

Cleopatra Check Drilling Program

DESCRIPTION OF PROPOSED PROJECT

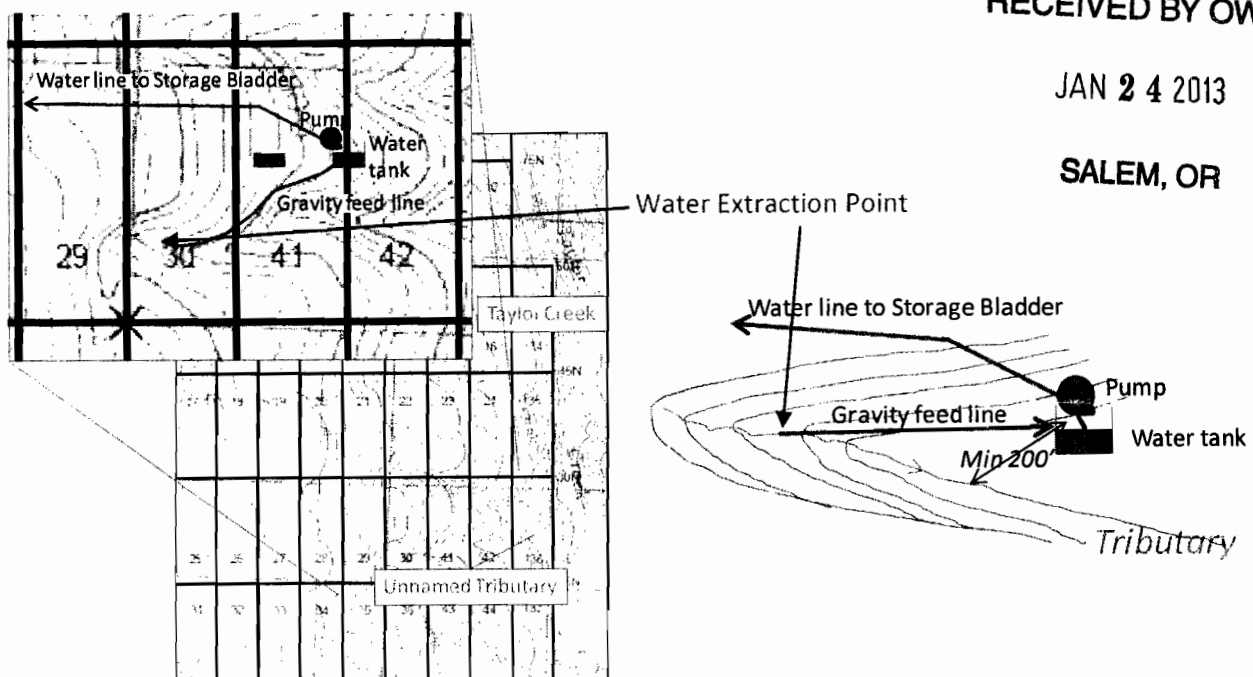
Water is required for a mineral exploration drilling operation of limited duration in Spring/Summer 2013. The exact timing of the drilling program is subject to receipt of permission from the US Forest Service which administers the Federal land upon which the project is located. The project is located within Curry County, Oregon within the Siskiyou National Forest and is contained within T40S R10W, T41S R10W and T41S R11W according to the Public Land Survey System.

Water will be sourced from an unnamed tributary to Taylor Creek. The unnamed tributary bisects the eastern portion of the mining claim property, and is located along the eastern edge of the claim block. (See Figure 1 overleaf) at approximately 42.024° N and 123.910° W (NAD27 Northing 149,152 and Easting 3,994,812) or approximately **75 feet West and 150 feet North of the SE corner of Section 6 T41S R10W.**

East?

Water from the tributary will be collected in a 1¼ inch submerged plastic feed pipe (proximal to the boundary between claims 30 and 41 based upon actual water availability at the time) and fed by gravity away from the creek to a 200 gallon water storage tank located at least 200 feet away from the creek, and slightly downhill. Water will then be pumped from the holding tank up to one of three water storage bladders through 1¼ inch PVC piping. The pump will be a 4 inch submersible pump powered by a 8 hp diesel generator unit.

Figure 2 Water sourcing layout



In this manner, the pump and generator are located a safe distance from the active tributary stream. Any potential spill of fuel or lubricant would occur at distance from the watercourse, and could be cleaned up without risk to surface waters. (See below for spill prevention measures and emergency spill response procedures).

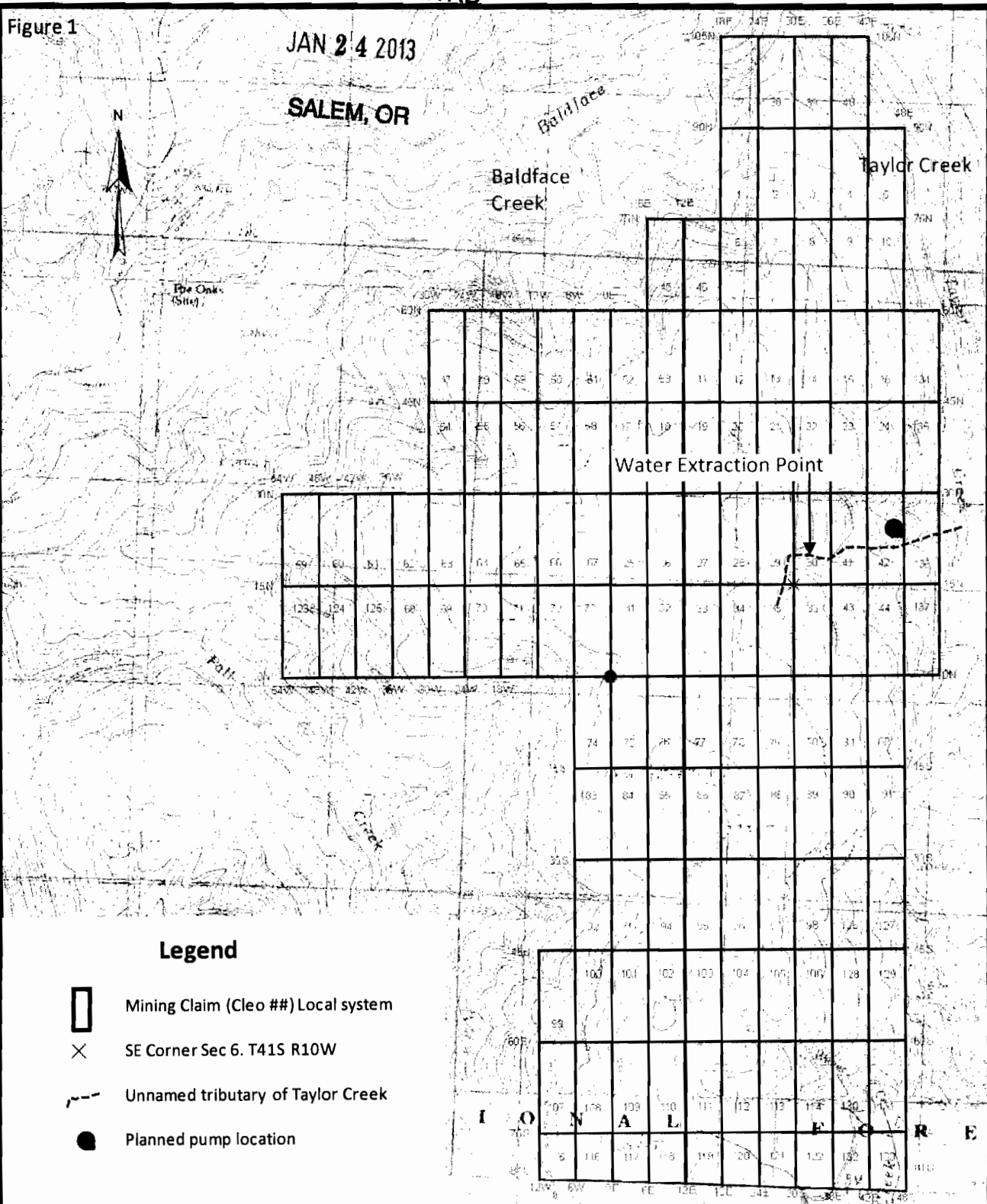
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Figure 1

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Prepared for Red Flat Nickel Corp., Inc.
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DATE 1/29/07
DWN JGS
APP
REV 1/10/13

CLEOPATRA
CLEO MINING CLAIMS
Curry County, Oregon

LL-1445

The location of the water source, feed pipe, pump/generator and the three water storage locations are shown on Figure 3.

A temporary 1,500 gallon water bladder will be positioned at each of the three water storage locations, with a maximum of two of these three locations operational at any one time. The bladders will be located at a position above the intended drillholes, such that water for the drill will be fed through flexible 1 inch plastic hosing by gravity. The bladders and piping will be removed from site at the termination of the program.

Each water bladder is estimated to occupy an area of 54 square feet. The total length of the main pipe connections between the pump and storage bladders is estimated at 12,000 feet and the total length of flexible hose to connect the drill sites with the nearest storage bladder is estimated at 53,000 feet. Only up to 8,000 feet of main pipe and up to 5,000 feet of hose will be in use at any one time.

Upon completion of the drilling program, all materials and equipment used for water sourcing will be removed from the claim block.

Given the porous nature of the stratigraphy, it is anticipated that no water will be returned to the surface during the drilling process, and that all drilling water will be lost into the subsurface. In the event that some water is returned to the surface, the water will be directed away from the drilling location and allowed to naturally infiltrate.

Appropriate erosion control and Best Management Practices (BMPs) will be installed at each site to limit any potential erosional concerns. BMPs will include, but are not limited to, waddles, sediment fencing, sediment traps, etc.

All drilling will maintain a minimum 200 foot buffer around any seasonal or perennial watercourses.

Based on the proposed drilling program, the potential surface disturbances, and the BMPs (maintaining 200' buffer from surface water courses, only using water and non-hazardous bio-degradable drilling additives, etc.), no surface water or groundwater monitoring is proposed for this drilling program.

Water will be extracted at a maximum rate of 10 gallons per minute
Expected average daily water use is estimated at 3,000 gallons per day
Total water extraction for the drilling program is estimated at 100,000 gallons

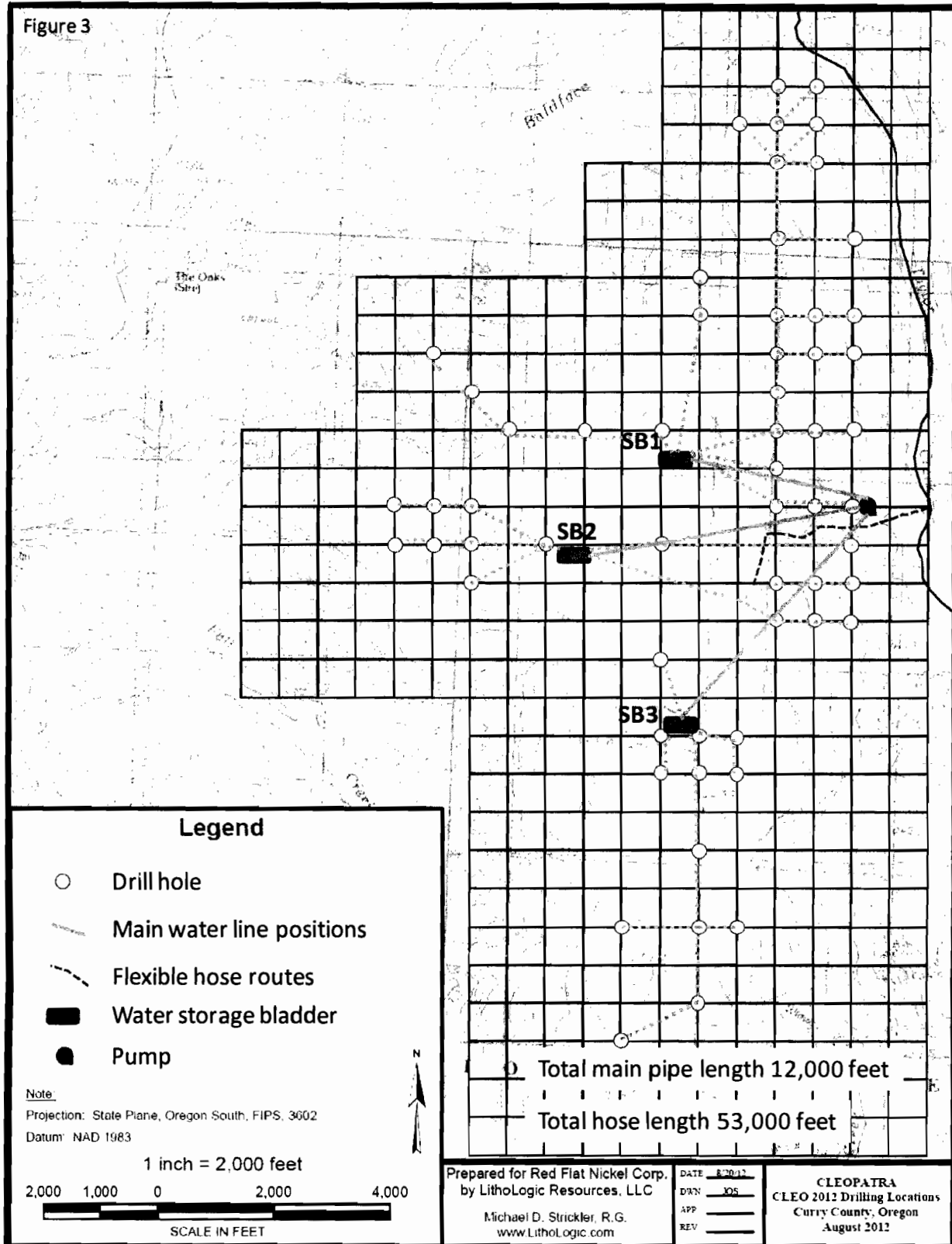
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Figure 3



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