detection. This indicates that the analytical values received from the laboratories are free of contamination.

In 2010 Creso used three gold standards with a variable frequency to monitor analytical accuracy (Table 13-1). The results are presented in Figure 13-1 illustrates an acceptable level of accuracy suitable for exploration purposes.

Figure 11-2 Precision of Gold Standards Analyses



The total number of samples analyzed for gold in the 2009 – 2010 drill programs is 3,678 derived mainly from DDHs MC 09-01 through MC10 -07. This data base was used to prepare Figure 11-2.

The author is of the opinion that the security and integrity of the samples submitted for analyses is un-compromised, given the secure sample collection area, adequate record keeping, secure storage of samples, and the analytical laboratories' chain of custody procedures.

12.0 Data Verification

Three core samples representing high, medium and low grade mineralization were collected from a mineralized Minto drill hole for due diligence assay purposes.

GAHA has not verified any of the analytical data generated by diamond drilling in the 2007-2009 period. Reject and pulp samples were not available for re-sampling and re-assaying. Currently Creso includes one standard and one blank sample in each batch of 25 samples in the 2007-2009 period. In addition, Swastika Laboratory routinely re-assays every 10th sample in an attempt to monitor analytical precision.

Three samples of mineralization were collected from DDH # MC09-02, containing high, medium and nil grade gold mineralization. All of the core samples were "quarter cut", leaving a quarter core archive sample. Details of the samples are presented in Table 14-1

Table 12-1 Results of Due Diligence Sampling

DDH No.	Interval (m)	Length (m)	Original Number	Original Assay Au (g/t)	New Number	New Assay Au (g/t)
MC 09-02	206.12 - 206.64	0.52	20767	27.1	47531	17.75
MC 09-02	212.00 - 213.00	1.0	20775	1.63	47532	1.37
MC 09-02	118.00 - 119.00	1.0	20669	Nil	47533	<0.05

Analytical work including sample preparation was completed by ALS Chemex of North Vancouver, B.C. ALS Chemex Laboratories are registered to ISO 9001:2000 standards.

At low levels of gold mineralization the original sample # 20669 contained the same amount of gold as the due diligence sample # 47533. Medium grade samples # 20775 and # 47532 contain relatively the same amount of gold. The large discrepancy in gold content between the original sample 20767 and the due diligence sample # 47531 is attributed to a “nugget effect”.

GAHA is of the opinion that the precision of assay data generated by Swastika Laboratories in the 2007-2009 period, AGAT Laboratories in 2010 and ALS is credible and fit for purpose.

GAHA is of the opinion the Creso should continue drilling “N” size core holes to maximize the potential of intersecting high grade gold mineralization, and to continue with screened metallic gold assaying when necessary.

13.0 Mineral Processing and Metallurgical Testing

Creso has not undertaken any beneficiation studies on mineralized rock collected from any of the properties in the Shining Tree Project. However Creso has revisited the economic potential of 200,000 tonnes of tailings grading 1.2 g/t Au adjacent to the Tyranite Mine. Met-Solve Laboratories Inc. in 2009 indicated that a gravity concentration retreatment would produce a gold-rich concentrate (Rosko, 2010, pers com.).

14.0 Mineral Resource Estimates

As of this date Creso has not commissioned any resource estimates.

NOTE: Items 15.0 through 22 are not applicable to this project.

23.0 Adjacent Properties

There are no gold properties of economic significance adjacent to the Shining Tree Project.

24.0 Other Relevant Data and Information

Creso participates in other exploration opportunities in the Shining Tree area, which are not a part of this Project. These exploration opportunities will not be further discussed in this report

25.0 Interpretation and Conclusions

Historical work in the area has indicated extensive gold mineralization throughout the region related to quartz veining. Vein systems trend in various directions with the most prominent being in a north-northwest direction. Veins pinch, swell and roll hosting erratic high gold values within a larger volume of medium and low grade gold values.

The current exploration programs, designed to confirm historical gold mineralization, geology and structure has succeeded. Work has indicated that although structural control is important, gold is primary and secondary, and exists in multiple rock types and various structural features. Gold occurs in altered rock types of all compositions other than gabbroic dykes.

Airborne and ground magnetic surveys indicate structures along which gold mineralization is preferentially deposited, as well as other structures and silica, sericite carbonate alteration zones. DC/IP surveys in the Minto deposit area, indicate that the gold mineralization is associated with DC resistivity highs and elevated IP response. Down hole geophysical logs and DC/IP array surveys confirm the association of gold with pyrite mineralization as having increased IP responses. However the silicified zones containing the most pyrite are not associated with the highest gold values.

Gold is most closely associated with a slightly earlier phase of quartz-carbonate-pyrite +/- hematite veinlets containing 2-5% pyrite. Mineralization appears to be concentrated along the southern margin of the Milly Creek syenodiorite stock where it is in contact with a sequence of fine to interbedded coarse grained mafic to ultramafic volcanic rocks.

The airborne magnetic data also shows that the known gold mineralized breccia appears to be localized at a quadruple intersection of 360°, 315°, 45° and 90° structures. The north-south structures appear to exhibit the most significant control on the mineralization. The dip of the north-south trending main zone at Tyranite varies between 50° and 80° west, with higher grade historical gold mineralization localized at places exhibiting lower dip angles. This prominent structural trend has a variable azimuth between north-south, 350°, and locally 10°, dipping on average 73° west appears to align the Minto and Tyranite zones over a distance of 2.5 km.

Several additional triple structural intersection locations associated with IP highs have been identified on the Minto property and have been suggested as targets for the next stage of drilling.

Results of lithogeochemical studies, show logged rock types (visual identification) to be 60-80% accurate. In addition, the geology changes substantially over relatively short distances – for example, the Minto holes MC09-01 and MC09-02, drilled within 30m of each other, show different geology (rock compositions) suggesting that a previously interpreted east-west geological trend is locally inaccurate. Overall, the Creso work program indicates the property has considerable merit but that a much more detailed exploration and 3D modelling approach is needed to define gold potential, geology, structure and mineralization controls.

On the Duggan property, current drilling for geological information has shown gold to occur within shear zones and vein systems in syenodiorite and within ultramafic volcanic rocks. Gold intersections in DDHs # D01-07, D02-07, D03-07, D04-07 and D09-07, appear related to north-northwest shears that cut both rock types. Gold zones in ultramafic rocks are anomalous over widths of several metres with sporadic 1 to 6 g/t Au intersections.

In DDHs # D03-07 and D09-07 a pink quartz-breccia system containing sporadic high grade gold intersections up to 33 g/t Au and averaging 1 gram over 76 m and 93 m illustrates the nature of alteration within the altered syenodiorite.

A new gold zone was also intersected in DDH # D02-07. Anomalous gold values up to several grams occur 200 m below surface entirely within syenodiorite. Shear direction is postulated to be north-northwest but this observation requires authentication.

Drilling also indicates a geological break south of 5279600 N (new Grid) or 1000N (old grid) and at depth in DDH # D01-07. In this drill hole ultramafic rocks are more prominent and show an elevated nickel content.

DDH # D09-07 was drilled to test continuity of the structural/alteration zone 220 m north of the zone. DDH # D04-07 was drilled to test continuity of the shear zone and mineralization to the south.

Geological extrapolation of data on the Duggan Zone currently indicates a mineralized gold zone varying from a width of 5 m within ultramafic rocks to 100 m within altered syenodiorite along a north-northwest shear for 750 m and to a depth 240 m.

Whole rock analysis indicates a multi-phase syenitic intrusive rock type with anomalous gold related to a pinkish more brecciated altered phase with quartz veining and enrichment in sulphides. These altered phases appear to be broadly associated with magnetic lows contacting magnetic highs. The intrusive, as previously indicated, intrudes mafic-ultramafic volcanic rocks and is probably the prime hydrothermal source of gold mineralization in related structures.

The syenodiorite stock appears to be comprised of three phases: A 50-56% SiO_2 phase with 4-6% total alkalis (Na_2O + K_2O), a 58-62% SiO_2 phase with 6-8% total alkalis and a 64-69% SiO_2 phase with 8-12% total alkalis. All phases indicate the alkali enriched nature of the intrusive stock. The intersected gold zones seem to occur in altered middle phase, showing potash (K_2O) enriched sections or soda (Na_2O) depleted zones.

The Tyranite gold mineralization is similar to the Duggan zone. Drill hole Tyr 09-01 confirms the geology, chemistry alteration and mineralization. This hole was drilled to test the central part of the Tyranite shear where gold occurs associated with sulphide mineralization in altered volcanic rocks and a alkali gabbroic to syenitic intrusion. Gold is structurally related and associated with potash (K_2O) enriched zones. Apparent dip of that zone is 80° west.

Gold occurs both as lode veins with an erratic distribution and as high grade pods within larger low grade zones. The Minto deposit displays these features and is classified as a breccia pipe.

Two drill holes, MC09-01, MC09-02 tested mineralization and geology. Mineralization occurs within rhyolitc to dacitic flows, porphyries and breccias as well as within an isolated mafic carbonate quartz breccia with abundant sulphide as fragments and secondary disseminations. Visible gold was observed in narrow quartz veins cutting core at approximately 15 degrees. Mineralization associated with more felsic flows and breccias has minimal sulphide but distinct quartz veining at 45° and 15° degrees to core axis. The veining corresponds to surface veining that trends north–south and northeast-southwest and dips steeply. Gold mineralization is again associated with elevated potash (K_2O) alteration.

Further exploration work should focus on these structurally controlled, hydrothermal alteration systems. Lithogeochemistry shows the similarity of the alkaline gabbro-syenite intrusive with intermediate to felsic flows, porphyries and pyroclastic rocks/breccias suggesting a common genetic volcanic-intrusive link and the controlling factor in gold mineralization.

Results of airborne geophysical surveys indicates the Milly Creek stock is more voluminous than previously thought and extends north and northwest under the Huronian sedimentary rocks at the northern boundary of the property. Gold mineralization also appears related to lower magnetic response marginal to zones of higher magnetic response.

Current exploration has indicated that gold mineralization is more widespread than originally thought. It is related to structures and intrusions. The gold mineralization appears with altered syenodiorite intrusions either at their margins or within, and also at ultramafic to mafic volcanic contacts as well as in isolated breccias zones. A new more detailed airborne magnetic/radiometric/ ground IP survey and a comprehensive geological, geophysical, structural modeling study is expected to define more detailed and localized structures and more gold targets. Of particular interest, are circular multiphase magnetic features on the property indicating the possibility of intrusive-volcanic/hydrothermal centres.

The reliability and confidence in the exploration information could be materially affected by factors related to environmental considerations, permitting, legal, title, taxation, socio-political issues and natural phenomenon such as forest fires. However, these events and conditions also affect other mineral projects, and are not unique to this project.

26.0 Recommendations

GAHA is of the opinion that untested exploration targets in both surface and underground locations remaining on the Project area and at current gold prices are of sufficient merit to justify the recommended program.

It is recommended that the Phase I program focus on the mineral potential of the north-south faults located at the Duggan, Tyranite and Minto gold zones, to test the shallow chargeability and resistivity anomalies determined by Insight Geophysics Inc. (see full reports on Creso Web site under Exploration-Reports) with 2,000 meters of diamond drilling. First priority will be to further define the Tyranite zone, which is the host of high grade mineralization within a broad low grade gold envelop. Further exploration work should test all three of these structurally controlled, hydrothermal alteration systems. Lithogeochemistry shows the similarity of the alkaline gabbro-syenite intrusive with intermediate to felsic flows, porphyries and /breccias suggesting a common genetic volcanic-intrusive link and one of the controlling factor of gold mineralization.

Several additional triple structural intersection locations associated with IP highs have been identified on the Minto and Tyranite properties and have been suggested as targets for the next stage of drilling.

Based on previous and current work, this report recommends a Phase 1 budget of $C 500,000 to support the proposed exploration work, which is summarized in Table 20-1

Table 20-1 Proposed Phase 1 Budget

Activity	Expenditure ($C)
Diamond Drilling	
(2,000 m @ $150)	300,000
Assaying	25,000
Alteration Study	15,000
Geologists	13,000
GIS and Database Management	5,000
Downhole IP/Resistivity	20,000
Data Analysis & Reporting	18,000
Mob-Demob Drill &/Excavator	50,000
Camp Cost	22,000
Contingency	32,000
Total	500,000

A Phase 2 Program consisting of significant additional diamond drilling for resource definition and the possible preparation of a prefeasibility study is proposed provided that exploration data derived from the Phase 1 program continues to reflect the presence of one or more potentially economic gold deposits. A large drilling program (5,000 m) is also recommended to provide additional drilling in zones of known gold mineralization, and other geophysically defined targets. Additional geophysical surveys (surface and bore hole IP/RES) are also contemplated for the Tyranite,Duggan and Minto, areas. A budget of $C 1,000,000 is allocated for this work.

Table 20-2 Proposed Phase 2 Budget

Activity	Expenditure ($C)
Diamond Drilling:	
5,000 m@$140/m	700,000
Assaying	60,000
Alteration Study	10,000
Geologists	30,000
Downhole IP/Resistivity	20,000
Data Compilation	25,000
Mob-Demob Drill &/Excavator	60,000
Camp Cost	50,000
Contingency	45,000
Total	1,000,000

In aggregate a two phase budget of $1,500,000 is proposed to move the Shining Tree Project forward.

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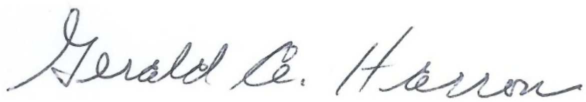
28.0 Date and Signature Page

This report titled “Revised Technical Report on the Shining Tree Project, Tyrrell and Knight Townships, Larder Lake Mining Division, Ontario for Creso Exploration Inc.” and dated December 12, 2011 was prepared by and signed by the following author: The date of the revised report is April 19, 2012.



Gerald A. Harron, P.Eng.

Dated at Toronto, Ontario

April 19, 2012

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29.0 Certification

I, Gerald A. Harron, M.Sc., P.Eng. do hereby certify that:

1. I am the President of:
   G.A. Harron & Associates Inc
   Suite 501,133 Richmond Street West
   Toronto, Ontario, Canada M5H 2L3

2. I graduated with a Bachelor of Science degree in Geology from Carleton University in 1969 and also graduated from the University of Western Ontario with a Master of Science degree in Economic Geology in 1972.

3. I am a member of the Association of Professional Engineers of Ontario, the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories and Nunavut.

4. I have worked as a geologist for over 35 years since my graduation from university and have been involved in minerals exploration for base, precious and noble metals and uranium throughout North America, South America and Africa, during which time I directed, managed and evaluated regional and local exploration programs.

5. 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.

6. I am responsible for all of the content of this technical report titled "Revised Technical Report on the Shining Tree Project, Tyrrell and Knight Townships, Larder Lake Mining Division, Ontario” dated December 12, 2011, (the "Technical Report”). The revised report has a signing date of April 19, 2012. Most of the technical information in the Technical Report is based on examination of public and private documents pertaining to the property. The sources of all information not based on personal examination or knowledge are referenced in the Technical Report. In the disclosure pertaining to claim status (section 4) I have relied on information provided by the Provincial Mining Recorder’s Office.

7. I have conducted a site visit to the property, examined outcrops and trenches of the mineralization zones on October 8 2010. To the authors knowledge there have been no significant developments on the property since that time.

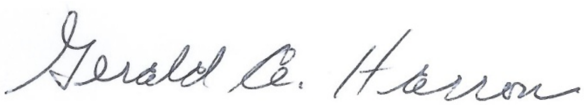
8. I have not had prior involvement with the property that is the subject of the Technical Report.

9. I acknowledge that as of the date of the certificate, and to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

10. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101

11. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

12. Dated this 19th day of April, 2012



Signature of Qualified Person

Seal

Professional Engineers Ontario

Gerald Harron P.Eng

Print Name of Qualified Person