

Ministry of Energy & Mines
Energy & Minerals Division
Geological Survey Branch

**ASSESSMENT REPORT
TITLE PAGE AND SUMMARY**

TITLE OF REPORT [type of survey(s)] TOTAL COST
REPORT ON THE FIDDLER CREEK PROPERTY AND THE GEOLOGY OF \$ 10,479.09

AUTHOR(S) THE PATMORE SHOWING B.C.
RAYMOND A. COOK (Author)

SIGNATURE(S) *Raymond A. Cook*

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S) _____ YEAR OF WORK 2006

STATEMENT OF WORK - CASH PAYMENT EVENT NUMBER(S)/DATE(S) 4136885

PROPERTY NAME FIDDLER CREEK PROPERTY

CLAIM NAME(S) (on which work was done) 513083; 512649

COMMODITIES SOUGHT GOLD, SILVER, COPPER, LEAD AND ZINC

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN #103I048 - 103I049

MINING DIVISION OMINECA NTS 103I088

LATITUDE 54 ° 49 ' 34 " LONGITUDE 128 ° 25 ' 50 " (at centre of work)

OWNER(S)

1) RAYMOND A. COOK

2) _____

MAILING ADDRESS

268 MCKINNON PLACE N.E.

CALGARY, ALBERTA, T2E 7B9

OPERATOR(S) [who paid for the work]

1) ARGONAUT RESOURCES INC.

2) _____

MAILING ADDRESS

268 MCKINNON PLACE N.E.

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PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):

Sulphide in mineralized quartz veins parallel and crosscut lower
Bowser Group (Upper Jurassic-Cretaceous) clastics and a quartz-
diorite sill. Mineralized quartz veins contain gold and
silver bearing sulphides.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS Salat, H. P.; 2005,

ARIS Report on the Geological Reconnaissance of the Coffee Cup Claim.

(OVER)

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
GEOLOGICAL (scale, area)			
Ground, mapping	0.4 km ²	513083	\$ 5,000.00
Photo interpretation			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
GEOCHEMICAL			
(number of samples analysed for ...)			
Soil			
Silt			
Rock	3 samples	513083	\$ 100.00
Other			
DRILLING			
(total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying	3 samples	513083	\$ 237.23
Petrographic			
Mineralographic			
Metallurgic			
PROSPECTING (scale, area)	0.4 km ²	513083	\$ 4441.86
PREPARATORY/PHYSICAL			
Line/grid (kilometres)			
Topographic/Photogrammetric (scale, area)			
Legal surveys (scale, area)			
Road, local access (kilometres)/trail			
Trench (metres)			
Underground dev. (metres)			
Other	GPS	513083; 512649	\$ 700.00
			TOTAL COST \$ 10,479.09

REPORT
ON THE
FIDDLER CREEK PROPERTY AND THE GEOLOGY OF THE PATMORE
SHOWING, B.C.

OMINECA MINING DIVISION
BCGS MAP 103.I.088

Latitude 54° 49' 34" N
Longitude 128° 25' 50" W

By: R. A. Cook
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Calgary, Alberta T2E 7B9

Date: July 5, 2007

On behalf of Argonaut Resources Inc.
Calgary, Alberta

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INTRODUCTION

The present report is the product of a 2006 field visit on the Fiddler Creek Property located north of the city of Terrace in northwestern British Columbia (Figure 1). The visit took place from September 11th to 14th and was helicopter supported due to the absence of trails and road access. The purpose to the field trip was to locate the historical “Patmore Group” showings with the assistance of prospector Harold Smith. The “Patmore Group” showings were last worked in 1934 and described by E.B. Kindle in 1937 (Kindle, E.B.; 1937). Mr. Smith has prospected the Fiddler Creek area for many years and is one of the few known residents of the Terrace area to have located the “Patmore Group” showings.

In 2006 the “Patmore Group” showings were relocated within the Field days available with limited local mapping and rock sampling performed to confirm the location.

LOCATION AND ACCESS

The Fiddler Creek property is composed of four adjoining mineral claim tenures: 512649, 513083, 537507 and 537508. The property is located 34 kilometres north northeast of the city of Terrace and 9.6 kilometres west of the Dorreen station on the Canadian National Railway west of the Skeena River.

The Terrace airport receives daily flights from Vancouver and the town serves as a transportation plus logging centre for the Canadian National Railway connecting the interior of British Columbia to the ocean ports of Prince Rupert and Kitimat. The Yellowhead Highway (Highway 16) also runs through Terrace where it branches off to the ocean ports. The Yellowhead highway and the CN rail line both follow the wide valley of the Skeena River as this major waterway cuts through the Coastal Mountain Range.

The topography of the area is rugged with steep v-shaped valley slopes owing to the effects of late alpine glacial erosion and uplift. The property is bordered to the east by the mountain drainage of Knauss Creek, to the north and west by the expansive Fiddler Creek valley drainage and to the south by the peak of Mount Knauss. The elevations climb rapidly with 25° to 35° slopes from Fiddler Creek valley at 240 metres to the top of Mount Knauss

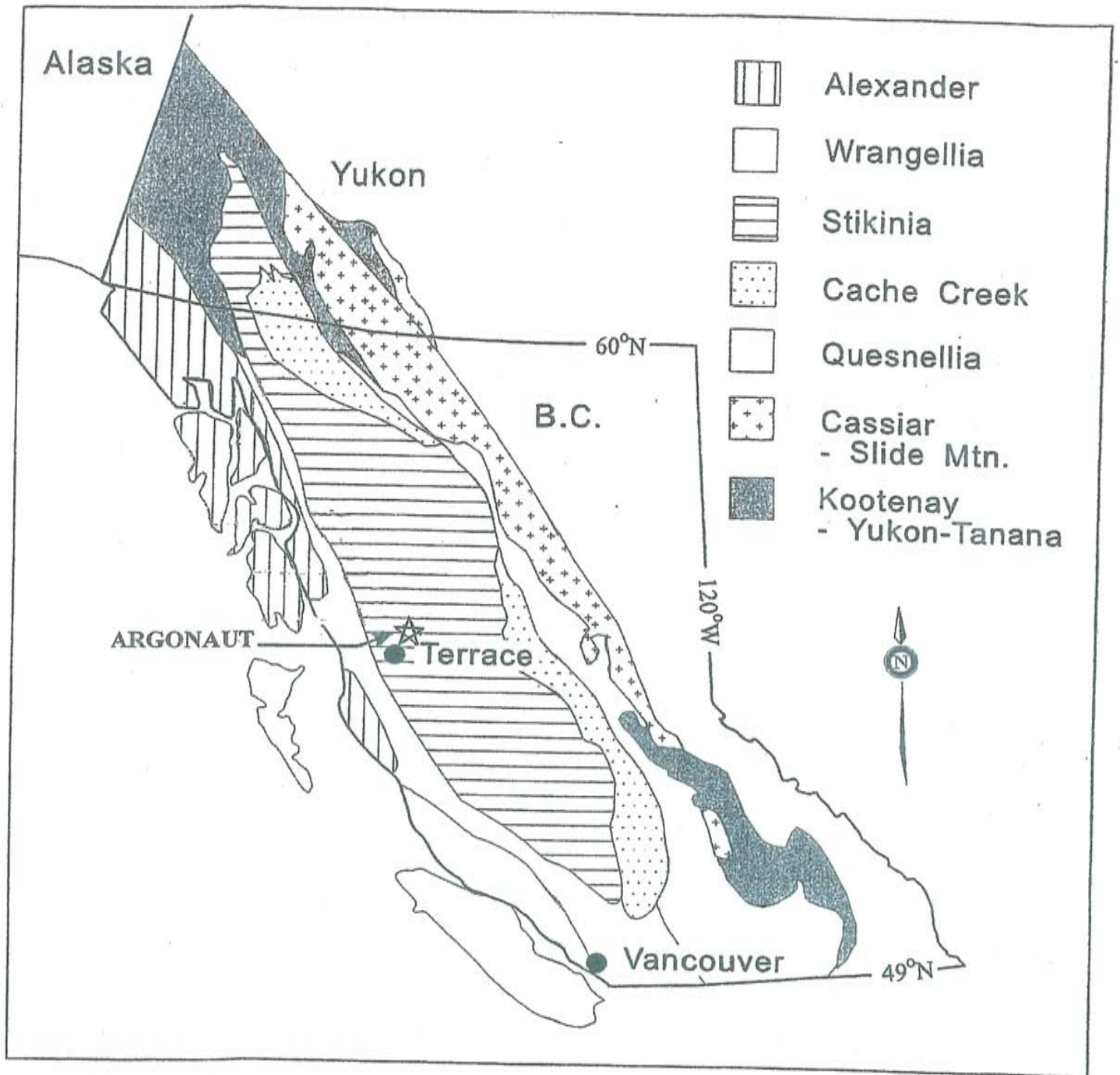


Figure 1: Mineral property location map showing the generalized major tectonic assemblages of British Columbia.

at 1913 metres. Alpine terrane prevails above a 1400 metre timberline while the main creek valleys and slopes are densely timbered. The area is heavily forested with red cedar, hemlock and black spruce. The forest undergrowth along creek drainages includes a dense cover of willow, alder, ferns and devil's club, an ecosystem typical of high rainfall in British Columbia.

CULTURAL ASPECTS

The Fiddler Creek Property lies near and within Tsimshian traditional territory. The First Nations people utilize predominately the salmon resources of the Skeena River plus berries and other botanicals found locally.

LAND USE AND TENURE

A Land and Resource Management Plan (Kalum LRMP) has been completed for the Terrace area. The property lies within a multiple use management zonation area that allows for mineral exploration and development.

The Fiddler Creek Property consists of 1603 hectares listed within four tenures. The distribution and record numbers are listed in Table I and Figure 2.

TABLE I. CURRENT TENURE

<u>Tenure Number</u>	<u>Tenure Type</u>	<u>Owner</u>	<u>Map Number</u>	<u>Good To Date</u>	<u>Status</u>	<u>Area Hectares</u>
512649	Mineral	105420	103I	2009/Mar/13	Good	596.44
513083	Mineral	105420	103I	2009/Mar/13	Good	410.03
537507	Mineral	105420	103I	2009/July/20	Good	298.28
537508	Mineral	105420	103I	2009/July/20	Good	298.16

REGIONAL GEOLOGY

The regional mapping of the area was documented by Kindle, (GSC Memoirs 205 and 212, 1937), Duffell and Souther, (GSC Memoir 329, 1964) and in recent years by Nelson, (Nelson, J.L., et al, 2006). The work of these geoscientists shows a complex stratigraphy of sedimentary formations, intrusive rocks and metamorphosed volcanics creating a series of embayments, roof pendants and intrusive apophyses extending from the coastal batholith. The area is located within the transition zone of two major geo-morphological belts which partially make up the Canadian Cordillera: the Stikinia Intermontane Belt to the east and the Coast Belt or Coast Plutonic Complex to the west.

In 2005 and 2006 the Usk map area was re-examined by JoAnne Nelson of the BC Geological Survey Branch with the intent of creating a more detailed 1:50,000 scale map than had previously been compiled (Nelson, J.L., et al, 2006). The 2005 and 2006 mapping programs were designed to examine in greater detail a contemporary view of the Usk area geology and in part assist in advancing the economic mineral exploration potential of the area (Figure 3).

The Coast Belt or Coast Plutonic Complex is essentially composed of Mesozoic to Tertiary granitoid intrusives with associated metamorphic rocks. The Coast Plutonic Complex, at its eastern edge, projects into the package of stratified rocks as numerous small stocks and several major apophyses, some of which, including the Kleanza pluton, are laccolithic.

Within the main batholith, the dominant rock types are granodiorite and quartz monzonite while the more marginal phases are mafic facies consisting of quartz diorite, diorite to gabbro which typically compose the apophyses, satellite stocks, sills and dikes. The dominant intrusive apophysis of the Terrace region is termed the Kleanza pluton (formerly described by Duffell and Souther [1964] as two sub-parallel intrusive bodies, the Chindemash apophysis and the Kleanza apophysis) which have been age dated at 194-195 Ma (Nelson J.L., et al, 2006).

Late phase dikes and sills are abundant in the area and cut both bedded and intrusive rocks. Dikes, sills and fault zones are often associated with metallic mineralization upon which they have exercised structural control and localization.

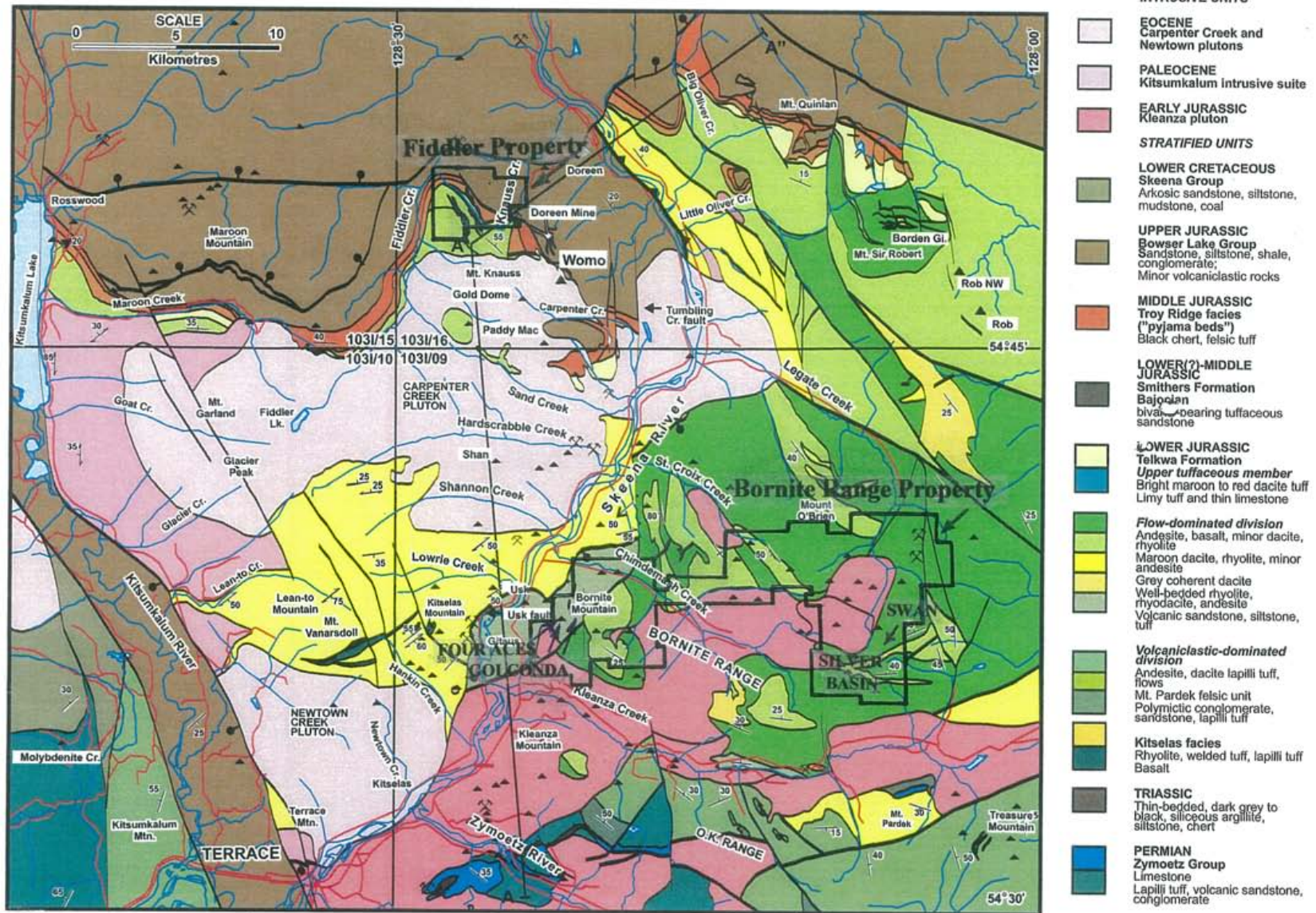


FIGURE 3 Geology of the Usk (NTS 1031/09), southern Doreen (NTS 1031/16) and eastern Terrace (NTS 1031/10) map areas, from field mapping in 2005 and 2006, compilation from 1:100 000 maps of G. Woodsworth (pers comm) and extrapolation of some faults and contacts (after J. Nelson et al 2006). The report property area and regional geology.

The stratigraphy of the thick sequence of layered rocks (5000 to 6000 metres), part of the Intermontane Belt, is not fully understood. Fossil evidence indicates that the age of the rocks stretches from the Permian to the Jurassic-Cretaceous period. In general terms, the lithofacies can be regrouped into three rock units from bottom to top (Table II):

- I. The Paleozoic assemblage; consists of fossiliferous limestone, argillaceous limestone, greywacke and inter-layered greenstone rocks. In the Terrace area, this package of rock is relatively minor in abundance and is found mainly to the immediate north and south of the Zymoetz River
- II. The Triassic-Jurassic Hazelton Group; a thick sequence of rocks that constitute one of the main building blocks of the Intermontane Belt, overlie the Paleozoic assemblage. The Hazelton Group is composed of a very heterogeneous series of pyroclastic andesite basalts with interbeds of argillite, greywacke, rhyolite, dacite, rhyo-dacite, lapilli tuff and welded tuff.

The base of the Hazelton Group is composed of a distinctive Triassic section of radiolarian chert and basinal sedimentary units. The Triassic sequence is unconformably overlain by the lower Jurassic Telkwa Formation.

The Telkwa Formation is marked by the regional deposition of a basal conglomerate unit that is in turn overlain by a regionally variable, locally derived, volcanic flow-dominated succession north of Kleanza Creek and a pre-dominantly co-evolved clastic-dominated succession to the south of Kleanza Creek. The Lower Jurassic Telkwa Formation transitions upsection into equivalent units of the "Red Tuff" member of the Nilkitkwa/Smithers Formations (Lower to Middle Jurassic) that are in turn overlain by banded siliceous strata "the Pajama beds" equivalent to the Middle Jurassic Troy Ridge Formation. The Fiddler Creek Property encompasses mapped equivalent units of the Smithers Formation, "Pajama Beds" and a thick shale rich clastic sequence of the Bowser Group facies (Nelson J. et al; 2007).

- III. The Upper Jurassic to Lower Cretaceous assemblage or Bowser group of rocks occur at a marked angular discordance to the underlying Middle Jurassic Troy Ridge Formation.

TABLE II : FORMATIONS

Era	Period or Epoch	Formation	Lithology
Cenozoic			Sand, gravel, clay, silt
Unconformity			
		Dykes	Porphyritic, aplite, lamprophyre
		Coast Intrusions	Mainly biotite granodiorite and quartz diorite, diorite Outlying stocks of pyroxene quartz diorite and gabbro
Mesozoic or Cenozoic	Cretaceous or later		
Intrusive Contact			
Mesozoic	Upper Jurassic and Cretaceous	Bowser Group	Fossiliferous marine and terrestrial conglomerate, greywacke, shale and coal.
	Unconformity		
	Jurassic	Hazelton Group Troy ridge facies Smithers formation	Porphyritic and amygdaloidal andesite flows; minor basalt, dacite, rhyolite Andesite breccia, tuff, greywacke, argillite
	Triassic?	Telkwa formation Kitselas facies	Grey black, siliceous argillite, siltstone, chert
Unconformity			
Palaeozoic	Carboniferous and permian		Volcanic sandstone Limestone, Grey limestone, shale; Conglomerate

(after Duffell and Souther, 1964, modified after J. Nelson et al 2006.

The stratigraphy of this assemblage is composed of a series of marine and continental sedimentary rocks. These rocks consist mainly of conglomerate, sandstone, greywacke and shale with coal beds. The Bowser Group is most prevalent in the Bowser Basin of the Stikine area to the north.

Regional metamorphism is of the lowest grade and primarily of the greenschist-facies alteration. Chlorite, muscovite and minor epidote are present as secondary minerals in volcanic and sedimentary rocks but the texture and mineral composition of the original rocks have not been greatly altered. In contrast, contact metamorphism has been highly altered and subsequently varied.

Adjacent to the batholith, the rocks are commonly of the albite – epidote – amphibolite facies. Some rocks may show no megascopic alteration, whereas others fall within the highest grades of contact and dynamic metamorphism. Crystalline schists and gneisses of the latter type are more commonly developed along contacts with the main batholith than along contacts with apophyses and stocks (Duffell and Souther, GSC Memoir 329, 1964, p. 14).

Structural relationships are consistent throughout the rock sequences. The bed layers dip at 20° to 80° and the bedding strikes remain unchanged when in contact with batholithic rocks. General mapping of volcanic and sedimentary formations reveal broad anticlines and synclines with their long axis conformable to batholithic contacts or paralleling the long axis of apophyses. The metamorphic grade of the formations confirm the lack of dynamic metamorphism on a regional scale and that deformation is related to the tectonic emplacement of batholithic rocks.

The stratigraphy of the late Jurassic-Cretaceous Bowser Group is commonly folded into gently undulating anticlines and synclines with average dips from 30 to 35° except when in contact with the coastal intrusives. Structural tightening is related to burial. Brittle faulting is common within the rocks and frequently associated with intrusive dikes, sills and sub-parallel to bedding contacts. The dikes plus sills have dislocated and thrown into tight local folds the adjacent sedimentary and volcanic rocks often with associated veining, brecciation and contact metamorphism.

Faulting within the area is often inferred based on extensive offset contacts. These faults can have an extensive strike length that will continue from hundreds to several thousands of metres. One fault of note is the Usk fault, a

dominant structure that is located on the western margin of the Usk map area and cross cuts the western flank of Bornite Mountain east of the Skeena River. The fault is described as a “discrete detachment fault that corresponds to an abrupt lithological break”, positioned within a broader zone of shearing and rock metamorphic alteration (Nelson et al, 2006). The Usk fault separates felsic rocks of the footwall Telkwa Formation from hanging wall rocks of the Kleanza pluton.

EXPLORATION HISTORY

Three sites of significant historical work have been documented on or adjoining the Fiddler Creek Property area. The three areas include: The Dorreen Gold Mine; Brentford Group of showings and the focus of this report, the Patmore Group of showings. The Patmore showing is the only showing that is contained within the current property boundary, however, both the Dorreen Gold Mine and Brentford Group of showings contain mineralized occurrences that have the potential to extend only a few hundred metres onto the Fiddler Creek Property.

1. **The Dorreen Gold Mine** is located on the most northern of 3 contiguous crown grants; the Boulder, Indicator and Intrusive claims. The mine and ore body are located entirely on the “Boulder” claim, which in turn, is positioned at and above the 686 metre elevation on the west bank of Knauss Creek.

The mineralization was described by E. B. Kindle as “typically grading 1 to 2 percent of pyrite, galena, sphalerite and chalcopyrite throughout, with many rich ore shoots containing up to 30% of these sulphides” (Kindle, E.B.; 1937, GSC Memoir 212). The ore deposit is a bedding parallel fault controlled quartz vein system that was developed intermittently from 1915 to 1953. The collective production was approximately 700 tons of ore with grades that reached: Gold, 1.67 oz./ton; silver, 6 oz./ton; copper, 1.3%; lead, 6.2% and zinc, 5.8% (Duffell and Souther, 1964). The vein varies in thickness from 0.1 metres to 1.5 metres and has thickened where in contact with a 16 metre wide steeply dipping, northwest trending, crosscutting, diorite dike. Historical surface mapping and underground mine development work support the potential for the extension of both the mineralized vein and the diorite dike onto the Fiddler Creek Property tenures.

2. **The Brentford Group** of showings is located 150 metres east and adjoining the northeast boundary of the Fiddler Creek Property at an elevation of approximately 290 to 350 metres. Work was performed in 1914 and again in 1966 with the bulk of the historical work performed in 1914. Ore bearing veins described as “fissure-veins in diorite” were trenched and tunneled over a south striking trend for approximately 168 metres (600 feet).

The ore was described as containing “galena, iron pyrites, chalcopyrite and some tetrahedrite in a quartz gangue” (British Columbia Report of the Minister of Mines, 1915; pp. K138-139). Sample assays from 1915 returned values of: Gold, 0.02 to 0.07 oz./ton; silver, 0.4 to 95 oz./ton; and copper, nil to 1.1% (British Columbia Report of the Minister of Mines, 1915; p. K139).

3. **The Patmore Group** of showings was best described by E.B. Kindle in 1937 with a location on the south side of Fiddler Creek some 9.6 kilometres west from Dorreen station on the Canadian National railway line. The property was first prospected around 1917 with some trenching and tunneling performed at that time (Kindle, E. B.; 1937, GSC Memoir, 212).

The Patmore Group of showings consists of two localities that have been stripped of vegetation and overburden, trenched and tunneled along a quartz diorite sill that is crosscut by numerous sulphide mineralized veins and veinlets. The mineralized veins and veinlets contain quartz gangue and are documented to 0.15 metres wide and 30 metres in length. The diorite sill sub-parallel, with a stratabound character, the shale (argillite) host rock beds of the Bowser Group and is traced by flanking trenches over a projected length of 360 metres along the 780 metre elevation contour. The sill is brown stained due to the weathering of small abundances of pyrite and contains a gross visual quartz vein estimate of 10% (Kindle E.B.; 1937, GSC Memoir, 212).

The Patmore showing localities include a “No. 1” showing at elevation 778 metres (2,550 feet) where trenching and stripping have exposed an area roughly 30 metres long by 12 metres wide with a network of crosscutting veins and veinlets in altered quartz diorite sill. The veins contain sulphide minerals that include pyrite, galena, sphalerite and chalcopyrite with a representative assay of: Gold, 0.12 oz./ton; silver, 2.28 oz./ton; lead, 1% and zinc, 1.05%.

The second Patmore showing area, "No.2", is located 360 metres west along the same approximate elevation (778 metres) as that described for the "No. 1" mineralized showing. Veins and veinlets analogous to the "No.1" showing are present and exposed over an area of stripping plus trenching 18 metres wide by 15 metres long. The mineralization is the same as the "No. 1" showing with numerous narrow well mineralized veins crosscutting an apparent diorite sill. An adit was tunneled to the south at elevation 762 metres along the sill for 11 metres until the footwall shale bed was intersected. The veins and veinlets were again mineralized with pyrite, galena, sphalerite and minor chalcopyrite with a representative vein sample assaying: Gold, 0.2 oz./ton; silver, 0.78 oz./ton; and lead, 1.15%. The 360 metre long area between the "No.1" and "No.2" Patmore showings are documented as being "drift covered" (Kindle, E. B.; 1937, GSC Memoir 212).

In 2004, a brief helicopter supported reconnaissance program was conducted on the Fiddler Creek Property to locate any exposure of the Patmore showings and to map rock outcrop exposures along the north flowing shallow creek canyons that flow into Fiddler Creek (Salat, H.P.; 2005).

The Patmore showings were undetectable from the air due to a dense coverage of vegetation and high tree canopy, however, good rock exposures existed along the examined creek canyons. The creek canyons were mapped as thick clastic sequences of Bowser Group sediments that contained rhythmically, interbedded sandstone, siltstone and shale beds that dipped at 20 to 30 degrees northeast.

CURRENT WORK

In 2006 a brief three day, helicopter supported, field program was conducted to locate the historical Patmore showing. Prospector Harold Smith was employed to utilize his prior familiarity with the area and knowledge of the Patmore showing location from earlier years of personal exploration. Once located a nearby helicopter landing base was to be identified for future work access.

A camp was established on Fiddler Creek at the request of Mr. Smith which therefore required the climbing of steep and heavily forested 20° to 35° slopes over an elevation change of 550 metres to locate the Patmore showings. The effort proved successful and the area of the historical "No.1"

Patmore showing was located, mapped and where evidence of mineralized veins were present, sampled for assay (Appendix I and II).

RESULTS

Trenched quartz diorite (granodiorite?) crosscut with quartz veins to 0.6 metres in width were locally mapped and sampled (AGP6-02). A rusted wheel barrel was observed near the old workings. A well mineralized pyrite and galena bearing quartz vein sub-outcrop float sample AGP6-01 was collected approximately 130 metres upslope and southwest of the main showing. The float sample AGP6-01 was contained within shale talus at an elevation of approximately 850 metres. A rock float specimen of slightly pyritic granodiorite was collected at approximately 540 metres elevation while traversing the mountain slope in search of the Patmore showing. The intrusive rock sample AGP6-03 was down slope from the located Patmore showing. The assayed result for the rock samples were (Appendix I and II):

- a. AGP6-01; gold, 1.2 gm/tonne; silver, 112 gm/tonne; mercury, 456 ppb; arsenic, 0.41%; copper, 0.05%; lead, 2.75% and zinc, 0.12%.
- b. AGP6-02; gold, 0.02 gm/tonne; silver, 1.1 gm/tonne; mercury, 170 ppb; arsenic, 341 ppm; copper, 0.02% and lead, 332 ppm.
- c. AGP6-03; gold, nil; silver, 1.3 gm/tonne; mercury, 68 ppb/tonne; arsenic, 17 ppm; copper, 115 ppm and lead, 193 ppm.

In addition to locating, mapping and sampling the "No.1" Patmore showing, a helicopter landing base was GPS located 125 metres east of the showing at an elevation of 760 metres for future work access. In addition to the helicopter base several other points of interest were GPS located for future reference that included the closest location to an advancing logging road east of the property and the tunnel sites for the Dorreen Gold Mine adits (Table III).

TABLE III.

***GPS LOCATED SHOWINGS**

<u>MINERAL SHOWING</u>	<u>LATITUDE</u> <u>(degrees; minutes; seconds)</u>	<u>LONGITUDE</u> <u>(degrees; minutes; seconds)</u>
PATMORE:		
Helicopter base & flagged creek trail (125 metres east of showing)	54; 49; 34.1	128; 25; 50.8
DORREEN MINE:		
South adit	54; 48; 45.1	128; 24; 16.8
FIDDLER CREEK:		
Logging road terminus	54; 49; 49.2	128; 22; 37.6

*The GPS unit used for location was a Garmond 100 AVD, mounted on a Jet Ranger III. The GPS equipment and helicopters are owned and operated by Quantum Helicopters Ltd. of Terrace B.C.

The above GPS locations were made available to JoAnne Nelson of the British Columbia Geological Survey in 2007.

CONCLUSION AND RECOMMENDATIONS

The primary logistical problem for the early phase exploration programs on the Patmore area showings of the Fiddler Creek Property is accessibility. Lack of a road or trail with densely timbered and steep slopes necessitates a costly helicopter based logistical approach and investment.

A deep water turbiditic geological environment, which was described on the property by H. P. Salat, is typical of active continental margins adjacent to orogenic belts (Salat, H.P.; 2005). Such context elsewhere indicates zones of strong tectonic activity and is expressed by large and extensive structures such as fault zones (normal or reverse), wrench fault zones or extensive shear zones. In these types of crustal breaks, it is not uncommon to find large epigenetic mineralized vein structures which are the surface expression of deep seated channel-ways for mineralizing fluids with a preference for precious metals (gold and silver). The Dorreen Mine is a good local example of such a deposit.

The most significant potential for the Fiddler Creek property exists in the potential strata-control to the mineralized quartz veins at the Doreen Mine and the Patmore sill related showings such that if verified a large economic tonnage could be determined. The presence of bonanza precious metal grades in the Dorreen Mine and the expansive quartz veined character of a metallically mineralized, almost brecciated, quartz diorite sill indicates great economic promise to the property.

Work recommendations are based on helicopter access to the property for the initial program phase which will include thorough mapping, structural mapping, prospecting and trenching programs. A soil geochemistry program should reveal dispersion of sub-surface mineralization and could be carried out over a large grid system. The PHASE I work can be followed up with an exploratory PHASE II of drilling on defined mineral targets.

**STATEMENT OF EXPENDITURES
FIDDLER CREEK PROPERTY**

Field Work (Sept. 11 to 14th 2006)

Field time: Geologist (4 days) + assistant & prospector (3 days)	\$ 3800.00
Camp-lodging-food: 10 man days x \$80.00/day	\$ 800.00
Helicopter	\$ 2841.86
Equipment + supplies	\$ 400.00

Laboratory Work

Assay lab	\$ 237.23
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Report Compilation

Document research, geology + litho-geochemical interpretation	\$ 2400.00
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TOTAL:	\$ 10,479.09
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Raymond A. Lool
July 05, 2007

RECOMMENDED BUDGET PHASE I.

LOGISTICS

Base Camp and supplies (16 men x 20 days)	\$ 33,000
Line cutting	\$ 15,000
Camp staff	\$ 20,000
Helicopter support	\$ 25,000
Mob. & De-mob.	\$ 10,000

FIELD WORK

Geological supervision + mapping & prospecting	\$ 22,000
Lab work & assays	\$ 20,000
Geophysics (I.P.; VLF-EM; MAG.)	\$ 25,000
Reporting	<u>\$ 20,000</u>

Subtotal: **\$ 190,000**

Admin. + Overhead	\$ 15,000
Contingency	<u>\$ 30,000</u>

TOTAL: **\$235,000**

Raymond A. Cook
July 05, 2007

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- Salat, H.P., - 2005: Report on the Geological Reconnaissance of the Coffee Cup Claims, BC; BC Ministry of Energy, Mines and Petroleum Resources, 14 pages (ARIS Report).

STATEMENT OF QUALIFICATIONS

I, Raymond A. Cook have been practicing my profession as a Senior Geologist and Geological Consultant sine 1973.

I hold an Honours B.Sc., degree in Geology and Zoology from the University of Alberta, Edmonton, Alberta, 1973 and a M.Sc., degree Geology from the University of British Columbia, Vancouver, British Columbia, 1981.

In applying my profession I have worked with Eldorado Nuclear, Cominco, Terra Mines Ltd., Union Carbide Exploration Canada, Crowdis Oil Consultants, Belloy Petroleum Consultants, Home Oil Company Ltd., and Rhamco Resource Explorations and Consultants Inc., in both mineral and oil plus gas exploration for 34 years.

I have worked on research projects in geology for Anadarko Petroleum, Murphy Oil and Gas, Home Oil Company Ltd., Devon Canada Corp., and when a student, for the University of Alberta and the University of British Columbia.

I have worked privately on interests of my own and for affiliated companies in British Columbia and the Northwest Territories since 1975.

I hold interest in the property described in this report and have supervised and directed all exploration activity and documentation.

Signed: Raymond A. Cook

Dated: July 05, 2007

APPENDIX I
CHEMICAL ASSAY RESULTS
AND
LABORATORY PROCEDURES



LORING LABORATORIES LTD.

E-mail: loringll@cadvision.com

629 Beaverdam Rd. N.E.
Calgary, Alberta T2K 4W7

Tel: (403) 274-2777
Fax: (403) 275-0541

SAMPLE PREPARATION

Regular Preparation:

- 1) Dry if necessary.
- 2) Primary and secondary crush to >70% passing 10 mesh sieve size.
- 3) Homogenize and riffle approximately 250 to 300 gram portion and pulverize to 95% passing 140 mesh.

Coarse and/or Particulate Gold Sample Preparation:

- 1) Jaw crush and rolls crush material to >90% passing 10 mesh.
- 2) Homogenize thoroughly and obtain a 300 to 350 gram sample.
- 3) Pre-set pulverizer to obtain approximately 10% +150 mesh in pulp form
- 4) Sieve pulverized material @ 150 mesh and take the +150 mesh portion and weigh and place in a separate container.
- 5) Roll and mix -150 mesh portion 100 times and place in container.

30 ELEMENT ICP ANALYSIS – TOTAL DIGESTION

- 1.) 0.5 GRAM SAMPLE IS WEIGHED INTO A TEST TUBE.**
- 2.) SAMPLE IS DIGESTED WITH HYDROFLORIC ACID TO DRYNESS AND BAKED.**
- 3.) SAMPLE IS DIGESTED WITH PERCHLORIC AND NITRIC ACID AT HIGH TEMPERATURE AND BULKED UP TO 25 ML WITH DISTILLED WATER.**
- 4.) SAMPLES ARE MIXED ON VORTEX MIXER AND ALLOWED TO SETTLE.**
- 5.) ICP IS TURNED ON AND ALLOWED TO WARM UP FOR 15 MINUTES.**
- 6.) SAMPLES ARE TRANSFERED TO AUTO SAMPLER TUBES AND PLACED IN RACKS.**
- 7.) SAMPLES, CHECKS, AND STANDARD REFERENCE SAMPLES ARE ANALYZED BY ICP FOR 30 ELEMENT PACKAGE**
- 8.) FINAL ANALYSIS IS CHECKED TO ENSURE ALL QA/QC CONTROLS ARE MET, AND REPORT IS GENERATED FOR CLIENT.**



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GEOCHEMICAL ANALYSIS OF GOLD BY FIRE ASSAY/AA

- A) Weigh 10, 20 or 30 grams of sample into a fire assay crucible with appropriate amount of fluxes and flour and mix.
- B) Add palladium inquant.
- C) Place crucible in assay furnace and fuse for 40 minutes.
- D) Pour samples, remove slag and cupel buttons.
- E) Place bead in test tubes and dissolve with aqua-regia.
- F) After dissolution is completed, make to appropriate volume and run against similarly prepared gold standards on Atomic Absorption unit.



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TO: ARGONAUT RESOURCES INC.
268 McKinnon Place N.E.
Calgary, Alberta
T2KE 7B9
Attn: Ray Cook

File No : 49380
Date : February 14, 2007
Samples : Rock

Certificate of Assay

Sample No.	Gold g/tonne	Silver g/tonne	Copper %	Lead %	Zinc %	Mercury ppb
AGFA6-01	0.47	67.3	0.09	0.58	0.05	162
AGFA6-02	5.00	662	0.13	1.12	0.16	213
AGFA6-03	0.40	15.3	0.03	0.09	1.51	404
AGFA6-04	0.17	38.7	0.15	0.25	0.06	394
AGFA6-05	<0.01	4.1	0.04	0.04	0.04	275
AGFA6-06	0.53	77.3	0.12	0.06	0.01	270
AGFA6-07	<0.01	4.5	0.02	0.04	0.70	121
AGFA6-08	0.10	16.6	0.26	0.04	0.09	119
AGFA6-09	0.02	3.5	0.04	0.04	0.04	27
AGFA6-10	0.01	1.1	0.03	<0.01	0.04	152
AGFA6-11	<0.01	0.5	0.03	<0.01	0.03	93
AGFA6-12	<0.01	0.8	0.03	<0.01	0.04	56
AGFA6-13	<0.01	3.0	0.05	0.03	0.02	87
AGFA6-14	0.43	44.3	0.18	0.06	0.11	70
AGFA6-15	0.01	1.1	0.01	<0.01	0.03	78
ARP6-01	0.10	33.3	3.45	0.36	0.94	2361
ARMK6-01	---	---	---	---	---	5855
ARZM6-01	---	---	---	---	---	2776
ARDY6-01	---	---	---	---	---	95
ARGOL6-01	---	---	0.27	---	---	80
AGP6-01	1.20	112	0.05	2.75	0.12	456
AGP6-02	0.02	1.1	0.02	0.03	0.02	170
AGP6-03	0.01	1.3	---	---	---	68

Patmore Showing

I HEREBY CERTIFY that the above results are those assays made by me upon the herein described samples:


Assayer

Rejects and pulps are retained for one month unless specific arrangements are made in advance.



Loring Laboratories Ltd.

629 Beaverdam Road N.E.,
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TO: ARGONAUT RESOURCES INC.
268 McKinnon Place N.E.
Calgary, Alberta
T2KE 7B9
Attn: Ray Cook

FILE: 49380

DATE: February 14, 2007

30 ELEMENT ICP ANALYSIS

"ROCK SAMPLES"

Sample No.	Ag ppm	Al %	As ppm	Au ppm	B ppm	Ba ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	K %	La ppm	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P %	Pb ppm	Sb ppm	Sr ppm	Th ppm	Ti %	U ppm	V ppm	W ppm	Zn ppm
AGG6-11	10.1	3.03	<1	<1	<1	29	<1	0.54	2	70	17	2770	4.79	0.12	6	2.21	1012	<1	0.03	22	0.09	<1	5	23	<1	0.21	<1	113	<1	9
AGG6-12	53.5	1.97	3	<1	<1	113	<1	1.46	2	40	62	10800	2.96	0.09	8	0.53	486	<1	0.01	11	0.03	<1	4	306	<1	0.14	<1	67	<1	2
AGG6-13	0.7	2.62	2	<1	<1	15	<1	0.38	2	69	26	360	5.19	0.02	12	2.00	1108	<1	0.06	22	0.10	<1	7	12	<1	0.12	<1	165	<1	8
AGG6-14	0.8	3.22	2	<1	<1	35	<1	0.43	3	85	28	316	6.27	0.16	6	2.49	1139	<1	0.04	24	0.09	<1	8	13	<1	0.23	<1	163	<1	8
AGFA6-01	75.5	0.15	<1	<1	<1	125	17	0.02	10	28	112	734	2.21	0.02	2	0.04	36	<1	0.01	2	0.01	6050	7	7	<1	0.01	<1	35	<1	38
AGFA6-02	>200	0.17	<1	<1	<1	2	35	0.04	53	81	106	1100	6.85	0.05	3	0.04	46	10	0.01	13	0.00	10600	8	6	<1	<0.01	<1	23	<1	122
AGFA6-03	17.7	0.22	3	<1	<1	135	3	0.69	421	22	499	202	1.12	0.07	5	0.28	309	2	0.01	13	0.01	854	14	30	<1	<0.01	<1	30	<1	1050
AGFA6-04	35.0	0.06	3	<1	<1	182	9	0.24	41	10	177	1350	0.64	0.03	1	0.08	118	<1	0.01	5	<0.01	2670	10	13	<1	<0.01	<1	13	<1	58
AGFA6-05	4.1	0.34	2	<1	<1	21	10	0.02	5	28	372	292	1.88	0.04	1	0.02	667	8	0.01	11	0.01	342	12	13	2	<0.01	<1	53	<1	20
AGFA6-06	65.0	0.20	14	<1	<1	110	19	0.03	2	18	401	1090	1.20	0.04	<1	0.02	282	47	0.01	9	0.01	529	12	4	3	<0.01	<1	27	<1	4
AGFA6-07	4.5	0.12	1	<1	<1	546	<1	0.37	202	14	321	99	0.73	0.04	2	0.15	221	2	0.01	8	0.01	375	9	23	4	<0.01	<1	25	<1	587
AGFA6-08	16.6	2.43	<1	<1	<1	101	<1	0.18	28	70	194	2130	4.75	0.05	4	1.50	1339	17	0.02	35	0.05	349	7	14	<1	0.03	<1	125	<1	63
AGFA6-09	3.5	3.92	<1	<1	<1	34	<1	1.17	8	77	161	312	5.86	0.02	9	2.76	1640	2	0.01	46	0.07	236	7	33	<1	0.31	<1	154	4	22
AGFA6-10	1.1	3.87	<1	<1	<1	304	<1	1.33	13	78	156	231	5.89	0.03	7	2.92	1501	1	0.01	48	0.08	40	7	49	<1	0.33	<1	166	<1	24
AGFA6-11	0.5	4.28	<1	<1	<1	159	<1	1.06	6	82	152	198	6.03	0.03	10	3.01	1885	2	0.01	50	0.08	<1	6	41	<1	0.34	<1	169	<1	19
AGFA6-12	0.8	4.24	<1	<1	<1	55	<1	1.38	6	84	150	246	6.26	0.03	10	3.05	1774	1	0.01	52	0.08	<1	5	46	<1	0.32	<1	178	<1	20
AGFA6-13	3.0	0.38	<1	<1	<1	16	5	0.04	2	32	207	341	2.07	0.05	2	0.05	811	10	0.02	12	0.01	274	7	15	<1	0.01	<1	53	<1	7
AGFA6-14	38.8	1.59	2	<1	<1	83	<1	0.82	43	57	185	1500	3.90	0.08	8	1.03	1107	43	0.02	30	0.04	491	5	31	<1	0.01	<1	91	<1	79
AGFA6-15	1.1	0.05	<1	<1	<1	37	<1	0.07	6	9	444	45	0.59	0.01	1	0.04	139	2	0.01	15	<0.01	70	10	4	<1	<0.01	<1	17	<1	19
AGFA6-16	3.6	1.26	<1	<1	<1	487	2	0.06	8	67	181	480	4.45	0.09	4	0.19	1076	3	0.02	31	0.05	255	6	15	<1	0.01	<1	110	<1	23
AGFA6-17	2.5	2.17	2	<1	<1	236	<1	1.42	27	45	113	606	3.23	0.17	12	1.25	1268	<1	0.07	13	0.07	83	5	75	<1	0.01	<1	98	<1	92
ARF6-01	29.8	0.24	24	<1	<1	6	18	0.26	373	81	61	>20000	5.63	0.13	7	0.12	1140	146	0.01	13	<0.01	>20000	131	38	<1	<0.01	<1	36	<1	701
ARMK6-01	61.9	2.10	<1	<1	<1	3	<1	0.04	452	171	<1	>20000	11.74	0.03	4	1.30	1046	17	0.01	21	<0.01	>20000	8	3	<1	<0.01	<1	79	45	862
ARZM6-01	>200	0.07	<1	<1	<1	11	6	0.01	1200	79	232	1620	7.50	0.03	<1	0.05	27	24	0.01	17	<0.01	>20000	18	56	<1	<0.01	<1	9	<1	1680
ARDY6-01	112	0.10	<1	<1	<1	2	7	1.16	28	126	124	>20000	13.56	<0.01	20	0.19	639	59	0.01	23	<0.01	1220	4	26	<1	<0.01	<1	13	<1	31
ARGOL6-01	4.2	0.45	5	<1	<1	256	<1	1.41	3	6	94	2650	0.40	0.26	28	0.02	269	1	0.02	4	<0.01	329	3	148	5	<0.01	<1	10	<1	5
AGP6-01	109	0.19	4120	<1	<1	78	15	0.12	17	42	135	480	2.06	0.08	11	0.03	42	4	0.01	9	0.05	>20000	79	45	<1	<0.01	<1	9	<1	119
AGP6-02	1.1	0.21	341	<1	<1	49	<1	0.30	2	15	206	103	0.98	0.04	13	0.05	442	1	0.05	6	0.04	332	8	33	<1	<0.01	<1	17	<1	5
AGP6-03	1.3	0.58	17	<1	<1	1649	<1	0.63	1	17	58	115	1.31	0.34	34	0.02	549	2	0.04	<1	0.03	193	11	820	<1	0.03	<1	27	<1	4
AGFA6-13R	2.9	0.38	<1	<1	<1	17	6	0.03	2	31	197	341	1.90	0.05	<1	0.03	735	9	0.02	12	0.01	277	7	15	2	0.01	<1	50	<1	8

Patmore Showing

Total digestion of 0.5g sample with HF-HNO3-HCl.

Certified by:

APPENDIX II
DESCRIPTION OF CUT ROCK SAMPLES UNDER
THE
BINOCULAR MICROSCOPE

ROCK SPECIMEN DESCRIPTIONS

Specimens were examined with a Nikon binocular microscope
(10 to 60 x magnification).

PATMORE SHOWING

- AGP6-01** **White to red brown, brecciated, quartz vein.** The rock is composed of interlocking euhedral vein quartz with medium crystalline diorite rock fragments. The diorite rock fragments contain medium to coarse crystalline plagioclase feldspar plus adularia with minor mafics. The country rock fragments contain magnetite plus pyrite aggregates. The vein quartz contains intercrystalline coarse crystalline pyrite, galena and lesser sphalerite aggregates within vein voids and cavities. The rock was a sub-outcrop float sample collected 140 metres south of the historical Patmore showing's #1 trench.
I.C.P. assay: nil Au, 109 ppm Ag, 4,120 ppm As, 480 ppm Cu, >20,000 ppm Pb and 1,190 ppm Zn.
Rock assay: 1.2 g/t Au, 112 g/t Ag, 0.05 % Cu, 2.75 % Pb, 0.12 % Zn and 456 ppb Hg.
- AGP6-02** **White to rusty brown quartz vein.** The rock is composed of interlocking euhedral vein quartz with limonite filled spotty voids and crosscutting open fractures. The rock is a chip sample collected from the western wall of an open cut on a quartz vein near the historical #1 trench of the Patmore showing.
I.C.P. assay: nil Au, 1.1 ppm Ag, 341 ppm As, 103 ppm Cu and 332 ppm Pb.
Rock assay: 0.02g/t Au, 1.1 g/t Ag and 170 ppb Hg.
- AGP6-03** **White to tan pink, coarse crystalline granodiorite or quartz diorite.** The rock is composed of equigranular coarse crystalline feldspar (65%) plus biotite (20%) and quartz (20%) with intercrystalline patches of adularia, pyrite plus limonite cement. The rock was a sub-outcrop float sample collected at an elevation of 400 metres on the mountain slope directly below the historical Patmore showing.
I.C.P. assay: nil Au, 1.3 ppm Ag, 17 ppm As, 1,649 ppm Ba, 115 ppm Cu and 193 ppm Pb.
Rock assay: nil Au, 1.3 g/t Ag, and 68 ppb Hg.

TENURE 513083

CAMP SITE

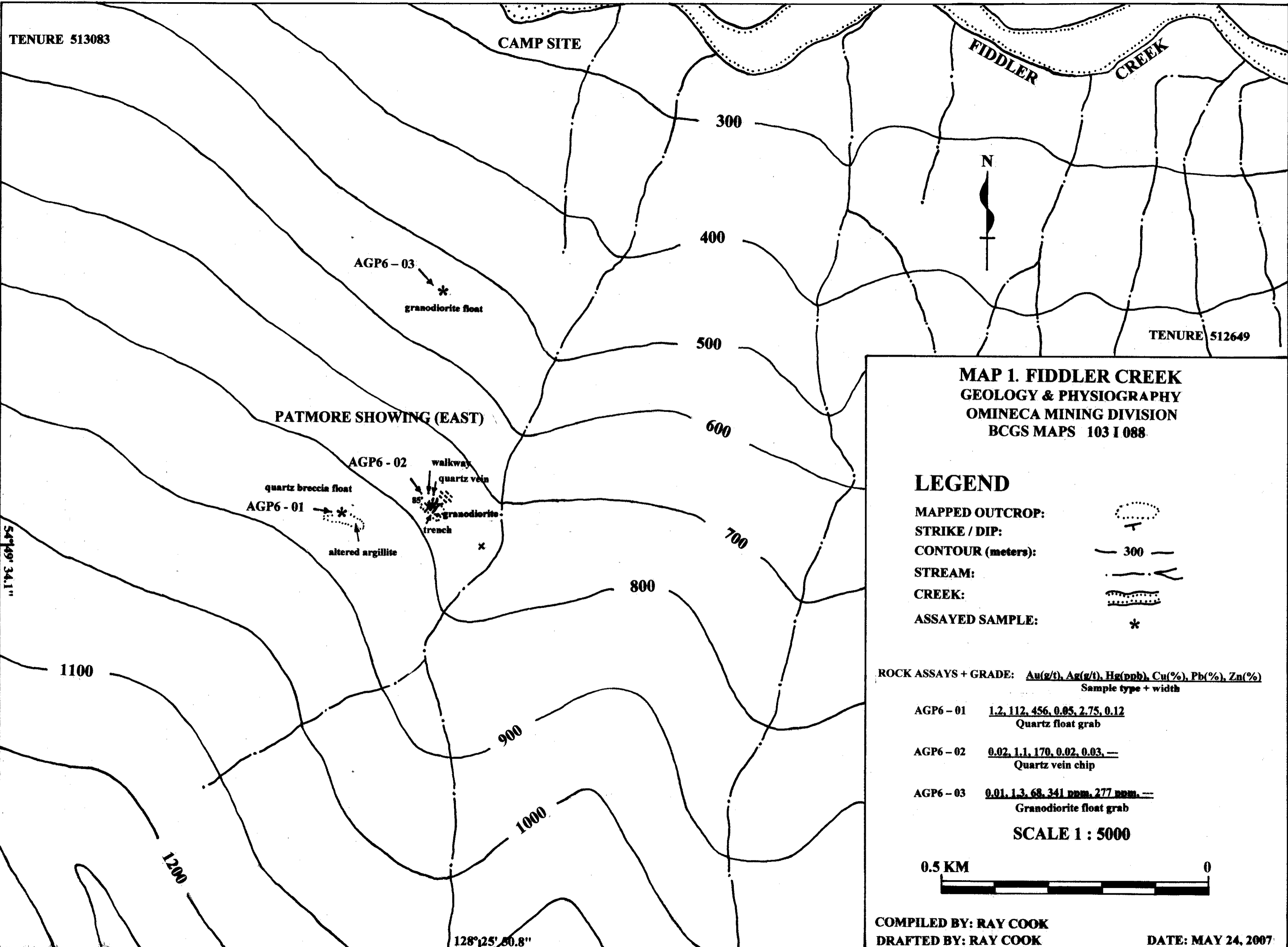
FIDDLER CREEK

TENURE 512649

PATMORE SHOWING (EAST)






54°49' 34.1"

128°25' 50.8"



**MAP 1. FIDDLER CREEK
GEOLOGY & PHYSIOGRAPHY
OMINECA MINING DIVISION
BCGS MAPS 103 I 088**

LEGEND

- MAPPED OUTCROP: 
- STRIKE / DIP: 
- CONTOUR (meters):  300
- STREAM: 
- CREEK: 
- ASSAYED SAMPLE: *

ROCK ASSAYS + GRADE: Au(g/t), Ag(g/t), Hg(ppb), Cu(%), Pb(%), Zn(%)
Sample type + width

AGP6 - 01 1.2, 112, 456, 0.05, 2.75, 0.12
Quartz float grab

AGP6 - 02 0.02, 1.1, 170, 0.02, 0.03, ---
Quartz vein chip

AGP6 - 03 0.01, 1.3, 68, 341 ppm, 277 ppm, ---
Granodiorite float grab

SCALE 1 : 5000



COMPILED BY: RAY COOK
DRAFTED BY: RAY COOK

DATE: MAY 24, 2007