INTERPRETATION ADDENDUM

FOR

CANADIAN MINING COMPANY INC.

SUITE 2300 - 1066 WEST HASTINGS STREET
VANCOUVER, BC V6E 3X2

3D INDUCED POLARIZATION

ON THE

SAN BERNARDO PROJECT – EL GOCHICO GRID

Approximate Location:

27° 20' 15" N, 108° 48' 17" W – NAD27 Mexico

Sonora State, Mexico

EXTENSION SURVEY CONDUCTED BY
SJ GEOPHYSICS LTD.
APRIL 2009

REPORT WRITTEN BY:
BRIAN CHEN / SHAWN RASTAD

AS PER S.J.V. CONSULTANTS LTD.
JUNE 2009

1. Introduction

In May 2009, Canadian Mining Company Inc. contracted SJ Geophysics Ltd. to conduct a 3D Induced Polarization (3DIP) survey on its San Bernardo Project. This ground geophysical program was an extension to an earlier 3DIP survey conducted in 2008 (also by SJ Geophysics). The purpose of these additional lines were to delineate an anomalous IP response. The extension survey covered the geophysical feature, F1, as described in the report "3D Induced Polarization on the San Bernardo Project – El Gochico Grid", January 2009 written by Thomas Campagne.

The San Bernardo Property is located approximately 12km south-southeast of San Bernardo, Sonora, Mexico. The survey grid is situated on a known skarn related mineralized zone called the El Gochico mine that was mined by Penoles during the 1980s. The acquisition of an additional 7 lines were surveyed by SJ Geophysics Ltd. from April 26th to May 1st, 2009. Initial data processing and quality control were performed on site by the field crew, with the final inversion modeling being completed at the S.J.V. Consultants office in Delta, British Columbia, Canada.

Additional quality analysis was performed on the 2008 data set which led to a filtering out of a few isolated high resistivity readings. These were then merged with the 2009 data set for use to calculate the new merged inverted models. The resulting merged inverted resistivity model indicates some slight differences from the 2008's inversion model away from the extension region. However, the features are still very similar. For the extension region, the anomaly outlined in the first survey appears to better delineated and has enough data associated to increase the validity of the anomalous response. This newly acquired region outlines a significant east-northeast striking IP anomalous zone.

This interpretation report of the merged inverted results of the 2008 3DIP survey and the 2009 extension survey is intended to be an addendum to the report written in January 2009, "3D Induced Polarization on the San Bernardo Project – El Gochico Grid". The main focus of this report will be on the extension region with some refinements on the general trends based on the newer improved merged inversion model.

2. Interpretation – survey extension only

2.1. Resistivity

The resistivity model indicates the same resistivity lineaments (as mapped by low resistivity zones <200 Ohm-m) which is consistent with the interpretation of 2008. Figure 1 illustrates the resistivity lineaments as identified by Thomas Campagne and are shown as black bold dashed lines plotted on a false color contour plan map at depth of 100m below topography.

Two new resistivity lineaments/contacts (R7 and R8) were identified from the merged inversion result and have been denoted as gray bold dashed lines in Figure 1. In addition, R5 has been extended to possibly cut across the entire grid (denoted as R5') and resistivity feature R6 also extends into the extension grid. The resistivity lineaments/contacts can sometimes can be identified easier when the resistivity features are viewed in a 3D model viewer. A snapshot from Paraview, a 3D visualization program clearly shows the R5' contact (Figure 2). For illustration purposes, only the extensions of R5' and R6 are shown, as well as the newer two features, R7 and R8. These lineaments/contacts may be the signatures of geological structures which play an important role in the formation and spatial distribution of the mineralization.

The east-northeast trending resistivity contact (R5'), located in the main grid of 2008, splits the grid into two areas with differing resistivity patterns on either side. These differences may indicate the existence of a geological contact. North of the contact, the area is characterized with low to medium values at the surface and higher resistivity features at depth while the opposite side has relatively low to moderate resistivity rock units. These lows may be associated with carbonate rich sedimentary rocks. Trending on a similar azimuth as R5' and situated fully in the extension portion of the survey, is a second lineament/contact that has been identified as R7. This contact does not have distinguishing different geophysical characteristics like those seen with R5'. This may suggest this lineament could represent a fault which breaks through the high resistivity layer at depth. A northeast trending resistivity lineament (R8) is distinguishable and crosses the two sub-parallel resistivity contacts/lineaments (R5' and R7), thus possibly representing some sort of a sub-faulting zone. It is interesting to note that the old mine site is roughly located near the intersection of R5' and this northeast trending lineament.

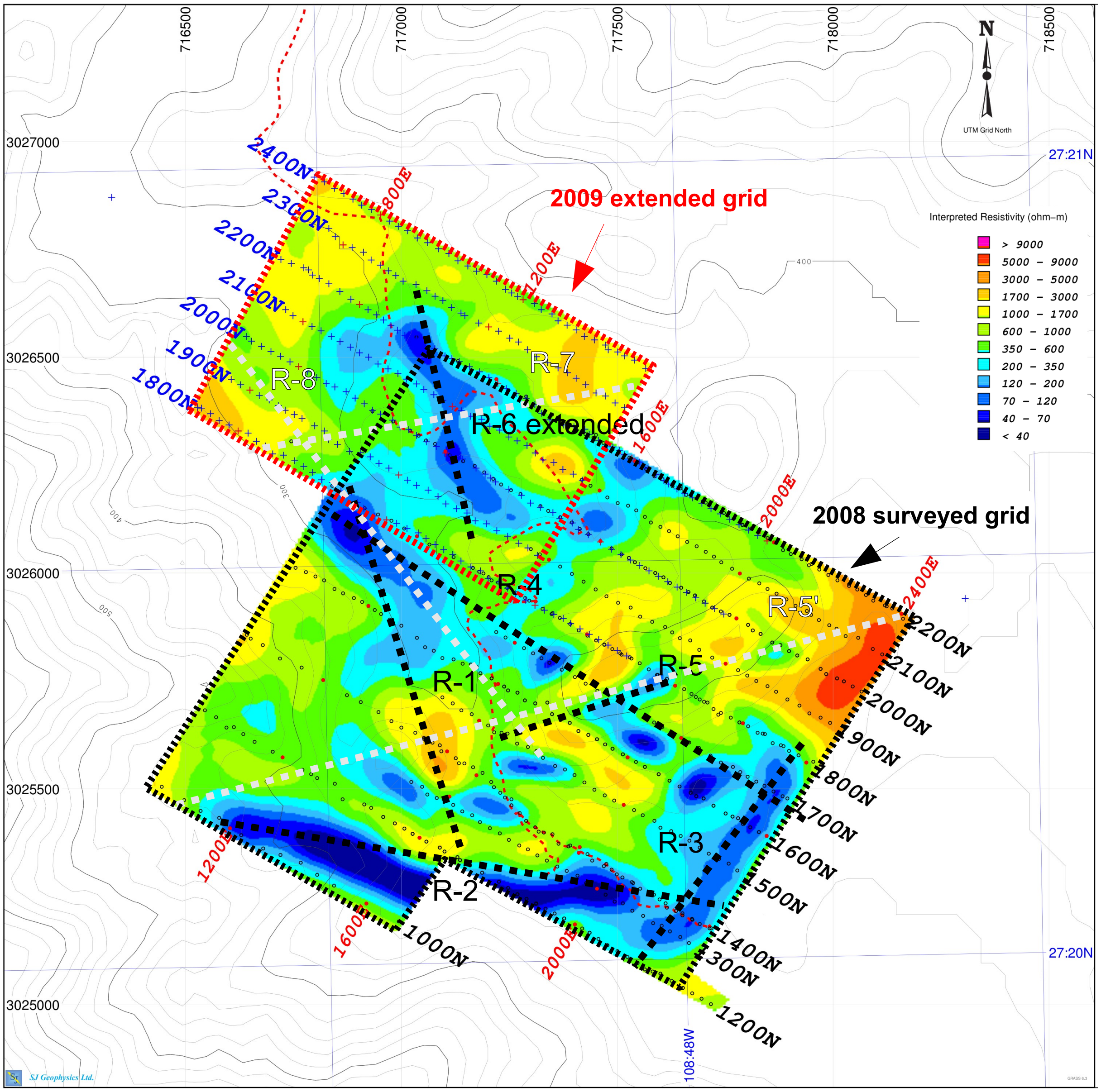

Figure 1: Resistivity False Color Contour Map @ 100m Below Surface.
Black bold dashed lines: resistivity lineaments from 2008's interpretation;
Grey bold dashed lines: newly identified resistivity contacts.

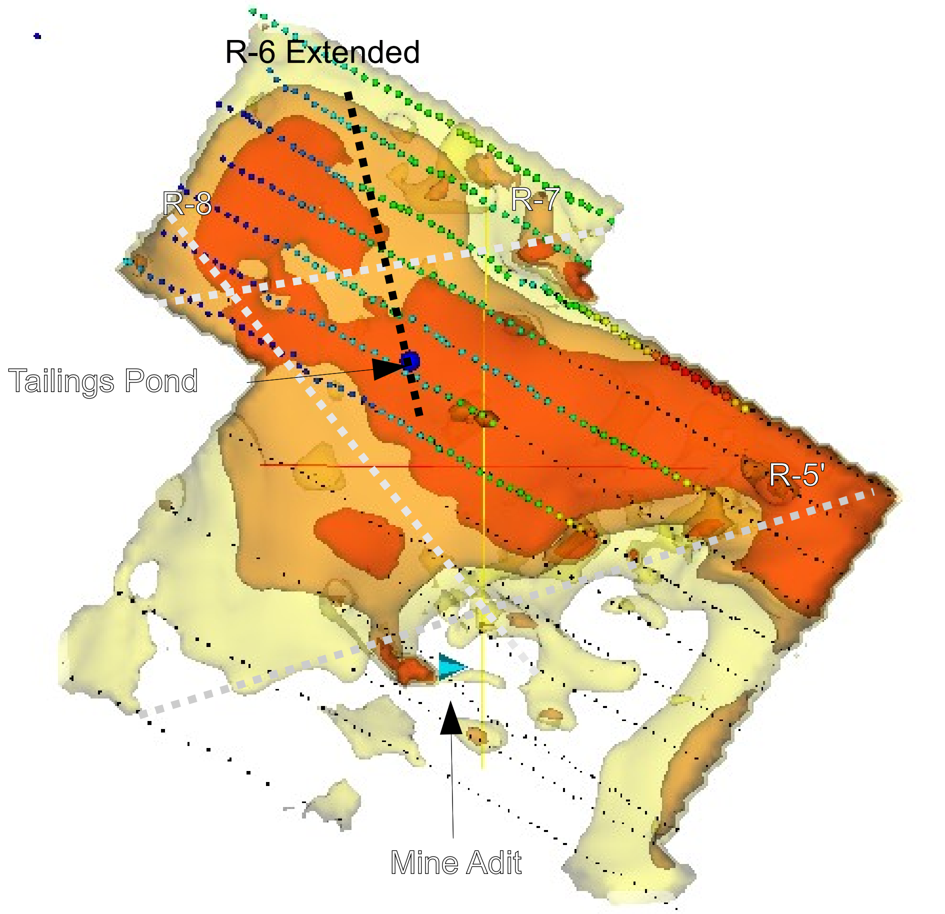

Figure 2: 3D view of resistivity features. Plan view.
Black bold dashed lines: resistivity lineaments from 2008's interpretation;
Grey bold dashed lines: newly identified resistivity contacts.
Red Isosurface: 3000 Ohm-m; Orange: 2000 Ohm-m; Yellow: 1000 Ohm-m..

2.2. Chargeability

The merged inverted model and the 2008 inverted model show the same chargeability responses around the El Gochico mine site. The newly inverted model with the extension data clearly indicates that the F1 feature outlined in 2008 is real and more significant in size than described in 2008 (Figure 3). The chargeability feature is a strong chargeability response (>25ms) in the north portion of the project and is mostly situated within the region of the extension. This IP features trends ENE along the resistivity lineament identified as R7.

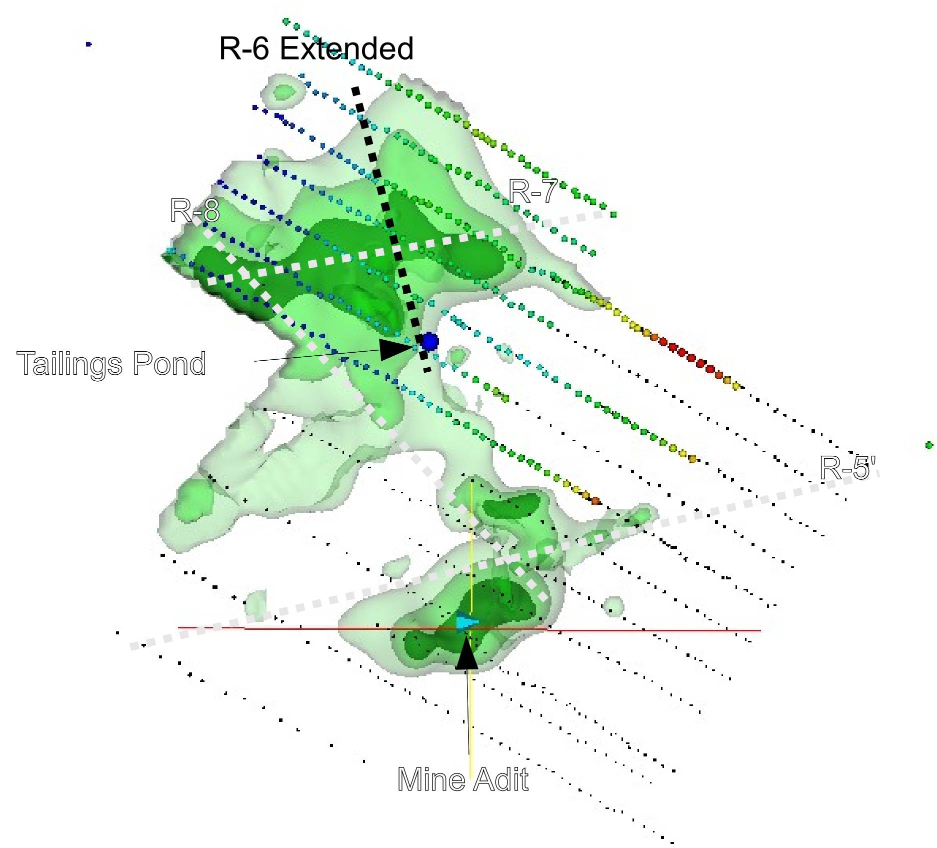

Figure 3: 3D view of chargeability feature. Plan view.
Black bold dashed lines: resistivity lineaments from 2008's interpretation;
Grey bold dashed lines: newly identified resistivity contacts.
.Dark Green Isosurface: 25ms; Green Isosurface: 23ms, Light Green: 20ms.

Figure 3 above shows a 3D view of the chargeability values greater than 20ms (These isosurfaces indicate the stronger chargeability values of the model, with the darker greens indicating the strongest values). The image clearly indicates that the El Gochico grid can be divided into two distinct chargeability zones. These two zones have been denoted the south-central zone (region surrounding the El Gochico Mine workings) and the northern zone (newly discovered anomalous response within the extension region). The anomalous south-central chargeability zone coincides with the skarn mineralization that was worked by Penoles and is located in the south flank of the resistivity contact, with low to moderate resistivity values. For a more detailed interpretation of the south-central chargeability feature, please refer to the geophysical report "3D Induced Polarization on the San Bernardo Project – El Gochico Grid, 2008".

The northern chargeability zone is larger in size than the south-central zone and has greater depth extent (possibly beyond depth of investigation). The 25ms isosurface is still open to the west of the grid. The axis of this zone trends along the similar azimuth that the south-central zone.. In addition, this high chargeability response is situated at an intersection of the NE and ENE trending resistivity lineaments.

2.3. Compilation

Figure 4 shows a 3D view of the combined resistivity and chargeability features. The resistivity lineaments in the extended grid seem to coincide with the spatial distribution of the chargeability highs in the northern zone. This indicates that the mineralization that may be producing the chargeability response may be related to structural controls. The resistivity lineaments may be related to a fault system that could be tunnels for mineralization fluid transportation. The northern chargeability zone exhibits a different resistivity pattern than the south-central zone which may suggest a differing geological environment.

Figure 5 shows a cross section of Line 2000N which dissects the northern chargeability zone. This clearly shows a low resistivity layer underlain by a higher resistivity zone. The strongest chargeability response (core region) is located between stations 800E and 1200E, starting from approximately 100m below surface at depth. It is overlain locally by a small resistive cap and underlain by the resistive layer.

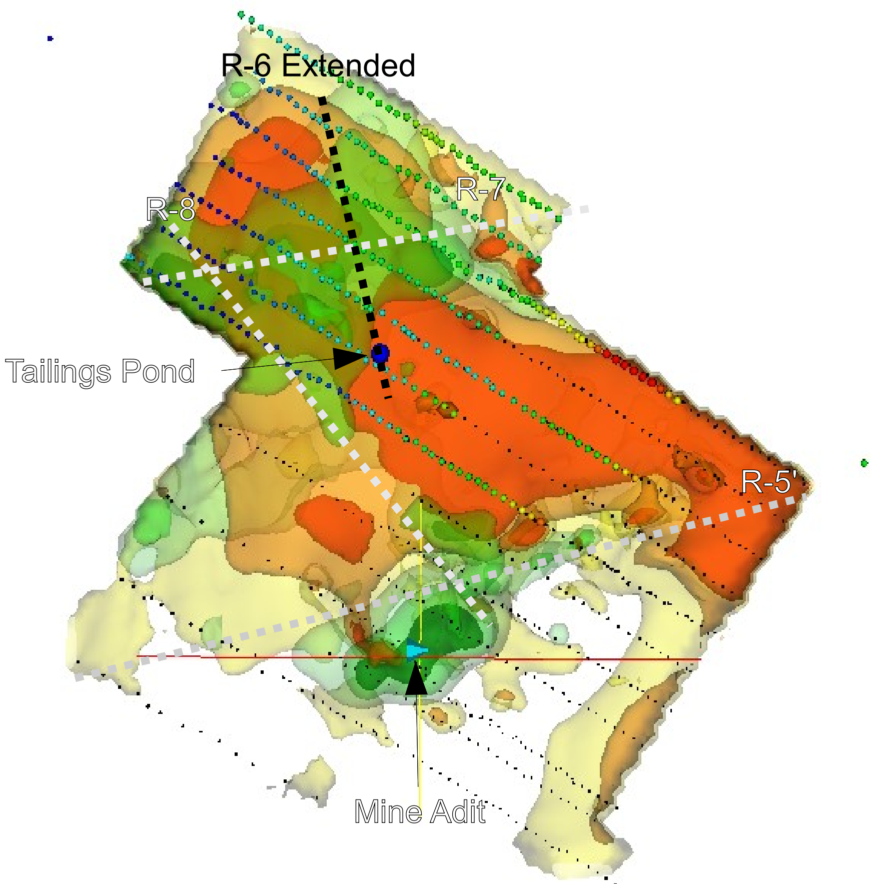

Figure 4: 3D view of resistivity and chargeability features. Plan view.
Black bold dashed lines: resistivity lineaments from 2008's interpretation;
Grey bold dashed lines: newly identified resistivity contacts.
Resistivity - Red Isosurface: 3000 Ohm-m; Orange: 2000 Ohm-m; Yellow: 1000 Ohm-m..
Chargeability - Dark Green Isosurface: 25ms; Green Isosurface: 23ms, Light Green: 20ms.

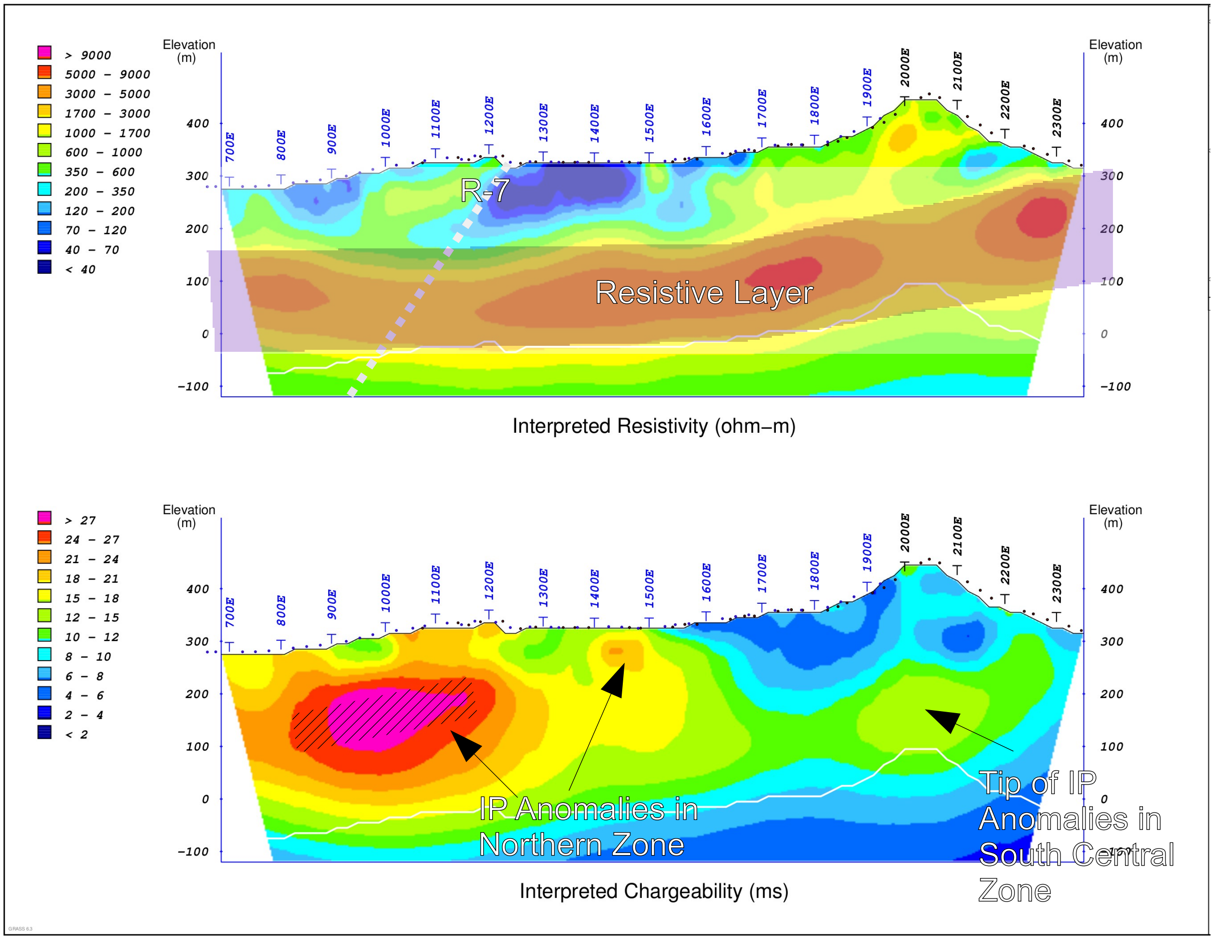

Figure 5: 3D section on line 2000N of the inverted models. Hatched area in northern IP anomalous zone indicates the possible core of the anomaly.

3. Recommendations and Conclusions

The 2008 Induced Polarization survey highlighted an anomalous chargeable body on the northern edge of the geophysical survey. This survey was extended in 2009 to further delineate the feature and to confirm its validity. The merged inverted results indicated a couple new resistivity lineaments, as well clearly defining that the anomalous body is a real chargeability feature. The El Gochico grid now indicates two interesting chargeability zones for further exploration detailing: the south-central and the northern zone.

The south-central chargeability anomalous zone coincides with the known skarn mineralization associated with the El Gochico Mine workings that were worked by Penoles. As a result, this zone is the first priority target area for drilling to confirm the known mineralization as well as to investigate a further chargeability feature at depth. Four drill holes were suggested from the previous geophysical report to test the chargeability anomalies and there are no additional revisions to these at this time. However, it may be prudent to review these targets in greater detail with the new merged inversion prior to any placement.

The new northern chargeability zone situated in the extension zone is clearly an anomalous feature that should warrant further exploration. The exploration could be commenced in two stages. First some detailed geological work should be conducted, which may include a couple drill targets into this chargeability feature. Within the same phase of work, any geochemical work (if possible) should be conducted in order to help gain a greater grasp of the geological setting. This phase of work may yield some valuable information that may lead to discovering the geological system controlling the mineralization. The drill targets should be situated near the intersections of the resistivity lineaments, R6/R7 and R8/R7 while targeting the higher chargeability values. The following table provides two new drill targets to test the northern chargeability zone.

Drill Hole ID	IP Anomaly zone	Easting	Northing	Elevation (m)	Azimuth (Degree)	Dip (Degree)	Target Depth (m)	Total length (m)
D-5	North zone (extended grid)	716782	3026466	291	180	60	150	300
D-6	North zone (extended grid)	716969	3026473	317	120	60	150	300

Table 1: Parameters for suggested drill holes, location project is UTM NAD27, MEXICO, zone 12

A second phase, after the geologic work, should focus on additional geophysical ground work including more 3DIP to trace the northern anomalous trend to the southwest as it is still open. Additional geophysical methods such as ground magnetometer can aid in the structural setting of the region. In addition, if holes are drilled it may be prudent to conduct some down hole IP to provide some deeper data that improve the depth of investigation of the surface IP.

Respectfully submitted
As per S.J.V. Consultants Ltd.

Brian Chen
Shawn Rastad

Appendix 1 – Statement of Qualifications

Brian Chen

I, Brian Chen, of the city of Delta, British Columbia, hereby certify that:

- I graduated from the University of Science and Technology of China in 1989 with a Bachelor of Science degree in geophysics and from South China Sea Inst. Of Oceanology, CAS in 1992 with a Master of Science degree in Mathematical geology.
- I have been working in geophysics since 1992.
- My work is regularly reviewed by a registered professional geoscientist registered within the province of British Columbia.
- I have no interest in Canadian Mining Company Inc. or any property within the scope of this report, nor do I expect to receive any.

Signed by: **_________________________**

Brian Chen, M.Sc., B.Sc. (Mathematical geology, geophysics)

***Date:* ___________________________**

Shawn Rastad

I, Shawn Rastad, of the city of Coquitlam, Province of British Columbia, hereby certify that:

- I graduated from the University of British Columbia in 1996 with a Bachelor of Science degree majoring in geophysics.
- I have been working in mineral and oil exploration since 1997.
- My work is reviewed regularly by a Professional Geoscientist.
- I have no interest in Canadian Mining Company Inc. or in any property within the scope of this report, nor do I expect to receive any.

Signed by: ___________________________

Shawn Rastad, B.Sc. (Geophysics)

Date: ___________________________