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**ASSESSMENT REPORT
PROSPECTING PROGRAM**

**KRL Property
FORT STEELE MINING DIVISION**

N.T.S. MAP SHEET 082G022

UTM COORDINATES 5454500N – 594000E

Work Performed Fall 2005 – Summer 2006

OWNER
Darlene Lavoie
2290 Dewolfe Ave
Kimberley BC V1A 1P5

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

October 2006

28, 2006
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

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Craig Kennedy

October 2006

1.00 INTRODUCTION

1.10 LOCATION & ACCESS

The KRL property is located in the Fort Steele Mining division of southeastern British Columbia. (NTS 1:20000 scale map 082G022) The Sunrise Creek logging road southeast of the village of Moyie provides good two wheel road access to the property. The property is located in a heavily logged area within the headwaters of Teepee Creek. All areas of the KRL property are easily traversed by foot or logging branch roads.

1.20 HISTORY

The KRL property has consistently been held under tenure through the last 15 years. Past work programs have consisted of trenching and limited diamond drilling. Results of this work are not available in the public record. The claim area has been held under tenure by Majors, Juniors and individuals through the past 40 years.

1.30 THE PROPERTY

The property is three contiguous blocks owned by Darlene Lavoie of 2290 Dewolfe Ave. Kimberley BC V1A 1P5.

Figure 1: Regional location map

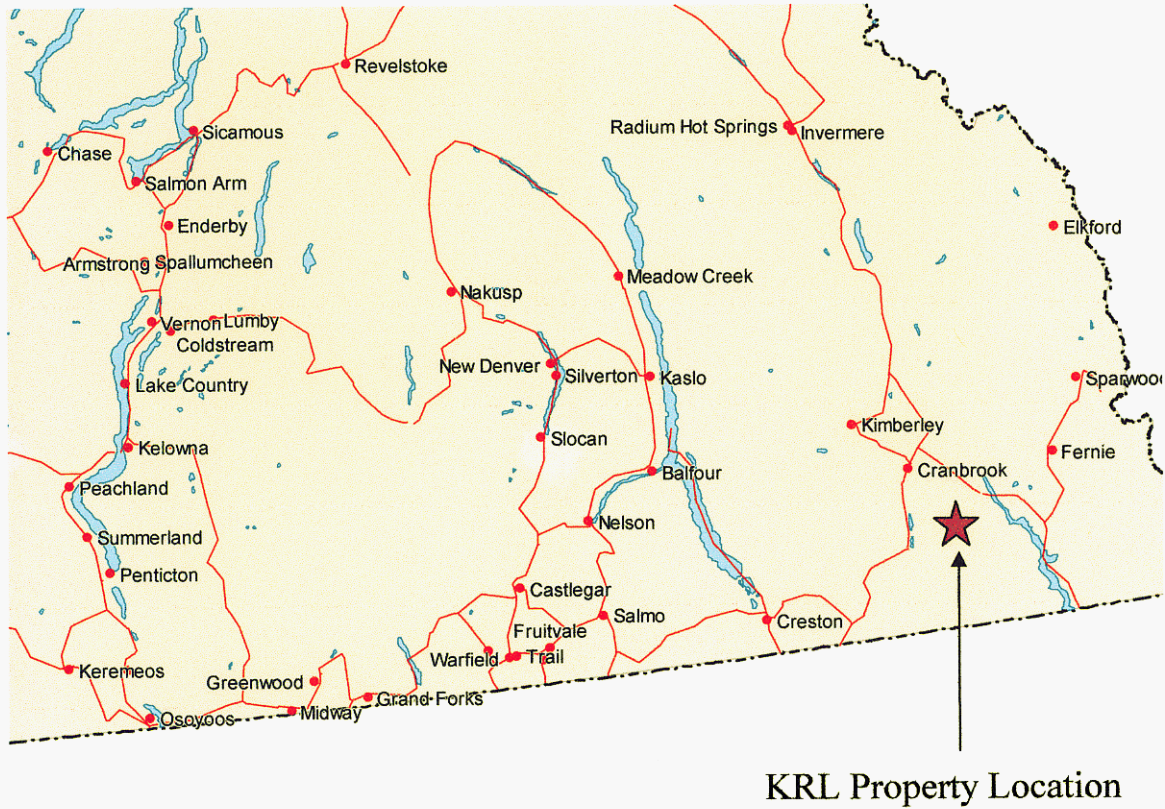
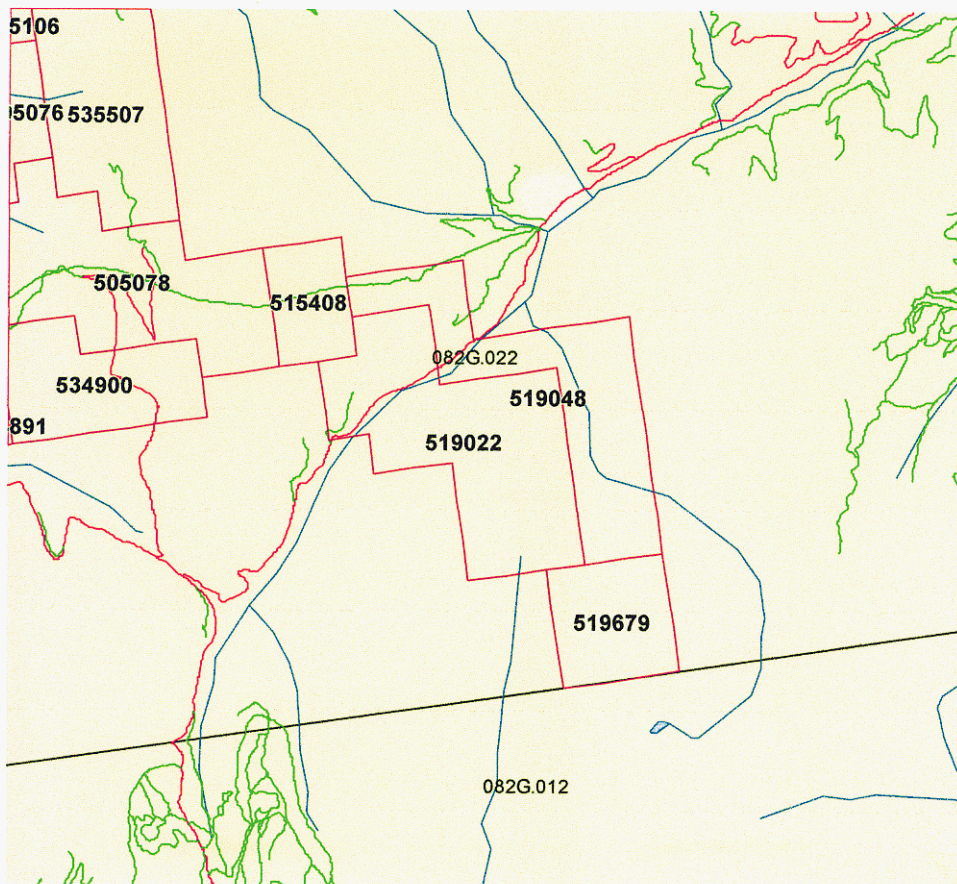


Figure 2: Claim Location Map

Maps # 082G022

Scale 1:100,000



Tenure numbers: 519022 - 519048 - 519679

3.00 PROSPECTING REPORT

The KRL property was staked to cover an area which overlies the St. Eugene structural zone. This northwest trending shear hosts the St. Eugene mine at Moyie BC and the Silver Pipe prospect on Moyie Mountain. (SP property adjoins the KRL property)

Prospecting was conducted to rediscover mineralization which had been found in 1990. It was hoped that recent logging may have exposed other mineralized occurrences or the structural controls for the existing mineralization.

Prospecting has found the following features of interest:
A number of new areas of mineralization and alteration have been discovered west and southwest of the 1990 discovery zone. The mineralized areas all have similar characteristics; quartz veining, pervasive chlorite, manganese, hematite and limonite alteration. This alteration is associated with blebs and gashes of lead carbonate and or phosphate. Manganese, chlorite, actinolite, and hematite alteration is unique and very gaudy in its brilliant green and purple coloration. Outboard of this alteration is an extensive zone of sericite alteration with iron carbonate prophyllites; a cream coloured alteration with brown freckles. A number of gabbro-diorite bodies exist within close proximity to the more intense alteration zones. These intrusions have varying amounts of magnetite, chlorite rich fractures, manganese, and epidote. One small outcrop of completely argillic altered mafic material was noted in the side cut of a skid trail. The most mafic intrusive body is strongly magnetic and outcrops near the 1990 mineral occurrence. As you traverse southeast along the strike of the projected St. Eugene structural zone manganese and magnetite alteration stays consistently anomalous. Magnetite occurs as disseminations in siltstones and as high volume replacements in narrow quartzite beds associated with mudchip breccia zones. As mention above, the mineralization and alteration is associated with a persistent

northwest trending structural zone, the St. Eugene shear. Orientation of shear fractures and quartz veining away from the central zone of mineralization and intrusive activity are predominantly in the range of 310° to 330° with near vertical dips. Structural orientations in the central zone are mostly 80° to 90° with steep dips to the south, interestingly a carbon copy to the structural setting of the St. Eugene mine and SP prospect. The geology of the KRL property is interpreted to be mostly middle Creston formations, a mix of thin to medium bedded siltstone and quartzite. Colours vary from white through pastel green to dark blue. Ripple marks, and shallow water features are common. Most quartzite beds have zones of mudchip breccia associated with them. The mudchip breccia sequence is the lithology which hosts most alteration and the mineralization on the KRL property and adjoining SP property. The majority strike for the formations on the property is north northwest with shallow dips to the northeast.

3.00 CONCLUSION

Prospecting has extended known mineralization of the central zone 300 meters to the west; this along with the discovery of mineralized outcrops 400 meters to the southeast strongly indicates the need for a focused and detailed exploration program.

4.00 STATEMENT OF EXPENDITURES

Prospecting Program
KRL Property

Work performed: Fall 2005 – Summer 2006

PROSPECTING CONTRACTORS:

Craig Kennedy, Kimberley BC 4 days @ \$450/day (includes 4X4 vehicle)	\$1800.00
Sara Kennedy, Kimberley BC 4 days @ \$100/day	400.00
Sean Kennedy, Kimberley BC 5 days @ \$450/day (includes 4X4 vehicle)	2250.00
Sarah Fletcher, Kimberley BC 4 days @ \$150/day	600.00
Mike Kennedy, Cranbrook BC 2 days @ \$350/day	700.00
Craig Kennedy - report preparation and writing 2 day @ \$350.00/day (includes typing, drafting & supplies)	<u>700.00</u>
Total:	<u>\$6450.00</u>

Craig Kennedy

 Craig Kennedy
Prospector

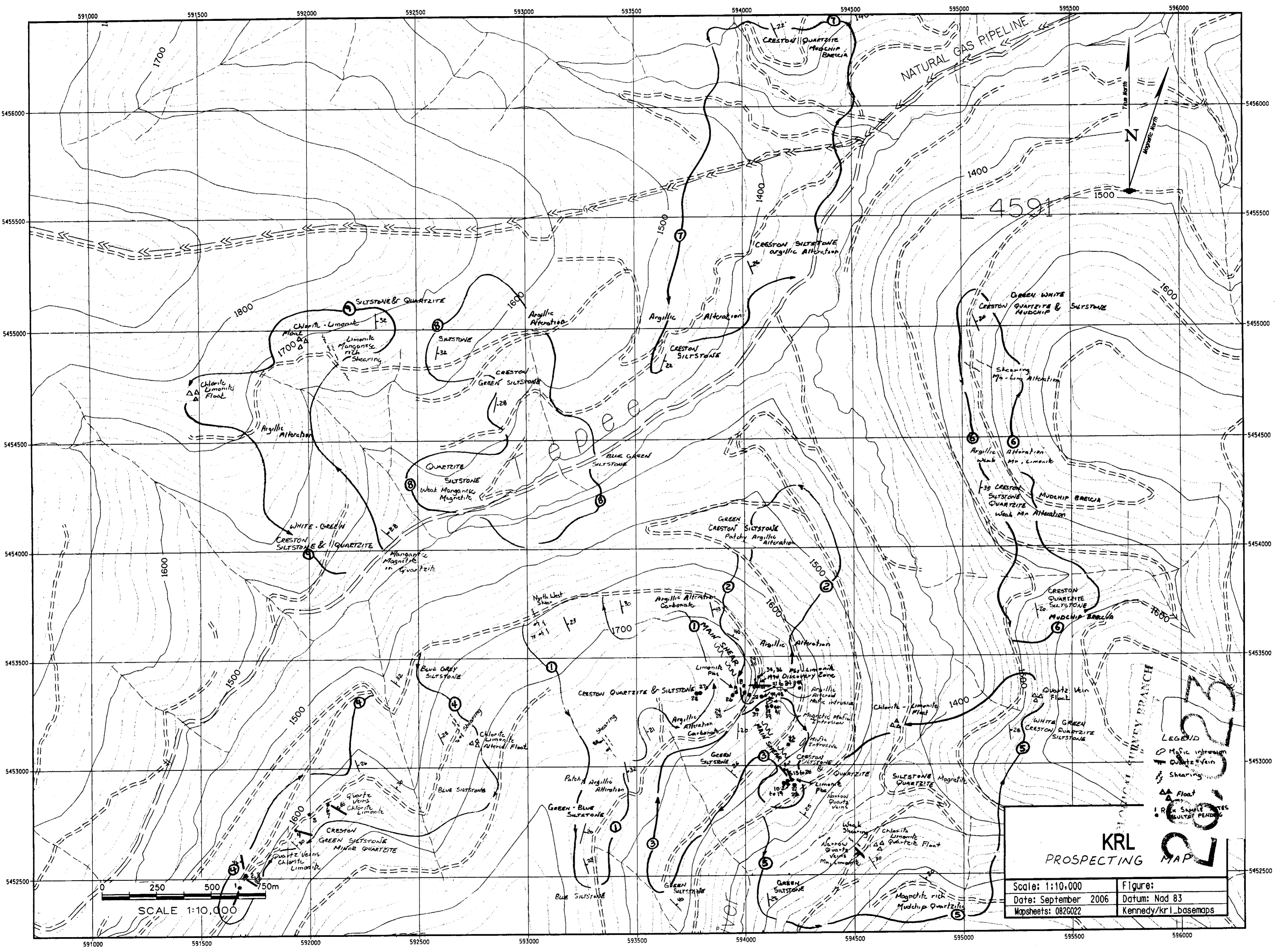
5.00 STATEMENT OF QUALIFICATIONS

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



LEGEND

- Mafic intrusion
- Quartz vein
- Shearing
- Float
- Rock sample result pending

KRL PROSPECTING MAP	
Scale: 1:10,000	Figure:
Date: September 2006	Datum: Nad 83
Mapsheets: 082G022	Kennedy/kr1_basemaps

