

**PROSPECTING REPORT OF THE
ZEBALLOS PROJECT**

Tenures 508706, 509693, 509694, 509695, 509696

N.T.S. 92L/02
LATITUDE 50° 01' N
LONGITUDE 126° 49' W

Vancouver Island, B.C., Canada

By

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May 14, 2005

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SUMMARY

Property Description

The Zeballos Project consists of 45 crown granted mineral claims and 89 mineral claims located in the Zeballos mining camp, Vancouver Island, British Columbia, Canada (Figure 1). The 45 crown granted mineral claims cover an area of 541.81 hectares (Table 1). The 89 mineral claims were staked using the British Columbia Ministry of Mines new Mineral Titles Online Internet system (Figure 2). The 89 mineral claims, Zeballos (Tenure 508706), Zeballos2 (509693), Zeballos3 (509694), Zeballos4 (509695) and Zeballos 5 (509696) cover 1848.14 hectares (Table 2).

Four past producing underground gold mines, the Privateer, Mount Zeballos, Prident and Van Isle mines are located on the crown granted mineral claims (Table 3).

Location

The Zeballos mining camp is accessed by gravel road 6 kilometers northeast of the Village of Zeballos (Figure 1). A good 42-kilometer all weather forestry access road connects the Village of Zeballos with Highway 19.

Ownership

Newmex Minerals Inc. owns 100% of the 45 crown granted mineral claims listed in Table 1, and 100% of the 89 mineral claims listed in Table 2.

Geology and Mineralization

The Zeballos mining camp is known for its gold production from narrow, high-grade quartz veins (Table 3).

The Privateer Mine, produced over half of the gold in the Zeballos mining camp. The average grade based on a total production of 154,381 oz gold from a total of 285,771 tons mined and 153,332 tons milled, was 0.54 oz gold per ton mined and 1.01 oz gold per ton milled. Waste was hand picked and discarded before milling.

The Privateer veins were strongly persistent along strike and dip. The workings on the Privateer No. 1 vein had a strike length of 1450 feet and were mined to a depth of approximately 1000 feet. The No. 1 vein average width was 11 inches and the dip near vertical.

The Uebell Zone located north of the Privateer mine was drilled in the 1960's and early 1970's (Figure 1). The copper skarn type replacement mineralization is found along the contact areas of the andesite, lime-silicate and quartz diorite rocks. There has been no production to date from the Uebell zone.

Exploration Concept

Recent logging in the Zeballos area has uncovered new bedrock outcrops (Map 3). Drilling and blasting was required for a good portion of the logging road construction. A prospecting program was initiated to identify any new mineralized areas.

Status of Exploration

A prospecting crew traversed the Zeballos property from March 30 to April 18, 2005.

Conclusions

The Uebell zone appears to contain narrow and discontinuous copper mineralization. The Uebell zone is located on the top of a rugged mountain slope on the north side of Privateer creek. Road access is possible, but would be costly to build. No additional work is recommended on the Uebell zone at this time.

Only the Privateer Mine in the Zeballos camp is located in the lime-silicate rocks (Figure 1). The other gold mines in the Zeballos mining camp are situated in either andesite or quartz diorite rock (Figure 1). These mines generally had narrower and less consistent veins. These mines are not feasible today because of the small tonnage, and high dilution.

A Privateer type ore body in the lime-silicate rock unit is the only feasible exploration target today. The lime-silicate unit extends south from the Privateer Mine up Spud valley (Figure 1). The concrete like glacial till that covers most of the valley bottom hindered prospecting in the most favorable rocks. That meant that exposures of veins were only at high elevations above the zone of economic deposition. This is confirmed by the discovery of narrow veins above the Privateer economic veins.

Geological plans of the Privateer 1000 level from the 1940's show that two diamond drill holes (DDH No. 4 and No. 33) were drilled south of the Privateer No. 1 vein for only a distance of 120 meters (Map 5). No vein structures were found.

Newmex Mineral's crown granted mineral claims extend past the previous drilling an additional 180 meters.

Recommendations

It is recommended that the unexplored area south of the 1940's drilling be tested with three horizontal diamond drill holes of between 300 to 350 meters in length (Map 5). Drilling from the 1100 level of the Privateer mine will test the best horizon for other potential ore veins. The diamond drill holes will be collared from one location along the No. 1 vein. Caving from the old No. 1 vein stopes makes most of the 1100 level inaccessible. Following is a cost estimate for the three diamond drill holes

Underground Diamond Drilling from Privateer 1100 level

| | |
|---|------------------|
| 3 Diamond Drill Holes: 1000 meters at \$40/meter | \$40,000 |
| Mobilization | \$20,000 |
| Permitting, assaying, overhead | \$20,000 |
| Rehabilitate 1100 level and slash for diamond drill | \$20,000 |
| Total Cost | \$100,000 |

In the qualified person's opinion the character of the Zeballos Project is of sufficient merit to justify the proposed recommendations.

INTRODUCTION AND TERMS OF REFERENCE

Terms of Reference

The terms of reference used for this report are from the Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines adopted by the Canadian Institute of Mining and Metallurgy on November 23, 2003. This report was also written in accordance with National Instrument 43-101.

Purpose of Report

The purpose of this prospecting report is to identify any mineralized areas of interest on Newmex Minerals Inc. Zeballos property and to make recommendations.

Sources of Information

Sources of information used are noted in the text. Reports and Publications are listed in the References.

Extent of Field Involvement

Alex Burton P.Eng. P.Geo., was onsite at the Zeballos Project from March 30 to April 4, and from April 15 to 19, 2005.

Brian Simmons P.Eng., spent 14 days from March 30 to April 18, 2005 supervising the prospecting crew at the Zeballos property. New Privateer Limited also employed Brian Simmons as an operator/millwright in the Privateer mill for 13 days in June to July of 1989.

DISCLAIMER

The authors performed no legal title search on the ownership and existing royalties of the crown granted mineral claims.

EXPLORATION : PROSPECTING

Privateer and Prident Area

Recently built logging roads have been constructed across the Privateer and Prident underground workings (Map 1). The area has been logged and merchantable timber removed. Drilling and blasting was required for most of the logging road construction. Exposed bedrock, quartz diorite is visible on about 50% of the road cut. The 600, 500 and 400 portals of the Prident mine are open.

Andesite dykes, quartz veins, and mineralized veins cut through the quartz diorite rock. Several pieces of float consisting of magnetite, garnet and epidote were found on the road.

The mineralized veins consisted of pyrite, arsenopyrite, and galena. The veins were generally less than 1 centimeter wide. A 15-centimeter wide mineralized vein was found on the road above the Prident Mine. The mineralized quartz vein is the extension of the Prident 040 vein. The mineralization consists of galena, pyrite, and calcopyrite. Another parallel vein, 1 cm wide, crosses the road just to the northwest of the 040 vein.

Two 15-cm wide mineralized veins, 50 cm apart were found above the Privateer 600 crosscut. Several weaker pyrite veins and andesite dykes also found in the roads above the 600 crosscut.

On the north side of Privateer creek there were several 1-cm wide quartz veins containing pyrite. An 8-cm wide chalcopyrite vein was found in the quartz diorite. At the end of the road were four 5-cm wide quartz veins.

Privateer No. 2 Area

The Privateer No. 2 mineral claim area (Map 2) was logged from the old Spud Creek road by a grapple yarder. The higher elevations of the crown grant were logged by helicopter. There was heavy logging debris on the steep slope.

The area is predominately andesite rock with the occasional lime-silicate showing. The bedrock in the bank of the Spud creek road is comprised mainly of dark green andesite. A major fracture set bearing 118 degrees, dipping 70 degrees north was found 100 meters up Spud Creek road from the Gold Valley Main Line road junction.

A 5 cm wide galena and pyrite quartz vein, bearing 035 degrees, dipping at 90 degrees was found in the andesite rock. Other veins in the area include a 2 cm wide pyrite and quartz, barren quartz, calcite and arsenopyrite veins.

Van Isle Mine Area

The Van Isle Mine is located southwest of the Privateer Mine (Figure 1). The terrain in this area is very steep with large fir and cedar trees. The Van Isle mine portal is in a very narrow canyon with rock walls 30 meters high. The portal is open but the timbers at the entrance are rotten.

A few quartz stringers are visible in the andesite rock face 5 meters east of the portal. Narrow quartz veins containing pyrite are also found above the adit. The only outcrops are the rock faces in the narrow gullies going up the steep slope. The rock outcrops are all volcanic andesite.

North of the Van Isle mine at the 250-meter elevation, a short adit had fine pyrite in the andesite rock face.

South of the Van Isle mine is active logging area 118 (Map 3). Logging road TR-5C accesses logging area 118. No mineralization was found in the exposed bedrock along the logging roads. The bedrock consisted of andesite and basalt with occasional epidote.

Zeballos River West

The Z-10 logging road connects with the Zeballos Main Line (M/L) road just north of the Village of Zeballos (Map 3). The area is treed with second growth timber that has recently been thinned. In the Z-10 logging road bank, fine arsenopyrite and pyrite was found in several locations in the andesite bedrock.

Logging blocks 500, 501, 502, 504, 505 are located adjacent to the Zeballos M/L road near Maquinna creek (Map 3). Second growth timber was just recently harvested off these logging blocks. No bedrock was exposed, just valley drift and fill.

Uebell Zone

The Uebell Zone is located about 400 meters north from the Privateer Mine (Figure 1). Magnetometer anomalies No. 1 and No.2 (Map 4) are situated in heavy timber on the top of a steep mountain slope. The helicopter-landing site used for the diamond drilling in the 1970's was located at the 310-meter elevation. The site had very thick underbrush. No drilling sites or drill core were located. Black plastic water line used for the diamond drill was found in Privateer creek. No signs of mineralization were found in the lime-silicate rocks.

Anomaly No. 3 (Map 4) is located in-between the Privateer No. 1 and No. 2 veins. Some minor pyrite was found in the lime-silicate bedrock on surface.

Gold Peak Area

The Gold Peak area is located south of the Prident Mine (Figure 1). The Gold Peak area was recently helicopter-logged, area 149 (Map 3). This area includes the Zeballos Pacific mine that had a recorded production of 400 tons (no grade given).

Near the caved Zeballos Pacific mine portal, molybdenum was found along a fracture plane in the quartz diorite rock.

Mt Zeballos Area

The Mount Zeballos mine is located at the southwest end of Spud valley on a steep mountainside (Figure 1). The cedar trees in the area of the mine workings have been selectively logged. The area to the south of the mine has been logged and the roads G-4 and G-4J deactivated (Map3).

The lower logging road G-4J had no bedrock exposed, just valley drift and fill. The upper road G-4 had very little bedrock exposed. Some narrow barren quartz veins were found in the andesite bedrock.

The two 1600 portals to the Mount Zeballos Vein were found caved. Access to the 1800 Farris Vein portal was not possible because of the steep terrain and deep snow on helicopter logging block 153 (Map 3).

SAMPLING METHOD AND APPROACH

About 30 rock samples were taken from the mineralized veins and rock units. No samples were assayed.

DATA VERIFICATION

The sources of information which are not based on personal examination, are quoted in the report and listed in the references. The information provided by the various parties is to the best of my knowledge and experience correct.

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

None of the Mineral Resources and Mineral Reserve Estimates contained in this report met the definitions under National Instruments 43-101.

INTERPRETATION AND CONCLUSIONS

Privateer and Prident Area

In the Privateer and Prident Area (Map 1), many narrow (1 to 2 cm wide) pyrite/arsenopyrite and quartz veins are found in the quartz diorite bedrock along the road cuts. These veins correspond well with veins A to J found underground in the Privateer 600 crosscut, as described by J.S. Stevenson in 1950. Short drifts were driven along some of the veins. Only the H vein had a small amount of stoping done. The H vein contained a moderate amount of fine-grained arsenopyrite in a ribbon of quartz 1 to 5 cm thick. The H vein had a strike of 030 degrees and dipped 78 degrees southeastward. None of these veins are economically significant.

Above the Prident mine the road cut does show a 15-cm wide vein containing galena (Map 1). This is the extension of the 040 vein, possibly the top of the 400B – 500B mineralized body (William Henkle 2005, Technical Report of the Zeballos Gold Project). Assay plans (Privateer Mines Ltd.) of the 400B – 500B mineralized body indicate, 55 feet of strike along the vein averaging 0.38 oz Au/ton on the 400 level and 18 feet of strike length along the vein averaging 0.35 oz Au/ton on the 500 level (normalized to a 3 foot mining width).

A 1-cm wide vein is located in the road just northwest of the 040 vein. This could be another vein structure parallel to the 040 vein.

There was no visible showing of the Prident 072 or 110 vein in the road cuts. The Prident 040, 072 and 110 veins were only mined along about 35% of the strike length. These are very marginal economic veins and no further work is recommended.

The road cut on the north side of Privateer creek failed to show any eastward extensions of the Privateer veins into the quartz diorite (Map 1).

Privateer No. 2 Area

The logged area on the Privateer No. 2 mineral claim was prospected extensively for any westward extensions of the Privateer Veins (Map 2). A 5-cm wide quartz vein containing galena and pyrite was found in the andesite bedrock. The vein could be a possible extension of the Privateer No. 3 vein. No further work is recommended for the Privateer No. 2 area.

Van Isle Mine Area

Prospecting in the andesite rock found nothing of significance in the Van Isle mine area.

Zeballos River West

The pyrite showings in the banks of the Z-10 logging road are minor and no additional work is recommended.

Uebell Zone

The Uebell Zone Anomaly No.1 (Map 4), is reported to have 161,000 tons of proven 2% copper (Reports by J. Lamb, September 1965, and H. Hill and L. Starck and Associates, 1961). Reserves DO NOT meet National Instrument 43-101 standards. Anomaly No. 1 was defined by 13 drill holes drilled to a maximum depth of 140 feet (Map 4). The authors have not reviewed the above reports on the Uebell Zone Anomaly No. 1.

Anomaly No. 2 located immediately south of Anomaly No. 1 (Map 4) was drilled with helicopter support in 1971. Five BQ diamond drill holes totaling 962 feet were drilled on Anomaly No. 2. Two drill holes out of five had intersections of 1.3 to 1.8 % Cu over a 2 to 6 foot width. No continuity exists between intersections. No tonnage calculations were made for Anomaly No. 2.

Anomaly No. 3 is located in-between the Privateer No. 1 and No. 2 veins (Map 4). No sulfide mineralization was shown on the Privateer 600 geologic level plan where it cuts through the anomaly No.3 (William Henkle 2005, Technical Report of the Zeballos Gold Project).

The Uebell zone appears to contain narrow and discontinuous copper mineralization. The Uebell zone is located on the top of a rugged mountain slope on the north side of Privateer creek. Road access is possible, but would be costly to build. No additional work is recommended on the Uebell zone at this time.

Gold Peak Area

Molybdenum was found along a fracture plane in the quartz diorite bedrock near the Zeballos Pacific mine portal (Figure 1). Quartz diorite is a favorable host for molybdenum deposits. This molybdenum showing should be further investigated with more prospecting and fracture testing.

Mt Zeballos Area

The Mt Zeballos veins are hosted in a band of light colored volcanics (feldspar crystal tuffs and dacite tuffs and flows), which correlate with the band of lime silicate rocks found at the Privateer mine (Figure 1). This area warrants further prospecting.

RECOMMENDATIONS

Only the Privateer Mine in the Zeballos camp is located in the lime-silicate rocks (Figure 1). The other gold mines in the Zeballos mining camp are situated in either andesite or quartz diorite rock (Figure 1). These mines generally had narrower and less consistent veins. These mines are not feasible today because of the small tonnage, and high dilution.

A Privateer type ore body in the lime-silicate rock unit is the only feasible exploration target today. The lime-silicate unit extends south from the Privateer Mine up Spud valley (Figure 1). The concrete like glacial till that covers most of the valley bottom hindered prospecting in the most favorable rocks. That meant that exposures of veins were only at high elevations above the zone of economic deposition. This is confirmed by the discovery of narrow veins above the Privateer economic veins.

Geological plans of the Privateer 1000 level from the 1940's show that two diamond drill holes (DDH No. 4 and No. 33) were drilled south of the Privateer No. 1 vein for only a distance of 120 meters (Map 5). The drilling shows no vein structures were found.

Newmex Mineral's crown granted mineral claims extend past the previous drilling an additional 180 meters.

It is recommended that the unexplored area south of the 1940's drilling be tested with three horizontal diamond drill holes of between 300 to 350 meters in length (Map 5). Drilling from the 1100 level of the Privateer mine will test the best horizon for other potential ore veins. The diamond drill holes will be collared from one location along the No. 1 vein. Caving from the old No. 1 vein stopes makes most of the 1100 level inaccessible. Following is a cost estimate for the three diamond drill holes

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| | |
|---|------------------|
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| Mobilization | \$20,000 |
| Permitting, assaying, overhead | \$20,000 |
| Rehabilitate 1100 level and slash for diamond drill | \$20,000 |
| Total Cost | \$100,000 |

In the qualified person's opinion the character of the Zeballos Project is of sufficient merit to justify the proposed recommendations.

REFERENCES

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- Stevenson, J.S., 1950, *Geology and Mineral Deposits of the Zeballos Mining Camp, British Columbia*, Bull. # 27, British Columbia Dept. of Mines

CERTIFICATE OF AUTHOR ALEX BURTON

I, ALEX BURTON, am a Professional Engineer and Professional Geoscientist and President of Burton Consulting Inc. at 1408 Seventh Avenue, New Westminster, B.C., V3M 2K3, CANADA

I am a member of the Association of Professional Engineers and Geoscientists of British Columbia and am a registered Professional Engineer and a Professional Geoscientist with registration #6262.

I graduated from the University of British Columbia with a Bachelor of Arts Degree in Geology in 1954. I am a founding member of the Association of Exploration Geochemists, (now called Association of Applied Geochemists), a life member of the CIMM, and AGID. I have practised my profession for 50 years both as an independent consultant and in senior managerial capacity for major mining companies in Canada and other countries. My experience includes exploration, development to production and production.

As a result of my experience and qualification I am a Qualified Person as defined in National Instrument 43-101. I am presently a Consulting Geologist and have been continuously since 1977.

I visited and examined the Zeballos Project properties and reviewed the data made available by Newmex Minerals Incorporated. The sources of information not based on personal examination are quoted in the report. The information provided by the various parties is to the best of my knowledge and experience correct.

In the disclosure of information relating to the title and royalties of the crown granted mineral claims, I have relied on information provided to me by Newmex Minerals Incorporated. The author disclaims responsibility for such information.

I am not aware of any material fact or material change with respect to the subject matter of this technical report that is not reflected in this report, the omission to disclose which would make this report misleading.

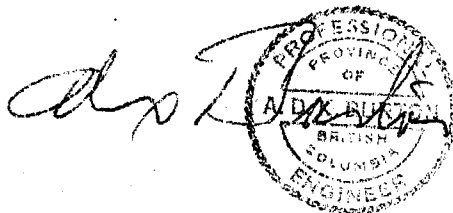
I am independent of Newmex Minerals Incorporated in accordance with the application of Section 1.5 of National Instrument 43-101.

I have read National Instrument 43-101, Form 43-101F1 and this report has been prepared in compliance with NI 43-101 and Form 43-101F1.

This report titled *Prospecting Report of the Zeballos Project* has been prepared for Newmex Minerals Incorporated. Permission is hereby granted to Newmex Minerals Incorporated for the inclusion of this report in support of any filings with the Toronto Stock Exchange (Venture Exchange Section), British Columbia Securities Commission, and/or other regulatory bodies.

Dated this 14th day of May, 2005 in New Westminster, B. C. CANADA

Alex Burton, P. Eng. P. Geo.
Consulting Geologist



CERTIFICATE OF CO-AUTHOR BRIAN SIMMONS

I, Brian Simmons, am a Professional Engineer and President of Rodell Enterprises Ltd. at 1235 Barnes Road, Crofton, B.C., CANADA, V0R1R0

I am a member of the Association of Professional Engineers and Geoscientists of British Columbia and I am a registered Professional Engineer with License # 15588.

I graduated in 1981, from the Colorado School of Mines with a Bachelor of Science Degree in Mining Engineering. I have practiced my profession for 24 years both as an independent consultant and employee for mining companies in North America. My experience includes exploration, development to production and production.

As a result of my experience and qualification I am a Qualified Person as defined in National Instrument 43-101. I am presently a Consulting Mining engineer and have been since 1995.

I visited and examined the Zeballos Project properties and reviewed the data made available by Newmex Minerals Incorporated. The sources of information not based on personal examination are quoted in the report. The information provided by the various parties is to the best of my knowledge and experience correct.

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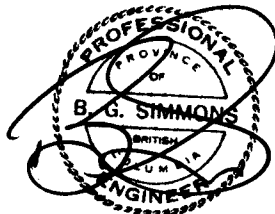
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Dated this 14th day of May, 2005 in Crofton, B. C. CANADA



Brian Simmons, P. Eng.
Consulting Mining Engineer

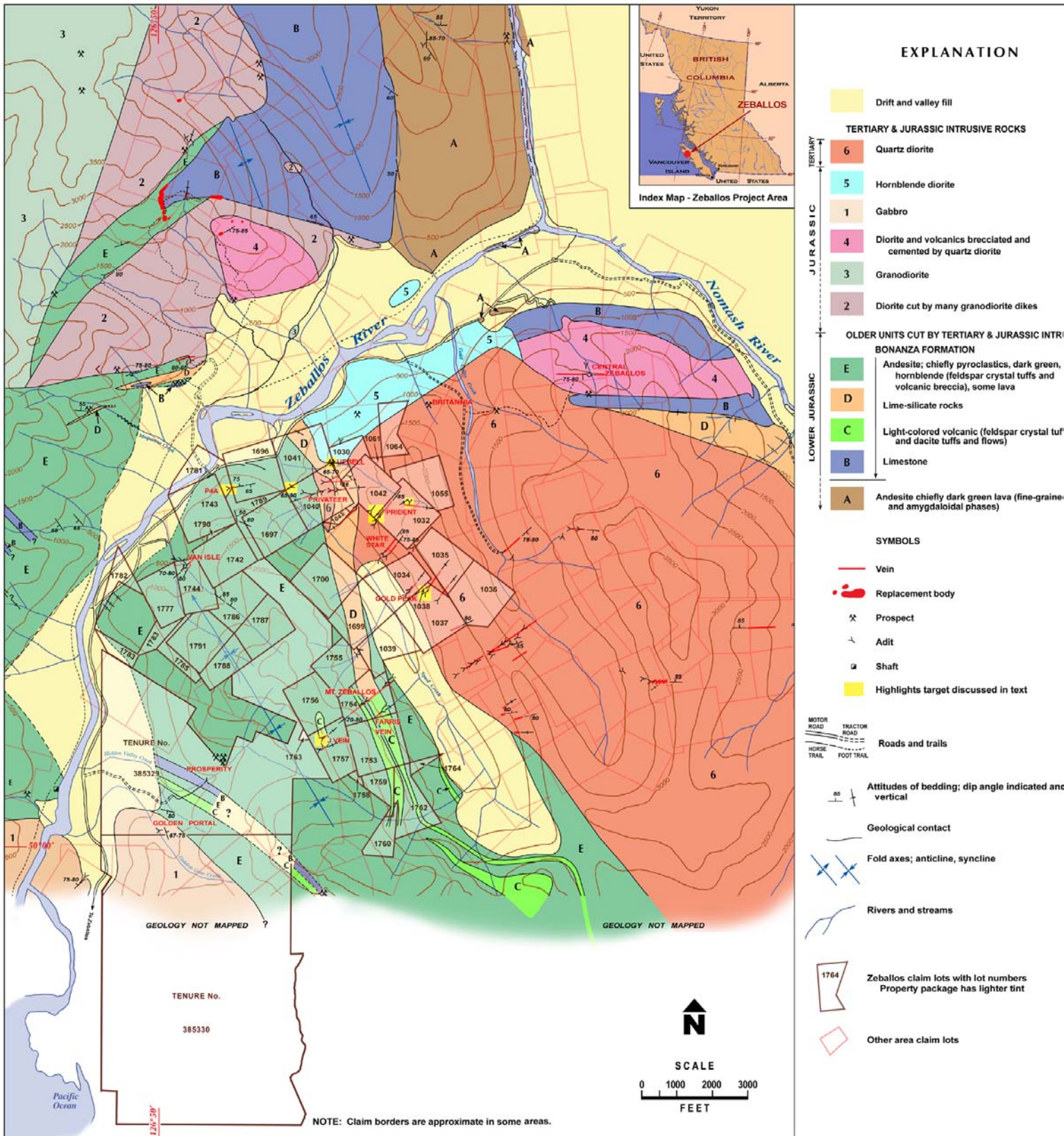


Figure 1. Zeballos claims and geology. Modified from Stevenson, 1950 and Pawliuk, 2001.

Figure 2 Mineral Claims

Map created Mon Mar 28 17:52:33 PST 2005

Legend

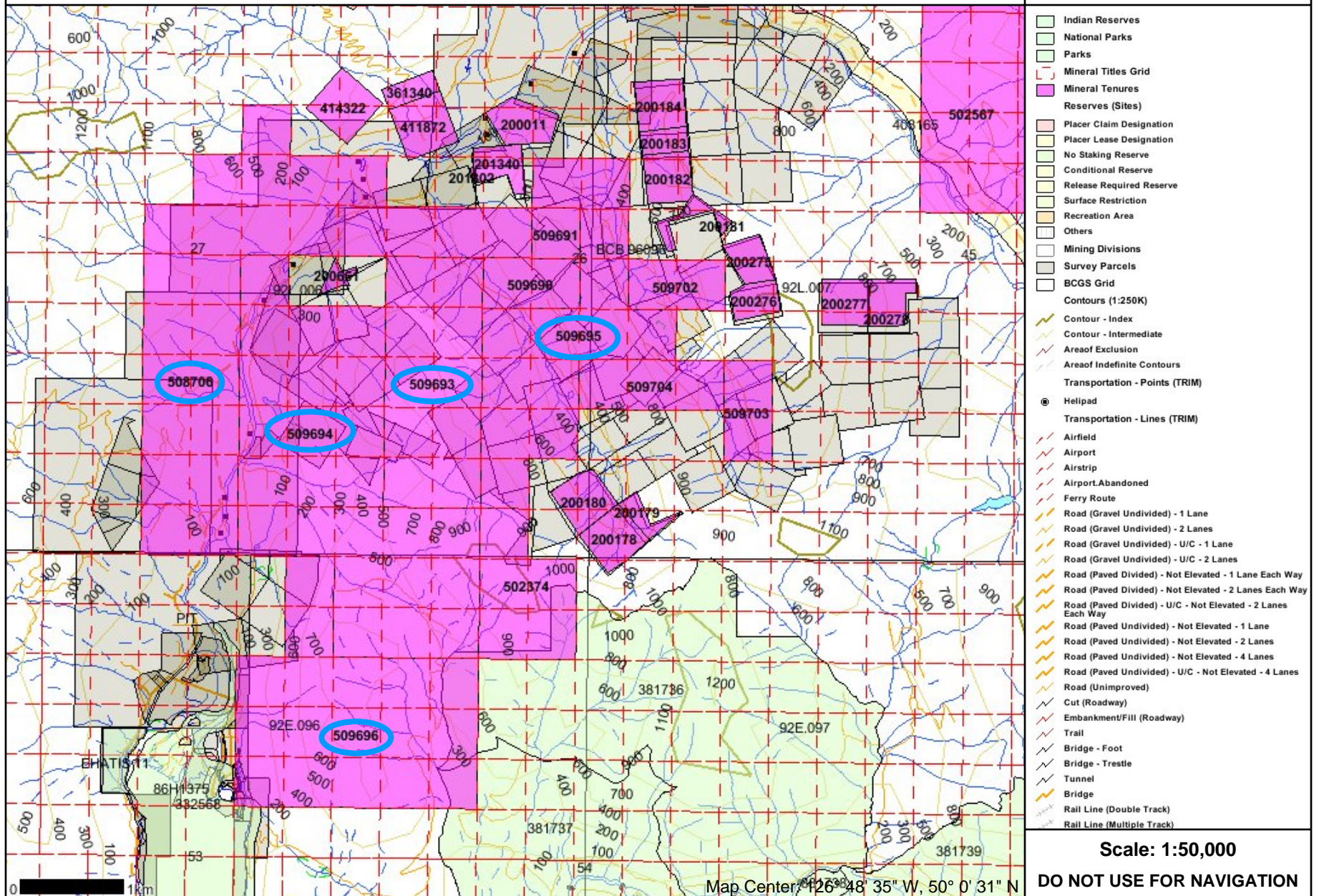


TABLE 2 MINERAL CLAIMS

| Tenure | Claim Name | Good To Date | Number of cells | Area (ha) |
|--------|------------|--------------|-----------------|-----------|
| | | | | |
| 508706 | Zeballos | 2006/Mar/10 | 25 | 519.027 |
| 509693 | Zeballos2 | 2006/Mar/26 | 10 | 207.637 |
| 509694 | Zeballos3 | 2006/Mar/26 | 24 | 498.405 |
| 509695 | Zeballos4 | 2006/Mar/26 | 13 | 269.905 |
| 509696 | Zeballos5 | 2006/Mar/26 | 17 | 353.163 |
| | | | | |
| Totals | | | 89 | 1848.14 |

Table 3 □ *Zeballos Gold Production, 1934 to 1948*¹

| — | 1934 | 1935 | 1936 | 1937 | 1938 | 1939 | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 | 1946 | 1947 | 1948 | Total |
|---|------|------|------|-------|--------|--------|--------|--------|--------|--------|------|------|-------|--------|--------|---------|
| | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. | Ozs. |
| Privateer..... | 85 | 55 | 58 | 2,805 | 16,023 | 32,987 | 28,416 | 24,328 | 17,219 | 9,727 | 22 | — | 1,801 | 10,822 | 10,033 | 154,381 |
| Spud Valley, including Big Star..... | — | — | 47 | — | 473 | 15,369 | 18,099 | 14,031 | 6,020 | — | — | — | — | — | — | 54,039 |
| Mount Zeballos..... | — | — | — | — | — | 3,277 | 14,716 | 9,744 | 2,665 | 123 | — | — | — | — | — | 30,525 |
| Central Zeballos..... | — | — | — | — | 152 | 33 | 6,610 | 6,568 | 4,610 | — | — | — | 872 | 1,627 | — | 20,472 |
| Prident..... | — | — | — | — | — | — | — | 3,803 | 5,141 | 3,758 | — | — | — | 687 | 548 | 13,937 |
| White Star..... | — | 32 | 150 | 359 | 42 | 2,122 | 2,345 | 1,531 | 500 | — | — | — | — | — | — | 7,081 |
| C.D. (Rey Oro)..... | — | — | — | — | 1,102 | 843 | 1,319 | 1,336 | — | — | — | — | — | — | — | 4,600 |
| Homeward..... | — | — | — | — | — | — | — | 897 | 594 | — | — | — | — | — | — | 1,491 |
| Van Isle..... | — | — | — | — | — | — | 1,178 | — | — | — | — | — | — | — | — | 1,178 |
| Rimy..... | — | — | — | — | 44 | — | — | — | — | — | — | — | — | — | — | 44 |
| Tagore..... | — | — | — | — | — | 8 | — | — | — | — | — | — | — | — | — | 38† |
| Golden Portal..... | — | — | — | — | — | 8 | 12 | — | — | — | — | — | — | — | — | 20 |
| King Midas..... | — | — | — | — | — | — | 5 | — | — | — | — | — | — | — | — | 5 |
| Totals..... | 85 | 87 | 255 | 3,164 | 17,836 | 54,647 | 72,700 | 62,238 | 36,749 | 13,608 | 22 | — | 2,673 | 13,136 | 10,581 | 287,811 |

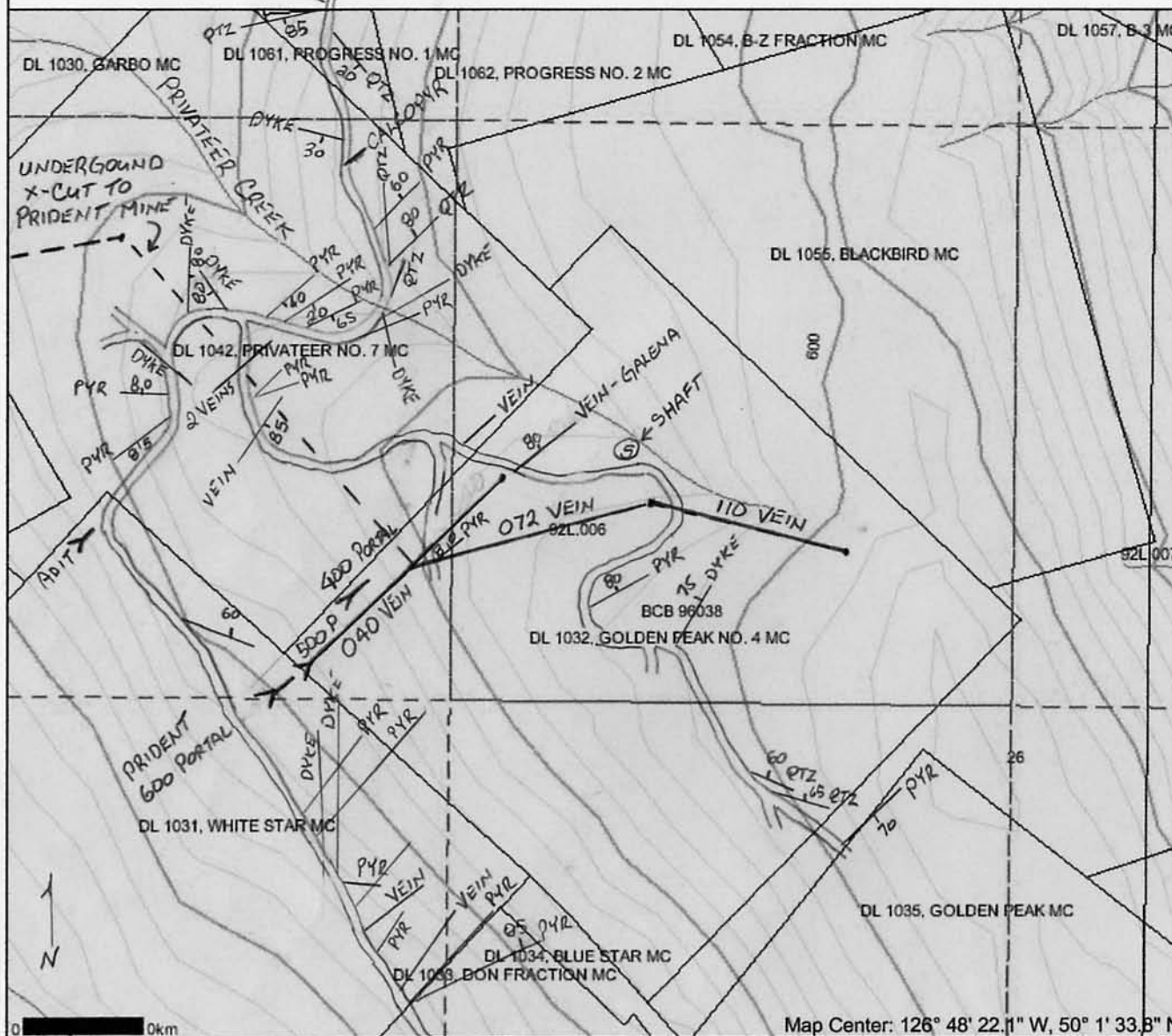
¹ Table reproduced from Dept. of Mines, B.C., Bull. 27, 1950, by John S. Stevenson.

† Includes 30 ounces produced in 1930 and 1932.

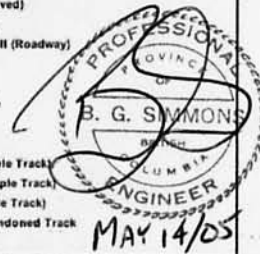
MAP 1: PRIVATEER AND PRIDENT AREA

Map created Wed Mar 30 16:54:11 PST 2005

Legend

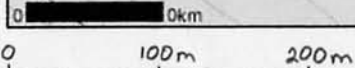


- Indian Reserves
- National Parks
- Parks
- Mineral Titles Grid
- Integrated Cadastral Fabric
- Survey Parcels
- BCGS Grid
- Contours (TRIM)
- Contour - Index
- Contour - Index, Indefinite
- Contour - Index, Depression
- Contour - Index, Depression Indefinite
- Contour - Intermediate
- Contour - Intermediate, Indefinite
- Contour - Intermediate, Depression
- Contour - Intermediate, Depression Indefinite
- Area of Exclusion
- Area of Indefinite Contours
- Annotation (1:20K)
- Transportation - Points (TRIM)
- Helipad
- Transportation - Lines (TRIM)
- Airfield
- Airport
- Airstrip
- Airport, Abandoned
- Ferry Route
- Road (Gravel Undivided) - 1 Lane
- Road (Gravel Undivided) - 2 Lanes
- Road (Gravel Undivided) - U/C - 1 Lane
- Road (Gravel Undivided) - U/C - 2 Lanes
- Road (Paved Divided) - Not Elevated - 1 Lane Each Way
- Road (Paved Divided) - Not Elevated - 2 Lanes Each Way
- Road (Paved Divided) - U/C - Not Elevated - 2 Lanes Each Way
- Road (Paved Undivided) - Not Elevated - 1 Lane
- Road (Paved Undivided) - Not Elevated - 2 Lanes
- Road (Paved Undivided) - Not Elevated - 4 Lanes
- Road (Paved Undivided) - U/C - Not Elevated - 4 Lanes
- Road (Unimproved)
- Cut (Roadway)
- Embankment/Fill (Roadway)
- Trail
- Bridge - Foot
- Bridge - Trestle
- Tunnel
- Bridge
- Rail Line (Double Track)
- Rail Line (Multiple Track)
- Rail Line (Single Track)
- Rail Line - Abandoned Track
- Spur



Scale: 1:5,000

DO NOT USE FOR NAVIGATION

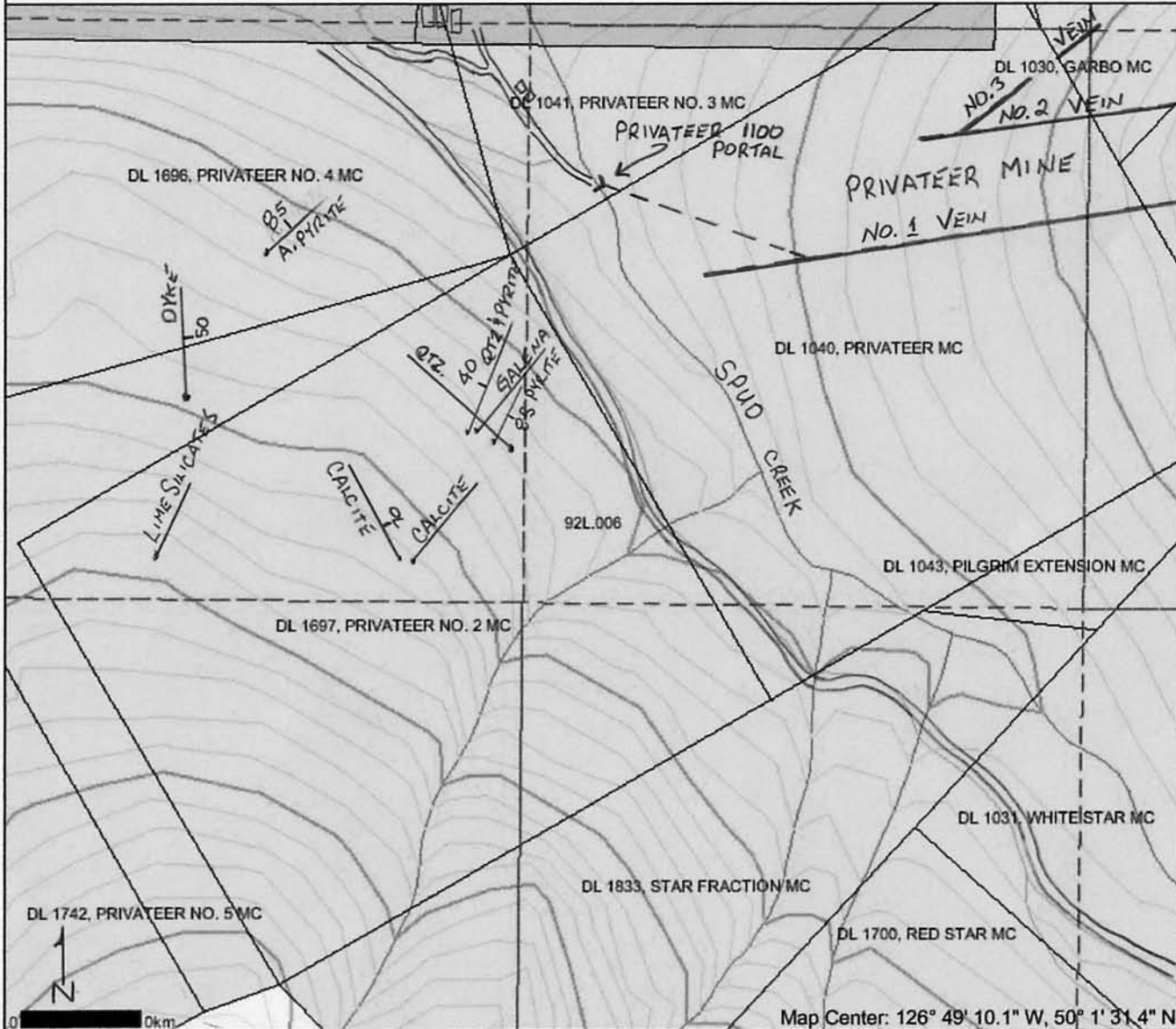


Map Center: 126° 48' 22.1" W, 50° 1' 33.8" N

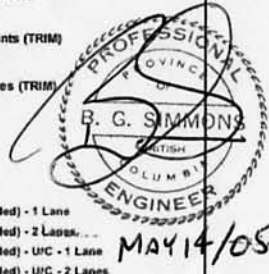
MAP 2 : PRIVATEER NO. 2 AREA

Map created Sat May 07 10:05:43 PDT 2005

Legend

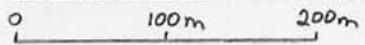


- Indian Reserves
- National Parks
- Parks
- Mineral Titles Grid Reserves (Sites)
- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others
- Mining Divisions
- Integrated Cadastral Fabric
- Survey Parcels
- BCGS Grid
- Contours (TRIM)
 - Contour - Index
 - Contour - Index, Indefinite
 - Contour - Index, Depression
 - Contour - Index, Depression Indefinite
 - Contour - Intermediate
 - Contour - Intermediate, Indefinite
 - Contour - Intermediate, Depression
 - Contour - Intermediate, Depression Indefinite
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 - Road (Paved Divided) - U/C - Not Elevated - 2 Lanes
 - Road (Paved Undivided) - Not Elevated - 1 Lane
 - Road (Paved Undivided) - Not Elevated - 2 Lanes
 - Road (Paved Undivided) - Not Elevated - 4 Lanes
 - Road (Paved Undivided) - U/C - Not Elevated - 4 Lanes
 - Road (Unimproved)
 - Cut (Roadway)
 - Embankment/Fill (Roadway)



Scale: 1:5,000

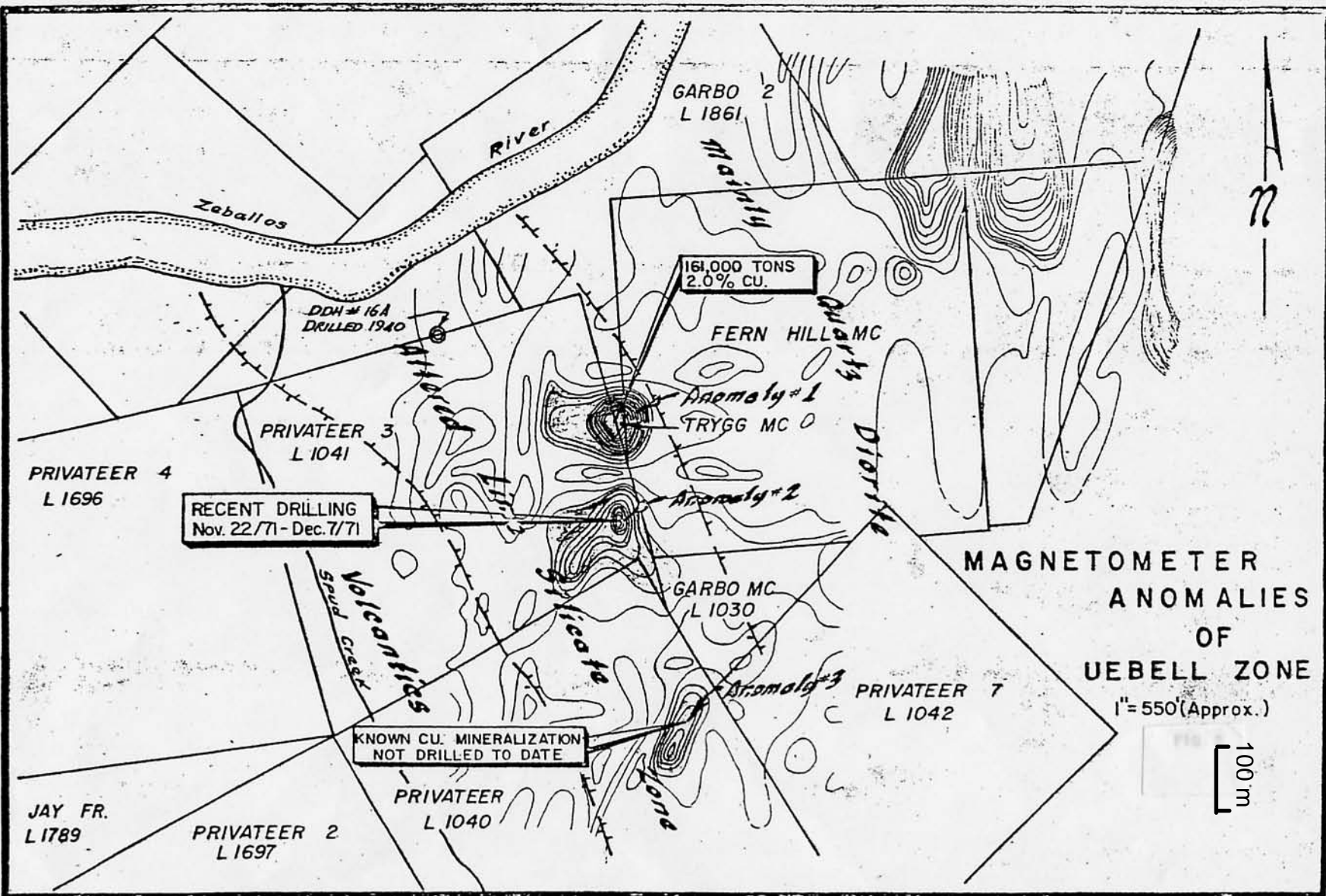
DO NOT USE FOR NAVIGATION



Map Center: 126° 49' 10.1" W, 50° 1' 31.4" N

MAP 3 ZEBALLOS LOGGING AREAS WESTERN FOREST PRODUCTS 2005

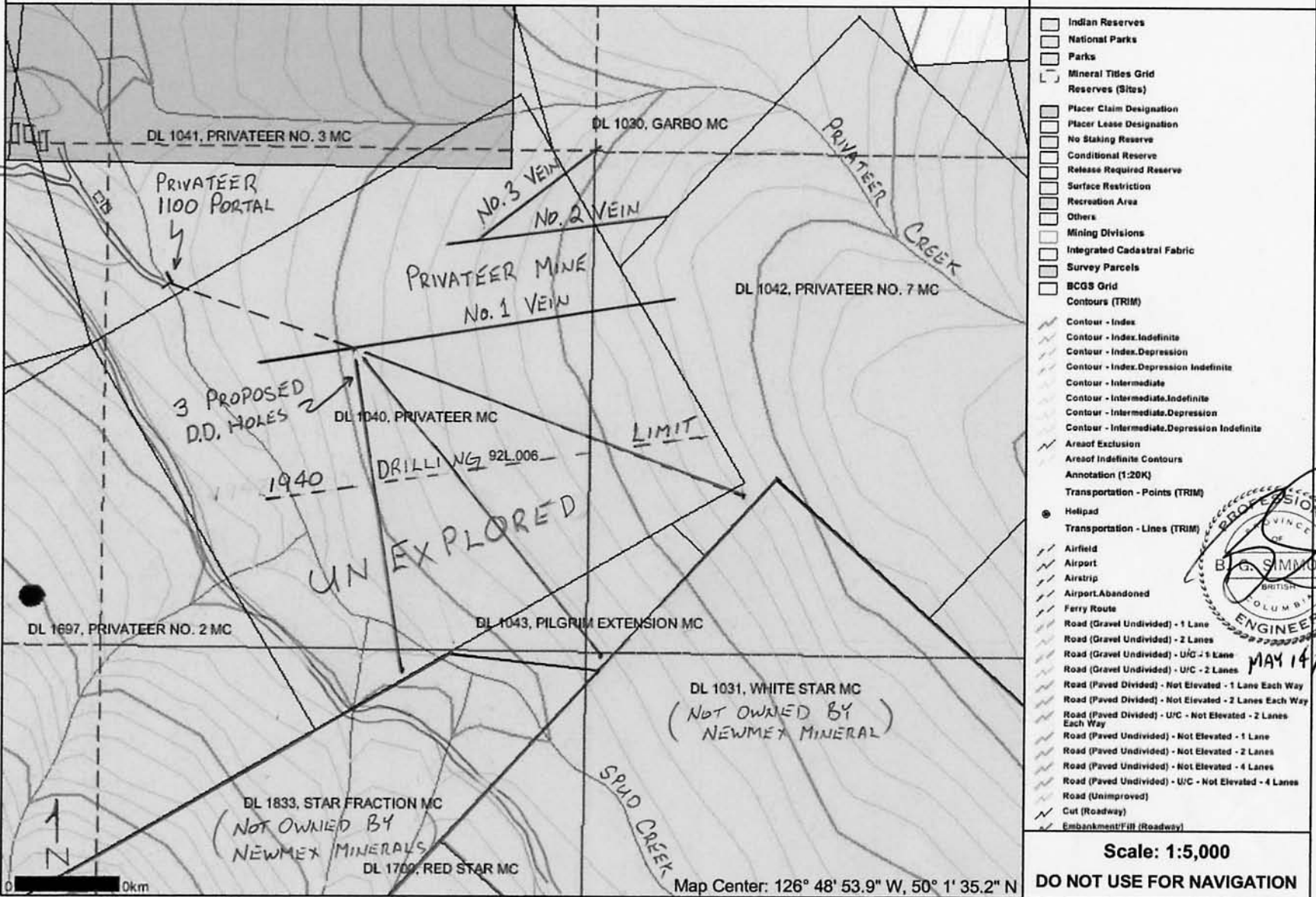




MAP 5 : PROPOSED DRILLING LOCATION

Map created Tue May 10 09:17:29 PDT 2005

Legend



- Indian Reserves
- National Parks
- Parks
- Mineral Titles Grid
- Reserves (Sites)
- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others
- Mining Divisions
- Integrated Cadastral Fabric
- Survey Parcels
- BCGS Grid
- Contours (TRIM)
- Contour - Index
- Contour - Index,Indefinite
- Contour - Index,Depression
- Contour - Index,Depression Indefinite
- Contour - Intermediate
- Contour - Intermediate,Indefinite
- Contour - Intermediate,Depression
- Contour - Intermediate,Depression Indefinite
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- Transportation - Points (TRIM)
- Helipad
- Transportation - Lines (TRIM)
- Airfield
- Airport
- Airstrip
- Airport,Abandoned
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- Road (Gravel Undivided) - 1 Lane
- Road (Gravel Undivided) - 2 Lanes
- Road (Gravel Undivided) - U/C - 1 Lane
- Road (Gravel Undivided) - U/C - 2 Lanes
- Road (Paved Divided) - Not Elevated - 1 Lane Each Way
- Road (Paved Divided) - Not Elevated - 2 Lanes Each Way
- Road (Paved Divided) - U/C - Not Elevated - 2 Lanes Each Way
- Road (Paved Undivided) - Not Elevated - 1 Lane
- Road (Paved Undivided) - Not Elevated - 2 Lanes
- Road (Paved Undivided) - Not Elevated - 4 Lanes
- Road (Paved Undivided) - U/C - Not Elevated - 4 Lanes
- Road (Unimproved)
- Cut (Roadway)
- Embankment/Fill (Roadway)

Scale: 1:5,000

DO NOT USE FOR NAVIGATION

PROSPECTING FIELD NOTES

Of

ZEBALLOS GOLD PROJECT

**Tenures 508706, 509693, 509694, 509695, 509696
Vancouver Island, British Columbia
Latitude 50° 01'N, Longitude 126°49'W
Alberni Mining Division**

From

March 31, 2005 to April 18, 2005

For

**Newmex Minerals Incorporated
Suite 227, 200 Barclay Parade S.W.
Calgary, Alberta
T2P 4R5**

By

**George Chinn and Bill Foote
Burton Consulting Inc.
1408 Seventh Avenue
New Westminster, B.C.
V3M 2K3**

And

**Brian Simmons P.Eng.
Rodell Enterprises Ltd.
Box 151, Crofton, B.C.
V0R 1R0**

March 31, 2005

Left Nanaimo at 9:00 am. Traveled to Zeballos, arrived at 3:00 pm. Checked into Motel.

Took exploratory trip to Privateer Mine area. Drove along the south side of the Zeballos River.

Familiarized ourselves with the Bonanza formation on the Newmex claims. One claim length west of Spud Creek, we examined the Bonanza formation andesite. Went half a claim further east of Spud creek to the contact of unit D (lime-silicate).

Darkness came returned to motel.

Heavy rain, storm, lightening. Logging crews took day off.

April 1, 2005

We followed up on previous evening and re-examined unit D lime-silicate rocks. Then proceeded east to intrusive contact of unit 5 the hornblende diorite. We saw several dikes light colored (rhyolite?). We were able to notice these dikes because of their unique blocky pattern.

Then went up the West Side of Spud creek. Then looked over unit E and found an out layer of diorite. The Stevenson map shows a layer of diorite in unit D lime-silicate rock.

Now we have found layers of diorite in the andesite. This puts us 700 meters west of the main contact diorite intrusive

The gate was locked at the White Star claims (not held by Newmex Minerals).

We had to return to Zeballos to borrow a key. Then drove to the Spud Valley Mine which is in the quartz diorite. In the late 1980's a mill was built by the name of McAdam.

Then went diagonally on a recent logging road, through the White Star claims into the Prident Mine area, an eastern extension of the Privateer mine systems.

April 2, 2005

Reviewed April 1, 2005 exploration.

Decide to go to the Privateer mine too look eastward on the Privateer structure.
Then to look westward along the Privateer system towards the Van Isle mine.
Aim is to prospect westward from the Privateer Mine (and the newly logged area).

We recorded distances from Motel to side roads and other landmarks on the way, which are pickup mileage readings on trip meter.

Leaving Zeballos Motel – 3.2km

First logging road – 5.4km

Cemetery – 5.5km

Active logging road – 5.7km

Active logging road – 6.3km

Highway bridge & Golden Valley road – 6.7km

Logging landing Golden Valley road left side – 7.9km

Old cabin right side of road – 8.2km

Spud Valley turn off (elevation 105m) – 8.6km

Tailings pond Privateer Mine – 8.8m

Privateer mine Site (135m elevation) – 8.9km

11:45 left 1100 Portal at Privateer to new logging area 5.7km from Zeballos.

Rock pit at entrance shows andesite.

Didn't see anything of interest on rest of road.

Back to camp at 12:50

Left motel at 2:45 after map reading and discussion.

Enter Spud Valley road

Up to gate at White Star Claim 265 m elevation

GPS reading Ensen E 656589 N 5543514 2D 4 Sat
Explorer GPS E 6656541 N – 5543471 H 206m – 3D

McAdam Adit

Elevation 375m

Ensen GPS N 657433 E 5542542 4 SAT Pdop 6.4
Explorer GPS N 65641 E 5543470 E 208m
Ensen GPS N 657440 E 5542547 ALT 395m 5 SAT Ppop 3.8

3:35 PM leaving Spud Valley road. Then drove up new logging road in North direction. Stopped at adit with old ore car in front (Prident Mine). Took GPS readings.

Ensen E 656898 N 5543686 Alt 390m Pdop 3.4 5 Sat

Then drove to snow line. Walked to end of road. Took GPS reading

Ensen E 657258 N 5543649 Alt 570m Pdop – 2.0
Hand Altimeter- 660m

Return back down road to corner above to corner above Pioneer Creek. Took GPS reading.

Ensen E 857500 N 5544989 Alt 450m 6 Sat Pdop – 3.2

Dyke azimuth bearings at this location.

#1 140 degrees

#2 160 degrees

#3 140 degrees which crosses the road.

5:20pm left Prident mine area for camp.

April 3, 2005

8:00am checking maps and making plans for days activities.

9:00am left motel for Prident Claim area. Found snow too deep for that altitude.

Checked strike extension to west of Pioneer #1 vein.

100 meters up Spud creek road in andesite volcanics found major fracture set at

118 degrees - existing of 3 fractures sloping 70 degrees north.

11:45am Lunch.

Now that we examined the extensions. We then moved to the possible extensions at the P4A mine.

Elevation level 70 meters.

Remnants of an old camp 135 meter level. 300 meters up old road

Climbed to 290 meter level, found cave at 250 meter level. Volcanic rocks, fine grained in nature (pyrites).

Climbed up until we reach helicopter logged area across from the Privateer vein #1 where we observed some sediment unit B

Elevation 330m.

Proceed down slope to Pioneer claim #1 - 4:30pm

Most of the day in snow, slippery conditions.

April 4, 2005

8:00am - Acquired a more detailed map. Showing old and present logging areas and road system from local forest company. Great help !!

We found old road to Van Isle mine.

GPS readings.

| | | | | | |
|--------------|---------|-------------|-----------|-------------|-------|
| ENSEN | Elv 48m | Utm 9054855 | H D.P 3.0 | U 5543447 | 4 Sat |
| Garmen etrex | | 09U 0654855 | Elv 28m | UTH 5543464 | 5 Sat |

Found claim post 100m old road south. Tag information. New Privateer South #1 EXT. Tag # 216391 Date 03 – 26 –Nov

Found campsite destroyed by rock slide that came down creek.

GPS readings

| | | | | | |
|------------|------------|-------------|-------------|----------|-------|
| GPS Garmin | 09U0655127 | Elev 94m | UTH 5543471 | 4 sat | |
| Ensen GPS | 65m ELV | ATM 9655119 | HdoP 3.4 | U 554370 | 4 sat |

Van Isle mine located in a very narrow canyon with walls 30m in high. Adit sits on the NE side next to waterfall, also 30m high. Adit is open but entrance timbers look in bad rotten shape.

GPS location

| | | | | |
|-----------|------------|-----------|-------------|-------|
| Garmin | 09U0655151 | Elev 114m | Uth 5543341 | 3 Sat |
| Ensen GPS | No Sat | | | |

Tunnel direction 120 S/E

A few quartz stringers are visible on rock face under waterfall (5m from adit).

Rock type is andesite volcanic with iron pyrite.

One ore cart and one mucking machine at portal. Tracks here washed down creek.

Followed a small creek 100m to the north paralleling main creek to Van Isle Mine.

Pyrites in andesite volcanic quite abundant. Creek direction 125 degrees S/E.
100m elevation disappears.

140m elevation above Van Isle adit small piece of lime-silicate and small piece of quartz diorite. Main rock type is volcanic containing some iron pyrite with slight signs of small quartz veins.

Covered an area 500m to the north. Very high bluffs above. Worked our way back down to Golden Valley road finding nothing new.

April 5, 2005

Raining heavy – windy. Snow at high elevations. 500m 4inches

Worked in slopes S/W of Privateer 1100 Adit. Talus shows signs of quartz Stringers in volcanic diorite and float pieces of lime silicate S/E side of logged area 100m up from Spud Creek road.

120m up solid bedrock of volcanic andesite containing streaks of quartz 1/8 inches wide 20 degrees North, face runs N/W 320 degrees. Face slope 50 degrees W.

GPS Ensign. Utm 9656057 U 5543819 Hdop 205 4 Sat E 204m

Garmin GPS Ndop 2.5 UTM 965057 4 sat U 5543819 Elv 240m

April 5 / 05 Afternoon.

Privateer Cr. Spur Rd. To the East.

GPS Ensen Utm 9656899 Elv 450m U 5543991 Hdop 1.9 5 Sat

Garmin ETX GPS 09U0656896 Elv 474m Utm 5543989 7 Sat

Structure angle 240 degrees S/W 70 Slope North Quartz Diorite.

Quartz vein 1 ½ inch wide at rock pit wall next to Privateer creek 20m north. 3 degrees off vertical lean to south in 180 degree south direction.

Volcanic andesite dike 300m at 160 degrees north of privateer cr.

2m wide. 4m high quartz diorite both sides.

Quartz vein 1 inch wide laying horizontal 3m above ditch - traveling N/S 320m from Privateer creek.

April 6, 2005

Pioneer cr. 460m Elevation Quartz Diorite.

Found iron pyrite 2 inches wide that appears to be 2m wide at 90 angle at switchback on Pioneer cr. road. Location marked with red ribbons in ditch line.

Privateer creek road. Right branch 30m south of road junction there is a one-inch quartz vein or stringer in Quartz diorite. Dips N 70 degrees sampled.

GPS readings

Garmin 09u 0656871 UTM 5543971 460m Elv 5 Sat

Ensign Utm 9656873 4 Sat U 5543971 Elv 450m PDOP 3.9

High winds, heavy rain forced to lower altitude.

Afternoon.

Visited Prosperity claim. Hiked trail and found old camp. Located trail to mine.

Creek too high to cross to get to workings. Return to camp 4:30

April 7, 2005

Privateer road above switch back on north branch. Series of Quartz veins 1/16 inch wide containing a widening to 1/3m and 1m long then pinching back to 1/16 inch.

15m S/E a 140 azimuth vein of quartz 4 inches wide. Laying straight up at 90-degree angle. Striking north 30 degrees. 2 quartz stringers running parallel with road bed 3m apart from the 2 vertical ones. The north west vein contains iron pyrites with some galena showing.

GPS Garmin 094 0656896 UTM 5543914 Elv 470m 6 Sat
GPS Ensign UTH 9 656898 U 5543907 HDOP 2.8 4 Sat 480m ELV
Sample #2

Quartz seams containing iron pyrites 1/3m wide. The pyrites are in the quartz diorite along side on the north side of the quartz. The direction is N/S 220 degrees. Leaning at 60 degrees east. The vein travels west at 300 degrees.

Sample #3

GPS Garmin 09u 0656902 UTM 554302 500m ELV 6 Sat
Ensen GPS UTM 9 656981 U 5543903 ALT 510m PDOP 2.9 5 Sat

Small quartz finger vein. 75m past logging stub road and next to a small area of standing trees left in the logged area. The quartz is marked by red flagging also in the timbered area is signs of some old mine working. This area is on a bench in the logged area above Prident adits.

April 8, 2005

Clear and sunny

Prospected the road cut above the Privateer and Prident mines.

2 veins bearing 045 degrees, dipping 5 degrees east. Both veins each 6 inches wide and 18 inches apart.

GPS Garmin 094 0656876 UTH 5543950 ELV 477m 5 Sat

Ensign GPS UTH 9 656877 U 5543950 6 Sat DPOP 3.0 ALT 480m

Sample #5 On right hand road past Switchback. Also a Dyke 5m width on the East side of veins AZ 110 degrees a contact.

Sample #3 Shows Galena, Iron, Pyrite, bearing Az 030 dipping 5 degrees west. The vein is 2 inches wide.

GPS Garmin 09 U 0656974 UTM 5543902 5 Sat Elv 503m

Ensign GPS UTM 9 656859 U 5543902 HDOP 2.5 510m ELV

Vein near the end of stub road above the Prident adits at Az 050 shows iron Pyrites and possible Galena. Dip is 10 degrees E

A vein above old cabin site showing on bank of logging road beside a group of trees left by loggers. Compass reading 040, dipping 10 degrees east contains iron pyrite, calcopyrite, and quartz. Vein is 6 inches wide.

GPS Garmin 09 u 0657087 HTM 5548884 ELV 524 5 Sat

Ensign GPS UTM 9 657090 U 5543886 AL7 540m 4 Sat Pdop 4.2

Sample #6

Upper Prident Adit

GPS Garmin 09 u 0656971 UTM 5543776 6 Sat 507 Elv

Ensign GPS 09 u 0656971 UTM 5543776 6 Sat Alt 510 PDOP 4.0

2nd Portal in trees GPS reading

Ensign GPS UTM 9637034 5543985 Adop 2.6 4 Sat 450m elev

Garmin GPS 09u 0656939 5543721 5 Sat 454m elev

Lower Prident portal on White Star claim

GPS Ensign UTM 9 636942 5543762 Alt 420m 5 Sat PDOP 5.5

GPS Garmin 09u 0656921 5543702 406m elev 5 Sat

Left branch logging rd. Privateer cr. 75 m up Az 060 dipping 10 degrees E.

Rock pit Privateer creek crossing. 1 ft wide rhyolite dyke (lime-silicate)

3 m. west on 1 inch quartz vein. The dyke Az 175 degrees

Indicating quartz, iron pyrite, chalcopyrite and galena.

Below switch back overlooking Spud creek in line with Privateer mill site is an adit, 15 m in depth Az 040 degrees.

GPS Garmin 09u 0656756 5543806 elev 380 m 6 Sat

April 9, 2005

Cloudy, sunny, light rain

Drove to the Privateer 1100 portal. Hiked up the trail to the 1000 portal. The 1000 portal is open and bearing 120 degrees. Followed the trail up the hillside looking for the 900 portal. Found the open partially caved workings of the number one vein. The caved workings are not marked and very dangerous to approach. They should be roped off. Followed the number one vein up the mountain. The vein is either open or partially caved up to the 600 portal and beyond. Traced the subsided workings up onto the logged area.

Privateer 1000 adit. Az 120 degrees, 170 m elev. Altimeter 18 m elevation. Adit is open. Mature cedar forest.

210 elev. Surface caved (danger)

230 m elev. Az 070, #1 vein mined 200 m. Caved to surface.

600 Portal 330 m. altimeter

GPS reading 10 m above adit (logged area)

Garmin GPS 09u 0656657 5543996 elev 366m 6 Sat

Az 086 looking east to rock face.

Rock face directly east of #1 vein 086 bearing. Rock striking Az 052 degrees dipping 10 degrees east.

GPS Garmin 09u 0656712 5543997 elv 389 4 Sat

Prospected north looking for the Cu Anomaly #3. Found some minor pyrite in the lime-silicate rocks, but no copper mineralization.

Hiked north across Privateer creek in search of the Uebell copper zone. Found black plastic pipe in Privateer creek. Assume it was used for the drilling of copper

anomaly's #1 (Uebell) and #2. At the 310 meter elevation we found the helicopter landing site used for the diamond drilling. Very heavy vegetation and underbrush. Unable to see any drill hole sites or core. No visible sign of copper mineralization. Only lime silicate rocks. Very steep descent down to the Zeballos River.

April 10, 2005

Rain

Drove up Spud creek to McAdam portal on south end of Zeballos Pacific claims. Hiked across Spud creek north of McAdam's tailings pond. Found the Mt Zeballos mill site on the West Side of Spud creek. Hiked up the tramline looking for the Mt. Zeballos vein portals. Traversed the hillside to the south of the tramline. Terrain very steep with a vertical rock wall above. Hike to the north of the tramline and find the partial remains of an old trail to the 1600 portal. Follow the trail to the north into a helicopter logged cut block. Trail switchbacks to the south and back into thick timber. Find the 1600 portals and camp. Two portals at the 1600-foot elevation both caved. Timber too thick to get GPS reading. Snow line above us. Everybody soaked. Return to pickup.

MT. Zeballos mill site

| | | | | |
|------------------------|---------|-----------|----------|-------------|
| Garmin GPS 09u 0657222 | 5542511 | elv. 339m | 5 Sat | accuracy 7m |
| Ensign GPS UTM 657200 | 5542515 | alt 330m | PDOP 5.8 | 5 Sat |

1600 ft. Portal MT. Zeballos Vein, Elv. 550, Az 040, 2 Portals side by side about 10 m apart. Trail brushy with lots of windfalls. Very wet, rain and wind.

April 11, 2005

Geological mapping of logging road cut from Zeballos Pacific mine, Prident Mine to Privateer Mine.

Logged 36 geological features (in quartz diorite) including quartz veins, mineralized veins, and dykes.

1. Quartz Diorite, fracture rusty stain Az 035, dip 70 degrees W

GPS Garmin 0657188 5543306 elv 367m 6 Sat Acc. 8m

GPS Ensign 657190 5543304 elv 360 4 Sat PDOP 4.8

2. Visible pyrite vein ½ inch, Az 028, dip 70 degrees W

50 meters past GPS reading, quartz diorite

3. 9 meters past #2, 2 thin quartz stringers, trace pyrites, Az 035, dip 70

degrees W, quartz diorite.

4. Quartz diorite rock, 35 m past #3, barren quartz vein ¼ inch, Az 015, dip

84 degrees W.

5. Quartz diorite, fracture 6 inches apart, Az 092, dip 80 degrees S

6. GPS Garmin 0657096 5543410 alt 381m 5 Sat Acc 7m

Ensign GPS 656992 5543414 alt 376 5 Sat DPOP 6.8

7. Quartz diorite rock, 3 inch pyrite vein, Az 130, dip 60 degrees S

3 meters past Az 100, dip 70 degrees S, 3 inch wide

2 meters past 1 inch pyrite vein Az 090, Dip 70 degrees S

8. 6 meters past #7, 3 inch quartz vein, Az 020, dip 70 degrees W

GPS Garmin 657093 5543414 elv 366m 5 Sat acc 7m

GPS Ensign 657072 5543419 Alt 390 4 Sat PDOP 7.3

9. 5 meters past #8 GPS, 1 inch quartz pyrite vein, Az 060, dip 85 deg. W

10. 10 meters north past last vein, quartz diorite rock, vein 2 inch wide pyrite
Az 040, dip 80 degrees W

11. Quartz Diorite, 1 inch pyrite vein, dip 85 degrees E, Az 055

12. GPS Garmin 0657071 5543442 Elv 365 5 Sat Acc 7m

GPS Ensign 657070 5543435 Alt 330m 6 Sat DPOP 3.0

1 inch pyrite, galena vein, Az 070, dip 85 W, 10 parallel veins 1 meter apart.
Covering 10 meters along road above White Star claim.

13. 15 meters past #12. Quartz diorite rock. Pyrite vein 2 inches wide, Az 020,
dip 90 degrees.

14. 4 meters past #13, weak pyrite vein, Az 105, dip 80 S

15. 6 meters past #14, quartz diorite rock, 1 inch pyrite vein, dip 85 E, Az 055

16. Dyke 1 meter wide 6 meters past #15, AZ 120, dip 80 N

17. Ensign GPS 657034 554352 Elv 390 5 Sat PDOP 5.5

Garmin GPS 657031 5543456 Elv 382 5 Sat Acc 13m

Vein 3 inches wide, massive pyrites, AZ 040, dip 70 W

18. Rhyolite dike 2 meters wide, 1 meter past #17, AZ 020, dip 80 W

19. 1 inch wide pyrite vein, 2 meters past #18, AZ 050, dip 75 W

20. 2 inch pyrite vein in quartz diorite rock, AZ 080, dip 70 S

21. Old Adit? 2 meters wide, pyrite veins in each wall, 3 inch massive pyrite veins, AZ 028, dip 80 W

GPS Garmin 657030 5543482 365 elv 5 Sat Acc 11m

GPS Ensign 657030 554460 Alt 350 6 Sat PDOP 3.3

22. 30 meters up from #21, 8 inch pyrite and quartz vein, AZ 028, dip 80 W

23. Vein 3 meters wide alternating quartz and pyrites, AZ 040, dip 90, old workings?

GPS Garmin 657003 5543518 Elv 378 6 Sat Acc 8m

Ensign GPS 657003 5543522 Alt 360m 7 Sat PDOP 3.3

24. 19 meters from #23, quartz diorite rock, ¼ inch wide, AZ 030, dip 90.

25. 23 meters past #24, ½ inch quartz vein, 3 quartz pyrite veins 1 meter apart, AZ 095, dip 85 S.

26. Rhyolite dike, AZ 355, dip 90

GPS Garmin 656981 5543573 Elv 378 6 Sat Acc 8m

GPS Ensign 656978 5543571 Elv 364 5 Sat PDOP 5.3

27. 8 meters up from #26, ½ meter wide Rhyolite dike AZ 010, dip 75 W

28. 3 meters up from #26, Rhyolite dike 8 inches wide, AZ 350, dip 80 E

29. 5 meters up from # 28, Minor pyrites 3 inch wide vein, AZ 035, dip 90

30. 1 inch quartz vein, AZ 030, dip 90

GPS Garmin 656951 5543604 Elv 384m 6 Sat Acc 8m

GPS Ensign 656948 5543604 Elv 390m 5 Sat DPOP6.5

31. Quartz Diorite rock, AZ 110, dip 60 S

GPS Garmin 656842 5543764 Elv 407m 5 Sat Acc 9m

GPS Ensign 656845 5543752 Elv ? 5 Sat PDOP 2.8

32. Lime-silicate rock, quartz diorite on contact. 80 meters up from GPS reading is a rhyolite dike.

GPS Garmin 656803 5543856 Elv 433m 8 Sat Acc 6m

GPS Ensign 656803 5543864 Elv 450m 4 Sat PDOP 5.2

33. Rhyolite dike 2 meters wide on switchback and stub road. AZ 315 dip 75 E

GPS Garmin 656816 554965 Elv 458m 7 Sat Acc 7m

GPS Ensign 656818 5543958 Elv 450m 7 Sat DPOP 3.3

34. Rhyolite dike south side of road, 30 meters from west side, AZ 355, dip 80E

35. 8 inch wide pyrite gouge zone, quartz diorite, 30 meters south of last GPS reading. AZ 090, dip 80 S

36. 9 meters south of #35, pyrite in quartz diorite, AZ 050, dip 85 N

Hiked into the Van Isle mine on the way back to Zeballos. Ten minute hike from road. Portal open, but loose rock above entrance

Snowed most of the day

April 12, 2005

Geological mapping of logging road cuts on east and west sides of Privateer creek. Found chalcopyrite outcrop on East Side of Privateer creek in quartz diorite.

1. 12-inch rhyolite dike in quartz diorite. AZ 350, dip 80 E

Second dike 3 inches wide, 2 meters from first dike. AZ 325, dip 80E

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|------------|--------|---------|----------|-------|--------|
| GPS Garmin | 656850 | 5543994 | Elv 430m | 6 Sat | Acc 7m |
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| GPS Ensign | 656840 | ? | Elv 430m | 5 Sat | DPOP2.4 |
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2. Privateer Creek road. Quartz vein 2 inches wide, AZ 045, dip 40 W, 10 meters up road, quartz diorite rock

3. 11 meters past #2, pyrite vein, AZ 050, dip 20 W

4. Quartz diorite rock. 20 meters past #3, ½ inch wide pyrite quartz vein, AZ 060, dip 65 W

2 meters past #4, 2 inch pyrite vein, AZ 060, dip 80 W

5. A series of five ¼ inch quartz veins with heavy pyrites, 25 meters from #4, AZ 060, dip 65 N

6. Rock Pit (beside Privateer creek)

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| GPS Garmin | 656981 | 5543980 | Elv 470 | 6 Sat | Acc 7m |
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| GPS Ensign | 656978 | 5543978 | Elv 430 | 6 Sat | DPOP 3.6 |
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6.1 ½ inch pyrite vein AZ 050, dip 65 E

6.2 ½ inch pyrite vein AZ 050, dip 75 E

6.3 1 meter away from 6.2, ½ meter wide rhyolite dike, AZ 050, dip 90

6.4 3 meters away from 6.3, barren 1 inch quartz vein, AZ 010, dip 80W

7. Quartz Diorite rock

½ inch quartz vein, AZ 040, dip 80 E

6 inches past, 2 inch quartz vein, AZ 350, dip 60 E

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| GPS Garmin | 656992 | 5544027 | Elv 477 | 6 Sat | Acc 6m |
| GPS Ensign | 656993 | 5544028 | Elv 430 | 6 Sat | DPOP 3.0 |

8. ½ inch quartz pyrite vein, AZ 045, dip 60 E

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| GPS Garmin | 656978 | 5544058 | Elv 470m | 5 Sat | Acc 8m |
| GPS Ensign | 656976 | 5544050 | Elv 460 | 6 Sat | PDOP 3.4 |

9. Chalcopyrite, 3 inches wide in quartz diorite, AZ 044, dip 90

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| GPS Garmin | 656966 | 5544099 | Elv 477m | 5 Sat | Acc6m |
| GPS Ensign | 656969 | 5544099 | Elv 450m | 8 Sat | DPOP3.0 |

10. 8 meters past #9, 2 meter wide dike, AZ 100, dip 30 W

11. At the end of road, ½ inch quartz vein in quartz diorite, AZ 135, dip 70 N

12. West side of road.

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| GPS Garmin | 656947 | 5544182 | Elv 479 | 6 Sat | Acc 6m |
|------------|--------|---------|---------|-------|--------|

4 quartz stringers, 2 meters apart

12.1 2 inch wide quartz stringer, AZ 120, Dip 90

12.2 AZ 110, Dip 90

12.3 AZ 120, Dip 90

12.4 AZ 070, Dip 85

All in quartz diorite rock

13. two ½ inch pyrite veins

13.1 AZ 040, Dip 60 E

13.2 AZ 065, Dip 90

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| GPS Garmin | 656902 | 5543919 | Elv 469m | 5 Sat | Acc 6m |
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14. Quartz diorite rock, 1 foot wide weak pyrite with ¼ inch quartz vein, AZ 055, dip 80E

GPS Garmin 657129 554774 Elv 567m 7 Sat Acc 6m

15. Rhyolite dike in quartz diorite rock, AZ 025, dip 75 E

GPS Garmin 657214 5543715 Elv 564 5 Sat Acc 13m

16. End of road

GPS Garmin 657286 0543625 Elv 571 5 Sat Acc 134m

Fractured quartz in quartz diorite rock weak pyrite, AZ 110, Dip 60 S

17. 16 meters up ditch past #16, fractured quartz rock, AZ 100, Dip 65 S

18. ½ inch quartz diorite, weak pyrites, AZ 040, dip 70 W

GPS Garmin 657312 5543606 Elv 579 5 Sat Acc 12m

Hiked across southern end of Spud Valley on overgrown logging roads to the southern Mt Zeballos Mine crown grants. Inspected lower logging road cut (G-4J). No visible bedrock exposed, just drift and valley fill.

Cloudy with light snow.

April 13, 2005

Cloudy, light snow, rain

Hiked across southern end of Spud Valley on overgrown logging road. Hiked up creek to upper logging road G-4. The G-4 logging road runs north-west along the bottom of the southern Mt. Zeballos Mine crown grants. Mapped some small barren quartz veins in andesite bedrock on the road cut. Tried to locate the 1800 Farris Vein portal north of the logging road through helicopter logging block 152. The access was too difficult with the very steep terrain, logging slash and six inches of snow.

1. Dike in creek, AZ 010, dip 80 W

GPS Garmin 0657638 5541575 Elv 554 4 Sat Acc13m

4 meters up from dike, 1-inch wide barren quartz vein, AZ 045, dip 60 W

1 meter up from last one, 4 inch quartz vein, AZ 070, dip 60 W

2. Andesite rock, 6 quartz stringers, AZ 290, dip 75 W

GPS Garmin 0657522 5515525 Elv 562 5 Sat Acc 6m

GPS Ensign 6573531 5541532 Elv 570 6 Sat PDOP 5.1

3. End of deactivated road a very minor quartz vein in andesite rock.

Hiked up the bank on the West Side of Spud creek just west of the Privateer Mine. Mapped narrow quartz veins in andesite rocks. George found a two inch quartz vein with pyrite and galena.

1. West of Spud Creek across from Privateer Mine.

Six quartz veins ¼ inch wide, AZ 310, dip 70 E

GPS Garmin 656127 5543791 Elv 221m 6 Sat Acc 10m

GPS Ensign 656121 5543787 Elv 230m 4 Sat DDOP 6.0

2. Andesite rock, two weathered oxidized veins with thin quartz veins and minor pyrites. AZ 025, Dip 85 N

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| GPS Ensign | 6564342 | 5543377 | Elv ? | 3 Sat | PDOP 10 |
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| GPS Garmin | 656068 | 5543615 | Elv 271m | 4 Sat | Acc 31m |
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3. 1 inch oxidized quartz vein with minor pyrites, AZ 020, Dip 40 E
4 meters above #4

4. Galena, pyrites in andesite. Quartz vein sampled, vein 2 inches wide, AZ 035, dip 90

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| GPS Garmin | 656587 | 5543846 | Elv 309m | 5 Sat | Acc 16m |
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| GPS Ensign | 6560090 | 5543615 | Elv 309m | low batteries | |
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April 14, 2005

Cloudy, light rain

Hiked up west side of Spud creek to helicopter logging block 140 (west of Privateer Mine). Found small quartz and calcite veins in andesite rock.

1. 2-inch arsenopyrite quartz vein in andesite rock. AZ 045, dip 85 E

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| GPS Garmin | 0655931 | 5543938 | Elv 277m | 6 Sat | Acc 9m |
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| GPS Ensign | 0655932 | 5543934 | Elv 210m | 5 Sat | PDOP 6.8 |
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2. Band of thin 1/8-inch calcite veins, inches apart in andesite. AZ 330, dip 70 W

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| GPS Ensign | 6560434 | 5543703 | Elv 330m | 5 Sat | PDOP 2.5 |
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| GPS Garmin | 656042 | 5543704 | Elv 315m | 5 Sat | Acc 7m |
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Across the creek, slightly lower at AZ 040, dip 90, is a 2 inch wide calcite vein.

3. 4-meter wide lime-silicate band in andesite rock. AZ 020, dip ???

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| GPS Garmin | 655857 | 5543699 | Elv 353 | 4 Sat | Acc 19m |
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| GPS Ensign | 655865 | 5543645 | Elv ??? | 3 Sat | PDOP 2.4 |
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4. 1 meter wide dike in andesite rock. AZ 355, dip 50 W

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| GPS Garmin | 655832 | 5543844 | Elv 318m | 4 Sat | Acc 11m |
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| GPS Ensign | 655833 | 5543811 | Elv 300m | 5 Sat | PDOP 2.7 |
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Drove to logging blocks 500, 501, 502, 504, and 505 on the northwest side of the Zeballos River. No bedrock exposed, just drift and valley fill.

Drove up Z-10 logging road from the Zeballos M/L road. Found fine arsenopyrite in andesite (?) in road and bank. Took samples.

1. Z-10 Branch road off Zeballos mainline. Found arsenopyrite in lime-silicate rock in roadbed and bank, 1 meter wide, AZ 350, dip 80 W

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|------------|--------|---------|----------|-------|----------|
| GPS Garmin | 653886 | 5542304 | Elv 109m | 3 Sat | Acc 21m |
| GPS Ensign | 653906 | 5542301 | Elv 90m | 3 Sat | PDOP 3.6 |

2. Fine arsenopyrite in lime-silicate, AZ 040, dip 70 W

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| GPS Ensign | 653607 | 5541943 | Elv ??? | 3 Sat | PDOP 4.6 |
| GPS Garmin | 653688 | 5541788 | Elv 251m | 4 Sat | Acc 8m |

April 15, 2005

Rain

Drove up Z-10 logging road. Mapped arsenopyrite zones with calcite and quartz veins in andesite rocks. The arsenopyrite is generally very fine with the occasional large cubes. Almost every rock cut on the road has some arsenopyrite in the andesite.

1. Z-10 road. Fine arsenopyrite in andesite rock with calcite vein and small quartz veins. Width 2 meters, AZ 030, dip 90

GPS Garmin 653854 5542104 Elv 271m 3 Sat Acc 27m

GPS Ensign 653813 5542030 Alt ??? 3 Sat PDOP 6.2

Another flat tire on the 4x4. Both spares flat. Return to Zeballos. Alex arrives with 5 new tires.

April 16, 2005

Rain, snow

Reviewed geological mapping with Alex Burton. Correlated geological mapping with Prident and Privateer underground workings in the field. Looked for other possible vein structures.

1. 2 inch quartz vein in quartz diorite rock, AZ 110, dip 60 N

GPS Garmin 656800 5543739 Elv 379m 6 Sat Acc 6m

2. 20 meters to the west of #1. 2 inch quartz vien in lime-silicate rock, AZ 080, dip 70 S

3. 3 inch wide quartz vein AZ 105, dip 70 S

GPS Garmin 656750 5543749 Elv 360m 5 Sat Acc 7m

4. 6 inch wide band of quartz diorite in andesite rock, 5 meters S.W. of #3, AZ 100, dip 90

5. 20 meters towards Privateer mine or to the NW is a 6 inch wide quartz vein, AZ 100, dip 85

GPS Garmin 656731 5543767 Elv 340m 5 Sat Acc 8m

6. Rock face, multiple quartz veins 1-inch width in lime-silicate, AZ 028, dip 80W

GPS Garmin 656718 5543668 Elv 277m 4 Sat Acc 13m

April 17, 2005

Rain, snow

Alex, George April 17, 2005 9:30 am

Spud Creek logging road heading north on up past White Star claim, taking south spur above Prident to end, south.

Before heading over bank down to locate Zeballos Pacific we found fair amount of molybdenum on faces of shot rock from road builders. As we worked our way south we found a lot more which some had also pyrite and trace of chalcopyrite.

We headed for island of uncut timber. Sure enough we found an anchor cable which was cut into a stump for a tramline. Then we found an airline (gal pipe).

Noticed diggings and dump. Elevation Alex 435, George 417.

Portal covered with debris. In Island uncut trees, could not get good access look.

Items found were, old gear drive winch with transmission attached, had V belts which we think was run with about 10 HP Wisconsin engine, old screens for taking out fines, gas motor, compressor in line with air tank on steel frame.

We suspect airline found above portal came from compressor heading up to another showing. Because of too much overburden from logging we could not recognize any additional portals (also covered with galvanized steel, iron and trash).

Samples from diggings, fractured quartz vein, mainly pyrite, galena and possibly gold.

Arrived back at lower road at 10:45 am, Elevation 380 meters George, 300 meters Alex.

Bill and Brian prospected south of the Privateer # 1 vein. Found quartz veins in lime silicate rocks.

April 18, 2005

Sunny

Packed up and left Zeballos.



Assessment Report Cost Statement

| Exploration Work type | Work Done (provide details) | Expenditure |
|--|--------------------------------|---------------|
| Office Studies | | |
| Literature search | | |
| Database compilation | | |
| Computer modelling | | |
| Reprocessing of data | | |
| General research | | |
| Report preparation | 10 days @ \$400 per day | \$4000 |
| Other (specify) | | |
| | Subtotal | \$4000 |
| Airborne Exploration Surveys (state line kms) | | |
| Aeromagnetics | kms | |
| Radiometrics | kms | |
| Electromagnetics | kms | |
| Gravity | kms | |
| Digital terrain modelling | kms | |
| Other (specify) | kms | |
| | Subtotal | \$ |
| Remote Sensing | | |
| Aerial photography | | |
| LANDSAT | | |
| Other (specify) | | |
| | Subtotal | \$ |
| Ground Exploration Surveys | | |
| <i>Geological mapping</i> | | |
| Regional | | |
| Reconnaissance | | |
| Prospect | | |
| Underground | | |
| Trenches | | |
| <i>Ground geophysics</i> | | |
| Radiometrics | | |
| Magnetics | | |
| Gravity | | |
| Digital terrain modelling | | |
| Electromagnetics | | |
| SP/AP/EP | | |
| IP | | |
| AMT/CSAMT | | |
| Resistivity | | |
| Complex resistivity | | |
| Seismic reflection | | |
| Seismic refraction | | |

| Exploration Work type | Work Done (provide details) | Expenditure |
|---|--------------------------------|----------------------------|
| Well logging | | |
| Geophysical interpretation | | |
| Petrophysics | | |
| Other (specify) | | |
| Geochemical Surveying (state number of samples) | | |
| Drill (cuttings, core, etc.) | | |
| Stream sediment | | |
| Soil | | |
| Rock | | |
| Water | | |
| Biogeochemistry | | |
| Whole rock | | |
| Petrology | | |
| Other (specify) | | |
| Ground Exploration Subtotal | | |
| Drilling (state number & size of holes & metres) | | |
| Diamond | holes metres | |
| Reverse circulation (RC) | holes metres | |
| Rotary air blast (RAB) | holes metres | |
| Other (specify) | holes metres | |
| Subtotal | | \$ |
| Other Operations | | |
| Trenching | | |
| Bulk sampling | | |
| Underground development | | |
| Other (specify) | | |
| Subtotal | | \$ |
| Reclamation | | |
| After drilling | | |
| Monitoring | | |
| Other (specify) | | |
| Subtotal | | \$ |
| Personnel | | |
| Name | Rates per Day | Dates worked |
| George Chin | \$300 | March 31 – April 18 |
| Bill Foote | \$300 | March 31 – April 18 |
| Subtotal | | \$11,400 |
| Transportation | | |
| Vehicle | Kilometres | 20% |
| Air | Rate \$ hours | \$2280 |
| Fuel (litres) | | |
| Other (details) | | |
| Subtotal | | \$2280 |
| TOTAL EXPENDITURE | | \$17680 |