

## **BANDITO PROPERTY**

### **Summary of Nickel-Copper Target Areas**

A map illustrating the location and highlights of these target areas can be located at the following link: [http://www.endurancegold.com/Bandito/Bandito\\_Base\\_Metal\\_Targets\\_June2011.pdf](http://www.endurancegold.com/Bandito/Bandito_Base_Metal_Targets_June2011.pdf)

A summary of the nickel-copper target areas and the results to date compiled for each target are summarized as follows:

#### ***Gossan Target – Iron Oxide Breccia***

The target is at least 700 by 400 meter area of a hematite and iron oxide enriched crackle and diatreme breccia. As reported on December 21, 2010, thirteen grab samples assayed greater than 2.0% nickel and two grab samples assayed greater than 1.0% copper within a 350 by 150 meter area of talus and rubble-crop within the larger Gossan Target. The best confirmed grab samples at the Gossan Target are 11.0% nickel, 2.07% copper, 27.1% bismuth and one sample which assays 1.88% lead. A stream sediment sample from a gully that captures this discovery contains 244 ppm copper and 152 ppm nickel.

At the discovery area, annabergite (secondary nickel-arsenide mineral) and native copper are associated with higher nickel and copper values. The high nickel values are associated with quartz vein infill, silicification and iron oxide alteration in crackle and diatreme breccia crosscutting potassium altered clastic sediments and Red Syenite. Trace element associations with the elevated base metal values include arsenic, antimony and bismuth. To date mineralization has not been trenched to create bedrock exposures. Additional mineralogical and petrographic studies completed in 2011 have tentatively identified tucckite ( $\text{Ni}_9\text{Sb}_2\text{S}_8$ ) as one possible primary nickel mineral. To date, no other primary nickel or copper sulphide minerals have been identified in thin section associated with the high grade rock samples.

Approximately 250 meters north of these high grade rock samples, a tree-covered area contains elevated nickel, copper, and zinc within the strongest portions of a soil sample anomaly that encompasses about 250 by 250 meters in surface area, and remains open to expansion. 2006 soil sample peak values are up to 4,740 ppm copper, 2,860 ppm nickel, and 2,150 ppm zinc. A stream sediment sample collected in the east-draining creek, that captures this northern soil anomaly area, analyses 388 ppm copper and 56 ppm nickel. The locations of three copper occurrences are documented on both 1978 and 1980 geology maps within the Gossan Target area. No historic sampling data for copper has been located for these prospects.

The western side of the Gossan Target is associated with an irregular topographic depression at the head waters of Zircon Creek. Much of the lower elevations of this target area are recessive weathering and covered by overburden and vegetation. The target area is also associated with an ovoid shaped relative magnetic low. Further soil sampling is required to expand and properly define the surface area of this multi-element base metal geochemical anomaly. In addition, the area has never been prospected or trench sampled with the objective of identifying the source of the strong soil anomaly at the north end of the Gossan target. The Gossan Target is also a high priority rare earth exploration target.

### ***Red Breccia Target***

This target area is about 500 meters southwest of the discovery on the Gossan Target and extends for about one kilometer north-south within a north-south recessive linear about 200 meters in width. The area is mapped as Proterozoic clastics and quartzite. The recessive linear is the southern extension of the ovoid topographic low which hosts the Gossan Target. This linear is also associated with an extension of the relative magnetic low at the Gossan Target. Stream sediment sampling completed in 2006 identified a sample from the head waters in the target area analyzing 236 ppm copper and 44 ppm nickel.

On the east side of the recessive linear, 1980 mapping describes outcrops of “red altered breccias and phyllites”. A 2009 publication by the Yukon Geological Survey describes the same unit as Proterozoic-aged basalt volcanic conglomerate (Pa-bc). The outcrop is observed to have a north-south strike length of about 600 meters with observed thicknesses up to 20 meters. Petrographic examination in 2010 of a sample of the breccia collected in 2006 describes the rock as explosive or diatreme breccia dominated by andesitic volcanic fragments with lesser jasper, quartz, and sandstone fragments. The matrix is impregnated with iron-oxide. A sample of this rock analyzed 9.4% Fe and 214 ppm nickel.

Systematic soil sampling, mapping, prospecting and rock sampling is required to identify the source of the anomalous copper and nickel in stream sediments and determine the geological relationship between the Gossan Target breccia and the Red Breccia Target.

### ***South Gold-Copper Target***

This target area is about four (4) kilometers south of the Gossan Target and is underlain by Proterozoic clastics and quartzite. A regional stream sediment sampling program completed in 2010 has identified a drainage sample analyzing 531 ppm copper, 65 ppb gold, 5 ppm silver, 1240 ppm lead, 2770 ppm zinc, and 23 ppm nickel. This target has the highest reported gold, silver and copper value reported from the 2010 stream sediment survey. No prospecting or sampling has been completed in the area.

Prospecting, reconnaissance soil sampling, and rock sampling is required to identify the source of the anomalous gold, copper and base metals in the South Gold-Copper Target.

### ***Zircon Creek EM Target***

This target area is about one kilometer west southwest of the discovery prospect at the Gossan Target, and west of the Red Breccia target. The target is immediately south of Zircon Creek and is underlain by areas mapped as Proterozoic quartzite. An airborne geophysical survey completed in 2006 identified a north northwest striking electromagnetic conductor with a strike length of at least 400 meters and peak conductance of 2.77 siemens. Stream sediment samples that drain this area are anomalous in nickel and copper but these anomalies may originate from the Gossan and Red Breccia Targets which are located further upstream.

Systematic soil sampling, prospecting and rock sampling is required to explain the electromagnetic anomaly and determine whether there is base metal potential associated with this target.

### ***Potters Camp- Pyrochlore Dome Target***

This target area adjoins and is immediately northwest of the Gossan Target. Analysis of 2006 grab samples identified bismuth-nickel mineralization in altered albite-aegirine-iron oxide metasomatized rocks with 1.145 % bismuth and 1480 ppm nickel. The sample showed iron oxide coated fractures that are similar to the pervasive fracturing at the Gossan Target. Historic exploration documentation (1980) describes fractured and silicified siltstone and breccia near the intrusive contact.

Systematic soil sampling is required to determine whether there is additional potential for the identification of other nickel or copper bearing iron oxide breccia systems in this target area. The Potters Camp Target is also a high priority rare earth exploration target.

### ***Upper Landslide Creek***

This target is located about 1.3 kilometers south southeast of the discovery prospect on the Gossan Target, and east of the Red Breccia Target. The area is underlain by Proterozoic clastics and quartzite. Stream sediment sampling completed in 2006 identified samples from the head waters in the target area analyzing 92 ppm and 67 ppm copper in each of the two upper forks of the drainage. Soil sampling is required to determine whether a significant soil anomaly exists in this target area.

### ***Lower Landslide Creek***

This target is located about 1.5 kilometers southeast of Gossan target on the north slope of Landslide Creek. 1980 geological mapping identifies copper mineralization associated with calcareous units in the Proterozoic clastic sediments. There is no record that this prospect was sampled or evaluated. Rock sampling is required to determine the economic significance of this prospect.

*The geochemical data, geology, and geophysics that define these targets have been compiled from several sources which include:*

- 1. Report on the Sid-Vista Claim Group for Welcome North Mines by RR. Culbert 1978*
- 2. July, September, and November 1980 reports and accompanying maps by RR. Culbert, R. Beaty, and D.G. Leighton for E&B Explorations Ltd.*
- 3. December 2006, True North Gems Inc, Amigo claims assessment report*
- 4. January 2007, True North Gems Inc., Amigo claims assessment report*
- 5. January 2007, True North Gems Inc., Bandito claims assessment report*
- 6. December 2006 Report on Helicopter-borne Geophysical survey on Bandito for True North Gems by McPhar Geosurveys Ltd.*
- 7. January 2010 Geochemical work report on Bandito by Equity Exploration Consultants for Endurance Gold Corporation*
- 8. Bedrock Geology of NTS 95C/5 (Pool Creek) and NTS 95D/8 map sheets, southeast Yukon, Bulletin 16, Yukon Geological Survey, by Lee C. Pigage 2009*
- 9. Government airphotos*

*All of the rock samples are grab samples. Grab samples are selective by nature and are unlikely to represent average grades on the property or within the target areas.*

*The Red Breccia petrography was completed in 2010 by Jeff Harris of Vancouver Petrographics Ltd.*

*The 2006 and 2010 stream sediment samples and associated geochemistry are -80 mesh silt samples collected in 2006 and 2010 and analyzed at ALS Minerals by ME-MS6. For comparative purposes, Geological Survey of Canada regional stream sample statistical analysis for map sheet 095D place the 95<sup>th</sup> percentile for copper at 30.2 ppm, nickel at 45.2 ppm, silver at 0.4 ppm and gold at 6 ppb. Robert T. Boyd, P.Geo., President, CEO and Director, is a qualified person as defined in National Instrument 43-101 and supervised the compilation of the information forming the basis for this summary.*