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Gold Commissioner's Office
VANCOUVER, B.C.

Assessment Report
Concerning

The Newmac Mineral Claims

Clinton Mining Division, BC.

NTS 92N/10E, 15E
Latitude 51°44'N, Longitude 124°39'W

by

J.W. (Bill) Morton P.Geo.

November 5, 2004

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SUMMARY

The Newmac Mineral claims are situated in the Chilcotin region of southwestern British Columbia and are owned by Newmac Resources Inc.

In 2004 a cut grid was established on the area of the Bornite showing east of an access road that runs up the western boundary of the property. An induced polarization survey was then completed over 17.8 line kilometres of grid. Several well-defined induced polarization anomalies were discovered as a consequence of this work. A hand cut, all terrain, access trail was constructed off of the tote road to allow this grid to be worked by foot or with ATV vechilces.

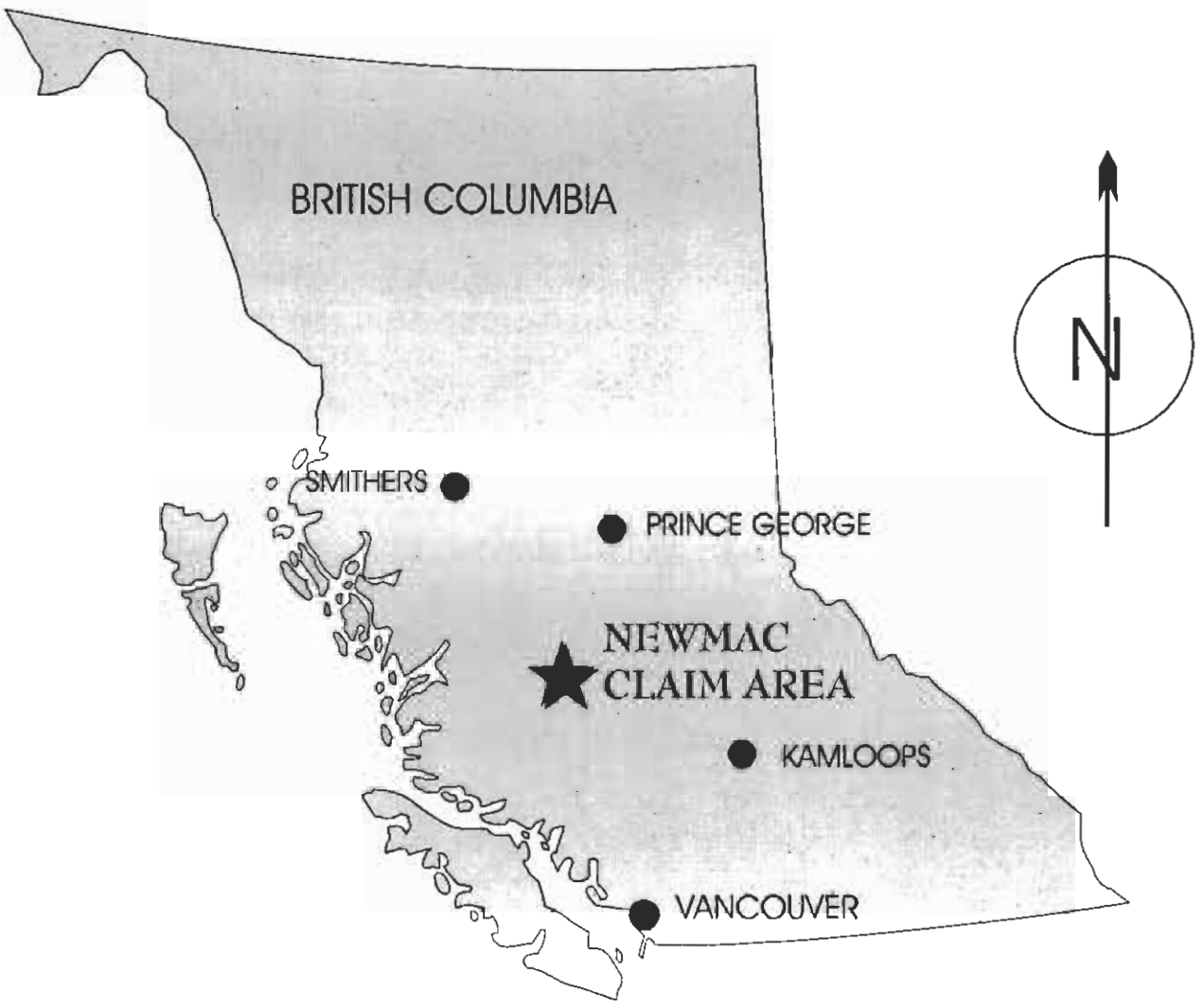
Three primary targets exist at Newmac which are all linked to a common porphyry copper-gold hydrothermal system. In 1998 Ascot Resources Ltd. undertook exploration for a porphyry copper-gold-molybdenum target, referred to as the "B Grid" or Butler Lake target. While Ascot was exploring the Butler Lake target a small amount of work was completed approximately 3 kilometers to the north in an area then referred to as the "Bornite Showing" target. This target is also a copper-gold (molybdenum) anomaly that, while probably originally discovered in the 1940's, was re-identified by soil geochemistry and induced polarization surveying by Noranda while working the Butler Lake target in 1991. In 1998 Ascot constructed an all terrain vehicle access trail into this area from the higher elevation camp at Butler Lake. Excepting a gossan exposed in the creek, the Bornite Showing is completely overburden covered and has never been drilled.

PROPERTY LOCATION AND DESCRIPTION

The Newmac property is located approximately 23 kilometres south of the village of Tatla Lake, British Columbia (180 kilometres west of Williams Lake). Access to the claims is by Highway 20 to Tatla Lake and then the all weather Westbranch gravel road to Bluff Lake. A tote road originating near the northeast corner of Bluff Lake gains access to the west side of the claim group. A helicopter base (Whitesaddle Air Services Ltd.) is located on the northwest side of Bluff Lake approximately 10 minutes flying time from the claims. The claims cover the northeast side of Butler Mountain, which is drained by Butler Creek. Elevations vary from 1000 to 2000 metres (3300 ft to 6600 ft). Lower elevations are forested by stands dominated by lodgepole pine and the upper regions are vegetated by high elevation grasses and lichens. The area typically experiences dry summer conditions with a field season that extends from the end May to mid October.

Claims *(all located in the Clinton Mining Division, BC)*

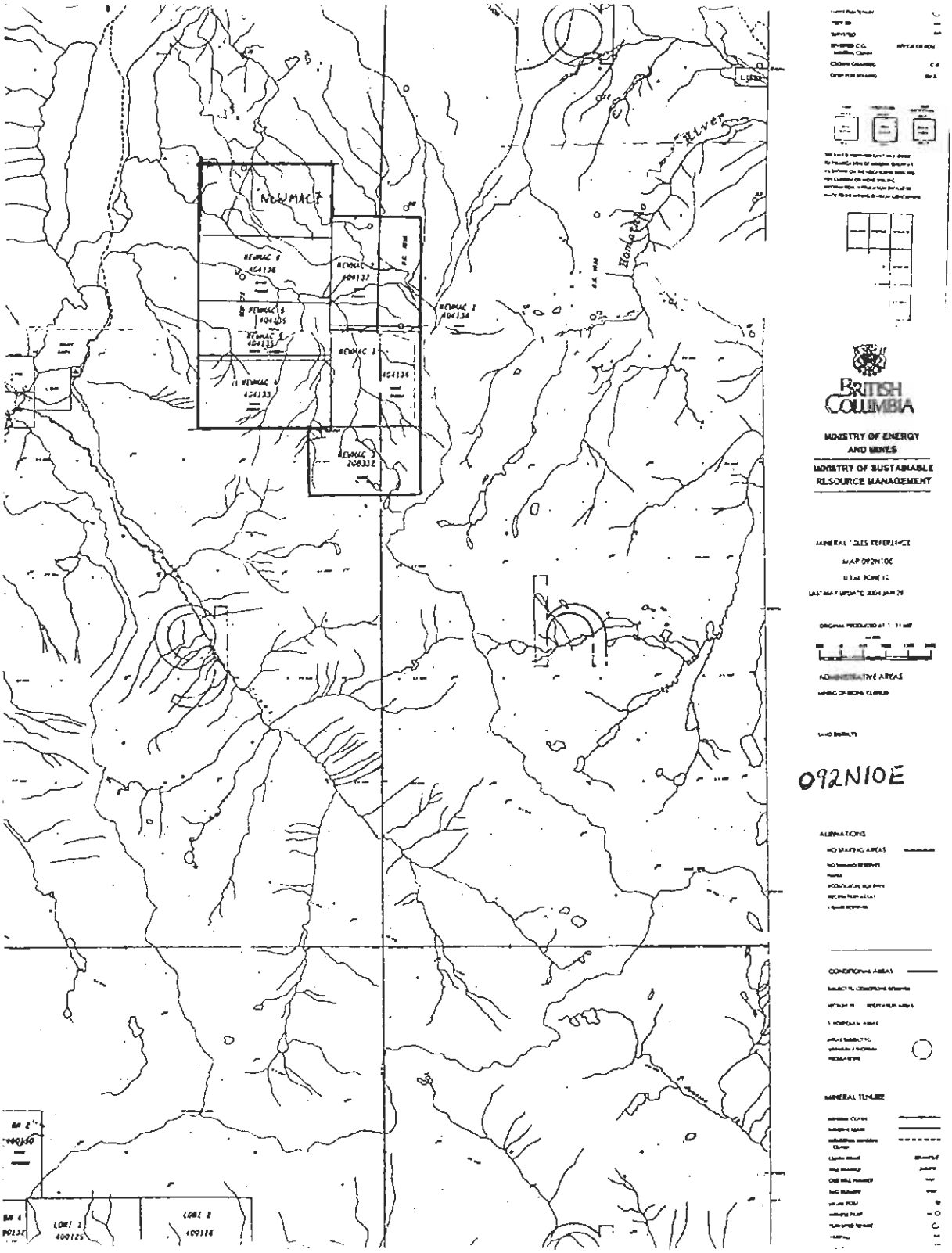
Claim Name	***Record #***	***# units***	***Expiry Date***
Newmac 1	404134	20	Aug 30, 2005
Newmac 2	404137	20	Aug 30, 2005
Newmac 3	208332	15	Aug 30, 2005
Newmac 4	404133	18	Aug 30, 2005
Newmac 5	404135	18	Aug 30, 2005
Newmac 6	404136	18	Aug 30, 2005
Newmac 7	413416	18	Aug 19, 2005
Total		***127 Units***	



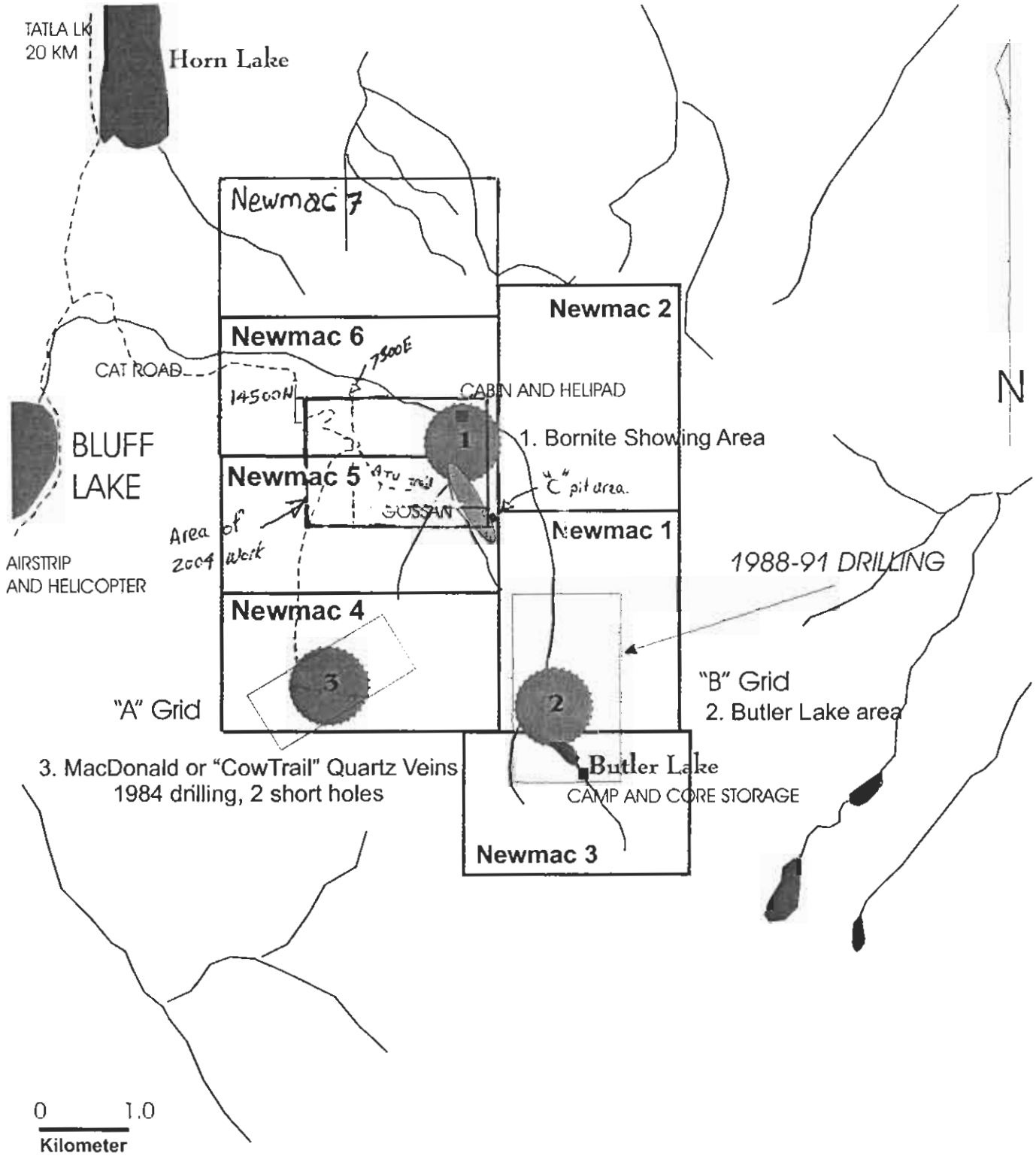
Location Map Newmac Project

Figure 1

CLAIM MAP


NEWMAC
River
BRITISH COLUMBIA
MINISTRY OF ENERGY AND MINES
MINISTRY OF SUSTAINABLE RESOURCE MANAGEMENT
092N10E

TARGET AREA MAP



B.J.PRICE EGOLOGICAL 2004 AFTER W. MORTON.

LOCATION AND CLAIMS

Newmac Resources Inc.

Newmac Property and claims
Tatla Lake Area, B.C.

HISTORY

The author is not aware of any published information concerning the early history of the Newmac area. Some information has been acquired by personal communication with long time area residents that, previous to the 1960's, and possibly as long ago as the 1940's, precious metal veins were discovered on Butler Mountain. The knowledge that there was precious metal potential on Butler Mountain was supported by the fact that the Butlers, who owned the cattle ranch on the lower reaches of Butler Creek, had panned small amounts of gold and recovered at least one "pea sized" nugget from Butler Creek. The Butlers seasonally grazed cattle in the alpine and herded their cattle to the higher open range on a cow and horse trail that crossed clay altered and gossanous exposures below the Macdonald (Cow Trail) veins.

Sometime in the 1960's American airforce personnel, based at the US airforce base at Puntzi Lake, became knowledgeable about the precious metal veins at Newmac and erected claim posts following American federal staking laws (i.e. location notices inserted in bottles or tin cans and nailed to the posts). It is doubtful whether these claims were actually recorded in British Columbia.

In 1966, Puntzi Lake resident, A. Macdonald staked the St Teresa claims to cover the veins. Sometime after 1966, and for the better part of fifteen years, Macdonald laboured with a small bulldozer (and a good dose of tenacity) to build a pickup truck road to the veins. Shortly after reaching the veins (about 1982) Macdonald, who was then around 80 years old, died and the title to the St. Teresa claims was transferred to his nephew Don Rose.

In 1983 J.W. Morton traveled up the Macdonald road and investigated a set of quartz veins exposed in three hand trenches. The veins were observed to be massive quartz, variably banded and brecciated, with the principal vein 0.5 to 1.5 metres in width. The veins, mineralized by galena and sphalerite and lesser chalcopyrite typically graded 0.05 to 0.15 oz/T gold and 3.0 to 10.0 oz/T silver (select samples of vein material graded as high as 0.36 oz/T gold and 33.2 oz/T silver). Imperial Metals Corporation subsequently optioned the claims from Don Rose, executor of the A. MacDonald estate, and staked a larger group.

Imperial Metals Corporation established a soil grid on the claims in 1984 and completed some bulldozer trenching later that year. Rubble samples sampled in this program from till and colluvium above the veins (source unexposed) graded as high as 0.26 oz/T gold and 20.5 oz/T silver. In October 1985 Imperial Metals Corporation constructed two drill pads to test the veins. The first pad was constructed above the best looking exposed vein and the second pad was constructed along strike, ± 100 m to the west, above the creek. In October 1985 a drill was mobilized to the property and set up on the pad above the creek (it was anticipated that snow was immanent and this pad would dangerous once snow set in and therefore it was decided to use it first). Drilling was initiated and two holes were completed from this pad. Before the drill could be moved to the second pad (above the principal target) cold weather set in and the water supply dried up and the drill program

was terminated. Imperial Metals Corporation subsequently ended the option with Don Rose leaving the drill pad above the principal showing unused.

At approximately the same time as Imperial Metals Corporation was exploring the Macdonald Veins (the west region of the Newmac Project area), Ryan Exploration, a subsidiary of US. Borax, was completing a reconnaissance silt sampling program through the Coast Mountains looking principally for volcanogenic massive sulfides (private communication, Barry Devlin). In 1984 Ryan Exploration located a significant multi-metal anomaly on the main channel of Butler Creek and staked the area that now constitutes the "B grid" or Butler Lake area (the eastern region of the Newmac claims). Ryan exploration established a fly camp on Butler Lake and completed some reconnaissance level exploration sufficient to hold the claims until 1987 after which they were allowed to expire. Records indicate that Ryan Exploration was not the first company to stake claims in this area. Assessment records establish that Noranda Exploration held claims here in the early 1970's.

In 1987, Canevex Resources Ltd. purchased the St. Teresa claims from Don Rose (nephew of A. Macdonald) and staked the NEWMAC claims around them (Newmac being an acronym for New Macdonald). Later that year the Newmac property was optioned to Jacqeline Gold Corporation and Mincord Exploration Consultants Ltd. was hired to complete a program of soil sampling, geological mapping and backhoe trenching on the MacDonald Veins (also called the "Cow Trail" veins). As the work around the veins was being completed it was decided to have a look around Butler Lake, where Ryan Exploration had recently been exploring, and where Noranda Exploration had developed a rudimentary copper-molybdenum target in the early 1970's. Porphyry style mineralization and alteration was, at this time, recognized in creek bed exposures on Butler Creek and a soil grid the "B Grid" was established. In 1988 Jacqueline Gold expanded the "B Grid" and completed an induced polarization survey preparatory to drilling two diamond drill holes in October of that year. The second of these drill holes, hole 88-02 intersected 157 metes grading 0.18% copper including a 17 meter interval grading 0.31% copper and 340 ppb gold.

Despite these encouraging results Jacqueline Gold withdrew from the option and the claims were returned to Canevex.

In 1989 Canevex optioned the NEWMAC claims to Noranda Exploration (Noranda's second involvement with the Newmac porphyry system). Preparatory to drilling (1991), Noranda completed 30 kilometres of induced polarization survey, 37 kilometres of ground magnetometer survey, analyzed 1203 soil samples and 158 rock samples and completed 435 line kilometres of helicopter borne airborne geophysical survey. In 1991 Noranda completed 1339 metres of diamond drilling (7 holes) before returning the property (Noranda withdrew from the option largely as a consequence of closing down its BC office).

In 1998 the Newmac property was optioned to Ascot Resources Ltd.. Ascot competed and additional four holes (875 metres) testing a portion of the "B" target. The program

was designed to test the postulated centre of an induced polarization "donut" feature where a lessening of the chargeability response was thought to indicate the interior of a pyrite shell. The drilling established that the overall sulfide system had not lessened in this area but was buried on an average of 55 metres of overburden. The most distant step out hole of the program, hole 98-13 located 450 metres from the nearest Noranda hole, intersected extensively altered and sulfide rich volcanic and intrusive rocks including significant lengths of intrusive breccia. Despite the overall sulfide content which included many sections running 5% to 20% pyrite, the overall copper, molybdenum and gold content was low. The Ascot program while failing to identify economic mineralization, did establish that the porphyry system at the "B" grid is strong and larger than previously recognized and has the footprint of a potentially large deposit.

GEOLOGY

The Newmac claims are located along the southwest margin of the Tyaughton Trough, a late Jurassic depositional basin that in this area is predominantly infilled with Lower Cretaceous volcanic and sedimentary rocks. The Tyaughton Trough in the Newmac area is a structural block defined by two significant breaks. The Yalakom Fault, which is a right lateral transcurrent fault with 130 to 190 kilometres of offset, occurs to the north. It forms the north bounding structure of the basin while the Tchaikazan Fault (also right lateral) with an estimated offset of 32 kilometres occurs to the south and forms the southern bounding structure. The Tyaughton Basin collectively represents a defining feature of the Cordillera, which separates the Coast Plutonic Complex to the southwest from the Intermontane Belt to the northeast. A third and essentially parallel fault, the Niut Fault, runs through the centre of the claim block.

The section represented on the Newmac claims includes siltstones, greywackes, conglomerates and volcanic breccias and tuffs (rhyolite and andesite) with andesite tuffs and breccia being dominant Rhyolite is present in the form of tuff, flows and dykes and andesite is present in the form of tuff and flows. Within the Newmac project area Upper Cretaceous to Tertiary diorite, quartz diorite, monzonite and quartz feldspar porphyry stocks and dykes have intruded the volcanic and sedimentary package. A thin layer of vesicular basalt outcrops on the cliff top above Butler Lake and is likely the youngest unit within the project area. In and around Butler Lake and the upper reaches of Butler Creek, the volcanic and sedimentary rocks have been extensively hornfelsed. The most common intrusive type on the "B" grid (where the most detailed work has been undertaken) is quartz feldspar porphyry. This intrusive has been cut by apparently younger feldspar porphyry and diorite to quartz-diorite intrusives. All intrusive types have been silicified and veined by quartz in variable intensities that range from one or two veinlets to perhaps a dozen or more per meter. Extensive sections of intrusive breccia (quartz-feldspar porphyry and diorite) have been intersected in drill holes on the east side of Butler Creek.

Pyrite, pyrrhotite, chalcopyrite, bornite and molybdenite (and occasionally arsenopyrite) have variably mineralized both the intrusive rocks and the hornfelsed volcanics and sediments. In the western region of the project area (the Cow Trail Vein area), gold and

silver bearing quartz veins and quartz-sulfide stockworks have developed, possibly as distal features to the porphyry mineralization.

TARGET 1 (THE BUTLER LAKE INTRUSIVE COMPLEX –THE "B" GRID)

The porphyry copper-gold potential of the Butler Lake area was recognized by Canevex Resources in 1987 and was first confirmed in the second of two holes completed in 1988. Hole 88-02 intersected 157 metes grading 0.18% copper including a 17-meter interval grading 0.31% copper and 340 ppb gold. In 1990 Noranda completed an airborne magnetometer and electromagnetic survey and soil geochemical, induced polarization and ground magnetometer surveys. In 1991 Noranda completed 7 diamond drill holes totaling 1339 metres. At the conclusion of Noranda's work, an apparent horseshoe shaped induced polarization response was identified and interpreted to reflect a pyrite shell surrounding a potentially significant mineralized core. Noranda also concluded that essentially all of the drill testing had occurred within the pyrite shell. In 1998 Canevex optioned Newmac to Ascot Resources Ltd. who designed a drill program to test the area thought to be on the inside of the pyrite shell. Four holes were drilled including a three hole drill-fence, with holes drilled on 350 metre intervals, to the east of hole 88-02. The holes encountered 58, 68 and 43 metres of overburden respectively before coring rock. The sections drilled beneath the overburden were observed to have comparable total sulfide content to what had previously been interpreted as the pyrite shell and resulted in a revised interpretation which concludes that the lesser "IP' effect in the center of the target is caused by significant overburden cover. Extensive intervals of pervasive silicification, brecciation and intervals with 5 to 20% pyrite occur in the most easterly of the holes, hole 98-13, indicating that the overhaul limit to the sulfide system is more than a kilometer wide and still open.

Isolated high-grade surface samples collected by Noranda, example sample 119606, grading 3.12% copper and 2.41 g/t gold and described as a gossanous silicified andesite tuff, offer further proof that an exciting target remains to be fully tested on the "B Grid" (Butler Lake) target.

TARGET 2 (THE BORNITE SHOWING)

The remnants of a log cabin on the edge of Butler creek approximately 2900 meters below the "B" Grid or Butler Lake porphyry occurrence (measured from hole 88-2) was apparently constructed by prospectors in the 1940's. Prospector samples, some of them containing significant concentrations of bornite, were found strewn around this site. In 1991, Noranda Exploration extended the "B Grid" soil grid and induced polarization survey into this area from the then principal area of activity located several kilometres to the south. Deep soil profiles indicated a strong increase in soil copper, gold and molybdenum values with depth in the soil profile in this area. Noranda Exploration soil pit "C", located at L 131+00N, 91+50E, is provided as an example:

Depth	Copper (ppm)	Gold (ppb)	Molybdenum (ppm)
10 cm	98	5	1
20 cm	131	5	2
40 cm	161	5	1
60 cm	181	5	2
80 cm	226	15	3
100 cm	627	30	5
120 cm	1834	110	12
140 cm	1931	75	15

Ascot Resources Ltd. completed additional deep soil sampling in 1998 that confirmed a significant increase in copper and gold content with depth. The greater than 20ppb soil gold anomaly (B horizon) in this area is the widest within the Newmac project area, measuring 400 metres (normal to the apparent strike of the system), just to the south of the creek.

TARGET 3 (THE COW TRAIL VEINS AREA)

Interest in the Newmac project started with the Cow Trail Veins (formerly called the MacDonald Veins). No early records have been found describing work on these veins but old claim posts with copper claim tags indicate that they have been locally known of for many years. Access into the claims was limited to walking or saddle horse until the Macdonald road was completed in 1982. In 1983, when JW. Morton visited the claims on behalf of Imperial Metals Corporation, three hand trenches located on either side of the road exposed the veins. The vein exposures, which are variably 0.5 to 3 metes wide, are predominantly composed of quartz, variably banded and brecciated and visibly mineralized by galena, sphalerite and lesser chalcopyrite. Stronger quartz dominated material forms the center of the veins and gives way to quartz carbonate on the margins. Grades across the full width of the veins vary form 0.05 oz/T gold and 3.0 oz/T silver to 0.15 oz/T gold and 10.0 oz/T silver. Select samples grade as high as 0.36 oz/T gold and 33.2 oz/T silver. Mineralized rubble, sourcing from till and colluvium covering the hill side above the veins, grades as high as 0.26 oz/T gold and 20.2 oz/T silver. In 1984 and 1985 Imperial Metals Corporation completed soil sampling, bulldozer trenching and two short diamond drill holes (from the same drill pad). No significant results were obtained from the drilling but the principal drill pad was not used because the project was "weathered out" and the option was terminated. Subsequent trenching in 1987, by Jacqueline Gold Corporation, showed that there is more than one vein present and suggests that the two holes, drilled in 1984, may not have actually tested the principal vein. Detailed mapping of the veins indicates that they can be hosted either by quartz diorite or by intermediate to basic volcanics (probably andesite). Rock sampling and prospecting, completed by Jacqueline Gold in 1987, indicates that a swarm of smaller veins (possibly part of a quartz-sulfide stockwork) with high silver values exists in the creek cut approximately 150 metres above, and to the south, of the trenches. Results of

nine samples collected in 1987 included 215.3 ppm Ag, 167.4 ppm Ag, 187.0 ppm Ag, 396.0 ppm Ag and 478.3 ppm Ag (4.9 to 14.0 oz/T silver) from these veins.

No exploration has occurred on the Cow Trail veins since 1987 and potential remains to discover additional veins or a bulk tonnage silver bearing quartz-sulfide stockwork. Soil sampling completed by Jacqueline Gold in 1987 indicates that substantial gold, lead and zinc anomalies extend for at least 150 meters to the south (uphill) of the trenches. Geophysics have not yet been completed in the Cow Trail Vein area.

ANALOGUES

The Fish Lake (Prosperity) copper-gold-molybdenum porphyry deposit.
The lode gold-silver veins that occur on Skinner Mountain.
The lode gold-silver veins that occur on Backhorn Mountain.

The Fish Lake (Prosperity) deposit of Taseko Mines is located 70 kilometers east of the Newmac property. Fish Lake (now called Prosperity) has a published mineable resource of 744 million tons grading 0.23% copper and 0.45 g/t gold. The geology at Fish Lake is remarkably similar to Newmac. "(At Fish Lake) andesitic flows and volcaniclastic rocks host the greater part of the Fish Lake deposit. These rocks are underlain at depth, below the low-angle Fish Lake Fault, by clastic sedimentary rocks. The deposit is specially related to the Fish Lake Intrusive Complex that consists of a small dipping body of quartz diorite (the Fish Lake stock) surrounded by an east-west elongate complex of subparallel quartz feldspar porphyry" (Porphyry Deposits of the Northwest Cordillera of North America, C.I.M.M Special Volume 46, 1995). The host rocks to the Fish Lake intrusives have been extensively hornfelsed.

The Skinner Mountain property is located 18 kilometres east of the Newmac claims. High-grade epithermal quartz veins occur here in an en echelon configuration within a quartz diorite intrusive (with a weak copper-molybdenum signature). The veins, which were discovered in 1990, are localized in a shear zone that has been traced for over 1500 metres. A "mom and pop" surface high grading operation completed in 1992 shipped 190 tons of ore from the veins which averaged 1.949 ounces per ton gold. A shallow underground operation, completed in 1995 and 1996, shipped a further 583 tons averaging 1.585 ounces per ton gold. An average of all production to date from the 59 metre section where the mining has occurred indicates that the vein averages 1.674 ounces per ton gold. The Skinner Mountain property, like Newmac, is located several kilometers south of the Yalakom Fault.

The Blackhorn Mountain lode gold veins of are located 20 kilometers south of the Newmac claims. The occurrences, which were discovered in 1936, can be described as a series of pinching and swelling quartz veins and lenses. The principal vein exposures are 0.5 to 0.7 meters thick and grade from 0.25 to 1.00 oz/T gold. A small mill was constructed here in the late 1930's or 1940's along with an arial tramway. Modest production was achieved.

DISCUSSION

Two significant chargeability anomalies are indicated in the 2004 data. On the east side of the grid a coherent chargeability anomaly is evident from 13300N to 14500N. This feature which has a centre at Line 13700N, 8850 E is approximately 150 metres wide at line 14500N and reaches a maximum width of 400 metres on line 13700 N. This anomaly can be surmised to connect with an anomaly identified by Noranda in the early 1990's that includes the area where highly anomalous soil pits were excavated (the "C pit" area on line 13100N at 91+50 E). The distance from the "C Pit" area to the northern expression of the anomaly on line 14500N is 1400 metres

A second significant anomaly was also identified on the west side of the grid from from 13100 N to 14100 N. This feature is somewhat spherical and open to the west is 750 metres wide on line 13500 N. I t exhibits its greatest strength on line 13700 N at 7500E..

It is possible that the new induced polarization anomalies identified in 2004 demonstrate that a very large single porphyry related hydrothermal system may extend for Butler lake more than 3 kilometres to the south to and past the Bornite showing area.

COST STATEMENT

28-Jun		
Days this period	1	
Persons code	BM	
Number persons	1	
Persons costs		$550
Truck Repair		$150
Expenses		$448
6-Jul		
Days this period	1	
Persons code	E, DT, RM	
Number persons	3	
Persons costs		$1,095
Truck Rental, Budget, Days	1	$85
Expenses		$260
Ted Keehn Supplies and Equipment		$2,400
7-Jul to July 18		
Days this period	12	
Persons code	E, DT, TK, RM	
Number persons	4	
Persons costs		$17,580
Accomodation, Cabin, Days, Rolstons	12	$1,800
Accomodation, Travel Trailer, Days, Keehn	12	$120
Accomodation, Tent Frame, Days, Mincord	12	$96
Food and Consumables		$1,200
Truck Rental, Budget, Days	12	$1,020
Truck Rental, Keehn, Days	2	$140
Truck Rental, Ed, Days	2	$140

ATV, number units, Keehn	1	$420
Chainsaw, number units, Keehn	1	$96
Chainsaw, number units, Ed	1	$96
Chainsaw, number units, Mincord	1	$96
Radios, number of units, Mincord	3	$360
GPS, number of units, Mincord	1	$60
GPS, number of units, Keehn	1	$60
Consumable field Supplies purchased		$1,500
19-Jul to July 20		
Days this period	2	
Persons code	DH, E, DT, TK, RM	
Number persons	5	
Persons costs		$3,460
Accomodation, Cabin, Days, Rolstons	2	$300
Accomodation, Travel Trailer, Days, Keehn	2	$20
Accomodation, Tent Frame, Days, Mincord	2	$16
Food and Consumables		$250
Truck Rental, Budget, Days	2	$170
ATV, number units, Keehn	1	$60
Chainsaw, number units, Keehn	1	$16
Chainsaw, number units, Ed	1	$16
Chainsaw, number units, Mincord	1	$16
Radios, number of units, Mincord	3	$60
GPS, number of units, Mincord	1	$10
GPS, number of units, Keehn	1	$10
21-Jul to July 23		
Days this period	3	
Persons code	JC, DH, E, DT, TK, RM	
Number persons	6	
Persons costs		$6,075
Accomodation, Cabin, Days, Rolstons	3	$450
Accomodation, Travel Trailer, Days, Keehn	3	$30
Accomodation, Tent Frame, Days, Mincord	3	$24
Food and Consumables		$450
Truck Rental, Budget, Days	3	$255
Truck Rental,JP, Days	1	$70
Chainsaw, number units, Keehn	1	$24
Chainsaw, number units, Ed	1	$24
Chainsaw, number units, Mincord	1	$24
Radios, number of units, Mincord	3	$90
GPS, number of units, Mincord	1	$15
GPS, number of units, Keehn	1	$15
24-Jul to July 25		
Days this period	2	
Persons code	JC, DH, DT, TK, RM	
Number persons	5	
Persons costs		$3,540

Accomodation, Cabin, Days, Rolstons	2	$300
Accomodation, Travel Trailer, Days, Keehn	2	$20
Accomodation, Tent Frame, Days, Mincord	2	$16
Food and Consumables		$250
Truck Rental, Budget, Days	2	$170
Truck Rental,JP, Days	1	$70
Chainsaw, number units, Keehn	1	$16
Chainsaw, number units, Ed	1	$16
Chainsaw, number units, Mincord	1	$16
Radios, number of units, Mincord	3	$48
GPS, number of units, Mincord	1	$10
GPS, number of units, Keehn	1	$10

26-Jul to July 29

Days this period	4	
Persons code	JC, DH, E, DT, TK, RM	
Number persons	6	
Persons costs		$8,100
Accomodation, Cabin, Days, Rolstons	4	$600
Accomodation, Travel Trailer, Days, Keehn	4	$40
Accomodation, Tent Frame, Days, Mincord	4	$32
Food and Consumables		$600
Truck Rental, Budget, Days	4	$340
Truck Rental, Keehn, Days	1	$70
Chainsaw, number units, Keehn	1	$32
Chainsaw, number units, Ed	1	$32
Chainsaw, number units, Mincord	1	$32
Radios, number of units, Mincord	4	$160
GPS, number of units, Mincord	1	$20
GPS, number of units, Keehn	1	$20
ATV, number units, Mincord	1	$120

30-Jul to July 31

Days this period	2	
Persons code	JC, DH, E, DT, RM	
Number persons	5	
Persons costs		$3,310
Accomodation, Cabin, Days, Rolstons	2	$300
Accomodation, Tent Frame, Days, Mincord	2	$16
Food and Consumables		$250
Truck Rental, Budget, Days	2	$170
Truck Rental,JP, Days	1	$70
ATV, number units, Mincord	1	$120
Chainsaw, number units, J.P. Charbonneau	1	$24
Chainsaw, number units, Mincord	1	$16
Chainsaw, number units, Ed	1	$16
Radios, number of units, Mincord	3	$60
GPS, number of units, Mincord	1	$10
GPS, number of units, Keehn	1	$10

01-Aug to Aug 3

Days this period	3	
Persons code	JC, DH, E	
Number persons	3	
Persons costs		$2,475
Accomodation, Cabin, Days, Rolstons	3	$450
Accomodation, Tent Frame, Days, Mincord	3	$24
Food and Consumables		$225
Truck Rental,JP, Days	3	$210
ATV, number units, Mincord	1	$180
Chainsaw, number units, J.P. Charbonneau	1	$24
Chainsaw, number units, Mincord	1	$24
Radios, number of units, Mincord	3	$90
GPS, number of units, Mincord	1	$30
Vehicle repair		$1,000

04-Aug to Aug 15

Days this period	12	
Persons code	RM,JC, DH, E	
Number persons	5	
Persons costs		$12,775
Accomodation, Cabin, Days, Rolstons	12	$1,800
Accomodation, Tent Frame, Days, Mincord	12	$96
Food and Consumables		$1,500
Truck Rental,JP, Days	4	$280
ATV, number units, Mincord	1	$720
Chainsaw, number units, Mincord	1	$96
Radios, number of units, Mincord	3	$360
GPS, number of units, Mincord	1	$60
IP Contractor		$23,000
Total		**$106,193**

Cost Code

J.P.Charbonneau, JC, per day	$295
David Hjerpe, DH, per day	$265
Ed Verboom, E, per day	$265
Dee, DT, per day	$255
Ted Keehn, TK, per day	$370
Roger MacDondald, RM, per day	$575
Bill Morton, BM, per day	$550
Cabin Rental, per day, Rolston Ranch	$150
Travel trailer, per day, Keehn	$10
Tent frame, per day, Mincord	$8
Food and Consumables, per man, per day	$25
Radios, per day, each	$10
GPS , per day, each	$5
Chainsaws, per day	$8
Pickup Truck Rental, Budget, per day	$85
Pickup Truck Rental, Keehn, per day	$70
Pickup Truck Rental, Ed, per day	$70
Pickup Truck Rental, JP, per day	$70
ATV, Rental, each, per day	$60

AUTHOR QUALIFICATIONS

I, J.W. Morton am a graduate of Carleton University Ottawa with a B.Sc. (1972) in Geology and a graduate of the University of British Columbia with a M. Sc. (1976) in Graduate Studies.

I, J.W Morton have been a member of the Association of Professional Engineers and Geoscientists of the Province of BC (P.Geo.) since 1991.

I, J.W. Morton have practiced my profession since graduation throughout Western Canada, the Western USA and Mexico.

I, J.W Morton supervised the work outlined in this report.

Signed this 5 day of November, 2004

J.W Morton P.Geo

APPENDIX SCOTT GEOPHYSICS LTD. LOGISTICAL REPORT

LOGISTICAL REPORT

INDUCED POLARIZATION AND MAGNETOMETER SURVEYS

NEWMAC PROPERTY, TATLA LAKE AREA, B.C.

on behalf of

NEWMAC REOURCES INC.
2605 Jane Street
Port Moody, B.C. V3H 2K6

Survey performed: August 5 to 18, 2004

by

Alan Scott, Geophysicist
SCOTT GEOPHYSICS LTD.
4013 West 14th Avenue
Vancouver, B.C. V6R 2X3

August 27, 2004

TABLE OF CONTENTS

Appendix

Accompanying Maps

Accompanying Data Files

1. INTRODUCTION

Induced polarization (IP) and magnetometer surveys were performed at the Newmac Property, Tatla Lake Area, B.C., within the period August 5 to 18, 2004. The surveys were performed by Scott Geophysics Ltd. on behalf of Newmac Resources Inc. This report describes the instrumentation and procedures, and presents the results, of that survey.

2. SURVEY COVERAGE AND PROCEDURES

A total of 17.8 line km of IP and magnetometer survey was completed at the Newmac Property. The pole dipole array was used for the IP survey at an "a" spacing of 25 metres and "n" separations of 1 to 5. The on line current electrode was located to the west of the potential electrodes on all survey lines.

The chargeability and resistivity results are presented on the accompanying pseudosections and contour plan maps. The magnetometer survey results are presented as profiles at the top of the pseudosections and as contour, profile, and data posting plans.

3. PERSONNEL

Gordon Stewart was the crew chief on the survey on behalf of Scott Geophysics Ltd. Mincord Exploration Consultants were the managers of the project on behalf of Newmac Resources Inc. W.J. Morton, geologist, was the representative on behalf of Mincord.

4. INSTRUMENTATION

A Scintrex IPR12 receiver and IRIS VIP3000 transmitter were used for the IP survey. Readings were taken in the time domain using a 2 second on/2 second off alternating square wave. The chargeability values plotted on the accompanying pseudosections and plan maps is for the interval 690 to 1050 msecs after shutoff. A Scintrex ENVI was used for the magnetometer survey. All data was corrected for diurnal drift with reference to a Scintrex ENVI base station cycling at 10 second intervals..

Respectfully Submitted,

Alan Scott, Geophysicist

Statement of Qualifications

for

Alan Scott, Geophysicist

of

4013 West 14th Avenue
Vancouver, B.C. V6R 2X3

I, Alan Scott, hereby certify the following statements regarding my qualifications and involvement in the program of work on behalf of Newmac Resources Inc. on the Newmac Property, B.C., as presented in this report of August 27, 2004.

The work was performed by individuals sufficiently trained and qualified for its performance.

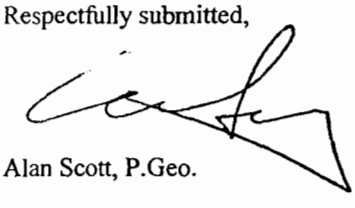
I have no material interest in the property under consideration in this report.

I graduated from the University of British Columbia with a Bachelor of Science degree (Geophysics) in 1970, and with a Master of Business Administration in 1982.

I am a member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia.

I have been practicing my profession as a Geophysicist in the field of Mineral Exploration since 1970.

Respectfully submitted,



Alan Scott, P.Geo.

7000E 7500E 8000E 8500E 9000E

14500N 14400N 14300N 14200N 14100N 14000N 13900N 13800N 13700N 13600N 13500N 13400N 13300N 13200N 13100N 13000N 12900N 12800N 12700N

Past Newmac 6, 4W ON

SURVEY SPECIFICATIONS

survey performed	August/04
survey magnetometer	Scintrex ENVI
base magnetometer	Scintrex ENVI
type	proton
measurement	total field
units	nanoteslas
diurnal corrections	base station
data interval	12.5 metres

contour intervals:

55940 - 56000	30 nT
56000 - 56060	10 nT
56060 - 56100	20 nT
56100 - 56200	100 nT

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

27,273

0 100 200 300 400
METERS

NEWMAC RESOURCES INC.

NEWMAC PROPERTY

TATLA LAKE AREA, B.C.
Magnetometer Survey
Contour Plan (nanoTeslas)

DRAWN BY: JRS | DATE: August/04
SCOTT GEOPHYSICS LTD.

7000E 7500E 8000E 8500E 9000E

14500N 14000N 13500N 13000N 12500N

L 14500N
L 14300N
L 14100N
L 13900N
L 13700N
L 13500N
L 13300N
L 13100N
L 12900N
L 12700N

Post NEWMAG ON 4W

SURVEY SPECIFICATIONS

survey performed	August/04
survey magnetometer	Scintrex ENVI
base magnetometer	Scintrex ENVI
type	proton
measurement	total field
units	nanoTeslas
diurnal corrections	base station
data interval	12.5 metres
profile base	56000 nT
profile scale	100 nT/cm
(at 1:5000 scale)	

KEY FIELD BASE UNITS/cm
MAG 56000 100

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
27,132

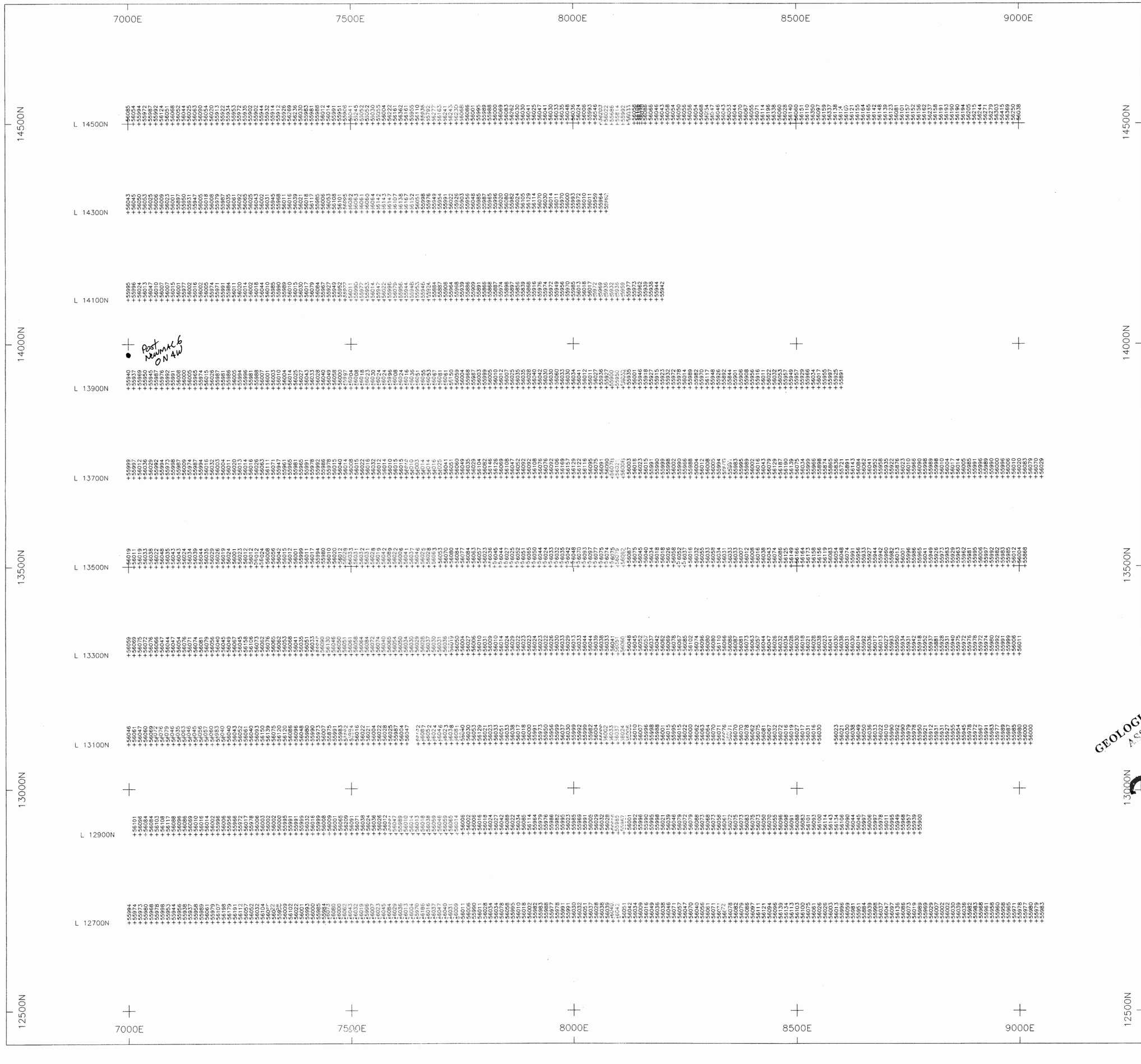
0 100 200 300 400
METERS

NEWMAC RESOURCES INC.

NEWMAC PROPERTY

TATLA LAKE AREA, B.C.
Magnetometer Profiles
Profile base = 56000 nT
Profile scale = 100nT/cm

DRAWN BY: ars | DATE: August/04
SCOTT GEOPHYSICS LTD.



SURVEY SPECIFICATIONS

survey performed	August/04
survey magnetometer	Scintrex ENVI
base magnetometer	Scintrex ENVI
type	proton
measurement	total field
units	nanoTeslas
diurnal corrections	base station
data interval	12.5 metres

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

27,523

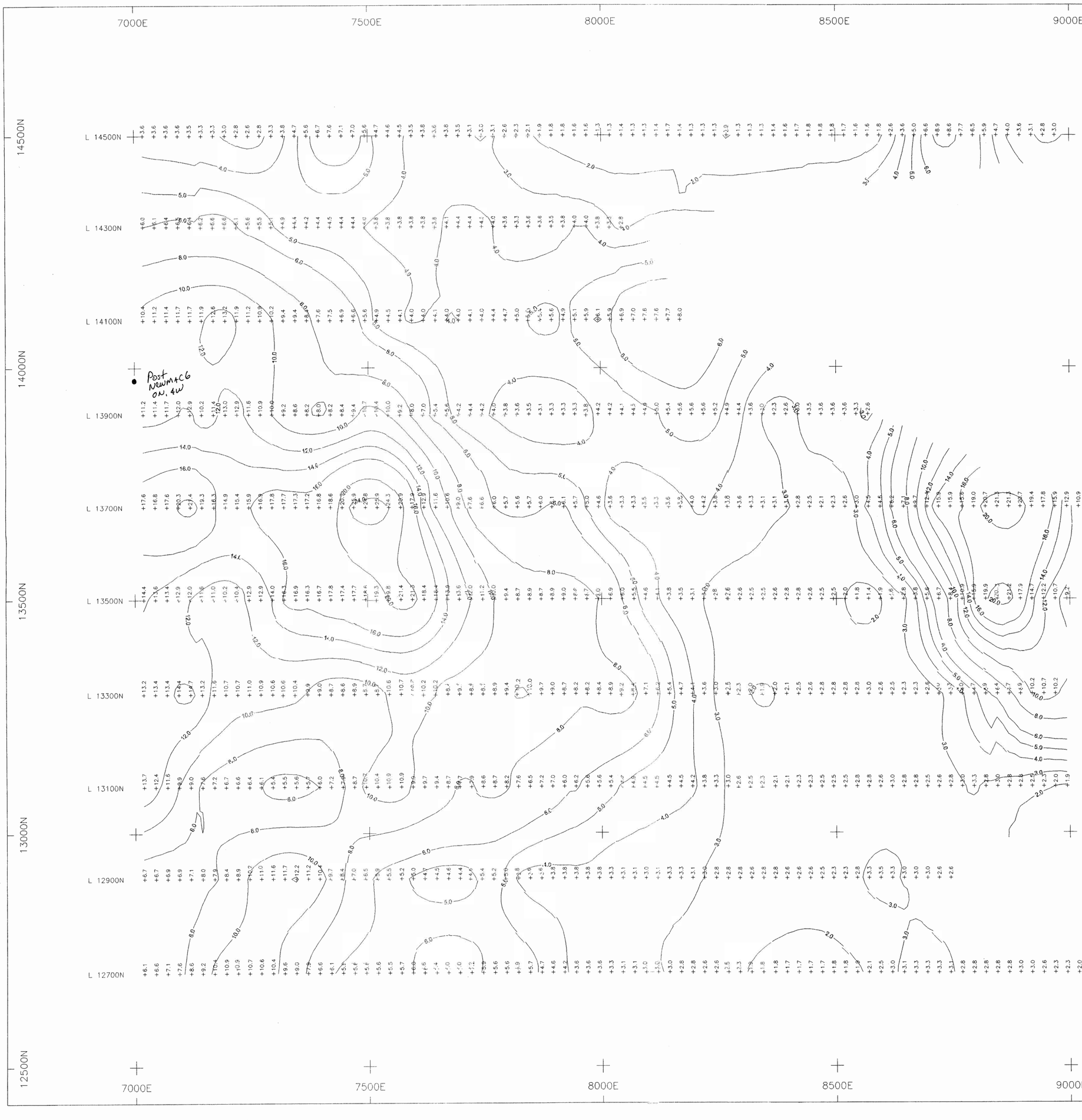
100 200 300 400
METERS

NEWMAC RESOURCES INC.

NEWMAC PROPERTY

TATLA LAKE AREA, B.C.
Magnetometer Survey
Data Postings (nanoTeslas)

DRAWN BY: ars	DATE: August/04
SCOTT GEOPHYSICS LTD.	



SURVEY SPECIFICATIONS

survey performed	August/04
receiver	Scintrex IPR12
transmitter	IRIS VIP3000
pulse time	2 seconds
Mx receive window	690–1050 msecs
array	pole dipole
a spacing	25 metres
n separations	1, 2, 3, 4, 5
current electrode	W of potentials

Contoured value Filtered chargeability
Filtered values n = 1 to 5

Contour intervals:
1, 2, 3, 4, 5, 6, 8, 10, 12, 14, 16, 20, 24, 30 (mV/Volt)

Note: The filter applied to this data is the standard Fraser triangular filter whereby one value is selected at n=1, two values at n=2, three values at n=3, etc. The plotted value is the average of the average values of the n separations and is plotted at the n=1 data point. The filtered values give only general trends. The pseudosections must be referred to to assess specific features.

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
27,543

0 100 200 300 400
METERS

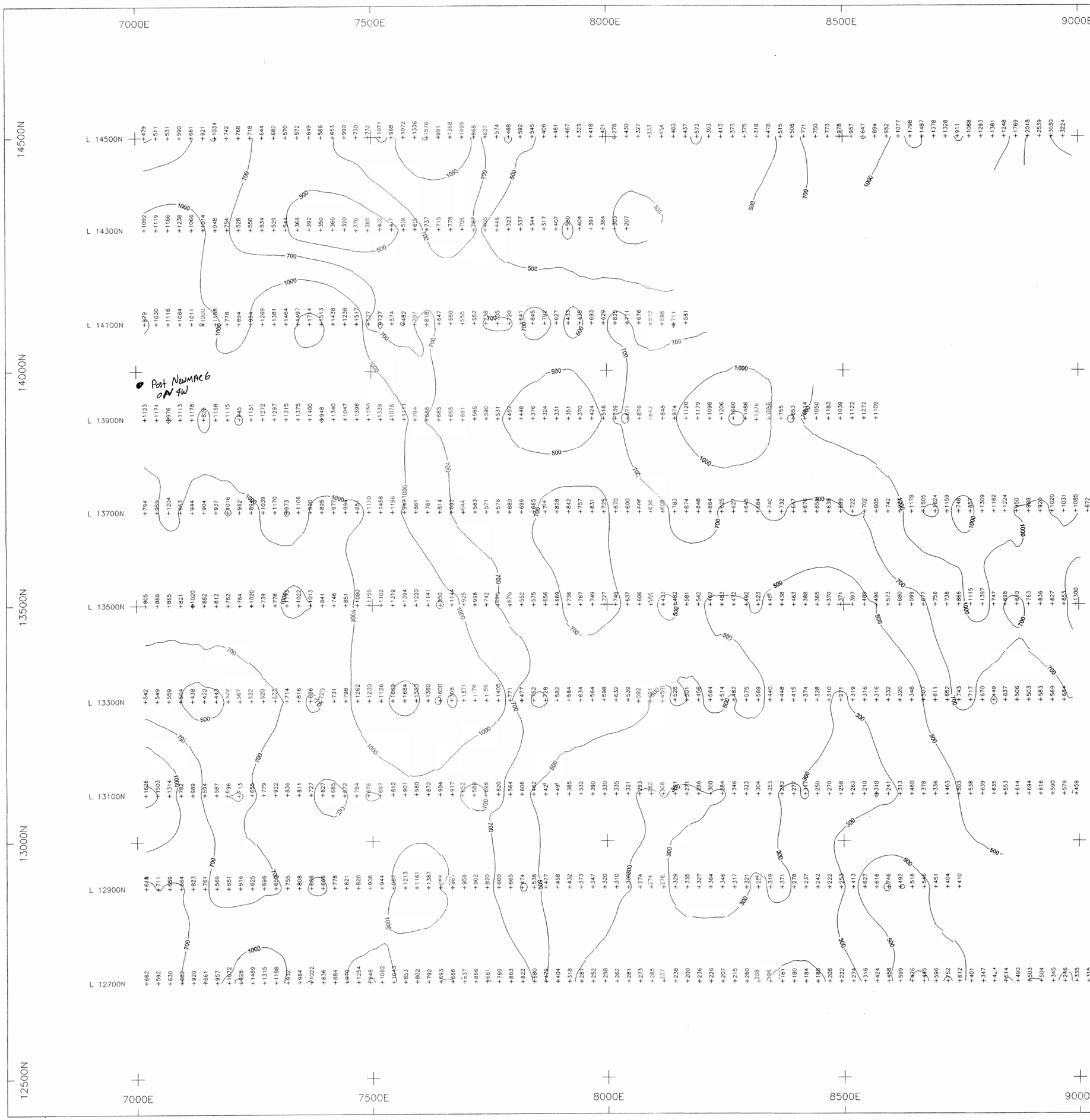
NEWMAC RESOURCES INC.

NEWMAC PROPERTY

TATLA LAKE AREA, B.C.
Chargeability Contour Plan
Triangular Filtered Values
First to Fifth Separations

DRAWN BY: ars | DATE: August/04

SCOTT GEOPHYSICS LTD.



SURVEY SPECIFICATIONS

survey performed	August/04
receiver	Scintrex IPR12
transmitter	IRIS VIP3000
pulse time	2 seconds
Mx receive window	690-1050 msecs
array	pole dipole
a spacing	25 metres
n separations	1, 2, 3, 4, 5
current electrode	W of potentials
Contoured value	Filtered resistivity
Filtered values	n = 1 to 5

Log contour intervals:
70, 100, 150, 200, 300, 500, 700
1000, 1500, 2000, 3000 (ohm-m)

Note: The filter applied to this data is the standard Fraser triangular filter whereby one value is selected at n=1, two values at n=2, three values at n=3, etc. The plotted value is the average of the average values of the n separations and is plotted at the n=1 data point. The filtered values give only general trends. The pseudosections must be referred to to assess specific features.

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
27543

0 100 200 300 400
METERS

NEWMAC RESOURCES INC.

NEWMAC PROPERTY

TATLA LAKE AREA, B.C.
Resistivity Contour Plan
Triangular Filtered Values
First to Fifth Separations

DRAWN BY: ars | DATE: August/04

SCOTT GEOPHYSICS LTD.

NEWMAC RESOURCES INC.

NEWMAC PROPERTY, CHILCOTIN AREA, B.C.

LINE: 13100N

INDUCED POLARIZATION SURVEY — Pole-Dipole Array
SCOTT GEOPHYSICS LTD. — Scintrex IPR-12
August/04 — Pulse Rate: 2 sec

current electrode west of potential electrodes (looking facing E)
chargeability = 600-1050 msec. after shutoff

Magnetometer survey: Scintrex ENVI Total Field Magnetometers

METRES 0 25 50 100 150

TOTAL FIELD (nT)

CHARGEABILITY (mV/V)

APPARENT RESISTIVITY (ohm-m)

Contours

LINE: 13100N

NEWMAC RESOURCES INC.

NEWMAC PROPERTY, CHILCOTIN AREA, B.C.

LINE: 12900N

INDUCED POLARIZATION SURVEY — Pole-Dipole Array
SCOTT GEOPHYSICS LTD. — Scintrex IPR-12
August/04 — Pulse Rate: 2 sec

current electrode west of potential electrodes (looking facing E)
chargeability = 600-1050 msec. after shutoff

Magnetometer survey: Scintrex ENVI Total Field Magnetometers

METRES 0 25 50 100 150

TOTAL FIELD (nT)

CHARGEABILITY (mV/V)

APPARENT RESISTIVITY (ohm-m)

Contours

LINE: 12900N

NEWMAC RESOURCES INC.

NEWMAC PROPERTY, CHILCOTIN AREA, B.C.

LINE: 12700N

INDUCED POLARIZATION SURVEY — Pole-Dipole Array
SCOTT GEOPHYSICS LTD. — Scintrex IPR-12
August/04 — Pulse Rate: 2 sec

current electrode west of potential electrodes (looking facing E)
chargeability = 600-1050 msec. after shutoff

Magnetometer survey: Scintrex ENVI Total Field Magnetometers

METRES 0 25 50 100 150

TOTAL FIELD (nT)

CHARGEABILITY (mV/V)

APPARENT RESISTIVITY (ohm-m)

Contours

LINE: 12700N

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

NEWMAC RESOURCES INC.

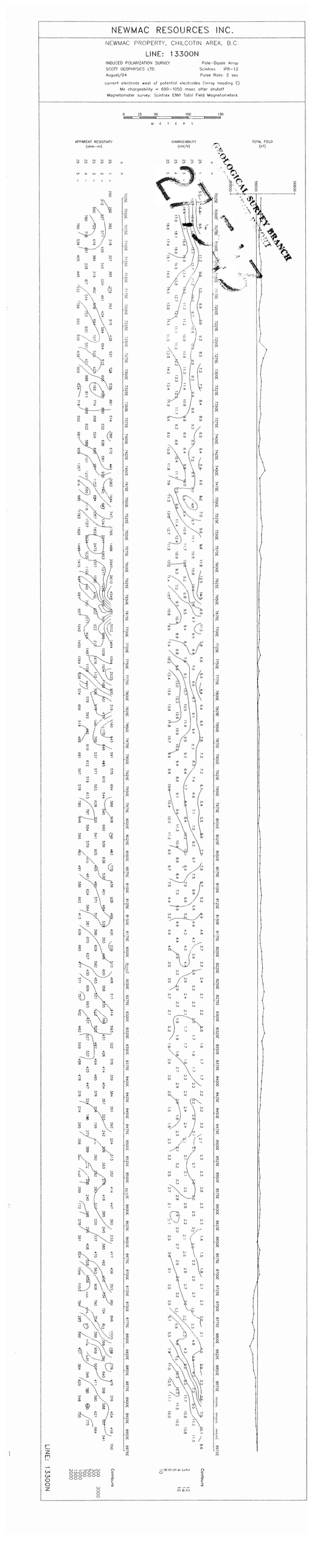
NEWMAC PROPERTY, CHILCOTIN AREA, B.C.

LINE: 13300N

INDUCED POLARIZATION SURVEY
SCOTT GEOPHYSICS LTD.
August/04

Pole-Dipole Array
Scintrex IPR-12
Pulse Rate: 2 sec

current electrode west of potential electrodes (array heading E)
Mx chargeability = 690-1050 msec after shutoff
Magnetometer survey: Scintrex ENVI Total Field Magnetometers



GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

NEWMAC RESOURCES INC.

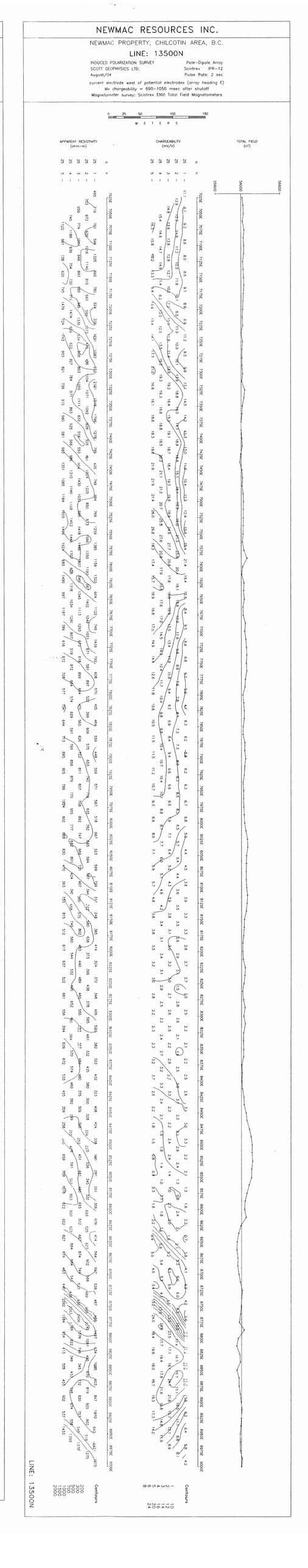
NEWMAC PROPERTY, CHILCOTIN AREA, B.C.

LINE: 13500N

INDUCED POLARIZATION SURVEY
SCOTT GEOPHYSICS LTD.
August/04

Pole-Dipole Array
Scintrex IPR-12
Pulse Rate: 2 sec

current electrode west of potential electrodes (array heading E)
Mx chargeability = 690-1050 msec after shutoff
Magnetometer survey: Scintrex ENVI Total Field Magnetometers



NEWMAC RESOURCES INC.

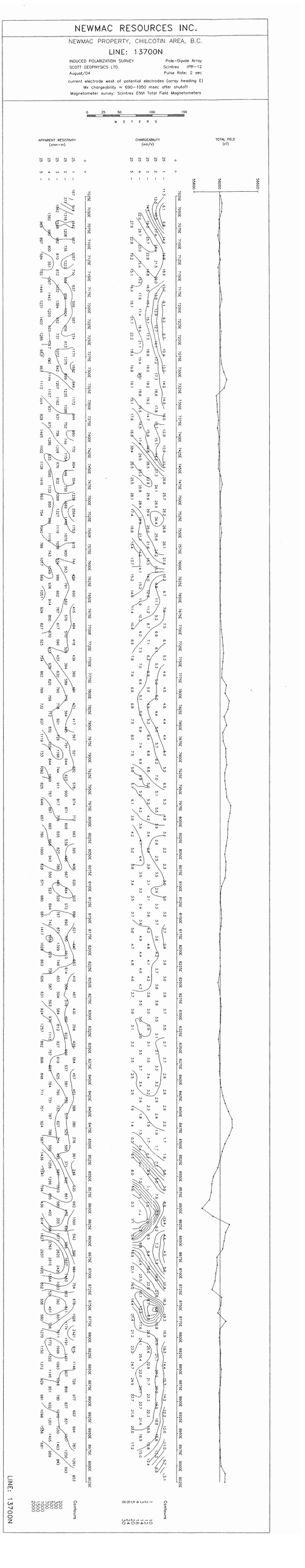
NEWMAC PROPERTY, CHILCOTIN AREA, B.C.

LINE: 13700N

INDUCED POLARIZATION SURVEY
SCOTT GEOPHYSICS LTD.
August/04

Pole-Dipole Array
Scintrex IPR-12
Pulse Rate: 2 sec

current electrode west of potential electrodes (array heading E)
Mx chargeability = 690-1050 msec after shutoff
Magnetometer survey: Scintrex ENVI Total Field Magnetometers

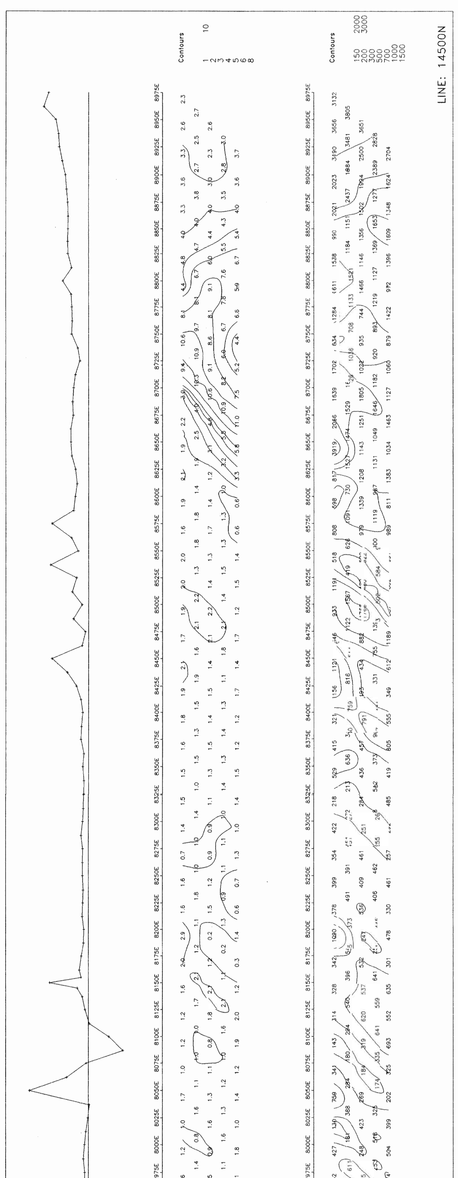


NEWMAC RESOURCES INC.

NEWMAC PROPERTY, CHILCOTTIN AREA, B.C.

LINE: 14500N

INDUCED POLARIZATION SURVEY — Pole-Dipole Array
SCOTT GEOPHYSICS LTD. — Scintrex IPR-12
August/04 — Pulse Rate: 2 sec
current electrode west of potential electrodes (array heading E)
Mx. crongeodaily = 690-1050 msec after shutoff
Magnetometer survey: Scintrex ENVI Total Field Magnetometers



GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

NEWMAC RESOURCES INC.

NEWMAC PROPERTY, CHILCOTTIN AREA, B.C.

LINE: 14300N

INDUCED POLARIZATION SURVEY — Pole-Dipole Array
SCOTT GEOPHYSICS LTD. — Scintrex IPR-12
August/04 — Pulse Rate: 2 sec
current electrode west of potential electrodes (array heading E)
Mx. crongeodaily = 690-1050 msec after shutoff
Magnetometer survey: Scintrex ENVI Total Field Magnetometers

NEWMAC RESOURCES INC.

NEWMAC PROPERTY, CHILCOTTIN AREA, B.C.

LINE: 14100N

INDUCED POLARIZATION SURVEY — Pole-Dipole Array
SCOTT GEOPHYSICS LTD. — Scintrex IPR-12
August/04 — Pulse Rate: 2 sec
current electrode west of potential electrodes (array heading E)
Mx. crongeodaily = 690-1050 msec after shutoff
Magnetometer survey: Scintrex ENVI Total Field Magnetometers

NEWMAC RESOURCES INC.

NEWMAC PROPERTY, CHILCOTTIN AREA, B.C.

LINE: 13900N

INDUCED POLARIZATION SURVEY — Pole-Dipole Array
SCOTT GEOPHYSICS LTD. — Scintrex IPR-12
August/04 — Pulse Rate: 2 sec
current electrode west of potential electrodes (array heading E)
Mx. crongeodaily = 690-1050 msec after shutoff
Magnetometer survey: Scintrex ENVI Total Field Magnetometers