Regional Geologist, Smithers **Date Approved:** 2005.07.20 **Off Confidential:** 2005.11.15

ASSESSMENT REPORT: 27676 **Mining Division(s):** Omineca

Property Name: Kandy

Location:	**NAD 27**	**Latitude:** 54 47 49	**Longitude:** 128 23 20	**UTM:**	09	6072152	539290
	NAD 83	**Latitude:** 54 47 48	**Longitude:** 128 23 26	**UTM:**	09	6072335	539182
	NTS:	103I16W					
	BCGS:	103I079					

Camp:

Claim(s): Kandy 1-6

Operator(s): Leblond, Leon G.
Author(s): Leblond, Leon G.

Report Year: 2005

No. of Pages: 45 Pages

Commodities Searched For: Gold, Silver, Copper, Lead, Zinc, Manganese

General Work Categories: PROS

Work Done: Prospecting
PROS Prospecting (150.0 ha;) No. of maps : 1 ; Scale(s) : 1:5000

Keywords: Jurassic, Bowser Lake Group, Ashman Formation, Mudstones, Siltstones, Shales

Statement Nos.: 3220188

MINFILE Nos.:

Related Reports: 12625, 14538

Province of British Columbia

Ministry of Energy, Mines and Petroleum Resources
GEOLOGICAL SURVEY BRANCH

ASSESSMENT REPORT TITLE PAGE AND SUMMARY

TITLE OF REPORT [type of survey(s)]	TOTAL COST
Prospecting Report & Ground VLF-EM Surveys.	$15,526

AUTHOR(S) L.LeBlond SIGNATURE(S)

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S) SM1-2004-1650287-0529 YEAR OF WORK 2004

STATEMENT OF WORK - CASH PAYMENT EVENT NUMBER(S)/DATE(S) 3220188

PROPERTY NAME Kandy 1 to 6.

CLAIM NAME(S) (on which work was done) In 2 Phases. Phase 1 - Kandy 5 & 6
In Phase 2..-Kandy 2 & 3.

COMMODITIES SOUGHT Au-Ag-Cu-Pb-Zn-Mn

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN

MINING DIVISION Omineca NTS 103I 079/088/089

LATITUDE 54 ° 47 ' ~~833~~ 48 " LONGITUDE 128 ° 23 ' ~~46~~ 26 " (at centre of work)

OWNER(S)

1) L.LeBlond 2)

MAILING ADDRESS
Box 1097
Terrace, B.C.
V8G 4V1

OPERATOR(S) [who paid for the work]

1) L.LeBlond 2)

MAILING ADDRESS
Box 1097
Terrace, B.C.
V8G 4V1

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

PROPERTY GEOLCGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):
Hazelton Group Rocks of Jurrasic Age with Coast Range Intrusives-Shales-Slates Intruded by Fel/Qtz Porphyries with Batholthic Biotite Carbonate Intrusives and Associated Minerals.Qtz with Au-Ag-Cu-Pb-Zn and Mn over 2 Claims at least,still in progress.

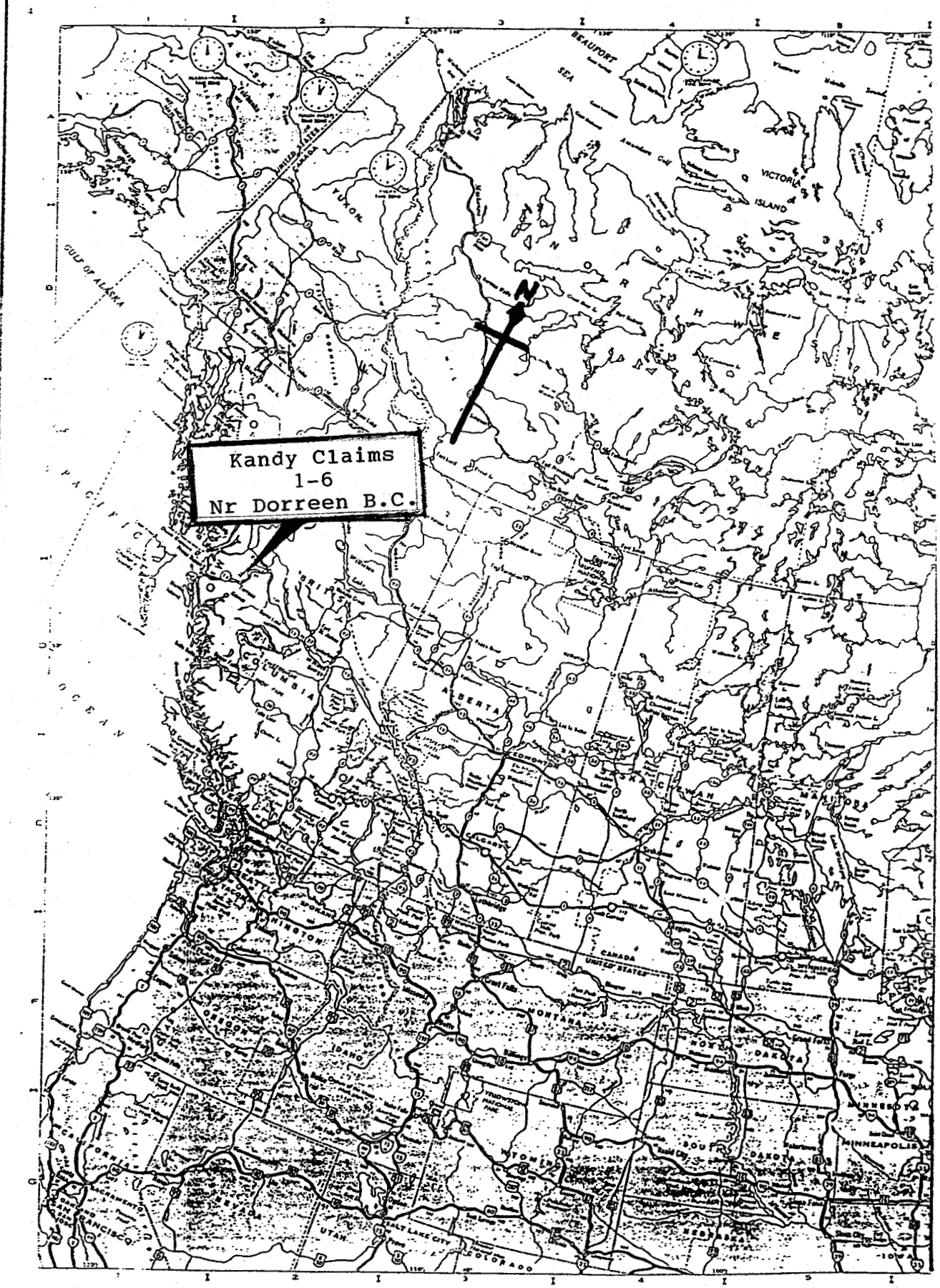
REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS VLF-EM Report #81-1246-10033.
Saturn Claims (20 units).Assessment Reports 1982-1983.
12625 14538

(CVER)

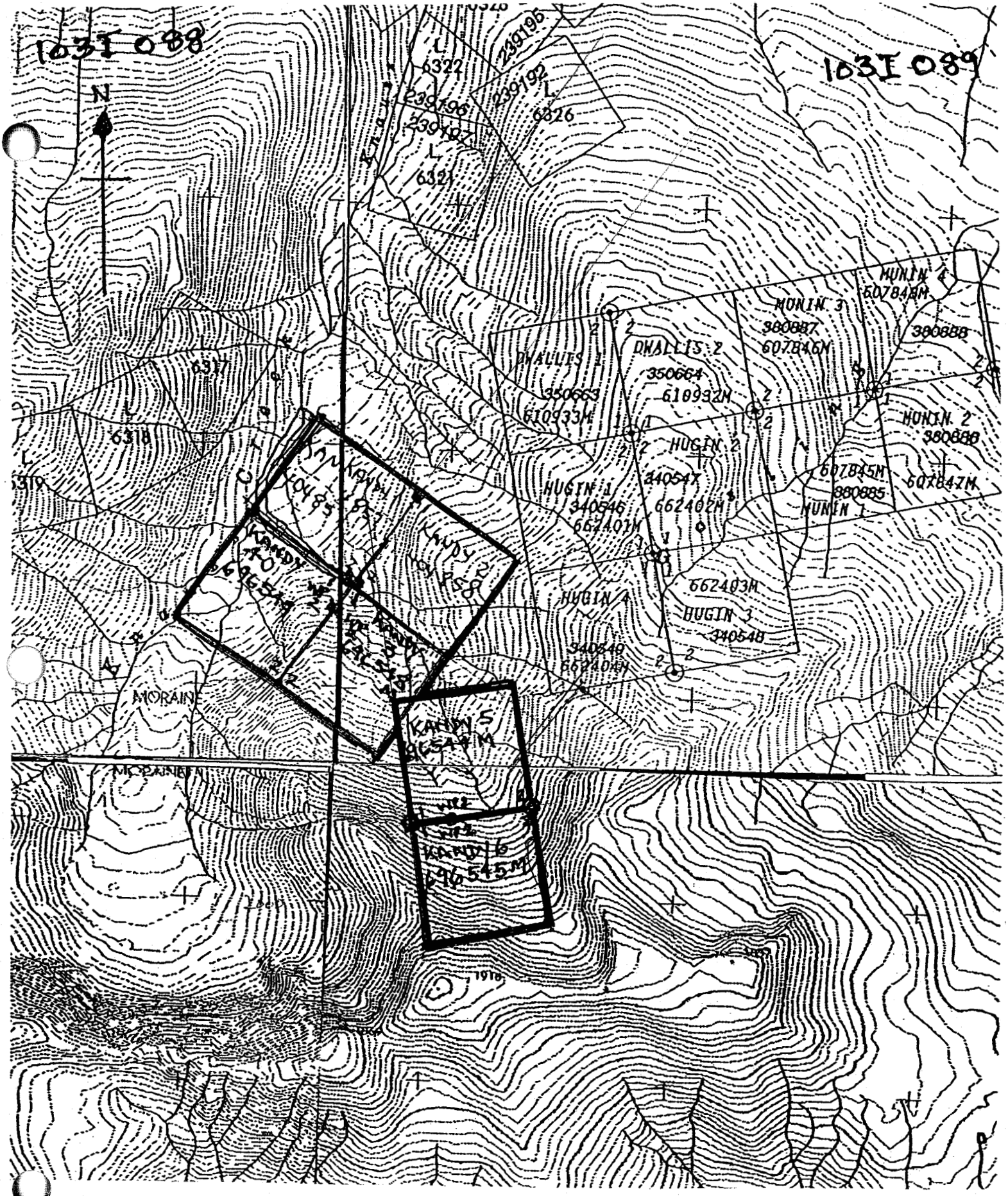
RECEIVED
MAR 14 2005
Gold Commissioner's Office
VANCOUVER, B.C.

TABLE OF CONTENTS

INTRODUCTION



MAP #1
CLAIM LOCATION MAP IN B.C.
Scale 1:250,000.



103I 078 103I 079

MAP #2
KANDY 1-6 CLAIMS
DORREEN. B.C.
DECEMBER 21, 2004

INTRODUCTION

A. Geographic and Physiographic Position

The Kandy Property is located in the Knauss Creek basin a tributary of Fiddler Creek,some 30km air distance from Terrace,B.C.Canada.

Entrance was gained by Helicopter using Quantum Helicopters Ltd from Terrace,B.C. Pilot was Mike Haworth for Phase 1 In Phase 2,Pilots were Ian Swan and Mike Haworth of Terrace.

B. Property Defined and Owner

The Kandy Property consists of 6 units,Tenure #s for
Kandy 1 & 2 units 404857/858.
Kandy 3 & 4 units 405694/695.
Kandy 5 & 6 units 406385/386.
A Common Anversary Date (CAD) was completed,Event #3203269 for a expiry date of December 21st.
Owner is L.LeBlond of Terrace,B.C. FML # 115352.

C. Summary of Work Done and Date Carried Out

The work was done in two Phases.

Phase 1

Was carried out on Kandy 5 & 6 Claims,#406385/386.
GPS reading carried out on 5 & 6 Initial Post;
N54' 47' 833
W128' 23' 46
Alt 4390' (1341 Metres)
July 17,2004,1.20pm
Using a Garmin 12XL,Serial # 35326795.
A VLF-EM ground survey was done using the Initial Post for Claims 5 & 6 was used as the MAIN BASE Station and a Line at 340' to the campsite as the Base Line.The survey was completed using a Geonics EM-16 Ser #8403008.
Mapping ,Rock samples were taken for assay,panning the creeks and Photos taken.

Phase 2

Was work done on Kandy 2 & 3 at a lower elevation, no GPS taken due to tree cover,but elevation on Claim Line using altimeter was 1125M (3690).Phase 2 work included a ground VLF-EM survey,Prospecting,rock samples for assay.

Phase 1 work was carried out July 16/2004 to August 7/2004.
Phase 2 work was carried out August 20/2004 to Sept 11/2004.
All work was done by L.LeBlond of Terrace,B.C.
Phase 2 included mapping a Intrusion and a Diorite Dyke, Prospecting for minerals,sampling rocks for assay,photos taken.

D. Theory

That a Batholthic Biotite Carbonate Intrusive controls 1) the plumbing by fracturing the host rock,2) this allows a pathway for minerals to ascend and precipitate when correct temperature is reached for that mineral.

E. Object of Work

1) To prospect for Batholthic Biotite Carbonate Intrusion map same with any associated mineral/s.
2) Phase 1 to VLF-EM over anomoly to use as a template for exploration at a lower elevation with heavy ground cover.

F. Geology

Rocks are of the Hazelton Group of Jurrassic age- shales/slates and conglomerate,Coast Range Intrusives are Qtz Diorite - andesite-Sediments-graphite-Qtz Felspar Porphyreies.

G. History

Since Louis Knauss found the Dorreen Gold Mine Vein in 1907 and subsequence mine and mill set up 1947-1952,many Prospectors and miners were looking to the East side of Knauss Creek for an extension to the Dorreen mine vein,some of the old pits can still be found. Verbal report from the Mine Geologist for Dorreen Gold Mine D.Horwill 1950-1951 verifies this. VLF-EM Aerial survey from assessment report #81-1246-10033 and assessement reports on Saturn Claims (20 units),1982 and 1983 including a soil sample program on the lower elevation of Kandy 1 and 4.

H. Weather

Phase 1, Above tree line at around 1341 metre elevation Temperatures were the highest recorded in the area 35'c all the time .July 16 to August 7,2004,with sunburn and dehydration a danger all the time.
Phase 2,At 3690'(1125M)level in heavy treed area ,extremly

heavy rain/snow at times ,14 days of 24 hrs non-stop rain eventually led to flooding and mudslides,this slowed work down.Camera died and now buried.Weather in this area goes in extremes.2004 was one year ice and snow in the canyon below the work area had all melted.Aug 20/ to Sept 11,2004.

I. Prospecting

A grid was laid out using #1 Post as Main Base Station (MBS) and a Base Line 340°,the B/L had to do a jackleg of 25m East to get around rock exposures - the line finished on the foot of the glacier.Lines East at 080°were laid out at 25m intervals with flagging used as markers.

Readings were taken at 12½ metre intervals using a Geonics EM-16.

All results are in this report and mapped on Fig 1 and Fig 2. Prospecting was done ,main areas of interest (1) A Batholithic Biotite Carbonate Intrusion outcrop,the intrusion was mainly buried by glacial ice and tulus,mainly shale.Rock sample K4 taken of Qtz -Cu-Zn float by the intrusion and for a 10m X 40m Zone,Photo #3 shows a sample of Qtz -Cu sulphides and Zinc Chips were taken over the entire zone.

(2) Was a Black vein,high up on the East side and above the glacier.Black tulus can be seen on Photos 1 & 2.

Rock chips were taken in place as follows;

K1 Chips over 3m-on hanging wall

K2 Chips over 3m-on footwall

K3 Chips over 5M-across vein.

Rock was Black-graphitic ? -extremly hard (6) and heavy (5-6) Had to use a 10lb hammer to break samples up for assay,a few times the rock would flare up with a brillant white light-(magnesium)- rock most proberly Pyrolusite.

(3) The writer chipped a sample of argentite from a rock face years ago .An effort was made trace the source,believed to be in 2-16cm vugs,but glacier has goughed the original contents out and left gravel in place.See Photo 2,from below the veins can be seen but ropes required to take samples.

Photo 4 shows the contact between the Fel/Porphyries and the Shales on the west side.

Photo 5 shows the plunging anticline towards the north where it meets Knauss Creek below.Knauss Cr flows from the west side of the anticline to the north and into Fiddler Creek. The worked on area,has a glacier at the south end which predominates on the #6 Kandy Claim.This is a tributary of Knauss Creek.

J. Assay Results

Assay certificate in back of Phase 2 program.
4 rock samples were taken and sent to Assayers Canada in Vancouver,B.C. All samples were assayed for Au-Ag-Pb-Zn samples K1-2-3 were also assayed for Manganese.
Best assay was K4,float over a 10 X 40 metre area.Samples K1-2-3 maybe intersting in copper.Fill in assays are in progress at the time of writing this report.

K. Conclusion

The Fel Porphyries have intruded the shales in the valley on upfold causing a zone of weakness allowing deeper minerals Batholith,to rise to the surface.K4 sample float found near the Batholethic Biotite Carbonate Intrusive indicates a vein is in contact or close by.The mineralized float on the east side of the grid may be close to a intrusion but buried under the shale tulus.
East side of glacier with vein has Pyrolusite with some copper (fill in assays in progress) ,extensive black tulus can be seen from the air,see Photo 1.More Argintite could not be found in the bowl,but can see it on the drop off see Photo #2,too steep to sample.

The VLF-EM survey may be useful for interpretation on Phase 2 on lower ground with overburden.

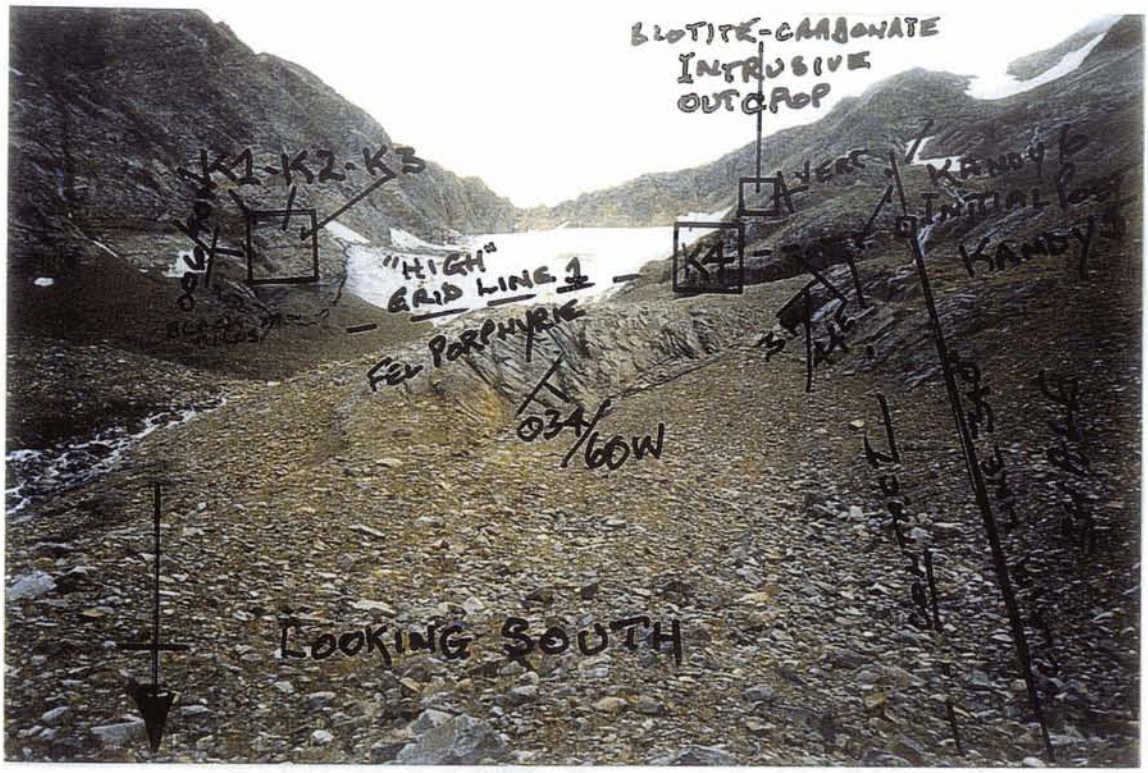


Photo 1

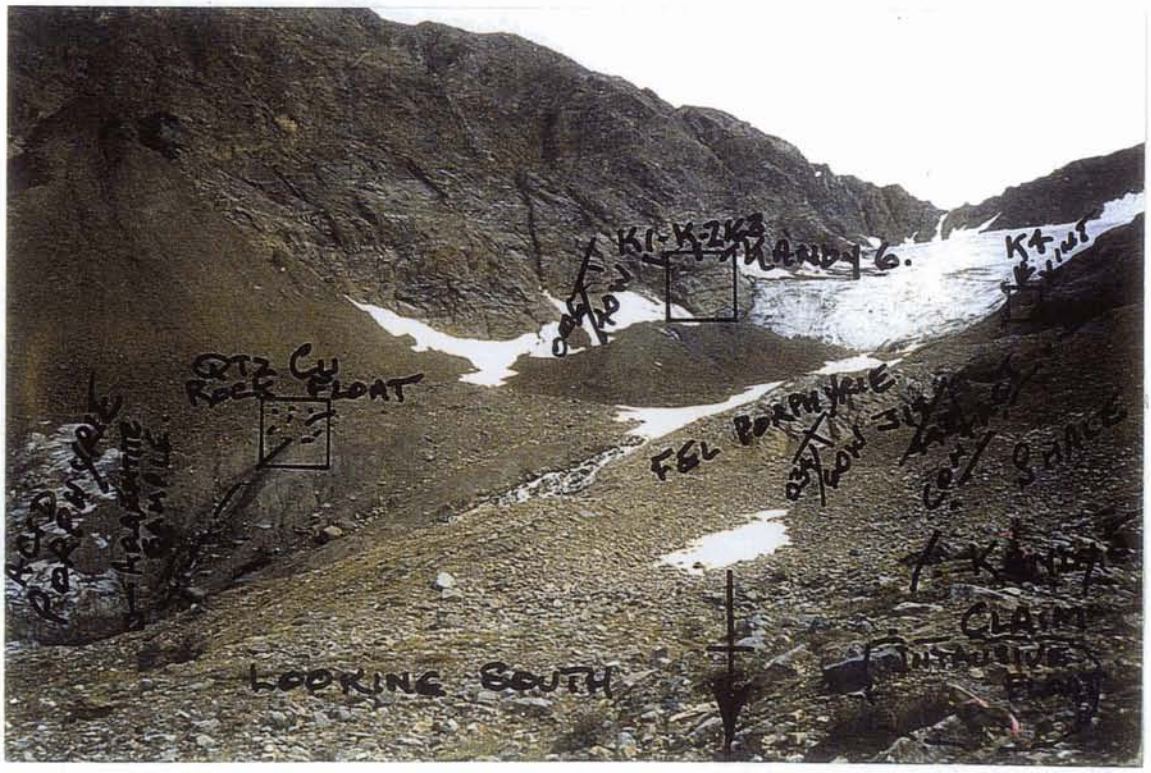


Photo 2

Photo 3

#1 and #2 photos show the rock sample stations as strike and dips are also indicated.
Rock types are also shown.The Fel Porphyrie on contact with the shales have a darker matrix and a finer grain than the acid porphyrie dykes cutting across the structure as seen on Photo #2.
On the west claim line of #5 claim at 3+50N (down slope a pit worked in 1983) has oxydised with Malachite over the years.The host rock "felsite" has the acid Porphyry dyke on the contact.Low cu values were taken here in 1983.
#3 Photo (above) is part of sample on K4.
Any float from the South end of the claims ,ie from a copper show-would be in the centre,covered in ice and tulus now.
The east cu float may be part of the centre float but East and West float come from a different source.

Photo 4

Photo 5

VLF-EM

RESULTS

of

HIGH GRID

on

KANDY 5 & 6 CLAIMS

using

NLK (SEATTLE) STATION

18.6 kHz

INSTRUMENT USED EM-16

SERIAL # 8403008

Contents; 6 Pages.

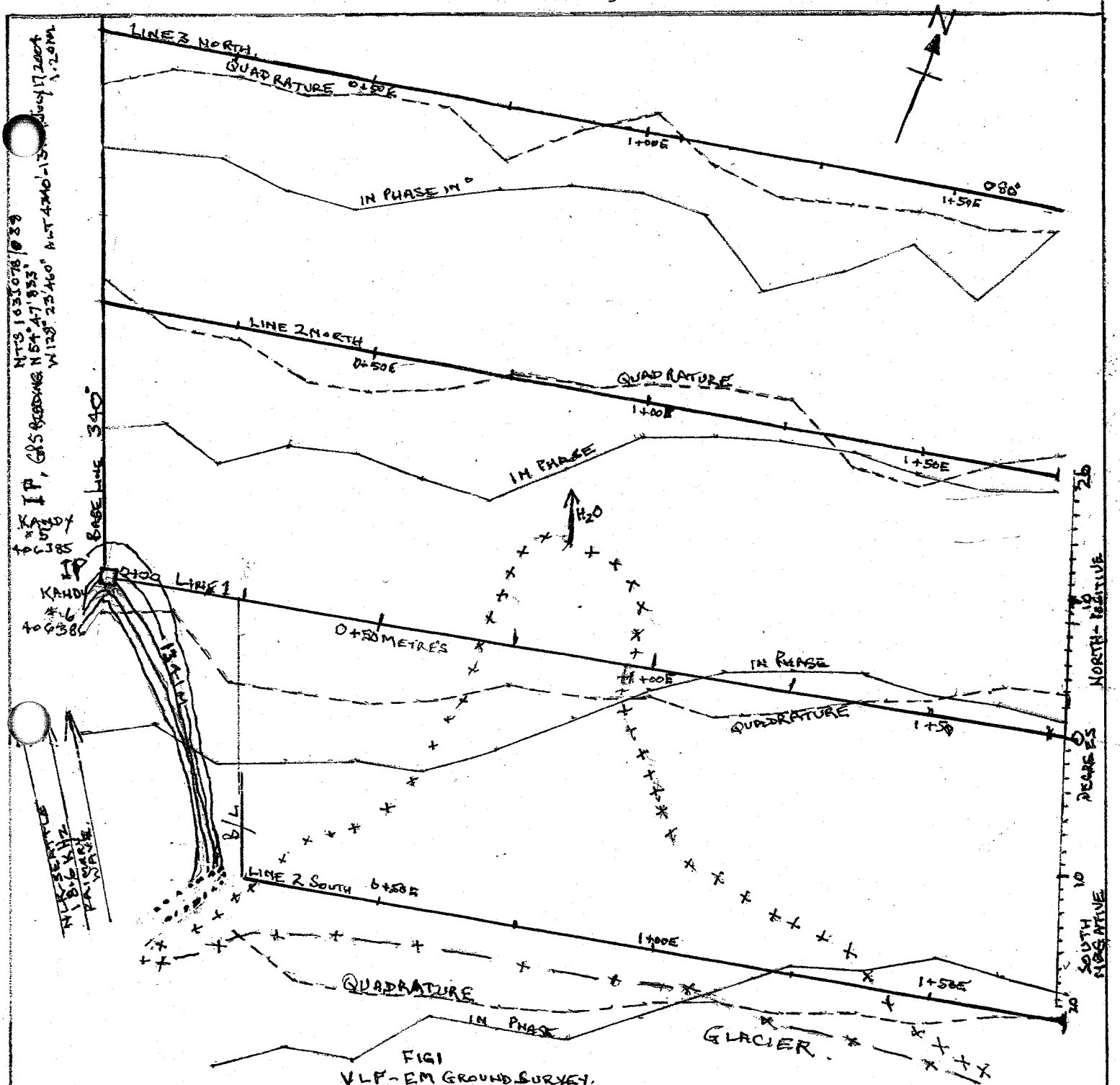


FIG 1

VLF-EM GROUND SURVEY.

ON KANDY 5+6 CLAIMS #406385/386. USING A GEONICS EM-16, SER#8403008. STATION USED NLK-SEATTLE AT 18.6 KHz. PLOTTED AS READ WITH INPHASE CONVERTED TO DEGREES FOR PLOTTING.

SYMBOLS

- INITIAL POST (IP) + MAIN BASE STATION.
- +—+—+ VISIBLE GLACIER ICE.
- +++++ GLACIER TONGUE COVERED IN TILLS.
- BATHOLITHIC BIOTITE CARBONATE INTRUSIVE OUTCROP.
- IN PHASE IN DEGREES
- QUADRATURE.

TO ACCOMPANY PROSPECTING REPORT ON KANDY 5+6 CLAIMS. NTS 103I 078/079.

OMINECA BY OWNER/OPERATOR: L. LEBLOND. FMC 115352
PROSPECTOR.
JULY/AUG 2004.

OMINECA MINING DIVISION

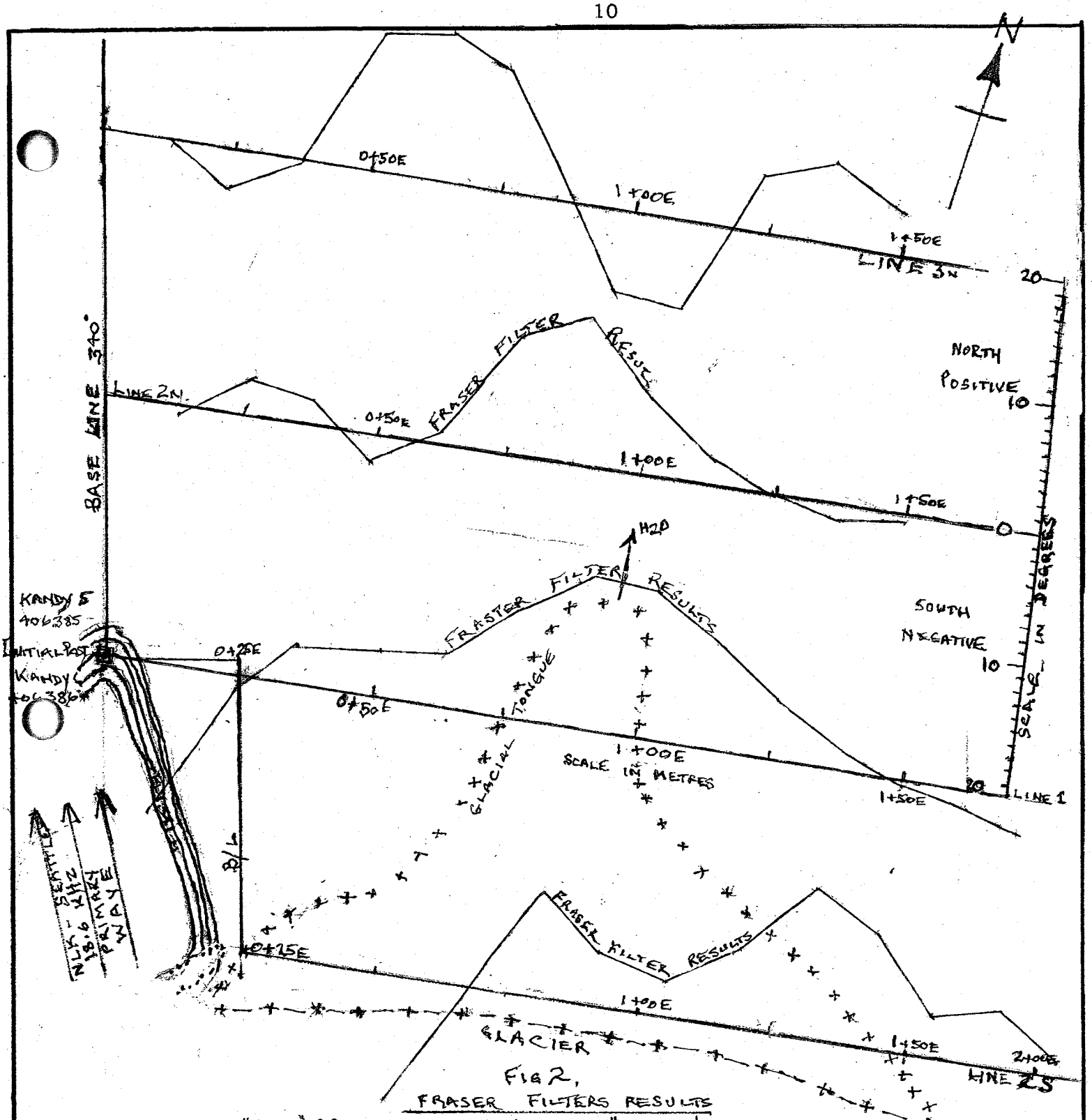


FIG 2,

FRASER FILTERS RESULTS

"HIGH" GRID ON KANDY 5 + 6 CLAIMS. #406385/386. PLOTTED USING NLK-SEATTLE STATION. RESULTS COMPUTED USING FRASER FILTER FORMULA, SEE D.C. FRASER, CONTOURING VLF-EM DATA PRINTED IN "GEOPHYSICS", VOL 34 NO 6, 1969.

Symbols.

FRASER FILTER RESULTS
INITIAL POST + BASE STN + BASE LINES.

GLACIAL TONGUE COVERED IN TILLS
VISIBLE GLACIAL ICE

BATHOLITHIC BIOTITE CARBONATE INTRUSIVE OUTCROP

BY OWNER/OPERATOR: L. LEBLOND. #
PROSPECTOR. 115352.
JULY/AUG 2004.

OMINECA MINING DIVISION.

DATE July 17 2004 CLAIM Kandy 5+6 TRAVERSE E/O BASE LINE D 080°
XMTR STATION NLK SEATTLE DIR. OF XMTR 148° READINGS - FACING CC 90°
GRID HIGH BASE LINE 340° OPERATOR

Initial Post
Kandy 5+6
GPS N 54° 47.833'
W 128° 23.457'
ALT 4390'
July 17, 2004
Garmin GPS 12XL
Serial# 35326795

(1)

FRASER FACTOR

STATION	IN PHASE (%)	QUADRATURE	IN PHASE (°)		
Initial B+L Post 0+00	-43	-5	-23	+ -23	
	-36	-3	-20	+ -43	(-44)-(-23) = -21
0+25E	-45	-12	-24	+ -44	(-46)-(-43) = -3
	-40	-12	-22	+ -46	(-42)-(-44) = +2
0+50E	-37	-12	-20	+ -42	(-40)-(-46) = +6
	-37	-10	-20	+ -40	(-35)-(-42) = +7
0+75E	-27	-6	-15	+ -35	(-24)-(-40) = +16
	-16	-6	-9	+ -24	(-12)-(-35) = +23
1+00E	-6	-4	-3	+ -12	(-2)-(-24) = +22
	+1	-5	+1	+ -2	(+4)-(-12) = +16
1+25E	+5	-3	+3	+ +4	(+7)-(-2) = +9
	+7	0	+4	+ +7	(+7)-(+4) = +3
1+50E	+6	+2	+3	+ +7	(+6)-(+7) = -1
	+6	+5	+3	+ +6	(+5)-(+7) = -2
1+75E	+3	+5	+2	+ +5	( )-( ) =
				+	( )-( ) =
Too Steep.				+	( )-( ) =
				+	( )-( ) =
Notes: Fel Por - Grey/Blue some Qtz No mineral				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
Shale on West Side Contact minor veinlets of Qtz some Pyrite in places.				+	( )-( ) =
				+	( )-( ) =
Shale on East Side of Glacier lots of Iron Sulphides. FeS. Intrusive.				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	

Rusty Shale — Ice — Fel Por — Shale

DATE July 2004 CLAIM Kandy 6 TRAVERSE Line 2 - South D 080° 90°cc
XMTR STATION NLK Seattle DIR. OF XMTR 148° READINGS - FACING ←
GRID High BASE LINE 340° OPERATOR

STATION	IN PHASE (%)	QUADRATURE	IN PHASE (°)			FRASER FACTOR
0+00 ROCK FACE CONTACT FEL POR / SHALE				+		
				+	( )-( ) =	
0+25E	-51	-8	-27	+ -27	( )-(-50) =	
	-43	-13	-23	+ -50	(-46)-(-27) =	-19
0+50E	-43	-13	-23	+ -46	(-38)-(-50) =	-12
	-27	-12	-15	+ -38	(-30)-(-46) =	+16
0+75E	-26	-12	-15	+ -30	(-30)-(-38) =	+8
	-26	-11	-15	+ -30	(-25)-(-30) =	+5
1+00E	-17	-8	-10	+ -25	(-14)-(-30) =	+16
	-7	-6	-4	+ -14	(-3)-(-25) =	+22
1+25E	+1	-6	+1	+ -3	(+3)-(-14) =	+17
	+4	-4	+2	+ +3	(+8)-(-3) =	+5
1+50E	+10	-4	+6	+ +8	(+11)-(+3) =	+8
	+8	-1	+5	+ +11	(+9)-(+8) =	+1
1+75E	+7	0	+4	+ +9	( )-( ) =	

Margin notes beside stations: FEL POR / SHALE; CU FLOAT; TALUS + DEBRIS ON ICE; SHALE

TOO STEEP ROCK FACE. SHALE.
BLACK VEIN - HIGH UP - HEAVY.
COULD BE GRAPHITIC SEDIMENTS?
EM-16 ERRATIC / FADE OUT - INDICATES GRAPHITE.
FLOAT INDICATES - FINE GRAIN BLACK & HEAVY - GRAPHITE.

S. CAMPBELL. HUGIN XPLORATION

3.

DATE July 2004 CLAIM Kandy 5 TRAVERSE Line 2 North DIP 080°
XMTR STATION NLK Seattle DIR. OF XMTR 148° READINGS - FACING cc 90°
GRID BASE LINE 340° OPERATOR

STATION	IN PHASE (%)	QUADRATURE	IN PHASE (°)	+	FRASER FACTOR
0+00	-34	+3	-19	+ -35	
	-28	-2	-16	+ -36	(-36)-(-35) = -1
0+25E	-37	-2	-20	+ -36	(-31)-(-36) = +5
	-28	-6	-16	+ -31	(-32)-(-36) = +4
0+50E	-27	-6	-15	+ -32	(-35)-(-31) = -4
	-31	-4	-17	+ -35	(-30)-(-32) = +2
0+75E	-32	0	-18	+ -30	(-17)-(-35) = +18
ICE OVER CREEK	-22	0	-12	+ -17	(-8)-(-30) = +22
1+00E	-8	+3	-5	+ -8	(-5)-(-17) = +12
VLF STATIC ? GRANITE ?	-5	+4	-3	+ -5	(-4)-(-8) = +4
1+25E	-3	+4	-2	+ -4	(-5)-(-5) = 0
	-3	-4	-2	+ -5	(-7)-(-4) = -3
1+50E	-5	-5	-3	+ -7	(-6)-(-5) = -1
	-7	0	-4	+ -6	( )-( ) =
1+75E	-3	+3	-2	+	( )-( ) =

4

DATE July 2004 CLAIM Kandy 5 TRAVERSE Line 3 North DIR 080°
XMTR STATION NLK Seattle DIR. of XMTR 148° READINGS-FACING 70° cc
GRID High BASE LINE 340° OPERATOR LL

STATION	IN PHASE (%)	QUADRATURE	IN PHASE (°)	+	FRASER FACTOR
0+00	-31	-8	-17	+ -33	
	-29	-4	-16	+ -31	(-33)-(-33) = 0
0+25E SHALE	-26	-3	-15	+ -33	(-37)-(-31) = -6
	-32	-4	-18	+ -37	(-34)-(-33) = -1
CREEK 0+50E	-34	-2	-19	+ -34	(-27)-(-37) = +10
SHALE	-27	-2	-15	+ -27	(-22)-(-34) = +12
CREEK 0+75E	-22	-8	-12	+ -22	(-19)-(-27) = +8
TULUS	-17	-1	-10	+ -19	(-21)-(-22) = +1
1+00E	-16	+3	-9	+ -21	(-32)-(-19) = -13
	-22	-3	-12	+ -32	(-35)-(-21) = -14
1+25E	-37	-6	-20	+ -35	(-24)-(-32) = +8
	-27	-5	-15	+ -24	(-24)-(-35) = +11
1+50E (F) INTRUSIVE	-16	-4	-9	+ -24	(-18)-(-24) = +6
	-27	-5	-15	+ -18	( )-( ) =
1+75E	-6	-3	-3	+	( )-( ) =

(F) FLOAT

Introduction

to

Phase 2.

Covers Kandy Claims 1-4,the work done are on a lower elevation than on Phase 1.Initial Post for Kandy 1 & 2 is 986m (3219'),no GPS reading taken due to heavy tree Cover.

Phase 1-A to G apply in Phase 2 with additional comments made in Phase 2.

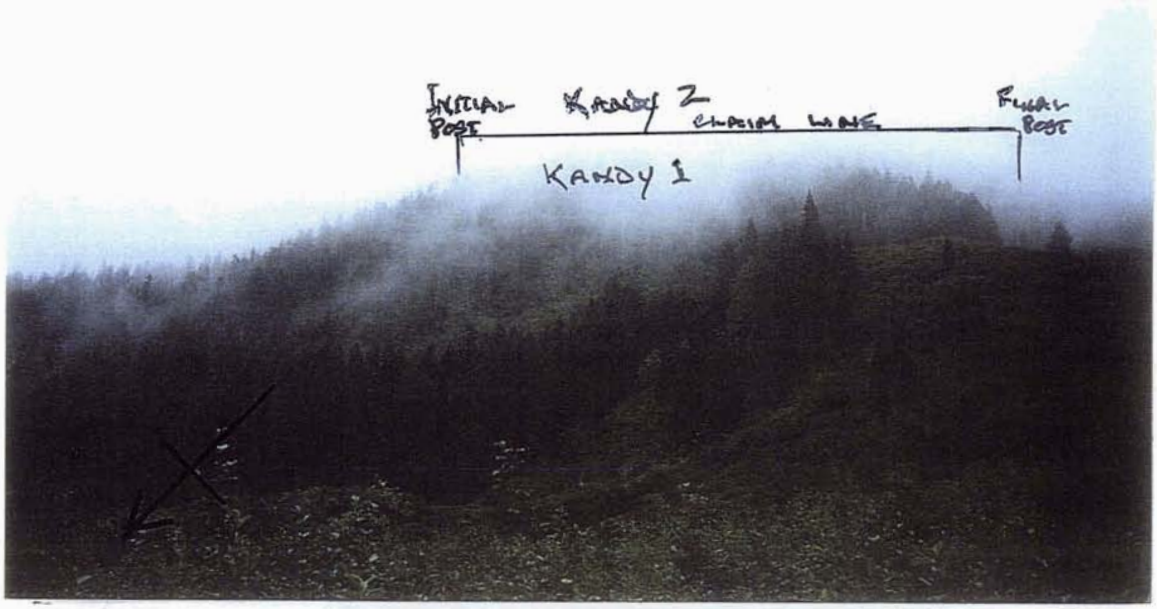


Photo 1

Photo taken from helicopter on entrance to Phase 2 of work on Kandy Claims 1-4,5 & 6 claims are South of this area. Phase 2 work commenced August 20,2004 to Sept 11,2004. Photo #2 shows the Batholthic Biotite Carbonate Intrusive with the conglomerate impressions,this photo was taken looking East.

No conglomerate was found in place and very small amounts as float.

Photo #3 is looking at the Intrusive from the east,pink tape is the same in both Photo's .The white splotches were not noticed when taking the Photo's,could be due to the heavy rain at the time.The contact on both sides of the Intrusion are slates for about 10 metres each side and then back into the shales.

L. Physical Features of Knauss Creek

The Knauss Creek flows North from a basin on the western flank of a steeply plunging to the north anticline.The west side of Knauss Creek towered over by an almost vertical face from the creek at 609m(2000') to Mt Knauss Peak at 1829m (6000').The old Dorreen Gold Mine is located at 762m(2600') on the rock face.The mine is well documented by E.D. Kindle memoirs and other Gov Minister Reports from 1915 on- Mem 329 1950/1957 & 1964.Knauss Creek flows North into Fiddler Creek which in turn flows East into the Skeena River.

On the East side of Knauss Creek a tributary flows from a glacier at about 1676m (5500') level on the Eastern flank of the plunging anticline cutting its way down a waterfall to a rock slide and then into Knauss Creek at 609m(2000'). The work done in Phase 2 is on the East side of Knauss Creek and above the Kandy 1 & 2 Claim Line at 986m(3219'). Batholithic Biotite Carbonate float was found during staking of Kandy 1 & 2 Claims.The float was traced to its source and uncovered of moss. See Photo's 2 & 3.

Phase 2 was mapping the intrusive outcrops and a Diorite Dyke and any associated minerals.

M. Summary of Work Done

Work included a VLF-EM ground survey, prospecting the Intrusions,mapping same and float found,pits dug and samples taken for assay.

N. VLF-EM Survey

The claim line was marked at 25m intervals with flagging. Due to the steepness of the working area a grid could not be laid out.Old creek beds,fractures and crevices were used for cross lines.All distances other than Base Line are estimates,readings are marked on surveyors tape on the ground.

The station used was NLK-Seattle at 18.6 kHz,due to poor reception NSS-Maryland was tried but the signal was too weak and abandoned.Some of the areas recorded no signal or lots of static,these areas are noted,these areas were prospected

to find the cause of this problem,more work required in this area.No graphite was noted in these areas mineral either capped or has ground cover.All results are in this report.

Fig 1 records the VLF-EM lines read and also maps the Batholthic Biotite Carbonate Intrusive outcrop and also a Diorite Dyke outcrop which are 75 metres apart and parallel.

Fig 3 & 4 show the results plotted for the Base line 0+00 to 2+50S to cover the Intrusive outcrops.

Fig 2 shows the sample stations K6 to K17 and also float locations.Effort was made to trace all float to its source, either the source is buried or capped.One traverse was made to cross both Intrusions into the slates area between the Intrusion and the Diorite and a further 10 metres north of the Intrusion,chip samples K16 & K17 were taken as marked. One Qtz vein with copper sulphides was found but the rain turned to snow and had to abandoned work.

Most work was done in two areas,the intrusive outcrop on base line at 0+25S and the other at the Final Post and East about 150 metres upslope.

O. Physical Work

Work was done on the Diorite Dyke to find the contacts but not found the width estimated to be about 10 metres? No mineral was found in the Diorite.See E.D. Kindle Mem 223 1954.P 13 as to relationships of Diorite Dykes and mineralization.This Dyke appears to pre-date mineralization,but Qtz/cu float found below the outcrop indicates different. The area between the parallel intrusions only turned up slate no veins found but zinc sulphides seen.

Work was also done on the outcrops 400 metres on strike, that area was more tight but again Qtz/cu float was found but not the source.

P. Results of This Work

Indicates mineralized Quartz cu vein/s are in the bedding planes of the shales/slates at least 400 metres in length.

Q. Assays

The best result K12 for Au was float,no source found K10 shows some zinc over 5metres in place,K13 for zinc on contact of Batholthic Intrusive chips over 13 metres, also has a high manganese assay.

R. Conclusion

Result of this work indicate at least one mineralized Quartz vein extends over the #2 claim for a distance of 400 metres indicated by the Quartz/cu float found,and others may be found East (UP) of this work area.
VLF-EM results are not conclusive but they do indicate a mineral anomoly causing a disturbance,Fig 5 shows this by the numbers also the N/R indicates 'No Reading", it was either "Blacked Out" or static made the EM signal unreadable.
These results show the Batholthic Biotite Carbonate Intrusive has made a channel for minerals to ascend and in this area deposit the minerals in the Shales/Slates as the Theory sugested at the beginning of this report.

S. Recommendation

More work required.

Photo 2

Photo 3

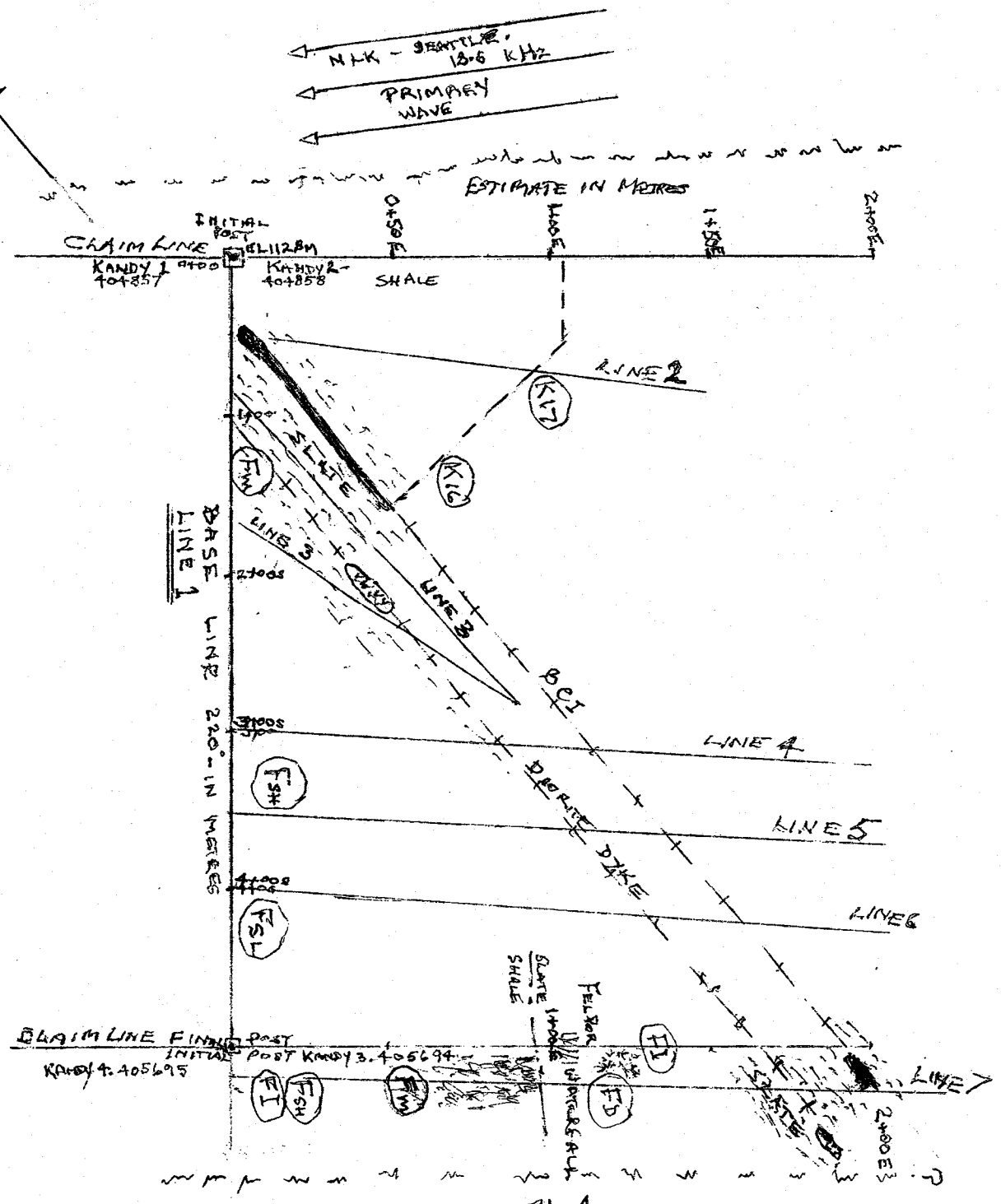


Fig 1

KEY TO VLF-EM LINES READ.

BATHOLITHIC BIOTITE CARBONATE INTRUSIVE (BCI) AND A DIORITE DYKE ARE PARALLEL AND APPROX 1KMETRES APART, STRIKING SOUTH. THE BCI AND DIORITE DYKE ARE COVERED WITH O/B OUTCROPS ARE ON LINE 2 AND LINE 7. FLOAT EAST OF B/L INDICATES CONTINUATION OF BCI + DIORITE DYKE ACROSS CLAIM.

SYMBOLS:-
- +++ BCI + INFERRED.
- DIORITE DYKE + INFERRED
- SLATE
- CONTACT
- TRAVERSE
- (K16) ROCK SAMPLE
- FAULT
- (F) (Fm) FLOAT - MINERALIZED QTZ/CU - (FI) INTRUSIVE - (FD) DIORITE - (FSH) SHALE - (FSL) SLATE

LOW GRID ON KANDY 2 CLAIMS #404858. 1031088

OMINECA MINING DIVISION.

BY OWNER/OPERATOR L. HERLOND. FML 115352. 4

JULY/AUG 2004.

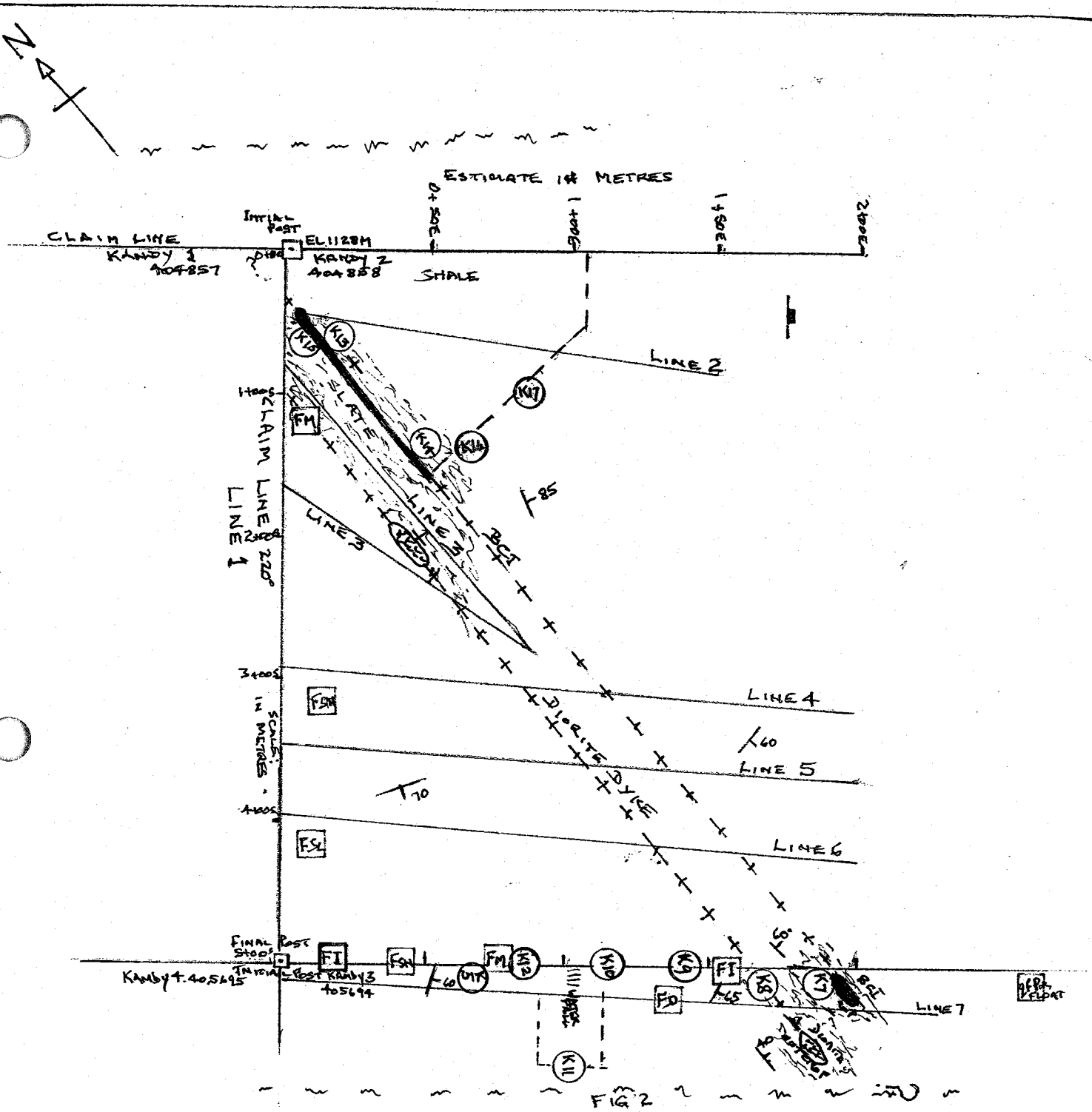


FIG 2

SHOWS SAMPLE STATIONS K7-K17. AND FLOAT LOCATIONS.

LEGEND

- FM — FLOAT-QTZ Cu
- FI — FLOAT-BATHOLITHIC BIOTITE CARBONATE INTRUSIVE (BCI)
- FSH — FLOAT-SHALE
- FSL — FLOAT-SLATE

SYMBOLS LIST

- INTRUSIVE OUTCROP INFERRED.
- DIORITE DYKE INFERRED
- QUARTZ Cu VEIN.
- STRIKE + DIP
- K7 — SAMPLE STATIONS

A BATHOLITHIC BIOTITE CARBONATE INTRUSIVE (BCI) AND A DIORITE DYKE ARE PARALLEL AND APPROXIMATELY 75 METRES APART, STRIKING SOUTH. THE BCI + DIORITE DYKE ARE COVERED WITH O/B. OUTCROPS ARE ON LINE 2 + LINE 7. FLOAT INDICATES CONTINUATION ACROSS CLAIM.

LOW GRID ON KANDY 2 CLAIM 404858. 103I 098

OMINECA MINING DIVISION.

BY OWNER/OPERATOR: L. LEBLOND. FMC 115352 4.
JULY/AUG 2005.

Assayers Canada
8282 Sherbrooke St.
Vancouver, B.C.
V5X 4R6
Tel: (604) 327-3436
Fax: (604) 327-3423

Quality Assaying for over 25 Years

Geochemical Analysis Certificate

4V-1023-RG1

Company: **Hugin Explorations**
Project: Kandy
Attn: Leon LeBlond

Oct-22-04

We *hereby certify* the following geochemical analysis of 15 rock samples submitted Sep-29-04

Sample Name	Au PPB	Ag PPM	Cu PPM	Mn PPM	Pb PPM	Zn PPM
K1	3	0.3	146	730	22	75
K2	1	0.1		1918	20	71
K3	1	0.1		1292	24	71
K4	310	119.0			48	323
K5	1	0.4			17	76
K6	2	0.3			12	45
K7	1	0.1		702	20	48
K8	1	0.1			25	67
K9	1	0.1			18	68
K10	2	0.1			23	102
K11	3	0.1			8	24
K12	28	0.7	114		12	41
K13	3	0.1	23		24	103
K14	8	0.1	9		19	60
K15	4	0.2	38		17	68

Certified by

Assayers Canada
8282 Sherbrooke St.
Vancouver, B.C.
V5X 4R6
Tel: (604) 327-3436
Fax: (604) 327-3423

Quality Assaying for over 25 Years

Geochemical Analysis Certificate

5V-0078-RG1

Company: **Hugin Xplorations**
Project:
Attn: Leon LeBlond

Feb-17-05

We *hereby certify* the following geochemical analysis of 2 rock samples submitted Feb-10-05

Sample Name	Au PPB	Ag PPM	Cu PPM	Mn PPM	Pb PPM	Zn PPM
K16	14	0.4	14	188	8	45
K17	10	0.7	16	381	11	65

Certified by _____

Assayers Canada
8282 Sherbrooke St.
Vancouver, B.C.
V5X 4R6
Tel: (604) 327-3436
Fax: (604) 327-3423

Quality Assaying for over 25 Years

Geochemical Analysis Certificate

5V-0078-RG2

Company: **Hugin Xplorations**
Project:
Attn: Leon LeBlond

Feb-17-05

We *hereby certify* the following geochemical analysis of 15 rock chips samples submitted Feb-10-05

Sample Name	Cu PPM	Mn PPM	Cu %
K1			
K2	54		
K3	23		
K4	>10000	1000	1.12
K5	43	938	
K6	42	611	
K7	13	629	
K8	25	468	
K9	24	550	
K10	17	866	
K11	8	235	
K12		396	
K13		1400	
K14		527	
K15		457	
*Kc-1a			0.634
*BLANK			<0.001

Certified by _____

VLF-EM

RESULTS

of

LOW GRID

on

KANDY 2 & 3 CLAIMS

using

NLK (SEATTLS) STATION

18.6 kHz

INSTRUMENT

USED

EM-16

SERIAL # 84030008

Contents;10 Pages.

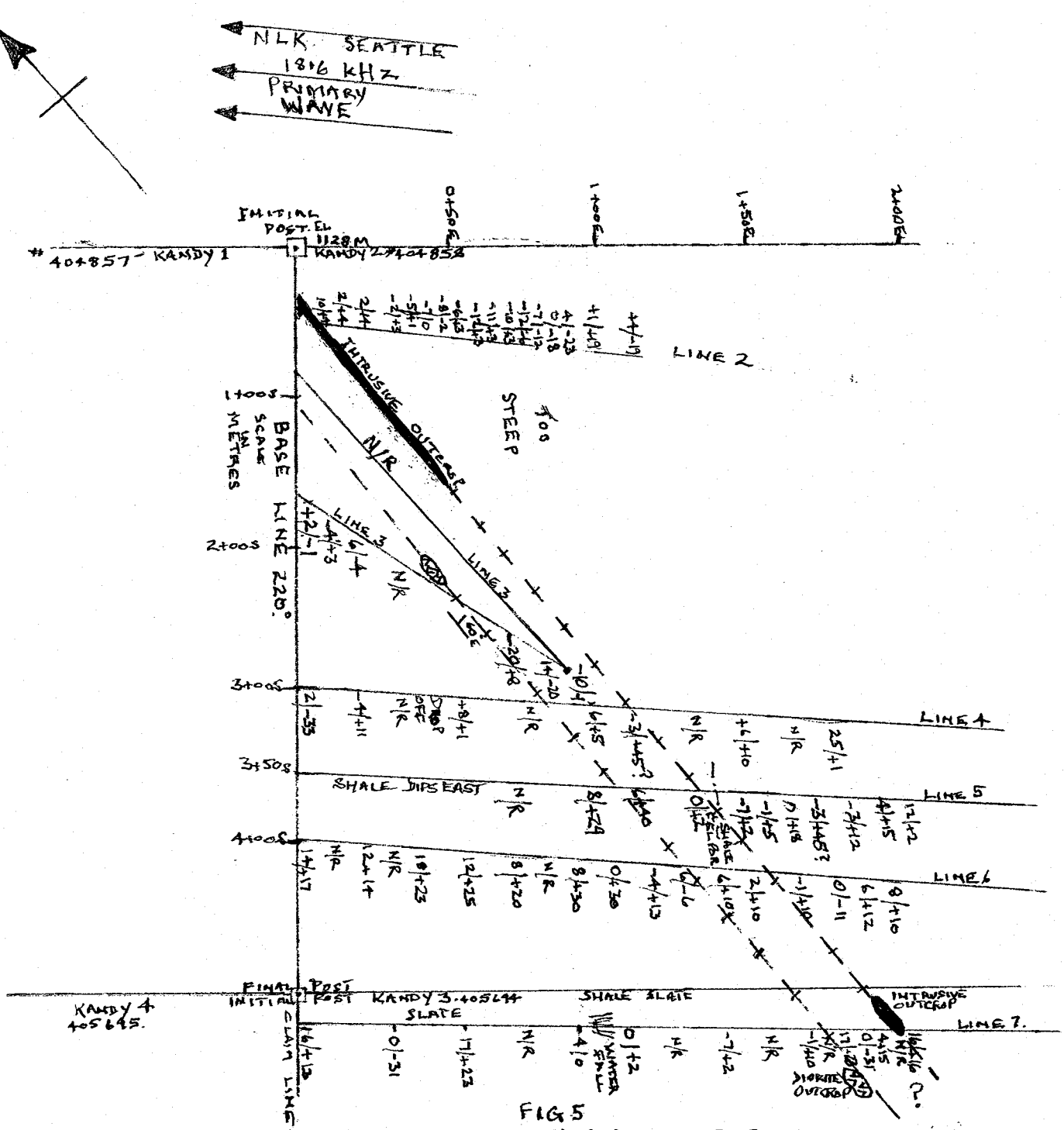


FIG 5

VLF-EM RESULTS FOR LINES 2-7

ON "LOW" GRID - KANDY CLAIMS #2+3, NUMBERS ARE RECORDED FOR IN-PHASE AND QUADRATURE. DISTANCES ON LINES ARE ESTIMATED, DUE TO STEEP MT SIDE. SOME ARE NOT RECORDED (N/R) DUE TO GRAPHITE, OR MINERAL? BASE LINE L1 RECORDED ON SEPARATE DIAGRAMS.

SYMBOLS

-3/+15 AS READ, IN-PHASE IN DEGREES.

N/R NO READING

+ + + BATHOLETHIC INTRUSION + INFERRED.

+ + + DIORITE DYKE + INFERRED.

BY OWNER/OPERATOR. L. LEBLOND, P. PROSPECTOR

JULY/AUG 2004.

OMINECA MINING DIVISION.

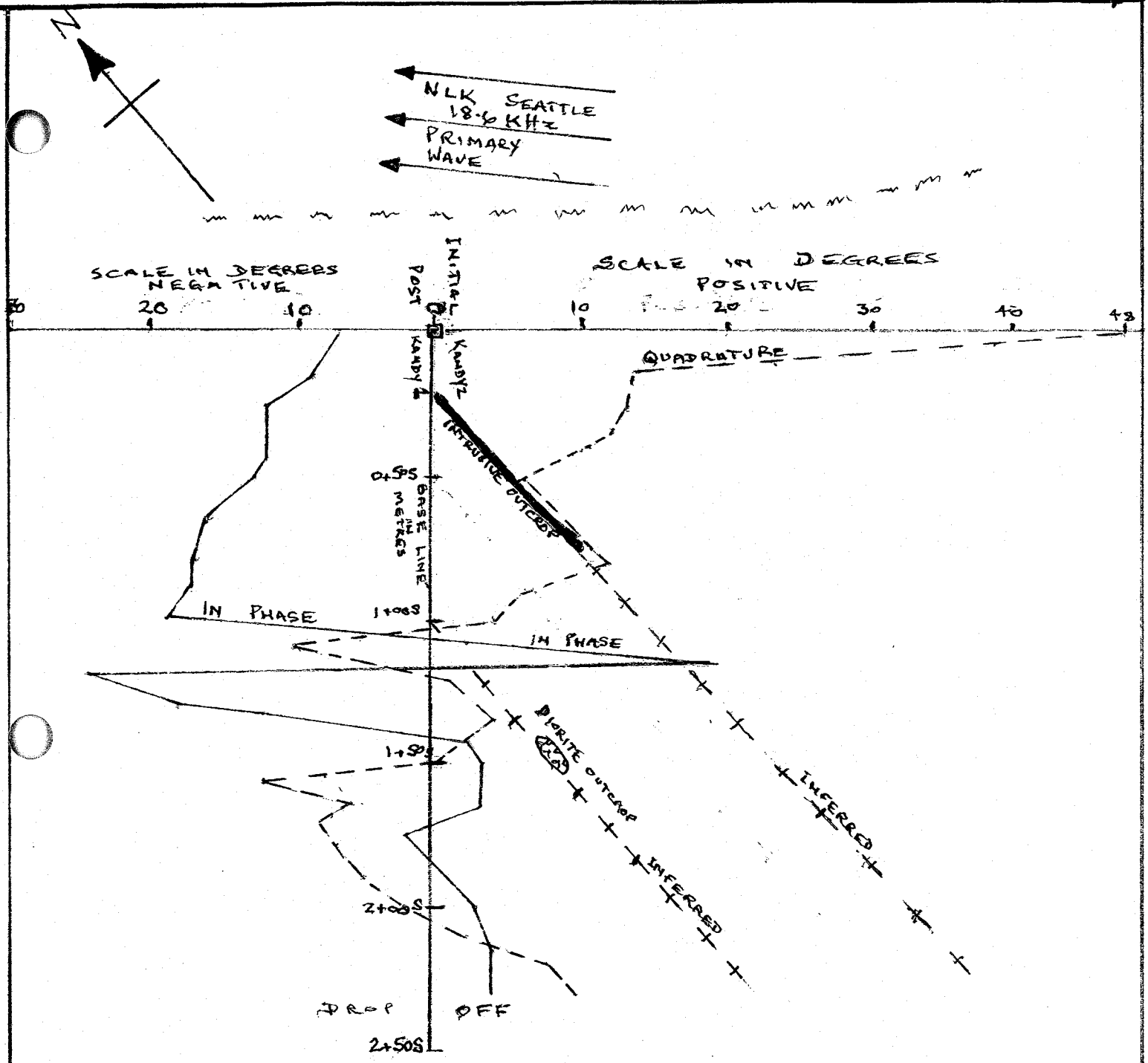


FIG 3

VLF-EM GROUND SURVEY ON "LOW" GRID.

KANDY #2+3 CLAIMS #404858 + 405694 USING A GEONICS EM-16, SERIAL #8403008, STATION USED NLK- SEATTLE, AT 18.6 KHz.
GRID IS FOR BASE LINE 0+00 TO 2+25S ONLY, COVERING BATHOLITHIC BIOTITE CARBONATE + DIORITE DYKES, 75 METRES APART AND PARALLEL.

SYMBOL LIST

- IN PHASE IN DEGREES
- QUADRATURE
- BATHOLITHIC BIOTITE CARBONATE INTRUSIVE + INFERRED
- DIORITE DYKE + INFERRED.
- FAULT

BY OWNER/OPERATOR, L. LEBLOND. P.
PROSPECTOR
JULY/AUG 2004

OMINECA MINING DIVISION

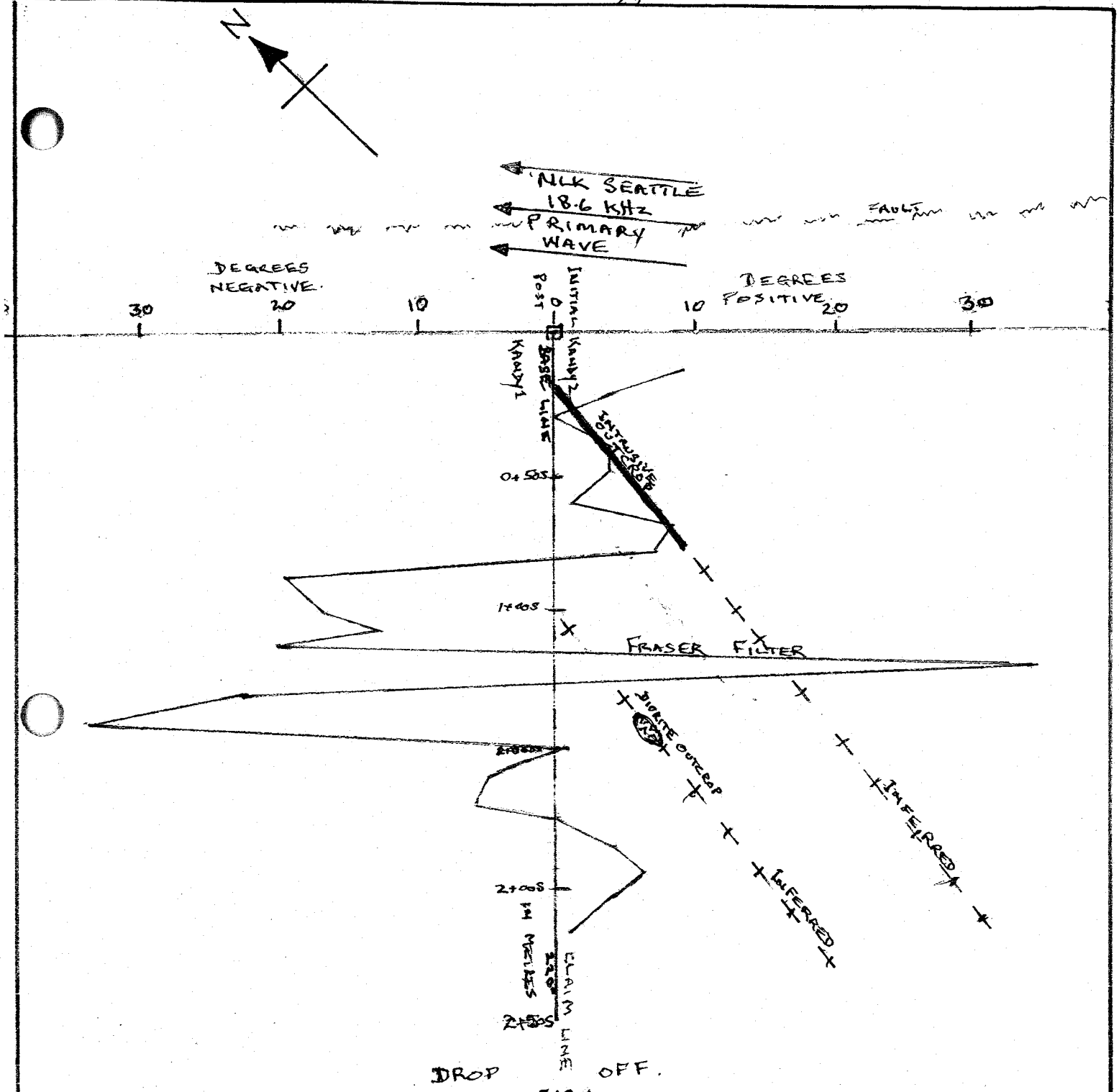


FIG 4

FRASER FILTER RESULTS ON "LOW" GRID

ON KANDY CLAIMS # 404858 + 404694. RESULTS COMPUTED USING FRASER FILTER FORMULA, SEE J.C. FRASER, CONTOURING VLF-EM DATA. PRINTED IN "GEOPHYSICS", VOL 34 #6, 1969. FOR BASELINE 0+00 TO 2+50S ONLY.

SYMBOLS

FRASER FILTER RESULTS.

+ + + — BATHOLITHIC BIOTITE CARBONATE OUTCROP + INFERRED

+ + + DIORITE DYKE OUTCROP + INFERRED.

BY OWNER/OPERATOR. L. LEBLOND. 4+ PROSPECTOR
JULY/AUG 2004.

OMINECA MINING DIVISION

(1)

DATE July 20, 2005 CLAIM Kandy 2. TRAVERSE Line Chain Line 3. DIP 180°

XMTR STATION NLK Seattle DIR. OF XMTR 122° READINGS-FACING ↓

GRID Kandy Low BASE LINE 220° OPERATOR

LINE 1

STATION	IN PHASE (%)	QUADRATURE	IN PHASE (°)	BASE LINE	-BASE LINE FRASER FACTOR
KANDY 1+2 MOS + 0+00 IP Post	-13	+48	-7	+16	
	-16	+14	-9	+21	(25)-(16) = 9
0+25S (INTRUSIVE)	-21	+13	-12	+25	(25)-(21) = 4
	-23	+12	-13	+25	(25)-(25) = 0
	-22	+10	-12	+25	(29)-(25) = 4
0+50S	-23	+5	-13	+29	(29)-(25) = 4
	-29	+7	-16	+29	(31)-(29) = 2
(SLATE)	-24	+10	-13	+31	(37)-(29) = 8
0+75S	-32	+12	-18	+37	(38)-(31) = 7
	-34	+6	-19	+38	(-17)-(37) = -20
1+05S	-34	+4	-19	+-17	(21)-(38) = -17
DIORITE MID DYKE / DYKE (DIORITE DYKE)	+3	-10	+2	+21	(-4)-(-17) = -13
	-34	+1	+19	+-4	(41)-(21) = -20
	-42	+4	-23	+41	(30)-(-4) = 34
1+25S	-32	0	-18	+30	(18)-(41) = -23
	-22	-7	-12	+18	(-4)-(+30) = -34
	-10	-12	-6	+-4	(5)-(18) = -13
	+3	-10	+2	++5	(6)-(-4) = 10
1+50S	+5	-11	+3	+6	(6)-(5) = 1
	+5	-12	+3	+6	(1)-(6) = -5
	+6	-6	+3	+1	(0)-(6) = -6
1+75S	-3	-8	-2	+0	(1)-(1) = 0
	0	-7	0	+1	(4)-(0) = 4
	+2	-5	+1	+4	(7)-(1) = 6
2+00S	+5	-2	+3	+7	(8)-(4) = 4
	+7	+2	+4	+8	(8)-(7) = 1
	+7	+8	+4	+8	( )-( ) =
2+25S	+7	+10	+4	+	( )-( ) =
DROP OFF.				+	

LINE N ↑

SE BASE LINE ↓

DATE July 20, 2004 CLAIM Kandy 2 TRAVERSE Line 2. DIP 090
XMTR STATION NLK Seattle DIR. XMTR 1220 READINGS-FACING 090
GRID Kandy L&W BASE LINE 220 OPERATOR

LINE 2

2.

STATION	IN PHASE (%)	QUADRATURE	IN PHASE (°)		FRASER FACTOR
KANDY 1+2 MBS 0+00 ▣	+7	+10	+4	+ 8	
	+7	+8	+4	+ 8	(7)-(8) = -1
	+7	+2	+4	+ 7	(4)-(8) = -4
0 +25S	+5	-2	+3	+ 4	(1)-(7) = -6
	+2	-5	+1	+ 1	(-2)-(4) = +6
	0	-7	0	+ -2	(1)-(1) = 0
	-3	-8	-2	+ 1	(6)-(-2) = 8
0 +50S	+6	-6	+3	+ 6	(6)-(1) = 5
EAST	+5	-12	+3	+ 6	(6)-(6) = 0
	+5	-11	+3	+ 6	(-3)-(6) = +9
	+3	-10	+3	+ -3	(-18)-(6) = -24
0 +75S	-10	-12	-6	+ -18	(-30)-(-3) = -27
	-22	-7	-12	+ -30	(-41)-(-18) = -23
	-32	0	-18	+ -41	(-4)-(-30) = +26
	-42	+4	-23	+ -4	( )-( ) =
1+00S	+34	+1	+19	+	( )-( ) =
				+	( )-( ) =
	-34	+4	-19	+	( )-( ) =

SOME OF THESE READINGS ARE ESTIMATES – DUE TO STATIC
USE AS A GUIDE ONLY

DATE July 2004 CLAIM Kandy 2 TRAVERSE Line 3 West of Diorite Dyke DIP 180 0

XMTR STATION Nick Seattle DIR. of XMTR 122 ° READINGS - FACING 90° 0

GRID Kandy Low BASE LINE 220° OPERATOR 4

LINE 3

3.

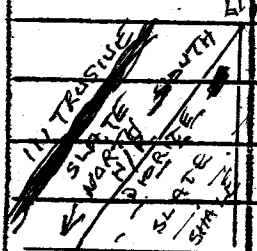
ERASER FACTOR

STATION	IN PHASE (%)	QUADRATURE	IN PHASE (°)
0+00 1+50S on C/L	+2	−1	
0+25	+6	−4	
No Readings. Too much static	? −20	+8 ?	
0+50 Dior Dyke	+14	−20	
	−1	−10	

( )−( ) =

This area is between (N/R) Intrusive and Diorite Dyke

Mostly Slate



Readings blanked out are marked N/R. This could be due to graphite or mineral - need a SP survey to find out.

DATE July 2004 CLAIM Kandy 4 IKAVEKSE LINE 4 DIR 090

XMTR STATION NLK Seattle DIR. of XMTR 122° READINGS - FACING 0 dec

GRID Kandy low BASE LINE 220° OPERATOR 4

4

LINE 4
3+00S

STATION	IN PHASE (%)	QUADRATURE	IN PHASE (°)			FRASER FACTOR
C/L-3+50S (0+00)	+64	+2	-33	+		
				+	( )-( ) =	
↓ 0+25E	+20	-4	+11	+	( )-( ) =	
8 (1)1	DROP	OFF		+	( )-( ) =	
EAST 0+50E	+2	+8	+1	+	( )-( ) =	
		N/R		+	( )-( ) =	
1+00E	+8	+6	+5	+	( )-( ) =	
? GRAPHITE	+100	-3	+45(?)	+	( )-( ) =	
1+50E	+17	+6	+10	+	( )-( ) =	
		N/R		+	( )-( ) =	
1+75E	+1	+25	+1	+	( )-( ) =	
				+	( )-( ) =	
				+	( )-( ) =	
				+	( )-( ) =	
				+	( )-( ) =	
				+	( )-( ) =	
NOT ENOUGH	READINGS			+	( )-( ) =	
				+	( )-( ) =	
READINGS SUSPECT	- STATIC - BLANKED OUT			+	( )-( ) =	
	+45 ?	GRAPHITE OR	MINERAL?	+	( )-( ) =	
	-33 ?	"	"	+	( )-( ) =	
				+	( )-( ) =	
				+	( )-( ) =	
				+	( )-( ) =	
				+	( )-( ) =	
				+	( )-( ) =	
				+	( )-( ) =	
				+	( )-( ) =	
				+		

DATE July 2004 CLAIM Kandy 2 IKAVEKSL C/L TO 3+00E DIR 090°

XMTR STATION N/A Seattle DIR. XMTR 1220 READINGS - FACING Ec90°

GRID Kandy Law BASE LINE 220 OPERATOR MC

LINE 5

FRASER FACTOR 5

STATION	IN PHASE (%)	QUADRATURE	IN PHASE (°)	+
C/L / 0+60				+
	FSR	SHALE	DIPS EAST	+
TOP				+
	(NR)			+
STEEP				+
				+
1+00E	+55	+8	+29	+
	DROP OFF			+
	TOP OF DROP OFF +85	+6	+40	+ 42
1+25E (FD)	+4	0	+2	+ 4
SHALE CONTACT FELSOR	+4	-7	+2	+
	+8	-1	+5	+
1+50E H2O	+33	0	+18	+
				+
2+00E W/F	(?) +100	-3	+45?	+
	+21	-3	+12	+
				+
2+50E	+27	+4	+15	+
				+
3+00E	+4	+12	+2	+

INCONSISTANT

LOTS OF STATIC?

DATE July 2000 CLAIM Kandy 2 TRAVERSE Line 6 DIP 090°
XMTR STATION NLK Seattle DIR. XMTR 122° READINGS - FACING 270°
GRID Kandy Low BASE LINE 220° OPERATOR

LINE 6

FRASER FACTOR 6.

STATION	IN PHASE (%)	QUADRATURE	IN PHASE (°)		
0+00/C/L	+30	+14	+17	+31	
0+25E	+25	+12	+14	+37	(48)-(31) = 17
0+75E	+43	+18	+23	+48	(45)-(37) = 8
1+00E	+47	+12	+25	+45	(50)-(48) = 2
	+37	+8	+20	+50	(60)-(45) = 15
1+50E	+57	+8	+30	+60	(43)-(50) = -7
	+57	0	+30	+43	(17)-(60) = -43
1+75E	+24	-4	+13	+17	(-2)-(43) = -45
	+7	+2	+4	-2	(4)-(17) = -13
2+00E	-11	+6	-6	+4	(20)-(-2) = +22
	+17	+6	+10	+20	(20)-(4) = 16
2+25E	+17	+2	+10	+20	(21)-(20) = 1
	+17	-1	+10	+21	(24)-(20) = 4
2+50E	+19	0	+11	+24	(25)-(21) = 4
	+24	+2	+13	+25	(22)-(24) = -2
2+75E	+21	+6	+12	+22	( )-( ) =
3+00	+17	+8	+10	+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	( )-( ) =
				+	

DATE July 2003 CLAIM Kandy 2 IKAVEKSE EAST (UP SLOPE) LINE DIR. EAST 090
XMTR STATION NLK Seattle DIR. XMTR 122° READINGS-FACING 90°
GRID Kandy Low BASE LINE 220 OPERATOR

LINE 7

FRASER FACTOR 7

STATION	IN PHASE (%)	QUADRATURE	IN PHASE (°)
C/L 5+00S (3280') 0+00	+23	+16	+13
	-60	0	-31
0+50E (SLATE)			
	+42	+17	+23
	+33	0	+18
3380 1+00E (SHALE)	WATER FALL		
(SLATE)	+4	0	+2
3560	+4	-7	+2
(DIORITE OUTCROP)	+18	-1	+10
2+00E			
(INTRUSIVE OUTCROP)	+42	+17	+23
3590	-60	0	-31
	+27	+4	+15
ELV 3600'	+28	+16	+16

DISTANCE BETWEEN READINGS ARE ESTIMATED
VERY ERACTIC SIGNAL - DUE TO MINERAL/GRAPHITE ?
TOO INCONSTANT TO PLOT, USE AS A GUIDE ONLY.

( )-( ) =

S CAMPBELL HUGTH XPLORATION

CREDITS;

Fraser. D.C. "Contouring of Fraser Filter Results"
"Geophysics" Vol 34,#6,1969.

Horwill.Denis. Mine Geologist for Dorreen Gold Mine,1950.
"A History of Mining,Terrace Area".

Kindle.E.D. Mem 205 & 329.

Wilton.P. P.Geo.
For "Womo" Report #10440

VITAE

L.LeBlond;

Completed Goverment Mineral Exploration Course at Cowichan , B.C. in 1984.

Prospecting for 41 years.

L. LeBlond.

L.LeBlond FML 115352

Prospector.

December 21,2004.

COST OF WORK

Phase 1 July 16-Aug 7/04.
Prospecting,lay out grid for VLF-EM survey with EM-16,photography,mapping and writing report.

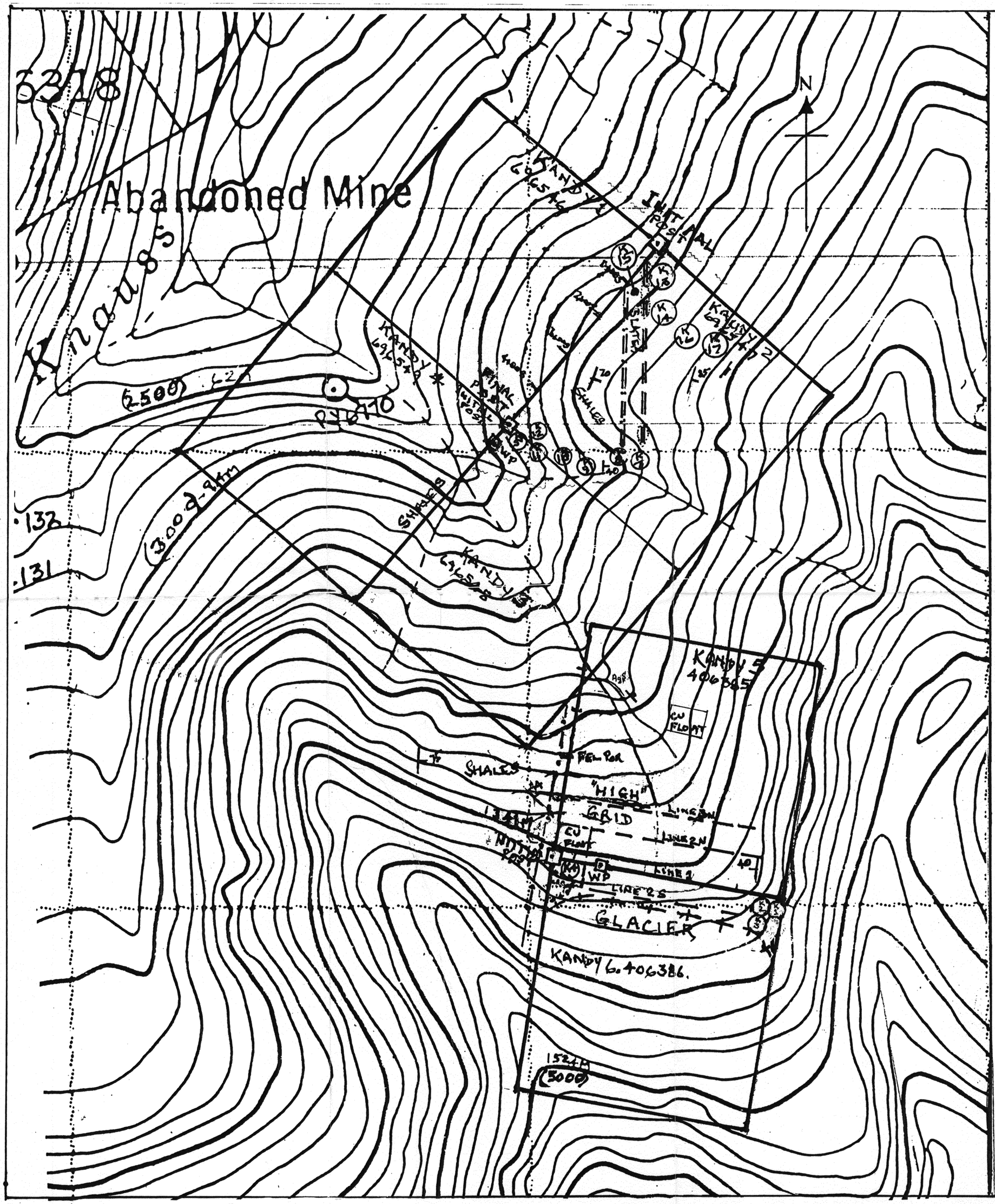
1 man X 21 days @ $250/day.....	5250.00
Food 1 man for 21 days @ $25/day.....	525.00
Travel,Helicopter $856..50%.....	428.00
Office expenses.....	198.00
Lease of Geonics EM-16,Serial #8403008.....	1500.00

Phase 2 Aug 20 - Sept 11/2004.
Prospecing,grid lay out,VLF-EM survey photography, sampling,mapping and writing report.

Work 1 man x 22 days @ 250/day.....	5500.00
Food 1 man X 22 days @ $25/day.....	550.00
Assays for Phase 1 & Phase 2.....	677.00
Office expenses.....	120.00
Cost of report.....	350.00
Helicopter,$856...50%.....	428.00
Total	$15526.00

Work carried out and paid for by; L. LeBlond

L.LeBlond
Prospector.
December 20,2004.



MAP 3

BASE MAP FOR KANDY 1-6 CLAIMS.

Showing positions of VLF-EM Grids and Float found and Sample Stations.

SYMBOLS

- Fm — Float-Quartz Copper
- FI — Float-Batholthic Intrusive
- FSh — Float-Shale
- FSl — Float-Slate
- qFp — Quartz Felspar Porphyry
- Initial Post & Claim Line
- WP — Witness Post
- --- Grid Lines
- +++ Glacier Front
- -·-·- Contact
- = = = Batholthic Biotite Carbonate Int
- =:=:= Diorite Dyke
- 40 — Strike & Dip
- Vein
- Sample Station & Number
- Batholthic Intrusive Outcrop
- Fault

NTS 103I/16W

LAT 54 47 833

Long 128 23 46

SCALE IN METRES

0 100 200 300 400 500

To Accompany Kandy 1-6 Prospecting Report Dec/04

By Owner/Operator.....L.LeBlond.4 Prospector.

December 20,2004.

OMINECA MINING DIVISION.