GEOCHEMCAL and GEOLOGICAL ASSESSMENT REPORT

on the

STUMP LAKE PROJECT (MICROGOLD PROPERTY) KAMLOOPS MINING DIVISION

Lat. N50°22.714, Long W120°21.890
NTS 92I/8W (92I.039)

Prepared for

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February 28, 2007

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ILLUSTRATIONS

NOTE: Figure 5a is reproduced at 1:5,000 scale in pocket
Figure 7 Cindy Showing Geology is reproduced at 1:500 in pocket

TABLES


135°0'0"W
130°0'0"W
125°0'0"W
120°0'0"W
55°0'0"N
50°0'0"N
YUKON TERRITORY
NORTHWEST TERRITORY
USA
JUNEAU
ALASKA
BRITISH COLUMBIA
ALBERTA
WASHINGTON
N
STEWART
HAZELTON
PRINCE RUPERT
SMITHERS
TERRACE
QUEEN CHARLOTTE ISLANDS
Masset
Port Clements
Fort Nelson
Burns Lake
Fort St. James
Fraser Lake
PRINCE GEORGE
McBride
Valemount
WILLIAMS LAKE
MICRO GOLD PROPERTY
REVELSTOKE
Golden
Ashcroft
Chase
Kamloops
Pemberton
Whistler
Lytton
Merritt
Lumby
Nakusp
Kelowna
Princeton
Oliver
Keremeos
Midway
Salmo
VANCOUVER
VICTORIA
VANCOUVER ISLAND
Port McNeill
Port Alice
Sayward
Zeballos
Tahsis
Gold River
Comox
Cumberland
Qualicum Beach
Gibsons Landing
Ladysmith
Lake Cowichan
Sidney
Ucluelet
1:6,000,000
0
125
250
Kilometers
TOTEM MINERALS INC.
MICRO GOLD PROPERTY
LOCATION MAP
April 30th, 2006
Figure 1

SUMMARY

The Microgold Property is located north of Stump Lake, British Columbia, NTS 92I/8W, in the Nicola and Kamloops Mining Divisions approximately midway between Merritt and Kamloops on Highway 5A.

Epithermal style gold mineralization, hosted by Upper Triassic Nicola Group volcanic and sedimentary rock has been found on the property. The Microgold property demonstrates many features of classic epithermal deposits such as: the vein mineralogy and textures, the tendency for mineralization to occur in flat vein structures, the suite of geochemical indicator elements, and the presence of gold mineralization locally up to near economic levels. The reported presence of brecciation also fits this model although the exact nature or origin of the breccias is presently uncertain. All of these features create a target that in recent years has attracted the attention of numerous epithermal-oriented explorationists and companies. These rocks are part of the Quesnel Terrane within the Intermontane Tectonic Belt. Gold and silver exploration date back to the 1800's in the Stump Lake area and from the early 1980's on the Microgold Property.

The property is owned by N. Froc who has entered into an option agreement with Totem Minerals Inc.

A program of 42 rock chip samples for gold, silver and indicator elements plus 205 selected soil samples (from a total of 780 soil samples) in conjunction with geological mapping, prospecting and linecutting was completed in April and May 2006.

Analysis of historic data in the Microgold Zone and results of the current 2006 exploration program suggest that favourable targets for epithermal gold mineralization may occur at depth at the structural intersections of deep long-lived north to northwest striking and west dipping thrusts. Tertiary-age north striking and steeply dipping sub-regional structures and secondary northeast to east striking dilatant structures, contain significant volumes of hydrothermally altered rock hosting low grade gold mineralization.

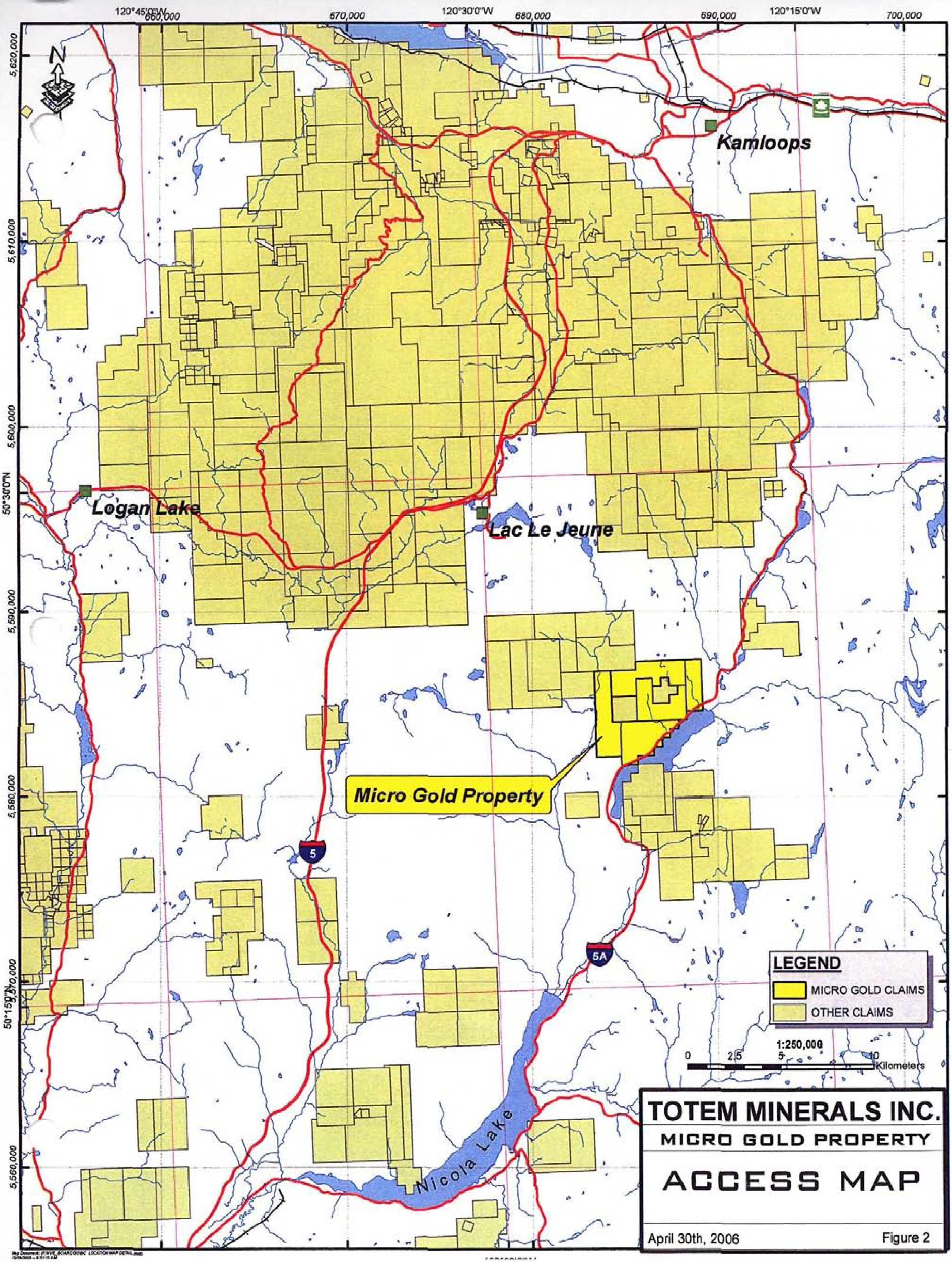
The 2006 program overlapped previous grids which generally confirmed past work, that the best gold results were obtained from north striking shallow dipping finely banded chalcedonic, weakly pyritic quartz (breccia) veins at or near east trending structures in the Microgold Zone. Steeply dipping veins are often nearby. Other exploration targets are at the West Zone where veins hosting up to 4.11 g/t gold have been found.

Intense alteration is a feature believed to be related to the boiling of hydrothermal fluids and hence to the deposition of metals. Consequently, the relative abundance of alteration, in particular potassium feldspar and fluorite alteration in the surface exposures has guided previous exploration in the search for ore at or near the boiling level.

A staged exploration program of geology, trenching and diamond drilling is recommended consisting of Stage I-A program of $31,000 and a Stage I-B program of $174,000 for a total of $205,000.

Respectfully submitted,

J. T. Shearer, M.Sc., P.Geo.



120°45'0"W
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120°15'0"W
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50°30'0"N
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50°15'0"N
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N
Kamloops
Logan Lake
Lac Le Jeune
Micro Gold Property
5
5A
Nicola Lake
LEGEND
MICRO GOLD CLAIMS
OTHER CLAIMS
1:250,000
0
2.5
5
10
Kilometers
TOTEM MINERALS INC.
MICRO GOLD PROPERTY
ACCESS MAP
April 30th, 2006
Figure 2

INTRODUCTION ANDS TERMS OF REFERENCE

This report and the completed work program described within was prepared at the request of Mr. C. Katevatis of Totem Minerals Inc. to summarize historic data , document the 2006 work by the company and recommend an exploration program for future work to further evaluate the property.

RELIANCE on OTHER EXPERTS

The author in writing this report used as sources of information those reports and files listed in the bibliography and the results of the 2006 program. All of the reports were prepared by persons holding university degree in Geological Sciences. Based on the author's assessment by field checks, the information in these reports is accurate.

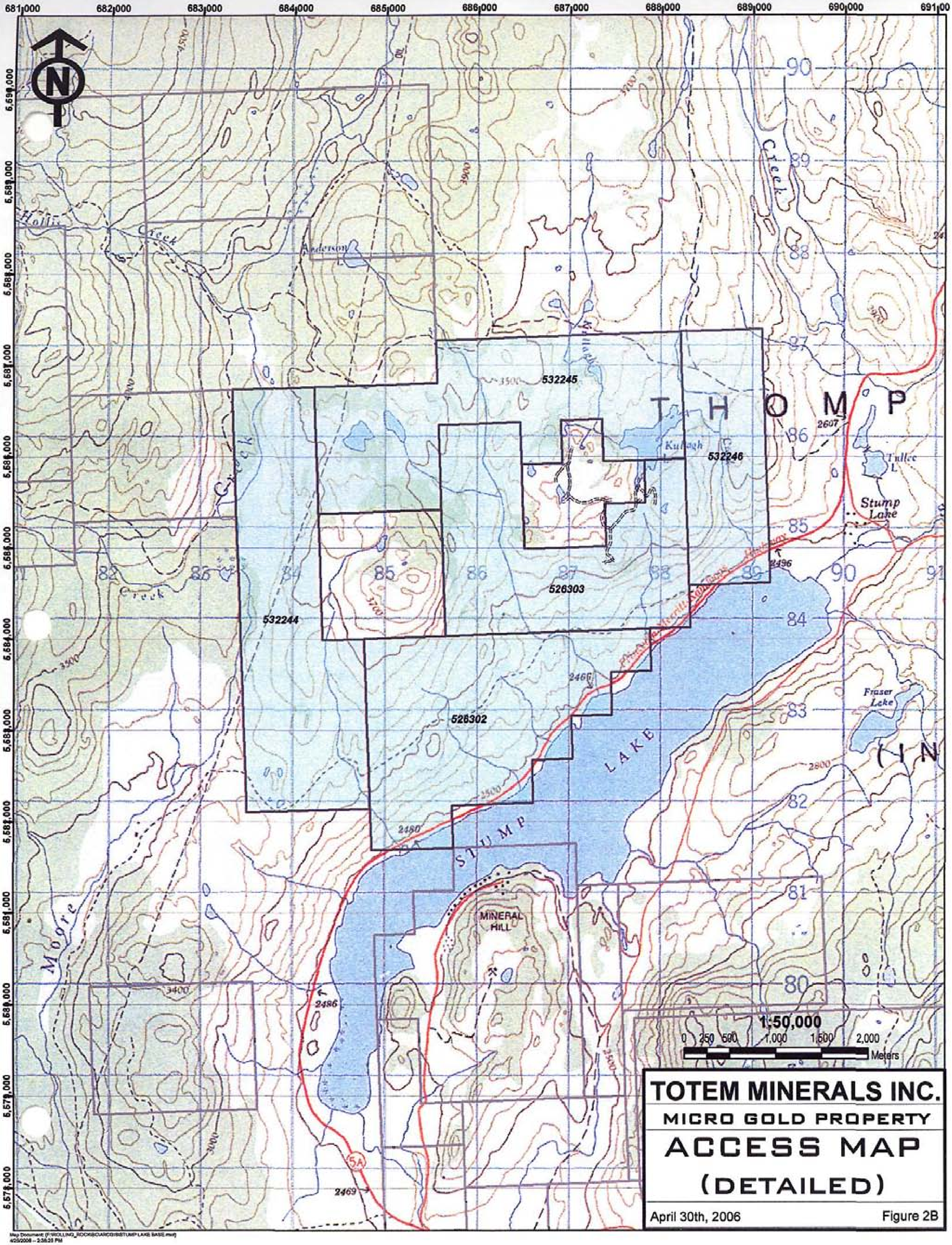
PROPERTY DESCRIPTION AND LOCATION

The Microgold Property is located north-west of Stump Lake, approximately 40km south of Kamloops B.C. (Figure 1). The Property is centred at Latitude 50°22.714 North, Longitude 120°21.890 West and at UTM Zone 10 co-ordinates 5586000 M N, 686000 M E as shown NTS 92I/8W (92I.039). The Property lies in both the Nicola and Kamloops Mining Division, Figure 2 – Access Map.

As part of its 1985 exploration work, BP Resources Canada Limited commissioned Webber and Company, Barristers and Solicitors, of Kamloops, B.C. to search legal land title for the area covered by the Microgold claims. This search reportedly showed that mineral rights in the area were not attached to the surface rights but had been retained by the Crown and were available for staking. No further title investigations have been undertaken in 2006.

Most of the surface rights are owned in part by Frolek Cattle Co. Ltd., P.O. Box 188, Kamloops, B.C. V2C 5K6, phone 604-374-1873. The crew working for Totem Minerals Inc. have established a good working relationship with Frolek and entered into a release of all claims and waiver of liability on April 20/06. The area around Kullagh Lake has been subdivided into smaller surface parcels. Owners of these smaller surface land packages were encountered during the fieldwork in April and May 2006 and were reported to be well aware that they did not own the subsurface rights.

Table I is a list of claims presently under option to the company from Mr. N. Froc, and shown on figure 3 and 3a.



TOTEM MINERALS INC.
MICRO GOLD PROPERTY
ACCESS MAP
(DETAILED)
April 30th, 2006
Figure 2B
1:50,000
0 250 500 1,000 1,500 2,000
Meters
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532246
532244
526303
526302
STUMP LAKE
Stump Lake
Tullee L
Fraser Lake
MINERAL HILL
Kullagh
Anderson
Moore
Hollis
Creek
THOMP
2607
2496
2466
2480
2486
2469
5A

Table I LIST of CLAIMS

Claim Name	Record No.	Size (ha)	Cells	Location Date	Recorded Owner	Current Expiry Date
Micro I	526302	494.645	25	Jan. 26/06	N. V. Froc	Jan. 26/12
Micro 2	526303	432.661	25	Jan. 26/06	N. V. Froc	Jan. 26/12
Micro 3	532244	494.537	25	April 17/06	N. V. Froc	April 17/12
Micro 4	532245	494.327	25	April 17/06	N. V. Froc	April 17/12
Micro 5	532246	247.19	23	April 17/06	N. V. Froc	April 17/12
Micro 6	533258	494.559	25	May 1/06	N. V. Froc	May 1/12
Micro 7	533260	412.332	21	May 1/06	N. V. Froc	May 1/12
Micro 8	533809	309.289	16	May 9/06	N. V. Froc	May 9/12

Total 2657.919 ha, 185 cells

The property surrounds claim 502981 owned by Leo Lindinger, which is not part of the current claims under option. The subject property also surrounds claim 507419, owned by Platinate Minerals south of Kullagh Lake.

The option agreement between the Company and Mr. Froc is summarized as follows:

$10,000 Cash payment on signing
$10,000 2nd anniversary
$10,000 3rd anniversary
$20,000 4th anniversary plus 25,000 shares with 2.5 NSR which can be purchased.

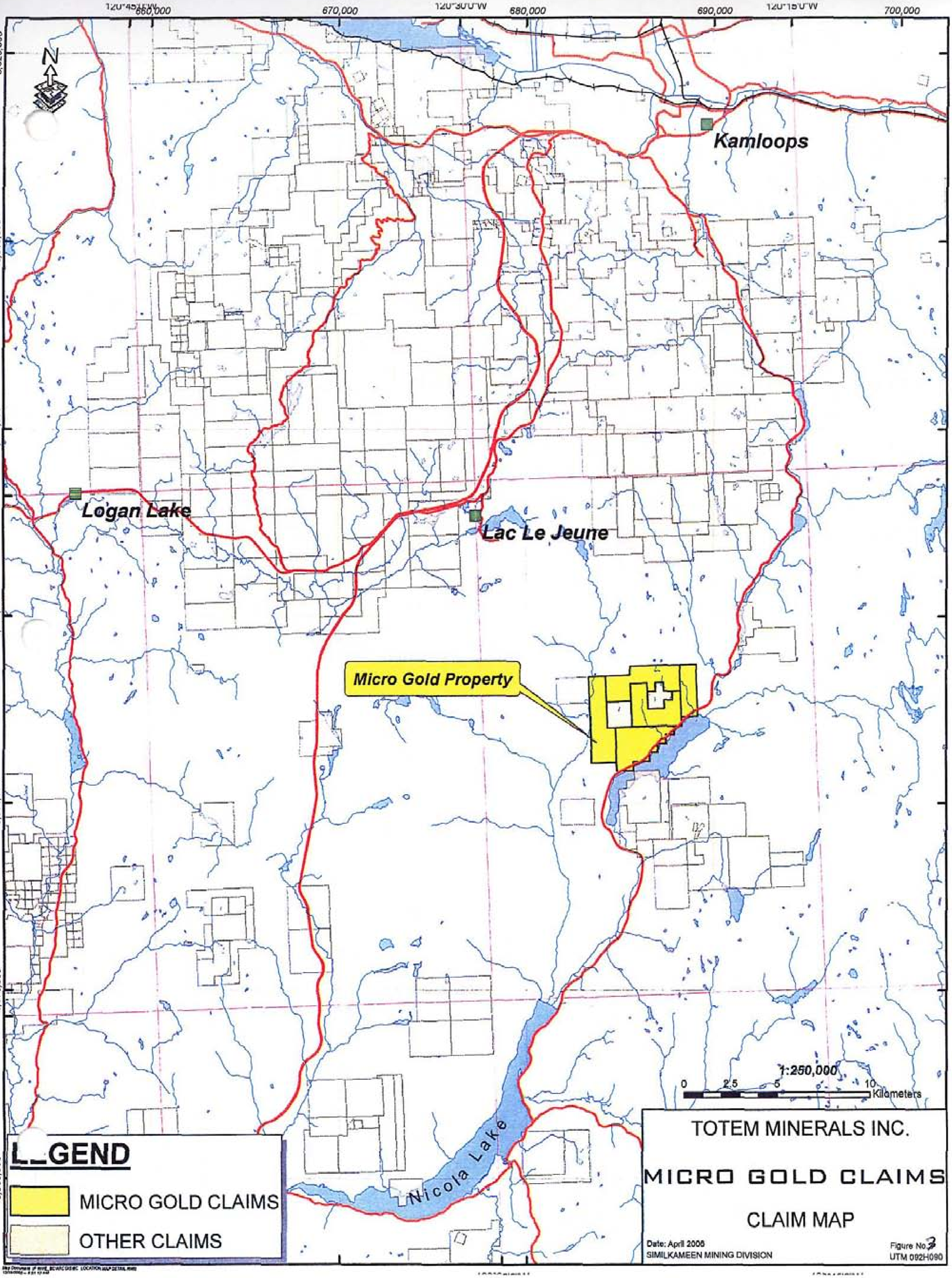
ACCESSIBILITY, CLIMATE RESOURCES, INFRASTRUCTURE and PHYSIOGRAPHY

Primary access is via Provincial Highway 5A which passes through the southeast part of the property on the west side of Stump Lake. Several range-logging roads cross through the property providing good access. Frolek Cattle Company, and the Stump Lake Ranch own or lease the surface rights to the entire area for grazing purposes. Permission is required prior to entry on owned land and recommended on leased land.

The Property lies in the semi-arid intermontaine climatic zone. Topography is moderately rolling grassland with occasional groves of ponderosa pine and poplar at lower elevations, occurring mainly in creek beds or gulleys. At higher elevations and north facing slopes mixed interior fir, lodgepole pine, and spruce predominate. Rainfall is less than 50cm/year, temperatures range from -30° to +40° celcius. Water is available from several small lakes. Terrain rises gently from Stump Lake at 756 metres elevation to 1189 metres near the northern property boundary.

HISTORY

Recorded mineral exploration history in the Stump Lake area dates from the late 1800's. Narrow quartz veins at Mineral hill, southeast of Stump Lake, were mined primarily between 1916 and 1941. Total production is reported as 70395 tonnes averaging 3.74 grams per tonne gold, 111.75 grams per tonne silver, 0.03% copper, 1.42% lead, and 0.24% zinc. A small quantity of scheelite was recovered by re-working the tailings during the Second World War.



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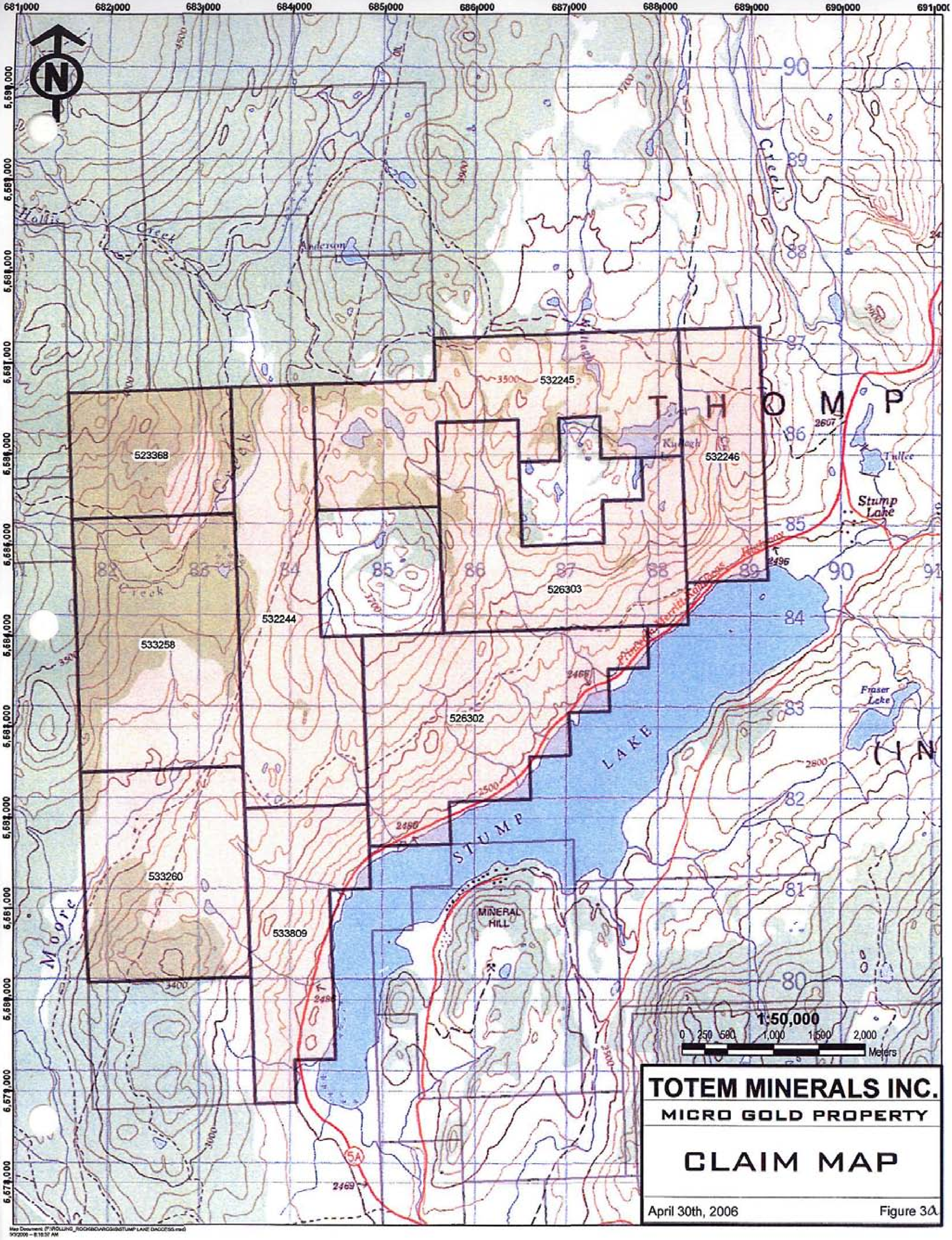
N
Kamloops
Logan Lake
Lac Le Jeune
Micro Gold Property
Nicola Lake
1:250,000
0
2.5
5
10
Kilometers
L_GEND
MICRO GOLD CLAIMS
OTHER CLAIMS
TOTEM MINERALS INC.
MICRO GOLD CLAIMS
CLAIM MAP
Date: April 2006
SIMILKAMEEN MINING DIVISION
Figure No. 3
UTM 092H090



TOTEM MINERALS INC.

MICRO GOLD PROPERTY

CLAIM MAP

April 30th, 2006

Figure 3a

During the 1960's and 1970's, sporadic base metal-oriented exploration targeted areas west and northwest of the Microgold Property. Most of this work investigated copper and copper-molybdenum showings along the fault contact between the Nicola Horst and the regional volcanic assemblages.

On the present claims, the Microgold Property, several ancient shallow pits attest to some early, unrecorded exploration of silicified zones.

The area north of Stump Lake now encompassed by the Microgold Project has been explored by several companies and individuals during the 1980's and 1990's. This work has in general enhanced the apparent mineral potential of the area and has generated and extensive data base which is of great value to ongoing work on the property. This work has covered approximately 60% of the present claim group and has outlined two main zones of silicification and associated mineralization with part of a third. These are the Microgold zone, the 'West' (Bug) zone and the eastern part of the Kullagh Lake Zone.

The earliest recorded work in the Microgold area took place in 1981 when a local prospector commissioned a limited soil geochemical survey on what is now the northern half of the Microgold claim. The samples were analyzed for copper, zinc and silver.

Serious gold exploration north of Stump Lake started in 1982 with the identification of gold-bearing epithermal quartz veins and alteration zones by Mr. John DeLatre of Vancouver. These occurrences were staked by DeLatre as the 20 unit Microgold claim.

In October 1982, Chevron Canada Resources Ltd. optioned the claims covering the Microgold Zone from DeLatre and expanded the property to 45 units by staking the Cin and Dy claims to protect inferred extensions of favourable geology.

Chevron carried out a limited program of geological mapping and geochemical soil sampling followed by four diamond drill holes totaling 666m (2186 ft). Three of these were angle holes drilled to less than 110m. The fourth was drilled vertically to a depth of 410m. Narrow drill intersections in siliceous veins and brecciated volcanics returned gold values as high as 1125 ppb.

In 1985 the three claims were optioned by BP Minerals Canada Ltd. A grid was established with 78 kilometres of picket lines 100m apart and 50m station intervals. BP's three-month program in the summer of 1985 consisted of geological mapping of the three claims, soil geochemistry over most of the southern half of the Microgold, Cin and Dy claims and limited magnetometer and VLF-EM surveys over a small portion of the southern half. This work outlined a broad, "X" shaped, weakly gossanous, bleached alteration envelope with secondary silicification and widespread gold values in rock and soil samples over a 1.5km square area.

BP followed its surface work with 22 diamond drill holes clustered in two main areas. Holes C-85-1 through C-85-7 were drilled over a 200m x 200m area on the original 'discovery' silicified knoll.

Holes C-85-8 through C-85-21 probed a 600m x 600m area at the south end of Kullagh Lake. BP's objective was to outline a near-surface gold reserve suitable for open pit extraction, with little focus on vein potential. Holes averaged slightly less than 100m each. Some 49% of the drilling was in vertical holes. While appropriate to the bulk tonnage, open pit objective, vertical holes are less than ideal in the search for steeply dipping vein type mineralization.

Results were presented as averages over entire drill hole lengths. With one exception, all the holes returned highly anomalous gold values. Hole C-85-22 was drilled in the extreme northwest corner of their property away from the main silicified area. The highest results were in C-85-13 which averaged 221 ppb gold over 120.7m.

Despite surface evidence of fault structures within the alteration envelope, apparently none of the angle holes were designed to test for bonanza gold mineralization in high-angle structurally controlled veins. This concept remains untested.

BP's work outlined overall alteration/mineralization patterns on the south central portion of the property and confirmed the pervasiveness of the alteration and silicification below surface. This work also demonstrated widespread gold enrichment and secondary silica enrichment over a 1.5km square area.

In 1986 the property was optioned by Asamera Inc. which carried out limited I.P. and VLF-EM work over a small portion of the southern half of the three claims. Three widely spaced holes totaling 917.7m were drilled.

Drilling indicated that the andesites are moderately fractured with chlorite, kaolinite, carbonate or hematite lining the thin slips. Faulting as evidenced by gouge, breccia, broken core, or quartz veining was observed in all three holes (Dupre, 1987).

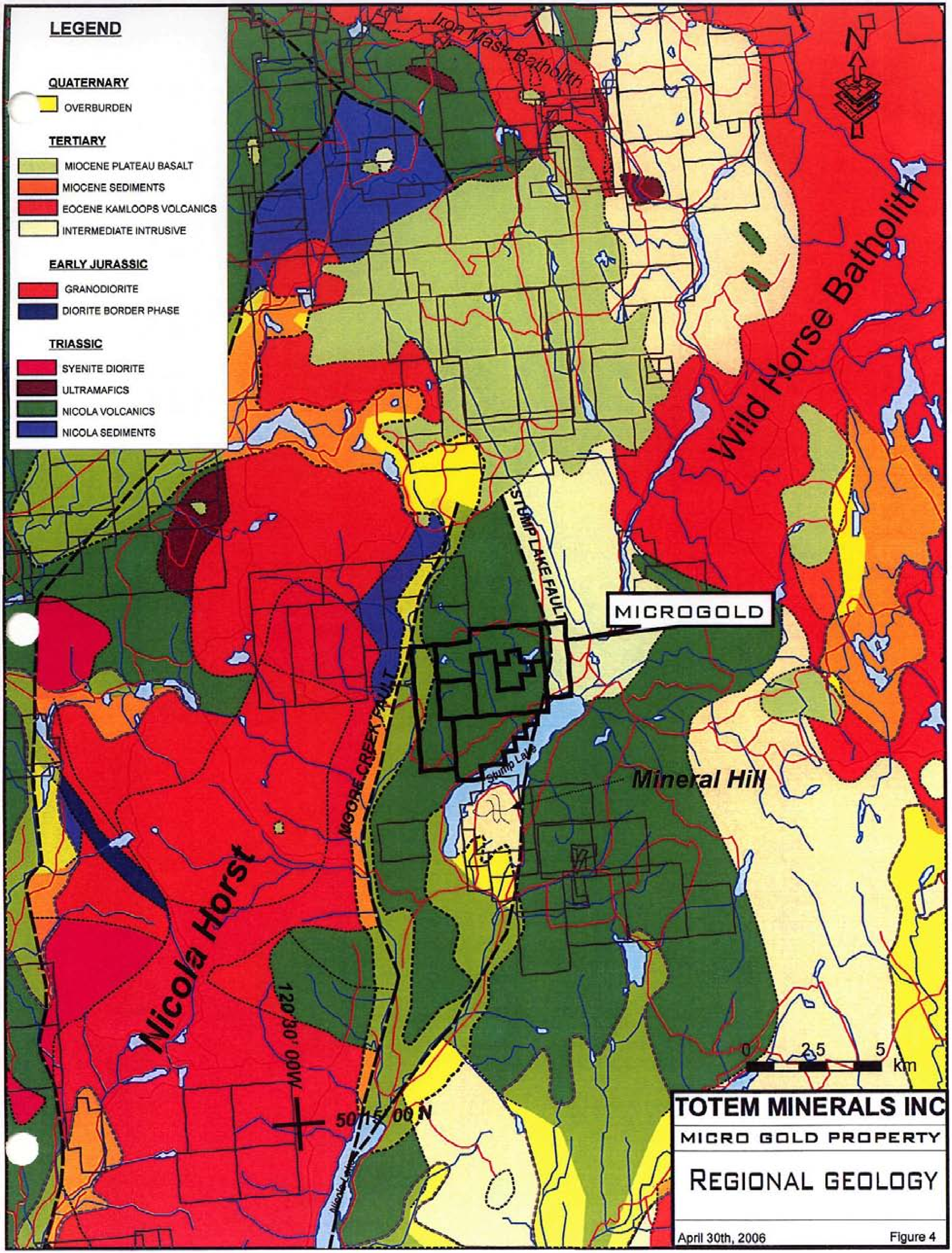
Each of the drill holes encountered chalcedonic silica veins enveloped by variably pervasive silicification and clay alteration. The veins vary in thickness from less than 1cm to 1m. The vein material is cryptocrystalline, massive to laminated, vuggy or brecciated, and oriented at various angles to the core axis. Cross cutting relationships and brecciation imply several episodes of silica introduction by open-space filling and stoping.

Purple or green fluorite and, less commonly, calcite are intimately associated with many of the chalcedonic silica veins. Thin, wispy masses of hematite or chlorite also rim the veins in places.

Fine disseminations and thin lenticular veinlets of pyrite are commonly present within the chalcedonic veins and altered zones. Several small blebs of chalcopyrite were observed at 2654.4m in C-87-2.

The altered zones invariably exhibit less magnetite than the adjacent fresh andesite. This is likely related to alteration of magnetite to pyrite.

The altered zones are characterized by week silicification and moderate clay alteration. The clay-altered zones are evidenced by bleaching related to the presence of kaolinite and, possibly, pyrophyllite. Hematite, chlorite, calcite, and pyrite are commonly observed within the altered zones. The degree of alteration intensity is variable and is likely related to the volume of fluid introduced to the system. The maximum width of altered andesite was 12m but the strongly altered sections generally average less than 3m wide.



LEGEND
QUATERNARY
OVERBURDEN
TERTIARY
MIOCENE PLATEAU BASALT
MIOCENE SEDIMENTS
EOCENE KAMLOOPS VOLCANICS
INTERMEDIATE INTRUSIVE
EARLY JURASSIC
GRANODIORITE
DIORITE BORDER PHASE
TRIASSIC
SYENITE DIORITE
ULTRAMAFICS
NICOLA VOLCANICS
NICOLA SEDIMENTS
Iron Mask Batholith
Wild Horse Batholith
STUMP LAKE FAULT
MICROGOLD
MOORE CREEK FAULT
Stump Lake
Mineral Hill
Nicola Horst
120°30'00W
50°15'00 N
0 2.5 5 km
TOTEM MINERALS INC
MICRO GOLD PROPERTY
REGIONAL GEOLOGY
April 30th, 2006
Figure 4

Coarse-grained milky white to grey quartz veins are present in each of the three holes. Calcite is a common associate of this type of vein. In several places, the chalcedonic silica veining was observed to cut this vein type. In general, the chalcedonic silica veins are more common near the surface while the coarse-grained variety is more abundant at depth. A 2.7m wide composite quartz vein/breccia interval was intersected in C-87-1 and may represent a feeder system for the epithermal silica cap exposed at surface.

In January 1988 DeLatre sold the three claims to a Vancouver-based junior mining company which, in turn, sold them to Can Quest Resource Corporation in July, 1989. CanQuest performed only limited work programs on the claims. That work successfully confirmed and extended the geophysical and geochemical anomalies.

Previous work on the property (Gamble, 1985) had indicated that Induced Polarization – Resistivity surveys were effective in indicating areas of silicification (resistively) and pyrite or clay alteration (IP). The 1992 CanQuest survey was decided upon to expand the previous work and to attempt to close off some of the partially outlined anomalous areas.

During February 1992, a portion of the Microgold grid was rehabilitated and an Induced Polarization survey was completed over 4.63 kilometres of line in the area to the south of Kullagh Lake.

The results gave several areas of relatively high. Moderate to strong chargeability highs appear to be less systematic in distribution. A series of fairly weak anomalous zones occurs on the to the west.

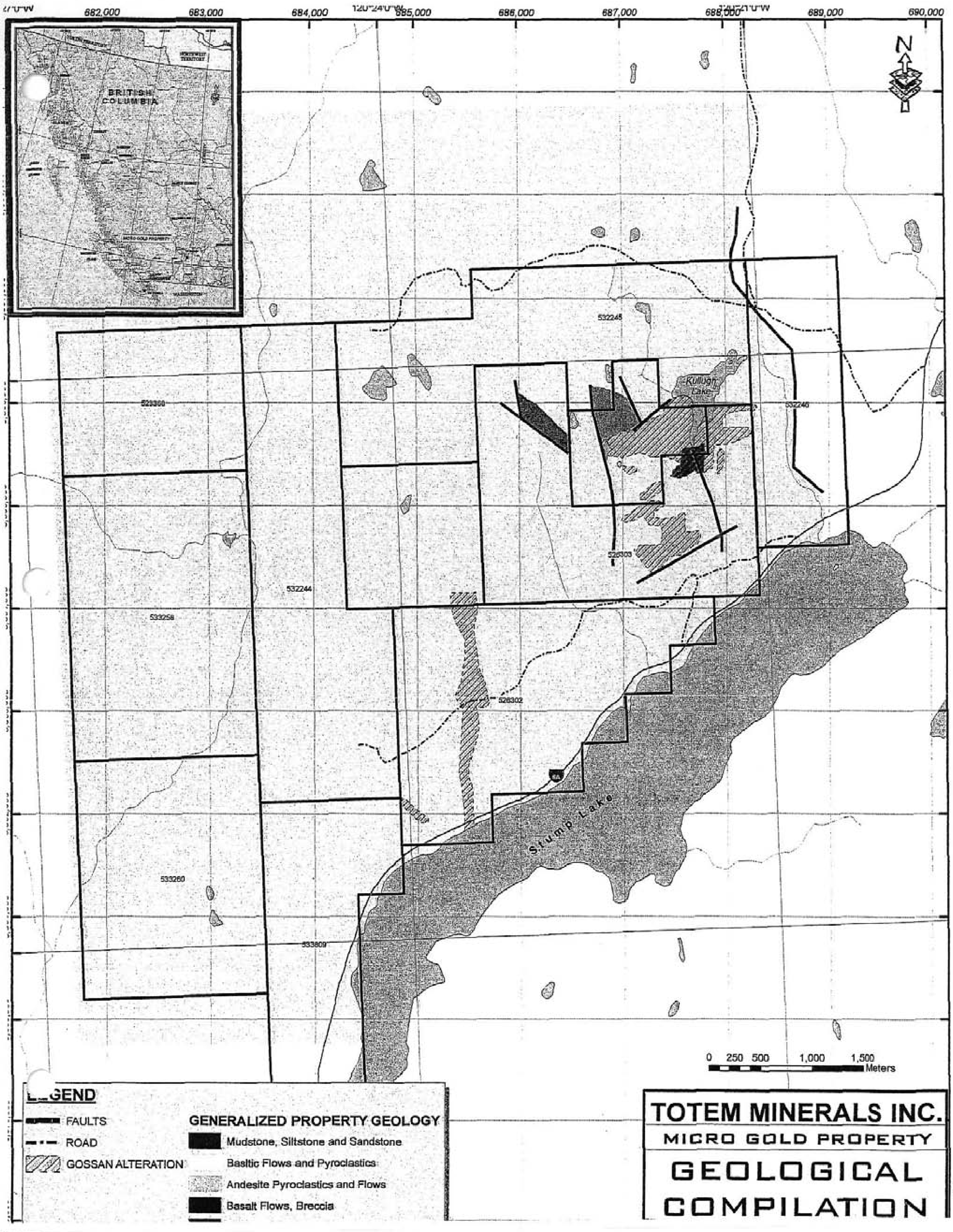
J. E. L. Lindinger, P.Geo. in work for Conquest in 1995 discovered a positive correlation between resistivity highs and felsic or hornfelsed volcanic rocks. Potentially economic mineralization in the form of ankeritic alteration zones, stockworks and veins and chalcedonic quartz-calcite breccia veins, stockworks and sheets was found on the peripheries of strong resistivity highs. More intimate correlations with less intense veining or ankerite breccia veining reported up to 850 ppb gold, 1.0 ppm silver, 745 ppm arsenic, and 20.6 ppm antimony. Only mercury did not report anomalous values. Further exploration in all areas associated with resistivity anomalies, especially in areas of newly discovered gold mineralization is recommended (Lindinger, 1995).

Chevron, BP and Asamera drill holes are shown on Figure 7.

The West Zone Historic Work

In July, 1982 the Canadian Nickel Company Limited (Canico, a division of Inco Ltd.), staked two 4-post mineral claims, Bag 1 and 2, adjacent to the western boundary of the Microgold claim. The West Zone is part of the current claims examined in 2006.

Work by Canico in 1983 consisted of prospecting and geological, geochemical and geophysical surveys and outlined two areas of interest. On the south west part of the property intermittent exposures of parallel quartz-chalcedony veins 6 to 10 cm wide were mapped in and adjacent to a small creek. This zone has an exposed width of 5m and a strike length of 325m. The highest analytical results were 35ppm gold, 0.4 ppm silver and 58 ppm arsenic. In the central part of the two claims, a zone of altered volcanics exhibiting brecciation, fracturing, quartz-



TOTEM MINERALS INC.

MICRO GOLD PROPERTY

GEOLOGICAL COMPILATION

FIG 5

carbonate veining, silicification and pyritization over widths up to 200m was traced for 220m to the northern boundary of the property. An arsenic soil anomaly is coincident with the zone. At the north end where the zone is characterized by narrow quartz veins, rock chip analyses returned values up to 880 ppb gold, 3.7 ppm silver, 429 ppm arsenic, 115 ppm molybdenum and 162 ppm copper.

In June of 1984 Goldbrae Developments Ltd. Optioned the Bag 1&2 claims from Canico and conducted detailed ground magnetometer, VLF-EM and IP surveys over the two claims. This work extended to the north into Goldbrae's Anderson 4 claim, an area now covered by CanQuest's Epic 5 claim. Data from these programs, when correlated with Canico's earlier work, delineated several areas within the main north-south zone with coincident alteration and conductive characteristics. These areas were designated by Goldbrae's consultants as high priority diamond drill targets, including one on the Anderson 4 claim. Further work on the southwest showings which are characterized by poor exposure and spotty geochemical results, was considered a lower priority. Neither Goldbrae nor Canico followed up on the recommendations.

In 1987 the Bag 1&2, Anderson 4 and other contiguous Anderson claims to the west and northwest were optioned by Lectus Developments Ltd. A three-hole diamond drilling program totaling 616.15m was carried out in February, 1987 to test the southwest zone geochemical and geophysical anomalies outlined in 1983 and 1984. Historic drill cores confirmed the presence of what was defined as a fossil geothermal environment but no gold or silver values were found in the portions tested. Two of the holes encountered graphite which appeared to correlate with EM conductors. Recommendations were made to focus future work on the 2200m long central alteration zone, but no further work was performed.

The Bag 1&2 and Anderson 4 claims were forfeited in 1991 and restaked twice by one individual who performed no work. The ground was staked by CanQuest in November, 1993.

Canquest

Canquest Resource Corp. conducted several exploration programs (Rayner, 1992 and Johnson, 1994) on the property which culminated in a 1,168.9m diamond drill program in December 1996 (Durfeld, 1997).

The diamond drilling in 1996 was designed to test a combination of weak chargeability high and resistivity high anomalies interpreted to reflect increased sulphide content and silicification.

The gold mineralized zones have different modes of occurrence. The upper mineralization in hole 96-03 is hosted by a strong altered intrusive whereas the lower section corresponds to a quartz-fluorite vein zone. In hole 96-05 the anomalous section is described as an epidote altered debris quartz-fluorite vein zone. In hole 96-05 the anomalous section is described as an epidote altered debris flow. The mineralized sections in hole 96-05 occur in quartz fluorite veins and vein breccia. Of particular interest are the elevated to strongly anomalous molybdenum, arsenic and fluorite associated with the gold mineralization.

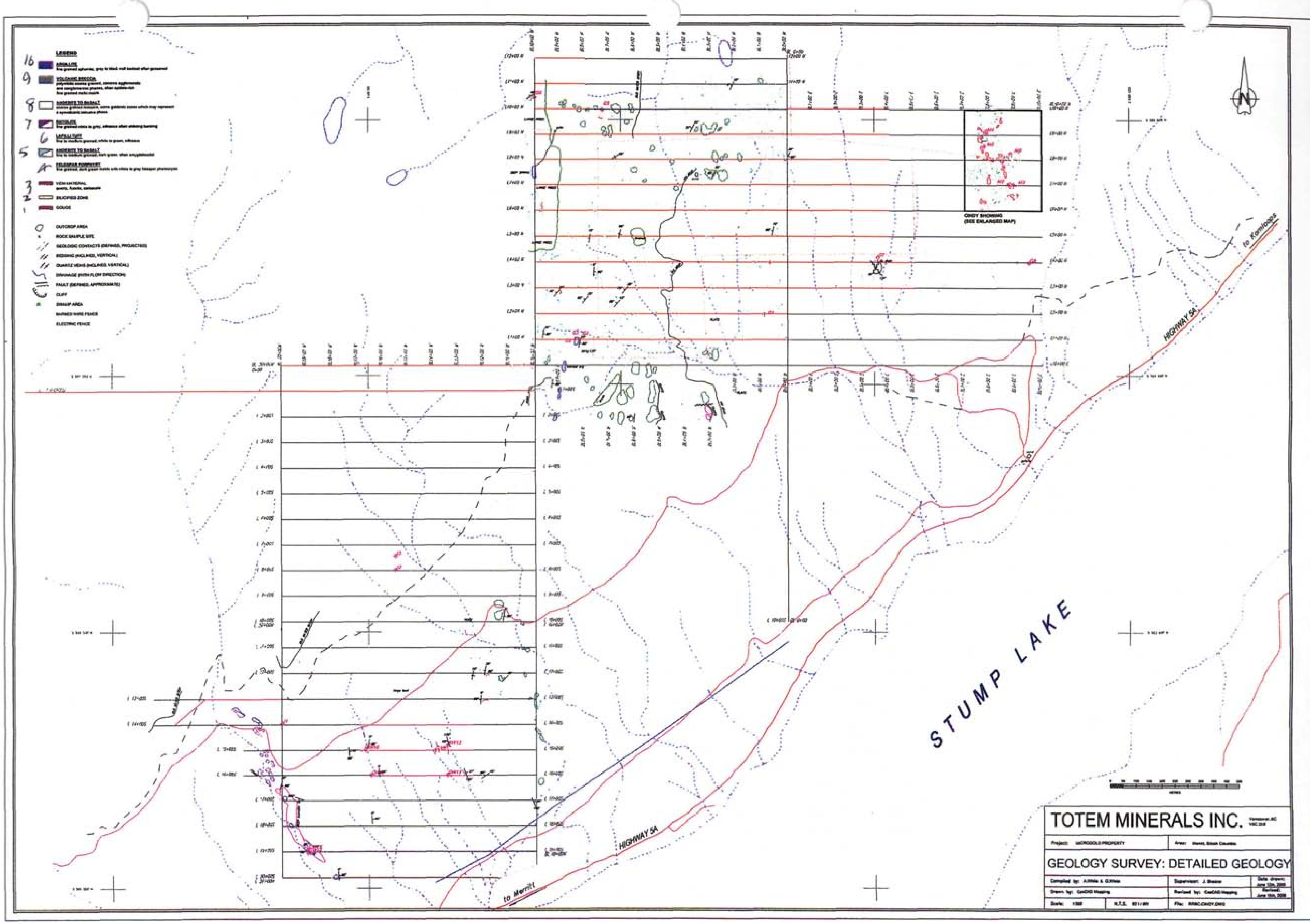


FIG 5a
FIGURE 5a

GEOLOGICAL SETTING

REGIONAL GEOLOGY

The geology of the area surrounding Nicola Lake, including Stump Lake, has been mapped on a regional scale several times since 1896, starting with a classic study by G. M. Dawson. Mapping at a scale of 1:253440 was completed by Cockfield (GSC) in 1948 followed by more detailed mapping of selected areas in the 1960's and 1970's. A new regional map sheet was compiled by Monger and McMillan (GSC) in 1984. Geological mapping in 1988 and 1989, in conjunction with the LITHOPROBE multidisciplinary earth science project based on seismic surveys, was published by the BC government as Open File 1990-29 "Nicola Lake Region Geology and Mineral deposits" by J. M. Moore et.al. Regional geology is shown on Figure 4, after Gamble (1985), modified from Moore's work.

The area north of Stump Lake is underlain by mafic volcaniclastic rocks of the Late Triassic Nicola Group. These are bordered on the west by the Triassic Nicola Horst complex, unconformably overlain on the east by Eocene clastic and volcanic rocks of the Kamloops group, and obscured on the north by Miocene olivine basalts. Small tertiary intrusions of mainly intermediate composition have been noted and a small Tertiary sedimentary basin occupies a structural depression at the south end of Kullagh Lake.
Structurally, the area is dominated by major faults trending north to northeasterly. The Quilchena-Moore Creek fault system, which marks the eastern edge of the Nicola Horst, passes a few kilometres west of the Microgold Property. This 015° trending system can be traced for at least 50km and has been tentatively dated as Tertiary. To the east, the contact of the Nicola and Kamloops formations is marked by the 345° trending Stump Lake fault which cuts along the eastern side of the Microgold claim block and appears to coalesce with the Quilchena-Moore Creek fault a few kilometres north of the property. South of Stump Lake, the Stump Lake fault curves westerly, joining the Quilchena fault at the northeast end of Nicola Lake. This fault-bounded, 25km long elliptical block of mainly Nicola Group rocks is cut by numerous northerly and northeasterly trending faults. The recently expanded Microgold property covers nearly 10km of this block.

Previous workers have suggested that the polymetallic sulphide assemblages mined at Mineral Hill are mesothermal equivalents of the epithermal gold-bearing quartz veins north of Stump Lake and postulated the presence of a fault structure coincident with the lake or a syncline bordering and parallel to the north shore of Stump Lake.

LOCAL GEOLOGY

Triassic

The Kullagh Lake (eastern) portion of the Microgold property is underlain mainly by Triassic 'Nicola' Group intermediate to mafic volcaniclastic rocks. This package consists of augite porphyry, red and green pyroclastics and maroon (hematitic) conglomerates. The most common Rock type on the property is an andesitic flow breccia.

This typical 'Nicola' package, with an apparent slight increase in sedimentary component, extends to the West zone area where argillite, occasionally graphitic, is found interbedded with tuffs, Figure 5 and in more detail Figure 5a. Note: Figure 5a is also presented at 1:5,000 scale in pocket.

Geological Units

Unit 1: Consists of volcanics subdivided into Unit 1a, a fine to medium grained dark green, often amygdaloidal andesite basalt. And Unit 1b, feldspar porphyry, fine grained, dark green matrix and white to grey feldspar phenocrysts.

Unit 2: is subdivided into Unit 2a, Rhyolite, which is fine grained, white to grey coloured siliceous, often with well developed banding. And Unit 2b, lapilli tuff, which is fine to medium grained, white to green coloured, and siliceous.

Unit 3: Consists of a coarse grained massive andesite to basalt locally with coarser grained gabbroic zones. This may represent a syn-volcanic intrusion of Unit 1.

Unit 4: is a coarse grained, polymictic volcanic breccia-agglomerate with conglomeretic-like phases. The breccia matrix is fine grained, mafic and often epidote rich.

Unit 5: is composed of fine grained, aphanitic, grey to black well bedded argillite. The unit is pervasively gossan stained.

Tertiary

Mudstone, siltstone, sandstone and multilithic conglomerate occur in a small, probably structurally controlled sedimentary basin at the extreme south end of Kullagh Lake. This unit is thought to be the basal remnant of a more extensive Lower Eocene basin which covered the area. Minor coal seams reported on the western portion of the property may correlate with this unit.

Basaltic flows and breccias of the Upper Eocene "Kamloops Group" outcrop east of the Stump Lake fault, near the eastern property boundary.

Intrusives

Blocky, angular slabs of granitic float can be found on the claims, various workers have speculated on the presence of a buried intrusive beneath the Kullagh Lake area which might be the ultimate heat source driving the epithermal system. The only known intrusive body on the Microgold property was mapped by Gamble (1985) about 3.5km southwest of Kullagh Lake.

Alteration

Silicification, generally as chalcedony, is widespread, occurring as finely laminated veins or brecciated veins. Chalcedony veins are extensive and persistent. Individual veins, of which flat lying examples are the strongest, can be traced for more than 250 metres, with thickness to 2m. Exact relationships between flat and vertical veins are unclear, although this is obviously a multi-episodic system.

Within veins and breccia zones, minor pyrite is the only common sulphide.

Fluorite, a common accessory mineral in epithermal systems, is found both within veins as fine laminations and along selvages, in amounts up to 10% of the vein material.

One of the main features of the Microgold Zone in the Kullagh Lake area is a broad 'X' shaped, gossanous, bleached alteration envelope, probably controlled by two main structures. Trending 010° and 080°, two limbs of the 'X' intersect at the south end of the south extension of Kullagh Lake. BP drill holes C-85-9, 13 and 15, all with estimated secondary silica greater than 10% and the highest average gold values on the property, are located within the intersection zone. The presence of secondary silicification in Eocene sediments dates at least some of the alteration and mineralization events as late Tertiary.

Lithology and Petrology

Petrographic analysis of a wide ranging suite of specimens from the 2006 mapping program indicate that potassium feldspars are much more abundant than previously known. Much of the fluorite-silica alteration is also characterized by abundant adularia.

Structure and Metamorphism

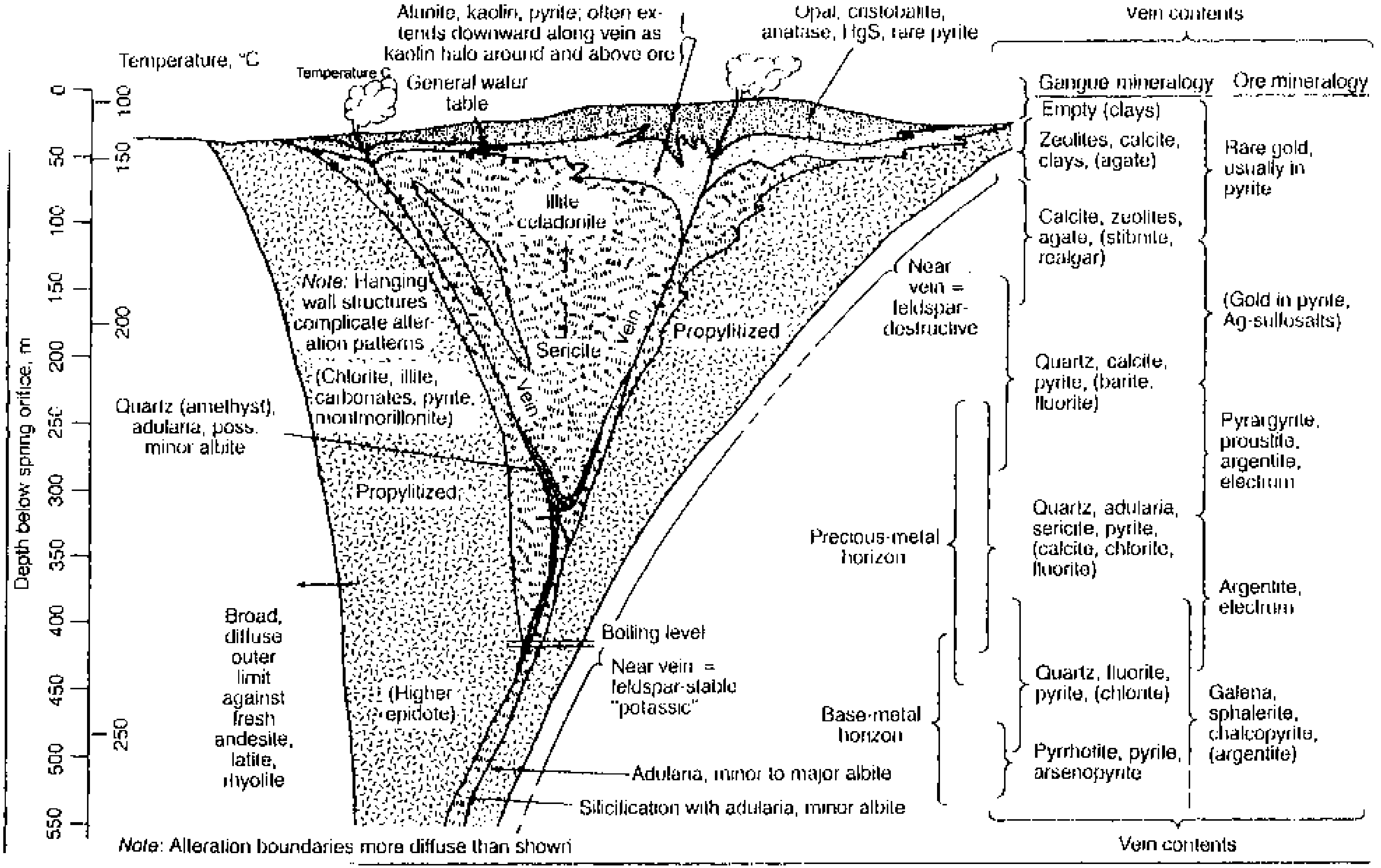
As mentioned in section 7.0, Regional Geology, the Microgold Property lies within an elliptical, fault bounded block. This type of extensional environment is a common setting for subsequent intrusive/extrusive activity and related mineral deposition. Ground preparation, especially high angle faulting, is a critical requirement in the emplacement of epithermal mineralization.

Two dominant directions of high angle faulting are evident on the property, trending northeasterly (045° to 060°) and northwesterly (330° to 355°), roughly corresponding to the limbs of the 'X' shaped alteration pattern. Most exploration work to date has been focused on the northwesterly structures with east west grid lines and mainly east-west oriented drill holes.

DEPOSIT MODEL CONSIDERATIONS

Gold deposits related to sub-aerial volcanic activity are known as epithermal gold deposits. They commonly occur in island arcs and continental arcs associated with subduction. The term 'epithermal' was described by Waldemar Lingren in 1933, it is a classification of ore deposits that are products of hydrothermal fluids which have a specific depth range. The deposits are found near the surface and mineralization occurs at a maximum depth of 1 km but it rarely exceeds a depth of 600m. Lingren also considered temperatures to range from 50°-300°C under conditions of moderate pressure.

Most of the ore is found in veins. They tend to be irregular branching fissures, vesicle fillings, stockworks, breccia pipes and disseminations. The most common form of emplacement is open space fillings, these include cockscomb textures, crustifications, drusy cavities and symmetrical banding. Colloform textures are also found, these are typical of a shallow volcanic environment which indicate low temperatures and the free circulation of hydrothermal fluids. Evidence for repeated mineralization is evident, this includes re-brecciation and multistage banding.



TOTEM MINERALS INC

MICRO GOLD PROPERTY

ALTERATION MODEL

April 30th, 2006 Figure 6

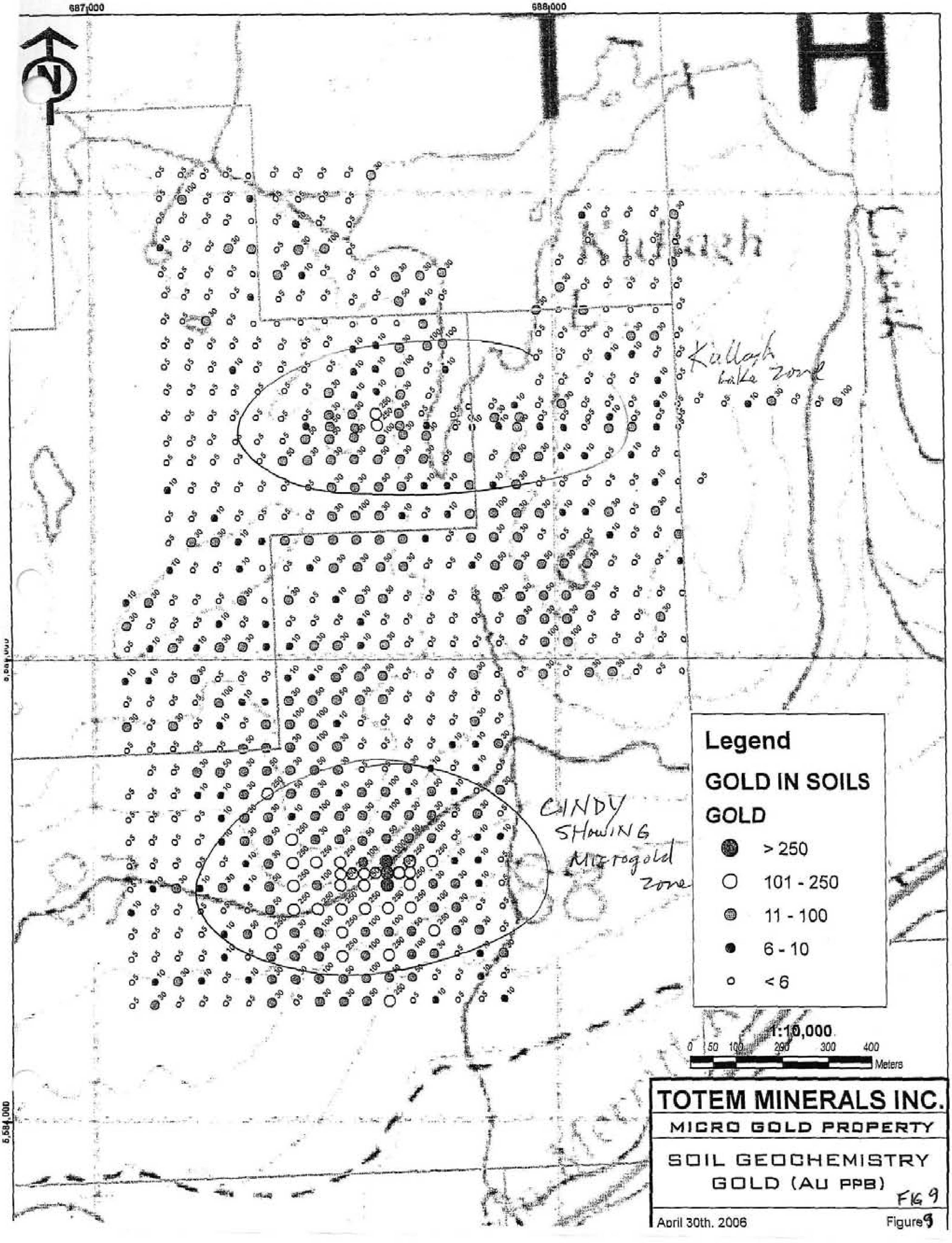
Ore minerals are usually fine grained but have coarse grained well crystallized overgrowths of gangue minerals. The ore assemblages include sulfantimonides, gold and silver tellurides, stibnite, cinnabar, native mercury, electrum, native gold, native silver, selenides and to a lesser extent galena, sphalerite and chalcopyrite. Typical gangue minerals found are quartz, calcite, fluorite, barite and pyrite. Dolomite, hematite, chlorite, rhodonite are sometimes found.

The alteration in country rocks around hydrothermal veins is usually extensive. High porosity and permeability values in wall rocks allow deep migration of the mineralization fluids. The difference in temperature between the cool country rocks and the hot invading fluids causes reactions which results in a new assemblage of minerals. The main products of this mineralization are chlorite, alunite, sericite, zeolites, clays, adularia, silica and pyrite. Propylitization is the main zone of alteration in which chlorite is the main mineral. Silica, chlorite, sericite and pyrite of the alteration halos are usually fine grained. Near the surface it is not uncommon to find a broad argillic zone of alteration often containing alunite. Some deposits are found to have an aluminous advanced argillic alteration zone in which Kaolinite, sericite, pyrophyllite and andalusite with minor corundum, topaz and diaspore is found. Carbonate minerals such as calcite, dolomite, ankerite and rhodochrosite are also products of alteration. Montmorillonite and kaolinite clays may be abundant forming zones parallel to the walls of veins.

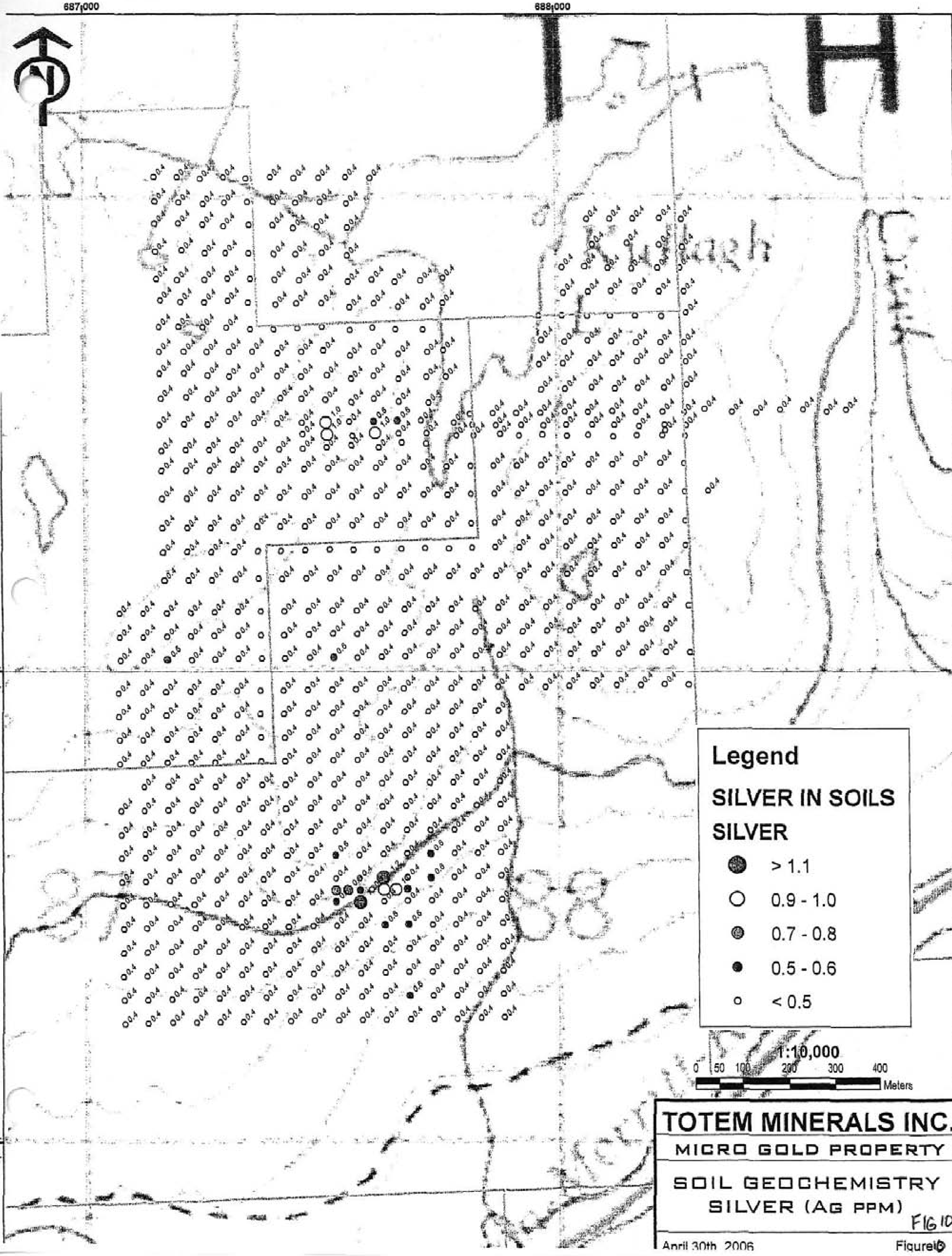
There are two types of mineralizing fluids which are responsible for forming epithermal gold deposits, they have a different chemical composition and are from contrasting volcanic environments. The first is a low sulphidation (LS) fluid which is reduced and has a near neutral pH. It is a mixture of magmatic and meteoric waters. The geochemical composition is similar to waters found when drilling hot springs in geothermal systems. Gold is carried in solution and is precipitated out in veins near the surface at the zone of boiling. Some of the features which are characteristic of this type of setting are colloform and brecciated quartz which is cemented by adularia and bladed calcite.

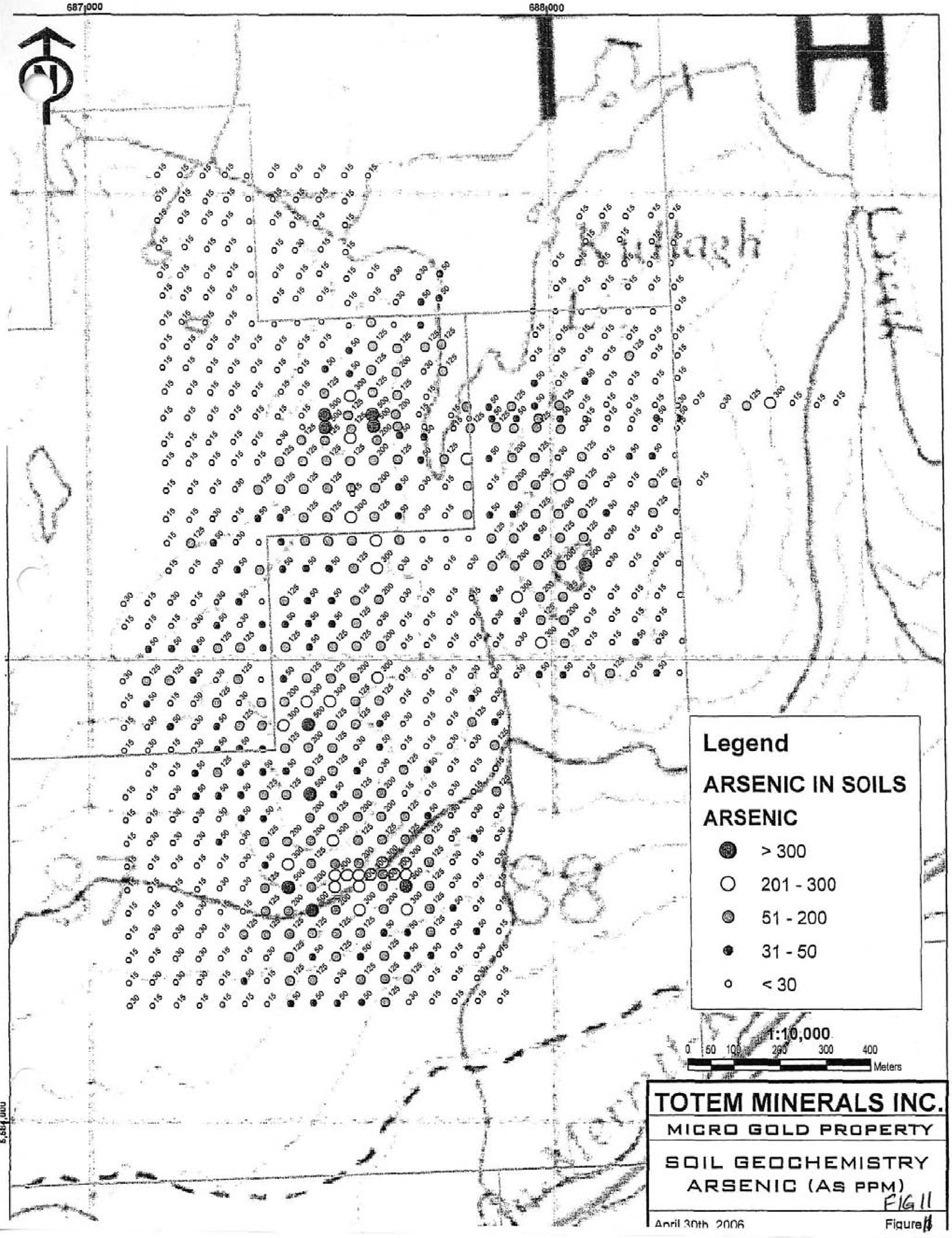
The second type of mineralizing fluid is a high sulphidation (HS) fluid. This is an oxidized and acidic fluid which dominantly originates from a magmatic source. It deposits gold near the surface when the fluid cools or is diluted by meteoric waters. The gold in this type of deposit is hosted by leached silicic rock from acidic fluids which are generated in a volcanic hydrothermal environment.

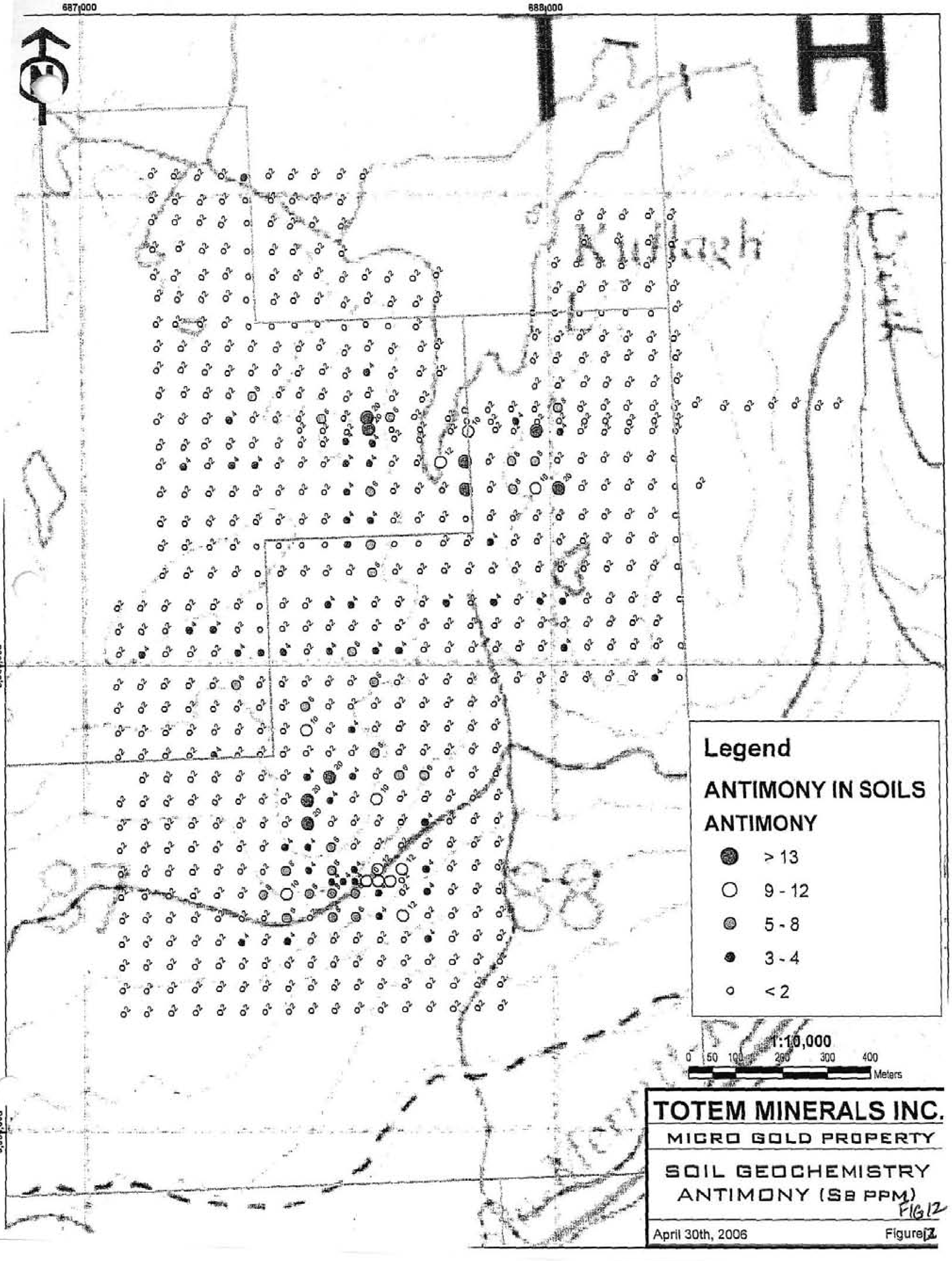
	Low Sulphur Deposit	High Sulphur Deposit
Ore minerals	Gold, Pyrite, Electrum, Sphalerite, Galena	Gold, chalcopyrite, pyrite, tellurides, covellite
Gangue minerals	Quartz, calcite, adularia, illite, carbonates	Quartz, alunite, barite, kaolinite, prophillite
Textures	Veins, and open space filling drusy cavities, symmetrical banding and colloforms	Wall rock replacement, breccias, veins
Deposit characteristics	Cavity veins and stockwork ore common	Disseminated ores and replacement ores common.
Main metals	Au, Ag, Zn, Pb, and minor Cu, Sb, As, Hg, Se	Au, Ag, Cu, As, and minor Pb, Hg, Sb, Te, Mo, Bi



687,000
688,000
5,585,000
5,584,000
N
Killagh Creek
Killagh Lake zone
CINDY SHOWING Microgold zone
Legend
GOLD IN SOILS
GOLD
> 250
101 - 250
11 - 100
6 - 10
< 6
1:10,000
0 50 100 200 300 400 Meters
TOTEM MINERALS INC.
MICRO GOLD PROPERTY
SOIL GEOCHEMISTRY
GOLD (AU PPB)
FIG 9
April 30th, 2006
Figure 9


687000
688000
Legend
SILVER IN SOILS
SILVER
> 1.1
0.9 - 1.0
0.7 - 0.8
0.5 - 0.6
< 0.5
1:10,000
0 50 100 200 300 400
Meters
TOTEM MINERALS INC.
MICRO GOLD PROPERTY
SOIL GEOCHEMISTRY
SILVER (AG PPM)
FIG 10
April 30th 2006
Figure


687000
688000
5,884,000
Kutlagh
88
Legend
ARSENIC IN SOILS
ARSENIC
> 300
201 - 300
51 - 200
31 - 50
< 30
1:10,000
0 50 100 200 300 400
Meters
TOTEM MINERALS INC.
MICRO GOLD PROPERTY
SOIL GEOCHEMISTRY
ARSENIC (As PPM)
FIG 11
April 30th 2006
Figure



687,000
688,000
5,684,000
Legend
ANTIMONY IN SOILS
ANTIMONY
> 13
9 - 12
5 - 8
3 - 4
< 2
1:10,000
0 50 100 200 300 400
Meters
TOTEM MINERALS INC.
MICRO GOLD PROPERTY
SOIL GEOCHEMISTRY
ANTIMONY (Sb PPM)
FIG 12
April 30th, 2006
Figure 12

With both LS and HS deposits, the mineralizing fluids ascend to the surface via fracture networks. Mineralization often occurs within these conduits. LS fluids usually deposit ore in large cavity filling veins, or in a series of finer veins known as stockworks. The more acidic HS fluids penetrate farther into the surrounding country rocks, which deposit ore in veins which may be scattered throughout the host rock.

Gold deposition in epithermal systems is inferred to result from boiling of auriferous solutions in prepared (fracture-hosted) conduits. Breccia textures and polyphase silica flooding (often referred to as silicification) are common. Both replacement and void-filling mineralization can occur.

Many epithermal deposits display a widespread demagnetization of the host rocks, due to transfer of potassium into the upper part of the epithermal system with reduced sulphur. Therefore airborne magnetic, radiometric and resistivity surveys are very useful in locating these deposits.

On the ground, geochemical surveys based primarily on gold are of great importance in locating ore zones. Where there is sufficient outcrop or if exploration drilling has taken place the possibility of alteration could be very important. Also mapping of breccia types could provide a guide to the mineralization style and possible targets. Fluid inclusion thermometry is also useful in characterizing mineral deposits.

A generalized model of epithermal vein deposits has been summarized by Buchanan, 1981 see Figure 6.

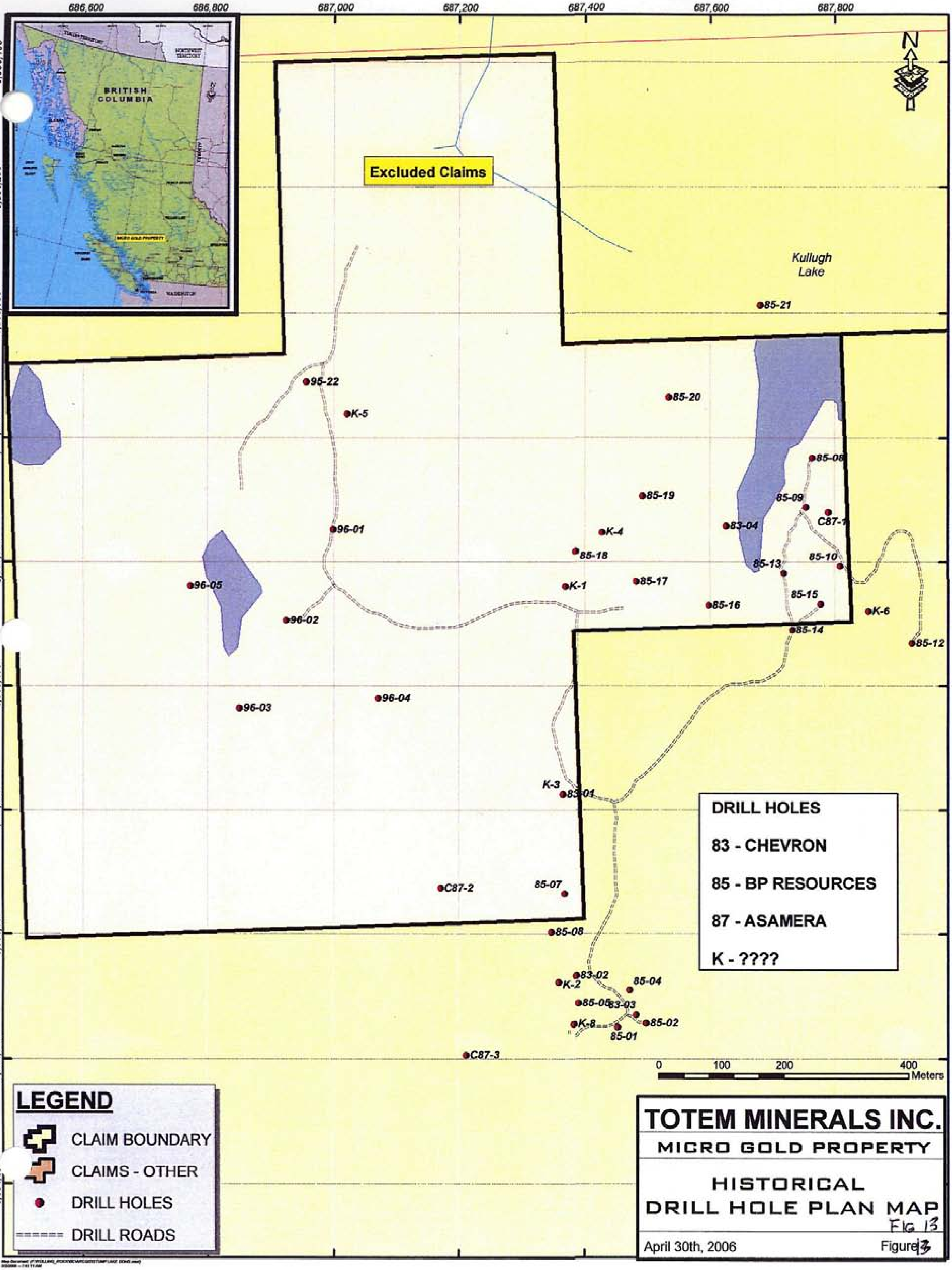
MINERALIZATION

Work to date in the Microgold Zone (Cindy Showing) in the Kullagh Lake area, primarily by BP, has highlighted widespread gold enrichment, associated with secondary silicification, over an area approximately 1.5km square. Grab samples collected on behalf of CanQuest and other companies have assayed from trace to 23.726 g/tonne Au. These samples were collected at random from both chalcedony veins and silicified zones. Samples taken in 2006 ranged from <0.05 ppb gold up to 1408.1 ppb Au, refer to Figure 7 for details.

Minerals observed by Durfeld (1997) in drillcore in the order of abundance are pyrite, fluorite, hematite and arsenopyrite. The strongest pyrite was in the argillite, particularly in diamond drill hole M-92-02. Assaying did not show increased gold values in the pyritic sections. The best correlation for gold with other elements was with molybdenum and arsenic. Sampling showed weak gold values in quartz veins, vein breccia and in altered sections.

Gold mineralization in the West area is less well defined. Although anomalous gold values are known in some of the exposed quartz veins in the 2200m long West zone, most of the encouragement in that zone is derived from geochemically anomalous epithermal indicator elements such as arsenic.

Exact mode of occurrence of gold is uncertain. No visible gold has been recognized on the property.


686,600
686,800
687,000
687,200
687,400
687,600
687,800
5,586,200
5,586,000
5,585,800
5,585,600
5,585,400
5,585,200
5,585,000
5,584,800
5,584,600
BRITISH COLUMBIA
Excluded Claims
Kullugh Lake
85-21
95-22
K-5
85-20
85-08
85-19
85-09
C87-1
96-01
K-4
83-04
85-18
85-13
85-10
96-05
K-1
85-17
85-15
85-16
K-6
96-02
85-14
85-12
96-03
96-04
K-3
83-01
C87-2
85-07
85-08
83-02
K-2
85-04
85-05
83-03
K-8
85-02
85-01
C87-3
DRILL HOLES
83 - CHEVRON
85 - BP RESOURCES
87 - ASAMERA
K - ????
0
100
200
400
Meters
LEGEND
CLAIM BOUNDARY
CLAIMS - OTHER
DRILL HOLES
DRILL ROADS
TOTEM MINERALS INC.
MICRO GOLD PROPERTY
HISTORICAL
DRILL HOLE PLAN MAP
FIG 13
April 30th, 2006
Figure 13

EXPLORATION in 2006

(A) Geology and Prospecting 2006

Epithermal systems are usually marked by a variety of economic and accessory minerals. Previous work on the Microgold has shown fluorine, arsenic, antimony and mercury to be the commonest and most reliable indicators of and companions to gold.

An exploration program proposed and supervised by J. T. Shearer, M.Sc., P.Geo. was conducted by Totem Minerals on the property in April, May and June 2006. Work in 2006 confirmed the importance of this element suite by follow-up sampling. A grid was laid out in 2006 consisting of 14 km of base line and 41 km of grid lines as shown on Figure 14 and Figure 5a. Detailed geological mapping also confirmed the major parameters and was successful in defining extensions to the known altered zones. Rock samples collected in the 2006 program ranged from <0.05ppb up to 1408.1 ppb gold, see Figure 5a and Figure 7 in pocket and list of samples in Appendix III. The higher gold values encountered in the 2006 work were from quartz-carbonate veining containing fluorite as shown on Figure 8. These results are similar to past work by previous operators. The soil grids established in 2006 overlapped soil grids completed in previous years.

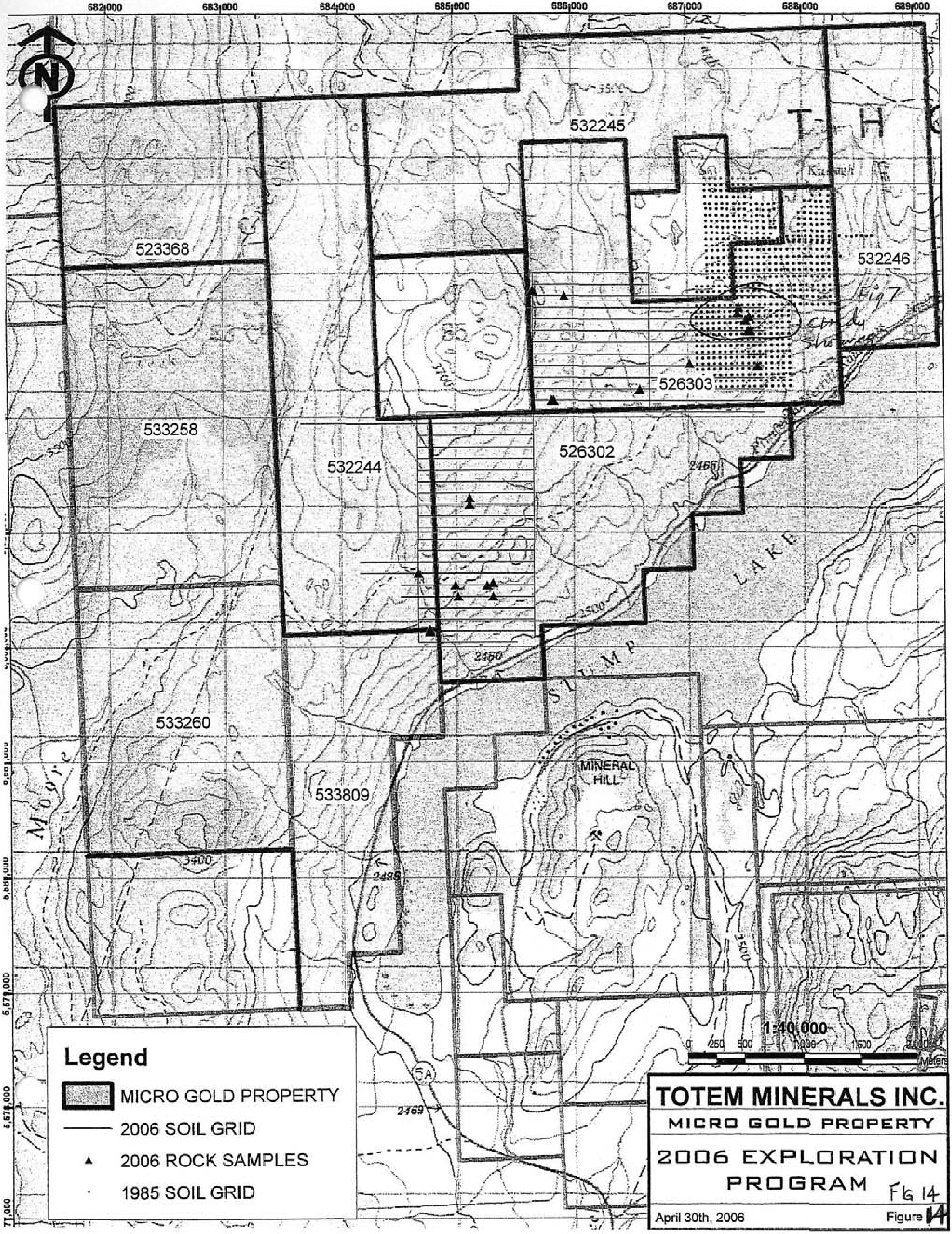
Geological features and structures in the area are interpreted to represent the upper sections of an epithermal system with potential for precious and base metals at depth down the system. Further work on the west zone is warranted. Newly discovered zones in 2006, to the north and northwest of claim group show high potential (some preliminary work done) and warrant further follow-up work. They are possible extensions of existing systems and/or new but related systems.

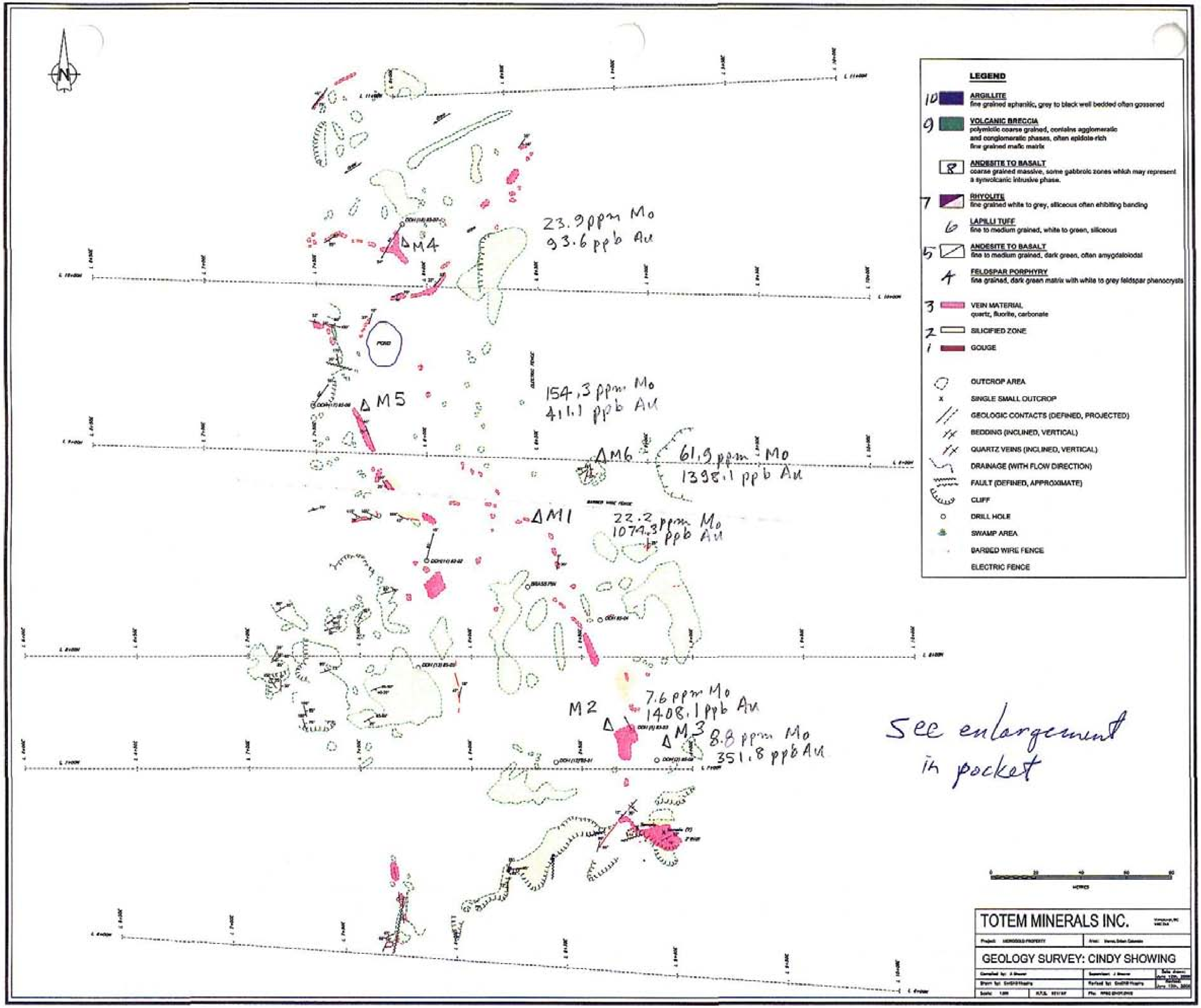
On the Microgold Zone, Cindy Showing, Figure 7, near Kullagh Lake, closely spaced soil and lithogeochemical sampling undertaken in 1985 by BP defined a major gold anomaly extending 1.5km from the main silicified knoll at the south end of the grid to the west side of Kullagh Lake. Work in 2006, Figure 7.

Airborne magnetic coverage of the Stump Lake area was published by the GSC in 1968 at a scale of 1 mile to the inch (1:63360). The northeast half of the Microgold property shows magnetic response elevated approximately 200 gammas over regional background. A second, egg shaped, anomaly near the eastern property boundary may represent a buried intrusive emplaced along the Stump Lake fault zone.

Magnetic, VLF-EM, Pulse EM and Induced Polarization surveys by Goldbrae have outlined the West zone over a strike length of 2,200 metres. Both pulse and VLF-EM show a series of subparallel northerly trending conductors. These coincide well with zones of high (700 ohm-metres) resistivity potentially representing silicification.

On the Microgold Zone, magnetic, VLF-Em and Induced Polarization work conducted by Chevron, BP, Asamera and Can Quest has covered an area 1.5km x 2km extending approximately from Hwy 5A to Kullagh Lake. The most notable feature of this work is a 2km long, northerly trending zone of +500 ohm-metres resistivity, with highs to 1500 ohm-metres, extending southerly from Kullagh Lake. This coincides well with mapped silicification and partially with strong


682000
683000
684000
685000
686000
687000
688000
689000
N
532245
523368
532246
Fig 7
Cindy Showings
526303
533258
532244
526302
LAKE
STUMP
533260
533809
MINERAL HILL
3400
2485
2460
2500
2469
5A
1:40,000
0 250 500 1,000 1,500 2,000
Meters
Legend
MICRO GOLD PROPERTY
2006 SOIL GRID
2006 ROCK SAMPLES
1985 SOIL GRID
TOTEM MINERALS INC.
MICRO GOLD PROPERTY
2006 EXPLORATION PROGRAM
FIG 14
April 30th, 2006
Figure 14



LEGEND
10 ARGILLITE
fine grained aphanitic, grey to black well bedded often gossened
9 VOLCANIC BRECCIA
polymictic coarse grained, contains agglomeratic and conglomeratic phases, often epidote-rich fine grained mafic matrix
8 ANDESITE TO BASALT
coarse grained massive, some gabbroic zones which may represent a synvolcanic intrusive phase.
7 RHYOLITE
fine grained white to grey, siliceous often exhibiting banding
6 LAPILLI TUFF
fine to medium grained, white to green, siliceous
5 ANDESITE TO BASALT
fine to medium grained, dark green, often amygdaloidal
4 FELDSPAR PORPHYRY
fine grained, dark green matrix with white to grey feldspar phenocrysts
3 VEIN MATERIAL
quartz, fluorite, carbonate
2 SILICIFIED ZONE
1 GOUGE
OUTCROP AREA
SINGLE SMALL OUTCROP
GEOLOGIC CONTACTS (DEFINED, PROJECTED)
BEDDING (INCLINED, VERTICAL)
QUARTZ VEINS (INCLINED, VERTICAL)
DRAINAGE (WITH FLOW DIRECTION)
FAULT (DEFINED, APPROXIMATE)
CLIFF
DRILL HOLE
SWAMP AREA
BARBED WIRE FENCE
ELECTRIC FENCE
N
POND
M4 23.9 ppm Mo 93.6 ppb Au
M5 154.3 ppm Mo 411.1 ppb Au
M6 61.9 ppm Mo 1398.1 ppb Au
M1 22.2 ppm Mo 1074.3 ppb Au
M2 7.6 ppm Mo 1408.1 ppb Au
M3 8.8 ppm Mo 351.8 ppb Au
See enlargement in pocket
TOTEM MINERALS INC.
GEOLOGY SURVEY: CINDY SHOWING

FIG# 7

gold soil and lithogeochemcal anomalies. The use of resistivity to outline silicification should be continued.

(B) Geochemistry 2006

A total of 780 soil samples were collected on the 2006 grid lines but only 205 soils samples were assayed. The results of the 205 samples which were assayed are plotted on Figure 5a (in pocket). The remaining 575 samples are in storage and will be assayed in the future.

Regional stream geochemical data published jointly by the BC and Federal Governments (GSC Open File #966, 1981) shows several sample sites (3097, 3098, 3099) with highly elevated fluorine-in-water values, located from 1 to 3km north and west of Kullagh Lake. This suggests that epithermal activity, with possible associated gold mineralization, is much more widespread than currently recognized.

The West zone was covered by soil geochemical work by Canico in 1983 and Goldbrae in 1984. The zone is defined by a weak but consistent arsenic anomaly, more than 2km long, with values generally up to 30ppb and a spot high of 135ppb. The low level of geochemical response is believed to be due to deep, clay rich, organic soil cover which presents less than ideal conditions for geochemical exploration. Work in 2006 focused on geological mapping of the West Zone and new extensions to the north and west.

Within the 1.5km long main gold anomaly are several clusters of sample sites containing 400 to 600 ppb gold. Typical epithermal indicator minerals, most notably arsenic and antimony, partially coincide with the elevated gold values. Soil geochemical plans (after Gamble, 1985) showing gold, silver, arsenic and antimony are shown on Figures 7 to 10.

BP's soil geochemical work also outlined several irregular areas of elevated calcium values. This suggests a possible subsurface 'caliche' (calcium soil cement) layer, common in semi-arid parts of the BC interior, which could seriously hamper geochemical response.

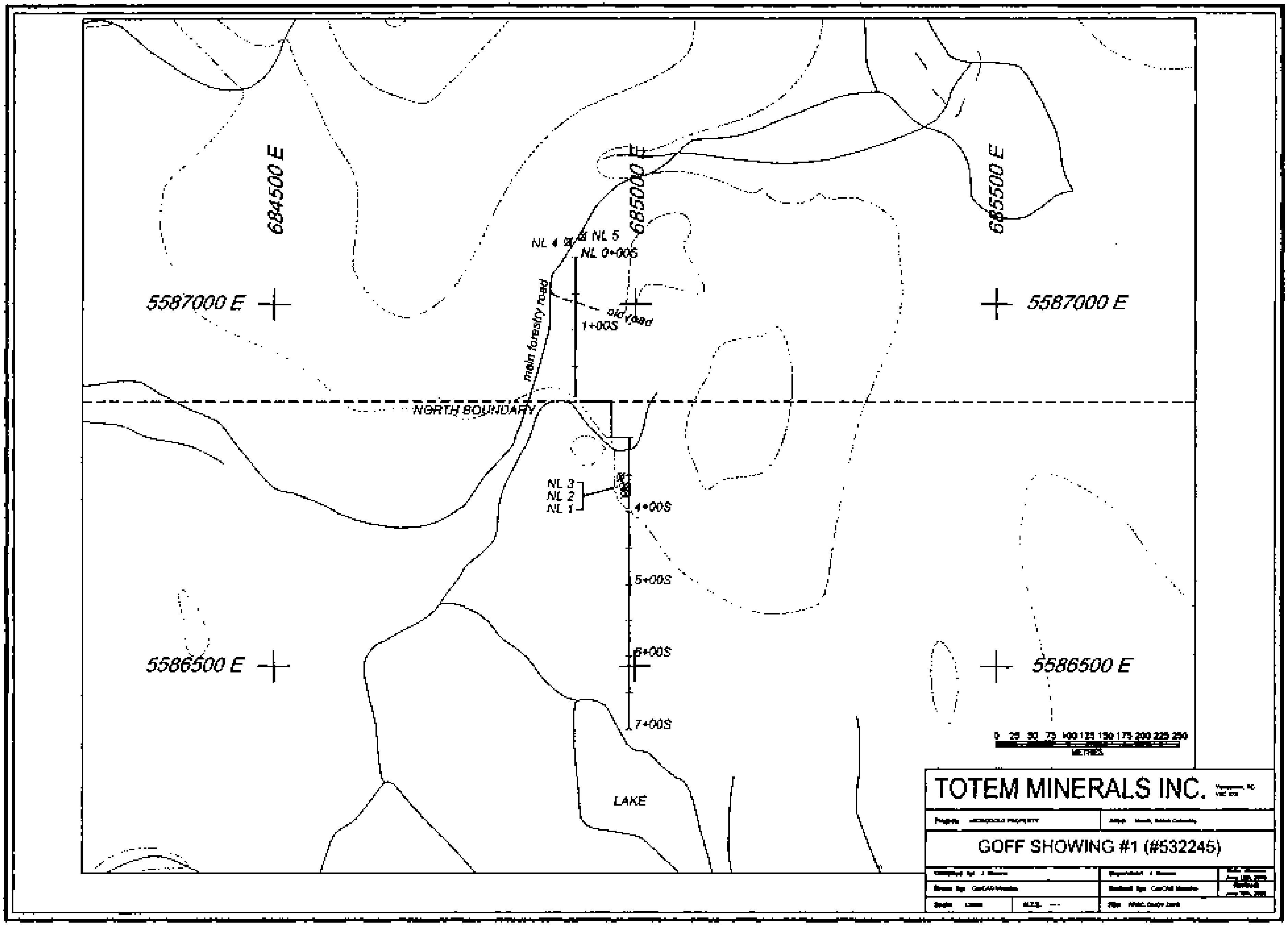

684500 E
685000 E
685500 E
5587000 E
5587000 E
5586500 E
5586500 E
NL 4
NL 5
NL 0+00S
main forestry road
old road
1+00S
NORTH BOUNDARY
NL 3
NL 2
NL 1
4+00S
5+00S
6+00S
7+00S
LAKE
0 25 50 75 100 125 150 175 200 225 250
METRES
TOTEM MINERALS INC.
GOFF SHOWING #1 (#532245)

FIG 8

88

PREVIOUS DIAMOND DRILLING

Is outlined in the History Section, 8.0.

SAMPLING METHODS and APPROACH

Geology, prospecting and sampling work in the 2006 program was aided by the establishment of an accurate north-south series of baselines and close spaced east-west lines. GPS locations were also taken at key sites. 14km of baseline and 41 km of grid lines were laid out and previously untested areas of interest were soil and rock sampled.

Totem Minerals Inc. personnel collected soil samples from the "B" soil horizon which is the generally accepted location within the soil column that is commonly employed by the exploration industry. The samples were placed in water resistant craft soil bags. The samples were numbered in accordance with their station location in order to facilitate the return of persons other than the original sampler to the actual sample site. Rock chip samples were collected by chipping across the width of the outcropping veins or structure in such a manner as to not duplicate any particular portion of the vein in order to mitigate against biasing or "high grading" the sample. The rock chips were placed in the standard heavy gauge plastic bags which were sealed using zip straps. The samples were also numbered in accordance with their station location so that for future reference or field observations could be made by a person other that the sampler. The person could readily return to the exact location where the sample was originally collected. The samples were transported directly from the field to the laboratory by Totem Minerals Inc. personnel under a chain of custody form listing the samples by number and the analyses to be performed.

ALL GRAB SAMPLES

SAMPLE PREPARATION, ANALYSIS AND SECURITY

Samples collected in 2006 were transported directly from the property by J. Stewart, under the supervision of J. T. Shearer, M.Sc., P.Geo to ACME Labs in Vancouver. The soil samples were delivered to Acme Analytical Laboratories Ltd. In Vancouver where they were dried and screened to -80 mesh. Copper, lead, zinc, arsenic, silver were analyzed by ICP for all samples. The ICP assay involves the digestion of 0.500 grams of the sample with 3ml of 3-1-2 $HCl-HNO_3-H_2O$ acid at 95°C for one hour. This sample is then diluted to 10ml with water. The soils were also analyzed for gold by Atomic Absorption, by Acme Analytical Labs. Each batch of 15 samples were re-run by the Lab with standards inserted each 30 samples. Sample preparation, analyses and security of the work prior to 2006 is unknown. Sample results for the 2006 program are contained in Appendix I.

DATA VERIFICATION

No verification of the historic analytical work or drillcore descriptions is possible for the historic work since the samples and core has long ago been disposed.

ADJACENT PROPERTIES

No relevant data not already discussed in Section 8.0.

OTHER RELEVANT DATA AND INFORMATION

No other relevant data is believed to exist and the data discussed in this report is an accurate portrayal of the property's potential.

INTERPRETATION and CONCLUSIONS

The results of the sampling and mapping program in 2006 and previous work indicate that gold mineralization to be hosted by multi-episodic chalcedonic quartz veins, quartz-carbonate veins, quartz breccia, quartz stockwork and silicified zones within argillical altered and pyritized Nicola metavolcanics and metasediments. These veins are hosted by shallow dipping north striking faults and also, with crosscutting east, northwest and northeast steeply dipping structures. These structural intersections formed conduits and dilatant zones for hydrothermal fluid movement and related gold bearing quartz vein deposition. Gold was found to be associated with silver, arsenic, barium, with weak correlation with calcium, chromium, strontium, and antimony. A negative correlation with copper, iron, potassium, magnesium, nickel, cobalt and zinc was noted when comparing quartz vein material with altered silicified hostrock.

Evaluation of the Microgold Zones suggest that structural intersections of north, northeast and or easterly striking structures that display widespread hydrothermal alteration containing large volumes of anomalous gold mineralization are the best targets for deep drilling. The results of this sampling program from a geological and geochemical view reinforced this model. The just completed rock sampling and structural mapping exploration program concentrated on the south Microgold Zone south of Kullagh Lake, with results also reinforcing the existing model. Future programs designed to target favourable quartz veins, and dilatant zones containing gold mineralization as a guide to deeper high grade mineralization and potential low grade near surface ore should be continued throughout the Microgold zone area and the West Zone. Priority targets would be expanding the area just sampled to the west and east with more comprehensive sampling of vein and altered wallrock zones to further delineate near surface economic mineralization. In areas of masking overburden backhoe trenching should be considered.

RECOMMENDATIONS

A drill program of shallow and deep drill holes to test for both shallow lowgrade and deep bonanza gold mineralization is proposed.

The proposed deep hole program is designed to intersect the target areas at least 200m below the present surface. Several proposed drill holes at the West Zone are designed to test for the downdip extension of a large west dipping vein mapped on surface.

The grid established during 2006 should be extended to include the large hilltop of the West Zone. Two short drill holes are proposed to intersect this 150m long quartz breccia vein. Grid control should also be established in the Anderson

Lake area and several resistivity highs located further north but east of the current line extending to the north end of the property.

Proposed Stage I Exploration Program
Stump Lake Property
2006

STAGE I-A
Focus: Stage II Program in the Microgold and West Zone Area and resistivity anomalies, mapping mineral, alteration zoning and trenching. Follow-up from May 2006 program.

Follow-up Sample Collection/Prospecting, Geology		8,500.00
Analytical, Rocks/Soils/Profiles/Multi-element for Au/Mo/As &F (including the 575 samples collected in 2006 but not assayed)		5,000.00
Petrology (VanGeotech) continued		1,500.00
Trenching		6,000.00
Support Costs: Motel, Meals, Vehicle, Fuel		4,000.00
Miscellaneous: Highway Tolls/Telephone/Cell phone/Freight		1,000.00
Field Supplies – flagging/pickets		500.00
Data Compilation/Rough Drafting		1,500.00
Report Preparation		3,000.00
	Total	$31,000.00

STAGE I-B

Diamond Drilling 11,500m in the Microgold and West Zone at all in price of $116/m		$174,000.00
	Total Stage I & II	$ 205,000.00

Respectfully submitted,

J. T. Shearer, M.Sc., P.Geo.

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DATE and SIGNATURE

Feb 28/07

Date

J.T. (Jo) Shearer, M.Sc., P.Geo.

APPENDIX I

STATEMENT OF QUALIFICATIONS

I J. T. (Jo) Shearer, of Unit 5 – 2330 Tyner St., Port Coquitlam, B.C. V3C 2Z1 do hereby certify that:

1. I am an independent consulting geologist and principal of Homegold Resources Ltd.
2. My academic qualifications are:
   - Bachelor of Science, Honours Geology from the University of British Columbia, 1973
   - Associate of the Royal School of Mines (ARSM) from the Imperial College of Science and Technology in London, England in 1977 in Mineral Exploration
   - Master of Science from the University of London, 1977
3. My professional associations are:
   - Member of the Association of Professional Engineers and Geoscientists in the Province of British Columbia, Canada, Member #19,279
   - Fellow of the Geological Association of Canada, Fellow #F439
4. I have been professionally active in the mining industry continuously for over 30 years since initial graduation from university and have worked on several epithermal precious metal properties..
5. I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I am responsible for the preparation of all sections of the technical report entitled "Technical Report for the Microgold Property" dated June 20, 2006 and revised December 1, 2006. I have visited the Property on April 21, 22 and 30, 2006. General logistic and geological parameters were examined.
7. I have not had prior involvement with the property, which is the subject of the technical report.
8. That as of the date of the certificate, to the best of the my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
9. I am independent of the issuer, applying all of the tests in section 1.4 of National instrument 43-101.
10. I have read the NI 43-101 and this technical report has been prepared in compliance with this Instrument.
11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

February 28 2007
Date

J.T. (Jo) Shearer, M.Sc., P.Geo.

APPENDIX II

STATEMENT of COSTS

Stump Lake Project

2006

Wages and Benefits		
Jon Stewart, 38 days @ $375/day		14,250.00
Jennifer Anderson, 28 days @ $150/day		4,200.00
Mickey Augustine, 36 days @ $150/day		5,400.00
Robert Stewart, 25 days @ $200/day		5,000.00
Dana Stewart, 25 days @ $150/day		3,750.00
April White, B.Sc., 8 days @ $300		2,400.00
Geoff White, 36 days @ $200/day		7,200.00
Jim Martin, 3 days @ 200/day		600.00
		$ 46,400.00
	GST	2,784.00
	Subtotal Wages	$ 49,184.00
Expenses		
Transportation		
Truck Rental, Fully equipped 4x4		
2 trucks, 75 days @ $125/day		9,393.96
Gas		3,809.82
Motel, Meals		13,444.81
Analytical (ACME Analytical Laboratories)		3,998.80
Equipment & Equipment Rental		2,574.94
J. T. Shearer, M.Sc., P.Geo. 6 days @ $500/day		3,000.00
Drafting and Map Preparation		4,200.00
Travel Expenses		1,135.10
Communications (Cell Phone Usage)		275.00
Maps		2,392.24
Report Preparation		1,500.00
Word Processing and Reproduction		475.00
	Subtotal Expenses	$ 46,199.67
	Total	**$ 95,383.67**

From the files of Totem Minerals – H. Katevatis and Rhyolite Gold Inc. – Jon Stewart

Sample#	GPS Orientation	Description
N1/06 N1-06	N 50' 24.684' W 120' 24.489' El: 1093m Way-Pt # 29	- Quarts carbonate Breccia Vien - North showing - Ridge North of Forestry Rd.
N2-06 N2-06	N 50' 24.684' W 120' 24.489 El: 1093 m Way-Pt 29	- Quarts Carbonate Breccia Vien - North Showing - Ridge North of Forestry Rd
N3-06 N3-06	N50' 24.693' W120' 24.460' El: 1099m Way-Pt 30	- Quarts Carbonate Breccia Vien - Large Crystal-lined Vugs - North Showing - Ridge North of Forestry Rd
N4/06 N-4-06	N 50' 24.690' W120' 24.451' El: 1096m Way-Pt 31	- Quarts Carbonate Breccia Vien (Flourite) - North Showing - Ridge North of Forestry Rd
N5-06 N5-06	N 50' 24.809' W 120' 24.650' El: 1063 m Way-Pt 32	- Quarts Carbonate Breccia Vien - Small Vugs - North Showing - Ridge North of Forestry Rd
N6-06	N50' 25.194' W120' 24.454' El: 1084 m	- Quarts Calcite Vien - Outcrop on junction of Forestry Rd. & Anderson Lake Rd. - North Showing

Sample #	GPS Orientation	Description
N -06 N7-06	N50°25.536' W120°23.871' El: 1115m	·Quarts Calcite Vien ·Farther-up Forestry Rd. (By logging) -North Showing
18-06 N8-06	N 50°24.588' W120°24.589' El: 1067m	·Quarts Calcite Vien - Flourite -North Showing #2 ·South of Forestry Rd. (Approx. 100m S)
19-06 N9-06	N50°24.607' W120°24.581' El: 1068m	- Quarts Calcite Vien - Flourite - North Showing #2 ·South of Forestry Rd. (Approx. 100m S)
10-06 N10-06	N50°24.658' W120°24.529' El: —	·Volcanics with Copper staining - On Forestry Rd. between first North Showing & North Showing #2
	~~N50°23.155' W120°21.742' El 999m Way-Pt. 7~~	

Sample #	GPS Orientation	Description
~~M1-06~~ M1-06	N50° 23.155' W120° 21.742' El: 999m way-Pt 7	-Quarts Carbonate Vien (Flourite) or capping -Main showing / Micro-Gold property -bright green (Arsenic)
M2-06 ✓ M2-06	N50° 23.116' W120° 21.712' El: 988m way-Pt 3	-Huge Quarts Sheets -Carbonate, Flourite -Main showing / Micro-Gold
M3-06 ✓ M3-06	N50° 23.137' W120° 21.726' El: 989 m way-Pt 5	-Quarts capping ~~Ca~~ -carbonate, Flourite -bright green (Arsenic) -crystal-lined vugs -Main showing / Micro-Gold
M4-06 ✓ M4-06	N50° 23.252' W120° 21.817' El: 981 way-Pt 18	-Quarts carbonate (w̄ high Flourite) -Main showing / Micro-Gold property.
~~M4-06~~ ✓ M5-06 M5-06	N50° 23.188' W120° 21.824' El: 978 m way-Pt 26	-Quarts Carbonate Vien -banding -vugs -rust stains -Main showing / Micro-Gold
M6-06 ✓	N50° 23.177' W120° 21.725' El: 987 m way-Pt 27	-Quarts Carbonate vien -Vugs -rust stains -Main showing / Micro-Gold

Sample#	GPS Orientation	Description
G1-06 ✓ G1-06	L 1+00N 8+25W (No GPS readings).	-silicified volcanics -Quarts stringers -rust stains
G2-06 ✓ G2-06	L 1+00N 8+25W (No GPS) same location as G3-06	-muddy limestone -copper staining -calcite viens
G3-06 ✓ G3-06	L 1+00N 8+40W (No GPS) 04/29/06 same location as G2-06	-muddy limestone -copper staining -calcite viens
G4-06 ✓ G4-06	L 2+00N 0+90W (No GPS)	-Calcium carbonate vien material (In place?)
G5-06 ✓ G5-06	N 50°23.240' W 120°23.073 El: 1083 m -by 10+00N line 7+30W -40m south	-Calcium Carbonate vien material
G6-06 ✓ G6-06	N 50°23.265' W 120° 23.305' El: 1088 m -near 10+00N 10+00W	-Quarts, Carbonate vien material -Flourite
G7-06 ✓ G7-06	N 50° 22.955' W 120° 22.173' El: 881m North of fault L4+00N 3+50E	-volcanic w copper staining

Sample#	GPS Orientation	Description
18-06 ✓ G8-06	N50° 22.948' W 120° 21.674' El: 831 m	- Quarts, Carbonate vien - Flourite - (In place?)
GW9-06 ✓ G9-06	L 15+00S 14+00W (No GPS)	- Quarts Carbonate Vien - In volcanics - West Showing
GW10-06 ✓ G10-06	L 15+00S 16+75W (No GPS)	- Thin quarts carbonate vien - In volcanics - West Showing
GW11-06 ✓ G11-06	L 16+00S 13+50W (No GPS)	- Quarts, Carbonate, ~~Epidote~~ Epidote, in altered volcanics - West Showing
GW12-06 ✓ G12-06	L 16+00S 16+25W (No GPS)	- Quarts vien in volcani. - Carbonate - West Showing
GW13-06 ✓ G13-06	N50° 21.926' W 120° 23.562' El: 872m - 20m North of L 15+00S 13+50W	2" Quartz stringer - Copper stain - In Creek Gully ~~below 'J' zone~~.
GW14-06 ✓ G14-06	N50° 21.698' W120° 24.039' El: 854 m - L 19+00S 19+00W	- Large Quartz calcite vien - In Creek Gully - below 'J' zone

Sample #	GPS Orientation	Description
GW15-06 ✓ G15-06	N50'21.702' W120'24.048' El: 855m ~~30~~ -10m North of L19+00S 19+00W	- Quartz, ~~Calct~~ carbonate vien - In creek Gully - below 'J' zone

Sample#	GPS Orientation	Description
J1-06 ✓	L14+00S 20+00W (No GPS)	-Quarts Vien, some breccia -by gate, fault
J2-06 ✓	L 8+00N 5+50E (5 M North) (No GPS)	-Quarts Vien in silicified volcanics
J3-06 ✓	L 8+00N 5+50E (60 M North) (No GPS)	-Quarts Carbonate Vien -Flourite -In volcanics

Sample #	GPS Orientation	Description
NL1-06 NL1-06	N 50° 24.193' W 120° 23.735' El: 1117M -near NL 0+75E 4+00S	- Quartz, Calcite, Tremolite in Mudstone - Outcrop North of lake
NL2-06	N50° 24.199' W 120° 23.737' El: 1118 m -near NL 0+75E 4+00S	- Quartz, Calcite, tremolite in Mudstone - Outcrop North of Lake
NL3-06	N50° 24.203' W120° 23.744' El: 1117m -near NL 0+75E 4+00S	- Quartz, Calcite, tremolite in Mudstone - Outcrop North of Lake
IL4-06 NL4-06	N50° 24.215' W 120° 23.939' El: 1106m	- Quartz carbonate, - breccia vien - On roadside, (float?) - main road
IL5-06 NL5-06	N50° 24.383' W 120° 23.784' El: 1143 m	- Quartz carbonate, - breccia vien - crystal-lined vugs - on roadside, main road 6.25 km

Sample #	GPS orientation	Description
NW1-06	N50'24.516' W120'25.746' El: 1147m	-Quartz calcite -Anderson Lake Rd. Branch 8
NW2-06	N50'23.447' W120'26.183' El: 1080m	-Quartz calcite, breccia vien -Anderson Lake Rd Branch 10 13.5 Km

Sample	GPS Orientation	Description
silt-01-06	N50'23.226' W120'26.537' Eli: 1098m	silt sample -Deer creek.
pan-01-06	N50'23.226' W120'26.537' Eli: 1098m	-pan-concentration -Deer creek, 14km

ACME ANALYTICAL LABORATORIES LTD. 852 E. HASTINGS ST. VANCOUVER BC V6A 1R6 PHONE(604)253-3158 FAX(604)253-1716
(ISO 9002 Accredited Co.)

GEOCHEMICAL ANALYSIS CERTIFICATE

Rhyolite Gold, Inc. File # A602556 Page 1

Box 382, Hope BC V0X 1L0 Submitted by: Jon Stewart

SAMPLE#	Mo ppm	Ag ppm	As ppm	Au ppb	Sb ppm
G-1	.2	<.1	<.5	3.2	<.1
M1-06	22.2	3.9	53.3	1074.3	3.5
M2-06	7.6	3.4	7.6	1408.1	1.2
M3-06	8.8	1.2	14.9	351.8	.9
M4-06	23.9	1.1	11.9	93.6	.7
M5-06	154.3	1.2	129.9	411.1	3.5
M6-06	61.9	2.3	43.3	1398.1	1.8
J1-06	1.2	<.1	122.0	6.7	1.5
J2-06	39.6	.3	80.7	67.9	3.1
J3-06	53.1	.5	28.4	72.0	3.6
N1-06	.7	.4	20.9	19.8	.2
N2-06	.5	.2	9.8	5.7	.1
N3-06	.7	.7	31.7	683.7	.3
N4-06	.4	.3	8.6	2.5	.2
RE N4-06	.3	.2	7.8	3.9	.1
N5-06	.4	<.1	2.4	1.7	.1
N6-06	.2	<.1	<.5	1.8	<.1
N7-06	.2	2.2	2.4	1237.5	.2
N8-06	.3	.2	5.8	8.6	.1
N9-06	1.3	.1	4.9	20.4	.1
N10-06	.2	1.2	1.5	.7	<.1
NL1-06	2.5	<.1	1.4	1.4	<.1
NL2-06	.4	<.1	1.4	.9	<.1
NL3-06	.3	<.1	<.5	.8	<.1
NL4-06	.3	<.1	.8	1.1	.1
NL5-06	54.5	.6	6.5	6.2	.3
NW1-06	1.6	<.1	<.5	1.5	<.1
NW2-06	127.0	<.1	<.5	<.5	<.1
G1-06	.2	<.1	1.2	<.5	.2
G2-06	.5	<.1	.9	<.5	.4
G3-06	.3	<.1	.8	<.5	.4
G4-06	822.4	12.5	116.3	543.1	6.7
G5-06	3.0	<.1	9.8	1.0	12.8
G6-06	18.1	.5	1.1	3.0	.4
G7-06	.7	1.6	.8	1.7	<.1
STANDARD DS6	11.4	.3	20.9	45.3	2.7

GROUP 10X - 0.50 GM SAMPLE LEACHED WITH 3 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 10 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: ROCK R150 Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

06-20-2006 A11:13

Data FA ____ DATE RECEIVED: JUN 5 2006 DATE REPORT MAILED:................

BRITISH COLUMBIA CERTIFIED ASSAYER
Clarence Leong

SAMPLE#	Mo ppm	Ag ppm	As ppm	Au ppb	Sb ppm
G-1	.6	<.1	<.5	2.4	<.1
G8-06	163.7	.8	19.5	159.8	4.0
G9-06	1.5	<.1	1.8	1.2	.1
G10-06	.9	<.1	1.7	<.5	<.1
G11-06	1.5	<.1	1.0	<.5	.2
G12-06	.6	<.1	1.7	<.5	.1
G13-06	.9	<.1	1.2	2.3	.1
G14-06	.1	<.1	3.7	.8	.2
G15-06	.2	<.1	5.4	<.5	.1
STANDARD DS6	11.4	.3	17.9	47.9	2.9

Sample type: ROCK R150.

Data FA

ACME ANALYTICAL LABORATORIES LTD. 852 E. HASTINGS ST. VANCOUVER BC V6A 1R6 PHONE(604)253-3158 FAX(604)253-1716
(ISO 9001 Accredited Co.)

GEOCHEMICAL ANALYSIS CERTIFICATE

Rhyolite Gold, Inc. File # A602555 Page 1
Box 382, Hope BC V0X 1L0 Submitted by: Jon Stewart

SAMPLE#	Mo ppm	Ag ppm	As ppm	Au ppb	Sb ppm
G-1	.2	<.1	<.5	<.5	<.1
BL0+00 19+75W	1.0	.1	6.4	<.5	.3
BL0+00 19+50W	.9	.1	7.4	.7	.3
RE BL0+00 19+50W	.9	.1	7.8	.5	.3
BL0+00 19+25W	1.0	.1	6.5	<.5	.3
BL0+00 19+00W	.9	.1	7.2	1.9	.3
BL0+00 18+75W	1.1	.1	7.9	.6	.4
BL0+00 18+50W	1.0	.2	7.6	.7	.3
BL0+00 18+25W	1.0	.1	6.4	1.9	.3
BL0+00 18+00W	.6	.1	3.7	1.2	.3
BL0+00 17+75W	1.0	.1	6.6	.8	.3
BL0+00 17+50W	1.1	.1	6.7	.7	.4
BL0+00 17+25W	1.0	.1	7.4	2.6	.4
BL0+00 17+00W	1.0	.1	7.6	3.0	.4
BL0+00 16+75W	1.0	.1	6.2	1.1	.4
BL0+00 16+50W	1.0	.1	6.3	2.6	.3
BL0+00 16+25W	.9	.1	6.5	.6	.3
BL0+00 16+00W	.8	.1	6.5	1.7	.3
BL0+00 15+75W	.7	.1	5.0	<.5	.3
BL0+00 15+50W	.6	<.1	3.0	<.5	.2
BL0+00 15+25W	.8	.1	5.4	1.5	.3
BL0+00 15+00W	.9	.1	6.6	1.6	.3
BL0+00 14+75W	.8	.1	6.2	1.5	.3
BL0+00 14+50W	.9	.2	7.3	2.4	.5
BL0+00 14+25W	.7	.2	8.1	3.2	.4
BL0+00 14+00W	1.0	.2	8.3	5.8	.4
BL0+00 13+75W	1.0	.2	7.5	6.4	.4
BL0+00 13+50W	1.3	.2	9.9	4.5	.5
BL0+00 13+25W	1.1	.1	8.1	5.7	.4
BL0+00 13+00W	2.2	.2	15.2	6.3	.8
BL0+00 12+75W	1.6	.1	14.2	3.2	.6
BL0+00 12+50W	1.5	.1	6.8	2.1	.4
BL0+00 12+25W	1.8	.2	7.2	3.5	.5
BL0+00 12+00W	1.1	.2	6.8	3.1	.4
BL0+00 11+75W	.9	.2	7.3	3.1	.4
STANDARD DS6	11.4	.3	21.1	44.3	2.9

GROUP 1DX - 0.50 GM SAMPLE LEACHED WITH 3 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 10 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 60C Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

06-20-2006 A10:51

Data FA ____ DATE RECEIVED: JUN 5 2006 DATE REPORT MAILED:.................

BRITISH COLUMBIA CERTIFIED ASSAYER
Raymond Chan

SAMPLE#	Mo ppm	Ag ppm	As ppm	Au ppb	Sb ppm
G-1	.1	<.1	<.5	<.5	<.1
BL0+00 11+50W	.9	.2	6.4	3.0	.3
BL0+00 11+25W	.7	.1	5.7	<.5	.4
BL0+00 11+00W	1.0	.1	5.4	1.1	.4
BL0+00 10+75W	1.5	.2	6.9	1.4	.4
BL0+00 10+50W	1.7	.1	4.9	1.2	.3
BL0+00 10+25W	1.0	.1	7.4	1.8	.5
BL0+00 10+00W	1.2	.1	5.1	2.5	.4
L1+00S 19+75W	1.1	.1	8.7	1.8	.4
L1+00S 19+50W	1.0	.1	8.7	.9	.4
L1+00S 19+25W	.9	.2	9.4	.9	.3
L1+00S 19+00W	1.1	.1	7.4	1.4	.3
L1+00S 18+75W	1.0	.1	6.1	1.4	.3
L1+00S 18+50W	1.0	.1	5.5	4.4	.3
L1+00S 18+25W	1.0	.1	5.8	1.6	.3
L1+00S 18+00W	1.0	.1	5.6	1.1	.3
L1+00S 17+75W	1.2	.1	5.1	<.5	.3
L1+00S 17+50W	.9	.1	5.5	.8	.3
L1+00S 17+25W	.9	.2	6.7	.5	.3
L1+00S 17+00W	1.0	.2	7.3	2.7	.3
L1+00S 16+75W	1.1	.2	5.2	.7	.2
L1+00S 16+50W	.9	.1	5.1	.7	.3
RE L1+00S 16+50W	.8	.1	5.1	.5	.3
L1+00S 16+25W	.9	.2	6.0	1.3	.3
L1+00S 16+00W	.7	.2	5.4	<.5	.2
L1+00S 15+75W	.7	.2	4.9	.8	.3
L1+00S 15+50W	.7	.2	4.9	2.9	.2
L1+00S 15+25W	.4	.1	2.2	<.5	.2
L1+00S 15+00W	1.0	.1	5.1	2.0	.3
L1+00S 14+75W	.9	.2	8.3	2.5	.4
L1+00S 14+50W	1.3	.1	8.6	2.5	.5
L1+00S 14+25W	1.2	.2	9.1	.9	.4
L1+00S 14+00W	1.1	.1	7.9	<.5	.4
L1+00S 13+75W	.9	.2	6.0	.8	.4
L1+00S 13+50W	.9	.2	6.7	2.7	.3
STANDARD DS6	11.4	.3	21.1	45.0	3.1

Sample type: SOIL SS80 60C. Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

Data FA

SAMPLE#	Mo ppm	Ag ppm	As ppm	Au ppb	Sb ppm
G-1	.2	<.1	<.5	<.5	<.1
L1+00S 13+25W	1.0	.2	9.4	3.3	.4
L1+00S 13+00W	1.1	.2	11.0	5.1	.5
L1+00S 12+75W	1.0	.2	9.4	3.2	.5
L1+00S 12+50W	1.1	.2	9.5	3.3	.5
L1+00S 12+25W	1.0	.2	8.4	2.2	.4
L1+00S 12+00W	1.1	.2	9.7	2.1	.5
L1+00S 11+75W	1.0	.1	7.1	1.4	.4
L1+00S 11+50W	1.3	.2	16.4	1.1	.7
L1+00S 11+25W	1.2	.1	7.7	.8	.4
L1+00S 11+00W	1.0	.1	7.5	1.6	.5
L1+00S 10+75W	1.4	.1	10.1	<.5	.3
L1+00S 10+50W	.9	.1	5.9	2.0	.4
L1+00S 10+25W	2.3	.1	5.2	1.7	.3
RE L1+00S 10+25W	2.3	.1	5.6	<.5	.3
L1+00S 10+00W	1.0	.1	5.8	16.6	.4
L2+00S 30+00W	.5	<.1	2.0	<.5	.1
L2+00S 29+75W	.7	<.1	1.5	<.5	.1
L2+00S 29+50W	1.0	<.1	1.1	<.5	.1
L2+00S 29+25W	.9	<.1	1.4	.6	.1
L2+00S 29+00W	.6	<.1	2.4	2.4	.1
L2+00S 28+75W	.7	<.1	3.5	<.5	.2
L2+00S 28+50W	.7	<.1	3.5	1.1	.3
L2+00S 28+25W	.7	<.1	3.4	1.7	.2
L2+00S 28+00W	.9	<.1	3.0	<.5	.2
L2+00S 27+75W	.5	<.1	2.6	.7	.2
L2+00S 27+50W	.6	<.1	3.3	<.5	.2
L2+00S 27+25W	.6	<.1	3.5	.7	.2
L2+00S 27+00W	.7	<.1	3.8	<.5	.2
L2+00S 26+75W	.7	<.1	3.2	1.4	.2
L2+00S 26+50W	.8	<.1	3.4	.6	.2
L2+00S 26+25W	.9	<.1	2.3	<.5	.2
L2+00S 26+00W	.7	.1	4.0	7.7	.2
L2+00S 25+75W	.7	<.1	4.5	.7	.3
L2+00S 25+50W	.7	.1	4.3	.7	.3
STANDARD DS6	11.5	.3	21.4	45.3	3.1

Sample type: SOIL SS80 60C. Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

Data FA

SAMPLE#	Mo ppm	Ag ppm	As ppm	Au ppb	Sb ppm
G-1	.2	<.1	<.5	1.4	<.1
L2+00S 25+25W	.8	.1	4.1	1.0	.3
L2+00S 25+00W	.7	.1	4.4	.9	.2
L2+00S 24+75W	.7	.1	3.7	.9	.3
L2+00S 24+50W	.7	.1	3.2	.9	.2
L2+00S 24+25W	.6	.1	3.1	.9	.2
L2+00S 24+00W	.7	.1	2.8	1.3	.2
L2+00S 23+75W	.9	.2	7.0	4.8	.4
L2+00S 23+50W	1.0	.1	4.6	1.1	.3
L2+00S 23+25W	.8	.2	7.0	1.4	.4
RE L2+00S 23+25W	.9	.2	7.3	2.8	.4
L2+00S 23+00W	.7	<.1	2.8	<.5	.3
L2+00S 22+75W	.9	.1	4.6	1.6	.3
L2+00S 22+50W	1.0	.1	5.5	1.0	.3
L2+00S 22+25W	1.0	.1	5.4	1.7	.4
L2+00S 22+00W	.9	.1	5.3	2.2	.3
L2+00S 21+75W	.8	.2	5.9	4.3	.4
L2+00S 21+50W	.9	.1	5.6	1.9	.3
L2+00S 21+25W	.6	.1	3.7	1.5	.2
L2+00S 21+00W	.8	<.1	6.9	4.1	.4
L2+00S 20+75W	.7	.1	5.2	2.6	.3
L2+00S 20+50W	.8	.1	7.8	2.2	.4
L2+00S 20+25W	.9	.2	8.0	2.5	.4
L2+00S 20+00W	1.0	.1	7.3	1.6	.3
13+00S 24+75W	1.3	.1	8.4	4.2	.5
13+00S 24+50W	1.0	.2	9.3	4.9	.8
13+00S 24+25W	2.7	.3	12.9	2.9	1.3
13+00S 24+00W	.8	.2	8.0	5.1	.5
13+00S 23+75W	.9	.2	9.3	5.1	.5
13+00S 23+50W	.8	.1	7.1	5.2	.5
13+00S 23+25W	.6	.1	5.2	4.2	.4
13+00S 23+00W	.7	.1	7.1	1.5	.5
13+00S 22+75W	.9	<.1	4.2	1.9	.2
13+00S 22+50W	.6	.1	3.1	2.4	.2
13+00S 22+25W	.9	<.1	4.0	1.9	.2
STANDARD DS6	11.5	.3	21.2	45.3	3.1

Sample type: SOIL SS80 60C. Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

Data FA

SAMPLE#	Mo ppm	Ag ppm	As ppm	Au ppb	Sb ppm
G-1	.2	<.1	<.5	5.3	<.1
13+00S 22+00W	.8	.1	5.4	2.2	.3
13+00S 21+75W	.8	.1	5.7	3.3	.3
13+00S 21+50W	.7	.1	4.7	2.5	.2
13+00S 21+25W	.7	.1	4.9	2.8	.3
13+00S 21+00W	1.0	.1	3.8	2.1	.3
13+00S 20+75W	1.4	.1	6.9	3.2	.3
13+00S 20+50W	.9	.1	5.4	2.0	.3
13+00S 20+25W	.8	.1	8.3	2.9	.4
13+00S 20+00W	.7	.1	8.5	2.7	.3
L15+00S 17+00W	.7	.2	8.7	3.0	.3
L15+00S 16+75W	1.1	.3	16.8	2.5	.6
L15+00S 16+50W	.8	.1	8.4	1.4	.4
L15+00S 16+25W	.8	.1	7.9	2.5	.5
L15+00S 16+00W	.8	.1	10.1	1.8	.6
L15+00S 15+75W	.8	.1	9.2	1.9	.6
L15+00S 15+50W	.8	.1	8.6	3.4	.5
L15+00S 15+25W	.8	.1	8.6	2.2	.5
L15+00S 15+00W	.6	.1	7.0	.7	.5
L15+00S 14+75W	.7	.1	9.0	3.6	.8
L15+00S 14+50W	.7	.1	9.5	1.9	.6
L15+00S 14+25W	.7	.1	7.8	<.5	.5
L15+00S 14+00W	1.1	.3	17.1	4.3	1.1
L15+00S 13+75W	.7	.2	8.8	2.0	.8
L15+00S 13+60W	1.0	.2	9.1	1.9	.7
L15+00S 13+50W	.7	.2	9.5	3.5	.9
L15+00S 13+25W	.7	.2	8.9	1.1	.7
L15+00S 13+00W	.7	.2	9.7	.9	.9
L15+00S 12+75W	.7	.2	7.9	7.6	.8
L15+00S 12+50W	.6	.2	7.9	<.5	.9
L16+00S 16+50W	.8	.2	9.6	.9	.5
L16+00S 16+25W	.9	.1	8.9	2.2	.4
L16+00S 16+00W	.8	.1	8.7	1.8	.5
RE L16+00S 16+00W	.8	.1	8.8	1.3	.5
L16+00S 15+75W	.7	.2	9.7	2.1	.6
STANDARD DS6	11.5	.3	21.3	46.4	2.9

Sample type: SOIL SS80 60C. Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

Data ✓ FA ____

SAMPLE#	Mo ppm	Ag ppm	As ppm	Au ppb	Sb ppm
G-1	.2	<.1	<.5	<.5	<.1
L16+00S 15+50W	.7	.1	8.6	<.5	.5
L16+00S 15+25W	.7	.1	8.3	<.5	.5
L16+00S 15+00W	.8	.1	8.3	<.5	.6
L16+00S 14+75W	.8	.2	10.3	<.5	.7
L16+00S 14+50W	.9	.1	6.9	<.5	.5
L16+00S 14+25W	.8	.1	8.6	<.5	.6
L16+00S 14+00W	.6	.1	7.3	<.5	.6
L16+00S 13+75W	.6	.1	7.3	1.4	.6
L16+00S 13+50W	.9	.2	7.2	<.5	.4
L16+00S 13+25W	1.0	.2	12.8	1.5	1.0
L16+00S 13+00W	1.2	.1	25.2	.6	2.6
L16+00S 12+75W	.8	.1	10.4	<.5	1.2
L16+00S 12+50W	.7	.1	7.3	1.8	.9
WP29 1+00N	.3	<.1	2.4	3.0	.3
WP29 0+80N	.4	<.1	2.2	<.5	.3
WP29 0+60N	.5	<.1	1.9	<.5	.3
WP29 0+40N	.4	<.1	2.2	<.5	.3
WP29 0+20N	.6	<.1	2.0	<.5	.2
WP29 1+00W	.4	.1	3.2	<.5	.1
WP29 0+80W	.3	.1	1.2	<.5	.1
WP29 0+60W	.5	.1	1.9	2.6	.2
WP29 0+40W	.3	<.1	1.6	<.5	.2
RE WP29 0+40W	.4	<.1	1.4	<.5	.2
WP29 0+20W	.4	<.1	2.8	1.0	.2
WP29 0+00W	.4	<.1	3.0	3.4	.2
WP29 0+20E	.7	<.1	2.7	5.5	.3
WP29 0+40E	.5	<.1	3.2	<.5	.2
WP29 0+60E	.3	.1	2.1	.5	.3
WP29 0+80E	.3	<.1	2.0	.8	.2
WP29 1+00E	.3	.1	1.1	1.2	.3
WP29 0+20S	.4	<.1	1.8	1.1	.2
WP29 0+40S	.6	<.1	1.8	<.5	.2
WP29 0+60S	.5	<.1	1.7	<.5	.2
WP29 0+80S	.6	<.1	2.5	2.5	.2
STANDARD DS6	11.6	.3	21.4	45.1	3.0

Sample type: SOIL SS80 60C. Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

Data FA

SAMPLE#	Mo ppm	Ag ppm	As ppm	Au ppb	Sb ppm
G-1	.1	<.1	<.5	.7	<.1
WP29 1+00S	.3	.2	2.1	3.0	.2
STANDARD DS6	11.5	.3	21.3	49.6	2.8

Sample type: SOIL SS80 60C.

Data FA

ACME ANALYTICAL LABORATORIES LTD. 852 E. HASTINGS ST. VANCOUVER BC V6A 1R6 PHONE(604)253-3158 FAX(604)253-1716
(ISO 9002 Accredited Co.)

GEOCHEMICAL ANALYSIS CERTIFICATE

Rhyolite Gold, Inc. File # A602557
Box 382, Hope BC V0X 1L0 Submitted by: Jon Stewart

SAMPLE#	Mo ppm	Ag ppm	As ppm	Au ppb	Sb ppm
G-1	.2	<.1	<.5	.6	<.1
Silt-01-06	.5	<.1	.7	.9	.1
STANDARD DS6	11.5	.3	21.3	62.0	2.8

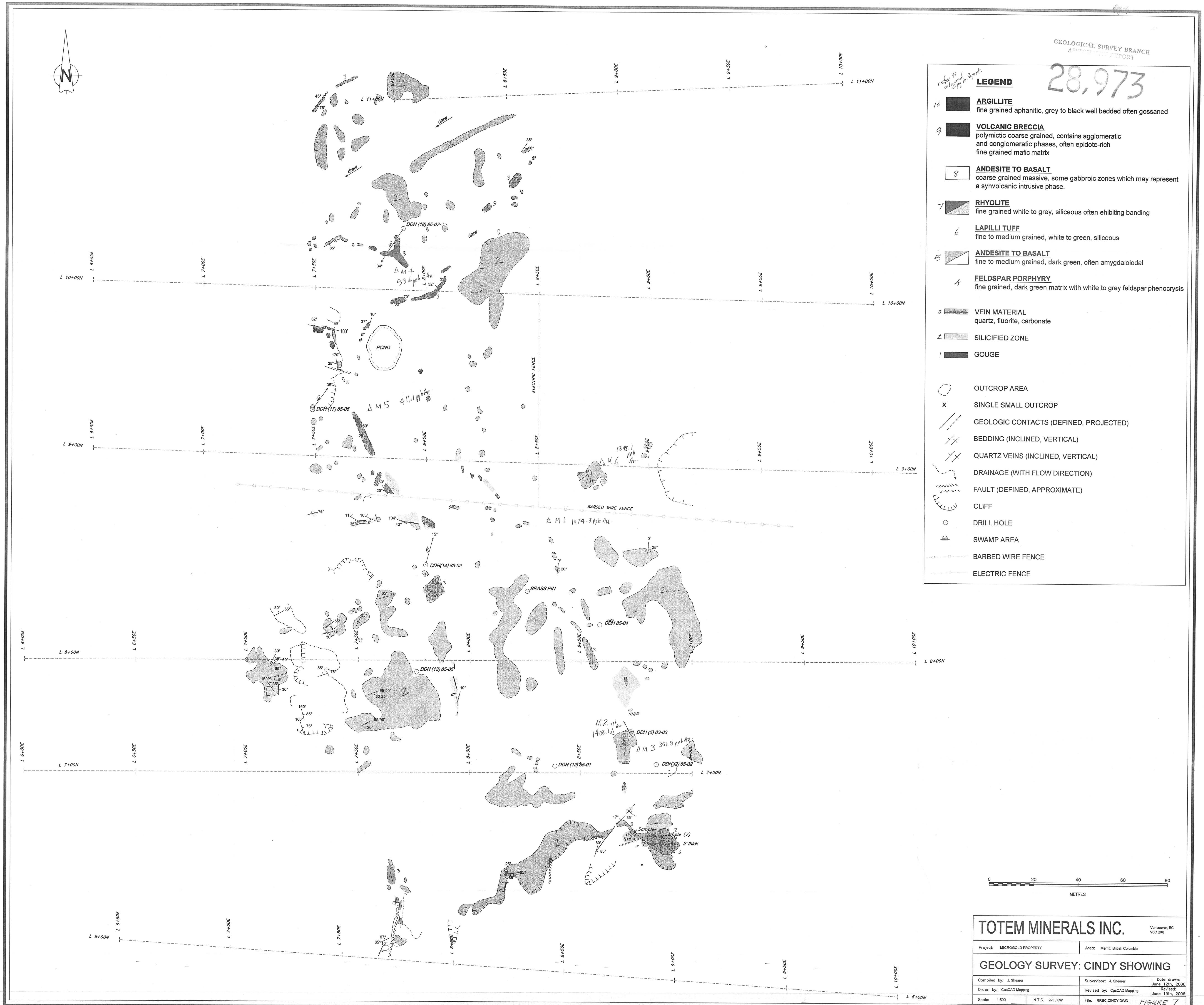
GROUP 1DX - 0.50 GM SAMPLE LEACHED WITH 3 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 10 ML, ANALYSED BY ICP-MS.
(>) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT AU SOLUBILITY.
- SAMPLE TYPE: SILT SS80 60C

06-20-2006 A11:15

Data ✓ FA ____ DATE RECEIVED: JUN 5 2006 DATE REPORT MAILED:.................

BRITISH COLUMBIA CERTIFIED ASSAYER
Clarence Leong


See coloured following copy on page 7
LEGEND
10 ARGILLITE
fine grained aphanitic, grey to black well bedded often gossaned
9 VOLCANIC BRECCIA
polymictic coarse grained, contains agglomeratic and conglomeratic phases, often epidote-rich fine grained mafic matrix
8 ANDESITE TO BASALT
coarse grained massive, some gabbroic zones which may represent a synvolcanic intrusive phase.
7 RHYOLITE
fine grained white to grey, siliceous often ehibiting banding
6 LAPILLI TUFF
fine to medium grained, white to green, siliceous
5 ANDESITE TO BASALT
fine to medium grained, dark green, often amygdaloiodal
4 FELDSPAR PORPHYRY
fine grained, dark green matrix with white to grey feldspar phenocrysts
3 VEIN MATERIAL
quartz, fluorite, carbonate
2 SILICIFIED ZONE
1 GOUGE
OUTCROP AREA
ROCK SAMPLE SITE
GEOLOGIC CONTACTS (DEFINED, PROJECTED)
BEDDING (INCLINED, VERTICAL)
QUARTZ VEINS (INCLINED, VERTICAL)
DRAINAGE (WITH FLOW DIRECTION)
FAULT (DEFINED, APPROXIMATE)
CLIFF
SWAMP AREA
BARBED WIRE FENCE
ELECTRIC FENCE
N
CINDY SHOWING (SEE ENLARGED MAP) Figure 7 in pocket
STUMP LAKE
HIGHWAY 5A
to Kamloops
to Merritt
GEOLOGICAL SURVEY BRANCH
28973
0 50 100 150 200 250 300 350 400 450 500
METRES
TOTEM MINERALS INC.
Vancouver, BC V6C 2X8
Project: MICROGOLD PROPERTY
Area: Merritt, British Columbia
GEOLOGY SURVEY: DETAILED GEOLOGY
Compiled by: A.White & G.White
Supervisor: J. Shearer
Date drawn: June 12th, 2006
Drawn by: CasCAD Mapping
Revised by: CasCAD Mapping
Revised: June 15th, 2006
Scale: 1:5000
N.T.S. 92I/8W
File: RRBC.CINDY.DWG
FIGURE 5a


GEOLOGICAL SURVEY BRANCH
28,973
refer to coloured copy in Report.
LEGEND
10 ARGILLITE
fine grained aphanitic, grey to black well bedded often gossaned
9 VOLCANIC BRECCIA
polymictic coarse grained, contains agglomeratic
and conglomeratic phases, often epidote-rich
fine grained mafic matrix
8 ANDESITE TO BASALT
coarse grained massive, some gabbroic zones which may represent
a synvolcanic intrusive phase.
7 RHYOLITE
fine grained white to grey, siliceous often ehibiting banding
6 LAPILLI TUFF
fine to medium grained, white to green, siliceous
5 ANDESITE TO BASALT
fine to medium grained, dark green, often amygdaloiodal
4 FELDSPAR PORPHYRY
fine grained, dark green matrix with white to grey feldspar phenocrysts
3 VEIN MATERIAL
quartz, fluorite, carbonate
2 SILICIFIED ZONE
1 GOUGE
OUTCROP AREA
SINGLE SMALL OUTCROP
GEOLOGIC CONTACTS (DEFINED, PROJECTED)
BEDDING (INCLINED, VERTICAL)
QUARTZ VEINS (INCLINED, VERTICAL)
DRAINAGE (WITH FLOW DIRECTION)
FAULT (DEFINED, APPROXIMATE)
CLIFF
DRILL HOLE
SWAMP AREA
BARBED WIRE FENCE
ELECTRIC FENCE
L 11+00N
L 10+00N
L 9+00N
L 8+00N
L 7+00N
L 6+00N
POND
ELECTRIC FENCE
BARBED WIRE FENCE
BRASS PIN
DDH (18) 85-07
DDH (17) 85-06
DDH (14) 83-02
DDH (13) 85-05
DDH 85-04
DDH (5) 83-03
DDH (12) 85-01
DDH (2) 85-02
ΔM4 93.6ppb Au.
ΔM5 411.1ppb Au.
ΔM6 1398.1 ppb Au.
ΔM1 1074.3ppb Au.
M2 1408.1 ppb Au.
ΔM3 351.8ppb Au.
Sample
Sample (7)
2' thick
0 20 40 60 80
METRES
TOTEM MINERALS INC.
Vancouver, BC
V6C 2X8
Project: MICROGOLD PROPERTY
Area: Merritt, British Columbia
GEOLOGY SURVEY: CINDY SHOWING
Compiled by: J. Shearer
Supervisor: J. Shearer
Date drawn: June 12th, 2006
Drawn by: CasCAD Mapping
Revised by: CasCAD Mapping
Revised: June 15th, 2006
Scale: 1:500
N.T.S. 92 I / 8W
File: RRBC.CINDY.DWG
FIGURE 7