TECHNICAL REPORT ON THE SHERRIDON VMS PROPERTY, NORTH CENTRAL MANITOBA, CANADA

NI 43-101 Report

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November 22, 2010

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1 SUMMARY

EXECUTIVE SUMMARY

INTRODUCTION

The purpose of this report is to update the Technical Report on the Sherridon VMS Property filed on SEDAR on September 15, 2008, as well as documenting independent Mineral Resource estimates for the Jungle, Bob, Cold and Lost deposits. This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects.

Halo is involved in the acquisition, exploration and development of mineral properties, and is currently focused on the exploration of its base metal properties located in northern Manitoba. This report deals with the Sherridon VMS Property belonging to Halo, which also includes the past-producing Sherridon copper-zinc mine, the Fidelity copper-zinc zone, the AKE copper-zinc zone and numerous other locations with known copper-zinc and gold mineralization.

CONCLUSIONS

Mineral resources for four deposits (Bob, Jungle, Cold and Lost) in the Sherridon VMS Property have been estimated. The total Indicated Mineral Resources is 6,552,800 tonnes with an average grade of 0.85% copper, 1.22% zinc, 0.37 g/t gold and 7.40 g/t silver. It is anticipated that upper portions of the mineralization (to depths of approximately 100 m) may be mined by open pit methods and the Indicated Mineral Resources have been categorized as Open Pit or Underground accordingly (Table 1-1).

In addition, there are 15,860,000 tonnes in the Inferred Mineral Resource category with an average grade of 0.68% copper, 0.84% zinc, 0.28 g/t gold and 5.77 g/t silver. The Inferred Mineral Resources are also categorized as to Open Pit or Underground.

Table 1-1 summarizes the Indicated and Inferred Mineral Resources indicating the potential mining method.

TABLE 1-1 MINERAL RESOURCES – SEPTEMBER 2010 Sherridon VMS Property - Halo Resources Ltd. All Resources									
INDICATED									
Mining Method	Tonnes	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)	Copper (Mllbs)	Zinc (Mllbs)	Gold (ozs)	Silver (ozs)
Open Pit	5,317,000	0.80	1.23	0.34	7.21	94	144	58,829	1,233,373
Underground	1,235,800	1.04	1.18	0.48	8.19	28	32	19,230	325,343
Total Indicated	6,552,800	0.85	1.22	0.37	7.40	122	176	78,059	1,558,716
INFERRED									
Open Pit	12,240,000	0.62	0.77	0.26	5.29	168	208	103,921	2,083,390
Underground	3,620,000	0.91	1.08	0.32	7.37	72	87	37,324	857,689
Total Inferred	15,860,000	0.68	0.84	0.28	5.77	240	294	141,245	2,941,079

Notes:

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
2. Mineral resources are estimated at a net smelter return (NSR) cut-off of US$20 per tonne and US$45 per tonne for open pit and underground respectively.
3. Metal prices used are US$3.00/lb copper, US$1.05/lb zinc, US$1,000/oz gold and US$15.00/oz silver.
4. Metallurgical recovery factors assumed were 92% for copper, 83% for zinc, 65% for gold and 57% for silver.
5. The Mineral Resources are reported at a cut-off grade to reflect reasonable prospects for economic extraction, which were evaluated by designing a series of conceptual pit shells using the Lerchs-Grossman optimizing algorithm.
6. Common values for operating costs and smelter terms were assumed.

A total of 32,903 m of drilling was completed between November 2006 and July 2010 in 159 drill holes. The majority of holes have been drilled in the vicinity of the Bob, Cold, Lost and Jungle deposits. The remaining drill holes were used to primarily explore regional exploration targets.

The Bob deposit has been drilled at approximately 50 metre spacings for 1,000 m down plunge, starting at surface, and the deposit is open at depth. Some of the better intersections, such as 1.1% Cu over 33 m, have been reported at deeper locations. Based on interpretation of historic and recent drill holes, it appears that a second parallel lens may also project to surface and is proposed as a significant drill target.

HudBay is the operator of the Cold-Lost Option property (1.1 sq. km.) and completed 12 shallow drill holes at Lost Lake in October 2010 primarily to collect samples for metallurgical testing. Results of the metallurgical tests are expected in early 2011 and a preliminary economic evaluation is anticipated when the results are received. The area between the Cold and Lost deposits remains open and a bedrock chip sample, taken midway, returned a value of 5% zinc and makes the area a significant exploration target.

The Lost deposit was a new discovery by Halo in 2007 and was based on follow up of a VTEM (Versatile Time-Domain Electromagnetic survey) and airborne magnetic anomaly. Field mapping, with an emphasis on structural geology, VTEM airborne anomalies and surface geophysics have defined targets along the 6 km Cold-Lost Trend on ground held 100% by

Halo. The vicinity of the historic East-West Mine, that follows a parallel trend, is a significant factor in prioritizing the Cold-Lost trend for further drilling.

HudBay has exercised a back-in option at the Jungle deposit and is required to spend $2.025 million before March 2012. A sheet-like mineralized zone has been traced from surface to a depth of 450 m. A step-out hole drilled in February 2010, to test the extension of the mineralization at a depth of 650 m, did not intersect sulphides. A Bore-Hole Pulse EM (BHPEM) survey of the 2010 drill hole recognized a significant off-hole conductivity anomaly which is an important exploration target.

Exploration targets in the vicinity of the four known deposits are described above and several other areas remain as high priority drill targets (Figure 10-1), which include:

a) Mineralized zone in Target Area 5, especially off-hole anomalies from BHPEM;
b) Target Area 4 (the east extension of Target Area 5) with additional untested conductors;
c) Fidelity Zone (Target Area 3) to follow up on 2008 intersection of 2.4% copper over 2.4 m; and
d) Don Lake (Target Area 27).

Four years of detailed field work, lithogeochemical studies and structural analysis has generated a geological model that allows the airborne geophysical anomalies to be prioritized. The 2006 airborne geophysical survey identified 122 individual targets and 66-line km of conductors that require additional testing. The VTEM system reacts to conductive bodies to depths of 250 m thus generating a very large volume of material that would need to be drill tested.

A model has been developed that explains the association of the known deposits and occurrences along 'tracks'. It is proposed that the 'tracks' represent a favourable stratigraphy for the formation of VMS base metal deposits, which is an important focus for subsequent exploration programs.

Halo will evaluate options to advance the project to production, including construction of a concentrator to service the known four deposits and possible future discoveries. To increase the probability of a sustainable mine life, Halo assumes that an additional discovery of a near-surface 3 million tonne deposit (or better) with grades similar to Cold or Lost, would enhance project economics. Therefore, an aggressive exploration program is proposed to augment the known deposits and build on the geological model for the Sherridon VMS Property.

RECOMMENDATIONS

The Sherridon VMS Property holds potential for the discovery of additional VMS mineralization. Additional exploration work including diamond drilling is warranted. Halo recommends a multifaceted approach to integrate geophysics, geochemistry and mapping, as well as continuation of the diamond drill program.

A Phase 1 drill program of 3,500 m is recommended to follow up on regional target areas defined by the 2006 VTEM survey, field mapping, structural mapping and bedrock chip samples where available.

Assuming a concept of multiple separate deposits, supporting both surface and underground mining operations, supplying a central regional mill and operations centre, some economies of scale could be established in management, supervision, training, maintenance, warehousing and other cost centres. In line with this concept, additional engineering studies are also anticipated in Phase 1 to provide the basis for prefeasibility studies in Phase 2. Included are metallurgical test work, additional water and biota baseline sampling, cost analyses, geotechnical studies and the economic evaluation of various mining and milling scenarios.

Phase 1 would include the following components:

1) Exploration target assessment by diamond drilling (3,500 m) of areas such as Target Area 5, Bob Lake–East Lens and Fidelity;
2) Ongoing geoscience studies including structural analysis, as well as lithogeochemical interpretation, to determine the nature and attitude of the mineralized horizons which occur in complexly folded structures to evaluate district-wide targets;
3) Expanded bedrock chip sampling to evaluate VTEM anomalies within prospective structural 'tracks';
4) Engineering studies to define the basis for future prefeasibility studies.

The Phase 2 drilling program will consist of two components: one, a continuation of testing regional target areas and two, close-spaced drilling to improve confidence in the resources and provide material for additional metallurgical test work. The close-spaced drilling and prefeasibility studies are contingent on results of the engineering studies in Phase 1, but not the Phase 1 drilling results.

Phase 2 would include the following components:

1) Drilling at 30 to 50 m spacing to test the continuity of the massive sulphide discoveries (based on Phase 1 success) to a depth of 150 m below surface;
2) Exploration target assessment by diamond drilling of regional drill targets bedrock chip sampling program and field mapping;
3) Prefeasibility studies.

Cost estimates total $2,385,000 for Phase 1 activities and $4,995,000 for Phase 2 activities (Table 1-2). The estimated cost for both phases totals $7,380,000.

TABLE 1-2 PROPOSED EXPLORATION BUDGET	
Halo Resources Ltd. – Sherridon VMS Property	
Item	**Cost ($)**
PHASE 1	
1. Exploration Target Assessment	
3,500 m of diamond drilling	525,000
Bore Hole Pulse EM surveys	50,000
Assays and geochemistry	30,000
Drilling support (staff, travel, accommodations, supplies)	385,000
	990,000
2. Target Generation	
1,500 Bedrock chip samples to test VTEM conductors	195,000
Supervision, data interpretation and reporting	150,000
Ground geophysical surveys	200,000
	545,000
3. Project Management	
Engineering studies (geotechnical, metallurgical, economics)	310,000
Preliminary economic analysis	190,000
	500,000
4. Community Engagement and Environmental Permitting	**350,000**
Total for Phase 1	**2,385,000**

PHASE 2	
1. Resource Assessment	
7,500 m of diamond drilling	1,125,000
Bore Hole Pulse EM surveys	100,000
Assays and geochemistry	60,000
Drilling support (staff, travel, accommodations, supplies)	825,000
	2,110,000
2. Target Assessment	
3,500 m of diamond drilling	525,000
Bore Hole Pulse EM surveys	30,000
Assays and geochemistry	25,000
Drilling support (staff, travel, accommodations, supplies)	495,000
	1,075,000
3. Project Management	
Prefeasibility studies	660,000
Economic analysis	250,000
Supervision, data interpretation and reporting	250,000
	1,160,000
4. Community Engagement and Environmental Permitting	**650,000**
Total for Phase 2	**4,995,000**

TECHNICAL SUMMARY

PROPERTY DESCRIPTION, LOCATION AND LAND TENURE

The Sherridon VMS Property is located approximately 65 km northeast of the city of Flin Flon, Manitoba, near the Northern Affairs Community of Sherridon, Manitoba and the adjacent community of Cold. The property is in The Pas Mining Division of Manitoba, in NTS areas 63N/02 NW and 63N/03 NE, with a small portion of the claims extending into 63N/02SW and 63N/03SE. The main shaft of the past-producing Sherridon Mine is located at 55º08'22"N 101º06'25"W.

The Sherridon VMS Property includes 104 mineral claims that total 20,185 hectares. Through four option agreements, Halo has acquired a 100% interest in 28 other mining claims and one mineral lease in the Sherridon area bringing the total land package to approximately 20,671 hectares. The most significant of these agreements were those with Hudson Bay Exploration and Development Limited ("HBED") which allowed Halo to acquire 100% of the Jungle copper-zinc deposit. Halo acquired 15 FUD claims within the Sherridon area from HBED through a second agreement subject to a 2% NSR. An agreement with W.B. Dunlop NPL earned Halo 100% ownership of the Bob, Batty and Bess1 claims, subject to 3% NSR interests of which 1% can be bought back for $500,000 for each 0.5%. Dunlop also has a 2% NSR on Halo-6 and Halo-3 and 0.5% NSR on claims Halo-15 to Halo-21.

HBED has the option to back-in for a 51% interest in the Jungle mineral lease by paying 135% of the expenditures incurred by Halo, or $2,025,000. If HBED does not complete the expenditures within two years (by March 2010), it will hold a 2% NSR interest.

On December 22, 2009, the Company concluded the signing of an option agreement (the "Agreement") with Hudson Bay Mining and Smelting Co., Limited ("HudBay"), a subsidiary of HudBay Minerals Inc. (TSX: HBM). The agreement allows HudBay to earn up to a 67.5% joint venture interest in a 1.1 sq. km. area that hosts the Cold and Lost mineralization for a total of $6.3 million in cash and expenditures.

The Quarter Moon Lake claims (i.e., Elm 7, Elm 8, Elm 9, Elm 10 and Elm 12) were optioned by Halo from Endowment Lakes (2002) Limited Partnership ("EL") in an agreement dated February 9, 2005. These claims, and five others, were purchased as of December 3, 2006 and EL retains a 1% NSR interest, of which a 0.5% NSR can be purchased at any time for $500,000.

The Halo, East and Meat claims were staked by and are held 100% by Halo. Continued ownership of these claims by Halo is subject to meeting work commitments set forth by the Mines and Minerals Act of Manitoba and its accompanying Regulations.

The Crown owns surface rights for the areas covered by all of the claims except for the claims within the Sherridon Community Boundary, namely Halo-15, -16, -17, -18, -19, -20 and -21. Within subdivisions of the Sherridon Community Boundary, surface rights are held by a variety of parties, including private individuals, commercial enterprises and the community council; some lots are under the jurisdiction of the Crown Lands Branch. Zoning, development and other matters are covered in the Sherridon Community Council Land Use Policy, which was implemented by Manitoba Northern Affairs (1991). The Kississing Lake Management strategy, implemented in 1986 and formally supported in the Sherridon Community Council Land Use Policy, was developed to protect water quality of Kississing Lake and its surrounding environs in order to encourage and maintain the tourist recreational industry. The mineral claims have not been legally surveyed.

On December 11, 2008, Halo was issued a 10 year Quarry Lease (QL-1957) located on claims Halo-11, -13 and -14 in the immediate vicinity of the Cold deposit.

Capped or fenced shafts and mine openings, a tailings area and other relicts of the mining operation that ceased in 1952 are present in and around the community of Sherridon. Halo is in receipt of a letter of indemnification from the Manitoba Director of Mines that "confirms that Halo, or its potential development partners, will not be held liable or responsible for any environmental contamination or degradation of or alteration to the natural environment which presently exists or can be shown to exist or to have occurred" prior to Halo's ownership of the claims.

Claims Halo-7 to -17, -20 and -21 and East-1 and -2, or parts of these claims, lie within a Sanitary Area designated by Manitoba's chief medical officer of health under the authority of the Sanitary Areas Regulation of the Public Health Act. Sanitary Areas are designed to ensure water quality in a community. If a proponent plans to conduct an activity within a Sanitary Area that may impact on water quality by either depositing material into the water or establishing a camp or buildings for commercial purposes (including mining), then the proponent must obtain written permission from the Minister of Health or the chief medical officer of health.

Six claims (Halo-15, -16, -17, -18, -19, -20 and -21) lie within the Sherridon Community Boundary. Of these claims, Halo-18, -19 and -21 include areas designated as Sherridon Subdivisions. Written consent was granted prior to staking by the Minister of Mines to stake and apply for mining claims within the subdivisions of Sherridon and Cold. This written consent, as well as support for mining exploration and development within the community, was expressed in a letter from Sherridon Community Council to the Director of Mines.

Year-round access to Sherridon (population ~115) is by a gravel road that extends 78 km from Provincial Highway 10, from approximately 15 km north of the community of Cranberry Portage. Power lines, owned and operated by Manitoba Hydro, and a rail line, operated by Hudson Bay the Keewatin Railway Company, go through Sherridon.

HISTORY

Prospecting in the Sherridon area dates back to the early 1920s, not long after the Flin Flon copper-zinc deposit and other mineralization in the Flin Flon area was discovered. The Sherritt Gordon deposit was discovered and first staked by prospector Philip Sherlett in 1922. The

Sherritt Gordon Mine at Sherridon operated from 1931 to 1932 and 1937 to 1951 and a total of 166,093 tonnes copper, 135,108 tonnes zinc concentrate, 2,867 kg gold and 91,320 kg silver were extracted from 7,737,936 tonnes mined. Froese and Goetz (1981) reported that 7.7 million tonnes at 2.46% copper, 0.8% zinc, 0.4 g/t gold and 42 g/t silver were mined from the East and West Mines. These estimates are based on recovered metal and do not reflect the fact that the mill did not include a zinc recovery circuit until the late 1940s.

Historical mineral resources were known on the property prior to exploration by Halo for the Bob, Cold, Jungle and Park deposits.

A NI 43-101 compliant resource estimate for the Jungle deposit was disclosed by Halo in January 2008 and resource estimates for Bob, Cold and Lost were disclosed by Halo in a September 2008 report. All of the resource estimates are updated in the current report.

GEOLOGY AND MINERALIZATION

The Sherridon VMS Property is in the south flank of the Kisseynew gneiss belt, a metasedimentary terrane that is part of the Paleoproterozoic Trans-Hudson Orogen (Hoffman, 1990). The Trans-Hudson Orogen consists of several Proterozoic belts of metavolcanic, metasedimentary and intrusive rocks that occupy the area between the Archaean Hearne Province to the northwest and the Archaean Superior Province to the southeast (ibid.). The Kisseynew gneiss belt represents a sedimentary basin flanked to the north and south by magmatic arc terranes, notably the Flin Flon–Snow Lake metavolcanic belt to the south and the Lynn Lake–La Ronge metavolcanic belt to the north. The central part of the Kisseynew basin is dominated by Burntwood suite migmatized greywacke (~1.86-1.84 Ga). The north and south flanks of the Kisseynew domain consist of structurally interlayered gneisses that include rocks directly related to the flanking arc terranes (Zwanzig et al., 1995). The boundary between gneisses of the south flank of the Kisseynew belt, which includes Sherridon area, and the Flin Flon–Snow Lake belt is transitional (see discussions and early work summarized in, for example, Bailes, 1971; Froese and Goetz, 1981; Zwanzig, 1990; Zwanzig and Schledewitz, 1992; Zwanzig et al., 1995; Zwanzig, 1999).

The adjoining Flin Flon–Snow Lake belt consists of a tectonic collage of volcanic, volcaniclastic and related intrusive rocks of the Amisk Group, an unconformably overlying Missi Suite of mainly clastic and subordinate volcanic rocks and plutons of various ages. Gneisses have been thrust faulted over volcanic rocks along the south flank of the Kisseynew at the Kisseynew–Flin Flon belt margin (Zwanzig and Schledewitz, 1992).

Within the Sherridon Complex, upper amphibolite facies metamorphism resulted in extensive destruction of primary structures and extensive granitization in the Kisseynew gneisses (Bateman, 1945; Bailes, 1971; Froese and Goetz, 1981). Five deformational stages have complexly deformed the Kisseynew belt into refolded recumbent-fold packages (Froese and Goetz, 1981; Zwanzig, 1990; Zwanzig et al., 1995; Zwanzig, 1999). Interfering fold events yielded the notable hook shapes that characterize the map view of rocks in the Sherridon area and in the Meat Lake area (Froese and Goetz, 1981). Rocks in the Sherridon region have experienced notable attenuation parallel to compositional layering.

The Sherridon deposits and occurrences are volcanogenic massive sulphides and rock geochemistry demonstrates that Sherridon-Meat Lake assemblages are very similar to rhyolite, dacite and basalt in the lower-grade parts of the Flin Flon Domain. The plunge of known ore bodies conforms largely to the pattern of stretching lineations around structures interpreted to be sheath folds.

The tectonic environment of the Sherridon deposits is a juvenile oceanic arc with bimodal volcanism followed by non-arc (extensional) mafic intrusion. Zwanzig (2010) states that "The abundant alteration and abundant deposits are probably the result, not only of the previous felsic stratigraphy, but of the presence of subvolcanic intrusions and generally high heat flow associated with juvenile extensional arcs in Precambrian terranes."

DRILLING

A total of 32,903 m of drilling was completed between November 2006 and July 2010 in 159 drill holes. The majority of holes have been drilled in the vicinity of the Bob, Cold, Lost and Jungle deposits. The remaining drill holes were used to explore regional exploration targets and holes numbered up to DH08-129 are described in previous NI43-101 compliant technical reports (Giroux et al, 2008 and MacConnell and Healy, 2008).

An additional 30 holes were completed up to July 2010, the majority of which were at the Cold and Lost deposits. Eight holes were drilled at early stage targets areas in early 2010.

Drilling was done by Rodren Drilling, Winnipeg, Manitoba (2006-2008) and Core Pro Drilling, Tisdale, Saskatchewan (2009-2010). Drill hole collars were located with reference to both a cut grid and UTM coordinates. NQ core was recovered using thin wall NQ drill bits with a stabilized core barrel. Downhole surveys were done using FlexIt technology.

Drill core was logged in detail in the field, with lithologic, structural, mineralogical and alteration characteristics reported on standardized logging sheets. Core axis angle measurements were made at all lithologic contacts.

The shallow-plunging, strongly mineralized part of the Bob Deposit currently remains open down plunge at depth. The possibility of a second parallel lens (north of drill hole collar DH08-096) is a new target. The feature is evident from mineralized intersections, primarily from 1940s drilling, and is assumed to have a similar plunge to the Bob massive sulphide lens that has been traced for 1,000 m down plunge from surface.

At Jungle, one 750 m drill hole was completed to test the down plunge extent of the mineralized zone at a depth from surface of 600 m. No significant sulphide mineralization was intersected. A down hole Pulse EM geophysical survey identified off-hole responses.

Both the Cold and Lost deposits remain open both along strike and at depth. HudBay is the operator for the projects and plans additional drilling and metallurgical testing.

SAMPLING, SAMPLE PREPARATION, ANALYSES AND DATA VERIFICATION

Drill core was placed in wooden core trays, logged, marked and sampled on the property. Remaining drill core is stored on the property. Diamond drill core to be analyzed was split in half, with one half retained as a permanent sample record and the other half sent for assay. The core was split in half using a diamond core saw in the core handling facility. Field geologists were responsible for sample selection, splitting, bagging and recording. Rock and drill core samples were transported from the field camp by the field crew to Sherridon and further by bus to TSL Laboratories, Saskatoon, Saskatchewan through to 2008 and to ALS-Chemex Laboratories, Thunder Bay, Ontario up to the present. Samples were shipped from ALS-Chemex, Thunder Bay to Vancouver for chemical analysis. Both TSL and ALS-Chemex Laboratories are ISO17025-accredited facilities.

All drill core sections with visible sulphide mineralization were sampled continuously. Individual samples were collected in variable lengths, with individual sample intervals chosen to correspond to similar quantities of sulphide minerals or other lithologic inhomogeneity. Drill core recovery was typically very high, up to 100%. There were no drilling, sampling, or recovery factors that could have materially impacted on the accuracy and reliability of the results.

The core was crushed and a 300 g split was pulverized. Base metals were determined by Atomic Absorption Spectroscopy (AAS) or Inductively Coupled Plasma (ICP) after an aqua regia digestion and gold was determined by standard fire assay with an AAS or ICP finish on a 30 g charge. Analysis for samples that reported greater than 5,000 ppm Cu or Zn was repeated using a four acid digestion and AAS determination.

A quality control program consisting of blanks and certified reference materials has been implemented to monitor laboratory performance and no significant discrepancies are reported.

In the author's opinions, the sampling methods, sample preparation procedures, security procedures and analytical techniques employed are all standard techniques within Canada's mineral exploration industry and are considered adequate and acceptable.

A series of checks were completed on the drill hole database by Scott Wilson RPA up to April 2008 that included 69 drill holes. Systematic checks of the assay data were completed in 40 of the 69 drill holes. Scott Wilson commented that the database was considered highly accurate at the time. The database, updated to September 2010 was used for the current resource evaluation after a series of checks for inconsistencies in the drill logs, sample tag books and assay certificates. The authors consider the database to be accurate and adequate.

In 2008, to verify assay intervals, four holes were drilled immediately adjacent to intersections at the Bob deposit previously reported by Sherritt Gordon Mines Limited ("Sherritt Gordon"). The four new holes represent a duplication of 19% of the original drill holes intersecting the strongly mineralized trend at Bob. The results of the new holes show satisfactory agreement with the four original holes in terms of the number of intersections per drill hole, the length of the intersections in each hole and the grades of the intersections. Based on the good agreement of the twinned drill holes, it was confirmed that the remainder of the Sherritt Gordon drilling can be used in the resource estimate.

Historical drilling records at the Cold and Jungle deposits, most of which were generated by Hudson Bay Exploration and Development, have also been incorporated in the current database used for the resource estimate. The assay tenor and deposit geometry based on the historical holes has been confirmed by Halo drilling.

MINERAL RESOURCE ESTIMATES

G. H. Giroux, P.Eng., MASc of Giroux Consultants Ltd. has prepared a Mineral Resource estimate of the Bob, Cold, Lost and Jungle deposits using digital drill hole data provided by Halo. Semi variogram parameters were determined and block models were interpolated using the ordinary kriging method. Mineral Resources for copper, zinc, gold and silver were estimated (Tables 1-3 and 1-4).

Using long term metal prices, the in situ copper, zinc, gold and silver values in each block of the block model were converted to US$ amounts. These cash values were then converted to a NSR using reasonable mill recoveries and charges for concentrate transportation, smelting and refining. A range of NSR cut-off values were selected and applied to the block models to produce the Mineral Resource estimates.

Giroux classified the Mineral Resources in the block model into Indicated and Inferred categories based on kriging pass and apparent geological and grade continuity of the mineralized zones. The deposits were split into upper and lower parts, because two different mining methods are likely to be used if the deposit is exploited. Open pit mining is postulated for the near-surface portion of the deposits and underground mining methods would be used beneath the open pit tonnages. Indicated Resources were estimated in the first two search passes using one quarter and one half of the variogram range. This represents a drill spacing of approximately 50 m to 60 m. Inferred Mineral Resources exist where larger searches were required.

There are no Mineral Reserves estimated at Bob, Jungle, Cold or Lost at this time.

TABLE 1-3 MINERAL RESOURCES – SEPTEMBER 2010 Sherridon VMS Property - Halo Resources Ltd. All Resources									
INDICATED									
Mining Method	**Tonnes**	**Copper (%)**	**Zinc (%)**	**Gold (g/t)**	**Silver (g/t)**	**Copper (Mllbs)**	**Zinc (Mllbs)**	**Gold (ozs)**	**Silver (ozs)**
Open Pit	5,317,000	0.80	1.23	0.34	7.21	94	144	58,829	1,233,373
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2. Mineral resources are estimated at a net smelter return (NSR) cut-off of US$20 per tonne and US$45 per tonne for open pit and underground respectively.
3. Metal prices used are US$3.00/lb copper, US$1.05/lb zinc, US$1,000/oz gold and US$15.00/oz silver.
4. Metallurgical recovery factors assumed were 92% for copper, 83% for zinc, 65% for gold and 57% for silver.
5. The Mineral Resources are reported at a cut-off grade to reflect reasonable prospects for economic extraction, which were evaluated by designing a series of conceptual pit shells using the Lerchs-Grossman optimizing algorithm.
6. Common values for operating costs and smelter terms were assumed.

TABLE 1-4 MINERAL RESOURCES – SEPTEMBER 2010 Sherridon VMS Property - Halo Resources Ltd. Cold, Lost, Bob and Jungle Deposits													
Deposit	**Elevation**	**Mining Method**	**NSR Cut-off (US$)**	**Tonnes**	**Cu (%)**	**Zn (%)**	**Au (g/t)**	**Ag (g/t)**	**NSR (US$)**	**Cu (Mllbs)**	**Zn (Mllbs)**	**Au (ozs)**	**Ag (ozs)**
INDICATED													
COLD	Above 200	O.P.	20.00	942,000	0.87	1.43	0.51	11.64	67.01	18.03	29.76	15,294	352,468
	Below 200	U.G	45.00	81,000	0.90	1.88	0.33	10.05	69.57	1.61	3.36	867	26,172
LOST	Above 230	O.P.	20.00	865,000	0.83	2.99	0.48	9.49	81.53	15.81	57.01	13,432	263,837
	Below 230	U.G	45.00	4,800	0.44	2.51	0.43	5.99	57.07	0.05	0.27	67	924
BOB	Above 170	O.P.	20.00	2,220,000	0.70	0.72	0.23	4.94	44.73	34.46	35.00	16,416	352,876
	Below 170	U.G	45.00	290,000	1.05	1.03	0.27	7.23	64.97	6.73	6.59	2,536	67,373
JUNGLE	Above 200	O.P.	20.00	1,290,000	0.90	0.77	0.33	6.37	56.34	25.60	21.90	13,687	264,192
	Below 200	U.G	45.00	860,000	1.06	1.16	0.57	8.35	72.69	20.10	22.00	15,760	230,874
INFERRED													
COLD	Above 200	O.P.	20.00	1,280,000	0.48	1.19	0.25	7.06	40.85	13.43	33.50	10,288	290,581
	Below 200	U.G	45.00	340,000	0.74	1.54	0.33	9.11	58.47	5.55	11.52	3,618	99,540
LOST	Above 230	O.P.	20.00	1,420,000	0.67	1.86	0.50	7.95	62.11	21.10	58.27	22,690	363,086
	Below 230	U.G	45.00	340,000	0.63	2.38	0.54	8.73	66.88	4.71	17.86	5,892	95,375
BOB	Above 170	O.P.	20.00	7,600,000	0.62	0.49	0.20	4.41	37.96	104.40	81.61	49,113	1,077,319
	Below 170	U.G	45.00	1,130,000	1.02	0.82	0.24	7.38	60.39	25.29	20.51	8,610	268,227
JUNGLE	Above 200	O.P.	20.00	1,940,000	0.67	0.80	0.35	5.65	46.86	28.66	34.22	21,830	352,404
	Below 200	U.G	45.00	1,810,000	0.92	0.92	0.33	6.78	58.99	36.72	36.72	19,204	394,547

EXPLORATION RESULTS

In 2006, Geotech Ltd. carried out a helicopter-borne magnetic and VTEM (time-domain electromagnetic) survey covering over 2,684 line km at a 100 metre line spacing. A total of 122 geophysical targets over 66 line km were recognized using Condor Consulting Inc.'s Conductivity Depth Imaging and Layered Earth Inversion modelling techniques.

In addition, Halo completed compilation of government assessment data and historical HBED data, reconnaissance geological mapping and retrieval of historical drill hole data that included the Bob, Jungle and Cold deposits.

The majority of the effort in 2007 was directed at diamond drilling with 18,508 m of core retrieved. A surface exploration effort was focused on exploring 18 exploration target areas that were selected on the basis of known mineral occurrences, VTEM anomalies, location relative to the recognized mineralized horizon, presence of VMS-style alteration (i.e., cordierite-anthophyllite), proximity to fold hinges and other key geological features. Initial field mapping was completed on these areas of one to four square km and recommendations made for further work as required.

During January to April 2008, Halo employed a self-propelled geochemical sampling drill rig (Geomachine GM100) to collect basal till and bedrock chip samples. A total of 604 samples were taken on three main target areas and two smaller lake sampling programs. Copper, zinc and alteration indices, developed in-house, were used to identify targets principally in the areas along strike between Cold and Lost, as well as additional target areas in the eastern part of the Sherridon Structure.

Field work between 2007 and 2010, in association with Douglas Tinkham, Laurentian University, focused on the Fidelity area with mineralogical and petrographic studies applicable throughout the Sherridon Structure.

Field work in 2009 and 2010 focused on constraints to the structural model and developing further drill targets.

Ground geophysical surveys conducted by Halo have included:

- down hole pulse EM surveys of approximately 50% of all drill holes,
- a trial survey of deep-penetrating SQUID technology,
- VLF and TDEM at the south end of Sherlett Lake, and
- TDEM over a limited survey grid at Don Lake.

These surveys identified conductive targets, many of which have not been tested.

2 INTRODUCTION AND TERMS OF REFERENCE

The purpose of this report is to update the Technical Report on the Sherridon VMS Property filed on SEDAR on September 15, 2008, as well as documenting revised Mineral Resource estimates for the Jungle, Bob, Cold and Lost deposits. This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects.

Halo is involved in the acquisition, exploration and development of mineral properties and is currently focused on the exploration of its base metal properties located in northern Manitoba (Figure 2-1). This report deals with the Sherridon VMS Property belonging to Halo which also includes the past-producing Sherridon copper-zinc mine, the Jungle copper-zinc deposit, the Cold copper-zinc deposit, the Lost deposit, the Fidelity copper-zinc zone, the Bob copper-zinc deposit, the AKE copper-zinc zone and numerous other locations with known copper-zinc and gold mineralization (Figure 2-2).

FIGURE 2-1 LOCATION MAP

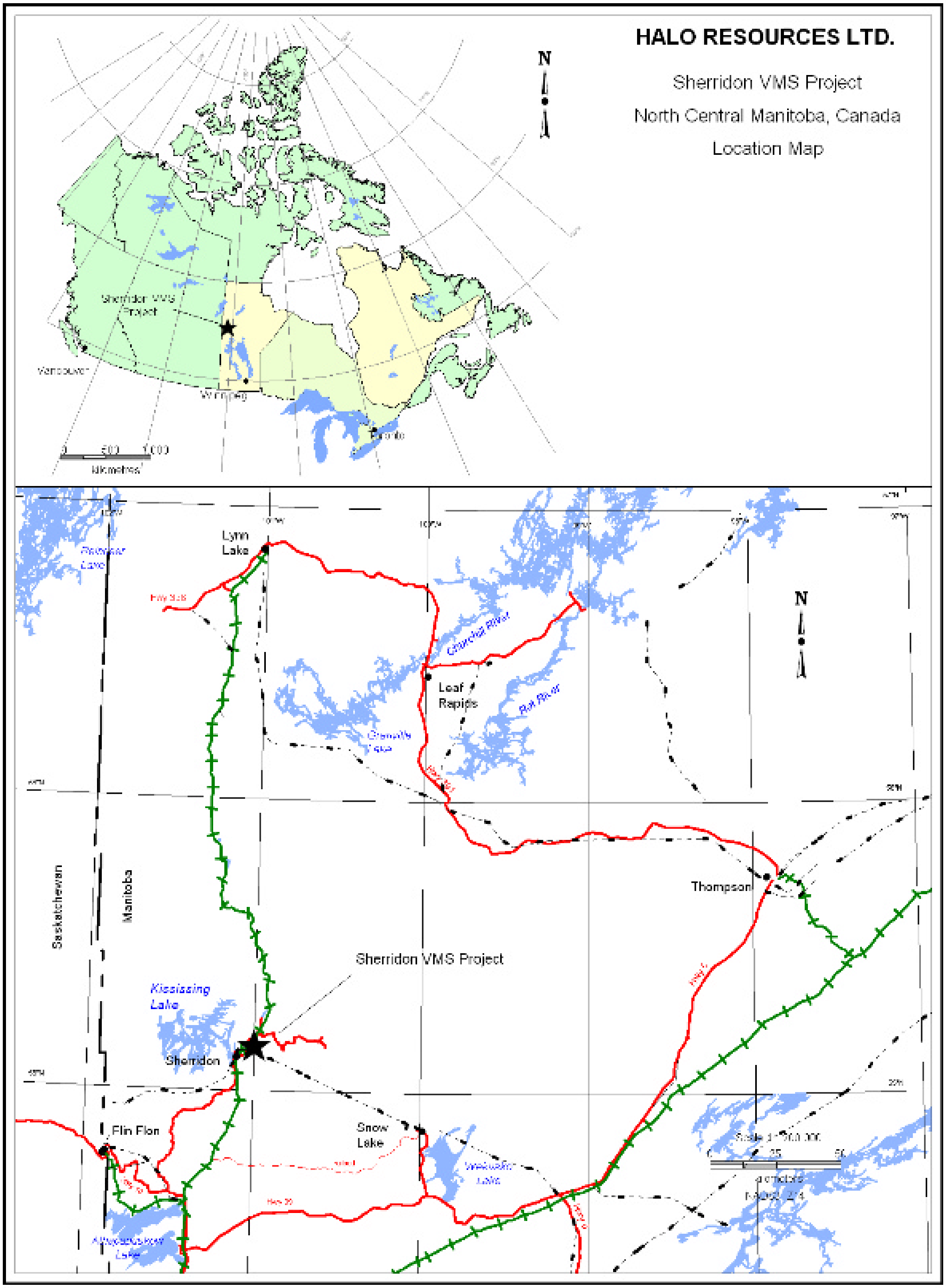
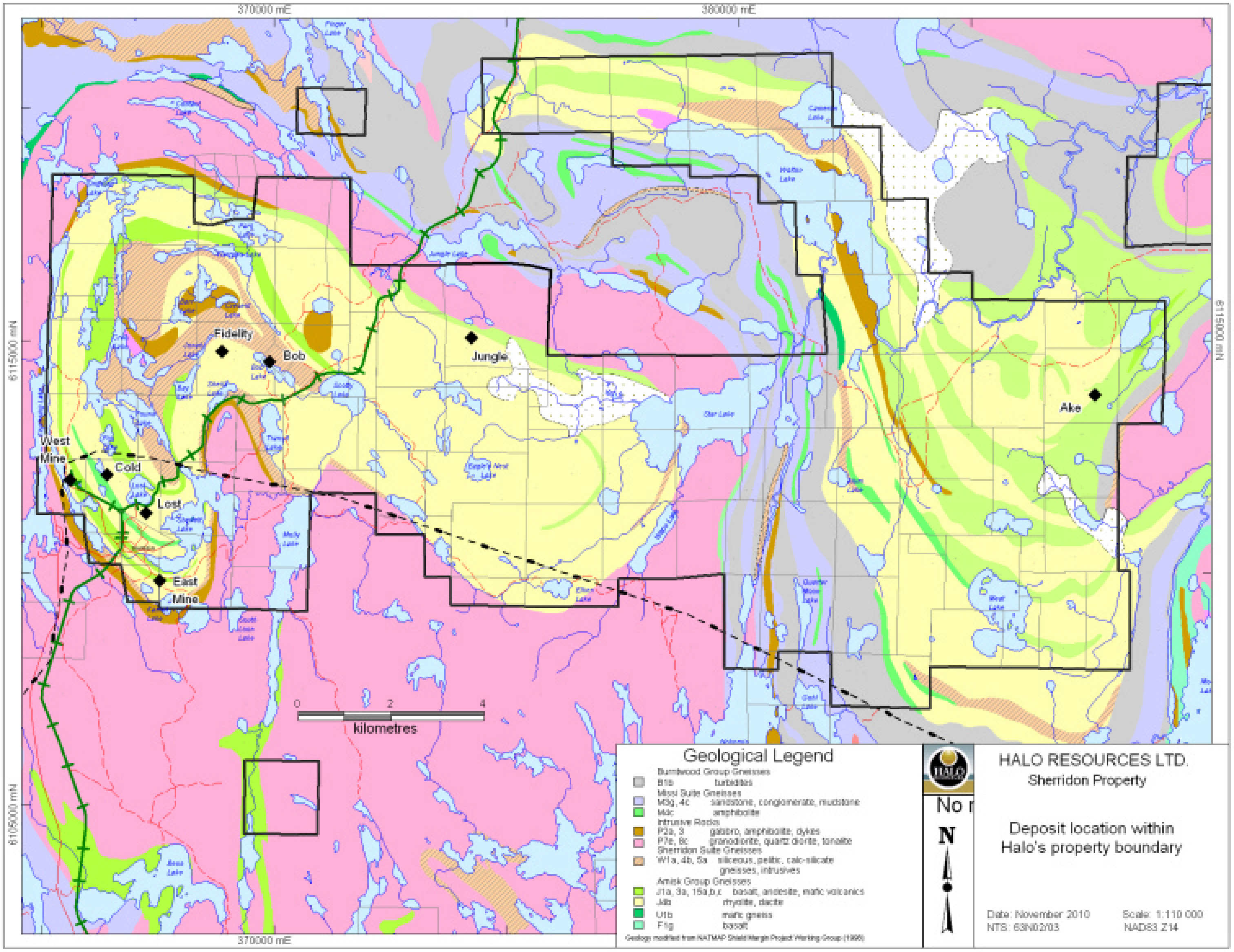


FIGURE 2-2 DEPOSIT LOCATIONS



LIST OF ABBREVIATIONS

Units of measurement used in this report conform to the SI (metric) system. All currency in this report is Canadian dollars (C$) unless otherwise noted.

μ	micron	kPa	kilopascal
°C	degree Celsius	kVA	kilovolt-amperes
°F	degree Fahrenheit	kW	kilowatt
μg	microgram	kWh	kilowatt-hour
A	ampere	L	litre
a	annum	L/s	litres per second
bbl	barrels	m	metre
Btu	British thermal units	M	mega (million)
C$	Canadian dollars	m^2	square metre
cal	calorie	m^3	cubic metre
cfm	cubic feet per minute	min	minute
cm	centimetre	MASL	metres above sea level
cm^2	square centimetre	mm	millimetre
d	day	mph	miles per hour
dia.	diameter	MVA	megavolt-amperes
dmt	dry metric tonne	MW	megawatt
dwt	dead-weight ton	MWh	megawatt-hour
ft	foot	m^3/h	cubic metres per hour
ft/s	foot per second	NSR	Net Smelter Return
ft^2	square foot	opt, oz/st	ounce per short ton
ft^3	cubic foot	oz	Troy ounce (31.1035g)
g	gram	oz/dmt	ounce per dry metric tonne
G	giga (billion)	ppm	part per million
Gal	Imperial gallon	psia	pound per square inch absolute
g/L	gram per litre	psig	pound per square inch gauge
g/t	gram per tonne	RL	relative elevation
gpm	Imperial gallons per minute	s	second
gr/ft^3	grain per cubic foot	st	short ton
gr/m^3	grain per cubic metre	stpa	short ton per year
hr	hour	stpd	short ton per day
ha	hectare	t	metric tonne
hp	horsepower	tpa	metric tonne per year
in	inch	tpd	metric tonne per day
in^2	square inch	US$	United States dollar
J	joule	USg	United States gallon
k	kilo (thousand)	USgpm	US gallon per minute
kcal	kilocalorie	V	volt
kg	kilogram	W	watt
km	kilometre	wmt	wet metric tonne
km/h	kilometre per hour	yd^3	cubic yard
km^2	square kilometre	yr	year

3 RELIANCE ON OTHER EXPERTS

This report has been prepared by Halo Resources Inc.’s management, Lynda Bloom (P.Geo.) and Tom Healy (P.Eng) and independent consultant, Gary Giroux solely with regards to the calculation of mineral resources in Item 17.

The information, conclusions, opinions and estimates contained herein are based on:

- Information available to Lynda Bloom and Tom Healy at the time of preparation of this report,
- Assumptions, conditions and qualifications as set forth in this report, and
- Data, reports and other information supplied by third party sources.

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 Sherridon VMS Property includes 104 mineral claims that total 20,185 hectares (Figure 4-1, Table 4-1). Through four option agreements, Halo has acquired a 100% interest in 30 other mining claims and one mineral lease in the Sherridon area bringing the total land package to approximately 20,671 hectares. The most significant of these agreements were those with HBED which allowed Halo to acquire 100% of the Jungle copper-zinc deposit. Halo acquired 15 FUD claims within the Sherridon area from HBED through a second agreement subject to a 2% NSR interest. An agreement with W.B. Dunlop NPL earned Halo 100% ownership of the Bob, Batty and Bess1 claims, subject to NSR interests of ½ to 1%.

The Quarter Moon Lake claims (i.e., Elm 7, Elm 8, Elm 9, Elm 10 and Elm 12) were optioned by Halo from Endowment Lakes (2002) Limited Partnership ("EL") in an agreement dated February 9, 2005. These claims, and five others, were purchased as of December 3, 2006 and EL retains a 1% NSR interest, of which a 0.5% NSR can be purchased at any time for $500,000.

The Halo, East and Meat claims were staked and are held 100% by Halo. Continued ownership of these claims by Halo is subject to meeting work commitments set forth by the Mines and Minerals Act of Manitoba and its accompanying Regulations.

The Sherridon VMS Property is in The Pas Mining Division of Manitoba, in NTS areas 63N/02 NW and 63N/03 NE, with a small portion of the claims extending into 63N/02SW and 63N/03SE. The main shaft of the past-producing Sherridon Mine is located at 55º08'22"N 101º06'25"W. The centre of the Meat Lake claims is located at about 55º08'N 100º48'W (Figure 4-1).

On March 19, 2006, Halo and HBED entered into three option agreements (the "HBED Options"), whereby Halo was granted options to acquire 100% interest in 30 unproven mineral claims (the FUD claims) and one mining lease covering approximately 3,226 hectares located in the Sherridon area, north-central Manitoba. An option agreement for the Park property was terminated in 2010.

In March 2010, Halo earned a 100% interest in the FUD mineral claims and the Jungle mining lease (038), having made $350,000 in payments and incurring expenditures totalling $2,300,000. HBED holds a 2% NSR interest in the FUD claims.

HBED has the option to back-in for a 51% interest in the Jungle mineral lease by paying 135% of the expenditures incurred by Halo, or $2,025,000. If HBED does not complete the expenditures within two years (by March 2010), it will hold a 2% NSR.

FIGURE 4-1 MINERAL CLAIMS OF THE SHERRIDON VMS PROPERTY

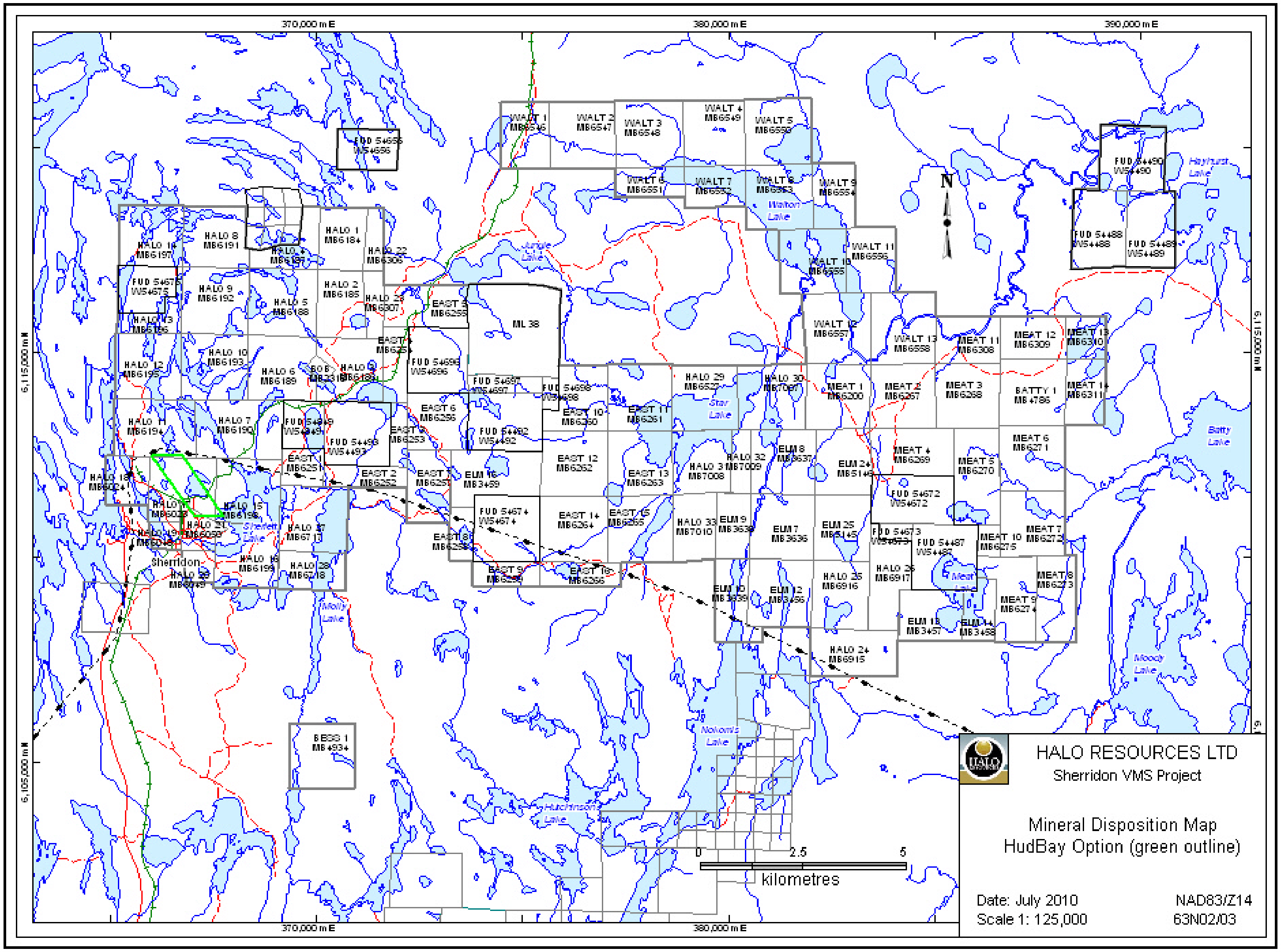


TABLE 4-1 MINERAL DISPOSITIONS OF THE SHERRIDON VMS PROPERTY

Number	Holder	Recorded	Expires	Area (ha)
MB6251	Halo Resources Ltd.	30/11/2005	29/01/2015	90
MB6260	Halo Resources Ltd.	30/11/2005	29/01/2015	212
MB6261	Halo Resources Ltd.	30/11/2005	29/01/2015	256
MB6262	Halo Resources Ltd.	30/11/2005	29/01/2015	256
MB6263	Halo Resources Ltd.	30/11/2005	29/01/2015	256
MB6264	Halo Resources Ltd.	30/11/2005	29/01/2015	256
MB6265	Halo Resources Ltd.	30/11/2005	29/01/2015	256
MB6266	Halo Resources Ltd.	30/11/2005	29/01/2015	120
MB6252	Halo Resources Ltd.	30/11/2005	29/01/2015	100
MB6253	Halo Resources Ltd.	30/11/2005	29/01/2015	64
MB6254	Halo Resources Ltd.	30/11/2005	29/01/2015	90
MB6255	Halo Resources Ltd.	30/11/2005	29/01/2015	190
MB6256	Halo Resources Ltd.	30/11/2005	29/01/2015	224
MB6257	Halo Resources Ltd.	30/11/2005	29/01/2015	216
MB6258	Halo Resources Ltd.	30/11/2005	29/01/2015	76
MB6259	Halo Resources Ltd.	30/11/2005	29/01/2015	96
MB3639	Halo Resources Ltd.	02/12/2003	13/04/2013	176
MB3456	Halo Resources Ltd.	02/12/2002	13/04/2013	256
MB3457	Halo Resources Ltd.	02/12/2002	13/04/2013	202
MB3458	Halo Resources Ltd.	02/12/2002	13/04/2013	112
MB3459	Halo Resources Ltd.	03/07/2002	05/06/2015	253
MB5146	Halo Resources Ltd.	30/12/2004	28/02/2014	215
MB5145	Halo Resources Ltd.	30/12/2004	28/02/2014	218
MB3636	Halo Resources Ltd.	07/08/2002	09/06/2014	256
MB3637	Halo Resources Ltd.	18/12/2002	16/02/2014	256
MB3638	Halo Resources Ltd.	18/12/2002	16/02/2013	128
MB6184	Halo Resources Ltd.	14/10/2005	13/12/2014	204
MB6193	Halo Resources Ltd.	14/10/2005	13/12/2014	256
MB6194	Halo Resources Ltd.	14/10/2005	13/12/2014	247
MB6195	Halo Resources Ltd.	14/10/2005	13/12/2014	256
MB6196	Halo Resources Ltd.	14/10/2005	13/12/2014	148
MB6197	Halo Resources Ltd.	14/10/2005	13/12/2014	256
MB6198	Halo Resources Ltd.	14/10/2005	13/12/2014	256
MB6199	Halo Resources Ltd.	14/10/2005	13/12/2014	250
MB6023	Halo Resources Ltd.	14/10/2005	13/12/2014	233
MB6024	Halo Resources Ltd.	14/10/2005	13/12/2014	96
MB6048	Halo Resources Ltd.	14/10/2005	13/12/2014	64
MB6185	Halo Resources Ltd.	14/10/2005	13/12/2014	198
MB6049	Halo Resources Ltd.	14/10/2005	13/12/2014	72

Number	Holder	Recorded	Expires	Area (ha)
MB6050	Halo Resources Ltd.	14/10/2005	13/12/2014	70
MB6306	Halo Resources Ltd.	03/10/2006	05/09/2014	75
MB6307	Halo Resources Ltd.	03/10/2006	05/09/2014	74
MB6915	Halo Resources Ltd.	25/09/2006	24/11/2013	244
MB6916	Halo Resources Ltd.	25/09/2006	24/11/2014	224
MB6917	Halo Resources Ltd.	25/09/2006	24/11/2013	197
MB6717	Halo Resources Ltd.	31/10/2006	30/12/2014	256
MB6718	Halo Resources Ltd.	31/10/2006	30/12/2014	144
MB6527	Halo Resources Ltd.	31/10/2006	30/12/2013	256
MB6186	Halo Resources Ltd.	14/10/2005	13/12/2014	236
MB7007	Halo Resources Ltd.	22/11/2006	21/01/2014	256
MB7008	Halo Resources Ltd.	22/11/2006	21/01/2013	210
MB7009	Halo Resources Ltd.	22/11/2006	21/01/2014	75
MB7010	Halo Resources Ltd.	22/11/2006	21/01/2013	172
MB6187	Halo Resources Ltd.	14/10/2005	13/12/2014	111
MB6188	Halo Resources Ltd.	14/10/2005	13/12/2014	256
MB6189	Halo Resources Ltd.	14/10/2005	13/12/2014	252
MB6190	Halo Resources Ltd.	14/10/2005	13/12/2014	247
MB6191	Halo Resources Ltd.	14/10/2005	13/12/2014	253
MB6192	Halo Resources Ltd.	14/10/2005	13/12/2014	256
MB6200	Halo Resources Ltd.	30/11/2005	29/01/2014	256
MB6275	Halo Resources Ltd.	30/11/2005	29/01/2013	40
MB6308	Halo Resources Ltd.	30/11/2005	29/01/2013	184
MB6309	Halo Resources Ltd.	30/11/2005	29/01/2014	160
MB6310	Halo Resources Ltd.	30/11/2005	29/01/2014	100
MB6311	Halo Resources Ltd.	30/11/2005	29/01/2014	160
MB6267	Halo Resources Ltd.	30/11/2005	29/01/2013	256
MB6268	Halo Resources Ltd.	30/11/2005	29/01/2013	256
MB6269	Halo Resources Ltd.	30/11/2005	29/01/2013	220
MB6270	Halo Resources Ltd.	30/11/2005	29/01/2013	253
MB6271	Halo Resources Ltd.	30/11/2005	29/01/2014	256
MB6272	Halo Resources Ltd.	30/11/2005	29/01/2014	256
MB6273	Halo Resources Ltd.	30/11/2005	29/01/2014	200
MB6274	Halo Resources Ltd.	30/11/2005	29/01/2014	218
MB6546	Halo Resources Ltd.	04/12/2006	06/11/2013	192
MB6555	Halo Resources Ltd.	04/12/2006	06/11/2013	256
MB6556	Halo Resources Ltd.	04/12/2006	06/11/2013	192
MB6557	Halo Resources Ltd.	04/12/2006	06/11/2013	256
MB6558	Halo Resources Ltd.	04/12/2006	06/11/2013	256
MB6547	Halo Resources Ltd.	04/12/2006	06/11/2013	256

Number	Holder	Recorded	Expires	Area (ha)
MB6548	Halo Resources Ltd.	04/12/2006	06/11/2013	256
MB6549	Halo Resources Ltd.	04/12/2006	06/11/2013	256
MB6550	Halo Resources Ltd.	04/12/2006	06/11/2013	192
MB6551	Halo Resources Ltd.	04/12/2006	06/11/2013	128
MB6552	Halo Resources Ltd.	04/12/2006	06/11/2013	160
MB6553	Halo Resources Ltd.	04/12/2006	06/11/2013	256
MB6554	Halo Resources Ltd.	04/12/2006	06/11/2013	160
FUD Claims Agreement				
W54487	Halo Resources Ltd.	12/04/1996	02/02/2013	256
W54488	Halo Resources Ltd.	12/04/1996	02/02/2011	241
W54489	Halo Resources Ltd.	12/04/1996	02/02/2011	216
W54490	Halo Resources Ltd.	12/04/1996	02/02/2011	256
W54492	Halo Resources Ltd.	13/11/1996	01/12/2014	252
W54493	Halo Resources Ltd.	13/11/1996	01/12/2014	256
W54656	Halo Resources Ltd.	12/04/1996	02/02/2014	150
W54672	Halo Resources Ltd.	01/02/1997	03/02/2013	240
W54673	Halo Resources Ltd.	01/02/1997	03/02/2013	32
W54674	Halo Resources Ltd.	01/02/1997	03/02/2015	256
W54675	Halo Resources Ltd.	01/02/1997	03/02/2014	141
W54696	Halo Resources Ltd.	02/05/1997	04/05/2015	256
W54697	Halo Resources Ltd.	02/05/1997	04/05/2015	83
W54698	Halo Resources Ltd.	02/05/1997	04/05/2015	33
W54849	Halo Resources Ltd.	18/03/1997	17/05/2013	120
Jungle Agreement				
ML38	Halo Resources Ltd.		04/01/2011	486
Dunlop Agreement				
MB4786	Halo Resources Ltd.	12/11/2003	02/09/2013	256
MB4934	Halo Resources Ltd.	26/01/2004	27/03/2011	256
MB2318	Halo Resources Ltd.	29/05/2000	28/07/2017	24
Total for All Claims (ha)				**20,671**

On December 22, 2009, the Company concluded the signing of an option agreement (the "Agreement") with Hudson Bay Mining and Smelting Co., Limited ("HudBay"), a subsidiary of HudBay Minerals Inc. The agreement allows HudBay to earn up to a 67.5% joint venture interest in a 1.1 sq. km. area of the 200 sq. km. Sherridon VMS Property in Manitoba that hosts the Cold and Lost mineralization.

In order to exercise the option to earn a 51% interest, HudBay must:

make aggregate cash payments to Halo of $800,000 as to:

- $250,000 on executing the Agreement;

- $150,000 - on or before December 22, 2010;
- $400,000 - on or before December 22, 2011; and

complete minimum expenditures of $1,350,000 as to:

- $350,000 - on or before December 22, 2010; and
- $1,000,000 - on or before December 22, 2011.

HudBay has the right to accelerate expenditures and option payments as well as the right to terminate the Agreement with 90 days written notice.

Upon earning a 51% interest, Halo and HudBay will form a joint venture, with HudBay as the operator. HudBay can increase its 51% joint venture interest to 60% by funding and completing a feasibility study within four years and paying $2 million in cash to Halo. HudBay can further increase its interest to 67.5% by paying $2.5 million to Halo prior to commencement of commercial production.

If a production decision is made, HudBay will finance Halo's proportionate share of the development costs and will be repaid from Halo's proportionate share of revenues. HudBay will purchase all ore produced by the joint venture on an arm's length basis.

Halo has the right to reacquire HudBay's interest by partially reimbursing HudBay's total expenditures, or granting to HudBay a 1% Net Smelter Return ("NSR") royalty, if the feasibility study and application for permitting are not completed by December 22, 2013.

The property is subject to a 0.5% of NSR to a maximum of $2.5 million from the production of minerals.

The Crown owns surface rights for the areas covered by all of the claims except for the claims within the Sherridon Community Boundary, namely Halo-15, -16, -17, -18, 19, -20 and -21. Within subdivisions of the Sherridon Community Boundary, surface rights are held by a variety of parties, including private individuals, commercial enterprises and the community council; some lots are under the jurisdiction of the Crown Lands Branch. Zoning, development and other matters are covered in the Sherridon Community Council Land Use Policy, which was implemented by Manitoba Northern Affairs (1991). The Kississing Lake Management strategy, implemented in 1986 and formally supported in the Sherridon Community Council Land Use Policy, was developed to protect water quality of Kississing Lake and its surrounding environs in order to encourage and maintain the tourist recreational industry.

On December 11, 2008, Halo was issued a 10 year Quarry Lease (QL-1957) located on claims Halo 11, 13 and 14 in the immediate vicinity of the Cold deposit.

The mineral claims have not been legally surveyed.

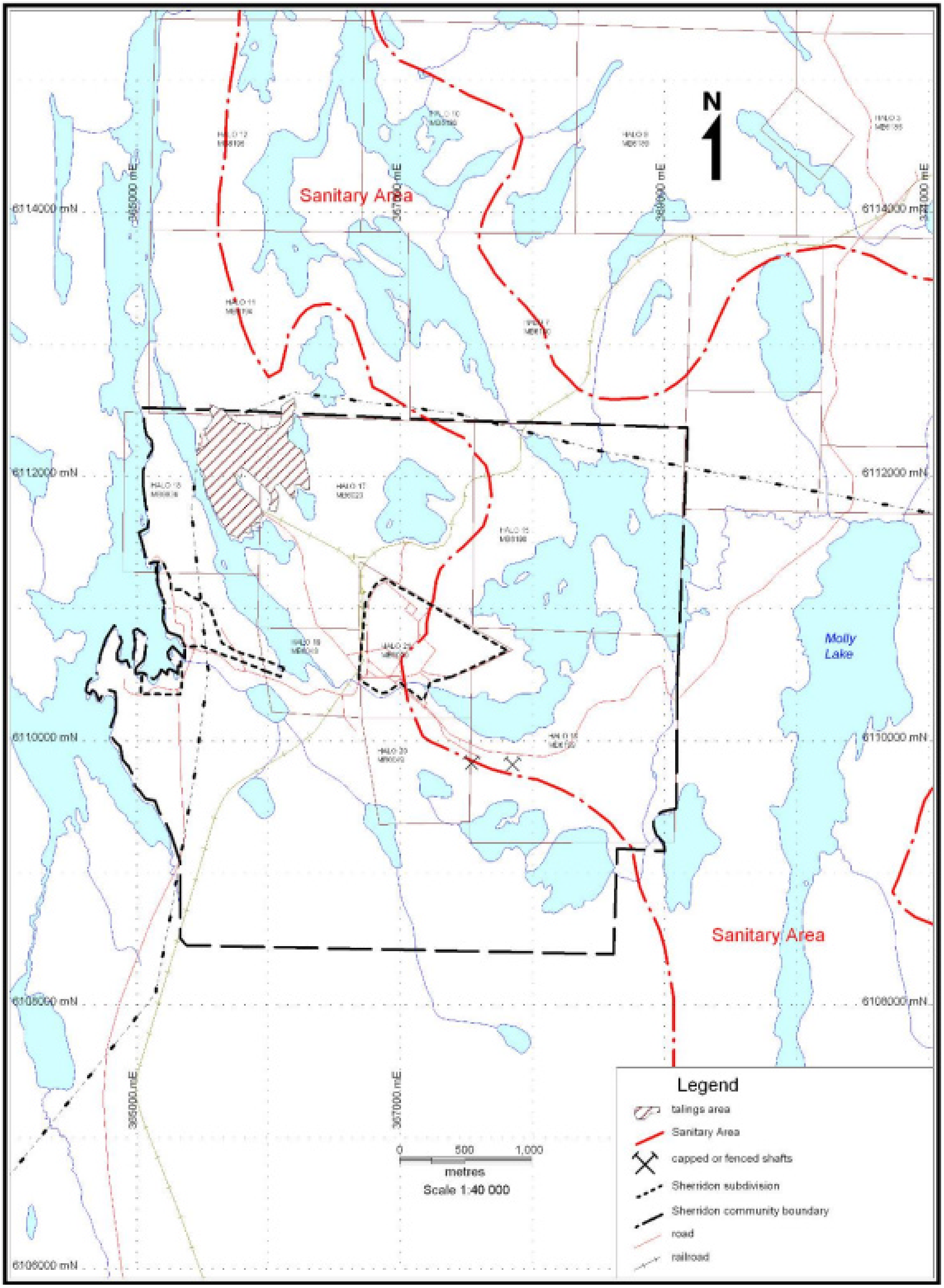
Capped or fenced shafts and mine openings, tailings area and other relicts of the mining operation that ceased in 1952 are present in and around the community of Sherridon (Figure 4-2). Halo is in receipt of a letter of indemnification from the Manitoba Director of Mines that “confirms that Halo, or its potential development partners, will not be held liable or responsible for any environmental contamination or degradation of or alteration to the natural environment which presently exists or can be shown to exist or to have occurred” prior to Halo’s ownership of the claims, under authority of clause 127(2) of The Mines and Minerals Act, which states “Where rehabilitation of land is required in respect of work performed on the land before April 1, 1992 under a mineral lease that expired or was surrendered or cancelled before that date, (a) the person who held the mineral lease is as liable for the rehabilitation as he or she would have been if this Act had not been enacted; and (b) notwithstanding clause (1)(b), where the land or any part of the land is staked and recorded under this Act on or after April 1, 1992, the holder of the claim or of a mineral lease issued in respect of the land or any part of the land is not, subject to clause (a), liable under this Act for the rehabilitation.” The same letter advises that Halo may use an existing report prepared in November 2004 by UMA Engineering Ltd. and Senes Consultants Ltd. as a baseline environmental impact study for the purposes of identifying the existing environmental conditions of the tailings area, but that Halo may need to update or upgrade the report with additional work if Halo plans work in the immediate area of the tailings. A Wardrop report addressing the environmental impact of Halo activities was prepared in April 2007 (McCulloch, 2007).

Exploration operations on the property are subject to the usual laws that regulate mineral exploration and development throughout the Province of Manitoba, including the Mines Act and its Regulations and the Environment Act. A work permit is required from Manitoba Conservation to undertake field work. The federal Department of Fisheries and Oceans recommends that proponents obtain a letter of advice where exploration work is planned in areas with fish habitat.

Claims Halo-7, -8, -9, -10, -11, -12, -13, -14, -15, -16, -17, -20 and -21 and East-1 and -2, or parts of these claims, lie within a Sanitary Area designated by Manitoba’s chief medical officer of health under the authority of the Sanitary Areas Regulation of the Public Health Act. Sanitary Areas are designed to ensure water quality in a community. If a proponent plans to conduct an activity within a Sanitary Area that may impact water quality by either depositing material into the water or establishing a camp or buildings for commercial purposes (including mining), then the proponent must obtain written permission from the Minister of Health or the chief medical officer of health.

Six claims (Halo-15, -16, -17, -18, -19, -20 and -21) lie within the Sherridon Community Boundary. Of these claims, Halo-18, -19 and -21 include areas designated as Sherridon Subdivisions. Written consent was granted prior to staking by the Minister of Mines to stake and apply for mining claims within the subdivisions of Sherridon and Cold. This written consent, as well as support for mining exploration and development within the community, was expressed in a letter from Sherridon Community Council to the Director of Mines.

FIGURE 4-2 LOCATION OF THE SHERRIDON COMMUNITYBOUNDARY INCLUDING SUBDIVISIONS, LOCATIONS OF FENCED OR CAPPED SHAFTS, TAILINGS AREA AND SANITARY AREA



5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Sherridon VMS Property is located approximately 65 km northeast of the city of Flin Flon, Manitoba near the Northern Affairs Community of Sherridon, Manitoba and the adjacent community of Cold (Figure 2-1). Year-round access to Sherridon (population ~115) is by a gravel road that extends 78 km from Provincial Highway 10, from approximately 15 km north of the community of Cranberry Portage. East of Sherridon, the claims can be accessed in the summer by float plane and parts by quad trails and boat. In the winter, these claims are accessible by snowmobile or ski-plane. Winter roads, logging roads and trails are available throughout the area.

The Sherridon area is typical of the Precambrian boreal forest in Manitoba. Relief is generally low, with rolling hills separated by lakes and swamps. Glacial overburden is relatively thin, generally less than 10 m. The claims that constitute the Sherridon VMS Property are located at approximately 300-340 m above mean sea level. Upland areas are forested by jackpine, poplar and white spruce; lowlands have abundant black spruce and tamarack. Flin Flon and The Pas are the nearest places for which climate data are maintained by Environment Canada; their data are similar and are averaged here to provide information about the Sherridon area: average daily temperatures range from about 18°C in July to -20.5°C in January. Annual rainfall totals about 330 mm; annual snowfall totals about 135 cm. For areas with road access, exploration may continue throughout the year. In more remote parts of the property, exploration may be carried on year-round with interruptions for freeze-up and spring thaw of the waterways.

Power lines, owned and operated by Manitoba Hydro, and a rail line, operated by Keewatin Railway Company, go through Sherridon. In addition to the Sherridon road, numerous active logging roads and trails transect the project area. Sufficient water for exploration, and potentially for mining operations is readily available in many lakes in the area. Flin Flon (population ~6,500), Cranberry Portage (population ~1,000) and The Pas (population ~5,800) all have well-developed road, rail and air transportation and businesses that service the mining, forestry, recreation and commercial fishing industries.

6 HISTORY

Data presented in this section are summarized mainly from the following sources:

1) Mineral Deposit Series Reports published by Manitoba Energy and Mines, namely Ostry and Trembath (1992) and Ostry et al. (1998);
2) Mineral Inventory Cards prepared and maintained by the Minerals Division of Manitoba Industry, Economic Development and Mines;
3) Assessment files that have been released from confidentiality after the time of Ostry's compilation; and
4) Other sources cited as appropriate. These represent the publicly available information about past exploration in the area.

Exploration by Sherritt Gordon Mines Limited on its mineral leases and claims during its time of activity in the Sherridon area (*i.e.*, mostly the 1930's to 1950's) was not subject to regulatory reporting to the Mines Branch.

Prospecting in the Sherridon area dates back to the early 1920's, not long after the Flin Flon copper-zinc deposit and other mineralization in the Flin Flon area was discovered. Many claims were held by various parties through the years with most of the exploration conducted by HBED or Sherritt Gordon.

Claims that were staked, but had no work filed for assessment, are not included in the exploration history of this report. In the last twenty years, claims of this nature were held by numerous parties including (but not limited to) Aur Resources Limited, Foran Mining Corporation, Esso Minerals Canada, Homestake Mining (Canada) Limited, Varna Gold Inc., Granges Exploration Limited, Noranda Exploration Company Limited and a number of prospectors.

The Sherritt Gordon deposit was discovered and first staked by prospector Philip Sherlett in 1922. Claims lapsed in 1924 and were restaked by other parties. Sherritt Gordon Mines Limited was formed in 1927 to explore, develop and mine the property (Brown, 1933). The Sherritt Gordon mine at Sherridon operated from 1931 to 1932 and 1937 to 1951 (Farley, 1949; Ostry and Trembath, 1998). Production took place from the West Lens from 1931 to 1932 and 1937 to 1951; production took place from the East Lens from 1940 to 1946. A total of 166,093 tonnes copper, 135,108 tonnes zinc concentrate, 2,867 kg gold and 91,320 kg silver were extracted from 7,737,936 tonnes mined (Mineral Inventory Card 63N/3 Cu3). Zinc was not recovered until after 1940 when a zinc circuit was added to the mill.

As mine closure at Sherridon became imminent, Sherritt Gordon Mines Limited began moving most of the buildings and equipment from Sherridon to Lynn Lake, Manitoba, approximately 260 km away, where it was opening a nickel mine. From 1946 to 1953, Sherritt Gordon Mines Limited moved more than 200 buildings via tractor train over a winter road (Fogwill and Bamburak, 1987).

From 1924 to 1977, the ground near the Sherritt Gordon deposit was covered by mineral leases owned by Sherritt Gordon Mines Limited. Bateman (1945) notes that Sherritt "engaged in geological mapping, carried out an extensive geophysical survey of the northern claims, and undertook considerable exploratory diamond drilling"; Sherritt's work is not included in government assessment files. HBED restaked the ground in 1977 and held it until 1994. The ground was open for staking from 1994 to 1997. Peter C. Dunlop staked the ground in 1997 and held it until 1999. From 1999 to 2002, the area near the deposit was held by W. Bruce Dunlop (NPL) Limited. The ground was open for staking from 2002 to 2005, when Halo staked it.

Figures 6-1 and 6-2 summarize the exploration work completed through to the mid-1990s for the Sherridon West and East areas. Work consisted mostly of ground geophysical surveys and drilling to depths of less than 120 m.

The Sherridon East and Meat Lake areas had a similar history with many early prospectors' claims. Parts were covered by Sherritt Gordon Mines Limited mineral leases, which lapsed at various times in the 1950's and 1970's. HBED carried out the most widespread work throughout the intervening period, mostly by coverage with horizontal loop electromagnetic and magnetic surveys, generally using coil separations of 400 feet (120 m) for the HLEM surveys. HBED drilled numerous holes to test conductors throughout the area, most of which were about 120 m or less in length. Various other parties held claims in the area throughout the 1980s and 1990s. The work in the Meat Lake area is summarized in Figure 6-3.

The area of the Quarter Moon Lake claims was similarly held by numerous prospectors through the years (Figure 6-4). Emphasis in this area has traditionally been toward gold exploration closer to the Nokomis Lake deposit southeast of Halo's property.

The Park deposit was discovered and drilled from 1959 to 1964 by HBED and is located on the PAR claims north and contiguous with Halo's Sherridon claims. The Jungle deposit, which occurs in ML 38 was discovered by HBED and drilled from 1958 to 1967. The Bob deposit, located on the Bob claim was discovered in 1941 by Sherritt Gordon Mines Limited. The AKE Zone deposit, discovered in 1971 by HBED is located on claim Batty 1, contiguous with Halo's Meat claims. During the 1970's, HBED completed a SPECTREM geophysical survey at a line spacing of approximately 200 m spacing.

Mineral resources known on the property prior to exploration by Halo for the Cold, Bob and Jungle deposits are updated in this report but historical resource estimates were reported by others. Two other known zones of interest include the AKE in the Meat Lake complex (Figure 7-2) and the Fidelity (a.k.a Jonah Lake). Some of the best assays from the Fidelity zone include the following (Ostry et al., 1998):

i) DDH 8 includes a 27.6 m quartz-sulphide zone at ~60 m depth with up to 2.14% Cu, 0.02% Zn over 3.0 m and 3.07% Cu, 0.04% Zn over 1.2 m
ii) DDH 12 includes a 10.1 m section with disseminated sulphides and including a 0.5 m intersection with 3.97% Cu and 0.98% Zn

iii) DDH 40 included a 0.4 m section at ~140 m depth with 5.26% Cu, 1.7% Zn
iv) DDH 13 included two mineralized sections, including 0.96% Cu, 0.08% Zn over 3.2 m and 1.36% Cu, 0.03% Zn over 2.7 m

FIGURE 6-1 ELECTROMAGNETIC CONDUCTORS AND DRILL HOLES SHOWN IN HISTORICAL DATA FOR THE REGION OF THE SHERRIDON CLAIMS

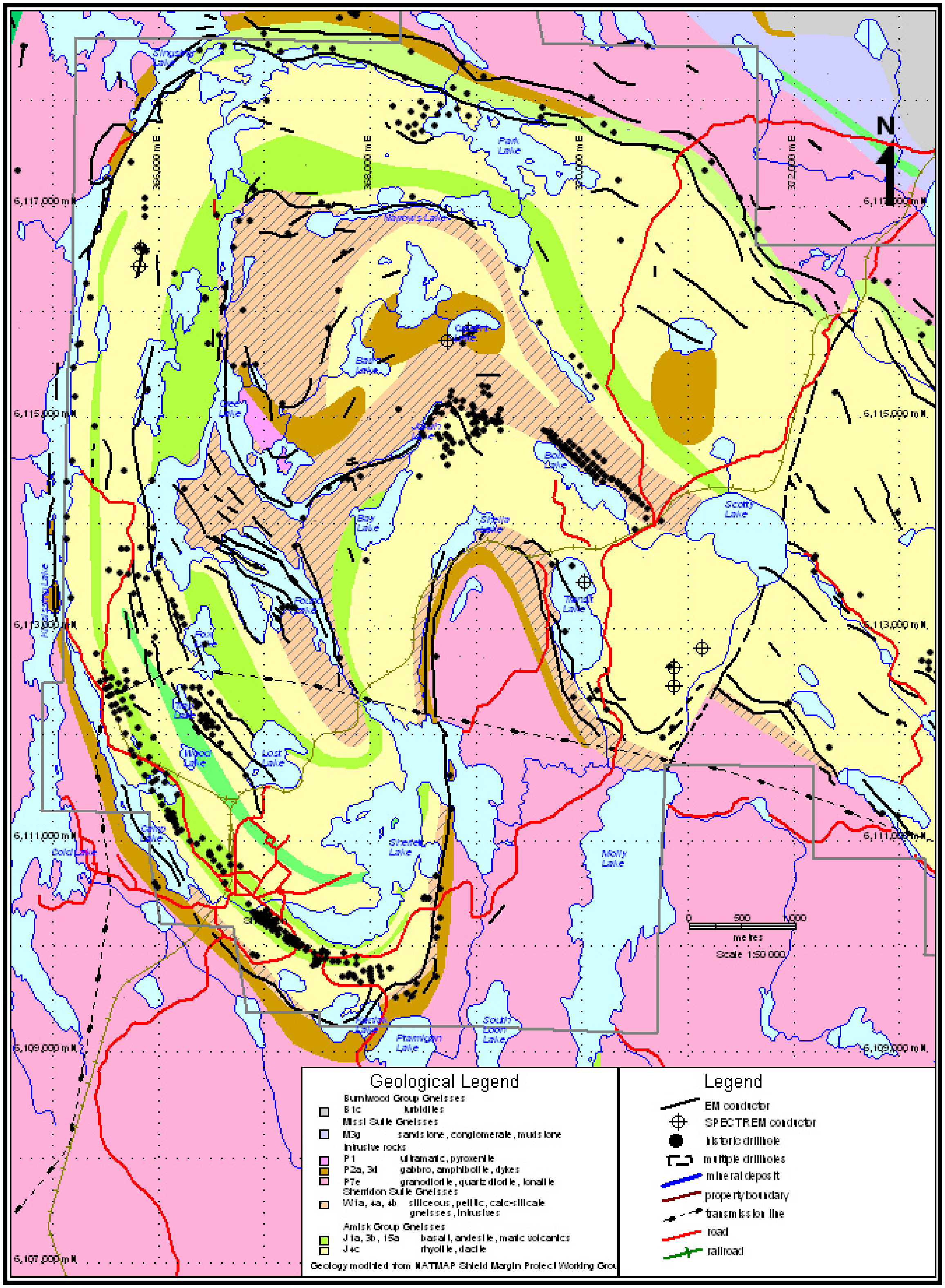


FIGURE 6-2 ELECTROMAGNETIC CONDUCTORS AND DRILL HOLES SHOWN IN HISTORICAL DATA FOR THE REGION OF THE SHERRIDON EAST CLAIMS

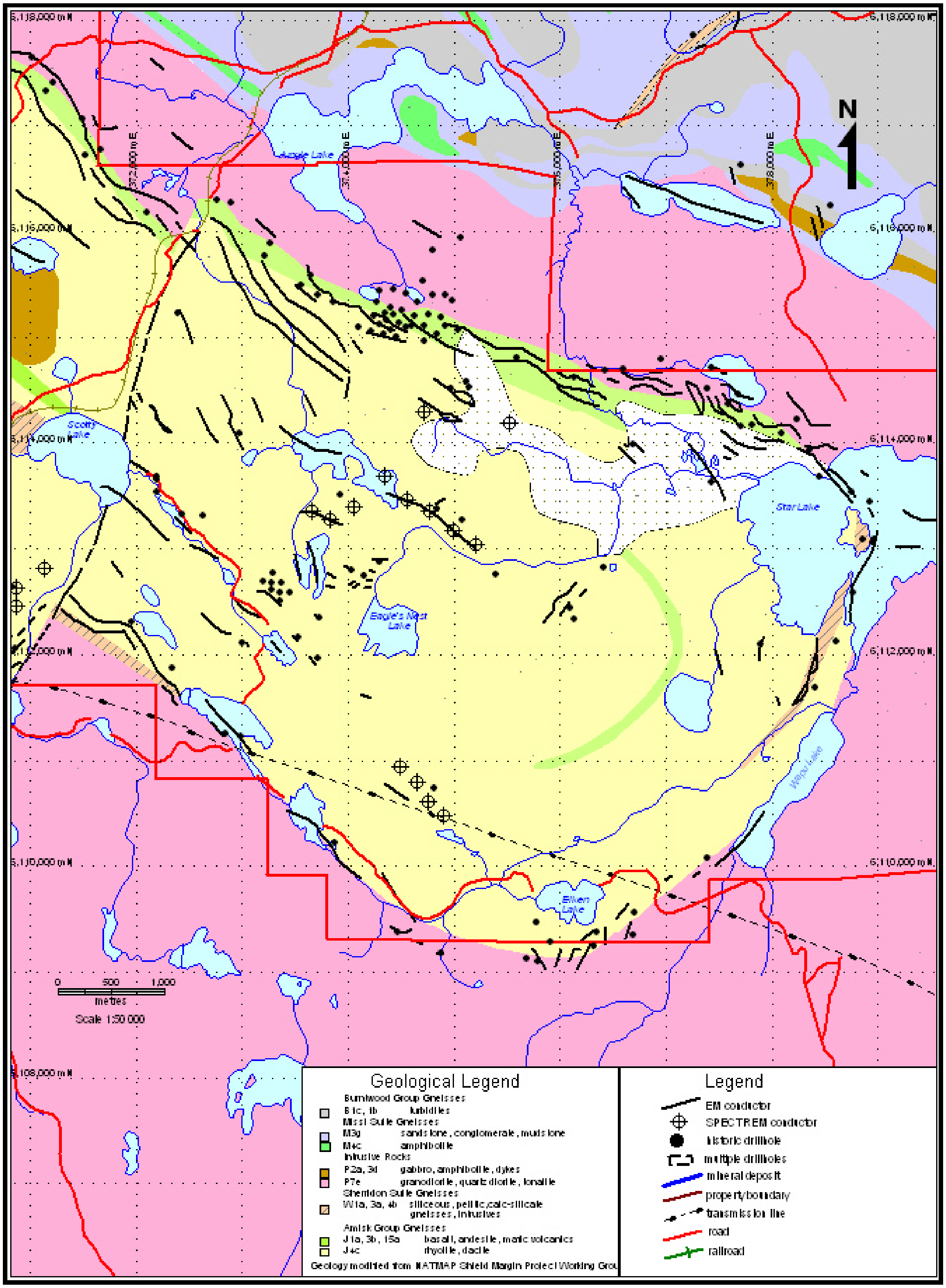


FIGURE 6-3 ELECTROMAGNETIC CONDUCTORS AND DRILL HOLES SHOWN IN HISTORICAL DATA FOR THE REGION OF THE MEAT LAKE CLAIMS

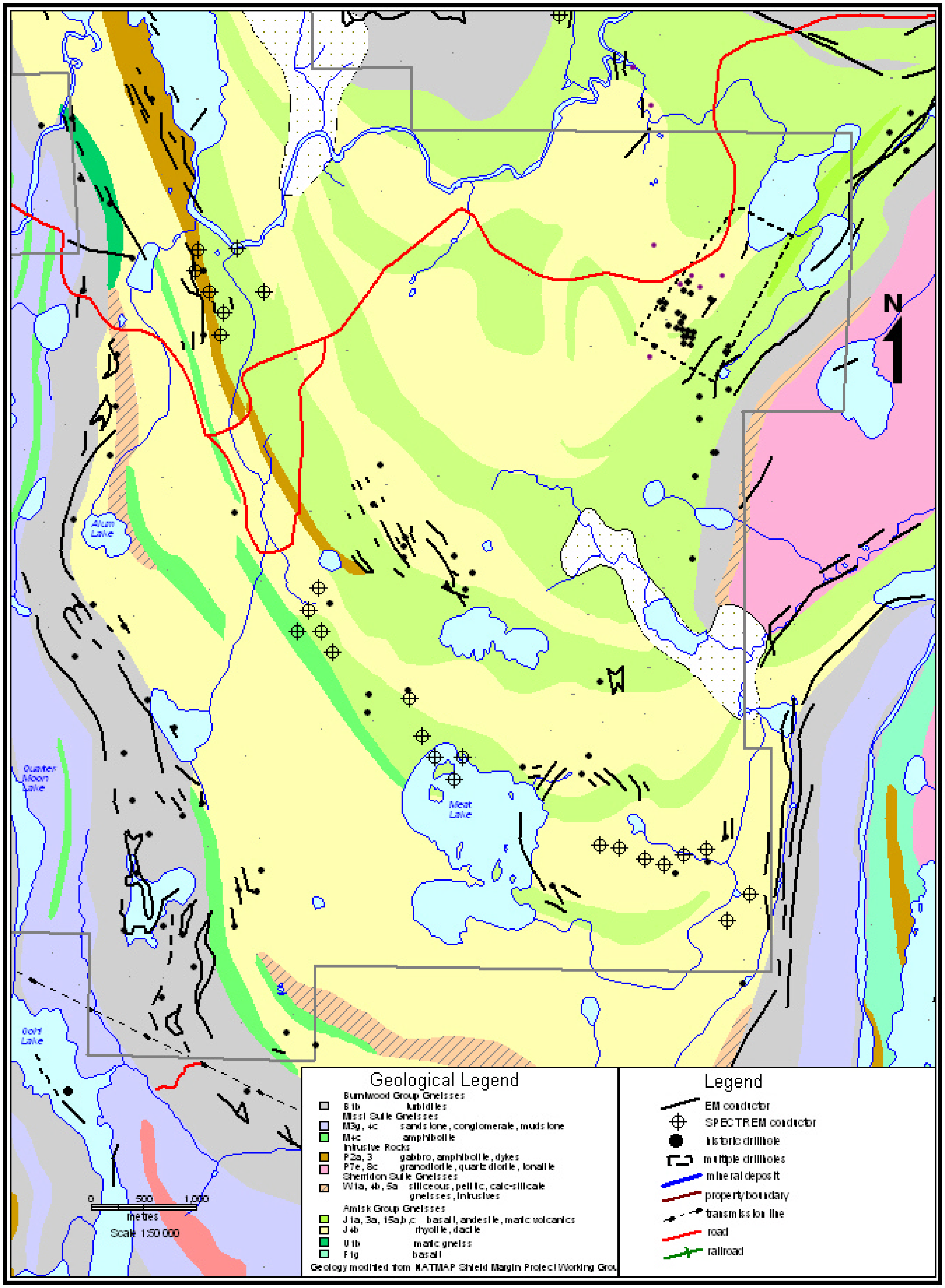
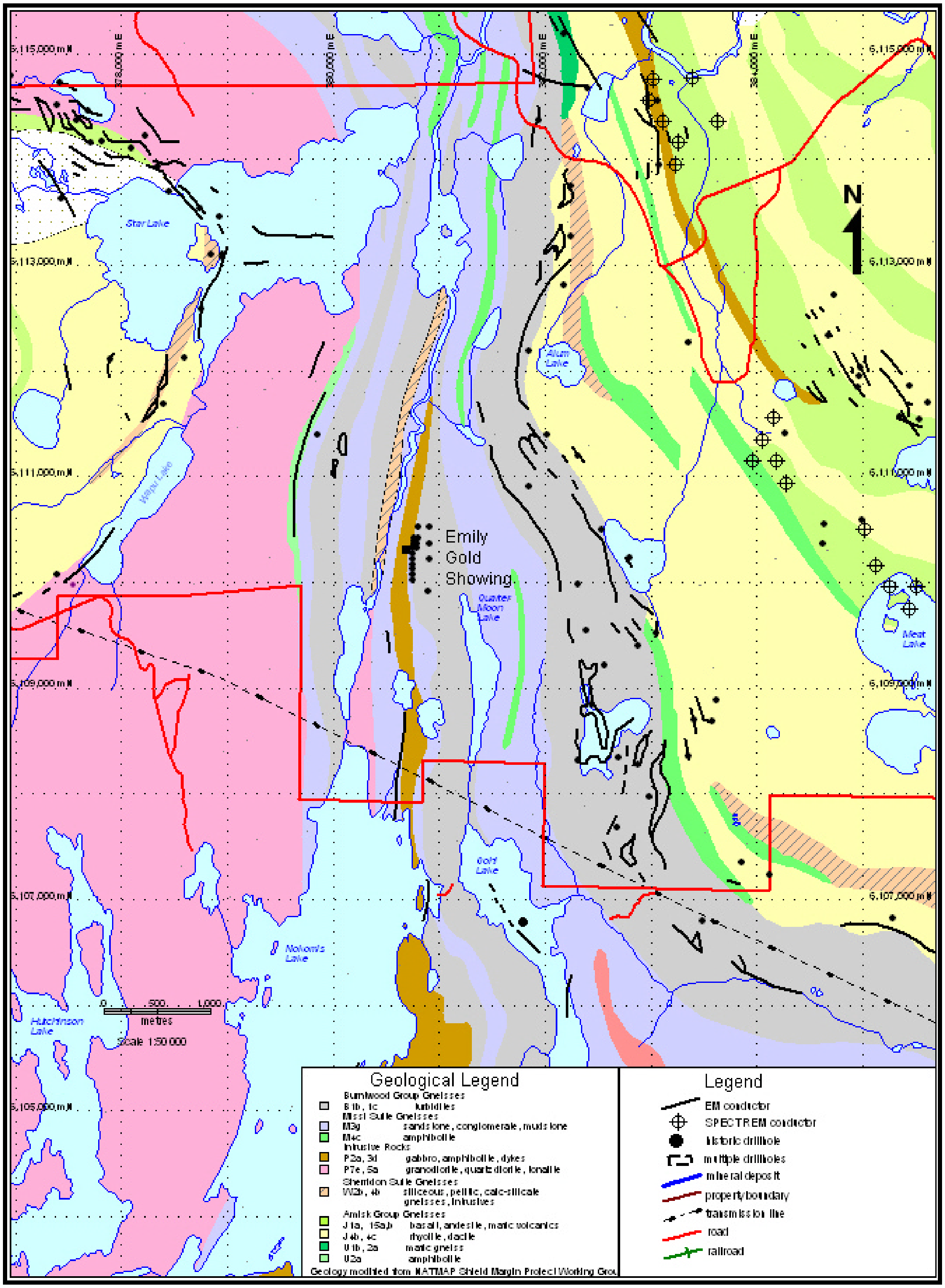


FIGURE 6-4 ELECTROMAGNETIC CONDUCTORS AND DRILL HOLES SHOWN IN HISTORICAL DATA FOR THE REGION OF THE QUARTER MOON LAKE CLAIMS



7 GEOLOGICAL SETTING

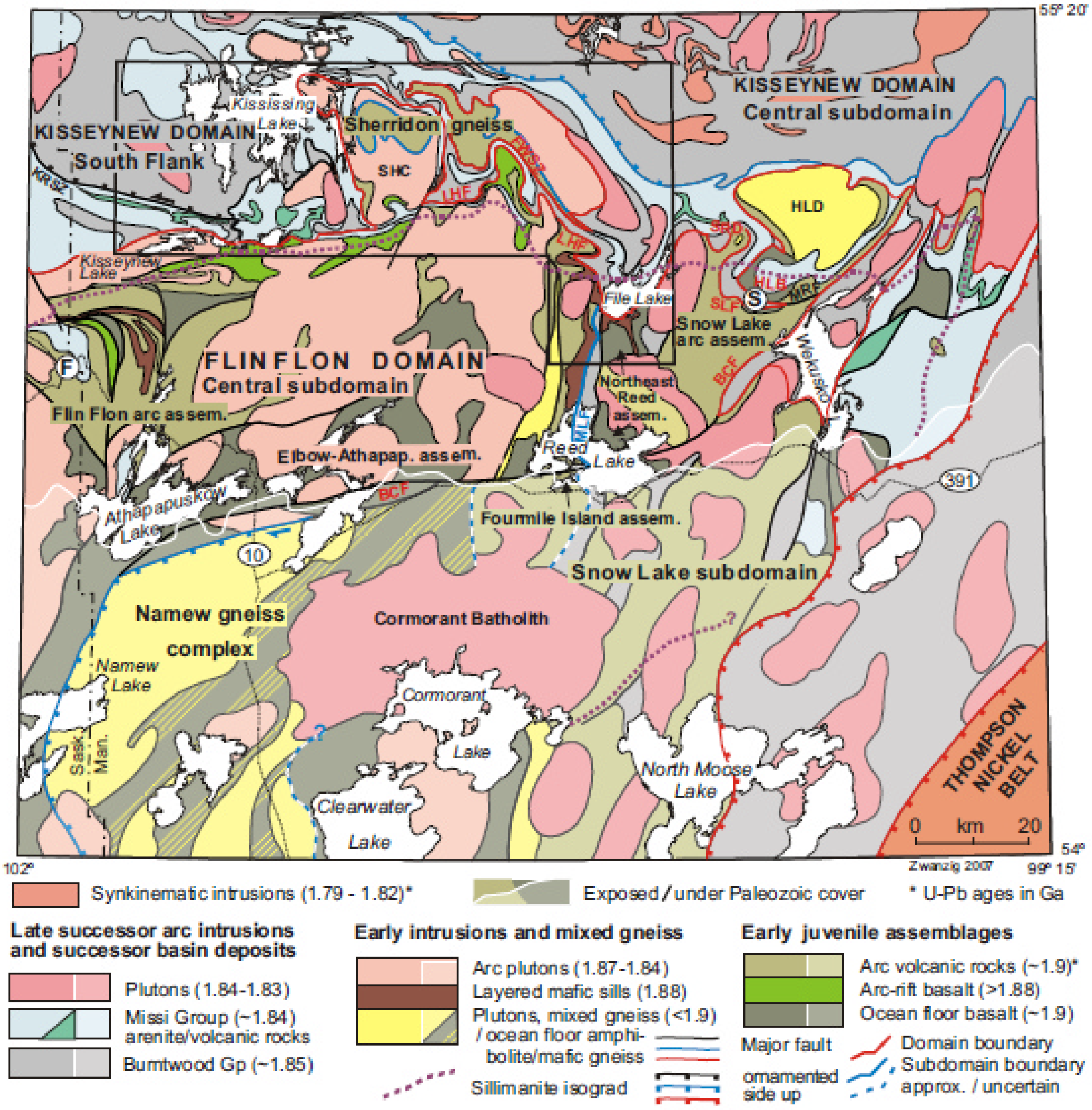
Geologists from the Geological Survey of Canada noted mineralization in the Sherridon area as early as the late 1920's (Wright, 1929, 1931). The area was first mapped at a scale of 1:63,360 and 1:31,680 from the mid-1940's to the early-1950's by the Geological Survey of Canada (Bateman, 1945; Bateman and Harrison, 1946; Robertson, 1953). P. Goetz carried out mapping and other detailed geological work in the Sherridon area proper for his Ph.D. thesis (Goetz, 1980; Froese and Goetz, 1981; Goetz and Froese, 1982). H. Zwanzig and D. Schledewitz from the Manitoba Geological Survey carried out geological mapping (mostly 1:50,000 scale) from the mid-1980s to the mid-1990s (see citations throughout the text, as well as Reports of Field Activities published by the Manitoba Energy and Mines throughout that period of time). This latter activity was coordinated with NATMAP (National Mapping Program) multidisciplinary geological studies throughout the Flin Flon, Snow Lake and Kisseynew regions. This most recent, comprehensive work included geological mapping and geochemical and geochronological work that led to the recognition of their common stratigraphy and related recognition of tectonic environments that led to the assemblage of these related terranes.

REGIONAL GEOLOGY

The Sherridon VMS Property is in the south flank of the Kisseynew gneiss belt, a metasedimentary terrane that is part of the Paleoproterozoic Trans-Hudson Orogen (Hoffman, 1990; Figure 7-1). The Trans-Hudson Orogen consists of several Proterozoic belts of metavolcanic, metasedimentary and intrusive rocks that occupy the area between the Archaean Hearne Province to the northwest and the Archaean Superior Province to the southeast (ibid.). The Kisseynew gneiss belt represents a sedimentary basin flanked to the north and south by magmatic arc terranes, notably the Flin Flon–Snow Lake metavolcanic belt to the south and the Lynn Lake–La Ronge metavolcanic belt to the north. The central part of the Kisseynew basin is dominated by Burntwood suite migmatized greywacke (~1.86-1.84 Ga). The north and south flanks of the Kisseynew domain consist of structurally interlayered gneisses that include rocks directly related to the flanking arc terranes (Zwanzig et al., 1995). The boundary between gneisses of the south flank of the Kisseynew belt, which includes Sherridon area and the Flin Flon–Snow Lake belt is transitional (see discussions and early work summarized in, for example, Bailes, 1971; Froese and Goetz, 1981; Zwanzig, 1990; Zwanzig and Schledewitz, 1992; Zwanzig et al., 1995; Zwanzig, 1999).

The adjoining Flin Flon–Snow Lake belt consists of a tectonic collage of volcanic, volcaniclastic and related intrusive rocks of the Amisk Group, an unconformably overlying Missi Suite of mainly clastic and subordinate volcanic rocks and plutons of various ages. Gneisses have been thrust faulted over volcanic rocks along the south flank of the Kisseynew at the Kisseynew–Flin Flon belt margin (Zwanzig and Schledewitz, 1992).

FIGURE 7-1 MAP OF MAJOR TECTONIC ASSEMBLAGES, SEDIMENTARY AND INTRUSIVE ROCKS OF THE FLIN FLON DOMAIN AND SOUTHERN PARTS OF THE KISSEYNEW DOMAIN AS EXPOSED AND UNDER PALEOZOIC COVER. Also shown are the Structurally Complex Domain Boundaries, Subdomains with their Boundaries and the Sillimanite-Biotite-Garnet Isograd. Outlined Area is the Kississing File Lakes Area *(Zwanzig (2010) in press)*



BCF - Barry Creek fault	LHF - Loonhead Lake fault
F - Flin Flon	MLF - Morton Lake fault
FWSZ - Fairwind shear zone	MRF - McLeod Road fault
HLB - Herblet Lake basin	S - Snow Lake
HFD - Herblet Lake dome	SHC - Sherridon-Hutchinson complex
KRSZ – Kississing River shear zone	SLF - Snow Lake fault

LOCAL GEOLOGY

The south flank of the Kisseynew belt includes the following four major rock groups (Figure 7-2):

(i) Orthogneisses derived from mafic to felsic volcanic, intrusive and volcaniclastic rocks (1.92-1.85 Ga) are equivalent to the Amisk Group of the Flin Flon–Snow Lake belt. Amphibolites interlayered with felsic gneisses are interpreted as metagabbros and Amisk metabasalts (Zwanzig, 1990; Zwanzig and Schledewitz, 1992; Zwanzig et al., 1999).

(ii) Some orthogneisses in the immediate Sherridon area that make up the crescent-shaped Sherridon structure have an uncertain origin. The orthogneisses of the Sherridon structure include siliceous, pelitic and calc-silicate gneisses interlayered with amphibolite, which are interpreted as being derived from volcanic and plutonic rocks (Zwanzig, 1990; Zwanzig and Schledewitz, 1992; Zwanzig et al., 1999). The Sherridon gneisses may be an assemblage of metavolcanic and intrusive rocks equivalent with the Amisk Group, a suggestion made by Ashton and Froese (1988) and preferred by Zwanzig and Schledewitz (1992).

(iii) Paragneisses derived from marine turbidites (1.866-1.84 Ga) are assigned to the Burntwood Suite. These paragneisses are generally graphitic (garnet)-biotite gneisses in the Kisseynew's south flank (Zwanzig, 1990; Zwanzig and Schledewitz, 1992; Zwanzig et al., 1999).

(iv) Paragneisses derived from terrestrial clastic and volcanic rocks (1.866-1.84 Ga) are considered equivalent to the Missi Suite of the Flin Flon–Snow Lake belt. These include mainly magnetite-bearing quartz-rich gneisses with lesser volcanic-derived amphibolite and felsic gneiss (Zwanzig, 1990; Zwanzig and Schledewitz, 1992; Zwanzig et al., 1999).

Upper amphibolite facies metamorphism resulted in extensive destruction of primary structures and extensive granitization in the Kisseynew gneisses (Bateman, 1945; Bailes, 1971; Froese and Goetz, 1981). Five deformational stages have complexly deformed the Kisseynew belt into refolded recumbent-fold packages (Froese and Goetz, 1981; Zwanzig, 1990; Zwanzig et al., 1995; Zwanzig, 1999). Interfering fold events yielded the notable hook shapes that characterize the map view of rocks in the Sherridon area and in the Meat Lake area (Froese and Goetz, 1981). Rocks in the Sherridon region have experienced notable attenuation parallel to compositional layering.

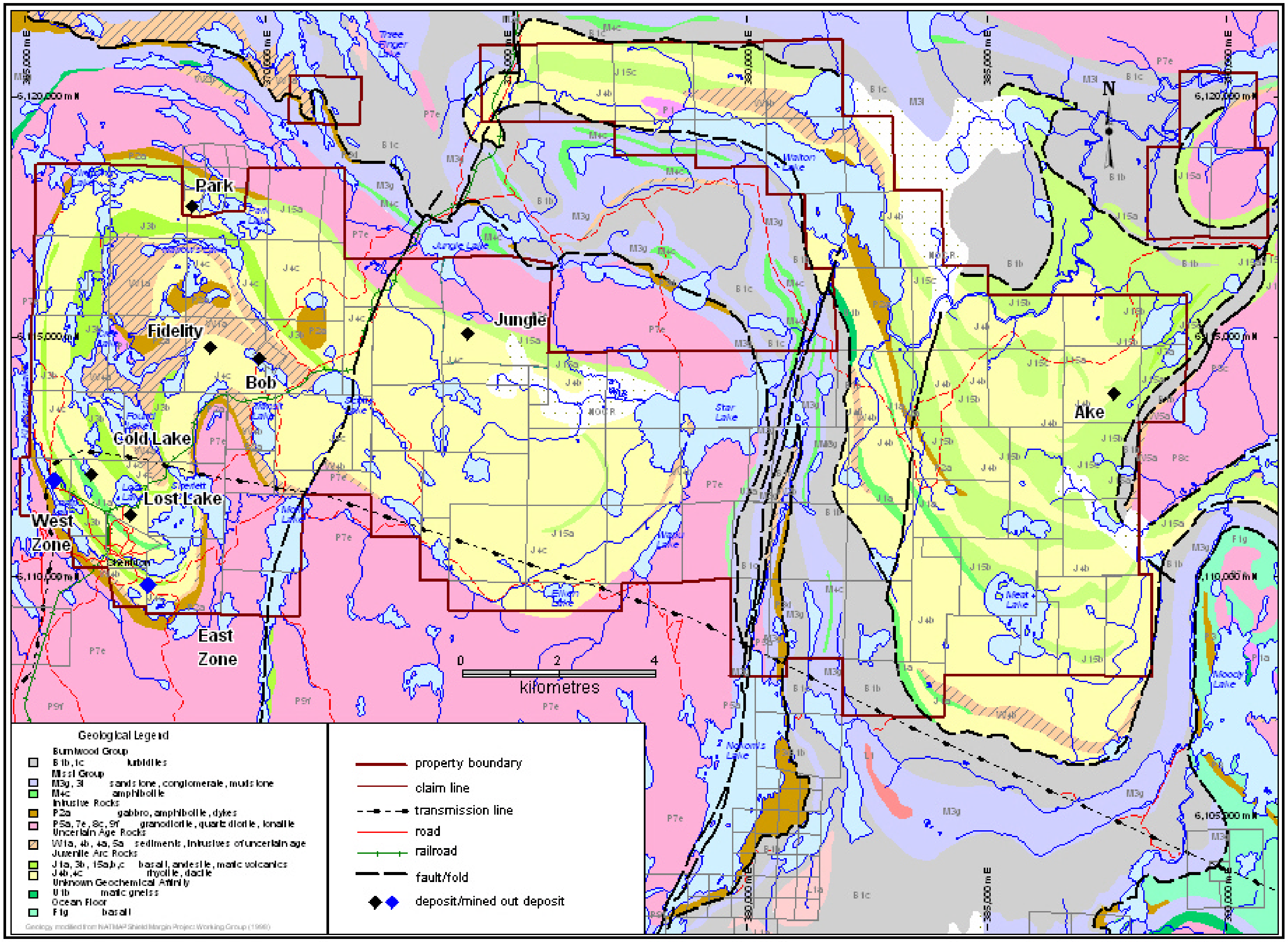
Zwanzig 2010 (*in press*) summarizes more than a decade of work in the area as follows: *"Cordierite-anthophyllite and garnet-anthophyllite assemblages in various places throughout the south flank of the Kisseynew belt represent hydrothermally altered rocks (Froese and Goetz, 1981; Zwanzig et al., 1995). Some of this alteration accompanies sulphide mineralization. Some alteration assemblages do not have an apparent relationship with sulphide mineralization. This may represent hydrothermal alteration material that was clastically transported paleotopographically down-slope from its initial source in the basin (ibid.).*

The Sherridon deposits and occurrences are volcanogenic massive sulphides, although they were previously considered to be stratabound sediment-hosted due to the abundance of quartz and presence of garnet ± sillimanite in their felsic host. The local clues to a volcanic origin of the Sherridon-Meat Lake assemblage, however, are strongly supported by geochemistry that is very similar to rhyolite, dacite and basalt in the lower-grade parts of the Flin Flon Domain. The trace-element fingerprint, particularly of the mafic units (Meat Lake and Walton Lake amphibolite), has strong arc volcanic characteristics. The mafic and felsic modes are particularly similar to units in the upper part of the Snow Lake arc assemblage.

Deformation and generation of pegmatite have clearly imposed a dominant control over the geometry of alteration zones and deposits. The interpretation of the Sherridon structure as a large sheath fold implies very high non-coaxial regional strain. Stretching occurred in directions that curve smoothly around the Sherridon-Hutchinson Lake complex and its Sherridon-structure core. This has resulted in all contacts being subparallel to primary lithologic layering and stratabound alteration. Moreover, all features are much longer and thinner than original dimensions. Focussed alteration zones generally appear to be subparallel to deposits and regional layering. Where investigated, the plunge of all ore bodies conforms largely to the pattern of stretching lineations around these structures. This includes the shallow plunge of the Cold Lake deposit, gentle southeast plunge of the Bob Lake deposit, northeast plunge of the Jungle Lake deposit and downward-shallowing north-northwest plunge of the AKE zone deposit.

The tectonic environment of the Sherridon deposits is clearly shown to be a juvenile oceanic arc by its geochemistry and Nd isotope ratios. Bimodal volcanism was apparently followed by non-arc (extensional) mafic intrusion. Their geochemistry suggests that these are part of the syntectonic, post-Burntwood set of Weldon Bay dikes. The early events are inferred to be associated with unmapped synvolcanic faulting that caused the local focussing of hydrothermal alteration and generation of the VMS deposits. The abundant alteration and abundant deposits are probably the result, not only of the previous felsic stratigraphy, but of the presence of subvolcanic intrusions and generally high heat flow associated with juvenile extensional arcs in Precambrian terranes."

FIGURE 7-2 GEOLOGY OF THE SHERRIDON AREA



PROPERTY GEOLOGY

Halo's land holdings are centred on the Sherridon–Hutchinson Lake Complex and the Walton Lake nappe (Figure 7-2). Both structural complexes include gneisses derived from various Amisk Group juvenile arc volcanic rocks, mainly felsic volcanic and intrusive with a lesser interlayered mafic component (Goetz, 1980; Zwanzig and Schledewitz, 1992).

Halo has used thin sections and lithogeochemistry to differentiate gneisses, primarily using rare earth element geochemistry and mineralogy. The geoscientific studies led to the development of property-scale structural models that have been field tested by detailed structural mapping and recognition of the plunging nature of known mineralized lenses.

The structural models, building on the work by various previous researchers such as Herman Zwanzig referenced above, have been used to identify several "tracks" of prospective geological terrain as described further in Item 10, Exploration.

8 DEPOSIT TYPES

Volcanogenic copper-zinc-(gold)-(silver) massive sulphide deposits are the main mineral deposits in the Kisseynew domain. This style of deposit is the major target for exploration on Halo's Sherridon property.

Shear-hosted gold mineralization is known at a number of locations in the south flank of the Kisseynew.

9 MINERALIZATION

Massive sulphides including copper- and zinc-bearing sulphides are known to occur as lenses in Sherridon Structure quartz-rich gneisses (felsic volcanic and volcanic-derived rocks) near the contact with hornblende-plagioclase gneisses (intermediate to mafic metavolcanic rocks) in the Sherridon–Hutchinson Lake complex and in garnet-biotite±cordierite±sillimanite gneiss on the east limb of the Meat Lake synform (Zwanzig and Schledewitz, 1992). Known deposits with this style of mineralization in the area include the past-producing Sherritt Gordon Mine (West and East Lenses), the Cold, Fidelity, Lost, Park, Bob, Jungle and AKE. Table 9-1 summarizes the ore mineralogy of these deposits.

TABLE 9-1 ORE MINERALOGY OF KNOWN DEPOSITS

Deposit	Ore Mineralogy
Sherritt Gordon Mine	py-po-cp-sp, rare mt, rare gahnite, cubanite; coarse grained; Zn/Cu $\uparrow$ to east
East Lens	
West Lens	
Bob	py-po-cpy-sph
Fidelity	py-po-cpy-sph
Jungle	py-po-cpy-sph
Park	py-po-cpy-sph
Cold	po-py-sph-cpy; gahnite rare to abundant; less po than typical of Sherridon deposits.
Lost	po-py-sph-cpy; gahnite rare to abundant; similar to Cold
AKE	py-po-cpy-sph

Garnet-cordierite-anthophyllite rocks likely represent metamorphosed equivalents of chloritic hydrothermal alteration zones in the Sherridon area (Froese and Goetz, 1981; Froese, 1985). Some of the altered rocks are known to be associated with sulphide mineralization (Froese and Goetz, 1981; Froese, 1985), while others do not show an apparent association with sulphides.

Bateman (1945) and Bateman and Harrison (1946) describe the Sherritt Gordon mine as having consisted of two zones, the West and East Lenses, with a combined length of almost 4,900 m; of which 1,100 m of barren rock separated the two zones. The average width of the sulphides was 4.6 m. The East Lens was mined to a depth of 75 metre and the West Lens to 245 m deep. The West Lens rakes north, flattening with depth to about 460 m maximum depth. The ore was in sharp contact with enclosing rocks. The structural footwall (which is the overturned stratigraphic hanging wall) to the deposit is quartz-rich gneiss; the structural hanging wall is hornblende gneiss. They describe "bulges or offsets" (up to ~0.5 Mt; Bateman, 1945) composed of pegmatite in the hanging wall of the West Lens that were sufficiently mineralized to make subsidiary orebodies. Mineralization from these folded pegmatite offshoots provided 25% of the Sherritt Gordon Mine's production (Mineral Inventory Card 63N/3 Cu3). Mineralization was mostly pyrrhotite, with pyrite, chalcopyrite and sphalerite and rarely magnetite. The East Lens was more zinc-rich than the West Lens (Bateman, 1945; Bateman and Harrison, 1946). Froese and Goetz (1981) recount uncommon to rare occurrences of cubanite, arsenopyrite and gahnite in the Sherritt Gordon ore. Gangue minerals include the constituents of the host quartz-rich gneiss, *i.e.*, quartz, plagioclase and biotite with minor to rare hornblende, clinopyroxene, scapolite and calcite (Froese and Goetz, 1981).

10 EXPLORATION

Exploration programs for 2006 to 2008 are reported in Giroux et al (2008) and summarized below.

In 2006, Geotech Ltd. carried out a helicopter-borne magnetic and VTEM (time-domain electromagnetic) survey covering over 2,684 line km at a 100 metre line spacing. A total of 122 geophysical targets over 66 line km were recognized using Condor Consulting Inc.'s Conductivity Depth Imaging and Layered Earth Inversion modelling techniques.

In addition, Halo completed compilation of government assessment data and historical HBED data, reconnaissance geological mapping and retrieval of historical drill hole data that included the Bob, Jungle and Cold deposits.

The majority of the effort in 2007 was directed at diamond drilling with 18,508 m of core retrieved. A surface exploration effort was focused on exploring 18 exploration target areas that were selected on the basis of known mineral occurrences, VTEM anomalies, location relative to the recognized mineralized horizon, presence of VMS-style alteration (i.e., cordierite-anthophyllite), proximity to fold hinges and other key geological features. Initial field mapping was completed on these areas of one to four square km and recommendations made for further work as required.

During January to April 2008, Halo employed a self-propelled geochemical sampling drill rig (Geomachine GM100) to collect basal till and bedrock chip samples. A total of 604 samples were taken on three main target areas and two smaller lake sampling programs.

Line and station separation was 50 m to 200 m depending on target size with sample stations established using GPS co-ordinates. The samples were taken using a flow-through sampling system that retains the bedrock chip sample as well as the basal portion of the till. These samples were subsequently sieved and pulverized and, in the case of the bed rock chips, washed and dried again. Basal till samples and a portion of the chips were then sent for analysis. Chip samples were also retained and stored in chip trays for further examination and identification.

Copper, zinc and alteration indices, developed in-house, were used to identify targets principally in the areas along strike between Cold and Lost, as well as areas referred to as Target Areas 4 and 5 (Figure 10-1). Field work between 2007 and 2010, in association with Douglas Tinkham, Laurentian University, focused on the Fidelity area (Target Area 3) with mineralogical and petrographic studies applicable throughout the Sherridon Structure.

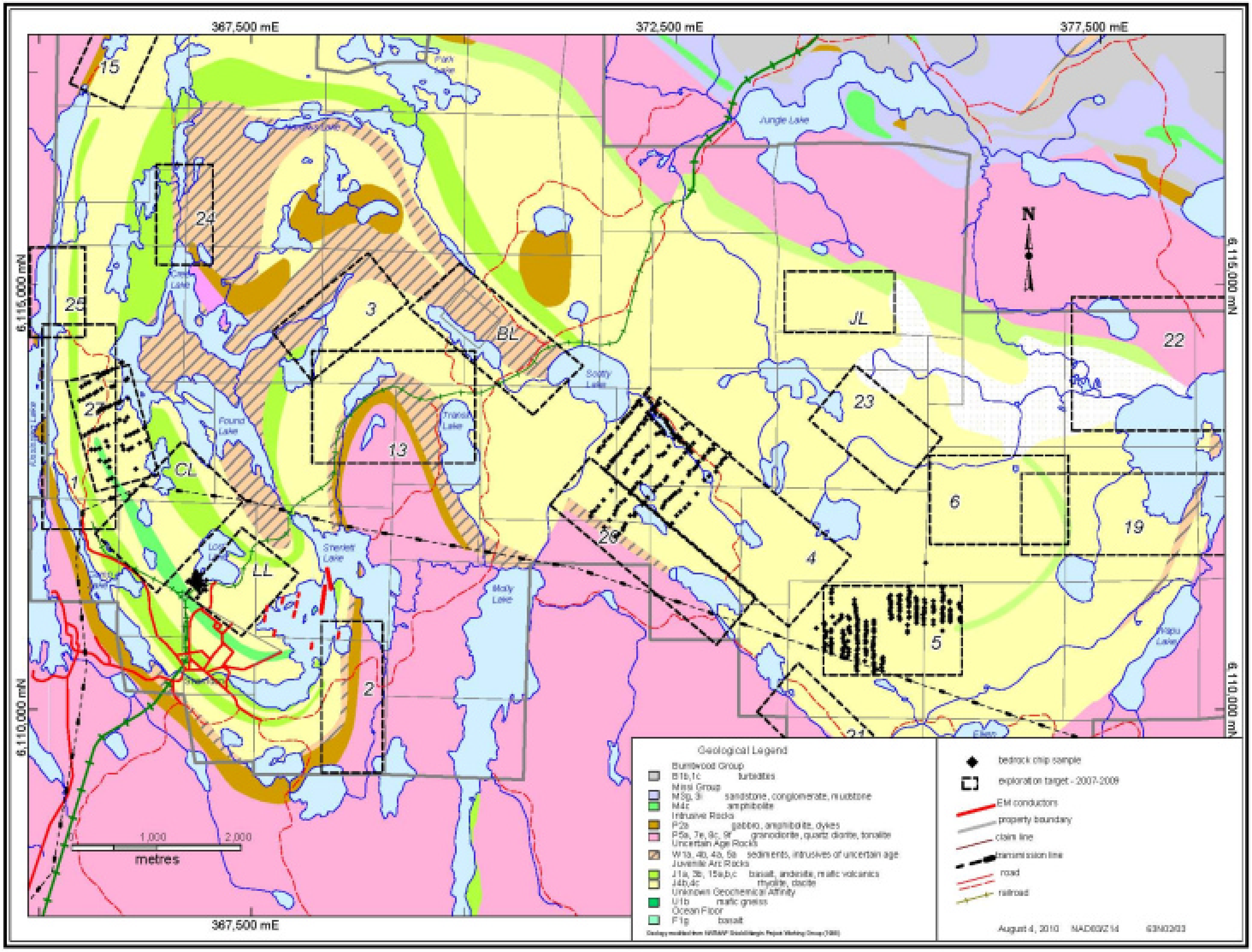
Field work in 2009 and 2010, with two to four geologists mapping over an eight-week period, focused on constraints to the structural model and developing further drill targets.

Ground geophysical surveys conducted by Halo have included:

- down hole pulse EM surveys of approximately 50% of all drill holes,
- a trial survey of deep-penetrating SQUID technology,
- VLF and TDEM at the south end of Sherlett Lake and
- TDEM over a limited survey grid at Don Lake.

These surveys identified conductive targets, many of which have not been tested.

FIGURE 10-1 GEOLOGY MAP SHOWING SELECTED TARGET AREAS AND BEDROCK CHIP SAMPLE LOCATIONS



11 DRILLING

This section updates drill results from the last Technical Report in September, 2008 (Giroux et al, 2008) and includes drilling completed and assays received up to July 1, 2010.

BOB

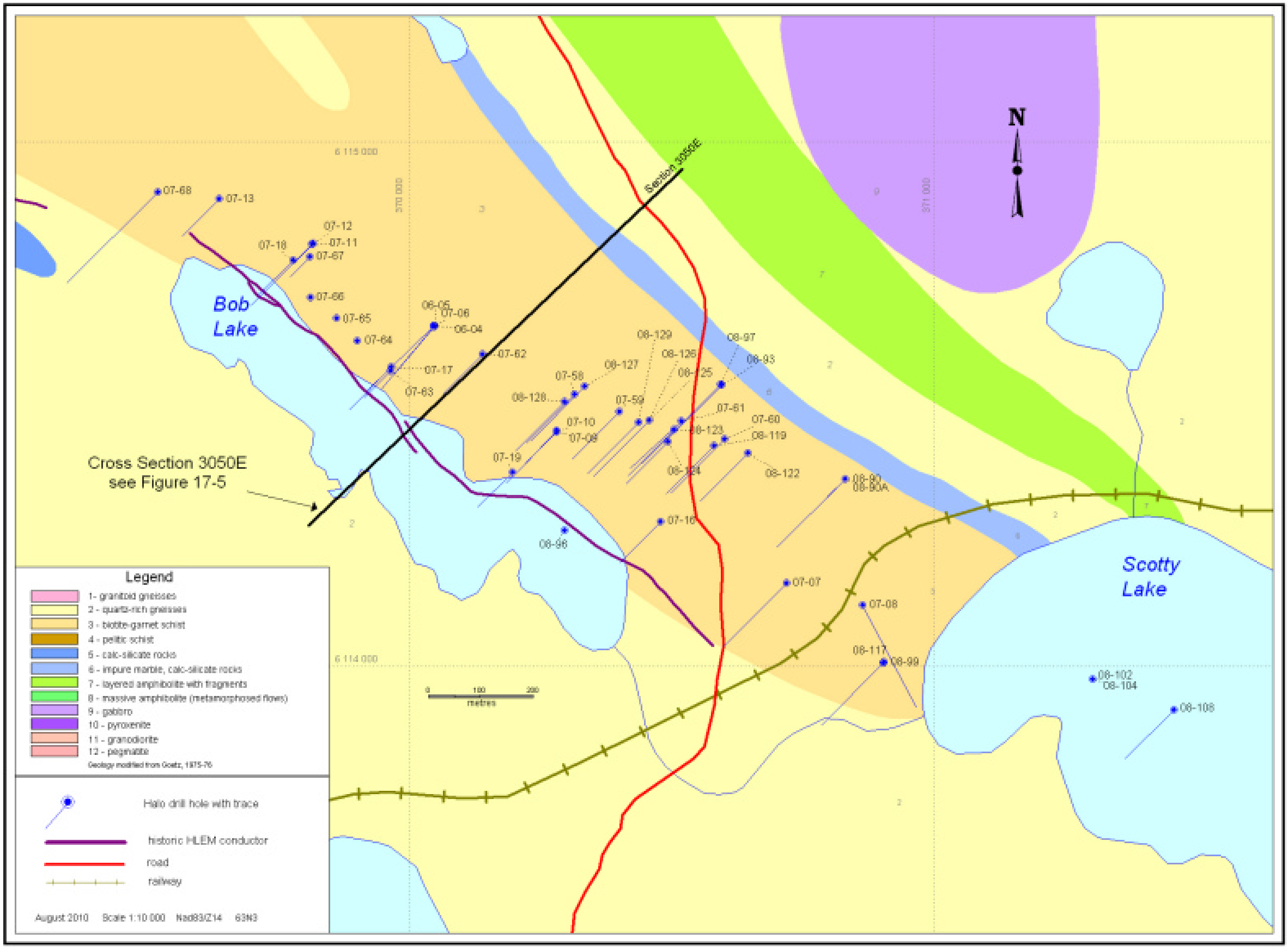
Twenty-five holes were drilled in 2007 as reported in MacConnell and Healy (2008). Drill hole DH07-58 represented the discovery of a shallow-plunging, strongly mineralized sulphide zone within the Bob deposit.

Sixteen holes were drilled in 2008 as reported in Giroux et al, 2008 and all drill holes completed by Halo are shown on Figure 11-1. Approximately 45 short vertical holes were drilled by Sherritt Gordon in the 1940s and assays have been recovered from the drill logs for inclusion in the resource database. No holes were drilled at Bob in 2009 or 2010.

Additional targets were defined by detailed geological interpretation and down hole geophysics. The Bob massive sulphide lens has been drill tested to a depth of approximately 200 m below surface and it remains open down plunge. Testing the lens further down plunge is warranted as copper grades appear to improve with depth and the thickening of the lens may be possible due to multiple phases of folding.

The possibility of a second parallel lens, that appears to be centered on surface north of drill hole collar DH08-096 (Figure 11-1), is a new target. The feature is evident from mineralized intersections, primarily from 1940s drilling, and could be followed up with several fences of holes with pierce points to depths of 150 to 200 m.

FIGURE 11-1 BOB DRILL HOLE LOCATIONS



COLD

A total of 2,630 m in 17 holes were completed in 2007 by Halo and were used to generate indicated and inferred mineral resources (Giroux et al, 2008).

One hole was drilled in 2008 (drill hole DH08-88) to test the down-dip extension of the known mineralization.

Six holes were drilled in 2010 and the locations are summarized in Table 11-3 (see Figure 11-2).

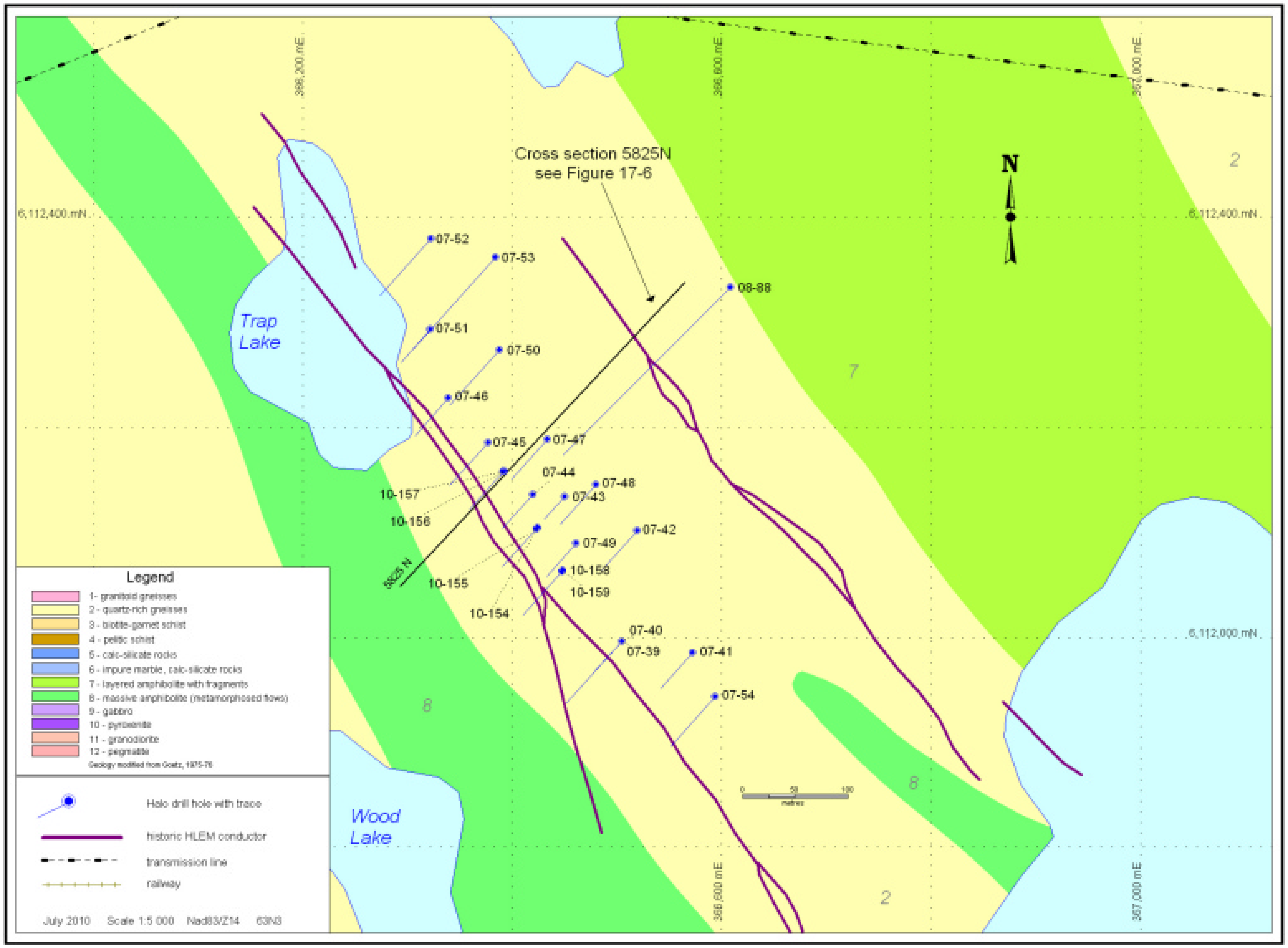
TABLE 11-3 COLD – DRILL HOLE LOCATION					
Halo Resources Ltd. – Sherridon Property					
Hole ID	**UTM Easting**	**UTM Northing**	**Collar Dip (º)**	**Azimuth (º)**	**Length (m)**
DH10-154	366,425	6,112,108	-90	222	111
DH10-155	366,425	6,112,108	-45	222	69
DH10-156	366,392	6,112,160	-87	222	114
DH10-157	366,392	6,112,160	-45	222	69.09
DH10-158	366,448	6,112,066	-57	222	104
DH10-159	366,448	6,112,066	-90	222	18

A total of 485 m of drilling was completed in 2010 and significant mineralized intervals are given in Table 11-4.

TABLE 11-4 COLD – SIGNIFICANT INTERSECTIONS							
Halo Resources Ltd. – Sherridon Property							
Hole Number	**From**	**To**	**Width**	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Zn (%)**
DH10-154	52.00	62.25	10.25	0.4	9.4	0.8	0.2
DH10-155	35.30	44.07	8.77	1.0	20.8	1.5	1.2
Including	42.03	44.07	2.04	3.1	58.0	3.6	3.3
DH10-156	61.14	78.43	17.29	2.6	47.5	2.7	4.1
Including	61.88	68.74	6.86	1.7	32.2	1.7	7.4
Including	70.53	74.81	4.28	4.4	73.5	4.4	2.0
DH10-157	31.20	35.45	4.25	1.0	19.7	1.8	2.1

All Azimuth's are 222 degrees. True widths are unknown as deposit geometry is unknown.

FIGURE 11-2 COLD DRILL HOLE LOCATIONS



LOST

The Lost deposit is a new discovery at the Sherridon VMS Property. All intersections are within 150 m of surface. Drilling has encountered significant mineralization and has proved the continuity of the mineralized horizon from the near-surface environment to approximately 150 m subsurface in the central and western portions of the deposit. A total of 4,484 m of core drilling, in 30 drill holes, has been completed since the discovery of the deposit in 2007.

Eighteen holes were drilled in 2007-2008 as reported in MacConnell and Healy (2008). An inferred resource was reported in Giroux et al (2008) and is updated in this report.

The 15 holes drilled in 2009 and 2010 (Figure 11-3) have their locations summarized in Table 11-5.

TABLE 11-5 LOST – DRILL HOLE LOCATION

Halo Resources Ltd. – Sherridon Property

Hole ID	UTM Easting	UTM Northing	Collar Dip (º)	Azimuth (º)	Length (m)
DH09-130	367,022	6,111,421	-75	222	82.9
DH09-131	367,022	6,111,421	-45	222	65.2
DH09-132	367,100	6,111,328	-90	222	106.0
DH09-133	367,236	6,111,299	-45	222	135.7
DH09-134	367,201	6,111,262	-45	222	99.0
DH09-135	367,205	6,111,178	-45	222	68.0
DH09-136	367,140	6,111,284	-90	222	117.0
DH09-137	366,993	6,111,463	-90	222	105.0
DH09-138	367,100	6,111,328	-62	222	74.1
DH10-148	367,012	6,111,315	-45	222	74.0
DH10-149	367,009	6,111,386	-45	222	101.0
DH10-150	367,098	6,111,261	-45	222	114.0
DH10-151	367,148	6,111,242	-45	222	102.0
DH10-152	367,181	6,111,204	-45	222	123.0
DH10-153	367,065	6,111,299	-45	222	108.0

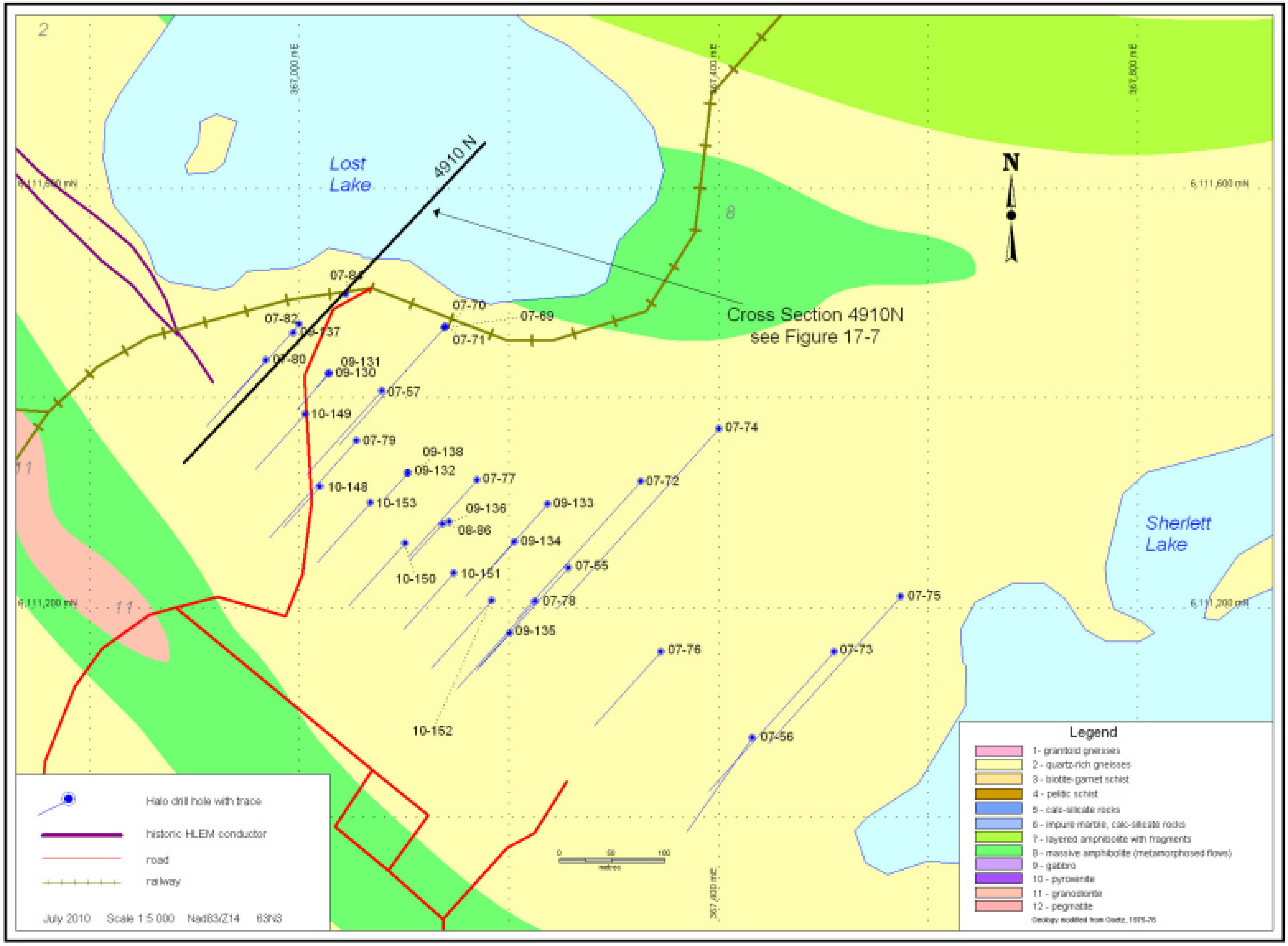
A total of 853 m of drilling was completed in nine holes in December 2009 and five drill holes were completed in February 2010 for a total of 548 m. The significant intersections are reported in Table 11-6.

TABLE 11-6 LOST – SIGNIFICANT INTERSECTIONS								
Halo Resources Ltd. – Sherridon Property								
Hole ID	**Dip**	**Section**	**From (m)**	**To (m)**	**Width (m)****	**Copper (%)**	**Zinc (%)**	**Silver (g/t)**
DH09-130	-75	4870	52.9	64.4	11.5	2.2	4.8	26.4
		incl	60.4	64.4	4.0	3.8	12.6	45.7
DH09-131	-45	4860	52.8	54.2	1.4	3.0	12.9	33.7
DH09-132	-90	4750	82.5	85.0	2.5	1.4	10.7	14.8
		and	97.2	101.5	4.3	0.3	8.0	5.0
DH09-133	-45	4625	123.4	125.4	2.0	0.3	1.1	15.5
DH09-134	-45	4625	73.8	76.3	2.5	1.2	4.7	9.0
		and	79.6	89.2	9.6	0.8	6.4	7.9
DH09-135	-45	4565	28.5	31.5	3.0	0.7	0.9	8.5
DH09-136	-90	4685	96.7	106.4	9.7	0.4	2.5	4.0
DH09-137	-90	4915	57.7	69.5	11.8	2.0	5.9	22.8
DH09-138	-62	4740	63.8	66.0	2.2	5.1	5.8	59.3
DH10-149	-45	4850	14.2	22.0	7.8	0.7	5.2	4.8
		incl	16.3	20.9	4.6	0.9	8.5	4.8
DH10-150	-45	4700	15.9	22.0	6.1	0.4	0.9	4.8
		incl	17.0	17.9	0.9	1.3	4.1	16.3
DH10-151	-45	4650	35.8	39.0	3.2	0.9	5.4	9.9
DH10-152	-45	4600	35.6	38.7	3.2	1.1	3.1	11.8
		and	43.3	44.4	1.1	0.5	0.1	3.5
DH10-153	-45	4750	14.4	17.6	3.2	0.7	1.1	6.4

Gold values for these intersections is less than 1 g/t, with the exception of the intersection in hole DH09-149, between 14.2 and 22.0 m down hole, which reported 1.11 g/t gold.

The holes were drilled over a 400 m strike length and all of the mineralization is within 100 m of surface.

FIGURE 11-3 LOST DRILL HOLE LOCATIONS



JUNGLE

The Jungle deposit is located approximately 7 km north-east of the Town of Sherridon.

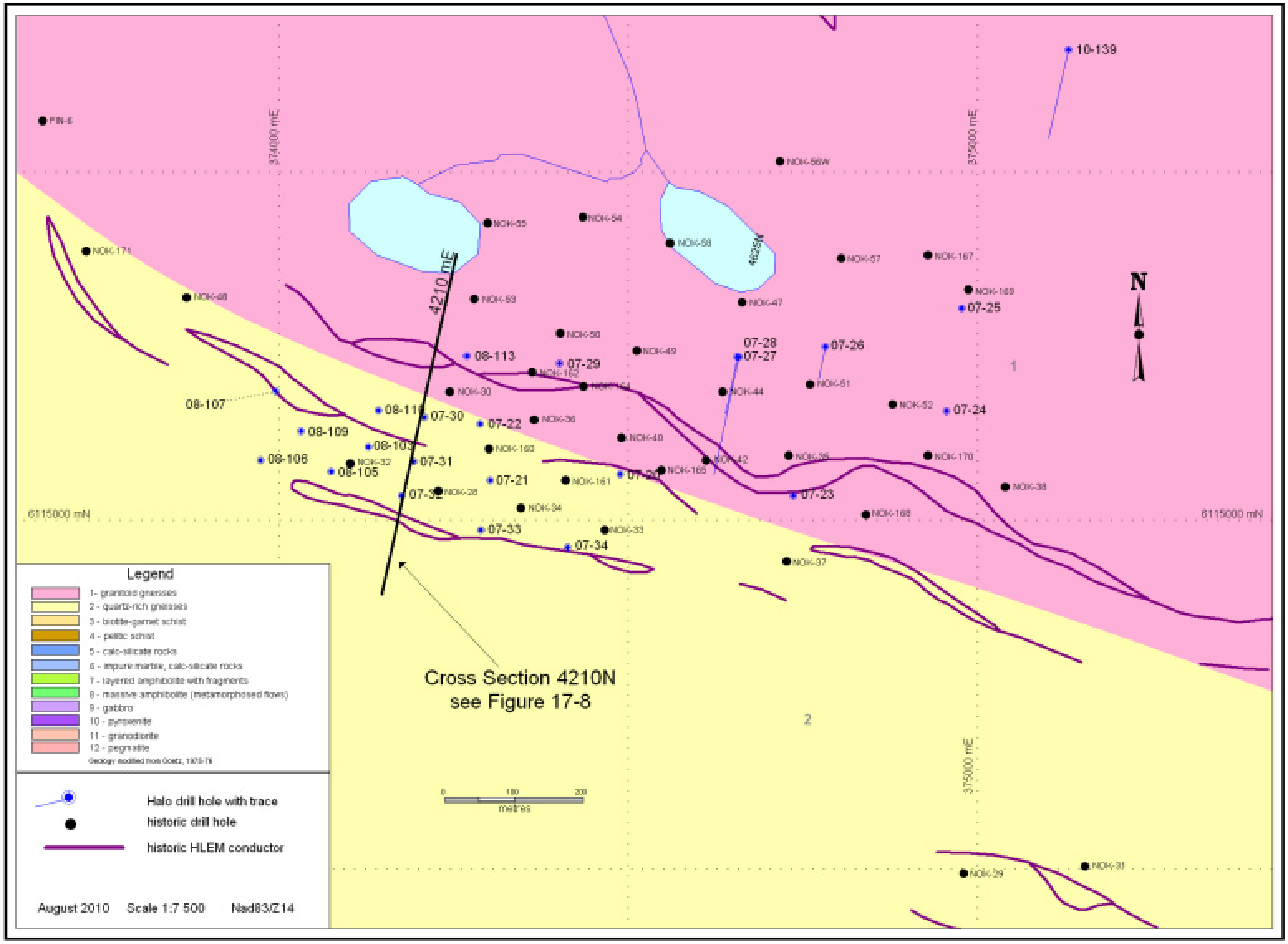
Fifteen holes were drilled in 2007 as reported in MacConnell and Healy (2008). Seven drill holes were drilled at the Jungle deposit in 2008 as reported in Giroux et al (2008). Six of these holes (DH08-103, -105, -106, -107, -109 and 110) were designed to verify and test the up-dip extension of the Jungle deposit in the near-surface environment (Figure 11-4). Hole DH08-113 was designed to test the northwestern extent of mineralization. The 2008 drill holes were not included in the 2007 resource estimate (Giroux and Moore, 2007) but are incorporated in the resource estimate in this report.

One drill hole was drilled at the Jungle deposit in 2010 (Table 11-7) to test the downward projection of the deposit at 650 m from surface.

TABLE 11-7 JUNGLE – DRILL HOLE LOCATIONS Halo Resources Ltd. – Sherridon Property					
Hole ID	**UTM Northing**	**UTM Easting**	**Collar Dip (°)**	**Azimuth (°)**	**Length (m)**
DH10-139	6,115,674	375,130	-80	193	750.0

A 750 m drill hole at Jungle was completed in January to test a projected down plunge extension of the mineralized zone. No significant sulphide mineralization was intersected. A down hole Pulse EM geophysical survey identified off-hole responses.

FIGURE 11-4 JUNGLE DRILL HOLE LOCATIONS



OTHER DRILLING

A total of 32,903 m of drilling was completed between November 2006 and July 2010 in 159 drill holes. The majority of holes have been drilled in the vicinity of the Bob, Cold, Lost and Jungle deposits. The remaining drill holes were used to explore regional exploration targets and holes numbered up to DH08-129 are described in previous NI43-101 compliant technical reports (Giroux et al, 2008 and MacConnell and Healy, 2008).

An additional 30 holes were completed up to July 2010, the majority of which were at the Cold and Lost deposits and described above. Eight holes were drilled at Target Area 5 and Target Area 30 in early 2010. The regional exploration drill hole locations summarized in Table 11-9 and all of the regional exploration drill holes (2006 to 2010) are shown on Figure 11-5 along with earlier regional exploration drill holes at Molly Lake, East Zone, Fidelity and Scotty Lake.

TABLE 11-9 2009-2010 REGIONAL EXPLORATION DRILL HOLE LOCATIONS					
Halo Resources Ltd. – Sherridon Property					
Hole ID	**UTM Northing**	**UTM Easting**	**Collar Dip (º)**	**Azimuth (º)**	**Length (m)**
DH10-140	374835	6110502	-75	220	93
DH10-141	374902	6110583	-75	220	167
DH10-142	374970	6110663	-75	220	242
DH10-143	374415	6111168	-75	220	92
DH10-144	374482	6111249	-75	220	163
DH10-145	374550	6111329	-75	220	229
DH10-146	372732	6114891	-75	285	219
DH10-147	372621	6114861	-75	285	141

Two drill holes completed at Target Area 30 (DH10-146 and DH10-147) intersected semi-massive pyrite and/or graphite which explained the airborne VTEM anomalies and no further work is anticipated.

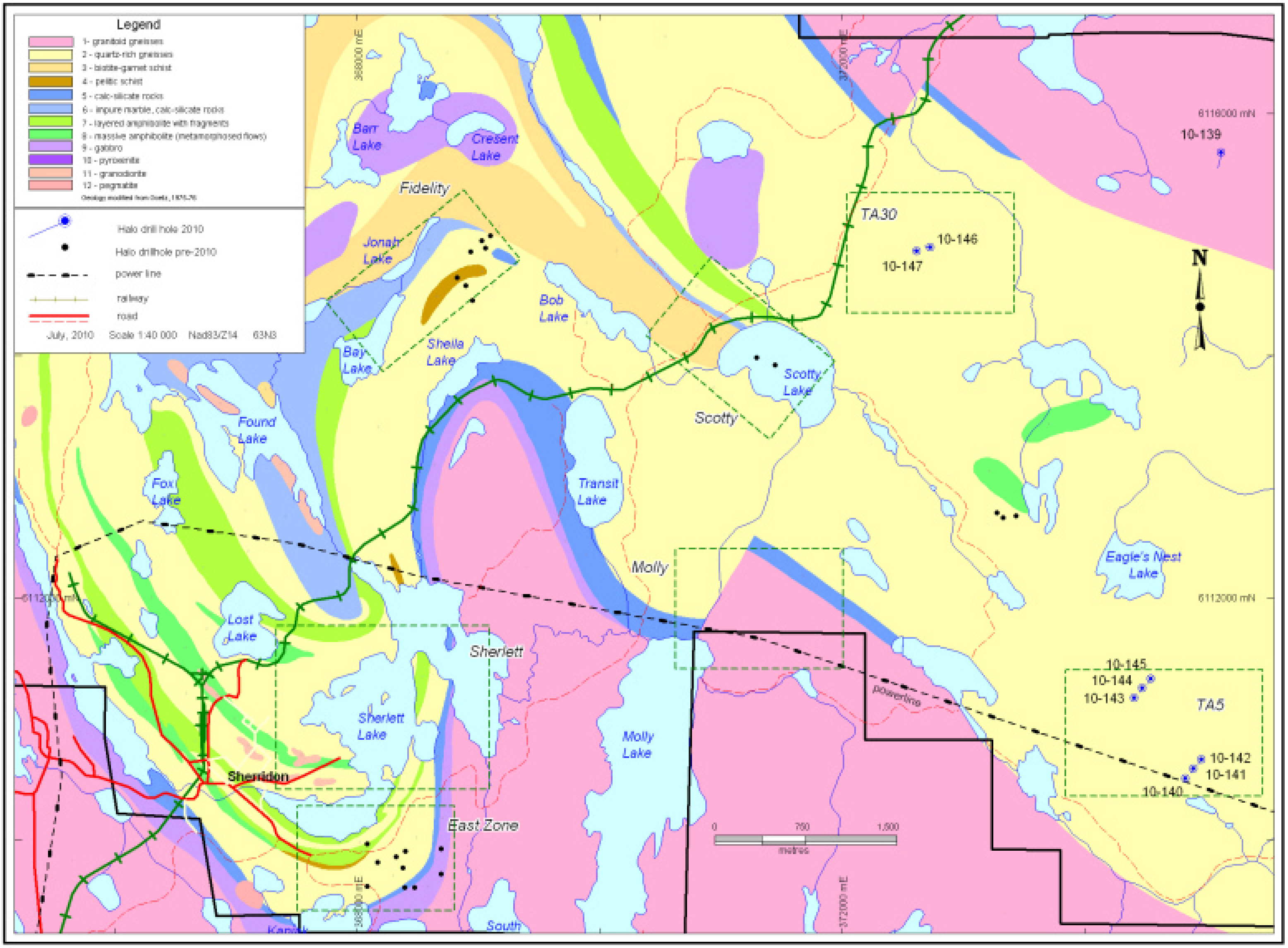
Six holes were drilled in Target Area 5 for a total of 988 m. The objective of this drill program was to intersect the mineralized horizon down plunge of two base metal anomalies defined by the self-propelled geochemical sampling drill rig program (Figure 10-1).

Zones of barren disseminated to semi-massive pyrite and pyrrhotite were encountered in all six drill holes. The copper and zinc values were approximately 25% to 50% of the values for bedrock chip samples that were considered anomalous in the area (i.e. 447 ppm copper and 3,780 ppm zinc anomalies).

Four of the holes were surveyed by Crone Geophysics and Exploration Ltd. using BHPEM. The other two holes, DH10-142 and DH10-143, could not be surveyed due to hole instability. The data obtained from these surveys were further analyzed by L. E. Reed Geophysical Consultant Inc.

End of hole anomalies detected in DH10-144 and DH10-145 may represent a stratigraphically continuous body that merits further investigation in the vicinity of the unexplained bedrock chip copper and zinc anomalies. In addition, a magnetite-bearing felsic gneiss was identified that has been associated with the Lost-Cold stratigraphic horizon.

FIGURE 11-5 REGIONAL EXPLORATION DRILL HOLE LOCATIONS



12 SAMPLING METHOD AND APPROACH

A total of 32,904 m was drilled by Rodren Drilling, Winnipeg, Manitoba (2006 to 2008) and CorePro (2009-2010) in 159 holes on the property using NQ core. All drill core sections with visible sulphide mineralization were sampled continuously. Individual samples were collected in variable lengths, with individual sample intervals chosen to correspond to similar quantities of sulphide minerals or other lithologic inhomogeneity. Standard procedures for handling core in the field were used by the diamond drill contractors and the field geologist. Drill core recovery was typically very high, up to 100%. The sample quality of the samples for assay was excellent; where sulphide mineralization was observed in drill core, it was apparently evenly distributed through both halves of the split core.

There are no drilling, sampling, or recovery factors that could have materially impacted on the accuracy and reliability of the results.

13 SAMPLE PREPARATION, ANALYSES AND SECURITY

Drill core was placed in wooden core trays, logged, marked and sampled on the property. Drill core is stored on the property. Diamond drill core to be analyzed was split in half, with one half retained as a permanent sample record and the other half sent for assay. The core was split in half using a diamond core saw in the core handling facility. Rock and drill core samples were transported from the field camp by the field crew to Sherridon and further shipped by bus to ALS-Chemex Laboratories, Thunder Bay for sample preparation and ALS-Chemex Laboratories, Vancouver for various analyses (Table 13-1), which is an ISO17025-accredited laboratory, for preparation and analysis. Field geologists were responsible for sample selection, splitting, bagging and recording.

TABLE 13-1 METHOD CODES AT ALS-CHEMEX

Method Code	Description
CRU-31	Fine crush entire sample to =70% passing 2 mm
PUL-31	Pulverize split to =85% passing 75 micron
SPL-21	Riffle split crushed sample to 250g
DRY-21	High temperature drying up to 105ºC of excessively wet samples
WEI-21	Received sample weight
Au-ICP22	Au (0.001 - 10 ppm) by 50 g fire assay and ICP-AES
ME-ICP41	35 elements Aqua Regia ICP-AES

Certain standard rules were established for re-assaying Au, Ag, Cu, Mo, Pb and Zn (Table 13-2).

TABLE 13-2 RULES AND METHOD CODES AT ALS-CHEMEX FOR RE-ASSAYS

If	Method	Description
Au >= 10 ppm	Au-GRA22	Au (0.05-1,000 ppm) by 50 g fire assay and gravimetric finish
Ag >= 100 ppm	Ag-OG46	Ag (1-1,500 ppm) by aqua regia digestion, ICP-AES or AAS finish
Ag >= 10 ppm	Au-ICP22	Au (0.001-10 ppm) by 50 g fire assay and ICP-AES
Cu >= 10,000 ppm	Cu-OG62	Cu (0.01-40%) by 4-acid digestion and ICP finish
Mo >= 10,000 ppm	Mo-OG46	Mo (0.001-10%) by aqua regia digestion and ICP-AES or AAS finish
Pb >= 10,000 ppm	Pb-OG46	Pb (0.001-20%) by aqua regia digestion and ICP-AES or AAS finish
Zn >= 10,000 ppm	Zn-OG62	Zn (0.001-30%) by 4-acid digestion and ICP-AES or AAS finish
Zn >= 30%	Zn-VOL50	Zn by titration (0.01-100%)

A quality control program consisting of blanks and certified reference materials has been implemented to monitor laboratory performance and no significant discrepancies are reported. The blank material is collected from an outcrop of felsic gneiss on the property. Background copper and zinc values are approximately 85 ppm and 60 ppm respectively. Two reference materials purchased from CDN Resource Laboratories are inserted regularly, with grades from 0.76% Cu to 1.36% Cu and 7.2% Zn to 7.66% Zn.

The sample preparation, analyses and security procedures are in keeping with industry standards and are adequate and acceptable.

14 DATA VERIFICATION

Assay quality control data, consisting of blanks and certified reference materials, are reviewed regularly. A total of 13 blanks and 12 reference materials were submitted with the samples for analyses. No quality control failures were reported. The reference materials performed relatively well with assays generally falling within ±5%.

All location information, geological descriptions and assays are maintained in a standardized format using Datamine software and are rigorously evaluated for entry errors.

Drill hole collars are initially designated by GPS and since May 2007, surveyed by Halo using a Trimble R3 unit.

A series of checks were completed on the drill hole database relative to the original logs and assay reports. The database has been compiled by Halo employees and includes 159 drill holes. The database is considered to be highly accurate.

Although paper copies of drill logs exist for the original Sherritt Gordon Mines Limited drilling at Bob, no assay certificates or core are available to verify the assays and lengths recorded for the historic intersections. In an effort to verify the previous information, a series of four holes were drilled immediately adjacent to the original Sherritt intersections in 2008. The twinned hole program (Giroux et al, 2008) demonstrated that the remainder of the Sherritt Gordon drilling was acceptable for use in the resource estimate.

Historical drilling records at the Cold and Jungle deposits have also been incorporated in the current database used for the resource estimate. The assay tenor and deposit geometry based on the historical holes has been confirmed by Halo drilling.

15 ADJACENT PROPERTIES

There is nothing to report in this section.

16 MINERAL PROCESSING AND METALLURGICAL TESTING

A series of mineralized samples from the Cold and Lost Deposits were sent to G and T Metallurgical Services in Kamloops, BC, for preliminary metallurgical tests in 2008.

The Cold master composite sample assayed 1.27% copper and 3.42% zinc and the Lost master composite sample assayed 1.22% copper and 4.48% zinc. The composite samples were derived from all of the mineralized zones intersected in drill holes and these grades are considered typical of the material that would be milled, with the remainder of the stripped material assigned as waste or delivered to a low grade stockpile.

Copper and zinc recoveries in batch cleaner flotation test work for both composites were in the range of 85 to 88%. Copper grades of 26.5% to 28% copper in the concentrate were achieved and zinc concentrate grades of 25% and 31% zinc were achieved. It is expected that a typical zinc concentrate grade will improve to over 50% zinc once the flow sheet is optimized for regrinding and reagents.

At a nominal primary grind of approximately 80% passing 95 microns, the percentage of liberated chalcopyrite and sphalerite grains were reasonably good. On average, chalcopyrite was 65% liberated and sphalerite was 72% liberated at this grind size. The cleaner tests utilized three stages of cleaning following a regrind of the rougher concentrates, to 80% passing 50 microns for the copper concentrate and 80% passing 65 microns for the zinc concentrate.

Gold and silver have not been assayed for in this initial program but will be assayed for in future test work as they are likely to represent a considerable source of revenue. Additional test work is planned by HudBay and is scheduled for the latter part of 2010.

17 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

MINERAL RESOURCES

SUMMARY

G. H. Giroux, P.Eng., MASc of Giroux Consultants Ltd. has prepared a Mineral Resource estimate of the Bob, Cold, Lost and Jungle deposits using digital drill hole data provided by Halo. Mr. Giroux is a qualified person with experience in resource estimates of volcanic massive sulphide deposits (VMS) and is independent of the Issuer based on tests set out in Section 1.4 of National Instrument 43-101. Mr. Giroux verified a set of 3D solids of the mineralized zone also provided by Halo. Variogram parameters were determined for the Bob, Cold, Lost and Jungle deposits and grades were interpolated into the block models using the ordinary kriging method. Mineral Resources for copper, zinc, gold and silver were estimated (Tables 17- 1 and 17- 2).

TABLE 17-1 MINERAL RESOURCES – SEPTEMBER 2010
Sherridon VMS Property - Halo Resources Ltd.
All Resources

Mining Method	Tonnes	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)	Copper (Mllbs)	Zinc (Mllbs)	Gold (ozs)	Silver (ozs)
INDICATED									
Open Pit	5,317,000	0.80	1.23	0.34	7.21	94	144	58,829	1,233,373
Underground	1,235,800	1.04	1.18	0.48	8.19	28	32	19,230	325,343
Total Indicated	6,552,800	0.85	1.22	0.37	7.40	122	176	78,059	1,558,716
INFERRED									
Open Pit	12,240,000	0.62	0.77	0.26	5.29	168	208	103,921	2,083,390
Underground	3,620,000	0.91	1.08	0.32	7.37	72	87	37,324	857,689
Total Inferred	15,860,000	0.68	0.84	0.28	5.77	240	294	141,245	2,941,079

Notes:

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
2. Mineral resources are estimated at a NSR cut-off of US$20 per tonne and US$45 per tonne for open pit and underground respectively.
3. Metal prices used are US$3.00/lb copper, US$1.05/lb zinc, US$1,000/oz gold and US$15.00/oz silver.
4. Metallurgical recovery factors assumed were 92% for copper, 83% for zinc, 65% for gold and 57% for silver.
5. The Mineral Resources are reported at a cut-off grade to reflect reasonable prospects for economic extraction, which were evaluated by designing a series of conceptual pit shells using the Lerchs-Grossman optimizing algorithm.
6. Common values for operating costs and smelter terms were assumed.

TABLE 17-2 MINERAL RESOURCES – SEPTEMBER 2010
Sherridon VMS Property - Halo Resources Ltd.
Cold, Lost, Bob and Jungle Deposits

Deposit	Elevation	Mining Method	NSR Cut-off (US$)	Tonnes	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	NSR (US$)	Cu (Mllbs)	Zn (Mllbs)	Au (ozs)	Ag (ozs)
INDICATED													
COLD	Above 200	O.P.	20.00	942,000	0.87	1.43	0.51	11.64	67.01	18.03	29.76	15,294	352,468
	Below 200	U.G	45.00	81,000	0.90	1.88	0.33	10.05	69.57	1.61	3.36	867	26,172
LOST	Above 230	O.P.	20.00	865,000	0.83	2.99	0.48	9.49	81.53	15.81	57.01	13,432	263,837
	Below 230	U.G	45.00	4,800	0.44	2.51	0.43	5.99	57.07	0.05	0.27	67	924
BOB	Above 170	O.P.	20.00	2,220,000	0.70	0.72	0.23	4.94	44.73	34.46	35.00	16,416	352,876
	Below 170	U.G	45.00	290,000	1.05	1.03	0.27	7.23	64.97	6.73	6.59	2,536	67,373
JUNGLE	Above 200	O.P.	20.00	1,290,000	0.90	0.77	0.33	6.37	56.34	25.60	21.90	13,687	264,192
	Below 200	U.G	45.00	860,000	1.06	1.16	0.57	8.35	72.69	20.10	22.00	15,760	230,874
INFERRED													
COLD	Above 200	O.P.	20.00	1,280,000	0.48	1.19	0.25	7.06	40.85	13.43	33.50	10,288	290,581
	Below 200	U.G	45.00	340,000	0.74	1.54	0.33	9.11	58.47	5.55	11.52	3,618	99,540
LOST	Above 230	O.P.	20.00	1,420,000	0.67	1.86	0.50	7.95	62.11	21.10	58.27	22,690	363,086
	Below 230	U.G	45.00	340,000	0.63	2.38	0.54	8.73	66.88	4.71	17.86	5,892	95,375
BOB	Above 170	O.P.	20.00	7,600,000	0.62	0.49	0.20	4.41	37.96	104.40	81.61	49,113	1,077,319
	Below 170	U.G	45.00	1,130,000	1.02	0.82	0.24	7.38	60.39	25.29	20.51	8,610	268,227
JUNGLE	Above 200	O.P.	20.00	1,940,000	0.67	0.80	0.35	5.65	46.86	28.66	34.22	21,830	352,404
	Below 200	U.G	45.00	1,810,000	0.92	0.92	0.33	6.78	58.99	36.72	36.72	19,204	394,547

Using long term metal prices, the in situ copper, zinc, gold and silver values in each block of the block model were converted to US$ amounts. These cash values were then converted to an NSR using reasonable mill recoveries and charges for concentrate transportation, smelting and refining. A range of NSR cut-off values were selected and applied to the block models to produce the Mineral Resource estimates.

Giroux classified the Mineral Resources in the block model into Indicated and Inferred categories based on kriging pass and apparent geological and grade continuity of the mineralized zones. The deposits were split into upper and lower parts, because two different mining methods are likely to be used if the deposit is exploited. Open pit mining is postulated for the near-surface portion of the deposits and underground mining methods would be used beneath the open pit tonnages. Indicated Resources were estimated in the first two search passes using one quarter and one half of the variogram range. This represents a drill spacing of approximately 50 to 60 m. Inferred Mineral Resources exist where larger searches were required.

DATA ANALYSIS

The data base for the resource estimation, effective date September 2010, consisted of 108 drill holes in the Bob deposit, 60 drill holes in the Cold deposit, 33 drill holes in the Lost deposit and 62 drill holes in the Jungle deposit.

Within each zone, assays reported as 0.0000% for Cu, Pb and Zn or 0.0000 g/t for Au and Ag were set to ½ the detection limit.

Since the last resource estimate (Giroux et al, 2008), there have been five additional holes drilled on Cold in 2010 and one in 2008. A total of 1,798 assays for Cu, Pb, Zn, Au and Ag were supplied for the Cold deposit. A total of 22 gaps in the assay record were identified (most outside the mineralized solids) and values of 0.0001% were inserted for Cu, Pb and Zn and 0.0001 g/t for Au and Ag.

On the Lost deposit, an additional nine drill holes totalling 851 m were completed in 2009 and a further six holes totalling 622 m in 2010 containing an additional 1,042 new assays. A total of 120 gaps in the assay record were found in the Lost deposit and values of 0.0001% were inserted for Cu, Pb and Zn and 0.0001 g/t for Au and 0.001 g/t for Ag.

On the Bob deposit, an additional 11 drill holes were completed in 2008 since the last estimate (holes DH08-96, -97, -119 and -122 to -129) totalling 2,949 m. A combined 1,052 additional assays for Cu, Pb, Zn, Au and Ag were supplied for the Bob deposit. A total of 664 gaps in the assay record were found in the Bob deposit and values of 0.0001% were inserted for Cu, Pb and Zn and 0.0001 g/t for Au and 0.10 g/t for Ag.

On the Jungle deposit, recent drilling consisted of seven new holes in 2008 and one in 2010. The supplied data base for Jungle consisted of 62 diamond drill holes containing 574 down hole surveys and 1,445 samples. Assaying of these samples was incomplete with only mineralized intervals assayed for Cu and Zn and only some of these assayed for Au and Ag.

Values of 0.0001% were inserted for waste and mineralized intervals not assayed for Cu and Zn. At Jungle, the gold and silver samples in historic holes that were not assayed were part of a cost saving strategy and do not necessarily indicate that the minerals are not present. The resource was estimated leaving these missing gold and silver values blank. During the compositing procedure, blanks are ignored and the grade for a composite would be based on surrounding samples.

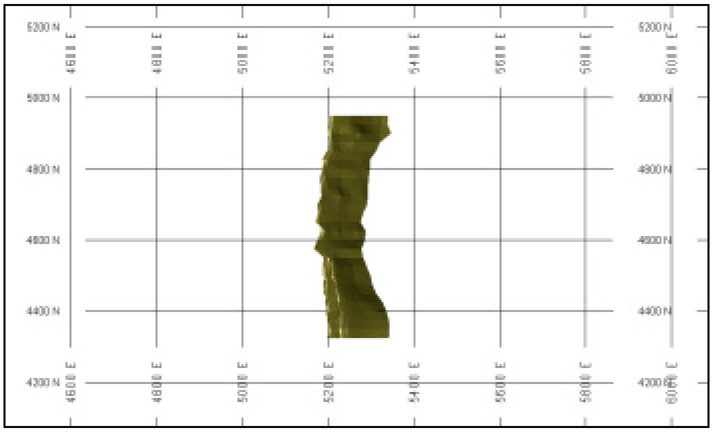
Mineralized 3-dimensional solids were provided by Halo to outline the mineralized volume within each zone and drill holes were compared to these solids (Figures 17-1 to 17-4). Assays were back tagged to determine which assays were within the various mineralized zones. The assay statistics are sorted by mineralized zone and tabulated in Table 17-3.

TABLE 17-3 SUMMARY OF ASSAY STATISTICS SORTED BY ZONE
Sherridon VMS Property - Halo Resources Ltd.

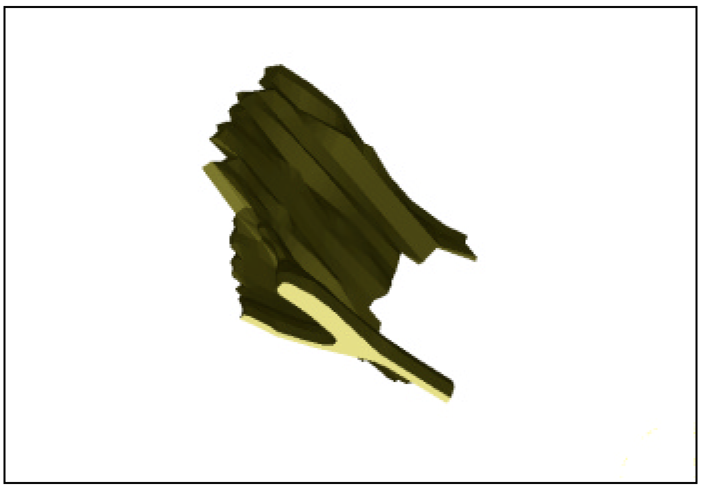
Zone	Variable	Number	Mean	Stand. Dev.	Minimum	Maximum	Coefficient of Variation
Bob	Cu (%)	1,310	0.612	0.703	0.0001	5.66	1.15
	Pb (%)	1,310	0.004	0.018	0.0001	0.52	5.00
	Zn (%)	1,310	0.584	0.970	0.0001	11.20	1.66
	Au (g/t)	1,310	0.223	0.521	0.001	10.21	2.33
	Ag (g/t)	1,310	4.92	5.61	0.10	120.80	1.14
Cold	Cu (%)	676	0.854	1.192	0.0001	10.90	1.40
	Pb (%)	676	0.004	0.010	0.0001	0.179	2.46
	Zn (%)	676	1.664	2.818	0.0001	27.10	1.69
	Au (g/t)	676	0.463	1.118	0.0001	13.00	2.41
	Ag (g/t)	676	10.73	16.99	0.0001	165.00	1.58
Lost	Cu (%)	396	0.826	1.427	0.0001	19.50	1.73
	Pb (%)	396	0.006	0.015	0.0001	0.19	2.63
	Zn (%)	396	2.776	5.480	0.0001	37.05	1.97
	Au (g/t)	396	0.632	2.988	0.0001	56.52	4.73
	Ag (g/t)	396	9.22	14.87	0.001	188.00	1.61
Jungle	Cu (%)	748	1.02	1.57	0.0001	19.82	1.54
	Zn (%)	748	0.91	1.38	0.0001	19.30	1.53
	Au (g/t)	390	0.398	0.775	0.001	8.92	1.94
	Ag (g/t)	522	7.76	12.26	0.05	200.94	1.58

The grade distribution for each variable within each deposit was examined. All variables were positively skewed. A log transform was made and all variables were plotted on lognormal cumulative frequency plots. Each variable in each deposit showed multiple overlapping lognormal populations and using the method of partitioning, the individual populations were identified. In most cases, the cap level was set to two standard deviations above the mean of Population 2 reducing the influence of the erratic high grades of Population 1. The capping levels are tabulated in Table 17-4.

FIGURE 17-1 LOST DEPOSIT – MINERALIZED ZONE



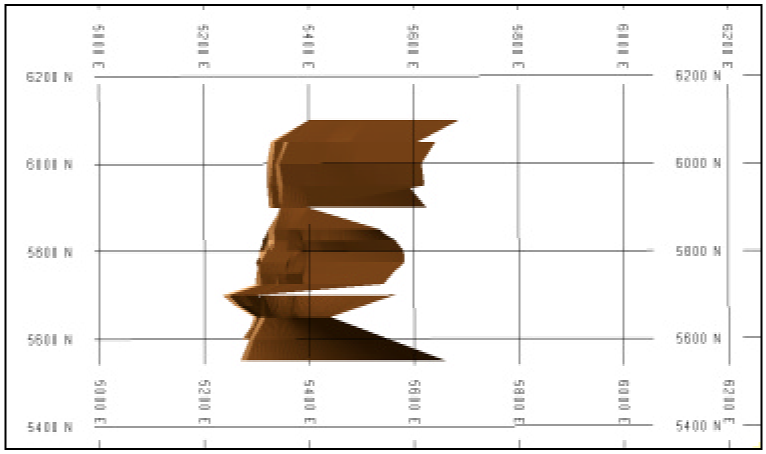
Lost Mineralized Zone - Plan View



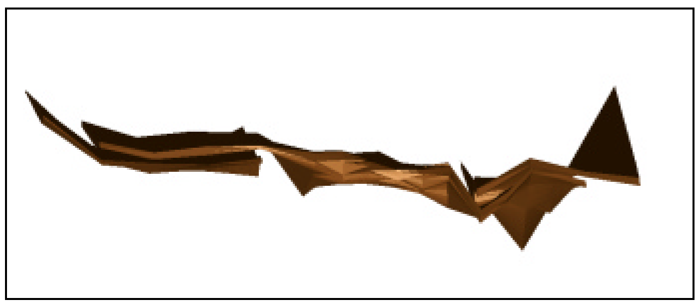
Lost Mineralized Zone - Looking North

Lost Mineralized Zone - Looking North-West

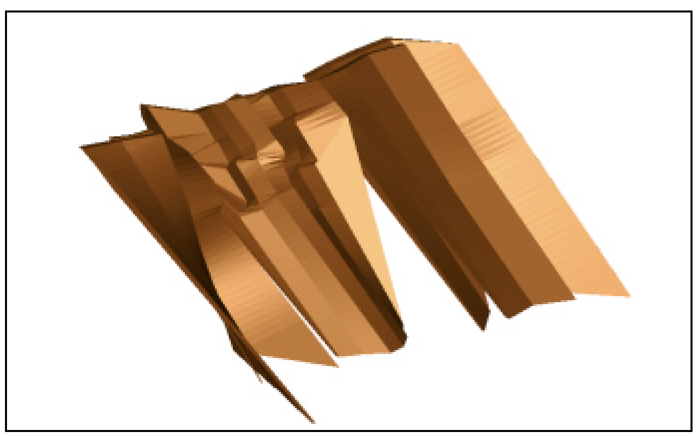
FIGURE 17-2 COLD DEPOSIT – MINERALIZED ZONE



Cold Mineralized Zone - Plan View

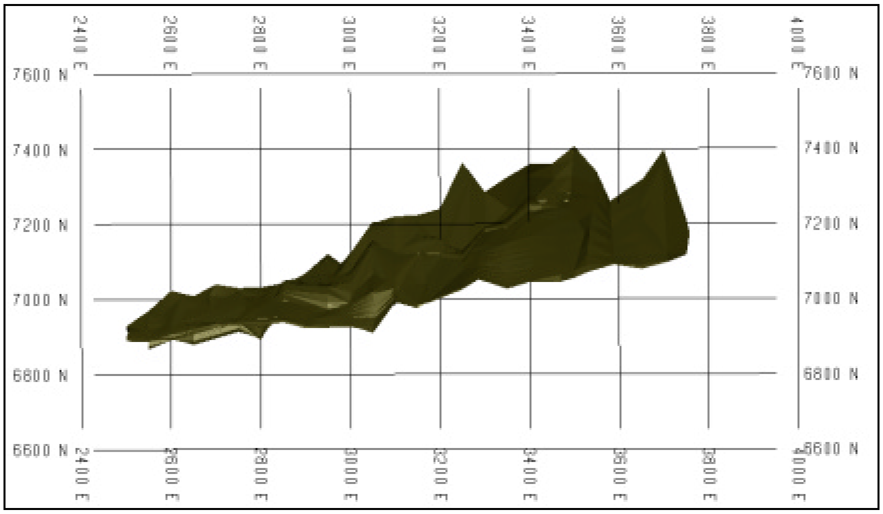


Cold Mineralized Zone - Looking Down Dip



Cold Mineralized Zone - Looking North-West

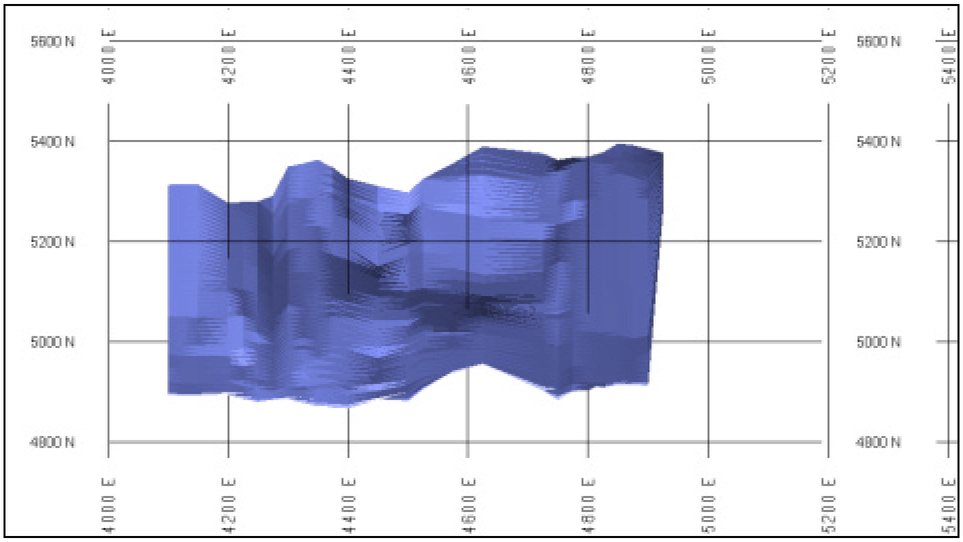
FIGURE 17-3 BOB DEPOSIT – MINERALIZED ZONE



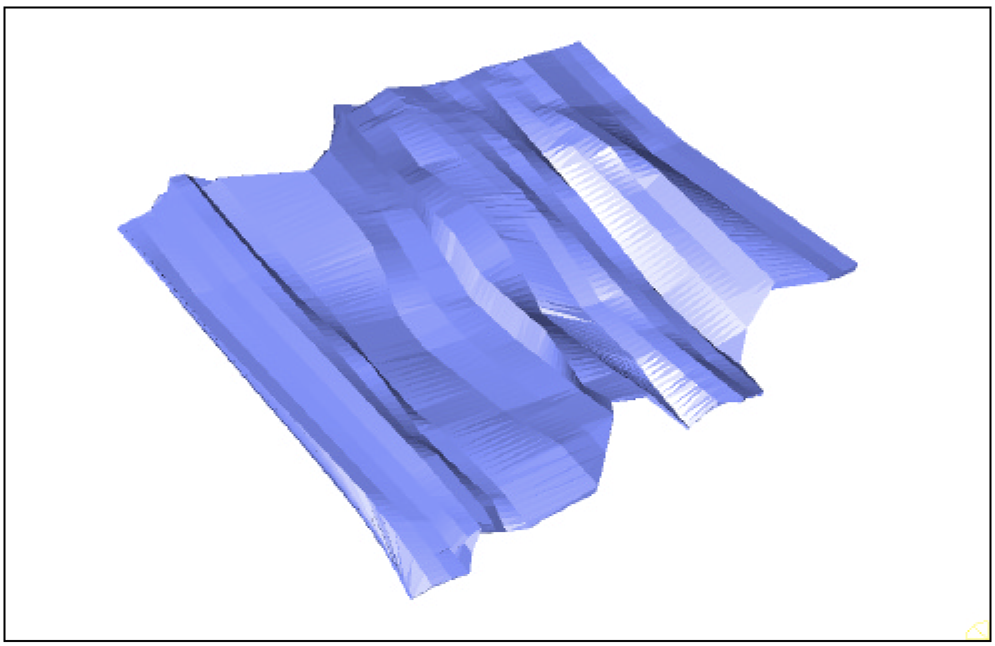
Bob Mineralized Zone - Plan View

Bob Mineralized Zone - Looking South-West

FIGURE 17-4 JUNGLE DEPOSIT – MINERALIZED ZONE



Jungle Mineralized Zone - Plan View



Jungle Mineralized Zone - Looking South-West

TABLE 17-4 SUMMARY OF CAPPING LEVELS SORTED BY ZONE Sherridon VMS Property - Halo Resources Ltd.					
Zone	**Variable**	**Number**	**Cap Strategy**	**Cap Level**	**Number Capped**
Bob	Cu (%)	729	2SDAMP2	3.70 %	6
	Pb (%)	322	2SDAMP2	0.16 %	1
	Zn (%)	729	2SDAMP2	5.70 %	4
	Au (g/t)	729	2SDAMP2	4.00 g/t	5
	Ag (g/t)	729	2SDAMP2	33.00 g/t	3
Cold	Cu (%)	676	2SDAMP2	7.80 %	2
	Pb (%)	676	2SDAMP2	0.06 %	2
	Zn (%)	676	2SDAMP3	12.00 %	5
	Au (g/t)	676	2SDAMP3	7.40 g/t	4
	Ag (g/t)	676	2SDAMP3	98.00 g/t	4
Lost	Cu (%)	396	2SDAMP2	6.00 %	2
	Pb (%)	396	2SDAMP2	0.10 %	3
	Zn (%)	396	2SDAMP2	20.00 %	6
	Au (g/t)	396	2SDAMP2	8.60 g/t	3
	Ag (g/t)	396	2SDAMP2	63.00 g/t	2
Jungle	Cu (%)	748	2SDAMP2	10.20 %	4
	Zn (%)	748	2SDAMP2	5.60 %	6
	Au (g/t)	390	2SDAMP2	4.73 g/t	3
	Ag (g/t)	522	2SDAMP2	68.50 g/t	3

The effects of capping a few erratic high grades are shown below in Table 17-5.

TABLE 17-5 SUMMARY OF CAPPED ASSAY STATISTICS SORTED BY ZONE Sherridon VMS Property - Halo Resources Ltd.							
Zone	**Variable**	**Number**	**Mean**	**Stand. Dev.**	**Minimum**	**Maximum**	**Coefficient of Variation**
Bob	Cu (%)	1310	0.607	0.671	0.0001	3.70	1.11
	Pb (%)	1310	0.003	0.012	0.0001	0.16	3.53
	Zn (%)	1310	0.575	0.904	0.0001	5.70	1.57
	Au (g/t)	1310	0.215	0.419	0.001	4.00	1.95
	Ag (g/t)	1310	4.84	4.53	0.10	33.00	0.94
Cold	Cu (%)	676	0.845	1.126	0.0001	7.80	1.33
	Pb (%)	676	0.004	0.007	0.0001	0.060	1.80
	Zn (%)	676	1.626	2.600	0.0001	12.00	1.60
	Au (g/t)	676	0.443	0.941	0.0001	7.40	2.13
	Ag (g/t)	676	10.49	15.38	0.001	98.00	1.47
Lost	Cu (%)	396	0.790	1.099	0.0001	6.00	1.39
	Pb (%)	396	0.005	0.012	0.0001	0.10	2.12
	Zn (%)	396	2.623	4.787	0.0001	20.00	1.83
	Au (g/t)	396	0.509	1.072	0.0001	8.60	2.10
	Ag (g/t)	396	8.90	12.12	0.001	63.00	1.36
Jungle	Cu (%)	748	0.99	1.34	0.0001	10.20	1.40
	Zn (%)	748	0.87	1.13	0.0001	5.60	1.30
	Au (g/t)	390	0.384	0.652	0.001	4.73	1.70
	Ag (g/t)	522	7.46	8.95	0.05	68.50	1.20

COMPOSITES

The drill holes for each mineralized zone were "passed through" the appropriate solid with the points each hole entered and left the solid recorded. Uniform down hole composites 2 m in length were produced that honoured these boundaries. Intervals less than 1 metre at the boundaries of the solids were combined with the adjoining sample to produce a uniform support of 2±1 m. The statistics for 2-metre composites for each zone are tabulated in Table 17-6.

TABLE 17-6 SUMMARY OF 2-METRE COMPOSITE STATISTICS SORTED BY ZONE Sherridon VMS Property - Halo Resources Ltd.							
Zone	**Variable**	**Number**	**Mean**	**Stand. Dev.**	**Minimum**	**Maximum**	**Coefficient of Variation**
Bob	Cu (%)	968	0.400	0.526	0.0001	2.51	1.32
	Pb (%)	968	0.002	0.008	0.0001	0.11	3.76
	Zn (%)	968	0.367	0.677	0.0001	5.21	1.85
	Au (g/t)	968	0.147	0.268	0.0001	3.14	1.82
	Ag (g/t)	968	3.196	3.571	0.0001	23.10	1.12
Cold	Cu (%)	275	0.579	0.701	0.0001	4.67	1.21
	Pb (%)	275	0.004	0.006	0.0001	0.036	1.48
	Zn (%)	275	1.097	1.702	0.0001	9.90	1.55
	Au (g/t)	275	0.338	0.595	0.0001	5.17	1.76
	Ag (g/t)	275	8.039	10.693	0.001	71.13	1.33
Lost	Cu (%)	165	0.689	0.814	0.0001	4.30	1.18
	Pb (%)	165	0.005	0.007	0.0001	0.043	1.33
	Zn (%)	165	2.030	3.044	0.0001	14.61	1.50
	Au (g/t)	165	0.446	0.664	0.0001	3.71	1.49
	Ag (g/t)	165	7.897	9.403	0.001	50.86	1.19
Jungle	Cu (%)	359	0.720	0.740	0.0001	4.97	1.02
	Zn (%)	359	0.740	0.900	0.0001	4.71	1.23
	Au (g/t)	292	0.333	0.581	0.001	4.27	1.74
	Ag (g/t)	329	5.980	6.220	0.05	63.75	10.4

The relationship between the various variables in 2 m composites can be summarized in a correlation coefficient matrix.

Bob Deposit

	Cu	**Pb**	**Zn**	**Au**	**Ag**
Cu	1.0000				
Pb	-0.0475	1.0000			
Zn	**0.6844**	-0.0328	1.0000		
Au	0.3743	0.2425	0.2632	1.0000	
Ag	**0.8225**	0.2959	**0.6012**	**0.5239**	1.0000

Of note in the Bob deposit is the good correlation between Cu-Ag and a reasonable correlation between Cu-Zn, Ag-Zn and Au-Ag. Also of interest is the poor correlation between Pb and Zn.

Cold Deposit

	Cu	**Pb**	**Zn**	**Au**	**Ag**
Cu	1.0000				
Pb	0.1665	1.0000			
Zn	0.5457	0.1029	1.0000		
Au	**0.7379**	0.2842	0.3378	1.0000	
Ag	**0.8595**	0.2112	0.4316	**0.7943**	1.0000

In the Cold deposit, there is excellent correlation between Cu-Ag, Cu-Au and Au-Ag with reasonable correlation between Cu-Zn.

Lost Deposit

	Cu	**Pb**	**Zn**	**Au**	**Ag**
Cu	1.0000				
Pb	0.1013	1.0000			
Zn	**0.7253**	0.1446	1.0000		
Au	**0.6711**	0.3943	0.4691	1.0000	
Ag	**0.9498**	0.2082	**0.6402**	**0.7270**	1.0000

For the Lost deposit, there is excellent correlation between Cu-Ag, Cu-Zn, Cu-Au, Zn-Ag and Au-Ag.

Jungle Deposit

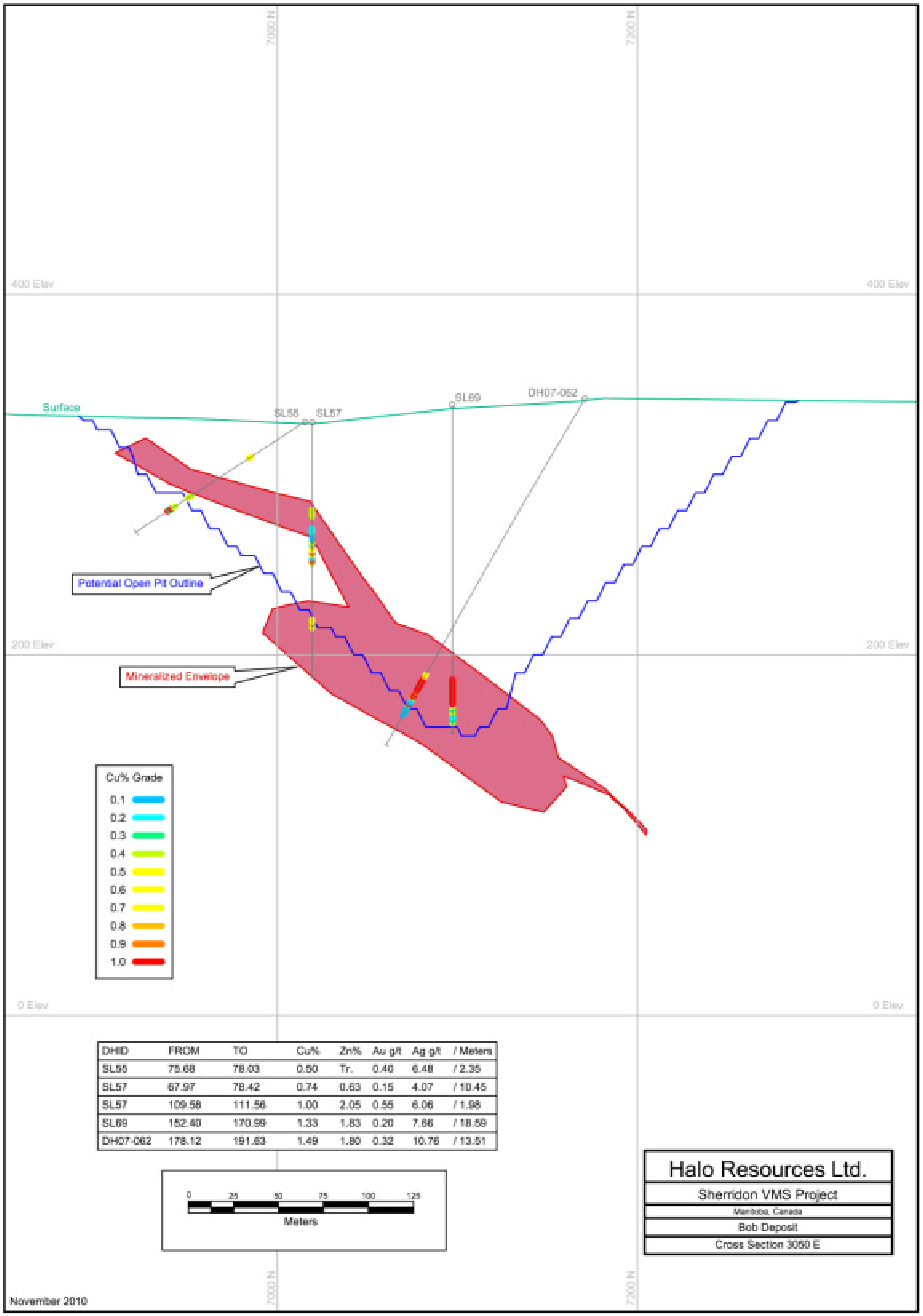
	Cu	**Zn**	**Au**	**Ag**
Cu	1.0000			
Zn	0.2037	1.0000		
Au	0.3768	0.0594	1.0000	
Ag	**0.6705**	0.1410	**0.5809**	1.0000

For the Jungle deposit, there is good correlation between Cu-Ag and Au-Ag.

GEOLOGICAL INTERPRETATION AND 3D SOLIDS

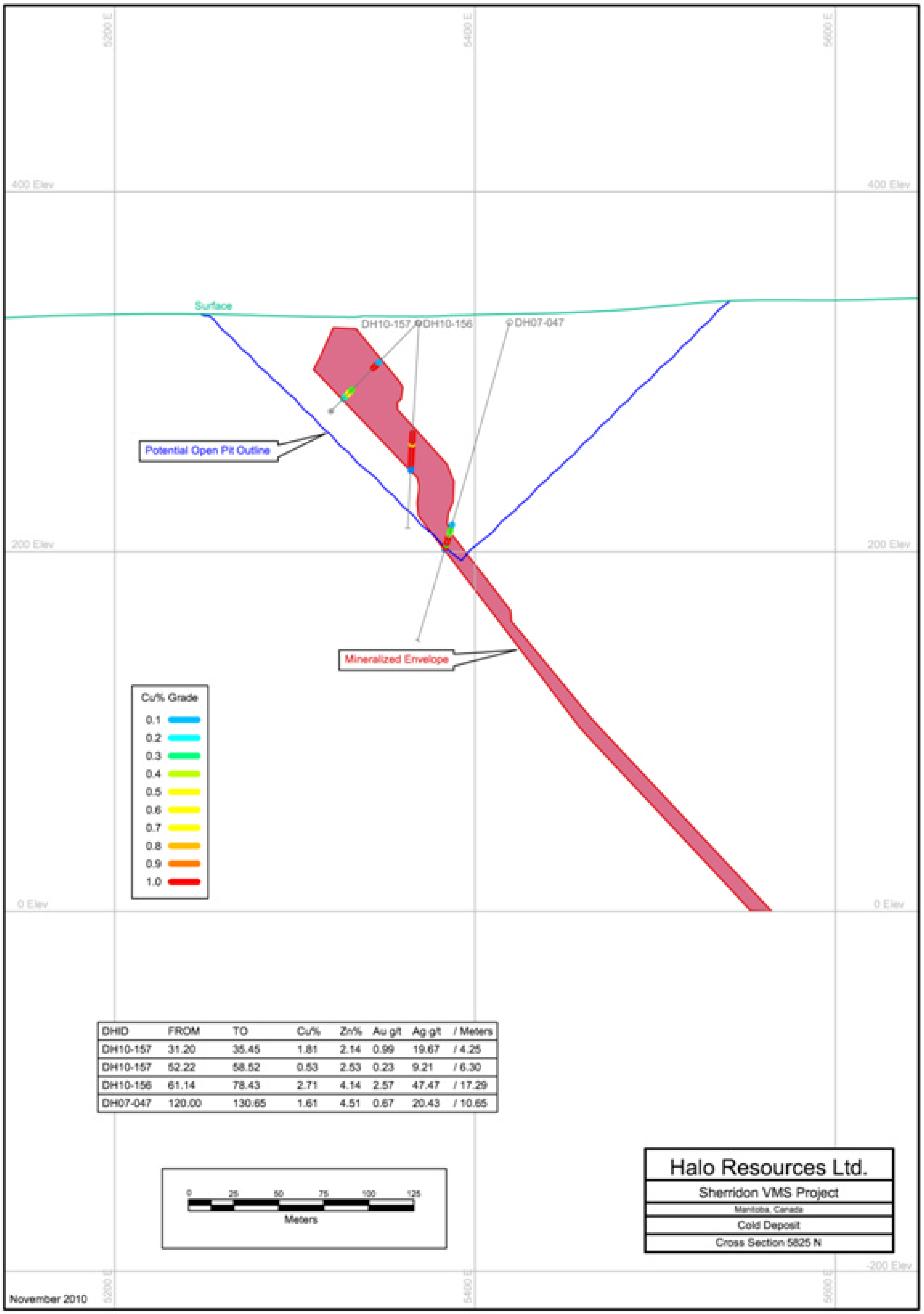
The mineralized sulphide zones were plotted on cross-sections and 3D geological models were produced that honoured the drill hole intersects. Figures 17-5 to 17-8 show vertical cross-sections through the mineralized envelopes. Figures 17-9 to 17-12 show vertical longitudinal sections of the four zones. The locations of the cross-sections can be found on Figures 11-1 though 11-4.

FIGURE 17-5 BOB DEPOSIT – CROSS-SECTION 3050 E



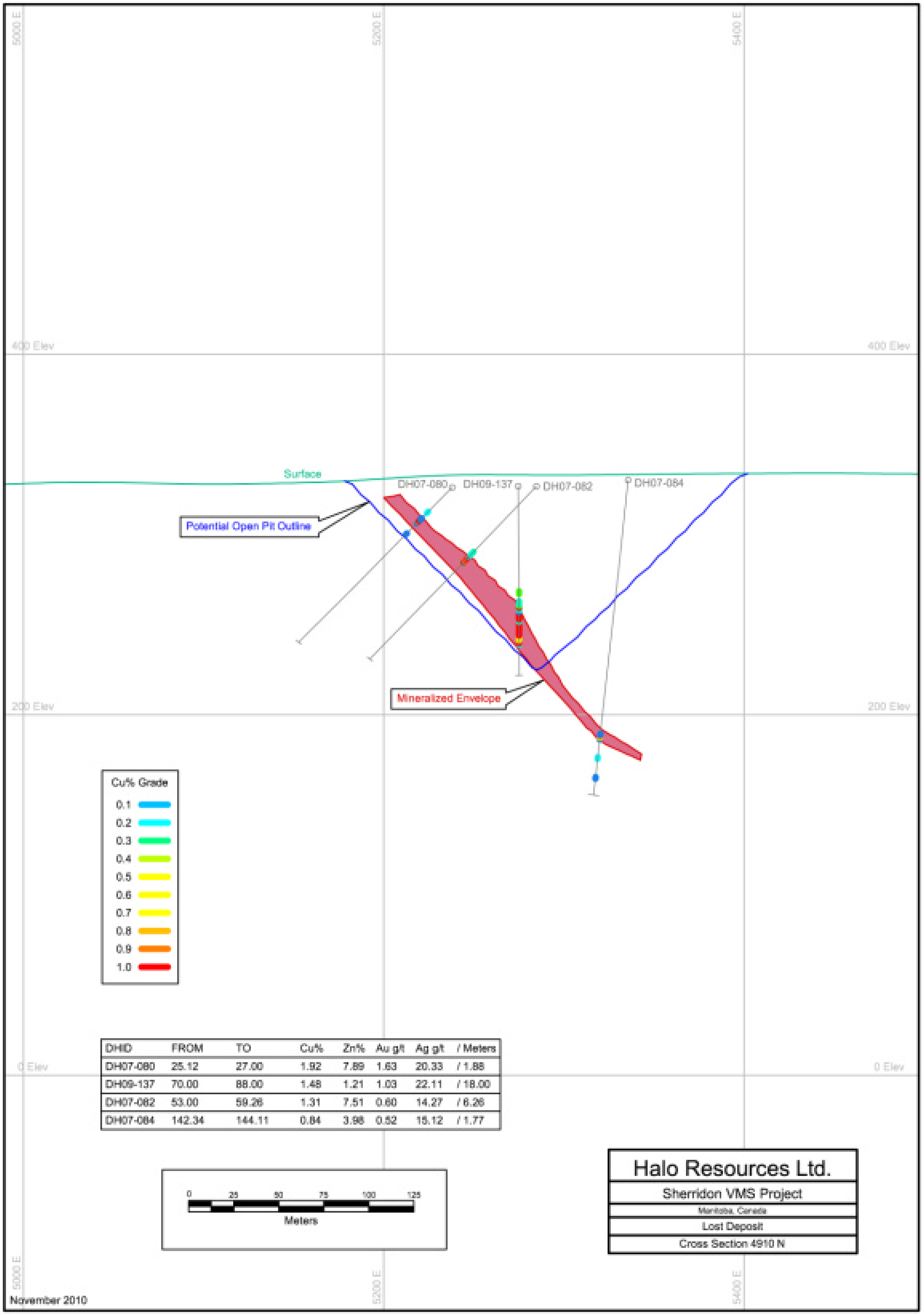
DHID	FROM	TO	Cu%	Zn%	Au g/t	Ag g/t	/ Meters
SL55	75.68	78.03	0.50	Tr.	0.40	6.48	/ 2.35
SL57	67.97	78.42	0.74	0.63	0.15	4.07	/ 10.45
SL57	109.58	111.56	1.00	2.05	0.55	6.06	/ 1.98
SL69	152.40	170.99	1.33	1.83	0.20	7.66	/ 18.59
DH07-062	178.12	191.63	1.49	1.80	0.32	10.76	/ 13.51

FIGURE 17-6 COLD DEPOSIT – CROSS-SECTION 5825 N



DHID	FROM	TO	Cu%	Zn%	Au g/t	Ag g/t	/ Meters
DH10-157	31.20	35.45	1.81	2.14	0.99	19.67	/ 4.25
DH10-157	52.22	58.52	0.53	2.53	0.23	9.21	/ 6.30
DH10-156	61.14	78.43	2.71	4.14	2.57	47.47	/ 17.29
DH07-047	120.00	130.65	1.61	4.51	0.67	20.43	/ 10.65

FIGURE 17-7 LOST DEPOSIT – CROSS-SECTION 4910 N



DHID	FROM	TO	Cu%	Zn%	Au g/t	Ag g/t	/ Meters
DH07-080	25.12	27.00	1.92	7.89	1.63	20.33	/ 1.88
DH09-137	70.00	88.00	1.48	1.21	1.03	22.11	/ 18.00
DH07-082	53.00	59.26	1.31	7.51	0.60	14.27	/ 6.26
DH07-084	142.34	144.11	0.84	3.98	0.52	15.12	/ 1.77

FIGURE 17-8 JUNGLE DEPOSIT – CROSS-SECTION 4210 E

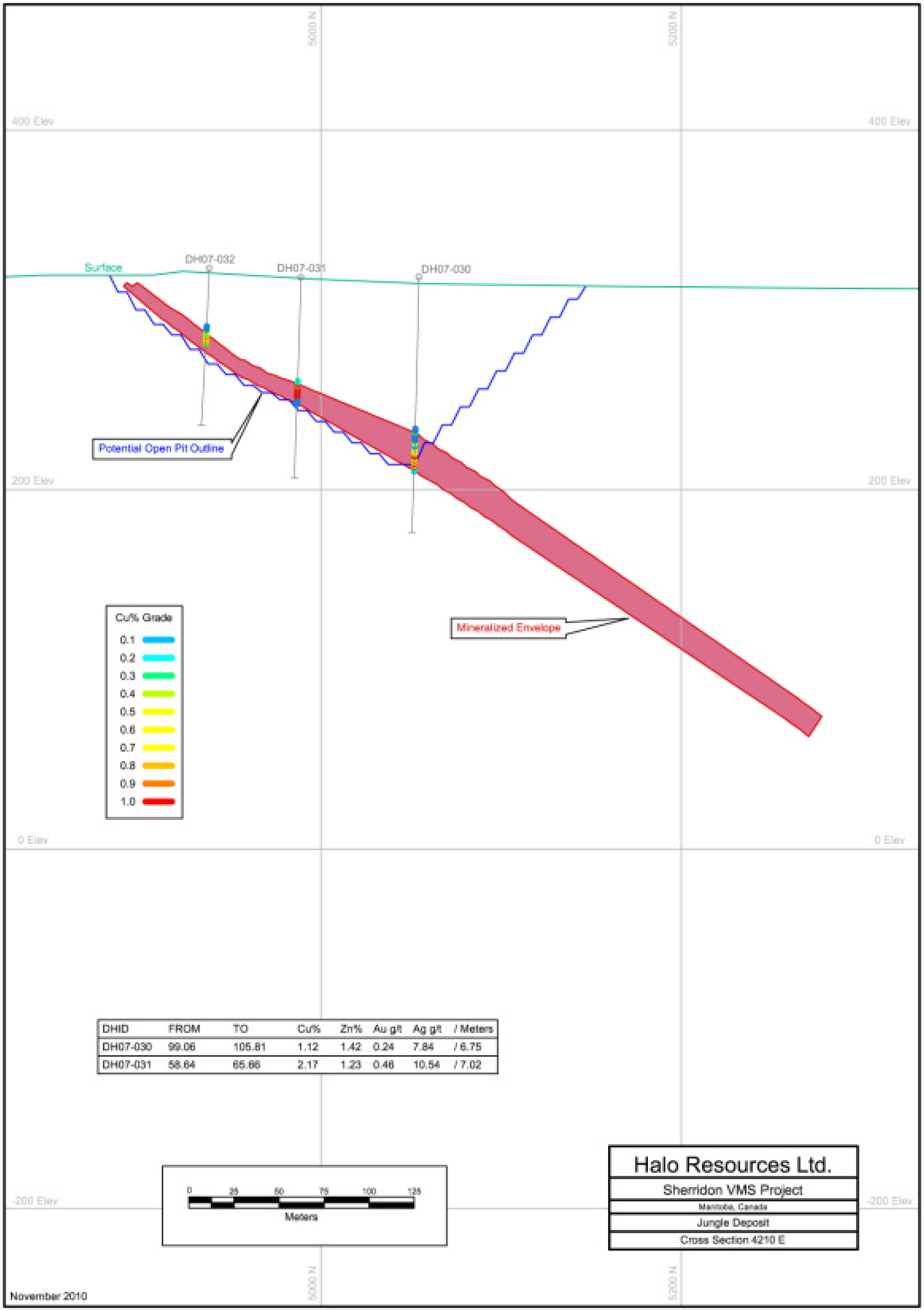


FIGURE 17-9 BOB DEPOSIT – VERTICAL LONGITUDINAL SECTION

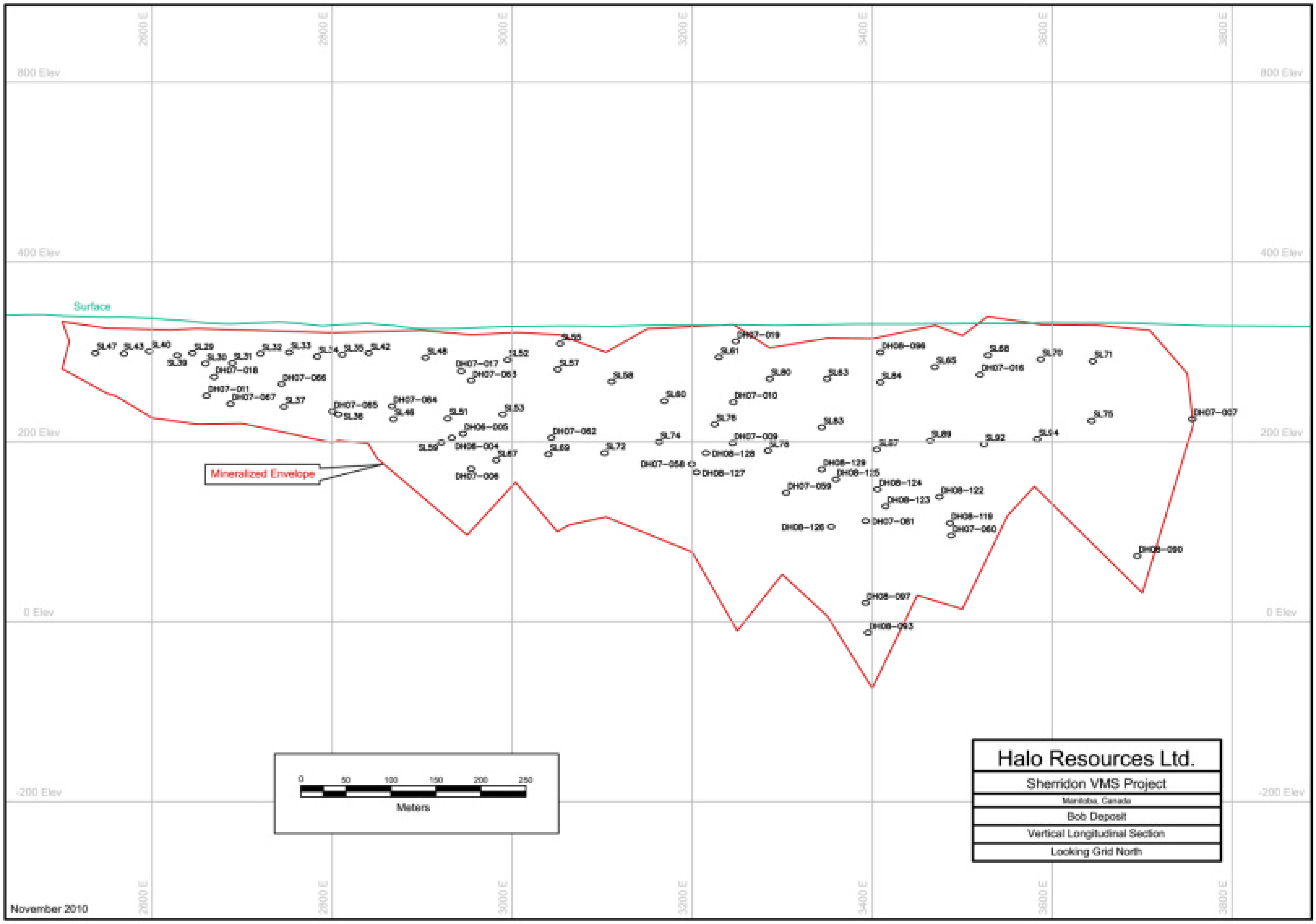


FIGURE 17-10 COLD DEPOSIT - VERTICAL LONGITUDINAL SECTION

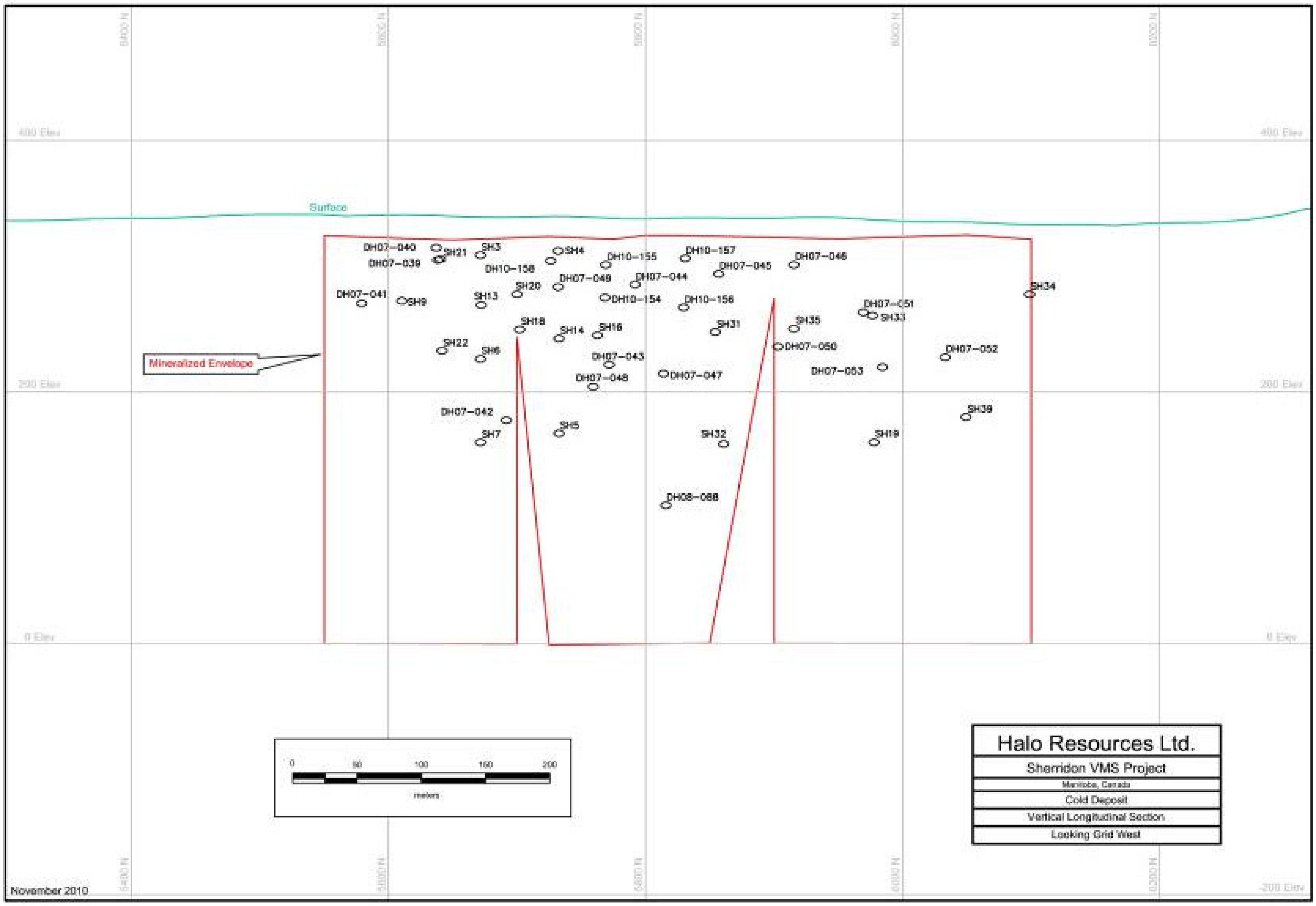


FIGURE 17-11 LOST DEPOSIT - VERTICAL LONGITUDINAL SECTION

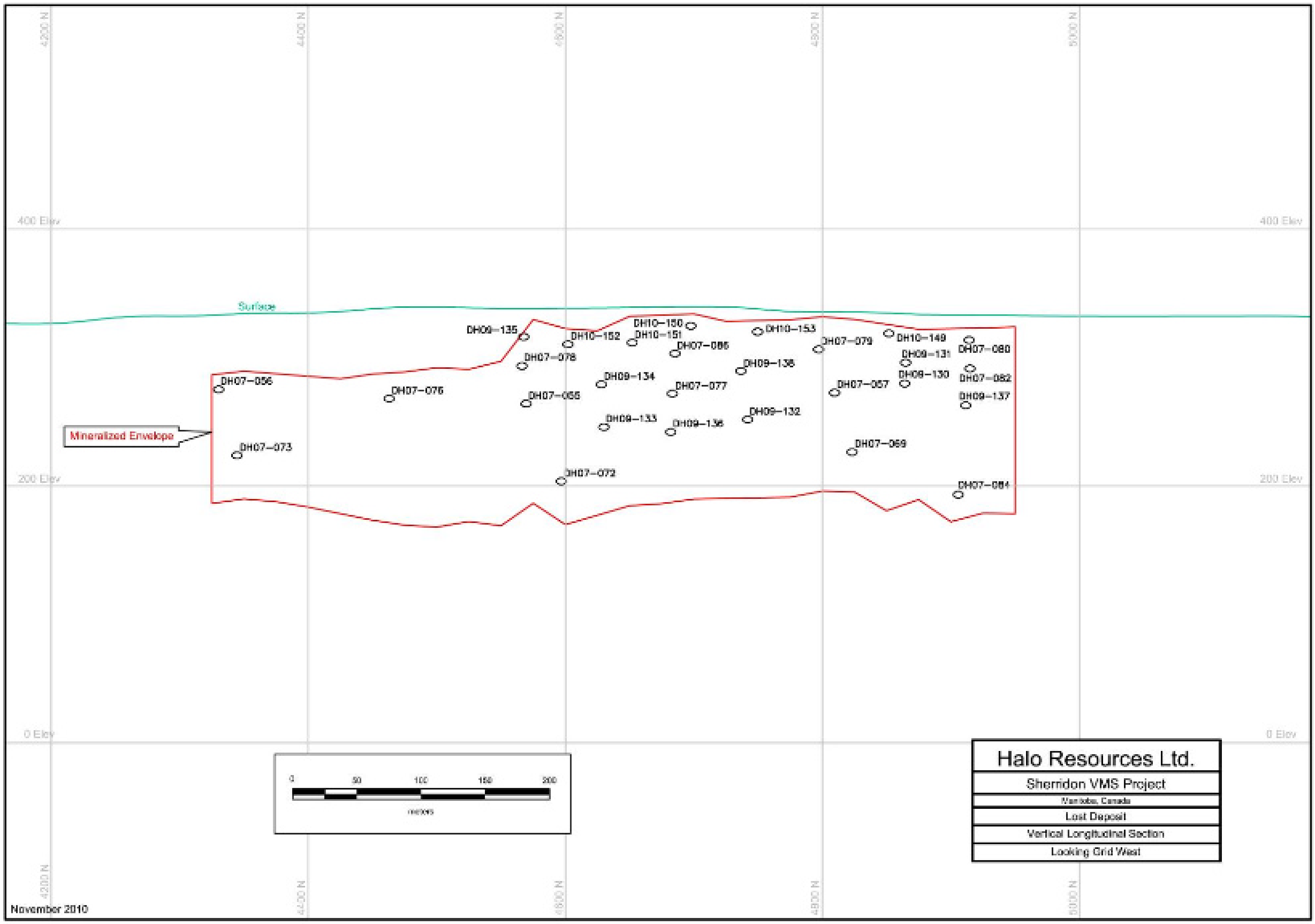
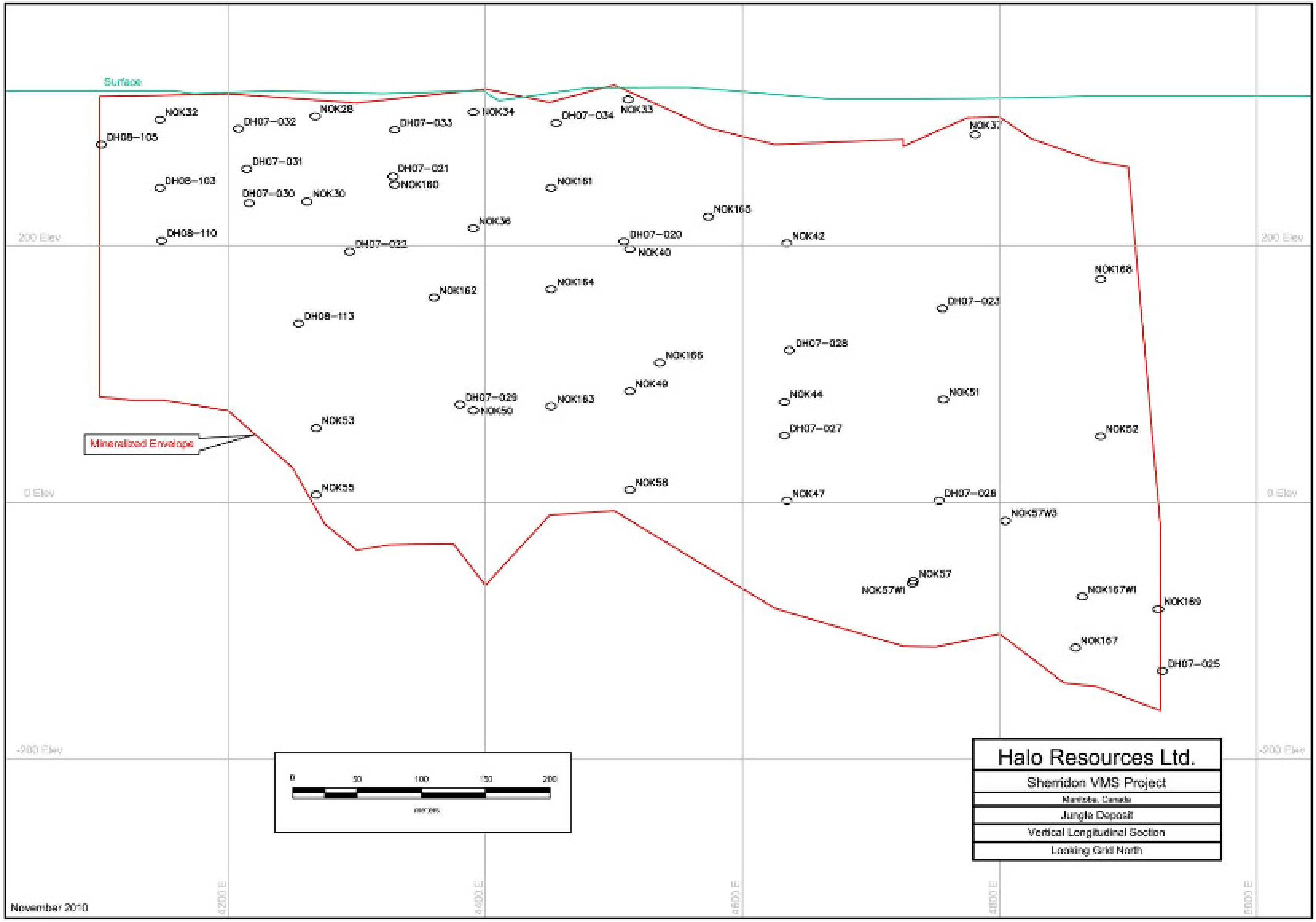


FIGURE 17-12 JUNGLE DEPOSIT – VERTICAL LONGITUDINAL SECTION



VARIOGRAPHY

Pairwise relative semivariograms were used to determine the grade continuity on each of the four deposits (Appendix 2). For the Bob deposit, semivariograms were produced along strike (Az 080° Dip 0°), down dip (Az 350° Dip -50°) and across dip (Az 170° Dip -40°). Nested spherical models were fit to the data. In the Cold deposit, the semivariograms were produced along strike (Az 07° dip 0°), down dip (Az 97° Dip -60°) and across dip (Az 277° Dip -30°). For the Lost deposit, the semivariograms were produced along strike (Az 0° dip 0°), down dip (Az 270° Dip -45°) and across dip (Az 90° Dip -45°). For the Jungle Lake deposit, semivariograms were produced along strike (Az 90° Dip 0°), down dip (Az 0° Dip -40°) and across dip (Az 180° Dip -50°). The parameters for the semivariograms in the Bob, Cold, Lost and Jungle deposits are tabulated in Table 17-7.

TABLE 17-7 SUMMARY OF SEMIVARIOGRAM PARAMETERS FOR BOB, COLD AND LOST DEPOSITS

Zone	Variable	Azimuth	Dip	C_o	C_1	C_2	Short Range (m)	Long Range (m)
Bob	Cu	080	0	0.30	0.70	0.50	20	140
		350	-50	0.30	0.70	0.50	20	80
		170	-40	0.30	0.70	0.50	18	40
	Pb	080	0	0.20	0.28	0.58	40	160
		350	-50	0.20	0.28	0.58	10	24
		170	-40	0.20	0.28	0.58	28	50
	Zn	080	0	0.40	0.50	0.45	50	100
		350	-50	0.40	0.50	0.45	30	40
		170	-40	0.40	0.50	0.45	12	30
	Au	080	0	0.35	0.40	0.45	15	100
		350	-50	0.35	0.40	0.45	15	40
		170	-40	0.35	0.40	0.45	18	30
	Ag	080	0	0.20	0.40	0.56	15	120
		350	-50	0.20	0.40	0.56	15	60
		170	-40	0.20	0.40	0.56	15	38
Cold	Cu	007	0	0.30	0.35	0.55	40	120
		277	-30	0.30	0.35	0.55	5	10
		97	-60	0.30	0.35	0.55	30	84
	Pb	007	0	0.20	0.30	0.70	50	120
		277	-30	0.20	0.30	0.70	5	12
		97	-60	0.20	0.30	0.70	15	20
	Zn	007	0	0.40	0.60	0.44	36	80
		277	-30	0.40	0.60	0.44	5	12
		97	-60	0.40	0.60	0.44	15	30
	Au	007	0	0.30	0.60	0.47	40	100
		277	-30	0.30	0.60	0.47	8	20
		97	-60	0.30	0.60	0.47	55	130
	Ag	007	0	0.30	0.40	0.50	50	80
		277	-30	0.30	0.40	0.50	5	12
		97	-60	0.30	0.40	0.50	40	60

Zone	Variable	Azimuth	Dip	C_o	C_1	C_2	Short Range (m)	Long Range (m)
Lost	Cu	0	0	0.40	0.30	0.30	40	100
		270	-45	0.40	0.30	0.30	5	10
		90	-45	0.40	0.30	0.30	40	80
	Pb	0	0	0.30	0.20	0.30	30	80
		270	-45	0.30	0.20	0.30	5	15
		90	-45	0.30	0.20	0.30	40	80
	Zn	0	0	0.40	0.80		44	
		270	-45	0.40	0.80		10	
		90	-45	0.40	0.80		44	
	Au	0	0	0.40	0.30	0.36	30	60
		270	-45	0.40	0.30	0.36	5	20
		90	-45	0.40	0.30	0.36	40	100
	Ag	0	0	0.40	0.20	0.20	40	80
		270	-45	0.40	0.20	0.20	5	20
		90	-45	0.40	0.20	0.20	30	60
Jungle	Cu	90	0	0.38	0.52		80	
		0	-40	0.38	0.52		100	
		180	-50	0.38	0.52		10	
	Zn	90	0	1.00	0.25		100	
		0	-40	1.00	0.25		120	
		180	-50	1.00	0.25		10	
	Au	90	0	0.78	0.44		89	
		0	-40	0.78	0.44		100	
		180	-50	0.78	0.44		20	
	Ag	90	0	0.38	0.52		80	
		0	-40	0.38	0.52		100	
		180	-50	0.38	0.52		10	

BULK DENSITY

Specific gravity (SG) determinations were available in each of the four mineralized deposits. Since bulk density is a function of sulphide content, a variable Cu+Zn+Pb was created for each sample containing a specific gravity determination. The correlation between this combined sulphide variable and SG was as follows:

Bob Deposit	80 measurements	Correlation coefficient (Cu+Zn+Pb:SG) = 0.8345
Cold Deposit	607 measurements	Correlation coefficient (Cu+Zn+Pb:SG) = 0.7116
Lost Deposit	171 measurements	Correlation coefficient (Cu+Zn+Pb:SG) = 0.8388
Jungle Deposit	182 measurements	Correlation coefficient (Cu+Zn):SG) = 0.7170

As a result of these reasonable correlations, the specific gravity for blocks in the Bob, Cold and Lost Deposits were assigned based on the combined kriged value of Cu+Zn+Pb (Table 17-8).

TABLE 17–8 SPECIFIC GRAVITY FOR BOB, COLD AND LOST DEPOSITS AS A FUNCTION OF CU+ZN+PB GRADES

Deposit	Cu+Zn+Pb Range	Number	Average Cu+Zn+Pb	Average SG
Bob	0 to 0.1%	25	0.04	2.72
	= 0.1 < 0.5%	26	0.23	2.81
	= 0.5 <2.0%	11	1.21	3.26
	= 2.0%	18	3.96	3.74
Cold	0 to 0.1%	395	0.022	2.74
	= 0.1 < 0.5%	85	0.265	2.77
	= 0.5 < 2.0%	71	1.125	2.84
	= 2.0%	56	6.423	3.19
Lost	0 to 0.1%	134	0.022	2.75
	= 0.1 < 0.5%	19	0.260	2.77
	= 0.5 < 2.0%	8	1.003	2.84
	= 2.0%	10	11.194	3.29

A total of 182 samples in the Jungle deposit, from the 2007-2008 drill holes, were measured for specific gravity. Out of these, 88 samples were outside the mineralized zone in material considered waste and ranged from a low of 2.63 to a high of 3.39 with a mean of 2.81. Within the mineralized solid, 94 specific gravity measurements were recorded and ranged from a low of 2.67 to a high of 4.44 with a mean of 3.41.

The measured specific gravities within the mineralized zone were sorted by the combined total of Cu plus Zn assays and the average SG for each group was assigned to kriged blocks (Table 17-9).

TABLE 17–9 SPECIFIC GRAVITY FOR JUNGLE DEPOSIT AS A FUNCTION OF CU+ZN GRADES

Deposit	Cu+Zn Range	Number	Average Cu+Zn	Average SG
Jungle	0 to 1.0%	33	0.36	2.85
	= 1.0 < 2.0%	24	1.54	3.57
	= 2..0%	37	3.07	3.81

BLOCK MODEL AND SEARCH PARAMETERS

Individual block models with blocks a uniform 5 x 5 x 2 m were created to cover the four mineralized zones. The block model origins are shown below.

Bob Deposit Origin

Lower Left Corner

2150 E	Column size = 5 m	380 columns
6500 N	Row size = 5 m	252 rows

Top of Model

380 Elevation	Level size = 2 m	180 levels

Cold Deposit Origin

Lower Left Corner		
5100 E	Column size = 5 m	140 columns
5300 N	Row size = 5 m	220 rows
Top of Model		
400 Elevation	Level size = 2 m	200 levels

Lost Deposit Origin

Lower Left Corner		
5000 E	Column size = 5 m	140 columns
4200 N	Row size = 5 m	200 rows
Top of Model		
350 Elevation	Level size = 2 m	125 levels

Jungle Deposit Origin

Lower Left Corner		
3825 E	Column size = 5.0 m	290 columns
4575 N	Row size = 5.0 m	235 rows
Top of Model		
328 Elevation	Level size = 2.0 m	237 levels

No rotation.

NSR CALCULATION

Since four variables were estimated and all would contribute to the economics of the deposit, a NSR value was calculated for each block based on the estimated grades of Cu, Zn, Ag and Au, reasonable metal prices, the estimated recoveries for each metal and common industry values for smelter terms. The parameters used are shown in Table 17-10.

TABLE 17-10 NSR PARAMETERS					
Halo Resources Ltd. – Bob, Cold, Lost and Jungle Properties					
Metal	**Price (US$)**	**Mill Recovery (%)**	**Concentrate Grade (%)**	**Smelter Charges ($/t)**	**Refinery Charges**
Copper	$3.00/lb	92	24	65	$0.066/lb
Zinc	$1.05/lb	83	52	275	-
Gold	$1,000/oz	65			$5.00/oz
Silver	$15/oz	57			$0.55/oz

The NSR factors also include:

- concentrate transportation charges of C$12.50/t for zinc concentrate (assumes truck transport to Flin Flon);
- concentrate transportation charges of C$135/t for copper concentrate (assumes rail transport to Timmins or Rouyn-Noranda);

- price participation for copper, based on $0.90/lb basis, 10% escalator;
- price participation for zinc, based on $1400/t basis, 15% escalator.

The resulting NSR calculation is as follows:

NSR (US$) = (Cu% x 44.131) + (Zn% x 11.066) + (Au (g/t) x 19.677) + (Ag (g/t) x 0.250)

GRADE INTERPOLATION

For the Bob, Cold, Lost and Jungle deposits, grades for each of the variables were interpolated by ordinary kriging into blocks containing some percentage of mineralized solid. For each of the four deposits, the estimation strategy was completed in a series of four passes with the orientation and dimensions of the search ellipsoid a function of the semivariogram parameters. In each pass, a minimum of four composites was required within the search ellipsoid to estimate a grade. A maximum of three composites per hole were allowed, insuring all estimated blocks used at least two drill holes.

Pass 1 used ellipsoid dimensions equal to ¼ of the semivariogram range in the three principal directions. If the required four composites were not found, the block was not estimated in this pass.

The second pass used ½ the semivariogram range. If the minimum number of composites was not found for any given block during Pass 2, the block was not estimated.

A third pass using the full semivariogram range and a fourth pass using twice the range were used to complete the estimate. A fourth pass for all variables was based on the largest range for Cu or Zn in all three directions to assure all variables were estimated in all blocks.

In all cases, if more than 12 composites were found in any search, the closest 12 to the block centroid were used. The search parameters for each variable are summarized in Table 17-11. Blocks not estimated after Pass 4 were left blank. These blocks were on the extreme down dip extension in most cases.

TABLE 17-11 SUMMARY OF KRIGING PARAMETERS FOR BOB, COLD, LOST AND JUNGLE DEPOSITS

Deposit	Variable	Pass	Number	Az/dip	Dist. (m)	Az/dip	Dist. (m)	Az/dip	Dist. (m)
Bob	Cu	1	17,111	80/0	35.0	350/-50	20.0	170/-40	10.0
		2	72,881	80/0	70.0	350/-50	40.0	170/-40	20.0
		3	51,222	80/0	140.0	350/-50	80.0	170/-40	40.0
		4	11,538	80/0	200.0	350/-50	160.0	170/-40	80.0
	Zn	1	3,358	80/0	25.0	350/-50	10.0	170/-40	7.5
		2	27,766	80/0	50.0	350/-50	20.0	170/-40	15.0
		3	80,815	80/0	100.0	350/-50	40.0	170/-40	30.0
		4	40,813	80/0	200.0	350/-50	160.0	170/-40	80.0
	Pb	1	5,486	80/0	40.0	350/-50	6.0	170/-40	12.5

		2	35,023	80/0	80.0	350/-50	12.0	170/-40	25.0
		3	68,741	80/0	160.0	350/-50	24.0	170/-40	50.0
		4	43,502	80/0	200.0	350/-50	160.0	170/-40	80.0
	Au	1	3,358	80/0	25.0	350/-50	10.0	170/-40	7.5
		2	27,766	80/0	50.0	350/-50	20.0	170/-40	15.0
		3	80,815	80/0	100.0	350/-50	40.0	170/-40	30.0
		4	40,813	80/0	200.0	350/-50	160.0	170/-40	80.0
	Ag	1	9,079	80/0	30.0	350/-50	15.0	170/-40	9.5
		2	53,441	80/0	60.0	350/-50	30.0	170/-40	19.0
		3	71,433	80/0	120.0	350/-50	60.0	170/-40	38.0
		4	18,799	80/0	200.0	350/-50	160.0	170/-40	80.0
Blocks not Estimated in Bob Mineralized Solid = 857									
Cold	Cu	1	807	7/0	30.0	277/-30	2.5	97/-60	21.0
		2	11,713	7/0	60.0	277/-30	5.0	97/-60	42.0
		3	22,754	7/0	120.0	277/-30	10.0	97/-60	84.0
		4	21.169	7/0	240.0	277/-30	20.0	97/-60	168.0
	Zn	1	9	7/0	20.0	277/-30	3.0	97/-60	7.5
		2	1,798	7/0	40.0	277/-30	6.0	97/-60	15.0
		3	16,332	7/0	80.0	277/-30	12.0	97/-60	30.0
		4	38,304	7/0	240.0	277/-30	20.0	97/-60	168.0
	Pb	1	12	7/0	30.0	277/-30	3.0	97/-60	5.0
		2	2,063	7/0	60.0	277/-30	6.0	97/-60	10.0
		3	16,090	7/0	120.0	277/-30	12.0	97/-60	20.0
		4	38,278	7/0	240.0	277/-30	20.0	97/-60	168.0
	Au	1	2,675	7/0	25.0	277/-30	5.0	97/-60	32.5
		2	17,940	7/0	50.0	277/-30	10.0	97/-60	65.0
		3	25,327	7/0	100.0	277/-30	20.0	97/-60	130.0
		4	10,501	7/0	240.0	277/-30	20.0	97/-60	168.0
	Ag	1	186	7/0	20.0	277/-30	3.0	97/-60	15.0
		2	5,738	7/0	40.0	277/-30	6.0	97/-60	30.0
		3	21,742	7/0	80.0	277/-30	12.0	97/-60	60.0
		4	28,777	7/0	240.0	277/-30	20.0	97/-60	168.0
Blocks not estimated within the Cold Mineralized Solid = 19,291									
Lost	Cu	1	19	0/0	25.0	270/-45	2.5	90/-45	20.0
		2	7,911	0/0	50.0	270/-45	5.0	90/-45	40.0
		3	15,740	0/0	100.0	270/-45	10.0	90/-45	80.0
		4	8,690	0/0	200.0	270/-45	20.0	90/-45	160.0
	Zn	1	0	0/0	11.0	270/-45	2.5	90/-45	11.0
		2	265	0/0	22.0	270/-45	5.0	90/-45	22.0
		3	10,560	0/0	44.0	270/-45	10.0	90/-45	44.0
		4	21,535	0/0	200.0	270/-45	20.0	90/-45	160.0
	Pb	1	58	0/0	20.0	270/-45	3.75	90/-45	20.0
		2	7,657	0/0	40.0	270/-45	7.5	90/-45	40.0

		3	15,289	0/0	80.0	270/-45	15.0	90/-45	80.0
		4	9,356	0/0	200.0	270/-45	20.0	90/-45	160.0
	Au	1	297	0/0	15.0	270/-45	5.0	90/-45	25.0
		2	8,022	0/0	30.0	270/-45	10.0	90/-45	50.0
		3	14,330	0/0	60.0	270/-45	20.0	90/-45	100.0
		4	9,711	0/0	200.0	270/-45	20.0	90/-45	160.0
	Ag	1	4	0/0	20.0	270/-45	5.0	90/-45	15.0
		2	5,485	0/0	40.0	270/-45	10.0	90/-45	30.0
		3	15,684	0/0	80.0	270/-45	20.0	90/-45	60.0
		4	11,187	0/0	200.0	270/-45	20.0	90/-45	160.0
Blocks not estimated within Lost Mineralized Solid = 4									
Jungle	Cu	1	2,269	90/0	20.0	0/-40	25.0	180/-50	2.5
		2	22,934	90/0	40.0	0/-40	50.0	180/-50	5.0
		3	50,971	90/0	80.0	0/-40	100.0	180/-50	10.0
		4	29,241	90/0	160.0	0/-40	200.0	180/-50	20.0
	Zn	1	3,484	90/0	25.0	0/-40	30.0	180/-50	25.0
		2	30,571	90/0	50.0	0/-40	60.0	180/-50	50.0
		3	51,276	90/0	100.0	0/-40	120.0	180/-50	100.0
		4	20,084	90/0	160.0	0/-40	200.0	180/-50	200.0
	Au	1	1,596	90/0	20.0	0/-40	25.0	180/-50	25.0
		2	18,718	90/0	40.0	0/-40	50.0	180/-50	50.0
		3	47,590	90/0	80.0	0/-40	100.0	180/-50	100.0
		4	37,511	90/0	160.0	0/-40	200.0	180/-50	200.0
	Ag	1	1,944	90/0	20.0	0/-40	25.0	180/-50	25.0
		2	21,037	90/0	40.0	0/-40	50.0	180/-50	50.0
		3	46,862	90/0	80.0	0/-40	100.0	180/-50	100.0
		4	35,572	90/0	160.0	0/-40	200.0	180/-50	200.0
Blocks not estimated in Jungle Mineralized Solid = 12,440									

CLASSIFICATION OF THE MINERAL RESOURCES

The geologic continuity of the Bob, Cold and Lost deposits has been established through diamond drilling. Grade continuity can be quantified by semivariogram analysis.

Within these deposits, the drill hole spacing, when compared with the semivariogram ranges, precludes the classification of any measured material at this time. For the Cold and Lost deposits, blocks estimated in Pass 1 or Pass 2 for copper, using search ellipses of up to ½ the semivariogram ranges for each variable were classed as Indicated Resources. The remaining blocks were classified as Inferred Resources (Figures 17-13 and 17-14).

For the Bob and Jungle deposits, zinc and copper had much different semivariogram ranges and as a result, blocks estimated in Pass 1 or Pass 2 for both copper and zinc, using search ellipses of up to ½ the semivariogram range were classed as Indicated Resources. All remaining blocks were classified as Inferred Resources (Figures 17-15 and 17-16).

FIGURE 17-13 COLD DEPOSIT – VERTICAL LONGITUDINAL SECTION SHOWING RESOURCE CLASSIFICATION

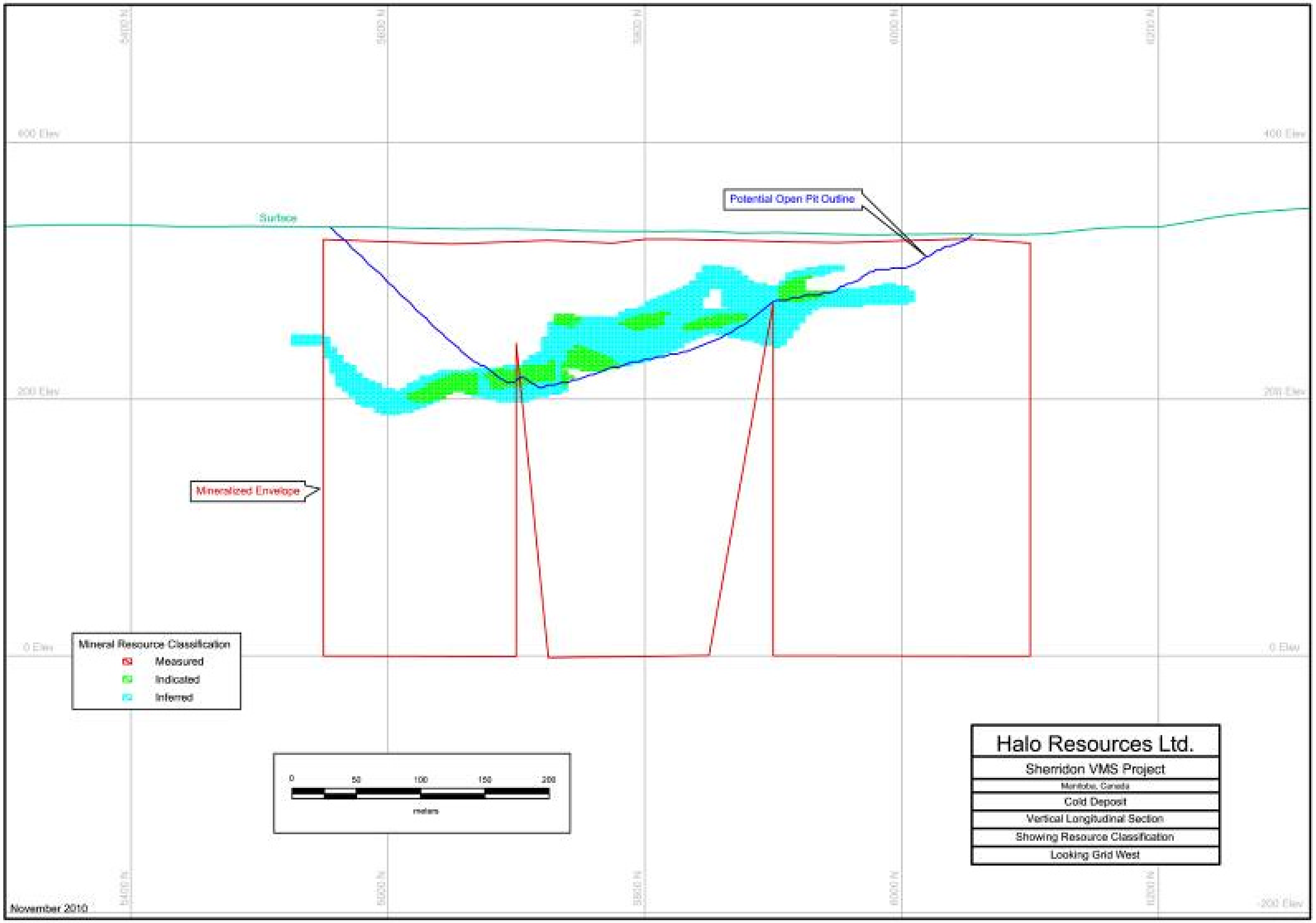


FIGURE 17-14 LOST DEPOSIT – VERTICAL LONGITUDINAL SECTION SHOWING RESOURCE CLASSIFICATION

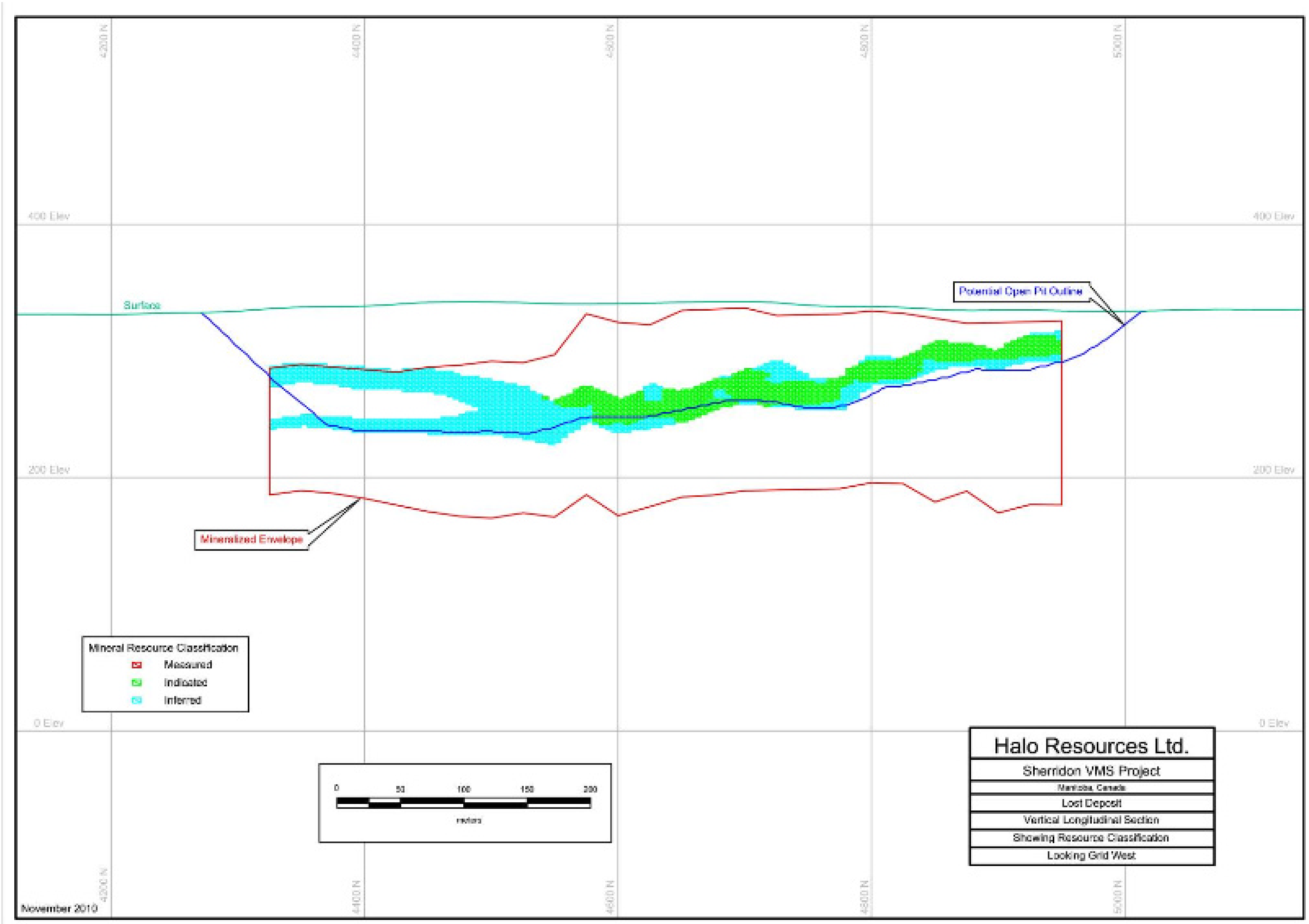


FIGURE 17-15 BOB DEPOSIT – VERTICAL LONGITUDINAL SECTION SHOWING RESOURCE CLASSIFICATION

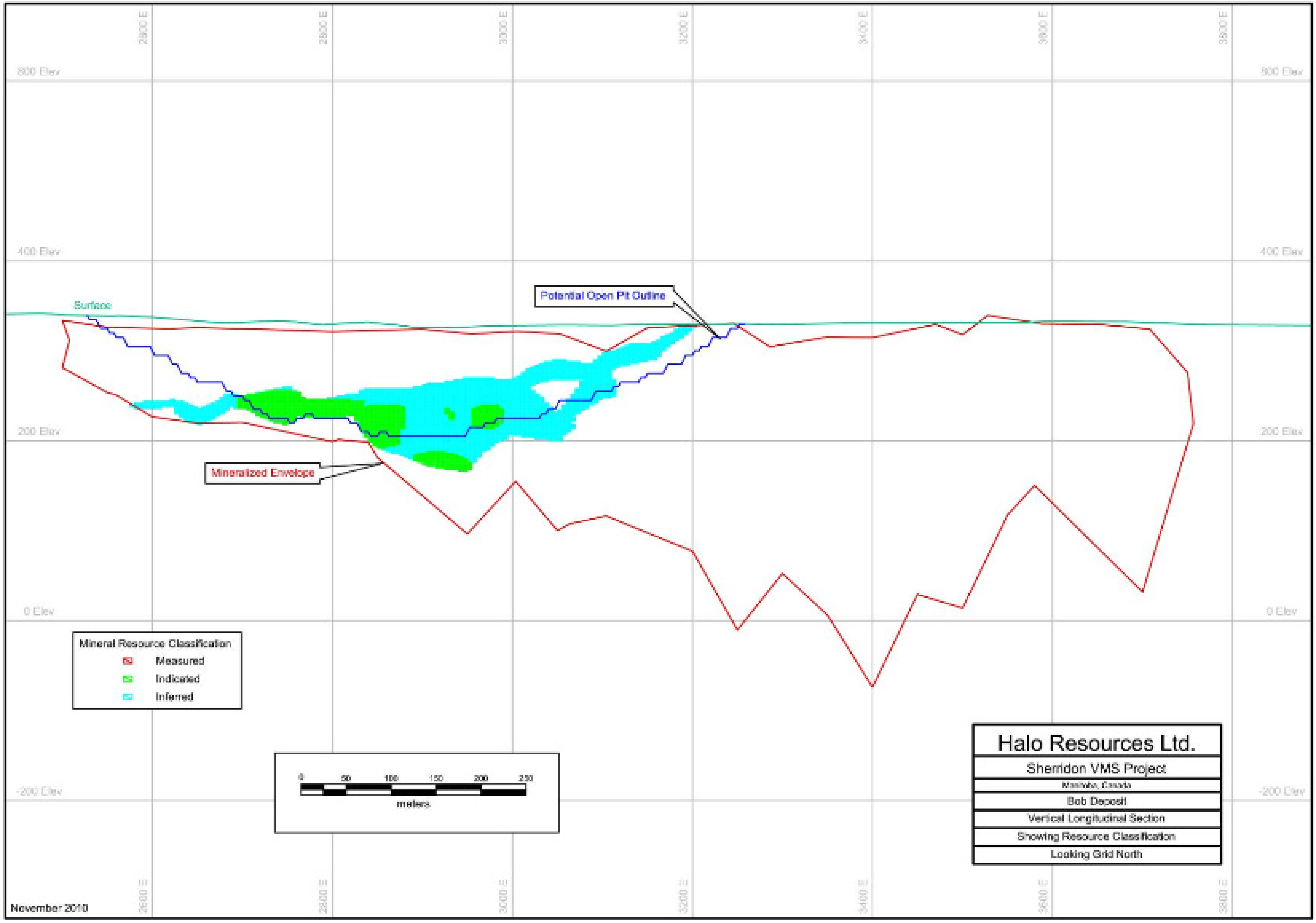
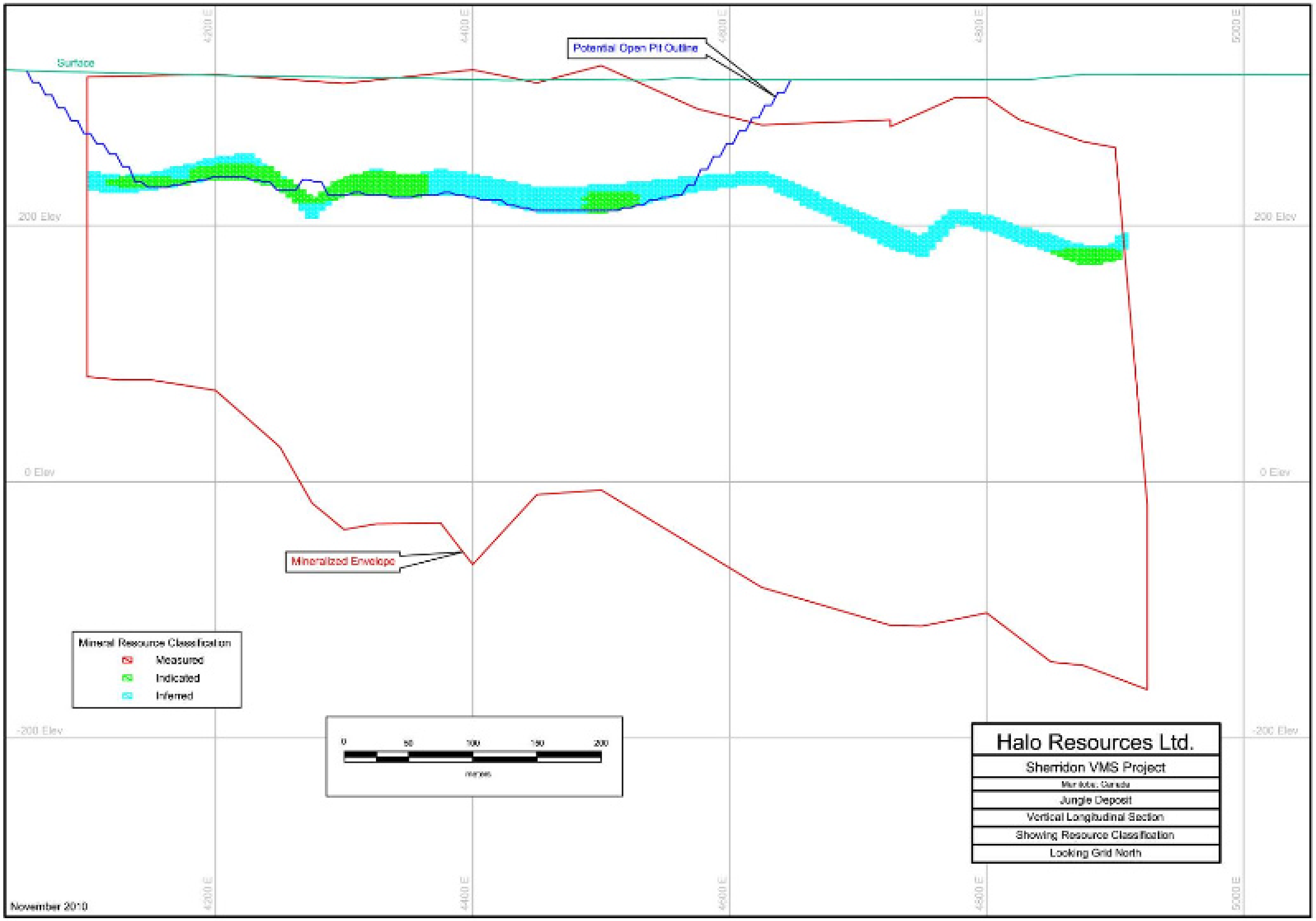


FIGURE 17-16 JUNGLE DEPOSIT – VERTICAL LONGITUDINAL SECTION SHOWING RESOURCE CLASSIFICATION



SUMMARY OF MINERAL RESOURCE ESTIMATE

Tables 17-12 to 17-19 list the Mineral Resources at Cold, Lost, Bob and Jungle by category at several NSR cut-offs.

TABLE 17-12 BOB DEPOSIT – INDICATED RESOURCE						
Cutoff	Tonnes > Cutoff	Grade > Cutoff				
(NSR $US)	(tonnes)	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	NSR ($US)
5.00	3,710,000	0.60	0.58	0.20	4.39	37.72
10.00	3,470,000	0.63	0.61	0.21	4.60	39.80
15.00	3,170,000	0.67	0.66	0.22	4.85	42.42
20.00	2,850,000	0.72	0.71	0.23	5.10	45.21
25.00	2,520,000	0.76	0.77	0.24	5.34	48.18
30.00	2,200,000	0.81	0.83	0.25	5.58	51.19
35.00	1,910,000	0.86	0.89	0.26	5.80	54.04
40.00	1,600,000	0.91	0.95	0.26	6.05	57.25
45.00	1,300,000	0.96	1.02	0.27	6.30	60.62
50.00	1,020,000	1.03	1.08	0.27	6.57	64.27
55.00	790,000	1.08	1.14	0.28	6.85	67.66
60.00	570,000	1.15	1.21	0.29	7.20	71.65
65.00	400,000	1.21	1.27	0.30	7.54	75.36
70.00	280,000	1.28	1.33	0.31	7.89	79.11
75.00	170,000	1.35	1.36	0.32	8.33	83.11
80.00	100,000	1.44	1.37	0.33	8.88	87.15

TABLE 17-13 BOB DEPOSIT – INFERRED RESOURCE						
Cutoff	Tonnes > Cutoff	Grade > Cutoff				
(NSR $US)	(tonnes)	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	NSR ($US)
5.00	13,460,000	0.56	0.45	0.19	4.25	34.49
10.00	12,840,000	0.58	0.47	0.19	4.37	35.78
15.00	12,080,000	0.61	0.49	0.20	4.52	37.25
20.00	11,050,000	0.64	0.51	0.21	4.70	39.07
25.00	9,690,000	0.68	0.54	0.21	4.90	41.37
30.00	7,950,000	0.73	0.59	0.22	5.20	44.42
35.00	6,110,000	0.79	0.65	0.23	5.57	48.00
40.00	4,340,000	0.86	0.72	0.24	6.04	52.31
45.00	2,960,000	0.94	0.82	0.24	6.43	56.90
50.00	2,010,000	1.02	0.91	0.25	6.88	61.45
55.00	1,350,000	1.10	0.98	0.25	7.35	65.88
60.00	930,000	1.16	1.03	0.26	7.88	69.79
65.00	610,000	1.23	1.06	0.27	8.35	73.57
70.00	390,000	1.31	1.09	0.28	8.80	77.25
75.00	220,000	1.38	1.08	0.28	9.26	80.80
80.00	10,000	1.47	1.12	0.27	9.51	85.11

TABLE 17–14 JUNGLE DEPOSIT - MINERALIZED PORTIONS OF BLOCKS CLASSED INDICATED						
Cutoff (NSR $US)	Tonnes > Cutoff (tonnes)	Grade > Cutoff				
		Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	NSR ($US)
10.00	3,170,000	0.80	0.83	0.36	6.27	52.96
20.00	3,050,000	0.82	0.85	0.37	6.41	54.47
30.00	2,730,000	0.88	0.89	0.39	6.68	57.86
40.00	2,100,000	0.99	0.93	0.44	7.31	64.64
50.00	1,460,000	1.15	0.98	0.51	8.15	73.47
60.00	1,040,000	1.28	0.94	0.58	9.08	80.86
70.00	630,000	1.49	0.79	0.72	10.88	91.52
80.00	380,000	1.71	0.69	0.87	12.16	103.32

TABLE 17–15 JUNGLE DEPOSIT - MINERALIZED PORTIONS OF BLOCKS CLASSED INFERRED						
Cutoff (NSR $US)	Tonnes > Cutoff (tonnes)	Grade > Cutoff				
		Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	NSR ($US)
10.00	8,130,000	0.60	0.76	0.25	5.13	41.02
20.00	7,600,000	0.62	0.79	0.26	5.25	20.00
30.00	5,930,000	0.70	0.84	0.29	5.63	47.54
40.00	3,750,000	0.83	0.89	0.35	6.29	54.90
50.00	2,100,000	0.99	0.83	0.41	7.18	62.83
60.00	990,000	1.16	0.82	0.49	8.13	71.89
70.00	440,000	1.37	0.70	0.53	9.59	81.02
80.00	190,000	1.55	0.60	0.63	10.97	90.27

TABLE 17–16 COLD DEPOSIT - INDICATED RESOURCE						
Cutoff (NSR $US)	Tonnes > Cutoff (tonnes)	Grade > Cutoff				
		Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	NSR ($US)
5.00	1,260,000	0.74	1.30	0.42	9.95	57.80
10.00	1,200,000	0.78	1.35	0.44	10.37	60.38
15.00	1,140,000	0.81	1.40	0.46	10.76	62.87
20.00	1,070,000	0.85	1.45	0.48	11.19	65.58
25.00	1,000,000	0.89	1.51	0.50	11.65	68.62
30.00	930,000	0.93	1.57	0.52	12.14	71.78
35.00	880,000	0.97	1.62	0.54	12.51	74.24
40.00	820,000	1.00	1.68	0.56	12.94	77.03
45.00	760,000	1.04	1.74	0.58	13.37	79.77
50.00	690,000	1.08	1.81	0.60	13.89	83.02
55.00	610,000	1.13	1.89	0.63	14.57	86.90
60.00	530,000	1.19	1.97	0.68	15.45	91.32
65.00	460,000	1.24	2.07	0.72	16.33	95.89
70.00	390,000	1.30	2.16	0.76	17.26	100.50
75.00	340,000	1.35	2.25	0.80	18.10	104.64
80.00	300,000	1.40	2.36	0.83	18.85	108.73

TABLE 17–17 COLD DEPOSIT - INFERRED RESOURCE						
Cutoff (NSR $US)	Tonnes > Cutoff (tonnes)	Grade > Cutoff				
		Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	NSR ($US)
5.00	3,150,000	0.43	1.03	0.20	5.68	35.76
10.00	3,040,000	0.44	1.06	0.21	5.80	36.75
15.00	2,890,000	0.46	1.09	0.22	5.98	38.07
20.00	2,620,000	0.49	1.14	0.23	6.28	40.12
25.00	2,260,000	0.53	1.20	0.24	6.71	43.00
30.00	1,820,000	0.58	1.29	0.27	7.26	46.68
35.00	1,410,000	0.63	1.39	0.29	7.93	50.80
40.00	1,040,000	0.68	1.51	0.33	8.86	55.50
45.00	730,000	0.74	1.64	0.39	10.05	60.95
50.00	530,000	0.80	1.76	0.44	11.12	66.13
55.00	380,000	0.86	1.88	0.50	12.22	71.35
60.00	280,000	0.91	2.01	0.55	13.26	76.36
65.00	210,000	0.96	2.17	0.60	14.21	81.66
70.00	140,000	1.02	2.36	0.66	15.00	87.70
75.00	110,000	1.06	2.55	0.70	15.49	92.55
80.00	90,000	1.09	2.73	0.73	16.05	96.58

TABLE 17-18 LOST DEPOSIT - INDICATED RESOURCE						
Cutoff (NSR $US)	Tonnes > Cutoff (tonnes)	Grade > Cutoff				
		Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	NSR ($US)
5.00	910,000	0.79	2.87	0.47	9.15	78.30
10.00	910,000	0.80	2.89	0.47	9.21	78.85
15.00	890,000	0.81	2.93	0.48	9.30	79.76
20.00	880,000	0.82	2.97	0.48	9.41	80.90
25.00	860,000	0.84	3.03	0.49	9.56	82.47
30.00	810,000	0.87	3.15	0.50	9.83	85.37
35.00	770,000	0.90	3.27	0.52	10.12	88.33
40.00	730,000	0.92	3.38	0.53	10.40	91.30
45.00	680,000	0.96	3.52	0.55	10.75	94.79
50.00	630,000	1.00	3.65	0.57	11.11	98.29
55.00	580,000	1.04	3.79	0.59	11.52	102.05
60.00	540,000	1.08	3.92	0.61	11.93	105.76
65.00	510,000	1.11	4.02	0.62	12.25	108.54
70.00	470,000	1.14	4.12	0.64	12.60	111.48
75.00	440,000	1.18	4.22	0.66	12.99	114.64
80.00	400,000	1.22	4.33	0.68	13.48	118.50

TABLE 17–19 LOST DEPOSIT - INFERRED RESOURCE						
Cutoff (NSR $US)	Tonnes > Cutoff (tonnes)	Grade > Cutoff				
		Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	NSR ($US)
5.00	2,220,000	0.58	1.73	0.46	7.08	55.42
10.00	2,200,000	0.58	1.74	0.47	7.12	55.77
15.00	2,170,000	0.59	1.76	0.47	7.20	56.40
20.00	2,110,000	0.60	1.79	0.48	7.32	57.42
25.00	1,990,000	0.62	1.86	0.49	7.59	59.53
30.00	1,790,000	0.66	1.99	0.51	8.06	63.10
35.00	1,550,000	0.71	2.17	0.53	8.69	67.97
40.00	1,370,000	0.75	2.33	0.55	9.15	71.91
45.00	1,220,000	0.78	2.47	0.57	9.62	75.49
50.00	1,060,000	0.83	2.63	0.58	10.17	79.57
55.00	910,000	0.88	2.83	0.59	10.83	84.21
60.00	790,000	0.92	2.98	0.60	11.40	88.15
65.00	680,000	0.97	3.12	0.61	11.99	92.20
70.00	580,000	1.02	3.30	0.63	12.70	96.87
75.00	480,000	1.07	3.49	0.64	13.50	101.77
80.00	400,000	1.12	3.68	0.67	14.42	107.00

As each of the four deposits contains a near-surface and a deeper component, the resource totals were recast with a view to potential mining methods (Table 17-20). In each case, a potential open pit lower limit was determined using the Lerchs-Grossmann technique and these elevations were used to split the resource into two components for each deposit. This determination of elevation was not meant to be an economic evaluation, but was simply an approximation of the parts of the block model that might be amenable to open pit and underground mining methods.

Reasonable Lerchs-Grossmann parameters were used based on the assumption that there is potential at Sherridon to achieve a "centralized mill" concept processing ore from multiple satellite open pit and/or underground operations to achieve economies of scale. Accordingly, the following parameters were used:

- Mineral resources are estimated at a NSR cut-off of US$20 per tonne and US$45 per tonne for open pit and underground respectively.
- Metal prices used are US$3.00/lb copper, US$1.05/lb zinc, US$1,000/oz gold and US$15.00/oz silver.

It should be noted that the mineralized envelopes at the Cold, Lost, Bob and Jungle deposits were not extended completely to surface during interpretation of the mineralized zones. Some potential for additional tonnage remains untested in this near-surface area.

Consideration for possible mining method has been taken into consideration for each deposit with the resource numbers tabulated for possible open pit methods at a US$20 NSR cut-off and for possible underground extraction at a US$45 NSR cut-off. The elevation that might separate open pit resource from underground is listed.

TABLE 17–20 MINERAL RESOURCES – SEPTEMBER 2010 Sherridon VMS Property - Halo Resources Ltd. Cold, Lost, Bob and Jungle Deposits													
Deposit	**Elevation**	**Mining Method**	**NSR Cut-off (US$)**	**Tonnes**	**Cu (%)**	**Zn (%)**	**Au (g/t)**	**Ag (g/t)**	**NSR (US$)**	**Cu (Mllbs)**	**Zn (Mllbs)**	**Au (ozs)**	**Ag (ozs)**
INDICATED RESOURCE													
COLD	Above 200	O.P.	20.00	942,000	0.87	1.43	0.51	11.64	67.01	18.03	29.76	15,294	352,468
	Below 200	U.G	45.00	81,000	0.90	1.88	0.33	10.05	69.57	1.61	3.36	867	26,172
LOST	Above 230	O.P.	20.00	865,000	0.83	2.99	0.48	9.49	81.53	15.81	57.01	13,432	263,837
	Below 230	U.G	45.00	4,800	0.44	2.51	0.43	5.99	57.07	0.05	0.27	67	924
BOB	Above 170	O.P.	20.00	2,220,000	0.70	0.72	0.23	4.94	44.73	34.46	35.00	16,416	352,876
	Below 170	U.G	45.00	290,000	1.05	1.03	0.27	7.23	64.97	6.73	6.59	2,536	67,373
JUNGLE	Above 200	O.P.	20.00	1,290,000	0.90	0.77	0.33	6.37	56.34	25.60	21.90	13,687	264,192
	Below 200	U.G	45.00	860,000	1.06	1.16	0.57	8.35	72.69	20.10	22.00	15,760	230,874
INFERRED RESOURCE													
COLD	Above 200	O.P.	20.00	1,280,000	0.48	1.19	0.25	7.06	40.85	13.43	33.50	10,288	290,581
	Below 200	U.G	45.00	340,000	0.74	1.54	0.33	9.11	58.47	5.55	11.52	3,618	99,540
LOST	Above 230	O.P.	20.00	1,420,000	0.67	1.86	0.50	7.95	62.11	21.10	58.27	22,690	363,086
	Below 230	U.G	45.00	340,000	0.63	2.38	0.54	8.73	66.88	4.71	17.86	5,892	95,375
BOB	Above 170	O.P.	20.00	7,600,000	0.62	0.49	0.20	4.41	37.96	104.40	81.61	49,113	1,077,319
	Below 170	U.G	45.00	1,130,000	1.02	0.82	0.24	7.38	60.39	25.29	20.51	8,610	268,227
JUNGLE	Above 200	O.P.	20.00	1,940,000	0.67	0.80	0.35	5.65	46.86	28.66	34.22	21,830	352,404
	Below 200	U.G	45.00	1,810,000	0.92	0.92	0.33	6.78	58.99	36.72	36.72	19,204	394,547

Notes:

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
2. Mineral resources are estimated at a NSR cut-off of US$20 per tonne and US$45 per tonne for open pit and underground respectively.
3. Metal prices used are US$3.00/lb copper, US$1.05/lb zinc, US$1,000/oz gold and US$15.00/oz silver.
4. Metallurgical recovery factors assumed were 92% for copper, 83% for zinc, 65% for gold and 57% for silver.
5. The Mineral Resources are reported at a cut-off grade to reflect reasonable prospects for economic extraction, which were evaluated by designing a series of conceptual pit shells using the Lerchs-Grossman optimizing algorithm.
6. Common values for operating costs and smelter terms were assumed.

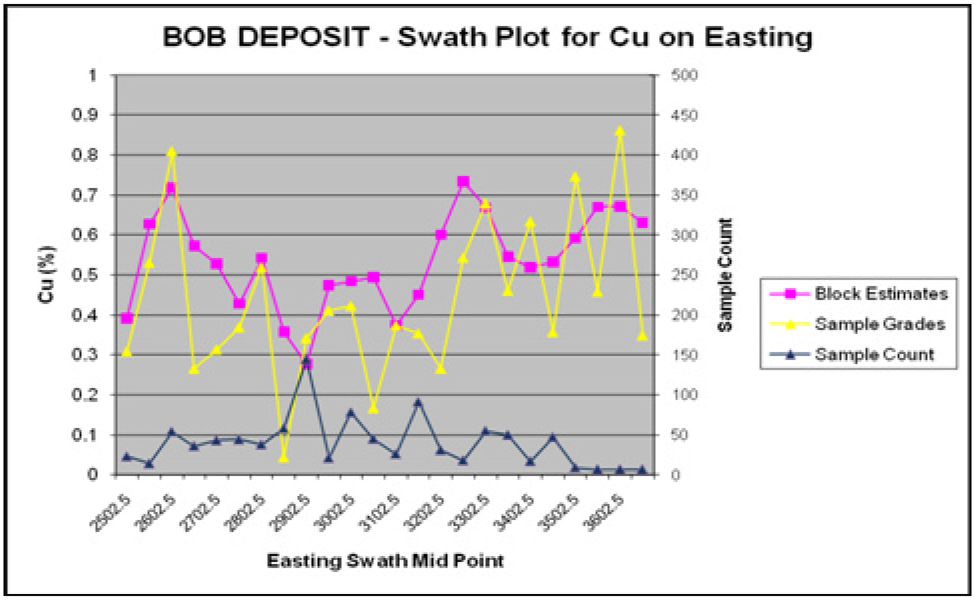
BLOCK MODEL VALIDATION

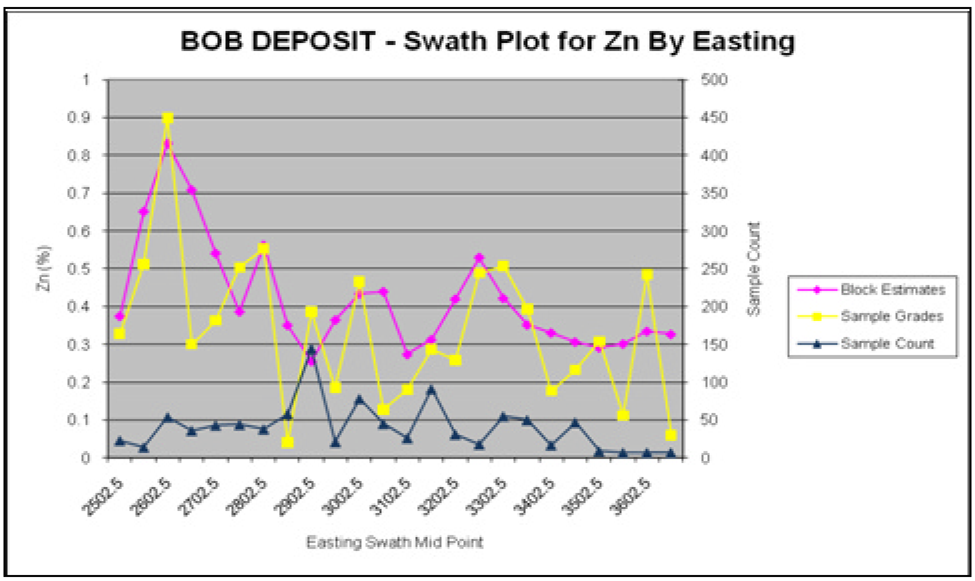
The estimation of grades for copper and zinc were compared to drill hole assays in a series of Swath Plots. These plots divide the deposit into a series of slices and compare the average grade for blocks with the average grade of drill hole assays in each slice.

Bob Deposit

For the Bob deposit, N-S slices were made through the deposit and compared (Figure 17-17). There is reasonable agreement between block grades and sample grades and no bias indicated for copper. Zinc shows more variability with some of the largest differences in areas with few samples. There is no bias indicated.

FIGURE 17-17 VALIDATION PLOTS FOR THE BOB DEPOSIT

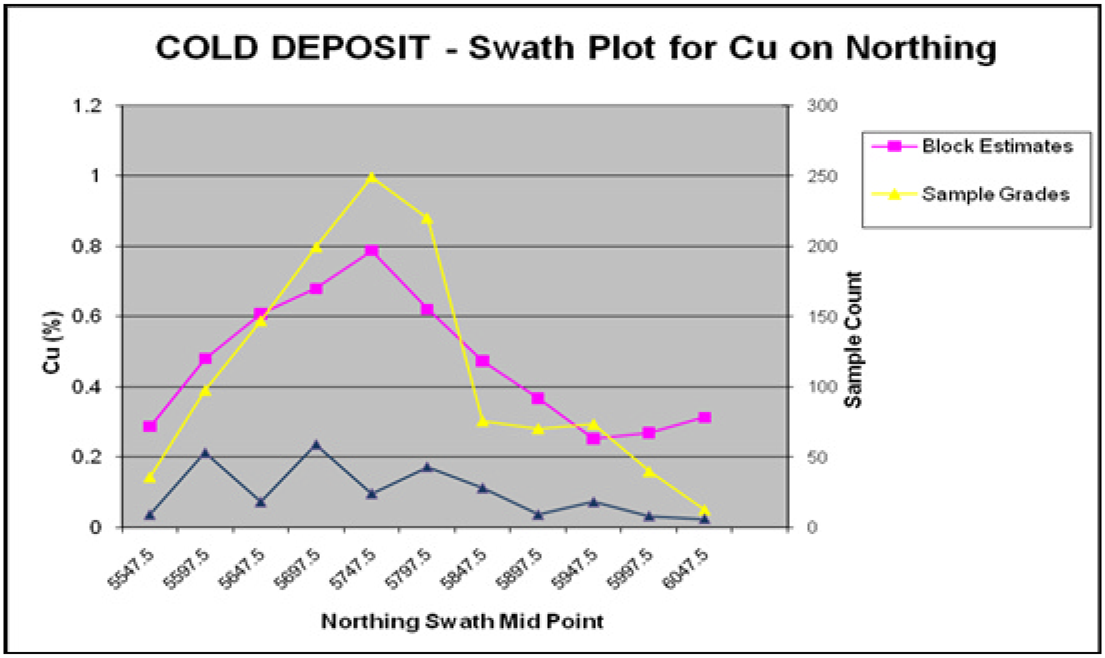


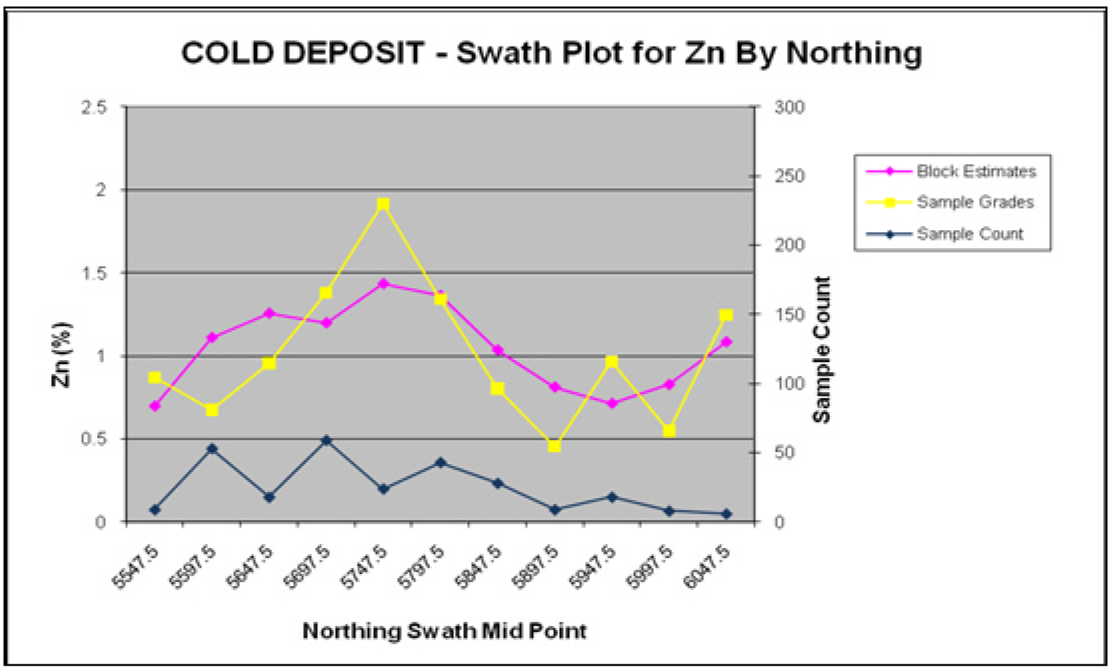


Cold Deposit

For the Cold deposit which strikes more north-south, a series of E-W slices were compared (Figure 17-18). In both cases, kriging tends to smooth out the spikes seen in the assay data.

FIGURE 17-18 VALIDATION PLOTS FOR THE COLD DEPOSIT

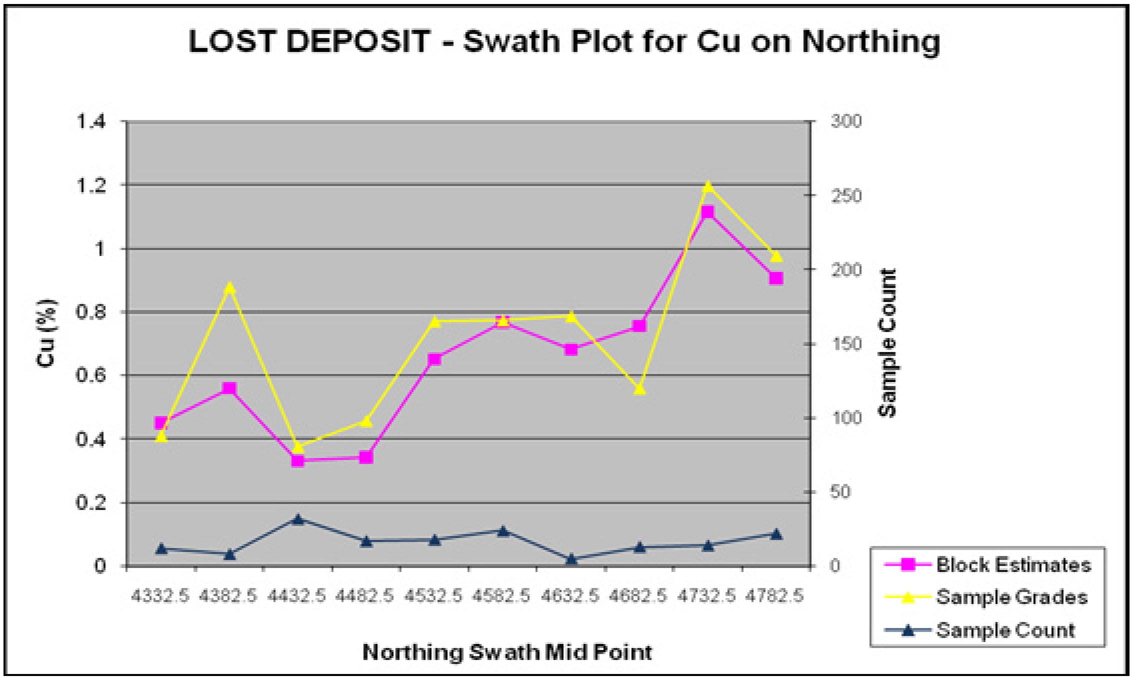


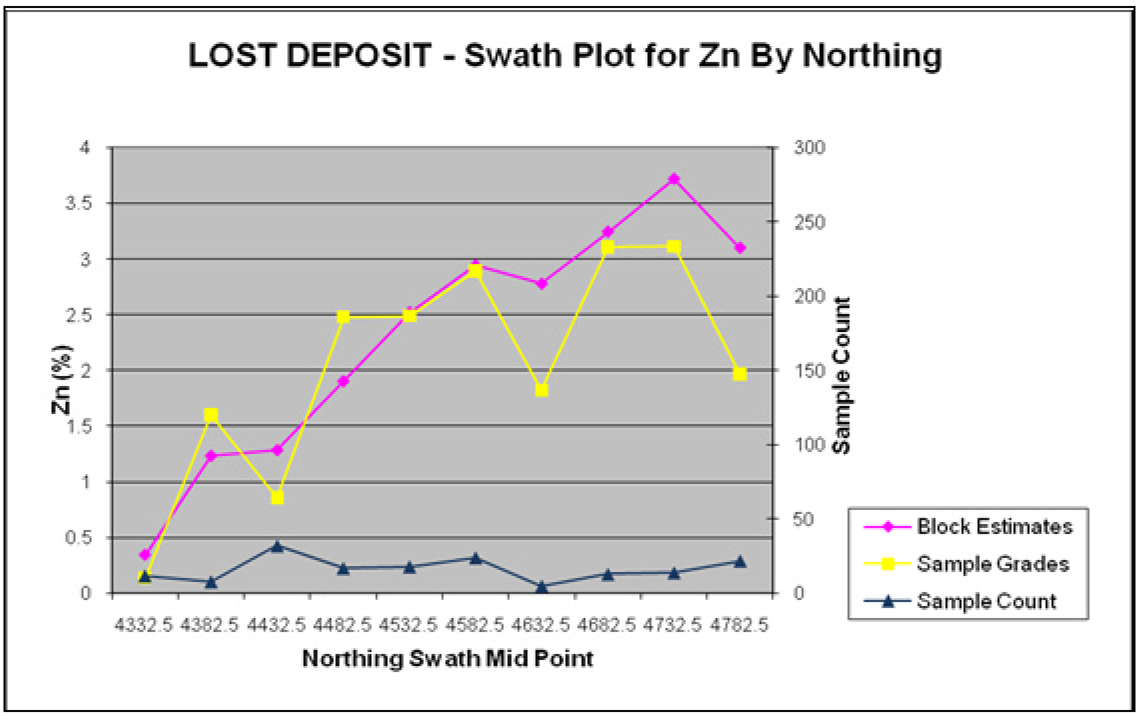


Lost Deposit

Swath plots were produce for E-W slices through the Lost deposit. For both Cu and Zn, there is reasonable agreement with no bias indicated (Figure 17-19).

FIGURE 17-19 VALIDATION PLOTS FOR THE LOST DEPOSIT

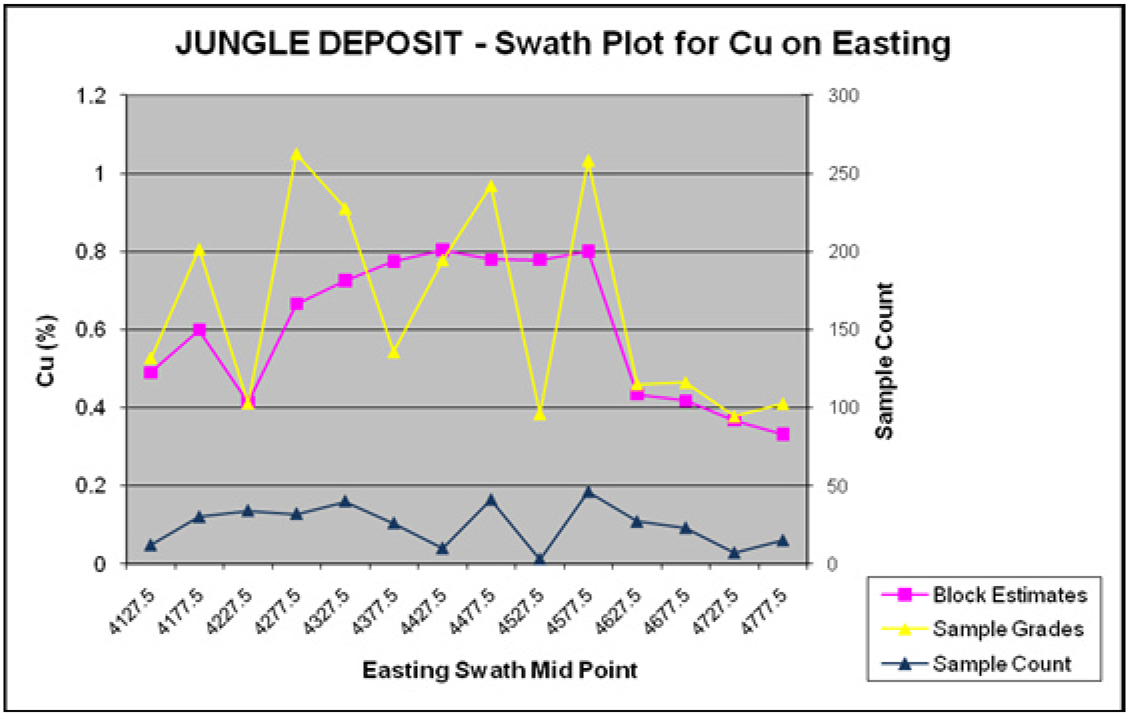


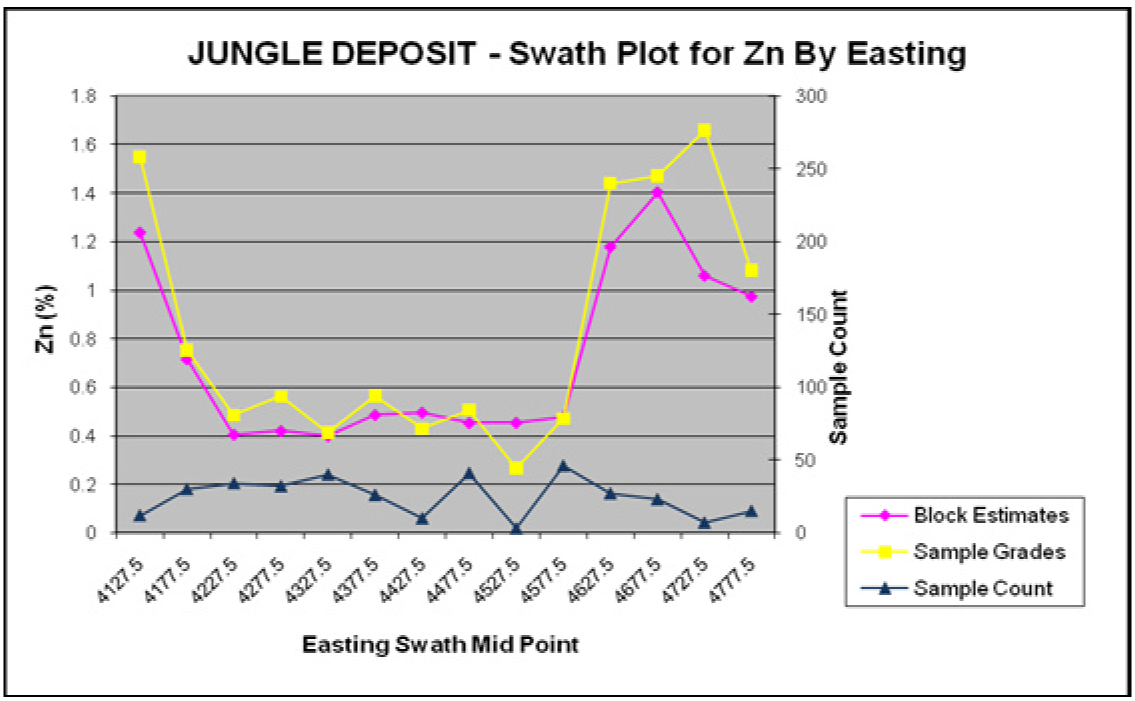


Jungle Deposit

Swath plots were produce for N-S slices through the Jungle deposit. For both Cu and Zn, there is reasonable agreement with no bias indicated (Figure 17-20).

FIGURE 17-20 VALIDATION PLOTS FOR THE JUNGLE DEPOSIT





There are no known permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant issues which may materially affect the Mineral Resource estimate.

Environmental concerns do exist but are not currently considered material. Capped or fenced shafts and mine openings, tailings area and other relicts of the mining operation that ceased in 1952 are present in and around the community of Sherridon, but are now the responsibility of the Province of Manitoba. Halo is in receipt of a letter of indemnification from the Manitoba Director of Mines that "confirms that Halo, or its potential development partners, will not be held liable or responsible for any environmental contamination or degradation of or alteration to the natural environment which presently exists or can be shown to exist or to have occurred" prior to Halo's ownership of the claims, under authority of clause 127(2) of The Mines and Minerals Act. The same letter advises that Halo may use an existing report prepared in November 2004 by UMA Engineering Ltd. and Senes Consultants Ltd. as a baseline environmental impact study for the purposes of identifying the existing environmental conditions of the tailings area, but that Halo may need to update or upgrade the report with additional work if Halo plans work in the immediate area of the tailings. A Wardrop report addressing the environmental impact of Halo activities was prepared in April 2007 (McCulloch, 2007).

Claims Halo-7 to -17, -20 and -21 and East-1 and -2, or parts of these claims, lie within a Sanitary Area designated by Manitoba's chief medical officer of health under the authority of the Sanitary Areas Regulation of the Public Health Act. Sanitary Areas are designed to ensure water quality in a community. If a proponent plans to conduct an activity within a Sanitary Area that may impact on water quality by either depositing material into the water or establishing a camp or buildings for commercial purposes (including mining), then the proponent must obtain written permission from the Minister of Health or the chief medical officer of health.

As well, there are no known mining, metallurgical, infrastructure and other relevant factors which may materially affect the Mineral Resources.

There are no Mineral Reserves estimated at the Bob, Cold, Lost or Jungle deposits at this time.

18 OTHER RELEVANT DATA AND INFORMATION

No additional information or explanation is necessary to make this Technical Report understandable and not misleading.

19 INTERPRETATION AND CONCLUSIONS

Mineral resources for four deposits (Bob, Jungle, Cold and Lost) in the Sherridon VMS Property have been estimated. The total Indicated Mineral Resources is 6,552,800 tonnes with an average grade of 0.85% copper, 1.22% zinc, 0.37 g/t gold and 7.40 g/t silver. It is anticipated that upper portions of the mineralization (to depths of approximately 100 m) may be mined by open pit methods and the Indicated Mineral Resources have been categorized as Open Pit or Underground accordingly (Table 17-1).

In addition, there are 15,860,000 tonnes in the Inferred Mineral Resource category with an average grade of 0.68% copper, 0.84% zinc, 0.28 g/t gold and 5.77 g/t silver. The Inferred Mineral Resources are also categorized as to Open Pit or Underground.

Table 19-1 summarizes the Indicated and Inferred Mineral Resources indicating the potential mining method.

TABLE 19-1 MINERAL RESOURCES – SEPTEMBER 2010
Sherridon VMS Property - Halo Resources Ltd.
All Resources

Mining Method	Tonnes	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)	Copper (Mllbs)	Zinc (Mllbs)	Gold (ozs)	Silver (ozs)
INDICATED									
Open Pit	5,317,000	0.80	1.23	0.34	7.21	94	144	58,829	1,233,373
Underground	1,235,800	1.04	1.18	0.48	8.19	28	32	19,230	325,343
Total Indicated	6,552,800	0.85	1.22	0.37	7.40	122	176	78,059	1,558,716
INFERRED									
Open Pit	12,240,000	0.62	0.77	0.26	5.29	168	208	103,921	2,083,390
Underground	3,620,000	0.91	1.08	0.32	7.37	72	87	37,324	857,689
Total Inferred	15,860,000	0.68	0.84	0.28	5.77	240	294	141,245	2,941,079

Notes:

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
2. Mineral resources are estimated at a NSR cut-off of US$20 per tonne and US$45 per tonne for open pit and underground respectively.
3. Metal prices used are US$3.00/lb copper, US$1.05/lb zinc, US$1,000/oz gold and US$15.00/oz silver.
4. Metallurgical recovery factors assumed were 92% for copper, 83% for zinc, 65% for gold and 57% for silver.
5. The Mineral Resources are reported at a cut-off grade to reflect reasonable prospects for economic extraction, which were evaluated by designing a series of conceptual pit shells using the Lerchs-Grossman optimizing algorithm.
6. Common values for operating costs and smelter terms were assumed.

Halo will evaluate options to advance the project to production, including construction of a concentrator to service the known four deposits and possible future discoveries. To increase the probability of a sustainable mine life, Halo assumes that an additional discovery of a near-surface 3 million tonne deposit (or better) with grades similar to Cold or Lost, would enhance project economics. Therefore, an aggressive exploration program is proposed to augment the known deposits and build on the geological model for the Sherridon VMS Property.

A total of 32,903 m of drilling was completed between November 2006 and July 2010 in 159 drill holes. The majority of holes have been drilled in the vicinity of the Bob, Cold, Lost and Jungle deposits. The remaining drill holes were used to primarily explore regional exploration targets.

The Bob deposit has been drilled at approximately 50-metre spacings for 1,000 m down plunge, starting at surface, and the deposit is open at depth. Some of the better intersections, such as 1.1% Cu over 33 m, have been reported at deeper locations. Based on interpretation of historic and recent drill holes, it appears that a second parallel lens may also project to surface and is proposed as a significant drill target.

HudBay is the operator of the Cold-Lost Option property (1.1 sq. km.) and completed 12 shallow drill holes at Lost Lake in October 2010 primarily to collect samples for metallurgical testing. Results of the metallurgical tests are expected in early 2011 and a preliminary economic evaluation is anticipated when the results are received. The area between the Cold and Lost deposits remains open and a bedrock chip sample, taken midway, returned a value of 5% zinc and makes the area a significant exploration target.

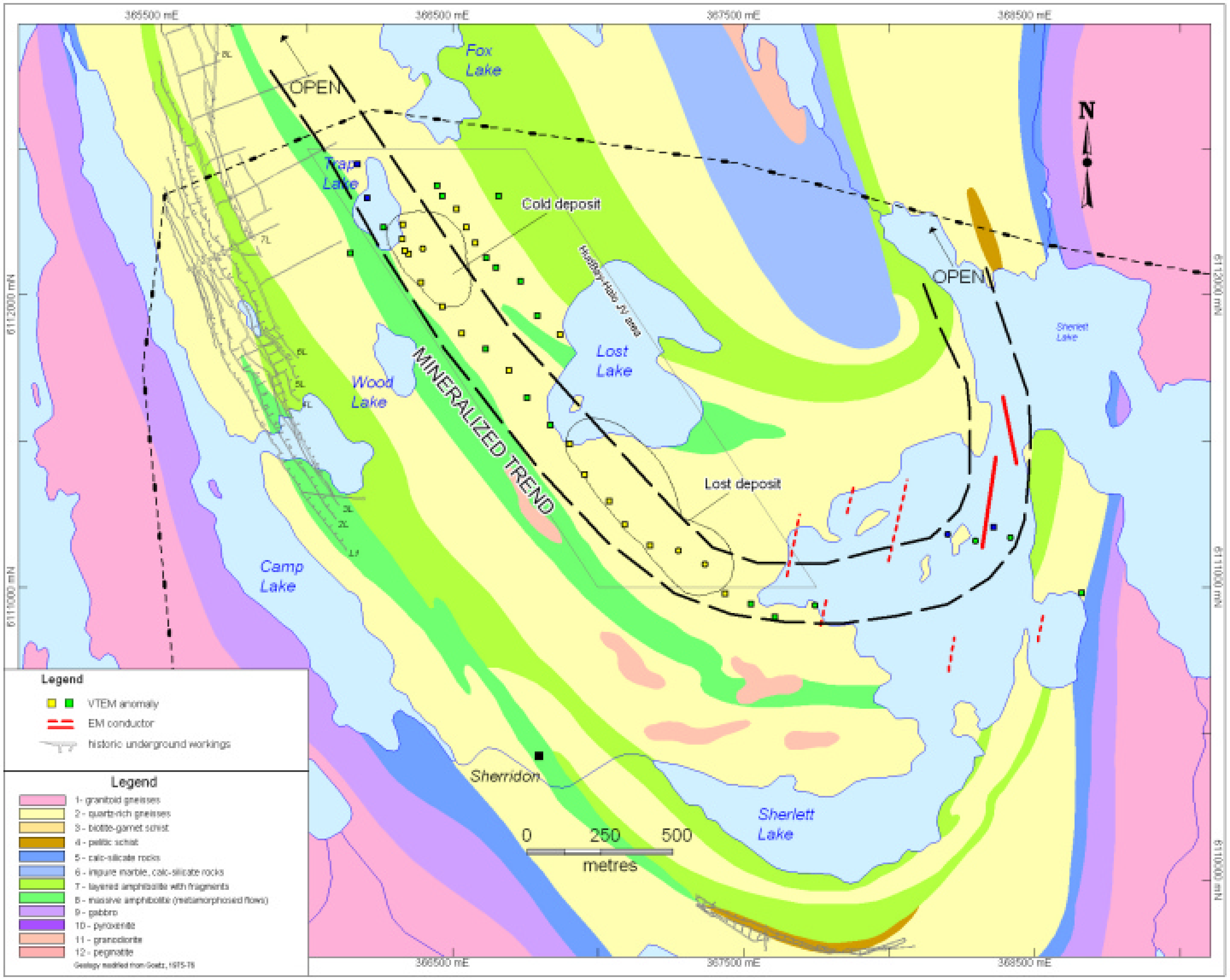
The Lost deposit was a new discovery by Halo in 2007 and was based on follow up of a VTEM and airborne magnetic anomaly. Field mapping, with an emphasis on structural geology, VTEM airborne anomalies and surface geophysics have defined targets along the 6 km Cold-Lost Trend (Figure 19-1) on ground held 100% by Halo. The vicinity of the historic East-West Mine, that follows a parallel trend, is a significant factor in prioritizing the Cold-Lost trend for further drilling.

HudBay has exercised a back-in option at the Jungle deposit and is required to spend $2.025 million before March 2012. A sheet-like mineralized zone has been traced from surface to a depth of 450 m. A step-out hole drilled in February 2010, to test the extension of the mineralization at a depth of 650 m, did not intersect sulphides. A Bore-Hole Pulse EM (BHPEM) survey of the 2010 drill hole recognized a significant off-hole conductivity anomaly which is an important exploration target.

Exploration targets in the vicinity of the four known deposits are described above and several other areas remain as high priority drill targets (Figure 10-1), which include:

a) Mineralized zone in Target Area 5, especially off-hole anomalies from BHPEM;
b) Target Area 4 (the east extension of Target Area 5) with additional untested conductors;
c) Fidelity Zone (Target Area 3) to follow up on 2008 intersection of 2.4% copper over 2.4 m; and
d) Don Lake (Target Area 27).

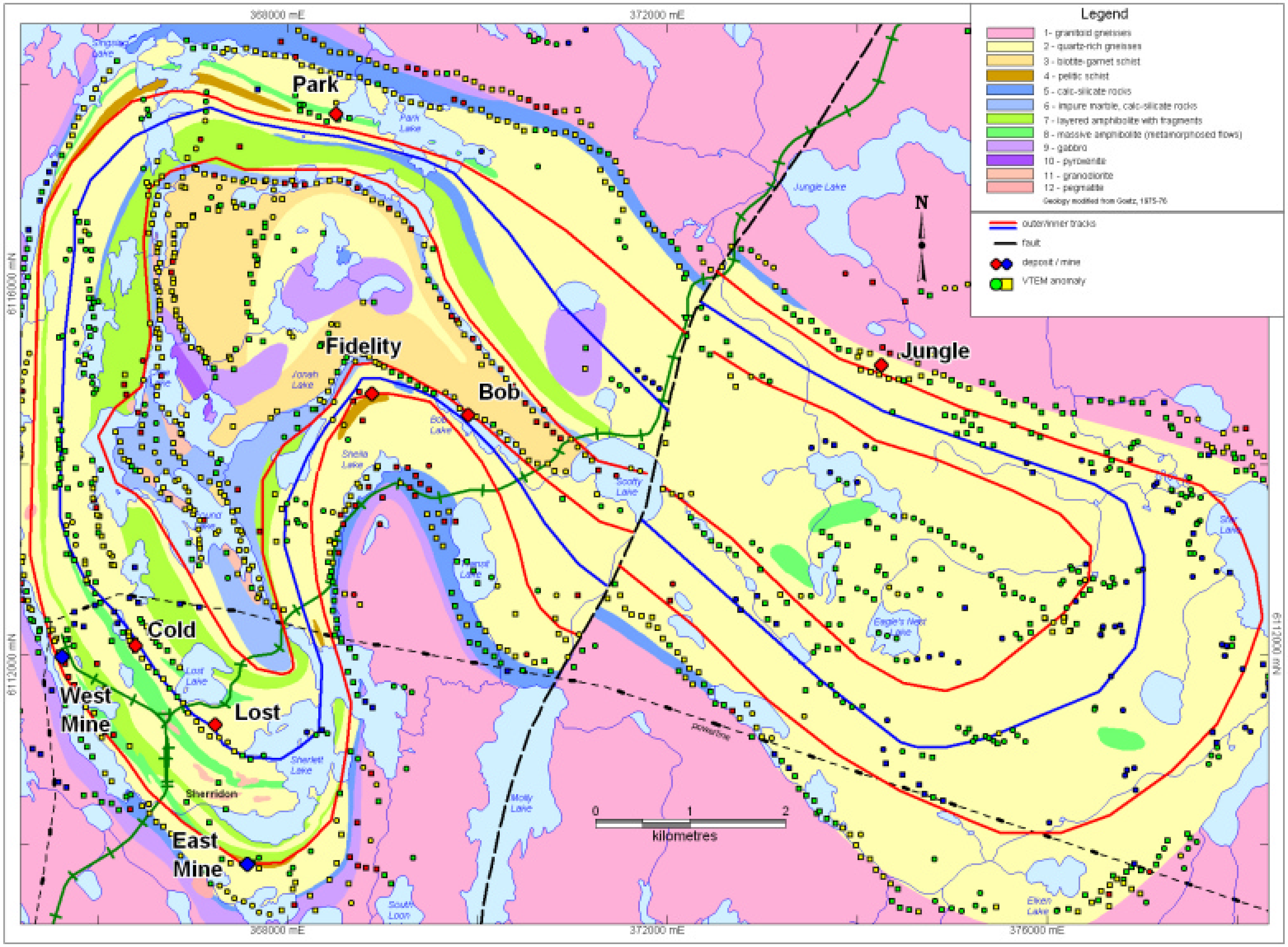
FIGURE 19-1 TARGETS ALONG THE COLD-LOST MINERALIZED TREND



Four years of detailed field work, lithogeochemical studies and structural analysis has generated a geological model that allows the airborne geophysical anomalies to be prioritized. The 2006 airborne geophysical survey identified 122 individual targets and 66-line km of conductors that require additional testing. The VTEM system reacts to conductive bodies to depths of 250 m thus generating a very large volume of material that would need to be drill tested.

A model has been developed that explains the association of the known deposits and occurrences along 'tracks' (Figure 19-2). It is proposed that the 'tracks' represent a favourable stratigraphy for the formation of VMS base metal deposits, which is an important focus for subsequent exploration programs.

FIGURE 19-2 EXPLORATION TARGETS BASED ON STRUCTURAL MODEL



20 RECOMMENDATIONS

The Sherridon VMS Property holds potential for the discovery of additional VMS mineralization. Additional exploration work including diamond drilling is warranted. Halo recommends a multifaceted approach to integrate geophysics, geochemistry and mapping, as well as continuation of the diamond drill program.

A Phase 1 drill program of 3,500 m is recommended to follow up on regional target areas defined by the 2006 VTEM survey, field mapping, structural mapping and bedrock chip samples where available.

Assuming a concept of multiple separate deposits, supporting both surface and underground mining operations, supplying a central regional mill and operations centre, some economies of scale could be established in management, supervision, training, maintenance, warehousing and other cost centres. In line with this concept, additional engineering studies are also anticipated in Phase 1 to provide the basis for prefeasibility studies in Phase 2. Included are metallurgical test work, additional water and biota baseline sampling, cost analyses, geotechnical studies and the economic evaluation of various mining and milling scenarios.

Phase 1 would include the following components:

1) Exploration target assessment by diamond drilling (3,500 m) of areas such as Target Area 5, Bob Lake–East Lens and Fidelity;
2) Ongoing geoscience studies including structural analysis, as well as lithogeochemical interpretation, to determine the nature and attitude of the mineralized horizons which occur in complexly folded structures to evaluate district-wide targets;
3) Expanded bedrock chip sampling to evaluate VTEM anomalies within prospective structural 'tracks';
4) Engineering studies to define the basis for future prefeasibility studies.

The Phase 2 drilling program will consist of two components: one, a continuation of testing regional target areas and two, close-spaced drilling to improve confidence in the resources and provide material for additional metallurgical test work. The close-spaced drilling and prefeasibility studies are contingent on results of the engineering studies in Phase 1, but not the Phase 1 drilling results.

Phase 2 would include the following components:

1) Drilling at 30 m to 50 m spacing to test the continuity of the massive sulphide discoveries (based on Phase 1 success) to a depth of 150 m below surface;
2) Exploration target assessment by diamond drilling of regional drill targets bedrock chip sampling program and field mapping;
3) Prefeasibility studies.

Cost estimates total $2,385,000 for Phase 1 activities and $4,995,000 for Phase 2 activities (Table 20-1). The estimated cost for both phases totals $7,380,000.

TABLE 20-1 PROPOSED EXPLORATION BUDGET	
Halo Resources Ltd. – Sherridon VMS Property	
Item	**Cost ($)**
PHASE 1	
1. Exploration Target Assessment	
3,500 m of diamond drilling	525,000
Bore Hole Pulse EM surveys	50,000
Assays and geochemistry	30,000
Drilling support (staff, travel, accommodations, supplies)	385,000
	990,000
2. Target Generation	
1,500 Bedrock chip samples to test VTEM conductors	195,000
Supervision, data interpretation and reporting	150,000
Ground geophysical surveys	200,000
	545,000
3. Project Management	
Engineering studies (geotechnical, metallurgical, economics)	310,000
Preliminary economic analysis	190,000
	500,000
4. Community Engagement and Environmental Permitting	**350,000**
Total for Phase 1	**2,385,000**

PHASE 2	
1. Resource Assessment	
7,500 m of diamond drilling	1,125,000
Bore Hole Pulse EM surveys	100,000
Assays and geochemistry	60,000
Drilling support (staff, travel, accommodations, supplies)	825,000
	2,110,000
2. Target Assessment	
3,500 m of diamond drilling	525,000
Bore Hole Pulse EM surveys	30,000
Assays and geochemistry	25,000
Drilling support (staff, travel, accommodations, supplies)	495,000
	1,075,000
3. Project Management	
Prefeasibility studies	660,000
Economic analysis	250,000
Supervision, data interpretation and reporting	250,000
	1,160,000
4. Community Engagement and Environmental Permitting	**650,000**
Total for Phase 2	**4,995,000**

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22 SIGNATURE PAGE

This report titled "Technical Report on the Sherridon VMS Property, North Central Manitoba, Canada" and dated November 22, 2010, was prepared and signed by the following authors:

	(Signed and Sealed)
Dated at Toronto, Ontario	Lynda B. Bloom, M.Sc., P.Geo.
November 22, 2010	President, Halo Resources Ltd.
	(Signed and Sealed)
Dated at Toronto, Ontario	Tom H.A. Healy, P. Eng.
November 22, 2010	COO, Halo Resources Ltd.
	(Signed and Sealed)
Dated at Toronto, Ontario	Gary H. Giroux, M.A. Sc., P. Eng.
November 22, 2010	Associate Geologist

23 CERTIFICATE OF QUALIFICATIONS

LYNDA B. BLOOM

I, Lynda B. Bloom, P. Geo. as an author of this report entitled "Technical Report on the Sherridon VMS Property, North Central Manitoba, Canada" prepared for Halo Resources Ltd. and dated November 22, 2010, do hereby certify that:

1. I am President and Chief Executive Officer with Halo Resources Ltd. of 25 Adelaide Street East, Suite 2100, Toronto, Ontario.
2. I am a B.Sc. graduate of Carleton University, Ontario (1977) and hold a postgraduate M.Sc. degree from Queen's University, Ontario (1981).
3. I am a registered as a Professional Geoscientist in the Province of Ontario (Reg. #0017) and Manitoba (32963G).
4. I have worked as a professional geoscientist for a total of 35 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Design and implementation of quality control programs, including worldwide laboratory audits
   - Management and geoscience experience related to mineral exploration of base and precious metal projects
   - Supervision of the preparation of NI43-101 technical reports.
5. My contribution to this report is based on the evaluation of the 43-101 Technical Report, "Technical Report on the Sherridon VMS Property, North-Central, Manitoba, Canada" authored by Gary H. Giroux, Tom Healy and myself, and numerous site visits between 2007 and 2009.
6. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI43-101.
7. 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.

8. 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 ensure that the technical report is not misleading.

Dated this 22nd day of November, 2010

(Signed and Sealed)
Lynda B. Bloom, P. Geo.

TOM H.A. HEALY

I, Tom H.A. Healy, P. Eng. as an author of this report entitled "Technical Report on the Sherridon VMS Property, North Central Manitoba, Canada" prepared for Halo Resources Ltd. and dated November 22, 2010, do hereby certify that:

1. I am Senior Vice President and Chief Operating Officer with Halo Resources Ltd. of 25 Adelaide Street East, Suite 2100, Toronto, Ontario.
2. I am a mining engineering graduate of University of Melbourne, Australia and hold a postgraduate degree from the Imperial College, London, U.K.
3. I am a registered as a Professional Engineer in the Province of Alberta (Reg. #M44370).
4. I have worked as a mining engineer for a total of 40 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Open pit and underground mine design
   - Management and engineering experience related to the technical and economic feasibility of base and precious metal, coal, oil sands, diamond and industrial minerals projects
   - Supervision of the preparation of resource and reserve determinations for an engineering and geoscience consulting firm.
5. My contribution to this report is based on the evaluation of the 43-101 Technical Report, "Technical Report on the Sherridon VMS Property, North-Central, Manitoba, Canada" authored by Lynda Bloom, Gary H. Giroux and myself, and numerous site visits between 2005 and 2010.
6. Prior involvement in this project consists of an independent Technical Report on the Sherridon VMS Property, North-Central, Manitoba, Canada authored by Stephen MacConnell and myself and filed in September 2008.
7. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI43-101.

8. 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.
9. 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 ensure that the technical report is not misleading.

Dated this 22nd day of November, 2010

(Signed and Sealed)
Tom H.A. Healy, P. Eng.

GARY H. GIROUX

I, G. H. Giroux, P. Eng., as an author of this report entitled “Technical Report on the Sherridon VMS Property, North Central Manitoba, Canada” prepared for Halo Resources Ltd. and dated November 22, 2010, do hereby certify that:

1. I am a Consulting Geological Engineer with an office at #1215 - 675 West Hastings Street, Vancouver, British Columbia.
2. I am a graduate of the University of British Columbia in 1970 with a B.A.Sc. and in 1984 with a M.A.Sc., both in Geological Engineering.
3. I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia. I have practised my profession continuously since 1970. I have had over 30 years experience estimating mineral resources. I have previously completed resource estimations on a wide variety of massive sulphide deposits including Myra Falls, Wolverine, and Marg.
4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI43-101) and certify that by reason of education, experience, independence, and affiliation with a professional association, I meet the requirements of an Independent Qualified Person as defined in National Instrument 43-101.
5. I have not visited the Sherridon VMS Property.
6. Prior involvement in this project consists of an independent Technical Report on the Jungle Lake Deposit written by Chester M. Moore and myself, and filed in January 2008 and an independent Technical Report on the Sherridon VMS Property, North-Central, Manitoba, Canada authored by Stephen MacConnell, Chester M. Moore and myself and filed in September 2008.
7. This report titled “Technical Report on the Sherridon VMS Property, North Central Manitoba, Canada” dated November 22, 2010, is based on a study of the data and literature available on the Sherridon VMS Property. I am responsible for the Section 17, outlining the resource estimations completed in Vancouver during 2010.
8. I am independent of the Issuer applying the test set out in Section 1.4 of National Instrument 43-101.

9. 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.
10. 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.

Dated this 22nd day of November, 2010

(Signed and Sealed)
Gary H. Giroux, P. Eng.

24 APPENDICES

APPENDIX 1 DRILL HOLE INTERSECTIONS

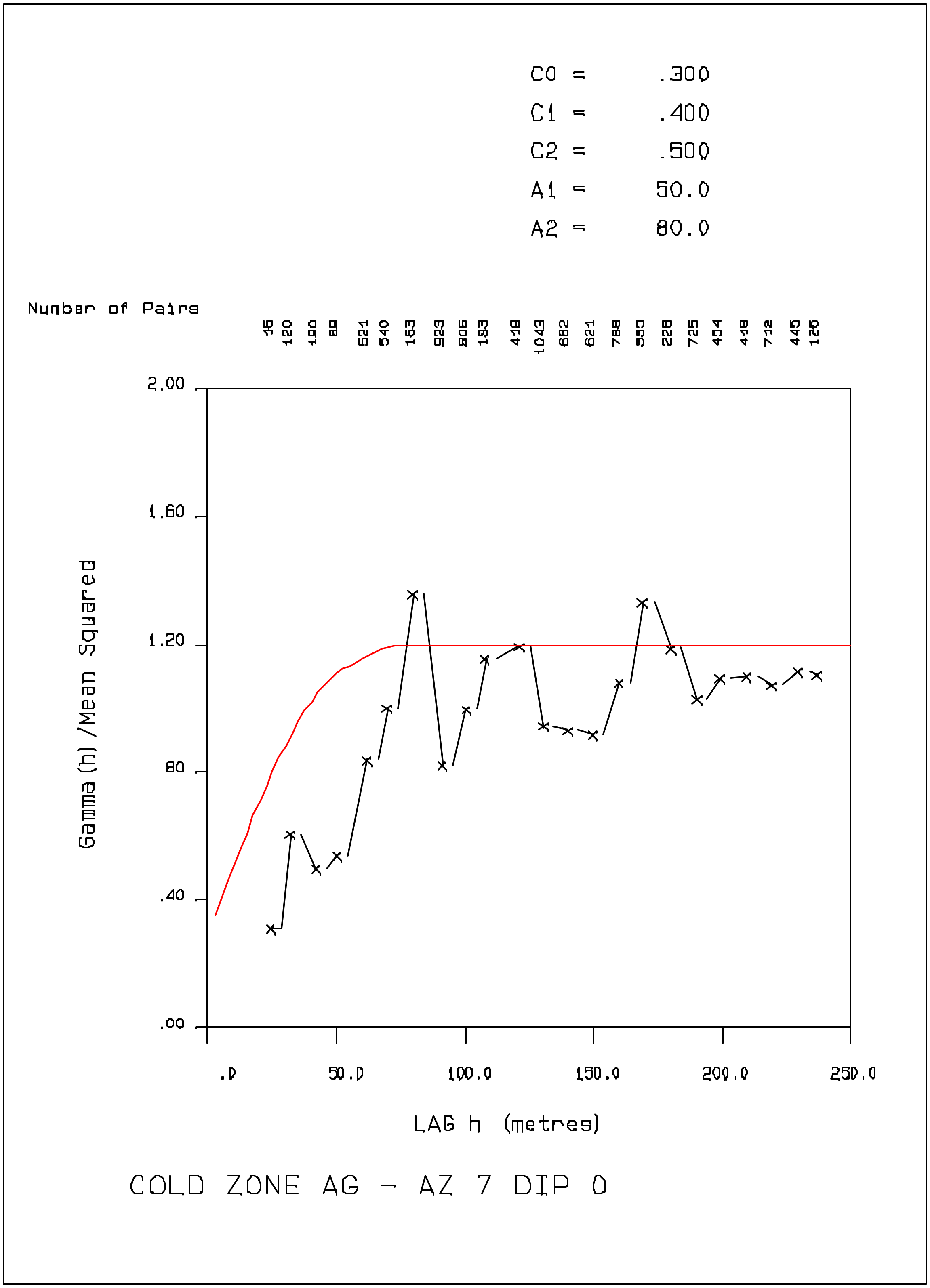
Deposit	Hole ID	From	To	Length	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
Bob	DH06-004	174.74	177.85	3.11	1.22	1.23	0.44	10.41
Bob	DH06-005	180.91	185.59	4.68	1.33	1.52	0.53	10.54
Bob	DH07-009	161.01	165.93	4.92	0.95	1.78	1.22	6.97
Bob	DH07-011	136.14	145.08	8.94	1.03	1.70	0.21	8.46
Bob	DH07-018	100.46	104.03	3.57	1.18	1.05	0.47	6.72
Bob	and	105.52	113.11	7.59	1.16	1.11	0.55	7.04
Bob	DH07-058	210.70	216.40	5.70	0.85	3.12	0.27	5.97
Bob	DH07-059	225.48	229.74	4.26	1.75	1.90	0.36	13.51
Bob	and	242.93	245.00	2.07	1.29	2.28	1.29	18.56
Bob	DH07-060	272.83	279.20	6.37	1.77	2.17	0.40	9.93
Bob	DH07-061	257.85	272.56	14.71	1.78	1.29	0.29	9.65
Bob	DH07-062	178.12	191.63	13.51	1.49	1.80	0.32	10.76
Bob	DH07-063	87.00	98.60	11.60	1.40	1.96	0.07	8.53
Bob	DH07-064	107.46	114.50	7.04	1.41	1.97	0.24	11.76
Bob	DH07-065	103.94	112.04	8.10	1.19	0.99	0.27	8.91
Bob	DH07-066	103.31	107.31	4.00	1.47	1.91	0.50	9.38
Bob	DH07-067	110.78	115.02	4.24	1.32	0.87	0.27	7.95
Bob	DH08-119	260.77	262.28	1.51	1.37	1.21	0.31	5.63
Bob	DH08-123	243.88	247.88	4.00	1.01	2.22	0.25	5.65
Bob	DH08-124	231.40	235.27	3.87	1.42	1.18	0.27	7.25
Bob	DH08-125	225.80	243.45	17.65	1.57	1.37	0.29	9.34
Bob	and	255.69	258.08	2.39	1.65	0.07	0.28	9.56
Bob	DH08-126	250.06	260.15	10.09	1.43	0.83	0.29	12.07
Bob	DH08-127	225.14	233.00	7.86	1.46	1.30	0.36	6.81
Bob	DH08-128	193.64	197.45	3.81	1.76	1.84	0.09	10.03
Bob	DH08-129	206.95	212.45	5.50	1.11	2.22	0.29	7.83
Bob	and	221.00	226.39	5.39	1.00	0.54	0.31	6.04
Bob	SL29	55.32	73.33	18.01	1.00	0.96	0.42	7.10
Bob	SL30	59.31	74.68	15.37	1.37	1.72	0.30	7.45
Bob	SL31	57.42	60.96	3.54	0.95	1.65	0.48	5.80
Bob	SL33	46.51	53.34	6.83	1.51	0.00	0.14	7.30
Bob	SL34	52.30	57.24	4.94	1.09	1.40	0.20	5.12
Bob	SL36	105.16	109.73	4.57	1.66	2.00	0.24	8.31
Bob	SL37	103.17	106.22	3.05	1.19	4.04	0.54	9.28
Bob	SL39	53.34	64.68	11.34	1.40	1.39	0.92	8.40
Bob	SL40	50.29	57.36	7.07	1.43	0.42	0.23	8.28
Bob	SL42	61.87	64.28	2.41	1.42	0.39	0.28	6.21
Bob	SL46	109.58	123.44	13.86	1.60	1.55	0.32	7.95
Bob	SL47	79.06	85.34	6.28	1.14	0.94	0.27	7.67

Deposit	Hole ID	From	To	Length	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
Bob	SL51	117.35	134.11	16.76	1.37	2.44	0.26	8.14
Bob	and	149.87	156.09	6.22	1.41	0.59	0.17	9.00
Bob	SL55	75.68	78.03	2.35	0.50	0.00	0.40	6.48
Bob	SL57	67.97	78.42	10.45	0.74	0.63	0.15	4.07
Bob	and	109.58	111.56	1.98	1.00	2.05	0.55	6.06
Bob	SL65	86.87	89.73	2.86	1.77	0.26	0.28	6.56
Bob	SL67	159.62	163.07	3.45	1.16	1.04	0.29	9.27
Bob	SL68	63.09	65.93	2.84	3.26	0.48	0.51	13.21
Bob	SL69	152.40	170.99	18.59	1.33	1.83	0.20	7.66
Bob	SL71	85.95	88.64	2.69	1.63	0.86	1.13	14.55
Bob	SL72	144.47	149.35	4.88	1.40	1.42	0.19	10.59
Bob	SL76	121.92	126.49	4.57	1.64	0.80	0.14	7.18
Bob	SL87	138.41	140.09	1.68	0.98	0.20	3.04	7.65
Cold	DH07-039	36.12	39.38	3.26	0.97	1.72	0.34	13.25
Cold	DH07-042	155.16	161.48	6.32	6.46	0.90	0.19	1.84
Cold	DH07-043	104.34	120.29	15.95	1.59	3.42	0.70	18.06
Cold	DH07-044	44.63	65.63	21.00	1.34	1.70	0.64	16.70
Cold	DH07-045	39.75	43.75	4.00	0.87	0.61	0.38	10.95
Cold	and	59.00	61.00	2.00	0.79	0.55	0.41	12.00
Cold	DH07-046	27.70	31.70	4.00	0.64	1.15	0.36	8.55
Cold	and	44.80	51.60	6.80	0.58	1.70	0.31	8.96
Cold	DH07-047	120.00	130.65	10.65	1.61	4.51	0.67	20.43
Cold	DH07-048	132.90	141.90	9.00	1.02	2.63	0.36	12.02
Cold	including	137.00	139.82	2.82	1.79	5.19	0.73	19.21
Cold	DH07-049	53.36	58.96	5.60	1.16	4.99	0.59	14.75
Cold	DH07-050	107.34	111.05	3.71	0.41	2.16	0.32	7.48
Cold	DH08-088	289.49	290.72	1.23	0.57	5.78	0.29	9.70
Cold	DH10-154	52.00	63.36	11.36	0.81	0.23	0.42	9.05
Cold	DH10-155	37.82	44.07	6.25	1.82	1.54	1.32	26.39
Cold	DH10-156	61.14	78.43	17.29	2.71	4.14	2.57	47.47
Cold	DH10-157	31.20	35.45	4.25	1.81	2.14	0.99	19.67
Cold	and	52.22	58.52	6.30	0.53	2.53	0.23	9.21
Cold	DH10-158	31.01	34.02	3.01	1.04	0.22	0.36	10.91
Cold	SH13	80.31	83.21	2.90	2.12	2.79	0.69	22.23
Cold	SH14	96.93	98.60	1.67	1.19	10.17	1.21	4.96
Cold	SH16	87.63	90.53	2.90	1.41	1.17	0.40	0.00
Cold	and	95.55	99.15	3.60	0.86	5.32	0.39	1.06
Cold	SH18	96.77	100.13	3.36	0.75	1.51	0.19	0.00
Cold	SH20	75.90	82.30	6.40	1.57	2.52	0.67	31.89
Cold	SH21	30.48	34.14	3.66	0.71	1.71	0.89	39.69

Deposit	Hole ID	From	To	Length	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
Cold	and	39.01	42.37	3.36	1.06	2.60	0.26	17.95
Cold	SH22	110.49	111.71	1.22	1.10	3.15	0.00	0.00
Cold	SH31	92.60	97.05	4.45	0.77	0.86	0.57	12.89
Cold	SH32	180.14	181.36	1.22	1.09	0.53	0.00	0.00
Cold	SH33	76.72	81.38	4.66	1.14	4.46	0.49	15.96
Cold	SH35	108.81	115.82	7.01	0.84	1.23	0.10	3.46
Cold	SH4	31.70	33.83	2.13	1.07	1.67	0.55	8.53
Cold	SH6	109.73	113.69	3.96	1.03	1.69	0.31	5.31
Cold	and	121.92	128.93	7.01	0.85	2.31	0.31	5.50
Cold	SH9	90.37	92.96	2.59	0.67	5.00	0.02	1.01
Lost	DH07-055	87.90	89.94	2.04	3.74	11.67	0.64	30.27
Lost	and	99.79	102.06	2.27	0.71	2.79	0.65	9.06
Lost	DH07-056	67.00	70.00	3.00	0.62	0.05	0.17	3.60
Lost	DH07-057	77.30	80.77	3.47	2.04	11.57	0.62	18.31
Lost	DH07-069	143.02	144.12	1.10	5.43	35.20	1.21	47.28
Lost	DH07-076	86.88	106.62	19.74	0.47	0.85	0.45	5.39
Lost	including	87.29	88.68	1.39	4.85	6.03	4.82	57.41
Lost	DH07-077	92.26	95.84	3.58	1.12	2.93	1.70	13.14
Lost	DH07-078	63.42	66.03	2.61	0.69	2.59	0.45	9.75
Lost	DH07-079	35.66	36.96	1.30	1.41	3.13	0.72	13.06
Lost	and	39.77	41.92	2.15	2.33	6.19	0.94	22.16
Lost	DH07-080	25.12	27.00	1.88	1.92	7.89	1.63	20.33
Lost	DH07-082	53.00	59.26	6.26	1.31	7.51	0.60	14.27
Lost	DH07-084	142.34	144.11	1.77	0.84	3.98	0.52	15.12
Lost	DH07-086	46.43	52.22	5.79	2.37	6.78	1.55	23.84
Lost	including	47.85	50.47	2.62	3.76	10.62	2.26	31.85
Lost	DH09-130	52.87	64.37	11.50	2.23	4.84	1.33	26.42
Lost	including	57.09	64.37	7.28	3.14	7.54	1.94	38.16
Lost	DH09-131	52.79	54.19	1.40	2.99	12.92	1.46	33.69
Lost	DH09-132	82.50	84.96	2.46	1.40	11.69	0.92	14.85
Lost	DH09-134	73.79	76.30	2.51	1.18	4.69	0.23	8.96
Lost	and	85.66	89.18	3.52	0.96	11.58	0.90	9.68
Lost	DH09-136	96.68	97.63	0.95	1.06	4.78	0.32	8.41
Lost	and	100.27	107.64	7.37	0.32	2.73	0.32	4.15
Lost	DH09-137	70.00	88.00	18.00	1.48	1.21	1.03	22.11
Lost	including	75.34	83.00	7.66	1.90	2.20	1.43	28.35
Lost	DH09-138	56.59	69.50	12.91	1.94	5.42	0.84	21.67
Lost	including	59.40	61.57	2.17	3.34	12.47	0.76	36.39
Lost	and	63.79	66.00	2.21	5.13	5.83	1.95	59.34
Lost	DH10-149	14.20	22.00	7.80	0.69	5.20	1.11	4.81

Deposit	Hole ID	From	To	Length	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
Lost	including	19.18	20.94	1.76	1.47	10.28	0.51	7.71
Lost	DH10-150	17.00	17.87	0.87	1.28	4.12	0.89	16.31
Lost	DH10-151	35.77	39.00	3.23	0.91	5.37	0.43	9.92
Lost	including	37.55	39.00	1.45	0.79	10.83	0.48	10.15
Lost	DH10-152	35.55	38.74	3.19	1.05	3.11	0.59	11.75
Lost	DH10-153	16.00	17.59	1.59	1.11	2.19	0.29	10.65
Jungle	DH07-020	116.94	119.83	2.89	2.64	2.63	0.33	12.11
Jungle	DH07-021	71.21	84.52	13.31	1.74	0.82	0.53	9.62
Jungle	DH07-022	125.09	127.06	1.97	1.35	2.07	0.82	8.79
Jungle	DH07-026	319.48	327.95	8.47	0.53	4.38	0.14	4.80
Jungle	DH07-027	284.04	285.71	1.67	1.80	1.49	0.37	13.01
Jungle	DH07-028	250.57	257.91	7.34	3.14	0.50	0.75	19.26
Jungle	DH07-029	246.49	250.06	3.57	1.30	0.97	0.62	8.00
Jungle	DH07-030	99.06	105.81	6.75	1.12	1.42	0.24	7.84
Jungle	DH07-031	58.64	65.66	7.02	2.17	1.23	0.46	10.54
Jungle	DH07-034	39.18	44.66	5.48	1.90	1.00	0.37	9.17
Jungle	DH08-103	71.45	75.42	3.97	0.89	2.25	0.11	5.74
Jungle	DH08-105	41.70	45.61	3.91	0.69	2.82	0.22	5.83
Jungle	Nok166	216.35	225.19	8.84	0.86	0.55	0.29	7.70
Jungle	including	216.35	218.11	1.76	1.13	1.91	0.31	7.16
Jungle	Nok167W1	409.04	411.69	2.65	1.08	0.86	0.07	5.43
Jungle	Nok168	148.71	152.58	3.87	0.70	3.37	0.16	5.12
Jungle	Nok28	24.38	30.27	5.89	1.17	1.12	0.17	3.61
Jungle	Nok32	28.38	31.30	2.92	0.57	2.15	0.32	2.58
Jungle	Nok36	109.94	115.15	5.21	1.59	0.76	0.13	5.74
Jungle	Nok40	118.69	129.63	10.94	1.97	0.84	0.14	7.34
Jungle	Nok42	112.53	114.54	2.01	0.96	0.74	0.16	6.94
Jungle	Nok44	240.00	242.13	2.13	2.58	1.79	0.05	17.31
Jungle	and	251.98	259.23	7.25	1.20	0.62	0.04	3.48
Jungle	Nok47	320.04	329.15	9.11	0.81	0.31	0.03	3.95
Jungle	Nok49	226.56	230.79	4.23	2.14	0.35	0.13	12.60
Jungle	Nok50	246.16	254.05	7.89	2.53	1.02	0.09	4.57
Jungle	Nok51	236.22	247.25	11.03	0.71	3.00	-	-
Jungle	Nok52	269.72	271.94	2.22	0.84	1.72	0.04	1.51
Jungle	Nok57	390.60	393.50	2.90	1.57	0.40	-	4.72
Jungle	Nok57W1	383.35	384.81	1.46	0.65	4.75	0.09	3.81
Jungle	Nok57W3	360.85	365.21	4.36	0.79	4.57	0.04	1.60

APPENDIX 2 VARIOGRAPHY



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C2 = .500
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A2 = 80.0
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1.20
.80
.40
.00
Gamma (h) /Mean Squared
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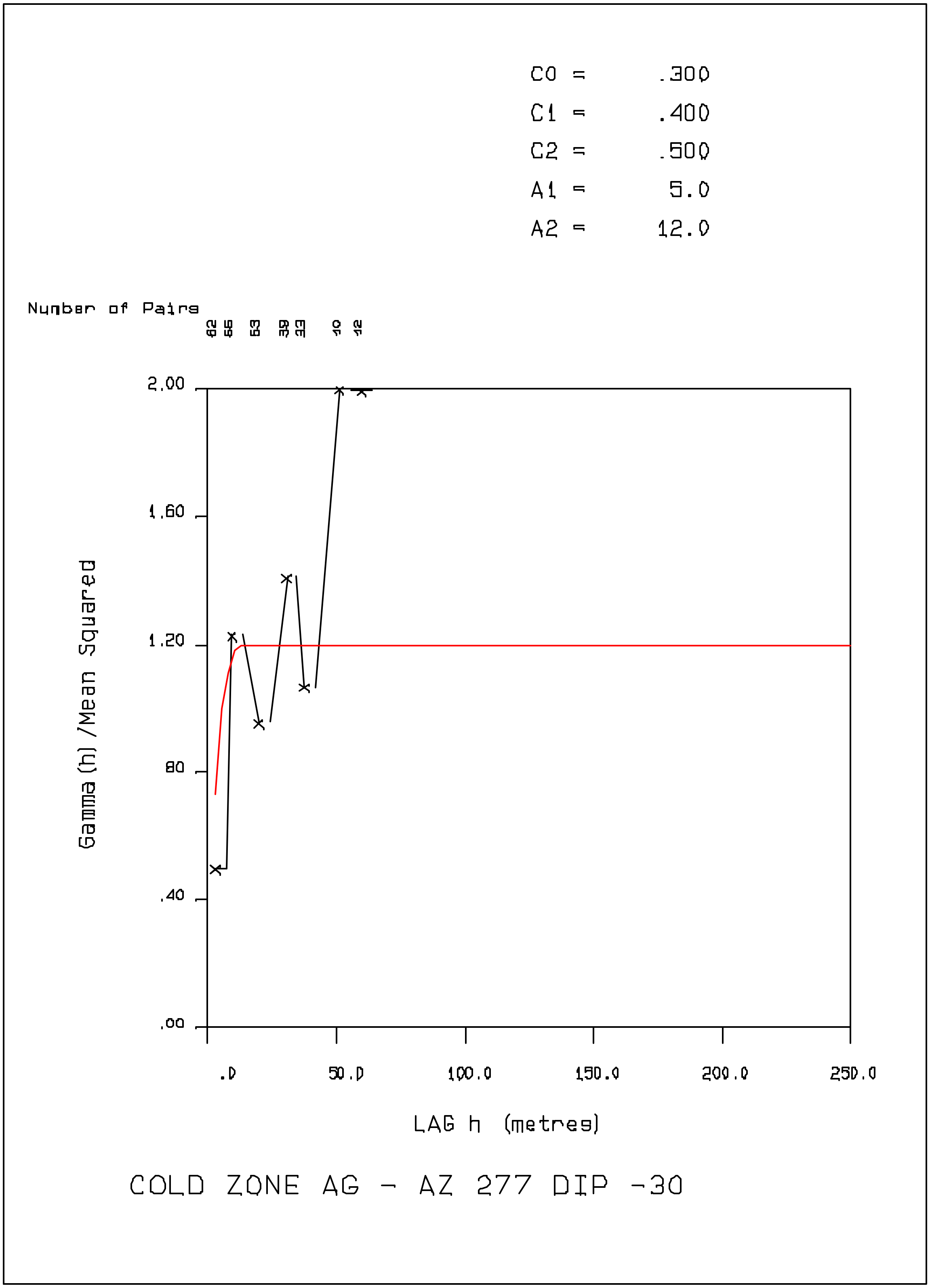
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
COLD ZONE AG - AZ 7 DIP 0



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C2 = .500
A1 = 5.0
A2 = 12.0
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53
39
33
10
12
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
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50.0
100.0
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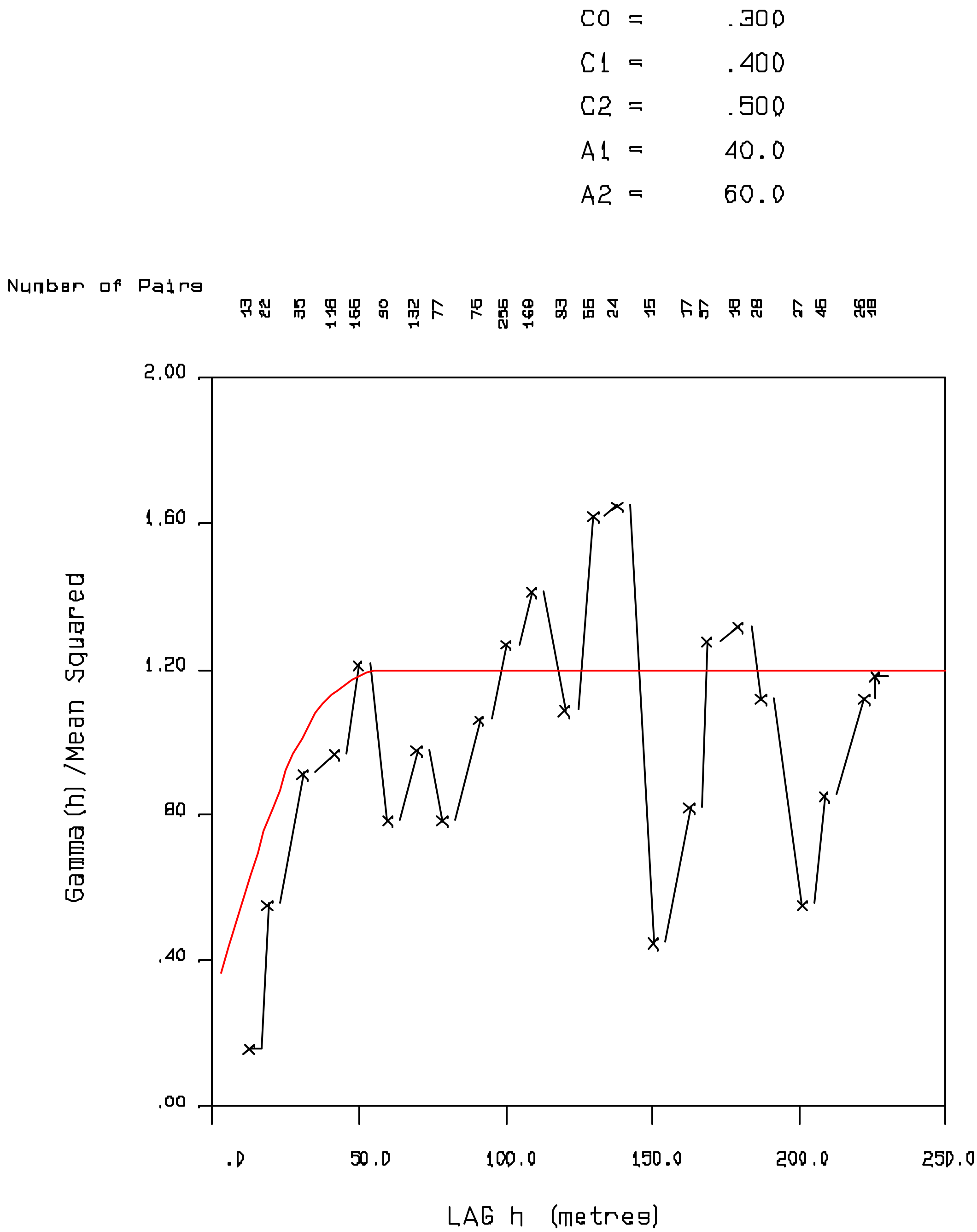
LAG h (metres)
COLD ZONE AG - AZ 277 DIP -30



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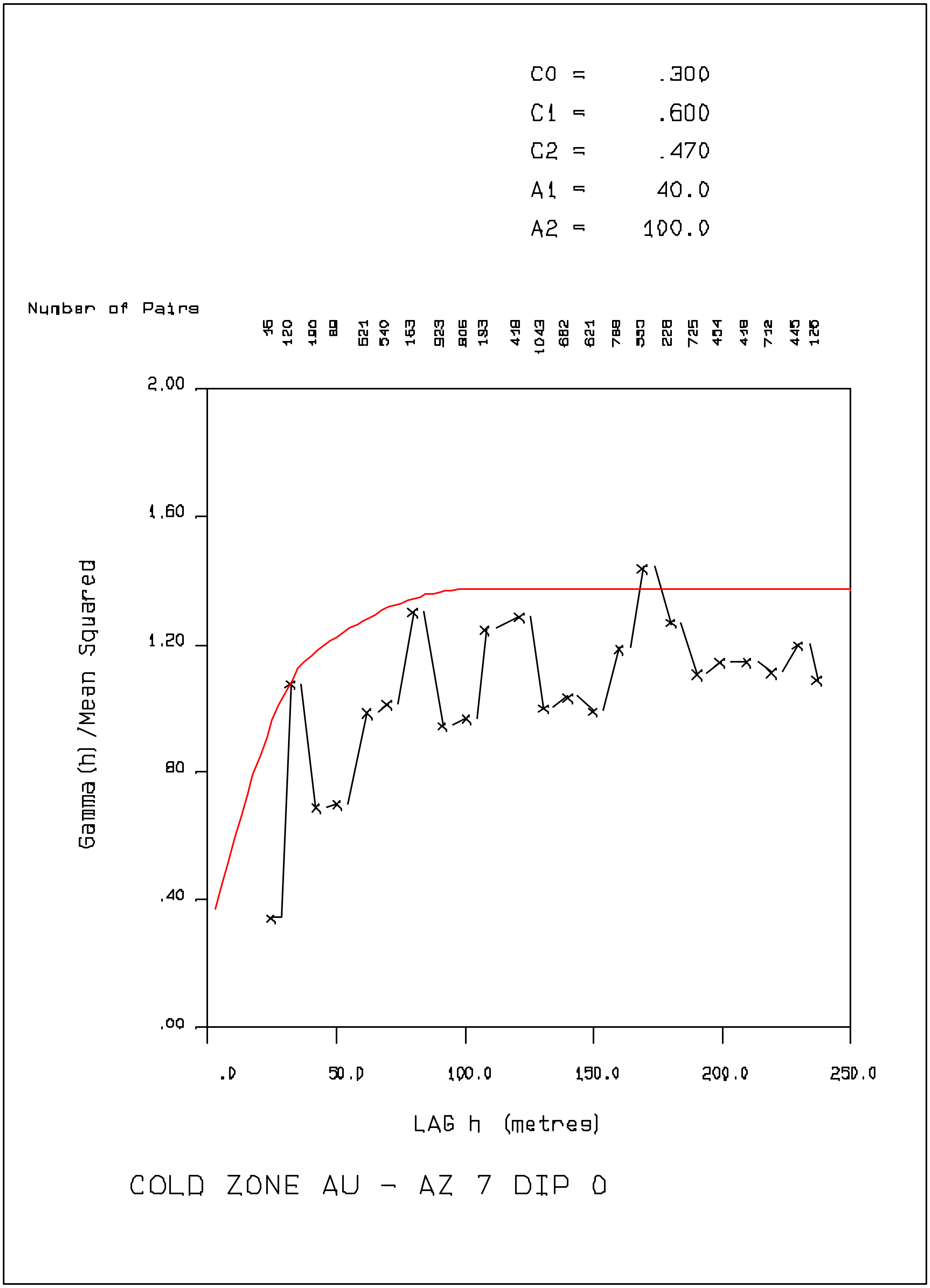

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C1 = .600
C2 = .470
A1 = 40.0
A2 = 100.0
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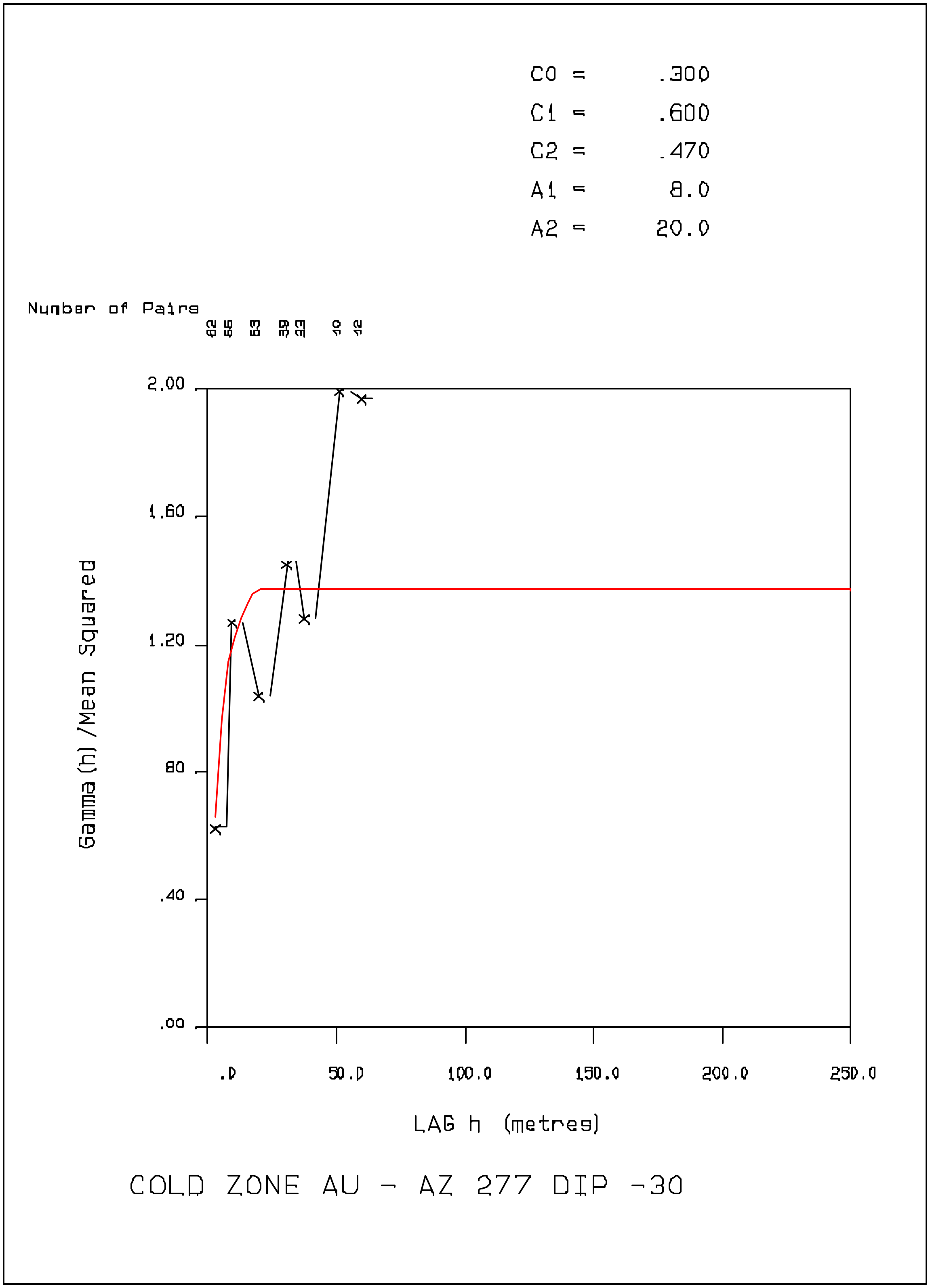
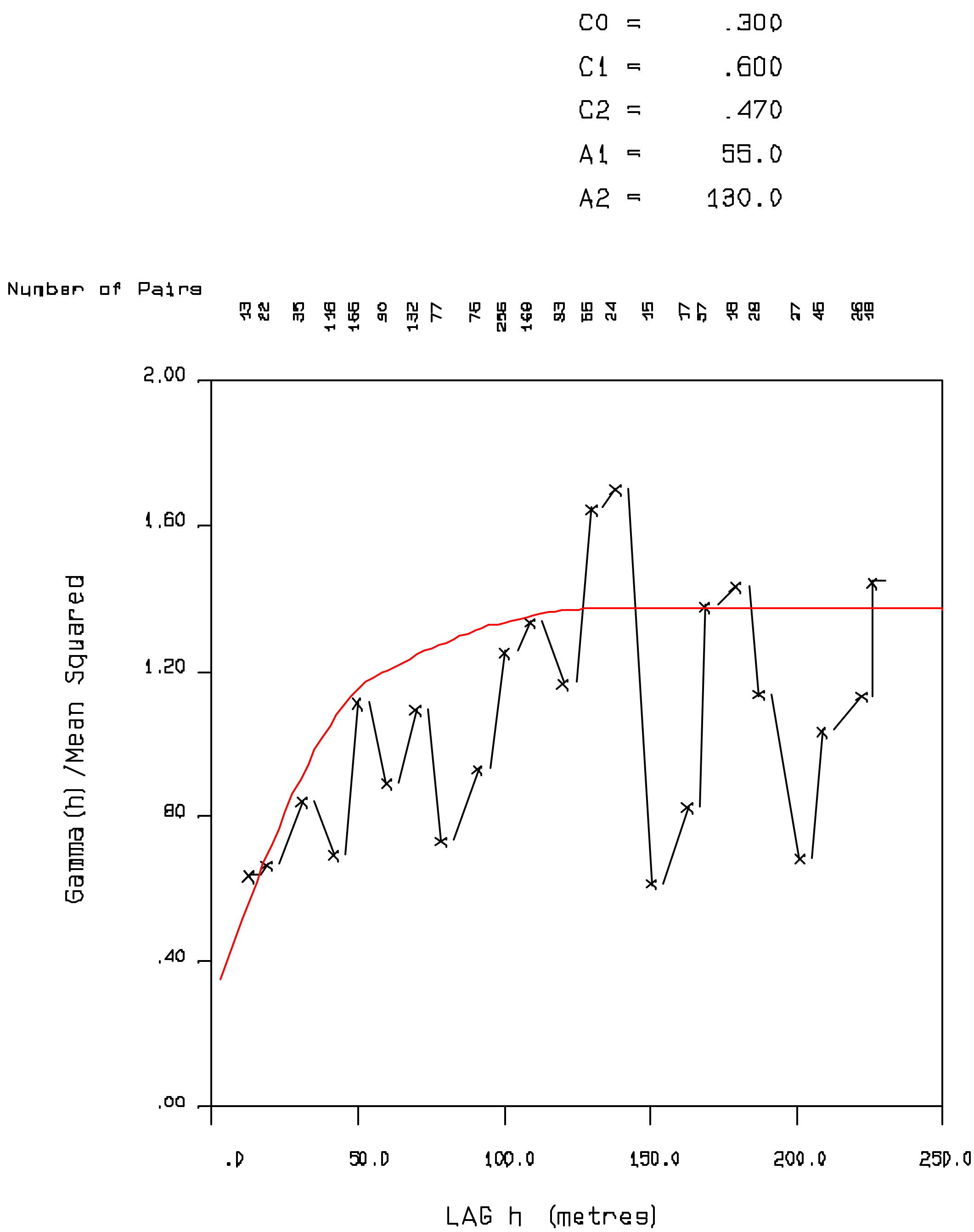
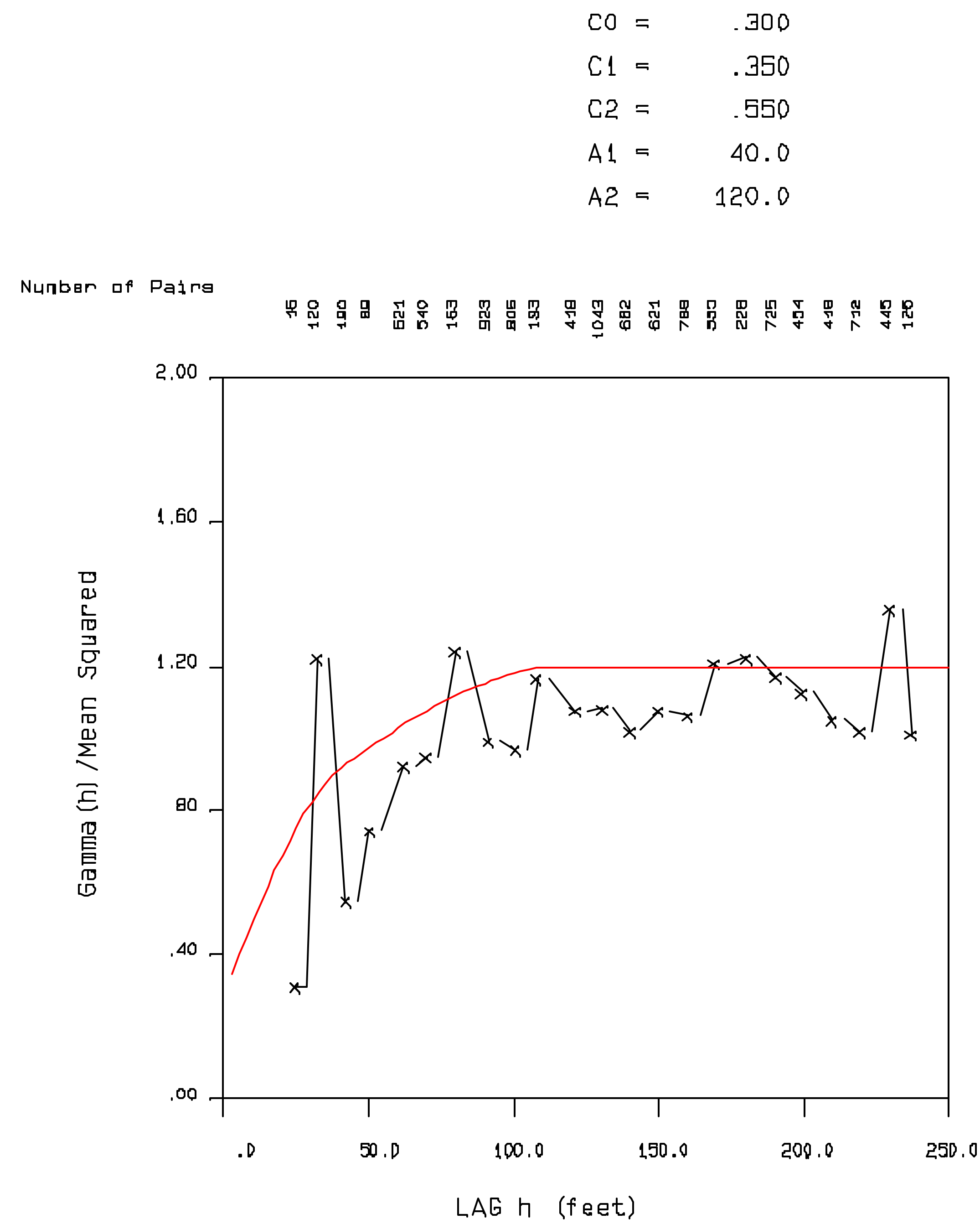
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
COLD ZONE AU - AZ 7 DIP 0

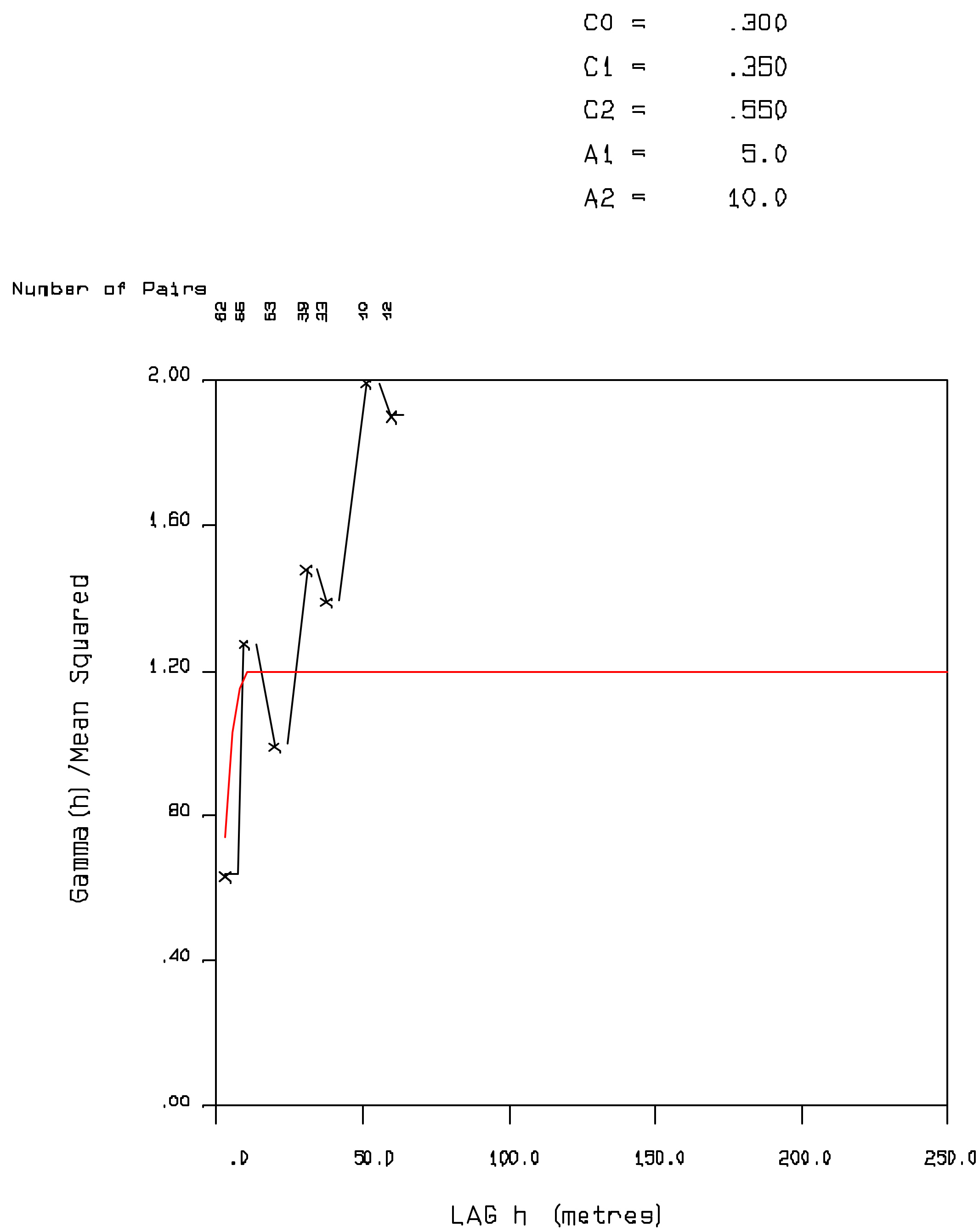

C0 = .300
C1 = .600
C2 = .470
A1 = 8.0
A2 = 20.0
Number of Pairs
2.00
1.60
1.20
80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
COLD ZONE AU - AZ 277 DIP -30



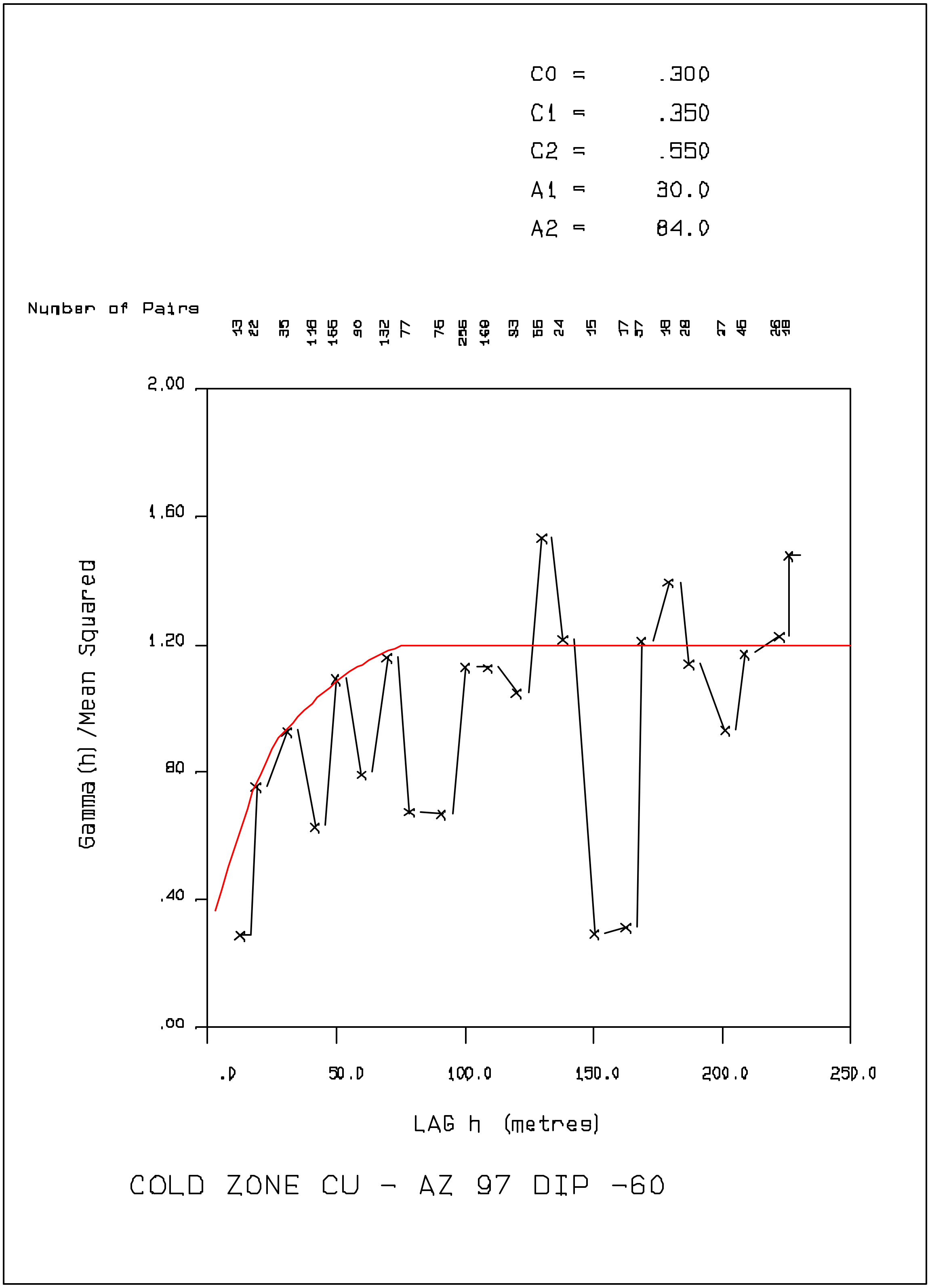
COLD ZONE AU - AZ 97 DIP -60

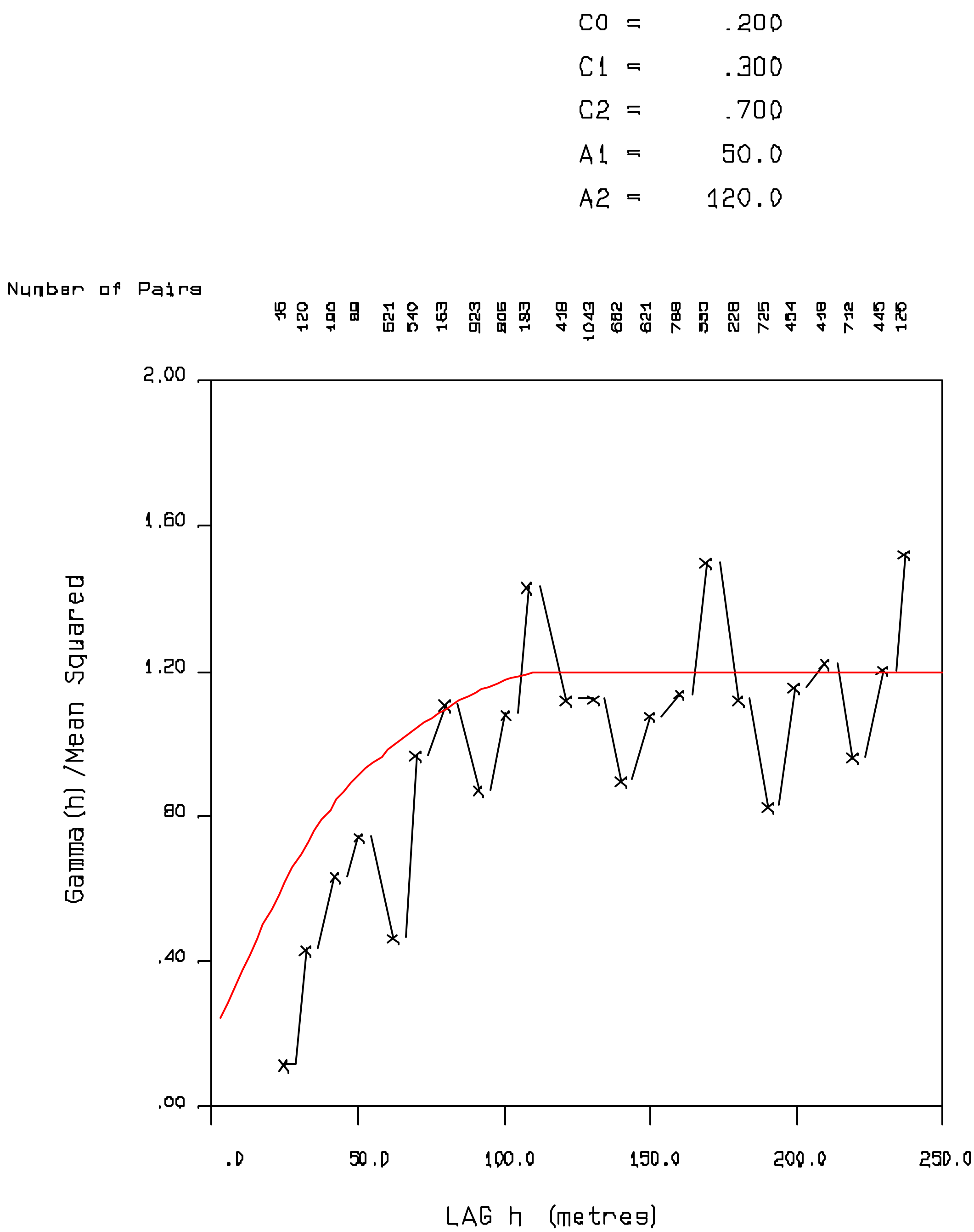


COLD ZONE CU - AZ 7 DIP 0

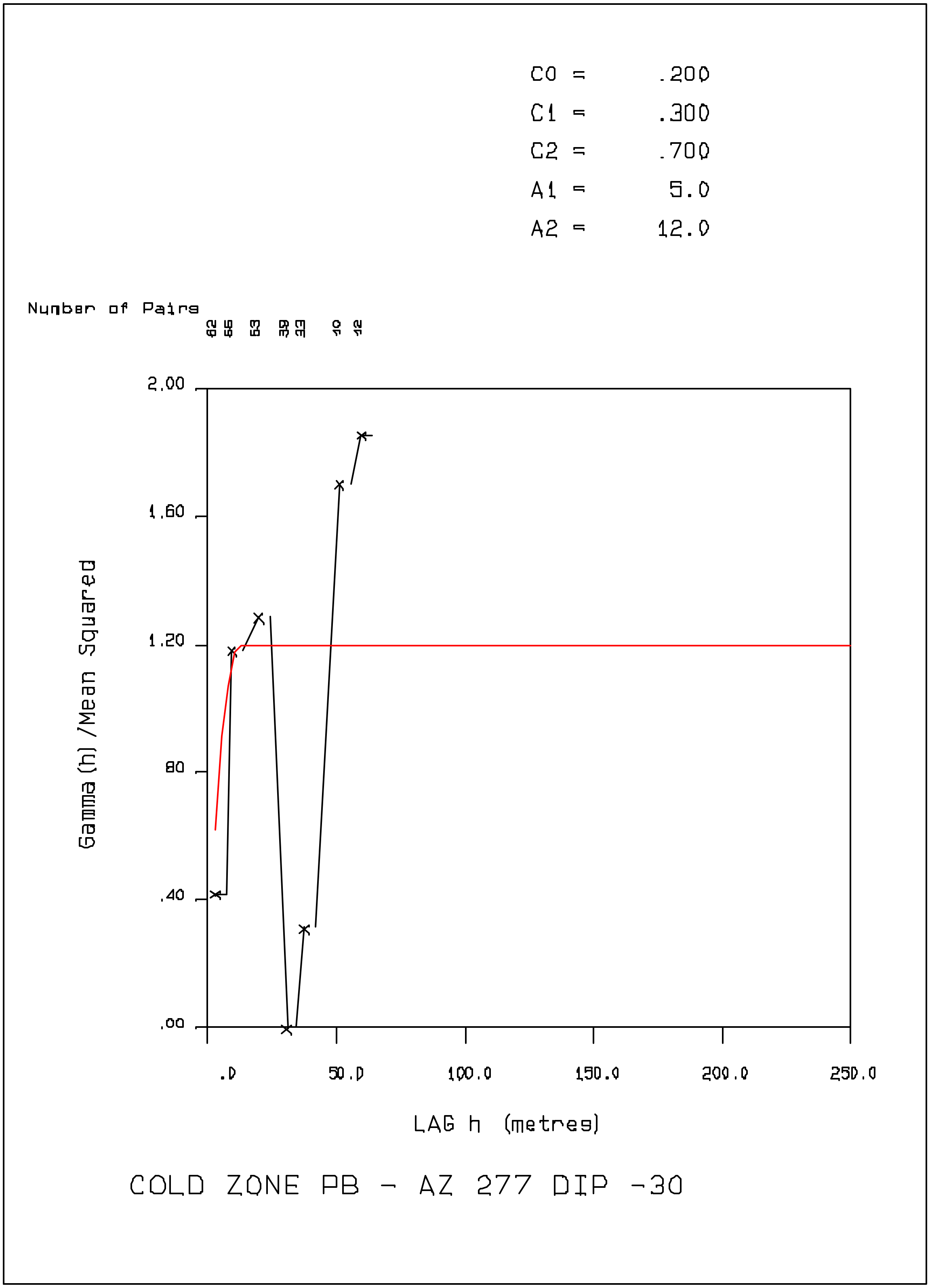


COLD ZONE CU - AZ 277 DIP -30

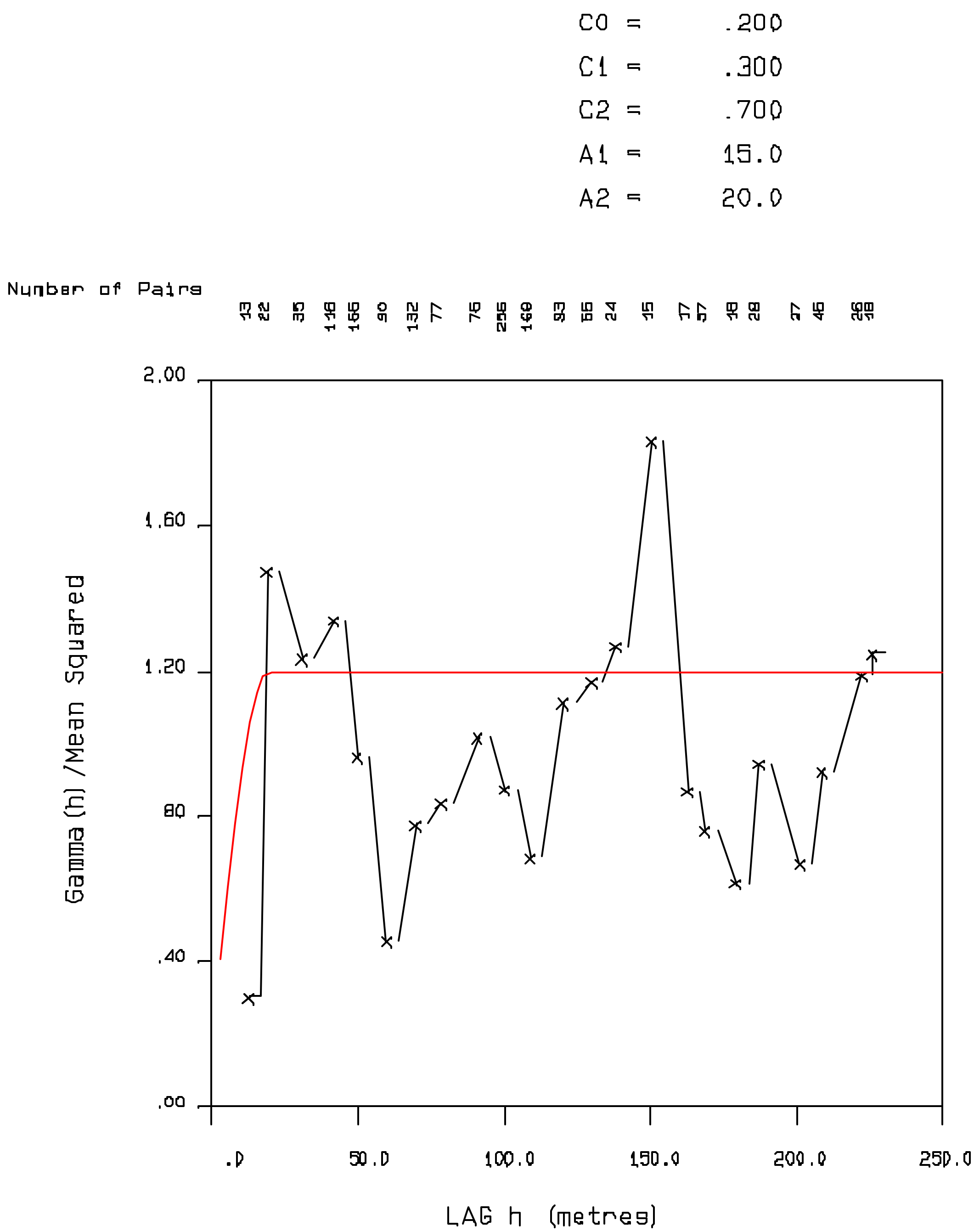

C0 = .300
C1 = .350
C2 = .550
A1 = 30.0
A2 = 84.0
Number of Pairs
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
COLD ZONE CU - AZ 97 DIP -60



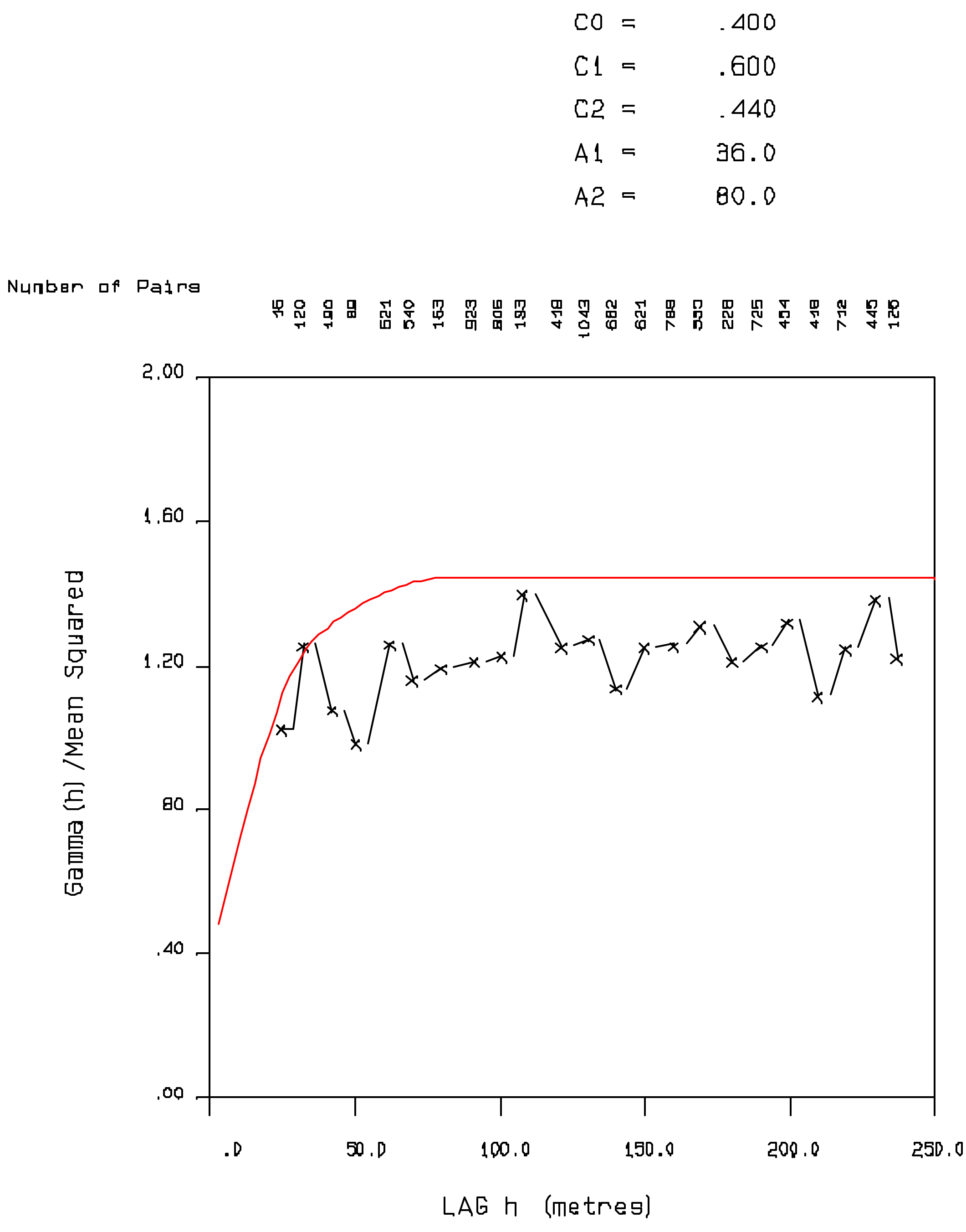
COLD ZONE PB - AZ 7 DIP 0



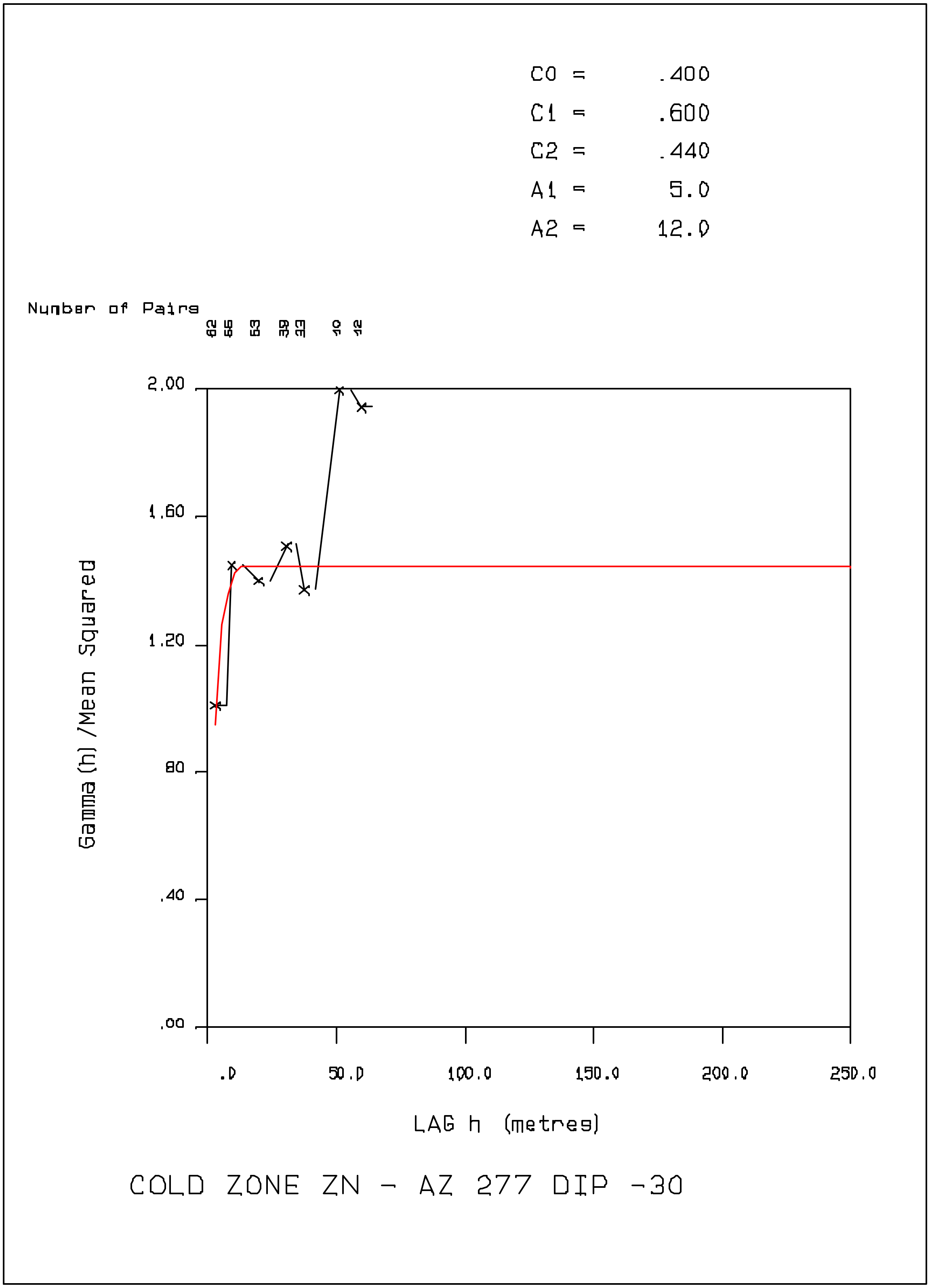
C0 = .200
C1 = .300
C2 = .700
A1 = 5.0
A2 = 12.0
Number of Pairs
62 56 53 39 33 10 12
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
COLD ZONE PB - AZ 277 DIP -30

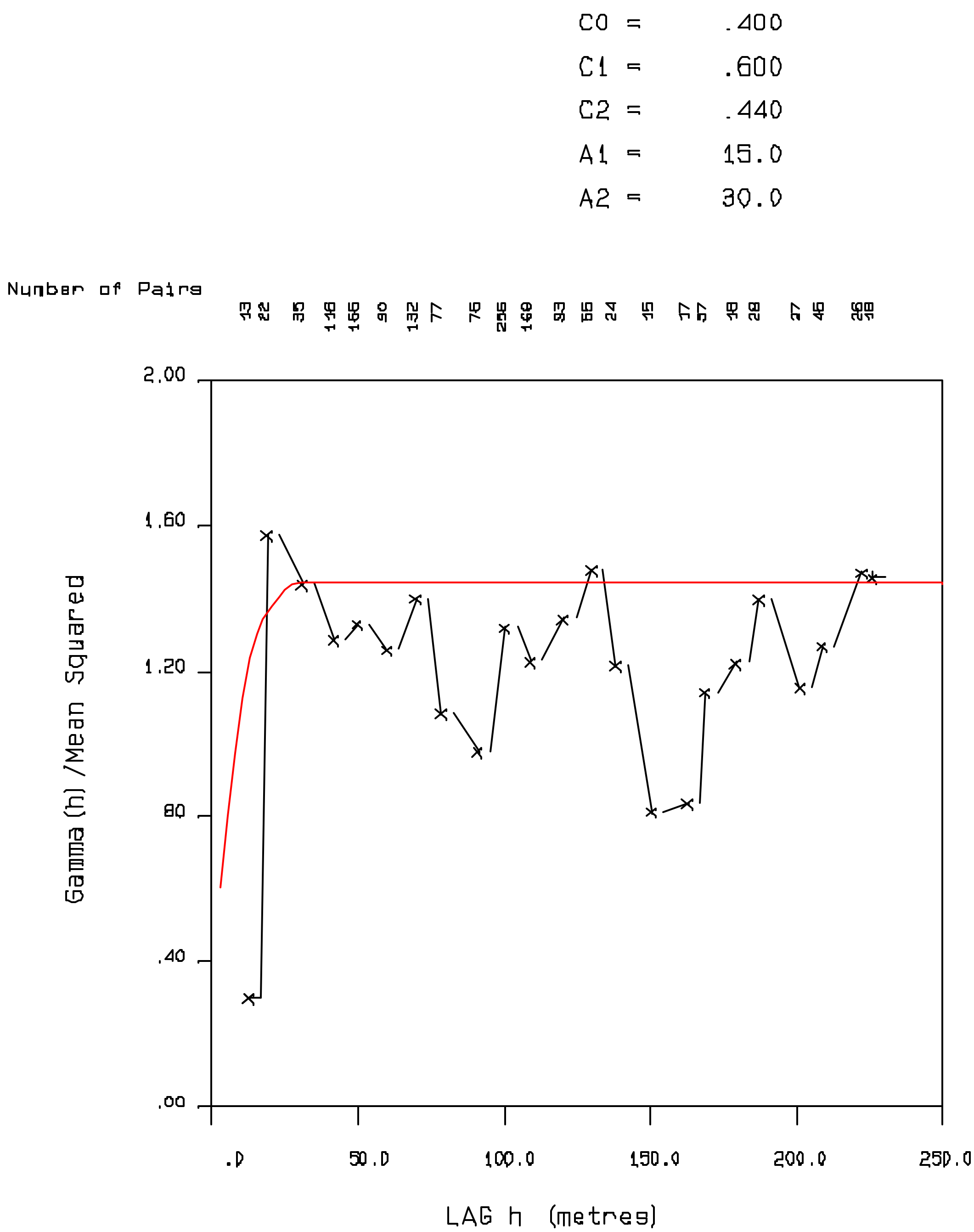


COLD ZONE PB - AZ 97 DIP -60

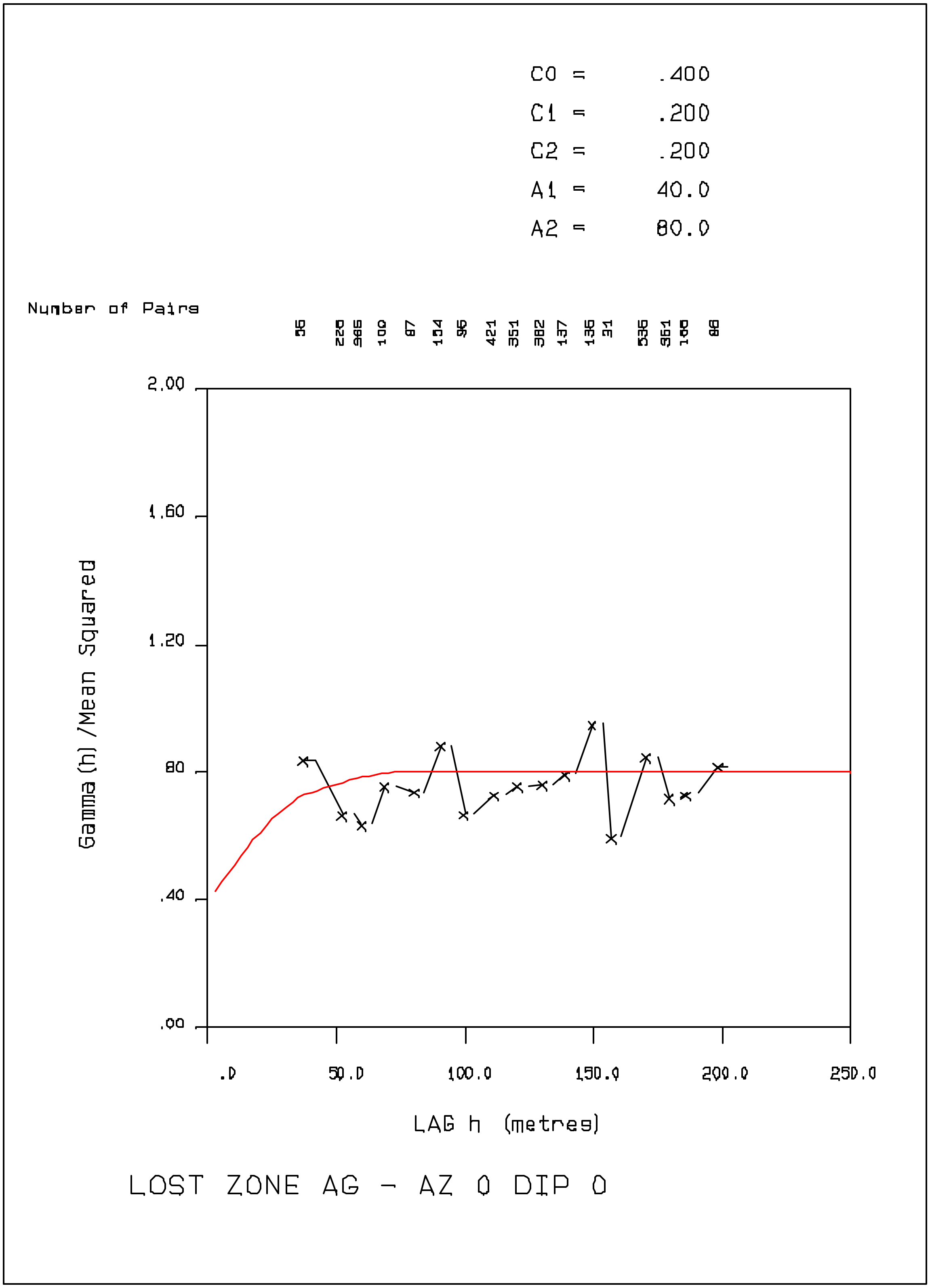


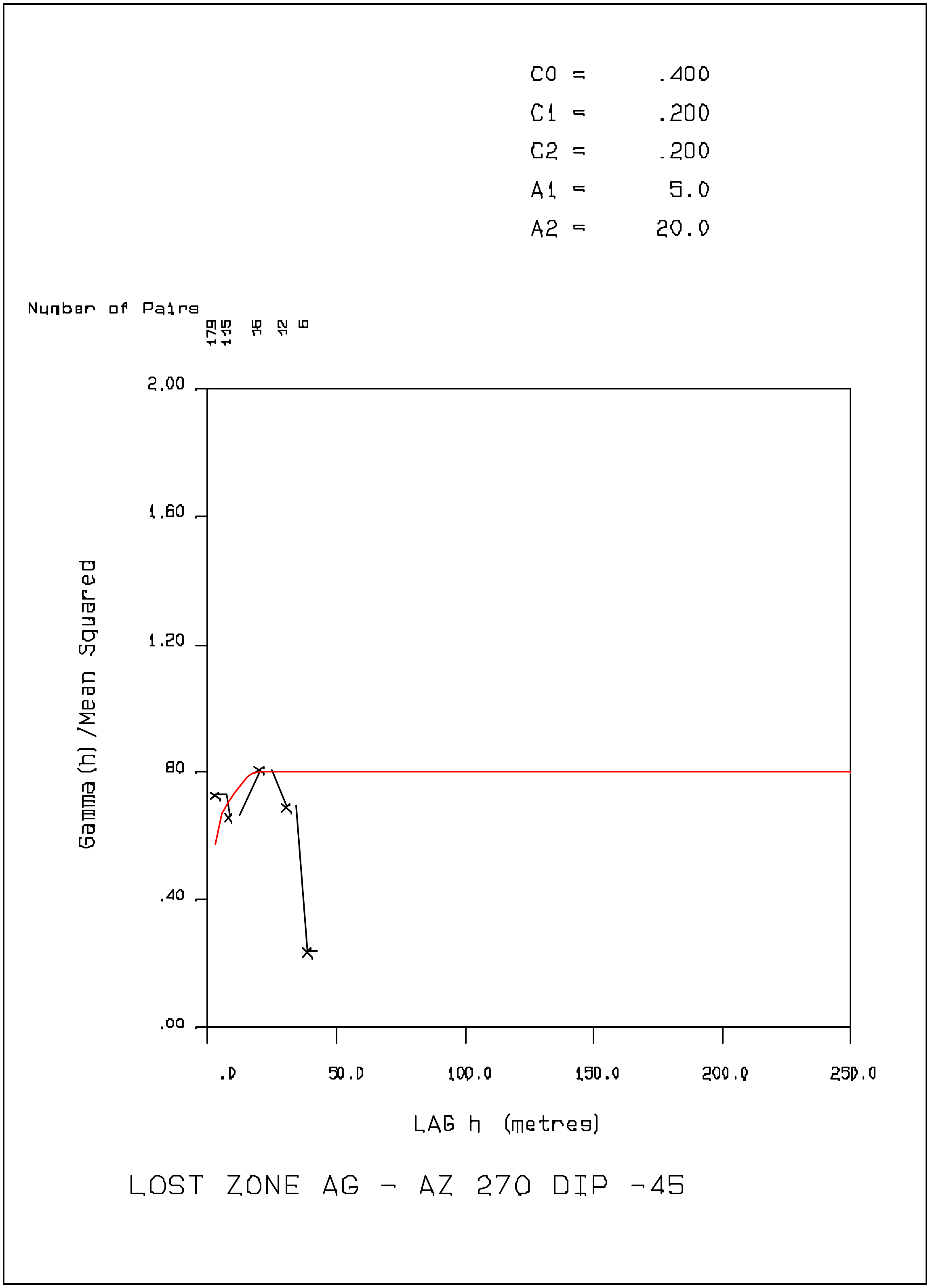
COLD ZONE ZN – AZ 7 DIP 0


C0 = .400
C1 = .600
C2 = .440
A1 = 5.0
A2 = 12.0
Number of Pairs
62 56 53 39 33 10 12
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
COLD ZONE ZN - AZ 277 DIP -30

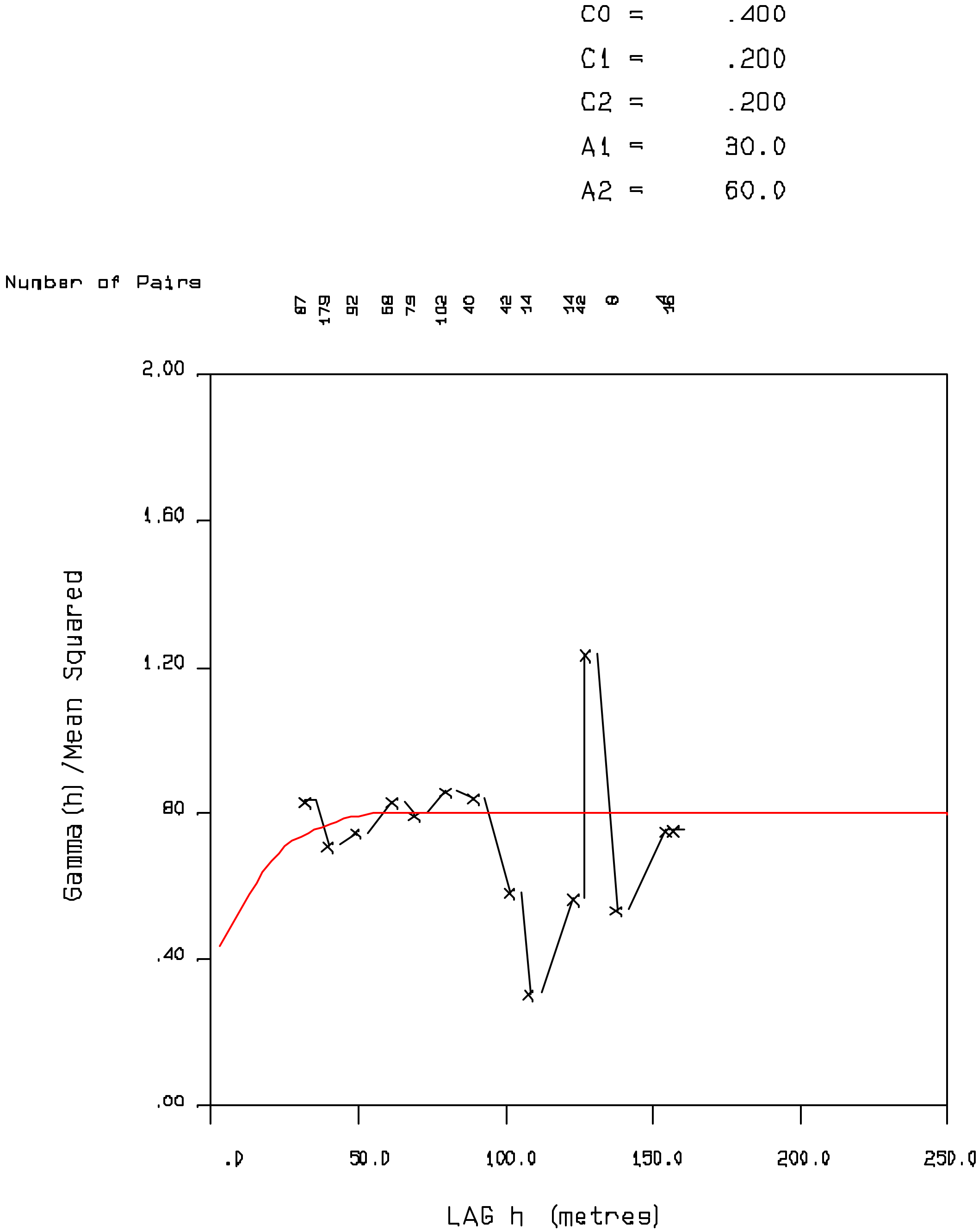


COLD ZONE ZN - AZ 97 DIP -60

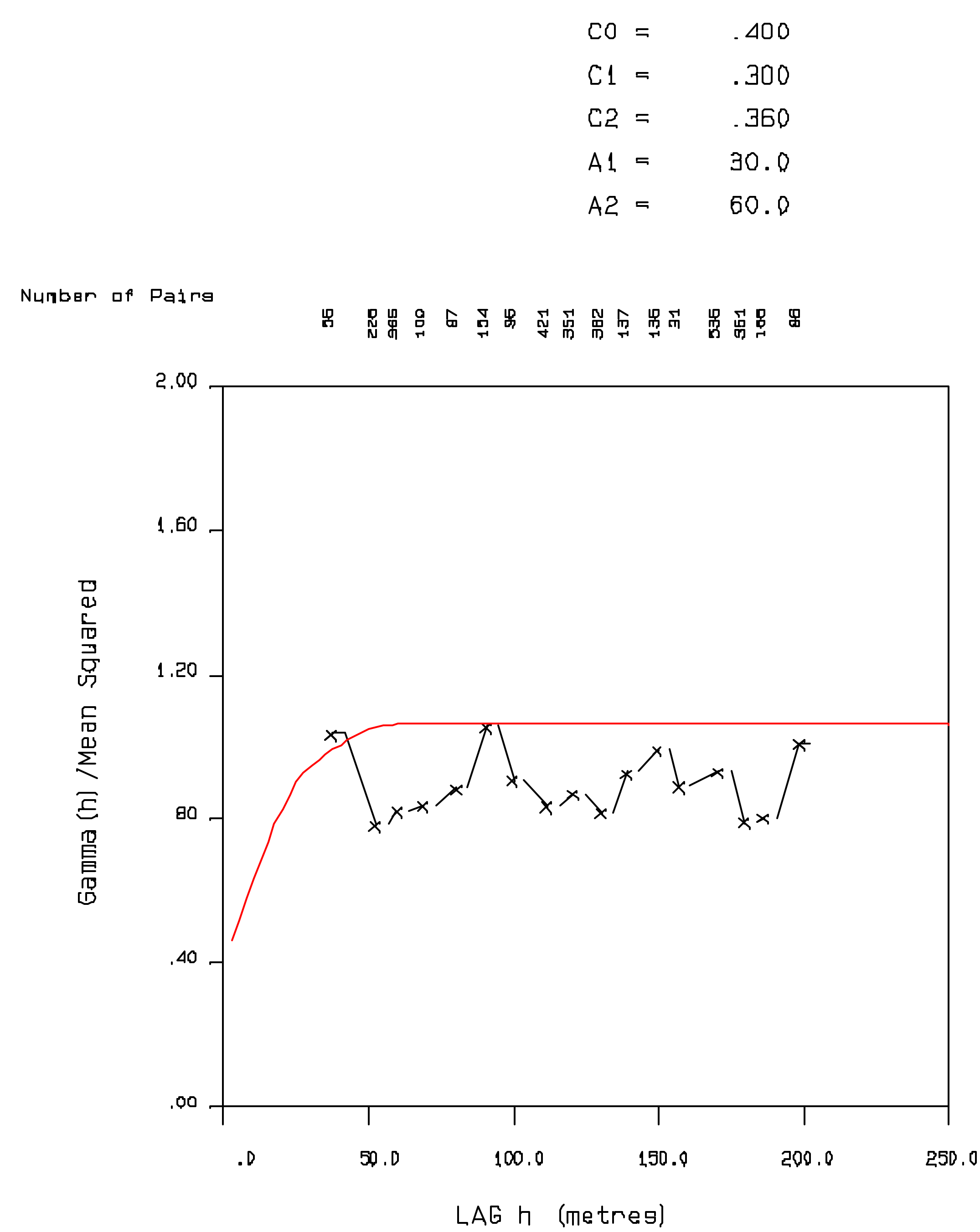

C0 = .400
C1 = .200
C2 = .200
A1 = 40.0
A2 = 80.0
Number of Pairs
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
LOST ZONE AG - AZ 0 DIP 0



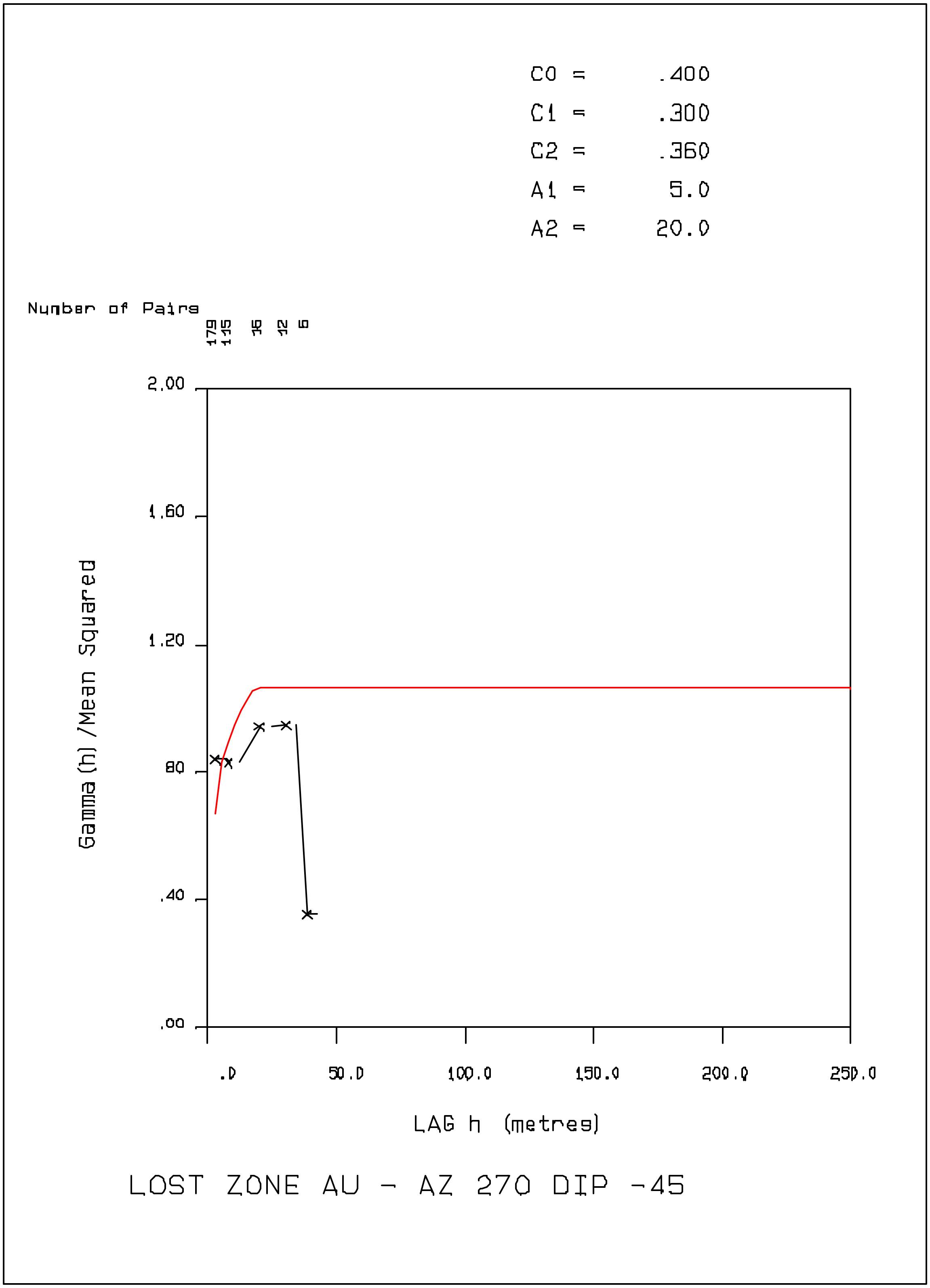
C0 = .400
C1 = .200
C2 = .200
A1 = 5.0
A2 = 20.0
Number of Pairs
179
115
16
12
5
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
LOST ZONE AG - AZ 270 DIP -45



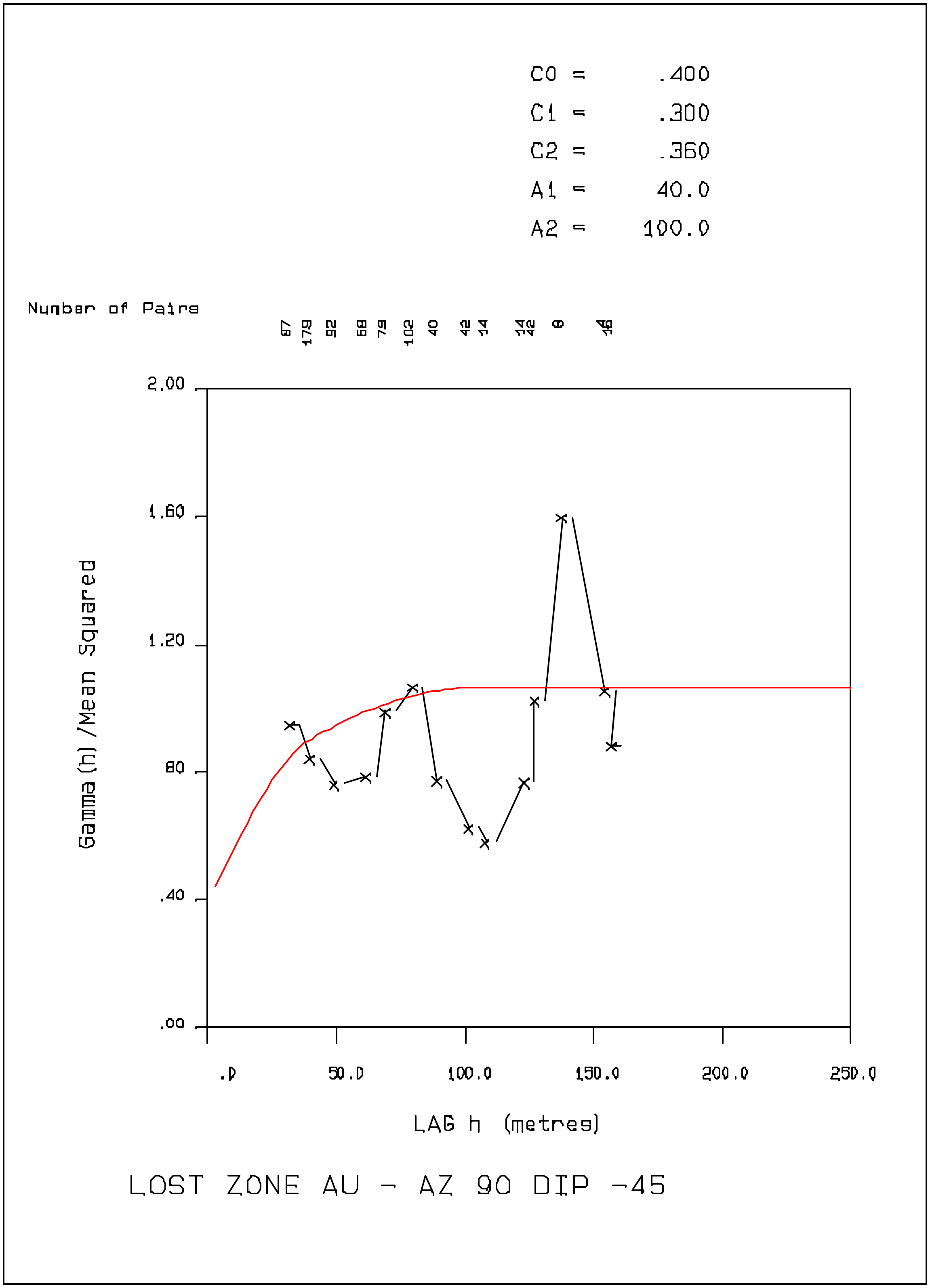
LOST ZONE AG - AZ 90 DIP -45

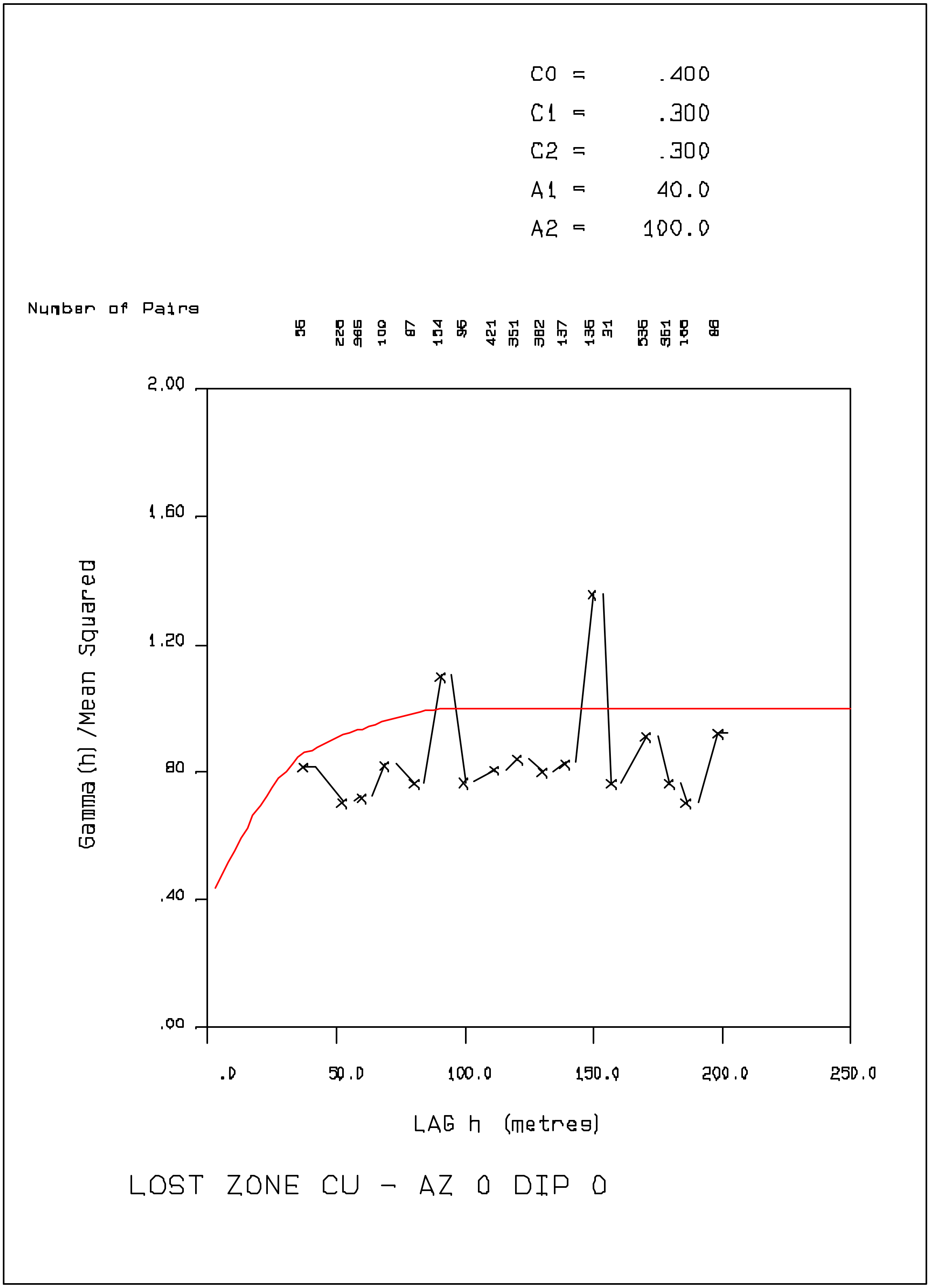


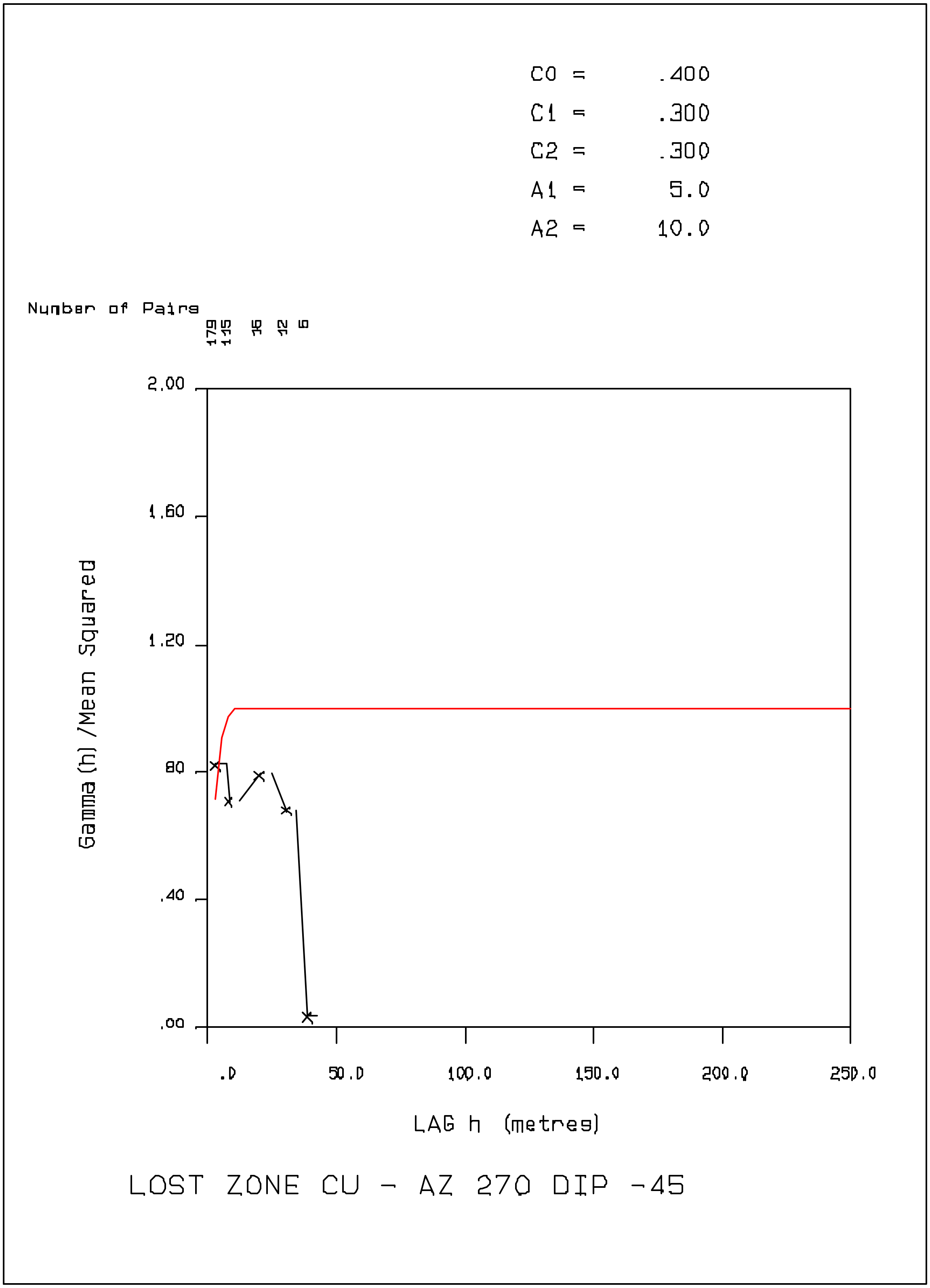
LOST ZONE AU – AZ 0 DIP 0

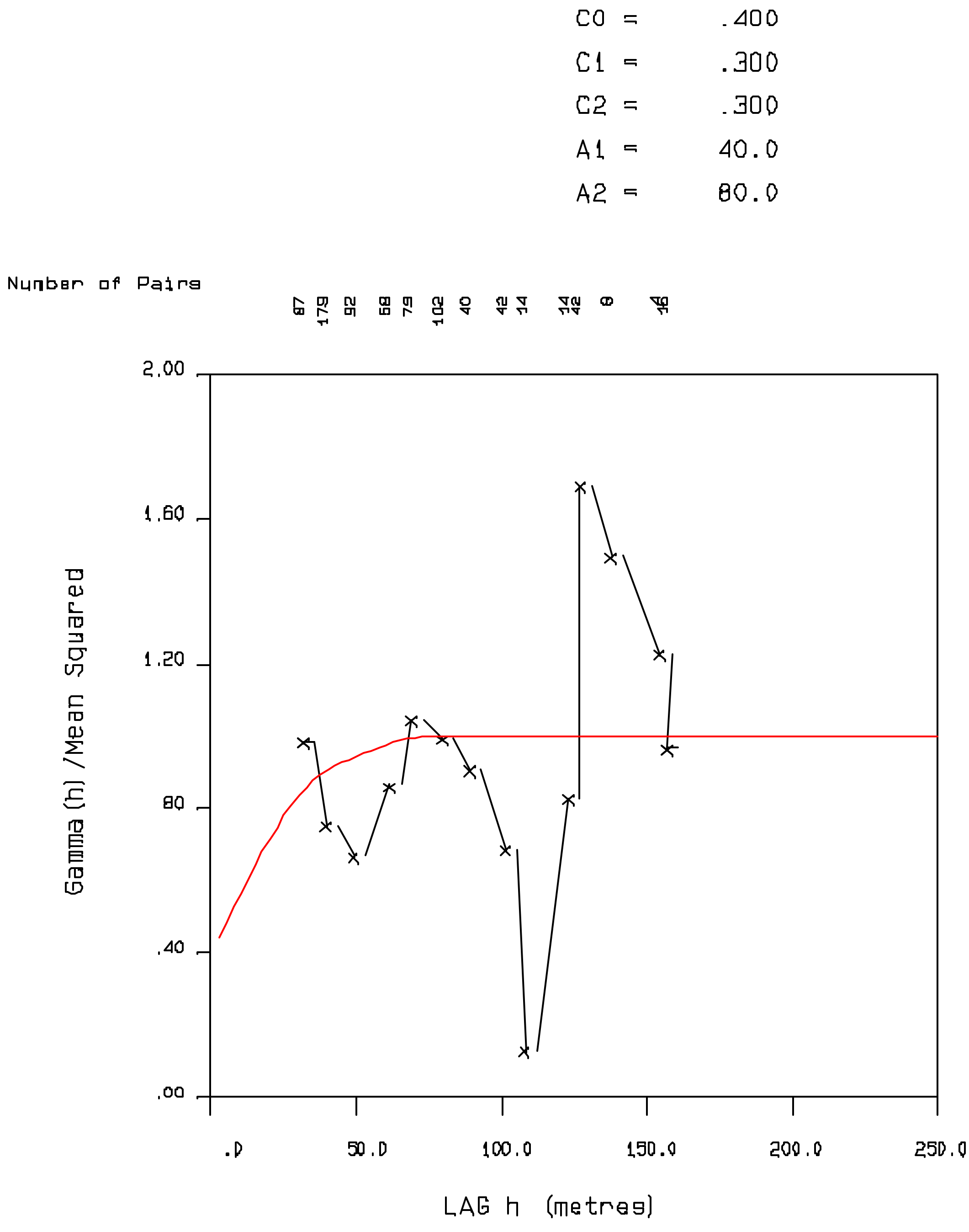


C0 = .400
C1 = .300
C2 = .360
A1 = 5.0
A2 = 20.0
Number of Pairs
179
115
16
12
5
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
LOST ZONE AU - AZ 270 DIP -45

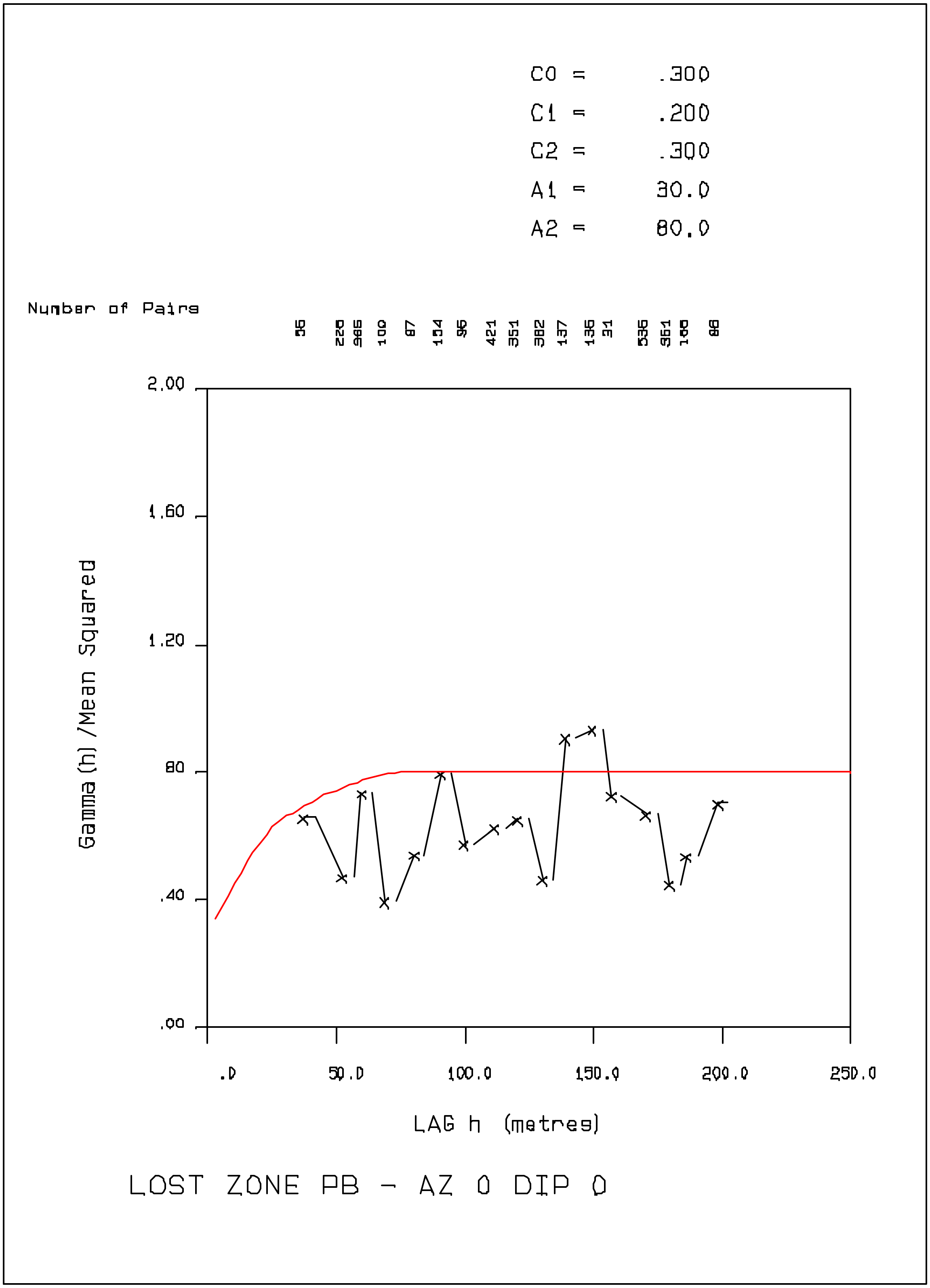

C0 = .400
C1 = .300
C2 = .360
A1 = 40.0
A2 = 100.0
Number of Pairs
87
179
92
68
79
102
40
42
14
14
42
8
4
16
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
LOST ZONE AU - AZ 90 DIP -45

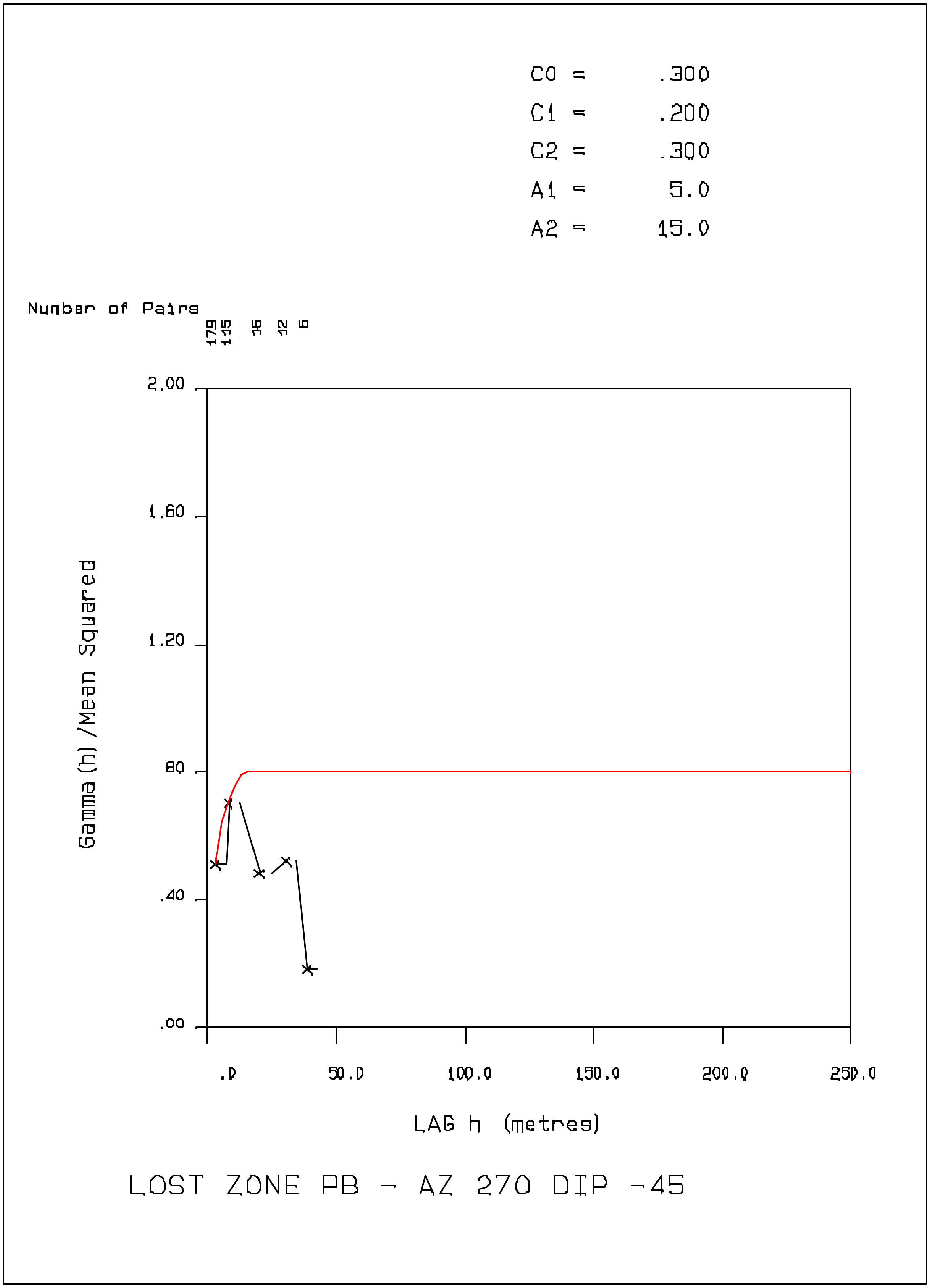

C0 = .400
C1 = .300
C2 = .300
A1 = 40.0
A2 = 100.0
Number of Pairs
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
LOST ZONE CU - AZ 0 DIP 0


C0 = .400
C1 = .300
C2 = .300
A1 = 5.0
A2 = 10.0
Number of Pairs
179
115
16
12
5
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
LOST ZONE CU - AZ 270 DIP -45

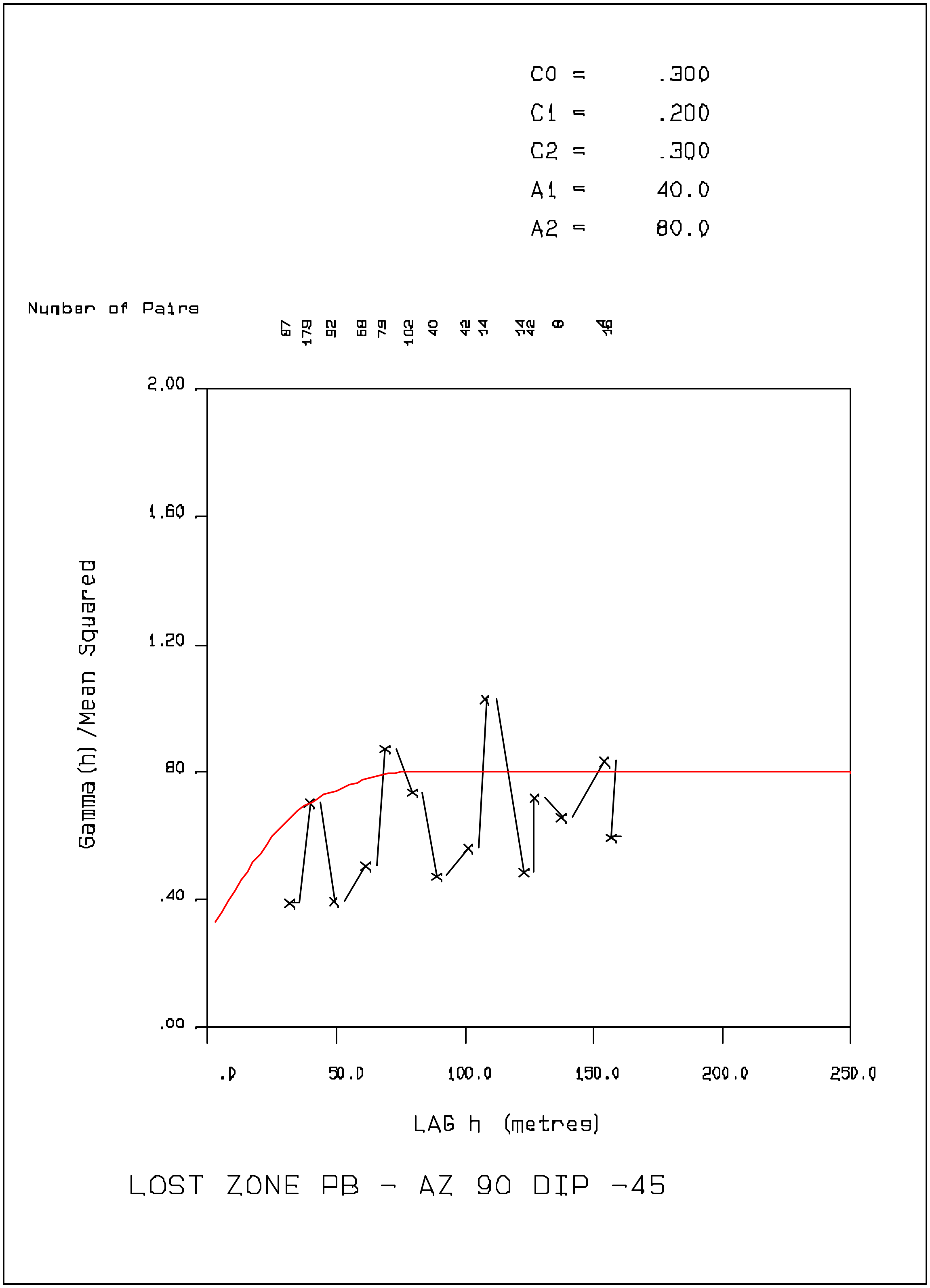


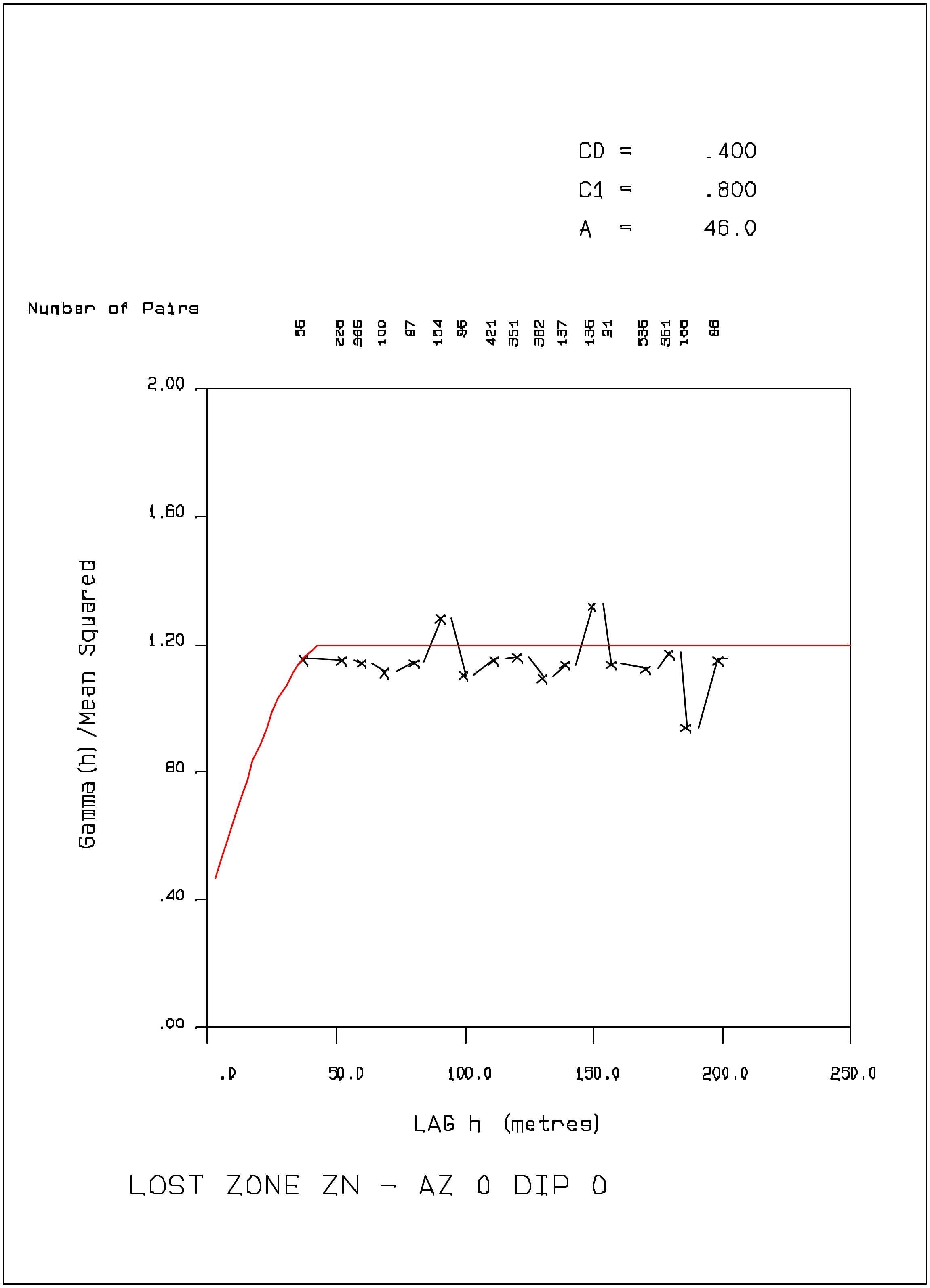
LOST ZONE CU - AZ 90 DIP -45

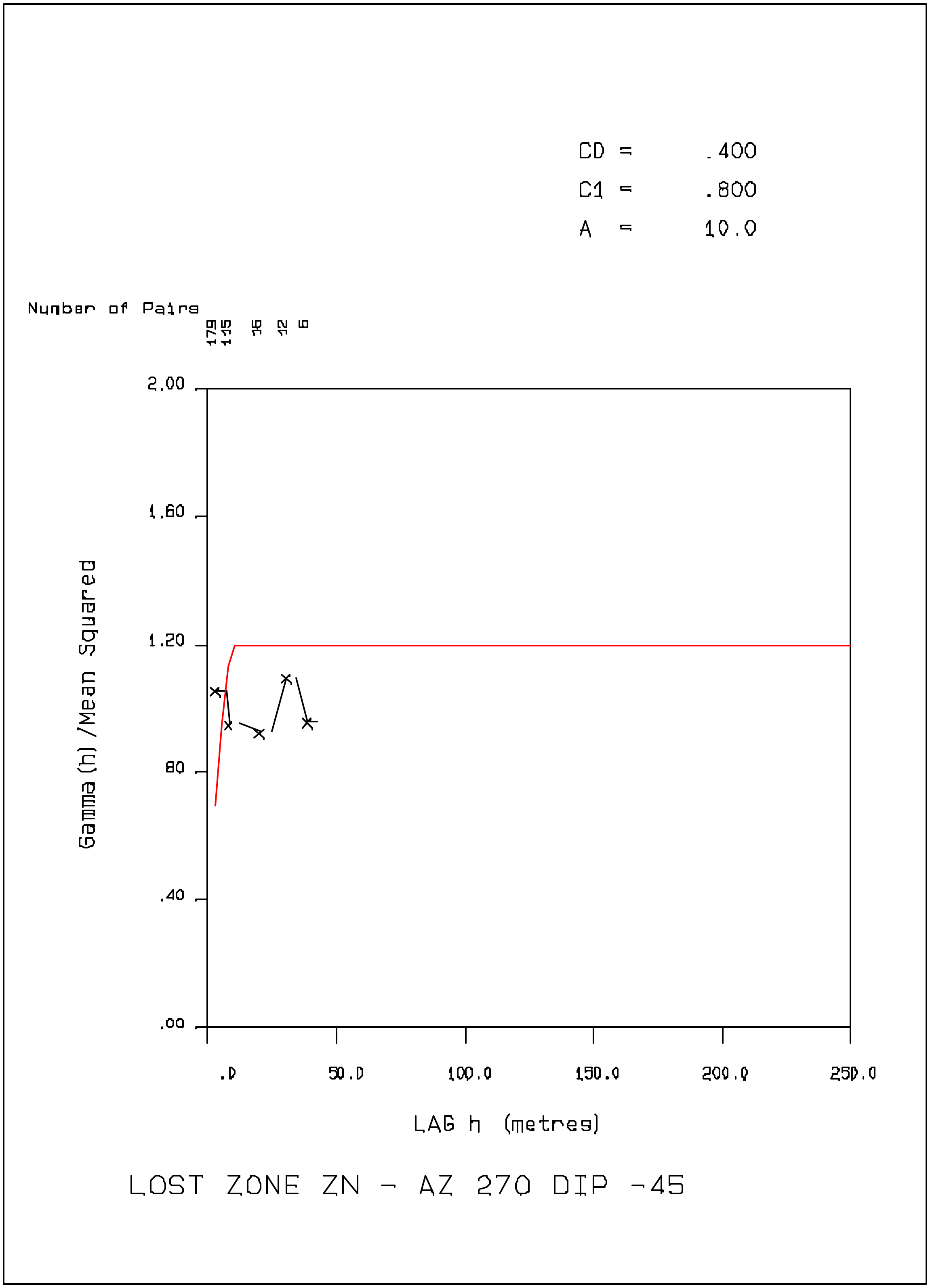

C0 = .300
C1 = .200
C2 = .300
A1 = 30.0
A2 = 80.0
Number of Pairs
55
220
365
100
87
134
95
421
351
382
137
135
31
535
361
160
88
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
LOST ZONE PB - AZ 0 DIP 0



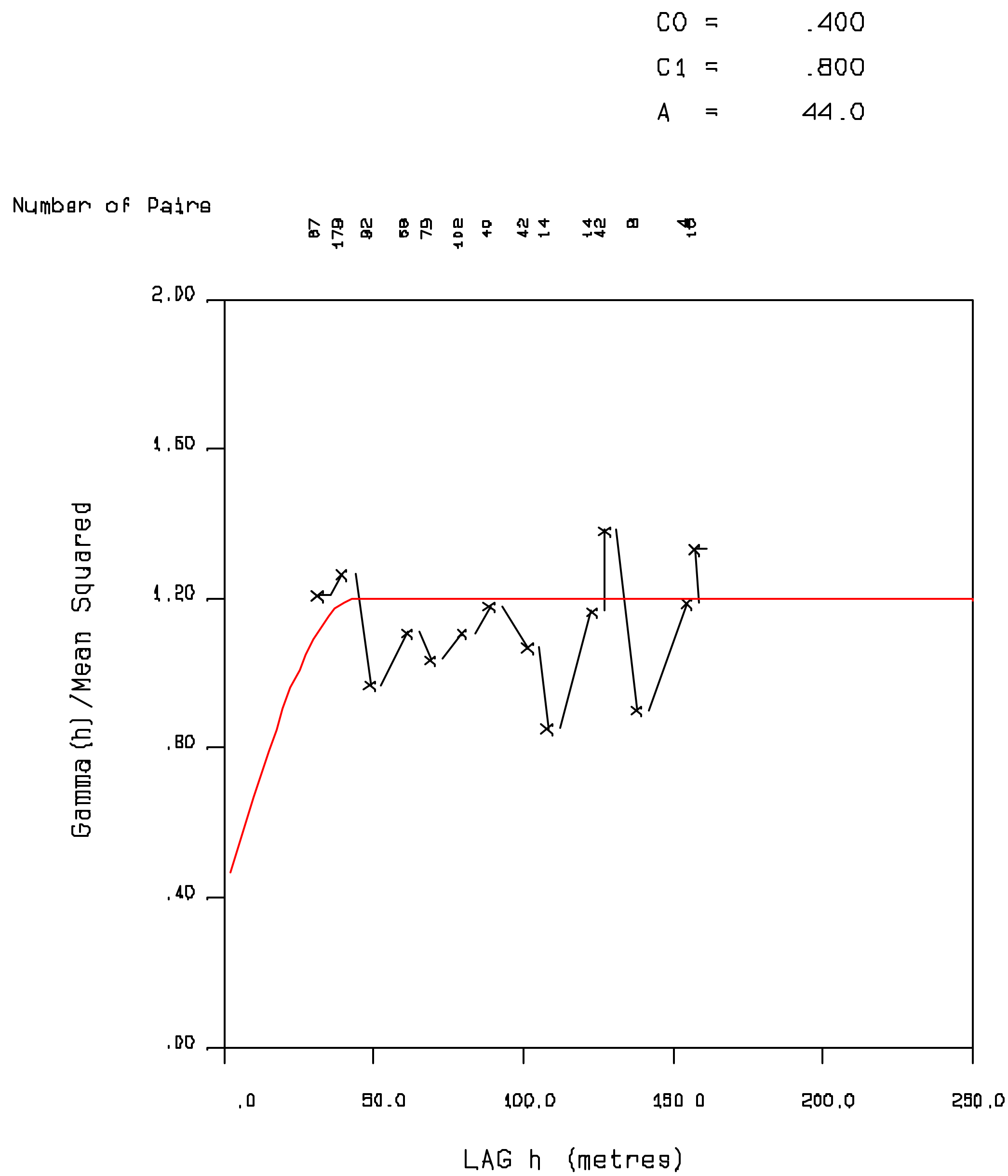
C0 = .300
C1 = .200
C2 = .300
A1 = 5.0
A2 = 15.0
Number of Pairs
179
115
16
12
6
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
LOST ZONE PB - AZ 270 DIP -45


C0 = .300
C1 = .200
C2 = .300
A1 = 40.0
A2 = 80.0
Number of Pairs
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
LOST ZONE PB - AZ 90 DIP -45

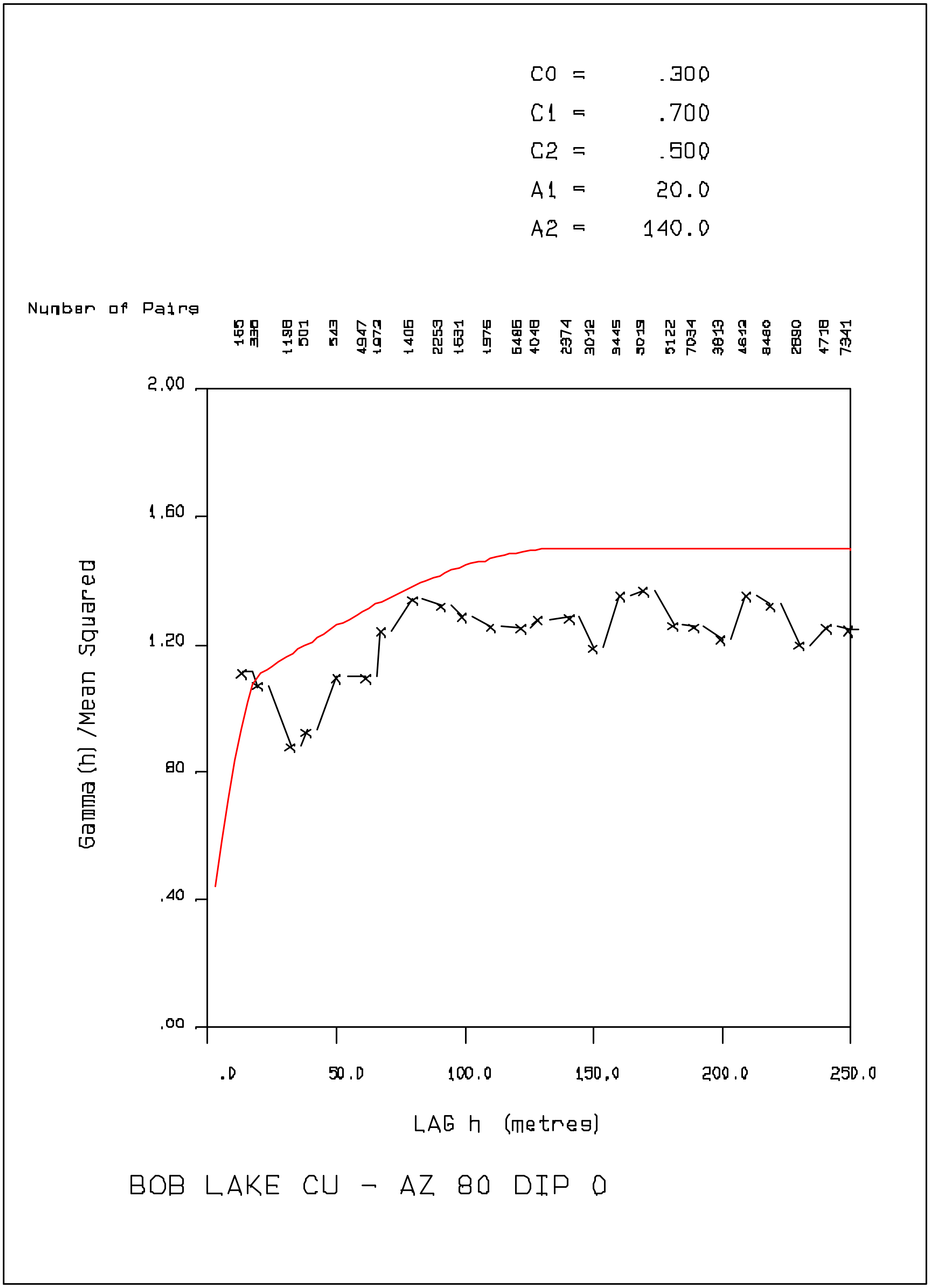

CD = .400
C1 = .800
A = 46.0
Number of Pairs
Gamma (h) /Mean Squared
2.00
1.60
1.20
.80
.40
.00
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
LOST ZONE ZN - AZ 0 DIP 0

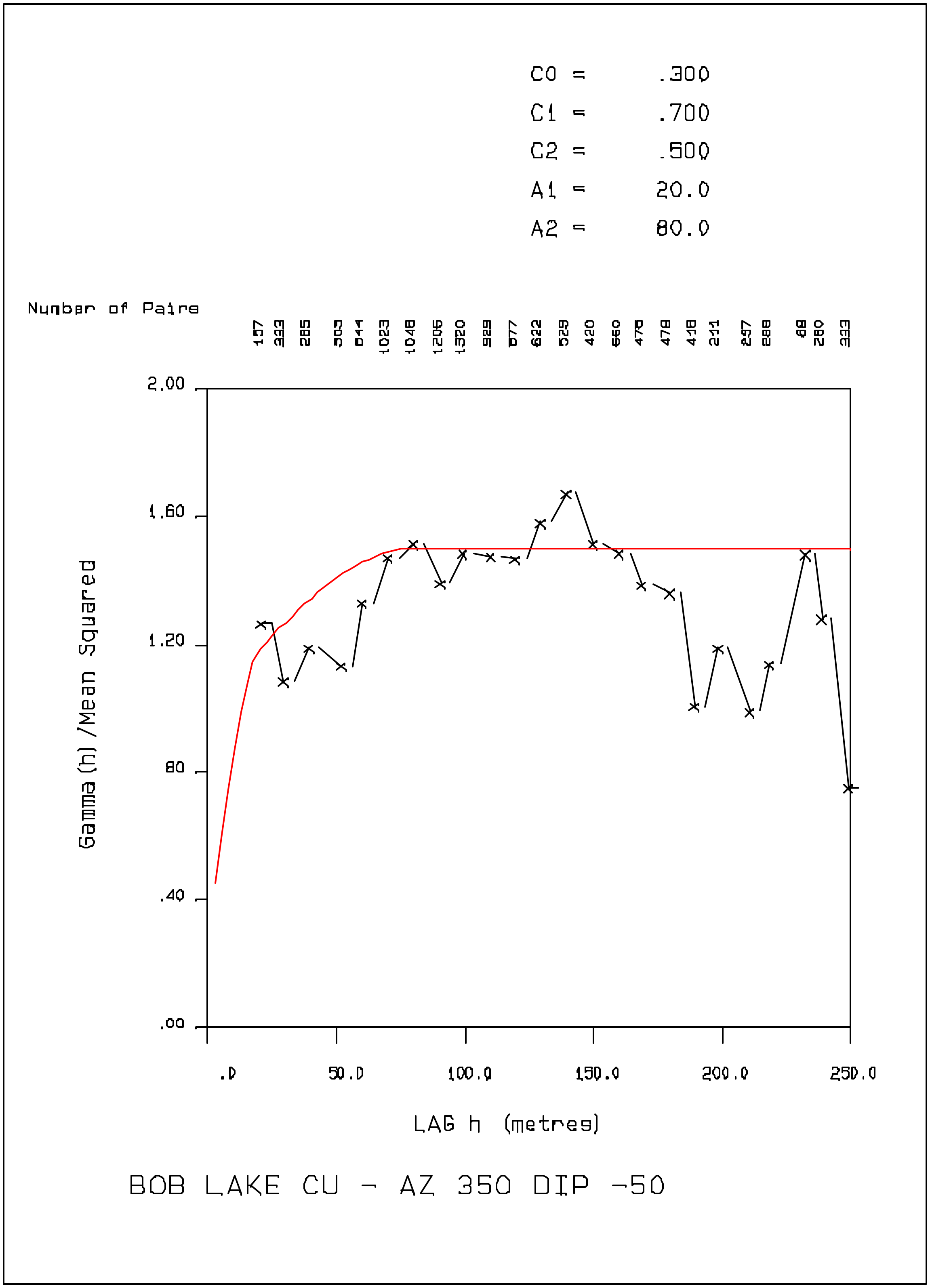


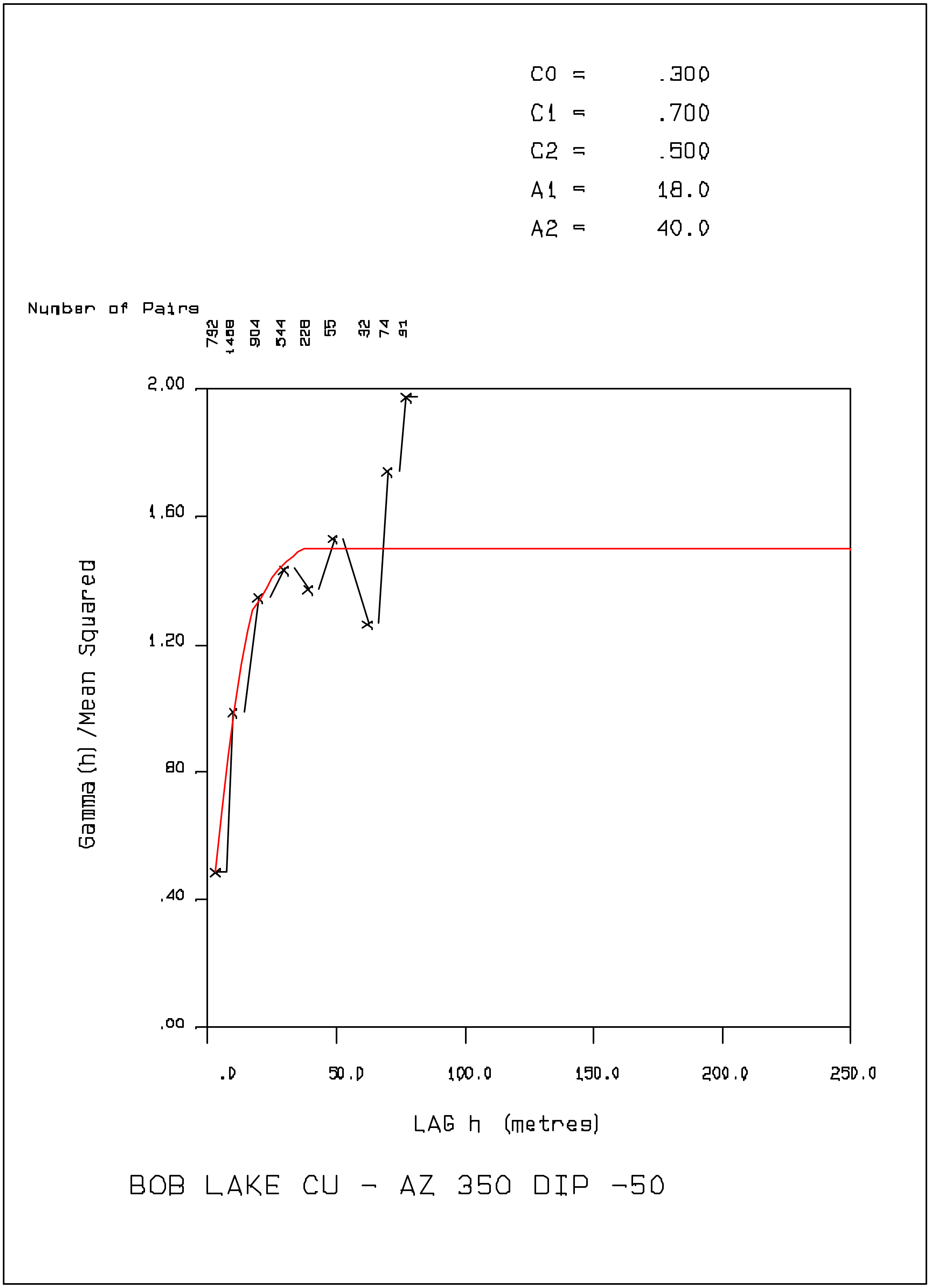
CD = .400
C1 = .800
A = 10.0
Number of Pairs
179
115
15
12
5
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
LOST ZONE ZN - AZ 270 DIP -45



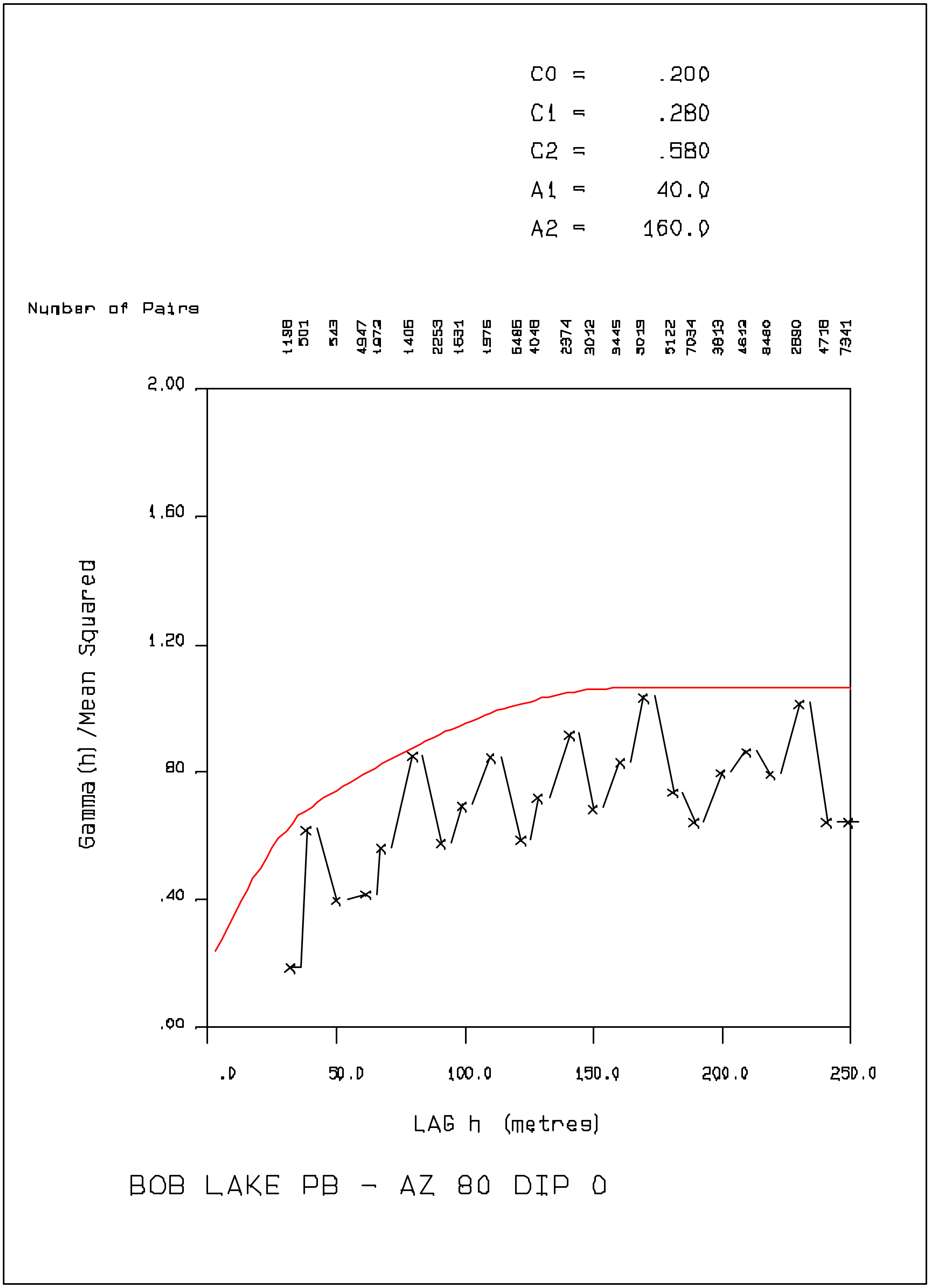
LOST ZONE ZN - AZ 90 DIP -45

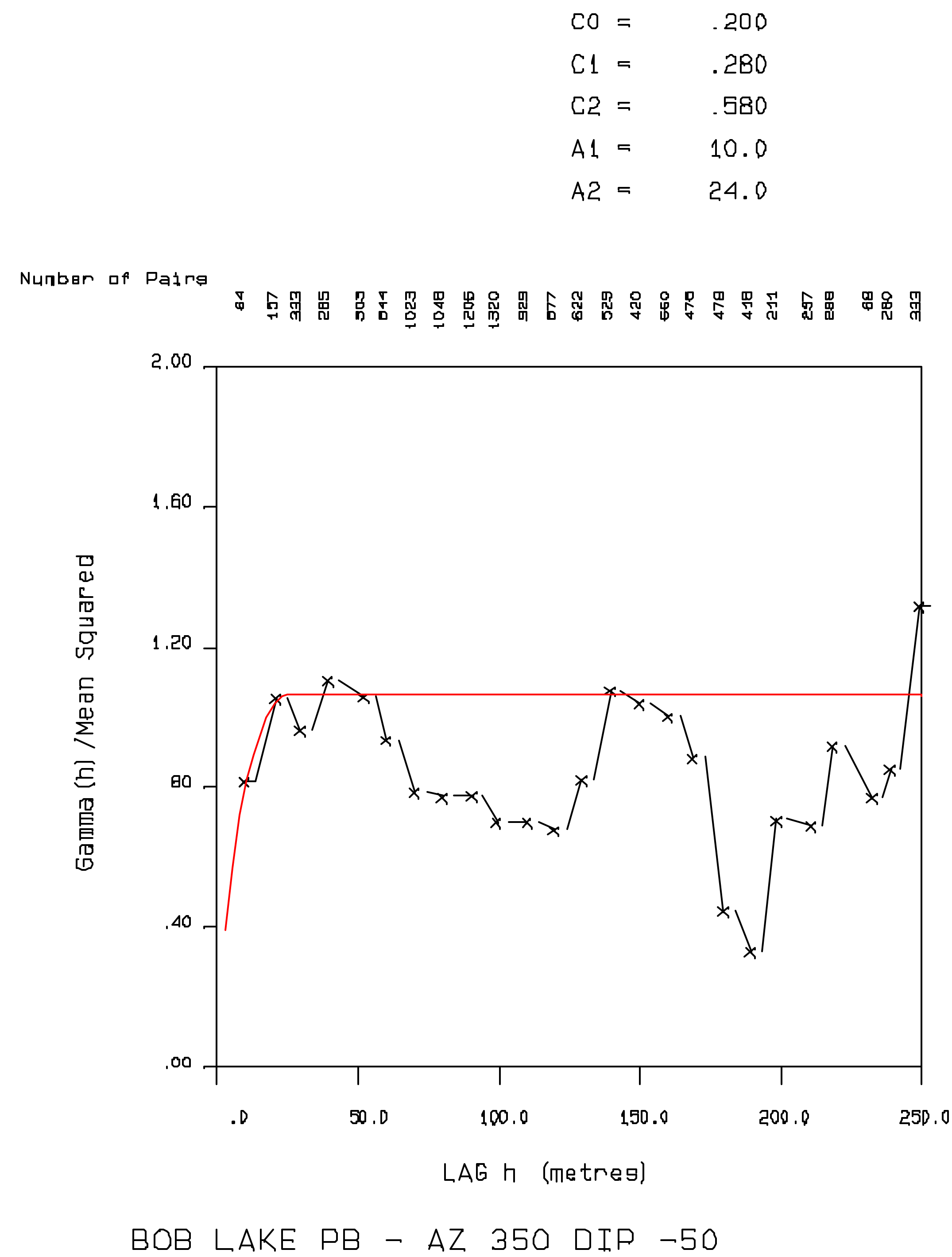

C0 = .300
C1 = .700
C2 = .500
A1 = 20.0
A2 = 140.0
Number of Pairs
165
330
1198
501
543
4947
1072
1405
2253
1631
1976
6486
4048
2374
3012
9445
3019
5122
7034
3813
4612
8480
2890
4718
7341
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE CU - AZ 80 DIP 0

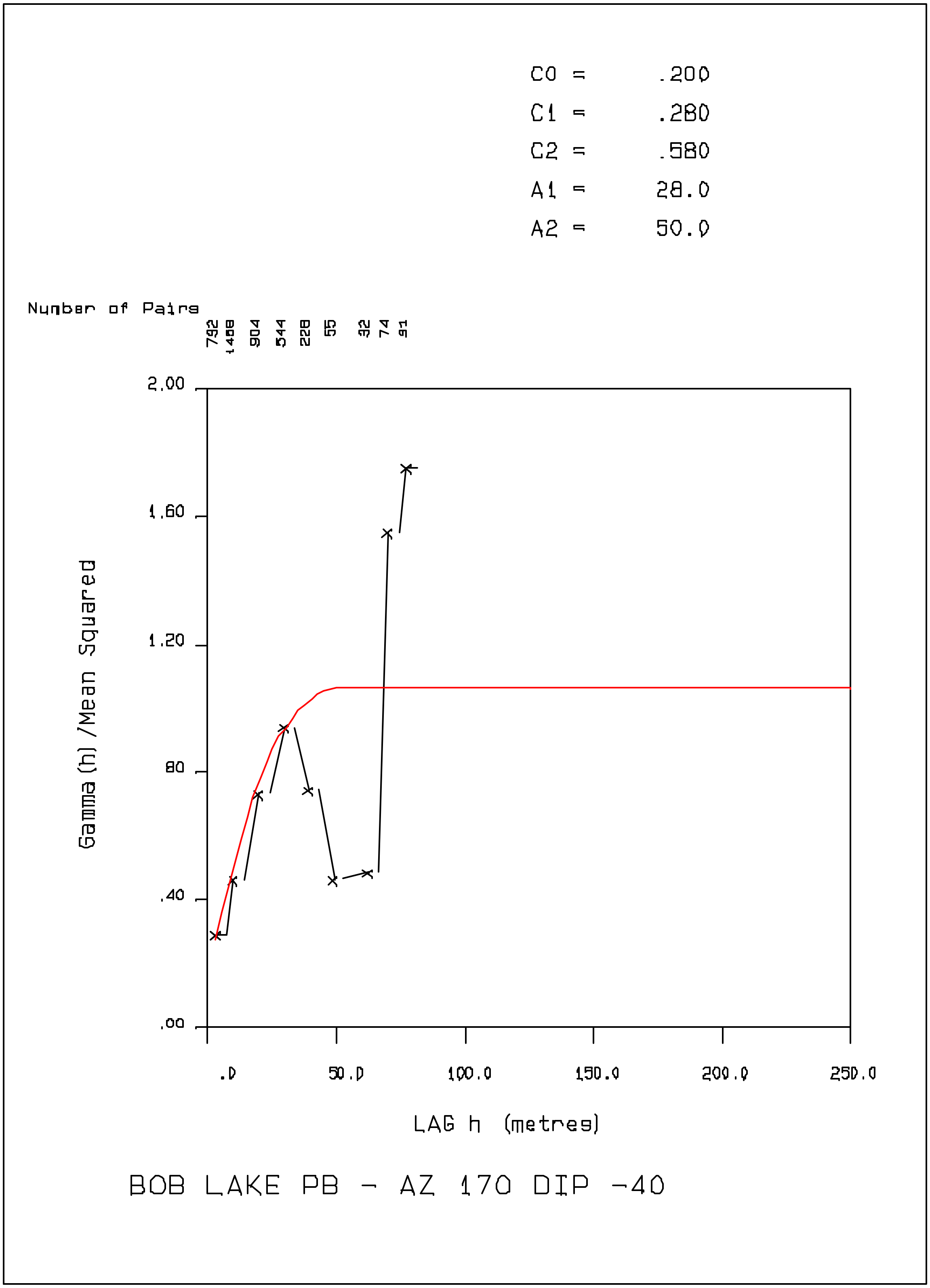

C0 = .300
C1 = .700
C2 = .500
A1 = 20.0
A2 = 80.0
Number of Pairs
Gamma (h) /Mean Squared
2.00
1.60
1.20
.80
.40
.00
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE CU - AZ 350 DIP -50

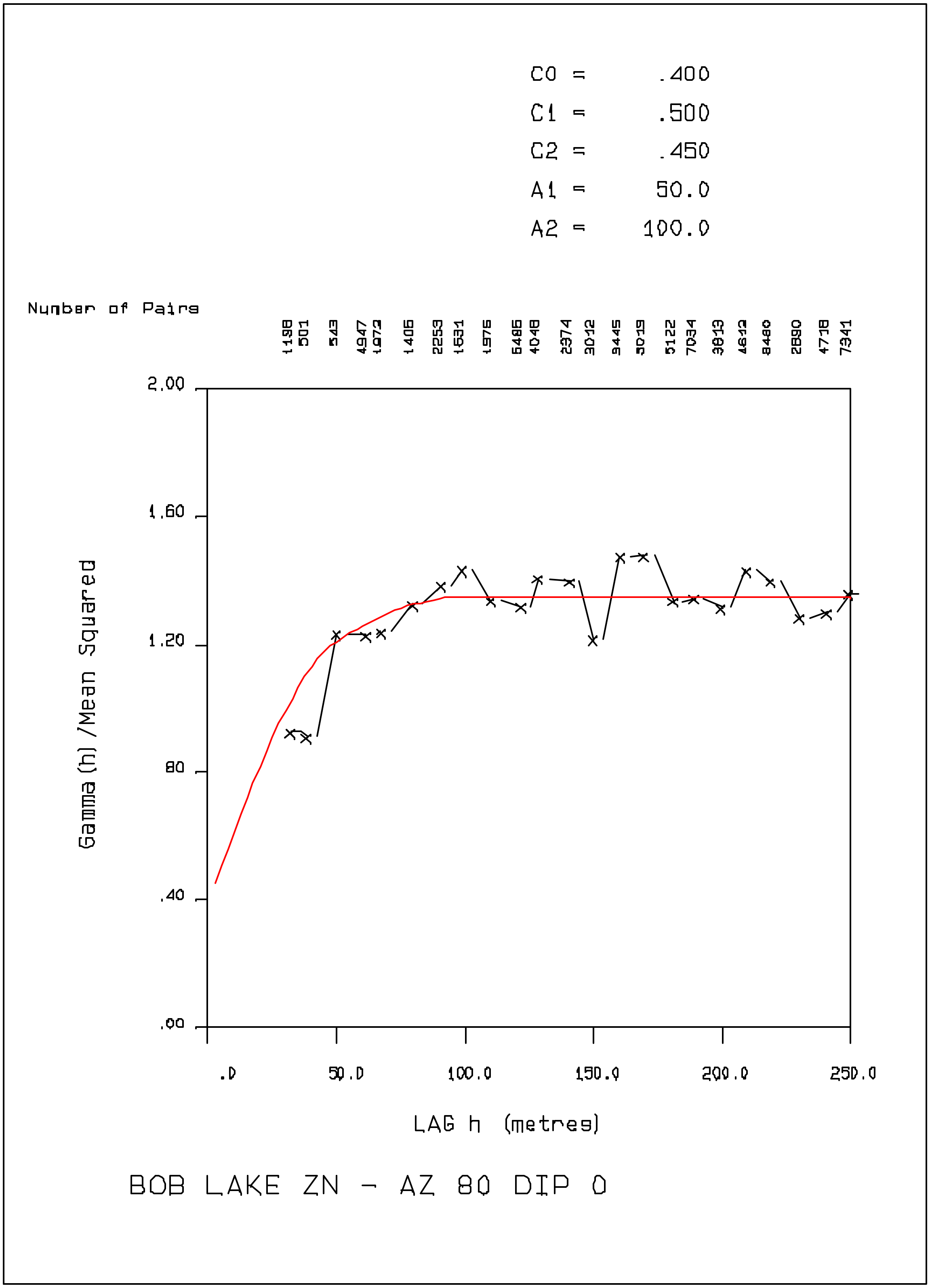


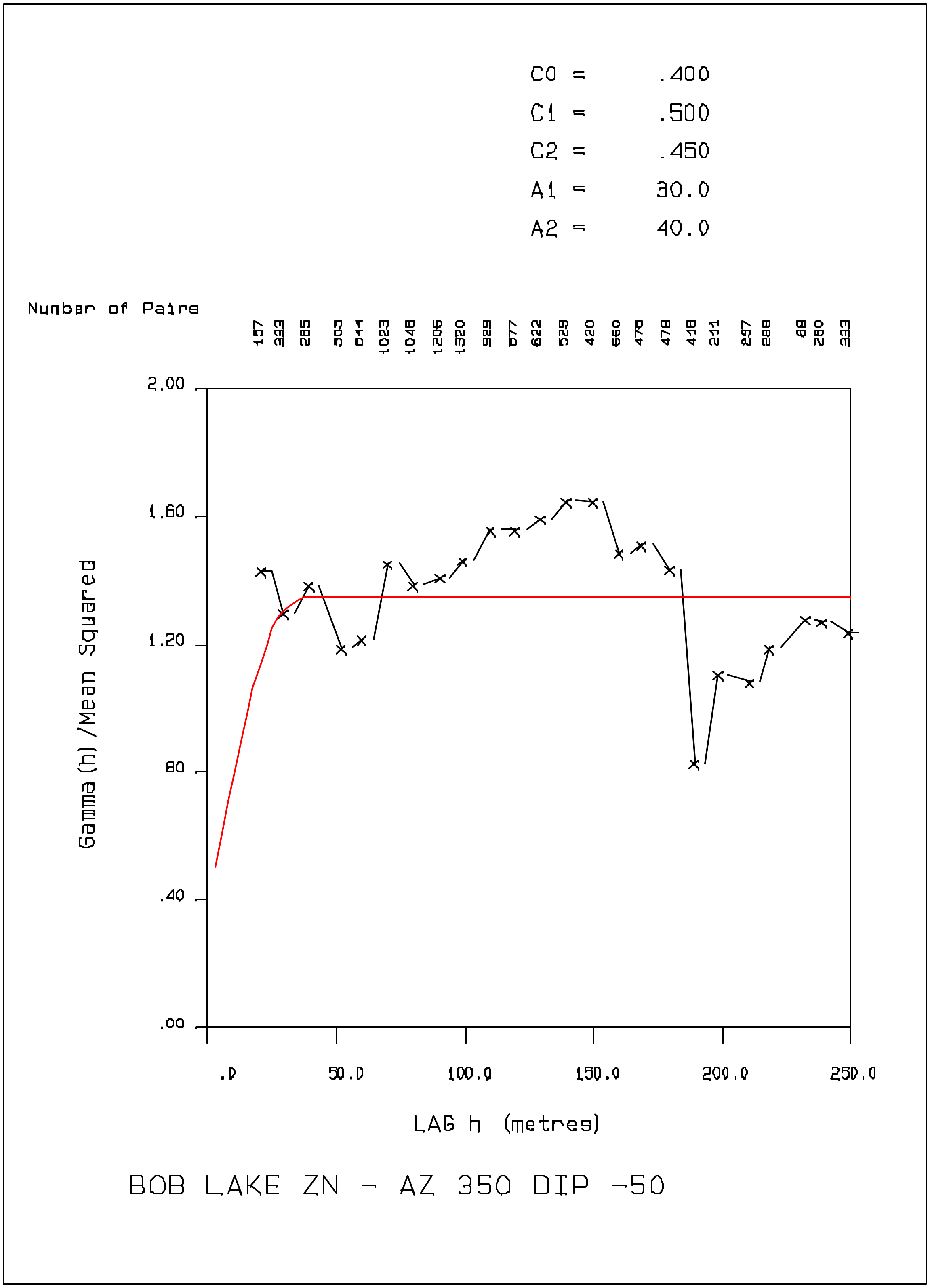
C0 = .300
C1 = .700
C2 = .500
A1 = 18.0
A2 = 40.0
Number of Pairs
792
1408
904
544
228
55
32
74
91
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE CU - AZ 350 DIP -50

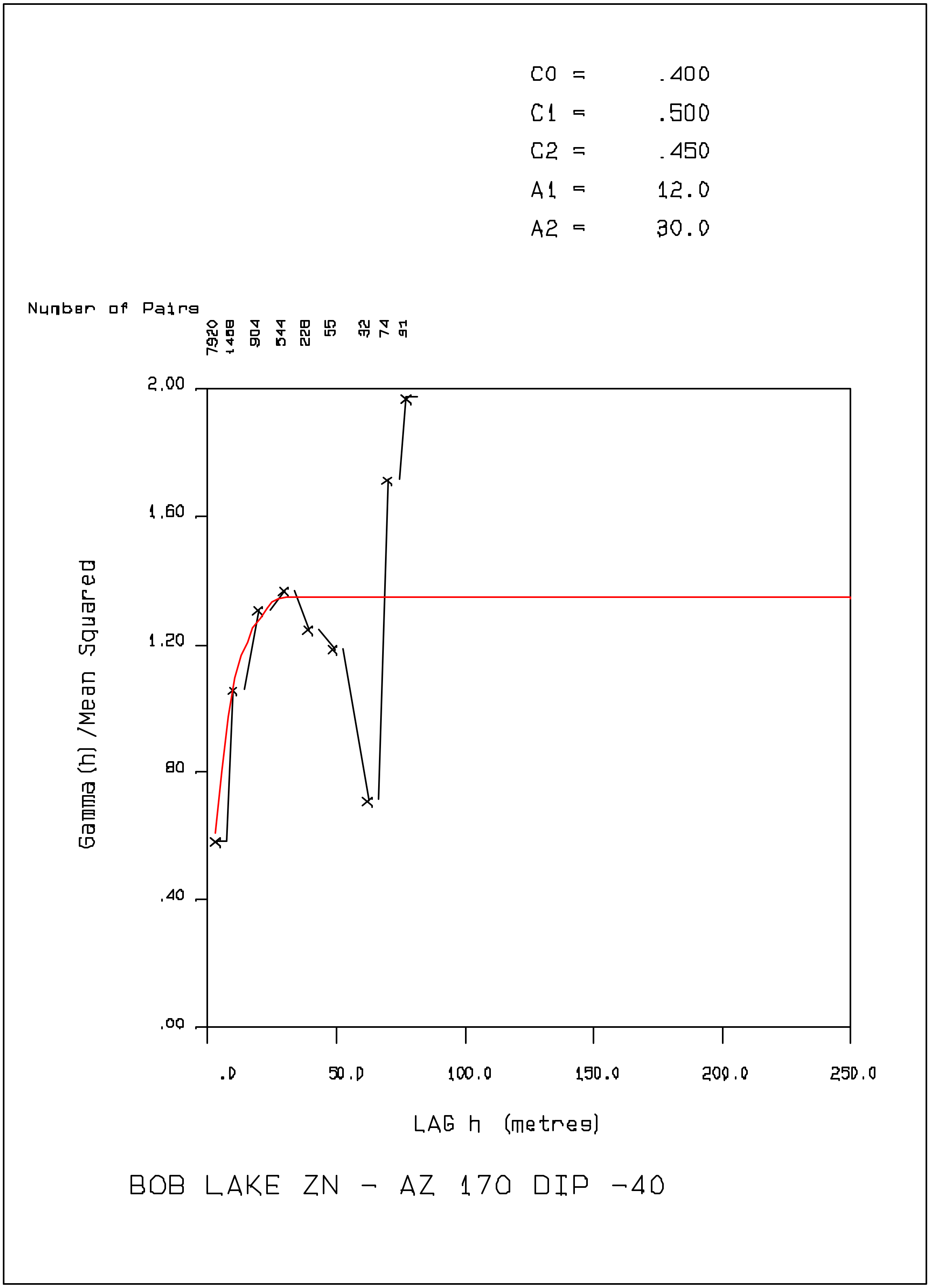

C0 = .200
C1 = .280
C2 = .580
A1 = 40.0
A2 = 160.0
Number of Pairs
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE PB - AZ 80 DIP 0

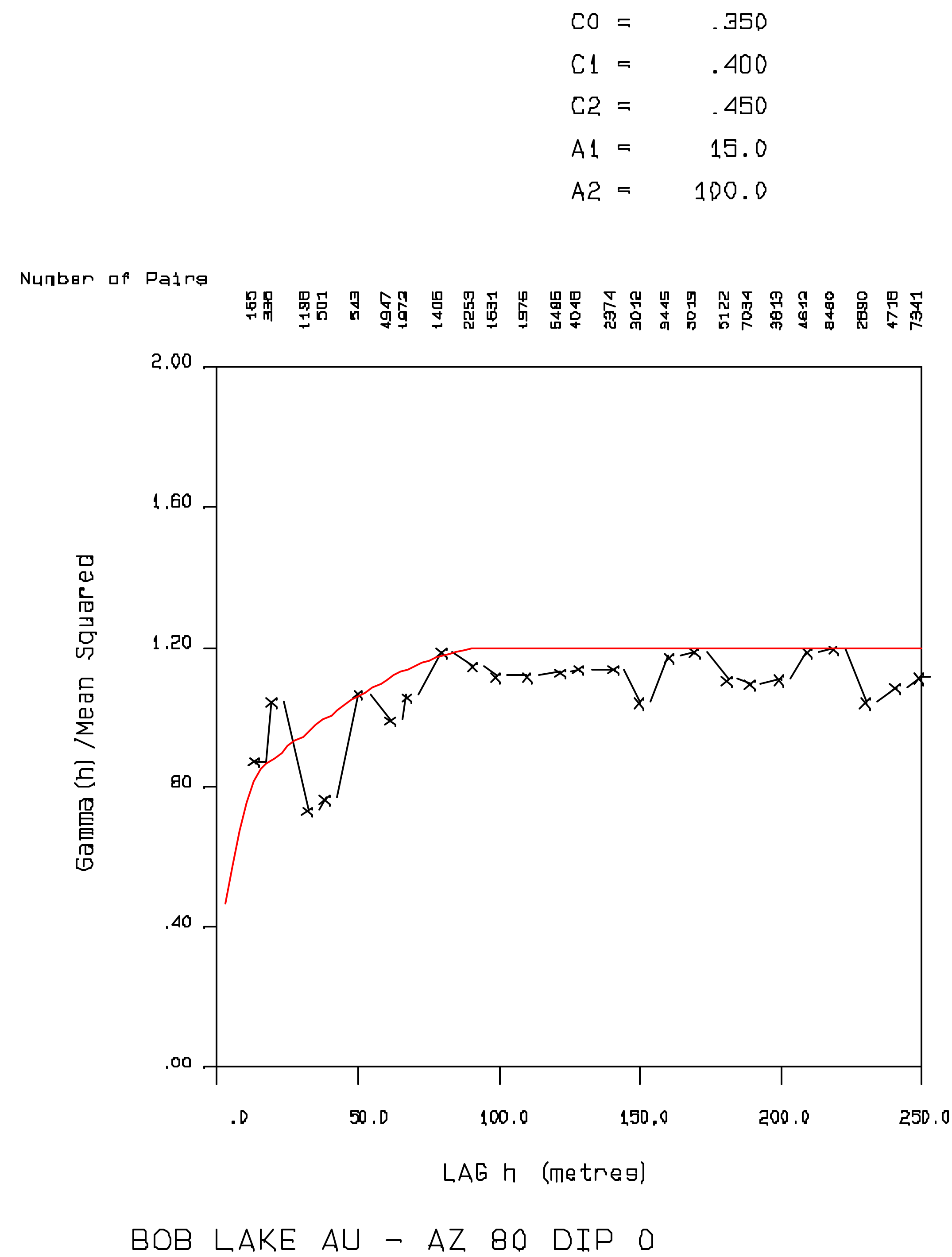

C0 = .200
C1 = .280
C2 = .580
A1 = 10.0
A2 = 24.0
Number of Pairs
84 157 333 285 503 544 1023 1048 1205 1320 929 577 622 529 420 560 476 478 418 211 257 288 68 280 333
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE PB - AZ 350 DIP -50

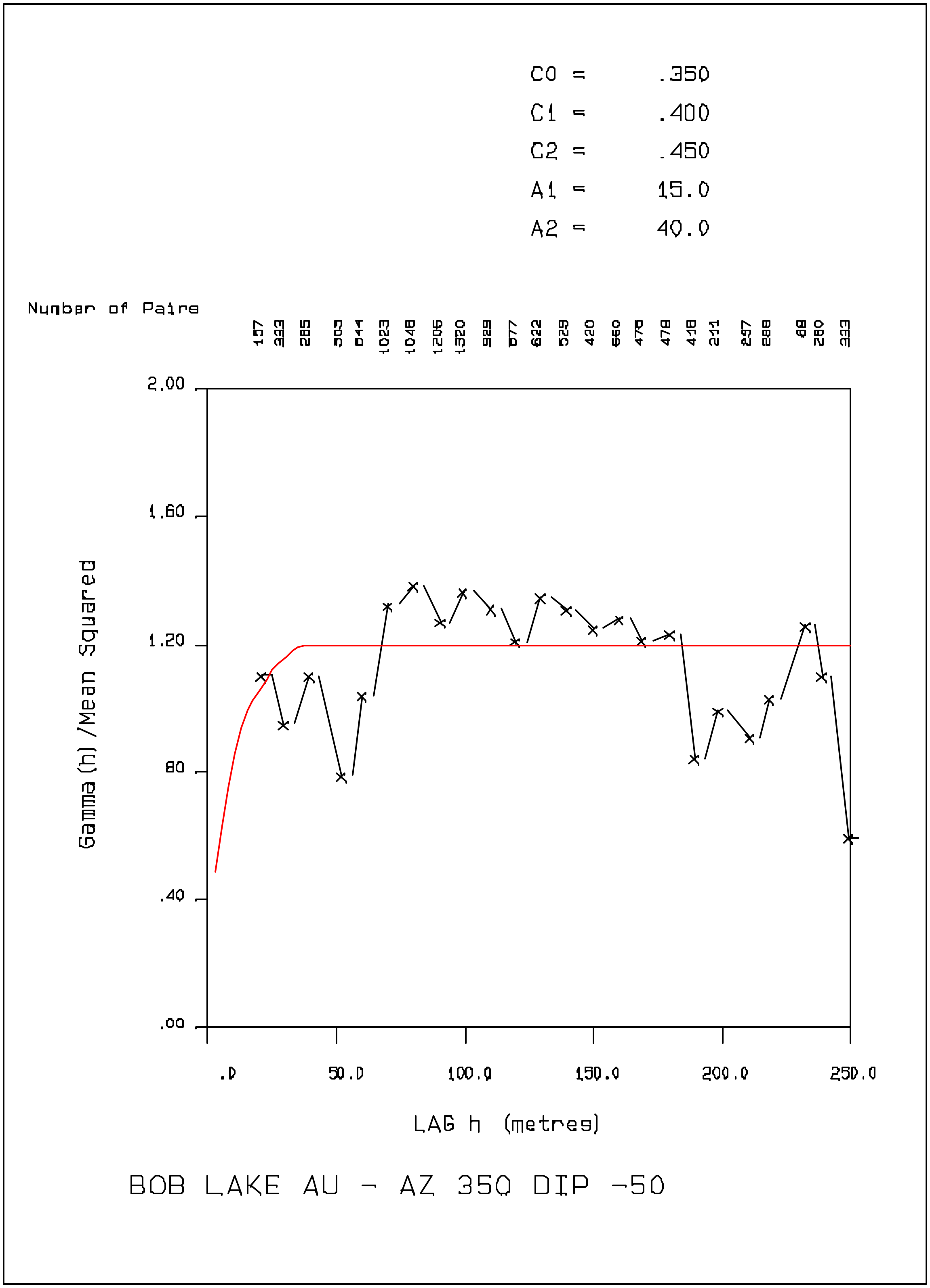

C0 = .200
C1 = .280
C2 = .580
A1 = 28.0
A2 = 50.0
Number of Pairs
792
904
544
228
55
32
74
91
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE PB - AZ 170 DIP -40

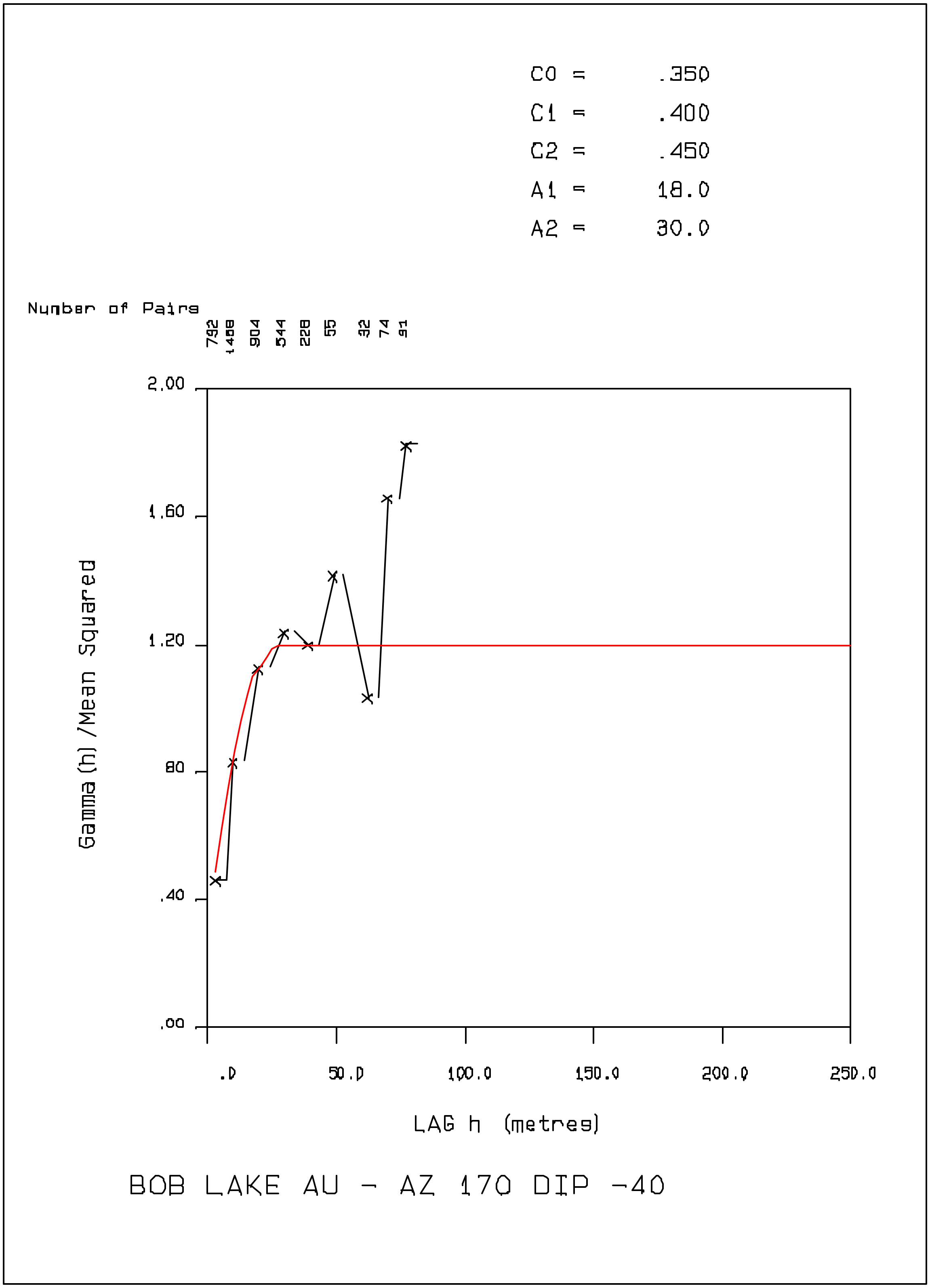

C0 = .400
C1 = .500
C2 = .450
A1 = 50.0
A2 = 100.0
Number of Pairs
1198 501 543 4947 1972 1405 2253 1631 1976 5486 4048 2374 3012 9445 3019 5122 7034 3813 4612 9480 2890 4718 7341
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE ZN - AZ 80 DIP 0

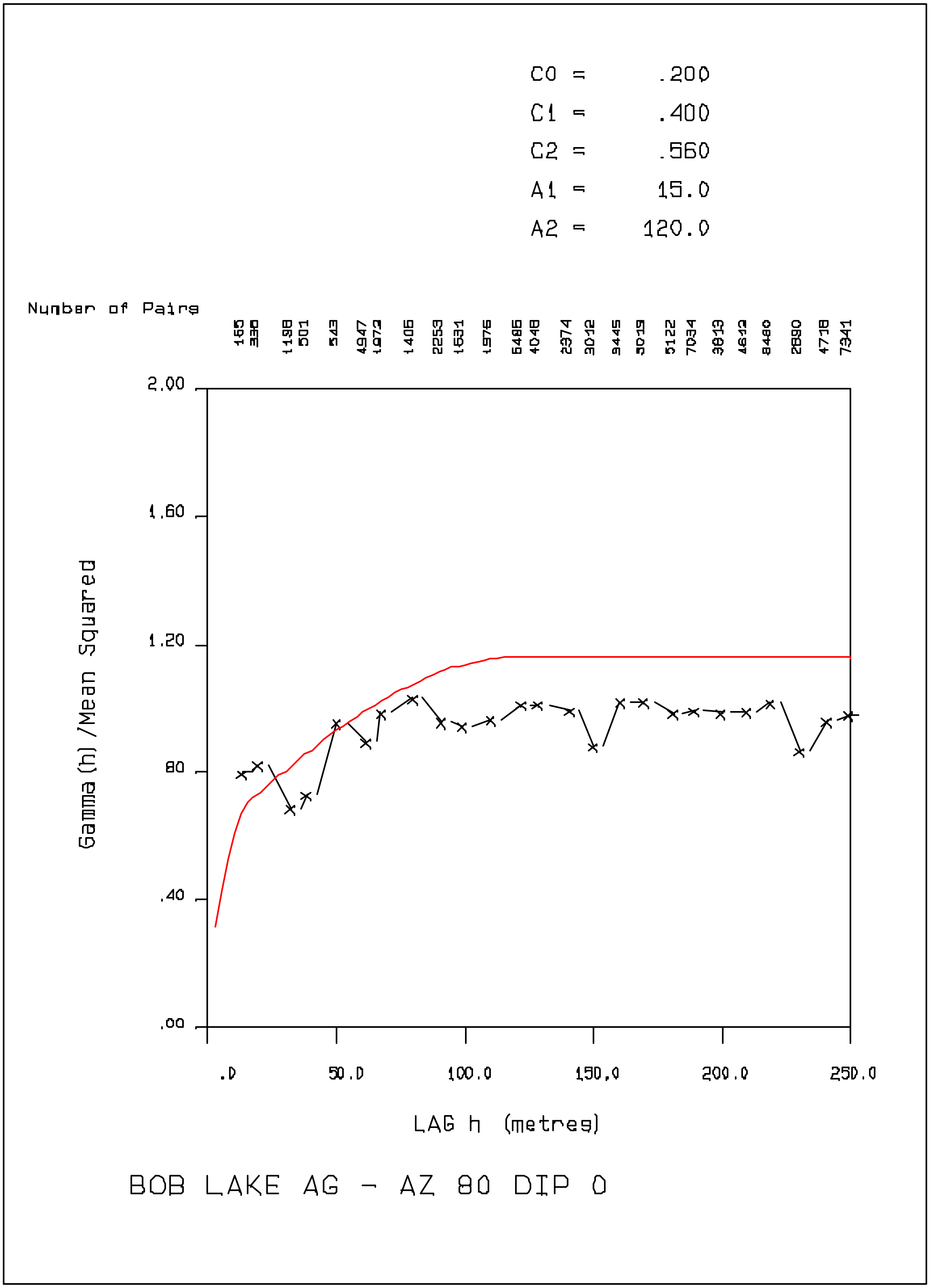

C0 = .400
C1 = .500
C2 = .450
A1 = 30.0
A2 = 40.0
Number of Pairs
157 333 285 303 844 1023 1048 1206 1320 929 877 622 529 420 560 476 478 418 211 257 288 68 280 333
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE ZN - AZ 350 DIP -50


C0 = .400
C1 = .500
C2 = .450
A1 = 12.0
A2 = 30.0
Number of Pairs
7920
1458
904
544
228
55
32
74
91
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE ZN - AZ 170 DIP -40

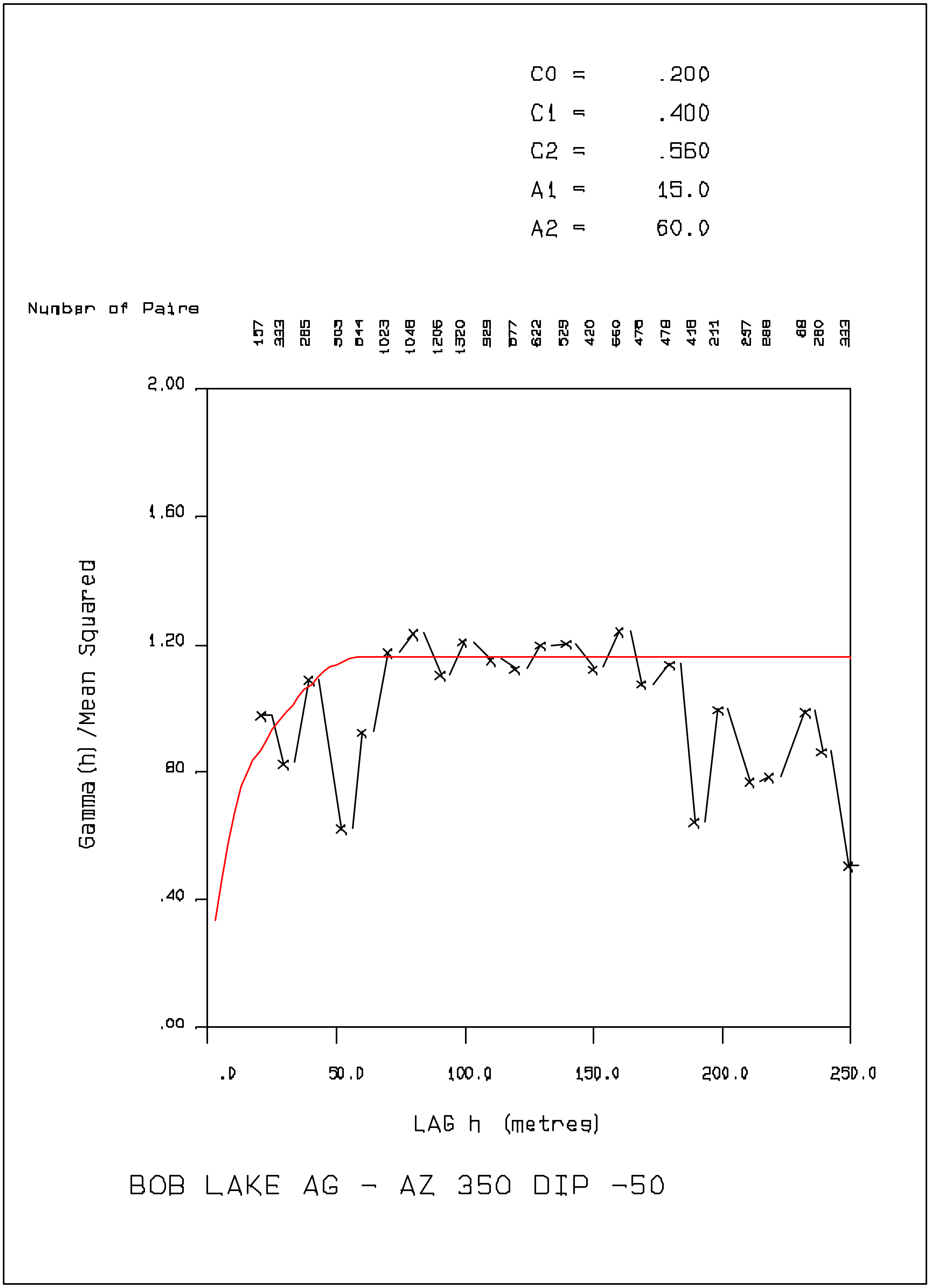

C0 = .350
C1 = .400
C2 = .450
A1 = 15.0
A2 = 100.0
Number of Pairs
165
330
1198
501
543
4947
1072
1406
2253
1631
1975
6486
4048
2374
3012
9445
3019
5122
7034
3813
4612
8480
2890
4718
7341
Gamma (h) /Mean Squared
2.00
1.60
1.20
.80
.40
.00
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE AU - AZ 80 DIP 0

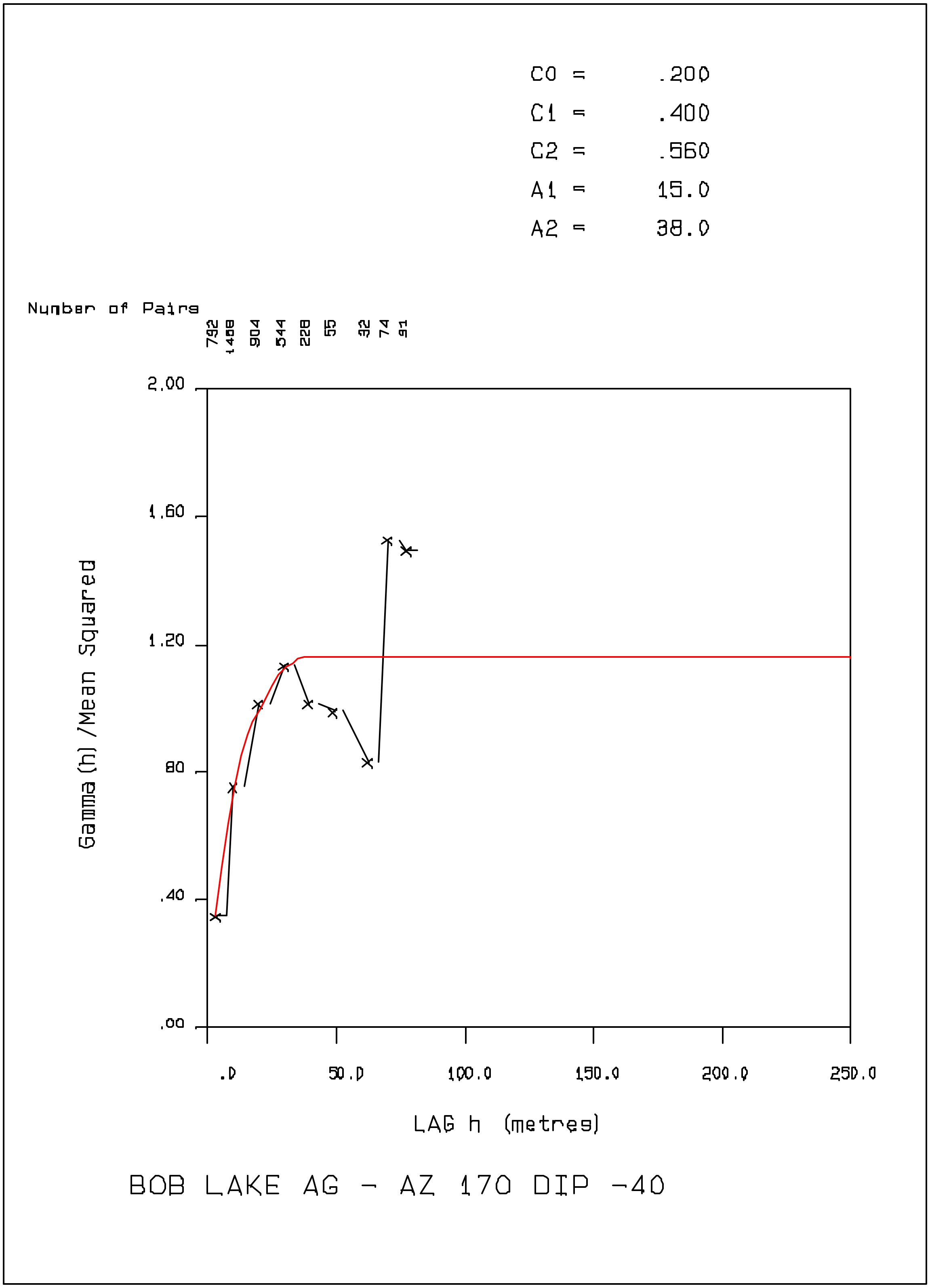

C0 = .350
C1 = .400
C2 = .450
A1 = 15.0
A2 = 40.0
Number of Pairs
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE AU - AZ 350 DIP -50


C0 = .350
C1 = .400
C2 = .450
A1 = 18.0
A2 = 30.0
Number of Pairs
792
1408
904
544
228
55
32
74
91
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE AU - AZ 170 DIP -40



C0 = .200
C1 = .400
C2 = .560
A1 = 15.0
A2 = 120.0
Number of Pairs
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE AG - AZ 80 DIP 0


C0 = .200
C1 = .400
C2 = .560
A1 = 15.0
A2 = 60.0
Number of Pairs
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE AG - AZ 350 DIP -50


C0 = .200
C1 = .400
C2 = .560
A1 = 15.0
A2 = 38.0
Number of Pairs
792
1408
904
544
228
55
32
74
91
2.00
1.60
1.20
.80
.40
.00
Gamma (h) /Mean Squared
.0
50.0
100.0
150.0
200.0
250.0
LAG h (metres)
BOB LAKE AG - AZ 170 DIP -40