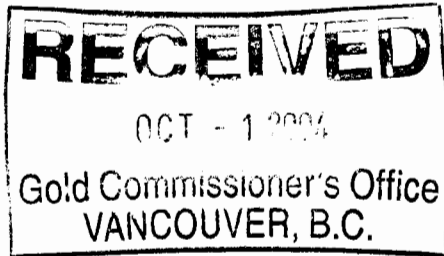


GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT



27,523

2004 Diamond Drilling Assessment Report
on the
Rainbow Property

Located in the Afton Area
Kamloops Mining District, British Columbia, Canada

NTS 92I/9

58° 38' North Latitude
120° 28' West Longitude

Abacus Mining and Exploration Corp.
Vancouver, B.C.

-prepared by-
PAMICON DEVELOPMENTS LTD.
R. Darney, P.Geo.

September 2004

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1.0 Summary

The Rainbow property and adjoining claims consist of 36 contiguous mineral claims (218 units) for a total property area of approximately 3780 hectares. It is located within the southwestern corner of the city of Kamloops, British Columbia in an area bounded by Highway 5 (Coquihalla) to the west, Highway 1 (Trans Canada) to the north, and the old Lac Le Jeune road to the east. Access into the property is excellent from the Lac Le Jeune road. The claims cover an area of gently rolling topography with elevations ranging from 800 metres to 1130 metres above sea level (Sugarloaf Hill). The climate is dry with cool to cold winters and warm to hot summers.

Regionally, the geology is dominated by the northwest trending, Lower-Jurassic Iron Mask Batholith, an alkaline intrusive, 20 kilometres long by 5 kilometres wide, that has intruded Upper Triassic Nicola Group rocks. The Iron Mask Batholith has been subdivided by Snyder and Russell (1993) into the Pothook, Cherry Creek, and Sugarloaf phases. A fourth unit, the Hybrid Unit, represents a variable assimilation of country rocks by the Pothook phase. Texturally distinct diorites, monzonites and monzodiorites make up the majority of these intrusive rocks. Near the batholith, the Nicola rocks are dominantly represented by basaltic to andesitic flows and flow breccias, light green massive tuffs and bedded ash to lapilli tuffs which are often foliated near the contact. Stratigraphically above the Nicola Group rocks is a restricted sequence of ultramafic volcanic rocks that outcrop west of the Iron Mask Batholith near Jacko Lake and north of Kamloops Lake (Snyder and Russell, 1994). These rocks have been correlated with serpentinized picritic basalts that occur as wedges caught up in fault zones within the batholith.

The Rainbow property is underlain by the Iron Mask Batholith to the north and Nicola Group rocks to the south. The Iron Mask Batholith is represented on the property by the Pothook, Hybrid and Sugarloaf phases; the latter of which has intruded along a northwest trending structural zone and separates Nicola Group rocks from Pothook phase rocks.

Wedges or slices of picritic basalts and Nicola Group rocks have been entrained within a structural zone at the contact of the Sugarloaf and Pothook phases. The picritic basalts are often serpentinized but can be recognized by the presence of relict olivine. The presence of slices of country rock within the batholith helps define the structural corridors that host the copper-gold mineralization.

The main northwesterly trending structural corridor on the Rainbow property, locally known as the Leemac Fault (Dawson, 1993 and Timmins, 1980); or by others as the Sugarloaf Fault or Sugarloaf Structure, is cut by a number of northeasterly trending, left lateral block faults defined by the displacement of mineralized zones within the corridor.

Intense albitization and moderate K-feldspar alteration is common within the structural corridor, often, but not exclusively near mineralization. Additional alteration minerals include epidote, sericite, pyrite, carbonate, garnet, biotite and chlorite.

All significant mineralization and deposits in the Afton area are hosted in younger phases of the batholith (Sugarloaf and Cherry Creek) where they are in contact with the older Pothook phase. Higher-grade copper-gold mineralization is associated with fault breccias associated with the contact of the older and younger phases. The most common ore minerals are chalcopyrite and lesser bornite. Copper carbonates and native copper are important minerals in supergene zones developed over some of the deposits, such as the Afton deposit—where chalcocite was also very common. Minor molybdenite is found in most of the deposits along fractures. Gold and platinum group elements (PGE's) are present in minor amounts, likely occurring with the sulphide minerals. Native gold has also been found in diamond drill core at Rainbow.

Four zones of significant mineralization have been discovered on the Rainbow property by previous operators. The Nos. 1, 2, 22, and 17 Zones are all similar in geological setting and located within the same northwest-trending structural corridor. Mineralization is primarily concentrated in highly fractured sections of the Sugarloaf and Hybrid phases of the batholith as well as picrites of the Nicola group. It occurs in veins, fracture fillings, blebs and disseminations and is characterized by chalcopyrite with lesser bornite and trace molybdenite. Pyrite content rarely exceeds five percent.

Of the four significant mineralized zones, the No. 2 Zone has been the most intensively explored. Low-grade copper-gold mineralization has been traced over a northwesterly strike length of 350 metres and a width of 200 metres. It has very steep dips, but because of the disseminated nature of the zone, exact orientation is not clear. Within this broader zone of low-grade mineralization, is a higher-grade, pipe-shaped breccia core measuring approximately 200 metres by 75 metres which is open at depth. The breccia zone is defined by a region of more intense fracturing and assay boundaries; thus, the exact orientation of the mineralized fractures is still uncertain. Further work is needed to fully understand the complexity of the mineralized fracture system. Open pit Reserve estimates by previous workers have ranged from 24,329,065 tons at 0.50% Cu (Sheppard, 1976) to 18,687,000 tons at 0.58% Cu (Kerr, 1977)¹.

The No. 22 Zone is located 125 metres southeast of the No. 2 Zone and was thought to be its faulted offset. The No. 22 Zone is named after drill hole R95-22 that intersected 57 metres of 1.06% copper, 0.27 g/t gold and 1.04 g/t palladium. However, following the 2004 drilling by Abacus, it appears that the No. 2 and 22 Zones form one continuous zone of mineralization. The mineralization intersected in hole R95-22 and R-04-47 is somewhat different than that found in the No. 2 Zone, as it appears to occur both in Sugarloaf dykes and entrained wedges of Nicola volcanics. Sampling has revealed the No. 22 Zone contains significant and consistent amounts of palladium; however, further

¹Due to a lack of original data and therefore, the inability to reliably verify the data, it is not known whether Sheppard's or Kerr's estimates would conform to the current definitions of resources/ore reserves used in NI 43-101.

work is needed to determine its mode of occurrence within the overall larger copper-gold hydrothermal system.

The No. 17 Zone is located approximately 700 metres southeast of the No. 22 Zone along the same northwest structural trend. It is a blind deposit discovered by Teck Exploration in 1994. The No. 17 Zone is named after hole R94-17 which intersected 17.7 metres of 0.96% copper and 0.10 g/t gold, followed, further down the hole, by 90.9 metres of 0.83% copper and 0.10 g/t gold. Mineralization is primarily fracture controlled but also occurs as disseminations, blebs and veins within altered Sugarloaf rocks. As with the other zones in this area the overall trend appears to be controlled by the northwest trending structural corridor but local fracture orientations are unclear. Further work is needed to determine the size, orientation and tenor of the mineralizing system.

The No. 1 Zone was first discovered in the late 1800's, and drilled in the 1960's and early 1970's but failed to attract much attention since then. It is located 300 metres northwest of the No. 17 Zone and consists of copper-gold veins and breccia zones within Sugarloaf diorite. Drilling in 2004 was not successful in expanding the area of known mineralization, but did encounter an intersection of cobalt bearing massive pyrite.

Drilling in 2004 focused on the No.2 and 22 Zone, but also tested the No.17 Zone and No.1 Zone. The best results were obtained from the No.2 Zone and No.22 Zone where mineralization can now be traced along a combined strike of over 500 metres. Deep drilling on the No.2 Zone has encountered long intersections of mineralization. For example, in previous drilling by Abacus, Hole R-02-006 intersected 299.2 metres grading 0.81 % copper and 0.25 g/t gold including 14.2 metres of 2.33 % copper and 0.99 g/t gold. In 2004, Hole R-04-015 intersected 263.0 metres of 0.40 % copper and 0.13 g/t gold including 33.0 metres of 1.24 % copper and 0.44 g/t gold. Hole R-02-008, in the area of the No.22 Zone, returned values of 1.12 % copper, 0.45 g/t gold and 0.94 g/t palladium over 31.1 metres confirming the presence of high grade palladium values in this part of the system.

2.0 Property Description and Location

The Rainbow property and surrounding claims are located in south-central British Columbia, Canada approximately 14 kilometres southwest of the center of the city of Kamloops (Figure 1). The property, which lies in the extreme southwest portion of the Kamloops city limits, consists of 36 contiguous mineral claims (218 units) for a total property size of approximately 3780 hectares (Figure 2). The center of the Rainbow claims lies close to 50° 37' North Latitude and 120° 27' West Longitude on mineral titles reference map M092I068 (NTS 92I/9) in the Kamloops Mining Division. Table 2.1 lists the claims that comprise the Rainbow property and adjoining claims.



Abacus Mining and Exploration Corp.

Afton Property Location Map

Prepared by:
Pamicon Developments Ltd.

Figure 1

NTS: 921/068

Date: Jan. 2003

Drawn by: s.weekes

Modified: Sept. 2004

Table 2.1
List of Claims

No.	Claim Name	Number of units	Tenure Number	Expiry Date
1	Rainbow S.E.	12	216689	October 31, 2010
2	Rainbow N.E.	6	216688	October 31, 2010
3	Rainbow S.W.	6	216690	October 31, 2010
4	Rainbow N.W.	6	216691	October 31, 2010
5	Ink-1	1	324308	October 31, 2010
6	Ink-2	1	324309	October 31, 2010
7	Ink-3	1	324310	October 31, 2010
8	Ink-4	1	324311	October 31, 2010
9	Ink-5	1	324312	October 31, 2010
10	Ink-6	1	324313	October 31, 2010
11	Jaxd 8	1	320909	October 31, 2010
12	Bill	9	217859	October 31, 2010
13	DCE 1	12	398532	October 31, 2010
14	DCE 2	12	398533	October 31, 2010
15	Wire 1	1	398643	October 31, 2010
16	Wire 2	1	398644	October 31, 2010
17	Wire 3	1	398645	October 31, 2010
18	Wire 4	1	398646	October 31, 2010
19	Hay 17	1	398842	October 31, 2010
20	Hay 18	1	398843	October 31, 2010
21	Cid 1	20	217108	October 31, 2010
22	Cid 2	20	217109	October 31, 2010
23	Cid 3	20	217110	October 31, 2010
24	Cid 4	9	217111	October 31, 2010
25	Cid 5	12	217112	October 31, 2010
26	Karen 1	20	216741	October 31, 2010
27	Karen 2	6	216742	October 31, 2010
28	Karen 3	4	216743	October 31, 2010
29	Karen 4	6	216744	October 31, 2010
30	Ned 1	3	216693	October 31, 2010
31	Ned 2	3	216694	October 31, 2010
32	Ned 3	1	216695	October 31, 2010
33	Ned 4	4	216917	October 31, 2010
34	Amy 2	12	217422	October 31, 2010
35	Rod 4 Fr.	1	216672	October 31, 2010
36	X 16	1	220551	October 31, 2010

On January 17, 2002, Abacus entered into an option agreement to acquire 100% of Teck-Cominco Limited's (Teck-Cominco) 70% interest in the Rainbow property by issuing 150,000 shares in the capital stock in Abacus and meeting the following expenditure schedule.

- \$150,000.00 on or before the first anniversary date
- \$350,000.00 in aggregate on or before the second anniversary date
- \$650,000.00 in aggregate on or before the third anniversary date
- \$1,000,000.00 in aggregate on or before the fourth anniversary date

As of July 28, 2004 Abacus had met the above commitments and has now earned a 100% in the claims.

Teck-Cominco retains the right to back into the project for 65% of their original 70% interest, by bringing any deposit on the property to production. If they elect not to back in, they are entitled to a Net Smelter Return of up to 1.5% of their interest in any deposit put into production.

The Rainbow claims cover an area of private land and surface rights controlled by the Sugarloaf Ranch, which in turn is owned by Teck Cominco.

Abacus has been granted permits from the British Columbia Ministry of Energy and Mines for a limited ground disturbance, surface exploration program diamond drilling in 2004. A reclamation bond of \$2000.00 has also been established in conjunction with the granting of this permit.

3.0 Access, Climate, Infrastructure and Physiography

Main access to the Rainbow property from Kamloops is via the Lac Le Jeune road, which turns south from the Trans Canada Highway some 4 kilometres west of the outskirts of the city. Approximately 4 kilometres from the turn-off, a gravel road leading to the right (west), gives the best access to the center of the claims area. Several other gravel roads also give access to various portions of the property.

The claims cover an area of gently rolling topography, typical of the Interior Plateau of British Columbia. Elevations on the property vary from approximately 800 metres above sea level in both the north and south portions of the claims to 1130 metres on Sugarloaf Hill, the most prominent landform in the west-central area of the property.

The area is typically semi-arid, similar to much of the lower elevation regions of south central British Columbia. Vegetation is sagebrush and bunch grass with locally moderate to heavy stands of jack pine, ponderosa pine and douglas fir trees—especially along the southern and eastern slopes of Sugarloaf Hill. Winters can last from mid-November to April, with temperatures generally averaging just below freezing, but occasionally dipping to the -20's C. Snowfall is normally light. Summers are normally hot (30's C) and dry.

Due to the property's close proximity to Kamloops, there is an abundance of favorable infrastructure nearby. Paved roads and highways and hydro lines pass through the claims. Even though several small lakes and ponds occur within the property boundaries, It is more acceptable to haul water for drilling as they are typically reserved for local ranching needs and/or recreational fishing. Water for any future mining use would have to be pumped from Kamloops Lake, similar to the operation of the old Afton mine.

4.0 History

Exploration in and around the Iron Mask Batholith began in the late 1880's and resulted in the discovery of the nearby underground copper-gold-iron Iron Mask Mine. A small amount of production has also been reported from several other properties in the area during this era.

The first recorded work on the Rainbow property was in 1896 when, according to government records, two 50 foot (15 metres) shafts were sunk on well-mineralized shear zones. Additional pits and trenches indicate that fairly extensive surface exploration was done during that time; however, there was no recorded production from the claims.

No further work was recorded until Huestis Mining Ltd. acquired the ground and completed surface mapping, trenching, and limited diamond drilling in 1958.

During the 1960's several companies carried out exploration, primarily on what was called the No. 1 Zone on the eastern flank of Sugarloaf Hill. Western Beaverlodge Mines Ltd. optioned the claims in 1964 and completed magnetometer and induced polarization geophysical surveys and one diamond drill hole. Under option, Vanco Explorations Ltd. did additional geophysical and geochemical surveys and drilled two core holes in 1966. Balcarra Explorations acquired the property in 1967 and did bulldozer trenching, a geochemical survey and five diamond drill holes.

Following the discovery of the Afton deposit in 1971, exploration in the Iron Mask Batholith became quite intense and much of the batholith was fully staked with claims.

Leemac Mines Ltd. optioned the Rainbow property and began an aggressive program of trenching, geochemical sampling and drilling. It is reported that "at least 8000 feet (2834 metres) of percussion and core drilling in and around the No. 1 Zone" was carried out by Leemac (Dawson 1993).

In 1972, Western Mines Ltd. optioned the property from Leemac and did 19,285 feet (5878 metres) of diamond drilling to further test the No. 1 Zone, as well as a sizeable induced polarization anomaly to the northwest of the No. 1 Zone. This drilling resulted in the discovery of mineralization in what is now known as the No. 2 Zone. Western Mines terminated its option on the claims in mid-1972 and Leemac continued drilling on it's own at the newly discovered zone. Much of this work was poorly documented and few records remain; however it appears that nine holes totaling 4590 feet (1399 metres) were completed in late summer and early fall.

Subsequent drilling by Leemac in late 1972 and early 1973 totaling 17,565 feet (5354 metres) in eighteen holes further delineated the mineralization in the No.2 Zone. An early

1973 resource estimate of 14,584,000 tons grading 0.49% copper was reported (Chisolm, March 1973).²

Getty Mining Pacific Ltd. optioned the property in the summer of 1973 and carried out a program of geological mapping, magnetometer, and induced polarization surveys. A drill program of 19,302 feet (5883 metres) in 47 percussion and 5 reverse circulation holes was completed (Dawson, 1993). In 1974, one diamond drill hole, was drilled to a depth of 313 metres.

In 1975, LMC Resources Ltd. (formerly Leemac Mines Ltd.) sold a 65% interest in the Rainbow Property to Nahatlatch Resources Ltd. In that year, Nahatlatch completed 16 diamond drill holes totaling 19,025 feet (5799 metres) on the No. 2 Zone and subsequently produced a drill indicated resource of 24,329,065 tons grading 0.50% copper (Sheppard, May 1976).³ During July to October of 1976, Nahatlatch engaged the firm of M. Menzies to do a full data review on the Rainbow property, and to compile a detailed study of the drill core. It was during this study that some discrepancies were found in the visual estimates of copper grades versus the assay grades in some of the earlier core intercepts. For this reason, it was recommended that re-sampling of some of the previous drill holes be undertaken (Kerr 1976). In the spring of 1977 Kerr, Dawson and Associates Ltd. conducted a thorough re-sampling program of much of the historic Leemac drill core. In holes with very high assay discrepancies the original assays were disregarded and were replaced by the re-assays; while those holes with assays that showed some reasonable comparison of original to re-assays, were averaged together. A new indicated reserve of 11,157,000 short dry tons grading 0.58% copper, plus an additional inferred tonnage of 7,530,000 tons of similar grade was subsequently calculated (Kerr, June 1977)⁴; with the tonnage loss primarily the result of the re-assaying program. In 1977, Nahatlatch also continued drilling the No. 2 Zone and completed 4 holes totaling 3045 feet (928 metres).

In August 1977, Canadian Superior Exploration Ltd. optioned the property from Nahatlatch and LMC and completed nine percussion holes totaling 1870 feet (570 metres) and two diamond drill holes totaling 1232 feet (376 metres). Several of the percussion holes failed to reach bedrock while the others were likely too shallow to have encountered any significant mineralization.

Nahatlatch and LMC amalgamated in 1979 to form Seadrift Resources Ltd. (Seadrift). Seadrift completed 10 diamond drill holes in 1979 and 8 holes in 1980 for a total of 15,804 feet (4817 metres). Much of this drilling was completed in and around the area of previous holes in the No. 2 Zone. Results confirmed the reserve estimates of Kerr 1977 and indicated that further drilling should be done in the north and west portions of the deposit (Timmins, W.G., 1980).

² Due to a lack of original data and therefore, the inability to reliably verify the data, it is not known whether this resource estimate would comply with the current definitions of resources/ore reserves used in NI 43-101.

³ Ditto

⁴ Ditto.

In 1981, Craigmont Mines Ltd. optioned the property from Seadrift and completed 11 holes totaling 9088 feet (2770 metres) on the No. 2 Zone. Reserves at this time were not considered adequate to support an independent mining operation (Vollo, N., 1981).

Wright Engineers Limited was retained by a consolidated company, Pacific International Resources Ltd. (Pacific International) in 1982, to carry out an evaluation of mining methods on the No. 2 Zone. At that time, open pit mining was ruled out due to high stripping ratios and that underground bulk mining methods would be necessary. For this, an indicated reserve of 4,467,000 tonnes grading 0.66% copper was calculated (Taylor, H.K., 1982)⁵; which also turned out to be uneconomic.

In 1987, Seadrift International Exploration Ltd. (Seadrift International), the successor company to Pacific International explored the northeastern portion of the Rainbow claims with induced polarization, magnetic and VLF electromagnetic surveys. Several anomalies were outlined and in 1988, five diamond holes totaling 2227 feet (679 metres) tested two of the anomalies. Results were not encouraging.

In 1990, Getchell Resources Inc. (Getchell) optioned the property from Deak Resources Corp. (Deak) who by then were in control of the Rainbow claims. The transition from Seadrift International to Deak is not known by the author. In 1993, an induced polarization survey was done over an area southeast of the No. 1 Zone where a data review indicated mineralization might be near surface. A chargeability anomaly was detected southeast of the No. 1 Zone.

In 1993, at the same time that Getchell was doing ground geophysics at Rainbow, the Geological Survey of Canada, funded by Teck Explorations Ltd., carried out an airborne geophysical survey over much of the Iron Mask batholith. This survey included the collection of gamma-ray spectrometric, VLF-EM and aero-magnetic data. Interpretation of this data led to better definition of previously known correlations of structural corridors and mineralization.

Teck subsequently acquired a 70% interest in the Rainbow claims from Getchell later in 1993 and began an aggressive exploration program in 1994, in an attempt to find easily accessible ore to feed the Afton mill. In addition, geochemical and ground induced polarization surveys on the No. 1 and No. 2 Zones were completed and drilling began in the No. 1 Zone area. The initial drilling was widespread, testing both geochemical and geophysical targets. In 1994, thirty-one diamond drill holes totaling 5966 metres were completed in and around the No. 1 Zone and ultimately led to the discovery of the No. 17 Zone. However, Teck concluded that the mineralization was too deep for easy extraction and no further work was done (pers. com., Teck Exploration personnel).

⁵ This estimate was a form of block modelling, from which a "drill indicated reserve" was estimated. Because of the absence of original data, the estimate and classification could not be verified; thus it is unknown whether it would meet the standards required for N.I. 43-101.

In 1995, Teck focused on the No. 2 Zone in an attempt to expand on the known reserves and to test for the mineralization extending to surface. Twenty-seven diamond drill holes were completed in two phases totaling 5985.3 metres. The 1995 drilling was carried out in the area of the historic drilled area and helped to better define the grade and geometry of the zone. Of the few holes drilled off the zone, Hole 95-22 was successful in intersecting significant mineralization in what is now called the No. 22 Zone, which lies southeast of the No. 2 Zone. Teck continued to drill the No. 2 Zone in 1996 with an additional 13 holes totaling 1980.9 metres. Much of this drilling was done along the south boundary of the No. 2 Zone with some holes stepped southeast towards the No. 17 Zone. Results of this program were generally poor, with some narrow scattered intersections. In 1997, six holes were drilled in the No. 2 Zone to define the limits of the higher grade breccia core. The results were very good, and indicated that following the breccia body both along strike and down plunge would offer the best chance of locating possible ore grade mineralization .

Excluding some shallow, pre 1971 Winkie drill holes and the occasional scattered diamond drill hole in the 1960's for which there are no records, it has been calculated there has been a grand total of 54,399 metres of drilling on all zones in the Rainbow property. Table 4.1 is a summary of known drill programs.

Table 4.1
Summary of Previous Drill Holes

Hole Number	Metreage	Year	Company	Reported By
1-15	2743	1971	Leemac	Ramani/ Chisholm
16-32	3140	1972	Western Mines	
201-220	2738	1972	Western Mines	
301-305	648	1972	Leemac	Chisholm 1972
306-309	751	1972	Leemac	Chisholm 1973
401-418	5354	1972/3	Leemac	Chisholm 1973
GP1-47 / R 1-5	5883	1973	Getty	Delane Feb.1974
74-3	313	1974	Getty	Delane Nov. 1974
501-519	5799	1976	Nahatlatch	Kerr 1976
601-604	928	1977	Nahatlatch	Kerr 1977
P77-1-9	570	1977	Canadian Superior	Blanchflower 1978
D77 1-5	376	1977	Canadian Superior	Blanchflower 1978
79-1-10	2791	1979	Seadrift	Timmins 1980
80 -11-18	2026	1980	Seadrift	Timmins 1980
81-20-30	2770	1981	Craigmont	Vollo 1981
SK88 1-5	679	1988	Seadrift Int.	Krause 1988
R94 1-31	5966	1994	Teck	Oliver
R95 1-27	5985	1995	Teck	Internal company
R96 1-13	1981	1996	Teck	Documents
R97 1-6	2958	1997	Teck	
R-02-1-10	3276.81	2002	Abacus	Darney. Weekes.
R-03-11-14		2003	Abacus	Darney 2004
R-04-15-53	14,963.88	2004	Abacus	Darney, Friesen

5.0 Geological Setting

5.1 Regional Geology

The following summary of the regional geology is based on the work by Snyder and Russell (1993) and incorporates work by Kwong (1987), Northcote (1977), Preto (1967), Cockfield (1948) and Mathews (1941).

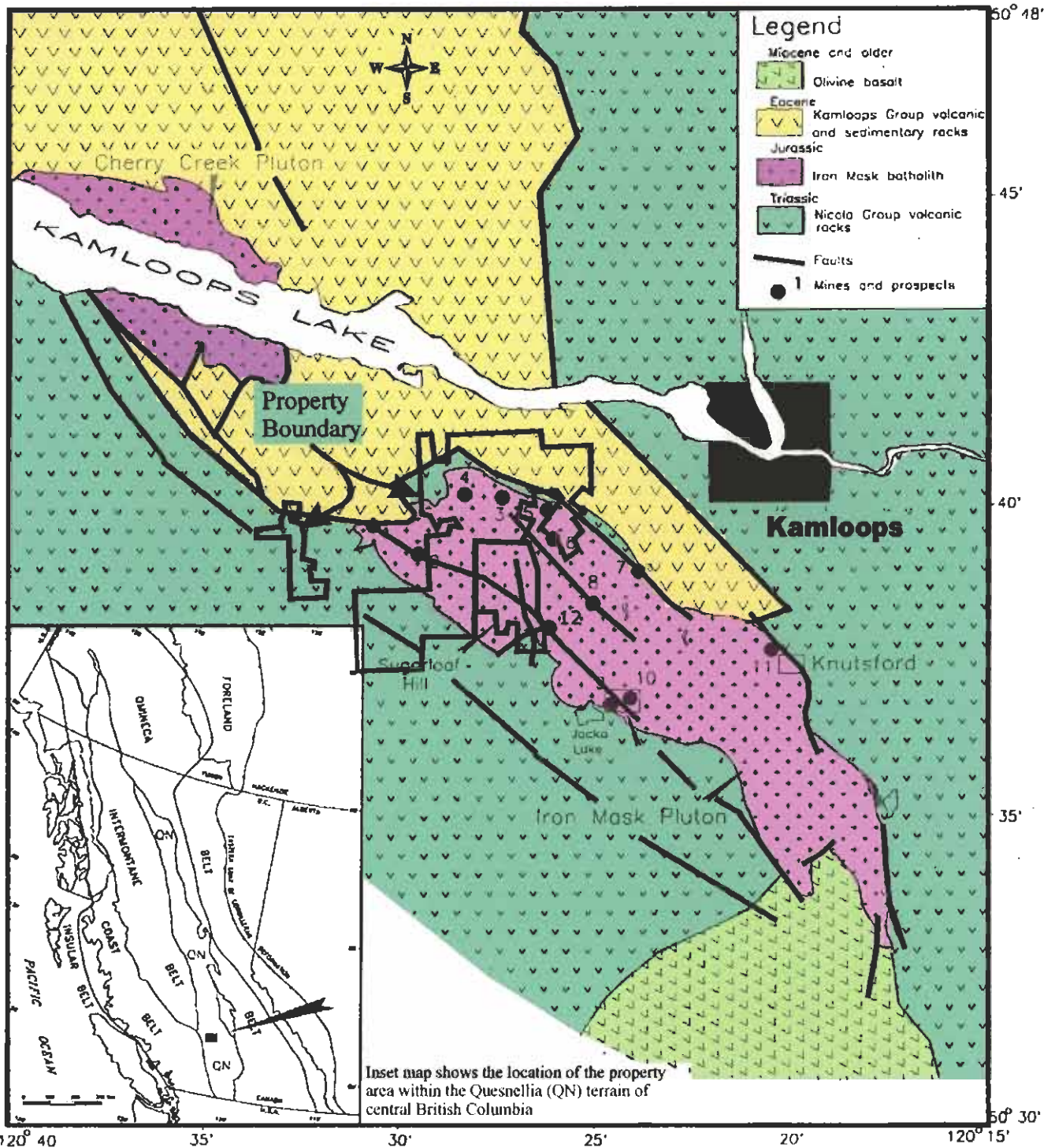
The map area is dominated by the northwest-southeast trending, Lower Jurassic Iron Mask batholith (Figure 3). The oldest recognized rocks in the map area are Upper Triassic Nicola Group rocks. This package consists of an extensive, thick sequence of mafic to intermediate volcanics, volcanoclastics and related sedimentary rocks. Adjacent to the Iron Mask batholith, the Nicola Group rocks are characterized by basaltic to andesitic clinopyroxene phyric flows and flow breccias, light green massive tuffs and bedded ash to lapilli tuffs. Nicola Group rocks are often foliated near the contact with the Iron Mask batholith and may contain minor copper mineralization.

Situated stratigraphically above the Nicola Group rocks is a restricted sequence of ultramafic volcanic rocks that outcrop west of the Iron Mask batholith near Jacko Lake and north of Kamloops Lake (Snyder and Russell, 1994). These rocks have been correlated with serpentinized picritic basalts that occur as wedges caught up in major fault-related structural corridors within the batholith. The most recent interpretation is that the serpentinite occurrences within the Iron Mask batholith represent post Nicola Group, pre-Iron Mask crustal rocks, which were incorporated during emplacement of the batholith (Snyder and Russell, 1995).

The Lower Jurassic Iron Mask batholith is a northwest trending, 5 km by 20 km body, which intrudes the aforementioned Nicola Group volcanic rocks and picritic basalts. The 5 km by 5 km Cherry Creek pluton is located to the north of the batholith and is part of the same intrusive complex. Recent mapping and interpretations by Snyder and Russell (1993) subdivide the Iron Mask batholith into three mappable phases described in the following paragraphs. A fourth mappable unit, the Hybrid unit, represents variable assimilation of Nicola Group rocks by the Pothook phase.

The oldest recognized phase in the batholith is the Pothook diorite. It is typically a medium to coarse-grained, equigranular biotite pyroxene diorite. The unit contains 15-25% euhedral to subhedral clinopyroxene, 5-15% biotite and 5-15% magnetite. Plagioclase is often altered to sericite and K-feldspar veinlets are common where the Pothook is in contact with the Cherry Creek phase. The Hybrid unit is an extremely diverse unit both mineralogically and texturally, and is defined by the incorporation of Nicola Group rocks by the Pothook phase. The Hybrid unit can contain up to 80% angular Nicola Group fragments within an intrusive breccia.

The Cherry Creek phase postdates the Pothook phase and dominates the northern and eastern margins of the batholith (Snyder and Russell, 1995). It has been classified as a

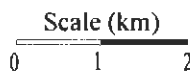


Deposit

Deposit	Name
1	Afton
2	Pothook
3	Crescent
4	DM
5	Big Onion
6	Iron Mask
7	Python
8	Galaxy
9	Ajax West
10	Ajax East
11	Kimberly
12	Rainbow 1,2, 17,22

Note:

Map after Ross K. V., Godwin C. I., Bond L., Dawson K. M., 1995



Abacus Mining and Exploration Corp.

**Afton Project Area
Regional Geology**

Prepared by:
Pamicon Developments Ltd.

Figure 3 NTS: 921/068

Drawn by: s.weekes

Modified Sept. 2004, s.w.

File: regional geology.cdr

monzonite to monzodiorite, but can be mineralogically and texturally very similar to the Pothook phase. In the field, the Cherry Creek rocks often have a distinct pinkish color due to disseminated K-feldspar. This distinguishing characteristic becomes problematic in areas of intense K-feldspar alteration.

The Sugarloaf phase also postdates the Pothook phase and is located along the western margin of the batholith; however, the age relationship between the Sugarloaf and Cherry Creek phases is uncertain. The Sugarloaf phase has been classified as a diorite and is typically fine-grained and porphyritic with abundant hornblende phenocrysts. Albitization is common and can be extremely intense near mineralized zones (Lang and Stanley, 1995).

The youngest rocks in the region are a Tertiary sequence of tuffaceous sandstone, siltstone and shale with flows and agglomerates of basalt and andesite belonging to the Kamloops Group.

Copper-gold mineralization associated with the Cherry Creek and Sugarloaf phases is located throughout the batholith. It is often associated with intense albitization and moderate K-feldspar alteration with original textures and mineralogy often obliterated.

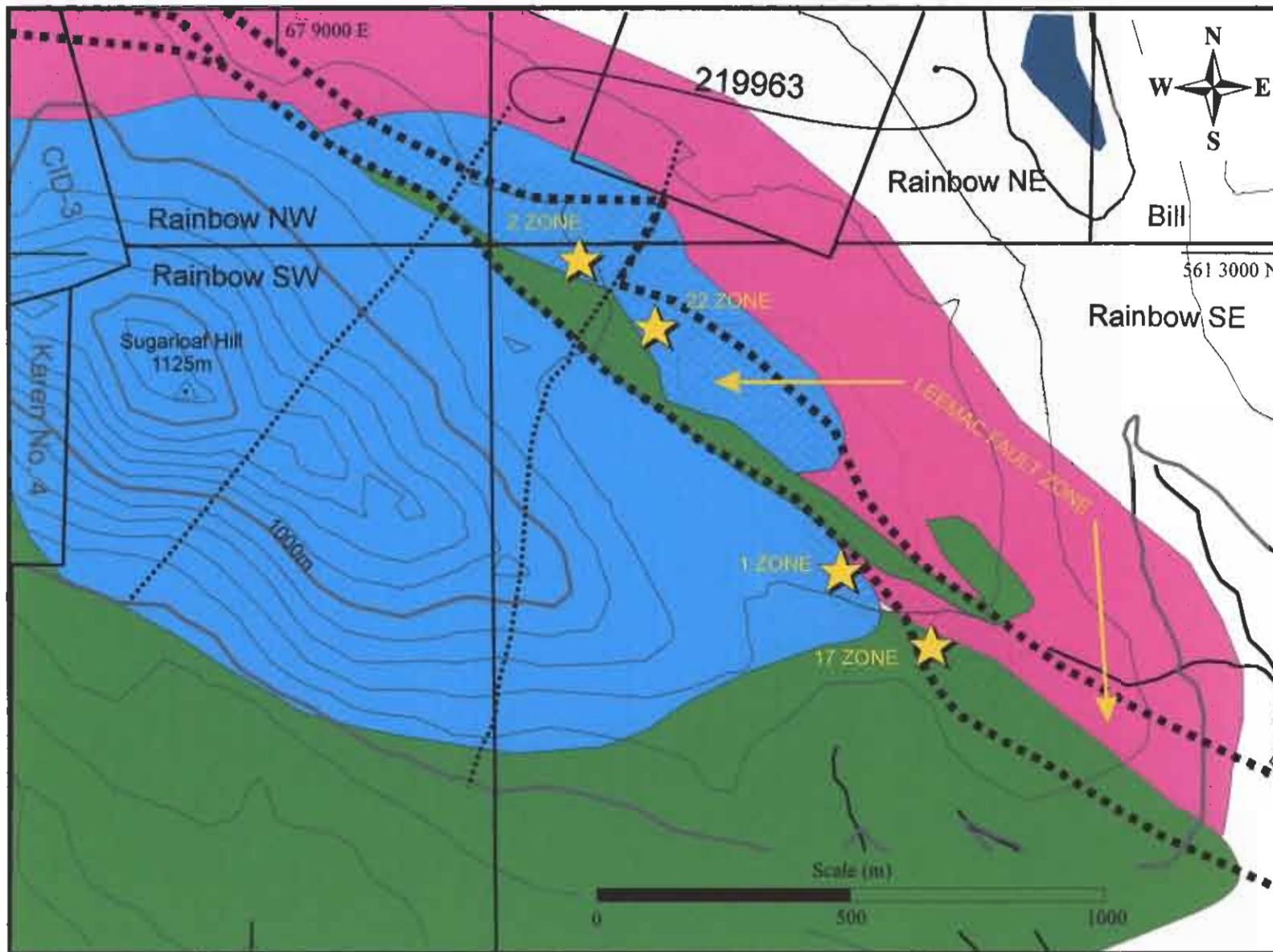
5.2 Property Geology

Outcrop on the Rainbow property is sparse, except for the Sugarloaf Hill area where it is extensive. Surface mapping has been supplemented by extensive diamond drilling in a number of areas on the property. Geophysical induced polarization and magnetometer surveys have also helped define the geology of the area.







The property is underlain by the Iron Mask Batholith to the north and Nicola Group rocks to the south (Figure 4). Iron Mask rocks are represented by the Pothook Hybrid and Sugarloaf phases. Pothook phase rocks are dominated by Hybrid diorites and are therefore quite texturally and mineralogically variable. The Sugarloaf phase has intruded along a northwest trending structural zone (called the Leemac Fault, Sugarloaf Fault, and Sugarloaf Structure by various authors) and separates Nicola Group rocks from Pothook phase rocks. Sugarloaf rocks can be characterized in the field by their hornblende porphyritic texture.

Wedges or slices of picritic basalts and Nicola Group rocks have been entrained within the structural zone at the contact of the Sugarloaf and Pothook phases. The picritic basalts are often serpentinized but can be recognized by the presence of olivine. The presence of slices of this country rock within the batholith helps define the structural corridors that host the copper-gold mineralization.

The main northwesterly trending structural corridor on the Rainbow property is cut by a number of northeasterly trending block faults. This block faulting gives an apparent left



LEGEND

	Sugarloaf Phase		Fault Trace
	Pothook / Hybrid Phase		Leemac Fault Zone
	Nicola Volcanics		
	Area of Known Mineralization		

Abacus Mining and Exploration Corp.

Rainbow Property Geology Plan

Prepared by:
Pamicon Developments Ltd.

Figure 4	NTS: 921/068	Modified June 2003, b f
Drawn by: s. weeks		

lateral movement as defined by the displacement of mineralized zones within the corridor.

Intense albitization and moderate K-feldspar alteration is common within the structural corridor, near mineralization. Additional alteration minerals noted in drill programs are epidote, sericite, pyrite, carbonate, garnet, biotite and chlorite. Further work is needed to define alteration paragenesis.

6.0 Mineralization

To date, four zones of significant mineralization have been discovered on the Rainbow property. All four zones are similar in geological setting and are located within the same northwest trending structural corridor (Figure 4). The following description of the mineralization is based on historic drill log descriptions, and observations of drill core during the recent drilling.

Although there are some differences between the four zones, the style and type of mineralization is very similar. The mineralization is primarily concentrated in highly fractured sections of the Sugarloaf phase of the Iron Mask Batholith. It is characterized by chalcopyrite with lesser bornite and trace molybdenite. Pyrite content is variable but rarely exceeds five percent. Copper mineralization occurs as veins, fracture fillings, blebs, and disseminations. The nature and distribution of associated anomalous gold and palladium mineralization remains uncertain, although there appears to be a close relationship with Nicola volcanic rock especially picrites.

Of the four significant mineralized zones, the No.2 Zone has been the most intensively explored. Low-grade copper-gold mineralization has been traced over a strike length of 350 metres and a width of 200 metres. The overall strike of the zone is northwest-southeast, with very steep dips; but because of the nature of disseminated deposits, the exact orientation is not clear. Within the broader zone of low-grade mineralization, there is a higher-grade breccia core. The breccia core is pipe-shaped and has dimensions of approximately 200 metres by 75 metres, and is open at depth. This breccia zone is defined by a region of more intense fracturing, but has no sharp contacts; thus, the orientation has been defined to a large extent by copper-gold grades (i.e., "assay boundaries"). Although the orientation of the zone is known, the orientation of the mineralized fractures making up the zone is not clear. The only indication comes from the report by Kerr (1977) who stated that most of the mineralized fractures were very steep. Further work is needed to fully understand the complexity of the mineralized fracture system.

Grades within the No.2 Zone are variable as is to be expected in a breccia system. Hole R-02-009, drilled near the center of the breccia core graded 0.89 % copper and 0.24 g/t gold over 170.1 metres including 2.17 % copper and 0.55 g/t gold over 30.5 metres.

8.2.1.1 presents some of the more significant results of the 2004 drilling both within the higher-grade breccia core and the lower-grade halo.

The No.22 Zone, located 125 metres southeast of the No.2 Zone, was originally thought to be its faulted offset, but has now been found to be continuous with the No. 2 zone. The No.22 Zone was named after drill hole R95-22 that intersected 57 metres of 1.06% copper, 0.27 g/t gold and 1.04 g/t palladium. There had been limited drilling in the vicinity of this hole but drilling in 2004 has shown that the mineralization is continuous between the No. 2 and No. 22 zones. The combined strike length of the zones is now over 500 metres.

The significance of anomalous palladium values intersected within the No. 22 Zone is still unclear. Further work is needed to determine how and where palladium occurs within the larger copper-gold hydrothermal system.

The No.17 Zone is located approximately 700 metres southeast of the No.22 Zone along the same structural trend. It is a blind deposit, i.e. no mineralized rocks are exposed at surface, so the zone was named after discovery drill hole R94-17, which intersected 17.7 metres of 0.96% copper and 0.10 g/t gold, and a further 90.9 metres of 0.83% copper and 0.10 g/t gold. Mineralization is primarily fracture controlled but also occurs as disseminations, blebs and veins within altered Sugarloaf rocks. As with the other zones the overall trend appears to be controlled by the aforementioned northwest trending structural corridor but local mineralized fracture orientations are unclear. Trying to correlate between drill holes in an area of no outcrop within complex geology is extremely difficult and the four drill holes in 2004 have not helped to solve the complexity

The No.1 Zone, initially discovered in the late 1890's, was drilled in the 1960's and early 1970's, but has failed to attract much attention since then as the mineralization was thought to have little continuity. It is located 300 metres northwest of the No.17 Zone and consists of copper-gold veins and breccia zones within Sugarloaf rocks (Ramani, 1971; Chisholm 1972).

7.0 Geophysics

During the fall of 2003 sixty-two kilometres of line was cut and surveyed for resistivity and chargeability. See Figure 5 for grid location. Line spacing was 100 metres and station spacing along the lines was 50 metres. S.J. Geophysics Ltd was contracted to complete the survey and S.J.V. Consultants Ltd. was contracted to process the data and provide final maps. The data was processed using a 3D IP inversion model to provide an interpreted three dimensional view of the chargeability and resistivity. The final data was

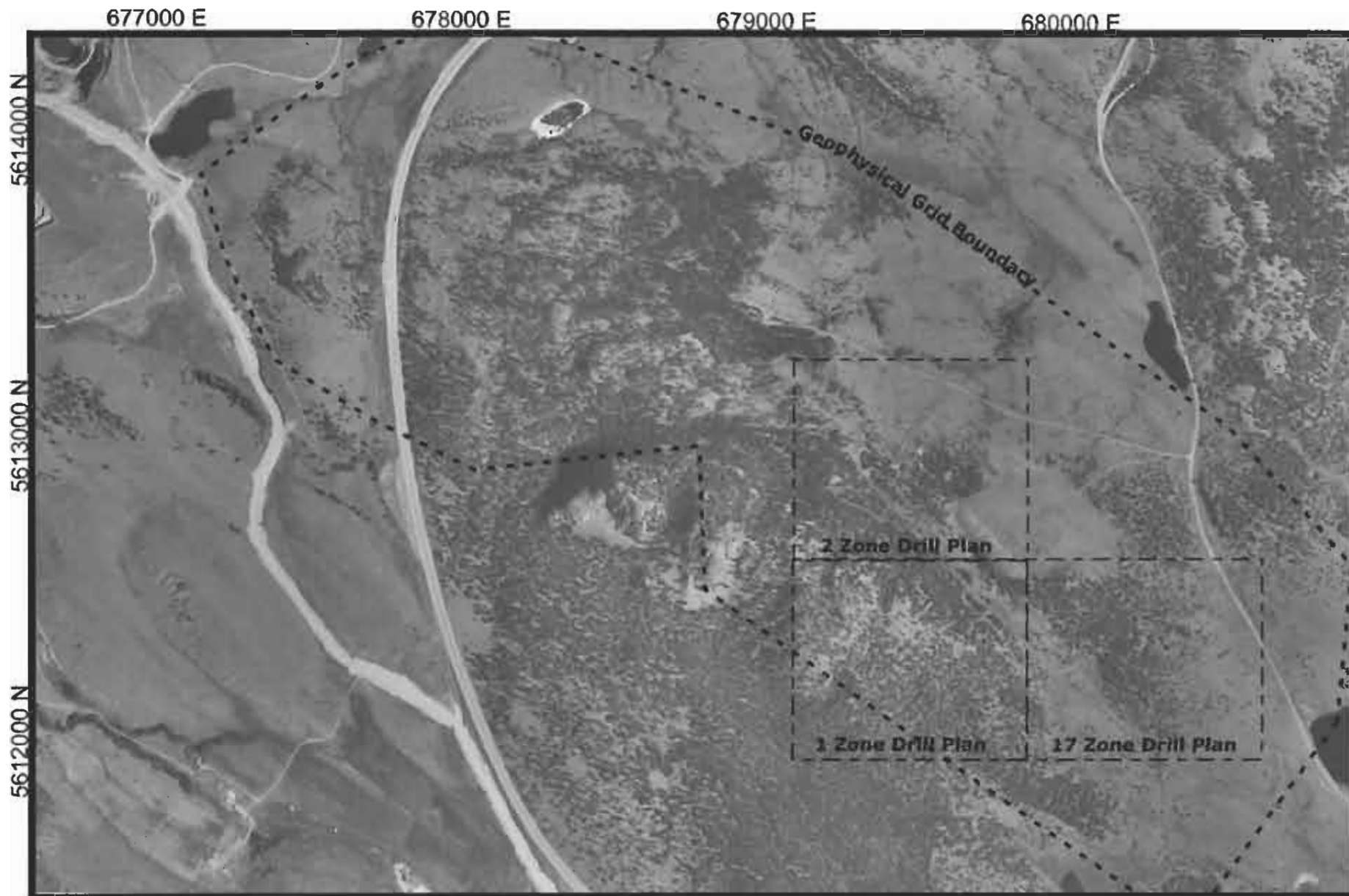
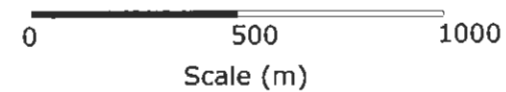


Figure 5
Abacus Mining and Exploration Corp.
Afton Project
Grid Location Map



provided as a set of plan maps at consistent depth below surface as well as gridded data that can be viewed using free software from the University of British Columbia.

The results of the survey indicated a number of cohesive chargeability anomalies that partially correspond with known zones of mineralization (see Figure 6). The largest anomaly encompasses the No.2 Zone, No.22 Zone, No.1 Zone and No.17 Zone. It extends for more than two kilometres in a northwest-southeast direction and over one kilometre in a northeast-southwest direction. A number of smaller anomalies also exist on the property including one that encompasses the known mineralization at the Coquihalla Zone.

8.0 Drilling

8.1 Introduction

Forty three NQ core holes totaling 16,829.1 metres were completed on the Rainbow property during the 2003/2004 program. Table 8.1.1 summarizes the drill hole details. LDS Diamond Drilling Ltd. of Kamloops, B.C. was contracted to do the drilling utilizing a Longyear 38 drill rig. Diamond drill core was transported by truck to a temporary central logging facility on the claims where Pamicon technicians and geologists completed their assessment of it, which included metric conversions, core recoveries, rock quality descriptions (RQD), descriptive logging, sample selection and sampling using a diamond saw. All core was stored in covered racks at this facility. A list of project personnel is in Appendix A and a statement of expenditures is in Appendix B

Core samples were transported by Pamicon personnel directly to Eco Tech Laboratory Ltd. of Kamloops, B.C. for preparation and analysis. All samples were analysed for gold, copper, platinum and palladium. Following the discovery of cobalt at the No. 1 zone ICP was done on all samples. Analytical procedures, diamond drill logs and certificates of analyses may be found in Appendices C, D (volumes 2, 3) and E (volume 4) of this report.

Table 8.1.1
2003-2004 Rainbow Drill Hole Summary

HOLE NUMBER	ZONE	NORTH (UTM)	EAST (UTM)	ELEV. Metres	AZIM. (°s)	INCL. (°s)	DEPTH metres
R-03-011	No. 2	5613097.25	679446.7	951.57	175.0	-66	581.86
R-03-012	No. 2	5613106.0	679405.0		174.0	-58	437.69

R-03-013	No. 2	5613106.0	679294.0	970.0	173.0	-53	374.75
R-03-014	No. 2	5613106.0	679294.0	970.0	177.0	-61.0	470.92
R-04-015	No. 2	5613096.37	679470.43	949.12	177.80	-61.0	584.3
R-04-016	No. 22	562727.71	679591.24	946.06	30.3	-57.5	297.78
R-04-017	No. 22	5612728.57	679591.75	946.06	30.3	-46.0	380.08
R-04-018	No. 2	5612699.35	679486.57	952.53	355.5	-60.0	495.90
R-04-019	No. 1	5612531.0	679639.7	946.63	213.0	-45.0	337.41
R-04-020	No.1	5612531.9	679640.3	946.73	213.1	-67.0	236.82
R-04-021	No. 1	5612638.32	679460.94	952.81	213.1	-45.0	291.69
R-04-022	No. 2	5612690.82	679388.97	959.54	352.14	-64.0	599.54
R-04-023	No.1	5612301.18	679733.46	941.70	292.8	-60.0	355.70
R-04-024	No. 1	5612210.82	679700.77	926.38	294.80	-45.0	212.45
R-04-025	No. 1	5612400.65	679784.47	937.80	293.5	-60	300.84
R-04-026	No. 1	5612464.87	679790.19	937.1	295.3	-45	242.93
R-04-027	No. 17	5612373.90	680209.10	932.3	215.1	-58.85	365.40
R-04-028	No. 17	5612374.13	680209.25	932.07	214.9	-70.0	425.81
R-04-029	No. 1	5612419.63	679633.89	947.24	284.3	-44.8	319.13
R-04-030	No. 1	5612422.70	679635.0	947.10	179.2	-44.9	225.20
R-04-031	No. 1	5612423.3	679635.0	947.0	181.5	-69.1	303.89
R-04-032	No. 1	5612430.4	679761.2	939.6	324.3	-45.0	267.31
R-04-033	No. 1	5612581.3	679864.0	959.8	123.0	-44.4	313.03
R-04-034	No. 1	5612505.1	679306.1	1030.8	113.8	-45.0	265.79
R-04-035	No. 1	5612848.0	679130.8	992.1	213.8	-44.6	316.08
R-04-036	No. 17	5612072.2	680008.0	906.5	033.0	-56.0	122.53
R-04-037	No. 17	5612072.4	680008.2	906.5	034.5	-53.5	303.89
R-04-038	No. 2	5613082.0	679497.2	947.9	173.9	-61.0	526.39
R-04-039	No. 2	5613081.8	679497.2	948.1	174.5	-50.7	465.43
R-04-040	No. 2	5613085.3	679522.0	945.9	175.0	-46.5	452.32
R-04-041	No. 2	5613085.0	679522.0	945.8	175.5	-60.5	605.64

R-04-042	No. 2	5613192.5	679574.4	936.3	142.4	-45.0	492.86
R-04-043	No. 2	5613063.5	679548.5	944.6	174.0	-58.3	636.12
R-04-044	No. 2	5612946.9	679436.4	960.8	000	-90	392.30
R-04-045	No. 22	5613000.5	679581.0	943.6	174.2	-45.8	374.00
R-04-046	No. 22	5613001.0	679581.0	943.6	174.4	-62.4	559.92
R-04-047	No. 22	5612957.2	679636.2	943.6	176.0	-58.7	276.45
R-04-048	No. 22	5612995.0	679682.6	939.4	174.9	-43.9	319.13
R-04-049	No. 22	5612995.5	679682.6	939.4	176.5	-60.3	483.77
R-04-050	No. 2	5613058.0	679222.9	959.4	174.5	-67.4	502.01
R-04-051	No. 2	5613057.5	679222.9	959.4	174.4	-52.4	322.17
R-04-052	No. 2	5613082.6	679166.5	964.2	175.4	-65.4	611.78
R-04-053	No. 2	5613159.3	679182.3	962.0	174.1	-50.0	380.09

8.2 Summary of Results

The 2003/2004 drill program targeted four known mineralized zones on the Rainbow property, the No. 2 Zone, No. 22 Zone, No. 1 Zone and No. 17 Zone. All zones are located along the same northwest-southeast trending structural corridor and are probably related to the same mineralizing event, although, there are some fundamental differences that are discussed in following sections of this report. Table 8.2.1 summarizes the drilling by zone and indicates the focus of the program. Figure 5 shows the location of the three drill hole plan maps, figures 8 to 10.

Table 8.2.1
Drill Holes by Zone

Zone	# Of Drill Holes	Total Metres
No. 2 Zone	18	7066.85
No. 22 Zone	7	2691.13
No.1 Zone	14	3988.27
No.17 Zone	4	1217.63

8.2.1 No. 2 / 22 Zone

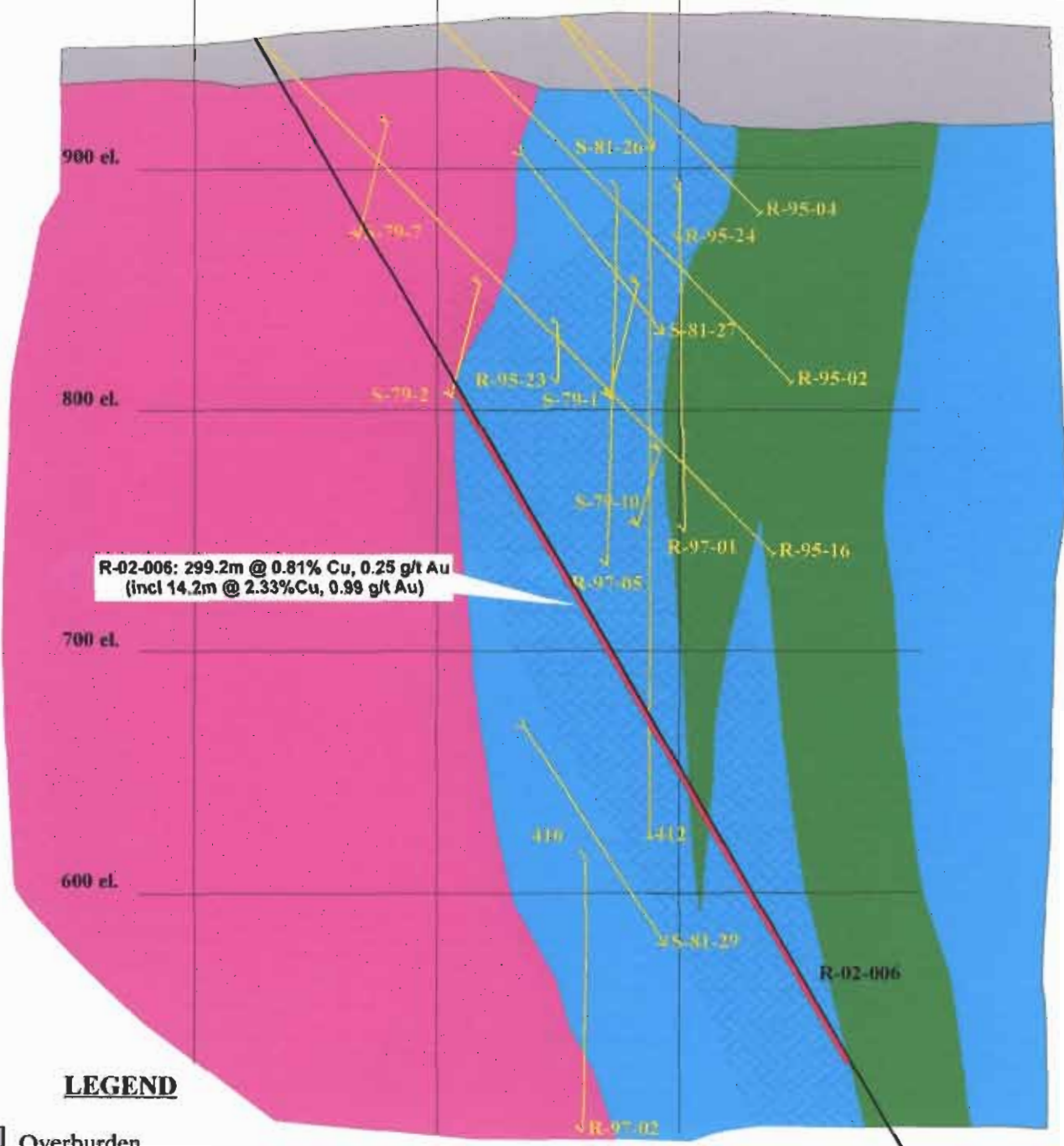
The No. 2 / 22 Zone is the most advanced exploration target on the Rainbow property and is located at or near the contact between Sugarloaf phase diorites, Pothook hybrid rocks and a large wedge of Nicola volcanics thought to have been entrained in the structural corridor created by the north-west trending Leemac fault. Previous operators have outlined a broad zone of low-grade copper and gold mineralization surrounding a much higher-grade core in this area associated with strongly brecciated, albitized and K-spar altered rocks

The historic drilling on the zone had been done in various orientations as companies struggled with the structural interpretation of the area. After reviewing all available data a number of observations and assumptions were made that directly affected the 2002, 2003 and 2004 drill programs by Abacus:

1. The overall trend of the mineralized zone at the No. 2 Zone appeared to be east-west.
2. Although at least three orientations of fracturing had been recognized the most dominant mineralised fracture set is near vertical.
3. A large northerly dipping fault (Leemac fault) was intersected in many holes at the contact between altered intrusive rocks to the north and volcanics to the south. A number of holes drilled from south to north had been lost in this fault.
4. The higher-grade mineralization appears to form a coherent body and had not been very well explored, particularly at depth.

As a result of these observations three holes were drilled in 2002 to test the continuity and depth extent of the higher-grade mineralization within the No. 2 Zone. This work was successful in showing that mineralization was continuing to depth. During the 2004 drilling program holes R-04-18 and 22, drilled south to north were successful in penetrating the Leemac fault. Additional holes were drilled on 25 metres step-outs to the southeast from the 2002 holes on section 75 East. Eleven holes (R-04-15, 38, 39, 40, 41, 43, 45, 46, 47, 48, 49) were drilled between sections 125 E. and 325 E. This drilling has shown that the No. 2 and 22 Zones are one continuous zone. Figure 8 is a plan map of the No. 2 Zone and No. 22 Zone and Figure 7 is a schematic cross section indicating a geological interpretation of the central portion of the zone. Table 8.2.1.1 summarizes some of the more significant results from the 2004 drill holes in the No. 2/22 Zone. Individual assays are recorded on the drill logs.

1000 el. 100N 0N -100N -200N



LEGEND

- Overburden
- Sugarloaf Dykes
- Mineralized Sugarloaf Breccia
- Hybrid Diorite, Pothook Diorite
- Nicola Volcanics, Picrite

Scale (m)

0 50 100

Abacus Mining and Exploration Corp.

Rainbow Property Schematic Cross Section No 2 Zone

Prepared by:
Pamicon Developments Ltd.

Figure 7

NTS: 921/068

Modified Sept. 2004

Drawn by: s.weekes

Table 8.2.1.1
Summary of No. 2/22 Zone Assay Results

Hole Number	From (m)	To (m)	Core Length (m)	Cu (%)	Au (g/t)	Pd (g/t)
R-04-015	204.9	467.9	263.0	0.40	0.13	0.03
Includes	207.9	241.4	33.5	1.24	0.44	0.08
R-04-018	389.0	450.8	61.8	0.51	0.16	0.04
Includes	441.8	450.8	9.0	1.56	0.49	0.05
R-04-044	110.0	252.0	141.0	0.43	0.12	0.02
Includes	111.0	156.0	45.0	0.83	0.23	0.02
R-04-047	194.0	246.0	52.0	0.93	0.41	0.46
Includes	223.0	243.0	20.0	1.24	0.36	0.41
R-04-050	164.5	307.5	143.0	0.54	0.14	0.01
Includes	236.5	249.8	13.3	1.82	0.50	0
And	227.5	306.0	78.5	0.72	0.18	0.01
R-04-051	138.5	169.0	30.50	0.78	0.17	0
Includes	155.0	169.0	14.0	1.34	0.29	0.01

In addition to the holes drilled to the southeast, holes R-04-050 to R-04-053 were drilled on the northwest extension of the No. 2 Zone. All holes intersected wide zones of copper/gold mineralization and indicate that the mineralization is continuing to depth.

In general, the mineralization occurs in a mixed sequence of Hybrid and Sugarloaf intrusive rocks at the contact with Nicola volcanics. The best mineralization in the northwest is hosted by sequences dominated by brecciated and albite/K-spar altered Sugarloaf rocks. However, to the southeast toward and in the vicinity of the No. 22 Zone the mineralization is hosted primarily by Nicola group volcanics with Sugarloaf dykes.

8.2.2 No. 1 Zone

The No. 1 Zone was the first mineralized zone recognized on the Rainbow property. Previous drilling had intersected wide zones of copper mineralization but had developed very little continuity. Fourteen holes were drilled to further test the widespread mineralization reported by previous operators. The holes were designed to test the zone at depth and from different orientations as well as to verify assay results from previous

drilling. Figure 9 is a plan showing the No. 1 Zone holes. Results from this drilling showed broad zones of weak mineralization in weakly altered Sugarloaf diorite. The twinning of several of the very early holes indicated that the early results are suspect. The most significant results were obtained from holes R-04-23 and 25. Hole R-04-23 intersected 31.8 metres of semi-massive to massive pyrite that assayed 0.24 % cobalt. R-04-025 intersected 24.3 metres grading 0.35 % copper and 0.06 g/t gold.

The occurrence of cobalt mineralization is new on the Rainbow property and has yet to be followed-up.

8.2.3 No. 17 Zone

The No. 17 Zone was discovered by Teck Cominco in 1995. Drilling by Teck Cominco outlined a northwest-southeast trending zone with values up to 0.83 % copper and 0.10 g/t gold over 89.9 metres. Hole R-02-001 was drilled by Abacus in 2002 to test the orientation of the 17 Zone. R-02-01 returned a much narrower intercept of 34.5 metres of 0.53% copper and 0.06 g/t gold than the Teck Cominco hole, thus indicating the earlier holes were probably drilled partially down dip. Four holes (R-04-27, 28, 36, 37) drilled in 2004 intersected wide zones of weakly mineralized, intensely altered and hematized Sugarloaf diorites. Figure 10 is a plan of the No. 17 Zone holes. Further drilling is necessary to fully understand the complexities of the zone.

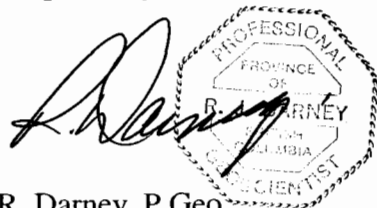
9.0 Interpretation and Conclusions

Work on the Rainbow property has outlined a northwest-southeast trending structural corridor, which until 2004 hosted four known zones of copper-gold mineralization. The largest and best understood of these zones was the No. 2 Zone, a large east-west trending zone of low-grade copper-gold mineralization. Within this large low-grade shell is a higher-grade breccia hosted core. Drilling in 2004 expanded this core to depth and has shown that mineralization is now continuous to the southeast through the No. 22 Zone. Thus, technically the now continuous zone becomes the No. 2/22 Zone.

Drill results from the No. 1 Zone have been very inconsistent. No continuity to mineralized sections has been obtained with most drilling returning very low copper-gold grades. Drilling has now been done in the several orientations, but the lack of significant results significantly lowers the exploration potential of the zone. Consideration should be given to the area of hole R-04-023, where very interesting cobalt values occur. Results from the 2004 drilling on the No.17 Zone have not helped to solve the structural complexities of the zone. Numerous faults and broad zones of alteration have been recognized in drill core and an accurate evaluation of the results remains difficult. However, it is also important to note that all of the significant deposits in the Afton camp are hosted within strongly structurally disrupted rocks.

The Rainbow property is host to a very metaliferous structural trend that hosts formerly four, but now three known mineral deposits (No. 2 and No. 22 Zones are now considered to be a single zone) . Further work is needed on the No. 1 and 17 Zones to continue to explore their economic potential. Further work is also needed along strike from these zones, within the main Leemac structural trend, to explore for new mineralized zones.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "R. Darney", is written over a circular professional seal. The seal has a dashed outer border and contains the text "PROFESSIONAL" at the top, "PROVINCE OF" in the middle, "COLUMBIA" at the bottom, and "R. DARNEY" in the center. The word "GEOLOGIST" is partially visible at the bottom of the seal.

R. Darney, P. Geo.

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Appendix A
List of Personnel

List of Personnel

Robert Friesen, P. Geo. – # 23-758 Riverside Drive, Port Coquitlam, B.C. V3B 7V8

Robert Darney, P. Geo. - 62 76 Hwy 101, Sechelt, B.C. V0N 3A0

Robert Falls, Geologist – 103-2181 Panorama Drive, North Vancouver B.C. V7G 1V3

Colin Russell, P.Geo. – 330 Stevens Drive, Kamloops, B.C. V2H 1L5

Rebecca Klien, Geologist – 2721 Culburtson, Rochester Hills, Michigan, U.S.A. 48307

Kevin Milledge, Field Manager – 2324 West 1 st. Ave. Vancouver, B.C. V6K 1G3

John Anderson, Core Handler – c/o 615-850 W. Pender St. Vancouver, B.C. V6C 2V6

Bret Blanco, Core Cutter - c/o 615-850 W. Pender St. Vancouver, B.C. V6C 2V6

Everett Bossy, Core Cutter – 673 Regina Ave. Kamloops, B.C. V2B 1N6

Ward Galloway, Surveyor – P.O. Box 146, Sorrento, B.C. V0E 2W0

Appendix B

Statement of Expenditures

COST STATEMENT

AFTON PROJECT

December 1st, 2003 to June 30, 2004

WAGES

B. Freisen	144.5	Days @	450.00	\$65,025.00
R. Darney	114.0	Days @	350.00	\$39,900.00
S. Weekes	10.0	Days @	350.00	\$3,500.00
R. Falls	89.0	Days @	350.00	\$31,150.00
B. Singh	6.0	Days @	350.00	\$2,100.00
J. Anderson	47.0	Days @	275.00	\$12,925.00
B. Blanco	47.0	Days @	225.00	\$10,575.00
C. Russell	120.5	Days @	325.00	\$39,162.50
E. Bozzy	91.0	Days @	300.00	\$27,300.00
Core Cutter	10.0	Days @	275.00	\$2,750.00
K. Milledge	60.0	Days @	275.00	\$16,500.00
R. Klien	90.0	Days @	275.00	<u>\$24,750.00</u>

\$275,637.50

EXPENSES

Direct Expenses

Gallant Trucking - Drill Water				\$56,184.00
Field Equipment Rental	117.0	Days @	50.00	\$5,850.00
Air Fare				\$3,684.66
Truck Rentals				\$22,893.71
Field Supplies				\$11,933.30
Field Equipment				\$2,751.79
Road \$ Camp Materials				\$8,656.30
Meals				\$2,805.76
Courtesy Inn				\$16,355.15
Core Rack Materials				\$4,102.31
Robertson - Core Boxes				\$43,123.29
Crows Foot - Surveying & Linecutting				\$27,737.77
SRK Consulting				\$8,199.67
SJV Consultants - Geophysics				\$64,136.80
Bob Friesen Expenses - Misc. Support cost				\$5,179.91
Bob Darney Expenses - Misc support cost				\$24,207.94
Doug Fulcher Expenses - Misc support cost				\$9,557.77
R. Klein Expenses - Misc support cost				\$1,566.75
J. Anderson Expenses - Misc support cost				\$1,278.58
R. Falls Expenses - Misc support cost				\$806.80
K. Milledge Expenses - Misc support cost				\$3,451.34
Communications				\$348.02
Chevron - Drill Fuel Etc.				\$3,818.91
RSC - Generator Rental				\$6,862.99
Ice Field Tools - Drill hole logger				\$15,670.54
Hayden Drilling Supplies				\$3,154.38
Northern Trailer Rental				\$3,559.00
WCM Minerals - Assay Standards				\$1,899.42
Eco Tech Labs - Assays				<u>\$93,590.27</u>

\$453,367.13

Indirect Expenses

LDS Drilling				<u>\$797,503.55</u>
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\$797,503.55

CONSULTING FEES

Direct Charges				\$68,005.07
Indirect Charges				<u>\$79,750.36</u>

\$147,755.42

\$1,674,263.60

GST

\$117,198.45

TOTAL INVOICE

\$1,791,462.06

Appendix C

Eco Tech Analytical Procedures

Analytical Method Assessment for

Gold, Platinum, Palladium Assay

Samples are sorted and dried (if necessary). The samples are crushed through a jaw crusher and cone or rolls crusher to -10 mesh. The sample is split through a Jones riffle until a -250 gram sub sample is achieved. The sub sample is pulverized in a ring & puck pulverizer to 95% - 140 mesh. The sample is rolled to homogenize.

A 30 g sample size is fire assayed using appropriate fluxes. The resultant dore bead is parted and then digested with aqua regia and then analyzed on a Perkin Elmer AA instrument.

Appropriate standards and repeat sample (Quality Control Components) accompany the samples on the data sheet.

Analytical Procedure Assessment Report

BASE METAL ASSAYS (Ag,Cu,Pb,Zn)

Samples are catalogued and dried. Rock samples are 2 stage crushed followed by pulverizing a 250 gram subsample. The subsample is rolled and homogenized and bagged in a prenumbered bag.

A suitable sample weight is digested with aqua regia. The sample is allowed to cool, bulked up to a suitable volume and analyzed by an atomic absorption instrument, to .01 % detection limit.

Appropriate certified reference materials accompany the samples through the process providing accurate quality control.

Result data is entered along with standards and repeat values and are faxed and/or mailed to the client.

Analytical Procedure Assessment Report

MOLYBDENUM GEOCHEM ANALYSIS

Samples are catalogued and dried. Soil samples are screened to obtain a -80 mesh sample. Samples unable to produce adequate -80 mesh material are screened at a coarser fraction. These samples are flagged with the relevant mesh. Rock samples are 2 stage crushed to minus 10 mesh and pulverized on a ring mill pulverizer to minus 140 mesh, rolled and homogenized.

A 0.5 gram sample is digested with 3ml of a 3:1:2 (HCl:HN03:H2O) which contains beryllium which acts as an internal standard for 90 minutes in a water bath at 95°C. The sample is then diluted to 10ml with water. The sample is analyzed on a Jarrell Ash ICP unit.

Results are collated by computer and are printed along with accompanying quality control data (repeats and standards). Results are printed on a laser printer and are faxed and/or mailed to the client.

Appendix D

Author's Certificate

STATEMENT OF QUALIFICATIONS

I, **Robert J. Darney**, of 6276 Sunshine Coast Highway, Sechelt, V0N 3A7, in the Province of British Columbia, (Tel. (604) 885-2676)

DO HEREBY CERTIFY:

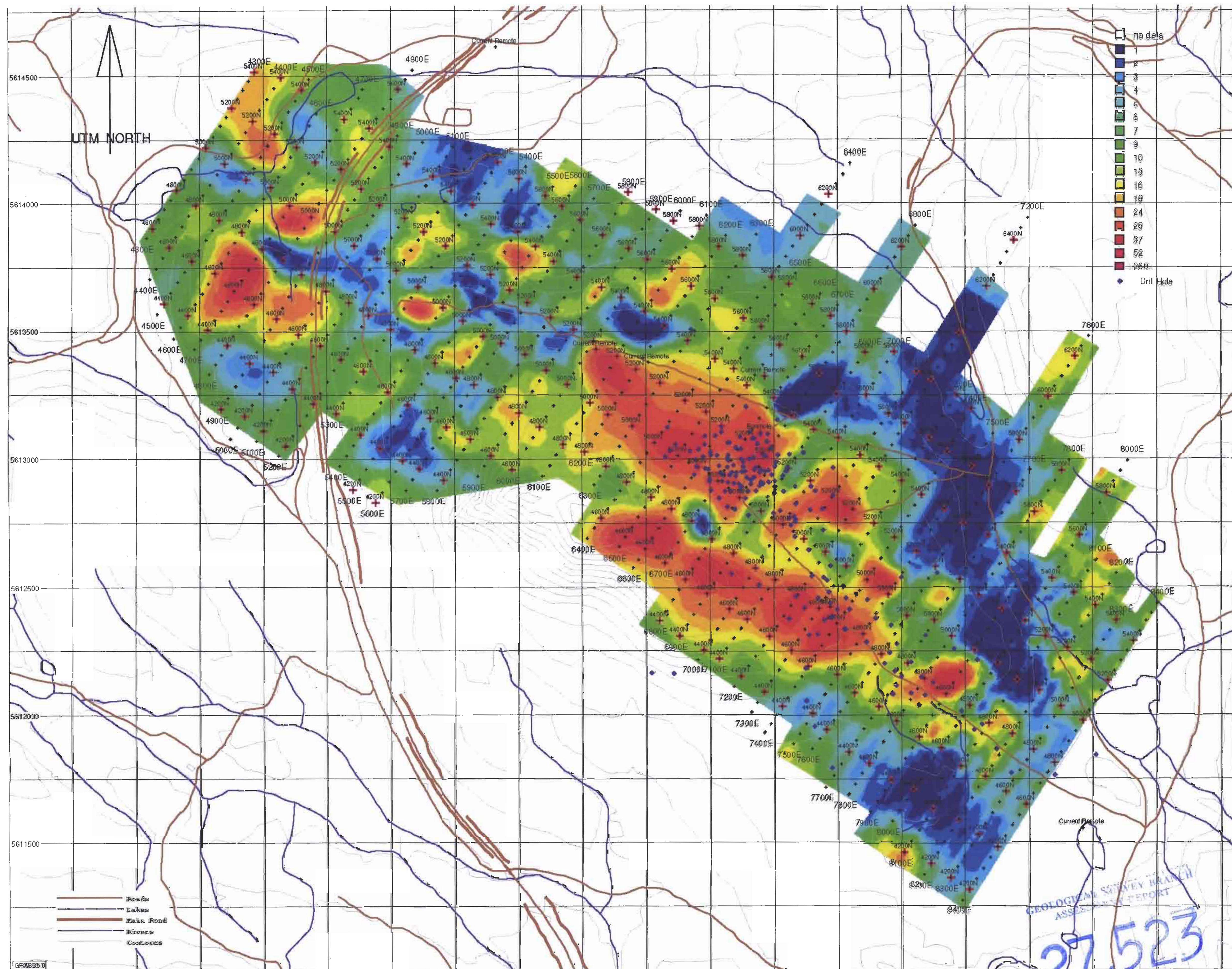
1. THAT: I am a consulting Geologist with offices at Suite 611-675 West Hastings Street, Vancouver, B.C. Canada, V6B 1N2. (Tel. (604) 684-5901, Fax. (604) 684-0279, E-mail bdarney@amemining.com).
2. THAT: I am a member of the association of Professional Engineers and Geoscientists of the Province of British Columbia. (reg. no. 19716)
3. THAT: I graduated from the University of British Columbia in 1967 with a Bachelor of Science Degree in Geology, and that I have practiced my profession continuously since that year.
4. THAT: My experience has encompassed a wide range of geological environments in Canada and the United States of America. I am familiar with the geology of the Kamloops region having made several property inspections and conducted exploration programs within the area of Iron Mask batholith during 1970-1973. During the same period I was also involved in porphyry copper exploration programs in northwestern British Columbia. My thirty-six years of experience has allowed me to be involved in the design, budgeting and field execution of numerous exploration programs in Canada and the United States of America.
5. THAT: As a result of my experience and qualifications I am a qualified person as defined in N.I. 43-101.
6. THAT: During February to July of 2004 I was on site and assisted in the execution of a diamond drilling program on the Rainbow property. Since then, I have worked intermittently on data compilation, interpretation and report preparation.
7. THAT: This report was prepared by myself with the aid of Mr. Robert Friesen, P.Geo. and Mr. Scott Weekes, Geologist, who were also employed on the drilling program and assisted in much of the geological interpretation.
8. THAT: I have reviewed the titles of the mineral claims through the British Columbia

Ministry of Energy and Mines. During the site visit, individual claim posts were not inspected, however, the legal corner posts for Rainbow NE, NW, SE, and SW were visited. I have also read the Rainbow Property Acquisition document in Abacus' possession.

DATED at Vancouver B.C. this 21 day of September, 2004

The image shows a handwritten signature in cursive, which appears to read "R. J. Darney". To the right of the signature is a circular professional seal. The seal has a double-lined border. Inside the border, the text "PROFESSIONAL" is at the top, "PROVINCE OF" is in the middle, "BRITISH COLUMBIA" is at the bottom, and "GEOScientist" is at the very bottom. The name "DARNEY" is written across the center of the seal.

Robert J. Darney, P.Geo.



3D IP Survey

3D IP Inversion model

Chargeability (ms)

150m Below Surface



Figure 6
Afton Project
Kamloops, BC

Survey by: SJ Geophysics Ltd.
IP Inversion by: S.J.V. Consultants Ltd.
Processing Date: January, 2004
Projection: UTM
Zone 10
Datum: NAD83
Mapping Date: January, 2004

