TECHNICAL REPORT on RESOURCE ESTIMATES for the ERTELIEN, STORMYRA and DALEN DEPOSITS, SOUTHERN NORWAY

PREPARED FOR BLACKSTONE VENTURES INC.

NI 43-101 Report

By
Reddick Consulting Inc.

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TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1 EXECUTIVE SUMMARY

Blackstone Ventures Inc. (Blackstone) has requested that Reddick Consulting Inc. (RCI) prepare a Technical Report on the Ertelien, Stormyra and Dalen nickel-copper-cobalt (Ni-Cu-Co) deposits located in Norway. The report is to support the release of mineral resource estimates by Blackstone for the Ertelien, Stormyra and Dalen deposits. Information and data for the report were obtained from site visits by RCI on June 3 to 4, 2008 as well as from reports received directly from Blackstone personnel. This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects.

The Ertelien deposit is found on the Ertelien property which consists of 203 pre-claims covering an area of 59.3 km^2 located 40 km northwest of Oslo. The Stormyra and Dalen deposits are both located on the Espedalen property which consists of 329 contiguous pre-claims covering an area of 94.65 km^2 located 170 km north of Oslo. The Ertelien and Espedalen properties are held by Blackstone under the terms of a series of Joint Venture and Option Agreements with A/S Sulfidmalm (Sulfidmalm), which is in turn owned by Xstrata Nickel, Canada (previously Falconbridge). Under the terms of the agreements with Sulfidmalm, [redacted] The properties are accessible year round but subject to winter conditions.

The Ertelien deposit is in an area of relatively low relief which ranges from 100m to 210m in elevation. On the Espedalen property local relief can vary by up to 800m. The physiographic features of that property are dominated by a long valley occupied by a lake (Espedalen Lake) which trends NW-SE across the centre of property and is flanked on both sides by mountain peaks which reach elevations of up to 1,445m with steep hills on both sides of the valley. The topography in the vicinity of the Stormyra resources ranges from ~940m to ~1,000m in elevation and is relatively flat. The topography in the vicinity of the Dalen resources ranges from ~715m to ~800m in elevation. The climate for both properties is generally typical of northern temperate regions with warm summers and cold winters with snow. Good transportation, industrial infrastructure, electrical power and shipping facilities are all available.

The immediate area in the vicinity of the Ertelien deposit has documented nickel-copper-cobalt production from underground mines that operated from the period between 1849 and 1920 and produced over 400,000T of ore with 1.04% Ni, 0.69% Cu and 0.17% Co. These values are based on a back calculation from the mine production records. Numerous other old nickel prospects also occur on the Ertelien property, including the Langdalen mine which operated in the late 1800s and produced 250,000T of ore with between 2.5 and 3.5% Ni. Recent work on the Ertelien property, from 1963 until acquisition of the property by Falconbridge in 2004, consists of geophysics and percussion drilling. In the period from 2005 to 2008 Sulfidmalm and then Blackstone have completed 4,765 km of airborne mag & and EM surveys; 79 line km of UTEM surveys; 29 diamond drillholes in 2006 totalling 7,660 metres that resulted in the discovery of the extension to the former producing Ertelien Mine nickel zones and a further 41 diamond drillholes totalling 9,757m in 2007 and 2008 to help define the Ertelien mineralisation.

Mining in the Espedalen area dates from at least the 17th century. Nickel mining in the area was intermittently active during the period 1848 to 1918 with approximately 100,000T of nickel ore produced @ 1.0% Ni, 0.4% Cu and 0.6% Co. Records of work prior to 1960 are incomplete. Regional exploration from 1960 to 1980 has included geophysics, mapping and the drilling of 44 diamond drillholes on showings in areas located elsewhere on the property that are not in the immediate vicinity of the Stormyra and Dalen deposits. In the period from 2003 to 2008 Falconbridge, Sulfidmalm and Blackstone have completed 1,398 km of airborne geophysics, 229km of ground geophysics and 167 diamond drillholes on the entire Espedalen property. There have been 54 diamond drillholes on the Stormyra deposit totalling 8,609m and 33 diamond drillholes on the Dalen deposit totalling 5,018m.

The Stormyra, Dalen and Ertelien nickel sulphide deposits are all magmatic sulphide accumulations with tectonic, structural, and geological similarities to documented Ni-Cu mines. Comparison of the regional geological setting and nickel sulphide mineralisation occurrence between Norway and Voisey's Bay in Labrador indicates analogies which have not previously been investigated by exploration in Norway. A reconstruction of the tectonic palaeoplate position shows that, at the time of the Voisey's Bay intrusion, south Norway and Labrador were in relative close proximity and were undergoing similar tectonic development. Comparison of the suite of mafic rock types which host the mineralisation in Norway with Voisey's Bay show various similarities, such as the presence of troctolites (as in the Ertelien area) and association with anorthosite complexes (as at Espedalen), both of which were previously unrecognised as nickel sulphide targets.

The Ertelien area is underlain by a northwest trending amphibolite gneiss complex with discordant and concordant hyperite lenses and plugs, consisting of gabbro, norite, massive amphibolite, metabasalt and local peridotite. The Espedalen area is underlain by metamorphosed syenites, norites, anorthosites, gabbros, pyroxenites and peridotites ranging in age from 1698-1250 Ma. These rocks in the Espedalen area are considered to be part of a nappe emplaced in its current position during the Caledonide Orogeny c. 400 Ma ago.

All geological samples have been collected and handled in a professional manner. The practice has been to sample visibly mineralised intervals of diamond drill holes and adjacent intervals; sample intervals are geologically constrained and are generally determined on the basis of sulphide content or lithologic contacts. Samples generally vary in length from 0.20 m to about 3.0 m, although lengths of 0.5 or 1.0m are most common, depending on the deposit. Several laboratories have been used over the life of the projects; all have been commercially independent laboratories.

No metallurgical test work has been done although the deposits previously mined in the vicinity of the resources presented in this report clearly had recoverable Ni, Cu and Co during past production.

Mineral resources were estimated by RCI. At a US$100 equivalent cutoff, the Ertelien deposit contains approximately 2.7 million tonnes of Inferred mineral resources grading 0.83% Ni, 0.69% Cu and 0.06% Co.

At a US$100 equivalent cutoff, the Stormyra deposit contains approximately 1.0 million tonnes of Inferred mineral resources grading 1.09% Ni, 0.48% Cu and 0.04% Co.

At a US$40 equivalent cutoff, the Dalen deposit contains approximately 4.6 million tonnes of Indicated mineral resources grading 0.29% Ni, 0.12% Cu and 0.02% Co and approximately 5.4 million tonnes of Inferred mineral resources grading 0.25% Ni, 0.11% Cu and 0.02% Co.

Table 1-1: Mineral Resources – Ertelien

Category	Tonnes	Ni%	Cu%	Co%
Inferred	2,698,000	0.83	0.69	0.06

Table 1-2: Mineral Resources – Stormyra

Category	Tonnes	Ni%	Cu%	Co%
Inferred	1,013,000	1.09	0.48	0.04

Table 1-3: Mineral Resources – Dalen

Cut-off	Category	Tonnes	Ni%	Cu%	Co%
>US$40	Indicated	4,625,000	0.29	0.12	0.02
>US$40	Inferred	5,438,000	0.25	0.11	0.02

RCI estimated the mineral resource at the Ertelien deposit using polygonal estimation methods on vertical cross-sections on 50m centres. The estimates incorporated minimum gross metal values (GMV) of US$100 and minimum core lengths of 2.0m for intervals that contributed to the polygons. The resources fall in a zone that has multiple drillholes on all sections over a strike length of 700m. Cutoff values are based on the assumption that the deposit is of a potential size and nature to allow for possible underground mining.

At the Stormyra deposit RCI estimated the mineral resource using polygonal estimation methods on vertical cross-sections on 50m centres. The estimates incorporated minimum gross metal values (GMV) of US$100 and minimum core lengths of 2.0m for intervals that contributed to the polygons. The resources fall in a zone that has multiple drillholes on most sections over a strike length of 1,000m. Cutoff values are based on the assumption that the deposit is of a potential size and nature to allow for possible underground mining.

The mineral resource at the Dalen deposit were estimated by RCI using by 3D computer block modelling and an inverse distance squared (ID^2) grade interpolation method. A wireframe outlining the potentially economic mineralization based on host rocks was constructed in order to constrain the resource estimate. Drillhole assays inside the wireframes were captured, and assay composites of 2.0m lengths were generated to regularize sample support. The estimates incorporated blocks containing minimum gross metal values (GMV) of US$40 based on the assumption that the deposit is of a potential size and nature to allow for possible bulk mining methods, including open pit mining.

Significant mineralisation exists on all three properties. Infill drilling is needed to improve the confidence in continuity for Ertelien and Stormyra. The potential to upgrade Ertelien is seen to be as good as for the other deposits, but will likely require considerably more detailed and closer spaced drilling and therefore is assigned as a lower priority than Stormyra. Infill drilling, additional drilling within the UM Wireframe and additional sampling of previously unsampled intervals of core that are within the UM Wireframe at Dalen are all needed to further advance this property. Exploration on other prospects on the properties is warranted regardless of the results of further definition of the Ertelien, Stormyra and Dalen deposits.

Based on the results of exploration on the properties to date, historic underground Ni-Cu-Co production in the 18^{th} and early 19^{th} centuries and the discovery of significant mineral deposits in recent drilling, Blackstone's Norway properties are of sufficient merit to warrant further resource definition drilling and exploration. RCI recommends the following work program to further define the resources presented in this report.

Ertelien:

- initiate metallurgical test work on the mineralisation;
- undertake a survey to obtain baseline environmental data.

Stormyra:

- continue deposit definition and step out exploration drilling totalling 5,000 metres;
- carry out an update of the mineral resource estimates to incorporate data from the recommended drilling program;
- initiate metallurgical test work on the mineralisation;
- undertake a survey to obtain baseline environmental data.

Dalen:

- continue deposit definition and step out exploration drilling totalling 10,000 metres;
- sample all core that is within the UM Wireframe;
- carry out an update of the mineral resource estimates to incorporate data from the recent drilling program;
- initiate metallurgical test work on the mineralisation;
- undertake a survey to obtain baseline environmental data.

[redacted]

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2 INTRODUCTION and TERMS of REFERENCE

2.1 Introduction

Blackstone Ventures Inc. (BLV) has requested that Reddick Consulting Inc. (RCI) prepare a technical report on the Ertelien, Stormyra and Dalen Ni-Cu-Co properties held by BLV in Norway. The report is to support the release of new mineral resource estimates for the Ertelien, Stormyra and Dalen Ni-Cu deposits held by BLV. John Reddick, President of RCI, is responsible for the preparation of this report and the mineral estimate. Tracy Armstrong, President of T.J Armstrong Geological Consulting Inc. is responsible for Section 14 of the report, data verification.

John Reddick, M.Sc., P.Geo., and Tracy Armstrong, B.Sc., P.Geo. visited the Ertelien, Stormyra and Dalen Properties and the BLV core logging facility on June 3 and 4, 2008. During the review of data on site and the preparation of this report, discussions were held with BLV personnel, who provided full cooperation. In particular, Dean MacEachern, B.Sc., P.Geo., President and CEO of BLV, Jari Paakki, M.Sc., P. Geo., Vice President Exploration and Project Development, Kevin Leonard, B.Sc., P.Geo. and Valerie Battenham, B.Sc., provided assistance and helped with obtaining necessary information for this report.

2.2 Terms of Reference

Information and data for the report were obtained from site visits by RCI in June 2008 with the Ertelien property visited on June 3, 2008 and the Stormyra and Dalen projects visited on June 4, 2008 as well as from reports received directly from BLV personnel. An additional visit was made to Sudbury Ontario to retrieve data for the estimates and for data verification during the week of September 15-21, 2008. Pertinent geological information was reviewed in sufficient detail to prepare this report.

2.3 Units and List of Abbreviations

Unless otherwise stated, all units of measurement in this report are metric and all costs are expressed in United States dollars (US$). The payable metals nickel (Ni), copper (Cu) and cobalt (Co) are priced in United States dollars (US$) per pound.

Drill hole collar locations are surveyed in Universal Transverse Mercator (UTM) coordinates, WGS84 UTM Zone 32N.

The following abbreviations are used in this report:

Term	Abbreviation
above sea level	a.s.l.
airborne electro-magnetic	AEM
ALS Chemex Laboratories	ALS
A/S Sulfidmalm	Sulfidmalm
atomic absorption	AA
atomic absorption spectroscopy	AAS
atomic emission spectroscopy	AES
below sea level	b.s.l.
Blackstone Ventures Inc.	BLV or Blackstone
bore hole electro-magnetic	BHUTEM
Canadian Institute of Mining, Metallurgy and Petroleum	CIM
centimetre	cm
cubic metre	m^3
dollar (Canadian)	$ or C$
electro-magnetic	EM
European Economic Area	EEA
Falconbridge Limited	Falconbridge
Global Positioning System	GPS
gram	g
gram per tonne	g/t
Inductively Coupled Plasma with Optical Emission Spectroscopy	ICP-OES
Induced Polarization	IP
kilograms	kg
kilometre	km
litre	L
magnetometer	mag
metre	m
milli-Galileo	mgal
National Instrument 43-101	NI 43-101
net smelter return	NSR
Norwegian Geological Service	NGU
Norwegian krone	NOK
OMAC Laboratories	Omac
ounce per short ton	opt
parts per million	ppm
parts per billion	ppb
pound	lb
quality assurance/quality control	QA/QC
SGS Mineral Services	SGS
square kilometre	km^2
square metre	m^2
tonne (1000 kg)	T
troy ounce (31.1035g)	oz
University of Toronto Electromagnetic System	UTEM
very low frequency	VLF
Xstrata Nickel	Xstrata

3 RELIANCE on OTHER EXPERTS

This report has been prepared by RCI for Blackstone. The information, conclusions, opinions, and estimates contained herein are based on:

- Information available to RCI at the time of preparation of this report;
- Assumptions, conditions, and qualifications as set forth in this report, and
- Data, reports, and opinions supplied by Blackstone.

RCI does not guarantee the accuracy of conclusions, opinions, or estimates that rely on third party sources for information that is outside the area of technical expertise of RCI. RCI has relied on reports and opinions from Blackstone for the following information that is outside the area of technical expertise of RCI:

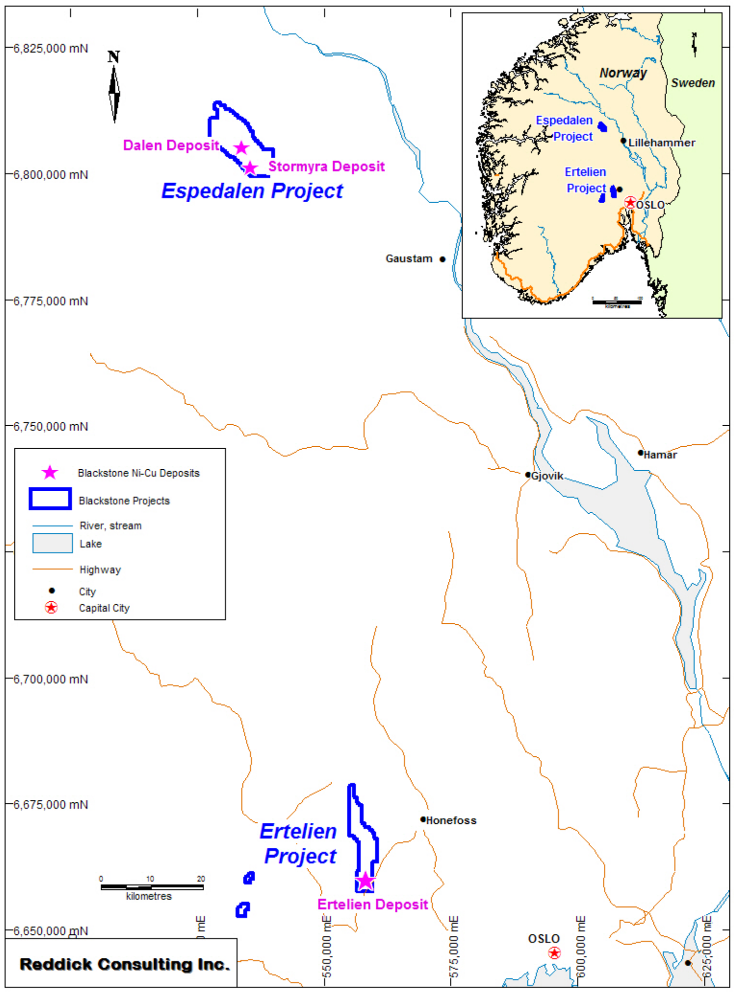
- Information on property holdings, lease agreements and legal status of property title was provided by Blackstone. For the land description and Blackstone's holdings in Item 4 of this report, RCI has not verified the factual accuracy and legal sufficiency of the description provided by Blackstone.
- RCI has not researched title to the Norway Properties and RCI does not express any opinion in connection with title.
- Information relating to the various option, joint venture and purchase agreements described in Section 4 of this report.
- Information relating to property titles, surface rights, and environmental matters.

Except for the purposes legislated under provincial securities laws, any use of this report by any third party is at that party's sole risk.

4 PROPERTY DESCRIPTION and LOCATION

The properties described in this report are all located in southern Norway. The Ertelien Deposit is found on the Ertelien block of pre-claims and is located 40 km northwest of Oslo. The Stormyra and Dalen Deposit are both located on the Espedalen block of pre-claims, located 170 km north of Oslo (Figure 4-1).

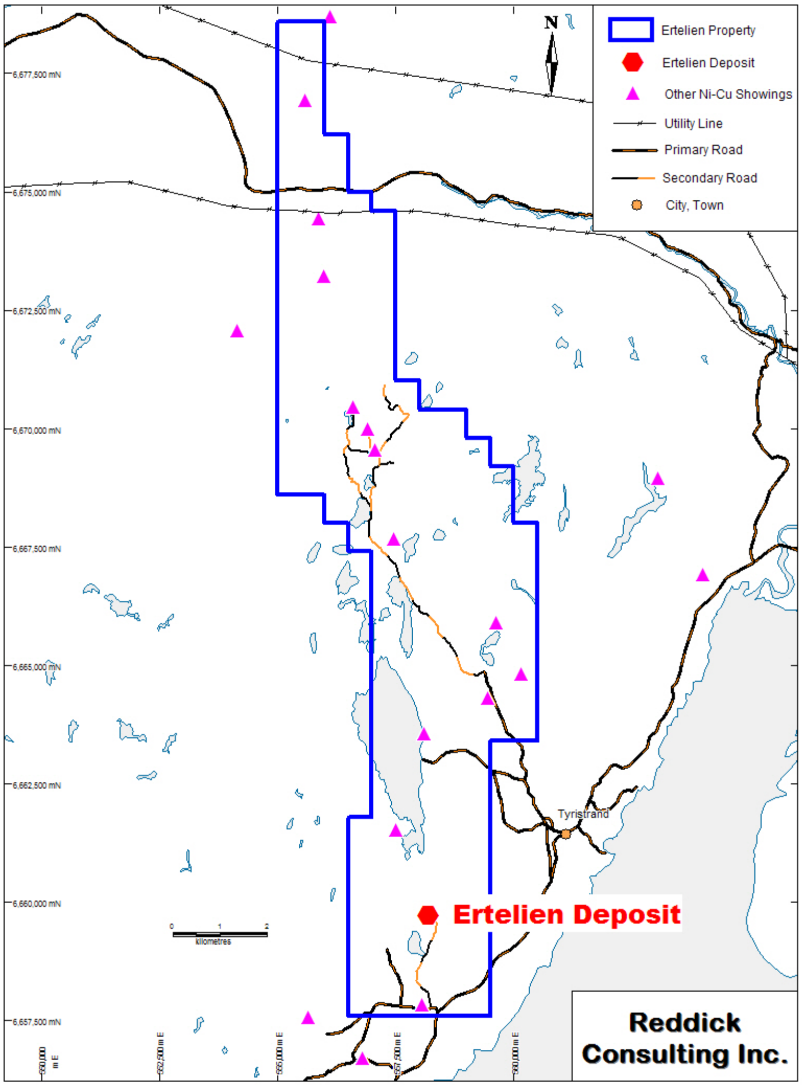
Figure 4-1 Blackstone's Ertelien, Stormyra and Dalen Ni-Cu Properties, Southern Norway



Ertelien Project

The Ertelien Area has 203 pre-claims covering an area of 59.3 km^2 (Figure 4-2). The pre-claims are listed in Table 4-1. There are historical mines and numerous other nickel prospects in the area. The only mineralised zone of interest covered in this report is the Ertelien Nickel Deposit and is located on the claim block shown in Figure 4-1. The Ertelien deposit is located at about 60°4'13" North and 10°2'44" East.

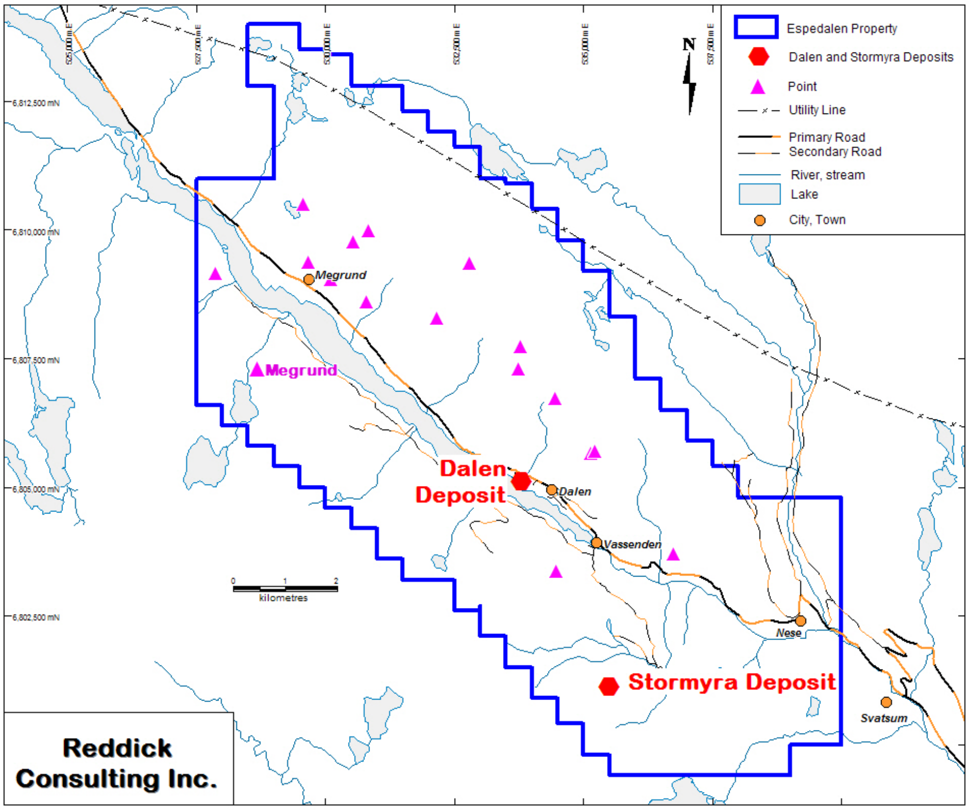
Figure 4-2 Ertelien Ni-Cu Property, Southern Norway



Espedalen Project

The Espedalen property consists of 329 contiguous pre-claims covering an area of 94.65 sq km (Figure 4-3). The pre-claims are listed in Table 4-1. There are several historical mine workings and other nickel prospects on the property, however the mineralised zones of interest detailed in this report are the Stormyra and Dalen Nickel Deposits. The Stormyra deposit is located at about 61°20’32” North and 9°39’49” East. The Dalen deposit is located at about 61°22’42” North and 9°37’57” West.

Figure 4-3 Espedalen Ni-Cu Property, Southern Norway



4.1 Mineral Tenure

The mineral tenure system in Norway is set out in the Norwegian Mining Act of 30 June 1973 (no.70) (the "Mining Act"), as amended from time to time. The mineral properties held by Blackstone are termed "pre-claims".

Under the Mining Act, nickel, cobalt and copper are considered claimable and therefore all prospecting for these minerals is governed by the Mining Act. There is no minimum limit for exploration expenditure on pre-claim areas.

The holder of the pre-claim has the right to pursue exploration activities subject to permission from the landowner, a duty to carefulness to the surface owner(s), a warning in advance of any activities likely to cause damage, as well as having responsibility for raising security and providing an indemnity for any likely damage anticipated and any works carried out. Pre-claims are non-exclusive though the holder of the oldest pre-claim has precedence and exploration under the later pre-claims must be done with the approval of the holder of the oldest pre-claim.

A second type of permit, an exploitation licence, can be applied for under the Mining Act over areas where deposits have been identified. An exploitation licence is valid for 10 years, is renewable for additional 10 year periods and has the same size restrictions as pre-claims. This permit allows the holder to do all necessary work in order to evaluate a prospect. Test mining can be carried out under a pre-claim or an exploitation licence. At present all of Blackstone's properties are held as pre-claims.

Pre-claims are obtained by map staking, specifically by nominating UTM coordinates for the vertices of a desired pre-claim.

The pre-claims are maintained in good standing through annual payments to the Norwegian government. The last payment was made in January 2009 to cover the period from January 2009 to January 2010; it totalled NOK 762,400 (Norway Kroner or approximately C$132,000). The payments are made on Blackstone's behalf by A/S Sulfidmalm under the terms of the A/S Sulfidmalm /Blackstone Joint Venture and Option Agreement. A payment is due in January 2010 to cover the calendar year 2010 and the amount will be the same as the 2009 payment if the current land package is maintained. A summary of the Ertelien and Espedalen properties as shown in Figures 4-2 and 4-3 is provided in Table 4-1.

Table 4-1 Claim Summary Ertelien and Espedalen Ni-Cu Properties, Southern Norway

Property	Number of Pre-Claims	Expiry Dates	Location/Kommunes	Size
Ertelien	203	January 2010	Modum Ringerike	59.3 km^2
Espedalen	329	January 2010	Gausdal Sør-Fron	94.65 km^2

4.2 A/S Sulfidmalm – Blackstone Agreements

The Ertelien and Espedalen properties are held by Blackstone under the terms of Joint Venture and Option Agreements with A/S Sulfidmalm (Sulfidmalm), which is in turn owned by Xstrata Nickel, Canada.

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4.3 Other Mineralisation, Environmental Matters and Permits

Other Mineralised Zones

There are a number of other mineralised zones on both the Ertelien and Espedalen properties but to the best of RCI's knowledge they do not have any resources attributable to them, either compliant or non-compliant with NI 43-101/CIM standards. Their significance is primarily as possible exploration targets.

Environmental Matters

Although there are locally remnants of old mine workings and processing on both properties, it is RCI's understanding, that under the Norwegian Mining Act, neither A/S Sulfidmalm nor Blackstone is liable for any costs, rehabilitation or clean-up for prior mining or processing activities. RCI has relied on reports and opinions from Blackstone for the information relating to environmental matters.

Government Royalties and Permits

There are no royalties due other than royalties or taxes on possible future mineral production due to the Norwegian Government.

Official government permits are not required to conduct exploration and the holder of pre-claims has the right to pursue exploration activities subject to permission from the landowner, a "duty to carefulness" to surface owner(s), a warning in advance of exploration activities likely cause damage.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The Ertelien and Espedalen properties are accessible year round. Initial access to the properties can be gained via paved roads from Oslo. Dirt or gravel roads provide access to most areas of the Ertelien and Espedalen properties and cat roads allow access to drill sites. All areas can be reached by foot or off-road vehicles from the public road access to the properties.

The Ertelien project area is located 40 km northwest of Oslo, west of the town of Hønefoss and near the village of Tyristrand within the Ringerike kommune (Figures 4.1 and 4.2). The project area is within the Buskerud fylke (a municipal designation similar to a county) and is easily accessible by car along highways #35 and #287. Access to the field areas is generally very good via a well-developed system of secondary gravel roads as well as hiking and skiing trails. The majority of the grounds in the Ertelien Project areas are held by private landowners with isolated blocks held under a "kommunal" designation as well as a state-held designation. Permission to access the field areas with snowmobile is required from both the local kommunes and the landowners.

The Espedalen project area (Stormyra and Dalen resource areas) is located 170 km north of Oslo in south central Norway (Figures 4.1 and 4.3). The project is situated within the kommunes of Gausdal and Sør-Fron in the Oppland fylke and is easily accessible by car along highway #255 approximately 50 km north of Lillehammer. Access to the field area is generally good via a well-developed system of secondary gravel roads as well as hiking and skiing trails. The majority of the ground in the Espedalen valley is held by private landowners with isolated blocks held under a "communal" designation. Blocks of state held ground occur along the tops of the mountains. Permission to access the field areas with snowmobile, ATVs and drill-related equipment is required from both the local kommunes and the landowners.

5.2 Climate

The climate is generally typical of northern temperate regions with warm summers and cold winters with snow. The presence of the Gulf Stream results in a more moderate climate than would otherwise be experienced at the latitude of the properties. The mean temperature for Oslo (Latitude 59.6 N) in January is -5 degrees Celsius and the mean July temperature is 17 degrees Celsius (www.wunderground.com). The mean temperature for Lillehammer, which is about one hour drive south-east of the Espedalen property (Latitude 61.1 N) in January is -7 degrees Celsius and the mean July temperature is 22 degrees Celsius (www.wunderground.com). The Espedalen area is generally snow covered from November to April.

Vegetation in both areas is typical of mixed northern to boreal forest with some Alpine meadows in the higher altitudes of the Espedalen property. There is some localised farming activity throughout areas close to both properties. The Ertelien project area is covered by mixed coniferous and deciduous forest which has been locally logged. There are numerous cliffs and ridges, which generally trend north-south, with thicker tree cover in the valleys. In the Espedalen project area the valley floor and lower portions of the mountain slopes are covered by mixed coniferous and deciduous forest which has locally been logged. Tree cover is replaced by grass, moss and shrubs above an elevation of approximately 1,100m.

5.3 Local Resources and Infrastructure

Norway is part of the European Economic Area (EEA). While there has been a history of nickel mining in Norway, most of this ended around the Second World War. A nickel refinery is located in Kristiansand, Norway (~325 km from Oslo) and is operated by Xstrata Nickel. The refinery was originally built in 1910 to refine nickel matte from Norwegian nickel mines. Mining related services were largely brought in by Blackstone from Sweden. The good transportation and industrial infrastructure and good shipping facilities are favourable factors.

5.4 Physiography

Topography in the Ertelien project areas is moderately rugged with local relief of up to 600m. The project area is covered by mixed coniferous and deciduous forest which has been locally logged. There are numerous cliffs and ridges, which generally trend north-south, with thicker tree cover in the valleys. The topography in the immediate vicinity of the resources ranges from 100m to 210m in elevation and is generally flat.

On the Espedalen property, the topography is more rugged, ranging from ~700m to ~1,500m in elevation and local relief of up to 800m. The physiographic features of the property are dominated by a long valley occupied by a lake (Espedalen Lake) which trends NW-SE across the centre of property and is flanked on both sides by mountain peaks which reach elevations of up to 1,445m with steep hills on both sides. The topography in the immediate vicinity of the Stormyra resources ranges from ~940m to ~1,000m in elevation and is relatively flat. The topography in the immediate vicinity of the Dalen resources ranges from ~715m to ~800m in elevation and is relatively flat. Espedalen Lake at ~715m is immediately west of the Dalen resource area.

Figure 5-1 View of the Stormyra Area, Espedalen Property, Looking West

Figure 5-2 View of the Espedalen Valley, Looking East

6 HISTORY

Nickel mining began in Norway in 1848 at Espedalen, followed by production from Ertelien in 1849. Production peaked in the period 1874-1876 and Norway was at that time the world's leading producer of Nickel (Boyd and Nixon, 1985). Nickel production in Norway ceased in 1945 due to a lack of reserves. Most of the information provided here on historical work is from data provided by BLV and has not been independently verified by RCI.

6.1 Ertelien

Early Historical Mining

The review on early historical mining is summarised from an unpublished draft report by The CSA Group ('CSA') which performed a due diligence review of the Norway properties for BLV in 2006 (Goodman, R., Slowey, E., 2006). Much of this review is from Boyd and Nixon, 1985.

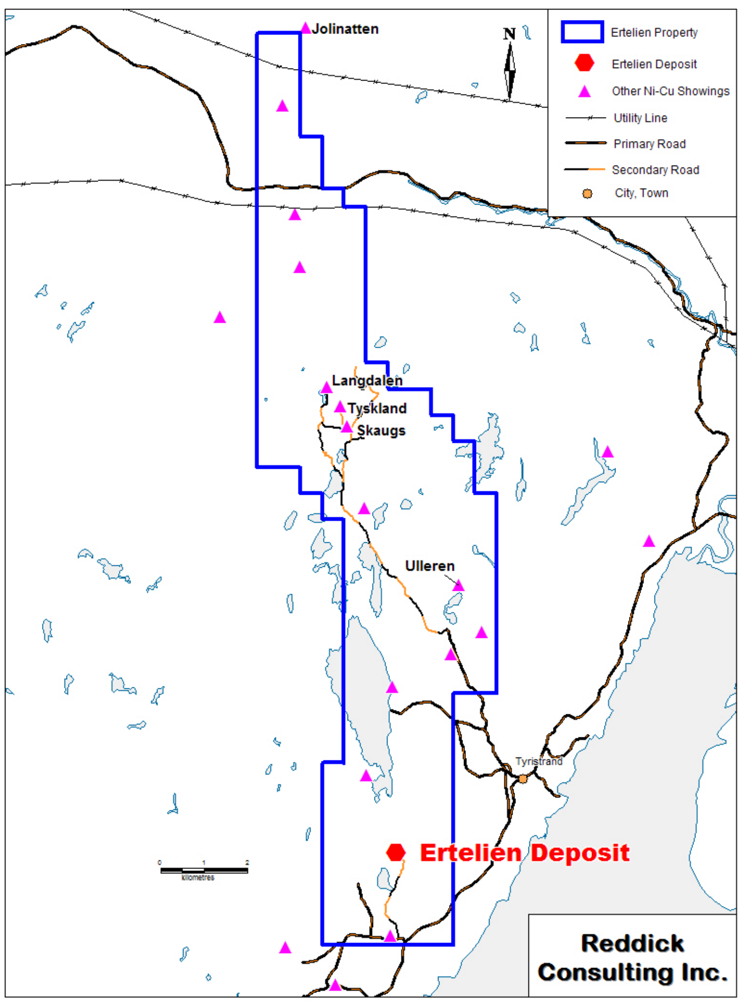
> **There are 10 old mines in the area and numerous other nickel prospects which are recorded on maps held in the NGU and from Overwein, 1964 and Ryan, 1972. Available production figures for two of the mines are included on Table 4. The main deposits worked in the Ertelien Area are Ertelien, Langdalen, Skaugs, Tyskland, Ulleren and Jolinatten. The Ertelien mine operated between 1849 and 1920 and produced over 400,000T of ore with 1.04% Ni, 0.69% Cu and 0.17% Co from a norite host rock. These values are based on a back calculation from the mine production records and not an ore reserve calculation, which may underestimate the mineable grades. Mineralisation is recorded as consisting of massive and brecciated ore in a narrow zone, located at the contact between norite and gabbro and grading between 2 % and 4% Ni. The mineral assemblage comprises pentlandite, pyrrhotite and chalcopyrite.**
>
> **The Langdalen mine operated in the late 1800s and produced 250,000T of ore with between 2.5 and 3.5% Ni from sulphide hosted in a mafic dyke. Assay results from a grab-sample taken by Sulfidmalm/Falconbridge in August 2004 gave 1.83% Ni, 0.17% Cu.**
>
> **Most of the mining occurred in the late 1800s prior to the discovery of the vast nickel laterite deposits of New Caledonia in the southwest Pacific. The latter discovery subsequently caused a collapse in the price of nickel, rendering the Ertelien deposits uneconomic.**
>
> **There is very little mineralised rock left at surface in the area of the mines visited so far in this project. Scattered mineralised samples are located along forest tracks close to the mines and occasionally can be found in spoil heaps at the old mine workings.**

In addition to reviewing all data available Sulfidmalm/Falconbridge visited the area in August 2004 and a sample was collected from the historical waste piles. Additional samples were also collected by CSA.

Table 6-1 Ertelien Area - Available production values and grades (Papunen and Gorbunov, 1985) from CSA Report No. 354 1/06, Table 4.

Mine Name	Dates of Operation	Host Lithology	Total Production	Ni %	Cu	Co
Ertelien	1849 to 1920	Norite	>400,000t	1.04	0.69	0.17
Langdalen	Late 1800s	Sulphide/mafic dyke	250, 000t	2.5-3.5	NA	NA

Figure 6-1 Ertelien Property with Ertelien Deposit and Other Nickel Prospects



Other Deposits/Prospects in Ertelien Area - Langdalen, Skaug and Tyskland Deposits, Ulleren Prospect

The Langdalen deposit is the second largest mine in the Ertelien area and also occurs on the Ertelien property. Past production was 250,000 tonnes grading 2.5 – 3.5% Ni. It is a dyke-like feature that trends roughly 320 degrees with a near vertical plunge. Little or no intrusion is exposed. Similarly, the Skaug and Tyskland deposits are also dyke-like and are obviously folded with steep vertical plunges. Previous mining has very selectively removed the sulphides and host intrusions.

Little or no previous exploration work has been conducted at Langdalen, Skaug and Tyskland. The 1963 AEM survey flew directly over the Langdalen deposit and detected an anomaly immediately to the west of it. However, follow-up with the ABEM gun failed to locate the anomaly on the ground. The line spacing (500 m) was such that the other deposits were not covered. No other work has been completed in the area. A test (201 line km) AEM survey flown in 1971 did not cover this (or the Ertelien) area.

At Ulleren, the largest mafic/ultramafic body in the area (2.5 km x 1.0 km) detailed mapping and sampling of showings was completed in 1963. The body contains a fairly large proportion of ultramafic rocks. A reconnaissance EM Gun survey failed to detect any real anomalies although "anomalies could be created by playing with the instrument".

Recent Work - Ertelien

<u>Drilling</u>

A small percussion drilling program (71 samples in 3 profiles) conducted around the old workings in 1971 by Norsk Hydro/Sulfidmalm failed to outline a postulated large low grade resource. The highest values obtained were 0.25% Ni with 3.5% S (2.5% Ni in 100% S). The deposit was tested by two holes down to a vertical depth of 60 to 80 m (only weak mineralisation at the contact (0.78% Ni, 0.67% Cu, 14.8% S over 1.25 m in DDH1; 0.35% Ni, 1.99% Cu, 7.6% S over 1.60m in DDH2 - hole may not have hit footwall contact); DDH3 essentially collared in basement gneisses (Goodman, R., Slowey, E., 2006).

<u>Geophysics</u>

A detailed ABEM Gun (Slingram) survey conducted over the intrusion detected no anomalies (line spacing 50 m; stations 12.5 m; cable length 50 m). Only one line of the 1963 AEM survey flown by the NGU crossed the deposit but did not detect any anomalies (mean terrain clearance 100 m). A 60 point gravity survey was completed over a 2 km x 2 km area centred on the host intrusion in 1971 and 1972. Modelling of the results gave a 2.0 mgal anomaly directly over the host intrusion with an extension or possible second 2.0 mgal anomaly approximately 750 m to the north (not exposed on surface). The author also postulated a deeper buried anomaly (Goodman, R., Slowey, E., 2006).

In 1963, a regional 500m spaced helicopter borne magnetic survey was flown over the area by the NGU with an east-west orientation which detected an anomaly in the area (western portion). The helicopter borne magnetics flown was not effective at draping the highly variable topography (Goodman, R., Slowey, E., 2006). Table 6-2 summarises work done on the area of the Ertelien Mineral Resource from 1963 to 2004.

Table 6-2 Summary of Work Completed in the Ertelien Area, 1963 -2004

Period	Company	Description of Work
1963	NGU	• AEM survey • regional 500m spaced helicopter borne magnetic survey
1971-1980	Sulfidmalm A/S	• reconnaissance prospecting & geophysical surveys • claims acquired • ABEM Gun (Slingram) survey • percussion drilling program (71 samples in 3 profiles)
2004	Falconbridge Limited	• initial property visit by Falconbridge geologists; grab samples collected from historic nickel showings/workings • first pre-claims acquired

Since 2005 Sulfidmalm and BLV have concentrated exploration efforts on the area in the vicinity of the former Ertelien Mine. In 2005 and 2006 this consisted of geophysical surveys as outlined in Table 6-3. Diamond drilling of the area in the current resource started in 2006.

In order to evaluate the potential for nickel sulphide mineralisation in the Ertelien Project area, helicopter-borne magnetic and frequency domain electromagnetic surveys were flown in the fall of 2005 (NGU) and the early spring of 2006 (Fugro DIGHEM). The airborne EM anomalies were prioritized and a plan was made for a follow-up ground geophysical program. A total number of 1,800 line km were flown in the Ertelien Project area during the 2005 survey. A total number of 2,965 line km were flown in the Ertelien Project area during the 2006 survey.

The 2006 summer ground geophysical program was carried out during the period June 13th to July 22nd, 2006 and consisted of 78.9 line km of gridding and UTEM surveying, as well as 2,684m of BHUTEM surveying. Grids with line spacings of 50m, 100m or 200m were established by McKeown Exploration Services (of Oshawa, Ontario, Canada) and Scandicraft AS (of Gjøvik, Norway) using a differential global positioning system (DGPS) with base station and biodegradable flagging tape. The UTEM surveying was carried out by Lamontagne Geophysics Limited of Kingston, Ontario, Canada.

A total of 1,910m of single component borehole UTEM data was collected in six holes by Lamontagne geophysics Ltd. at Ertelia during 2006-2007. The borehole surveys were dominated by in-hole and in-hole edge type responses which correlate with interesting mineralisation. Modelling of the borehole and surface UTEM data is complex owing to the presence of multiple mineralised zones. Multiple conductive plates of varying size have been interpreted.

Surface UTEM surveying at the Ertelia Mine area was used in tandem with the BHUTEM surveying to further define the conductive horizons for drill targeting.

Table 6-3 Summary of Work Completed in the Ertelien Area, 2005-2008

Period	Company	Description of Work
Sept 2005 – Nov 2006	Sulfidmalm A/S, Blackstone Ventures Inc.	• 4,765 line km helicopter-borne mag & frequency domain EM survey flown by NGU using Hummingbird system • 79 line km UTEM survey completed in Ertelien area • 29 drillholes in 2006 totalling 7,660.4 metres • discovery of extension to Ertelien nickel zones
2007	Blackstone	• 13 drillholes totalling 2,976.9 metres
2008	Blackstone	• 28 drillholes totalling 6779.8 metres

6.2 Espedalen

Early Historical Mining

Mining in the Espedalen area dates from at least the 17th century. In 1666, copper was discovered in the valley and mined intermittently until 1750. Nickel mining in the area was intermittently active during the period 1848 to 1918. The remnants of one of these mines, Vesle Gruva, (the little mine) can still be seen near Vassenden at the extreme southwest end of Espedalen Lake (www1.visitnorway.com).

There was approximately 100,000T of nickel ore produced from the Espedalen region @ 1.0% Ni, 0.4% Cu and 0.6% Co (Boyd and Nixon, 1985). The record of work completed prior to about 1960 is incomplete but Table 6-4 summarizes more modern exploration carried on post 1960. Sulfidmalm and Norsk Hydro worked in the area between the mid-1960s through to 1980 as listed in Table 6-4. During this period, 44 drillholes, totalling approximately 3,500-4,000m were completed including 38 at Megrundstjern, 4 at Jorstad and 2 at Melgard. The best intersection was obtained at Megrundstjern and contained 1.01% Ni, 0.32% Cu over 29m, including 3.18% Ni over 1m. Preliminary metallurgical testing of this material gave concentrate grades of 15.0% Ni and 5.27% Cu with recoveries of 70.3% for Ni and 76.8% for Cu. Unfortunately drilling failed to identify a large, continuous zone of mineralisation. Sulfidmalm curtailed their nickel sulphide exploration efforts in Norway after 1980 and work on the Espedalen property ceased.

Table 6-4 Summary of Work in Espedalen Area, Mid 1960s -1980

Period	Company	Description of Work
Mid-1960's	Sulfidmalm A/S	• reconnaissance prospecting & geophysical surveys • claims acquired • geophysical anomalies obtained over Andreasberg & Stangruva • no drilling
1970	Norsk Hydro	• helicopter mag-EM survey • 4 holes drilled at Jørstad Grid; best result was 0.35% Ni & 0.09% Cu/18.8m

1973	Sulfidmalm/ Norsk Hydro	• joint venture formed •
1974-1978	Sulfidmalm/ Norsk Hydro	• mag, VLF & Mise a la Masse surveys • 40 holes drilled incl. 2 at Melgard Grid, and 38 at Megrundstjern Grid (3,143m) with the best result at Melgard - 0.47% Ni, 0.21% Cu over 12.75m • large zone of disseminated mineralisation outlined at Megrundstjern; poor correlation between sections; best intersection was 1.01% Ni & 0.32% Cu/29m incl. 3.18% Ni/1m
1979-1980	Sulfidmalm A/S	• supported a field mapping program by Michael Heim • 1:50,000 compilation map produced from original 1:5,000 mapping

Falconbridge geologists visited the area in late 2002 and initiated a new phase of exploration in August of 2003. Exploration has consisted of alternating phases of helicopter-borne geophysics, ground geophysics and drilling as outlined in Table 6-5. To date, 1398 line km of airborne geophysics and 229 line km of ground UTEM have been completed on the property. Work began in the winter of 2003 with a 29 line km UTEM survey on the southwest side of Espedalen Lake which yielded two good EM anomalies. Based on these positive results, a 932 line km helicopter-borne magnetic and frequency domain electromagnetic (EM) survey was contracted out to the NGU and flown in the fall of 2003 (Mogaard & Rønning, 2003). In late 2003, the airborne EM anomalies were prioritized and a plan was made for a follow-up ground geophysical program. A total of 123 line km of surface UTEM work was completed in the winter of 2004, which outlined numerous prospective targets along known favourable nickel-bearing stratigraphy (Tirschmann, 2005).

An initial drilling program was carried out during the summer of 2004 (see Section 11 Drilling, this report). Based on favourable drilling results, an additional Hummingbird AEM survey totalling 466 line km (Mogaard, 2005) was flown in the fall of 2004. In late 2004, the airborne EM anomalies were prioritized and a 77 line km follow-up ground UTEM survey was carried out in early 2005 (Blair, 2005). Winter and summer drilling programs were completed in 2005 (Tirschmann, 2005).

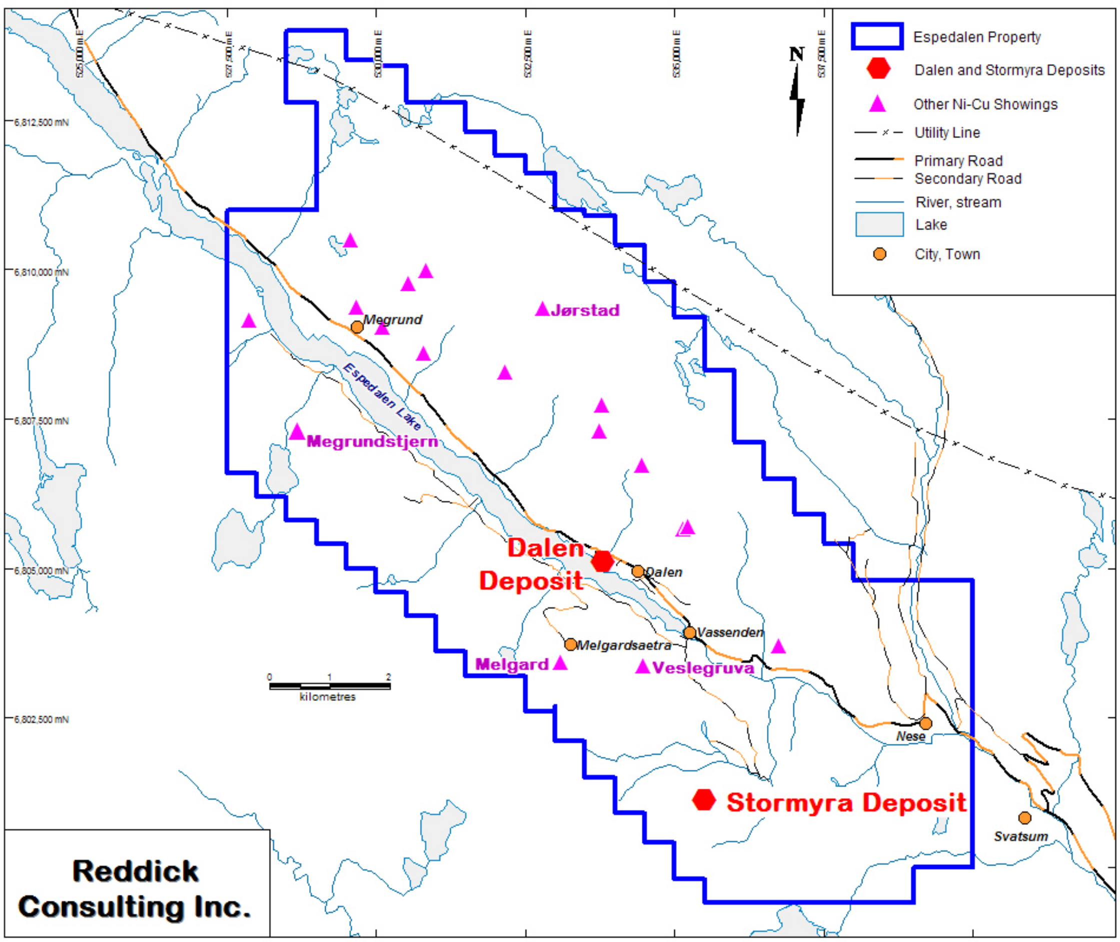
The results of the geophysical surveys were to help prioritise drill targets and to define conductive horizons for drill targeting.

Table 6-5 Summary of Work in Espedalen Area, 2002-2008

Period	Company	Description of Work
November 2002	Falconbridge Limited	• Initial property visit by Falconbridge geologists; grab samples collected from historic nickel showings/workings
2003	Sulfidmalm	• First pre-claims acquired • 29 line km UTEM survey completed on SW side of Espedalen Lake • 932 line km helicopter-borne magnetic and frequency domain electromagnetic (EM) survey
2004	Sulfidmalm - BLV	• Blackstone Joint Venture agreement negotiated • 466line km helicopter-borne mag & frequency domain EM

		survey flown by NGU using Hummingbird system • 123 line km UTEM survey, on NE and SW side of Espedalen Lake • 18 drillholes; incl. 3 holes on Dalen and 2 on Stormyra • Discovery of Stormyra nickel zone
2005	Sulfidmalm - BLV	• 77 line km follow-up ground UTEM • 33 drillholes; incl. 18 on Stormyra
2006	Sulfidmalm - BLV	• 5 drillholes all on Stormyra
2007	Blackstone	• Blackstone Purchase agreement negotiated for all Norway nickel properties • 74 drillholes; incl. 1 hole on Dalen and 25 on Stormyra • Discovery of Dalen and Megrund nickel zones
2008	Blackstone	• 37 drillholes; incl. 29 holes on Dalen and 4 on Stormyra

Figure 6-2 Espedalen Property with Stormyra, Dalen and Other Principal Nickel Prospects



7 GEOLOGICAL SETTING

7.1 Regional Geological Setting

Regional Tectonic Setting of Norway

The following regional description is based on a description of the 'Geology of Fennoscandia' from the Laboratory for Isotope Geology at the Swedish Museum of Natural History, Stockholm, Sweden.

In regional geological terms, Norway forms part of the Fennoscandian (or Baltic) Shield, which also includes Sweden, Finland and the northwestern part of Russia. The geology of Southern Norway is comprised of four main geological zones (Figure 7-1) comprising the Southwestern Gneiss Province in the south and southeast of Norway, the Scandinavian Caledonides running northeast-southwest through the region and another portion of Southwestern Gneiss Province in the west of the country, which has been overprinted by deformation during the Caledonian Orogeny. A small area of younger rocks is present in the Oslo area and the area is known as the Oslo Rift.

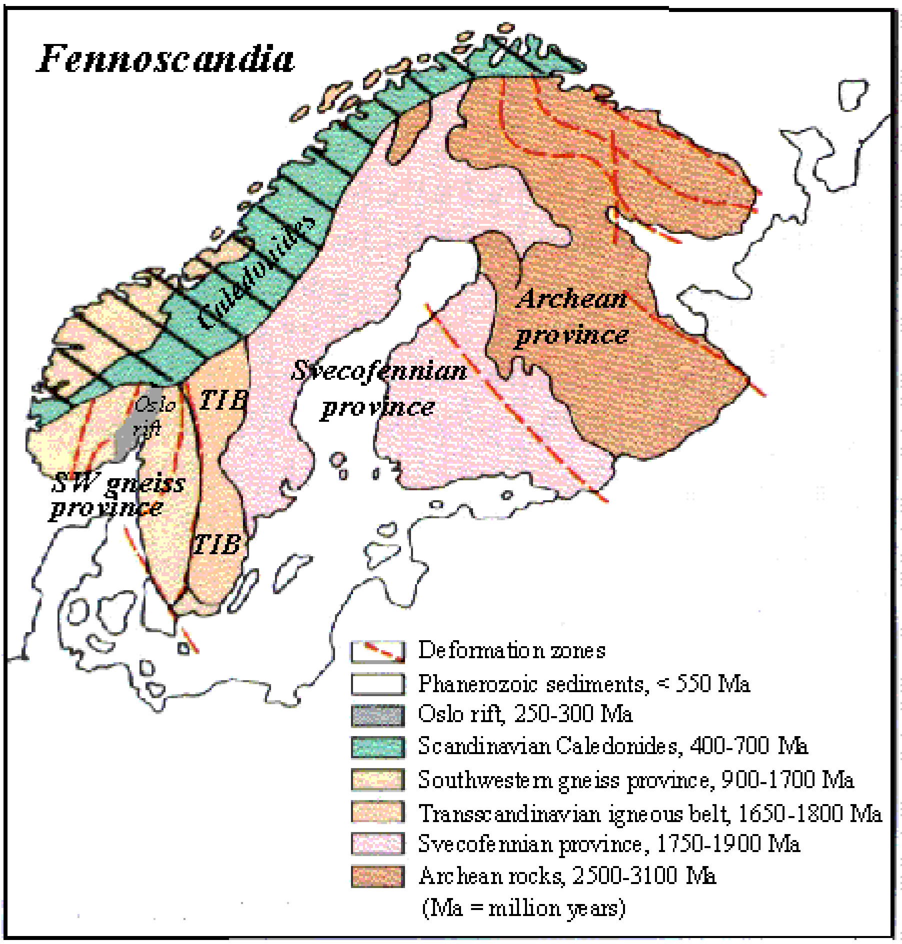
Southwestern Gneiss Province

The Southwestern gneiss province (also known as the Sveconorwegian province) is present in the south of Norway and records a long and complex evolution ranging in age from c. 1700 to 900 Ma. Most of the bedrock originally formed in the Gothian/Kongsbergian orogeny 1700-1550 Ma, but was later intruded by several generations of granitoids which were subsequently metamorphosed and deformed again during the Sveconorwegian/Grenville orogeny c. 1100-900 Ma. The Southwestern gneiss province is divided into several north-south-trending segments by Sveconorwegian deformation zones. In western Norway, these gneisses were again deformed during the Caledonian orogeny c. 400 Ma (cross-hatched area on Figure 7-1).

Scandinavian Caledonides

The Scandinavian Caledonides, which stretch through most of Norway and include adjacent parts of Sweden, are made up of Neoproterozoic to Silurian metasedimentary and metavolcanic rocks, deposited in the Iapetus Ocean (the predecessor of the present-day Atlantic Ocean) c. 700 to 400 Ma. Together with slices of older basement, these rocks were thrust several 100 km eastwards over the edge of the Fennoscandian Shield in several large thrust sheets known as nappes, when North America and Greenland collided with Scandinavia during the Caledonian Orogeny c. 400 Ma ago.

Figure 7-1 Simplified Regional Geological Setting of Fennoscandia



A summary of the relative age of the lithological sequences is included on Table 7-1

Table 7-1 Lithological Sequence Ertelien and Espedalen Properties

AGE Ma	Era	Age Position of BLV Properties
544	Cambrian	
1000	Neoproterozoic	
1600	Mesopropterozoic	Dalen, Stormyra (1698-1250 Ma) Ertelien (1700-1500 Ma)
2500	Paleoproterozoic	
4000	Archean	

Southwestern Gneiss - Sveconorwegian Province

The Southwestern Gneiss or Sveconorwegian Province of southern Norway is composed predominantly of high-grade gneiss and granite that formed between 1700 and 900 Ma. In addition, throughout the evolution of this province, there have been several episodes of basic magmatism. The geology of this area spans the age of the rocks in the vicinity of the Voisey's Bay deposit in Labrador in terms of original sedimentation, deformation and intrusion of the mafic bodies which host the mineralisation. The mafic intrusions also have similar compositions to those which host the nickel mineralisation at Voisey's Bay (see Section 8 - Deposit Types).

The Ertelien area lies within the Kongsberg belt and is locally comprised of amphibolite gneiss, hornblende gneiss and gabbro. It is in a zone of complexly folded sedimentary and granitic gneisses that were deposited between 1700 and 1500 Ma and subsequently metamorphosed and deformed during the later stages of the Svecofennian Orogeny (1600 – 1450 Ma).

Mafic intrusions, locally called hyperites, were emplaced over a range of ages between 1450Ma and 1100Ma. These intrusions are dominantly comprised of coarse-grained, plagioclase-rich mesocumulates and orthocumulates. However, the intrusive series in its entirety comprises lithologies ranging from subordinate ultramafics (including pyroxenite, picrite and peridotite) through troctolitic varieties to olivine-free gabbros and norites, and olivine-ferrogabbros. Nickel sulphides are associated with a number of these mafic intrusions. A second phase of metamorphism occurred during the Sveconorwegian Regeneration between 1200 and 1180 Ma. This was essentially a thermal metamorphism with limited structural deformation.

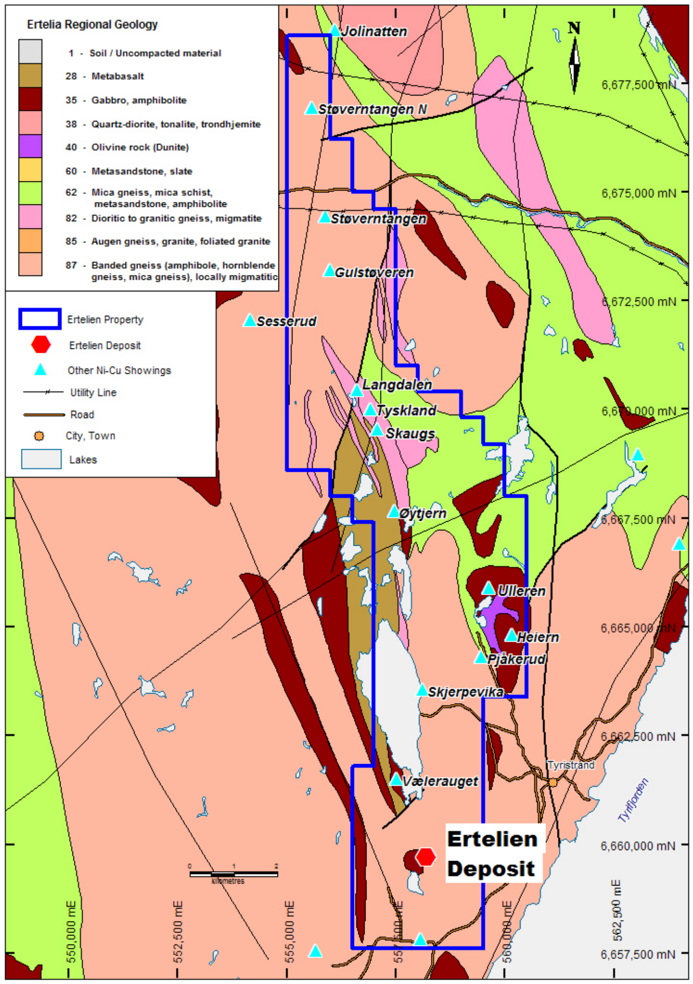
7.2 Property Geology

Ertelien Project

The Ertelien area is underlain by the Kongsberg Belt as described above. The local geology comprises a northwest trending amphibolite gneiss complex with discordant and concordant hyperite lenses and plugs, consisting of gabbro, norite, massive amphibolite, metabasalt and local peridotite (Figure 7-2).

Some details of the old mine workings can be seen and a number of the spoil heaps/waste dumps remain. There is 2-3m of till cover across the area and consequently little or no outcrop over the area of the mine. The original Ertelien deposit is hosted in a small norite intrusion and produced 400,000 t of ore from 1849 to 1920 grading 1.04% Ni, 0.69% Cu and 0.17% Co. These values are based on a back calculation from the mine production records and not on the basis of any resource or reserve estimates. Mineralisation is recorded as consisting of massive and brecciated ore in a narrow zone, located at the contact between norite and gabbro and the mineral assemblage comprises pentlandite, pyrrhotite and chalcopyrite. The current resource occurs in an area immediate below the old workings.

Figure 7-2 Simplified Geological Map of the Ertelien Project Area



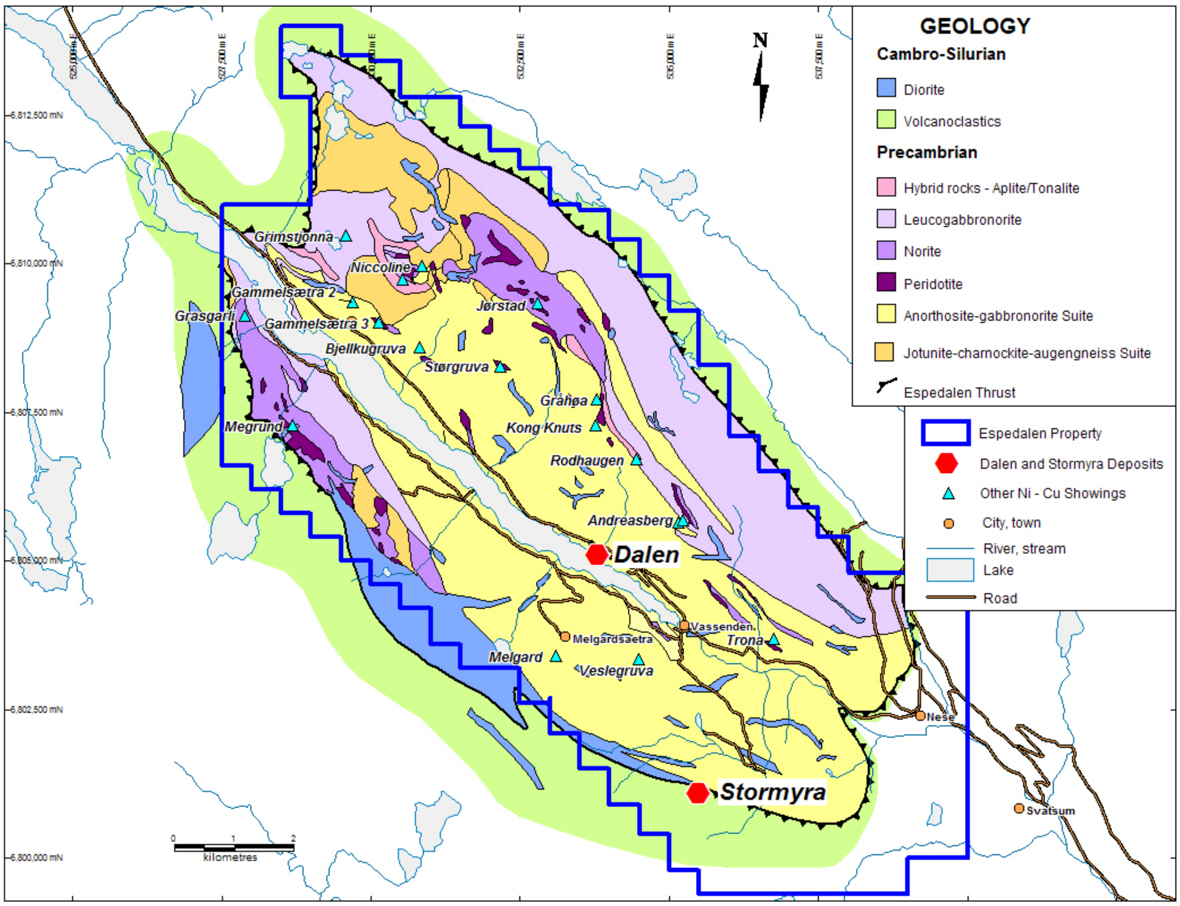
Espedalen Project

Numerous nickel workings and showings dating from the 18th and early 19th century are hosted within differentiated mafic and ultramafic bodies which have intruded anorthositic country rocks (Figure 7-3). This magmatic terrain is collectively referred to as the "Espedalen Complex" and forms the basement of the Gråho subnappe within the larger Caledonian Jotun Nappe.

The Espedalen Complex comprises metamorphosed syenites, norites, anorthosites, gabbros, pyroxenites and peridotites ranging in age from 1698-1250 Ma. The nappe was emplaced in its current position during the Caledonide Orogeny but the original position of this unit is thought to have been west of the Norwegian coastline. Reconstructions place this position close to the west coast of Labrador and Voisey's Bay. The similarity in the ages of the rocks supports such a correlation.

Nickel mineralisation is hosted in differentiated mafic to ultramafic intrusions consisting of peridotite, pyroxenite and norite. Disseminated to massive nickel mineralisation is exposed in a series of old mine workings and showings, mainly concentrated on the northeast side of Espedalen Lake. Grab samples have returned nickel values of up to 3.26% and nickel tenors ranging from 1.8% to 8.8%.

Figure 7-3 Simplified Geological Map of the Espedalen Project Area



8 DEPOSIT TYPES

Economic concentrations of nickel are associated with magmatic sulphide accumulations and weathered products of mafic-ultramafic rocks as lateritic nickel ores. The Stormyra, Dalen and Ertelien nickel sulphide deposits are all magmatic sulphide accumulations with tectonic, structural, and geological similarities to documented, large Ni-Cu deposits. Nickel and copper are economic commodities contained in sulphide-rich ores that are associated with differentiated mafic sills and stocks and ultramafic volcanic (komatiitic) flows and sills. As a group, magmatic nickel-copper sulphide deposits have accounted for most of the world's past and current production of nickel. International reserves of magmatic sulphide nickel remain large, though they are exceeded by those of lateritic nickel deposits, the only other significant source of nickel.

Economic sulphide nickel deposits span a broad age range from the Achaean to Phanerozoic (2.7 Ga to 0.25 Ga). The largest discovered deposits to date are the Norilsk and Sudbury ore concentrations. Current popular theory for the formation of nickel sulphide deposits invokes partial melting of the upper mantle, magma fractionation, magma mixing, and contamination by country rock to form a separate sulphide melt from a mafic magma.

Established nickel sulphide deposits show similarities in geological setting while maintaining individual distinct and unique characteristics. The main common components include nickel-copper association, proximity to a major structure(s), mafic-ultramafic association and host rock, and the presence of a possible breccia feeder system.

Comparison of the regional geological setting and nickel sulphide mineralisation occurrence between Norway and Voisey’s Bay in Labrador indicates analogies which have not previously been investigated by exploration in Norway. Details of some of the similarities are discussed below.

Norway Nickel - Voisey’s Bay Analogue

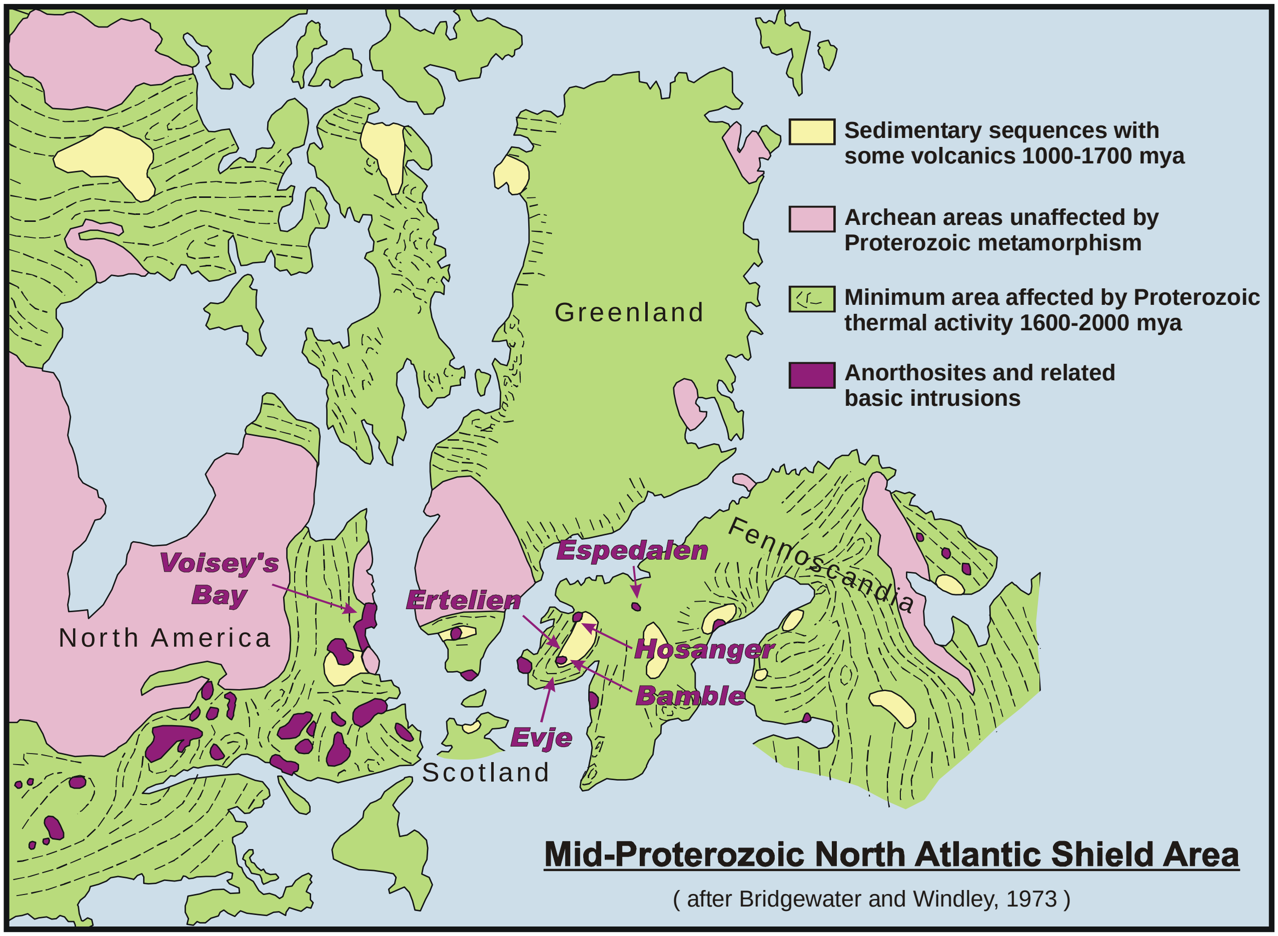
The Voisey’s Bay Ni-Cu-Co sulphide deposit occurs within troctolites and olivine gabbros of the Voiseys’s Bay intrusion. The Voiseys’s Bay intrusion is dated at 1340 Ma and is situated in a predominantly anorthosite complex within the Nain Plutonic Suite which has been correlated in age and tectonism with the Sveconorwegian Orogeny in Norway. Some of the unique geological features in the Voisey’s Bay Ni-Cu-Co sulphide deposit are the following:

- the presence of nickel sulphide mineralisation in troctolite;
- the location of the mineralised intrusion in an anorthosite complex;
- the ages of the intrusions in the Voisey’s Bay area are 1,340 Ma;
- the tectonic setting and palaeoplate position.

The age of the host intrusions in Norway generally have a range of ages spanning the age of the Voisey’s Bay intrusion from 1,700 Ma to 1,250 Ma. An exception to this is the intrusion in the Skjaekerdalen area which is dated at 436 Ma.

A reconstruction of the tectonic palaeoplate position (Figure 8-1) shows that, at the time of the Voisey’s Bay intrusion, south Norway and Labrador were in relatively close proximity and were undergoing similar tectonic development. Comparison of the suite of mafic rock types which host the mineralisation in Norway with Voisey's Bay show various similarities, such as the presence of troctolites (as in the Ertelien area) and association with anorthosite complexes (as at Espedalen), both of which were previously unrecognised as nickel sulphide targets.

Figure 8-1 Simplified Regional Geological Setting of Eastern North America, Greenland and Western Europe

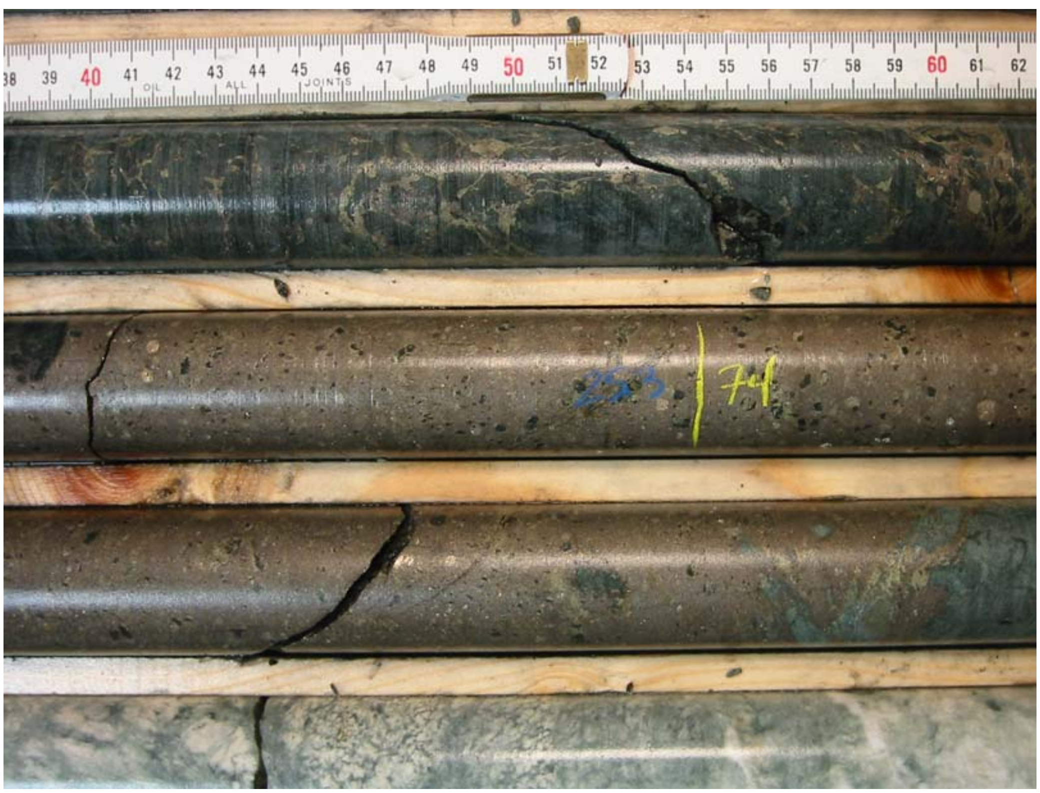


9 MINERALISATION

The nickel-copper mineralised zones are found in a wide variety of host rocks including gabbro, norite, pyroxenite and peridotite which commonly have a significantly greater extent. Mineralisation (pyrrhotite, pentlandite, and chalcopyrite ± pyrite) is found as massive to net-textured and disseminated sulphide zones (Figure 9-1). Nickel sulphide mineralisation in the Norway project areas is typically exposed in trenches, pits and old mine workings over distances ranging from a few tens of metres to in excess of 300 metres.

The mineralisation in the Dalen deposit occurs in a suite of ultramafic rocks and in a more disseminated manner than the other deposits. It may be that Ni mineralisation in Dalen is similar to large low-grade Ni deposits such as Mt. Keith in Australia, which is classified as a type IIb Ni deposit in the classification of Lesher and Keays, 2002. At Mt. Keith Fe-Ni-(Cu) sulphides occur interstitial to former olivine grains with an average abundance of 3 to 5 volume percent, and the deposit has a current resource of 503 Mt at 0.55% Ni (Rosengren, Beresford, Grguric and Cas, 2005).

Figure 9-1 Mineralised Intersection from the Stormyra Deposit, Espedalen Property ES2005-20: 7.76%Ni, 2.28%Cu, 0.20% Co over 2.16m (73.44-75.60m)



10 EXPLORATION

Between 2006 and December 2008, Blackstone and its previous joint venture partner Sulfidmalm had completed 4,765 line kilometers of airborne magnetics and EM, 79 line kilometers of surface UTEM geophysics and completed 82 drill holes on the Ertelien project totalling approximately 20,077 metres. A total of 70 drill holes were targeted at the Ertelien deposit. All of the drilling on the properties since 2006 has been under the supervision of either Sulfidmalm or Blackstone.

Between 2003 and December 2008, Blackstone and its previous joint venture partner Sulfidmalm had completed 1,398 line kilometers of airborne magnetics and EM, 229 line kilometers of surface UTEM geophysics and completed 167 drill holes totalling 23,362.9 metres on the Espedalen project. A total of 54 drill holes totalling ~8,609 metres were targeted at the Stormyra deposit and 33 drill holes totalling ~4,924 metres at the Dalen deposit. All of the drilling on the properties since 2004 has been under the supervision of either Sulfidmalm or Blackstone.

A summary of the exploration work done by Blackstone in the area of the Ertelien, Stormyra and Dalen resources, as presented in this report, including geophysics and drilling, has been described in Section 6 - History. In addition to the work described in Section 6, Sulfidmalm or Blackstone has also carried out additional exploration on other parts of the Espedalen and Ertelien properties. This work has included:

- detailed geological mapping over ~12km^2;
- reconnaissance mapping and prospecting;
- 92 rock samples (grab and chip samples);
- 12 drillholes totalling 2,660 m on the Ertelien property and 80 drillholes totalling 9,830m on the Espedalen property;
- compilation of all data into a unified computer database.

11 DRILLING

11.1 Data

Ertelien

A total of 70 diamond drill holes were completed on the Ertelien Project between 2006 and 2008. Total cumulative meters were 17,417.1 for an average drillhole depth of 248.8 meters. Rate Diamond Drilling and Drillcon Drilling were contracted to complete the drilling over this period utilizing track mounted and skid mounted wireline drill rigs. The drillhole data are summarized in the Table 11-1 below.

Table 11-1 Diamond Drilling on the Ertelien Project

	Number of Holes	Year	Total Metres	Ave Depth
	29	2006	7660.4	264.2
	13	2007	2976.9	229.0
	28	2008	6779.8	242.1
Totals	**70**		**17417.1**	**248.8**

Espedalen

A total of 167 diamond drill holes were completed on the Espedalen Project between 2004 and 2008. Total cumulative meters were 23,362.9 for an average drillhole depth of 139.9 meters. Arctic Diamond Drilling was contracted to complete the drilling over this period utilizing a track mounted standard drill rig. The drillhole data are summarized in the Table 11-2 below. A total of 54 of the drill holes completed were utilized in the current resource estimate for the Stormyra Nickel Deposit and 33 drill holes were utilized in the current resource estimate for the Dalen Nickel Deposit.

Table 11-2 Diamond Drilling on the Espedalen Project

	Number of Holes	Year	Total Metres	Ave Depth
	18	2004	1844.1	102.5
	33	2005	4274	129.5
	5	2006	1261.4	252.3
	74	2007	10173.9	137.5
	37	2008	5809.5	157.0
Totals	**167**		**23362.9**	**139.9**

11.2 Drilling Methods

2007 and 2008 drill programs on the Ertelien and Espedalen projects were contracted to mainly Arctic Drilling and DrillCon AB. Arctic Drilling utilized a muskeg mounted Diamec 251 Type standard drilling rig. DrillCon AB and its sister company Smoy used a variety of rig types including both track mounted and skid mounted wireline drill rigs. It is not known the exact type of drill rigs used in the earlier programs in 2004 to 2006.

Core diameters include a variety ranging from 35.2 mm to 42 mm, which is close to standard BQ (35.5 mm) and BQTW (47.6 mm).

Drill core at all drill sites is placed in wooden boxes, the boxes labelled according to drill hole number and metres and safely closed for transport.

11.3 Surveying

Collar Locations and Orientations

Collar locations for all drill holes were established using a total station differential hand-held Global Positioning System (GPS) with an accuracy of less than one meter. Collar locations were picked up immediately after completion of the drill hole. Drill casing was left in the ground for most holes.

Down Hole Surveys

A Reflex survey instrument was utilized for surveying deviations of drill holes. Surveys were taken typically at 50 metres increments down the hole. In the cases where there are no surveys, these holes were blocked at the time the surveys were being completed.

Topography

Although topographic data are available, the GPS data recorded in the field were used for drill collar locations.

11.4 Core Logging Procedures

Data reviewed in this study and applied for geological modelling and resource estimation are the product of recent exploration by two companies, Xstrata Nickel on behalf of Sulfidmalm, and Blackstone. The core logging procedures are as follows:

- Core is brought to field house or logging facility on a daily basis by truck by employees of the drilling company or the company geologist on site.
- All core is logged at the core shack on the project site, where major lithological units, structure, alteration, and mineralogy is recorded using text, numeric codes, or percentages and entered into DHLogger daily.

- Prior to being sampled, significant mineralized core sections are photographed using a digital camera and the photos are downloaded to the main office computer.
- The final logs include a header sheet with collar coordinates and down hole survey data. Produced from DHLogger in Sudbury

Assay results for samples and quality assurance/quality control (QA/QC) materials are entered into DHLogger when received. All assay and QA/QC results are received electronically.

12 SAMPLING APPROACH and METHODOLOGY

12.1 Diamond Drill Sampling

Core from all drill holes was logged on site and all BQ core was marked for sampling by the geologist. Sample lengths are based on lithologic units and generally range from 0.30m to 1.5m. Standards or blanks are inserted for every 20 samples and a blank is inserted at the end of mineralised zones.

Technicians saw the core in half longitudinally using core saws with a diamond blade at Blackstone's core cutting facility in Tyristrand, Norway. One half of the core is bagged for analysis and the bag secured with a zip tie; the other half is returned to the core box and kept as a permanent record with the sample tag stapled to the box at the end of the interval. Boxes are tagged with aluminum tags showing the hole number and box interval.

Cut and bagged samples are placed in sealed plastic transport boxes and secured on pallets ready for transport. The samples are stored in the core cutting facility typically until two or more pallets are ready for shipping. Pallets are picked up by TNT Transport and delivered to Oslo airport for SAS air cargo shipping to laboratories for analysis. During the recent history of the projects three laboratories have been used, they are: SGS Lakefield Research Limited in Lakefield Ontario in 2006 and ALS Chemex (Pitea, Sweden Preparation Facility and Vancouver, B.C. Analytical Laboratory) and Omac Laboratories Limited in Galway, Ireland in 2007 and 2008.

Short term core storage was made available at a local field house in Tyristrand, Norway during the active drilling program. For long term storage, drill core is stored in core racks, located at the Norwegian Geological Service (NGU) in Trondheim, Norway. Pulps and rejects are returned to Blackstone and stored at its core facility in Vallen, Sweden.

As almost all core recovery is very good, there appear to be no sampling or recovery factors that could materially impact the accuracy or reliability of the sampling results.

Assay intervals are stated as core lengths; the true thickness of the mineralized intervals have not been determined as of yet. The mineralized zone in Ertelien is complex but interpreted to be mostly moderately to steeply dipping and it appears that the true width of the mineralized zone is on average about 80% of core lengths (Figure 17-4).

The mineralized zones in Stormyra and Dalen are more flat lying and are generally intercepted by fairly steep drillholes. It appears that the true width of the mineralized zones for both these properties is on average 80% to 100% of the core lengths (Figures 17.14 and 17.19)

12.2 Diamond Drill Results

Diamond drill results that contribute to the resources quoted in this report for the Ertelien and Stormyra properties are listed in Appendix I. As the Dalen deposit has been estimated using all reported assays for drilling in the wireframe constraining that resource, those intervals are not listed separately in this report.

Further details regarding assay lengths, percentage of sampled core and assays by lithological units for drilling that contributes to the resource estimates presented in this report are discussed in the analysis of data for each property in Section 17- Mineral Resources and Mineral Reserves. The sample quality is good and the samples are considered by the author to be representative of the areas tested by drilling.

13 SAMPLE PREPARATION, ANALYSES and SECURITY

Several laboratories have been used over the life of the Ertelien and Espedalen projects. For drilling completed in 2006, analysis of core samples was performed by SGS Lakefield Research Limited in Lakefield Ontario. For drilling completed in 2007 and 2008 analysis of core samples was completed by ALS Chemex in Vancouver, B.C. and Omac Laboratories Limited in Galway, Ireland.

All Blackstone drill core samples were kept with Blackstone's possession until transport to the laboratory. Drill core samples were split (in half length wise) using a diamond core cut saw at its core logging/cutting facility in Tyristrand, Norway. Samples of halved drill core were sealed in labelled plastic samples bags and securely crated for shipping. Crates of samples were then shipped by air cargo to the various laboratories listed.

13.1 Sample Preparation

Drill core samples analysed at SGS Lakefield were weighed and dried before up to 4 kilograms of samples was crushed to 10 mesh then a 250 gram split was pulverized to 150 mesh. Cleaning of crushers and pulverizers was completed after every 20 samples.

Drill core samples analysed at ALS Chemex were first prepared at ALS' preparation lab in Pitea, Sweden. There samples were logged in their tracking system, then weighed and the entire sample was fine crushed to better than 70% -2mm. A split off 250 gram sample was then pulverized to better than 85% passing 75 microns. These pulps were then shipped to Vancouver, B.C by commercial aircraft for completion of analytical work.

Drill core samples analysed at Omac Laboratories Limited were shipped to Galway, Ireland from Norway where samples were prepared and analysed. Samples were dried, jaw and coned crushed total to <2 mm, riffled 1 kg and pulverized to 100 microns. All fractions were retained.

13.2 Analysis

Analyses performed at SGS Lakefield, ALS Chemex and Omac Laboratories are as follows:

SGS Lakefield:

- Ni, Cu, Co, S, Ag were analysed using sodium peroxide fusion, ICP-MS analysis (assayed at SGS-Toronto);
- Pt, Pd and Au by fire assay, ICP-OES.

ALS Chemex:

- analysis for Ni, Cu, Co, Ag and S by peroxide fusion and ICP-AES;
- Pt, Pd and Au by fire assay and ICP-AES finish (30 gram nominal sample weight).

Omac Laboratories:

- analysis for Ni, Cu, Co, Ag and S by oxidising digestion with final solution in aqua regia and ICP-AES;
- Pt, Pd and Au by 30 gram lead fire assay/ICP finish.

13.3 Quality Assurance/Quality Control

Quality Assurance/Quality Control (QA\QC) was implemented at the beginning of drilling in 2006 whereby standards were routinely inserted into the sample stream with at least one standard sample inserted per sample batch submitted to the laboratory. The program was further strengthened in 2007 with the introduction of blank samples and a more routine insertion of standards; i.e., one blank or standard every 20 samples.

Once received, analytical results were imported into BLV's central database using commercial software, DHLogger (Century Systems) which provides quality control charting. Sample batches containing samples with analytical deviations of more than 5% were flagged, evaluated and batches re-assayed as needed.

RCI reviewed the results of the various QA/QC programs and concluded that the historical and recent sampling were acceptable for the purpose of resource estimation.

13.3.1 Blackstone Standards

See Sections14.2 and 14.3.

13.3.2 Blackstone Blanks

See Sections14.2 and 14.3.

13.3.3 Check Assay Program

BLV has not submitted any samples from its diamond drilling programs as check samples or duplicates to a second lab. RCI recommends that 5% of all samples be submitted, with blanks and standards inserted into the sample stream. RCI took a total of 23 samples of archived core as part of the site visit for check assaying (see Section 14 – Data Verification).

14 DATA VERIFICATION

14.1 Site Visit and Independent Sampling

A visit was made to the Ertelia, Stormyra and Dalen Deposits from June 3rd to 4th, 2008. Diamond drill core from all three deposits was examined and samples were taken from each deposit by taking ¼ splits of the remaining half core. An effort was made to sample a range of grades.

At no time were any employees of Blackstone advised as to the identification of the samples to be chosen during the visit.

Ertelia

Seven samples were selected by the authors from three different drill holes, ¼ sawn by the technician and placed by the authors into sample bags which were sealed with tape and placed in a rice bag. Sulphides in the drill core ranged from net textured to semi-massive to massive.

Stormyra

Twelve samples were selected by the authors from two different drill holes, ¼ sawn by the technician and placed by the authors into sample bags which were sealed with tape and placed in a rice bag. Sulphides in the drill core ranged from trace amounts to semi-massive to massive.

Dalen

Four samples were selected by the authors from two different drill holes, ¼ sawn by the technician and placed by the authors into sample bags which were sealed with tape and placed in a rice bag. Sulphides in the drill core ranged from net textured to semi-massive.

Once all the samples had been collected, the two rice bags were sealed with security seals and packed in the authors' luggage back to Canada. From there they were sent via Dicom courier to Activation Laboratories in Ancaster, Ontario for analysis.

All samples were analyzed for Ni, Cu, Co, Au, Pd and Pt. Bulk densities on drill core, as well as densities measured on the pulps using a pycnometer were also performed.

The following three figures present the results of the site visit verification samples for Ni, Cu and Co. The verification sample results compare favourably with the results obtained by Blackstone for the three elements.

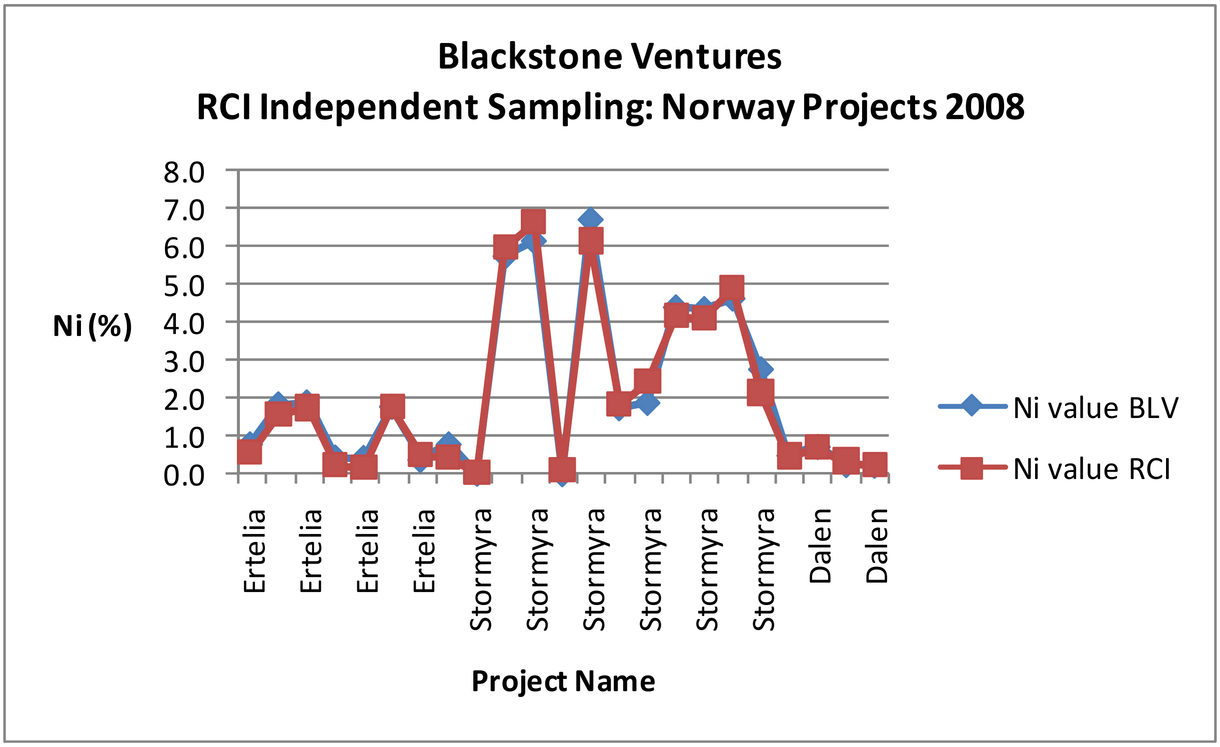


Figure 14-1: RCI Site Visit Sample Results for Nickel

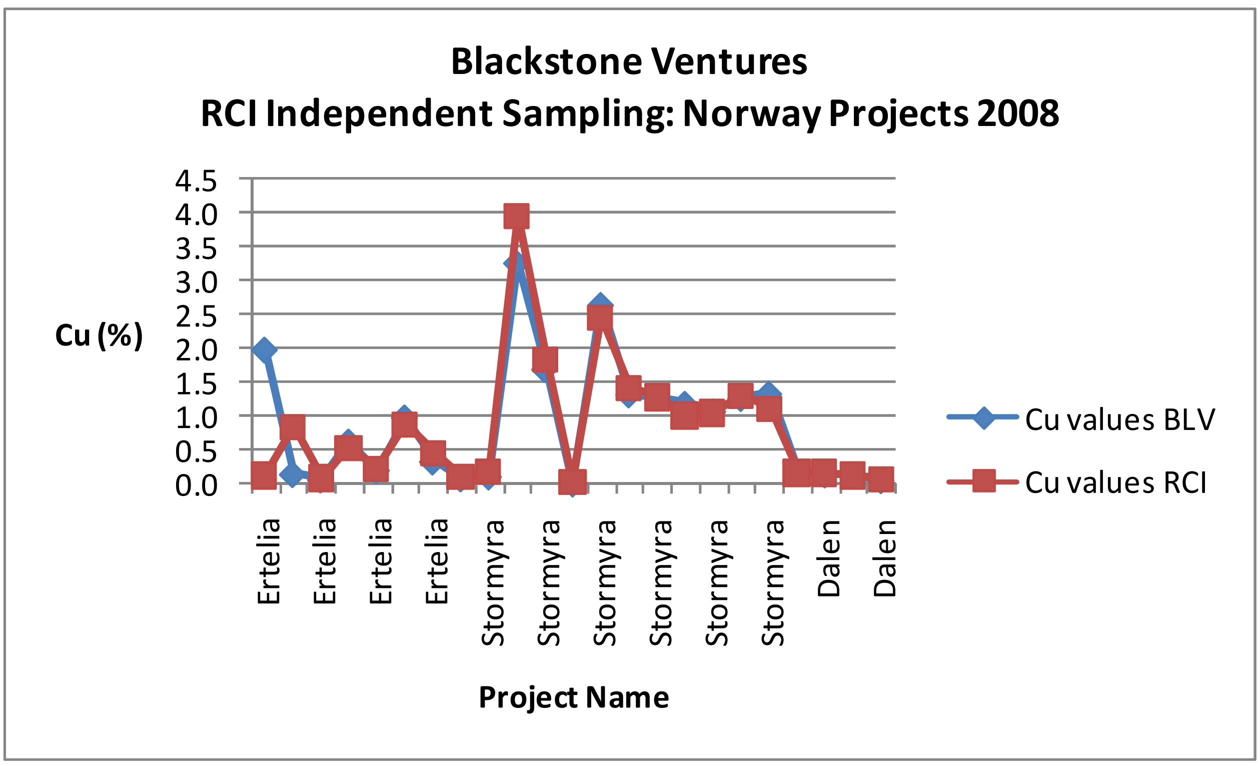


Figure 14-2: RCI Site Visit Sample Results for Copper

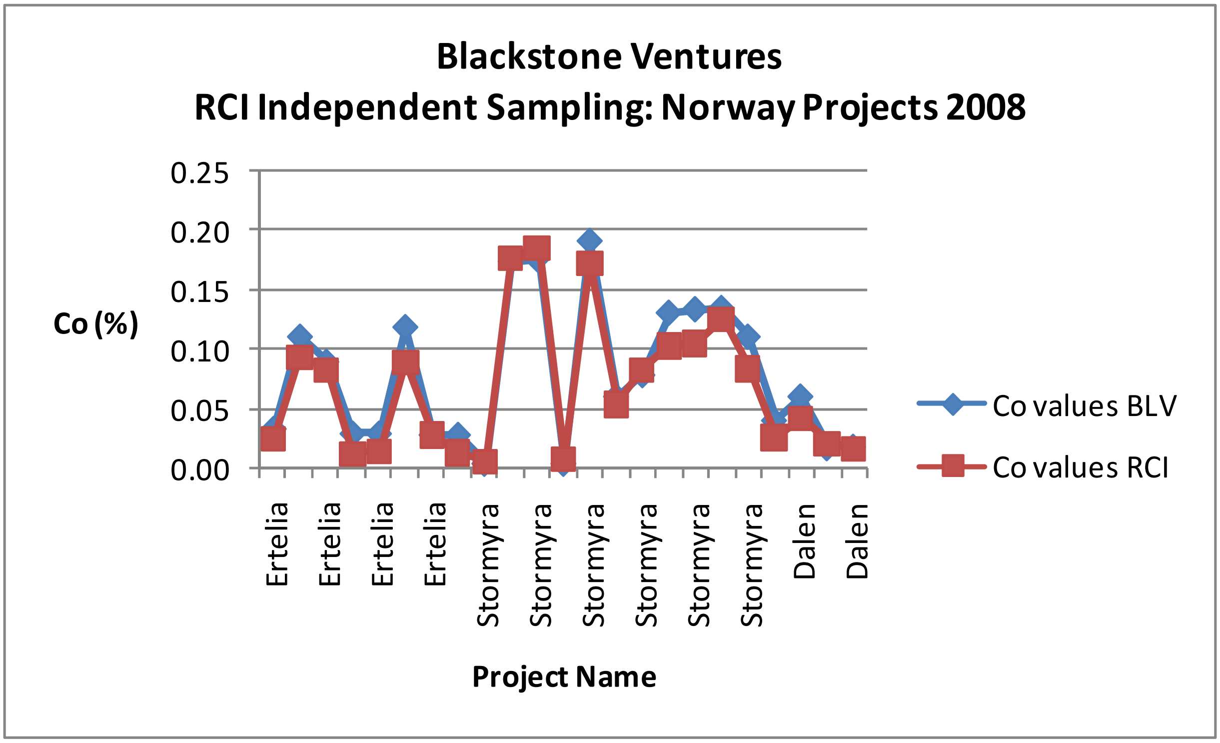


Figure 14-3: RCI Site Visit Sample Results for Cobalt

14.2 Blackstone Quality Control Program

Blackstone implemented a Quality assurance/Quality control (QC) Program for the drilling on all three Properties. In many cases the QC Program was a continuation of the one implemented by Falconbridge, the previous owner. Property standards, certified reference materials and blank material were added regularly to the sample stream. Field duplicates, in the form of ¼ split core did not form part of the QC Program.

The Property Standards consisted of two Ni-sulphide standards, named CRG-B and CRG-C, made up by Falconbridge and used throughout the drilling in 2005, 2006 and 2007. All characterization data were supplied by Blackstone and examined by the authors. The characterizations were well done with an average of 165 assays from four different labs used to determine the mean and standard deviation for each element.

The certified reference material consisted of standards named LBE-1 and LBE-2 which were certified by WCM Minerals in Vancouver, British Columbia. The characterization for these standards used an average of 32 samples sent to either three or four labs. After graphing the round robin data for LBE-1 and LBE-2, it was felt that the materials were suitable for monitoring lab accuracy.

The blank material used was sterile drill core.

14.3 Results Of The Quality Control Program

14.3.1 ERTELIA

The Ertelia Deposit had 81 data points for LBE-1 for Ni, Cu and Co, and 16 data points for both CRG-B and CRG-C. The global performance of the three reference materials was acceptable, however numerous failures greater than either + or – three standard deviations from the mean were recorded. The author examined each failure in detail in order to evaluate the impact each one may have had on the resource estimate. All lab QC was reviewed as well, and no further action was required.

The blanks performed well with only one failure out of 25 data points as determined by a threshold of three times detection limit for the element in question. No further action was required as the failed blank had a very low value.

14.3.2 STORMYRA

The Stormyra Deposit had 15 data points for LBE-1 for Ni, Cu and Co, and 9 data points for CRG-B. The performance of the LBE-1 was acceptable for Cu and Co, however Ni demonstrated poor performance with six failures out of 15. The CRG-B performed well with one failure each for Ni and Cu. The author examined each failure in detail in order to evaluate the impact each one may have had on the resource estimate. All lab QC was reviewed as well, and no further action was required.

There was only one data point for the blank material, and it fell within the three times detection limit threshold.

14.3.3 DALEN

The Dalen Deposit had 42 data points for LBE-1 for Ni, Cu and Co, and 7 data points for LBE-2. The performance of the LBE-1 was acceptable for Cu and Co, however Ni demonstrated moderate to poor performance. There was a low bias demonstrated, with 100% of the values falling below the mean. Numerous values were between -2 and -3 standard deviations below the mean, and one value was below -3 standard deviations from the mean. The LBE-2 standard performed well for Ni and Cu with no failures, however all 7 data points for Co were greater than + 3 standard deviations from the mean. The author examined each failure in detail in order to evaluate the impact each one may have had on the resource estimate. All lab QC was reviewed as well, and no further action was required.

There were 12 data points for the blank material, with one failure for Ni, one failure for Cu and two failures for Co. Three of the four failures were judged to be a misallocation of the blank (actually LBE-1), and the fourth failure (Co), though it analyzed above the threshold of three times detection limit, was nevertheless of sufficiently low grade so that no further action was required.

It is to be mentioned that the four reference materials Blackstone uses to monitor lab accuracy have very small standard deviations, (and therefore very tight performance gates) when compared with several other certified reference materials used to monitor nickel sulphides. The exceptions are CRG-B and CRG-C that are inappropriate for monitoring cobalt due to their very large standard deviations.

The author considers the data to be of good quality and acceptable for use in a resource estimate.

15 ADJACENT PROPERTIES

There are no nearby properties that impact any of the properties described in this report.

16 MINERAL PROCESSING AND METALLURGICAL TESTING

There has been no recent metallurgical testing of the mineralisation for the properties covered in this report.

Mineralisation in the vicinity of the properties was mined and processed in the 18th and early 19th centuries but no records of processing or recoveries are available. Historical production for the Ertelien Mine for the period 1849 to 1920 was reported to be >400,000T with recovered grades of 1.04% Ni, 0.69% Cu and 0.17% Co but the head grade is not known.

17 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

17.1 MINERAL RESOURCES

SUMMARY

The Mineral Resource estimates have been prepared by John Reddick, M.Sc., P.Geo., of Reddick Consulting Inc. (RCI) who is a Consulting Geologist and independent of BLV. Mineral resources at the BLV Norwegian Projects were estimated by RCI with the use of geological modelling software, GEMS 6.1.4, provided by Gemcom Software International (Gemcom).

The BLV Norwegian Mineral Resources occur in three separate areas on two separate properties. The Ertelien resource is found on the Ertelien property. The Stormyra and Dalen resources are both located on the Espedalen property which is comprised of a group of 329 contiguous pre-claims. The Stormyra and Dalen deposits are located approximately 4.5 km apart but these two deposits are characterised by different styles of mineralisation.

The Mineral Resources for the Ertelien and Stormyra deposits used similar estimation methodologies. Similar minimum Gross Metal Value (GMV) cut-offs and minimum core length criteria were used for these estimates as they appear to have economic potential that would be best suited for development by the use of underground mining methods. The Dalen deposit is a larger, lower grade deposit with a much more uniform grade distribution and is considered to be a resource with potential bulk mineable characteristics so it was estimated using block modelling methods and a lower GMV cut-off than those applied for Ertelien and Stormyra. Contained metal and Mineral Resource estimates are summarised in Tables 17-1 and 17-2.

Table 17-1A Contained Metal - Ertelien Property, Norway *

Category	Ni (kg)	Cu (kg)	Co (kg)	Ni (lbs)	Cu (lbs)	Co (lbs)
Inferred	22.4 million	18.5 million	1.6 million	49.3 million	40.9 million	3.4 million

*Based on the resource estimates in Table 17-2A

Table 17-1B Contained Metal – Stormyra Property, Norway **

Category	Ni (kg)	Cu (kg)	Co (kg)	Ni (lbs)	Cu (lbs)	Co (lbs)
Inferred	11.0 million	4.9 million	0.4 million	24.3 million	10.8 million	0.9 million

**Based on the resource estimates in Table 17-2B

Table 17-1C Contained Metal – Dalen Property, Norway ***

Category	Ni (kg)	Cu (kg)	Co (kg)	Ni (lbs)	Cu (lbs)	Co (lbs)
Indicated	13.6 million	5.5 million	1.1 million	30.0 million	12.1 million	2.5 million
Inferred	13.5 million	6.2 million	1.0 million	29.7 million	13.6 million	2.3 million

***Based on the resource estimates in Table 17-2C

Table 17-2A: Mineral Resources – Ertelien

Category	Tonnes	Ni%	Cu%	Co%
Inferred	2,698,000	0.83	0.69	0.06

* For cut-off grade and estimation method parameters see text below

Table 17-2B: Mineral Resources – Stormyra

Category	Tonnes	Ni%	Cu%	Co%
Inferred	1,013,000	1.09	0.48	0.04

* For cut-off grade and estimation method parameters see text below

Table 17-2C: Mineral Resources – Dalen

Cut-off	Category	Tonnes	Ni%	Cu%	Co%
>US$40	Indicated	4,625,000	0.29	0.12	0.02
>US$40	Inferred	5,438,000	0.25	0.11	0.02

* For cut-off grade and estimation method parameters see text below

ERTELIEN

DATABASE AND APPROACH

The Ertelien Mineral Resource estimate is based entirely on surface diamond drilling. The entire database consists of 70 diamond drill holes totalling 17,417.1 m. The diamond coring has been a combination of NQ diameter wireline (48 mm), BQ diameter wireline (36 mm), TT46 diameter wireline (35 mm) and WL-56-39 diameter wireline (39 mm). All drilling was done in 2006, 2007 or 2008. Four holes in the database fall well outside the area of the resources. The deposit as estimated in this report has been drill-intersected by 66 holes totalling 16,941.3 m. There are a total of 185 drillhole intercepts of mineralised zones, of which 43 totalling 224.08m have intervals that contribute to this mineral estimate.

Drill hole collars have been located using both high accuracy GPS and by handheld GPS. Drilling on the property in the area covered by this estimate occurs over an area of slightly less than 1 km by 1 km. Drilling has mostly been done on 50m centres on sections oriented ~053 degrees. Azimuths of drillholes are often as much as 10 degrees or more from the nominal section azimuth. Drill hole intercepts in the deposit range in depth from near surface to 500m deep (~200 m a.s.l. to ~300 m b.s.l.).

RCI is of the opinion that the quality of diamond drill hole data is acceptable for Inferred resource estimation. RCI estimated the mineral resource at Ertelien using polygonal cross-sectional estimation methodology using Gemcom Software International Inc. V. 6.1.4 GEMS software. Polygons outlining the potentially economic mineralisation based on sulphide content and GMV were constructed on vertical cross-sections in order to constrain resource estimates and to assist in grade interpolation. Those polygons that met minimum grade and width criteria were used for the estimates.

BULK DENSITY

The core examined by RCI was generally unbroken and competent. Database records for RQD measurements and core recoveries are mostly confined to the 2006 drillholes. Those records and the core seen by RCI indicate that bulk density will be the same as, or very close to the specific gravity (SG) determined from RCI's check samples. No SG test work has been done by BLV. The only SGs available are those obtained on the check samples taken by RCI during the site visit. The average SG of the eight samples in semi-massive to massive mineralisation as determined by both pycnometer and bulk density testing of the pulps is 3.60 and a bulk density factor of 3.60 t/m^3 for volume-tonnage conversion was therefore used for this resource estimate.

EXPLORATORY DATA ANALYSIS

RCI received ASCII files from BLV with drill hole collar locations, borehole deviation survey, assay data and geology for the drilling. The ASCII files were exported from BLV's DHLogger drillhole database. These files were imported into a GEMS database created by RCI. Approximately 20% of the assay database records were verified by RCI against pdf copies of the assay certificates and the logs for those records. Certain drillholes when exported from DHLogger had correct records for assay values but incorrect assay certificate numbers recorded. These errors were subsequently corrected in the drillhole database by BLV and no other errors were found. RCI concluded that the assay and survey database was sufficiently free of error to be adequate for resource estimation of the Ertelien deposit.

Assays Grade Distributions and Statistics

RCI examined assay grade distributions for the three metals being estimated based on assays from the 66 holes within the resource area. Review of histograms and log probability plots shows primarily log-normal distribution with some positive skew and some evidence of mixed populations (Figures 17-1A, 17-1B, 17-1C). Peaks at 0.025% Ni, 0.0025% Cu and at 0.0005% Co, 0.003% Co and 0.010% Co are all attributed to values entered into the database at one half of the analytical detection limits. The 0.01% Co values appear to be primarily from analyses prior to 2007 when the detection limit was higher than that for the 2007 and 2008 analyses. A check of associated Ni and Cu values for the 0.01% Co results shows most of them to be associated with very low Ni and Cu values, often at or below detection limits as well. These values do not impact the resource estimates in any measurable way.

When broken down by host rock (8 sub-units, Table 17-3), most lithologies have mean grades for assayed intervals of 0.1 to 0.3% Ni, 0.1 to 0.4% Cu and 0.01 to 0.02% Co. A total of 228 assays are recorded for the grouped series of SULF, SMS or MS lithologies and these have mean grades of 0.71% Ni, 0.65% Cu and 0.053% Co. It is primarily the assays from these sulphide-rich lithologies that account for the higher grade peaks seen in the assay histograms.

However, a considerable amount of mineralisation with grades of >1% Ni is also hosted by the other units. Some better grade intervals in what is logged as gabbro-norite as the major lithological unit are associated with samples that are described as short intervals of MS in the descriptive part of the logs. As these shorter intervals were not broken out as major lithology units in the logging they result in assay data from mixed lithologies being distributed throughout the major lithological units (e.g. ER2006-10 with an interval described as a "20% massive sulphides" from 238.07m to 239.50m and assaying 1.67% Ni over 2.90m from 236.7m to 239.60m.

The main gabbro-norite unit hosts most of the sulphide mineralisation and it strikes north-west with a steep but highly variable dip to the south-west on its eastern contact. The footwall units to the gabbro-norite units are a variety of felsic, mafic and igneous gneissic rocks (FGN, MGN and IGN) and these units also host good grade mineralisation near the gabbro-norite contact. Table 17-3 lists the mean grade and mean sample length for rock types with 20 or more samples. As most rock types have only been sampled over a portion of their total length, the table does not indicate average grades for each rock type, only the averages for the sampled intervals.

Table 17-3 Ertelien Mean Grade and Mean Sample Length by Rock Type

Rock Type	n	Mean Length (m)	Mean Grade Ni%	Mean Grade Cu%	Mean Grade Co%
FGN	112	0.78	0.07	0.17	0.01
FLT	59	0.89	0.12	0.10	0.01
GNOR	1391	0.91	0.14	0.11	0.01
GAB	779	1.12	0.18	0.12	0.02
MGN	61	0.77	0.20	0.23	0.02
PEG	22	0.59	0.21	0.13	0.02
IGN	58	1.02	0.27	0.42	0.02
SULF, SMS, MS	228	0.65	0.71	0.65	0.05

Sample Lengths

There are a total of 2,724 samples in the database and 2,650.2m of the core was sampled (14.7% of the total drilled length). The mean sample length is 0.94m with a range from 0.20m to 2.00m except for one exceptionally short sample of 6.57% Ni over 0.01m and one long sample at 2.88m (Figure 17-2). The most common sample length is 1.0m with the average length of the better grade samples associated with the SULF, SMS or MS lithologies at 0.65m. 98% of the SULF, SMS or MS lithology intervals were sampled (147.17m of 150.94m).

Figure 17-1A Histogram of Ni Assays in Ertelien Resource Area

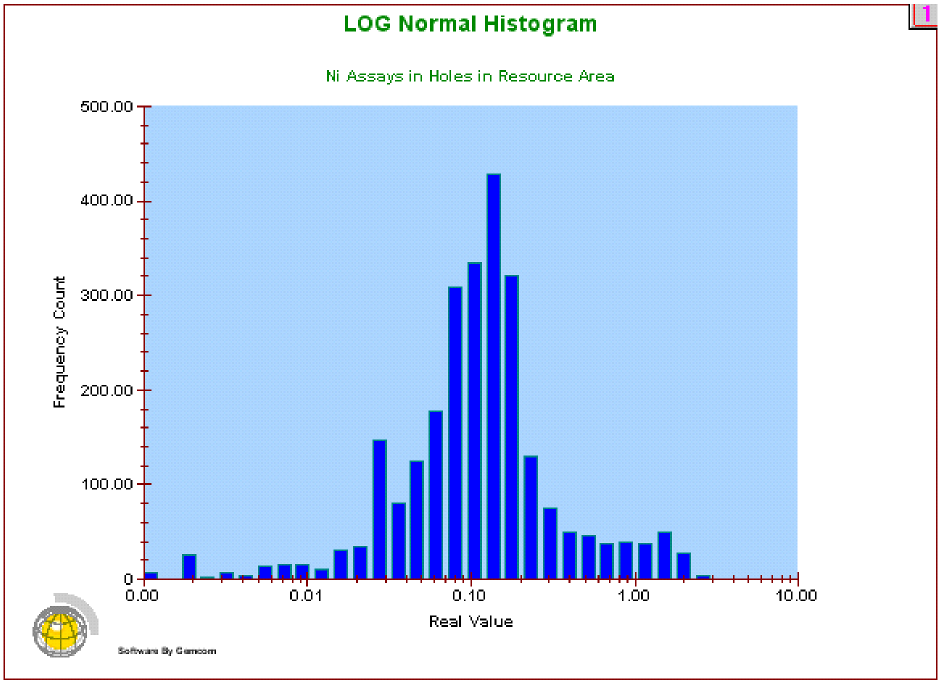


Figure 17-1B Histogram of Cu Assays in Ertelien Resource Area

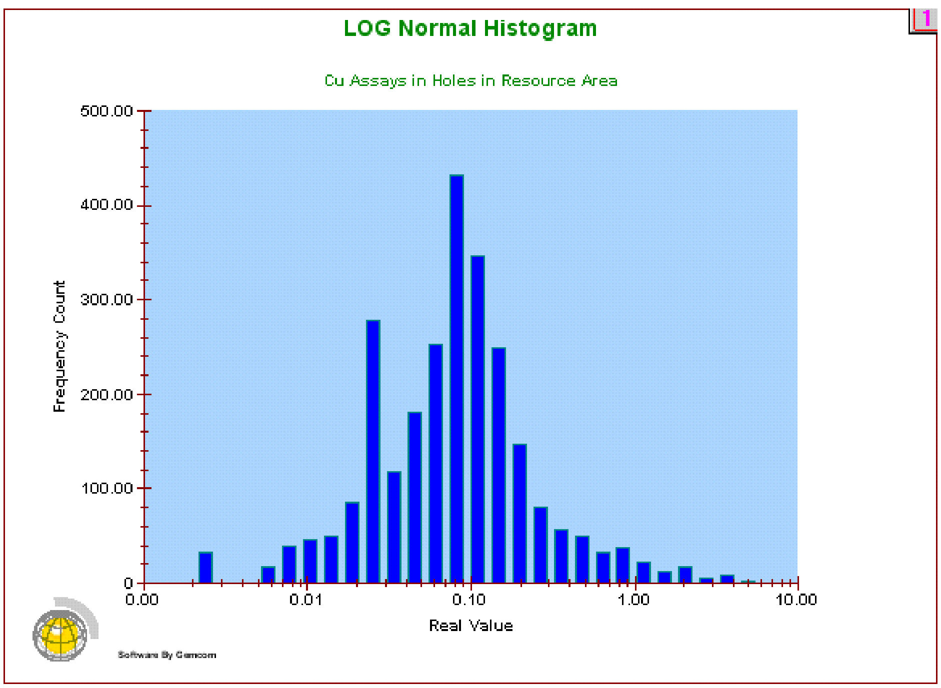


Figure 17-1C Histogram of Co Assays in Ertelien Resource Area

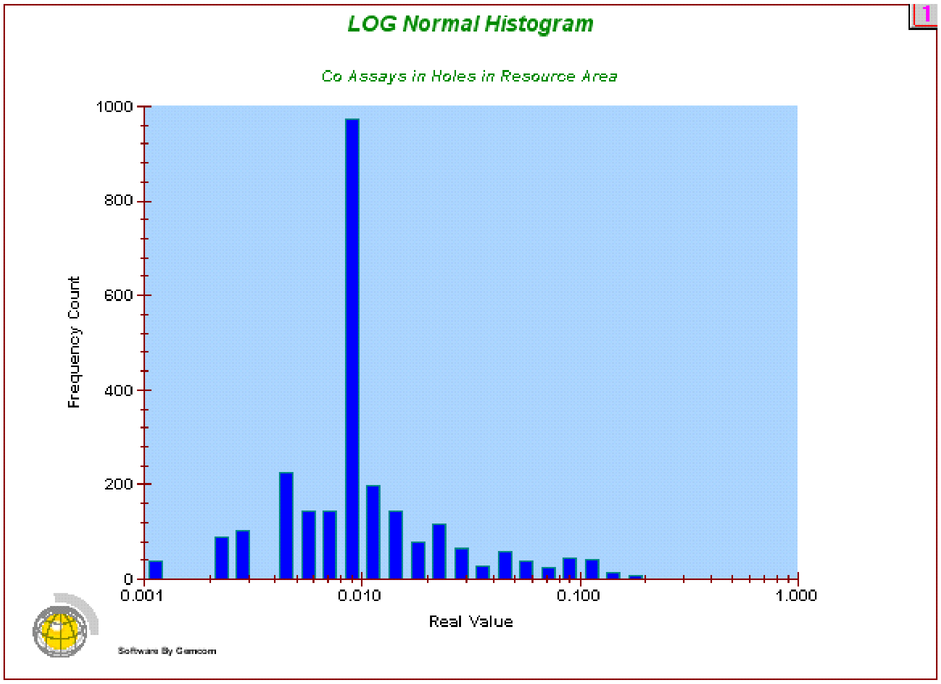
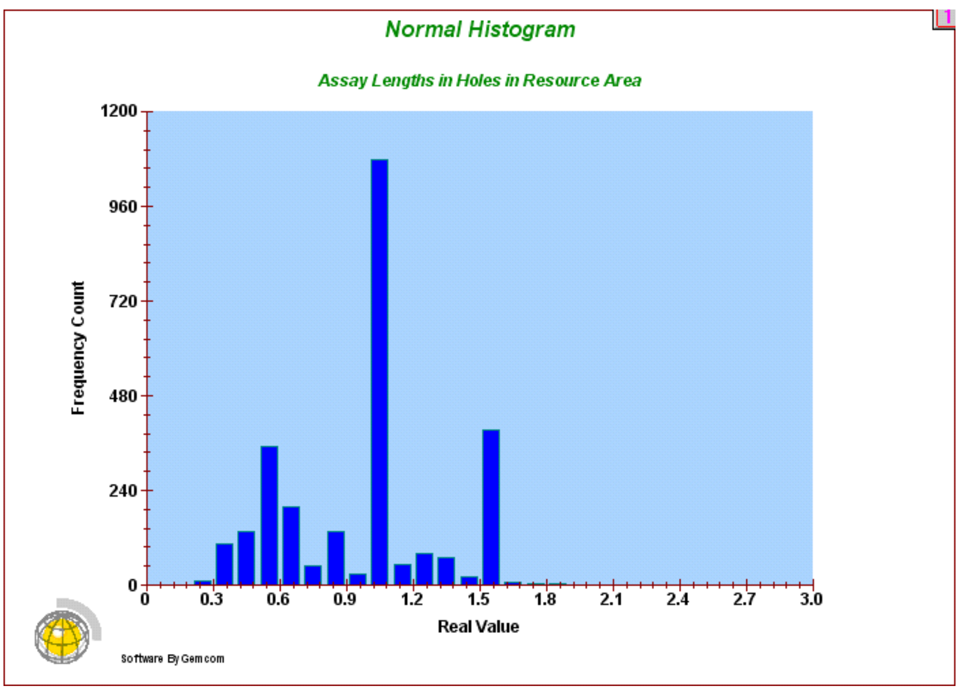


Figure 17-2 Histogram of Sample Lengths in Ertelien Resource Area



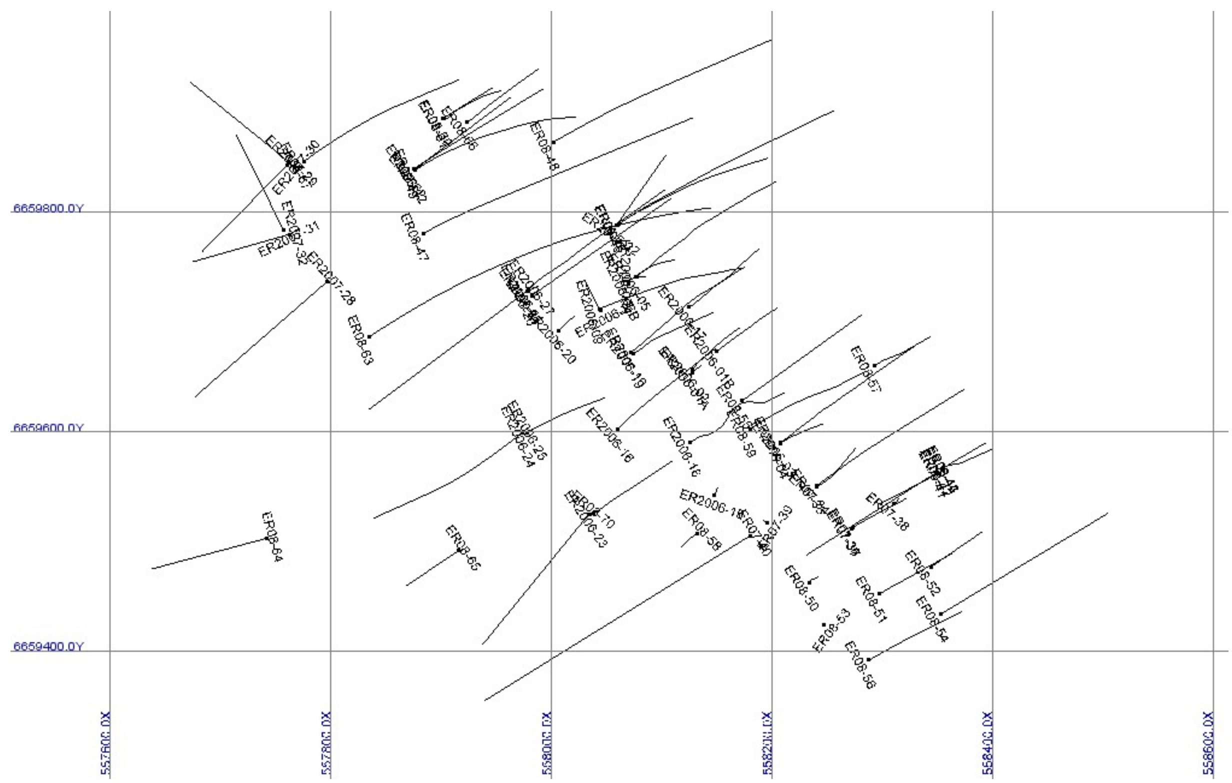
Grade Capping

The higher grade Ni, Cu and Co values (>1%Ni and >0.8%Cu, >0.08% Co) appear to be a valid part of the assay distribution that is associated with massive and semi-massive sulphides. As the intervals from which these assays are found do not affect the grade of polygons for which there are no SMS or MS intervals, they were not capped. The set of Ni values associated with the sulphide rich units range from 0.02% to 2.37% Ni over sample lengths of 0.20m to 1.55m. A very short interval of 6.57% Ni over 0.01m was not used in the resource estimates.

GEOLOGICAL AND GRADE INTERPRETATION AND MODELLING OF MINERALISATION ENVELOPES

Figure 17-3 is a plan view showing the area of drilling for the Ertelien deposit using the WGS84 UTM Zone 32N grid.

Figure 17-3 Planview Showing Drillhole Traces in Ertelien Resource Area

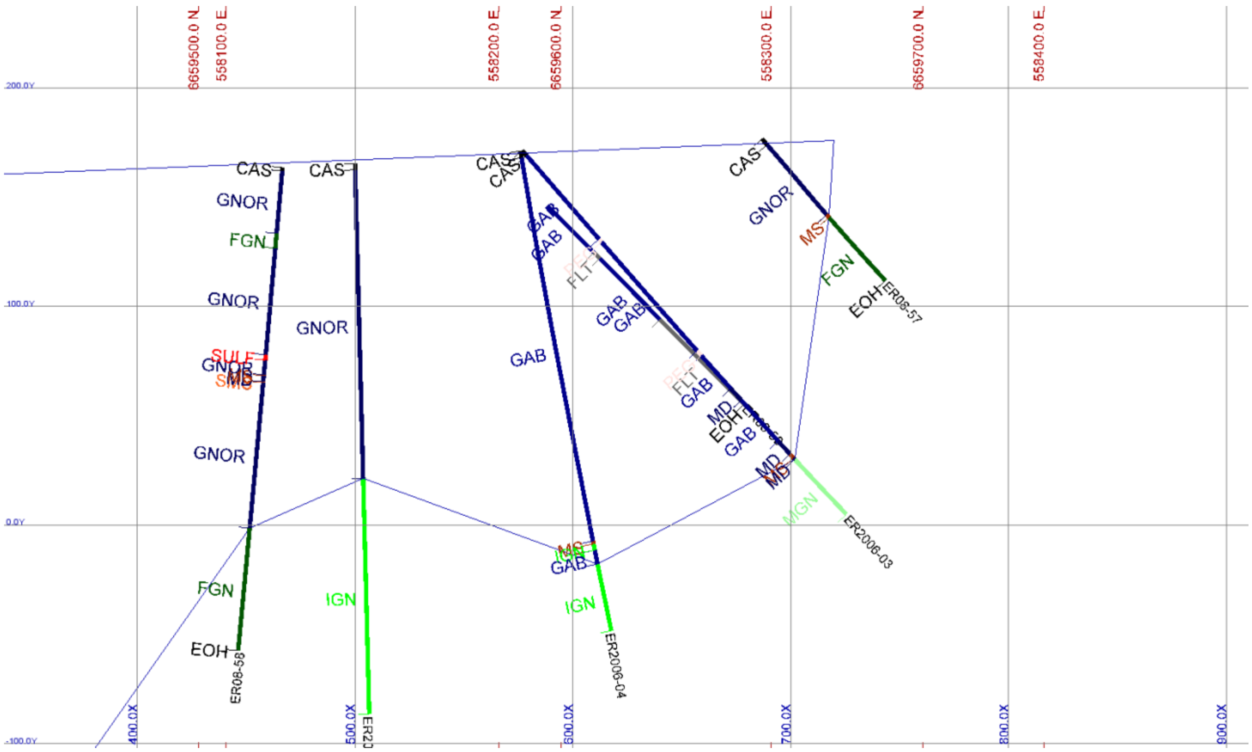


Grid spacing 200m from 6659400N and 557600E in lower left-hand corner. WGS84 UTM Zone 32N grid.

The Ertelien deposit was modelled on vertical cross-sections on 50m centres using local grid sections 1450 to 2050. The drillholes were coded according to major lithological units and a geological model using wireframes was constructed that differentiated the gabbro-norite units from the footwall gneiss and also modelled the topographic surface. The sulphide bearing units were very complex, irregular and locally discontinuous so a wireframe for those units was constructed by simply extruding the polygons for each section half the distance to adjacent sections. This wireframe was then used to assist in the interpretation of the mineralised zones.

The geological interpretation used by BLV, and verified by RCI modelling, shows the gabbro-norite/gneiss contact to be folded with an open fold having a wavelength of ~100m on the north-eastern side of the gabbro-norite footwall. The south-western limit of the contact is poorly defined. The southern limit of the gabbro-norite appears to be on section 1400 where it pinches out and the northern limit extends past the last drilled section at 2150 so the strike length of this body is in excess of 700m. Figure 17-4 shows the interpretation and drillholes on Section 1550.

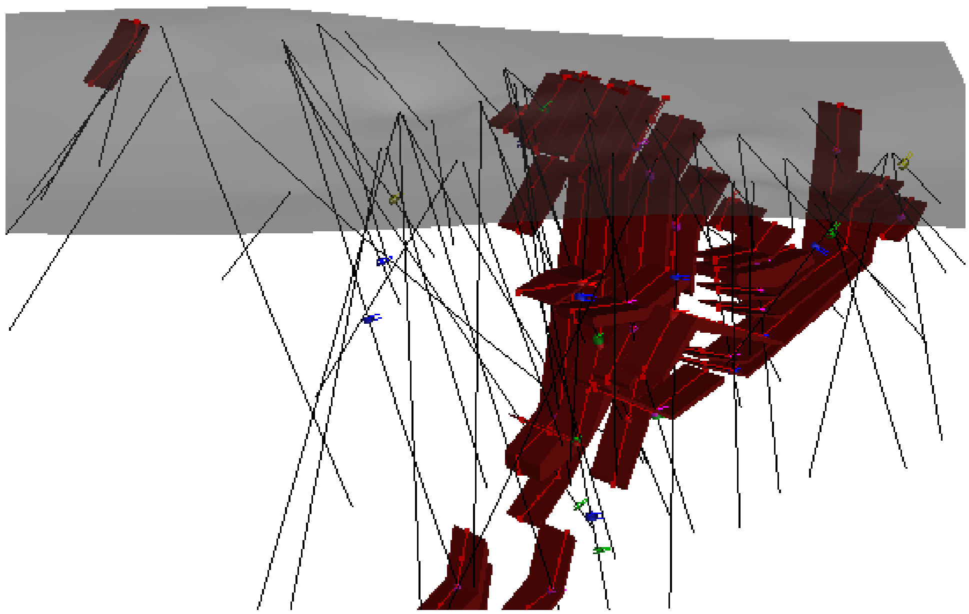
Figure 17-4 Cross Section 1550 of the Ertelien Deposit Looking Northwest Gabbro-Norite Wireframe and Drillholes with Geological Codes



Grid Spacing of 100m.

Figure 17-5 is a screen capture of a 3D view, looking north, of the extruded polygons, modelled topographic surface and diamond drillhole traces. The general attitude of the polygons, dipping variably, but mostly steeply to the southwest can be seen from this figure. Also, the general alignment of polygons from section to section is apparent. There is a suggestion of a fairly steep plunge to the better grade mineralisation that is defined by the resource polygons.

Figure 17-5 3D View of Ertelien, Showing Extruded Polygons and Drillhole Traces



RESOURCE ESTIMATION METHODOLOGY

A total of 43 intervals from an assay database of 2,724 samples in 66 drill holes, representing approximately 16,941 metres of drilling were used for the estimate. Mineralised outlines were defined on 50 metre sections by applying a US$100 gross metal value (GMV) cut-off for nickel, copper and cobalt. Platinum, palladium, gold and silver values were included in the database of the assayed values but were not included in the estimates. The resources fall in a zone that has multiple drillholes on all 13 sections over a strike length of 700m (1450 to 2050). Not all drilled sections have resources on them.

GMV cut-off values for Ertelien are based on the assumption that the deposit is of a potential size and nature to allow for possible underground mining methods. The GMV cut-off value of ≥ US$100/T was derived from a review of recent technical reports filed on SEDAR for similar deposit types. The metal prices were slightly below the 3 year average at US$8.00/lb. for nickel, US$2.00/lb. for Cu and US$8.00/lb. for Co. No assumptions regarding recoveries were made. An example of the GMV calculation for Ertelien is shown in Table 17-4.

Table 17-4 Ertelien GMV Calculation

GMV per Tonne = (Ni% x US$176.37) + (Cu% x US$44.09) + (Co% x US$176.37)

Minimum Grade and Width Criteria

Composites were calculated on a length-weighted basis. Composites used in the resource estimate met the following criteria:

- A minimum 2.0m core length and a GMV ≥ US$100/T over the composited interval. The average length of the 43 composites used was 5.21 m with intervals ranging from 2.00 to 28.07m. Twenty-four of the 43 intervals were between 2.0 and 3.0m in core length;
- Due to the highly variable attitude of the composited intervals, true widths were not determined. In many instances the composite length likely approximates > 80% of the true width;
- Entire assay intervals below the minimum GMV were included if needed to achieve the minimum 2.0m composite length. No fractional assay intervals were used;
- Intervals of internal waste were carried provided the overall minimum GMV was maintained;
- Unsampled intervals were included at nil grades;
- Incremental intervals of ≥ US$75 GMV were included as either internal or external dilution for composites provided the weighted GMV value for the entire composited interval remained ≥ US$100.

Volume and Tonnage Calculations

Interpretation of the mineralised zone polygons was guided by:

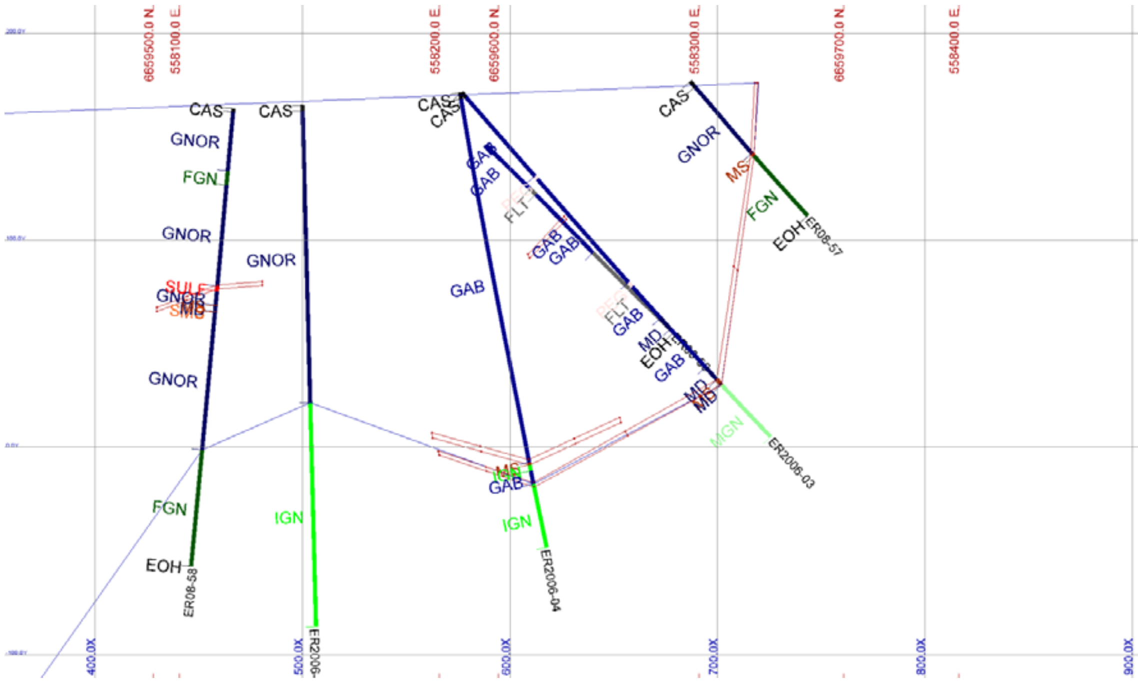
- trying to follow the general attitude of the nearest gabbro-norite/gneiss contact;
- interpolating between sulphide bearing units identified in drillholes;
- interpolating between the composited limits for GMV values. A series of preliminary polygons were constructed using composites at US$50 GMV to better define the continuity of mineralised zones as the geometry of the zones was more easily interpreted at that lower cut-off;
- extrapolating beyond a composited interval for the last hole on a section based on the attitude of nearby polygons on the same section or on adjoining sections.

Polygons were interpolated half-way between adjacent drillholes on a section to a maximum of 50m from a drillhole and were extrapolated to a maximum of 50m from a qualifying intercept where there were no constraining holes.

For polygons that qualified for inclusion in the estimates on the basis of the minimum GMV criterion, the area of each polygon was determined using Gemcom software. There are several polygons included in the estimate with a GMV ≥ US$90/T where continuity from adjacent holes on the same or adjacent sections was evident. These were included as they contributed to the overall continuity of the zones and did not have a significant negative impact on the final average grade. The areas of the polygons were then exported to a spreadsheet and this area was then multiplied by the thickness of the sections (50m) for volume estimates. Tonnages were then determined by using the volume estimate and a SG of 3.60, as determined from samples taken by RCI during the site visit. A spreadsheet showing the grade and tonnage estimate is included in Appendix I.

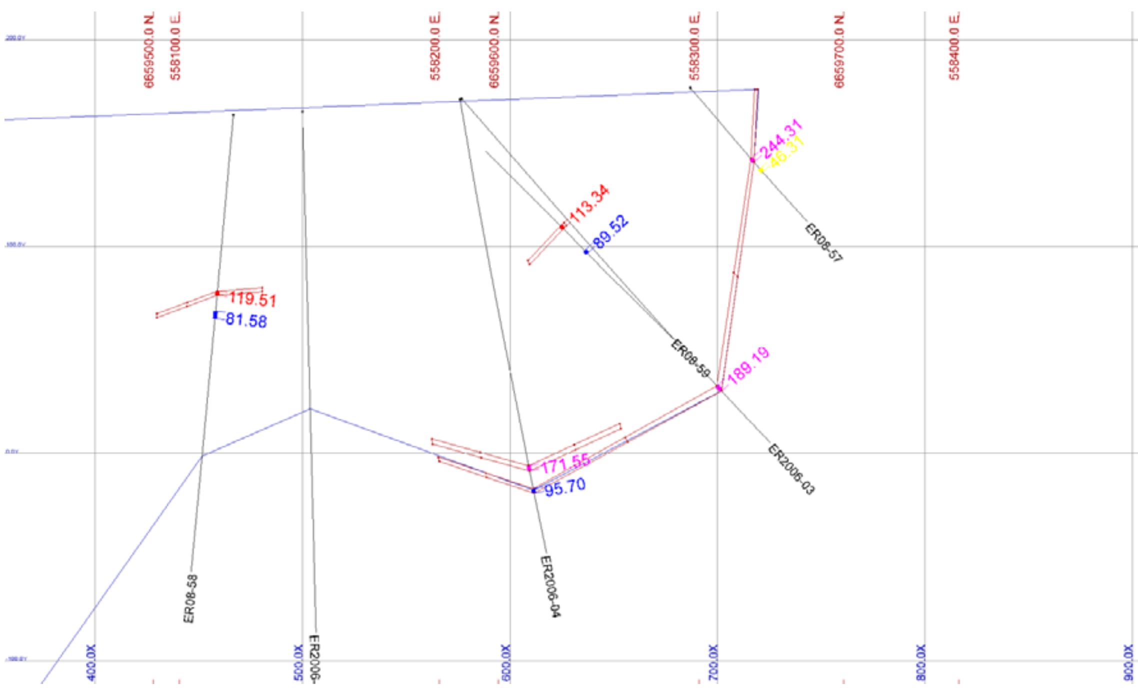
Figure 17-6 shows the interpretation of resource polygons for Section 1550. Figure 17-7 shows the interpretation of resource polygons and associated GMV values for Section 1550.

Figure 17-6 Ertelien Section 1550 Showing Drillholes and Interpreted Resource Polygons



Looking Northwest, Grid Spacing of 100m.

Figure 17-7 Ertelien Section 1550 Showing Drillholes, Resource Polygons and GMV Values



Looking Northwest, Grid Spacing of 100m.

ERTELIEN RESOURCE CLASSIFICATION

Mineral resources were classified in accordance with definitions provided by CIM as stipulated in NI 43-101. Under CIM/NI 43-101 guidelines, a Mineral Resource must have some potential for future mining. In order to justify classification of the deposit as a mineral resource, RCI evaluated the potential economics in terms of:

- the accountable/payable metals to determine a GMV;
- the range of cut-off grades and tonnage estimates from recent resource estimates filed on SEDAR for somewhat similar Ni-Cu deposits; and,
- the fact that there was past production on the property.

The Ertelien mineral resources are classified by RCI as Inferred. The most important factor influencing the classification was the uncertainty of the geometry of the mineralised zones, and from that, the degree of continuity that exists. RCI cautions that neither a feasibility study nor a detailed preliminary economic assessment have been carried out for the mineral resources estimated in this report and that they are not Mineral Reserves and they do not have demonstrated economic viability.

MINERAL RESOURCE TABULATION

RCI estimates that the Ertelien mineral resources, at a US$100 GMV cut-off, contains approximately 2.7 million tonnes of Inferred mineral resources grading 0.83 % Ni, 0.69% Cu and 0.06% Co (Table 17-2A and repeated here as Table 17-5).

Table 17-5 Mineral Resources – Ertelien at US$100 GMV Equivalent Cut-off

Category	Tonnes	Ni%	Cu%	Co%
Inferred	2,698,000	0.83	0.69	0.06

VALIDATION

RCI completed a detailed visual validation of the Ertelien resource model and underlying composite and assay data. The model was checked for proper compositing of drill hole intervals and GMV and the geometry of the polygons was inspected in both section and plan. The checks showed good agreement between drill hole composite values, assay values and polygon geometry.

Production from the Ertelien deposit is quoted as being 400,000 tonnes grading 1.04% Ni, 0.69% Cu and 0.17% Co from 1849 to 1920 (BLV files). These grades are somewhat higher than those of the current estimate. A description of the mining methods and mining widths are not available, but it can be safely assumed that mining was labour intensive and over fairly narrow widths.

As there are no mine plans or production records that relate to the area of recent drilling, no meaningful reconciliation studies are possible. Estimated tonnages, grades and contained metal from previous production elsewhere on the property cannot be used to gauge the sensitivity of grade estimates to drillhole data as there are no records of previous drilling. No information was available to assist with determining what, if any, portion of the current resource may have been removed by prior mining.

MINERAL RESERVES and OTHER MATTERS

BLV has not completed a mining prefeasibility or feasibility study and consequently there are no reserves reported for the Ertelien Property. The property is accessible by road. The infrastructure in the area is considered good. Mining methods would be determined after a preliminary assessment and would depend on the success of future exploration. The mining method would likely be underground and processing would be likely done by conventional milling.

RCI has not independently researched title, environmental or permitting regulations for Norway; instead we have relied on information provided by BLV for matters relating to property titles, surface rights, permitting and environmental matters. RCI is not aware of any mining, metallurgical, infrastructure, environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues which might materially affect the mineral resources.

STORMYRA

DATABASE AND APPROACH

The Stormyra Mineral Resource estimate is based entirely on surface diamond drilling. The entire database consists of 54 diamond drill holes totalling 8,609.29 m. The diamond coring has been mostly using TT46 diameter wireline (35 mm) and some NQ diameter wireline (48 mm) and BQ diameter wireline (36 mm). All drilling was done in the period 2004-2008. Two holes in the database fall outside the area of the resources. The deposit as estimated in this report has been drill-intersected by 52 holes totalling 7,944.8 m. There are a total of 55 drillhole intercepts of mineralised zones, of which 31 totalling 141.78m have intervals that contribute to this mineral estimate.

Drill hole collars have been located using both high accuracy GPS and by handheld GPS. Drilling on the property in the area covered by this estimate occurs over an area of slightly less than 1.4 km by 0.5 km. Drilling has mostly been done on 50m centres on sections oriented at 050 degrees. Almost all of drillholes are parallel to the section azimuth. Drill hole intercepts in the deposit range in depth from near surface to 200m deep (~970 m a.s.l. to ~800 m a.s.l.).

RCI is of the opinion that the quality of diamond drill hole data is acceptable for Inferred resource estimation. RCI estimated the mineral resource at Stormyra using polygonal cross-sectional estimation methodology using Gemcom Software International Inc. V. 6.1.4 GEMS software. Polygons outlining the potentially economic mineralisation based on sulphide content and GMV were constructed on vertical cross-sections in order to constrain resource estimates and to assist in grade interpolation. Those polygons that met minimum grade and width criteria were used for the estimates.

BULK DENSITY

The core examined by RCI was generally unbroken and competent. Database records for RQD measurements and core recoveries are confined to the 2004-2006 drillholes. Those records and the core seen by RCI indicate that bulk density will be the same as, or very close to the specific gravity (SG) determined from RCI's check samples. No SG test work has been done by BLV. The only SGs available are those obtained on the check samples taken by RCI during the site visit. The average SG of the twelve samples in semi-massive to massive mineralisation as determined by both pycnometer and bulk density testing of the pulps is 3.60 and a bulk density factor of 3.60 t/m^3 for volume-tonnage conversion was therefore used for this resource estimate.

EXPLORATORY DATA ANALYSIS

RCI received ASCII files from BLV with drill hole collar locations, borehole deviation survey, assay data and geology for the drilling. The ASCII files were exported from BLV's DHLogger drillhole database. These files were imported into a GEMS database created by RCI. Approximately 20% of the assay database records were verified by RCI against pdf copies of the assay certificates and the logs for those records. No errors were found. RCI concluded that the assay and survey database was sufficiently free of error to be adequate for resource estimation of the Stormyra deposit.

Assays Grade Distributions and Statistics

RCI examined assay grade distributions for the three metals being estimated based on 584 assays from the 54 holes in the database. Review of histograms and log probability plots shows primarily log-normal distributions with evidence of mixed populations (Figures 17-8A, 17-8B and 17-8C). As with Ertelien, there are peaks at low values that are associated with entries for data at or below detection limits. These values do not impact the resource estimates in any measurable way.

The mineralisation is hosted by an anorthositic unit with minor mafic or ultramafic units within it. When broken down by host rock almost all lithologies except gabbro are well mineralised. All lithologies have mean grades for assayed intervals of > 0.3% Ni, except for gabbro units which are poorly mineralised. A total of 7 assays are recorded for the grouped series of SMS or MS lithologies and these have mean grades of 5.2% Ni, 1.9% Cu and 0.15% Co. Mineralisation cuts across contacts forming a crude tabular shaped envelope with a strike of ~300 degrees and dipping at ~45 degrees northeast. The mineralised zone does not follow major contacts but it does seem to have a weak spatial association with units logged as mafic dyke or mafic volcanic. Lithologic units hosting most of the mineralisation are anorthosite, mafic dyke, ultramafic or sulphide bearing units.

Table 17-6 lists the mean grade and mean sample length for rock types in the database for the area of the resource estimate. As most rock types have only been sampled over a portion of their total length, the table does not indicate average grades for each rock type, only the averages for the sampled intervals.

Table 17-6 Stormyra Mean Grade and Mean Sample Length by Rock Type

Rock Type	n	Mean Length (m)	Mean Grade Ni%	Mean Grade Cu%	Mean Grade Co%
GAB	16	0.75	0.01	0.00	0.01
ANOR	349	0.74	0.34	0.16	0.01
MD	146	0.71	0.71	0.30	0.03
MV	13	0.93	0.98	0.37	0.05
UM	47	0.71	1.39	0.64	0.05
PYXT	6	0.87	1.48	0.71	0.05
MS, SMS	7	0.60	5.19	1.92	0.15

Sample Lengths

There are a total of 584 samples in the database and 429.63m of the core was sampled (4.99% of the total drilled length). The mean sample length is 0.74m (Figure 17-9). The most common sample lengths are at 0.30m, 0.50m and 1.0m. There are 3 samples in two holes that fall outside the resource area (ES2005-47 and ES2005-48).

Figure 17-8A Histogram of Ni Assays in Stormyra Resource Area

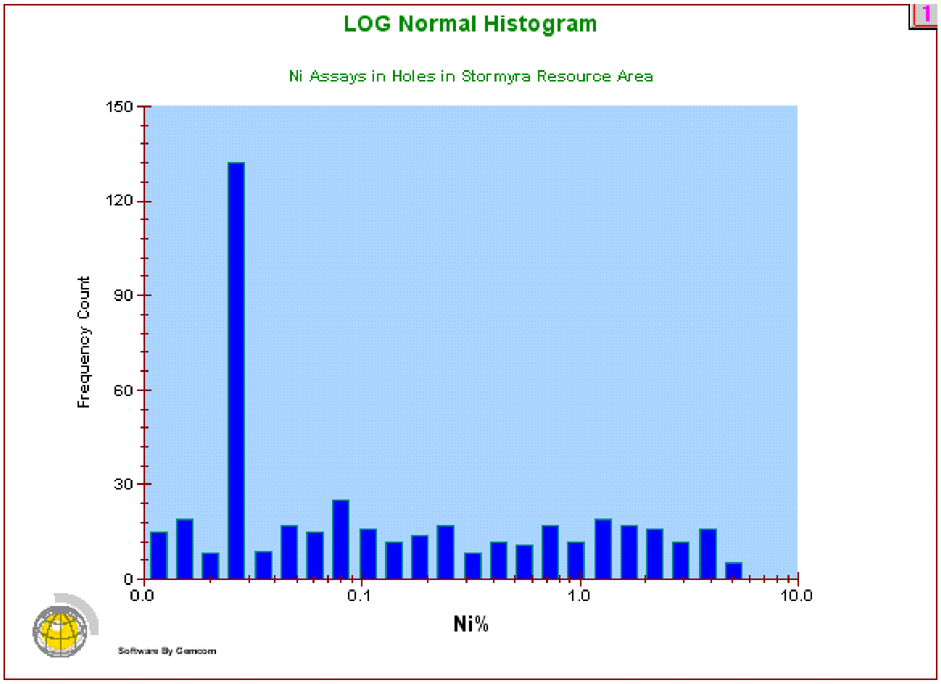


Figure 17-8B Histogram of Cu Assays in Stormyra Resource Area

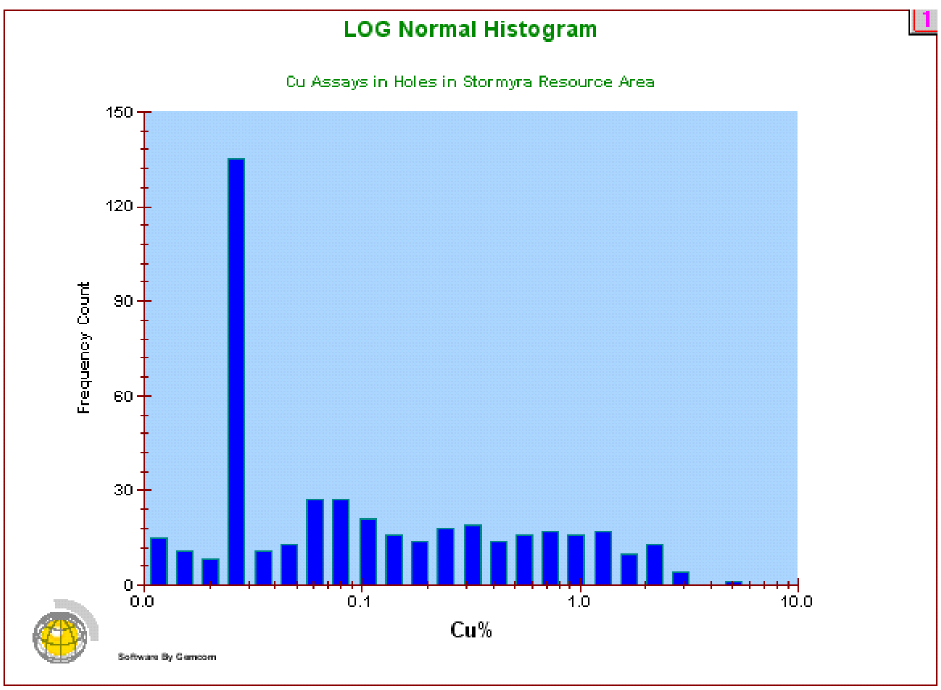


Figure 17-8C Histogram of Co Assays in Stormyra Resource Area

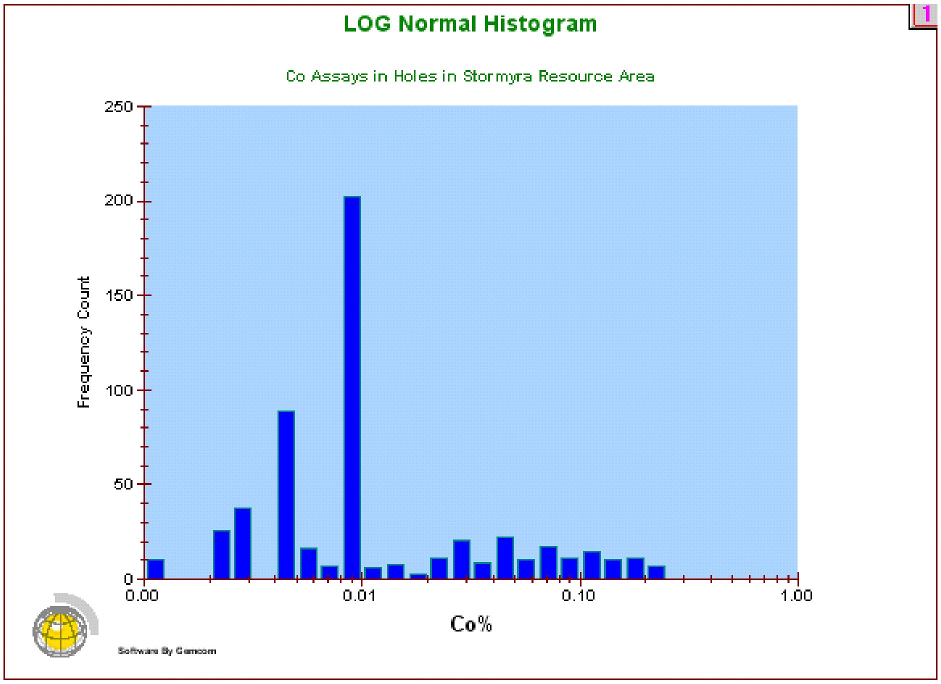
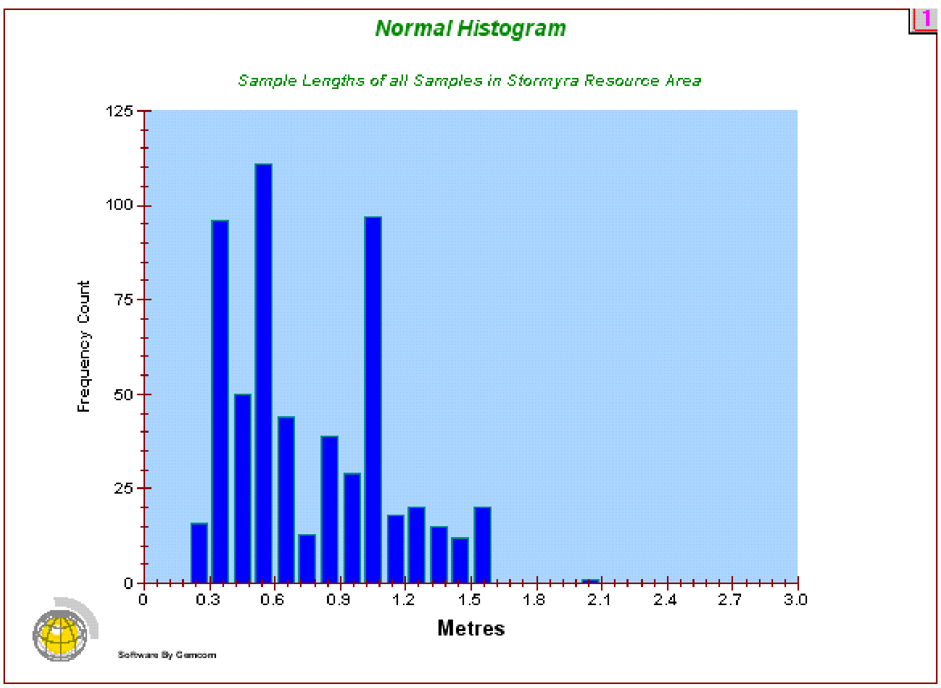


Figure 17-9 Histogram of Sample Lengths in Stormyra Resource Area



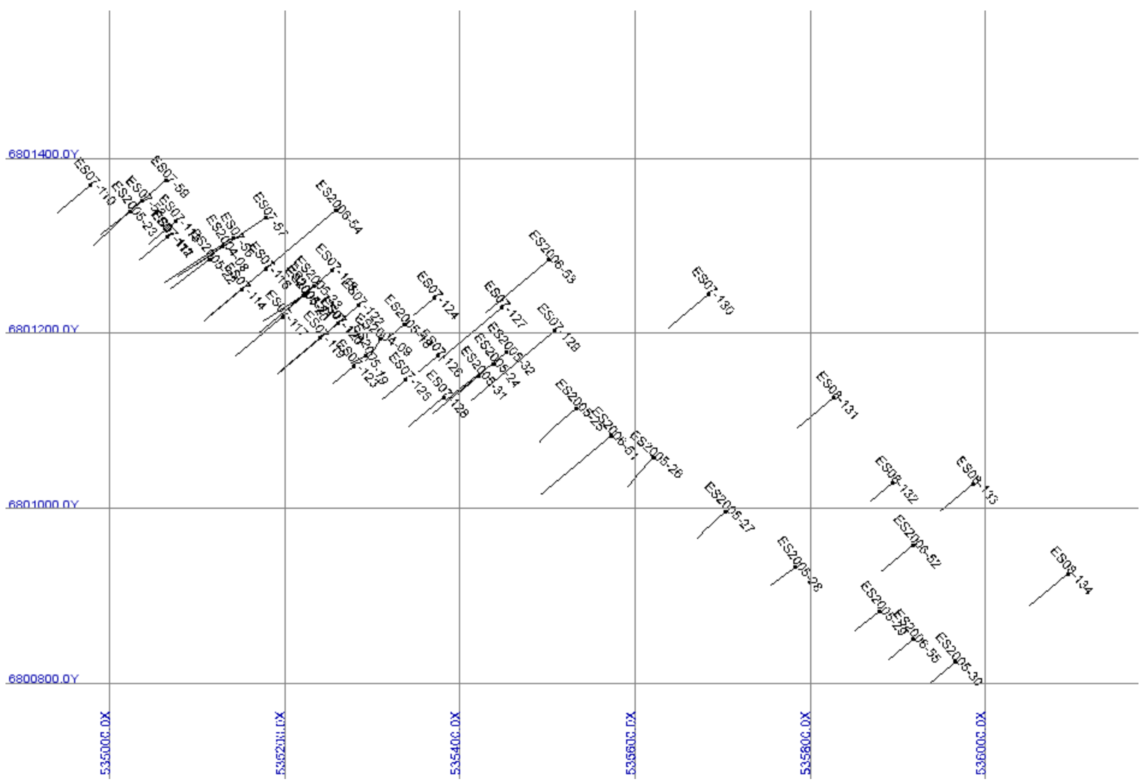
Grade Capping

The higher grade Ni, Cu and Co values (>1%Ni and >1%, >0.1% Co) appear to be a valid part of the assay distribution that is associated with massive and semi-massive sulphides. As the intervals from which these assays are found do not affect the grade of polygons for which there are no SMS or MS intervals, they were not capped.

GEOLOGICAL AND GRADE INTERPRETATION AND MODELLING OF MINERALISATION ENVELOPES

Figure 17-10 is a plan view showing the area of drilling for the Stormyra deposit using the WGS84 UTM Zone 32N grid.

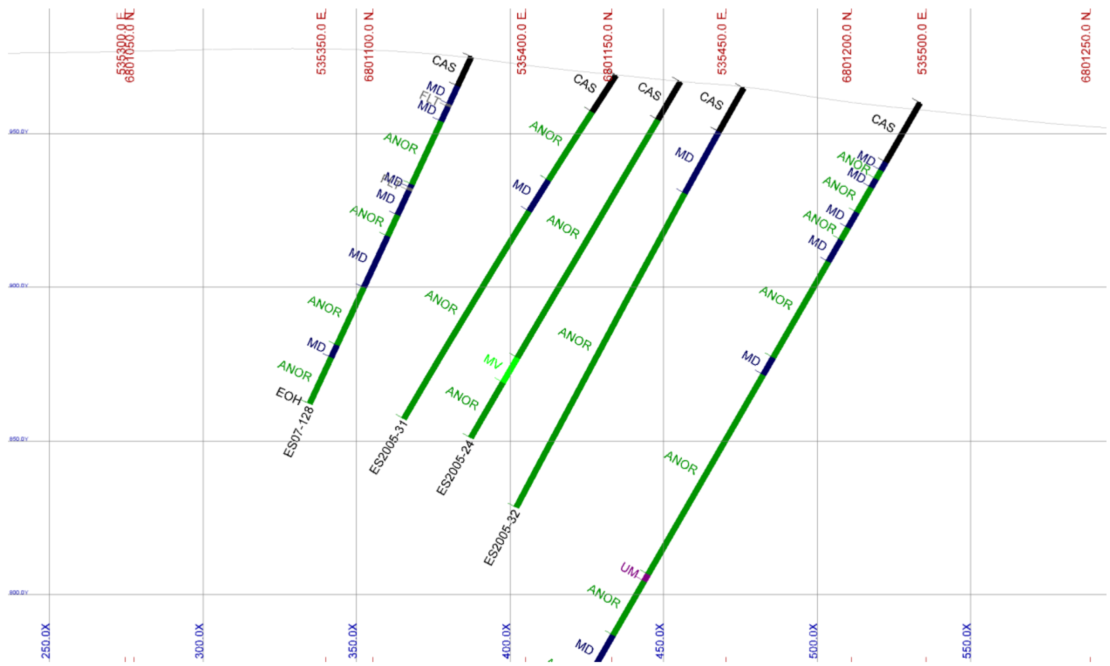
Figure 17-10 Planview Showing Stormyra Drillhole Traces



Grid spacing 200m from 6800800N and 535000E in lower left-hand corner. WGS84 UTM Zone 32N grid.

The Stormyra deposit was modelled on vertical cross-sections on 50m centres using local grid sections 10800S to 12550S. The drillholes were coded according to major lithological units. A wireframe was constructed by simply extruding polygons created for mineralised intervals for each section half the distance to adjacent sections. This wireframe was then used to assist in the interpretation for the resource estimate. The mineralised zone that is covered by this report extends from 11300S to 12300S for strike length of 1,000m. Figure 17-11 shows the interpretation and drillholes on Section 11700S.

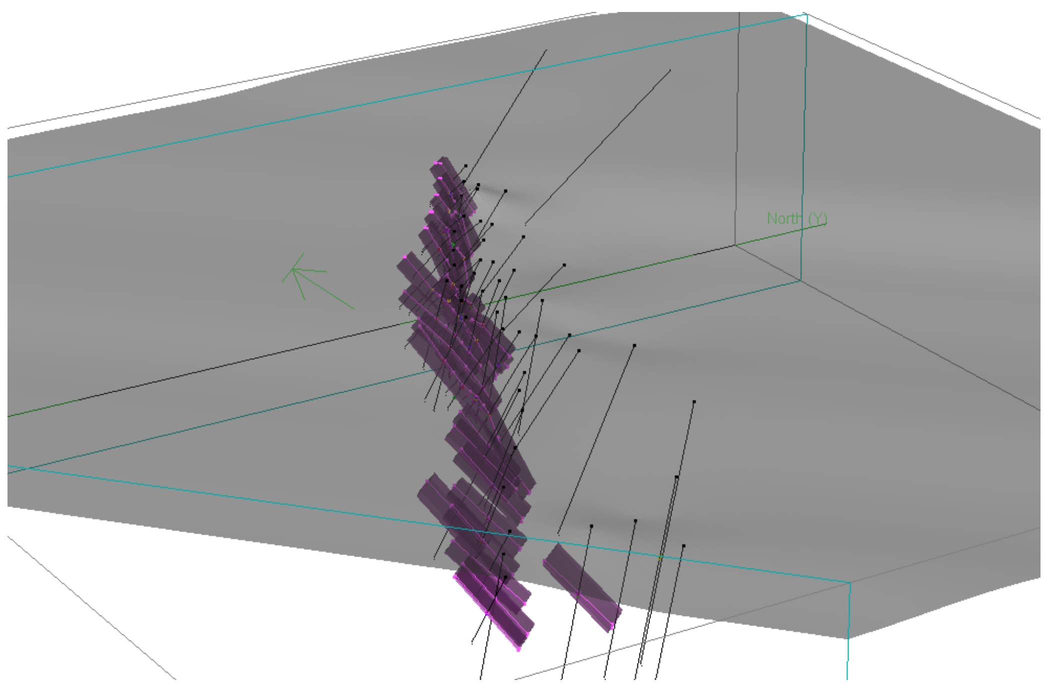
Figure 17-11 Section 11700S of the Stormyra Deposit with Geological Codes in Drillholes



Looking northwest, grid spacing 50m.

Figure 17-12 is a screen capture of a 3D view, looking northwest, of the extruded polygons, modelled topographic surface and diamond drillhole traces. The general attitude of the polygons, dipping about 45 degrees to the northeast, can be seen from this figure. Also, the general alignment of polygons from section to section is apparent.

Figure 17-12 3D View of Stormyra Looking Northwest, Showing Extruded Polygons



RESOURCE ESTIMATION METHODOLOGY

A total of 31 intervals from an assay database of 581 samples in 52 drill holes in the area of the estimates, representing approximately 7,945 metres of drilling were used. Mineralised outlines were defined on 50 metre sections by applying a US$100 gross metal value (GMV) cut-off for nickel, copper and cobalt. Platinum, palladium, gold and silver values were included in database of the assayed values but were not included in the estimates. The resources fall in a zone that has multiple drillholes on all most of the sections over a strike length of 1000m (11300S to 12300S). Not all drilled sections have resources on them and three sections (11750S, 11950S and 12050S) have no drillholes on them.

GMV cut-off values for Stormyra are based on the assumption that the deposit is of a potential size and nature to allow for possible underground mining methods. The GMV cut-off value of ≥ US$100/T was derived from a review of recent technical reports filed on SEDAR for similar deposit types. The metal prices were slightly below the 3 year average at US$8.00/lb. for nickel, US$2.00/lb. for Cu and US$8.00/lb. for Co. No assumptions regarding recoveries were made. An example of the GMV calculation for Stormyra is shown in Table 17-7.

Table 17-7 Stormyra GMV Calculation

GMV per Tonne = (Ni% x US$176.37) + (Cu% x US$44.09) + (Co% x US$176.37)

Minimum Grade and Width Criteria

Composites were calculated on a length-weighted basis. Composites used in the resource estimate met the following criteria:

- A minimum 2.0m core length and a GMV ≥ US$100/T over the composited interval. The average length of the 31 composites used was 4.57m with intervals ranging from 2.00 to 16.93m. Fifteen of the 31 intervals were between 2.0 and 3.0m in core length;
- True widths approximate ≥ 80% of the cored length for almost all intercepts;
- Entire assay intervals below the minimum GMV were included if needed to achieve the minimum 2.0m composite length. No fractional assay intervals were used;
- Intervals of internal waste were carried provided the overall minimum GMV was maintained;
- Unsampled intervals were included at nil grades;
- Incremental intervals of ≥ US$75 GMV were included as either internal or external dilution for composites provided the weighted GMV value for the entire composited interval remained ≥ US$100.

Volume and Tonnage Calculations

Interpretation of the mineralised zone polygons was guided by:

- trying to follow the general attitude of the mineralised envelope;
- interpolating between sulphide bearing units identified in drillholes;

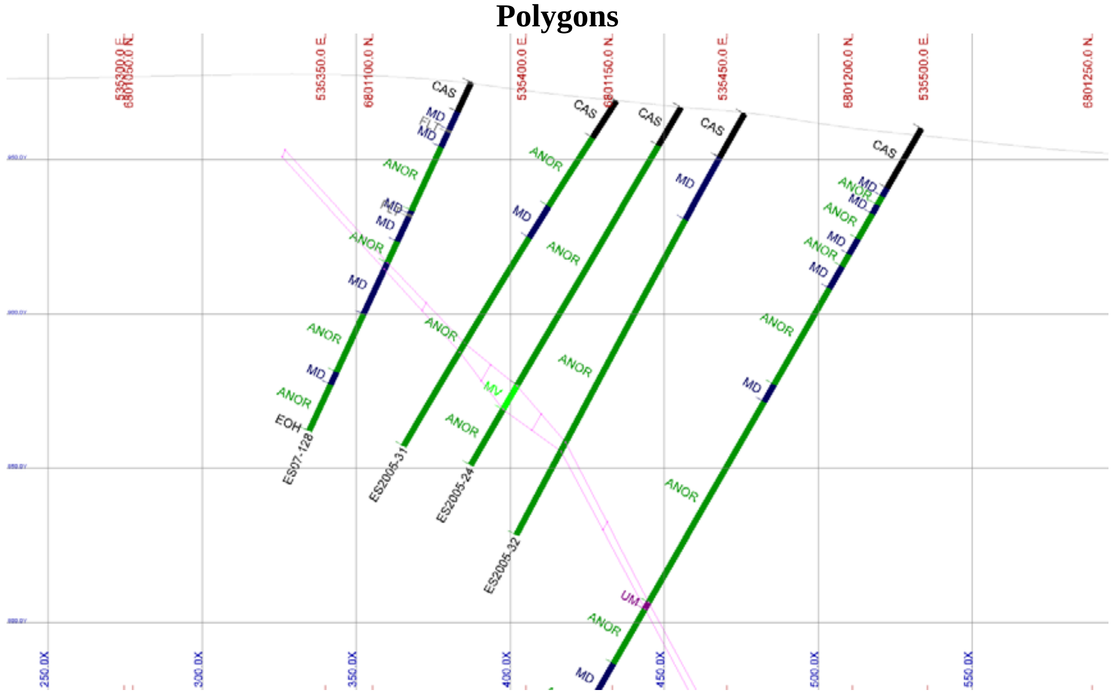
- interpolating between the composited limits for GMV values. A series of preliminary polygons were constructed using composites at US$50 GMV to better define the continuity of mineralised zones as the geometry of the zones was more easily interpreted at that lower cut-off;
- extrapolating beyond a composited interval for the last hole on a section based on the attitude of nearby polygons on the same section or on adjoining sections.

Polygons were interpolated half-way between adjacent drillholes on a section to a maximum of 50m from a drillhole and were extrapolated to a maximum of 50m from a qualifying intercept where there were no constraining holes.

For polygons that qualified for inclusion in the estimates on the basis of the minimum GMV criterion, the area of each polygon was determined using Gemcom software. There are three polygons included in the estimate with a GMV ≥ US$90/T where continuity from adjacent holes on the same or adjacent sections was evident. These were included as they contributed to the overall continuity of the zones and did not have a significant negative impact on the final average grade. The areas of the polygons were exported to a spreadsheet and this area was multiplied by the thickness of the sections (50m) for volume estimates. Tonnages were then determined by using the volume estimate and a SG of 3.60, as determined from samples taken by RCI during the site visit. A spreadsheet showing the grade and tonnage estimate is included in Appendix I.

Figure 17-13 shows the drillholes and interpretation of resource polygons for Section 11700S.

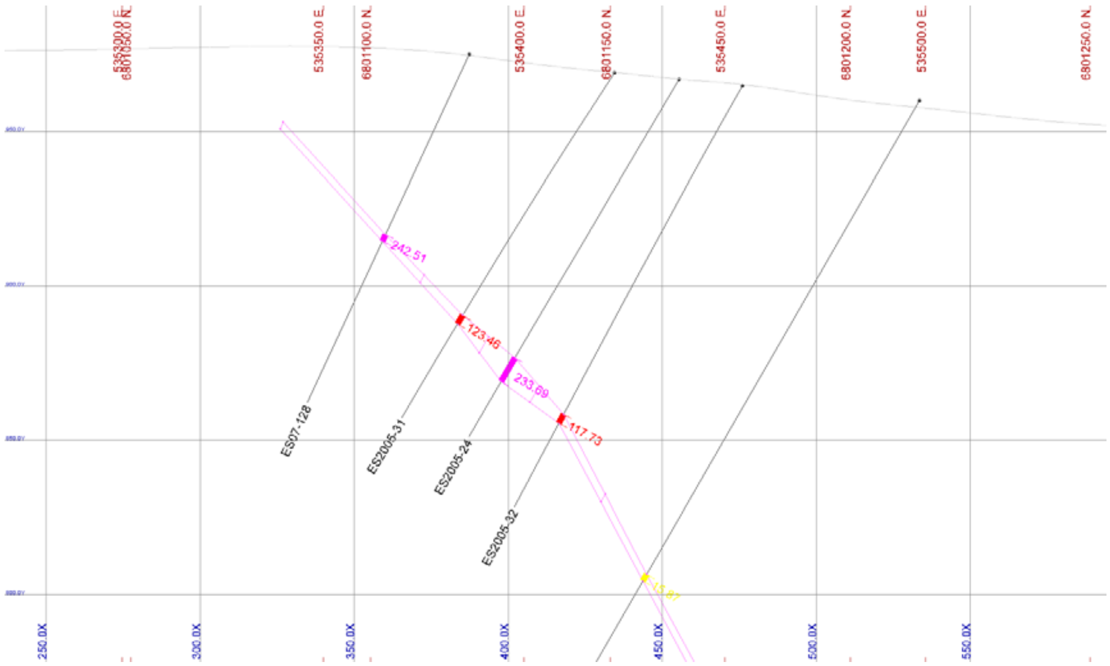
Figure 17-13 Stormyra Section 11700S Showing Drillholes and Interpreted Resource Polygons



Looking northwest, grid spacing 50m.

Figure 17-14 shows the interpretation of resource polygons and associated GMV values for Section 11700S.

Figure 17-14 Stormyra Section 11700S Showing Drillholes, Resource Polygons and GMV Values



Looking northwest, grid spacing 50m.

STORMYRA RESOURCE CLASSIFICATION

Mineral resources were classified in accordance with definitions provided by CIM as stipulated in NI 43-101. Under CIM/NI 43-101 guidelines, a Mineral Resource must have some potential for future mining. In order to justify classification of the deposit as a mineral resource, RCI evaluated the potential economics in terms of:

- the accountable/payable metals to determine a GMV;
- the range of cut-off grades and tonnage estimates from recent resource estimates filed on SEDAR for somewhat similar Ni-Cu deposits.

The Stormyra mineral resources are classified by RCI as Inferred. The most important factor influencing the classification was the uncertainty of the geometry of the mineralised zones, the absence of drilling on some sections and from that, the degree of continuity that exists. RCI cautions that neither a feasibility study nor a detailed preliminary economic assessment have been carried out for the mineral resources estimated in this report and that they are not Mineral Reserves and they do not have demonstrated economic viability.

MINERAL RESOURCE TABULATION

RCI estimates that the Stormyra mineral resources, at a US$100 GMV cut-off, contains approximately 1.0 million tonnes of Inferred mineral resources grading 1.09 % Ni, 0.48% Cu and 0.04% Co (Table 17-2B and repeated here as Table 17-8).

Table 17-8: Mineral Resources – Stormyra at US$100 GMV Equivalent Cut-off

Category	Tonnes	Ni%	Cu%	Co%
Inferred	1,013,000	1.09	0.48	0.04

VALIDATION

RCI completed a detailed visual validation of the Stormyra resource model and underlying composite and assay data. The model was checked for proper compositing of drill hole intervals and GMV and the geometry of the polygons was inspected in both section and plan. The checks showed good agreement between drill hole composite values, assay values and polygon geometry. RCI is not aware of any previous exploration or mining activity in the immediate area of the Stormyra resource.

MINERAL RESERVES and OTHER MATTERS

BLV has not completed a mining prefeasibility or feasibility study and consequently there are no reserves reported for the Stormyra Property. The property is accessible by road. The infrastructure in the area is considered good. Mining methods would be determined after a preliminary assessment and would depend on the success of future exploration. The mining method would likely be underground and processing would be likely done by conventional milling.

RCI has not independently researched title, environmental or permitting regulations for Norway; instead we have relied on information provided by BLV for matters relating to property titles, surface rights, permitting and environmental matters. RCI is not aware of any mining, metallurgical, infrastructure, environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues which might materially affect the mineral resources.

DALEN

DATABASE AND APPROACH

The Dalen Mineral Resource estimate is based entirely on surface diamond drilling. The database consists of 33 diamond drill holes totalling 5,018.03m. The diamond coring has been mostly done using BQ diameter wireline (36 mm) and some TT46 diameter wireline (35 mm). All the drilling was done in the period 2004-2008, primarily in 2008. One hole in the database, totalling 94.31m, falls outside the area of the resources. The deposit as estimated in this report has been drill-intersected by 32 holes totalling 4,923.7m. There are a total of 26 drillholes which have intercepts in the UM Wireframe. Of the 720.66m of sampled core in the UM Wireframe, 673.02m contributes to this mineral estimate.

Drill hole collars have been located using both high accuracy GPS and by handheld GPS. Drilling on the property in the area covered by this estimate occurs over an area of approximately 1.4 km by 0.6 km. In the main part of the deposit defined to date (on 6 sections covering 300m) drilling has been done on 50m centres on sections oriented at 050 degrees. Drilling is not present on all sections to either side of this group of sections but is irregularly spaced on a number of sections for a distance of >800m to the southeast and one section 150m to the northwest (sections are defined from 7200E to 8700E, local grid). Almost all of drillholes are parallel to the azimuth of the sections. Drill hole intercepts in the deposit range in depth from near surface to over 100m deep (~720 m a.s.l. to ~610 m a.s.l.). All drill hole data uses WGS84 UTM Zone 32N grid coordinates for location data.

RCI is of the opinion that the quality of diamond drill hole data is acceptable for Indicated and Inferred resource estimation. RCI estimated the mineral resource at Dalen using block modelling estimation methodology using Gemcom Software International Inc. V. 6.1.4 GEMS software. Wireframes outlining the potentially economic mineralisation based on lithological units were constructed on vertical cross-sections in order to constrain resource estimates and to assist in grade interpolation. Blocks within those wireframes that met minimum grade criteria were used for the estimates.

BULK DENSITY

The core examined by RCI was generally unbroken and competent. Database records for RQD measurements and core recoveries are confined to three drillholes from 2004. Those records and the core seen by RCI indicate that bulk density will be the same as, or very close to the specific gravity (SG) determined from RCI's check samples. No SG test work has been done by BLV. The only SGs available are those obtained on the check samples taken by RCI during the site visit. The average SG of the four samples in typical mineralisation as determined by both pycnometer and bulk density testing of the pulps is 3.05and a bulk density factor of 3.05 t/m^3 for volume-tonnage conversion was therefore used for this resource estimate.

EXPLORATORY DATA ANALYSIS

RCI received ASCII files from BLV with drill hole collar locations, borehole deviation survey, assay data and geology for the drilling. The ASCII files were exported from BLV's DHLogger drillhole database. These files were imported into a GEMS database created by RCI.

Approximately 20% of the assay database records were verified by RCI against pdf copies of the assay certificates and the logs for those records. It was noted that for several recent holes the coordinates in the logs were 1-2m different than in the database and in some recent holes the logs did not include the most recent assay results that were in the digital database. These errors were corrected by BLV and no other errors were found. RCI concluded that the assay and survey database was sufficiently free of error to be adequate for resource estimation of the Dalen deposit.

Assays Grade Distributions and Statistics

RCI examined assay grade distributions for the three metals being estimated based on 770 assays from 26 holes, totalling 720.66m that are within the wireframe used to constrain the resource estimate. Review of histograms and log probability plots shows log-normal distributions (Figures 17-15A, 17-15B, 17-15C). A very high grade Cu value of over 12% Cu has been excluded from Figure 17-15B. As for Ertelien and Stormyra there are minor peaks at very low values that are associated with entries for data at or below detection limits. These values do not impact the resource estimates in any measurable way. Figure 17-16 is a scatter plot showing the Ni and Cu values (cut to 1%) for assays in the wireframe constraining the resource estimate. A linear regression analysis shows a line with the equation $y = 0.352x + 0.0129$ fits the Ni-Cu data. The coefficient of correlation is 0.726.

The mineralisation is hosted by a number of units but only some of these occur in the wireframe used to constrain the resource. The higher grade assays associated with the sulphide rich units (S) are found outside the wireframe. Those included in the wireframe are UM, PYXT, PRDT, MD, FLT and ANOR. This wireframe has been labelled as the "UM Wireframe" as it is dominated by ultramafic rocks, even though a number of other minor units are included in the wireframe. When broken down by host rock (Table 17-9) it can be seen that the S, PRDT, UM and PYXT units are the best mineralised lithologies. None of the assays from the S type lithology occur in the UM Wireframe.

Table 17-9 lists the mean grade and mean sample length for rock types in the entire database. As most rock types have only been sampled over a portion of their total length, the table does not indicate average grades for each rock type, only the averages for the sampled intervals.

Table 17-9 Dalen Mean Grade and Mean Sample Length by Rock Type

Rock Type	n (total)	n (in UM Wireframe)	Mean Length (m)	Mean Grade Ni%	Mean Grade Cu%
DIA	23	0	0.96	0.01	0.01
MD	111	6	0.91	0.05	0.03
ANOR	143	27	0.69	0.07	0.13
GAB	45	0	0.67	0.09	0.03
FLT	6	6	0.94	0.13	0.08
MV	10	0	0.73	0.17	0.07
UM	153	151	1.05	0.22	0.08
PYXT	410	410	0.89	0.22	0.09
PRDT	170	170	0.99	0.32	0.13
S	9	0	0.57	0.60	0.17

Figure 17-15A Histogram of Ni Assays in Dalen UM Wireframe

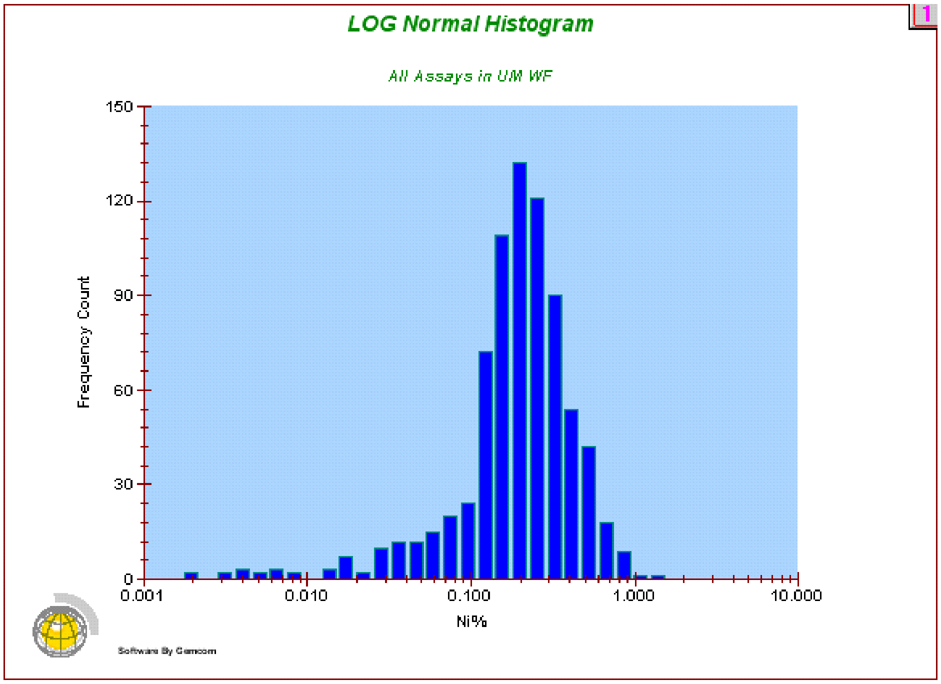


Figure 17-15B Histogram of Cu Assays in Dalen UM Wireframe

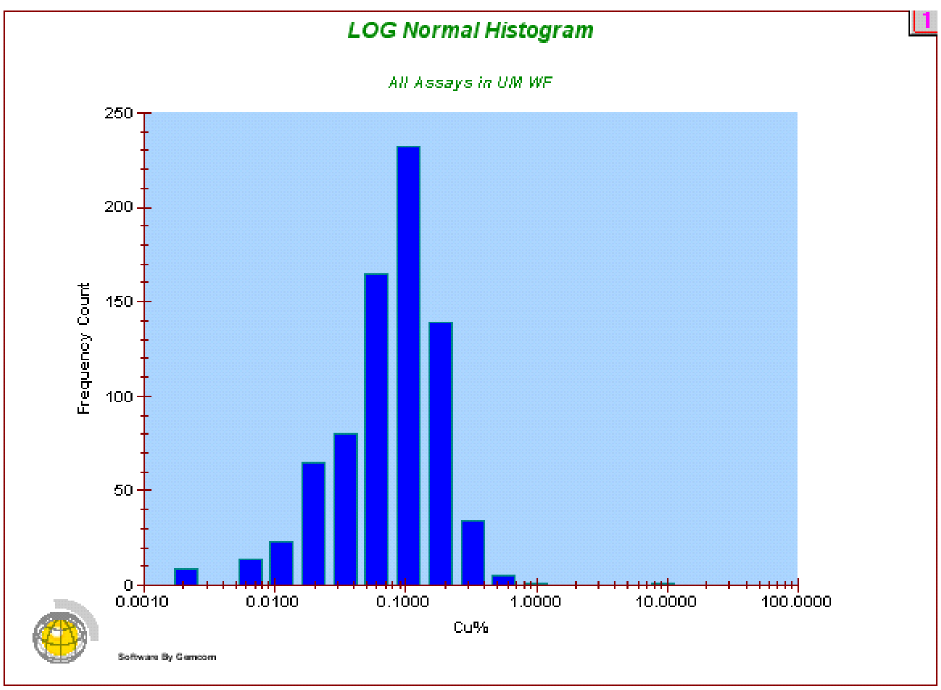


Figure 17-15C Histogram of Co Assays in Dalen UM Wireframe

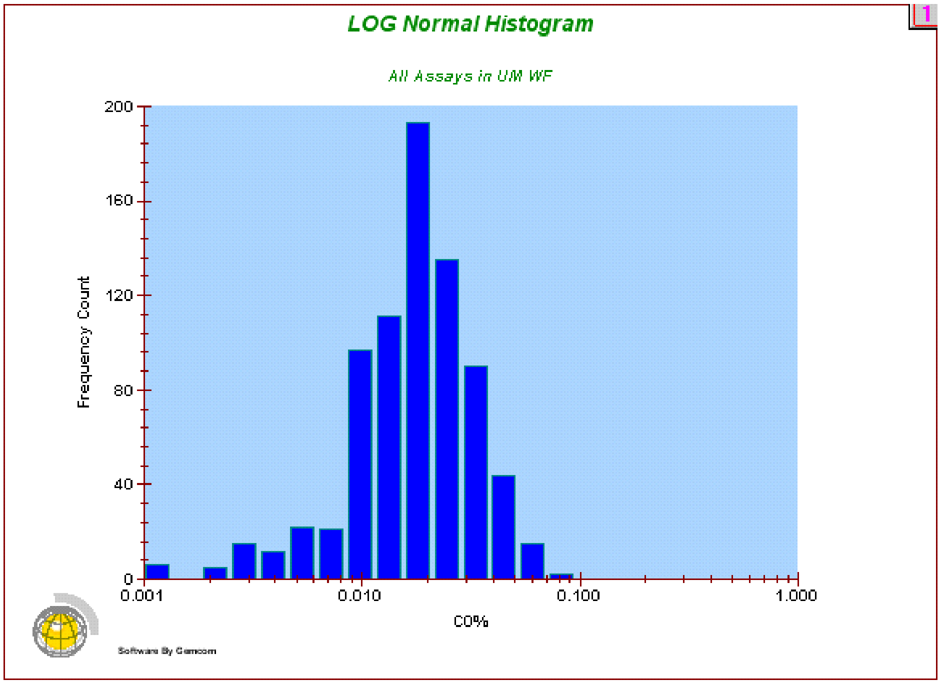
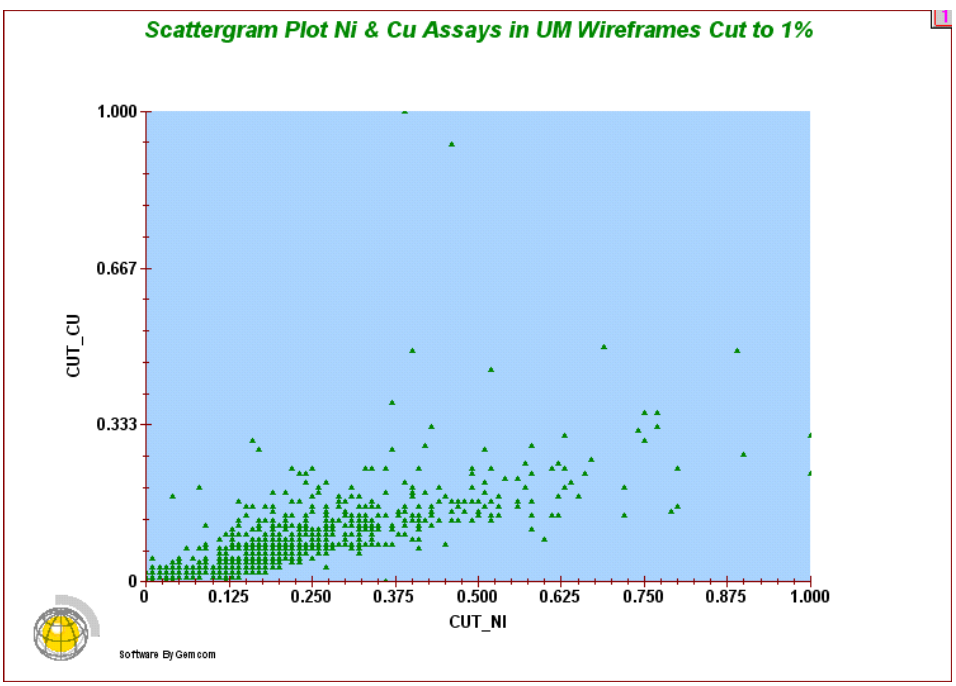


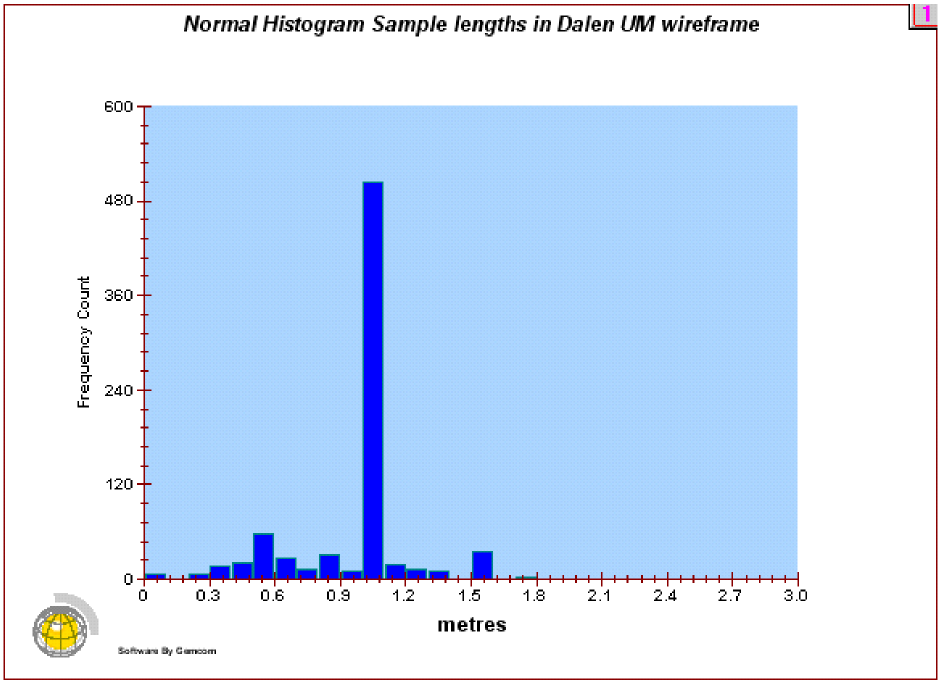
Figure 17-16 Scatter Plot of Ni-Cu Assays in Dalen UM Wireframe



Sample Lengths

Only 19 of the 37 holes that cut the UM Wireframe are sampled over the entire length of the interval in the wireframe. There are a total of 770 samples in the UM Wireframe. The mean sample length is 0.89m for all the assays in the database and 0.94m in the wireframe (Figure 17-17). The most common sample lengths are at 0.50m and 1.0m.

Figure 17-17 Histogram of Sample Lengths in Dalen UM Wireframe



Grade Capping

The higher grade Cu values (>1%Cu) were capped at 1% before compositing. Ni and Co values were not capped as there do not appear to be any outlier values in the assays in the UM wireframe.

COMPOSITES

A total of 617 composites from 37 drillholes were generated within the UM Wireframe. Assays were composited to length of two metres within the UM Wireframe with residual composites generated at the end of the drillhole interval. The residual composites average 0.94m in length and 74% of the GMV compared to composites that are exactly 2.0m in length (for the intervals with assay data). Composites were generated starting from the collar of the drill hole downwards and incorporated all assay data. If there were no assay data present in the drillholes, intervals were composited at zero grades.

Sampled intervals totalling 673.03m in the UM Wireframe contribute to this resource. In some holes sampling was not done for the entire UM intervals. The intervals in the UM Wireframe that contribute to this estimate (sampled and unsampled) total 1197.71m. Therefore only 56.2% of the total cored lengths that are in the wireframe and that contribute to this resource have been sampled.

Descriptive statistics on composited data are presented in Tables 17-10 and 17-11. In the most densely drilled area, sampling was usually complete across entire lithological units. In areas where there was incomplete sampling of drillholes, the inclusion of 2m composites at nil grades clearly results in a significant reduction in the average grade of composites. Statistics for composited data where there were assays across the entire composited interval are presented in Table 17-10. Statistics for the entire composited data that were used for the grade interpolation are presented in Table 17-11.

Table 17-10 Dalen 2m Composite Statistics - Sampled Intervals Only

	Ni%	Cu% (Capped)	Co%	Length (m)
n	354	354	354	354
Min	0.00	0.00	0.001	0.06
Max	0.89	0.47	0.060	2.00
Mean	0.24	0.10	0.021	1.90
Std. Dev.	0.15	0.07	0.011	0.35
Q1	0.15	0.06	0.015	2.00
Median	0.21	0.09	0.018	2.00
Q3	0.30	0.13	0.024	2.00
95th Percentile	0.56	0.22	0.043	2.00
98th Percentile	0.68	0.28	0.050	2.00

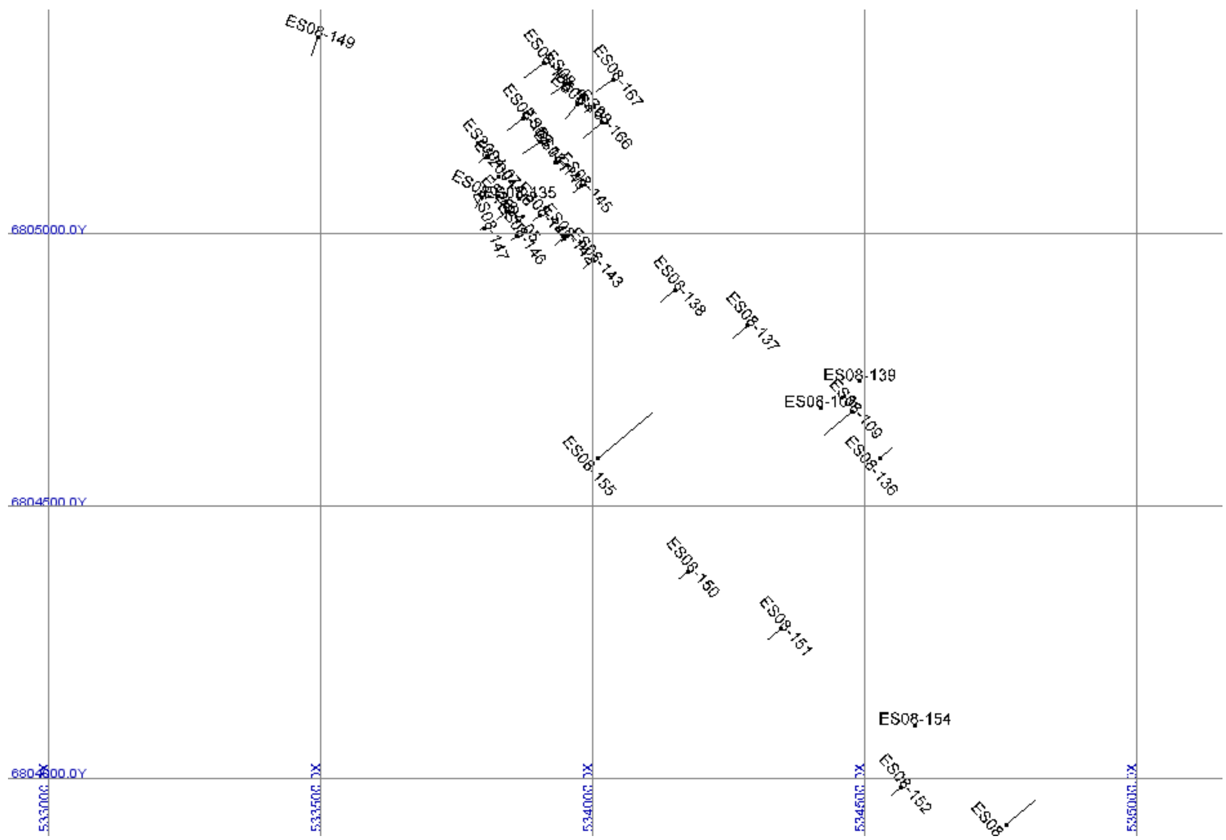
Table 17-11 Dalen 2m Composite Statistics Including Unsampled Intervals

	Ni%	Cu% (Capped)	Co%	Length (m)
n	617	617	617	617
Min	0.00	0.00	0.00	0.00
Max	0.89	0.47	0.060	2.00
Mean	0.14	0.06	0.012	1.09
Std. Dev.	0.16	0.07	0.013	0.98
Q1	0.00	0.00	0.000	0.00
Median	0.11	0.04	0.010	2.00
Q3	0.23	0.10	0.019	2.00
95th Percentile	0.46	0.19	0.036	2.00
98th Percentile	0.61	0.26	0.048	2.00

GEOLOGICAL INTERPRETATION AND MODELLING OF MINERALISATION ENVELOPES

Figure 17-18 is a plan view showing the area of drilling for the Dalen deposit using the WGS84 UTM Zone 32N grid. The cluster of drilling in the northern part of the plan is the area hosting the better grade and best defined mineralisation.

Figure 17-18 Planview Showing Dalen Drillhole Traces

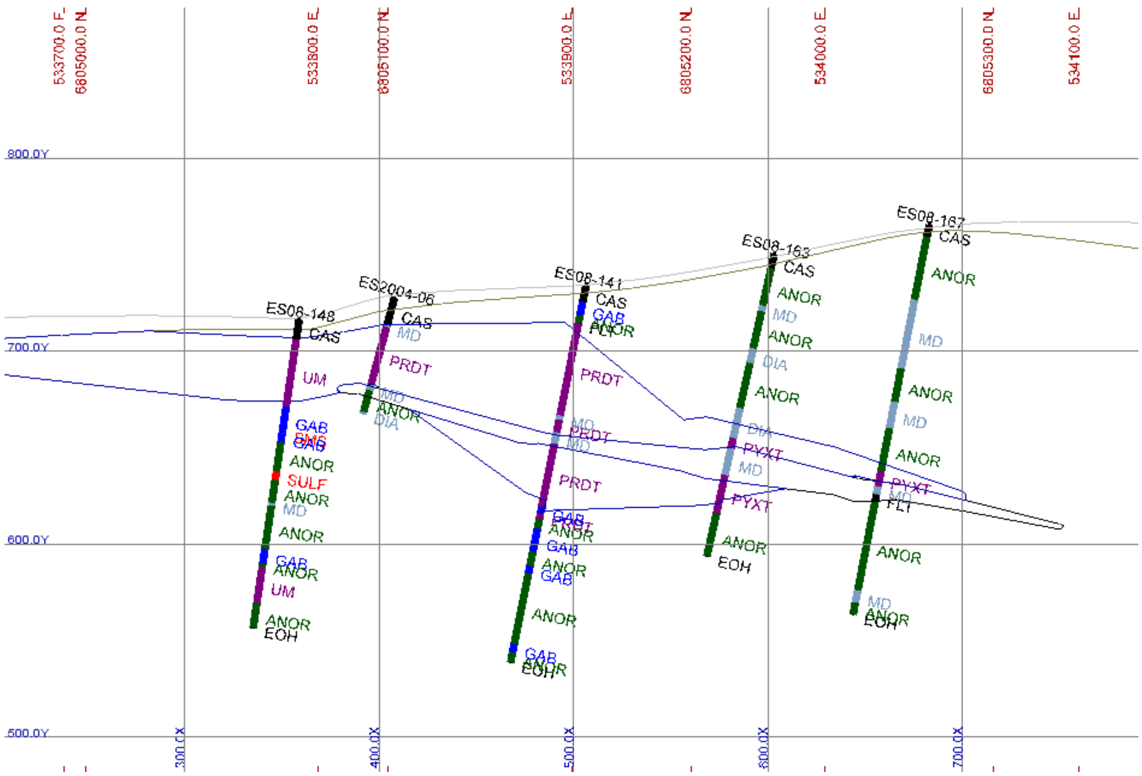


Grid spacing is 500m from 6804000N and 533000E in lower left-hand corner. WGS84 UTM Zone 32N grid

The Dalen deposit was modelled on vertical cross-sections on 50m centres using local grid sections 7250E to 8600E oriented at 050 degrees. The drillholes were coded according to major lithological units. A wireframe (UM Wireframe) was constructed by modelling polylines that grouped together PYXT, PRDT and UM lithologies. Volumetrically minor units were included if they were internal to these major units. This wireframe was then clipped by an overburden surface created from drillhole data and then clipped by another wireframe that was modelled from polylines that were created from intervals of mafic dykes (MD) that post-date the UM units and are unmineralised. This wireframe was then used to constrain the grade interpolation for the resource estimate. The UM Wireframe has a strike length of ~1500m, a width of ~500m and generally ranges from about 30m to 100m thick with the maximum depth below surface less than 150m. It strikes at ~320 degrees, is flat lying and is open along strike to both the northwest and southeast. It appears to either be faulted apart and/or necked out around section 8000E and consequently is modelled in the form of two main lobes. Figure 17-19 shows the wireframe, topographic and bedrock wireframe interpretations and drillholes on Section 8200E.

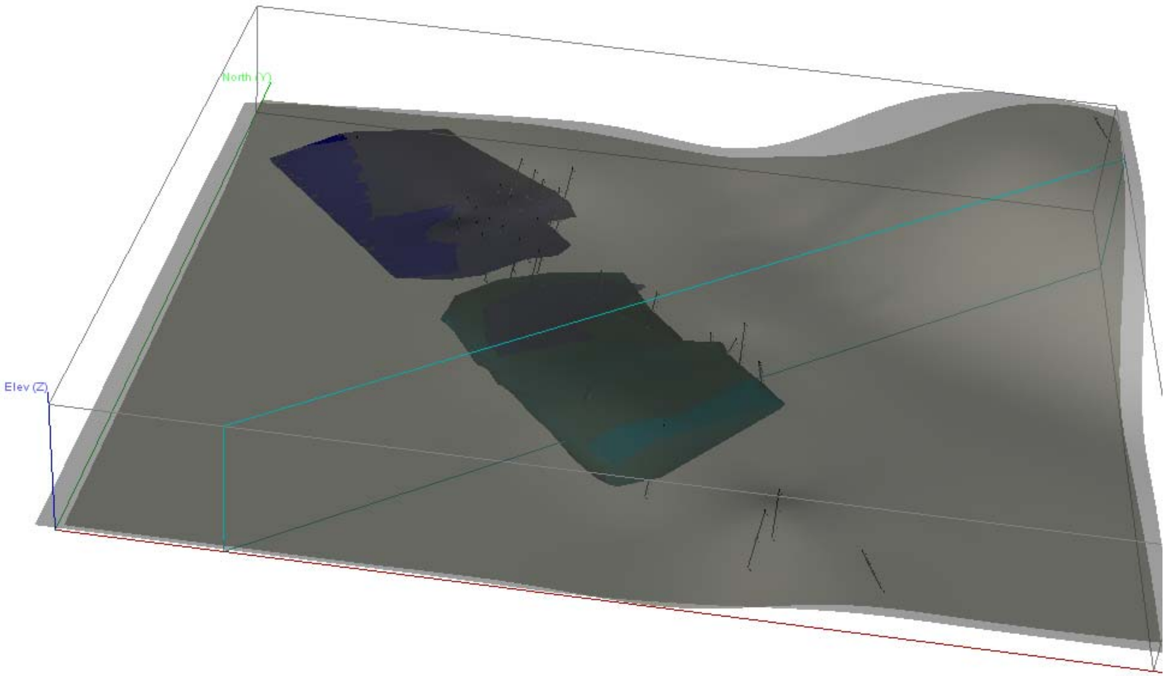
Figure 17-20 is a screen capture of a 3D view, looking northwest, of the modelled wireframes, modelled topographic and bedrock surfaces and diamond drillhole traces. The resource intercepts (Figures 17-18, 17-19) are located from 6804100N to 6805500N (1,400m); 533300E to 534600E (1300m) with intercepts ranging from 610m to 725m elevation (approximately 0m to 120m depth).

Figure 17-19 Section 8200E of the Dalen Deposit with Wireframes and Drillholes



Looking northwest, grid spacing is 100m.

Figure 17-20 3D View of Dalen Looking North, Showing Wireframes, Surfaces and Drilling



SPATIAL ANALYSIS

Geostatisticians use a variety of tools to describe the pattern of spatial continuity, or strength of the spatial similarity of a variable with separation distance and direction. The variogram is a measure of the correlation between data values as a function of their separation distance and direction. The distance at which the variogram reaches the maximum variance is called the range. The range of the variogram corresponds roughly to the more qualitative notion of the "range of influence" of a sample; it is the distance over which sample values show some relationship or covariance.

Spatial data analysis using oriented downhole variograms, global search variograms and oriented variograms was done for the Dalen assay and composite data. Variograms were calculated for Ni, Cu and Co. Although consistent nugget values and ranges were found for most data, directions of preferred continuity were not clear. Therefore all of the interpolations utilized inverse distance squared (ID^2) weightings and variography played only a minor role in the resource estimate at Dalen. The variography was used to guide the size (range) of the search ellipses, and was also used in the confidence limit studies for classification and in the validation exercises. The variograms indicated ranges of 90m to 100m were appropriate for the available data.

RESOURCE BLOCK MODEL

A block model was prepared with parameters presented in Table 17-12.

Table 17-12 Dalen Block Model Parameters, Origin in UTM WGS84 UTM Zone 32N Coordinates

Model	Origin*	No. Of Blocks	Block Size
Easting	533300	130	10
Northing	6804100	150	10
Elevation	800	60	5

*Origin in GEMS is at the minimum X, minimum Y and maximum Z corner.

The block model project was prepared with the following block models:

- rock type;
- density;
- Ni grade for Indicated and Inferred classes;
- Cu grade for Indicated and Inferred classes;
- Co grade for Indicated and Inferred classes;
- (Gross Metal Value) GMV for Indicated and Inferred classes.

Additional folders were prepared for validation using Ordinary Kriging (OK) and nearest neighbour (NN) estimations.

ROCK TYPE and DENSITY MODEL

The rock type model was coded with integer rock codes from the modelled 3D wireframes as described in Table 17-13. The selection of blocks for coding was based on the block being more than 50% by volume within a wireframe using a needling accuracy of nine needles per block oriented vertically.

Table 17-13 Dalen Block Model Rock Codes

Rock Type	Block Model Code	S.G. T/m^3
AIR	10	0.00
OB	21	2.00
WASTE	11	2.75
DYKE	31	2.70
UM	100	3.05

GRADE INTERPOLATION

Ni, Cu and Co grades were interpolated into blocks using ID^2 methods. The grades for Ni, Cu and Co were interpolated into the mineralised zones using all composites in the UM Wireframe. No composites from outside the UM Wireframe were used.

Interpolation was carried out in two passes using a different search ellipse and number of samples for each pass, as outlined in Table 17-14. For the first pass, grades were interpolated only if 6 composites from at least two holes were found within the search ellipse, and if at least 3 octants had composites in them. A maximum of 4 samples per hole, 4 samples per octant and a maximum of 16 samples were used to interpolate grade within a block. A maximum search range of 75m was allowed and the weighting was isotropic using ID^2 weighting. Only blocks inside the UM Wireframe were populated with grade values.

Pass two only interpolated grades into blocks that had not been interpolated during the first pass interpolation. For the second pass, grades were interpolated if a minimum of 2 composites were found within the search ellipse. A maximum of 16 samples per hole were used with no restriction on the number of samples per hole or per octant. A maximum search range of 100m was allowed and the weighting was isotropic using ID^2 weighting. Only blocks inside the UM Wireframe were populated with grade values.

Table 17-14 Dalen Sample Selection Criteria for Grade Interpolation

Pass	Range (m)	Min. No. of Composites Required	Max No. of Composites Per Hole	Min No. Of Holes Required	Min No. Of Octants Required	Max Composites per Octant Allowed
1	75	6	4	2	3	4
2	100	2	16	1	na	na

A dollar equivalent Gross Metal Value (GMV) was calculated for each mineralised block by performing a simple manipulation of the block model parameters based on metal prices that were slightly below the 3 year average at US$8.00/lb. for nickel, US$2.00/lb. for Cu and US$8.00/lb. for Co. No assumptions regarding recoveries were made.

GMV cut-off values for Dalen are based on the assumption that the deposit is of a potential size and nature to allow for possible bulk mining, most likely open pit mining given the shallow depth, flat lying geometry and near surface location. The GMV cut-off value of ≥ US$40/T was derived from a review of recent technical reports filed on SEDAR for similar deposit types. An example of the GMV calculation for Dalen is shown in Table 17-15.

Table 17-15 Dalen GMV Calculation

GMV per Tonne = (Ni% x US$176.37) + (Cu% x US$44.09) + (Co% x US$176.37)

DALEN RESOURCE CLASSIFICATION

Mineral resources were classified in accordance with definitions provided by CIM as stipulated in NI 43-101. Under CIM/NI 43-101 guidelines, a Mineral Resource must have some potential for future mining. In order to justify classification of the deposit as a mineral resource, RCI evaluated the potential economics in terms of:

- the accountable/payable metals to determine a GMV;
- the ranges of cut-off grades and tonnage estimates from recent resource estimates filed on SEDAR for somewhat similar Ni-Cu deposits.

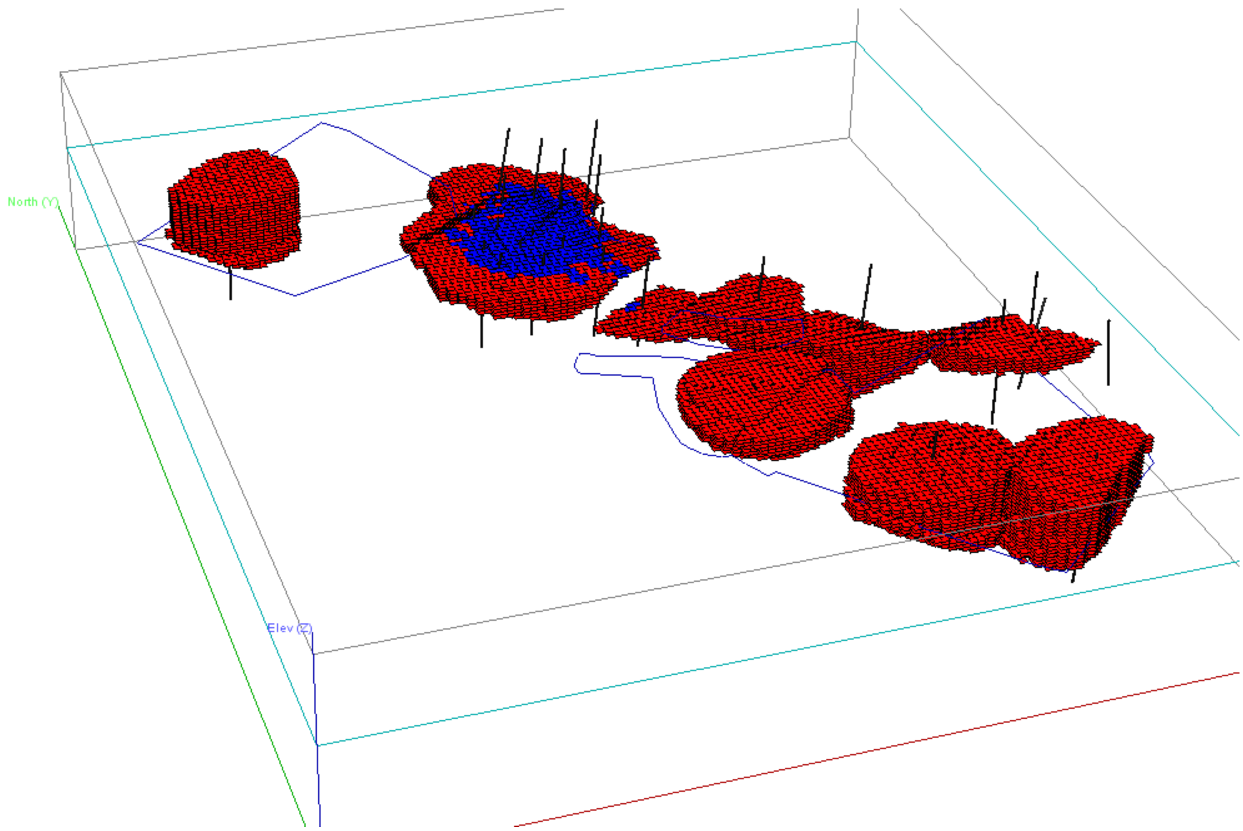
The Dalen block model contains 65,703 blocks coded as UM. There are 4,429 blocks classified as Indicated and 27,922 classified as Inferred. Due to the large number of composites with no grade (as a function of unsampled core in the drilling outside the more densely drilled core of the mineralisation), only 11,309 of the Inferred blocks have a grade >0.00% Ni whereas 4,339 of the 4,429 Indicated blocks have grades > 0.00% Ni. There were 33,352 blocks within the mineralised zones left unassigned.

The classification model was based on the restrictive search parameters derived from the variogram ranges for Ni, Cu and Co and was based as follows:

- Blocks that were interpolated during pass one were assigned to the Indicated category;
- Blocks interpolated during pass two were assigned to the Inferred category;
- Blocks that had not been interpolated during either pass were left unassigned.

The result is a variable width contiguous zone of indicated blocks over a set of 6 sections along the north-eastern side of the northern part of the deposit flanked by inferred blocks with additional clusters of inferred blocks around more widely spaced drillholes (Figure 17-21). One small set of blocks were flagged as indicated using the above criteria in the southern part of the deposit in the vicinity of three clustered drillholes but these were reclassified as inferred.

Figure 17-21 3D View Looking Northeast of the Block Model Classification, Dalen Deposit



*Blocks in Blue are classified as Indicated, Blocks in Red as Inferred. Blocks are 10x10x5m in size and the area shown is ~1,500m long x 500m wide.

The Dalen mineral resources are classified by RCI as Indicated and Inferred. RCI cautions that neither a feasibility study nor a detailed preliminary economic assessment have been carried out for the mineral resources estimated in this report and that they are not Mineral Reserves and they do not have demonstrated economic viability.

MINERAL RESOURCE TABULATION

Table 17-16 reports the results of the resource estimates at incremental cut-offs.

Table 17-16 Summary of Dalen Resource Estimates at Incremental Cut-offs

Indicated Resources Dalen Property, January 10, 2008

Cut-off Grade $US	Tonnes	Ni%	Cu%	Co%	GMV $US
10 – 20	109,800	0.08	0.03	0.01	$16.07
20 – 30	521,550	0.12	0.05	0.01	$26.60
30 – 40	1,281,000	0.17	0.07	0.02	$35.05
40 – 50	1,497,550	0.21	0.09	0.02	$44.89
50 - 60	1,192,550	0.26	0.10	0.02	$54.77
> 60	1,935,225	0.38	0.15	0.03	$78.25

Inferred Resources Dalen Property, January 10, 2008

Cut-off Grade $US	Tonnes	Ni%	Cu%	Co%	GMV $US
10 – 20	957,700	0.06	0.02	0.00	$13.05
20 – 30	1,069,025	0.12	0.06	0.01	$26.50
30 – 40	2,163,975	0.17	0.08	0.01	$35.64
40 – 50	3,097,275	0.21	0.11	0.02	$45.19
50 - 60	1,079,700	0.26	0.11	0.02	$53.42
> 60	1,261,175	0.33	0.13	0.03	$68.07

1. CIM definitions were followed for Mineral Resource estimation and classification.
2. Mineral Resources are estimated within a constraining wireframe and at a cut-off grade of $US40 GMV equivalent (shaded in grey in Table 17-16).
3. The $US40 GMV cut-off includes all material in the wireframed zone.
4. Bulk density is 3.05 t/m^3.
5. Resources were estimated to a maximum depth of <150m below surface.
6. The $US40 GMV cut-off is based on a review of reports for similar deposits filed on SEDAR in 2008.
7. Metal Prices used were $2.00/lb copper, $8.00/lb nickel, $8.00/lb Co.
8. No process recovery or refining was considered.
9. Ni, Cu and Co grades that are lacking in drill holes have been composited at zero grades.

RCI estimates that the Dalen mineral resource, at a US$40 GMV cut-off, contains approximately 4.6 million tonnes of Indicated mineral resources grading 0.29 % Ni, 0.12% Cu and 0.02% Co and 5.4 million tonnes of Inferred mineral resources grading 0.25 % Ni, 0.11% Cu and 0.02% Co (Table 17-2C and repeated here as Table 17-17).

Table 17-17 Dalen Mineral Resources at US$40 GMV Equivalent Cut-off

Cut-off	Category	Tonnes	Ni%	Cu%	Co%
>US$40	Indicated	4,625,000	0.29	0.12	0.02
>US$40	Inferred	5,438,000	0.25	0.11	0.02

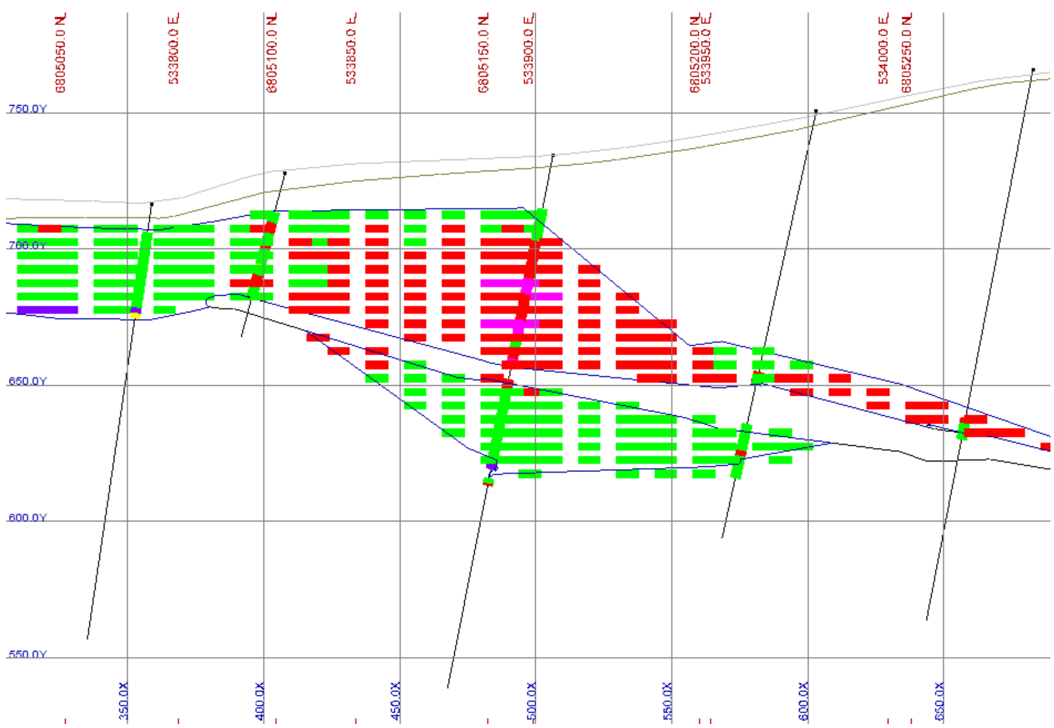
RCI is not aware of any mining, metallurgical, infrastructure, environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues which might materially affect the mineral resources. However, as part of the resource is near a lake, some portion of the resource may be unavailable for possible mining depending on permitting and technical factors.

VALIDATION

RCI completed a detailed visual validation of the Dalen block model. The model was checked for proper coding and compositing of Ni, Cu and Co drillhole intervals, and block model cell values, in both section and plan. Coding and the geometry of the wireframe was found to be correct. Grade interpolation was examined relative to drill hole composite values for all metals and GMV values by inspecting sections and plans. The checks showed good agreement between drill hole composite values and model cell values (Figure 17-22).

In addition, interpolations using Ordinary Kriging (OK) and Nearest Neighbour (NN) methods were done for both the entire model and by section. These were compared to the ID^2 model results and to the average composite results for the model and by section and in all cases compared very well.

Figure 17-22 Dalen Section 8200E with Block Ni Grades and Drillhole Ni Composites



10x10x5 m blocks displaying interpolated Ni grade (%Ni). Grid spacing of 50 m displayed.
Magenta > 0.5% Ni; Red ≥ 0.25 – 0.5% Ni; Green ≥ 0l.10 – 0.25% Ni.

There has been no underground development or previous mining, so no reconciliation studies or data are available for the Dalen deposit. As such, estimated tonnages, grades and contained metal cannot be compared to actual production or to gauge the sensitivity of the grade estimate to drillhole density. RCI is not aware of any previous exploration or mining activity in the immediate area of the Dalen resource.

MINERAL RESERVES and OTHER MATTERS

BLV has not completed a mining prefeasibility or feasibility study and consequently there are no reserves reported for the Dalen Property. The property is accessible by road. The infrastructure in the area is considered good. Mining methods would be determined after a preliminary assessment and would depend on the success of future exploration. The resources reported here would likely be by bulk mining (open pit) and processing would be likely done by conventional milling.

RCI has not independently researched title, environmental or permitting regulations for Norway; instead we have relied on information provided by BLV for matters relating to property titles, surface rights, permitting and environmental matters. RCI is not aware of any mining, metallurgical, infrastructure, environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues which might materially affect the mineral resources.

18 OTHER RELEVANT DATA AND INFORMATION

18.1 Outstanding Issues

To the author's knowledge, there are currently no known environmental, permitting, legal, title, taxation, socio-economic, or political issues that adversely affect the properties.

18.2 Mining And Infrastructure

The properties are accessible by road and within several km of power lines. The infrastructure in the area is considered good. Mining methods would be determined after a preliminary assessment and would depend on the success of future exploration. The mining method would likely be using underground access for Ertelien and Stormyra and by means of an open pit or by bulk underground mining for Dalen. Processing would likely be done by conventional milling for all the properties.

19 INTERPRETATION AND CONCLUSIONS

Information from recent drilling and other exploration efforts on the properties hosting the Ertelien, Stormyra and Dalen deposits has been gathered over the last several years. These data have led to the discovery or delineation of Ni-Cu-Co mineralisation within a variety of host rocks.

The presence of past producing mines from the 18^{th} and early 19^{th} centuries confirms the potential economic nature of the mineralisation. The Ertelien and Stormyra deposits are higher grade and mineralisation occurs over narrower widths than that of Dalen. The degree of continuity at the cut-off grades used in this report is the greatest for the low grade Dalen deposit and the least for the geometrically more complex Ertelien deposit.

Significant mineralisation exists on all three properties. RCI is of the opinion that infill drilling is needed to improve the confidence in the continuity of mineralisation at Ertelien and Stormyra. As the grade and continuity of the Stormyra deposit appears to be better than that for Ertelien, it would be more advantageous to try to upgrade the confidence level for the resources at Stormyra. The recommendations in the following section therefore do not include drilling to upgrade the confidence in continuity, and from that, the classification of resources at the Ertelien deposit simply on the basis that efforts are likely to be rewarded more economically through drilling at Stormyra and Dalen. The potential to upgrade Ertelien is seen to be as good as for the other deposits, but improving the confidence in the resources will likely require relatively detailed, closer spaced drilling compared to the other deposits and on that basis it is assigned as a lower priority.

Infill drilling, additional drilling within the UM Wireframe and additional sampling of previously unsampled intervals of core that are within the UM Wireframe at Dalen are all needed to further advance this property. In particular, the assignment of “0” values for unsampled intervals of core in the current estimate negatively impacts the grade of block model resource estimates.

Additional wide spaced drilling to fully define the extent of all the deposits along strike and to depth is warranted. Exploration on other prospects on the properties is also warranted regardless of the results of further definition of the Ertelien, Stormyra and Dalen deposits. No evaluation of other exploration targets has been done by RCI.

RQD measurements should be recorded for all drillholes on all the properties as part of the normal logging routine.

20 RECOMMENDATIONS

Based on the results of exploration on the properties to date and the discovery of significant mineral deposits, Blackstone's Norway properties are of sufficient merit to warrant further resource definition drilling and exploration. The initiation of a report to prepare a Preliminary Assessment should await results from recommended work listed below. Additional exploration elsewhere on the properties is warranted, but no evaluation of the amount or type of work or potential exploration costs for such work have been done as part of this report. RCI recommends that 5% of all samples be submitted to a second laboratory for check assaying, with blanks and standards inserted into the sample stream as part of the QA/QC program. Finally, RCI recommends the following work program to further define the resources presented in this report:

Ertelien:

- initiate metallurgical test work on the mineralisation;
- undertake a survey to obtain baseline environmental data.

Stormyra:

- continue deposit definition and step out exploration drilling totalling 5,000 metres;
- carry out an update of the mineral resource estimates to incorporate data from the recommended drilling program;
- initiate metallurgical test work on the mineralisation;
- undertake a survey to obtain baseline environmental data.

Dalen:

- continue deposit definition and step out exploration drilling totalling 10,000 metres;
- sample all core that is within the UM Wireframe;
- carry out an update of the mineral resource estimates to incorporate data from the recent drilling program;
- initiate metallurgical test work on the mineralisation;
- undertake a survey to obtain baseline environmental data.

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[redacted] [redacted] [redacted]

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22 CERTIFICATES OF QUALIFICATIONS

JOHN REDDICK, P.Geo.

I, John Reddick, M.Sc., P.Geo., of Inverary, Ontario, do hereby certify that as the author of the report entitled "Technical Report on Resource Estimates for the Ertelien, Stormyra and Dalen Deposits, Southern Norway, Prepared For Blackstone Ventures Inc." and dated February 11, 2009, I hereby make the following statements:

- I am a Consulting Geologist and President of Reddick Consulting Inc. of 27 Collins Court, R.R. #2, Inverary, Ontario, K0H 1C0.
- I am a graduate of Queen's University, Kingston, Ontario, Canada in 1982 with a B.Sc. Honours Geology degree, and of Queen's University, Kingston, Ontario, Canada in 1995 with a M.Sc. in Honours Geology degree in Mineral Exploration.
- I am a Practising Member of the Association of Professional Geoscientists of Ontario (#643) and a member of the Society of Economic Geologists. I have worked as a geologist for a total of 27 years since my graduation.
- I have practiced my profession in mineral exploration continuously since graduation. I have over twenty-five years of experience in mineral exploration, production or consulting. I have over twenty-five years of experience in mineral resource estimation and I have over ten years experience preparing mineral resource estimates using block-modelling software and have over ten years experience as an independent consultant.
- 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 fulfil the requirements to be a "qualified person" for the purpose of NI 43-101.
- I am responsible for sections 1 through 13 and sections 15 through 20 of the Technical Report. I visited the properties on June 3 to 4, 2008.
- I have no prior involvement with the properties that are the subject of the Technical Report.
- As of the date of this Certificate, to my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
- I am independent of the Issuer as described in Section 1.4 of National Instrument 43-101.
- I have read National Instrument 43-101 and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.
- I consent to the filing of the Report with any stock exchange and other regulatory authority and any publication by them of the Report for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public.

Effective date: January 13, 2009
Signing Date: February 11, 2009

"Original Document, signed and sealed by John Reddick, P.Geo."
John Reddick, P.Geo.
Reddick Consulting Inc.
President

CERTIFICATE of AUTHOR

TRACY J. ARMSTRONG, P. GEO

I, Tracy J. Armstrong, P. Geo., residing at 2007 Chemin Georgeville, res. 22, Magog, Québec, J1X 0M8 do hereby certify that:

1. I am an independent geological consultant contracted by Blackstone Ventures Inc.;

2. I am a graduate of Queen’s University at Kingston, Ontario with a B.Sc (HONS) in Geological Sciences (1982);

3. I am a geologist currently licensed by the Order of Geologists of Québec (License No. 566) and licensed with the Association of Professional Geoscientists of Ontario, (License No. 1204);

4. I have worked as a geologist for a total of 23 years since obtaining my B.Sc. degree;

5. I have not had prior involvement with the deposits that are the subject of the technical report;

6. I am responsible for Section 14 of this report titled “Technical Report on Resource Estimates for the Ertelien, Stormyra and Dalen Deposits, Southern Norway, Prepared For Blackstone Ventures Inc.” dated February 11, 2009;

7. I visited the Ertelien, Stormyra and Dalen Deposits from June 3 to 4, 2008;

8. As of the date of this certificate, 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;

9. 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 and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101. This report is based on my personal review of information provided by the Issuer and on discussions with the Issuer’s representatives. My relevant experience for the purpose of the Technical Report is:
    - Underground production geologist, Agnico-Eagle Laronde Mine1988-1993;
    - Exploration geologist, Laronde Mine 1993-1995;
    - Exploration coordinator, Placer Dome 1995-1997;
    - Senior Exploration Geologist, Barrick Exploration 1997-1998;
    - Exploration Manager, McWatters Mining 1998-2003;
    - Chief Geologist Sigma Mine 2003;
    - Consulting Geologist 2003-to present.

10. I am independent of the issuer applying the test in Section 1.4 of NI 43-101;

11. I have read NI 43-101 and Form 43-101F1 and the Report has been prepared in compliance therewith;

12. I consent to the filing of the Report with any stock exchange and other regulatory authority and any publication by them of the Report for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public.

Effective date: January 13, 2009
Signing Date: February 11, 2009

{SIGNED AND SEALED}

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Tracy J. Armstrong, P.Geo.

APPENDIX I

Diamond Drill Results Contributing to the Ertelien and Stormyra Resources

SUMMARY SHEET - ERTELIEN DRILLHOLE INTERVALS AND RESOURCE ESTIMATE

PLANE	HOLE	FROM (m)	TO (m)	CORE LENGTH (m)	GMV US$	Ni%	Cu%	Co%	SG	TONNES	kg Ni	kg Cu	kg Co
1450	ER08-43	23.20	25.50	2.30	102.74	0.49	0.21	0.04	3.60	9,193	45,047	19,306	3,677
1450	ER08-41	48.20	52.45	4.25	194.45	0.85	0.77	0.06	3.60	17,348	147,461	133,583	10,409
1500	ER07-39	114.38	125.00	10.62	122.58	0.49	0.66	0.04	3.60	105,520	517,050	696,434	42,208
1500	ER07-34	88.75	91.20	2.45	119.05	0.54	0.38	0.04	3.60	26,555	143,396	100,908	10,622
1500	ER07-34	97.75	114.30	16.55	156.09	0.54	1.18	0.05	3.60	167,669	905,411	1,978,491	83,834
1500	ER07-34	121.10	124.55	3.45	171.96	0.67	0.98	0.06	3.60	41,381	277,256	405,538	24,829
1500	ER07-34	136.80	139.15	2.35	208.12	0.87	1.00	0.06	3.60	34,175	297,324	341,752	20,505
1500	ER07-34	158.95	161.30	2.35	88.18	0.40	0.32	0.02	3.60	50,841	203,363	162,690	10,168
1500	ER07-33	142.60	145.30	2.70	133.16	0.60	0.46	0.04	3.60	40,662	243,972	187,045	16,265
1500	ER07-33	152.95	154.95	2.00	160.06	0.72	0.59	0.04	3.60	33,316	239,878	196,567	13,327
1550	ER08-58	85.50	87.50	2.00	119.49	0.47	0.63	0.05	3.60	17,792	83,625	112,092	8,896
1550	ER2006-04	180.50	183.09	2.59	171.52	0.77	0.57	0.06	3.60	42,033	323,652	239,586	25,220
1550	ER2006-04	191.83	194.00	2.17	95.68	0.39	0.45	0.04	3.60	38,051	148,397	171,228	15,220
1550	ER08-59	89.00	91.00	2.00	113.32	0.61	0.09	0.01	3.60	8,946	54,573	8,052	895
1550	ER2006-03	185.65	189.00	3.35	189.16	0.96	0.17	0.07	3.60	50,915	488,780	86,555	35,640
1550	ER08-57	45.50	47.70	2.20	244.27	1.26	0.22	0.07	3.60	23,579	297,092	51,873	16,505
1600	ER2006-18	142.55	152.35	9.80	234.57	1.05	0.76	0.09	3.60	158,296	1,662,109	1,203,051	142,467
1600	ER2006-18	238.13	241.78	3.65	201.06	0.90	0.76	0.05	3.60	72,498	652,478	550,981	36,249
1650	ER2006-02	185.46	189.70	4.24	255.29	1.25	0.55	0.06	3.60	56,174	702,169	308,954	33,704
1650	ER2006-01B	38.50	41.14	2.64	241.63	1.18	0.48	0.07	3.60	28,735	339,069	137,926	20,114
1650	ER2006-01B	64.40	73.00	8.60	211.64	0.97	0.68	0.06	3.60	117,531	1,140,047	799,208	70,518
1650	ER2006-01B	115.87	121.68	5.81	172.40	0.73	0.79	0.05	3.60	72,969	532,673	576,455	36,484
1700	ER2006-19	280.50	282.75	2.25	112.44	0.59	0.07	0.03	3.60	49,332	291,058	34,532	14,800
1700	ER2006-10	223.10	244.00	20.90	141.98	0.68	0.34	0.04	3.60	188,738	1,283,418	641,709	75,495
1700	ER2006-10	295.85	298.80	2.95	128.31	0.61	0.35	0.03	3.60	41,663	254,145	145,821	12,499
1700	ER2006-17	21.78	25.62	3.84	112.44	0.55	0.19	0.04	3.60	29,719	163,454	56,466	11,888
1700	ER2006-17	41.18	43.85	2.67	100.53	0.46	0.32	0.03	3.60	36,638	168,537	117,243	10,992
1700	ER2006-17	57.65	61.12	3.47	101.41	0.38	0.58	0.05	3.60	80,182	304,691	465,055	40,091
1700	ER2006-17	131.20	133.43	2.23	171.08	0.76	0.60	0.06	3.60	30,791	234,010	184,745	18,474
1700	ER2006-17	172.18	174.66	2.48	311.73	1.43	0.99	0.09	3.60	36,899	527,662	365,305	33,210
1750	ER2006-06B	25.00	28.00	3.00	127.87	0.54	0.58	0.04	3.60	12,539	67,709	72,724	5,015
1750	ER2006-06B	281.78	309.85	28.07	329.81	1.46	1.32	0.08	3.60	299,198	4,368,288	3,949,411	239,358
1750	ER2006-05	31.25	33.27	2.02	106.70	0.51	0.18	0.05	3.60	20,429	104,188	36,772	10,215
1750	ER2006-05	43.50	46.26	2.76	112.44	0.54	0.19	0.05	3.60	34,148	184,400	64,882	17,074
1750	ER2006-05	97.92	106.78	8.86	232.81	1.08	0.64	0.08	3.60	192,436	2,078,307	1,231,589	153,949
1750	ER2006-05	199.70	202.25	2.55	105.82	0.38	0.76	0.03	3.60	37,162	141,215	282,429	11,149
1750	ER2006-05	207.36	209.62	2.26	225.75	0.65	2.32	0.05	3.60	33,034	214,718	766,380	16,517
1800	ER07-35	449.00	452.75	3.75	197.53	0.97	0.32	0.07	3.60	48,812	473,477	156,199	34,168
1800	ER2006-22	110.80	113.00	2.20	135.80	0.68	0.24	0.03	3.60	22,166	150,729	53,199	6,650
1800	ER08-46	246.00	258.60	12.60	129.19	0.58	0.45	0.04	3.60	100,385	582,233	451,732	40,154
1900	ER08-49	512.30	524.75	12.45	166.67	0.73	0.62	0.06	3.60	151,350	1,104,856	938,371	90,810
1900	ER08-49	538.00	540.35	2.35	112.44	0.58	0.11	0.03	3.60	28,568	165,695	31,425	8,570
2050	ER2007-30	18.51	20.86	2.35	153.00	0.57	0.23	0.24	3.60	9,008	51,343	20,717	21,618
								TONNES		**2,697,374**			
								KG METAL			**22,358,956**	**18,534,981**	**1,550,452**

SUMMARY SHEET - STORMYRA DRILLHOLE INTERVALS AND RESOURCE ESTIMATE

PLANE	HOLE	FROM (m)	TO (m)	CORE LENGTH (m)	GMV US$	Ni%	Cu%	Co%	SG	TONNES	kg Ni	kg Cu	kg Co
12300S	ES2005-30	47.35	49.97	2.62	185.63	0.93	0.33	0.04	3.60	43,924	408,491	144,948	17,570
12250S	ES2006-55	54.00	56.35	2.35	151.68	0.76	0.32	0.02	3.60	34,660	263,419	110,913	6,932
12150S	ES2006-52	80.41	84.98	4.57	284.84	1.46	0.38	0.06	3.60	67,978	992,475	258,315	40,787
12100S	ES2005-28	71.45	74.83	3.38	130.95	0.63	0.37	0.02	3.60	54,677	344,463	202,303	10,935
12000S	ES2005-27	93.15	97.04	3.89	175.05	0.83	0.53	0.03	3.60	64,949	539,079	344,231	19,485
11800S	ES2005-25	106.45	110.60	4.15	187.39	0.97	0.25	0.03	3.60	67,899	658,617	169,747	20,370
11700S	ES07-128	64.40	66.80	2.40	242.51	1.19	0.58	0.04	3.60	27,589	328,313	160,018	11,036
11700S	ES2005-24	104.76	113.67	8.91	233.69	1.18	0.42	0.04	3.60	30,052	354,615	126,219	12,021
11700S	ES2005-31	92.70	95.91	3.21	123.46	0.59	0.36	0.02	3.60	18,409	108,612	66,272	3,682
11700S	ES2005-32	121.25	124.51	3.26	117.73	0.60	0.19	0.02	3.60	22,875	137,253	43,463	4,575
11650S	ES07-125	63.58	66.05	2.47	245.59	1.20	0.61	0.04	3.60	35,497	425,967	216,533	14,199
11650S	ES07-126	99.20	105.50	6.30	222.23	1.07	0.56	0.05	3.60	42,389	453,561	237,378	21,194
11600S	ES07-123	51.60	53.60	2.00	128.31	0.64	0.27	0.02	3.60	21,127	135,214	57,043	4,225
11600S	ES2004-09	80.40	95.00	14.60	352.30	1.74	0.79	0.06	3.60	58,692	1,021,232	463,663	35,215
11600S	ES2005-19	65.10	67.27	2.17	238.98	1.15	0.70	0.03	3.60	15,089	173,522	105,622	4,527
11550S	ES07-120	54.22	56.54	2.32	512.35	2.57	0.98	0.09	3.60	9,983	256,563	97,833	8,985
11550S	ES07-121	62.03	64.06	2.03	91.27	0.45	0.19	0.02	3.60	11,492	51,712	21,834	2,298
11550S	ES07-122	64.14	66.67	2.53	108.03	0.54	0.21	0.02	3.60	20,940	113,077	43,974	4,188
11550S	ES07-122	87.17	92.60	5.43	103.18	0.45	0.46	0.02	3.60	49,215	221,469	226,391	9,843
11500S	ES2005-20	65.43	85.06	19.63	371.26	1.87	0.70	0.06	3.60	49,985	934,721	349,896	29,991
11500S	ES2005-21	51.65	54.10	2.45	108.47	0.52	0.26	0.03	3.60	10,498	54,588	27,294	3,149
11500S	ES2005-21	57.60	63.45	5.85	227.08	1.09	0.63	0.04	3.60	33,383	363,871	210,311	13,353
11500S	ES2005-33	86.50	89.35	2.85	105.38	0.54	0.15	0.02	3.60	16,154	87,234	24,232	3,231
11450S	ES07-114	31.82	34.11	2.29	101.85	0.51	0.19	0.02	3.60	23,135	117,990	43,957	4,627
11450S	ES07-115	60.62	68.60	7.98	135.80	0.64	0.40	0.03	3.60	59,001	377,609	236,006	17,700
11400S	ES07-56	85.00	87.00	2.00	96.12	0.48	0.18	0.02	3.60	15,069	72,332	27,125	3,014
11400S	ES2004-08	56.30	59.50	3.20	377.87	1.81	1.05	0.07	3.60	13,422	242,943	140,934	9,396
11400S	ES2005-22	29.35	36.50	7.15	542.34	2.68	1.26	0.08	3.60	34,676	929,310	436,914	27,741
11350S	ES07-113	58.25	60.64	2.39	572.32	2.86	1.18	0.09	3.60	19,441	556,020	229,407	17,497
11300S	ES07-58	47.10	51.50	4.40	159.61	0.82	0.22	0.03	3.60	25,266	207,179	55,585	7,580
11300S	ES2005-23	25.52	28.52	3.00	93.03	0.46	0.19	0.02	3.60	15,861	72,959	30,135	3,172
								TONNES		**1,013,327**			
								KG METAL			**11,004,409**	**4,908,496**	**392,517**