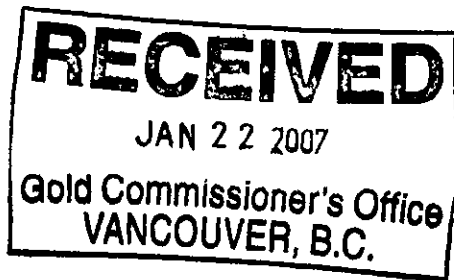


Geochemical Assessment Report



On the

Rossland Claims

(Rossland Property)

Trail Creek Mining Division – British Columbia

Latitude 49° 03' North, Longitude 117° 48' West

NTS 82F4W

For

Yellowstone Resources Ltd.

By

Stan A. Endersby, P. Eng. (B.C.)
Gary M. Allen, P. Eng (Manitoba, Ontario)

January 18, 2007

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

28,796

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Summary and Conclusions

Yellowstone Resources Ltd. holds title to six mineral claims consisting of a total of 1545.55 hectares located south of the town of Rossland in south-eastern British Columbia. The claims lie approximately 4 km south of the historic Rossland gold mining camp. The camp has the second largest production of gold in British Columbia.

The claims were originally staked in 1982 and 1983 to cover an area of favourable geology and a weak electromagnetic anomaly from an airborne survey. Previous preliminary geological fieldwork and geophysical and geochemical surveys on the claims indicate anomalous gold in the soil samples and geophysical anomalies trending northeast – southwest.

The 2006 field work continued the earlier work on the south portion of the claims, and consisted of 120 geochemical soil samples on 25m spacing on a grid spaced 100 and 50m apart. The samples were analysed by Acme Analytical Laboratories Ltd. for the full suite of metals. Results confirmed earlier findings of scattered and clumped anomalous gold values in the soils. Of the 120 samples taken, 31 were considered anomalous, i.e. greater than 10 ppb.

Each of the anomalies warrant following up exploration to pinpoint the source of gold. The future work recommended includes further geophysical surveying, geochemical sampling as well as surface trenching and if warranted diamond drilling.

Recommendations

A two phase exploration program is recommended to determine the economic potential of the Rossland claims. The initial phase would comprise of detailed geophysical and geochemical surveying of the anomalous gold areas to better define the source of gold. Concurrent and following the surveys is backhoe trenching.

Contingent upon the results of Phase 1, the proposed Phase II program would consist of diamond drilling of defined targets. The estimated costs for Phases I and II are \$72,000 and \$156,600, respectively, for a total of \$228,600. The costs are in line with the costs recommended to be spent on the claims in 1987.

Estimated Cost of Recommendations

Phase I Additional mapping, geophysical surveying, geochemical sampling and backhoe trenching .

Salaries	Geologist for 15 days @ \$400/day	\$6,000
	2 – Assistants for 15 days @ \$400/day	6,000
Accommodations & meals	45 mandays @ \$150/manday	6,750
Transportation	15 days @ \$200	3,000
Trenching	10 days @ \$150/hr	12,000
Analytical	800 @ \$20/sample	16,000
Report Preparation		5,000
Management fees		5,000
Total		59,750
Contingencies	20% of above	12,000
Total Phase I		\$72,000

Phase II Diamond drilling and trenching of Phase I targets and for extending the geophysics and geochemical surveys onto the remaining Rossland claims.

Salaries	Geologist for 10 days @ \$400/day	\$4,000
	Assistants 10 days @ \$400/day	\$4,000
Accommodations & meals	10 mandays @ \$100/manday	1,000

Drilling 550m @ \$150/m (all included)	82,500
Transportation 10 days @ \$200	2,000
Trenching 5 days @ \$150/hr	6,000
Analytical 1,000 @ \$20/sample	20,000
Report Preparation	6,000
Management fees	5,000
Total	130,500
Contingencies 20% of above	26,100
Total Phase II	\$156,600
Total Phase I & II	\$228,600

Introduction

Yellowstone Resources holds title to 6 claims numbered 520619 and 520621-520625. The claims lie south of the town of Rossland in the Rossland gold mining camp in south-eastern British Columbia. This report documents the work done on claims numbered 520619, 520625 and 520623.

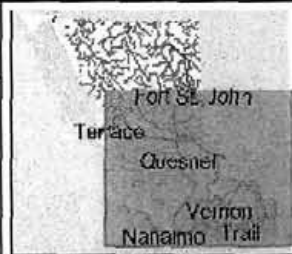
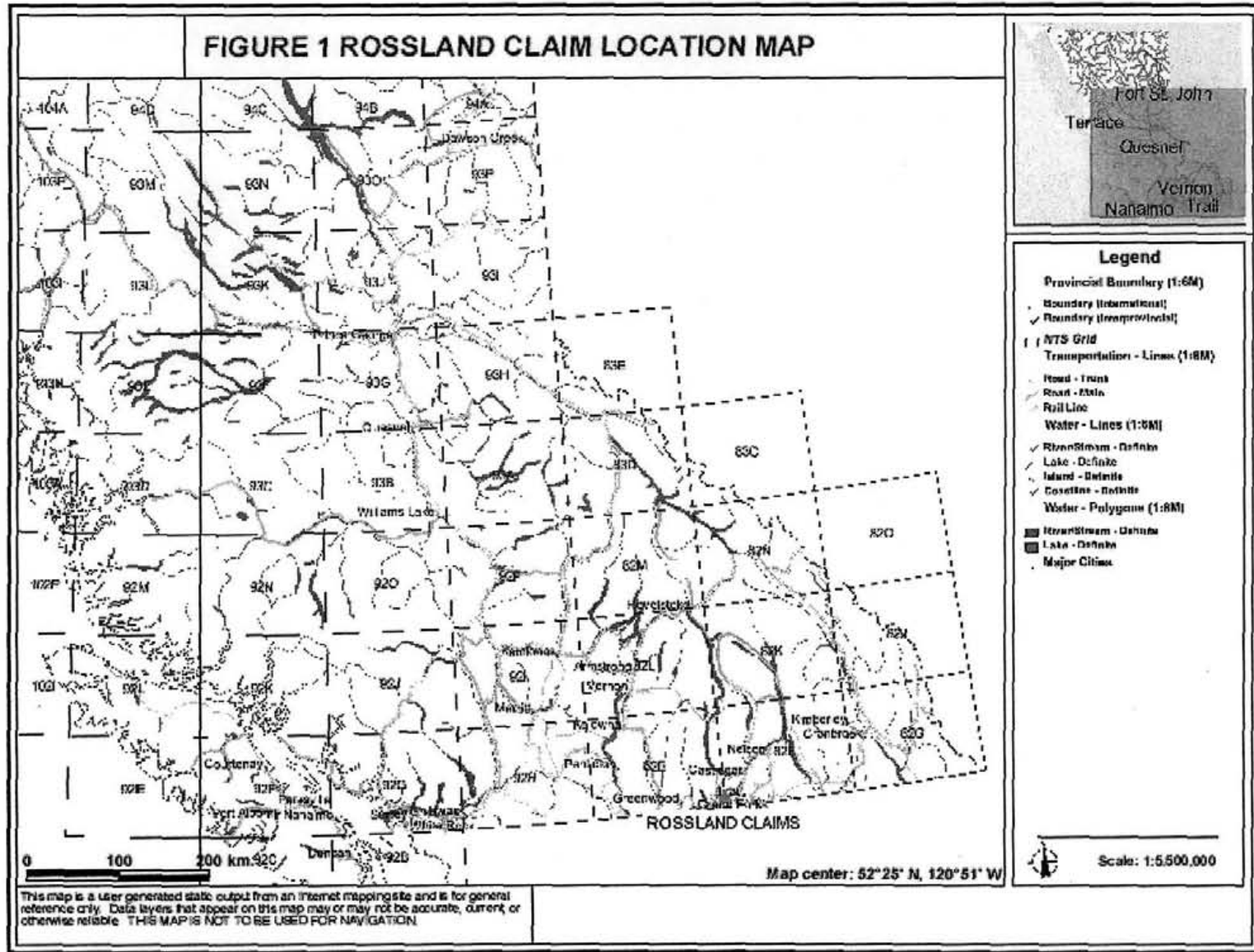
There is no known mineral occurrence on the above mentioned claims. The claims were staked to cover electromagnetic conductors outlined by an airborne geophysical survey that coincided with favourable geology similar to the Rossland gold mining camp. Previous ground surveys conducted on 520619 in 1983 and 1987 outlined coincident anomalous gold and base metals in the soils with electromagnetic inferred conductors and magnetic highs.

The 2006 exploration program comprised of 120 geochemical soil samples on 25m spacing on lines spaced 50 and 100m apart. The work was performed by J. Denny with an assistant on October 17, 18 and 19, 2006.

Location, Access and Physiography

The Yellowstone Resources Rossland claims, covering 1545.55 hectares, lie approximately 2 km south of the town of Rossland in south-eastern British Columbia. The property elevations vary from 600m along Little Sheep Creek to 1300m on the southern flank of Deer Park Hill. Slope gradient varies from gentle to moderate. Vegetation is a secondary growth of balsam, fir, cedar, jack pine, spruce, birch and alder. Primary cedar stands can be found along some water courses. The area is predominantly overburden covered and there are 4x4 accesses to most areas of the claims.

FIGURE 1 ROSSLAND CLAIM LOCATION MAP

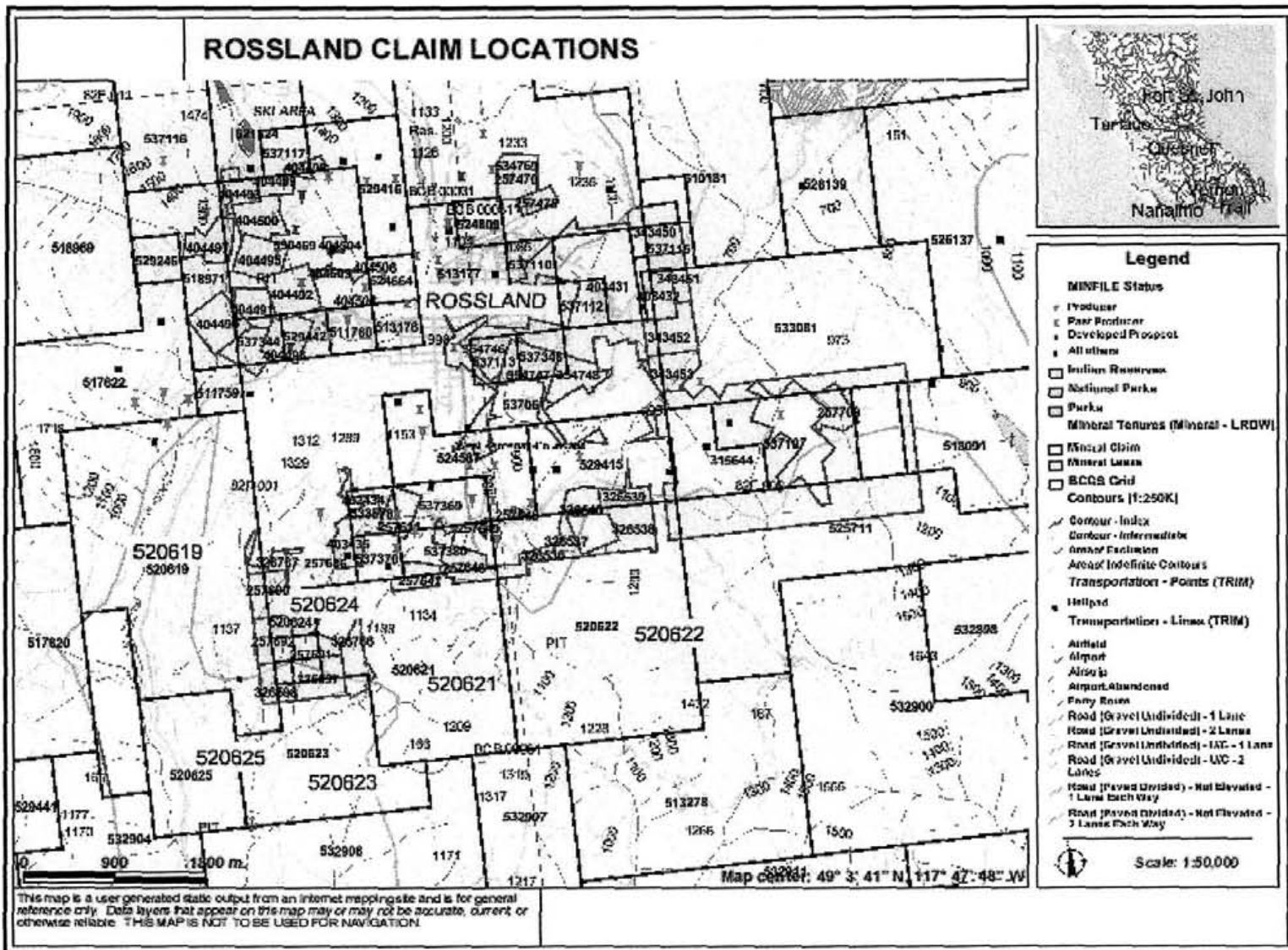


- Legend**
- Provincial Boundary (1:6M)
 - Boundary (International)
 - Boundary (Incorporated)
 - NTS Grid
 - Transportation - Lines (1:8M)
 - Road - Train
 - Road - Atoll
 - Rail Line
 - Water - Lines (1:6M)
 - River/Stream - Define
 - Lake - Define
 - Island - Define
 - Coastline - Define
 - Water - Polygon (1:8M)
 - River/Stream - Define
 - Lake - Define
 - Major Cities

Scale: 1:550,000

This map is a user generated static output from an internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

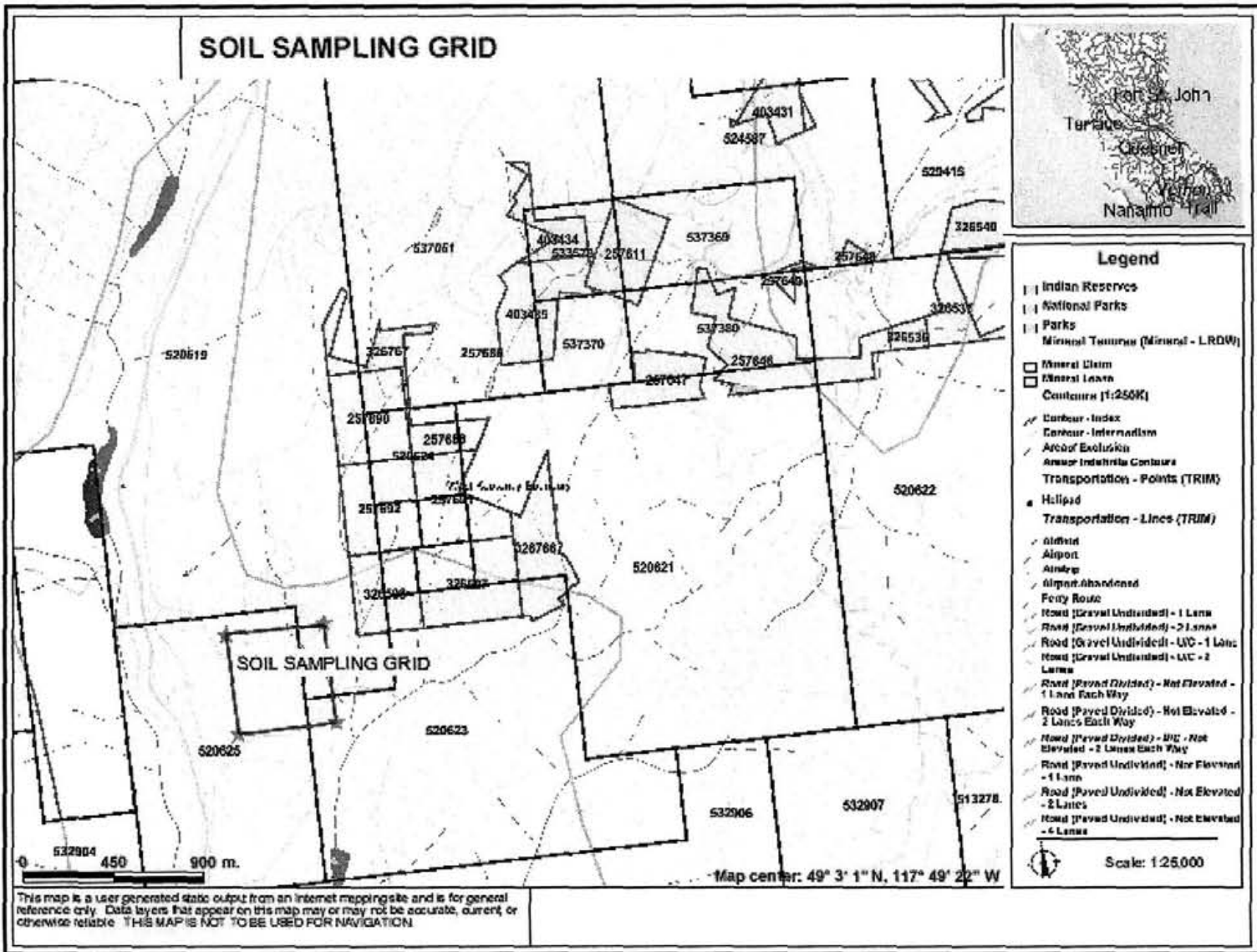
ROSSLAND CLAIM LOCATIONS



- ### Legend
- MINFILE Status**
 - Producer
 - Peer Producer
 - Developed Prospect
 - All others
 - ▭ Indian Reserves
 - ▭ National Parks
 - ▭ Parks
 - Mineral Tenures (Mineral - LROW)**
 - ▭ Mineral Claim
 - ▭ Mineral Lease
 - ▭ BCCB Grid
 - Contours (1:250K)**
 - Contour - Index
 - Contour - Intermediate
 - Area Facilitator
 - Area Indefinite Contours
 - Transportation - Points (TRIM)**
 - Helipad
 - Transportation - Lines (TRIM)
 - Other Features**
 - Airfield
 - Airport
 - Airport Abandoned
 - Ferry Route
 - Road (Gravel Undivided) - 1 Lane
 - Road (Gravel Undivided) - 2 Lanes
 - Road (Gravel Undivided) - IAC - 1 Lane
 - Road (Gravel Undivided) - WC - 2 Lanes
 - Road (Paved Divided) - Not Elevated - 1 Lane Each Way
 - Road (Paved Divided) - Not Elevated - 3 Lanes Each Way

This map is a user generated static output from an internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

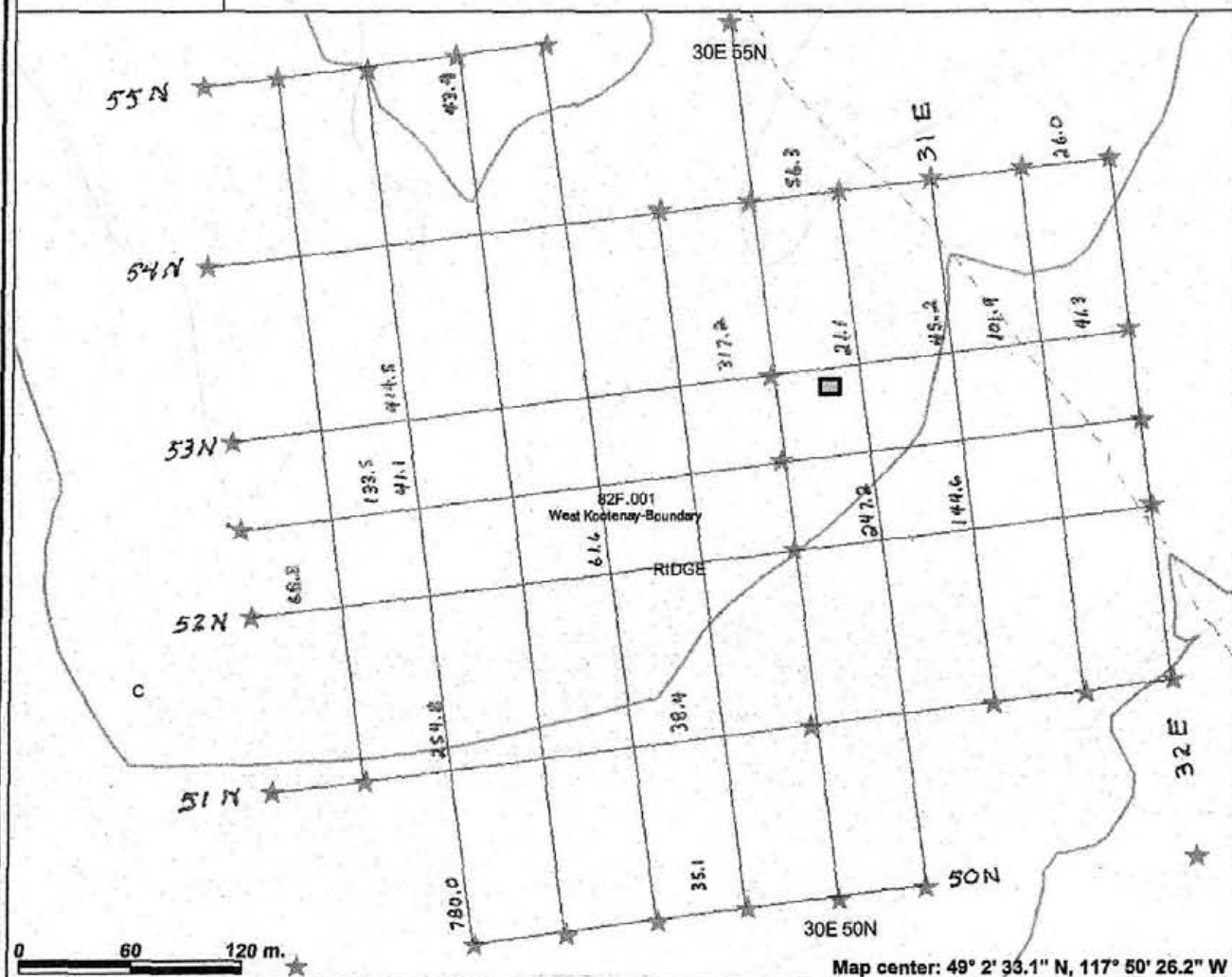
SOIL SAMPLING GRID



- ### Legend
- Indian Reserves
 - National Parks
 - Parks
 - Mineral Tenures (Mineral - L.RDW)
 - Mineral Claim
 - Mineral Lease
 - Contours (1:250K)
 - Contour - Index
 - Contour - International
 - Area of Exclusion
 - Area of Interest Contours
 - Transportation - Points (TRIM)
 - Hilltop
 - Transportation - Lines (TRIM)
 - Highway
 - Alipon
 - Atlay
 - Alipon 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) - B/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

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FIGURE 4 2006 SOIL SAMPLING GRID



Legend

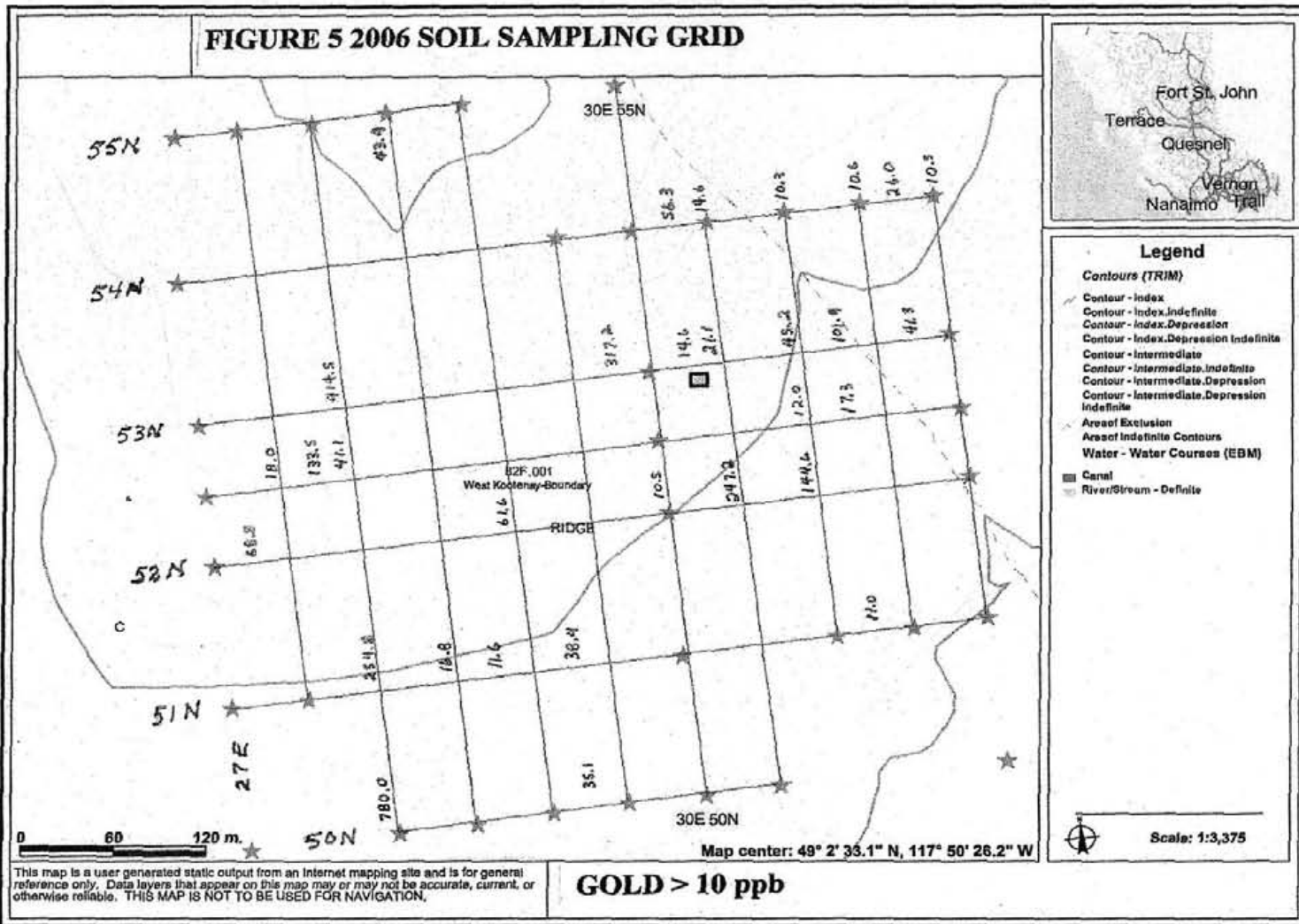
- Contours (TRIM)
 - Contour - Index
 - Contour - Index.Indefinite
 - Contour - Index.Depression Indefinite
 - Contour - Intermediate
 - Contour - Intermediate.Indefinite
 - Contour - Intermediate.Depression Indefinite
 - Indefinite
- Area of Exclusion
- Area of Indefinite Contours
- Water - Water Courses (EBM)
 - Canal
 - River/Stream - Definite

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

Map center: 49° 2' 33.1" N, 117° 50' 26.2" W

GOLD > 20 PFB

FIGURE 5 2006 SOIL SAMPLING GRID



This map is a user generated static output from an internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

Claim Data

The Rossland claims were registered in the name of Nugget Mines Ltd. and are beneficially owned by Yellowstone Resources Ltd..

Tenure No.	Area (Hectares)
520619	486.85
520621	296.43
520622	423.46
520623	190.59
520624	21.17
520625	127.05
Total	1545.55

History

The Rossland mining camp was the second largest gold mining camp in British Columbia in terms of recorded gold production. The total camp production, mainly between 1895 and 1937, was 2.7 million ounces of gold and 3.3 million ounces of silver from 5.9 million tons of ore. The average grade of the ore was 0.47 ounces of gold per ton, 0.60 ounces of silver per ton and about 1% copper. Most of the production came from the Le Roi, Centre Star, War Eagle, and Josie mines. Molybdenum was also produced in the immediate area, from Red Mountain, during the period 1966 to 1971.

Examination of old information indicates that the Rossland claims have been staked and re-staked many times but with apparently very little systematic exploration work. In 1981 an airborne electromagnetic survey was conducted by Rubicon Resources Ltd. and reported by R. A. Sheldrake. The airborne survey outlined a number of electromagnetic anomalies which were later confirmed by ground VLF-EM surveys. In the same year a geochemical survey outlined a number of gold anomalies on 520619. Since 1982 preliminary ground geophysical, geological and geochemical surveys have been conducted over parts of the claims.

Geology

Regional Geology

The Rossland area lies in the Nelson Map area, 82F (West Half), the geology of which has been described by Little in 1960. The geology of the Rossland gold mining camp has also been documented by Drysdale (1915), Bruce (1917), Gilbert (1948), Fyles (1970), Fyles et al (1973) Thorpe (1973) and Little (1982). The gold deposits of the Rossland camp occur in a complex environment in which major volcanic, sedimentary and intrusive rocks occur.

Rossland Mine Geology

The gold-copper deposits of the Rossland camp are predominantly pyrrhotite-rich quartz veins containing up to 70% sulphides. The veins are localized by east and north trending faults where they intersect or lie along contacts with highly competent porphyry rocks. The Red Mountain molybdenum deposits occur in brecciated granodiorite and sedimentary rocks.

The Yellowstone Claim Geology

The Yellowstone claims lie to the south of the Rossland gold camp and are largely overburden covered. According to Fyles the claims are underlain by sedimentary and volcanic rocks.

Geochemical Survey

A total of 120 soil samples and one rock sample were taken on the claims over the period October 15 to 21, 2006. The survey grid covered the north east corner of claim No. 520625, the south end of claim No. 520619 and the north west corner of claim No. 520623 as shown in Figure 3 on page 10. Seven east-west lines were sampled on a 25m spacing. The lines were spaced 100m and 50m apart.

The overburden is predominantly comprised of a podzolic glacial till. Soil samples of 0.5 to 1 kg weight were collected from the B horizon at a depth

of 10 to 40 cm and placed in Kraft paper bags. The samples were shipped to Acme Analytical Laboratories Ltd. in Vancouver, B.C. for atomic absorption analyses. The results of the analyses are reported in Appendix 1.

Geochemical Results

The soil geochemical survey outlined anomalous gold, i.e. > 20 parts per billion (ppb), in 19 of the 120 samples taken or 32 samples > 10 ppb. The gold values vary from 1ppb to 780 ppb. There appears to be no correlation between gold and any other element. The anomalies seem to be clustered around the eastern central area of the grid although several single point anomalies occur throughout. The results appear to agree with past work over the claims.

References

- E. Sykes Geophysical Assessment Report on the Cherry Group (Jero Claims) May 1990 No. 19,985
- D. G. Allen Geochemical and Geophysical Report on the Jero 1 to 4 Claims August 25, 1983, No. 11,441
- John Gravel, Donald G. Allen, D. R. MacQuarrie Geochemical and Geophysical Report on the Jero Claims February 2, 1987, No. 18759

Affidavit of Expenses

The following expenses were incurred on the Yellowstone Resources Ltd.
Rossland claims:

Wages and labour

Jack Denny	3 days @ \$300/day	\$900
Mark Best	3 days @ \$200/day	600
Stan Endersby	1 days @ \$500/day	500
Gary Allen	4 days @ \$480/day	1,920

Travel

Vehicle rental	3 days @ \$50/day	150
Gas		60
Vancouver to Rossland	600km @ \$0.50/km	300
Accommodation & meals	3 days @ 150/day	450

Miscellaneous

Geochemistry analysis	120 @ \$17.08/sample	2,048
Maps, flagging		40
Postage		35
Telephone		30
Stationary	6 Binders @ \$4.54 each	27
Photocopying	210 pages @ \$0.10each	21
Computer rental	4 days @ \$10/day	40

Total		\$7,121
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CERTIFICATE

I, Stan A. Endersby, certify that;

1. I am a graduate of the University of British Columbia in Chemical Engineering (B. A. Sc. 1954). Also, I have an M.Sc. 1965.

2. I am a member in good standing of the Association of Professional Engineers of B.C.

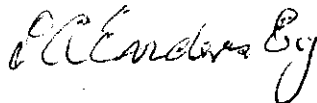
3. This report is based on fieldwork performed by Jack Denny and Mark Best October 15 to 21, 2006. I have personally performed work on these claims in the past.

4. I am a director of Yellowstone Resources Ltd.

5. I have an interest in the claims.

January 19, 2007
White Rock, B.C.

Stan A. Endersby
P. Eng. (B.C.)



Certificate

I, Gary M. Allen, certify that:

- 1. I am a consulting mining engineer with offices at 5 Ursa Crt., Sudbury, Ontario.**
- 2. I am a graduate of the South Dakota School of Mines & Technology with degrees in Mining Engineering B.Sc. and M.Sc.**
- 3. I have practiced my profession since 1970 in Canada and the United States.**
- 4. I am a member in good standing of the Association of Professional Engineers of Manitoba and Ontario.**
- 5. This report is based upon a review of literature and field work completed by Jack Denny and Mark Best from October 15 to 21, 2006. I have personally performed work on these claims in the past.**
- 6. I am a director of Yellowstone Resources Ltd.**
- 7. I consent to the use of this report in a statement of Material Facts or in a Prospective in connection with the raising of funds for the project covered by this report.**

**Gary M. Allen,
P. Eng. Ontario, P. Eng. Manitoba**



**Sudbury, Ontario
January 18, 2007**

Appendix



GEOCHEMICAL ANALYSIS CERTIFICATE



Yellowstone Resources Ltd. PROJECT Bayoune & Rorsland File # A608562 Page 1

1124 Lee St., White Rock BC V4B 4R4 Submitted by: Steve Enderby

Table with columns: SAMPLE#, Mo, Cu, Pb, Zn, Ag, NH, Co, Mn, Fe, As, U, Au, Th, Sr, Cd, Sb, Bi, V, Ca, P, La, Cr, Mg, Ba, Ti, B, Al, Na, K, W, Hg, Sc, Tl, S, Ga, Se. Rows include various sample IDs like G-1, L55N 27+00E, etc., and a STANDARD DS7 row at the bottom.

GROUP 1DX - 15.0 GM SAMPLE LEACHED WITH 90 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 300 ML, ANALYSED BY ICP-MS. (>) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT AU SOLUBILITY. - SAMPLE TYPE: SOIL SS80 GOC Samples beginning 'RE' are Retruns and 'RRE' are Reject Retruns.

Data FA DATE RECEIVED: NOV 15 2006 DATE REPORT MAILED: DEC 05 2006

All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of the analysis only.

