# ASSESSMENT REPORT



Report on Geochemical work on the MG, MG1--MG7 claims
(now Tenure #516551 )

Slocan Mining Division B.C.
82K041
Latitude 50° 27′ North
Longitude 117° 57′ West

Owner: Dave McMichael
Report by: Dave McMichael , Prospector FMC 137486

Date: Sept. 18 / 2005

ASSESSMENT REPORT

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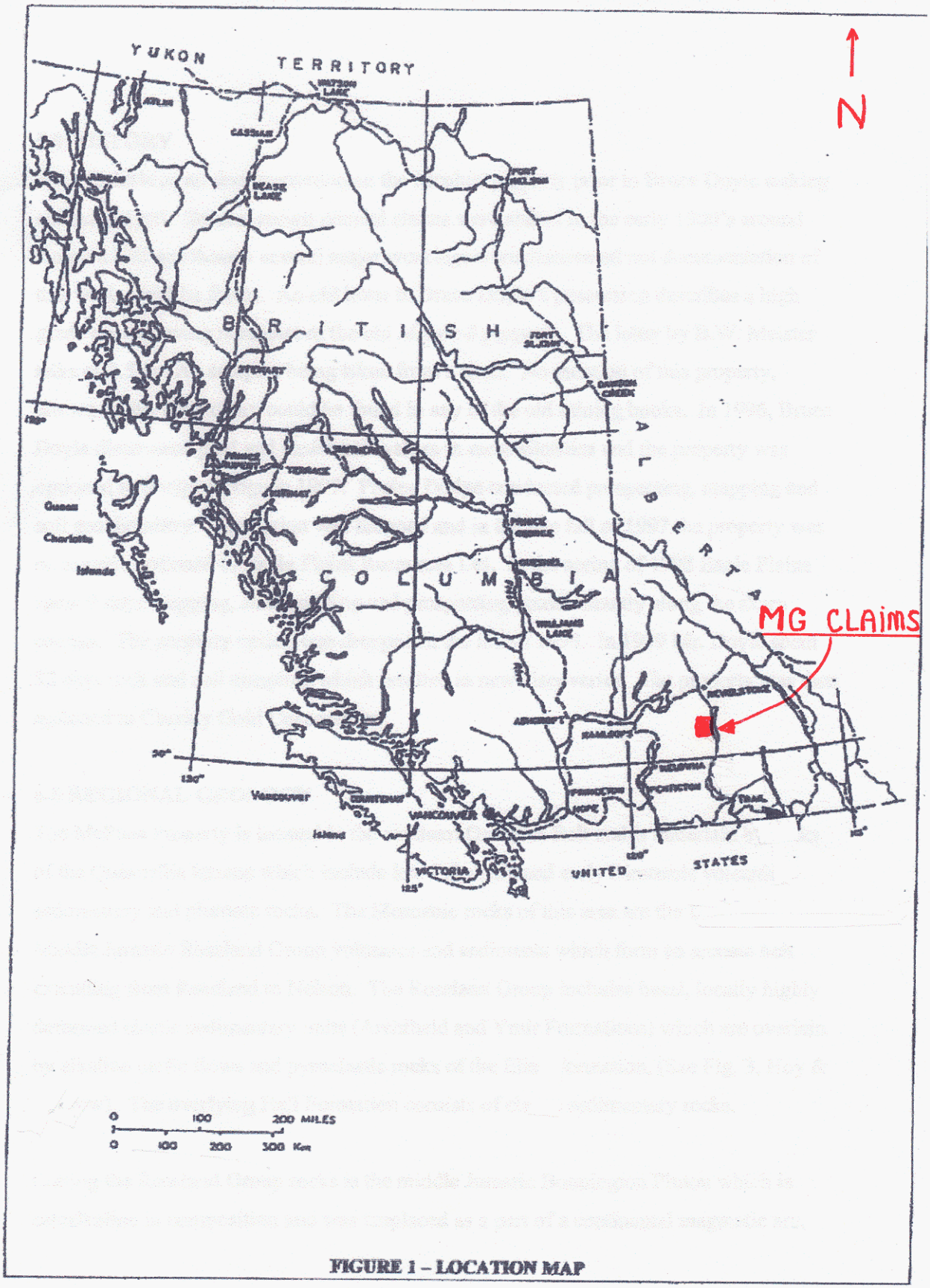



**FIGURE 1 – LOCATION MAP**

FIG. 1

MAP OF
MG, MG1-7 CLAIMS
BEFORE CONVERSION

TENURES 412142 - 412149

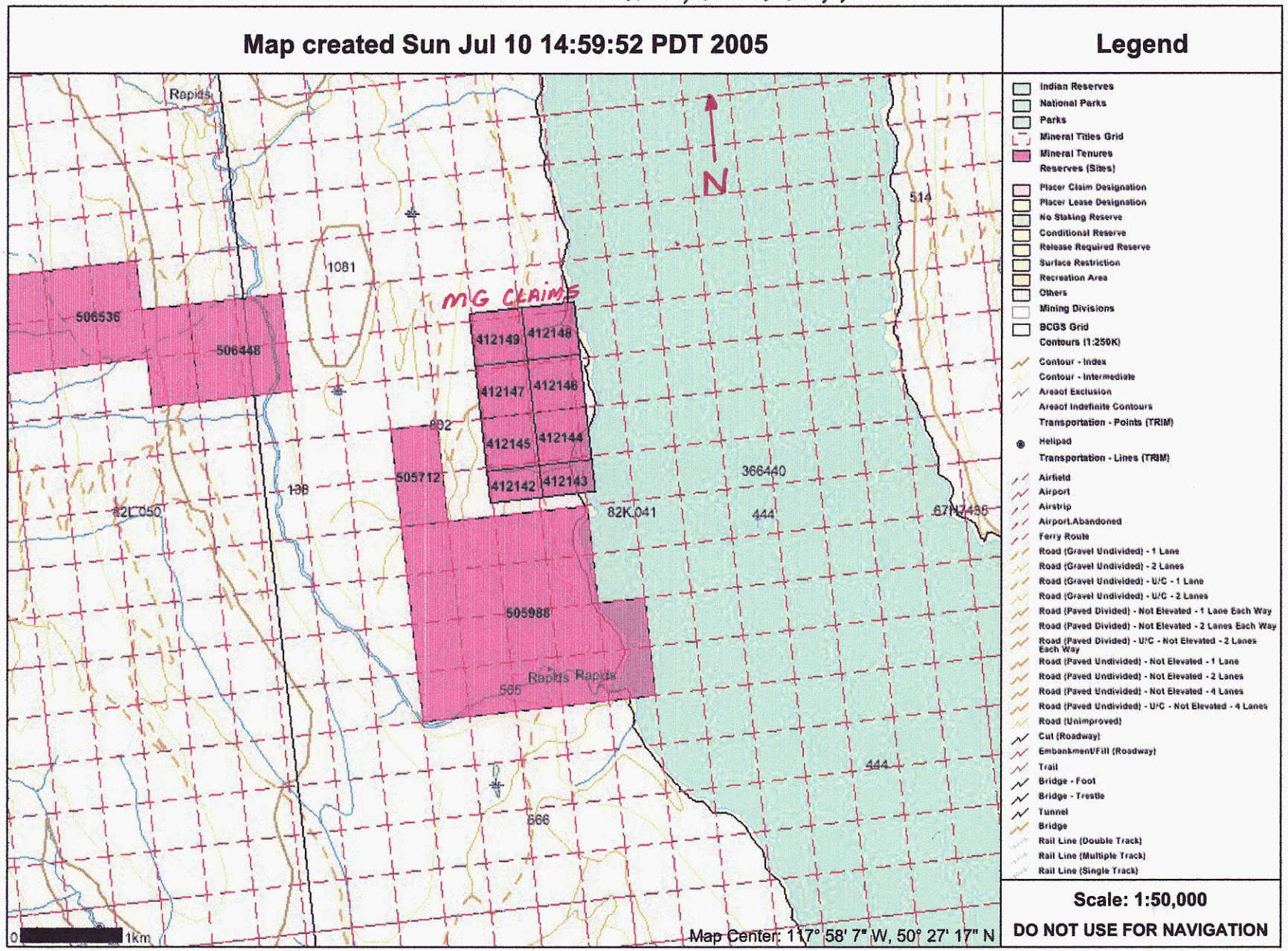



FIG. 2

TENURE 516551

CLAIMS AFTER CONVERSION

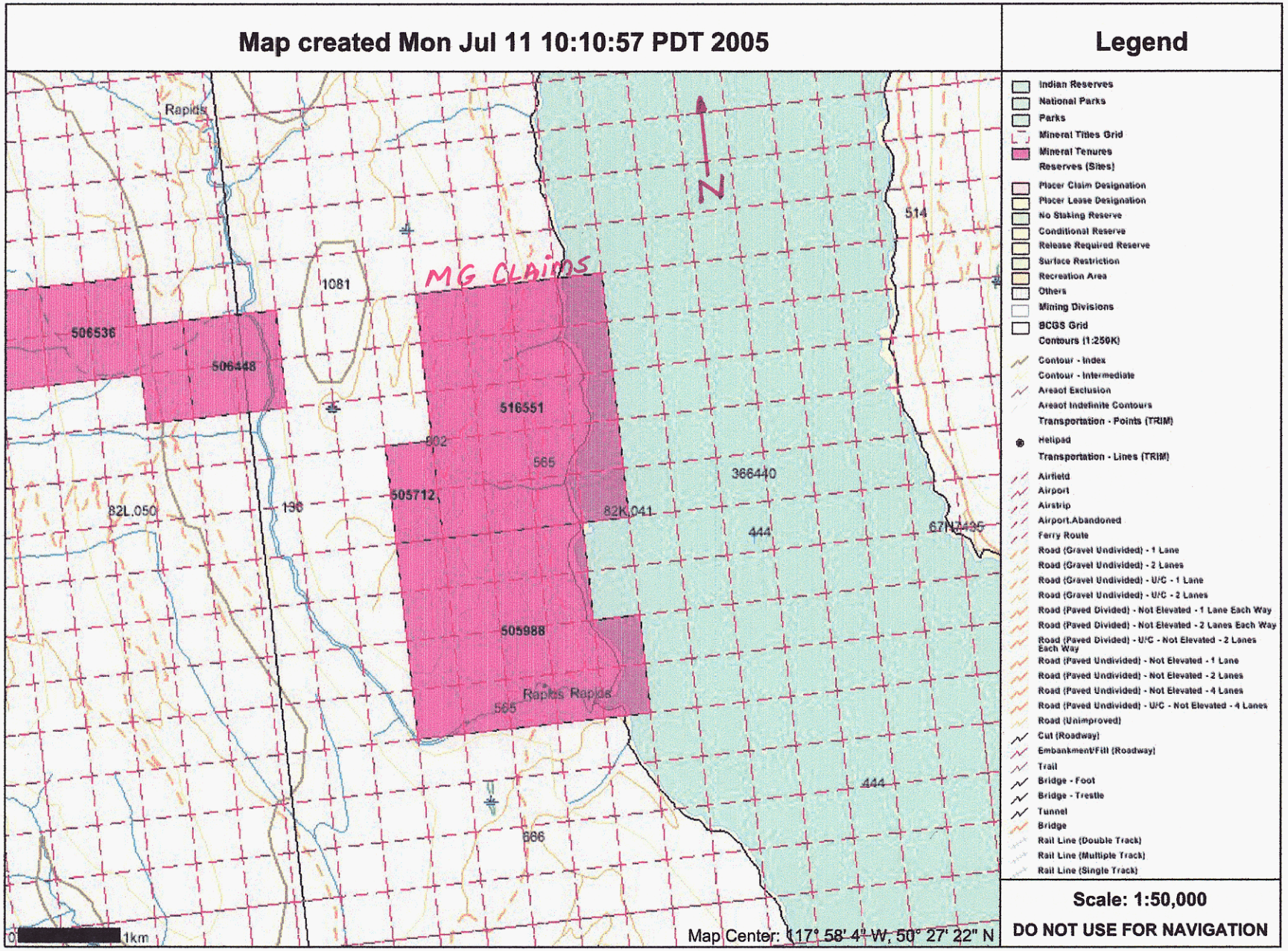



FIG. 3

## 1.1 PROPERTY LOCATION AND ACCESS

CLAIMS MG, MG1-7

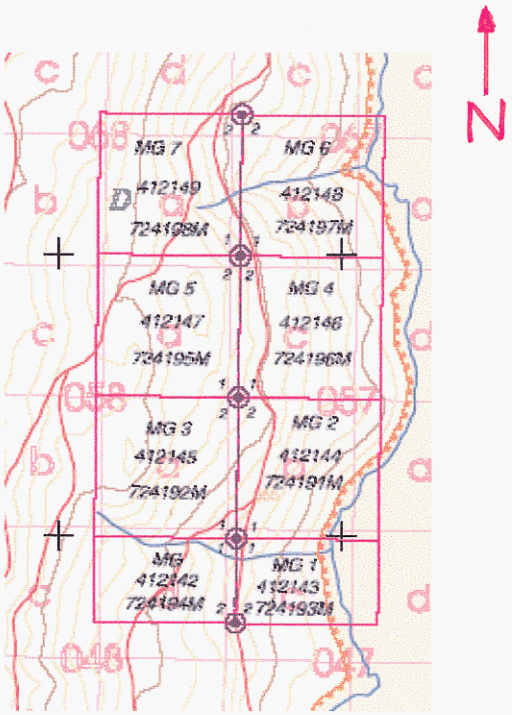
The claims are in the GOLD range of the Monashee mountains of southeast British Columbia.
The claims are located on the west side of Upper Arrow Lake in the West Kootenay region of B.C. They are approximately 72 kms south of Revelstoke B.C. on the south Shelter Bay Forest Service Road (FSR). Cominco's Big Ledge property is about 10 kms to the west. The south Shelter Bay FSR is a gravel road that goes through the middle of the property. There are two branch logging roads off the main FSR . Branch road 60 ( deactivated ) is located in the southwest part of the property. The other branch road is in the northwest part of the property and is overgrown but passable.

From Revelstoke B.C., a well paved highway #23 goes south for 50 kms to Shelter Bay (ferry) and the claims are about 22 kms from Shelter Bay on the FSR. Travel time from Revelstoke to the claims is about 1 1/2 hrs.

From Nakusp B.C., it's a 40 minute drive north on highway # 23 to Galena Bay, catch the ferry across to Shelter Bay , proceed north for about 1 km. to the South Shelter Bay FSR ( on the left ) , then south for about 22 kms. to the claims.
Travel time from Nakusp to the claims is about 2 hrs. depending on timing the ferry schedule.

## 1.2 PROPERTY OWNERSHIP

The MG , MG 1-7 claims (Tenure #412142-412149) are 100% owned by David G. McMichael. The claims were converted to Tenure #516551 on July 10th 2005, event #4040241. The Good to Date will be July 12th 2009 upon acceptance of this geochemical assessment report.




MG, MG 1- MG 7 ( before conversion to cell claims )

## 1.3 CLIMATE , LOCAL RESOURCES

The climate is like Nakusp B.C. with four seasons and moderate to heavy winters. The property is in South-Eastern B.C. and Nakusp B.C. would be the closest town 25 km S.E. from the claims, by boat. Most of the claims have not been logged yet. The area at Tenure # 412146 and # 412148 has previously been logged and replanted. The trees in this area are 3-6 meters high. Recently, the deciduous trees (birch) have been cut down to promote growth of the planted trees. Pine, Spruce, Fir, Cedar and Birch are the common trees found in the area.

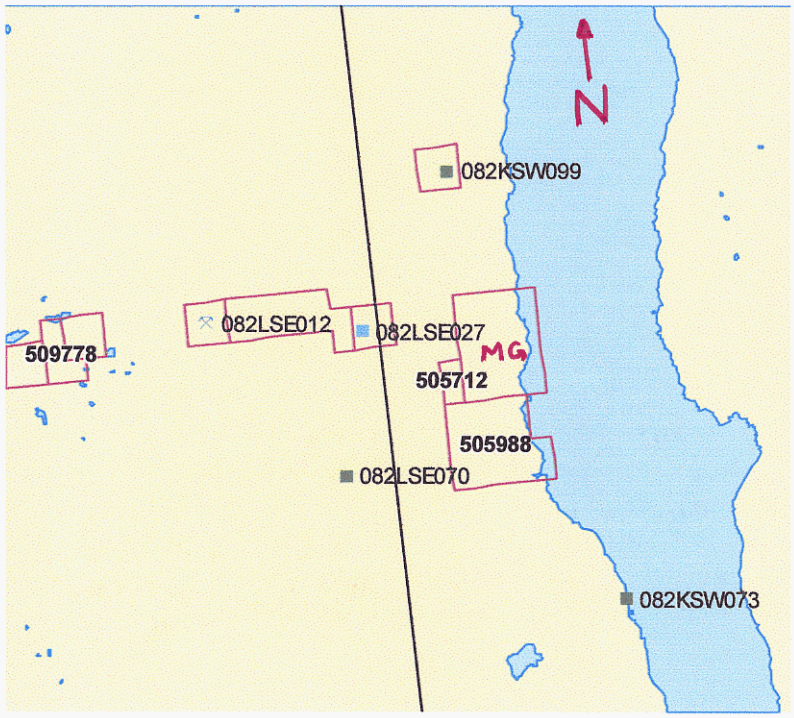
There are full services available in Nakusp B.C. or Revelstoke B.C.
There is one campground at Shelter Bay with tap water and outhouse. Also, Eagle Bay, a forestry serviced campground (with outhouses and large picnic tables) is 10 km along the South Shelter Bay FSR..

The Pingston Hydroelectric Power Plant is about 10 km north of the claims and approximately 12 km south of Shelter Bay. It produces about 155 GWh of electricity per year which is bought by B.C. Hydro.

The South Shelter Bay FSR is a rough gravel road that is not winter maintained past the Pingston Power Plant at 12km.. Past 12 km, recreational snowmobile traffic in the winter compacts the snow on the road and it is not drivable until late April or early May. Most years, the road would be usable from May to November.

## 1.4 HISTORY AND PREVIOUS EXPLORATION

As far as I can determine there has been no previous exploration at this location. The closest mineral exploration has been at the Big Ledge property. CM&S co. (Cominco) had traced a narrow belt of zinc-rich soil extending to upper Arrow Lakes (north of the MG, MG1-7 claims) from the Big Ledge property. The nearest MINFILE are 082LSE012 Big Ledge (Zn, Pb& Cu) , 082LSE027 Casey 7 (Ag,Zn &Pb) , 082LSE070 AMF (Cu & Ag) and 082KWS099 Ping Pong (Zn, Ag,Pb &Cu).




Map of nearest Minfile locations. MG claims ( after conversion ) are north of tenure # 505988

## 1.5 Regional Geology

The MG, MG 1-7 claims ( now Tenure # 516551 ) are in the Gold Range of the Monashee mountains on the west side of Upper Arrow Lake in Southeastern British Columbia.

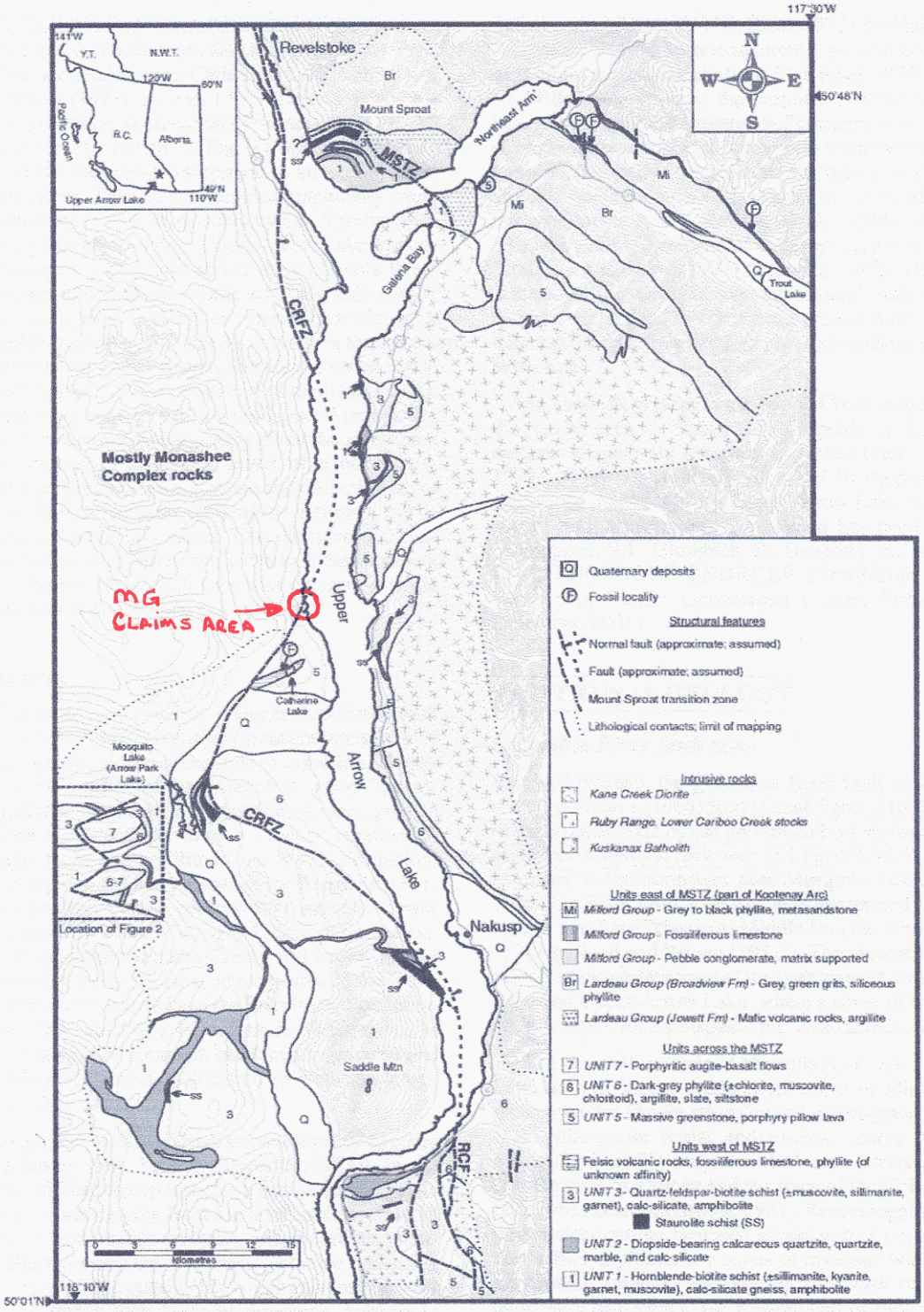
The claims are in the western part of the Omineca Belt. The " Omineca Belt - one of the five main geological belts of the Cordillera. It is a region composed largely of granitic and metamorphic rocks that was formed as a consequence of the collision of the Intermountain Super-terrane with Ancestral North America " from " Where Terranes Collide " by C.Y. Yorath.

To the west and northwest of the claims lie the Shuswap Metamorphic Complex which includes the Thor-Odin Dome in the Monashee Metamorphic Complex.

The area is near the western edge of the Kootenay Arc near where the Kootenay Arc contacts the Monashee Metamorphic Complex.
Slide Mountain , Quesnelia and Kootenay terranes are on or near the claims

The intrusive rocks on the claims may be related to the Kuskanax Suite of granitic intrusive rocks that are directly across the Upper Arrow Lake.

A major fault, the Columbia River Fault Zone ( CRFZ ), runs thru the area. The CRFZ is a 250 km long complex detachment structure extending from the Mica Dam area north of Revelstoke to south of Nakusp on Upper Arrow Lake . The CRFZ is the eastern boundary of the Shuswap and Monashee Metamorphic Complexes and it dips eastward with major normal dip-slip displacement in the northern part .Current research, south of the claims, (in Current Research 2003 – A7 and 2004 – A3 by Yvon Lemieux, R..I. Thompson and P. Erdmer) has found that the displacement in the southern part is about 1 km ( much less than the 20 to 30 + km displacement in the northern part ).




FROM Current Research 2004-A3

*Geology of the Upper Arrow Lake area. CRFZ, Columbia River fault zone; RCF, Rodd Creek Fault; MSTZ, Mount Sproat transition zone. Inset: Location map of the Upper Arrow Lake area. Topographic contours from Canada NTS 1:250 000 scale Vernon and Lardeau maps.*

## 1.6 LOCAL GEOLOGY

The property is on the west side of UPPER ARROW LAKE across from ANN Point. Pingston creek is over a ridge west of the claims and enters Upper Arrow Lake south of the claims.

The MG claims are on the hanging wall of the east dipping CRFZ (Columbia River Fault Zone), which in this area separates the GNEISSIC GRANITIC rocks of the Monashee group to the west from the intrusive KUSKANAX SUITE, GALENA BAY STOCK and the Kootenay terrain pericratonic rocks to the east. The intrusive rocks at the claims may be related to the Kuskanax Suite intrusive rocks across the Upper Arrow Lake.

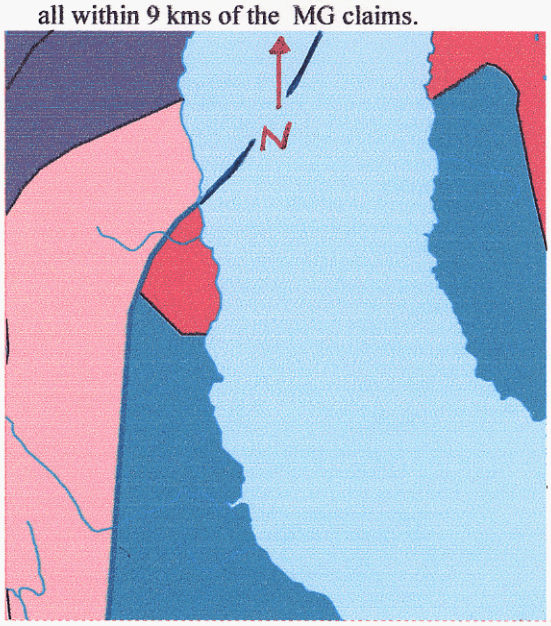
From MapPlace.ca , Exploration Assistant ; MJKqm ( middle Jurassic Kuskanax Batholith quartz monzonitic intrusive rocks ) intrude CPKa ( Carboniferous to Permian ,Kaslo Group basaltic volcanic rocks ( greenstones )) along the Columbia River Fault Zone (CRFZ ) .

Metallic Mineral potential for the area by rank - RED ( second highest 557 – 716 ) Tract S1 - Kootenay RANK 706

Three small seasonal creeks are on the property. They basically run in the early spring from snowmelt and are dry in the summer. They flow from west to east (eastward) and are each about 2 kms. in total length. Two are in the southern part of the claims ( not on map).One is in the northern part of the claims as shown in the map below.

Creek 1 (southern creek ) is in the greenstone volcanic rock, Creek 2 ( 82K05 779102 ) is in the intrusive rock and Creek 3 ( northern creek , 82K05 779103 ) is in the intrusive and metamorphic rocks.

There are 3 hot springs across the lake ; Halcyon, Halfway River and St. Leon , all within 9 kms of the MG claims.




**Comment:** GEOLOGY OF THE MG CLAIMS AREA

RED = M J K x intrusive rocks
Kuskanax Batholith

Green = CPKa volcanic rocks

Blue line = CRFZ
Columbia River Fault Zone
Normal Fault

Orange = PeEgr
Cenozoic intrusive

Purple = PrPzMmc
Metamorphic complex

Light Blue = Upper Arrow Lake

Section 2

## 2.1 DESCRIPTION OF PROGRAM

The geochemical exploration program was set up to try to locate the source of the highest gold result (786 ppb. Au ) (82K05 779102 ) in the 1990-1991 B.C. REGIONAL GEOCHEMICAL SURVEY for the Lardeau NTS 82 K map sheet.

Stream sediment was mainly used with some moss sediment and 2 soil samples taken. The stream sampling was taken on 3 creeks on the MG, MG1-MG7 claims (now Tenure # 516551). The seasonal creeks were numbered from south to north ; Creek 1 is a very small creek and is a branch creek of creek 2 , Creek 2 is where 82 K 05 779102 RGS sample 786pb. Au was taken , Creek 3 is about 1.2 km to the north of creek 2 and is where 82K05 779103 RGS sample was taken. There are no results from 1990-1991 RGS 82K05 779103 because there was not enough sample left to test.

Before we staked the claims, we did stream sediment sampling on the three creeks with 96 ppb.Au from creek 1, a high of 248.9 ppb. Au. from creek 2 (82K05 779102 786 ppb. Au.) and a high of 812.1 ppb. Au. from creek 3.

Creek 1 had 4 stream sediment samples taken, Creek 2 had 10, and Creek 3 had 10 plus 2 moss samples. The procedure was to go upstream from the RGS sampling sites on the main creeks and take stream sediment samples every 10 meters. The sampling sites are located every 10 meters by hip chain and are marked with flagging tape at each sample site.

Because there is little fine sediment in these seasonal creeks, and we wanted to get enough material for 30 gram analysis with -80 mesh at the Lab, we sieved the creek gravel and sediment with a 8" (20 cm) stainless steel kitchen sieve into a plastic 40 cm. gold pan. The finer samples were placed in a large 3.7 liter 27cm x 28 cm. Ziplock plastic bag or 26.8 cm x 27.9cm VP plastic Ziplock bags. We collected about 1-2 kg per site. Each bag was labeled with the number ie: Creek 1 05 DM SS1001; 05 (year) DM (D McMichael) SS (stream sediment) 1001 (creek 1 sample 1) ..... (1002 would be creek 1 sample 2 etc.). Creek 2 05 DM SS 2001 is creek 2 sample 1. Creek 3 05 DM SS 3003 is creek 3 sample 3.

The sample bags were brought home where each one was slowly and very carefully sieved down to -30 mesh. The -30 mesh material was then bagged into labeled kraft paper sample bags for shipment to ACME Labs in Vancouver. The sieve and all containers were thoroughly cleaned between each sample processed. The sieve used was a Canadian Standard Sieve Series No. 30 TYLER. The paper sample bags were air dried for several days then boxed up and sent to ACME Lab via Greyhound Bus. The lab will dry and sieve to -80 mesh each sample before analysis.

From some locations on Creek 3 ( 82K05 779103) we also sent in some moss mat samples along with stream sediment samples to see if the moss mat sediment had different results. 05DMMM3004 and 5 are moss mat samples. 05DMSS 3904 and 5 are stream sediment samples from the same respective sites.

The soil samples were taken near the north end of the property. The leaves and branches were cleared away from a 1 meter area at each sample site. The A horizon soil was scraped away and a hole was dug in the cleared area. B horizon soil, about 5-15 cm deep, was dry sieved and bagged the same way as the stream sediment samples. The soil samples are 05DMS001 and 05DMS002.

# ACME ANALYTICAL LABORATORIES LTD.

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Phone: (604) 253-3158 Fax: (604) 253-1716
Our GST # 100035377 RT


**MCMICHAEL, DAVE**
3256 Granite Road
Nelson, BC
V1L 6X8

Inv.#: **A502544**
Date: Jun 23 2005

| QTY | ASSAY | PRICE | AMOUNT |
|---|---|---|---|
| 28 | GROUP 1DX (30 gm) @ | 17.25 | 483.00 |
| 26 | SS80 - STREAM SED. @ | 1.65 | 42.90 |
| 2 | SS80 - SOIL @ | 1.65 | 3.30 |
| | GST Taxable | | 529.20 |
| | 7.00% GST | | 37.04 |
| | CAD $ | | **566.24** |

Project: MG CLAIMS
Samples submitted by Dave McMichael
FILE # A502544 & A502545

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**Please pay last amount shown. Return one copy of this invoice with payment.**
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## 2.2 LAB ANALYSIS

ACME ANALYTICAL LABORATORIES JUNE 2005
852 East Hastings Street
Vancouver B.C.
V6A 1R6 253-3158 1-800-990-2263

Group 1DX—30 grams SS80 60 c 24 stream sediment, 2 moss, 2 soil , 1 Re run

Samples dried 60 c
Samples screened –80 mesh
Analyzed 30 gram sample (if possible) of -80 mesh
Group 1 DX, 36 elements, 30 gram samples leached with 180 ml 222 Hcl-HNO3-H2O @95 C for 1 hour, diluted to 600 ml analyzed by ICP-MS.

B.C. Certified Assayer Clarence Leong

ACME ANALYTICAL LABORATORIES LTD. (ISO 9001 Accredited Co.) 852 E. HASTINGS ST. VANCOUVER BC V6A 1R6 PHONE(604)253-3158 FAX(604)253-1716

# GEOCHEMICAL ANALYSIS CERTIFICATE

McMichael, Dave PROJECT MG CLAIMS File # A502544

3256 Granite Road, Nelson BC V1L 6X8 Submitted by: Dave McMichael

| SAMPLE# | Mo ppm | Cu ppm | Pb ppm | Zn ppm | Ag ppm | Ni ppm | Co ppm | Mn ppm | Fe % | As ppm | U ppm | Au ppb | Th ppm | Sr ppm | Cd ppm | Sb ppm | Bi ppm | V ppm | Ca % | P % | La ppm | Cr ppm | Mg % | Ba ppm | Ti % | B ppm | Al % | Na % | K % | W ppm | Hg ppm | Sc ppm | Tl ppm | S % | Ga ppm | Se ppm | Sample gm |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| G-1 | .9 | 2.5 | 2.7 | 42 | <.1 | 7.0 | 4.0 | 526 | 1.73 | <.5 | 2.2 | .6 | 3.7 | 57 | <.1 | <.1 | .1 | 35 | .49 | .081 | 6 | 81.7 | .55 | 196 | .098 | 1 | .95 | .102 | .57 | .4 | .01 | 3.3 | .4 | <.05 | 4 | <.5 | 30 |
| 05DMSS1001 | .3 | 9.7 | 5.8 | 20 | <.1 | 6.2 | 3.3 | 196 | .86 | <.5 | 1.6 | <.5 | 2.5 | 9 | .1 | <.1 | .1 | 12 | .13 | .022 | 8 | 8.0 | .16 | 64 | .020 | <1 | .43 | .007 | .03 | .1 | .01 | 1.0 | <.1 | <.05 | 2 | <.5 | 30 |
| 05DMSS1002 | .4 | 12.5 | 7.6 | 32 | <.1 | 8.4 | 4.8 | 370 | 1.07 | <.5 | 2.7 | <.5 | 3.1 | 14 | .2 | <.1 | .1 | 13 | .18 | .025 | 13 | 9.6 | .20 | 106 | .027 | <1 | .70 | .007 | .05 | .1 | .01 | 1.6 | .1 | .08 | 2 | <.5 | 30 |
| 05DMSS1003 | .4 | 19.5 | 10.2 | 37 | .1 | 9.4 | 4.2 | 353 | 1.01 | .6 | 6.0 | 1.0 | 1.9 | 20 | .2 | .1 | .1 | 13 | .28 | .039 | 19 | 10.5 | .20 | 133 | .029 | <1 | .86 | .006 | .06 | .1 | .02 | 1.7 | .1 | .07 | 3 | .5 | 30 |
| 05DMSS1004 | .4 | 9.6 | 6.6 | 24 | <.1 | 6.2 | 3.1 | 235 | .83 | .6 | 3.5 | <.5 | 2.3 | 13 | .1 | .1 | .1 | 11 | .18 | .032 | 12 | 8.0 | .15 | 89 | .023 | <1 | .58 | .006 | .04 | .1 | .02 | 1.2 | .1 | <.05 | 2 | <.5 | 30 |
| 05DMSS2001 | .4 | 9.9 | 6.8 | 35 | <.1 | 11.5 | 4.4 | 259 | 1.09 | .5 | 2.6 | .8 | 5.2 | 17 | .1 | <.1 | .1 | 15 | .23 | .034 | 15 | 13.0 | .21 | 160 | .045 | <1 | .80 | .015 | .06 | .3 | .01 | 1.4 | .1 | <.05 | 2 | <.5 | 30 |
| 05DMSS2002 | .6 | 16.0 | 9.6 | 41 | .1 | 14.1 | 5.8 | 342 | 1.23 | .6 | 3.7 | 2.4 | 4.5 | 20 | .1 | <.1 | .1 | 19 | .29 | .034 | 16 | 17.4 | .28 | 202 | .057 | <1 | 1.05 | .019 | .09 | .3 | .02 | 1.9 | .1 | <.05 | 3 | <.5 | 15 |
| 05DMSS2003 | .6 | 14.7 | 8.8 | 42 | .1 | 13.7 | 5.0 | 236 | 1.21 | .5 | 3.4 | 1.1 | 4.2 | 17 | .1 | <.1 | .1 | 18 | .21 | .019 | 16 | 17.0 | .23 | 232 | .056 | <1 | 1.08 | .013 | .08 | .2 | .01 | 1.8 | .1 | <.05 | 3 | <.5 | 30 |
| 05DMSS2004 | .7 | 15.2 | 11.1 | 48 | .1 | 15.9 | 6.4 | 359 | 1.38 | .7 | 4.6 | 2.7 | 5.0 | 23 | .2 | .1 | .1 | 20 | .31 | .034 | 20 | 18.6 | .27 | 260 | .060 | <1 | 1.16 | .019 | .10 | .3 | .03 | 2.2 | .1 | <.05 | 4 | .5 | 30 |
| 05DMSS2005 | .6 | 16.7 | 11.7 | 52 | .1 | 20.4 | 6.2 | 274 | 1.53 | 1.0 | 5.2 | 4.4 | 6.2 | 24 | .1 | .1 | .2 | 21 | .30 | .045 | 17 | 20.7 | .27 | 357 | .078 | <1 | 2.02 | .019 | .10 | .2 | .05 | 2.2 | .1 | <.05 | 5 | <.5 | 30 |
| 05DMSS2006 | .5 | 14.0 | 8.0 | 39 | <.1 | 13.1 | 5.5 | 374 | 1.21 | .6 | 3.2 | 1.8 | 4.4 | 20 | .2 | <.1 | .1 | 17 | .29 | .041 | 15 | 15.7 | .24 | 210 | .049 | <1 | .89 | .018 | .08 | .3 | .02 | 1.6 | .1 | <.05 | 3 | <.5 | 30 |
| 05DMSS2007 | .4 | 19.2 | 6.9 | 34 | <.1 | 12.3 | 4.6 | 300 | 1.10 | .6 | 2.7 | <.5 | 4.5 | 17 | .1 | <.1 | .1 | 16 | .27 | .045 | 13 | 13.6 | .23 | 178 | .045 | <1 | .74 | .017 | .07 | .3 | .01 | 1.6 | .1 | <.05 | 3 | <.5 | 30 |
| 05DMSS2008 | .5 | 14.4 | 7.9 | 38 | .1 | 12.8 | 5.4 | 396 | 1.15 | .5 | 3.6 | <.5 | 4.6 | 17 | .1 | <.1 | .1 | 16 | .26 | .042 | 17 | 14.5 | .21 | 213 | .044 | <1 | .90 | .013 | .07 | .3 | .01 | 1.6 | .1 | <.05 | 3 | <.5 | 30 |
| 05DMSS2009 | .5 | 22.4 | 9.4 | 47 | .1 | 14.6 | 6.0 | 444 | 1.18 | .6 | 3.5 | 2.7 | 4.2 | 19 | .2 | <.1 | .1 | 18 | .27 | .033 | 16 | 15.7 | .24 | 229 | .054 | 1 | .96 | .016 | .09 | .2 | .02 | 1.8 | .1 | <.05 | 3 | <.5 | 30 |
| 05DMSS2010 | .4 | 16.5 | 5.6 | 30 | <.1 | 10.6 | 4.6 | 277 | 1.00 | <.5 | 2.4 | <.5 | 4.6 | 14 | .1 | <.1 | .1 | 15 | .24 | .044 | 13 | 11.7 | .21 | 151 | .039 | <1 | .69 | .015 | .07 | .2 | <.01 | 1.4 | .1 | <.05 | 2 | <.5 | 30 |
| RE 05DMSS1001 | .3 | 9.7 | 5.6 | 21 | <.1 | 6.1 | 3.4 | 193 | .90 | <.5 | 1.6 | 25.6 | 2.6 | 9 | .1 | <.1 | .1 | 11 | .12 | .022 | 8 | 8.4 | .16 | 62 | .020 | <1 | .44 | .007 | .03 | .1 | <.01 | 1.0 | .1 | <.05 | 2 | <.5 | 30 |
| 05DMM3001 | .5 | 17.2 | 11.7 | 63 | .1 | 23.4 | 7.1 | 370 | 1.57 | .8 | 2.9 | 1.3 | 4.4 | 23 | .2 | .1 | .1 | 22 | .35 | .054 | 26 | 20.2 | .33 | 129 | .064 | 1 | 1.42 | .012 | .12 | .2 | .02 | 2.3 | .2 | <.05 | 4 | <.5 | 30 |
| 05DMM3002 | .5 | 17.6 | 11.5 | 70 | .1 | 25.2 | 7.6 | 415 | 1.62 | .7 | 2.6 | 10.1 | 4.7 | 23 | .2 | .1 | .1 | 24 | .33 | .059 | 18 | 21.7 | .32 | 137 | .062 | 1 | 1.55 | .013 | .13 | .3 | .02 | 2.5 | .2 | <.05 | 4 | .5 | 30 |
| 05DMSS3003 | .5 | 17.9 | 9.9 | 65 | .1 | 21.9 | 7.2 | 348 | 1.54 | .8 | 2.4 | 2.7 | 4.6 | 21 | .2 | .1 | .1 | 25 | .34 | .058 | 17 | 20.8 | .33 | 122 | .065 | 1 | 1.39 | .012 | .12 | .2 | .02 | 2.3 | .1 | <.05 | 4 | .5 | 30 |
| 05DMMM3004 | .4 | 15.8 | 9.5 | 56 | .1 | 19.0 | 6.7 | 294 | 1.46 | .7 | 2.2 | 3.3 | 4.5 | 19 | .1 | .1 | .1 | 22 | .33 | .061 | 17 | 17.7 | .31 | 108 | .056 | 1 | 1.18 | .011 | .12 | .2 | .02 | 2.2 | .1 | <.05 | 4 | .5 | 15 |
| 05DMMM3005 | .5 | 16.0 | 8.4 | 54 | .1 | 18.3 | 6.8 | 287 | 1.51 | .7 | 2.2 | 2.2 | 4.8 | 17 | .1 | .1 | .1 | 23 | .31 | .064 | 16 | 18.5 | .31 | 104 | .056 | 1 | 1.14 | .011 | .11 | .3 | .01 | 2.0 | .1 | <.05 | 4 | .5 | 30 |
| 05DMM3006 | .4 | 11.5 | 6.2 | 42 | <.1 | 15.1 | 5.4 | 212 | 1.36 | .5 | 1.6 | 3.6 | 5.6 | 14 | .1 | <.1 | .1 | 21 | .27 | .062 | 14 | 15.4 | .26 | 85 | .047 | 1 | .83 | .010 | .08 | .4 | .01 | 1.5 | .1 | <.05 | 3 | <.5 | 30 |
| 05DMM3007 | .4 | 11.0 | 5.6 | 36 | <.1 | 13.7 | 5.0 | 185 | 1.16 | <.5 | 1.4 | 1.8 | 4.6 | 12 | .1 | <.1 | .1 | 20 | .25 | .060 | 13 | 13.2 | .24 | 81 | .043 | <1 | .81 | .009 | .08 | .3 | <.01 | 1.6 | .1 | <.05 | 3 | <.5 | 30 |
| 05DMM3008 | .3 | 10.1 | 4.6 | 31 | <.1 | 12.4 | 4.8 | 155 | 1.30 | <.5 | 1.3 | 1.5 | 6.3 | 10 | .1 | <.1 | .1 | 22 | .23 | .067 | 14 | 13.1 | .21 | 74 | .040 | <1 | .61 | .007 | .06 | .3 | .01 | 1.3 | .1 | <.05 | 2 | <.5 | 30 |
| 05DMSS3009 | .5 | 19.7 | 9.7 | 62 | .1 | 21.7 | 7.0 | 299 | 1.64 | .6 | 2.4 | 2.1 | 4.9 | 19 | .1 | .1 | .1 | 27 | .31 | .060 | 15 | 21.4 | .34 | 113 | .067 | 1 | 1.32 | .012 | .13 | .2 | .01 | 2.4 | .1 | <.05 | 4 | .5 | 30 |
| 05DMSS3010 | .6 | 22.9 | 11.4 | 78 | .1 | 25.5 | 9.0 | 357 | 1.83 | .9 | 2.5 | 83.3 | 4.7 | 22 | .1 | .1 | .1 | 31 | .35 | .062 | 17 | 24.4 | .39 | 123 | .076 | <1 | 1.55 | .013 | .14 | .3 | .02 | 2.8 | .2 | <.05 | 5 | <.5 | 30 |
| 05DMSS3904 | .5 | 16.8 | 9.2 | 60 | .1 | 19.6 | 6.9 | 298 | 1.53 | .8 | 2.1 | 1.1 | 4.3 | 18 | .1 | .1 | .1 | 26 | .32 | .062 | 16 | 20.1 | .33 | 114 | .059 | 1 | 1.25 | .018 | .11 | .2 | .03 | 2.1 | .1 | <.05 | 4 | <.5 | 30 |
| 05DMSS3905 | .5 | 16.5 | 9.3 | 58 | .1 | 19.4 | 7.0 | 304 | 1.49 | .8 | 1.9 | 2.1 | 4.4 | 18 | .1 | .1 | .1 | 27 | .30 | .063 | 15 | 21.9 | .31 | 110 | .061 | 1 | 1.19 | .011 | .11 | .3 | .01 | 2.1 | .1 | <.05 | 4 | <.5 | 30 |
| STANDARD DS6 | 11.0 | 125.2 | 28.8 | 143 | .3 | 24.4 | 10.5 | 714 | 2.91 | 22.4 | 6.5 | 44.7 | 2.9 | 39 | 6.0 | 3.5 | 4.9 | 54 | .84 | .076 | 13 | 180.5 | .60 | 162 | .069 | 16 | 1.96 | .075 | .16 | 3.6 | .21 | 3.1 | 1.7 | <.05 | 6 | 4.6 | 30 |

GROUP 1DX - 30 GM SAMPLE LEACHED WITH 180 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 600 ML, ANALYSED BY ICP-MS.
(>) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT AU SOLUBILITY.
- SAMPLE TYPE: SED. SS80 60C Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

Data 1 FA ____ DATE RECEIVED: JUN 13 2005 DATE REPORT MAILED: June 22/05

BRITISH COLUMBIA CERTIFIED ASSAYER Clarence Leong

12

ACME ANALYTICAL LABORATORIES LTD. (ISO 9001 Accredited Co.) 852 E. HASTINGS ST. VANCOUVER BC V6A 1R6 PHONE(604)253-3158 FAX(604)253-1716

# GEOCHEMICAL ANALYSIS CERTIFICATE

**McMichael, Dave** PROJECT MG CLAIMS File # A502545

3256 Granite Road, Nelson BC V1L 6X8 Submitted by: Dave McMichael

| SAMPLE# | Mo ppm | Cu ppm | Pb ppm | Zn ppm | Ag ppm | Ni ppm | Co ppm | Mn ppm | Fe % | As ppm | U ppm | Au ppb | Th ppm | Sr ppm | Cd ppm | Sb ppm | Bi ppm | V ppm | Ca % | P % | La ppm | Cr ppm | Mg % | Ba ppm | Ti % | B ppm | Al % | Na % | K % | W ppm | Hg ppm | Sc ppm | Tl ppm | S % | Ga ppm | Se ppm |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| G-1 | .8 | 2.9 | 2.9 | 46 | <.1 | 8.2 | 4.1 | 517 | 1.73 | <.5 | 2.3 | 1.1 | 4.0 | 58 | <.1 | <.1 | .1 | 36 | .47 | .084 | 6 | 93.8 | .55 | 186 | .099 | 1 | .96 | .106 | .52 | .2 | <.01 | 2.8 | .3 | <.05 | 4 | <.5 |
| 05DMS001 | 1.4 | 16.8 | 15.3 | 144 | .1 | 24.3 | 10.7 | 168 | 1.92 | 2.4 | 1.5 | 1.8 | 4.7 | 9 | .1 | .3 | .2 | 30 | .11 | .086 | 16 | 17.9 | .26 | 118 | .112 | 1 | 2.40 | .014 | .08 | .2 | .03 | 2.2 | .2 | <.05 | 9 | .5 |
| 05DMS002 | .5 | 19.1 | 8.7 | 53 | .1 | 18.1 | 6.6 | 160 | 1.44 | 1.9 | .6 | 78.1 | 3.6 | 9 | .1 | .1 | .1 | 22 | .19 | .148 | 6 | 16.3 | .24 | 92 | .042 | 1 | .93 | .009 | .05 | .3 | .01 | 1.1 | .1 | <.05 | 4 | <.5 |
| STANDARD DS6 | 11.0 | 125.2 | 28.8 | 143 | .3 | 24.4 | 10.5 | 714 | 2.91 | 22.4 | 6.5 | 44.7 | 2.9 | 39 | 6.0 | 3.5 | 4.9 | 54 | .84 | .076 | 13 | 180.5 | .60 | 162 | .069 | 16 | 1.96 | .075 | .16 | 3.6 | .21 | 3.1 | 1.7 | <.05 | 6 | 4.6 |

GROUP 1DX - 30 GM SAMPLE LEACHED WITH 180 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 600 ML, ANALYSED BY ICP-MS.
(>) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT AU SOLUBILITY.
- SAMPLE TYPE: SOIL SS80 60C

Data 1 FA ____ **DATE RECEIVED:** JUN 13 2005 **DATE REPORT MAILED:** June 22/05.

BRITISH COLUMBIA CERTIFIED ASSAYER
Clarence Leong

## 2.3 INTERPRETATIONS AND CONCLUSIONS

The stream sediment sampling on creek 1 returned a high of 25.6 ppb. Au. on the RE 05DMSS1001 sample which was a rerun of the 05DMSS1001 sample. A previous sample on this creek, above the South Shelter Bay FSR, returned 96 ppb. Au. This shows that the results can be highly variable.

The stream sediment sampling on creek 2 returned a high of 4.4 ppb. Au. which is nowhere near the 786 ppb. Au. and the follow up high of 248.9 ppb.Au. prior to staking.

The stream sediment sampling on creek 3 returned a high of 83.3 ppb. Au. This sample was taken below the branch logging road in the north-west corner of the property. There is room for more stream sampling above 05DMSS3010 and below the branch logging road. The previous high on this creek of 812.1 ppb Au. was above the main South Shelter Bay FSR near where RGS sample 82K05 779103 was taken and it is below the 05DMM3001 sample location.

We were pleased with the results in that the lab was able to get 30 grams from 26 of 28 samples sent and only 2 of 28 of the samples were 15 grams. We had hoped all would be 30 grams for comparing results.

Comparing the moss and stream sediment samples on creek 3 , the results were very close with the moss sediment results slightly higher than the stream sediment results.

The soil sampling was done to see if it would be a good method of exploration. Again, with a high of 78.1 ppb. Au. in sample 05DMS002 and 1.8 ppb. Au. in 05DMS001, the results are highly variable.

The nugget effect of gold has shown that results from stream, moss and soil sampling can vary wildly. All three creeks have returned low and high gold values.

## 2.4 RECOMMENDATIONS

From the results of this survey and previous samples taken on the property, the stream sediment sampling should be continued from where this survey left off. A larger (300 gm.) sediment sample (-80 mesh) should be taken to reliably repeat a gold value.

A soil sampling program should be started, at least, in the area around creeks 2 and 3. Since this work was done on the (4 of 8) claims before conversion, a larger area of 20 cells is now included in the new tenure #516551. There is a larger area around soil sample #2 (78.1 ppb. Au.) which should be soil and rock sampled.

# Cost Statement

| LABOUR | $20.00 hr | D. McMichael | L. McMichael |
|---|---|---|---|
| May 29/2005 | mobilization, travel & camp set-up | 8hrs--$160.00 | 8 hrs--$160.00 |
| May 30/2005 | stream sediment sampling | 8hrs--$160.00 | 8hrs--$160.00 |
| May 31/2005 | stream sediment sampling | 8hrs--$160.00 | 8hrs--$160.00 |
| June 1/2005 | to Revelstoke for supplies | ------- | ------- |
| June 2/2005 | stream and soil sampling | 8hrs--$160.00 | 8hrs--$160.00 |
| June 3/2005 | camp take-down travel demobilization | 8hrs--$160.00 | 8hrs--$160.00 |
| June 6,7, 8/2005 | wet sieving (-30 mesh) samples | 8 hrs--$160.00 | |
| | wet sieving and | 8hrs--$160.00 | |
| | preparation for shipping to lab | 8hrs--$160.00 | |
| | LABOUR TOTALS | (8 DAYS) $1280.00 | (5 DAYS) $800.00 |

| | | |
|---|---|---|
| LAB ANALYSIS | Group 1DX 30 gram<br>26 stream sediment & 2 soil @ $18.90 per sample | $566.24 |
| SHIPPING | Greyhound Nelson to Vancouver | $23.79 |
| FIELD EQUIPMENT | flagging tape, hip chain string | $30.00 |
| ACCOMODATION | 5 days @ $60.00 per person 2x300 | $600.00 |
| REPORT PREPARATION | 3 DAYS @ $160.00- per day<br>( D. McMichael) | $480.00 |
| | TOTAL WORK COSTS | $3780.03 |

| | | |
|---|---|---|
| TRANSPORTATION | 4x4 truck 6 days @$50.00per day | $300.00 |
| | Gas ($37.00, $21.01, $32.00, $24.00) | $114.01 |
| | TRANSPORTATION TOTAL | $414.01 |

Transportation maximum 20% of exploration costs

| | | | |
|---|---|---|---|
| A. Exploration cost | $3780.03 x 20% = | | $756.006 |
| B. Transportation cost | $414.01 | Lesser of A or B | $414.01 |

GRAND TOTAL $4194.04

David McMichael

D. & L. McMICHAEL
3256 GRANITE RD.
NELSON, BC V1L 6X8

Sept 18/2005

My Prospector Qualifications are:

1980 Basic Prospecting Course in Nelson B.C.
at Chamber of Mines of Southern B.C.
by; Mr. George Addie P. Eng.
Ministry of Mines District Geologist

1992 Basic Prospecting Course in Nelson B.C.
at Chamber of Mines of Southern B.C.
by; Mr. Paul Wilton P. Geo.
B.C. MEMPR District Geologist

1993 Basic Prospecting Course in Nelson B.C.
at Chamber of Mines of Southern B.C.
by; Mr. Paul Wilton and Mike Cathro
B.C. MEMPR District Geologist and Assistant.

1994 Basic Prospecting Course in Nelson B.C.
at Chamber of Mines of Southern B.C.
By; Mr. Terry Turner P. Geo.

1995 Nov 16, Mineral Deposit Workshop at Creston B.C.
by B.C. Gov. MEMPR.

1996 Oct. 28-31 Industrial minerals course in Nelson B.C.
by B.C. Gov. MEMPR

1997 Nov 7 & 8 Geochem course in Nelson B.C.
by Mr. Ray Lett P. Geo. and Mr. J. Gravel Msc., P. Geo.

1998 Feb. 7 Gemstone course in Nelson B.C.
at Chamber of Mines of Southern B.C.

2001 Nov. 9 Sullivan Geological Meeting in Kimberley B.C.
by Teck-Cominco

2002 MapPlace and Minfile course in Nelson B.C.

2004 Cordilleran Roundup in Vancouver B.C.
Keg in Kamloops B.C.
Interpretation of Airborn Geophysics Course in Kamloops B.C.

Oct. 27 Rocks to Riches Course in Nelson B.C.
Nov. 15 Mineral Titles Online training in Castlegar B.C.

2005 July 7 Geology of the West Kootenays (talk and fieldtrip)
Nelson—Kaslo—New Denver
By L. Anderton retired Geology Professor
From Selkirk College, Castlegar B.C.

David McMichael

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Sept. 18/2005

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Current Research 2003- A7 , Stratigraphy and structure of the Upper Arrow Lake area , Southeastern British Columbia : new perspectives for the Columbia River Fault Zone.

Lemieux , Yvon , R.I. Thompson and P. Erdmer , 2004
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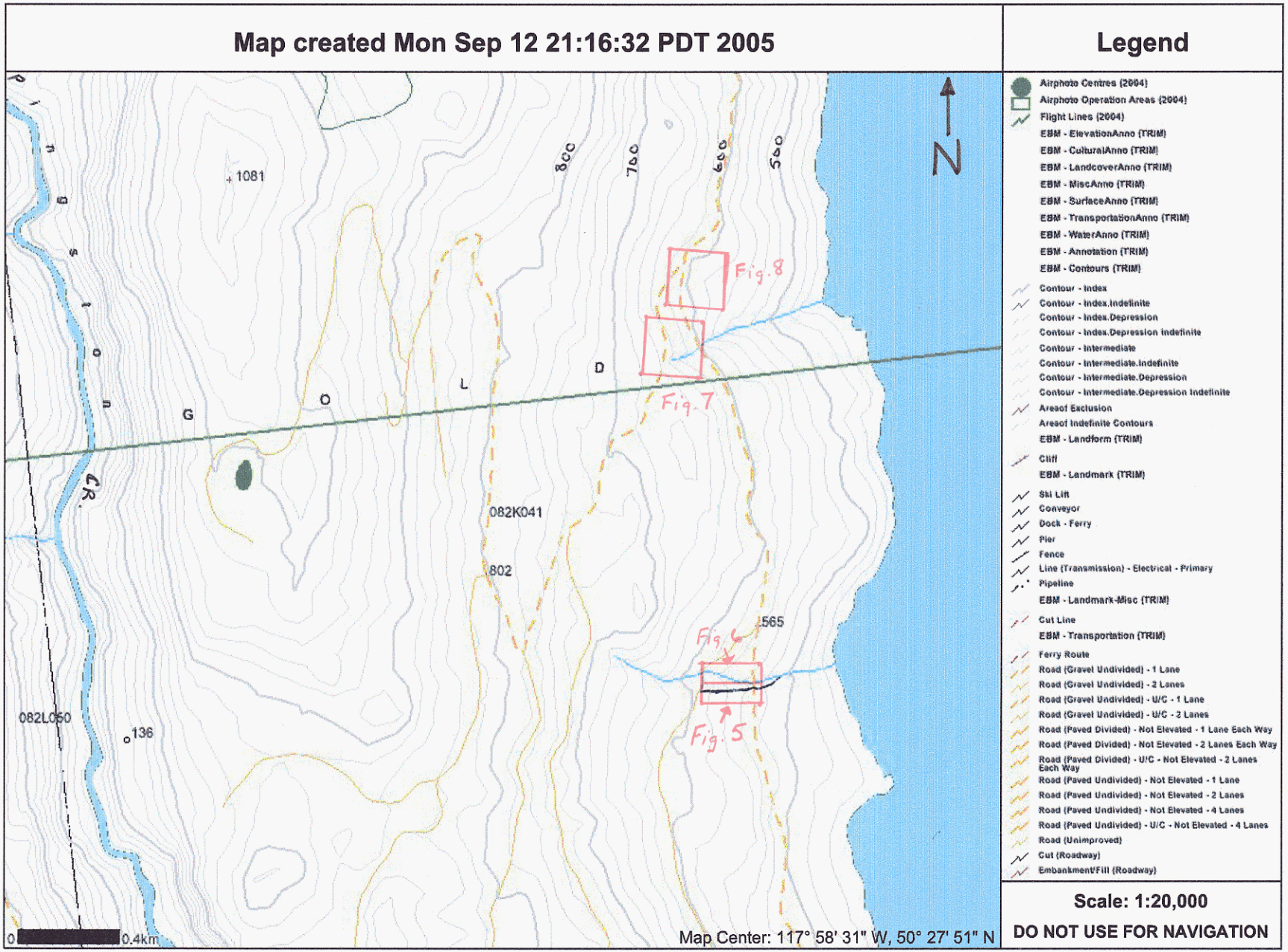
Sydney Cannings and Richard Cannings , 1999
Geology of British Columbia – A Journey Through Time.

Yorath , C.Y. , 1990
WHERE TERRANES COLLIDE

References

MapPlace.ca ( Exploration Assistant )
Minfile

Fig. 4


Map created Mon Sep 12 21:16:32 PDT 2005
Legend
Fig. 8
Fig. 7
Fig. 6
Fig. 5
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600
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082K041
802
565
082L050
136
0
0.4km
Map Center: 117° 58' 31" W, 50° 27' 51" N
Scale: 1:20,000
DO NOT USE FOR NAVIGATION

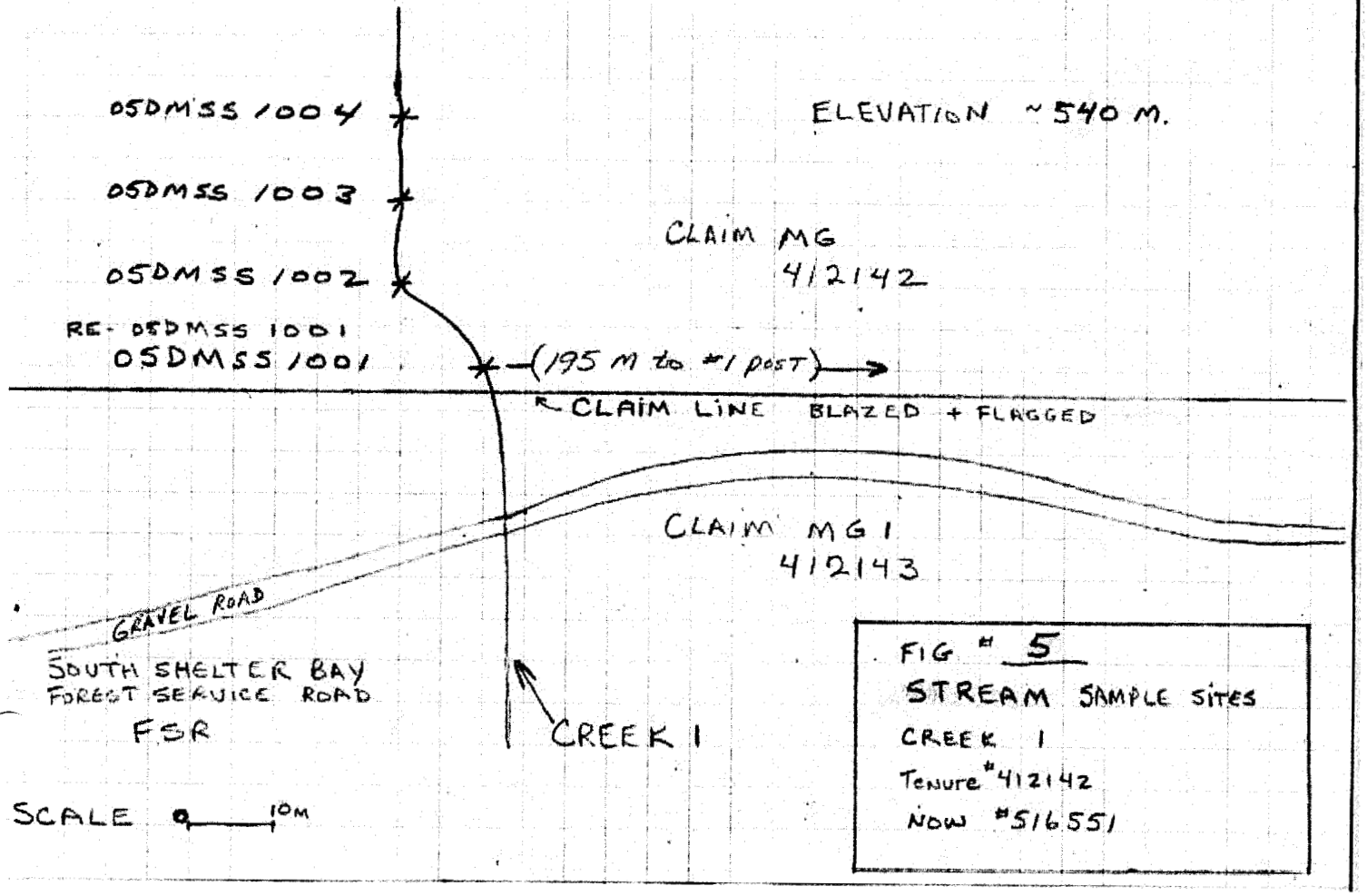


FIG # 5
STREAM SAMPLE SITES
CREEK 1
Tenure # 412142
NOW # 516551

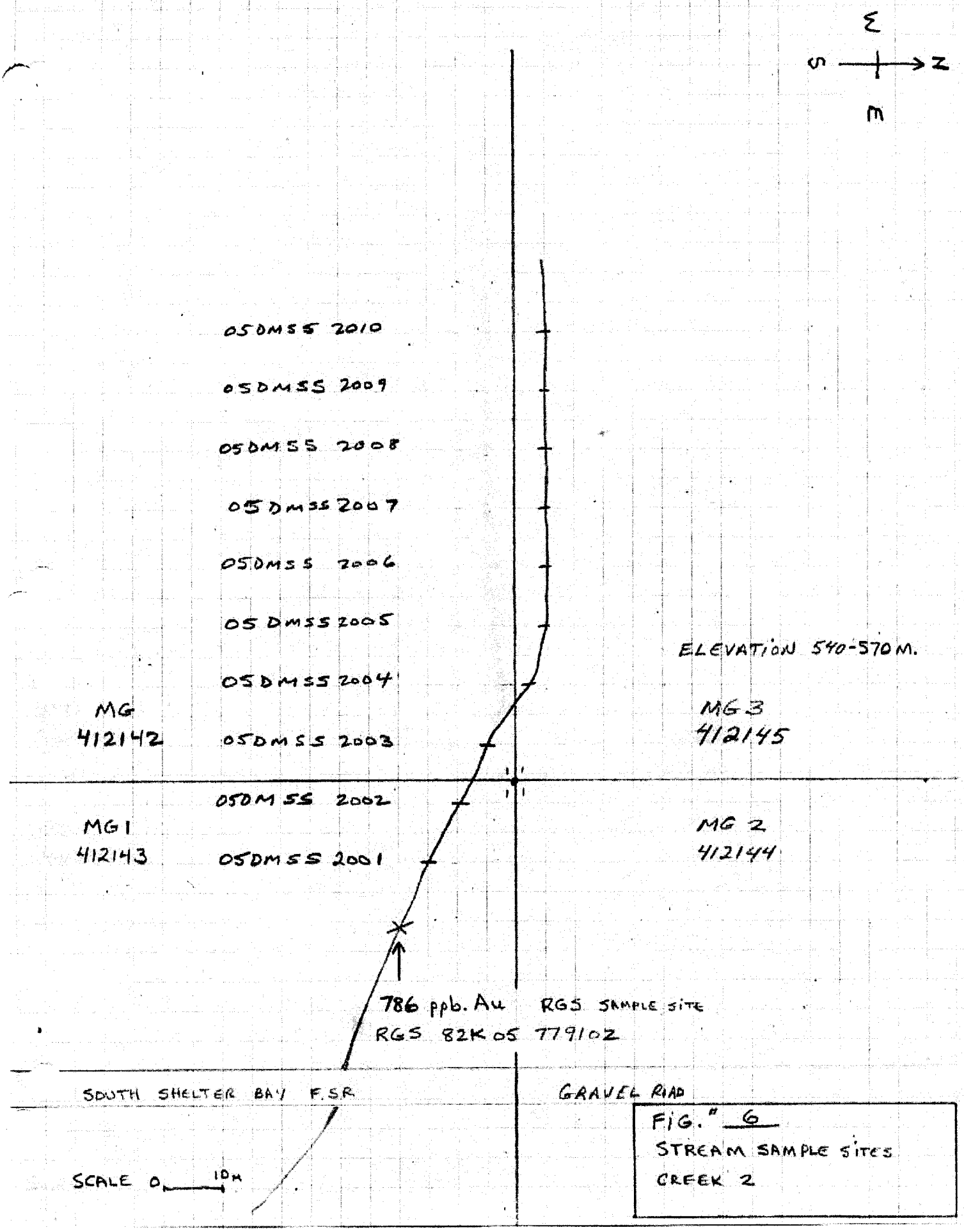


FIG. 6
STREAM SAMPLE SITES
CREEK 2

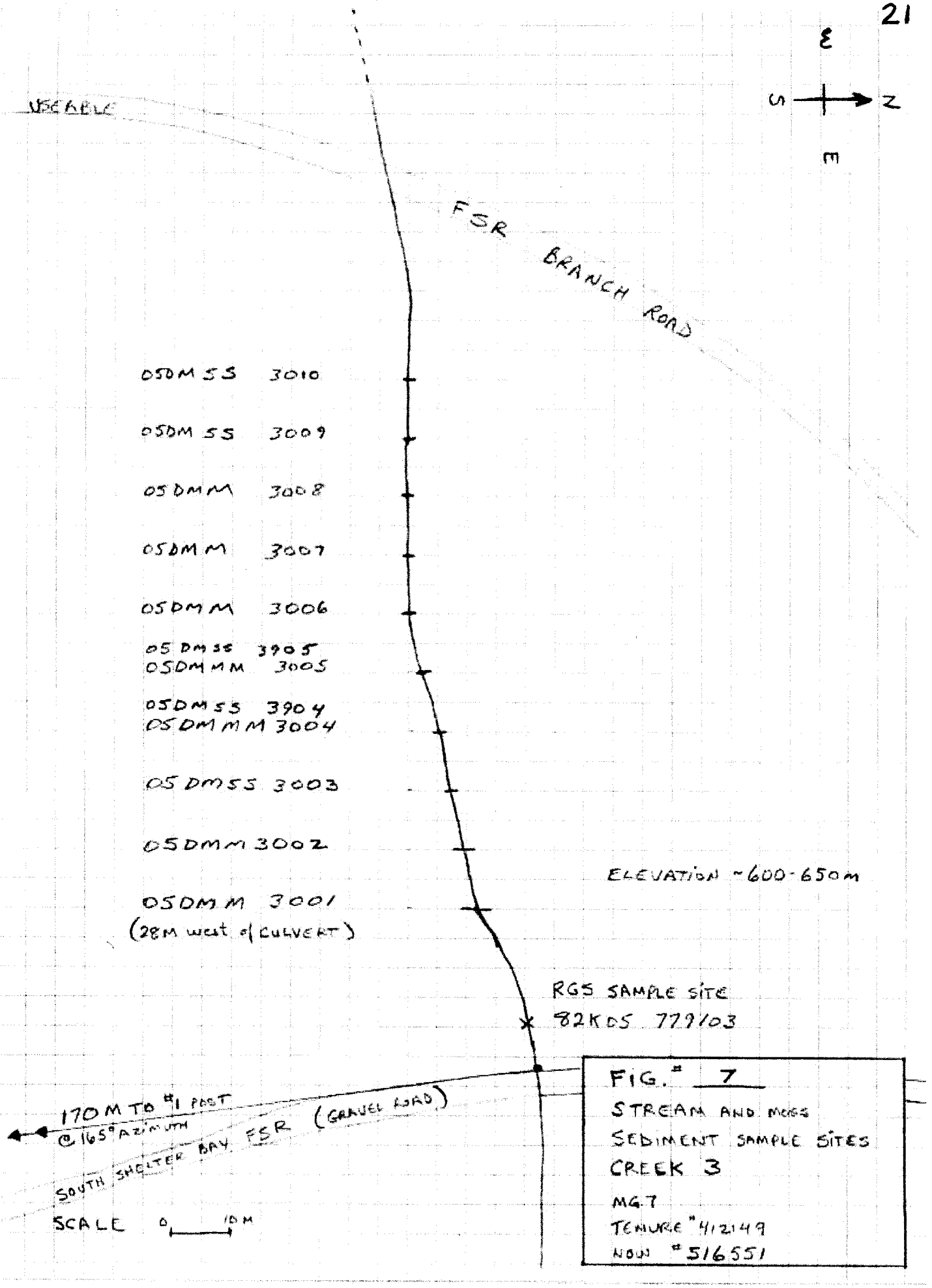


FIG. # 7
STREAM AND MOSS
SEDIMENT SAMPLE SITES
CREEK 3
MG 7
TENURE # 412149
NOW # 516551

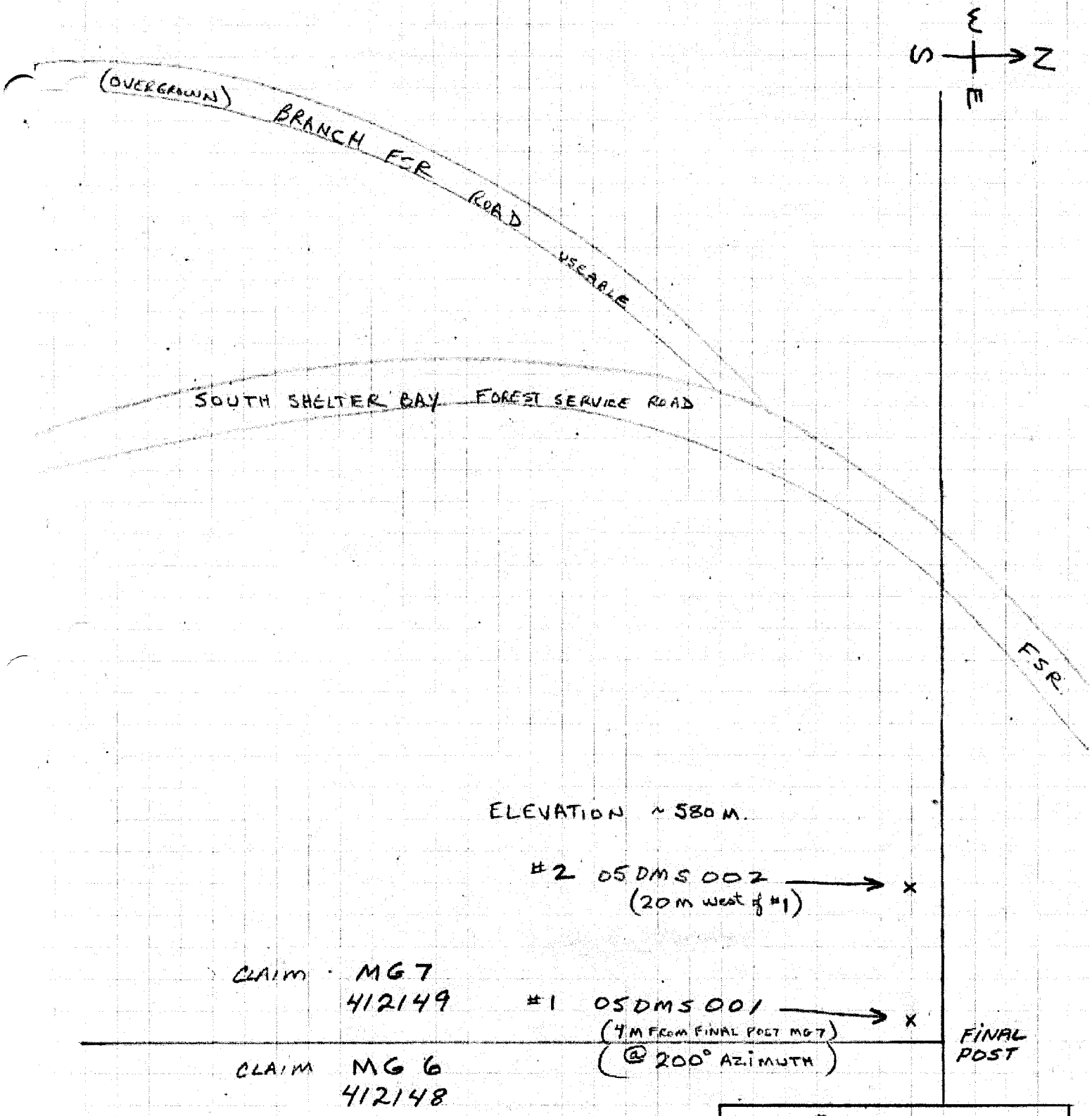


FIG. # 8
SOIL SAMPLE SITES
CLAIM MG 7
TENURE # 412149
NOW # 516551

CREEK 1
STREAM FLOW = WEST

| | Au ppb. | Cu ppm. | Pb ppm. | Zn ppm. | Ni ppm. | Co ppm. | Cr ppm. | Fe % | Al % |
|---|---|---|---|---|---|---|---|---|---|
| 05DMSS1004 | <.5 | 9.6 | 6.6 | 24 | 6.2 | 3.1 | 8 | .83 | .58 |
| 05DMSS1003 | 1.0 | 19.5 | 10.2 | 37 | 9.4 | 4.2 | 10.5 | 1.01 | .86 |
| 05DMSS1002 | <.5 | 12.5 | 7.6 | 32 | 8.4 | 4.8 | 9.6 | 1.07 | .70 |
| 05DMSS1001 | <.5 | 9.7 | 5.8 | 20 | 6.2 | 3.3 | 8.0 | .86 | .43 |
| RE 05DMSS1001 | 25.6 | 9.7 | 5.6 | 21 | 6.1 | 3.4 | 8.4 | .90 | .44 |

TO EAST

FIG. 9

FIG. 10

CREEK 2

STREAM FLOW = West

| | Au ppb. | Cu ppm. | Pb ppm. | Zn ppm. | Ni ppm. | Co ppm. | Cr ppm. | Fe % | Al % |
|---|---|---|---|---|---|---|---|---|---|
| 05DMSS2010 | <.5 | 16.5 | 5.6 | 30 | 10.6 | 4.6 | 11.7 | 1.00 | .69 |
| 05DMSS2009 | 2.7 | 22.4 | 9.4 | 47 | 14.6 | 6.0 | 15.7 | 1.18 | .96 |
| 05DMSS2008 | <.5 | 14.4 | 7.9 | 38 | 12.8 | 5.4 | 14.5 | 1.15 | .90 |
| 05DMSS2007 | <.5 | 19.2 | 6.9 | 34 | 12.3 | 4.6 | 13.6 | 1.10 | .74 |
| 05DMSS2006 | 1.8 | 14.0 | 8.0 | 39 | 13.1 | 5.5 | 15.7 | 1.21 | .89 |
| 05DMSS2005 | 4.4 | 16.7 | 11.7 | 52 | 20.4 | 6.2 | 20.7 | 1.53 | 2.02 |
| 05DMSS2004 | 2.7 | 15.2 | 11.1 | 48 | 15.9 | 6.4 | 18.6 | 1.38 | 1.16 |
| 05DMSS2003 | 1.1 | 14.7 | 8.8 | 42 | 13.7 | 5.0 | 17.0 | 1.21 | 1.08 |
| 05DMSS2002 | 2.4 | 16.0 | 9.6 | 41 | 14.1 | 5.8 | 17.4 | 1.23 | 1.05 |
| 05DMSS2001 | .8 | 9.9 | 6.8 | 35 | 11.5 | 4.4 | 13.0 | 1.09 | .80 |

TO EAST

CREEK 3

STREAM FLOW = WEST

| | Au ppb. | Cu ppm. | Pb ppm. | Zn ppm. | Ni ppm. | Co ppm. | Cr ppm. | Fe % | Al % |
|---|---|---|---|---|---|---|---|---|---|
| 05DMSS 3010 | 83.3 | 22.9 | 11.4 | 78 | 25.5 | 9.0 | 24.4 | 1.83 | 1.55 |
| 05DMSS 3009 | 2.1 | 19.7 | 9.7 | 62 | 21.7 | 7.0 | 21.4 | 1.64 | 1.32 |
| 05DMM 3008 | 1.5 | 10.1 | 4.6 | 31 | 12.4 | 4.8 | 13.1 | 1.30 | .61 |
| 05DMM 3007 | 1.8 | 11.0 | 5.6 | 36 | 13.7 | 5.0 | 13.2 | 1.16 | .81 |
| 05DMM 3006 | 3.6 | 11.5 | 6.2 | 42 | 15.1 | 5.4 | 15.4 | 1.36 | .83 |
| 05DMSS 3905 | 2.1 | 16.5 | 9.3 | 58 | 19.4 | 7.0 | 21.9 | 1.49 | 1.19 |
| 05DMMM3005 | 2.2 | 16.0 | 8.4 | 54 | 18.3 | 6.8 | 18.5 | 1.51 | 1.14 |
| 05DMSS 3904 | 1.1 | 16.8 | 9.2 | 60 | 19.6 | 6.9 | 20.1 | 1.53 | 1.25 |
| 05DMMM3004 | 3.3 | 15.8 | 9.5 | 56 | 19.0 | 6.7 | 17.7 | 1.46 | 1.18 |
| 05DMSS 3003 | 2.7 | 17.9 | 9.9 | 65 | 21.9 | 7.2 | 20.8 | 1.54 | 1.39 |
| 05DMM 3002 | 10.1 | 17.6 | 11.5 | 70 | 25.2 | 7.6 | 21.7 | 1.62 | 1.55 |
| 05DMM3001 | 1.3 | 17.2 | 11.7 | 63 | 23.4 | 7.1 | 20.2 | 1.57 | 1.42 |

TO EAST

FIG. 11

## SOIL
NORTH END OF CLAIMS

WEST

05DMS002

05DMS001

EAST

| Au ppb. | Cu ppm | Pb ppm. | Zn ppm. | Ni ppm. | Co ppm. | Cr ppm. | Fe % | Al % |
|---|---|---|---|---|---|---|---|---|
| 78.1 | 19.1 | 8.7 | 53 | 18.1 | 6.6 | 16.3 | 1.44 | .93 |
| 1.8 | 16.8 | 15.3 | 144 | 24.3 | 10.7 | 17.9 | 1.92 | 2.40 |

FIG. 12