ASSESSMENT REPORT
PROSPECTING PROGRAM

CHENIER PROPERTY
GREENWOOD & OSOYOOS MINING DIVISIONS

N.T.S. MAP SHEETS 082E025 & 082E035

UTM COORDINATES 5465000N – 346000E

Work Performed Fall 2005-Spring &Summer 2006

OWNER
Tom Kennedy
404-22nd Ave N
Cranbrook BC V1C 5B9

REPORT BY
Craig Kennedy
Prospector
2290 Dewolfe Ave.
Kimberley BC V1A 1P5

October 2006

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PROSPECTING ASSESSMENT REPORT

Craig Kennedy October 2006

1.00 INTRODUCTION

1.10 LOCATION & ACCESS

The Chenier Property is located in the Greenwood and Osoyoos Mining Divisions. The property lays on the west side of highway #33 approximately halfway between the villages of Westbridge and Beaverdell within the area covered by topographic map sheets 82E028 and 82E035. The Chenier claim group is centered on UTM coordinates 5465000N - 346000E, zone 11. The property is easily accessed by good two wheel logging roads.

1.20 HISTORY

This area has been continually held under tenure in the past by individuals, junior exploration companies, and Majors.

1.30 THE PROPERTY

The Chenier Property is made up of ten contagious claim blocks owned by Tom Kennedy of 404-22nd Ave North, Cranbrook BC V1C 5B9.

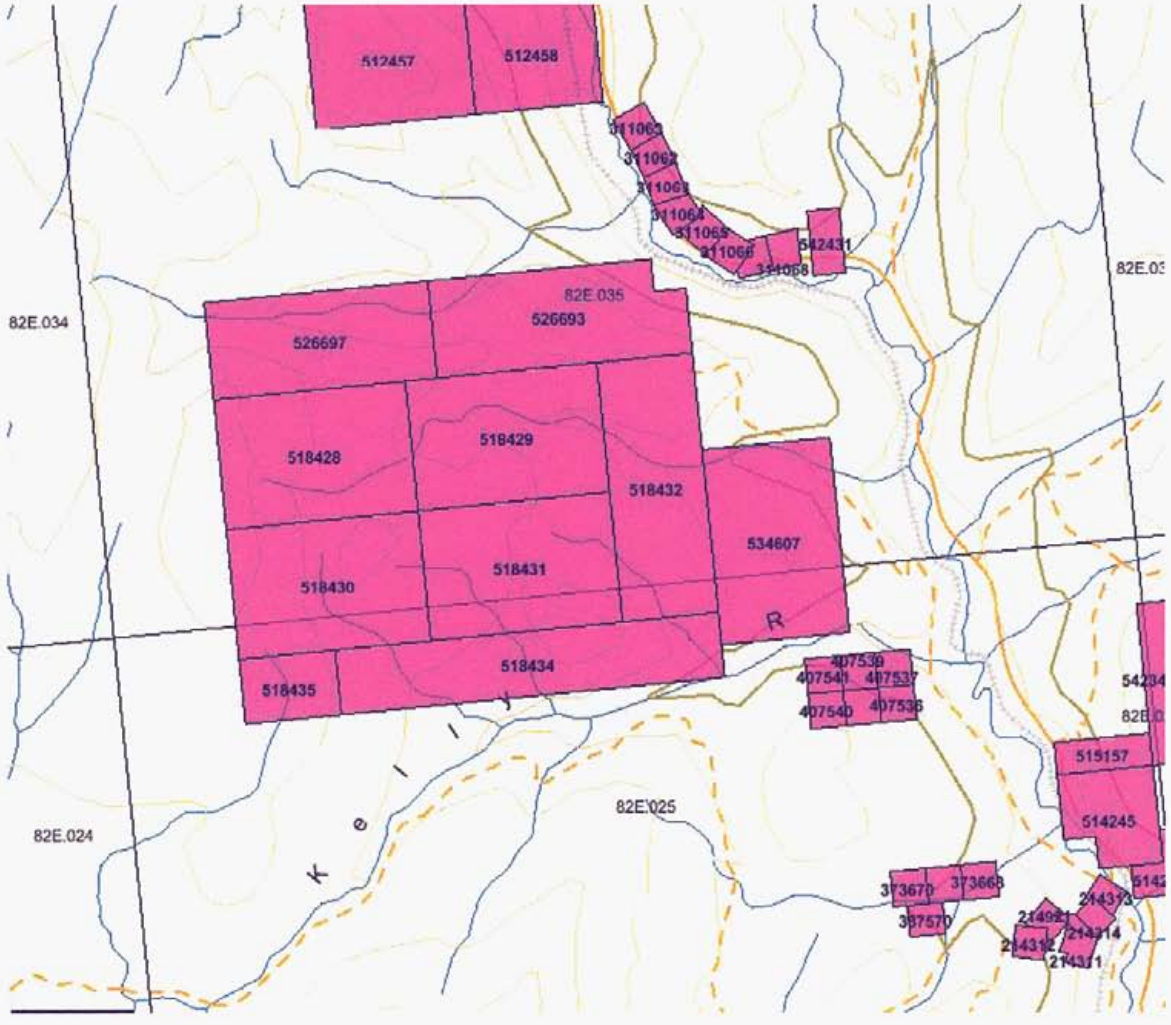
Figure 1: Regional location map

Figure 2: Claim Location Map

↑N

Maps # 082E017

Scale **1:90,000**



2.00 PROSPECTING REPORT

The Chenier Property was staked to cover a geographic circular feature which is dissected by a regional magnetic high. The magnetic high has a northeast orientation and strikes into the Beaverdell silver-gold camp. Age dating work done by G.S.C. has indicted the high grade silver mineralization, though hosted by Jurassic granite, is related to a tertiary magmatic event. It is proposed that circular geographic features are subtle collapse zones associated with post cretaceous volcanism. Regionally it has been recognized that tertiary magmatic events have been responsible for pervasive zones of iron oxide flooding and brecciation. These occurrences always have varying amounts of base and precious metals associated with them. It was proposed that these occurrences are associated with reactivated northeast – northwest fault intersections, these intersections provided the focus for younger volcanic events. Initial prospecting has provided a strong indication of a potentially important iron oxide mineralizing system on the Chenier Creek Property. This discovery has also provided partial validation for the iron oxide exploration model.

The following are highlights from the first phase of prospecting on the Chenier Creek Property.

Alteration:

The older Jurassic granite is easily recognized by its foliated stretched character. The Jurassic granite also exhibits the most noticeable widespread alteration. This is manifested as abundant chlorite with lesser amounts of epidote along fractures and joint planes. Stronger areas of this type of alteration will be associated with manganese and purple hematite staining. The more intense propylitization is related to zones hosting more intense structural related fracturing and therefore maybe closer to reactivated fault zones.

Potassic alteration was also noted, it occurs closely associated with intense propylitic alteration in area where iron oxide mineralization is found. Another prominent alteration noted on the Chenier Property is flourite flooding. Multi-coloured fluorite crystals occur along fractured planes and in breccias within

both intrusive and extrusive rocks and are commonly associated with manganese and carbonate alteration. Hornfels and minor skarn are developed within the two largest sediment pendants on the property. The eastern pendant is the largest and is thought to occupy an area transacted by a major northeast trending shear zone. Limonite alteration is noted in a number of areas on the property; most zones are weakly developed, but commonly associated with quartz and or sulphide mineralization. Weak limonite alteration is found in both areas hosting iron oxide breccia zones with copper mineralization. More intense limonite staining is found within the sediment pendants, or with zones of structurally broken quartz veining, these zones are hosted by Jurassic granite.

Mineralization:

Sulphide mineralization can be found with quartz veining or iron oxide fractures and brecciation. At this time the most important mineralization seems to be associated with the iron oxides, this being copper in the form of chalcopyrite and malachite. The iron oxide breccia zones also host minor amounts of lead, zinc and molybdenum mineralization. Mineralization in quartz veins in the Jurassic granite is restricted to pyrite with rare blebs of molybdenum. Quartz veining is the sediment pendants can contain minor amount of lead, zinc, chalcopyrite, and molybdenum. One area of transported quartz vein float material was found, this quartz hosted vugs and disseminations of pyrite and galena.

Geology:

As mentioned previously most of the mineralization of economic potential seems to be hosted by Jurassic age granite. The major zones of recognizable alteration and the iron oxide breccia occurrences area all found within this granite. In the area of more intense alteration young diking of various character, mostly felsic and porphryritic is quite abundant. Dike orientations are north south to east west, with obvious alteration only occurring in areas where you would speculate structures exist. The sediment pendants, with their accompanying hornfels and skarn alteration, maybe remnants bordering older reactivated structural zones.

3.00 CONCLUSION

Discovery of iron oxide breccias hosting base metals specifically copper mineralization has provided focus for an advanced exploration program. The recognition that ringed geographic features may host exploration targets of economic potential is a very positive tool. The Chenier Property on an initial assessment hosts a major northeast structural zone which happens to be intersected by a northwest linear feature near a mid point of the ring fracture. This postulated intersection is supported by alteration and the mineralized iron oxide breccias zones.

A rock geochemistry program with geological mapping should be the next exploration step. Soil geochemistry should be done over the existing mineralization to help in discovery of hidden zones.

4.00 STATEMENT OF EXPENDITURES

Prospecting Program
Chenier Property

Work performed: 2005 & 2006

PROSPECTING CONTRACTORS:

Craig Kennedy, Kimberley BC 5 days @ $500/day (includes 4X4 vehicle)	$2500.00
Sara Kennedy, Kimberley BC 5 days @ $150/day	750.00
Tom Kennedy, Cranbrook BC 5 days @ $500/day (includes 4X4 vehicle)	2500.00
Mike Kennedy, Cranbrook BC 2 days @ $500/day (includes 4X4 vehicle)	1000.00
Sean Kennedy, Kimberley BC 2 days@ $350/day	700.00
Craig Kennedy - report preparation and writing 2 day @ $400.00/day (includes typing, drafting & supplies)	800.00
Total:	$8250.00

Craig Kennedy

Craig Kennedy
Prospector

5.00 STATEMENT OF QUALIFICATIONS

As the author of this report I, Craig Kennedy, certify that:

1. I am an independent prospector residing at 2290 Dewolfe Avenue, Kimberley, BC.

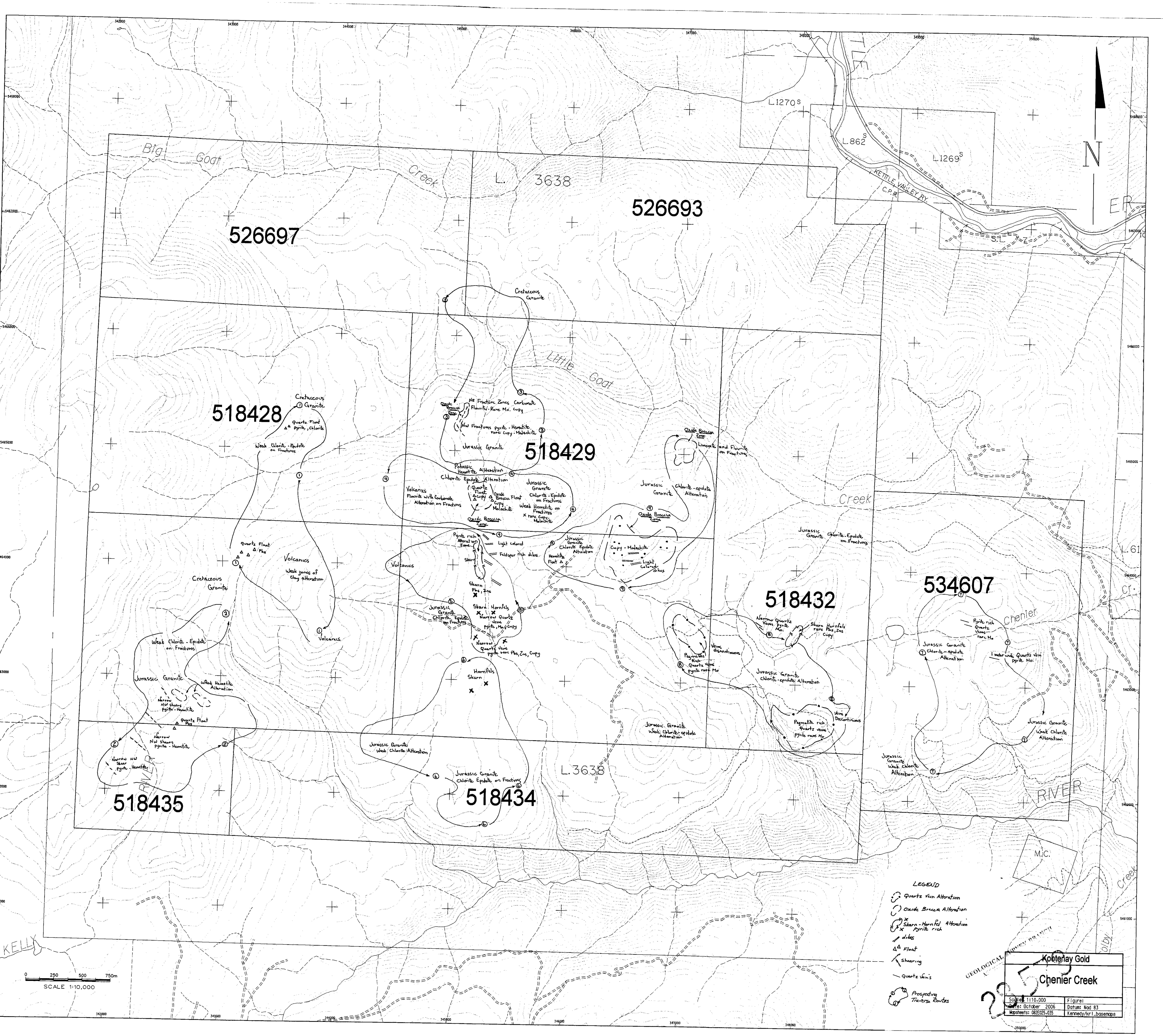
2. I have been actively prospecting in the East and West Kootenays district of BC for the past 27 years and have made my living prospecting for the past 19 years.

3. I have been employed as a professional prospector by major and junior mineral exploration companies.

4. I own and maintain mineral claims in BC and have optioned numerous claims to various exploration companies.

Craig Kennedy

Craig Kennedy
Prospector



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534607
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518434
L. 3638
L.3638
L.1270S
L.862S
L.1269S
KETTLE VALLEY RY.
C.P.R.
S.L. 7
Big Goat Creek
Little Goat Creek
Chenier Cr.
RIVER
KELLY
M.C.
Cretaceous Granite
Quartz Float Pyrite, Chlorite
Weak Chlorite - Epidote on Fractures
Quartz Float Pbs
Volcanics
Weak zones of Clay alteration
Jurassic Granite
Weak Hemetite Alteration
Narrow NW shears pyrite - Hemetite
Narrow NW Shear Pyrite - Hemetite
Oxide Breccia Zone
NE Fracture Zones Carbonate Flourite/ Rare Mo. Cupy
NW Fractures pyrite - Hemetite. rare Cupy - Malachite
Potassic Hemetite Alteration
Chlorite Epidote Alteration
Volcanics Flourite with Carbonate Alteration on Fractures
Quartz Float Cupy
Oxide Breccia Float Cupy Malachite
Jurassic Granite Chlorite - Epidote on Fractures
Weak Hemetite on Fractures
x rare Cupy. Malachite
Pyrite rich Alteration Zone
Light colored Feldspar rich dikes
Skarn
Skarn Pbs, Zns
Skarn Hornfels
Narrow Quartz Veins pyrite, Mo, Cupy
Narrow Quartz Veins pyrite rare Pbs, Zns, Cupy
Jurassic Granite Chlorite Epidote on Fractures
Hornfels Skarn
Jurassic Granite Weak Chlorite Alteration
Jurassic Granite Chlorite Epidote Alteration
Hemetite Float
Cupy - Malachite
Light colored dikes
Limonite and Flourite on Fractures
Jurassic Granite Chlorite - epidote Alteration
Jurassic Granite Weak Chlorite - epidote Alteration
Veins discontinuous
Pegmatite Rich Quartz Veins pyrite rare Mo
Narrow Quartz Veins pyrite Mo.
Skarn Hornfels rare Pbs, Zns Cupy
Pegmatite rich Quartz veins pyrite rare Mo
Pyrite rich Quartz Veins rare Mo
1 meter wide Quartz Vein pyrite Mo.
Jurassic Granite Weak Chlorite Alteration
LEGEND
Quartz Vein Alteration
Oxide Breccia Alteration
Skarn - Hornfel Alteration
Pyrite rich
dikes
Float
Shearing
Quartz Vein's
Prospecting Traverse Routes
0 250 500 750m
SCALE 1:10,000
Kootenay Gold
Chenier Creek
Scale: 1:10,000
Date: October 2006
Mapsheets: 082E025.035
Figure:
Datum: Nad 83
Kennedy/kr1_basemaps
GEOLOGICAL SURVEY BRANCH