

PROSPECTING REPORT

on the

2006 MURPHY LAKE PROSPECTING PROGRAM

Claims: 409025, 520034, 520187, 520190, 520191, 520195, 520196, 520206, 520207, 520187, 520229, 526712, 527391, 527396, 527400, 527404, 527632, 527633, 527634, 527636, 527637, 527638, 528070, 528073, 528077, 528079, 528080, 528081, 528082, 528083, 528084, 528085, 528089, 528091, 528092, 528093, 528095, 528096, 528097, 528098, 528100, 528101, 529448, 529449, 529531, 529534, 529645, 520034

CARIBOO and CLINTON MINING DIVISIONS

BC

BCGS Maps:	092P096, 093A004, 5, 6, 14, 15
NTS:	092P/14, 15, 093A/2, 3
Latitude:	52°02'00"N
Longitude:	121°21'00"W
Owner:	Candorado Operating Company Ltd.
Operator:	Candorado Operating Company Ltd.
Consultant:	Discovery Consultants
Author:	Jay W. Page, P.Geo.
Date:	January 9, 2007

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SUMMARY

The Murphy Lake prospecting program was carried out by Discovery Consultants of Vernon for Candorado Operating Company Ltd. of Kelowna during the summer of 2006. Candorado holds a large area of mineral tenures in the Cariboo and Clinton Mining Divisions. The exploration work was carried out in the general area west of Murphy Lake in the Cariboo MD and the work was applied to claims to the southwest in the Clinton MD. Access to this area is by an extensive network of logging roads, variously accessed from 100 Mile House, Lac La Hache and Forest Grove.

The property covers a large section of the Quesnel Trough, which in this area consists of Nicola Group marine sediments and arc-derived volcanics with associated high-level, coeval alkalic intrusions. A thick cover of glacial till covers much of the property. The Quesnel Trough hosts many alkalic porphyry copper-gold occurrences and producing mines (Gibraltar, Mount Polly) and is of regional metallogenic significance.

Exploration of this area by Discovery Consultants for Candorado Operating Company Ltd. consisted of data compilation of the results of previous programs carried out on the Murphy Lake property since the 1960s and the selection of field targets. Prospecting field work located these targets on the ground and evaluated their potential to host a porphyry copper deposit.

LOCATION AND ACCESS

The area of the exploration work was centred roughly at latitude 52°02'00" north and longitude 121°21'00" west, approximately 50 kilometres northeast of 100 Mile House (Figure 1).

Access to the general area of the property and all of the target areas can be gained by logging roads from 100 Mile House, Lac la Hache and Forest Grove. Many of these logging roads are not regularly maintained and a 4-wheel drive vehicle is necessary to gain access to this area.

TOPOGRAPHY

The property covers a rolling upland of the Fraser Plateau located west of Murphy Lake. Relief within the property ranges from 864 m on Murphy Lake to 1,389 m on an un-named hill in the central part of the property north of Spout Lake. Glacial till and fluvial-glacial outwash cover much of this area, disrupting drainage patterns and creating many swampy areas. This area is covered by a mature forest of spruce and pine.

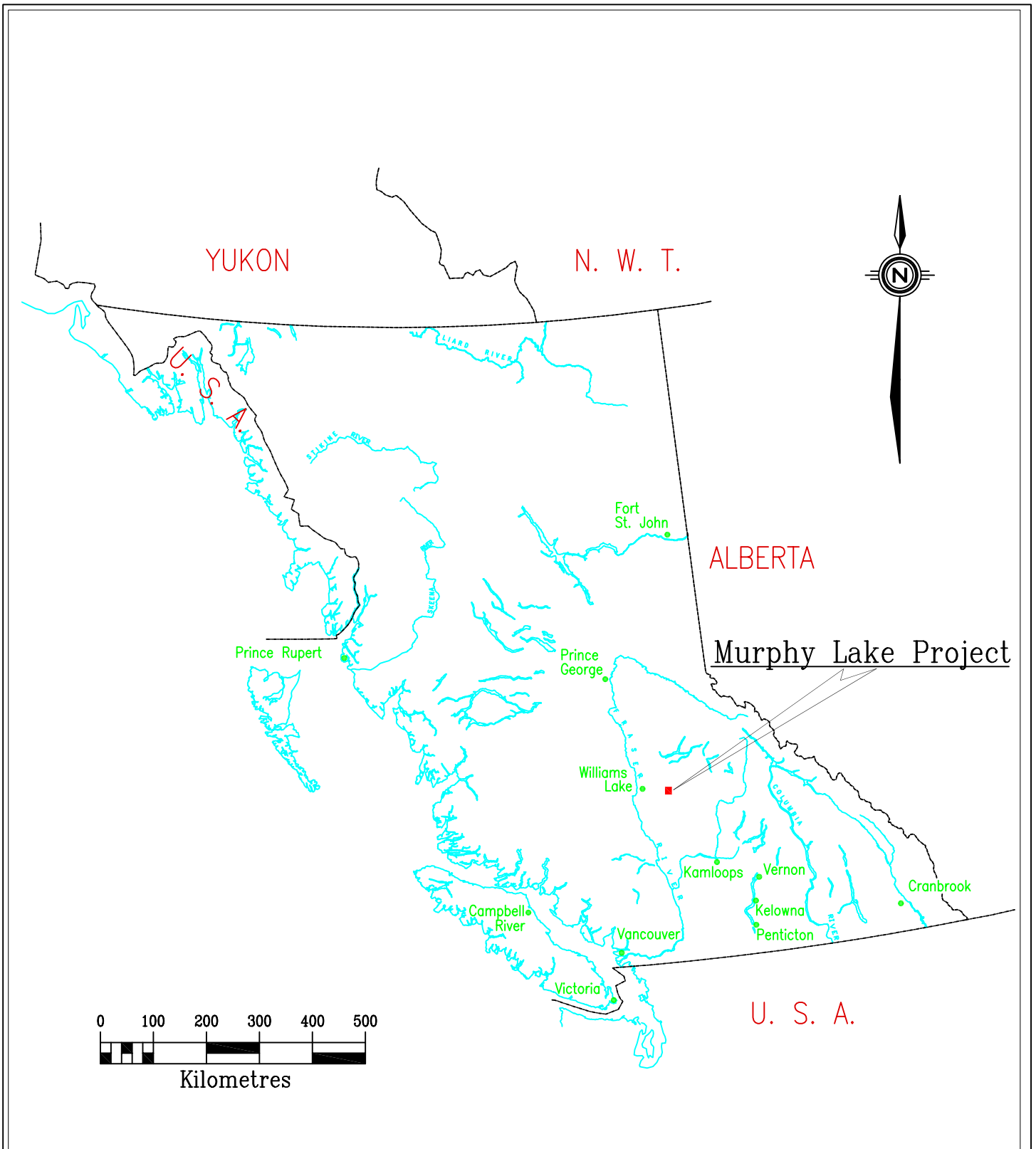
PROPERTY

Exploration work has been recorded on nine Mineral Tenure Online (MTO) titles comprising 3,646.71 ha. All of these MTO tenures are recorded in the name of Candorado Operating Company Ltd. (133509).

TABLE 1 Claim Information

<u>Tenure No.</u>	<u>Owner</u>	<u>* Good to Date</u>	<u>Area (ha)</u>
520034	Candorado Operating Co. Ltd.	2007.09.20	497.54
520187	Candorado Operating Co. Ltd.	2007.09.20	497.87
520190	Candorado Operating Co. Ltd.	2007.09.20	498.10
520191	Candorado Operating Co. Ltd.	2007.09.20	159.40
520195	Candorado Operating Co. Ltd.	2007.09.20	438.55
520196	Candorado Operating Co. Ltd.	2007.09.20	458.48
520206	Candorado Operating Co. Ltd.	2007.09.20	498.59
520207	Candorado Operating Co. Ltd.	2007.09.20	458.68
520229	Candorado Operating Co. Ltd.	2007.09.20	139.50

* Good to Date pending acceptance of this report

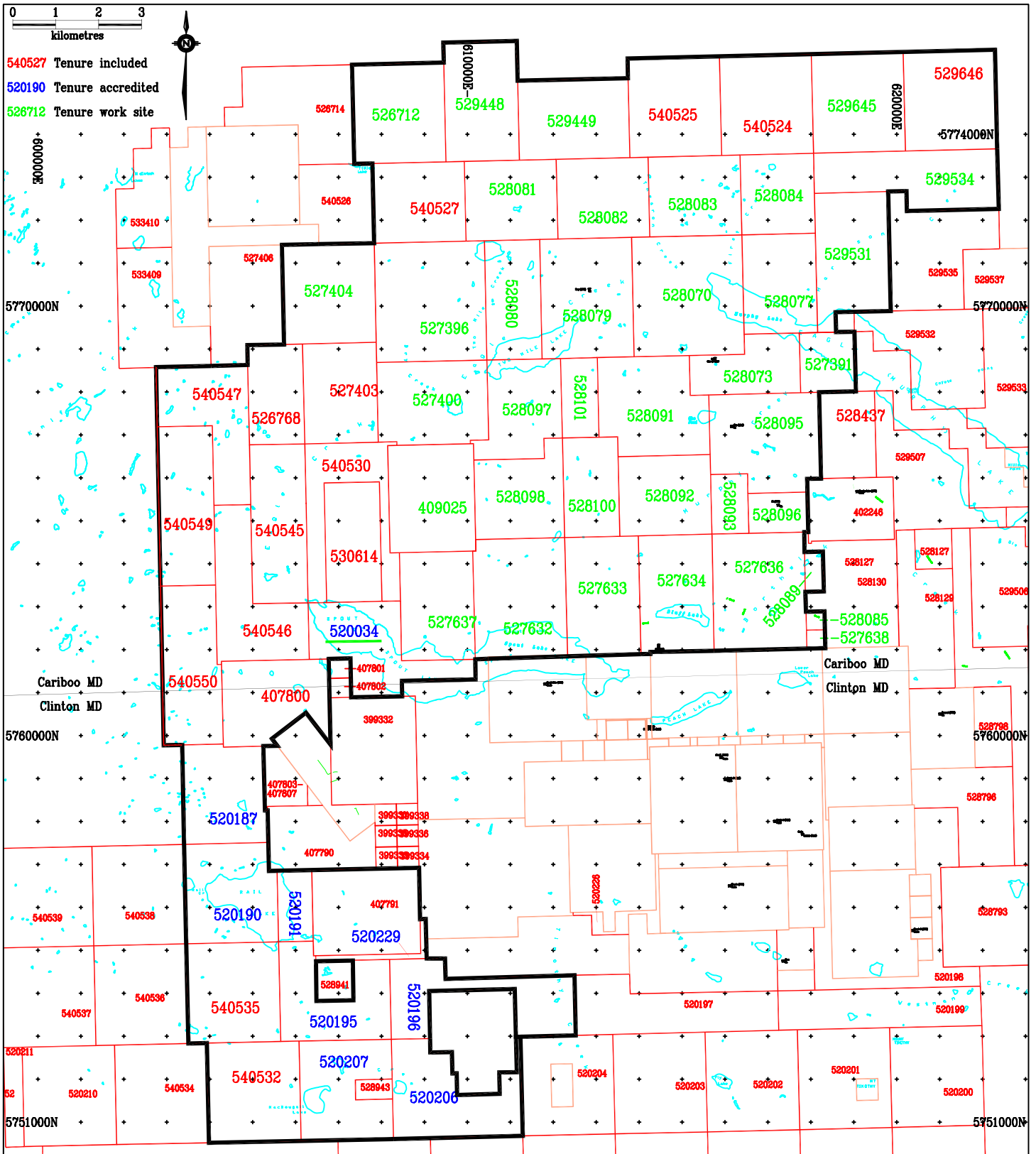


DISCOVERY Consultants		Candorado Operating Company Limited	
Murphy Lake Project		Property Location Map	
Date: Jan.9, 2007	Project: 696	Scale: as shown	N.T.S.: 093A/092P
		Mining Div: Clinton	Figure: 1

HISTORY

Candorado Compilation - Murphy Lake Property NTS 93 A/3

Author	Year	Title	Reference	Company	Location/Claims	Work carried out
Janes, R. H.	1966	Geochemical Report	AR 949	Coranex	North of Spout and Bluff Lakes	386 soil & silt samples, analysis by company's own wet chemistry in field lab, plotted on un-numbered figures. Colour-coding renders info useless on b/w photocopy.
RESULTS: Copper occurrences #2, 4, 9 noted as being of merit. Many linears were identified in aerial photos.						
Allen, A. R.	1968	Geochemical Survey	AR 1,704	Monte Christo Mines Ltd. NPL	Area surrounding Bluff Lake and extending to the east end of Spout Lake. Claims: SS 1-16, 21-28	> 2,000 soil samples, analysis by rubianic acid method.
RESULTS: Very patchy results, Cu anomalous ~N-S area north of Spout Lake and 1200 m west of Bluff Lake						
Mitchell, J. A.	1969	Monte Christo Mines Ltd. (NPL) Magnetometer Survey	AR 2,074	Monte Christo Mines Ltd. NPL	Area surrounding Bluff Lake and extending to the east end of Spout Lake. Claims: SS 1-16, 21-28, Contact 1-6	69 soils collected; 153 ppm Cu best result from Bondar-Clegg. Results not plotted. Mag survey: 1640 stations, 31.3-mile survey.
RESULTS: Very spotty, flat results, mag low on SS3-6 in vicinity of Cu soil anomaly (1968) 1200' E-W x 600' N-S. RECOMMENDATIONS: Drill Anomaly A						
Vollo, N. B.	1973	Geophysical and Geochemical Report	AR 4,697	Craigmont Mines Limited	North and east of Bluff Lake up to Two Mile Lake. Claims: SL Groups	2,437 soil samples, ~80 mesh analysed by Placer Research Lab. VLF-EM and Mag surveys with readings taken at 100' intervals on both E-W and N-S lines.
RESULTS: VLF-EM linears are associated with anomalies C and D. Mag survey identified a strong linear feature (3000 - 6000 gamma) striking NW across grid. Mag highs in NE area correlate with outcrops of syenite. Soil anomaly A thought to be due to ice dispersion train. NW mag feature thought to be a dyke. Mag survey was unable to identify Miocene (volcanic) boundary. Cu background 25 ppm, ranging to 300 ppm; Zn background 60 ppm, ranging up to 150 ppm; Mo background 1 ppm, ranging to 3 ppm. Four anomalous areas located (A to D).						
Woods, D. V.	1989	Geophysical Report on a Airborne Magnetic and VLF-EM Survey	AR 18,347	Tide Resources Ltd.	Area surrounding and north of Bluff Lake extending past the north end of Murphy Lake. Claims: MEL 1-3, LEAH 1-4, DELTA 1-4, CHAD 1-3	Airborne mag and VLF-EM, 580 line-km, 200-m line spacing.
RESULTS: The SE and north-central area of survey are typified by high magnetic amplitudes and relief, probably due to syenodiorite stocks and dykes in Nicola volcanics. Low mag to west and NW probably hornblende monzonite. Mag low to NE due to quartz monzonite and granodiorite. NOTE: Subsequent work suggested that there were problems with the data and locations.						



<div style="border: 1px solid black; border-radius: 15px; display: inline-block; padding: 5px 15px; margin-right: 10px;">DISCOVERY</div> Consultants	Candorado Operating Company Limited
<h2 style="margin: 0;">Murphy Lake Project</h2>	<h2 style="margin: 0; color: red;">Claim Location Map</h2>

Author	Year	Title	Reference	Company	Location/Claims	Work carried out
Rowan, L. G.	1900	A Geological Report on the Dora, Pee Wee and Club Claims	AR 20,621	Queenstake Resources Ltd.	South of Spout Lake. Claims: Dora, Dora 1, Pee Wee 1-3, Cub 15	

Aulis, R. J.	1993	Geological and Geochemical Surveys on the Lac La Hache Property	AR 23,089	GWR Resources Inc.; Regional Resources Ltd.	Area north of Spout Lake and west of Murphy Lake. Claims: DMG, Abbey 1-4, Ben 1-4, Dora 8 & 9, King 1 & 3, Ace 1-4, TT, TT1-3, JO3	85 silt and 275 soil samples collected, ICP and Au (AA) by Acme Analytical Laboratories. Stream sediments collected at 200-m intervals where possible. See fig 4 for details. 40 rock samples were collected.
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RESULTS: Soil samples from the NW part of property returned background values (10-15 ppm) for Cu - tills in this area. Soils from the Bluff Lake grid indicate a broad area of patchy copper values: background 30 ppm Cu, >75 ppm anomalous, 8 samples > 200 ppm up to 767 ppm. Shallow overburden in this area. Mapping suggested that the source of the anomalies was trace cp in fractures within weakly altered monzonite. Samples from the eastern margin of property confirmed the Craigmont Mines 1973 anomaly but returned mostly background values, with 4 samples > 75 ppb and up to 290 ppm Cu. Soils in this area are glacial outwash. Stream sediments were generally low, which was in part attributed to the thick cover of glacial till and outwash material. RECOMMENDATIONS: The copper anomalous zone on the TT claim group at the eastern margin of the property warrants 6 to 10 line-km of IP (3 -4 E-W lines, no closer than 200 m) with 1 line extending 1 km west over the contact between the monzonite stock and the Nicola volcanics covered by overburden and Tertiary volcanics. NOTE: It was pointed out in the report that the contact between the monzonite stock and the bordering Nicola volcanics has not been adequately tested due to extensive cover by overburden and Tertiary volcanics.

Klit, D. A.	1994	An Induced Polarization Survey on the Ray, Oley and Abbey Claim Groups	AR 23,382	GWR Resources Inc.; Regional Resources Ltd.	Three reconnaissance Lines west of Murphy Lake and a small grid NW of Two Miles Lake. Claims: DMG, Abbey 2, Jo 4, Oley 3, TT, TT 1	15-line km of IP (a=50m, n=6) on the TT (2 lines), Oley (1 line) and DMG (4 lines) grids. Results plotted as pseudosections.
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RESULTS: The TT grid identified chargeability of 10 to 14 msec discontinuously over +/- 600 m on the east end of L 300N, and extends onto L100N. Background was in the range of 3 - 5 msec. The higher values were speculated to be caused by mineralized diorite dykes intruding the monzonite. Nothing on the Oley line. The DMG Grid identified a small anomaly on the northern portion of line 200W which remains open to the north.

Klit, D. A.	1994	An Induced Polarization Survey on the Ace Claim Group and the TT1 and TT2 Claims	AR 23,490	GWR Resources Inc.; Regional Resources Ltd.	Line extensions west of Murphy Lake, and 7.0 line-km in 8 lines south of Bluff Lake	Reconnaissance lines extended. Chargeability >5 msec shown. TT grid shown, chargeability contours @ 1 msec intervals, resistivity contour @ 300 ohm-m
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RESULTS: The line extensions identified a broad chargeability anomaly of 10 and 11 sec over 400 m on the Line 100N, and over 200 m on line 300N. On L1000S two adjacent anomalies with highs to 16 msec look like dykes. Nothing on the Ace grid.

Cornock, S. J. A., Lloyd, J.	1995	An Induced Polarization Survey On The Murphy Lake property	AR 23, 920	Regional Resources Ltd. GWR Resources Inc.	Southwest of Murphy Lake. Claims: TT 1, TT2, TT3, ACE2, ACE4	27 line-km of IP and mag on ~13 E-W Lines (@~80-85 degrees) with a 400-m line spacing.
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Author	Year	Title	Reference	Company	Location/Claims	Work carried out
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RESULTS: The resistivity data shows a sharp E-W trending boundary that extends across the property at 3800N which could be a fault or contact. To the north the resistivities are fairly high while to the south the resistivities are high. To the north of the resistivity high there is a well-defined chargeability anomaly (6 - 14 milliseconds with background of 3.5) coincident with an arcuate mag high that straddles the chargeability high to the west, south and east. South of the resistivity boundary lies a second chargeability high which appears on trend with chargeability high and mag features to the north. RECOMMENDATIONS: infill IP and mag lines, also additional IP to the east between 1800N and 3000N.

von Guttenberg, R.	1996	Lac La Hache Project Murphy Lake Property	AR 24,428	Regional Resources Ltd. GWR Resources Inc.	West of Murphy Lake. Claims: TT1, TT2	1995 DDH ML95-02 located on section 5645N on the TT2 claim (az: west, dip: -45, length: 138 m) and was drilled on a weak chargeability anomaly (8 mv/v) situated on the flank of a magnetic high. 1995 DDH ML95-04 located on section 6600N on the TT1 claim (az: west, dip: -45, Length: 151 m) and was drilled on a weak chargeability anomaly (12 mv/v) situated on a magnetic high.
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RESULTS: DDH ML95-02 returned 0.17% Cu over 18 m and 0.13% over 3 m from moderately potassic altered monzonite. In DDH ML95-04 the rocks are relatively fresh and strongly magnetic and are intersected by syenitic dykes with up to 3% fine-grained disseminated pyrite. It was conclude that strong magnetic anomalies were caused by primary magnetite in relatively unaltered monzonite to gabbroic rocks while zones of stronger alteration and mineralization are less magnetic due to the destruction of primary magnetite. Chargeability anomalies are caused by pyrite in syenitic dykes or by chalcopyrite and minor pyrite in altered monzonite. Magnetite may contribute to chargeability anomalies. No further work was recommended

Caron L.	1999	Report on Murphy Lake Property	AR 26,221	Chelsea Mercantile Bank Corporation	Nemrud Skarn + Murphy Lake showing	
Ostler, J.	2004	Notice of completion of work		Candorado Operating Company Ltd.	West of Murphy Lake	
Ostler, J.	2005	Geological Mapping, Drilling, and Geophysical Surveys on the Mur and Copper Property Areas	AR 27712	Regional Resources Ltd.	West of Murphy Lake. Claims: Mag 1 - 15, Copper 1 - 22, Mur 1 - 8	Nine NQ holes drilled for a total of 1,603 m (5262'). The first five holes were drilled in the area of the 1995 Regional-GWG JV drilling, while the remaining 4 holes were drilled to investigate a plume of "oxidation and silicification" in a potassic alteration zone to the northwest. Not all core was sampled, including the lower part of ML04-4, 5, 6 and in ML04-7 every 2 nd 2m interval was sampled and in ML04-9 every 3 rd 2m interval was sampled.

RESULTS: Many short drill intersections of elevated copper values, including up to 1.29% over 2 m in ML04-1. High copper values often have associated elevated gold and molybdenum values but the values themselves are generally low. Much of the copper mineralization is in proximity to the cataclastic crush breccias, although they themselves are not notably mineralized.

GENERAL GEOLOGY

The property is located in the Quesnel Terrane (commonly referred to as the Quesnel Trough) of the Intermontane Belt, a northwest-trending belt of marine sediments and volcanics measuring about 40 - 50 km wide and traceable for over 1000 km through central BC. The Quesnel Trough is a marine basin that formed at the Triassic continental margin and it provides a long-term record of deposition and tectonism through the Tertiary and Early Jurassic. Arc-related volcanism and related coeval intrusives appeared in the Triassic and became a dominant feature of the Quesnel Trough in the Jurassic. To the west of the Quesnel Trough is the Cache Creek Terrane, whose boundary is marked by the major Pinchi Fault system. The Omineca Crystalline Belt to the east, formed in Early to Middle Jurassic time as a result of the accretion of the Intermontane Superterrane onto the continental margin of North America and the closing of the intervening arc-basin, marked the end of this phase of the Quesnel Trough.

These sediments and volcanics occupying the Quesnel Trough are assigned to the Triassic to Early Jurassic Nicola Group. The composition of the Nicola Group varies widely throughout its length, but in general, the basal marine sequence consists of shale, siltstone, greywacke, argillite and limestone. This basal sequence is more commonly exposed in the eastern part of Quesnellia (Eastern Belt of the Nicola Group). The basal sequence is succeeded by a considerable thickness of submarine alkalic volcanics, mainly augite and plagioclase phyric basaltic flows and associated breccias, which in turn are succeeded by an easterly facing succession of calc-alkaline, mainly plagioclase-phyric andesite flows and breccias, with lenses/beds of limestone and volcanoclastic rocks. Late Triassic to Early Jurassic volcanic centres with high-level alkalic cores of syenite to monzonite composition host the porphyry copper-gold deposits in the Quesnel Trough, along with several gold-rich skarn deposits.

The accretion onto the North American craton of the Intermontane Superterrane (Columbian Orogeny) and the resulting calc-alkaline plutonism created a large number of Middle Jurassic to Cretaceous intrusions of intermediate composition. This includes the Takomkane Batholith (193 ma) east of

Murphy Lake and a younger quartz monzonite intrusion which hosts the Boss Mountain molybdenum deposit about 50 km east of Murphy Lake.

A cap of Miocene to Pliocene basaltic flows and related sediments of the Chilcotin Group unconformably overlies older rocks in this area.

WORK COMPLETED

Roger Szalanski, prospector, spent two days, April 18 and 19, to check for access and spring break-up conditions in the area. Jay Page, geologist, and Roger Szalanski mobilized to 100 Mile House on April 25, 2006 with field work beginning the following day. During the ensuing week (April 26th to May 3rd, 2006) various parts of Candorado's extensive Murphy Lake property were visited. Break-up conditions were still in effect and as a result there was little other activity, such as logging in the area. Snow was still present at higher elevations. Secondary roads were in general, muddy and soft, and these conditions limited access to the more remote areas. Late April is about as early as is practical to begin work in this area. The objective of the Murphy Lake property exam was to field check issues identified by a data compilation carried out during the previous winter, locate claim posts, check access and determine the most prospective areas for a focused exploration program later in the year. Demobilization from the area was on May 4, 2006.

The initial area of interest was an area of potassic alteration southwest of Murphy Lake (MINFILE 093A073) which was the focus of diamond drilling in 1995 (AR 24428) and 2004 (AR 27712). Approximately 3 days (April 26th - 28th) were spent looking at core from the 2004 diamond-drill program, locating drill hole collars, prospecting and examining rock outcrops associated with previously identified geophysical features (AR 22504, 23382, 23490). One day (April 29th) was spent prospecting an area of anomalous copper geochemistry in soils to the southwest (AR 4697, 23089) of the above-mentioned potassic alteration centre. This area was found to have minimal outcrop and is covered by glacial till. The source of the copper anomalies is unknown and remains unexplained.

In the Murphy lake area, Ostler's "Oxidation Plume" or as he also called it "Mineral Hill" (AR 27712) was found to be a potassic centre of a weakly developed porphyry system. The mineralization intersected in several drill holes (ML04-01 and maybe ML95-06) is evidence that late-stage, residual volatiles/vapours (potassium feldspar ± chalcopyrite ± pyrite) accompanied the development of

fracturing (late magmatic?) to the southeast. These fractures, as seen in drillhole ML04-1, are dry (no quartz or carbonate) and tight, spaced 50 - 100 cm apart. The best mineralized (chalcopyrite ± pyrite) fractures are accompanied by intense potassic ± biotite alteration. There is no evidence that hydrothermal cells developed around this potassic centre (lack of fracture density, fractures too tight and of limited extent – perhaps a limited heat source). Most mineralization is moderate to strongly magnetic, although this may be primary since the host rock is similarly magnetic. There has not been any destruction of magnetite due to hydrothermal processes.

Prospecting of the surrounding area did not locate any veining in outcrop or float. The chargeability feature (8 and 10 msec) (AR 23382, 23920) that forms a northern extension from the drilled area has many rusty fractures visible on surface outcrops with about the same fracture density (~50 - 100 cm) and with weak to patchy moderate potassic alteration, but is lacking in copper sulphides. This northern trend may indicate a structure which influenced the development of fracturing in the potassic centre.

The apparent arrested development of the porphyry system at an early stage would suggest limited potential for the development of grade and tonnage.

The soil geochemical anomalies (AR 23089) to the southwest of the potassic centre (west of the main area drilled) remain an enigma. The area has no outcrop below (east of) the Tertiary basalt cap and much of it is swampy or poorly drained hillside. Soils are moderately well developed in glacial tills in the forested areas (many of which are now clear-cuts). This area to the southwest might hold some potential.

One day (April 30th) was spent in the area southwest of Spout Lake locating claim posts for the Spout and Rail claims. This area is entirely covered by glacial till and there are many swampy areas. No outcrop was seen during the many kilometres of traversing while looking for the claim posts and the locations of percussion drill holes drilled in 1996 (AR 24562). No evidence of this drilling was found.

In the northwest area of the property, there are chargeability anomalies identified by a previous IP survey (AR 22504). One day (May 1st) was spent in this area which was found to be underlain almost entirely by Triassic Nicola Group volcanic rocks. The approximate location of the most prominent chargeability high was located, and it was found that the probable cause is fine clastic [volcanic] pyritic sediment in this area. Although this can explain the chargeability high, it was noted that some

of the [meta]sediments appeared to be weakly hornfelsed suggesting a possible buried intrusion in the area. To the north of this area is a fairly extensive area of strong potassic and chlorite ± epidote alteration of a Nicola Group sub-volcanic over several kilometres; however, this area was only given a cursory look because it is not part of the Candorado claim holdings. The weak hornfelsing of the Nicola Group sediments does support the idea of a buried intrusion in this area. No mineralization was found that could be associated with this zone of potassic alteration.

One day (May 2nd) was spent in the north part of Candorado's holding in this area where an epidote skarn and chargeability high is located (AR 22504). This area is underlain by Nicola Group volcanic rocks and sediments. Marine features, such as lava pillows and limestones were identified. Minor amounts of epidote skarn were noted in a road borrow pit, and trace amounts of pyrite were noted in the Nicola volcanic rocks in the general area of the chargeability high. Regionally, the Nicola Group displays strong, pervasive chlorite alteration, making it easy to distinguish from the Chilcotin Group basalts in this area.

The last field day (May 3rd) was spent in the Bluff Lake area, with half a day spent examining the outcrops and bluffs along the north side of the 100 Road. This rock in this area was found to be a dominantly syenite with local variations to syeno-monzonite, monzonite and quartz monzonite. This rock is coarse-grained with coarse-grained biotite as the dominant mafic with chlorite aggregates replacing (pseudomorphing) a previous mafic. The rock is moderately magnetic. There is little variation in the rock characteristics; grain size is uniformly coarse, coloration is consistently light pinkish-grey, magnetism is uniformly moderate. The biotite is mostly coarse grained and commonly comprises 15 - 25 % of the rock. Chlorite alteration is present, as it is commonly present in all of the project area as a regional effect. There is little evidence that this rock is the product of a potassic alteration event. If it was altered, there should be variations over 10s if not 100s of metres in the intensity of alteration, however none is observed. No evidence of hydrothermal alteration or mineralization was observed.

Traverses were also made on the south side of Bluff Lake (May 3rd) where there is evidence of weak potassic alteration over a large area. Fracture control on the potassic alteration is dominant with a number of orientations. Trace amounts of pyrite and chalcopyrite were noted in some fractures. The approximate location of the SS (MINFILE 092P004) showing was located and it was concluded that

the potassic signature of this area is in part due to the larger amount of outcrop exposed relative to the surrounding area.

No samples were collected or analyses performed.

CONCLUSIONS AND RECOMMENDATIONS

The potassic centre and area of diamond drilling SW of Murphy Lake has few characteristics of porphyry deposits seen by the author and appears to have little potential to host substantially more mineralization than has already been found.

No evidence of hydrothermal breccias or vein stockworks was seen on the property, diminishing the utility of applying the Mt. Polly and Woodjam deposit models to the Murphy Lake property. Pyrite and chalcopyrite mineralization seen in the 2004 drill core is associated with the potassic alteration event, however, the mineralized fractures are tight and dry, and hydrothermal veining is minimal. Disseminated sulphide mineralization is limited to the potassic alteration envelopes adjacent to fractures.

In the SW area, near the Spout/Rail claims there is no surface expression of the geophysical features identified in a past survey (AR 24562). Further work in this area would have to be based entirely on geophysics.

The NW area has some evidence of a possible buried intrusion (potassic altered Nicola Group and hornfelsed meta-sediment). Additional time should be spent prospecting this area.

The north part of Candorado's property appears to have little potential and no further work is recommended there.

The area to the southwest, west and northwest of the potassic centre near Murphy Lake has many copper in soil geochemical anomalies (AR 4697) which remain unexplained. Although undoubtedly transported, their source may be mineralization in the underlying bedrock. This area has little outcrop and is largely covered by glacial tills. The most appropriate method to identify the source of the copper anomalies to explore this area is by collecting bulk till samples and producing heavy mineral concentrates for analysis.

Respectfully submitted,

J.W. Page, P.Geol.
Discovery Consultants
Vernon, BC
January 9, 2007

BIBLIOGRAPHY

BCMEMPR Assessment Reports: 00949, 01704, 02074, 03387, 04697, 18347, 19515, 20621, 22504, 23089, 23382, 23490, 23920, 23413, 24428, 24562, 25268, 26621, 27325, 27712

BCMEMPR EXPL 2004-58

BCMEMPR BC GEM 1974, p 235

BCMEMPR MINFILE Nos. 092P004, 093A044, 093A063, 093A073, 093A113

BCMEMPR OF 1990-29

GSC MAP 1424A

STATEMENT OF COSTS

1. Professional Services			
W.R. Gilmour, P. Geo.			
Program planning			
1.0 days @\$575/day		\$ 575.00	
J.W. Page, P. Geo.			
Program planning, data compilation, report writing			
37.5 hrs @\$80/hr		3,000.00	
Field program (April 25 - May 4)			
10.0 days @\$600/day		<u>6,000.00</u>	
			\$ 9,718.75
2. Field Personnel			
R. Szalanski, prospector			
(April 18 & 19, 25 - May 4)			
12.0 days @\$400/day		<u>\$ 4,800.00</u>	
		4,800.00	
Office Personnel			
Drafting		1,715.80	
Data Compilation		378.76	
Secretarial		<u>143.40</u>	
		<u>2,237.96</u>	
			7,037.96
3. Expenses			
Communications		22.61	
Maps & Publications		163.76	
Office		74.40	
Field Supplies		78.95	
Equipment rental (ATV, GPS etc)		575.00	
Lodging & Meals		1,321.56	
Freight		43.40	
Management Fee		<u>393.25</u>	
			<u>2,672.93</u>
	Exploration Expenditures:		\$19,429.64
4. Transportation			
4x4	12 days @\$40/day	480.00	
Mileage	2,910km @45¢/km	1,309.50	
Fuel		516.26	
Travel - returned bus fare		<u>138.00</u>	
			<u>2,443.76</u>
	TOTAL EXPLORATION EXPENDITURES:		\$21,873.40

STATEMENT OF QUALIFICATIONS

I, Jay W. Page of 8201 Kalview Drive, Coldstream, B.C., V1B 1W8,

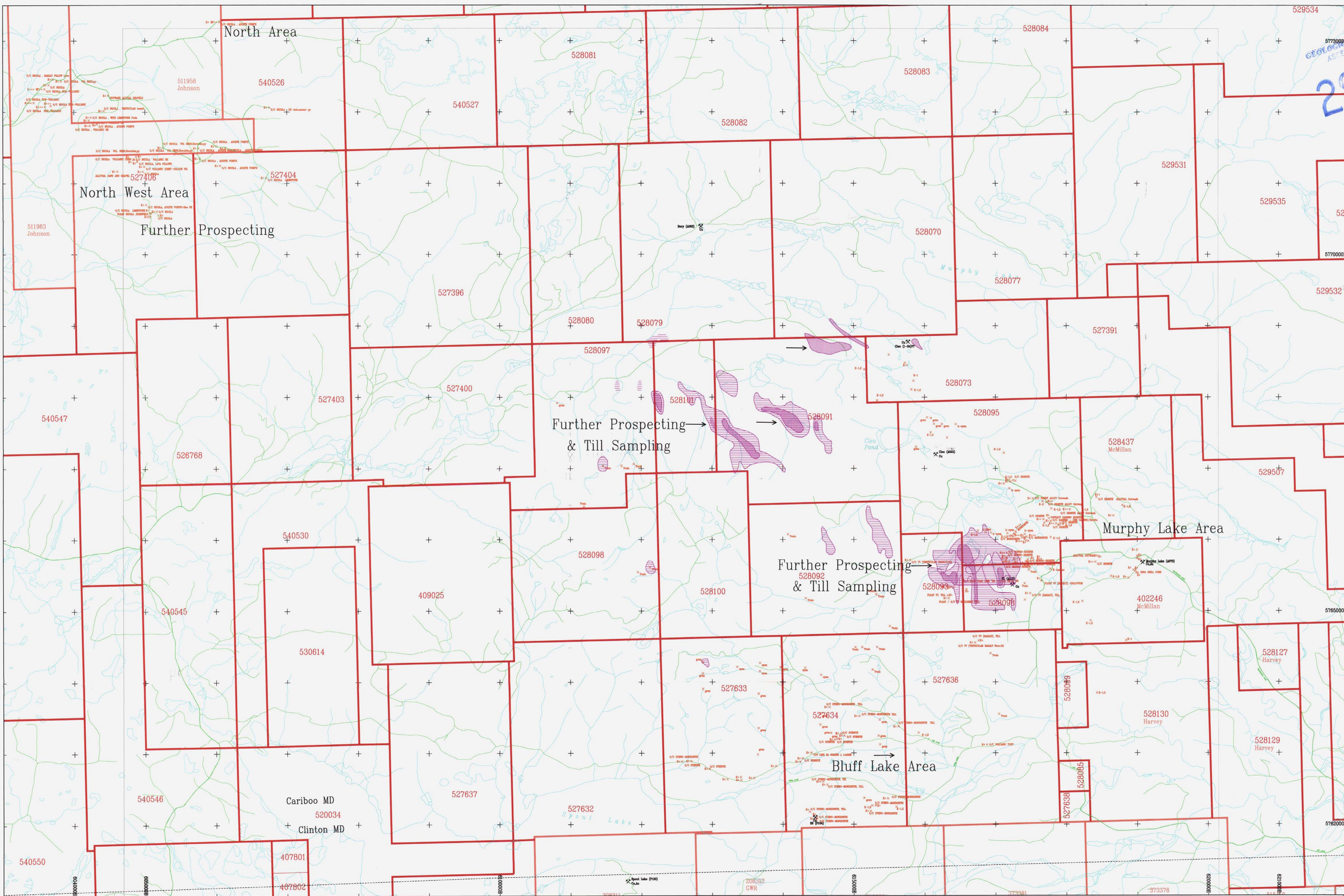
DO HEREBY CERTIFY that:

1. I am currently employed as a Consulting Geologist:
2. I graduated with a B.A. degree in Physical Geography/Geomorphology from the University of British Columbia in 1977. In addition, I have obtained a B.Sc. in Geology from the University of British Columbia in 1984.
3. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia, registration number 19596.
4. I have worked as a geologist for a total of 22 years since graduation from university.
5. This report is based upon knowledge of the Murphy Lake property gained from a personal examination of the property during the period April 26th to May 3rd, 2006 and from a review of existing reports and data.

Dated this ninth day of January, 2007 in Vernon, BC.

Signature of

Jay W. Page, P.Geo.



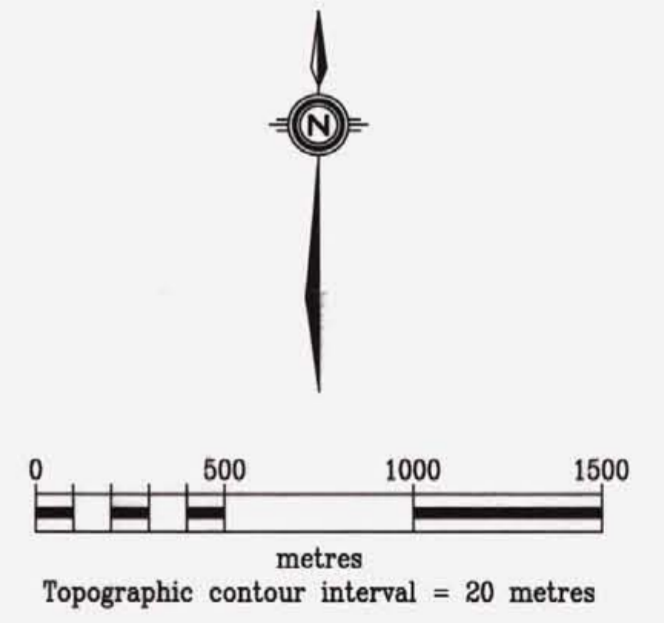
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 GEOLOGICAL SURVEY BRANCH
 ASSOCIATED POST
 28,777

LEGEND

Copper in soils
 >50 ppm Cu / >100 ppm Cu

Prospecting location with:
 Kspar alteration and rock type
 Weak alteration
 Moderate alteration
 Strong alteration

← Recommended Prospecting areas
 Geology after:
 J. Page, P. Geo. (2006)



DISCOVERY Consultants	
Candorado Operating Company Limited	
Murphy Lake Project 2006 Prospecting Program Traverse Areas	
Location: Spout Lake	Mining Jurisdiction: Cariboo/Clinton
Datum: NAD83	Map Ref.: 093A/092P
Scale: 1:20000	UTM: 10
Project: 696	Date: Jan. 9, 2007
Drawn By: RM	Figure: 3