

Assessment Report for the

McFarlane Property

Fort Steele Mining Division

N.T.S. 82 F/ 10E

Latitude 49° 35' N, Longitude 116° 44' W

for

Jasper Mining Corporation
1020, 833 - 4th Avenue S.W.
Calgary, Alberta
T2P 3T5

Submitted by:

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of

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Submitted: July, 2006

SUMMARY

The MCFARLANE property comprises a total of 2,869 ha (7,089 acres), consisting of 6 Mineral Tenure Online (MTO) Mineral Tenures, located immediately east of Kootenay Lake. Access is available along the relatively well maintained Grey Creek Pass Forest Service Road for a total of approximately 75 km west from Cranbrook. Several clear cuts are present on the property, together with a number of old logging roads which provide good access to both the eastern and western portions of the property.

The claims comprising the property were acquired to cover ground immediately west of Eagle Plains Resources Ltd Sphinx property, for which an Inferred Resource of 62,005,615 tonnes grading 0.035% Mo, using a cut-off grade of 0.01% Mo, has recently been announced (Eagle Plains 2005a and 2005b). The resource is associated with an interpreted Cretaceous age intrusive body, with mineralization occurring as “disseminations and within quartz-pyrite stockwork veins hosted by both sedimentary and intrusive rocks”.

The claims acquired are located along the eastern edge of a prominent aeromagnetic anomaly associated with the Crawford Stock, a biotite granite intrusion of Cretaceous age correlated to the Bayonne Magmatic Belt. Felsic intrusive lithologies correlated to the Bayonne Magmatic Suite typically have a prominent magnetic signature, either associated with the intrusion or as a halo in the immediately surrounding host rocks. Recent work on the Mount Skelly Pluton has distinguished a three phase intrusive complex (Logan and Mann 2000) that consists of fine- to coarse-grained granites correlated to the Cretaceous Bayonne Magmatic Suite. Near contacts with sedimentary strata, the granite appears to be both finer grained and perhaps more mafic, having a darker colour. In addition, there are more xenoliths of (an) earlier phase(s) of intrusive material and rounded sedimentary inclusions. Phenocrysts of alkali feldspar are present, ranging in size from less than a centimetre to approximately 2 centimetres in diameter, within a matrix of plagioclase feldspar, quartz and biotite ± hornblende. The granite has local iron-stained veins with variable amounts of iron sulphide, predominantly as pyrite. The veins appear to occupy apparent discontinuous brittle shear zones which trend essentially north-south ($\pm 20^\circ$). The Mount Skelly Pluton (Complex) comprises the exploration model for the properties of the Cretaceous Granite Project.

In addition, recent work on mineralization associated with intrusions has resulted in the Intrusion-Related Gold (IRG) Model. Examples include numerous examples in Alaska (i.e. Fort Knox, Pogo) and continue southeastward through the Tintina Gold Belt. Several occurrences in B.C. have been examined in a preliminary manner to evaluate Intrusion-Related Gold potential, including the Baldy Batholith and the Mt. Skelley Pluton. With reference to this model, elevated As, Bi, Sb, W are considered as “pathfinder” elements for potential IRG deposits. In this context, the locally moderately to highly anomalous Bi (≤ 344 ppm) and W (≤ 7100 ppm), associated with high grade arsenic (1.02%) and gold (14.4 g/t, or 0.42 oz/t) in mineralized veins within a granitic intrusion is of potential interest. Furthermore, the Sanca Stock and Mount Skelly Pluton are of Cretaceous age with a prominent magnetic halo, both features characteristic of many occurrences along the Tintina Gold Belt. Several locations, including many of the documented MINFILE occurrences, may be

compatible with an IRG-type model, particularly those associated with the northwestern lobe (Sanca Stock) of the exposed granitic phases.

Anomalous molybdenum, copper, lead, zinc and limited tungsten anomalies have been identified between Mcfarlane and Birkbeck creeks in a number of programs by different operators since 1979 (Ayer 1981, Buckley 1980, Jury 1967, Wright 1980). A total of 1,127 soil samples have been documented from the area now underlain by the MCFARLANE property, with analysis for molybdenum ± copper ± lead ± zinc ± manganese and/or tungsten. At least 9 diamond drill holes have been documented to test anomalous soil results associated with two reported exposures of quartz monzonite.

The 2005 field program was limited to acquisition of a preliminary suite of soil samples along the existing, accessible road network on the property. A total of 300 soil samples were recovered from the property and submitted to Acme Analytical Laboratories for processing using the SS80 package and analysis using the Group 1EX package.

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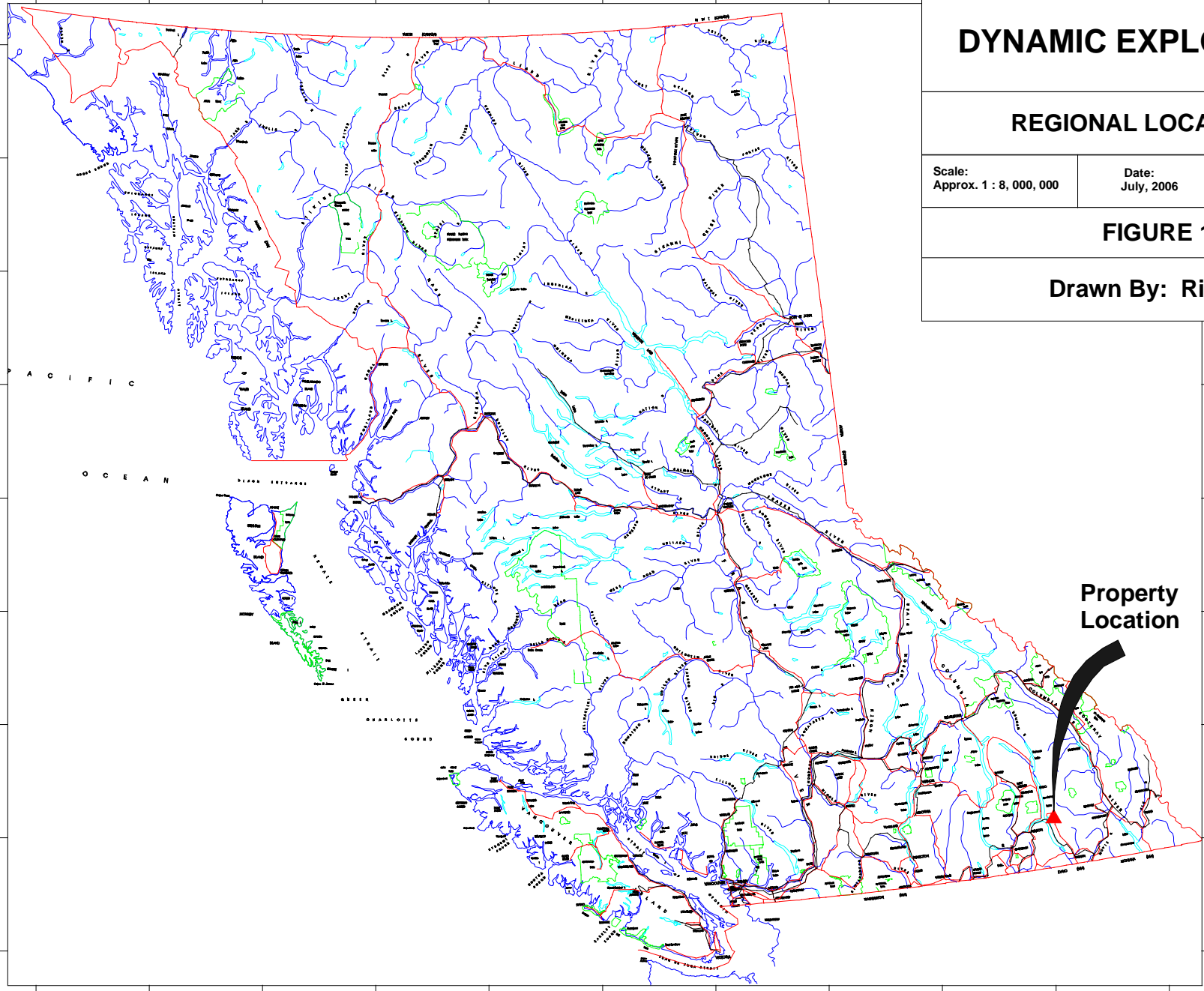
INTRODUCTION

The MCFARLANE property comprises a total of 2,869 ha (7,089 acres), consisting of 6 Mineral Tenure Online (MTO) Mineral Tenures, located immediately east of Kootenay Lake (Fig. 1 and 2). Access is available along the relatively well maintained Grey Creek Pass Forest Service Road for a total of approximately 75 km west from Cranbrook. Several clear cuts are present on the property, together with a number of old logging roads which provide good access to both the eastern and western portions of the property.

The claims (Fig. 3) comprising the property were acquired to cover ground immediately west of Eagle Plains Resources Ltd Sphinx property, for which an Inferred Resource of 62,005,615 tonnes grading 0.035% Mo, using a cut-off grade of 0.01% Mo, has recently been announced (Eagle Plains 2005a and 2005b). The resource is associated with an interpreted Cretaceous age intrusive body (Fig. 4), with mineralization occurring as “disseminations and within quartz-pyrite stockwork veins hosted by both sedimentary and intrusive rocks”.

The claims acquired are located along the eastern edge of a prominent aeromagnetic anomaly associated with the Crawford Stock (Fig. 4), a biotite granite intrusion of Cretaceous age correlated to the Bayonne Magmatic Belt. Felsic intrusive lithologies correlated to the Bayonne Magmatic Suite typically have a prominent magnetic signature, either associated with the intrusion or as a halo in the immediately surrounding host rocks. Recent work on the Mount Skelly Pluton has distinguished a three phase intrusive complex (Logan and Mann 2000) that consists of fine- to coarse-grained granites correlated to the Cretaceous Bayonne Magmatic Suite. Near contacts with sedimentary strata, the granite appears to be both finer grained and perhaps more mafic, having a darker colour. In addition, there are more xenoliths of (an) earlier phase(s) of intrusive material and rounded sedimentary inclusions. Phenocrysts of alkali feldspar are present, ranging in size from less than a centimetre to approximately 2 centimetres in diameter, within a matrix of plagioclase feldspar, quartz and biotite \pm hornblende. The granite has local iron-stained veins with variable amounts of iron sulphide, predominantly as pyrite. The veins appear to occupy apparent discontinuous brittle shear zones which trend essentially north-south ($\pm 20^\circ$). The Mount Skelly Pluton (Complex) comprises the exploration model for the properties of the Cretaceous Granite Project.

In addition, recent work on mineralization associated with intrusions has resulted in the Intrusion-Related Gold (IRG) Model. Examples include numerous examples in Alaska (i.e. Fort Knox, Pogo) and continue southeastward through the Tintina Gold Belt. Several occurrences in B.C. have been examined in a preliminary manner to evaluate Intrusion-Related Gold potential, including the Baldy Batholith and the Mt. Skelley Pluton. With reference to this model, elevated As, Bi, Sb, W are considered as “pathfinder” elements for potential IRG deposits. In this context, the locally moderately to highly anomalous Bi (≤ 344 ppm) and W (≤ 7100 ppm), associated with high grade arsenic (1.02%) and gold (14.4 g/t, or 0.42 oz/t) in mineralized veins within a granitic intrusion is of potential interest. Furthermore, the Sanca Stock and Mount Skelly Pluton are of Cretaceous age with a prominent magnetic halo, both features characteristic of many occurrences along the Tintina Gold Belt. Several locations, including many of the documented MINFILE occurrences, may be



DYNAMIC EXPLORATION LTD

REGIONAL LOCATION MAP

Scale:
Approx. 1 : 8, 000, 000

Date:
July, 2006

Mapsheet:
N.T.S. 82F / 10
BCGS: 082F 057 and 067

FIGURE 1

Drawn By: Rick Walker

Property
Location

DYNAMIC EXPLORATION LTD

PROPERTY LOCATION MAP

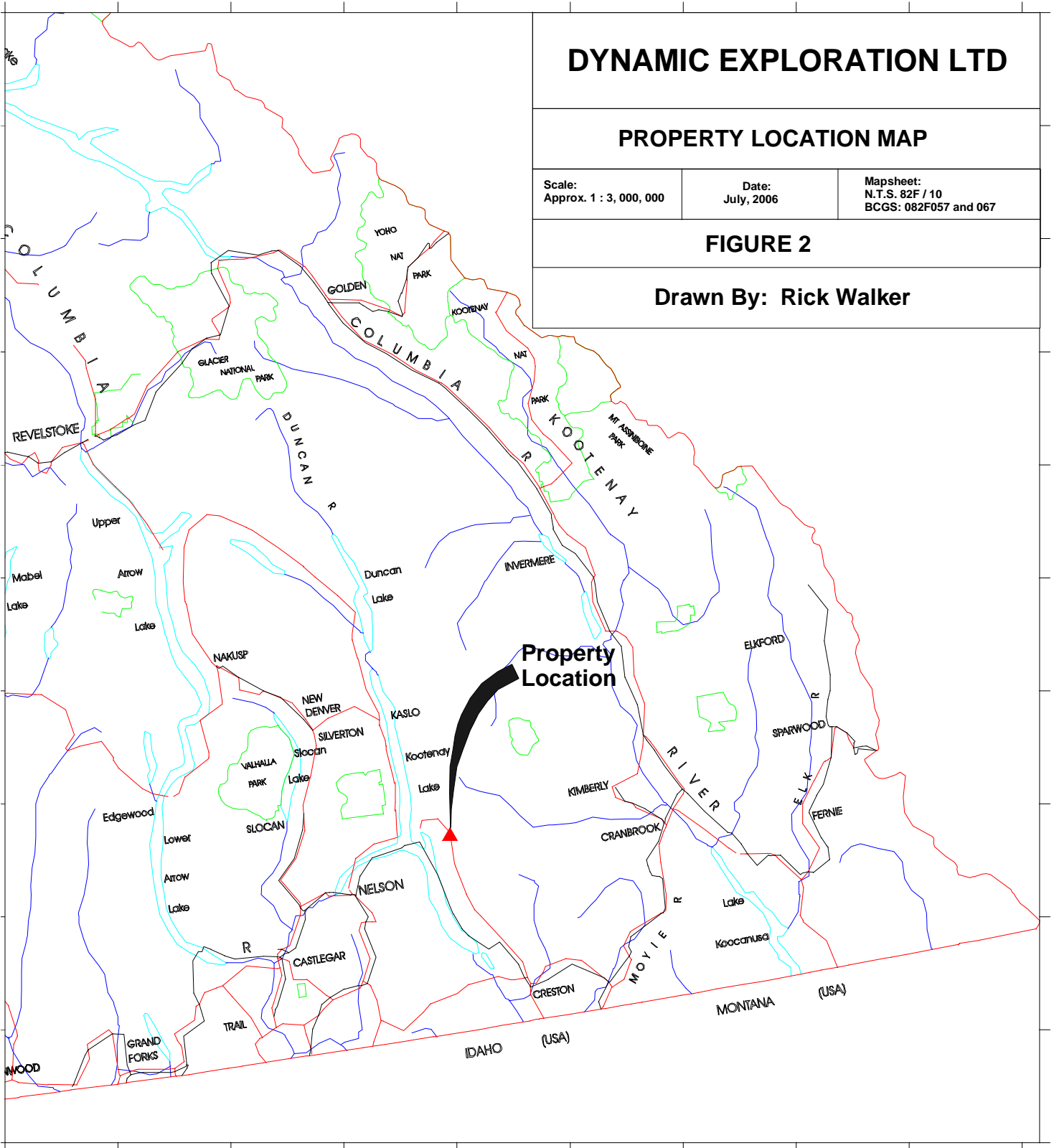
Scale:
Approx. 1 : 3, 000, 000

Date:
July, 2006

Mapsheet:
N.T.S. 82F / 10
BCGS: 082F057 and 067

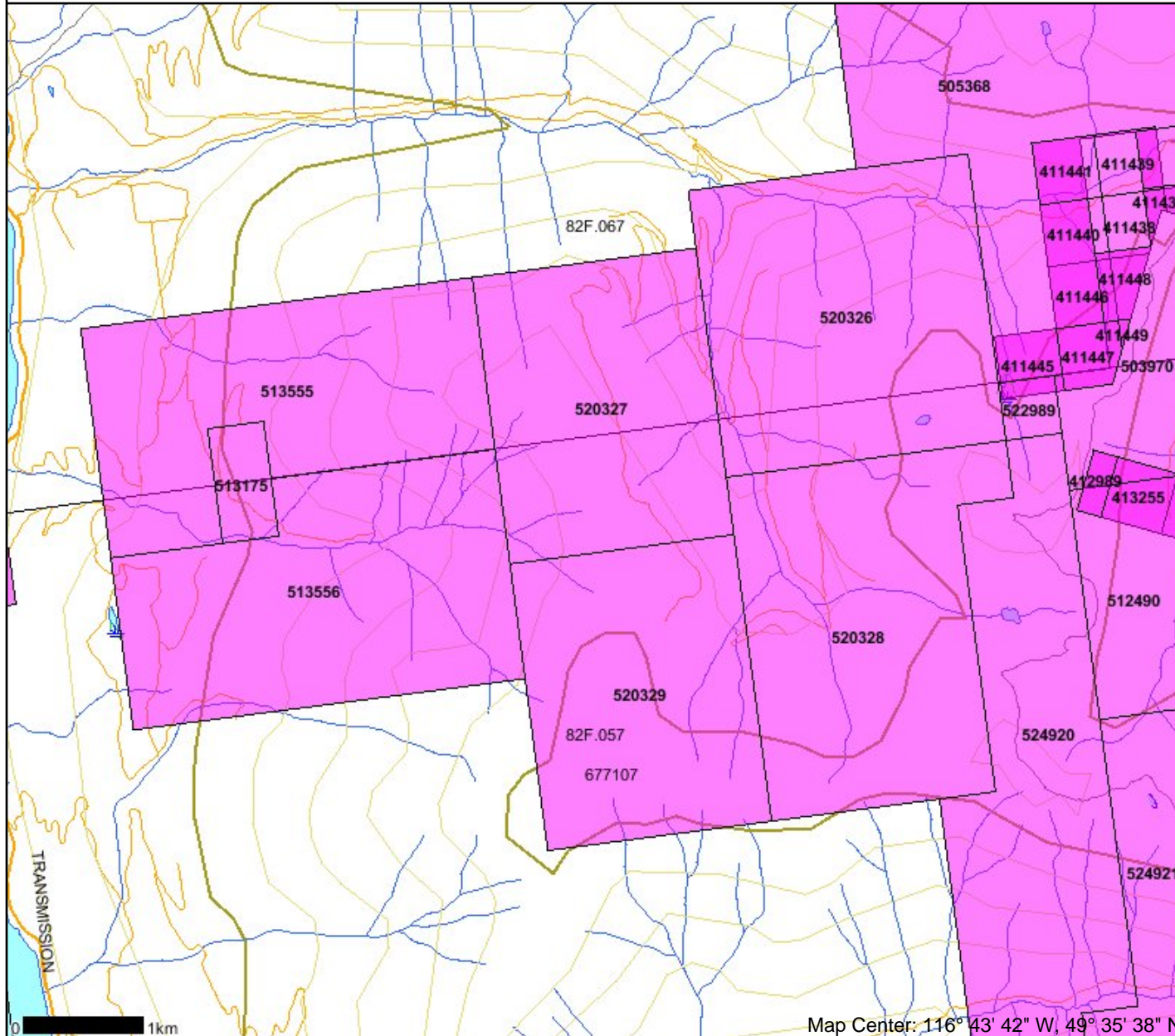
FIGURE 2

Drawn By: Rick Walker



Map created Thu Jul 13 15:51:55 PDT 2006

Legend



- Indian Reserves
- National Parks
- Parks
- Mineral Tenures
- Reserves (Sites)
- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others
- Mining Divisions
- BCGS Grid
- Contours (1:250K)
- Contour - Index
- Contour - Intermediate
- Area of Exclusion
- Area of Indefinite Contours
- 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

Scale: 1:50,252

DO NOT USE FOR NAVIGATION

TRANSMISSION

0 1km

Map Center: 116° 43' 42" W, 49° 35' 38" N

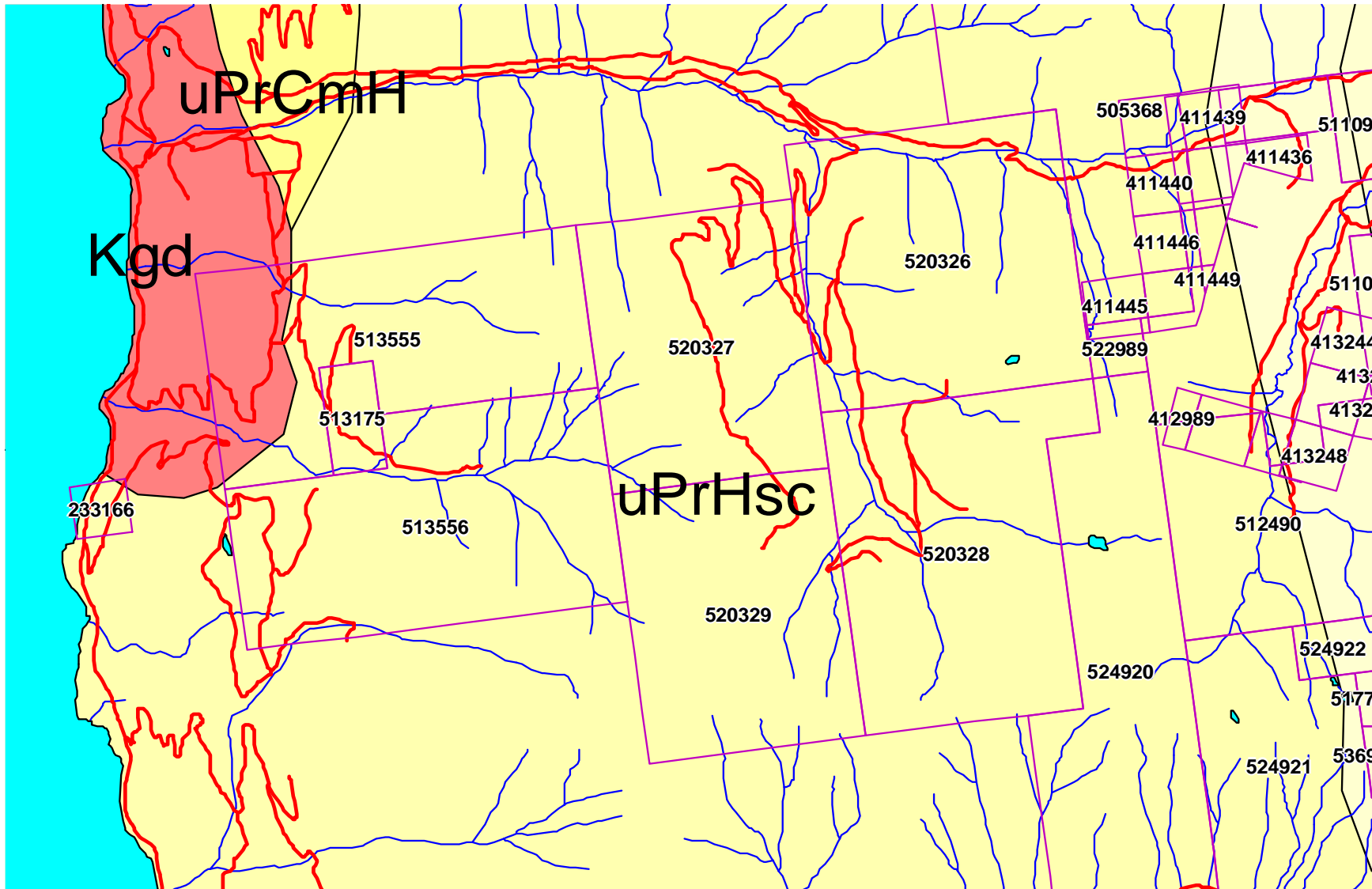


Figure 4 – Geological Map for the MCFARLANE property. uPrHsc – Upper Proterozoic Horsethief Creek Group, uPrCmH – Upper Proterozoic – Cambrian Hamill Group, Kgd – Cretaceous granodiorite. Scale 1 : 50,000

compatible with an IRG-type model, particularly those associated with the northwestern lobe (Sanca Stock) of the exposed granitic phases.

Anomalous molybdenum, copper, lead, zinc and limited tungsten anomalies have been identified between Mcfarlane and Birkbeck creeks in a number of programs by different operators since 1979 (Ayer 1981, Buckley 1980, Jury 1967, Wright 1980). A total of 1,127 soil samples have been documented from the area now underlain by the MCFARLANE property, with analysis for molybdenum ± copper ± lead ± zinc ± manganese and/or tungsten. At least 9 diamond drill holes have been documented to test anomalous soil results associated with two reported exposures of quartz monzonite.

The 2005 field program was limited to acquisition of a preliminary suite of soil samples along the existing, accessible road network on the property (Fig. 5). A total of 300 soil samples were recovered from the property and submitted to Acme Analytical Laboratories for processing using the SS80 package and analysis using the Group 1EX package.

LOCATION AND ACCESS

The MCFARLANE property is located in the western Purcell Mountains (latitude 49° 35' N, longitude 116° 44' W), approximately 75 kilometres west of Cranbrook, B.C. on N.T.S. mapsheet 82 F/10E (Fig. 1 and 2). The property consists of 6 Mineral Tenure Online (MTO) Mineral Tenures, located between Kootenay Lake and Gray Creek Pass (Fig. 3).

The property can be accessed by gravel Forest Service Roads (FSR) from Cranbrook / Kimberley along the St. Mary's Road. The road is well maintained west of St. Mary's Lake to Km 45. At km 45, take the Redding Creek - St. Mary's FSR for approximately 25 km along a moderately rough gravel road to km 25, then take the right fork to Grey Creek Pass. The eastern boundary of the MCFARLANE property is at approximately 13 km along the Baker Creek / Grey Creek Pass road.

Alternatively, the property can be accessed using the Grey Creek Pass (Anderson) road from the community of Grey Creek, immediately east of Kootenay Lake. The northern and eastern portions of the property can be accessed from the road along Grey Creek, and then south up a tributary of Grey Creek to Grey Creek Pass.

Access to the south-central portion of the property is available by turning right approximately 1 km up the Gray Creek Road on Jasper Road and following the logging road south across Birkbeck Creek. This road provides access to the area between Birkbeck and McFarlane Creeks. Road access to the area south of McFarlane Creek, immediately east of Kootenay Lake is indicated on TRIM mapsheet 082F057 but appears to have been taken over by local residents and/or overgrown and indistinguishable.

All roads are negotiable using a 2WD vehicle although 4WD is recommended for better clearance.

PHYSIOGRAPHY AND CLIMATE

The MCFARLANE property is located between Kootenay Lake and Grey Creek Pass (Fig. 2), on the east side of Kootenay Lake. Relief in the area varies from 680 metres (2,230 feet) along the western slopes above Kootenay Lake to approximately 2,360 metres (7,745 feet) on the eastern edge of the property (Fig. 5). Vegetation in the area consists predominantly coniferous, with deciduous trees preferentially located along the creeks bottoms. Undergrowth consists largely of small deciduous shrubs.

The claims are located east of Kootenay Lake in a regional topographic high, comprising the local drainage divide, and are therefore subject to heavier precipitation. As a result, the region is characterized by heavy snowfall during the winter months. The property is available for vehicle based, geological exploration from June to late October.

CLAIM STATUS

The property consists of 6 Mineral Tenure Online (MTO) Mineral Tenures (Fig. 3). The property comprises a total of 2,869 ha (7,089 acres). Significant claim data are summarized below:

Tenure Number	Tenure Name	Date of Record	Area (ha)
520326	MCFARLANE 1	2006 / SEP / 22	523.531
520327	MCFARLANE 2	2006 / SEP / 22	418.847
520328	MCFARLANE 3	2006 / SEP / 22	523.717
520329	MCFARLANE 4	2006 / SEP / 22	418.986
513555	MCFARLANE NORTH	2009 / MAY / 29	460.637
513556	MCFARLANE SOUTH	2009 / MAY / 29	523.627
			2869.345

*After 2005 assessment credit applied.

HISTORY

The area currently underlying the MCFARLANE property was evaluated as the FORD, MOLY and GREY claims by previous operators. A brief summary of these programs follows:

- 1916 - 1919 - two adits driven on easterly striking quartz veins with disseminated molybdenite and pyrite
- 1966 - 1969 - Soil sampling, trenching and diamond drilling on Benderby Claims by United Fortune Mines Ltd.
- 1979 - 23 km line cutting, soil sampling (460 samples) on Moly Claims by Dekalb Mining Corporation
- 1980 - Soil sampling (337 soil, 4 silt samples) and geological mapping by Cominco Ltd
- 1981 - Dekalb Mining Corporation completed 12 km line cutting, 330 soil samples, 20.5 line km of IP survey, 1:5,000 scale geological mapping and diamond drilling (9 holes \leq 125 m deep).
 - identification of surface soil anomalies for molybdenum, copper, lead, zinc and limited tungsten between Mcfarlane and Birkbeck creeks resulted in diamond drilling, which returned anomalous molybdenum values, including:

Hole	From (m)	To (m)	Molybdenum (ppm)	Interval (metres)
DK - 81 - 2	34.14	35.66	2060	1.5
DK - 81 - 7	42.37	43.13	2336	0.76
DK - 81 - 8	102.87	103.94	1991	1.07
DK - 81 - 9	27.43	28.65	8000	1.22

The best hole was DK - 81 - 9, in which a 12 m interval from 26.52 to 38.40 returned an average grade of 1,200 ppm (0.12%) Mo. Molybdenum mineralization is reportedly hosted by quartz veins between 1 and 100 cm thick which are most abundant along the "... eastern contact of the main quartz monzonite intrusion ...". A total of ten diamond drill holes were completed in the 1981 program to test surface geochemical and/or geophysical (Induced polarization) anomalies.

- 1987 - time domain IP survey on Ford Property for Amarado Resources Limited
- recommend 6 drill holes to test resulting anomalies

REGIONAL GEOLOGY

The only previous regional mapping undertaken pertaining to the general area of the MCFARLANE claims was that of Reesor (1993) for the east side of Kootenay Lake. The stratigraphy of the Windermere Supergroup (in the Toby Creek area to the north) has been well described by Pope (1990).

Stratigraphy

Proterozoic

Windermere Supergroup

Horsethief Creek Group

The Toby Formation is gradational into the overlying Horsethief Creek Formation, in which five lithofacies have been identified. These lithofacies define a rudimentary stratigraphy of facies within the Horsethief Creek Formation as individual lithological units are inconsistent due to rapid lateral thickness and facies variations.

The lithofacies identified in the Horsethief Creek Formation are as follows:

- a) siltstone-argillite - dominant in the lower half of the Horsethief Creek Formation and separate the remaining lithofacies throughout the formation. This lithofacies consists of thick sequences of thin bedded (1 to 10 cm), graded siltstone and argillite and finely laminated (1 to 5 mm), black, green and grey argillite.
- b) black carbonate - an easily traced marker used to identify and map the base of the Horsethief Creek Formation consisting of thin bedded (5 to 20 cm), dark grey to black limestone, with variable quartz sand and silt in a calcitic matrix, and thin calcareous quartz-arenite beds.
- c) dolomite - buff weathering dolomite, up to 30 metres thick, dolomite pebble-conglomerate beds and dolomite supported quartzite occur throughout the Horsethief Creek Formation.
- d) quartz feldspar arenites and pebble conglomerates - consist of pebble conglomerates comprised of grain-supported, moderately sorted crystalline quartz and quartz feldspar clasts with variable red jasper, green to grey argillite, quartzite and dolomite clasts in a quartz, feldspar, carbonate, sericite and chlorite matrix. Clasts are generally 1 to 2 centimetres in diameter but may exceed 10 centimetres in length. Coarse arenite beds are similar to the pebble conglomerates but have a greater proportion of matrix and are generally poorly sorted.
- e) red and varicoloured argillites - are present at the top of the Horsethief Creek Formation and consist of variably coloured argillites with interbedded pink carbonate, and varicoloured impure arenites (Pope 1990).

Mesozoic

Granitic Intrusions

Cretaceous intrusives of broadly “granitic” composition are present in a belt extending from the westernmost Rocky Mountains to Kootenay Lake, northward to the Baldy Batholith. Intrusions range from small dykes and sills to larger intrusive complexes such as the Mt. Skelly Batholith and are collectively referred to as the Bayonne Magmatic Belt (or Suite) (Logan 2002).

“Intrusive rocks ... include a number of small post kinematic mesozonal quartz monzonite, monzonite and syenitic plutons, numerous small quartz monzonite to syenite dikes and sills probably related to these stocks, and late mafic dikes. The Kiakho and Reade Lake stocks, two of the larger of the mesozonal plutons, cut across and apparently seal two prominent east-trending faults that transect the eastern flank of the Purcell anticlinorium, and hence place constraints on the timing of latest movement on these faults.

The Kiakho stock is exposed on the heavily wooded slopes of Kiakho Creek approximately 10 kilometres (west-southwest) ... of Cranbrook ... Exposures consist mainly of large, fresh angular boulders of boulder fields. Although contacts with country rock were not observed, regional mapping indicates that it intrudes clastic rocks of the Aldridge and Creston

formations. The distribution of outcrops and a pronounced aeromagnetic anomaly indicate that it cuts the east-trending Cranbrook normal fault with no apparent offset. ...

The Kiakho stock is similar to the Reade Lake stock with the dominant phase being a light grey, medium-grained quartz monzonite. It is generally equigranular but grades into a hypidiomorphic granular porphyritic phase with prominent plagioclase and light grey to flesh-coloured potassic feldspar phenocrysts; both are up to several centimetres in diameter in a granular groundmass of white subhedral plagioclase, light grey potassic feldspar, quartz and black hornblende” (Höy 1993).

The Bayonne Granitic Suite is a composite batholith comprised of a number of smaller Jurassic to Cretaceous age granitoid stocks and plutons which extends from near the International Boundary across Kootenay Lake. On the east side of the Kootenay Lake, the Bayonne Granitic Suite locally includes the Mount Skelly Pluton, a biotite (hornblende) monzogranite with megacrysts of potassium feldspar (Reesor 1996). Rice (1941) grouped these granitoids under the broad heading of the Bayonne Batholith, as described below.

Bayonne Batholith (Rice 1941)

“The Bayonne batholith varies in composition from a granite to a calcic granodiorite; the average composition is that of a fairly alkaline granodiorite. ... Much of the rock has an equigranular texture, but a porphyritic phase occurs in many places, at some of which phenocrysts of potash feldspar 2 or 3 inches long are present. The potash feldspar may be orthoclase or microcline and in some specimens both occur. The plagioclase is oligoclase, generally well twinned and frequently in zoned crystals. Dark brown biotite is the only ferromagnesian mineral abundant, but grains of hornblende occur in rare instances. The usual accessories are present. Sericite and epidote are the commonest secondary minerals, but neither occur in significant amounts except where the rock has been altered.

A marked feature of the Bayonne batholith is its highly variable nature. This is observable not only in the range of composition but in the appearance of the rock. Coarse-grained and fine-grained, porphyritic and non-porphyritic, pink and light or dark grey phases may occur in a single exposure, in some places in streaks and patches. Masses of pegmatite and dykes of pegmatite and aplite occur everywhere. Some of the pegmatite dykes are over 100 feet wide. A few large crystals of blue-green beryl, pink garnet, magnetite, and a little black tourmaline were seen in these pegmatites.

Large inclusions of granitized sediments are locally abundant. ... These inclusions vary in size from a foot to some hundreds of feet. Alteration is severe, but the sedimentary nature of the original rock is, in most cases, still recognizable and the boundary between the granite and the inclusion is generally fairly sharp. Other

inclusions or xenoliths (sic.) from a few inches to a foot long also occur, which can readily be distinguished from the first type mentioned. They parallel one another, are darker coloured, their original texture and composition has been more or less completely altered, they are fairly uniform in size, and they usually grade imperceptibly into the granite. They are more widely distributed, indeed very few exposures of any size were examined that did not contain some of these xenoliths (sic.), and in places they are extremely abundant. The xenoliths (sic.) are often most common in the porphyritic phases and scarcer in the non-porphyritic phases of the granite ...“.

Cretaceous intrusions interpreted to underlie the properties comprising the Cretaceous Granitic Project are interpreted to be exemplified by the Mount Skelly Pluton, located southwest of the Baribeau property along the east shore of Kootenay Lake. Recently there has been limited mapping undertaken on the pluton as part of a regional study of the Bayonne Magmatic Belt (Logan 2002), with local sampling and mapping of the Mount Skelly Pluton and Sanca Stock (Lett et al. 2000, Logan and Mann 2000).

Mount Skelly Pluton / Sanca Stock

The dominant lithology comprising the Mount Skelly Pluton is that of a biotite granite. In areas proximal to the mapped contact between the pluton and host sediments, the grain size is slightly reduced to that of a medium- to coarse-grained granite. At low to middle elevations along the eastern portion of Sanca Creek, the granite assumes a porphyritic texture due to the presence of megacrystic alkali feldspar phenocrysts. Individual, equant crystals of white to pinkish alkali feldspar phenocrysts up to 2 cm in diameter were noted in a finer grained matrix of medium- to coarse-grained white plagioclase and biotite ± hornblende. Xenoliths are rare to absent at deeper levels within the pluton, becoming more abundant and larger both at higher elevations and along Sanca Creek to the west. Xenoliths are predominantly sedimentary, however, inclusions of finer grained, more mafic granite were noted and may have been derived from an earlier phase of the intrusion or a separate, deeper intrusion altogether.

Recent mapping and geochronology by Logan and Mann (2000) have resolved the granite exposures of the Sanca Creek area into three separate phases, specifically, the Mount Skelly Pluton and the Sanca Stock. The Mount Skelly Pluton is further sub-divided into:

- 1) Granite - “Fine to medium grained, equigranular biotite monzogranite. Minor aphanitic, leucocratic phases and dikes”, and
- 2) Granodiorite - “Coarse grained biotite-hornblende granodiorite. Common euhedral megacrystic potassium feldspar and mafic (hornblende-biotite-titanite-rich) inclusions. Biotite, K-AR dates of 97.1 to 98.7 Ma

The younger Sanca Stock is described as a “Medium to coarse grained biotite granodiorite.

Characteristic coarse, sub-rounded violet to grey quartz crystal aggregates. Biotite, K-Ar dates of 78.9 to 80.9 Ma". Therefore, the granites of the Sanca Creek area can be differentiated into three phases, the older Mount Skelly Pluton (at 97.1 to 98.7 Ma) and the younger Sanca Creek Stock (at 78.9 to 80.9 Ma).

Structure

Four major phases of deformation have been identified in the Toby Creek area (to the northeast of the Baribeau property), Helikian-Devonian extension (D1), Jurassic-Paleocene contraction (D2-D3) and Eocene extension (D4) (Pope 1990).

The first phase of deformation resulted in unconformities at the base of the Dutch Creek and Mount Nelson Formations (D1a) and the unconformity at the base of the Windermere Supergroup (D1b). Thinning of Paleozoic strata onto the Windermere High is interpreted to reflect the effects of D1c deformation together with the development of small fault-bounded sub-basins.

Contraction during the Columbian (D2) and Laramide (D3) orogenies resulted in a series of northeast vergent thrust faults and the development of a regional foliation (S1). Three major thrust sheets are evident in the Toby Creek area with one, the Mount Nelson thrust sheet, comprised of four smaller fault panels. The three major thrust sheets represent out-of-sequence faults, having propagated toward the hinterland, carried in the hanging wall of the Purcell Thrust.

Contraction during D2 and D3 produced east-vergent imbricate thrust faults and west vergent backthrusts. Many of these faults were subsequently reactivated during the fourth phase (D4) of deformation. High angle brittle faults are also a result of D4.

LOCAL GEOLOGY

Stratigraphy

The MCFARLANE property is underlain by south striking, steeply west dipping, Late Proterozoic age strata correlated to lower Windermere Supergroup on the western limb of the Purcell Anticlinorium. Correlations indicate the strata belong to a continuous succession comprising the Horsethief Creek Group (Fig. 5).

Structure

The structure of the McFarlane Creek area is dominated by its position on the western flank of the Purcell Anticlinorium, a north plunging fold of regional significance. The Purcell Anticlinorium is

allochthonous with respect to North American cratonic basement, having been transported northeastward in the hanging wall of the Purcell Thrust. This major structure has been complicated slightly by a number of regional and local faults, discussed below with reference to the Kootenay Lake mapsheet of Reesor (1996). An early folding event has been proposed for early structures interpreted to have developed in the Late Proterozoic during the Goat River Orogeny (Höy 1993).

The prominent faults in the Baker Creek area are interpreted to be predominantly the result of the Laramide orogeny, characterized by east-verging, west-dipping thrust faults. The major fault system of the area is the St. Mary / Hall Lake fault system, interpreted to be a long lived fault initiated in the Late Proterozoic as a growth fault and periodically active at least into the Laramide orogeny. Eastward directed movement across the St. Mary / Hall Lake fault resulted in steeply dipping strata on the western limb of the Purcell Anticlinorium being juxtaposed against relatively shallowly to moderately dipping strata closer to the hinge axis.

Significant dip displacement is indicated across the fault east of Sanca Creek where Proterozoic lower Creston strata has been juxtaposed against early Paleozoic Cambrian Eager Formation strata. Later thrust faults are evident in the hanging wall of the St. Mary / Hall Lake fault. The Redding Creek fault is locally significant fault. It is a west dipping, east verging thrust fault that juxtaposes middle Creston strata against the lower member of the Coppery Creek group. A number of smaller, normal faults are indicated in the hanging wall of the Redding Creek Fault, all of which appear to have minor dip (and probably strike-slip) movement. All of the faults in the hanging wall of the St. Mary / Hall Lake fault are interpreted to be older than the Cretaceous Mount Skelly Pluton (Bayonne Magmatic Belt) as all are truncated at the contact of the pluton.

PROPERTY GEOLOGY

No geological mapping has been completed on the property by the Company. As such, the following description of the geology characterizing the MCFARLANE property has been taken from Ayer (1981).

“The (MOLY) property has limited exposure with an estimated 5% outcrop over the total area. ...The claims are underlain by Proterozoic metasedimentary rocks of the Horsethief Creek Group intruded by Cretaceous (?) Stocks of quartz monzonite. Rocks of the Horsethief Creek Group occur in the eastern half of the property and consist of fine-grained mica schists, schistose metasandstone, metaconglomerates and amphibolites. Locally these metasediments have been altered to garnet and epidote-bearing, laminated skarn rocks, where they occur adjacent to the quartz monzonite stock in the south-central corner of the property.

The quartz monzonite is predominantly light grey and medium-grained with 5 to 10%

biotite in a subhedral-granular textured groundmass with occasional coarse-grained alkali feldspar phenocrysts. Minor younger phases of equigranular and leucocratic (less than 5% biotite) medium-grained alaskite and fine-grained aplite are also present. In several drill holes (DK-81-2 & 3) porphyry dykes with fine-grained alkali feldspar phenocrysts were observed cutting metasediments.

The foliation and bedding in the metasediments are generally northerly striking with gentle easterly dips in the northern portion and steep easterly and westerly dips in the south. No major folds have been identified but minor folds are visible in outcrops and drill core. Jointing is best developed in the quartz monzonite with the dominant direction being northeasterly. Quartz veins commonly occupy northeast to east-west trending joints and fractures.

ECONOMIC GEOLOGY

Disseminated molybdenite and pyrite occur in quartz veins which range from less than 1 cm to over 1 m in thickness. The molybdenite bearing veins appear to be most abundant in the vicinity of the stock in the south-eastern corner of the property and at the eastern contacts of the main quartz monzonite intrusion in the central portion of the claim.

Alteration appears to be best developed in quartz monzonite rock. Alteration zones consist of potassic, propylitic and phyllic assemblages. Potassic alteration results in a pink coloured quartz monzonite with a relatively high proportion of potassium feldspar and biotite altered to chlorite. Propylitic alteration results in a greenish grey quartz monzonite with epidotization of plagioclase and biotite altered to chlorite. Potassic and propylitic alteration zones are pervasive, however no systematic zonation has been recognized. Phyllic alteration of quartz monzonite is texture destructive, resulting in an equigranular rock rich in quartz and muscovite. This type of alteration has only been recognized in the selvedges of quartz veins" (Ayer 1981).

The following has been taken from Wright (1980):

"The most widespread unit is schist which consists of varying amounts of muscovite, biotite, plagioclase, quartz, cordierite and andalusite. An average composition is muscovite 50%, plagioclase 35%, quartz 12% and biotite 3%, with cordierite or andalusite constituting up to 30% of the rock in some samples. These rocks normally have a light silvery-grey colour, weathering light grey-brown. Toward the contact with the quartz monzonite intrusions, the quartz-muscovite plagioclase schist becomes coarser-grained.

A thin, 400 metre-long lens of quartzite trends NS within the schists in the southeastern portion of the property. It is a medium to coarse-grained, light grey

quartzite weathering light pinkish-grey.

Within the schists is a unit of meta-andesite. This rock is very fine-grained, light to medium greenish-grey, weathering dark gre. Near the intrusive contact this unit is altered to skarn, which consists of bands of dark grey-green meta-andesite alternating with bands of idocrase and garnet. These bands are spaced at 20-26 cm intervals. There are als narower 3-5 cm bands of diopside and quartz at less regular intervals. The meta-andesite grades into chlorite-muscovite plagioclase schist toward the west, this unit having an average composition of 45% plagioclase, 35% muscovite and 20% chlorite.

A 30-metre wide band of quartz-feldspar pebble conglomerate trends NS within the schists in the southwestern part of the property. This unit is light reddish-brown, weathering light brown to grey with small rusty patches of disseminated pyrite. Quartz and feldspar clasts average 4 mm in size. Muscovite-plagioclase schist layers are interbedded with the conglomerate every 1-2 metres.

To the west of the quartz feldspar pebble conglomerate are several 15-20 m wide lenses of marble which extend 200-300 m along strike. These are medium to coarse-grained, with alternating 1 cm light and dark grey bands.

A NS trending 300-600 m wide amphibolite unit occurs in the southwestern portion of the property. The unit is typically fine to medium-grained, dark greenish-black, and weathers a medium dark grey. In places it takes on a streaky appearance with thin bands of white plagioclase alternating with black amphibole. The composition is quite variable, with 60-90% amphibole (hornblende?), 10-40% plagioclase, 1-3% biotite in places and occasionally up to 1% pyrote.

A 10-15 m wide diorite dike intrudes the muscovite-plagioclase schists in the southwestern part of the property. The diorite is medium-grained, a dark grey colour, weathering medium grey, and is composed of 50-60% plagioclase, 30-40% biotite and 5-10% hornblende. Manganese staining and epidote alteration are common along fracture surfaces.

There are two quartz monzonite intrusions. Part of the major intrusive covers the northwestern portion of the map area, while the smaller, elliptical stock intrude the meta-andesites in the east. The rocks within the two intrusions are very similar in appearance. The quartz monzonite is typically medium to coarse-grained, white to pinkish-grey, weathering light pinkish-grey. An averae samples consists of 30-38% K-feldspar, 30-35% plagioclase, 25-30% quartz, and 5% biotite. K-feldspar phenocrysts may range from ½-2 cm in size. Small rusty patches of disseminated pyrite make up less than 1% of the rock in many outcrops. Towards the eastern edge of the smaller quartz monzonite stock, the rock becomes more leucocratic with less

than 1% mafic minerals. These rocks have been shown as adamellite ...

MINERALIZATION

Most of the mineralization of economic importance is found within the quartz monzonite intrusions and the skarn within the meta-andesite unit. In the major intrusive, only a few tiny specks of MoS_2 were located in quartz monzonite float along the road ... In the northern part of the smaller stock ... a 10 cm thick quartz vein striking 120/90 contains small disseminated flakes of MoS_2 .

Within the skarn, a few grains of scheelite (WO_3) were located ...”.

2005 PROGRAM

A total of 300 soil samples were taken on the MCFARLANE property (see Fig. 5 and Appendix B for Soil Descriptions and Analytical Results). Samples were recovered from the road network on the east side of the property (adjacent to the LYDY and Sphinx properties) and the west side, above Kootenay Lake.

Samples were taken from the “B Horizon” and placed in Kraft bags at the sample site. The samples were dried in Cranbrook, then shipped by Greyhound Courier to Acme Analytical Laboratories Ltd in Vancouver. Samples were analyzed using Acme’s Group 1EX package for 41 element ICP + Ga.

RESULTS

Soil Samples

A total of 300 soil samples were recovered from within the claims comprising the MCFARLANE property and submitted for 41 element ICP analysis at Acme Analytical Laboratories Ltd. in Vancouver. As the proposed models under consideration include a molybdenum ± copper ± gold porphyry deposit and/or intrusion-related gold, the elements of particular interest to this program are antimony, arsenic, bismuth, copper, gold, molybdenum, silver, tin, tungsten and zinc. The property is located between the Crawford Stock on the east shore of Kootenay Lake and the unnamed intrusion hosting the mineralization identified on the Sphinx property (Inferred Resource of 62,005,615 tonnes grading 0.035% Mo, using a cut-off grade of 0.01% Mo (Eagle Plains 2005a and 2005b)).

Statistics (see Table 1) and Correlation Coefficients (see Table 2)

		Mo	Cu	Ag	Mn	Fe	As	Sb	Bi	W	Sn
N	Valid	274	274	216	274	274	274	271	274	274	274
	Missing	0	0	58	0	0	0	3	0	0	0
Std.		35.35	16.53	0.29	140.1	0.86	12.98	0.21	4.05	4.81	0.72
Deviation											
Range		391.80	109.80	2.1	1082.0	7.62	85.0	1.2	63.8	49.5	8.9
Minimum		0.20	9.30	0.1	165.0	2.10	2.0	0.1	0.2	0.3	0.8
Maximum		392.00	119.10	2.2	1247.0	9.72	87.0	1.3	64.0	49.8	9.7
Percentiles	25	0.60	24.48	0.1	359.0	3.39	6.0	0.2	0.3	0.8	1.7
	50	1.40	30.55	0.1	407.5	3.89	10.0	0.3	0.5	1.4	1.9
	75	6.03	43.30	0.3	495.0	4.40	16.0	0.5	0.7	2.3	2.1

Table 1: Summary Statistics for Select Analytical Data from Soil Samples

Note: No values were returned for gold above the detection limit which, for the Group 1 EX package, is rather high at 0.1 ppm.

Molybdenum

Molybdenum analyses range between 0.2 and 392 ppm (Fig. 6), with a standard deviation of 35.35. A review of frequency for the data reveals that 98.9 % of the analytical results lie between 0.2 and 87, with three strongly anomalous values of 150.2, 385.5 and 392.0 ppm. These three outliers contribute to the high value for the standard deviation. Qualitatively, any Mo values greater than 5 ppm are considered anomalous. Approximately 60% of the analytical results have a value ≤ 1.8 ppm.

With regard to correlation coefficients, there are moderately high coefficients between Mo and tungsten (0.536) and tin (0.774). Very weak positive or negative coefficients were returned for copper (0.128), arsenic (-0.155), antimony (-0.188) and bismuth (0.164), is interpreted to suggest that the presence of molybdenum may preclude intrusion-related gold style mineralization. Furthermore, the weak coefficient with copper is interpreted to suggest that any porphyry-style mineralization is probably Mo-bearing, rather than Mo + Cu, analogous to mineralization described from the nearby Sphinx property.

Copper

Copper analyses range between 9.3 and 119.1 ppm (Fig. 6), with a standard deviation of 16.53. A review of frequency data reveals that the data have a mean of 35.416 ppm, with 50% of the data having a value ≤ 30.5 ppm. Qualitatively, any copper values greater than 50 are considered anomalous.

A review of correlation coefficients suggests copper is associated with manganese (0.474) and iron (0.570). Chalcopyrite is considered to be the most likely copper bearing mineral phase and would explain the correlation between copper and iron. A slightly lower coefficient with arsenic (0.356) may indicate an association between chalcopyrite and arsenopyrite. Finally, identification of

Correlations

	Mo	Cu	Pb	Zn	Ag	Mn	Fe	As	Sb	Bi	Na	K	W	Sn
Mo Pearson Correlation	1	0.128	0.276	0.176	0.354	0.084	0.283	-0.155	-0.188	0.164	0.071	0.226	0.536	0.774
Sig. (2-tailed)	.	0.034	0.000	0.003	0.000	0.166	0.000	0.010	0.002	0.007	0.245	0.000	0.000	0.000
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274
Cu Pearson Correlation	0.128	1	0.328	0.239	0.079	0.474	0.570	0.356	0.199	-0.022	-0.109	0.242	0.116	0.112
Sig. (2-tailed)	0.034	.	0.000	0.000	0.250	0.000	0.000	0.000	0.001	0.717	0.071	0.000	0.055	0.065
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274
Pb Pearson Correlation	0.276	0.328	1	0.180	0.480	0.316	0.344	0.333	0.315	0.397	0.173	0.173	0.274	0.240
Sig. (2-tailed)	0.000	0.000	.	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.004	0.004	0.000	0.000
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274
Zn Pearson Correlation	0.176	0.239	0.180	1	0.531	0.398	0.050	-0.154	-0.099	0.143	0.353	-0.035	0.370	0.282
Sig. (2-tailed)	0.003	0.000	0.003	.	0.000	0.000	0.412	0.011	0.105	0.018	0.000	0.560	0.000	0.000
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274
Ag Pearson Correlation	0.354	0.079	0.480	0.531	1	0.334	0.022	-0.042	0.156	0.160	0.514	-0.189	0.305	0.380
Sig. (2-tailed)	0.000	0.250	0.000	0.000	.	0.000	0.751	0.541	0.021	0.018	0.000	0.005	0.000	0.000
N	216	216	216	216	216	216	216	216	216	216	216	216	216	216
Mn Pearson Correlation	0.084	0.474	0.316	0.398	0.334	1	0.349	0.142	0.051	0.126	0.202	0.068	0.252	0.167
Sig. (2-tailed)	0.166	0.000	0.000	0.000	0.000	.	0.000	0.019	0.402	0.036	0.001	0.264	0.000	0.006
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274
Fe Pearson Correlation	0.283	0.570	0.344	0.050	0.022	0.349	1	0.374	0.324	-0.084	-0.172	0.428	0.111	0.361
Sig. (2-tailed)	0.000	0.000	0.000	0.412	0.751	0.000	.	0.000	0.000	0.168	0.004	0.000	0.067	0.000
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274
As Pearson Correlation	-0.155	0.356	0.333	-0.154	-0.042	0.142	0.374	1	0.554	-0.082	-0.198	0.087	-0.185	-0.191
Sig. (2-tailed)	0.010	0.000	0.000	0.011	0.541	0.019	0.000	.	0.000	0.178	0.001	0.149	0.002	0.001
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274
Sb Pearson Correlation	-0.188	0.199	0.315	-0.099	0.156	0.051	0.324	0.554	1	-0.095	0.184	-0.039	-0.216	-0.116
Sig. (2-tailed)	0.002	0.001	0.000	0.105	0.021	0.402	0.000	0.000	.	0.121	0.002	0.523	0.000	0.057
N	271	271	271	271	216	271	271	271	271	271	271	271	271	271
Bi Pearson Correlation	0.164	-0.022	0.397	0.143	0.160	0.126	-0.084	-0.082	-0.095	1	0.297	0.128	0.692	0.327
Sig. (2-tailed)	0.007	0.717	0.000	0.018	0.018	0.036	0.168	0.178	0.121	.	0.000	0.034	0.000	0.000
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274
Na Pearson Correlation	0.071	-0.109	0.173	0.353	0.514	0.202	-0.172	-0.198	0.184	0.297	1	-0.302	0.248	0.271
Sig. (2-tailed)	0.245	0.071	0.004	0.000	0.000	0.001	0.004	0.001	0.002	0.000	.	0.000	0.000	0.000
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274
K Pearson Correlation	0.226	0.242	0.173	-0.035	-0.189	0.068	0.428	0.087	-0.039	0.128	-0.302	1	0.161	0.473
Sig. (2-tailed)	0.000	0.000	0.004	0.560	0.005	0.264	0.000	0.149	0.523	0.034	0.000	.	0.008	0.000
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274
W Pearson Correlation	0.536	0.116	0.274	0.370	0.305	0.252	0.111	-0.185	-0.216	0.692	0.248	0.161	1	0.652
Sig. (2-tailed)	0.000	0.055	0.000	0.000	0.000	0.000	0.067	0.002	0.000	0.000	0.000	0.008	.	0.000
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274
Sn Pearson Correlation	0.774	0.112	0.240	0.282	0.380	0.167	0.361	-0.191	-0.116	0.327	0.271	0.473	0.652	1
Sig. (2-tailed)	0.000	0.065	0.000	0.000	0.000	0.006	0.000	0.001	0.057	0.000	0.000	0.000	0.000	.
N	274	274	274	274	216	274	274	274	271	274	274	274	274	274

anomalous values for both copper and molybdenum in contrast to a weak correlation with molybdenum is interpreted to suggest there may be potential to identify both copper and molybdenum mineralization, however, they will probably be in mutually exclusive settings

Tungsten

Tungsten values range between 0.30 and 49.80, with a standard deviation of 0.72. The mean for tungsten is 2.49 and 50% of the analytical values are less than 1.4 ppm. Qualitatively, tungsten values in excess of 3 ppm are considered anomalous, representing 15.3% of the data.

The “intrusion-related gold” suite of metals returned generally poor correlation coefficients, with the exception of a relatively high correlation between tungsten and both bismuth (0.692) and tin (0.652). In addition, a moderately high correlation with molybdenum (0.536) is interpreted to support a magmatic source for mineralization documented within, and adjacent to, the property. This is not surprising given proximity between the property and both the Crawford Stock to the west and the unnamed intrusion hosting mineralization on the Sphinx property.

Tin

Tin values range between 0.8 and 9.7 ppm, with a standard deviation of 0.72. The median value is 2.01 and 50% of the values are less than 1.9 ppm. Qualitatively, tin values in excess of 3 ppm, representing 6.6% of the values, are considered to be anomalous.

Moderately high to high correlation coefficients were returned between tin and molybdenum (0.774), potassium (0.473) and tungsten (0.652). These results are interpreted to support a magmatic source for fluids contributing to alteration and/or mineralization.

DISCUSSION

In general, although most of the analytical results are weakly to moderately anomalous, correlation coefficients are interpreted to support a magmatic source for alteration and mineralization of the host intrusion. Highly anomalous results for molybdenum confirm documented high grade molybdenum from previous exploration programs. Anomalous copper results, although not generally coincident, and having a low correlation coefficient, with molybdenum are nonetheless interpreted to indicate potential for identification of copper mineralization on the property.

Although values for arsenic, antimony, bismuth, tungsten and tin are low, they are qualitatively interpreted to document a population of anomalous values. The low absolute values do not support potential for intrusion related gold mineralization, particularly given an absence of any gold grades above the minimum detection limit, however, a possible association within and between these

elements, as interpreted from the correlation coefficients, may indicate potential for such mineralization.

The intrusion-related gold model is difficult to defend in the absence of any gold values in the sample analyses. However, the detection limit for gold is rather high (0.1 ppm) in the Group 1EX package. For future analysis, the Group 1DX may be a better package, having a lower threshold for detection of potentially anomalous gold.

The potential for intrusion-related and/or other magmatic related mineralization continues to be suggested by:

- 1) the general association of molybdenum with Cretaceous intrusions of the Bayonne Magmatic Belt,
- 2) possible association of a weakly (to moderately) anomalous “intrusion-related gold” suite of metals including arsenic, antimony, bismuth, tungsten and tin,
- 3) spatial association between silver-bearing to silver-rich base metal veins and documented intrusions (i.e. Perry Creek - Moyie River area, Rose Pass area (Welcome-Enterprise) and, in particular, the Sanca - Akokli Creek area),
- 4) the documented presence of relatively small felsic intrusions in the general area (i.e. Hall Lake Stock, Sawyer Stock, Ailsa Lake, Mount Skelly Complex, Fry Creek Batholith, etc), and
- 5) an arguably higher grade metamorphic grade evident in the limited exposures along the road network between Birkbeck and McFarlane Creeks with respect to the regional metamorphic grade.

Potential for identification of porphyry-style mineralization is interpreted to be supported by:

1. proximity of the MCFARLANE property to the Sphinx property of Eagle Plains Resources Ltd on which an Inferred Resource of 62,005,615 tonnes grading 0.035% Mo, using a cut-off grade of 0.01% Mo has been identified (Eagle Plains 2005a and 2005b),
2. identification of a number of anomalous to highly anomalous molybdenum values, together with a relatively large number of weakly through strongly anomalous Mo values (Fig. 6), and
3. Widespread and weakly to arguably moderately anomalous copper mineralization identified in a number of areas on the property, albeit not generally coincident with molybdenum.

CONCLUSIONS

A preliminary evaluation of the MCFARLANE property, on the basis of both a review of previous work and a preliminary suite of soil samples, is interpreted to suggest potential for identification of Mo ± Cu style porphyry and/or intrusion-related gold mineralization. High grade Mo, although over narrow widths, has been reported from previous drill programs, while the 2005 field program resulted in identification of anomalous to strongly anomalous Mo in soils. Anomalous copper was identified in numerous soil samples from both the east and west soil lines. Finally, weakly anomalous analytical values and moderate to high correlation coefficients for arsenic, antimony, bismuth, tungsten and tin may indicate potential for intrusion-related gold mineralization. Potential for such a model, however, is not supported by the utter lack of any gold values above the minimum detection limit. However, it should be noted that the minimum detection limit for gold using the Group 1EX analytical package is 0.1 ppm, approximately 1 order of magnitude below possible bulk tonnage ore grade.

The property is located between mapped exposures of the Crawford Stock, correlated to the Bayonne Magmatic Suite (Logan 2002), and an unnamed intrusion which is host to an Inferred Resource of 62,005,615 tonnes grading 0.035% Mo, using a cut-off grade of 0.01% Mo (Eagle Plains 2005a and 2005b). Strongly anomalous molybdenum reported from previous programs (both soil and from drilling), as well as anomalous molybdenum documented from the 2005 field program, taken together with proximity to a documented resource suggests the MCFARLANE property may have potential for identification of analogous mineralization.

Similarly, anomalous values for the “intrusion-related gold” suite of metals (except gold) may indicate potential for identification of mineralization under this model. Previous reports of tungsten skarn and Mo ± W ± Cu porphyry-type mineralization, as well as a general correlation between Mo, Cu and other “magmatic” metals is further taken as support for mineralization derived from a magmatic source. The information documented to date from the various programs on the property preclude none of these mineral deposit models at this time, however, evidence for high grade, narrow vein-hosted molybdenum seems to be most dominant.

RECOMMENDATIONS

1. Compilation of previous results from previous programs should be undertaken to build a database of all available data from both the LYDY property and the immediately adjacent Sphinx property to the north;
2. Continue soil sampling on the property, extending the current coverage from the existing road network to contour lines. Samples should be taken along major contours to provide coarse coverage of the property. Additional soil lines through the middle and upper elevations of the property are also recommended;
3. Creeks draining the property should be silt sampled;
4. Geological mapping should be undertaken to:
 - a) identify and/or re-establish known mineralized horizons from previous drilling,
 - b) identify and/or confirm the stratigraphy present on the property and identify possible marker horizons,
 - c) provide better structural control for the property;
- 5) Consider having an airborne survey flown of the property to identify magnetic and/or conductive sub-surface features for subsequent drill testing;
- 6) Consider a ground-based Induced Potential (IP) geophysical survey to identify possible sub-surface anomalies associated with a possible porphyry-type deposit;
- 7) Undertake diamond drilling to test surface anomalies identified on the basis of soil and rock sampling and sub-surface anomalies identified from airborne and/or ground-based geophysical surveys.

PROPOSED BUDGET

Pre-Field		
Permitting, Compilation, mobilization	\$	5,000
Field Program		
Mapping		
5 man-days @ \$450 / day	\$	2,250
Soil Sampling		
10 man-days at \$250 / day	\$	2,500
Field Supplies		
15 man-days at \$15 / day	\$	225
Equipment		
4WD Truck - 10 days at \$75 / day	\$	750
Mileage - 1300 km at \$0.75 / km	\$	975
Fuel	\$	600
Rock Saw - 10 days at \$75 / day	\$	750
Diamond Drilling		
3,000 metres at \$100 / metre (all inclusive)	\$	300,000
Analytical		
250 soil samples at \$20 / sample	\$	5,000
300 core samples at \$20 / sample	\$	6,000
Post-Field		
Report Writing - 7 days at \$450 / day	\$	3,150
Reproduction - 3 days at \$450 / day	\$	1,350
	\$	328,550
Contingency on Field Program (10%)	\$	32,855
TOTAL:		<u>\$ 361,405</u>

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Appendix A

Statement of Qualifications

STATEMENT OF QUALIFICATIONS

I, Richard T. Walker, of 656 Brookview Crescent, Cranbrook, BC, hereby certify that:

- 1) I am a graduate of the University of Calgary of Calgary, Alberta, having obtained a Bachelors of Science in 1986.
- 2) I obtained a Masters of Geology at the University of Calgary of Calgary, Alberta in 1989.
- 3) I am a member of good standing with the Association of Professional Engineers and Geoscientists of the Province of British Columbia.
- 4) I am the Vice President - Exploration for Jasper Mining Corporation, with an office at 2601 42nd Avenue, Crescent, Cranbrook, British Columbia.
- 5) I am the author of this report which is based on work completed under my supervision between June 15th and August 15th, 2005.
- 6) I was personally involved in the acquisition of the claims described herein.

Dated at Cranbrook, British Columbia this 14th day of July, 2006.



Richard T. Walker, P.Geo.

Appendix B

Sample Results

Appendix C

Statement of Expenditures

STATEMENT OF EXPENDITURES

The following expenses were incurred on the MCFARLANE property for the purpose of geological exploration within the period June 1st to August 15th, 2005.

PERSONNEL

R.T. Walker, P.Geo., 1 day @ \$450 / day	\$ 450.00
Assistants - 14 man-days @ \$250 / day (field)	\$ 3,500.00
2 man-days @ \$250 / day (data entry)	\$ 500.00

EQUIPMENT RENTAL

4 WD truck - Mileage: 2,660 km @ \$0.50 / km	\$ 1,330.00
Fuel	\$ 350.00
GPS field unit - 8 days @ \$15 / day	\$ 120.00

FIELD SUPPLIES

15 man-days @ \$15 / day	\$ 225.00
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ANALYSES

300 Soil Samples at \$20 / sample	\$ 6,000.00
-----------------------------------	-------------

TRIM MAP - 082F057 and 067	\$ 500.00
----------------------------	-----------

SHIPPING	\$ 150.00
----------	-----------

REPORT/REPRODUCTION

R. T. Walker, P.Geo.: 3.0 days @ \$450/day	\$ <u>1,250.00</u>
--	--------------------

Total: **\$ 14,375.00**

Appendix D

Program-related Documents



Contact Us ► Help ?

B.C. HOME

Mineral Titles

Mineral Claim Exploration and Development Work/Expiry Date Change

- Select Input Method
- Select/Input Tenures
- Input Lots
- Data Input Form
- Review Form Data
- Process Payment
- Confirmation

- Main Menu
- Search Tenures
- View Mineral Tenures
- View Placer Tenures

→ MTO Help Tips

Exit this e-service ►

Mineral Titles Online

Mineral Claim Exploration and Development Work/Expiry Date Change

Confirmation

Recorder: MOUNTAIN STAR RESOURCES LTD (139398)
 Recorded: 2006/APR/20
 D/E Date: 2006/APR/20

Submitter: MOUNTAIN STAR RESOURCES LTD (139398)
 Effective: 2006/APR/20

Your report is due in 90 days. Please attach a copy of this confirmation page to the front of your report.

Event Number: 4080385

Work Start Date: 2005/JUN/21
 Work Stop Date: 2005/AUG/31

Total Value of Work: \$ 11913.50
 Mine Permit No:

Work Type: Technical Work
 Technical Items: Geochemical

Summary of the work value:

Tenure #	Claim Name/Property	Issue Date	Good To Date	New Good To Date	# of Days For-ward	Area in Ha	Work Value Due	Sub-mission Fee
513555	MCFARLANE NORTH	2005/MAY/29	2006/MAY/29	2009/MAY/29	1096	460.64	\$ 5527.64	\$ 553.27
513556	MCFARLANE SOUTH	2005/MAY/29	2006/MAY/29	2009/MAY/29	1096	523.63	\$ 6283.52	\$ 628.93

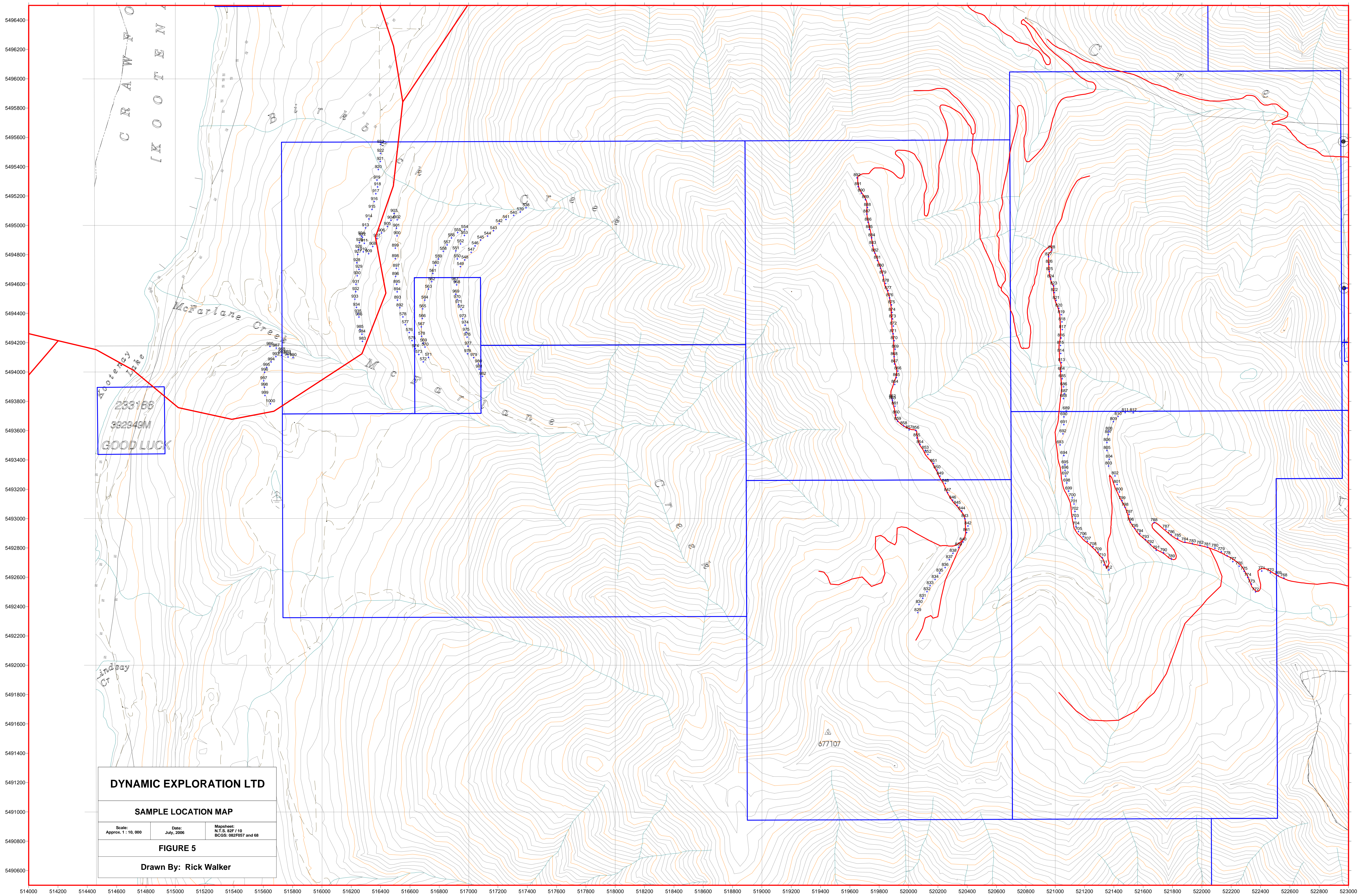
Total required work value:	\$	11811.16
PAC name:		Mountain Star Resources Ltd
Debited PAC amount:	\$	0.00
Credited PAC amount:	\$	102.34
Total Submission Fees:	\$	1182.20
Total Paid:	\$	1182.20

The event was successfully saved.

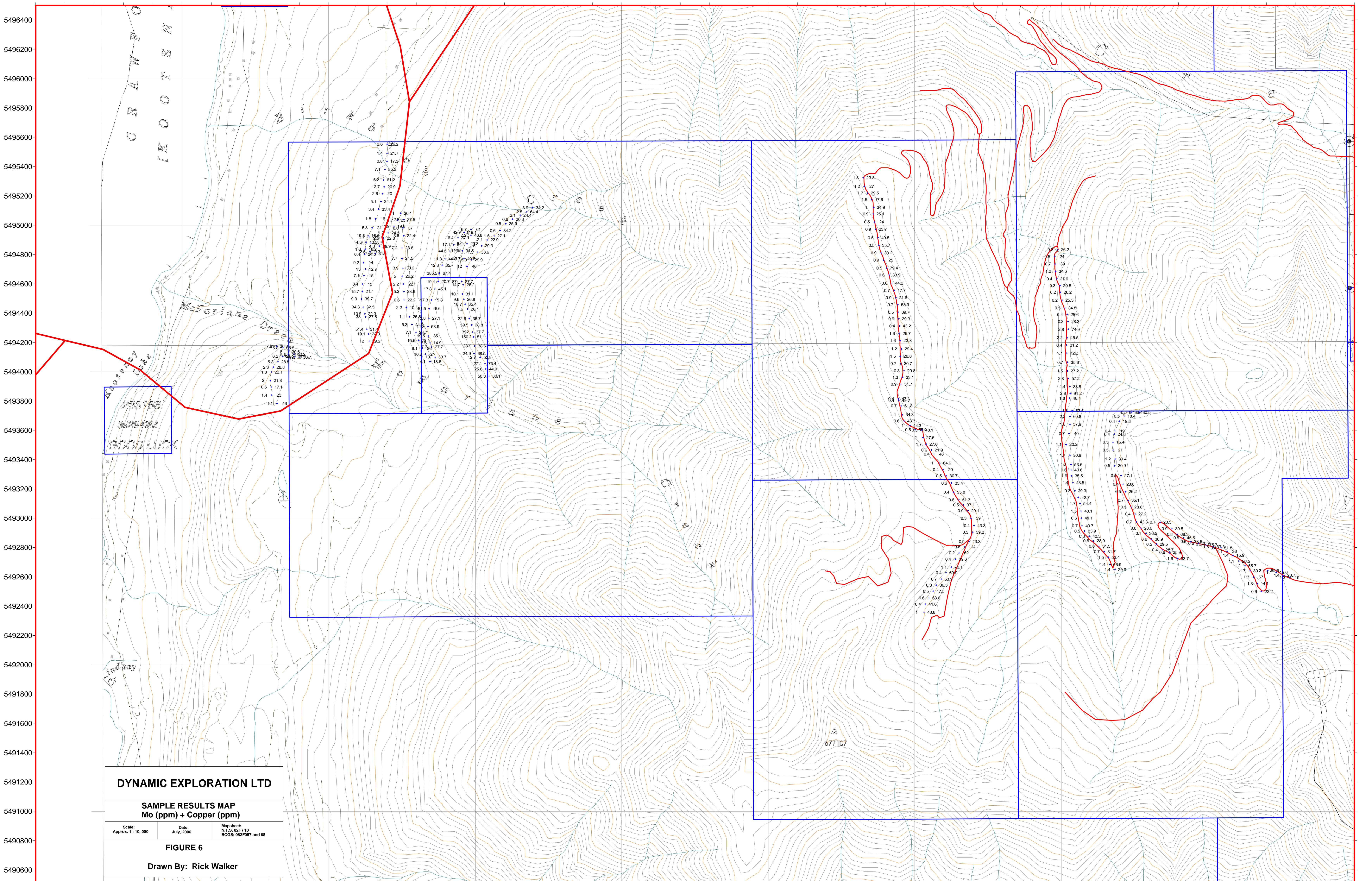
Please use **Back** button to go back to event confirmation index.

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DYNAMIC EXPLORATION LTD		
SAMPLE LOCATION MAP		
Scale: Approx. 1 : 10, 000	Date: July, 2006	Mapsheet: N.T.S. 02F / 10 BCGS: 082F057 and 68
FIGURE 5		
Drawn By: Rick Walker		



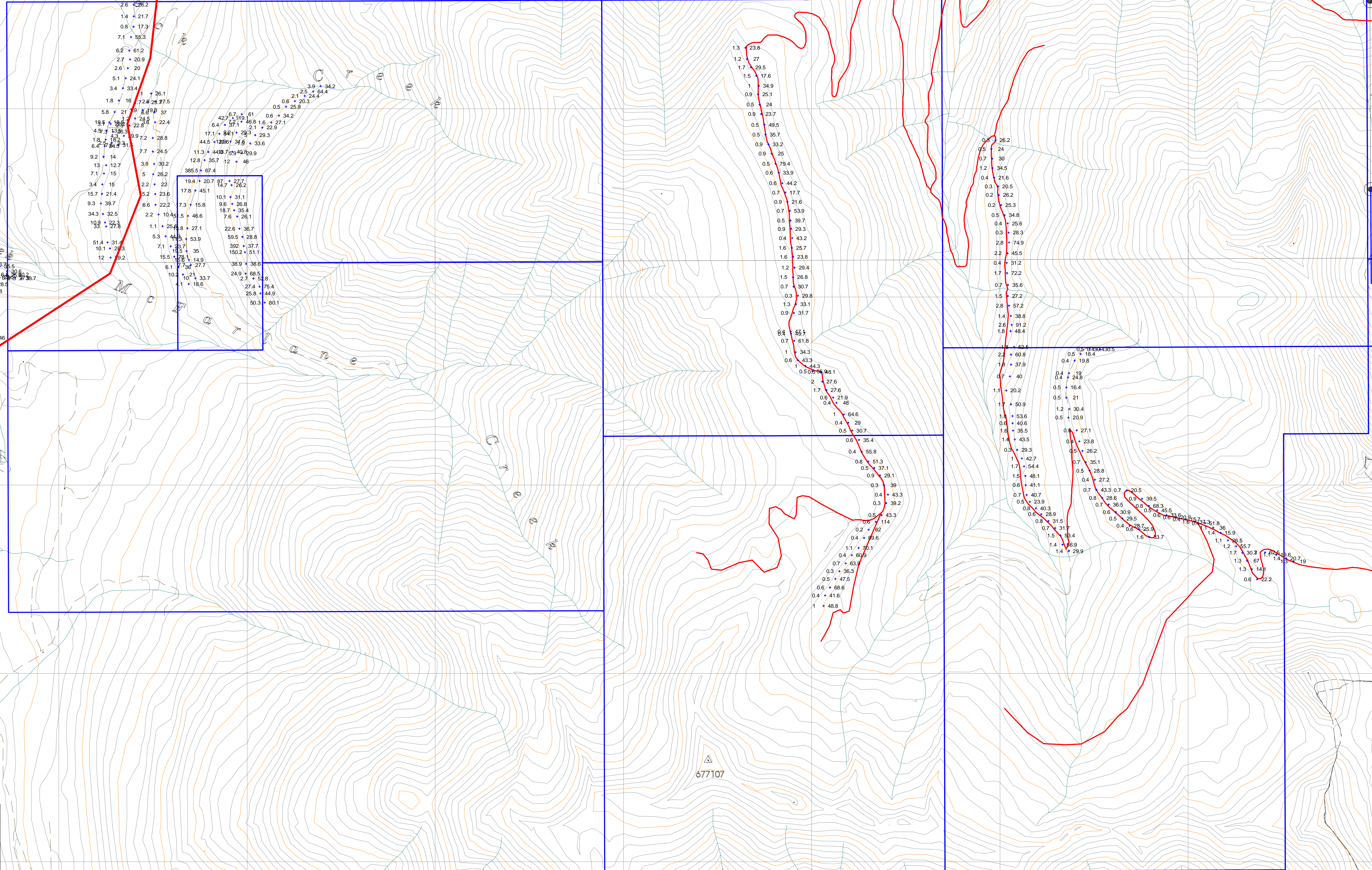
DYNAMIC EXPLORATION LTD

SAMPLE RESULTS MAP
Mo (ppm) + Copper (ppm)

Scale: Approx. 1 : 10,000 Date: July, 2006 Mapsheet: N.T.S. 02F/10
 BCGS: 082F057 and 68

FIGURE 6

Drawn By: Rick Walker



514000 514200 514400 514600 514800 515000 515200 515400 515600 515800 516000 516200 516400 516600 516800 517000 517200 517400 517600 517800 518000 518200 518400 518600 518800 519000 519200 519400 519600 519800 520000 520200 520400 520600 520800 521000 521200 521400 521600 521800 522000 522200 522400 522600 522800 523000