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**Spruce Creek – Curniski Property
Atlin Placer Gold Camp**

**This report covers the 344.32 hectares (850.83 acres) in Placer Claims located on
Spruce Creek held by Mr. Orest Curniski
Centered on 59° 34' 55"N 133° 35' 30"W
In N.T.S. Map Sheet 104N / 12**



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Report #2006-208-01

28,519
GEOLOGICAL SURVEY OF CANADA
ASSESSMENT BRANCH

Spruce Creek – Curniski Property Atlin Placer Gold Camp

By: Paul A. Hawkins, P.Eng.

Executive Summary

The Spruce Creek – Curniski Property is located on one of the most productive Creeks in the Atlin Placer Gold Camp. The Curniski property consists of 21 placer cells totaling 344.32 hectares (850.8 acres) and the net is somewhat less because of overstaking during cell conversion. The property hosts at least three auferious pay zones, the most important historically being the basal channel pay zone on the bedrock surface. It varies in thickness 0 to 5 m. in thickness. Past mining activity focused solely on this zone or processing old tailings from past operations. Testing of upper zones indicate that potentially economic values may be present in these zones. Even in apparent old tailings it is possible to recover gold values and nuggets ranging in size between 1 oz. and 8 oz. In 1971 a 16 oz. gold nugget was reportedly recovered from the property. Limited testing, using hand tools in 2005, indicated values from 0.10 to 0.25 gm per cubic yard were present near the current channel from old mine tailings.

Much of the property outside of the current stream valley is covered with a blanket of overburden, which has likely been mined only to a limited extent by the old-timers. The old-timers mined these areas from underground adits some of which are still marked by timber sticking out of the banks. The overburden consists of till and glacio-fluvial sands and gravels. A horizon of large borders also hampered early mining operations. Within this overburden several pay zones exist which have never been mined or fully tested. The most potential lies in these overburden-covered areas, where modern bulk mining techniques, offer the economies of scale to extract significant amounts of gold. The edges of these areas are marked by high gravel banks, which expose some of these upper pay zones. A more detailed sampling program is required to assess these zones.

Significant past mining activity has taken place on the property but clearly many operations have very poor recovery especially in the fines. The recent recovery of a large egg shaped 5.5 oz. gold nugget in 1988 suggests that mining has not been completely systematic. Many nuggets also are embedded with quartz vein material. Suction dredging of cracks and crevices on the bedrock surface was productive even working the claim part time in the evening.

We suspect that about 4000 - 5000 oz. has been actually produced in the last thirty years from the property. The large nuggets likely disappeared very quickly and were never reported. Currently the best potential lies in overburden covered areas which have only had limited past mining activity.

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1.0 Introduction and Terms of Reference

In May 2005, Mr. Orest Curniski requested Paul A. Hawkins & Associates Ltd. prepare an assessment report on his placer property after the new cell conversion. No comprehensive report had ever been prepared on the property although much physical work and actual mining activity had been completed on the property. The author has visited the property previous to the work documented in this report, while on another assignments on unrelated properties west of Little Atlin Lake in the Yukon.

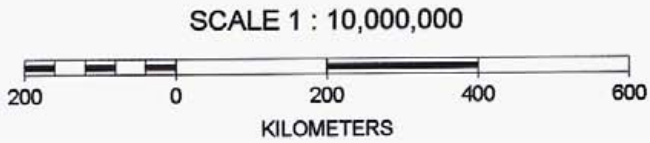
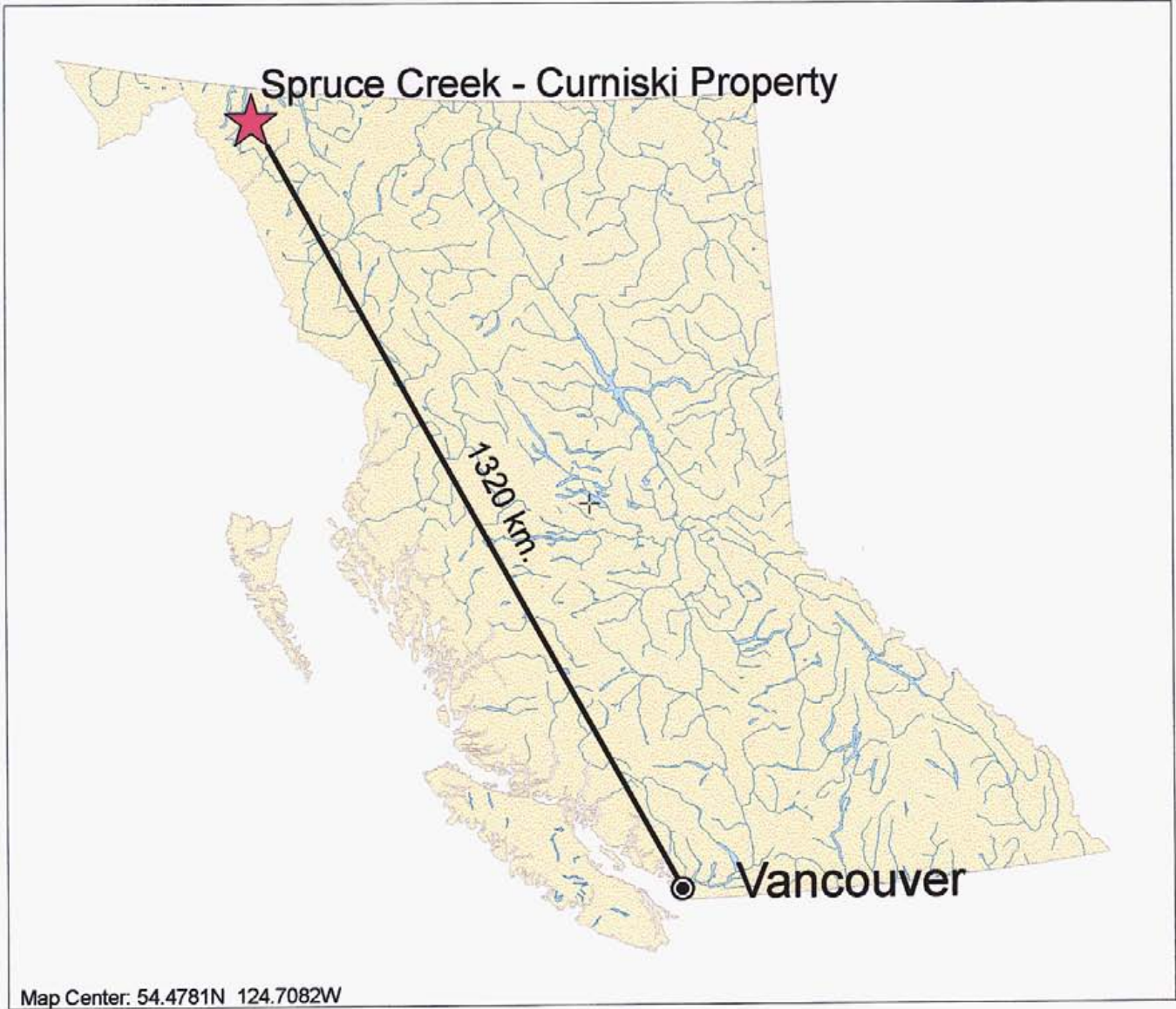
The propose of this report is to compile information on the property, assess the property's mineral potential and make recommendations for future work. This report is only an assessment report and not a technical report as described in NI43-101. This report was completed on a limited budget with fieldwork completed during July 24 – 29, 2006. This report was completed in the spring of 2006. Operations were based out of the town of Atlin. Personnel drove to the property every day in 4X4 trucks. Property was tested using a small man portable plant at several locations.

2.0 Property Description and Location

The property is located within the Atlin Placer Mining Camp along Spruce Creek. Spruce Creek is located 1320 km. NNW of Vancouver B.C. (Drawing A06-28-01, or about 147 km SSE of Whitehorse, Yukon the nearest city to the property. The claims are located within N.T.S. Map Sheet 104N/12. The properties immediate upstream and downstream were being actively mined in 2005. The property consists of 21 cell units, which cover 344.32 hectares (850.832 acres). The effective net area is 275.116 hectares which excludes areas over staked during the cell conversion process. These over staked areas do not form part of the property currently. General property location is shown on Drawing A06-208-01 and the claims making up the property are shown on Drawing A06-208-02.

The claims making up the property are listed in Table 1. The adjoining properties are a mix of placer leases and claims. Given the long history of the area there are numerous instances of over staking and the resulting numerous fractions and odd shaped claims. The cell conversion was aimed at this eliminating some of this but legacy claims are still present. Table 1 shows the effective acreage of the property, excluding these legacy claims, which are not part of the property. The annual assessment work requirements to keep the property in good standing are \$3,443.20 per annum with filing fess of \$688.64.

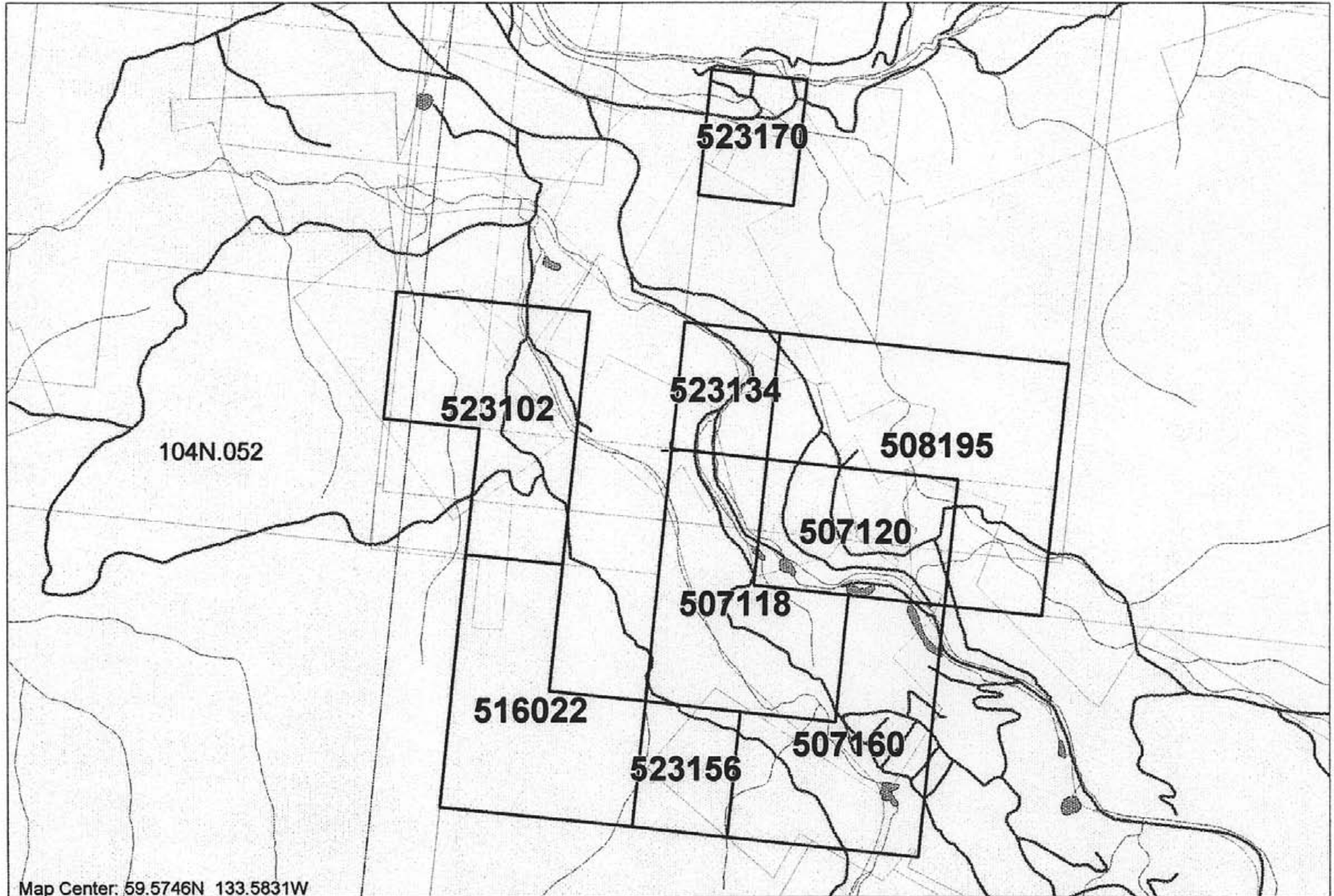
Over the years, numerous claims have been staked along Spruce Creek, and then allowed to lapse, only to be restaked later. The Curniski property has on several occasions been leased out for mining to various individuals and ventures. The terms were usually a industry standard 10% of gold produced or cash equivalent. All of these lease agreements have now lapsed and a 100% undivided interest is held by Mr. Curniski.



Property Location

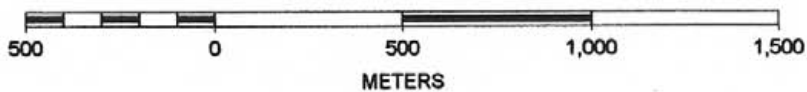
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Spruce Creek - Curniski Property Claim Map



Map Center: 59.5746N 133.5831W

SCALE 1 : 20,000



A06-208-2



Table 1
List of Placer Claims

Tenure Number	Good to Date	Area (acres)	Area (Hectares)	Annual Work Requirements	New Date	Effective Net area
507118	24Nov2007	121.554	49.191	\$491.91	2011	43.100
507120	01Aug2011	81.028	32.791	\$327.91	2011	12.140
507160	23Jul2006	121.568	49.197	\$491.97	2011	22.487
508195	23Jul2006	162.042	65.576	\$655.76	2011	47.766
516022	05Jul2006	121.568	49.197	\$491.97	2011	121.568
523102	01Dec2006	121.534	49.183	\$491.83	2008	14.400
523134	01Dec2006	40.510	16.394	\$163.94	2008	0.975
523156	01Dec2006	40.525	16.400	\$164.00	2008	7.200
523170	01Dec2006	40.503	16.391	\$163.91	2008	5.480
Totals=		850.832	344.32	\$3443.20		275.116

2.1 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The property is accessible off the Alaska Highway at Jakes Corner some 85 km south of the City of Whitehorse. From Jakes Corners 98 km south on Highway #7 to the town of Atlin then east 5.5 km the Pine Creek Road towards Surprise Lake, then 3 km southeast along Spruce Creek Road to the property. The last 3 km is not serviced year round but in 2005 was in good condition. The property is accessible from mid May to November depending on snowfall conditions.

The climate in Atlin area can be described as cool continental. The climate of the area is typical for the central Cordilleran with long winters and moderate summer temperatures. Break-up begins in April and freeze-up starts in October. Snow returns to the higher elevations in September. Temperatures range from 30°C in August to -45°C in January. Rainfall ranges from 25 to 45 cm per year with 110 to 210 cm of snow. Most placer mining has ceased by the end of November.

Atlin was once considered as primarily a mining town but now depends also on tourism in its economic base. Atlin is an unincorporated town with a permanent population of approximately 450 people, which grows to 650 during the summer months. Local resources in Atlin are limited given its current main Tourism base with limited mining activity due to the cyclic boom to bust mining economy given the gold price swings of the past. Limited fuel, accommodation, hardware, and groceries are available locally but Whitehorse provides a full back up of supplies, services, and heavy equipment. Fixed and rotary wing charter aircraft are available at the local 1200 m. (3950 ft.) long grass strip just outside of town. Whitehorse is the closet airport with daily jet service south. The infrastructure is sufficient in the area for current operators and local labour is also available with experience in Placer mining. Several advanced hard rock lode-mining

projects in the Atlin area are presently awaiting development and environmental approvals.

The Spruce Creek area is rejuvenated U shaped valley located on the Teslin Plateau between Spruce Mountain to the NE and Monarch Mountain and Union Mountain to the SW. Spruce Creek is the first north flowing tributary of Pine Creek. Pine Creek is a fairly wide (4 km./) U-shaped valley, which flows into Atlin Lake. Spruce is considerably narrower and more incised into the terrain. Spruce Mountain dominates the local area reaching an elevation of 1658 m. (5440 ft.) ASL. Tree line is 1200 m. (4000 ft.). Elevations on the property range (2800 ft.) to (3200 ft.). The vertical drop on Spruce Creek on the property is approximately 45 m. (150 ft). A number of access trails exist on the property, which provide access to the more upland areas of the property outside of the incised valley bottom, which is near the bedrock. Some parts of Spruce Creek are on bedrock while other parts of current stream course are old waste or tailings.

Outside of the current valley bottom, most of the property is covered by second growth timber. During the Spruce Creek gold rush most adjacent timber was cut for underground mine support timbers. Forest cover is made up of white spruce, lodge pole pine, balsam, black spruce, poplar, white birch, willow, and alder. Wild roses, mountain cranberry, blackberries, raspberries, gooseberries, black & red currents, and strawberries are also present.

2.2 History

Gold was discovered at Pine Creek in 1898 (Roberston.1899). The following year another 10,000 people had joined Kenny McLaren and Fitz Miller after their discovery in Atlin. The largest nugget in the camp was found in 1889 on Spruce Creek weighted in at 83 oz. Within a few years there were 6,000 placer miners active in the camp.

Spruce Creek is a tributary to Pine Creek and has been mined to various degrees over it's 23 km length. Several tributaries of Spruce Creek have also been mined. Most mining activity on Spruce Creek has been in an area around the mid-point of its course.

Some hydraulic mining and stream shovel operations were done on the main part of Spruce Creek but by far majority of gold was recovered by significant underground development in the early 1900's. From 1896 to 1945, approximately 7,926,848 grams (254,858 oz.) of gold were recovered from Spruce Creek making it the largest gold producer in Atlin (Holland, 1950). Records showing the exact amount of underground work are not available. Greater development on Pine Creek recently allowed it to be the largest gold producer in Atlin, overtaken Spruce in 1956 (Minfile, 2005).

Typically underground workings, which date back to 1900's, were developed using adits or shafts, and then drifting along the channel axis along bedrock (Proudlock, 1976). Proudlock suggests this may represent 30% of the gold produced from Spruce Creek. The most extensive underground workings were located about 6 km upstream at the Noland Mine.

Mr. Orest Curniski acquired the property in 1975, from a Mr. Tom Osborne who is now deceased. Mr. Curniski is a Petroleum Landman and for many years was an instructor at Old College in charge of the Landman program. Prior to that he held a number of teaching positions across the north. This gave him the summers off, which lead to his keen interest in placer mining in British Columbia and the Yukon.

Since 1976, Curniski has leased out the property under industry standard terms of a 10% gross royalty of all production. It recent years the property has been idle because of low metal prices.

In 1987, Carnes Creek conducted an aggressive exploration program on the 30 or so placer leases above the property (Krueckl, 1988). This \$1.5 million dollar consisted of 5.5 km of shallow seismic profiles; 27 large diameter placer drill holes (1,399.2 m.); bulk testing of two sites (132,000 yd³); and three areas of old tailings (40,000 yd³) from the old underground workings of the Nolan Mine. The results of this work highlight the potential of the Curniski property.

In 1990, Queenstake trucked onto the property a large amount of material from upstream of the property. Although recovering some 500 oz. from material mined on the property, they left behind a large pile of oversize and tailings.

3.0 Geological Setting

Mafic volcanic rocks of the Naking Formation of the Upper Paleozoic Cache Creek Group underlie Spruce Creek Area. “*Minor chert, argillite, and limestone of the stratigraphically higher Kedahada Formation are also exposed both in the lower and upper reaches of the creek*” (Minfile, 2005). The presence Spruce Creek Valley appears to parallel a very large old tertiary channel which was filled to a depth of 24.4 – 30.5 m. of reddish colored auriferous gravel which in turn were covered by 60 m. grey glacial gravels. These two pay gravel channels; the “grey” and the “red” have been developed on Spruce Creek. The red sits on bedrock, with the richest pay coming from the first 1.8 0 - 2.4 m. of gravel above bedrock (Minfile, 2005).

Covering these gravels are at least two tills of different ages in the Spruce Creek area. The lower till also has glacial-fluvial deposits within it. If, these glacial-fluvial gravels older auriferous gravels, then these deposits could also be potential pay streaks.

3.1 Mineralization

There appears to be at least three ages of gold bearing gravels on Spruce Creek, consisting of Tertiary and 2 in the Pleistocene. In addition there is a fourth, very recent age gravel consisting of mine tailings, or waste. All four containing varying amounts of gold, some of which are economic.

The best pay steaks appear to be within well-defined channel deposits, which rest on fractured and weathered bedrock. The gold extends a few feet into bedrock fractures. For the proposes of this report, these bedrock channels will be called basal channels. Based on historical results, Spruce Creek has a high proportion of nuggets. Much of the gold appears flattened. A number of previous reports indicate a lack of the recovery of fine gold.

The gravels generally are well compacted, consisting of heterogeneous rounded boulder gravel with high clay content. They vary in thickness from 0.5 m. to 3 m. They are capped by a horizon of large boulders, which is it self, covered by more recent glacial deposits consisting of glacio-fluvial sands and gravels as well as glacial till of various thicknesses. Other younger gold bearing Pleistocene gravels are also present in apparent cross cutting relationships.

Current mining operations on Spruce are working on three deposit types: basal channel gravels, upper gray gravels near the large boulder layer and esker gravels.

4.0 Previous Exploration

There has been no previous documented technical exploration on the Curniski property in the assessment files. There has been some work documented on properties up stream of the Curniski property. In 1987, an aggressive exploration program was conducted upstream of the Curniski property and the report (Krueckl, 1998) represents the most recent public domain report on the Spruce Creek area. This scope of this 1987 work covers part of the property but no data that covered the property was submitted in the report. The principals involved in this work attempted to acquire the property but no agreement was ever reached.

On the Curniski property itself there has been no recorded exploration. No doubt during past operations some exploration took place but was largely concurrent with development. All assessment work recorded on the property was physical work or work associated with mining activity. Over the years most of the easily accessible gravel in the current active Spruce Creek Valley has been largely worked over. On the walls evidence of previous underground working are present. Most of these tunnels are now caved in.

4.1 Past Production

Production records for the property are incomplete. Several operators likely under reported production and / or failed to pay any royalty at all. The following table lists estimated production (Table 2) during the time the property was under the current ownership based on information provided by the owner. We are unable confirm these numbers.

Table 2
Curniski Property – Spruce Creek
Estimated Production

Year	Operator	Estimated Production (oz. Au)	Comments
1971	T. Osborne	100	16 oz. nugget recovered by hand sluicing
1972	T. Osborne	100	Hand sluicing
1973	Osborne & Curniski	150	Start of Earn-in
1974	Osborne & Curniski	150	8.75 & 1 oz. nugget recovered
1975	Osborne & Curniski	150	Cat and small back hoe used
1976	O. Anderson	150	Cat and Loader
1977	D. Dumont	120	Cat and Loader
1978	M. Alexander	300	Cat pushing into sluice, nuggets recovered
1979	M. Alexander	350	Cat pushing into sluice, nuggets recovered
1980	M. Alexander	300	Cat, nuggets recovered, underground
1981	Williams & Lyon	100	heavy equip. from logging company
1982	Williams & Lyon	100	heavy equip. from logging company
1983	B. Catermole	150	Cat & Excavator
1984	B. Catermole	150	Cat & Excavator
1985	L. Meary	200	Cat & Excavator
1986	S. Bonnell	75	Small Equipment
1987	E. McLean	250	Cat, loader, excavator and trucks
1988	E. McLean	300	Cat, loader, excavator and trucks
1989	E. McLean	250	Cat, loader, excavator and trucks
1990	Queenstake	500	Material also trucked in from upstream
1991	Godby & Shorts	50	Loader
1992	Godby & Shorts	80	Loader, 4 oz nugget recovered
1993	Godby & Shorts	20	Loader
1994	D. Johnson	70	Worked one small pit only
1995	D. Johnson	120	Cat and loader
1996	K. Rombough	30	Floating Dredge
1997	K. Rombough	70	Floating Dredge
1998	Shorts & Crawford	150	Cat, loader and excavator
1999	Shorts & Crawford	150	Cat, loader and excavator
2000	M. McLellan	250	Excavator on float
Total=		4935	

Past operations clearly appear to show that with more equipment increased production was possible. Several operators failed because their equipment was worn out at the start of the season. During our visit in 1987, production was clearly in the order of 250 oz. given the amount of gold stored in glass jars on the property. Gold was largely coarse with little fine gold present. There appeared to be little focus on the recovery of fine gold in the black sand on the property. Other likely causes for wide variation in production levels include: low gold prices, poor management, equipment breakdowns, partnership problems, no working capital, and lack of experience.

Production records for the property prior to 1971 do not exist due to changes in ownership and the actual tenures involved. Production from Spruce Creek as a whole was estimated at 275,000 oz. (Krueckl, 1988). Based on the owner's estimates the Curniski property likely produced 4,000 – 5,000 oz. of gold in the last thirty years.

4.2 2005 Field Program

The 2005 field program consisted of two parts, a mapping program concurrent with a testing program using man portable equipment and hand tools. The mapping program consisted of property level reconnaissance using all available roads and cat tracks on the property. The aim was to attempt to inventory past mining activity and the surficial deposits present on the property. The fieldwork was conducted between July 24 – 29, 2005.

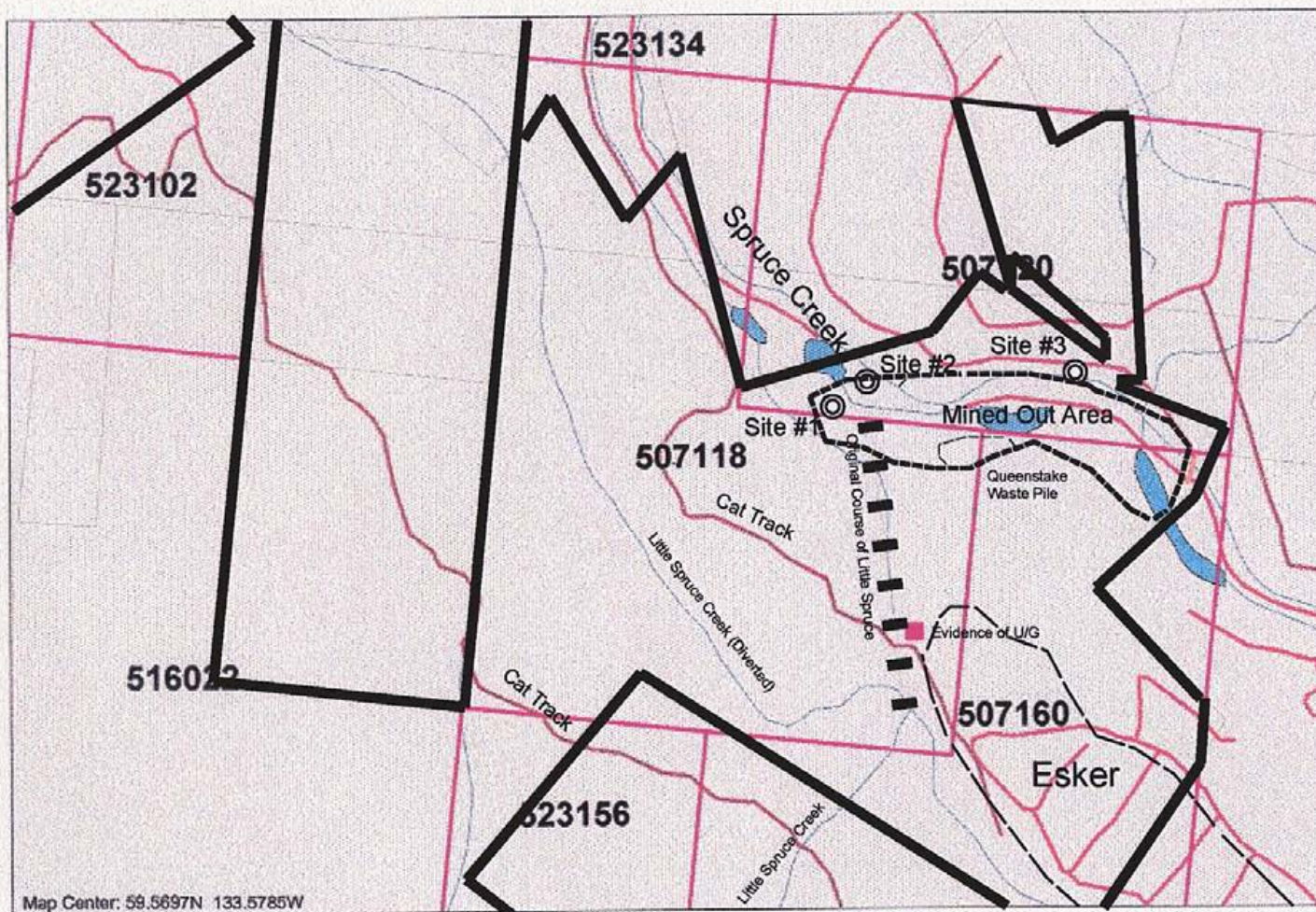
4.3 Mapping Program

The mapping consisted of reconnaissance mapping using a 4X4 or ATV to access all areas of the property. Control was maintained using 1:5,000 maps produced using Map Place and with a Garmin GPS 45XL hand held unit. Most areas of the property have good access although some of the older Cat tracks are overgrown.

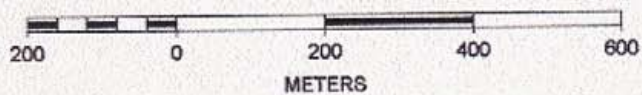
Much of the property along the current course of the Spruce Creek has effectively been mined out as shown on Drawing A06-208-03. Recent mining has largely been by open pit. Several settling ponds are clearly evident along with waste piles. The waste piles from the Queenstake plant. Several smaller pits, which were only worked to a limited degree are present along the margins of the valley but are partially covered by slumped in material. Evidence of some underground development is apparent in both the north and south exposed stream banks. All of these tunnels are not collapsed. Outside of the current stream valley there is only limited evidence of any mining activity with the exception of one site near the SE corner of 507118.

Mapping along the presence Little Spruce Creek indicated abnormal terrain features suggesting the watercourse location had been altered. In comparing topographic mapping and actual topography it became apparent that the present location of Little Spruce had been diverted away from its natural course. The diversion appears to force little Spruce further to the NW and away from its natural confluence with the Spruce Creek. Whether the diversion was for water supply for a monitor for hydraulic mining or to control ground water, it is unclear. The course appears to have been diverted about 300 m. SW. This diversion requires further study but would fit with comments by old timers about the amount of gold remaining in that area which remained untouched because of ground water flow into the old underground workings to the south.

The natural course of Little Spruce Creek likely eroded the esker mapped in 1987 (Kruecki, 1988) which is present on claim 507160 and extends to a limited extent into 507118 as shown on Drawing A06-208-03. The esker is characterized by a long sinuous ridge of glacial gravel that extends about 1700 m. to the west. Only eastern 450 m. occurs on the Curniski property. The esker appears to rest on glacial till. Important gold values are known to occur within the esker based on drilling in 1987 on the adjoining property. The occurrence of esker further to the NW is unclear as it may have been eroded further downstream as its course appears coincidental with Spruce Creek itself.



SCALE 1 : 10,000



2005 Field Mapping
A06-208-03

Mapping also showed large differences in the bedrock surface elevations and significant variation in the channel gravels and till composition over short distances as exposed in the valley walls. These overburden materials range in thickness 10 m. to in excess of 50 m. The present course of Spruce Creek is known not to occupy the lowest portion of the valley bottom along its course.

Most of the area outside of the current valley channel is well covered with second growth timber. Some patches of old growth are also apparent but isolated. Very little of this timber could be considered commercial.

Mapping also revealed extensive exploration work by near property boundaries by past operators as illustrated by cat tracks on 507160. A search of assessment files yielded the Carnes Creek report (Krueckl, 1988). The report appears incomplete with some work obvious omitted from it because it extended adjoining property.

The Pine Creek area (523170) was also visited. This area on the south side of Pine Creek not covered by legacy claims is limited. Most of the area near Pine Creek itself is very flat with piles of oversized boulders. The flat area is likely mined out. The effect area covered by cell may hold some potential for a buried channel but study is required.

In summary, mapping showed that most of the present course of Spruce Creek is likely mined out assuming of course that present valley is the limit of the basal channel extent. It is not difficult to get colours from this material (old mine waste and tailings). Most of the fine black sand portion appears largely still present. The original course of Little Spruce Creek at its confluence with Spruce Creek offers the most untested potential. The NW extension of the Esker offers some near surface potential.

4.4 Testing Program

The testing program was conducted using a custom designed portable plant. The plant consists of an angled box with a punch plate bottom, which covers miners moss liner. The unit is feed manually into the box by shovel. Material is manually raked across a grizzly which passing -1.5 cm. material into a 1.8 m. long sluice with hydraulic riffles. Oversize material is discarded. Water to the unit is supplied by a small Honda pump. Most fine gold reports to the first three riffles in the sluice. The angle of the box and sluice can be adjusted to fit local conditions. Water volume can also be adjusted.

The unit is un-fortunately a three - man operation. The unit has been tested within a pit of a profitable operating placer gold mine on Dominion Creek in the Yukon with more than satisfactory results. Volume processed is limited by what can be shoveled into the box than any other factor, with the exception of high clay which trends to ball up and end up with the over size. After each sample, water is turned off and a clean up undertaken. Typical this is usually undertaken at the end of each day. Material from the punch plate box, first three riffles and lower sluice are normally segregated and examined before being cleaned up in a convention gold pan. Given the lack of a high accuracy electronic balance and the recovery gold weights can only be considered semi-quantitative. Significant black sand was present in all samples. The first two sites contained a large amount of clay. Other material recovered from the first two samples included nails, wood fragments, pieces of cloth and a 3"crucifix. Most of this material was likely from old underground workings.

The three sites were chosen to test the assertion that the old tailings from past operation contained economic pay. The first site was taken from a bank of a previous pit beyond recent operations. Three cubic yards were obtained here. This site had been worked before certainly from under ground and likely by open pit. The second site was chosen to be closer to bedrock and near the current stream channel. The third site was chosen across Spruce Creek in an apparent undistributed material, however it soon became apparent that the site was covered with fill material from road construction pushed in from above,

Table 3
Gold Recovery Estimates

Site #	Volume Processed (yd ³)	Recovered Raw Gold (gm.)	Gold (gm./yd ³)
1	3	0.75	0.25
2	1	0.1	0.1
3	1	nil	Nil

With current gold prices (\$US600) most operators require in the order of 1.0 gm. /yd³ to be profitable. Large volume operators with the economies of scale may be economic at slightly lower grades. The grades presence within the mined out areas on Spruce Creek are likely sub-economic.

5.0 Exploration Potential

The area near the original confluence of Little Spruce Creek with Spruce Creek likely holds the most exploration. Some attempts have been made to mine it within the mine valley but past reports indicated that water inflows in underground workings prevented it from being extensively mined. The basal channel on Little Spruce may be preserved beyond the early underground drifts. Other intervals may also hold promise and should be explored. The western end of the esker should also be tested. The thick overburden prevented previous small-scale operators from exploring these areas. The Little Spruce confluence area has therefore excellent exploration potential.

5.1 Interpretation and Conclusions

The interpretation that Little Spruce Creek has been diverted upgrades the southern part of the Property. The eroded western end of the esker also upgrades the area. Significant exploration is warranted to explore the area of the original confluence of Little Spruce Creek with Spruce Creek. This area has historically always been staked but little recent mining activity is apparent beyond the recent activity near Spruce Creek itself. Other areas may also hold promise if the basal channels deposits occur outside the current valley course of the current Spruce Creek. A significant technical exploration program is warranted to delineate potential buried channels within an area 300 m. by 700 m. in size and develop a mining plan to mine them profitably.

5.2 Recommendation

A program of air photo interpretation combined with the acquisition of orthophoto mapping should be undertaken in preparation for any future fieldwork. Fieldwork consisting of refractive seismic and optional placer drilling is recommended to define the buried channels. The drilling is optional, since bulk test mining will likely be more representative if the channels ends up being well defined on the profiles. A \$900,000 budget is recommended to explore an area of 300 m. by 700 m. in size. The proposed budget is listed in Table 4.

Table 4
Proposed Budget for Spruce Creek – Curniski Property

Item	
Airphoto Interpretation & Compilation	\$35,000
Orthophoto Mapping	\$50,000
Refractive Seismic Program	\$250,000
Placer Drilling Program	\$500,000
Project Management and Reporting	\$65,000
Total=	\$900,000

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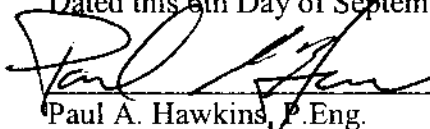
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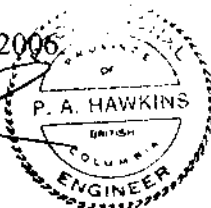
CERTIFICATE of AUTHOR

I, Paul A. Hawkins, B.Sc(Eng)-, P. Eng., do hereby certify that:

1. I am Principal in the firm of:
Paul A. Hawkins & Associates Ltd. (APEGGA Number P4521)
72 Strathlorne Cr. SW.,
Calgary, AB T3H 1M8
2. I graduated with a Bachelor of Science degree in Geological Engineering from Queen's University in 1977.
3. I am a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta and the Association of Professional Engineers and Geoscientists of the Province of British Columbia and the Association of Professional Engineers of Ontario.
4. I have worked as a geological engineer for a total of twenty nine years since my graduation from university.
5. I am responsible for the preparation of all sections of this Assessment Report
6. I visited the Spruce Creek property several times between 1985 and 1998 while examining other placer properties to the north in the Yukon. My most recent visit to the Property was on July 24 – 28, 2005.
7. I have had no direct involvement with the property that is the subject of this Report. My current involvement is on a fee for service basis and I retain no interest whatsoever in the properties or any adjacent properties.
8. Mr. Curniski, the owner of the property, has been a Sub-Contractor on several projects I have supervised. During these projects Mr. Curniski acted as a prospector. This relationship is strictly business and is one of many sub-contractors we use during the normal course of business.

Dated this 6th Day of September 2006


Paul A. Hawkins, P.Eng.



Expenditure Statement

Physical Work (Sampling and Sluicing)

Ross Hamilton (4 days X 10 hours X \$20)	\$ 800.00	
Don Hamilton (4 days X 10 hours X \$20)	\$ 800.00	
Anne Stewart (1 days X 5 hours X \$20)	\$ 100.00	
Orest Curniski (4 days X 10 hours X \$30)	\$1,200.00	
Subsistence (16 days X \$75 per days)	\$1,200.00	
Equipment Rental of Pump (4 days @ \$25)	\$ 100.00	
Portable Plant Rental (4 days @ \$125)	\$ 500.00	
Fuel	<u>\$ 10.00</u>	
Sub-total Physical	\$4,710.00	\$ 4,710

Technical Work (Mapping and Supervision)

Paul A. Hawkins, P.Eng. (5 days X \$525)	\$2,625.00	
Orest Curniski (1 day X \$300)	\$ 300.00	
ATV Rental (2 days X \$25.00)	\$ 50.00	
GPS Rental	\$ 100.00	
Reproduction and Field Supplies	\$ 100.00	
Fuel & Oil	\$ 15.00	
Subsistence (6 days X \$75 per day)	<u>\$ 450.00</u>	
Sub-total Technical	\$3,640.00	<u>\$ 3,640</u>

Sub-Total Field \$ 8,350

Transportation (20% of \$ 8,350) \$ 1,670

Total Field \$10,020

Report Preparation (Paul A. Hawkins 4 days @\$525) \$ 2,100

Reproduction \$ 100

Grand Total \$12,220