

Ministry of Energy & Mines
Energy & Minerals Division
Geological Survey Branch

**ASSESSMENT REPORT
TITLE PAGE AND SUMMARY**

TITLE OF REPORT [type of survey(s)]		TOTAL COST
SAMPLE COLLECTION AND METALLURGICAL TESTWORK		\$ 8,853.11
AUTHOR(S)	M. McCLAREN	SIGNATURE(S)
		<i>M. McLaren</i>
NOTICE OF WORK PERMIT NUMBER(S)/DATE(S)	N/A	YEAR OF WORK
		2005
STATEMENT OF WORK - CASH PAYMENT EVENT NUMBER(S)/DATE(S)		
EVENT # 4077840		
PROPERTY NAME		
EMERALD TUNGSTEN TAILINGS POND		
CLAIM NAME(S) (on which work was done)		
CANEX		
COMMODITIES SOUGHT		
TUNGSTEN		
MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN		
—		
MINING DIVISION		
NELSON		
NTS		
82F/3E		
LATITUDE		
49 ° 06 '		
LONGITUDE		
117 ° 14 ' " (at centre of work)		
OWNER(S)		
1) M. McCLAREN		
2) _____		
MAILING ADDRESS		
283 WOODALE RD.		
N. VAN. BC V7N 1S6		
OPERATOR(S) [who paid for the work]		
1) METALS FINANCE LTD		
2) CROCKITE RES. LTD.		
MAILING ADDRESS		
4691 MOUNTAIN HWY.		
N. VAN. BC V7K 2K7		
283 WOODALE RD.		
N. VAN. B.C. V7N 1S6		
PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):		
TAILINGS; EMERALD TUNGSTEN MINE; SCHEELITE; 1.4 MILLION		
MT; GRAVITY SEPARATION		
REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS		
A.R. 24498		

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
GEOLOGICAL (scale, area)			
Ground, mapping _____			
Photo interpretation _____			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic _____			
Electromagnetic _____			
Induced Polarization _____			
Radiometric _____			
Seismic _____			
Other _____			
Airborne _____			
GEOCHEMICAL			
(number of samples analysed for ...)			
Soil _____			
Silt _____			
Rock _____			
Other <u>(2) TAILINGS</u>		<u>CANEX</u>	<u>\$3,310.11</u>
DRILLING			
(total metres; number of holes, size)			
Core _____			
Non-core _____			
RELATED TECHNICAL			
Sampling/assaying _____			
Petrographic _____			
Mineralographic _____			
Metallurgic <u>GRAVITY SEP.; SOP.; RESEARCH</u>		<u>CANEX</u>	<u>\$5,543.00</u>
PROSPECTING (scale, area) _____			
PREPARATORY/PHYSICAL			
Line/grid (kilometres) _____			
Topographic/Photogrammetric (scale, area) _____			
Legal surveys (scale, area) _____			
Road, local access (kilometres)/trail _____			
Trench (metres) _____			
Underground dev. (metres) _____			
Other _____			
TOTAL COST			<u>\$8,853.11</u>

ASSESSMENT REPORT

SAMPLE COLLECTION AND METALLURGICAL TESTWORK

**CANEX PROPERTY
NELSON MINING DIVISION**
South-Central British Columbia

For work done: August 09, 2005 to October 27, 2005
on Claim #309731
UTM 5428200N and 484100E

NTS 82F/3E

Lat 49° 06' N Long 117° 14'W

for

Murray McClaren
#283 Woodale Rd.
North Vancouver, B.C.
V7N 1S6
Tel: (604) 986-5972
Fax: (604) 986-3510

By

M. McClaren, P.Geo.

May 21, 2006

(i) Summary

The CANEX property comprises one legacy mineral claim located 10 kilometers southsoutheast of Salmo at the Emerald Mine site. The property lies on the western flank of Iron Mountain in the Selkirk Mountains, south-central British Columbia. The mineral claim covers tailings derived from the operation of the Emerald Tungsten Mine that operated from 1941 to 1973. The amount of tailings derived from the operation is approximately 1.4 million tonnes.

Previous work conducted on the Canex Mineral Claim can be found in Assessment Report 24498. The 1995 work program consisted of auger drilling twenty-six holes totalling 212.5 feet in a tailings pond. Forty-five samples were collected, thirty six of which returned values greater than 0.01% WO_3 . The distribution of WO_3 values over area and depth is relatively consistent. Based on historic production records of 1.4 million tonnes of material mined, it is estimated that there are approximately 5,544,000 pounds of WO_3 , in the tailings pond.

The 2005 program consisted of re-establishing the base-line of the previous survey by Reliance Mineral Services Ltd. (Assessment Report 24498) and collecting two 30 kg samples at two localities along the baseline. The samples were taken of unoxidized tailings at approximately 0.1 meters below surface. The samples were placed into plastic lined buckets and transported to Process Research Associates metallurgical laboratories in Vancouver, British Columbia. A series of particle sizing and gravity separation tests were performed on these samples in an attempt to concentrate scheelite in a gravity concentrate. The results of the testwork were disappointing and an upgraded tungsten product (without significant losses to final tailings) was not achieved by the methods employed.

TABLE OF CONTENTS

(i) SUMMARY	3
1.0 INTRODUCTION	5
2.0 LOCATION, ACCESS and PHYSIOGRAPHY	6
3.0 PROPERTY AND STATUS	8
4.0 PREVIOUS WORK	10
5.0 PROPERTY DESCRIPTION and SAMPLE SITE LOCATION	11
6.0 METALLURGICAL TESTWORK	12
7.0 CONCLUSIONS	21
8..0 RECOMMENDATIONS	21
CERTIFICATES	
REFERENCES	
ITEMIZED COST STATEMENT	

1.0 INTRODUCTION

Previous work on the property (A.R. 24498) indicated that the Emerald Tungsten tailings pond contained an estimated 5,544,000 lbs of WO_3 , at an average grade of .18 % WO_3 per metric ton. This tonnage and grade was based on the analysis of forty-six samples taken from auger holes spaced at 50 meters apart and an estimate of the volume of tailings produced by the Emerald Tungsten Mine during the years in which it operated (1941 to 1973). The auger holes indicated that sample depth did not affect tungstate values.

A program of sample collection and metallurgical testwork was carried out in 2005. The previous base line of the grid that was established by Reliance Geological Services Ltd. In 1995 was re-established and two samples were collected at the following grid locations: 10 + 90 N and 11 + 50 N.

The samples were placed into plastic lined containers and transported to Process Research Associates in Vancouver, British Columbia.

The samples were analysed and treated separately. The 10 + 50 N sample was sized into six sizes and analysed for tungsten and iron content. The plus 400 mesh portion of the sample was analysed and then placed into a Falcon SB40 concentrator to test for gravity separation (centrifugal gravity separation). The minus 400 mesh portion of the sample was analysed and then placed into a Falcon UF40 concentrator (centrifugal gravity separation). A concentrate was produced and analysed and the tailings were analysed. The results of this testwork showed no improvement in the grade of the gravity concentrate in respect to the head grade of the products subjected to the gravity concentration.

The 11 + 50 N sample was sized into two particle size ranges: -100 TO + 400 mesh and - 400 mesh. The samples were then analysed and subjected to the same procedure as the 10 + 50 N sample. The results of this testwork showed no improvement in the grade of the gravity concentrate in respect to the head grade of the products subjected to the gravity concentration.

The gravity concentration results were disappointing and other metallurgical approaches are required to either pre-concentrate or direct leach the tungsten values contained in the Emerald Tungsten Mine tailings.

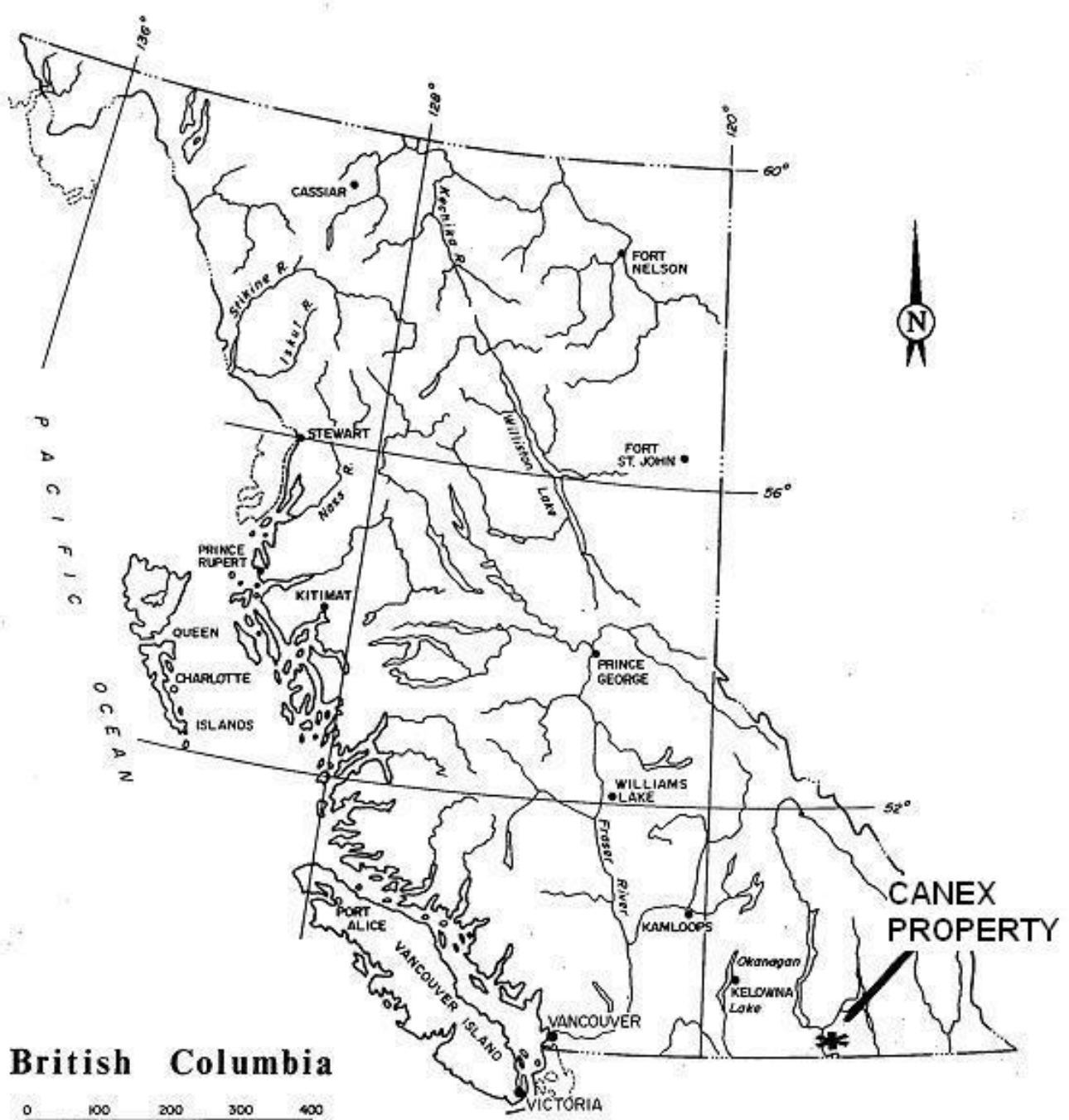
2.0

LOCATION, ACCESS AND PHYSIOGRAPHY

The CANEX property is situated in south-central British Columbia, approximately 10 kilometers south-southeast of Salmo (Figure 1). The claim is located on NTS Map Sheet 82 F/3E, at latitude 49° 06' North, longitude 117° 14' West, and UTM 5,428,200 N and 484,100 E. Access to the property is from Highway #3 at the Emerald Mine turnoff.

The CANEX property is located within the Interior Plateau of British Columbia in the Selkirk Mountains and lies on the western flank of Iron Mountain at approximately 4300 ft (1303 m).

The mean annual precipitation is 50 to 100 centimeters per year with a mean daily temperature of -1.0°C in January and 16-20°C in July.



British Columbia

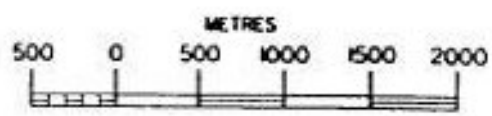
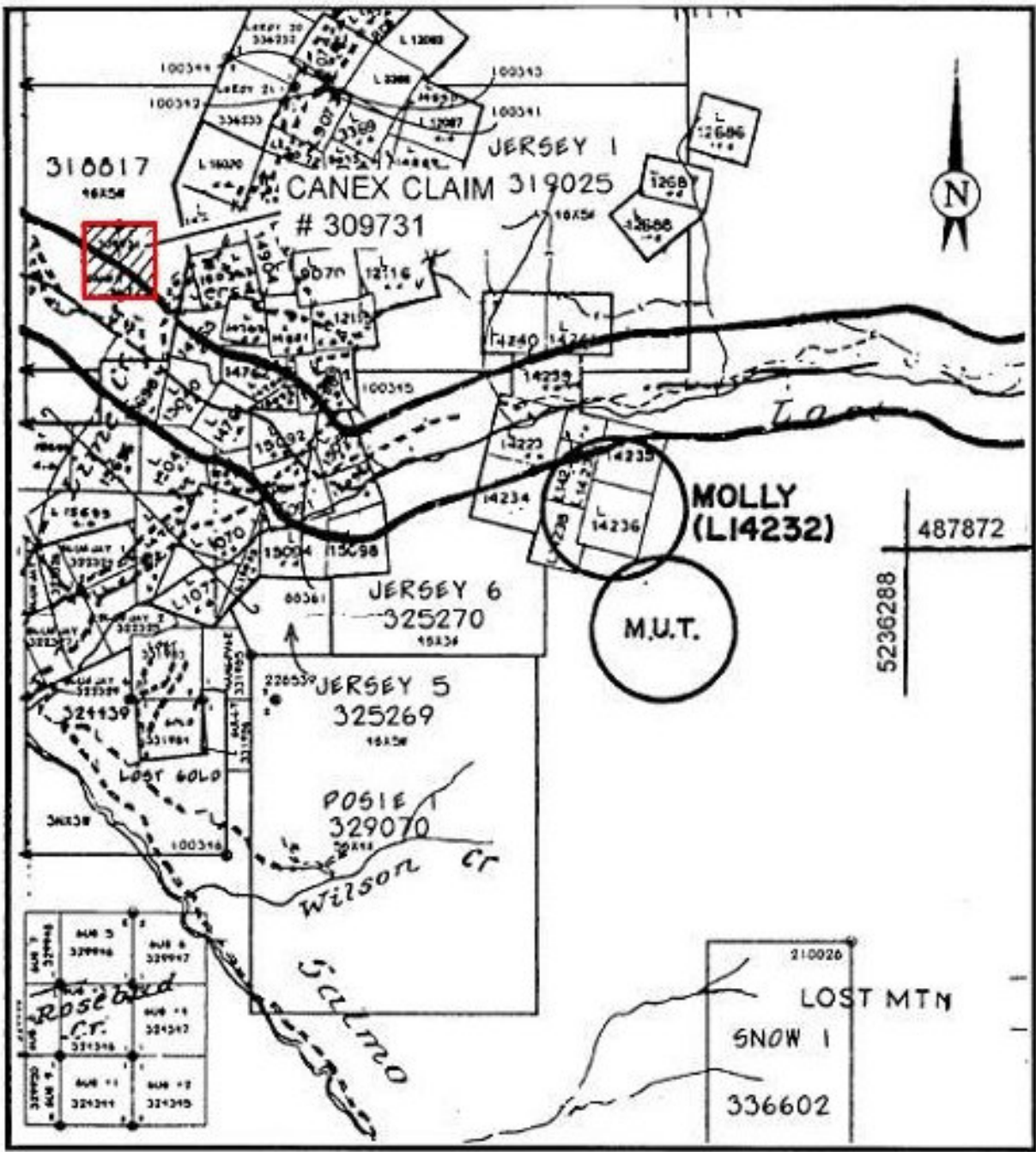


MURRAY McCLAREN		
CANEX PROPERTY		
<i>General Location Map</i>		
Scale	as shown	N.T.S.
Date		Geologist
		Drawn by
		Figure 1

3.0 PROPERTY STATUS

The CANEX property comprises one claim (Figure 2) which is registered in the name of CANEX and owned 100% by Murray McClaren.
Claim details are as follows:

Tenure Number	NTS sheet	# of Claims	Size	Expiry Date	Event Number
309731	82F/3	1	25	2016/MAY/27	4077840



MURRAY McCLAREN		
CANEX PROPERTY		
CLAIM MAP		
Scale As shown	N.T.S. 82 F/3E	Drawn by

4.0 PREVIOUS WORK

Emerald Mine Production History

The following describes the production history of the former Emerald Tungsten Mine site located to the north of the CANEX property:

1941-1973:

In 1941, four types of distinct tungsten mineralization were found including sulphide, greisen, skarn, and quartz associated mineralization. Total production of tungsten from the Emerald mine prior to 1957 and ending in 1973 is outlined in the following table (GSC, 1984):

		Ore (tonnes)	WO ₃ (kilograms)
to	1957	910,194	5,198,909
	1958	58,060	313,295
	1971	156,000	605,912
	1972	179,737	577,512
	1973	<u>96,854</u>	<u>640,382</u>
Total		1,400,845	7,336,010

In 1995, Reliance Mineral Services Ltd., carried out a program of augur drill hole testing of the tailings pond. This testing was carried out on a grid established over the tailings pond and sample sites were located at 50 meter intervals. The results of this program were outlined in A.R. 24498. The results of the sampling was that the Emerald Tungsten tailings pond contained an estimated 5,544,000 lbs of WO₃, at an average grade of .18 % WO₃ per metric ton.

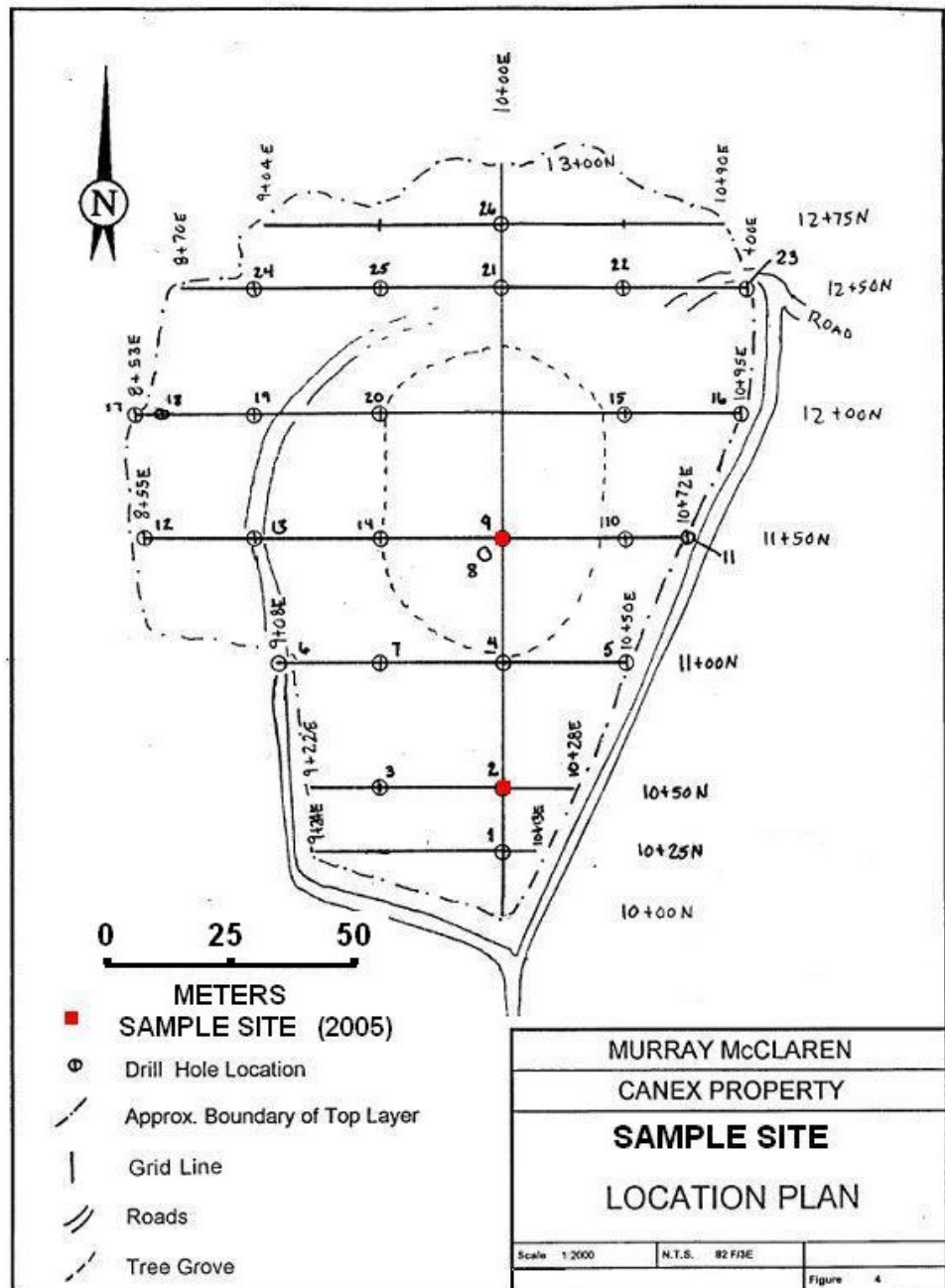
5.0 PROPERTY DESCRIPTION and SAMPLE SITE LOCATION

The CANEX mineral claim covers the tailings from the EMERALD TUNGSTEN MINE. The mineralogy of the tailings consists predominately of calcite, quartz, diopside, garnet, apatite, scheelite and minor pyrite.

The tailings pond consists of a roughly triangular area in which tailings were impounded and contained. The sides of the pond slope at an angle of approximately 60 degrees and the slope held in place by wooden planks. The pond contains a number of weirs (0.5 meters by 0.5 meters) that were collection sites for water contained in the tailings at the time of disposal. These weirs are connected to piping that underlies the tailings that allowed for the collection of waters and drainage of these water out of the pond into disposal areas.

Vegetation on the pond is minimal and is confined to an area in the central portion of the pond

After:
Doubt, B.
1995



6.0 METALLURGICAL TESTWORK

The two samples collected by M. McClaren and I. Ewart of Metals Finance, were transported to Process Research Associates, Vancouver, British Columbia. Testwork was carried out by PRA under the direction of Mr. I. Ewart and Mr. A. Neale of Metals Finance.

The samples were analysed and treated separately. The 10 + 50 N sample was sized into six size fractions and analysed for tungsten and iron content. The plus 400 mesh portion of the sample was analysed and then placed into a Falcon SB40 concentrator to test for gravity separation (centrifugal gravity separation). The minus 400 mesh portion of the sample was analysed and then placed into a Falcon UF40 concentrator (centrifugal gravity separation). A concentrate was produced and analysed and the tailings were analysed. The results of this testwork showed no improvement in the grade of the gravity concentrate in respect to the head grade of the products subjected to the gravity concentration.

The 11 + 50 N sample was sized into two particle size ranges: - 100 *to* + 400 mesh and - 400 mesh. The samples were then analysed and subjected to the same procedure as the 10 + 50 N sample. The results of this testwork showed no improvement in the grade of the gravity concentrate in respect to the head grade of the samples and without acceptable losses to the final tailings product.

SAMPLE 10 + 50 N

PARTICLE SIZE ANALYSIS

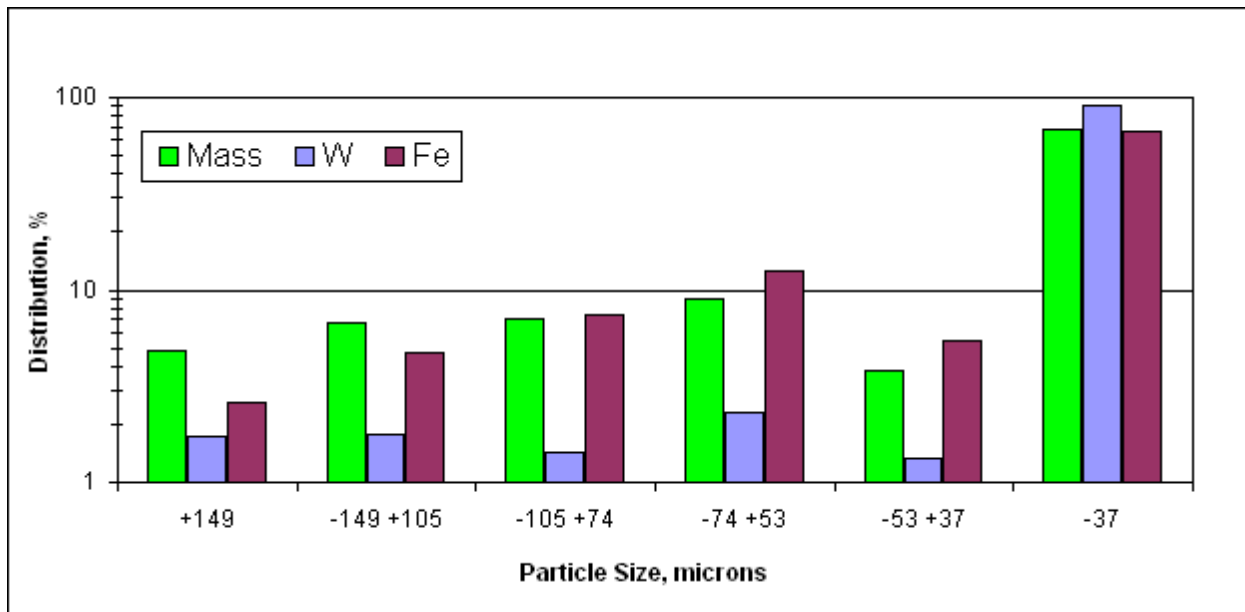


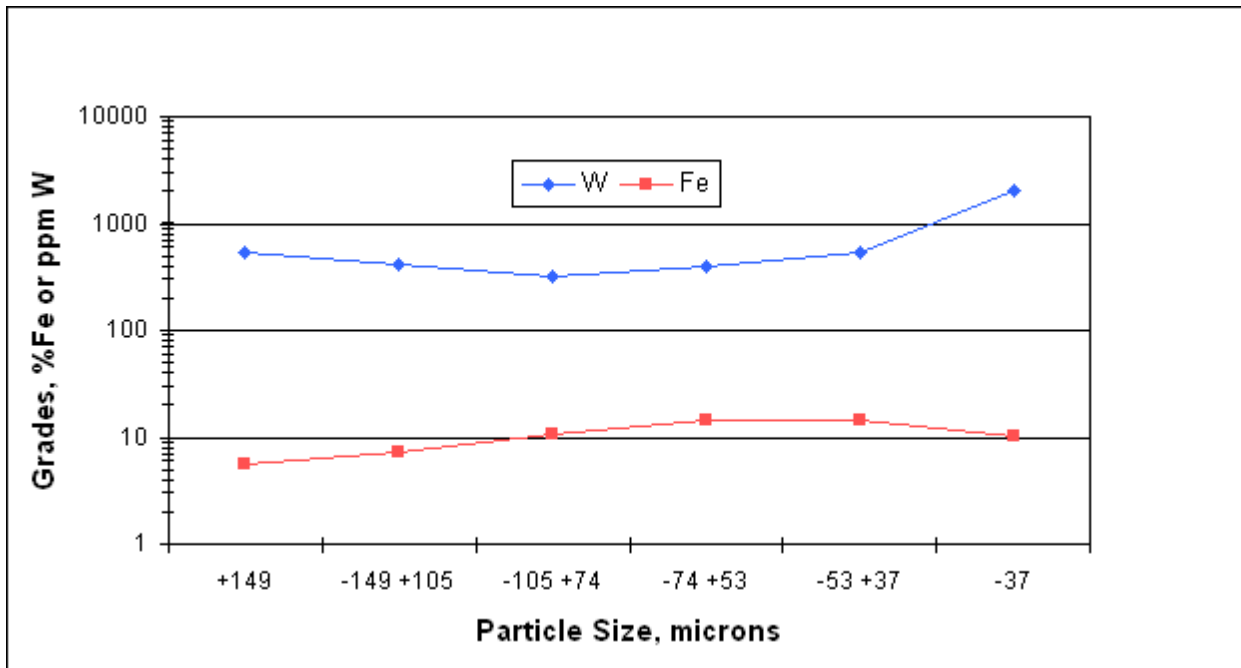
SIZE-ASSAY ANALYSIS REPORT

Client: Metals Finance Corp.
Test: SA1
Sample: 10+90N 3-6 FT Head

Date: 27-Sep-05
Project: 0500601
 05-MFC-K

Size Fraction		Weight		Assay		Distribution		W, %Grade
Tyler Mesh	Microns	g	%	W, g/t	Fe, %	W, %	Fe, %	
+100	+149	7.6	4.9	542	5.5	1.7	2.6	0.0542
-100 +150	-149 +105	10.4	6.7	412	7.2	1.8	4.7	0.0412
-150 +200	-105 +74	10.9	7.0	314	10.8	1.4	7.4	0.0314
-200 +270	-74 +53	14.0	9.0	393	14.3	2.3	12.6	0.0393
-270 +400	-53 +37	5.9	3.8	531	14.5	1.3	5.4	0.0531
-400	-37	106.7	68.6	2049	10.1	91.4	67.3	0.2049
Total Measured		155.5	100.0	1537	10.3	100.0	100.0	
				2518				





SAMPLE 10 + 50 N GRAVITY TEST RESULTS + 400 mesh



GRAVITY CONCENTRATION TEST REPORT

Client: Metals Finance Corp.
Test: GSB1
Sample: 10+90N 3-6 FT, +400mesh fraction

Date: 20-Oct-05
Project: 0500601

Products	Weight		Assay	Distribution	W, %
	(g)	(%)	W (%)	W (%)	
Concentrate 1	166	4.4	0.05	11.2	0.0476
Concentrate 2	164	4.3	0.04	9.2	0.0396
SB40 Concentrate 1 + 2	330	8.7	0.04	20.4	0.0238
Concentrate 3	186	4.9	0.02	6.2	0.0159
Total SB40 Concentrate	516	13.7	0.04	26.6	
SB40 Final Tail	3261	86.3	0.02	73.4	
Calculated Head	3777	100.0	0.02	100.0	
Measured Head			0.04		

Summary:

Head Grade = 0.1878 % W

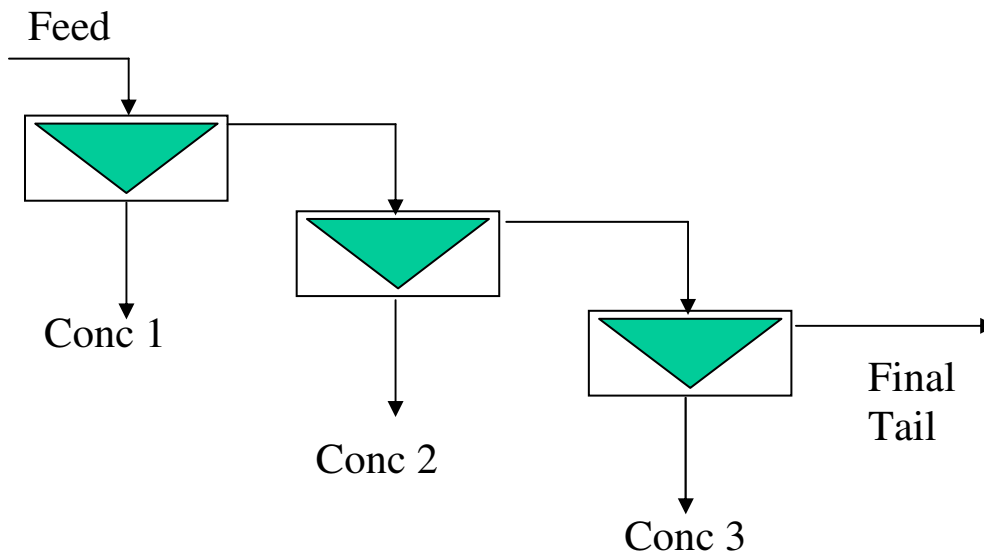
73.4% of W values remained in Final Tailings Product

TAILINGS REPRESENTED 86.3% OF PRODUCT BY WEIGHT

Test Conditions

Pulp density	Bowl	Fluidized water pressure	Rotation Speed	
20%	28°	0.5 psi	68Hz	200G

Three-pass Falcon SB40 Test Flowchart



SAMPLE 10 + 50 N GRAVITY TEST RESULTS - 400 mesh



GRAVITY CONCENTRATION TEST REPORT

Client: Metals Finance Corp.
Test: UF1
Sample: 10+90N 3-6 FT, -400# fraction

Date: 27-Oct-05
Project: 0500601

Objective: To recover tungsten by gravity using Falcon UF40 concentrator

Products	Weight		Assay W (%)	Distribution W (%)
	(g)	(%)		
Concentrate	60.2	64.5	0.119	66.7
T1 Tails	33.2	35.5	0.108	33.3
Total	93.4	100.0	0.115	100.0
Measured -400# SA			0.205	

Test Conditions

Feed pulp Density	Rotation Speed	
10%	90 Hz	>300G

	Assay WO ₃ , %	=W, %	0.793
Concentrate	0.150	0.1189	
T1 Tails	0.136	0.1078	

Summary:

Head Grade = 0.2049 % W

66.37 % of W values remained in Final Tailings Product

TAILINGS REPRESENTED 35.5% OF PRODUCT BY WEIGHT

SAMPLE 11 + 50 N

GRAVITY CONCENTRATION TEST

- 100 TO + 400 MESH



GRAVITY CONCENTRATION TEST REPORT

Client: Metals Finance Corp.

Date: 20-Oct-05

Test: GSB1

Project: 0500601

Sample: 11+50N 1-2 1/2 FT, -100+400# fraction

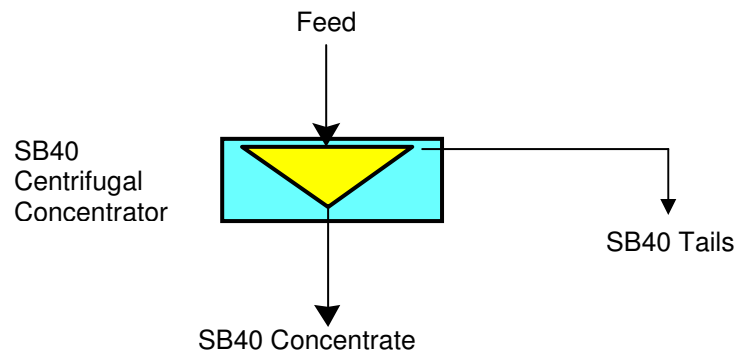
Objective: To recover tungsten by gravity using Falcon SB40 concentrator

Products	Weight		Assay	Distribution
	(g)	(%)	W (%)	W (%)
Concentrate	55.86	14.0	0.476	10.2
SB40 Tails	343	86.0	0.682	89.8
Total	399	100.0	0.653	100.0
Measured Original			0.564	

Assay
WO₃,
% =W, % 0.793
 0.6 0.4758
 0.86 0.682

Test Conditions				
Feed pulp Density	Pressure	Bowl	Rotation Speed	
20%	0.5	28°	68 Hz	200G

Falcon SB40 Single Pass Test Flowchart



Summary:

Head Grade = 0.564 % W

89.8 % of W values remained in Final Tailings Product

TAILINGS REPRESENTED 86.0 % OF PRODUCT BY WEIGHT

SAMPLE 11 + 50 N

**GRAVITY CONCENTRATION TEST
- 400 MESH**



GRAVITY CONCENTRATION TEST REPORT

Client: Metals Finance Corp.
Test: UF1
Sample: 11+50N 1-2 1/2 FT, -400# fraction

Date: 27-Oct-05
Project: 0500601
05-MFC-K

Objective: To recover tungsten by gravity using Falcon UF40 concentrator

Products	Weight		Assay	Distribution
	(g)	(%)	W (%)	W (%)
Concentrate	23.7	26.1	0.868	36.4
T1 Tails	67.2	73.9	0.537	63.6
Total	91.0	100.0	0.623	100.0
Measured -400# SA			0.340	

Assay
WO₃,
% =W, % 0.793
1.095 0.8683
0.677 0.5368

Test Conditions

Feed pulp Density	Rotation Speed	
10%	90 Hz	>300G

**SUMMARY: A CONCENTRATE OF UPGRADED PRODUCT WAS ACHIEVED IN WHICH 26.1% OF PRODUCT WAS PRODUCED WITH A GRADE OF 0.868% W; TAILINGS REPRESENTED 73.9% OF PRODUCT WITH A GRADE OF 0.537% W
63.6 % OF W VALUES LOST TO TAILINGS**

7.0

SUMMARY

Two samples were collected from the Emerald Tungsten Mine tailings pond located on the CANEX mineral claim. These samples were both sized into two size fractions and then gravity concentration tested using a Falcon SB40 concentrator for the large size fraction and a Falcon UF 40 concentrator for the fine size fraction. The testwork did not result in satisfactory results in concentrating tungsten values without acceptable losses to the final tailings product.

8.0

RECOMMENDATIONS

Any additional metallurgical testing should evaluate the potential to concentrate tungsten by agglomeration and gravity or by leaching of scheelite in tailings by a suitable lixivient.

CERTIFICATE

Murray McClaren (PGeo)

Crockite Resources Ltd.
283 Woodale Road
North Vancouver, British Columbia, Canada V7N1S6
604-986-5873 (ph/fax); murraychipper@aol.com

1. I, Murray McClaren, P.Ge, am a Professional Geoscientist employed by Crockite Resources Ltd., with offices at 283 Woodale Road, North Vancouver, B.C., Canada, V7N1S6.
2. I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia, registration #24048.
3. I am a graduate of University of British Columbia (1973 B.Sc in geology)
4. I have been engaged in mineral exploration and development continuously since graduation in 1973, and have been involved in mineral exploration in Canada, the United States, Mexico, and Portugal.
5. I am president of Crockite Resources Ltd., a geological consulting firm incorporated in the Province of British Columbia
6. As a result of my professional registration, education and experience, I am a qualified person as defined in N.I. 43-101.
7. I am not an independent qualified person as defined by N.I. 43-101, as I am the owner of the Canex Mineral Claim.
8. The foregoing report on the CANEX property is based on a study of available data and company reports, and my personal knowledge of the property gained during field work and data compilation between August 2005 and October, 2005.

Dated at Vancouver, British Columbia, this 21st of May, 2006.



Murray McClaren, P.Ge.



REFERENCES

ANDREW, K and HOY, T, 1990:

Geology and Exploration of the Rossland Group in the Swift Creek Area; B.C. Ministry of Energy, Mines, and Petroleum Resources, Exploration in British Columbia 1989, pp. 73-80.

GEOLOGICAL SURVEY OF CANADA, 1984:

Geology of Canadian Tungsten Occurrences. Economic Geology Report 32. Robert Mulligan (Author).

LITTLE, H.W. 1960:

Nelson Map-Area, West Half, British Columbia (82 F W1/2). Map 1090 A, Scale: 1 inch equals four miles, Geological Survey of Canada, Department of Mines and Technical Surveys, Memoir 308.

THOMPSON, R.I. 1974:

Invincible, East Dodger; B.C. Ministry of Energy, Mines and Petroleum Resources; Geology, Exploration and Mining in British Columbia 1973, pp 54-57.

STATEMENT OF COSTS

For work done August 09, 2005 to October 27, 2005

Project Charges:

1. Murray McClaren - site sampling trip (out of pocket expenses) - \$510.11
2. Ian Ewart – site sampling trip (out of pocket expenses) - \$250.00
3. PRA Laboratory – assaying and gravity test work - \$1,043.00
4. Ian Ewart – 3 days site sampling @ \$500/day - \$1,500.00
5. Ian Ewart – 2 days laboratory meetings and data analysis @ \$500/day - \$1,000.00
6. Andrew Neale – 2 days laboratory meetings and data analysis @ \$500/day - \$1,000.00
7. Andrew Neale – 5 days research for alternative processing options @ \$500/day - \$2,500.00
8. 3 days M. McClaren Relocate Survey; Assist in Sample Collection; Review Pond Geometry and environment \$350/day = \$1050

9. TOTAL EXPENDITURES ON PROJECT - \$8,853.11