

Assessment Report
Rock & Soil Geochemistry Program
CLY PROPERTY

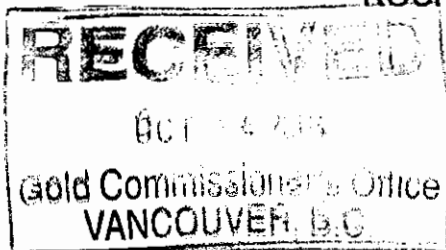
082F003 - 082F004
Nelson Mining Division

Craig Kennedy
September 2004

27513
Vol. 2 of 2

ASSESSMENT REPORT

ROCK & SOIL GEOCHEMISTRY PROGRAM



CLY PROPERTY

NTS Map sheets 082F004-082F003

Latitude 49° 03' N Longitude 117° 12' E

Work performed early summer 2004

Owners:

W. R. Howard
215 Silver Mead Cres. NW
Calgary Alta. T3B-3W4

Kootenay Gold Corp.
156 Bay View Drive SW
Calgary Alta. T2V 3N8

Report by:

Craig Kennedy
Prospector
2290 DeWolfe Avenue
Kimberley BC V1A 1P5

GEOLOGICAL SURVEY BRANCH
ASSESSMENT PROGRAM

27,513

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CLY Property

Rock & Soil Geochemistry Report

Craig Kennedy

September 2004

1.00 INTRODUCTION

1.10 Location and Access

The CLY Property is located in the Nelson Mining District of southeastern British Columbia (NTS 82F/3, 1:20,000 scale maps 082F003 and 082F004). The Pend d'Oreille and Limpid Creek logging roads provide truck access. Rough 4-wheel drive access is provided by the McCormick Creek road. Though the property is steep and very thickly vegetated it is totally accessible by foot.

1.20 History

The CLY Property includes the Mormon Girls and Bunker Hill Crown Grants, former small producers. The general area has been held under tenure by Majors, Juniors, and individuals through the past +100 years.

1.30 Property

The property is 40 contiguous units, which over-lap the Mormon Girl and Bunker Hill Crown Grants. Mr. William R. Howard owns the mineral claims and Crown Grants. At present all claims are under option agreement with Kootenay Gold Corp.

2.00 ROCK & SOIL GEOCHEMISTRY

2.10 Program

In June 2004 a follow-up rock geochemistry program with a reconnaissance soil survey were completed on the CLY Property. The rock sampling was intended to define the opportunity of developing a potential bulk tonnage gold target. The soil sample reconnaissance was done to determine whether the Bunker Hill structure was recognized west of the known workings.

2.20 Results

The 2003 rock geochemistry coupled with the 2004 program results suggests the opportunity to develop a bulk tonnage gold target is very slight. The encouraging result is that the quartz vein swarm at the Blue vein, Molly Trench area is generally quite anomalous in gold. These anomalous veins host anomalous amounts of bismuth which geo-chemically ties them to the historic Hunker Hill workings. This could indicate the north south granite contact is cut by the Bunker Hill east west structure. The Blue vein, Molly Trench area is on the east contact zone of the granite while the Bunker Hill workings are in the footwall of the granites west contact.

The reconnaissance soil program did not provide any definitive results though a subtle signature may suggest the potential for continuation of the Bunker Hill structure.

3.00 CONCLUSION

The soil sampling was done at 20-meter intervals, approximately 20 cm deep with material being collected from the "B" horizon. I would recommend that where the existing subtle geochemistry signature exists at station BHI 25 and BHI 29 a soil profile pit be dug and horizon sampling done. This may help to determine a better sampling medium.

It is also evident that the patchy nature of vugs and mineralization within white quartz veins will require that a more intensive sampling program be contemplated.

The opportunity for finding more structurally controlled quartz vein mineralization within the extension of the Bunker Hill vein system has to be considered positive.

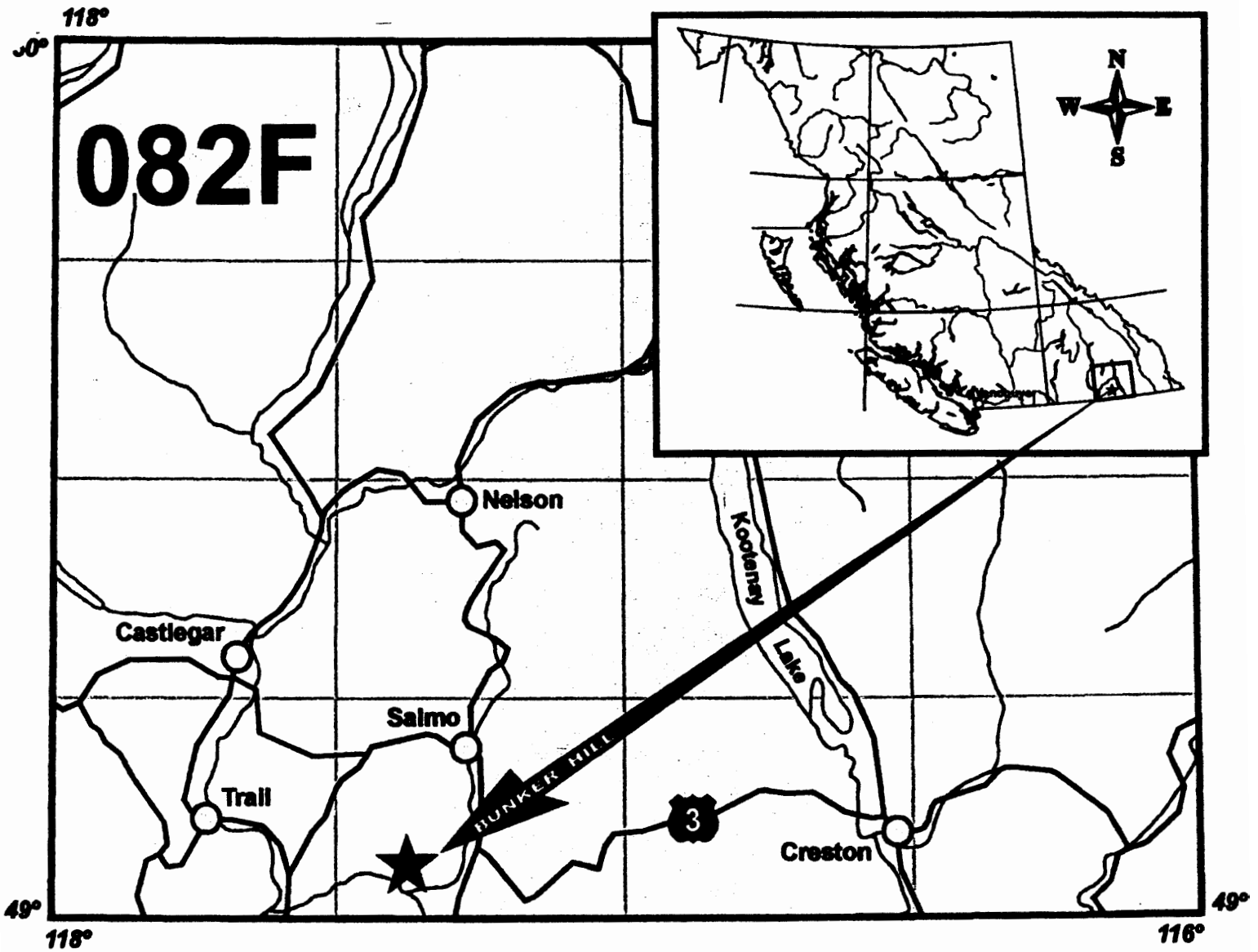


Figure 1: Regional location map.

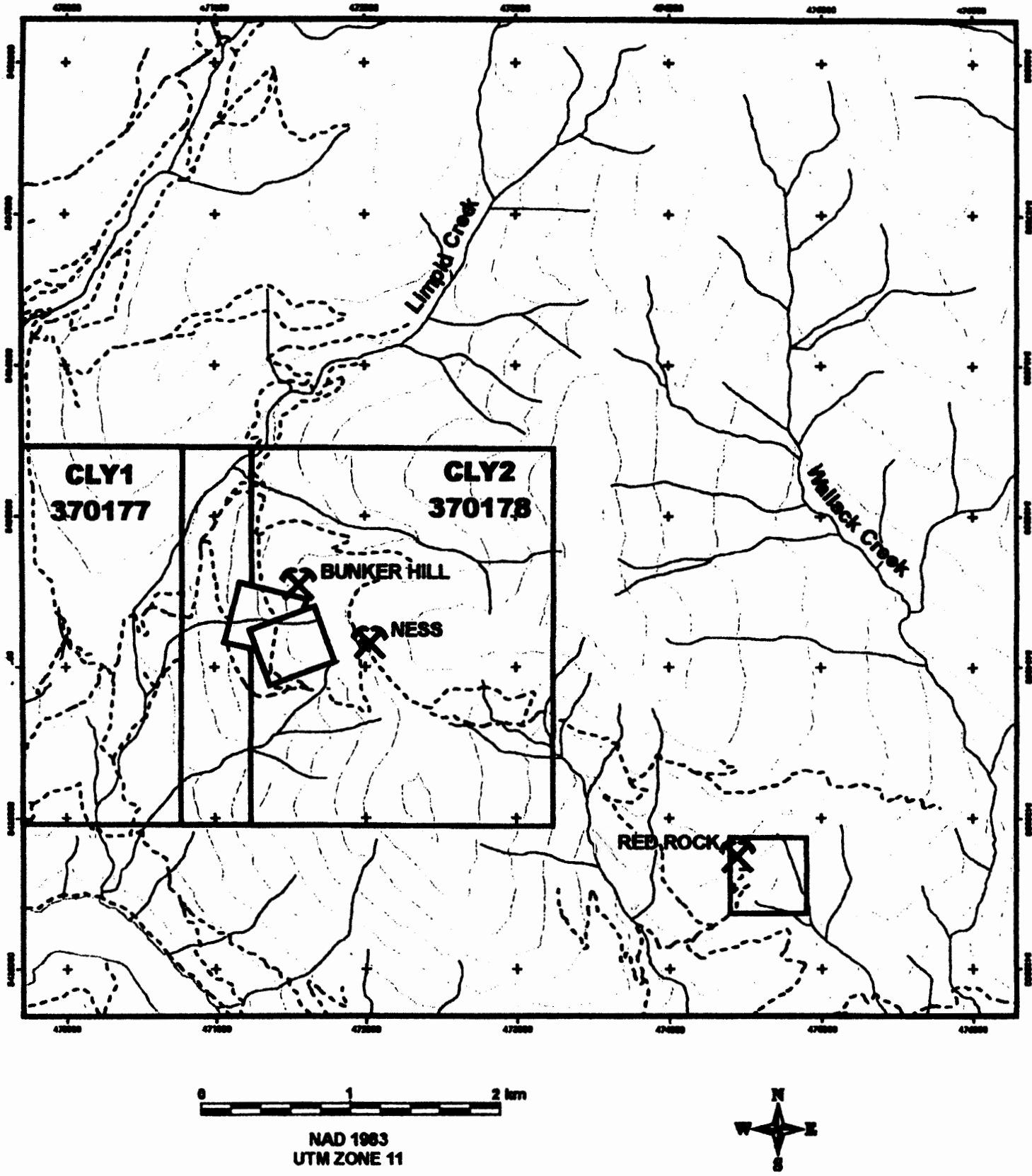


Figure 2: Map showing location of claim area.

4.00 Statement of Costs

Rock & Soil Program
CLY Property
Work Performed June 2004

Prospecting Contractors: Craig Kennedy, Kimberley BC
Sara Kennedy, Kimberley BC

Craig Kennedy	6 days @ \$450.00/day – (includes camp and 4x4 vehicle)	\$2700.00
Sara Kennedy	6 days @ \$100.00/day –	600.00
Report	2 days @ \$400.00/day - (includes typing, drafting, and supplies)	800.00
Rock Samples	49 @ \$18.00/sample -	882.00
Soil Samples	48 @ \$18.00/sample-	864.00
	<i>Total Cost-</i>	<u>\$5846.00</u>

5.00 Authors Qualifications

As author of this report I, Craig Kennedy, certify that:

- 1) I am an independent consulting prospector residing at 2290 DeWolfe Avenue, Kimberley BC.
- 2) I have been actively prospecting in the East and West Kootenays district of BC for the past 27 years and have made my living prospecting for the past 15 years.
- 3) Individuals, Juniors, and Major mining companies have employed me.
- 4) I have created and optioned numerous grass roots mineral exploration properties.

Craig Kennedy



Prospector

Appendix 1. Description of Rock Samples

Sample Number	Description
BHCK-03	Altered granite. Some limonite stains and cubes, Fe solution fronts. Outcrop shows some signs of narrow flat quartz vein sheeting.
BHCK-04	Narrow white quartz vein in limonite. Altered granite. Mn also. 15m north of 03.
BHCH 05	3 m NW of 04. Small piece of iron. Altered granite an orange quartz.
BHCK-06	Rusty quartz vein. Limonite and pyrite. Some black flat slickenside.
BHCK-07	Quartz veins with Fe stain. Some limonite in granite.
BHCK-08	Float granite with quartz. Some Fe stain and limonite – basically NS trend on granite.
BHCK-09	Float rusty granite with quartz. Some limonite stain and Mn.
BHCK-10	Maybe material out of old trench just above. Quartz, granite and breccia float. Some yellow oxide. Odd grain of pyrite and grey sulphides? Vugs
BHCK-11	By 10, a little more intense alteration of quartz with limonite and hematite alteration. Granite – 1 cm. Vuggy limonite quartz.
BHCK-12	Narrow quartz vein. Most are white; this has a little vug of limonite stain in altered granite.
BHCK-13	Altered granite with some grey quartz. Lots of limonite alteration.
BHCK-14	Quartzite with quartz and weak Fe.
BHCK-15	Altered quartzite vugs with limonite and quartz veining. Quartzite beds take up hydrothermal solutions.
BHCK-16	Interbedded limestone argillite with quartzite and siltstone. Lots of pyrite blackish rock.
BHCK-17	Similar to above.
BHCK-18	Narrow limonite, rich quartz vein. Crosscutting thin bedded quartzite. Rusty.
BHCK-19	Skarn sub crop. Garnet and green epidote? Patches of fine grain sulphides.
BHCK-20	Old trench by 19. Same as 19
BHCK-21	Blacker rock, by skarn. Lots of mica and sulphides.
BHCK-22	Quartz with iron staining 1m wide quartz vein. N10E dip 30W. Weak iron staining. Some vugs.
BHCK-23	Along contour 15 m from 22. Sub crop quartz float
BHCK-24	Same vein as 22? Strike N 33 E dips 50 E. 1 m wide.
BHCK-25	Quartz with altered granite 5m east of 24. Some limonite and yellow stain.
BHCK-26	5m west of 27. Quartz with some limonite.
BHCK-27	Quartz sub crop by granite contact. Same looking quartz.
BHCK-28	Quartz - Some vugs and yellow oxide.
BHCK-29	Same looking Quartz as above in sedimentary rock.
BHCK-30	Quartz float. Cut bank of main road, upper switchback. Probably coming out near contact. Lots of small pieces.
BHCK-31	Quartz float angular. Some vugs. Limonite.

- BHCK-32 Same area as 31. More chlorite and breccia. Quartz vugs and limonite. Close source?
- BHCK-33 Whitish alteration, quartzite. Narrow limonite slip. Some quartz
- BHCK-34 Silicified boudin in pelite. Like 33 Py/Po, rare Cu Py.
- BHCK-35 Quartz boudin. Vuggy, some limonite by tuff?
- BHCK-36 Granite sub crop and quartz vein. Some Fe stain. Slight alteration
- BHCK-37 Altered limonite. Granite with some micro veins.
- BHCK-38 Same area and same as 37.
- BHCK-39 Same as above.
- BHCK-40 Quartz and pyrite in dump. Brown alteration.
- BHCK-41 Same as 40, but more limonite vugs
- BHCK-42 Black graphite. Argillite shale. Narrow veins with limonite.
- BHCK-43 1.2 m wide vein. Narrow zone with Pbs and Py
- BHCK-44 Lefebre skarn quartzite and breccia. Unsampled trench
- BHCK-45 Below upper branch road to power line. Sub crop in old trench. Black and grey graphite. Argillite quartz ribbons.
- BHCK-46 Quartz material with limonite at base of trench in small creek.
- BHCK-47 Limey black grey argillite
- BHCK-48 Sub crop granite by 47. Contact area. Some limonite and Mn. Not too exciting.
- BHCK-49 Limonite rich alteration in granite. No veining noticed.
- CKBH-01 Altered quartzite with quartz veins, pyrite, Pb and Zns.
- CKBH-02 3m SE on zone - same as 01.



SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm	Au* ppb
BHCK-36	1	6	<3	3	<.3	4	<1	72	.41	4	<8	<2	8	2	<.5	<3	<3	1	.03	.006	16	<1	.01	17	<.01	<3	.15	.03	.10	3	2.1
BHCK-37	<1	7	8	13	<.3	3	1	220	.78	<2	<8	<2	14	4	<.5	<3	<3	3	.03	.012	24	<1	.08	37	<.01	<3	.39	.05	.14	<2	1.7
BHCK-38	<1	11	43	11	<.3	5	1	372	.47	<2	<8	<2	9	3	<.5	<3	<3	1	.01	.006	14	<1	.02	29	<.01	<3	.19	.02	.10	<2	1.0
BHCK-39	<1	3	18	8	<.3	4	1	406	.36	3	<8	<2	15	3	<.5	<3	<3	1	.02	.006	17	<1	.01	36	<.01	3	.16	.05	.09	<2	4.6
BHCK-40	1	6	54	13	1.7	20	24	1603	7.28	108	<8	<2	<2	544	.5	<3	<3	5	5.34	.020	1	7	2.27	57	<.01	7	.09	.01	.07	<2	1524.6
BHCK-41	6	16	34	91	1.2	42	32	1218	5.47	83	<8	<2	2	28	2.7	<3	<3	18	.18	.078	7	15	.03	130	<.01	5	.16	<.01	.12	3	2282.9
BHCK-42	2	13	563	110	2.7	7	<1	76	1.43	37	<8	<2	2	12	.7	<3	<3	3	.02	.045	9	4	.01	98	<.01	5	.12	<.01	.08	3	45.0
BHCK-43	373	5	>10000	820	>100	2	<1	69	.75	27	<8	<2	<2	5	15.9	100	42	<1	.04	.013	<1	<1	.02	5	<.01	<3	.02	<.01	<.01	2	83.2
BHCK-44	8	7	233	4	1.2	3	<1	115	1.17	2	<8	<2	<2	1	<.5	<3	8	1	.01	.011	3	<1	.01	11	<.01	7	.11	.01	.06	13	68.0
BHCK-45	6	7	257	46	1.2	27	3	258	3.10	5	<8	<2	8	7	<.5	<3	<3	20	.08	.041	20	27	.82	32	<.01	<3	1.35	.03	.12	<2	1.8
BHCK-46	4	22	23	53	.3	22	3	170	2.98	13	<8	<2	4	5	<.5	<3	<3	7	.04	.033	10	12	.05	17	<.01	6	.25	.04	.03	2	4.7
BHCK-47	<1	18	20	24	<.3	16	8	876	1.77	2	<8	<2	6	694	<.5	<3	<3	15	19.65	.049	8	22	.36	22	.06	3	2.27	.20	.11	<2	.9
RE BHCK-47	<1	18	19	25	.3	16	8	878	1.79	2	<8	<2	7	695	.5	<3	<3	14	19.74	.050	8	22	.36	22	.05	5	2.26	.20	.11	<2	1.4
BHCK-48	2	3	26	18	<.3	3	1	334	.72	5	<8	<2	14	9	<.5	<3	<3	4	.19	.017	29	<1	.07	55	<.01	<3	.41	.04	.14	<2	.8
BHCK-49	3	7	10	1	.8	1	30	29	3.90	<2	<8	<2	<2	6	<.5	<3	<3	<1	.10	.001	3	1	.01	40	<.01	6	.22	.05	.16	<2	1.2
STANDARD DS5/AU-R	13	145	25	137	.4	26	12	779	3.05	20	<8	<2	3	47	5.8	4	6	62	.76	.097	12	195	.71	144	.11	17	2.07	.04	.15	5	451.8

Sample type: ROCK R150 60C. Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

GEOCHEMICAL ANALYSIS CERTIFICATE



Kootenay Gold Corp. File # A402924 Page 1
156 Bay View Drive Southw, Calgary AB T2V 3N8 Submitted by: Tom Kennedy

Table with columns for elements (Mo, Cu, Pb, Zn, Ag, Ni, Co, Mn, Fe, As, U, Au, Th, Sr, Cd, Sb, Bi, V, Ca, P, La, Cr, Mg, Ba, Ti, B, Al, Na, K, W, Hg, Sc, Tl, S, Ga, Se) and rows for samples (BHI-01 to BHI-33) and a STANDARD DS5 row. Values are listed in ppm or %.

GROUP 10X - 15.0 GM SAMPLE LEACHED WITH 90 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 300 ML, ANALYSED BY ICP-MS.
(>) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT AU SOLUBILITY.
- SAMPLE TYPE: SOIL S580 60C Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

Data FA DATE RECEIVED: JUN 22 2004 DATE REPORT MAILED: July 4/04





SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Hg	Sc	Tl	S	Ga	Se
	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppb	ppm	ppm	ppm	ppm	ppm	ppm	%	%	ppm	ppm	%	ppm	%	%	%	%	%	ppm	ppm	ppm	ppm	%	ppm	ppm
G-1	1.2	2.3	2.1	39	<.1	4.3	4.0	516	1.86	<.5	2.0	<.5	4.0	81	<.1	<.1	.1	40	.56	.081	9	48.5	.52	215	.115	1	.88	.090	.44	.4	<.01	2.1	.3	<.05	4	<.5
BHI-34	1.0	28.3	20.4	132	.2	40.4	13.0	1485	3.03	15.0	1.2	1.3	4.2	25	.3	.4	.5	48	.28	.174	14	26.7	.47	191	.128	2	3.81	.021	.12	.6	.05	3.4	.2	<.05	9	<.5
BHI-35	1.0	16.3	16.8	125	.2	37.5	9.8	1395	2.62	10.6	.8	1.2	3.3	29	.2	.6	.4	43	.36	.096	10	21.9	.33	205	.133	2	3.14	.023	.09	.5	.04	2.5	.2	<.05	9	.5
BHI-36	.8	18.2	22.6	171	.2	41.2	12.6	2680	2.83	14.9	.6	1.8	2.9	19	.5	.3	.5	43	.18	.186	9	25.9	.43	204	.101	1	2.63	.017	.08	.6	.03	2.2	.2	<.05	9	<.5
BHI-37	1.0	27.5	21.3	116	.2	51.6	14.6	506	3.24	13.8	1.0	5.1	5.4	23	.2	.6	.5	54	.28	.074	11	35.5	.63	145	.130	1	3.45	.019	.10	.9	.03	2.9	.1	<.05	9	<.5
BHI-38	.9	31.2	19.3	109	.2	52.3	15.2	736	3.32	13.4	1.1	14.8	5.6	22	.3	.7	.5	57	.27	.078	14	35.9	.60	172	.132	1	3.21	.017	.10	.8	.04	3.5	.2	<.05	9	<.5
BHI-39	1.0	23.1	28.0	102	.2	41.5	12.8	845	2.69	10.5	.8	2.5	4.0	26	.4	.7	.5	44	.27	.091	10	26.3	.49	177	.105	1	3.04	.015	.10	.7	.04	2.4	.1	<.05	8	<.5
BHI-40	.9	16.0	23.9	143	.2	26.3	11.5	1526	2.68	16.3	.6	2.9	2.5	19	.4	.9	.5	43	.20	.286	8	22.6	.32	248	.106	1	2.67	.015	.08	.5	.07	2.0	.1	<.05	9	<.5
BHI-41	.9	28.3	23.6	112	.2	42.4	13.6	1115	3.08	11.2	1.0	2.0	3.5	24	.4	.8	.4	52	.25	.099	13	31.5	.56	189	.115	1	3.07	.016	.09	.3	.05	3.1	.2	<.05	9	.5
BHI-42	.8	19.9	15.0	94	.2	35.0	11.2	977	2.67	10.1	.7	.8	3.2	22	.2	.5	.4	46	.23	.125	10	27.5	.46	148	.113	1	3.28	.017	.10	.3	.04	2.4	.1	<.05	8	<.5
BHI-43	.8	22.4	15.6	108	.2	38.2	13.7	861	3.01	9.3	.8	1.3	3.8	20	.2	.7	.4	57	.23	.125	12	35.6	.63	150	.115	2	3.12	.017	.11	.3	.04	3.1	.2	<.05	8	<.5
BHI-44	.8	33.4	16.8	137	.2	41.7	17.6	2243	3.51	9.6	1.4	1.4	3.0	26	.4	.6	.4	62	.46	.150	13	42.6	.63	168	.102	1	2.78	.013	.11	.3	.05	3.2	.2	<.05	9	.5
BHI-45	.8	29.3	16.0	136	.3	41.6	16.2	1237	3.26	11.6	1.3	1.1	3.4	19	.4	.6	.4	53	.20	.242	12	33.4	.62	190	.105	1	3.21	.015	.11	.3	.04	3.0	.2	<.05	9	.6
RE BHI-45	.8	28.2	15.1	136	.2	39.8	16.4	1193	3.14	11.3	1.2	1.4	3.4	18	.5	.5	.4	53	.18	.217	12	32.9	.57	182	.100	1	2.98	.014	.11	.3	.04	2.8	.2	<.05	9	.5
BHR-1	1.6	50.8	23.2	223	.1	45.1	21.1	4059	3.58	12.3	1.4	2.0	5.3	25	.5	.9	.7	48	.21	.159	14	28.2	.51	251	.126	2	3.92	.020	.12	.3	.06	3.7	.3	<.05	12	.6
BHR-2	.9	32.0	22.6	200	.2	35.5	13.6	2326	2.91	11.2	1.3	1.0	4.5	22	.4	.7	.5	37	.19	.183	10	16.9	.33	216	.133	2	4.15	.022	.09	.2	.06	3.0	.2	<.05	11	.6
BHR-3	1.0	34.1	19.3	150	.1	38.7	14.7	2054	3.05	13.1	1.2	.9	4.5	20	.3	.6	.4	40	.19	.245	9	23.8	.52	241	.129	1	4.17	.015	.11	.2	.07	3.1	.2	<.05	11	.6
STANDARD	12.4	141.3	23.0	140	.3	25.8	11.9	797	3.06	17.9	6.2	44.0	2.8	46	5.4	3.8	6.2	67	.77	.096	12	194.2	.71	146	.105	16	2.07	.036	.16	4.8	.18	3.7	1.1	<.05	7	5.0

Standard is STANDARD DS5. Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.



LEGEND - ROCK - SOIL GEO-CHEM
 (SEE APPROPRIATE)
 Rock Samples O to 49 (40 ppb) - Sample Sheet
 Soil Samples O to 100 (100 ppb) - Sample Sheet
 Base Soil O to 100 (100 ppb) - Sample Sheet
 Note: Rock sample locations are 1/2 mile
 Rock Sample O to 100 - Collected for analysis
 1:5000