New results from the **FLAN showing**

on part of the

Flan-Consolidated Group of claims

(Tenure **509012**)

in the

Nanaimo Mining Division

in

092L/01

at

50 deg 07 min North and 126 deg 15 min 30 seconds West

for

Mikkel Schau, owner

by

July 26, 2007

Mikkel Schau, P.Geo.

(October 24, 2007)

SUMMARY

New results from the Flan gold showing include gold and silver assay results from several large boulders in a basal till/frost heaved bedrock interface? from the original Flan showing. Eight newly located boulders were sampled and show local high grade values noted below: Adjacent silts, talus fines and till, as well as the "green vein" (a previously described vein, see AR26793) were also sampled:

Boulder 1 (531) aka 866B see below
sample 331671 **Au = 135.09 gm/t** **Ag = 59.9 gm/t** **Cu = 3.28 %**

Boulder 2 (527)
sample 331682 Au = **102.56 gm/t** **Ag = 64.7 gm/t** **Cu = 3.89 %**

Boulder 3 Limonite Gossan) (316)
sample 331673 Au = 0.62 gm/t Ag = 21.4 gm/t Cu = **1.29 %**

Site 866
Boulder A 331735 Au = **66.98 gm/t** **Ag = 46.0 gm/t** **Cu = 3.24 %**
Boulder B 331736 Au = 14.29 gm/t Ag = 7.1 gm/t Cu = 3021 ppm
Boulder C 331737Au = **48.41 gm/t** Ag = 25.2 gm/t **Cu = 1.24 %**
Boulder D 331738 Au = 27.53 gm/t Ag = 24.9gm/t Cu = **1.64 %**

Boulder 868
B sample 331739 Au = **101.9 gm/t** **Ag = 71.4 gm/t** **Cu = 4.53 %**
S sample 331740 Au = 1.13 gm/t Ag = 2.1 gm/t Cu = 991 ppm

Boulder 872
L sample 331744 Au = 14.48 gm/t Ag = 16.8 gm/t Cu = 6824 ppm
S sample 331745 Au = 8.79 gm/t Ag = 13.6 gm/t Cu = 6311 ppm

Talus/till below boulder 872
Sample 331741 = Au = 0.41 gm/t Ag = 0.4 gm/t Cu = 354 ppm

Resampling of green vein
sample 331746 Au = 0.04 gm/t Ag = 8.7 gm/t Cu = 4048 ppm

Talus below "green" vein
Sample 331742 = Au = 0.16 gm/t Ag = 0.2 gm/t Cu = 189 ppm

Adjacent creek silt sample
Sample 331743 = Au = 1.89 gm/t Ag = 1.5 gm/t Cu = 1779 ppm

These new high assays have been determined in several ways; the results for gold given above, are determined using the total gold/metallics method of Acme Labs. The silver has been

determined using the ICP-ES and MS methods of Acme Labs. Copper values by assay or ICP-ES/M. Analytical details and associated trace element results, are in main body and in appendices of report.

The claim is centered on 50 deg 7 minutes North and 126 degrees 15 minutes and 30 seconds West, south of Schoen Lake Provincial Park straddling the north flowing Schoen Creek on northern Vancouver Island. The Flan claim, (50912) consists of about 166 ha. and is part of the Flan-Consolidated Claims which cover a total of 1925 contiguous ha. and comprise post-map-staking consolidation of the legacy Flan Claims, and Flan-more, Flan-west, Flan-In, and Flan-extension. This report applies only to the converted legacy Flan claim is crown land and is currently being harvested for logs.

Previous work by government and private company sampling indicate that local creeks contain anomalous values of gold. Previous moss mat analyses have located anomalous gold bearing area on the west side of Schoen Creek. Previously, Gold (1 ppm) has been reported from a vein with chalcopyrite, sphalerite and pyrite near the northwestern contact of the granite, in Karmutsen feldspar-phyric basalts (AR23546). A newly located, altered 2 mica granite body is seen to be emplaced along a major fault zone along Schoen Creek. On the opposite side of the granite stock, in the southeastern part of group, the Flan gold showing itself (AR26793) is hosted in altered gabbro and cherty tuff .

Access is currently along active logging roads. The property, has being selectively clear cut and the Flan showing itself is in an already clear cut patch. Nearest community is the logging community of Woss located some 30 km WNW near a junction with the Island Highway. There is access to the deep water port of Gold River along well traveled gravel roads to the south and west and as well as to Port McNeill to the north along the paved Island Highway.

To the best of my knowledge, the land claim treaty process has not directly discussed these lands,. There has been no impediment to my claiming or working the land to time of writing. Local people I have talked to would like there to be more mineral exploration, and possibly mining, to shore up the local economy.

Recommendations for future work include intense prospecting in the vicinity, uphill and up ice of the current boulder locations. Should the property be optioned, and a modicum of money be available, a grid for more systematic work such as a a geochemical soil/basal till survey and a HLEM survey should help localize the vein system. Since the gold showing is in a generally prospective area that contains small showings it is recommended that all the Flan-consolidated Claims be acquired intact.

TABLE OF CONTENT

1.0 Introduction:

New assay results are reported from the "Flan Showing" within claim 509012 in Flan-consolidated Claim Group. The report has been prepared by the owner of the claims, for himself.

Sampling for precious metals and tracer elements was conducted during three visits to the property. The work consisted of examining and sampling boulders/talus and checking along, and sampling, new logging road exposures as well as side trips into the clear cuts to map scarce outcrop.

The work was carried out by Mikkel Schau, P.Geo., and helpers.

2. Property Location, Access and Title

This report applies only to the converted legacy Flan claim (509012) of some 165. ha., but is part of the Flan-Consolidated Claims which covers a total of about 1925 contiguous ha. and are a post-map-staking consolidation of the legacy Flan Claims, Flan-In, Flan-more, Flan-west and Flan-extension claims.

The Flan-Consolidated Group claims are located in the Schoen Creek valley at the foot of the western flank of Mount Adam, about 30 km east-southeast of Woss, on Vancouver Island B.C. (Figures 1, 2). They are located in the Vancouver Island Ranges, at about 680 m. in a partially logged Douglas fir forest. The property is in the Nanaimo Mining Division, on NTS 092L/01 and is centered at approximately 50 07 N and 126 15 30 W. (Fig. 1, and 2).

Access to claim 509012 is via a logging main branching off the Island Highway towards Gold River and continues along subsidiary logging roads that pass through Schoen Lake Provincial Park, south, into the area of interest. Two and four wheel drive vehicles can closely approach the area, but a 4 wheel drive vehicle is needed visit the showing. The main logging road is the one leading to Gold River, and at a junction marked Schoen, (with the label, "this is not the road to Schoen Lake Provincial Park") the road passes along the south side of the Davies River and through the Park into the headwaters of Schoen Creek. This road proceeds upstream along the west side of the creek until, several km along, the road splits and one (SC10) descends to the floor of the valley and crosses Schoen Creek over a bridge. This road affords access to the east side of the creek, both north and south. Going south the road passes into a clearcut block. The fork to the showing is the switchback uphill.

The anniversary date is is updated below as a result of this work.

Name	Record	Ha.	Anniversary Date	Year Recorded/ converted
(Old *Flan*)	509012	165.753	Nov 18 2010	2000/2005*

All the Flan-consolidated claims, which are focused on finding precious metals, are owned 100 % by Mikkel Schau.

The land situation is typical of BC; I have claimed the mineral rights in a lawful manner. To the best of my knowledge the Land Claim Treaty Process has not directly discussed these lands although they are under general claim by several groups. There has been no impediment to my claiming or working the land to time of writing. Local people have told me they would like there to be more exploration, and possibly mining in region, to shore up their local economy. Logging companies, currently harvesting the region, have been helpful with logistic information.

3.0 Previous Work

The general area has had a sparse history of mineral exploration. Early prospectors and mining companies frequented area before Schoen Lake Park was created. No significant finds were recorded in the immediate vicinity. The Lucky Jim showing on the Adam River reported assays with about one oz/t Au in early 1918 and indicated that gold was present in the general area.(Brewer 1919). Previous regional mapping by government was conducted by J.E. Muller et la. (1974) (Fig. 4) and made available in digital form by N.W. Massey (1995, 2004). Government sponsored regional geochemical surveys indicate that creeks in the Schoen Lake watershed are anomalous, showing values up to 160 ppb Au. (MapPlace, 2007). An adjacent creek valley and a hill crest (Mt Maquilla) to the west of the Schoen Creek valley was staked in 1993 and shown to carry anomalous concentrations of several economic elements, including Cu, Zn, Ag, Pb, Mo and Au (AR 23546). Those claims have since lapsed.

In 2000 gold was found at the Flan gold showing by the current owner, prospecting for precious metals under the Prospector's Assistance Program, and was staked in late 2000 based on results of an initial assay report. A two mica granite was recognized in the course of later mapping and an enlarged area staked to cover the apparent edges and zone of influence of the granite (AR26793, AR27311 and AR28382). The current owner, Mikkel Schau, is conducting local grass-roots exploration to enlarge the showing to become a viable prospect.

The original gold Flan showing is from a frost heaved gabbro fragment and is apparently a very thin, steep, non continuous gold-bearing vuggy quartz-pyrite-chalcopyrite vein cutting steeply across a 30 centimetre thick epidote-chlorite, pyrite, sphalerite, chalcopyrite bearing vein with local development of bull quartz stringers, located in a fault zone, cutting a gabbro sill, emplaced in the Paleozoic cherts and black shale. A white weathered out vuggy veins carries very sporadic gold values (up to 61ppm Au) whereas lower anomalous gold values (up to 800 ppb) has been found in the larger polymetallic vein.

4.0 Summary of work done:

Till and boulder prospecting on claims 1 ha. (Mainly around showing)
Preliminary Geology 1 ha. (Mainly around showing)
Assay work (ACME Laboratories) claimed in this report):(see appendix a and E)
- 19 preparation for and assays for multielements bivy ICP-ES/MS of 19 samples
- 4 fire assay/imp-es finish for Au, Pt, and Pd.
- 17 metallics, total gold
- 9 re-assays of high values for Cu
- including appropriate duplicates, blanks and standards

Petrography of 4 sulphide rich samples (transmitted and reflected light)
Geophysical measurements
- 6 Specific gravity determined
- 23 primitive conductivity measurements
- 6 semi qualitative magnetic measurements

5.0 Detailed technical data and interpretation

5.1/ Purpose

The purpose of the field trips recorded herein was to find more mineralized localities as well as gaining a better understanding of the distribution of mineralization and, hence to locate more veins. Many of the conditions noted to be favourable for gold deposits are locally present (Boyle, 1968). The data reported so far supports mineral deposit models which are mainly result of hydrothermal activity with locally reduced oxidation states.

5.2/ General Surficial Geology

The claims are located in the Sutton Ranges. Mountain glaciers have carved the landscape and shaped the valleys with their deposits (Bobrowsky and Sibbick, 1996-7).

The claim is situated on the edge of a U-shaped Schoen Creek valley, and the western lower part of claim is covered with a veneer of talus and soil over till. The eastern edge is near a ridge is topped by Mt Adam, and is largely outcrop. The mapped road, which follows the contours about halfway up the claim shows subcrops; overlain by talus, soil and thin basal till. Few knobs of bedrock crop out on the slopes; only at the upper steeper slopes are cliff forming outcrops abundant. In the valley of Schoen Creek only till has been uncovered by road building. No outcrops have been located in the creek bottom within the claim.

Glacial striae were noted on the southern most subcrops, where the surficial debris had been washed away by road side erosion, after the road had been pushed through. These striae indicated ice movement was parallel with the valley wall and directed to the north, down the Schoen Creek valley.

The Flan showing is on the western side of the Schoen Creek, on the northern edge of a small northwesterly directed subsidiary creek. Glacial debris was likely carried by the smaller creek and would have joined with the main down-valley ice flow somewhat to the west of the current surface. Hence, basal till is likely associated with the smaller creek's subsidiary glacier. This is relevant, because the direction of ice flow may be important tracing the mineralized boulders back to source. Hence the most likely direction of till debris would have been from the southeast and would have moved down valley to the north. The most likely source of the boulders in the till is a very short distance to the southwest.

The frost heaved/basal till boulders come from a complex interface between frost heaved bed rock and basal till (see figure 11). Boulder 872 came from a position within the basal till some 1 meter up from base and 40 m uphill/ice of the localities of boulders 866, 868, 371 (located at pictured site). A non assayed massive sulphide cobble was found within the basal till a meter or two up from the nearby but unseen base about 40 m down valley. Clearly some local glacial transport has taken place. Large boulders at the base of thin basal tills have not been transported any great distance (Bobrowsky et al, 1995, p. 25, p. 285.).

Hicock (1986), in his study of glacial dispersion in the nearby Buttle valley recommends that in alpine drift studies, anomalies should be traced up valley into tributary valleys along the same valley side using the -0.002 mm fraction of the till matrix. Such a survey would be part of a more comprehensive exploration effort.

5.3/ Regional Geology

The regional geology has been mapped by Muller et al 1974, (Fig 4) prior to the construction of current logging roads, and as such, suffers from not having access to the subcrops now exposed. Observations gained while prospecting in the region after the roads were available, indicate that a small elongate granite stock occurs west of Schoen Creek. The contact of this stock is exposed in only one place, but its general north south elongation can be deduced from outcrops and subcrops as well as nature of talus in the valley.

Regional geology of the immediate area is simple. Daonella beds, a middle Triassic unit with black shale and siliceous tuffaceous cherts is overlain by the Karmutsen basalts, a thick pile of pillowed and massive sub-aqueous lavas. Intrusive rocks include early gabbro sills, followed by large Jurassic granodiorite plutons. Regional faulting, along with considerable alteration including argillic and hematitic alteration, affected area. The apparent sense of movement on the mostly north south faults, is west side up, but associated slickensides indicate largely horizontal displacement. Other steep, later?, east west faults associated with abundant alteration and a possible dextral sense of displacement are locally important. The two mica granite seems to post date the major north south faulting but is cut by the east west faulting.

The geology in Schoen creek is incompletely known, and the deep till cover at the base of the U shaped creek valley precludes a detailed map of even this small claim group. Nevertheless, a cross-section from east to west, across the Schoen Creek valley, in the vicinity of Mt Adam, would include these features from east to west:

From East
Mt Adam underlain by Karmutsen basalts (with shallow west dip)
western flanks of Mt Adam cut by a fault (steep and northerly trending)-shown on Muller's map.(west side up)
Middle Triassic (M.Tr.) black shales and cherts up against Karmutsen Basalts
Gabbro sills in tuffaceous cherts (c.f. FLAN Showing)
Schoen Creek valley, possibly underlain M.Tr. black shales (Daonella beds) and local cherts
Across the Schoen Creek, and up the hill,
Unnamed (Schoen) 2 mica granitic Stock,
Karmutsen feldspar phyric basalt flows with shallow west? dip, near top of hill
Nimpkish Pluton intruding the north western edge of the claims west of the ridge
Southwest is mainly pillowed Karmutsen basalt.
To West

This is presented in a very preliminary sketch geology map in figure 3.taken from AR28382). The newly located two mica granite stock (briefly mentioned in AR26793, 27311 and 28382), appears to intrude along the north south zone of faulted rocks along Schoen Creek and is not lithologically similar to, nor related to, the Island intrusions.

5.4 Detailed Geology

As shown on the preliminary map the geology of the claim group under discussion exceedingly poorly exposed and therefore relatively simple:

The ridge to the east of Schoen creek is probably dominated by Karmutsen pillow basalts at the top, and by lower cliffs of fine-grained gabbro sills. Just above the upper road a knoll of pyrite veined and rusty stained gabbro forms a small outcrop. Uphill of that are truck-sized frost-heaved outcrops of siliceous tuff. Subcrops exposed on the upper and lower logging roads to the east of the creek are of gabbro, cut by major steeply dipping NS and minor EW faults and veins. At the lower road an abundant amount of black shale chips in the surficial rocks suggest that the host here is black shale from the road to the creek covered by till overlain by soil and talus. Chips of black slate in the till, and chip fragments in the creek, raise the possibility that these slates (possibly Daonella Beds) may, as shown by Muller (op cit), underlie part of the valley. Up on the other side are abundant talus fragments of two mica granite. The actual contact is not known but is near the creek.

Figures 7 and 8 show the complex nature of the contact between the overlying surficial materials and the bedrock below. The rusty materials appear to come from the interphase zone between the two. Angular boulders were recovered form site 866 and 868 which tested this horizon (figures 9 and 10). Figure 11 on the other hand shows the large semirounded large boulder (872) recovered from the basal till a meter above the basal interphase.

5.5 Detailed sampling results

5.5.1 Previous work

Previous results from the FLAN group, updated from AR26793.:include

White quartz veins in pyritic gabbro:

gold:	up to **61.04 gm/mt**
palladium:	up to 16 ppb
silver:	up to 15.3 gm/mt
nickel:	up to 36 ppm
copper:	up to 5536 ppm
molybdenum:	up to 113 ppm
zinc:	up to 5489 ppm

Green polymetallic veins in fault zone in gabbro sill (these values are, in part, updated from AR26793, these analyses are not claimed for assessment and hence are not included in this report):

gold:	up to 407 ppb
palladium:	up to 9 ppb
silver:	up to 9.6 ppm
nickel:	up to 32 ppm
cobalt:	up to 187 ppm
copper:	up to 4115 ppm
molybdenum:	up to 173 ppm
zinc:	Up to 5566 ppm

The two vein sets may have been formed in the same mineralization event, although the quartz rich veins at least, post-date, in part, the epidote, chlorite, metal sulphide vein. In one sample of the enriched gold bearing rock (130C) a very thin vein of visible gold? (softer than chlorite, easy to cut, gold color) is seen under a microscope to crosscut earlier sphalerite and other oxidized sulphide mineralization.

5.5.2. Results from 2006 and 2007 traverses.

Collecting along logging roads made acquisition of samples from subcrops fairly easy; prospecting in the woods and clearcuts, by contrast, is plagued by scarcity of outcrop.

Repeated prospecting visits have yielded several polymetallic gossanous boulders in frostheaved/basal till locations at the original showing. New results reported herein include gold, silver and copper assay results from several large boulders in a basal till/(frost heaved surface interface?) from the original Flan showing. Locations are given from a Garmin GPS. Site 872 is probably the best located site (+/- 3 m) since it has been determined using WAAS satellites. The other sites are not as accurate since the WAAS satellites were not available to the receiver. The relative positions of the sampled boulders is not in question.

Sulphide rich boulders were photographed, split into ½ kg fragments, bagged, and shipped to ACME Labs for analyses. This laboratory has a good reputation for providing quality assays, and was selected for this reason. 9 boulders were sampled and include the high grade values noted below:

Aug 1, 2006 (A608056 series)

Boulder 1 (site 531=866) UTMN 696561, UTMN 5554957
sample 331671 Au = **135.09 gm/t** **Ag = 59.9 gm/t** Cu = **3.28 %**

Boulder 2 (site 527) UTME 696561, UTMN 5554953
sample 331682 Au = **102.56 gm/t** **Ag = 64.7 gm/t** Cu = **3.89 %**

Boulder 3 Rusty (site316)UTME 696560, UTMN 5554952
sample 331673 Au = 0.62 gm/t Ag = 21.4 gm/t Cu = **1.29 %**

Visit July16, 2007 (A705260 series)

Site 866 UTMN 696561, UTMN 5554957
Boulder A 331735 Au = **66.98 gm/t** **Ag = 46.0 gm/t** Cu = **3.24 %**

Boulder B 331736 Au = 14.29 gm/t Ag = 7.1 gm/t Cu = 3021 ppm
This is oxidized portion of 331671 from previous visit

Boulder C 331737 Au = **48.41 gm/t** Ag = 25.2 gm/t Cu = **1.25 %**

Boulder D 331738 Au = 27.53 gm/t Ag = 24.9gm/t Cu = **1.64 %**

Boulder at Site 868 , UTME 696571, UTMN 5554949
B is sulphide rich, S is rusty gossan
B sample 331739 Au = **101.9 gm/t** **Ag = 71.4 gm/t** Cu = **4.54 %**
S sample 331740 Au = 1.13 gm/t Ag = 2.1 gm/t Cu = 991 ppm

Boulder at Site 872 UTME 696591, UTMN 5554877
L sample 331744 Au = 14.48 gm/t Ag = 16.8 gm/t Cu = 6824 ppm
S sample 331745 Au = 8.79 gm/t Ag = 13.6 gm/t Cu = 6311 ppm

Talus/till below boulder 872 see above for location
Sample 331741 = Au = 0.41 gm/t Ag = 0.40 gm/t Cu = 354 ppm

Resampling of green vein UTME, 695571, UTMN 5554987
sample 331746 Au = 0.04 gm/t Ag = 8.7 gm/t Cu = 4048 ppm

Talus below green vein see above for location
sample 331742 Au = 0.16 gm/t Ag = 0.2 gm/t Cu = 189 ppm

Adjacent creek silt UTME 695565, UTMN 5555000
sample 331743 Au = 1.89 gm/t Ag = 1.5 gm/t Cu = 1779 ppm

This creek drains an area immediately north of original gold rich sample (130C in AR26793), north of gabbro subcrop and in an area thought to mark the contact between cherts and gabbro (based on poorly exposed outcrops and frost heaved rock).

** all samples located in NAD 83 zone 9

These new gold values have been determined in several ways; the results for gold given above, are determined using the metallics method of Acme Labs. The silver has been determined using the ICP-ES/MS methods of Acme Labs and high values of copper by assay methods. Analytical details and associated trace element results, are in the appendix C.

Photographs of the samples are shown in Figures 9, 10, and 12.

Some of the boulders have been partially oxidized. This can be easily shown by comparing the iron vs sulphur contents.

	Fe%	*S%*	*notes*
Site 866			
Boulder A 331735	24.88	>10.00 %	sulphide
Boulder B 331736	19.33	1.72%	oxide and minor sulphide
Boulder C 331737	20.36	>10.00 %	sulphide
Boulder D 331738	15.07	6.07 %	oxide and sulphide
Boulder 868			
B sample 331739	22.20	>10.00 %	sulphide
S sample 331740	18.90	0.83%	oxide
Boulder 872			
L sample 331744	15.53	6.77%	sulphide
S sample 331745	17.23	8.37%	sulphide
Resampling of green vein			
sample 331746	29.26	>10.00%	sulphides

A rough calculated estimate of the proportion of sulphides shows considerable variation.

Four samples from site 866 gave assays ranging from about 10% to 1% chalcopyrite. Three samples from site 868 gave assays ranging from about 13% to 0.2% chalcopyrite. Two samples from boulder 872 gave assays showing about 1.7% chalcopyrite. A single sample from boulder 531 gave an assay of about 9.5% chalcopyrite. Clearly the chalcopyrite is irregularly dispersed.

The iron sulphides, largely pyrrhotite and pyrite may range up to 40 % (calculated all as pyrrhotite) or up to 53 % (calculated all as pyrite). The best estimate is nearer the pyrrhotite limit based on the observed prevalence of pyrrhotite over pyrite. Limonite may form up to of 60 % in the oxidized samples.

In many gold bearing systems a suite of elevated marker trace elements are noted. They commonly include one or more of the following As, Sb, Bi, Hg, Ba and V.

	Trace elements in ppm				
	As,	*Sb,*	*Bi,*	*Hg,*	*V.*
Boulder 1 (531)					
sample 331671	35	<3	60	na	103
Boulder 2 aka 868 see below) (527)					
sample 331682	18	<3	51	na	128
Boulder 3 Gossan) (316)					
sample 331673	88	<3	<3	na	218

Visit July, 2007

	Trace elements in ppm				
	As,	*Sb,*	*Bi,*	*Hg,*	*V.*
Boulder 866					
A sample 331735	21	<1	69	.02	113
B sample 331736 rusty	35	<1	9	.01	307
C sample 331737	27	<1	30	.01	206
D sample 331738 rusty	9	<1	19	.01	316
Boulder 868 resampling of 331682 boulder AKA 527					
B sample 331739	14	<1	74	.02	72
S sample 331740 rusty	9	<1	2	<.01	345
Boulder 872					
L sample 331744	8	<1	10	.02	165
S sample 331745	8	<1	11	.01	175
Resampling of green vein					
sample 331746	34	<1	2	.30	96

Clearly the gold bearing sulphidic samples are relatively poor in Hg, As and Sb. Thus a near surface epithermal type deposit origin is effectively ruled out. The elevated bismuth values may indicate a somewhat deeper seated type deposit. Hydrothermal chlorite often concentrates vanadium; it is likely that the samples contain introduced chlorite as well as quartz in the gangue.

5.6/ Petrographic investigation

Detailed descriptions of four samples from three localities are given in appendix B.

The thin sections and polished sections show the samples to be composed of abundant sulphides (mainly pyrite/pyrrhotite and chalcopyrite) in a fragmental and quartz rich matrix.

`The silicate/oxide minerals recognized are tabulated below

	Qtz*	Fp	clay	Chl	Ep	Op	Lim	notes
TS12 866A boulder with sulphides	10	1	1	8	tr	80		Black sooty
TS13 866c boulder with sulphides	10			5	tr	85		Black sooty
TS14 868 boulder with sulphides	35			5		60		
TS15 872 boulder with sulphides	40	10	<-	15	tr	35		Rel fresh

*Abbreviations as follows: qtz quartz, Fp feldspar, clay, smectite/illite, chl chlorite, ep epidote, Lim limonite.

The opague minerals recognized are tabulated below:

	Pyrh	Pyrhhotite -alteration	Cpy	Sph	Mt	Voids	Py	notes
TS12 866A boulder with sulphides	5	80	5	tr	tr	tr	tr	10 Lim vein
TS13 866C boulder with sulphides	2	60	7		tr	15	7	9 melnikovite
TS14 868 boulder with sulphides	3	80	7	tr	tr		10	
TS15 872 boulder with sulphides	80	4	15	tr	tr			leucoxene

Proportions are added to 100%. Apply to percentage recorded above
Abbreviations as follows: py pyrite, pyrh pyrrhotite, marc marcasite, cpy chalcopyrite, sph sphalerite, mt magnetite, Lim limonite.

Given the high grades of gold reported in assays, it was expected that visible gold might be encountered. None was seen. All soft yellow grains that could be cut were tested, and all tested grains yielded a black powder indicating chalcopyrite.

A small sample of crushed black alteration material in 866c was put under the blow torch, it is hard to fuse and the residue was magnetic, confirming the iron sulphide identification.

The samples are heavily mineralized sulphide - quartz veins with a complex history. A paragenetic sequence is shown below:

Host rock:

black shale (to the west) and siliceous tuffs (to the east) into which a locally porphyritic gabbro sill is emplaced

Fracturing producing fault breccias and probably altering fragments of gabbro?

Mineralizing fault with pyrrhotite and related minerals

note, this may be co-eval with the green vein?

More fracturing, healing of pyrrhotite minerals, new local open spaces lined by quartz crystals and filled by chalcopyrite

More fracturing, breaking and straining quartz crystals, veining (remobilization?) with chlorite and chalcopyrite

Uplift

Erosion

Weathering producing voids and black sooty "melnikovite"?

Glacial event

Weathering producing voids and black sooty "melnikovite"?

The sectioned samples are described; a suite of photographic plates are provided in appendix F. They show the local setting of the source subcrop, the raw boulders and photomicrographs of salient features.

The general setting of the boulder sites 866 and 868 is from the interphase between broken bedrock and basal till (Figure 7). Note the ladder for size in the second picture which is a closeup of the rusty source region (Figure 8). Typical pictures of oxidized fragments are shown (Figures9 and 10). A large boulder (872) is shown after being rolled down from its location within the basal till (Figure 11) and a closeup of a sampled piece is figured.(Figure 12)

Photomicrographs of pertinent textures are included in figures 13 and 14.

A sequence of increasing alteration from massive pyrrhotite to colloform and cellular pyrrhotite veins culminating in black coated voids is shown.(Figure 13) The alteration is not well characterized. It is brownish yellow and moderately hard and several closely related minerals appear in the colloform rims and veins. It is possible that some of the lighter brown and harder material is pyrite?. Ramdohr notes that alteration of pyrrhotite is "interesting". Some of the chalcopyrite is seen as veinlets in the center veins, ie in the latest part of the sequence of alteration. Also of some note is the black sooty nature of the surfaces of the pyrrhotite, even within the voids. The soot is interpreted as "melnikovite" which id very fine grained, magnetic, "pyrite".What is abundantly clear, is that the pyrrhotite alteration suite is not limonite or related oxides. More work could be profitably be done on this mineral suite using modern instrumental methodologies.

Later weathering and resultant oxidation has depleted metals and left behind a shell of alteration minerals. Alteration products of pyrrhotite are not well understood and Ramberg called them "interesting". Fresh surfaces of pyrrhotite tarnish very rapidly. A colloform crust of several different minerals, possibly all versions of pyrrhotite rim the altered pyrrhotite. Black coatings on the outer surfaces of the colloform zones are thought to be black sooty magnetic material which would seem to be an iron sulphide. The name of melnikovite (not recognized as a mineral name) is sometimes applied to this black soot. In more altered material this black material coats box works and voids. This material is to be distinguished from the end product of alteration which is limonite. Only a small grains, and one vein of limonite were recognized in analysed samples. Oxidized fragments are locally present with a full suite of yellow, red, and brown limonites The iron sulphide alteration has been the subject to studies for a century or so, the latest, an excellent treatise by M. Frei, 2005, who used more modern instrumentation than that available to me or my pocket book, to approach the problem. Judging from thin section and geochemical data presented above it would appear that the leaching of metals was very efficient and precious metals were not left behind as insoluble remains but were instead removed by strongly oxidized and acid solutions to be re-precipitated on nearby sulphide surfaces.

5.7/ Petrophysical Results

5.7.1/ Density

Specific gravity is determined by comparing the weight of a specimen with an equal volume (as measured by displacement of water). See appendix C for details). The density for four sulphidic samples has been determined for this report.

TABLE

sample	specific gravity
866A	3.21
866C	3.11
868	3.12
872	2.95

As a first approximation the samples are mainly quartz (representing all silicates) and pyrrhotite (representing all sulphides). Alteration voids are seen in thin sections.

Calculated densities		no voids	25% voids
100% Quartz	0 % pyrrhotite	2.65	2.12
90% Quartz	10 % pyrrhotite	**2.84**	2.27
70% Quartz	30 % pyrrhotite	**3.24**	2.59
50% Quartz	50 % pyrrhotite	**3.62**	**2.90**
30% Quartz	70 % pyrrhotite	4.02	**3.21**
10% Quartz	90 % pyrrhotite	4.40	3.52
0% Quartz	100 % pyrrhotite	4.60	3.68

From thin section analyses on these same samples the sulphide proportions are between 20 and 50 % giving a predicted upper density of about 3.6 assuming no voids. The measured density values are about 3.1 suggesting no more than 17% void space, but the estimate of void space drops rapidly as the amount of sulphide diminishes. This fits with the observation that in 872 there is very little void space seen in thin section and the maximum sulphide is about 20%. The more sulphidic samples have deeper weathering and void space developed. This void space is probably filled with solute rich water in the subsurface possibly enhancing electrical activity (see next section).

Sulphides are in general denser than felsic silicate rocks and so density differences are locally used in exploration campaigns. In the Flan area, there is a range of densities expected from the lighter 2 mica granite rocks, through tuffs, slates and gabbros and basalts to heavy sulphide veins.

A detailed density survey may provide useful results, but is probably best performed in conjunction with other more responsive surveys. The contrast between local rock types and the surficial deposits like till and soil is expected to be about as large as the the contrast between mineralized samples and host rocks.

5.7.2/ Conductivity

Conductivity, or its inverse, resistivity, is a commonly measured geophysical parameter. The data reported here supports the claim that such surveys would be useful in the search for in-situ boulder like material.

The samples were tested with a common multimeter. The resistance as shown on a GMT-12A multimeter was recorded. The battery is a double A 1.5 volt 3 amp battery. The probes were placed on the sample at several different distances and on different minerals.

The conductivity of four samples is shown below:

TABLE

sample	**resistance** in 1K ohms	across
quartz crystal, c axis	>3000 ohms	1 cm
quartz crystal, c axis	>3000 ohms	2 cm
quartz crystal, c axis	>3000 ohms	4 cm
quartz crystal, c axis	>3000 ohms	8 cm
native copper	1.2	1 cm
native copper	1.3	2 cm
native copper	1.4	4 cm
866A po/py-po/py	1.5	1 cm
866A po/py-cpy	1.4	1 cm
866A po/py -silicate	>3000	1 cm
866A po/py-po/py	2	5 cm
866A po/py-cpy	1.4	5 cm
866A po/py -silicate	>3000	5 cm
866C po/py-po/py	1.4	1 cm
866C po/py-cpy	1.4	1 cm
866C po/py -silicate	3000	1 cm
866C po/py-po/py	1.6	5 cm
866C po/py-cpy	2.0	5 cm

866C po/py -silicate	>3000	5 cm
868 po/py-po/py	1.8	1 cm
868 po/py-cpy	1.8	1 cm
868 po/py -silicate	>3000	1 cm
868 po/py-po/py	1.5	5 cm
868 po/py-cpy	1.6	5 cm
868 po/py -silicate	3000	5 cm
872 po/py-po/py	1.6	1 cm
872 po/py-cpy	1.6	1 cm
872 po/py -silicate	>3000	1 cm
872 po/py-po/py	1.6	5 cm
872 po/py-cpy	1.6	5 cm
872 po/py -silicate	>3000	5 cm
872 po/py-po/py	1.6	15 cm
872 po/py-cpy	1.7	15 cm
872 po/py -silicate	>3000	15 cm

The enhanced conductivity of the sulphide-sulphide join in samples is very similar to native copper- native copper join whereas the sparse conductivity of sulphide to silicate join is more similar to a quartz-quartz join. The difference in resistivity between the "sulphide-sulphide" and "silicate sulphide" pairs is striking. The conclusion is that the sulphides are sufficiently abundant and evenly distributed to allow current flow over at least 5 cm. In one specimen this distance is at least 15 cm. This strengthens the suggestion that some form of electromagnetic survey would be successful in the area. A Beepmat would find near surface sulphides of the type measured above and a variety of ground techniques including HLEM or MaxMin surveys could find deeper extensions of these rocks. An AeroTEM2 survey could survey the area from a helicopter and rapidly outline areas of potential interest.

5.7.3/ Magnetic properties

No quantitative magnetic susceptibility measurements were performed for this report. Previous reports have results of these measurements (AR26793, 27311, and 28382).

The magnetic response of specimens (too small to give meaningful quantitative measurements made with a magnetic susceptibility meter) are recorded below as semi qualitative responses.

Sample	magnetic response (0-5)*
Quartz	0
866A	3
866C	2
868	2
872	4
magnetite	5

*intensity of magnetism is estimated as a value from 0, not magnetic, to 5, pure magnetite. The intensity is measured on the attraction a thin section offcut block sized fragment exerts on a RE magnet suspended from a 25 cm string.

Inspection of above table indicates that the samples are more magnetic than previously measured, non sulphide samples(AR28382). This is likely due to presence of magnetic pyrrhotite and very minor magnetite. It is likely that the veins would respond positively to a detailed magnetic survey. Previous work has indicated that faults would be discernible as linear lows.

Magnetic surveys are best carried out in conjunction with other geophysical methods since there is not a large magnetic contrast between local rock units.

5.8 Interpretations:

The results are subject to restrictions; the area, especially the valley bottom, is underlain by a thick till layer, and has not been exhaustively prospected.

The mineralization at the Flan showing comprises:

I/ An early, green, poly-metallic, epidote-chlorite-sulphide vein tens of cm wide,with irregular pods of quartz. It is in, or replacing, a fault zone cutting a gabbro sill. Sphalerite, chalcopyrite and pyrite are common sulphides, but analyses suggest molybdenite and galena are present in small measure as well. Gold is variably anomalous in sub ppm levels.

II/ Later, thin, white weathering, apparently cross cutting, quartz-sulphide (pyrite +/- pyrrhotite and chalcopyrite) vein assemblage with local high copper and gold concentration.

The boulders reported in this report are thought to be examples of the second vein event, although the origins of the boulders are still problematic. They are fragments of quartz-sulphide veins hosted in altered gabbro, the local bedrock. The samples reported above are either from local frost heaved bedrock or from basal tills. If they are basal till they have probably moved less than ten metres. Should they be talus from above, they have not traveled far considering there is a gabbro outcrop only 5 or so metres uphill to the boulder locations.

The two-vein systems are not directly related, as is shown by the different tracer elements.

III/ Later, thin non-mineralized carbonate veins crosscut the above.

Inspection of the total gold analyses data sheets show that the majority of the gold in the new samples is in the fine grained separate of analyzed sample. Based on the assays it would appear that the high values are associated mainly with abundant chalcopyrite.

The trace elements (such as Bi) found in the sulphide rich boulders are those commonly associated with reduced gold deposits such as those found further to the east in BC and Yukon..

They all share the high gold/silver ratio the presence of Bi..(the values used are those from the ICP-ES/MS since for each sample all elements were determined from the same aliquot and are hence intrinsically more reliable.

Samples	Au/Ag ratio*	Bi/ppm	Se/ppm
Boulder 1 (531)			
sample 331671	>1.7**	60	na
Boulder 2 (527)			
sample 331682	1.5	51	na
Boulder 3 rusty (316)			
sample 331673	<.0.1	<3	na
** sample values calculated with ICP-ES results,*			
***Au above 100 ppm*			
Site 866			
A sample 331735	1.6	69	32.7
B sample 331736 rusty***	1.9	9	5.1
C sample 331737	2.4	30	23.1
duplicate C	1.7	33	24.5
D sample 331738 rusty	1.6	19	21.1
*** oxidized version of 527 above			
Boulder 868 resampling of 527 see above			
B sample 331739	1.3	74	40.2
S sample 331740 rusty	0.6	2	2.2
Boulder 872			
L sample 331744	0.6	10	19.0
S sample 331745	0.3	11	25.2
Resampling of green vein			
sample 331746	0.04	2	29.4

The Au/Ag ratio is locally greater than 1.

The nearby presence of a peraluminous granite (2 mica granite) stock in a postulated fault zone is of possible importance. Details have been noted in AR27311 and AR28382. The country rock for the fault is thought to be gabbro sills, cherty tuffs and black shales.

The contrast of the quartz-sulphide samples with the green vein is fairly clear. Green polymetallic veins in fault zone in gabbro sill (these values are, in part, updated from AR26793, these prior analyses are not claimed for assessment and hence details are not included in this report): In the table below previous results are noted along with a typical specimen of the green vein analyzed in this report (331746) and compared with a quartz sulphide sample (331735).

	previous maxima from AR26793, 28382	# 331746* green vein this report	#331735* sulphide-qz this report
gold:	up to 407 ppb	389 ppb	**71726 ppb**
palladium:	up to 9 ppb	nd	nd
silver:	up to 9.6 ppm	8.7 ppm	**46.0 ppm**
nickel:	up to 32 ppm	34 ppm	45 ppm
cobalt:	up to 187 ppm	252 ppm	268 ppm
copper:	up to 4115 ppm	4048 ppm	**3.24 %**
molybdenum:	up to 173 ppm	29 ppm	11 ppm
zinc:	up to 5566 ppm	2614 ppm	1152 ppm
bismuth		1.6 ppm	58.9 ppm

- *the values used in the table from this report are ICP-MS values, gold values vary slightly as noted previously*

Gold, silver, copper and bismuth are more prevalent in the quartz sulphide veins whereas molybdenum, and zinc are more concentrated in the green vein.

5.9/ Conclusions:

At the Flan showing, newly found boulders, which apparently have not moved much (frost heaved or basal till) show high values in **gold (several oz/t)** and **copper (several %)**. Their elemental characteristics (high Au/Ag ratio, high Bi) and the pyrrhotite rich matrix suggest that they may be from a mineralized systems such as those found in Yukon or at Rossland. The nearby presence of a two mica granite (peraluminous granite) hosted in faults cutting black slate and cherty tuff fits this model as well.

It would appear that several geophysical methods including electromagnetic survey methods could be usefully employed in locating more such samples. Assays of stream sediments and lithogeochemical samples are also useful prospecting tools in this case.

It will only be a matter of good luck and intensive prospecting before worthwhile veins are located.

6.0 Future work

From the owner's viewpoint, more intensive prospecting is to be conducted, hoping that a target can be exposed. The presence of high grade boulders in frost heaved or basal till suggests the a more intensive search for their source is in order.

A company contemplating the Flan-Consolidated claim group could consider a systematic geochemical surveys of soil or basal till. A previous suggestion (AR23546) has been to sample soil along contour lines. This is a worthwhile endeavour especially on the eastern side of Schoen Creek.

Geophysical surveys, should be properly calibrated to take into account the various depths of till in region A very detailed magnetic survey may allow identification of faults, and possibly of veins, but magnetic contrasts are low. Preliminary conductivity measurements suggest that an SP survey, a HLEM survey or a Beepmat survey may be successful.. The difference in density between mineralized material and host rocks can probably be detected with a detailed gravity survey.

The area is undergoing more logging and new road cuts are to be opened up, ready to be prospected for more mineral showings.

Exploration drilling could be conducted as follow-up exploration since the area is currently easily accessible to drilling equipment.

The properties are for sale, directly or by option.

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8.0 Author's qualifications:

I have been a rock hound, prospector and geologist for over 40 years. My mineral exploration experience has been with Shell, Texas Gulf Sulfur, Kennco, Geophoto, Cogema and, several mining juniors, public and private. I have worked 11 years in southern BC and spent 23 years as party chief with the GSC focused on mapping in northeastern Arctic Canada. For the last 13 years I have prospected and explored for PGEs and other metals in Nunavut, Nunavik Yukon, and BC.

I reside at 1007 Barkway Terrace, Brentwood Bay, BC, V8M 1A4

I am currently a BC Free Miner, # 142134, paid up until October 16, 2008.

During 2000 and 2001, I received Prospector's Assistance Program (PAP) grants to prospect on Vancouver Island.

My formal education is that of a geologist; I graduated with an honours BSc in 1964 and PhD in Geology in 1969, both, from UBC.

I am a P.Geol. licensed (L895) in Nunavut and NT, a P.Geo. (25977) in BC and a P.Geo. (1047) in Ontario.

I am sole owner of the claim in question.

9.0 Itemized Cost Statement

Wages:		
Mikkel Schau, P.Geo., geologist		
mapping (July 27, Aug 2, 3, 2006, July 16, 2007.) 4 day x 500	$2000.00	
Alec Tebbutt, contract helper		
July 27, 1 days @ 250, other trips with volunteers	$250.00	
TOTAL Wages		$2250.00
Food and Accommodation:		
5 person days, @$70.		
Total Food and accommodation		$ 350.00
Transportation:		
3 trips from From Brentwood Bay to claims, and local transportation		
automobile 4000 km @ 45c/km shared in part with other projects $1800,		
Claimed in this report		$275.00
Analyses:		
Assays from Acme labs		
Invoice A608056 portion claimed for this project	$189.36	
Invoice A608056R	$ 55.76	
Invoice A705260	$639.50	
Invoice A705260R	$ 74.62	
Total Acme		$959.24
Freight 4 parcels		$ 40.00
4 Polished thin sections/ petrology reports (transmitted and reflected light)		
$150/report		$600.00
Specific gravity measurements 6@$8/sample /inc GST		$ 48.00
Resistivity measurements 23 @$5 / measurement		$115.00
6 semiquantitative magnetic response determinations 6 @$1.00		$ 6.00
Report preparation		$500.00
Telephone (portion of Sat phone rental)		$ 80.76
Total project cost		**$ 5200.00**

APPENDIX A Rock Descriptions and partial analysis, with selected elements tabulated
For earlier results see AR 26793, 27311 and 28382.

Locations are given in main text.

Visit 1, no assays requested.

Visit 2

These are the high grade results from "frost-heaved/basal till boulders" at FLAN showing.

	Wt.	Gold	Silver	Copper
331671	**531 gm**	**135.09 gm/mt**		**3.275%,**
	30 gm	**>100000 ppb**		
	.5 gm	**>100 ppm**	**59.9 ppm**	**>10000 ppm**
331673	**316 gm**	0.62 gm/mt		**1.288%,**
	30 gm	504 ppb		
	.5 gm	<2 ppm	21.4 ppm	**>10000 ppm**
331682	**527**	**102.56 gm/mt**		**3.885%,**
	30 gm	**65130 ppb**		
	.5 gm	**64.7 ppm**	**95 ppm**	**>10000 ppm**

Different sized aliquots analyzed in 2006 by different methods give different results . The top line is the report of the total gold, the second is a standard fire assay and the third is the result for standard ICP-ES. The top copper results is a standard assay value, the bottom value results from the ICP-ES.

Site 866

A sample (S = >10 %)				
331735	504 gm	**Au = 66.98 gm/t**		**Cu = 3.24 %**
	0.5 gm	**Au = 71,726.6 ppb**	**Ag = 46.0 gm/t**	**Cu = 1+%**
B sample (S = 1.72 %)				
331736	474 gm	Au = 14.29 gm/t		
	0.5 gm	Au = 14,043.1 ppb	Ag = 7.1 gm/t	Cu = 3021 ppm
C sample (S = >10%)				
331737	538 gm	Au = **48.41 gm/t**		**Cu = 1.25 %**
	0.5 gm	Au = **60187.4 ppb**	Ag = 25.2 gm/t	**Cu = 1+%**
dup	0.5 gm	Au = **39,840.9 ppb**	Ag = 22.4 gm/t	**Cu = 1 + %**

D sample (S = 6.07%)				
331738	504 gm	Au = 27.53 gm/t		**Cu = 1.64 %**
	0.5 gm	Au = 16,953.2ppb	Ag = 24.9gm/t	**Cu = 1+%**

Boulder 868

B sample (S = >10%)				
331739	520 gm	**Au = 101.9 gm/t**		**Cu = 4.53 %**
	0.5 gm	**Au = 92,634.5 ppb**	**Ag = 71.4 gm/t**	**Cu = 1.+%**
S sample (S = 0.83%, limonite)				
331740	492 gm	Au = 1.13 gm/t		
	0.5 gm	Au = 1,362.5 ppb	Ag = 2.1 gm/t	Cu = 991 ppm

Boulder 872

L sample (S = 6.77%)				
331744	514 gm	Au = 14.48 gm/t		
	0.5 gm	Au = 10,973.0 ppb	Ag = 16.8 gm/t	Cu = 6824 ppm
S sample (S = 8.37 %)				
331745	508 gm	Au = 8.79 gm/t		
	0.5 gm	Au = 4,480ppb	Ag=13.7 gm/t	Cu = 6311 ppm
Talus/till below boulder 872				
331741 =	122 gm	Au = 0.41 gm/t		
	0.5 gm	Au = 245 ppb	Ag = 0.4 gm/t	Cu = 354 ppm
Resample Green Vein (see previous reports)				
331746	508 gm	Au = 0.04 gm/t		
	0.5 gm	Au = 389 ppb	Ag = 8.7 gm/t	Cu = 4048 ppm
Talus below green vein				
331742	394 gm	Au = 0.16 gm/t		
	0.5 gm	Au = 55 ppb	Ag = 0.2 gm/t	Cu = 189 ppm
Adjacent creek sample				
331743	458 gm	Au = 1.89 gm/t		
	0.5 gm	Au = 1,463.8 ppb	Ag = 1.5 gm/t	Cu = 1779 ppm

Different sized aliquots analyzed by different methods in 2007 give different results . In 2007 results, the top line is the report of the total gold (metallics); the second line is the result for standard ICP-MS. The top copper results is a standard assay value (7R), the bottom value results from the ICP-MS.

The "best" estimate of gold would be from the metallics (total) gold samples, because the sample size is the largest and that decreases the nugget effect. The smaller quantities are much more likely to be affected by a nugget effect. The assay values for the copper are the "better" values as well. But the use of the data from ICP-MS is particularly important because each element is analyzed from the same aliquot allowing element ratios to be calculated.

Data tabulated in Appendix E show that the preponderance of the gold is in the **fine** fraction. Thus the variability shown in the gold assays boulders is probably a reflection of the variable distribution of copper minerals, rather than the "nugget effect sensu stricto".

Appendix B Petrographic descriptions

The descriptions here have been obtained from observations of 4 sections of highly mineralized boulders using a Switz binocular microscope (a WILD (Heerbrugge), M5-21935) , and a Nikon polarizing transmitting and reflecting microscope (Labophot-pol). The pictures have been taken with digital means (a Scanner, a Nikon Coolpix 4500). The petrology has been informed by well known works of Fairbanks, 1928, Ramdohr, 1969, and Delvigne, 1998.

The sample boulders are heterogeneous and the specimens that were assayed will not exactly match the mineralogy. Efforts were made to sample the sulphidic parts. The sample submitted for assay was a single fragment approximately similar to the piece sent for sectioning. The weights of the assay samples is recorded in the certificates below, bit are several hundred grams each.

A sequence of increasing alteration from massive pyrrhotite to colloform and cellular pyrrhotite veins culminating in black coated voids is shown.(Figure 13) The alteration is not well characterized. It is brownish yellow and moderately hard and several closely related minerals appear in the colloform rims and veins. It is possible that some of the lighter brown and harder material is pyrite?. Ramdohr notes that alteration of pyrrhotite is "interesting". Some of the chalcopyrite is seen as veinlets in the center veins, ie in the latest part of the sequence of alteration. Also of some note is the black sooty nature of the surfaces of the pyrrhotite, even within the voids. The soot is interpreted as "melnikovite" which id very fine grained, magnetic, "pyrite".What is abundantly clear, is that the pyrrhotite alteration suite is not limonite or related oxides. More work could be profitably be done on this mineral suite using modern instrumental methodologies.

In figure 14, chalcopyrite filling interstices between quartz crystals are shown in reflected light to show the chalcopyrite and crossed polarized light (XPL) to show the unicrystalline and different orientations of the quartz. Also Figure 14 shows an example of a limonite vein, showing color differences between grey limonite and the yellow-bronze pyrrhotite alteration minerals in reflected light. A fourth photomicrograph shows the texture of the silicate fragments. An igneous precursor, probably gabbro is considered most likely

TS 12 866A boulder with sulphides

Location: ZONE 09 UTME 696551 UTMN 5554957 ELEV 597 m.

Newly located subangular boulder 25 by 25 by 20 cm in size, found on subcrop slope below rock/till interphase. Rock is a heavily oxidized massive sulphide boulder. The polished sample tested the remaining sulphide part. Hand specimen A rusty gossany massive sulphide boulder with a black surface incrustation and seen in polished section to consists of mainly altered pyrrhotite with minor chalcopyrite. The sulphides have black streaks, there is no carbonate reaction with HCl acid, the rock is magnetic and smells sulphurous. The black encrustations are sooty and magnetic. They appear to consist of "melnikovite", a black very fine grained magnetic iron sulphide locally seen in altering iron sulphide systems. In polished section the sample is seen to consist of one fifth 5 mm fragments set in mainly cellular pyrrhotite, with knots of pyrite and minor chalcopyrite as fragment rims and minor veinlets A` vein of limonite cuts the edge of sample.

Optical petrography (transmitted Light

The section is a somewhat wedged polished section and thicknesses are a bit thick.

The sample consists of

80%	Opague materials (see below)
10%	Quartz both as portions of large crystals, as well as comminuted fragments in cataclastic matrix
1%	Feldspar (untwinned, low relief) as occasional sandsized grains
1%	Clay (illite/smectite, soft, low relief) as very fine grains in matrix and feldspars
8%	Chlorite near patches of chalcopyrite, as patches in matrix, as fills in microveinlets and at interphase between feldspar/quartz and chalcopyrite.
tr	Clinozoizite/Epidote, (positive relief) small grains in matrix

The rock is an example of a tectonized massive sulphide-minor quartz vein with local country rock sub-rounded fragments of silicified and chloritized "gabbro?".. The silicate fragments` (up to 5 mm across) are interpreted to be highly altered rock with an igneous texture now consisting of chloritized mafics and large clay altered and silicified untwinned low relief feldspars. Other fragments are large strained quartz crystals.

Minerography (reflected light)

The opague part consists of:

5%	Pyrrhotite (pinky cream, scalloped relicts, as islands in alteration
80%	"pyrrhotite alteration (different pyrrhotites?) possibly with admixed pyrite/or marcasite, as scalloped to colloform layers, rims, or veins cut by small central veinlets some void space lined with black "melnikovite" (see 866C)
5%	Chalcopyrite (soft yellow, black streak) veinlets, rims some silicate fragments, small veinlets in center of pyrrhotite alteration.
tr	Sphalerite, grey, soft, small specks exsolved in chalcopyrite
tr	Magnetite grey, hard, small grains in silicate fragments
10%	Later vein, 100% limonite, in, 3 mm across, consisting of very small fragments of limonite showing different reflectivities in a uniform limonite matrix,

. Much of the pyrrhotite is massive to colloform and is locally interstitial to the coarser quartz crystals but several generations of veins of pyrrhotite alteration material cut sulphides. Chalcopyrite is later than pyrrhotite. An event (of thorough weathering?) has altered original pyrrhotite in to a complex mix of transmineral veins of botryoidal pyrrhotite, minor pyrite-marcasite-and voids (so called "polygenetic poro-alteromorph" of Delvigne, 1998). Some chalcopyrite is seen in the cores of theses alteration veins. The chalcopyrite does not show the same cellular texture as the "pyrrhotite complex'.

TS 13 866C boulder with sulphides

Location: ZONE 09 UTME 696551 UTMN 5554957 ELEV 597 m.

Newly located sample, on subcrop slope below rock/till interphase. The sample is largely (95%) black sooty stained sulphide with a few 1 mm spots of silicate fragments. Trace of chalcopyrite. On polished surface 70-80 % pyrrhotite is seen to have a cellular texture with 5% pyrite nodules and 3% chalcopyrite as rims and small veinlets. The scarce remnant is 1 mm fragments, mainly quartz with small regions of softer material. The sample shows no carbonate reaction with HCl acid, is mildly magnetic and smells sulphurous.

Optical petrography (transmitted Light)

The section is a somewhat thick are a bit thick. Some polishing powder is seen in voids and soft minerals.

The sample consists of

85%	Opague materials (see below)
10%	Quartz strained crystals and small grains and untwinned low relief feldspar
5%	Chlorite and clay minerals replacement of mafic patches and feldspar, chlorite near chalcopyrite and quartz
tr	Epidote grains (high relief) in chlorite and feldspar

The rock is an example of a tectonized massive sulphide-quartz vein with country rock fragments of silicified and chloritized "gabbro".

Minerography of opagues (reflected light)

1%	Pyrrhotite cores
60%	Cellular pyrrhotite alteration product
7%	Pyrite as cm sized lumps
7%	Black fine grained coating of void space
15%	Void space inside boxwork of altered pyrrhotite mass.
7%	Chalcopyrite
tr	Magnetite

Much of this massive sulphide consists of colloform pyrrhotite alteration form a boxwork or cellular texture. In core of a few of the boxwork centres are small silica grains. Local knots to 5 mm of pyrite are noted as are 0.1 mm pyrite cubes in fragments, Chalcopyrite rims fragments and forms small veins.. Several generations of veins cut alteration. Chalcopyrite is later than other sulphides and are locally is separated from the cellular alteration material by thin layers of chlorite. A late event of thorough alteration has altered original pyrrhotite/alteration complex to a cellular texture with small voids rimmed by black "melnikovite" forming in cores of boxwork. Possibly silicate grains have been removed.. The voids are the so called "polygenetic poro-alteromorph" of Delvigne, 1998).

TS 14 868 boulder with sulphides

Location: ZONE 09 UTME 696571 UTMN 5554949 ELEV 597 m.

Newly located sample, on subcrop slope below rock/till interphase. The specimen is highly variable, the sectioned sample consists of 70% black silicate roughly aligned in fracture cleavage with roughly equal amounts of dark stained sulphide (altered pyrrhotite?) and chalcopyrite. In polished section the rock is seen to be a semi-massive sulphide with a third of the volume silicate fragments set in sulphide, which is seen to be mainly cellular pyrrhotite with a few knots of pyrite and veins and fragment rims of chalcopyrite. The silicate fragments are about one half soft mineral like chlorite and clay and the other half mainly quartz. Sample has no carbonate reaction with HCl acid, is mildly magnetic and smells of sulphide

Optical petrography (transmitted Light
The section is a somewhat wedged polished section and thicknesses are a bit thick.
The sample consists of

60%	Opague materials (see below)
35%	Quartz crystals, locally strained and disrupted, and quartz and feldspar (untwinned, low relief) in fragments
5%	Chlorite patches in fragments and as rims between sulphides and quartz

The rock is an example of a tectonized massive sulphide-quartz vein with country rock fragments of silicified and chloritized gabbro. Lenticular fragments are set in a sulphide, quartz and chlorite vein sealing a cataclastic zone. The fragments appear roughly aligned in a "fracture cleavage".

Minerography (reflected light)

3	Pyrrhotite cores
80	Pyrrhotite alteration as veins, colloform rinds and boxwork
10	Pyrite lumps
7	Chalcopyrite soft yellow black streak not altered as pyrrhotite in patches between quartz crystals and as veins and rims around fragments
tr	Sphalerite grey specks as exsolved blebs in chalcopyrite
tr	Magnetite grey hard specks in silicate fragments

Much of the sulphide is massive pyrrhotite and pyrrhotite alteration producing a cellular or colloform texture. Fragments are set in this sulphide, but the fracturing has been sealed by the alteration. .Local cm sized porphyroblasts of pyrite are noted as are 1 mm pyrite cubes are seen in the fragments. Later interstitial chalcopyrite is later than the quartz crystals but several generations of very thin chalcopyrite, chlorite and quartz veins cut rock. Many quartz crystals have been broken and disrupted and strained.

TS 15 872 boulder with sulphides

Location: ZONE 09   UTME 696591   UTMN 5554877   ELEV 616 m.

Newly located sample, about 75 cm in diameter, from till about 2 m above base, near subcrop. Large sample is rusty, hard and very tough to split. See figure 11 and 12. Mainly composed of silicates with 10 mm fragments set in a pyrrhotite/altered pyrrhotite matrix. Chalcopyrite blebs, open space fills rims around med by chalcopyrite. On polished surface two thirds is fragments (of which about a half is soft and the other hard) set in sulphide matrix and cut by small veinlets. The rock shows no response to HCl and is quite magnetic.

Optical petrography (transmitted Light

The section is a somewhat thick

The sample consists of

35%	Opague materials (see below)
40%	Quartz as crystals, disrupted, strained and comminuted
10%	Feldspar (untwinned, low relief) in fragments along with and replaced by quartz and clays
15%	Chlorite (green nearly isotropic) and clay in fragments and small veins
tr	Epidote within fragments

The rock is an example of a tectonized massive sulphide-quartz vein with country rock fragments of silicified and chloritized gabbro. Abundant broken quartz crystals indicate that fracturing history was complex.

Minerography (reflected light)

80%	Massive Pyrrhotite,	
4%	Less abundant pyrrhotite alteration with local cores of pyrrhotite	
15	Chalcopyrite seen as fill between several mm sized quartz crystals and in veins	
tr	Sphalerite as specks in chalcopyrite	tr
tr	Magnetite	tr
tr	leucoxene in fragments	

Much of the sulphide, especially the chalcopyrite, is interstitial to the quartz but several generations of veins cut rock. The pyrrhotite alteration noted in other specimens is not well developed in this boulder. The fragments show textures that suggest they are of igneous provenance, and possibly of gabbro origin. They are now altered to quartz, chlorite, clay feldspar with scattered leucoxene and magnetite specks, presumably after ilmenite.

Appendix C Specific Gravity determinations

The specific gravity, or density of a rock, is due to the particular assemblage of minerals each with a diagnostic density. The measurement is potentially useful if the re is a demonstrable density difference between the mineral association sought, and its host rocks.

The method used here is a standard procedure. The sample is dry weighed and then weighed in water. The difference in weight is a measure of the volume and the density a ratio of the dry weight to the estimated volume. (wet – minus dry weight)

Allowances are made for water temperature and the results are generally accurate. A piece of pure quartz is used as a standard and to provide some measure of accuracy. Very porous samples may give somewhat misleading results, this is offset by letting such a sample sit in water until measurements are stable.

Density results determined for this report.

Mineralized (sulphide bearing) rocks

sample	dry	wet	volume	specific gravity
866A	384.29	264.60	119.69	3.21
866C	339.25	230.24	109.01	3.11
868	181.69	123.29	58.29	3.12
872	405.49	268.24	137.25	2.95
quartz	523.92	325,69	198,33	2.64
listed value				2.65
native copper	117.58	102.65	14.93	7.88
with minor calcite in interstices				
listed value, pure copper				8.85

Appendix D Location

Locations are reported GPS locations using a Garmin 76, and UTM projection using NAD83. They are all in UTM zone 09.. Since the stations are close together, the stations reported herein are shown on maps separated by metres determined by pace and compass in conjunction with the GPS readings. The stations are correctly placed with respect to to each other on maps, but the GPS readings are subject to +/- 10 m error in absolute positioning. The best located station is 872 which utilized the WAAS satellites as well as the standard GPS set on a sunny day. It is possible that this location is accurate to about 3 m

In some previous assessment reports the locations are reported in NAD27, Most paper maps put out by the federal government were NAD 27 until recently. Care should be taken in positioning samples derived from different reports submitted in different years on the same map.

Appendix E Certificates of analyses

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

Schau, Mikkel File # A608056

1007 Barkway Terrace, Brentwood Bay BC V8M 1A4 Submitted by: Mikkel Schau

SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm
G-1	1	13	<3	44	<.3	7	3	551	2.02	<2	<8	<2	4	67	<.5	<3	<3	43	.57	.074	8	133	.58	233	.14	<3	1.03	.10	.53	<2
331671	3	>10000	<3	1566	59.9	56	360	536	26.06	35	<8	>100	<2	1	18.7	<3	60	103	.06	.018	4	9	.56	4	.04	<3	1.22	<.01	.01	13
331673	1	>10000	11	1750	21.4	64	305	1294	25.44	88	<8	<2	3	1	19.0	<3	<3	218	.13	.041	5	8	1.02	1	.07	<3	2.53	<.01	.01	12
331682	8	>10000	13	1319	64.7	43	265	692	21.89	18	<8	95	2	2	15.7	<3	51	128	.07	.019	4	9	.72	4	.06	<3	1.47	<.01	.01	11
STANDARD DS7	20	102	69	400	1.0	52	8	618	2.36	48	<8	<2	5	79	6.4	5	5	86	.95	.069	13	249	1.02	368	.12	36	1.06	.07	.45	5

GROUP 1D - 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-ES.
(>) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT AU SOLUBILITY. AU IS SUBJECT TO INTERFERENCES AND NUGGET EFFECTS.
ASSAY RECOMMENDED FOR ROCK AND CORE SAMPLES IF CU PB ZN AS > 1%, AG > 30 PPM & AU > 1000 PPB
- SAMPLE TYPE: ROCK M150

Data___ FA ____ DATE RECEIVED: OCT 23 2006 DATE REPORT MAILED:........DEC 0 2 2006

BRITISH COLUMBIA CERTIFIED ASSAYER
Raymond Chan

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

GEOCHEM PRECIOUS METALS ANALYSIS

Schau, Mikkel File # A608056
1007 Barkway Terrace, Brentwood Bay BC V8M 1A4 Submitted by: Mikkel Schau

SAMPLE#	Au** ppb	Pt** ppb	Pd** ppb
331671	>100000	4	22
331673	504	5	19
331682	65130	<3	14
STANDARD FA-10R	488	426	431

GROUP 3B - FIRE GEOCHEM AU, PT, PD - 30 GM SAMPLE FUSION, DORE DISSOLVED IN AQUA - REGIA, ICP ANALYSIS. UPPER LIMITS = 10 PPM.
GROUP 6 AU RECOMMENDED IF >10PPM FOR 30 GM, >5PPM FOR 50 GM.
- SAMPLE TYPE: ROCK M150

Data___ FA ____ DATE RECEIVED: OCT 23 2006 DATE REPORT MAILED: DEC 0 2 2006

BRITISH COLUMBIA CERTIFIED ASSAYER
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(ISO 9001 Accredited Co.)

ASSAY CERTIFICATE

Schau, Mikkel File # A608056
1007 Barkway Terrace, Brentwood Bay BC V8M 1A4 Submitted by: Mikkel Schau

SAMPLE#	S.Wt gm	NAu mg	-Au gm/mt	TotAu gm/mt
331671	531	16.49	104.04	135.09
331673	316	.02	.56	.62
331682	527	12.90	78.08	102.56
STANDARD SL20	-	-	5.95	5.95

-AU : -150 AU BY FIRE ASSAY FROM 1 A.T. SAMPLE. DUPAU: AU DUPLICATED FROM -150 MESH. NAU - NATIVE GOLD, TOTAL SAMPLE FIRE ASSAY.
- SAMPLE TYPE: ROCK M150

Data___ FA DATE RECEIVED: OCT 23 2006 DATE REPORT MAILED: DEC 04 2006

BRITISH COLUMBIA CERTIFIED ASSAYER
Raymond Chan

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

ASSAY CERTIFICATE

Schau, Mikkel File # A608056R
1007 Barkway Terrace, Brentwood Bay BC V8M 1A4 Submitted by: Mikkel Schau

SAMPLE#	Cu %
331671	3.275
331673	1.288
331682	3.885
STANDARD R-3	.801

GROUP 7AR - 1.000 GM SAMPLE, AQUA - REGIA (HCL-HNO3-H2O) DIGESTION TO 100 ML, ANALYSED BY ICP-ES.
- SAMPLE TYPE: ROCK PULP

Data ___ FA ____ DATE RECEIVED: DEC 4 2006 DATE REPORT MAILED: DEC 12 2006

BRITISH COLUMBIA CERTIFIED ASSAYER
Raymond Chan

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

Schau, Mikkel File # A705260

1007 Barkway Terrace, Brentwood Bay BC V8M 1A4 Submitted by: Mikkel Schau

SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppb	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm	Hg ppm	Sc ppm	Tl ppm	S %	Ga ppm	Se ppm
G-1	.6	2.0	3.0	44	<.1	6.9	4.2	487	1.65	<.5	2.3	.7	3.7	50	<.1	<.1	.1	33	.39	.073	6	58	.60	201	.118	<20	.93	.054	.47	.1	<.01	1.8	.3	<.05	4	<.5
331735	10.6	>10000	8.2	1152	46.0	44.8	267.9	683	24.88	21.2	.1	71726.5	.3	3	18.6	.2	58.9	113	.13	.024	2	7	.77	8	.072	<20	1.65	.006	.01	.8	.02	7.1	.3	>10	9	32.7
331736	14.3	3021.9	2.1	222	7.1	24.5	52.0	1619	19.33	35.3	.4	14043.1	.9	7	1.5	.1	9.4	307	.22	.082	5	15	1.90	32	.161	<20	4.00	.020	.03	.5	.01	18.2	.1	1.72	18	5.1
331737	9.9	>10000	4.4	480	25.2	38.9	239.0	1195	20.36	27.1	.2	60187.4	.4	1	6.8	.1	30.4	206	.13	.036	3	7	1.40	20	.072	<20	2.67	.002	<.01	.9	.02	11.5	.1	>10	13	23.1
RE 331737	10.2	>10000	4.5	500	22.4	41.1	236.8	1236	20.48	26.7	.2	39840.9	.4	1	6.7	.1	32.5	206	.13	.037	3	6	1.41	19	.075	<20	2.67	.002	<.01	.9	.01	11.2	.1	>10	14	24.5
331738	15.6	>10000	2.1	663	24.9	17.4	87.1	1812	15.07	8.6	.2	16953.2	.7	2	10.0	.1	18.6	316	.20	.068	4	6	1.87	4	.103	<20	3.79	.002	<.01	1.5	.01	17.1	.1	6.07	21	12.8
331739	16.4	>10000	9.2	1163	71.4	43.0	283.9	483	22.20	14.3	<.1	92634.5	.1	1	18.8	.1	74.1	72	.05	.014	1	6	.51	6	.039	<20	1.03	<.001	<.01	.7	.04	4.5	.2	>10	6	40.2
331740	25.6	991.9	26.3	189	2.1	18.9	47.5	3530	15.81	7.5	.2	1362.5	.6	3	.9	.1	2.1	345	.32	.080	5	6	2.12	13	.224	<20	4.59	.005	<.01	.5	<.01	17.5	<.1	.83	23	2.2
331741	2.6	354.7	3.0	45	.4	26.7	15.5	424	2.78	3.6	.4	245.0	.5	41	.3	.1	.5	84	1.06	.043	2	39	.61	28	.245	<20	3.29	.155	.03	.1	.04	5.4	<.1	.16	7	.9
331742	2.2	189.3	6.3	65	.2	23.9	14.9	496	4.43	1.9	.3	55.0	.8	26	4	.1	.2	123	.61	.047	4	34	.86	38	.234	<20	2.99	.079	.03	.1	.04	5.4	<.1	<.05	10	.7
331743	1.8	1779.9	2.6	73	1.5	34.8	20.2	342	3.83	2.4	.3	1463.8	.8	41	.8	.1	2.2	97	1.03	.051	4	36	.73	52	.200	<20	2.40	.155	.05	.1	.02	4.8	<.1	.64	7	1.6
331744	2.5	6824.4	9.1	752	16.8	66.4	89.2	1398	15.33	7.6	<.1	10973.0	.2	1	9.1	.1	9.6	165	.17	.028	2	53	1.74	1	.099	<20	2.70	.002	<.01	.2	.02	11.5	<.1	6.77	10	19.0
331745	3.0	6311.9	12.6	691	13.7	86.0	109.3	1372	17.23	7.8	.1	4480.8	.2	2	8.3	.1	11.4	175	.18	.027	1	58	1.78	2	.109	<20	2.81	.003	<.01	.3	.01	12.3	.1	8.37	11	25.2
331746	29.3	4048.7	34.5	2614	8.7	34.3	252.2	1161	29.26	33.7	<.1	389.4	.1	36	64.1	.6	1.6	96	.30	.006	1	6	1.08	6	.027	<20	2.72	.002	<.01	2.1	.30	3.0	.2	>10	21	29.4
STANDARD DS7	21.1	109.7	70.2	393	.9	57.9	9.8	611	2.31	45.1	5.1	76.2	4.4	75	6.6	4.3	4.8	74	.91	.071	13	200	1.04	382	.120	42	.99	.090	.43	4.1	.21	2.6	4.3	.21	5	4.2

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: ROCK M150 Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

Data L FA ____ DATE RECEIVED: JUL 23 2007 DATE REPORT MAILED: Aug. 14/07....

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

ASSAY CERTIFICATE

Schau, Mikkel File # A705260
1007 Barkway Terrace, Brentwood Bay BC V8M 1A4 Submitted by: Mikkel Schau

SAMPLE#	S.Wt gm	NAu mg	-Au gm/mt	DupAu gm/mt	TotAu gm/mt
331735	504	7.01	53.07	-	66.98
331736	474	1.53	11.06	-	14.29
331737	538	6.64	36.07	36.04	48.41
331738	504	2.90	21.78	-	27.53
331739	520	14.67	73.69	-	101.90
331740	492	.04	1.05	-	1.13
331741	122	.01	.33	-	.41
331742	394	.04	.06	-	.16
331743	458	.02	1.85	-	1.89
331744	514	1.92	10.74	-	14.48
331745	508	1.37	6.09	-	8.79
331746	508	<.01	.40	-	.40
STANDARD SL20	-	-	5.85	-	5.85

-AU : -150 AU BY FIRE ASSAY FROM 1 A.T. SAMPLE. DUPAU: AU DUPLICATED FROM -150 MESH. NAU - NATIVE GOLD, TOTAL SAMPLE FIRE ASSAY.
- SAMPLE TYPE: ROCK M150

Data___ FA ____ DATE RECEIVED: JUL 23 2007 DATE REPORT MAILED:.................

BRITISH COLUMBIA CERTIFIED ASSAYER
Raymond Chan

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

ASSAY CERTIFICATE

Schau, Mikkel File # A705260R

1007 Barkway Terrace, Brentwood Bay BC V8M 1A4 Submitted by: Mikkel Schau

SAMPLE#	Cu %
331735	3.240
331737	1.249
331738	1.640
331739	4.534
STANDARD R-3	.797

GROUP 7AR - 1.000 GM SAMPLE, AQUA - REGIA (HCL-HNO3-H2O) DIGESTION TO 100 ML, ANALYSED BY ICP-ES.
- SAMPLE TYPE: ROCK PULP

Data___ FA ____ DATE RECEIVED: AUG 23 2007 DATE REPORT MAILED:.................

BRITISH COLUMBIA CERTIFIED ASSAYER
Raymond Chan

Appendix F Figures 1 to 14.

Captions

Figure 1 Location of Flan in BC. Courtesy of ARIS MAP MAKER

Figure 2 Location of Flan claim, Courtesy of ARIS MAP MAKER

Figure 3 General geology of Flan consolidated; from fig 4, AR 28382

Figure 4 Geology of Flan Claim with detail inset of showing area. new.

Figure 5 Location of assayed specimens, new

Figure 6 Location of gold, silver and copper values, new

Figure 7, Photograph of subcrop at showing

Figure 8 Photograph of subcrop detail, note top of ladder, unmoved from previous figure

Figure 9 Photograph of partly oxidized specimen. Sulphide rich portion was sectioned.

Figure 10 Photograph of massive sulphide specimen.

Figure 11 Photograph of boulder 872 after it was rolled out of till.

Figure 12 Photograph of semi massive sulphide sample.

Figure 13 Photomicrographs of pyrrhotite alterations

Figure 14 Photomicrographs of selected polished sections

FLAN Location Map

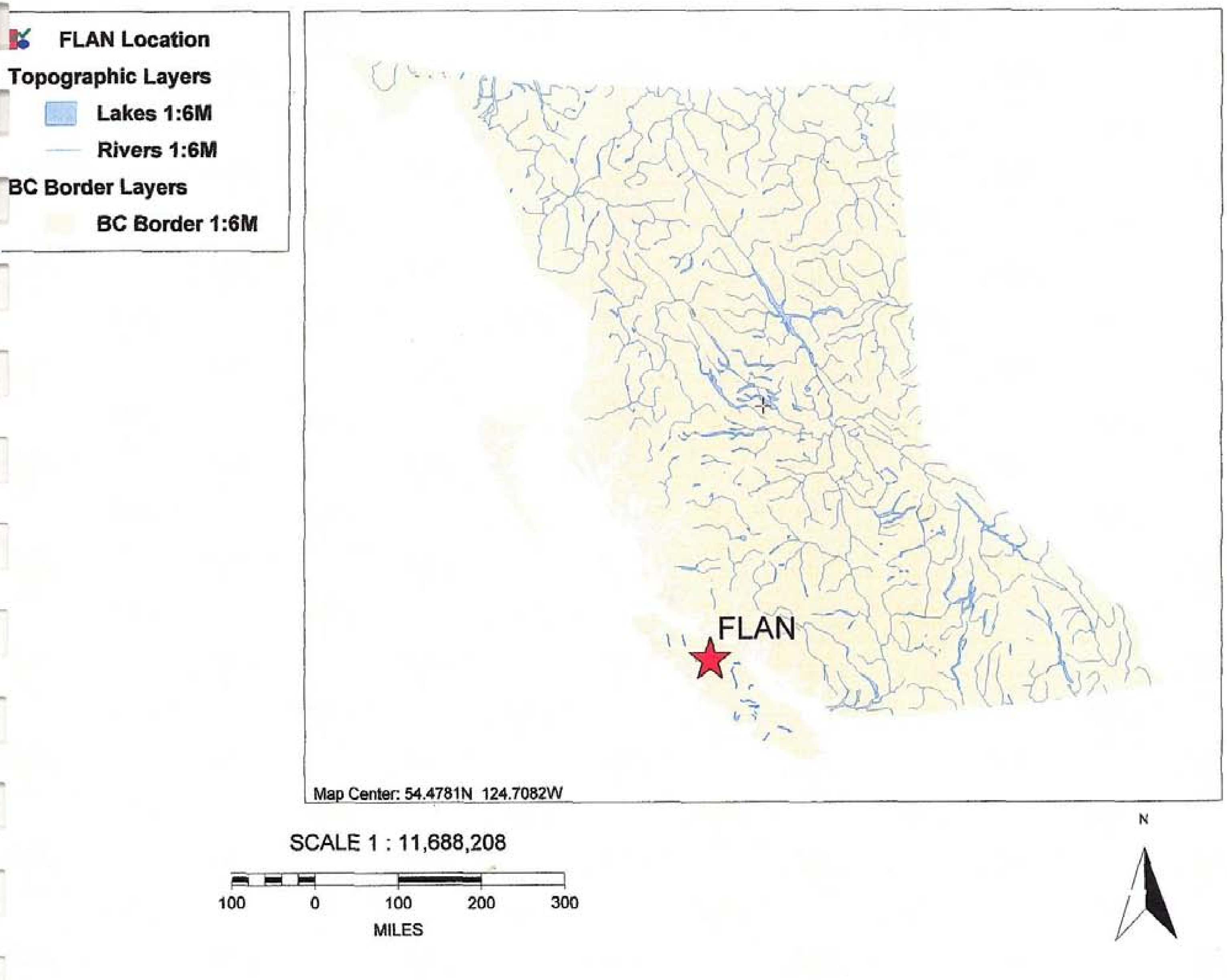


Figure 1 Location of Flan in BC. Courtesy of ARIS MAP MAKER

FLAN Claim Map

Mineral Titles Layers

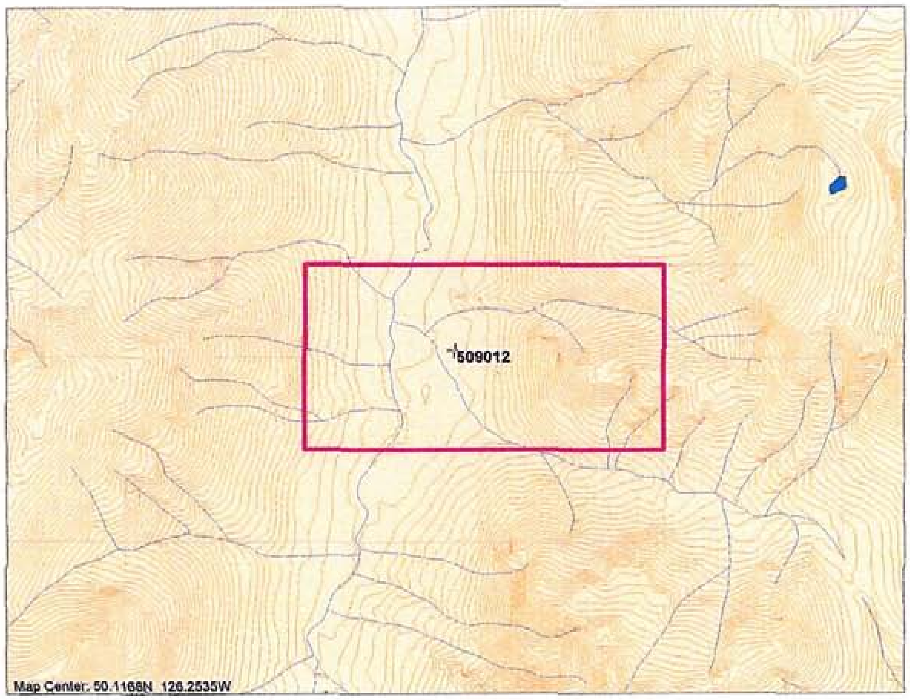
- FLAN Tenure
- All Mineral Tenures

Topographic Layers

- Railways 1:20K
- Roads 1:20K
  - Gravel Road
  - Paved Road
  - Rough Road
- Contours west 1:20K (<100K)
- Lakes 1:20K
- Rivers 1:20K

Grid Layers

- Grid 1:20K - labels
- Grid 1:20K - outline



SCALE 1 : 37,617

2,000 0 2,000 4,000 6,000

FEET

N

Figure 2 Location of Flan claim, Courtesy of ARIS MAP MAKER

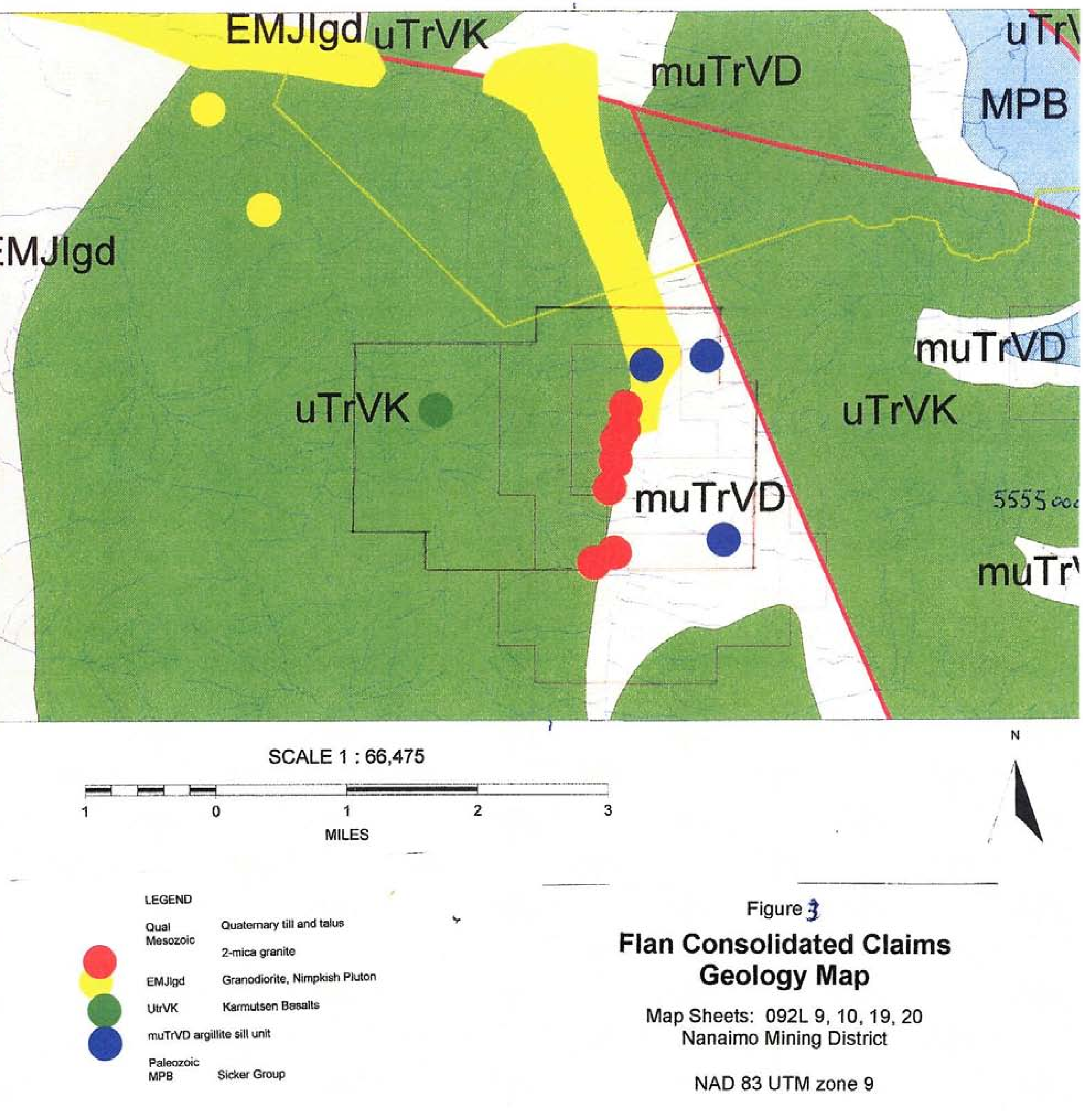


Figure 3

Flan Consolidated Claims Geology Map

Map Sheets: 092L 9, 10, 19, 20
Nanaimo Mining District

NAD 83 UTM zone 9

Figure 3 General geology of Flan consolidated; from fig 4, AR 28382

Flan Showing

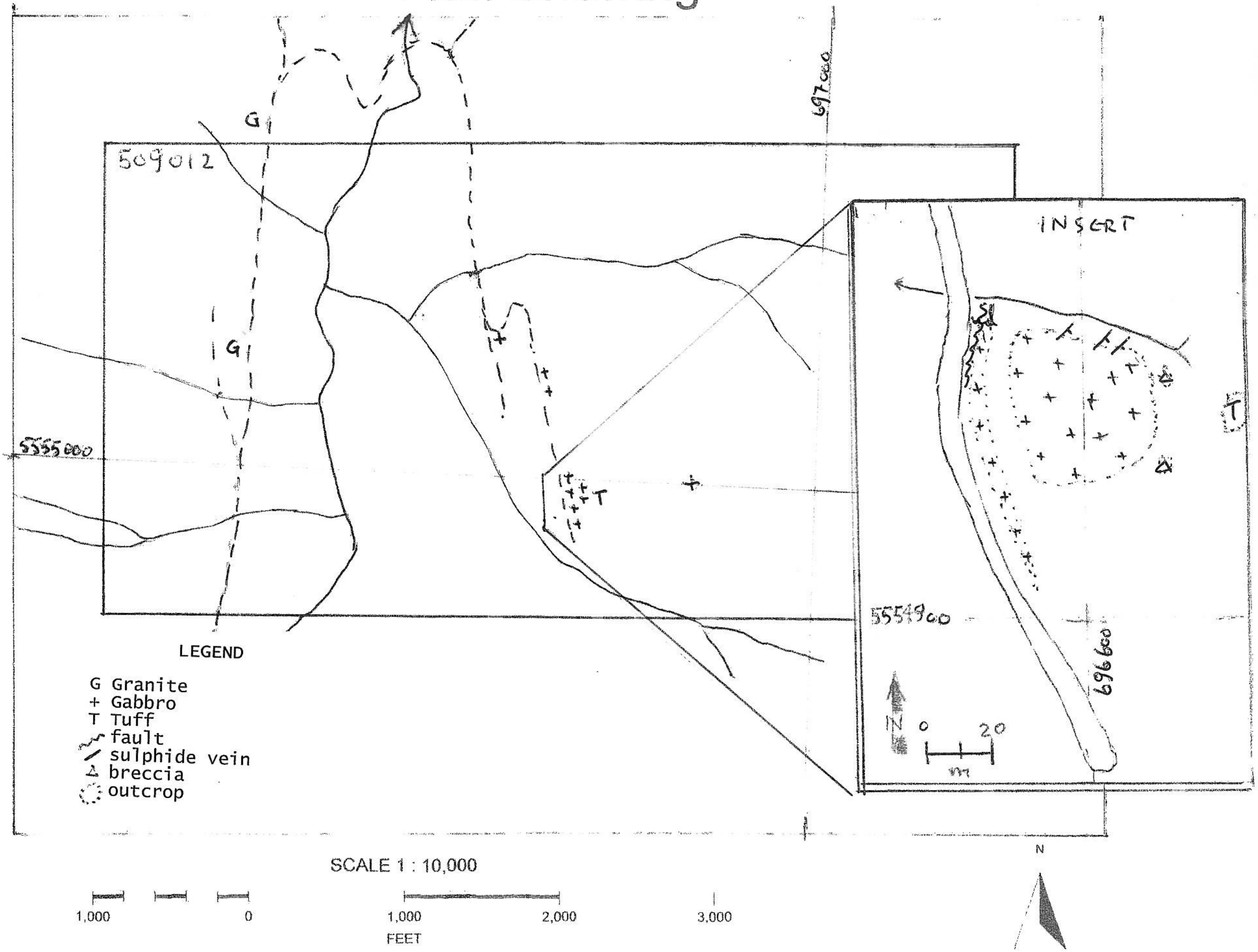


Figure 4 Geology of Flan Claim with detail inset of showing area

Flan Showing

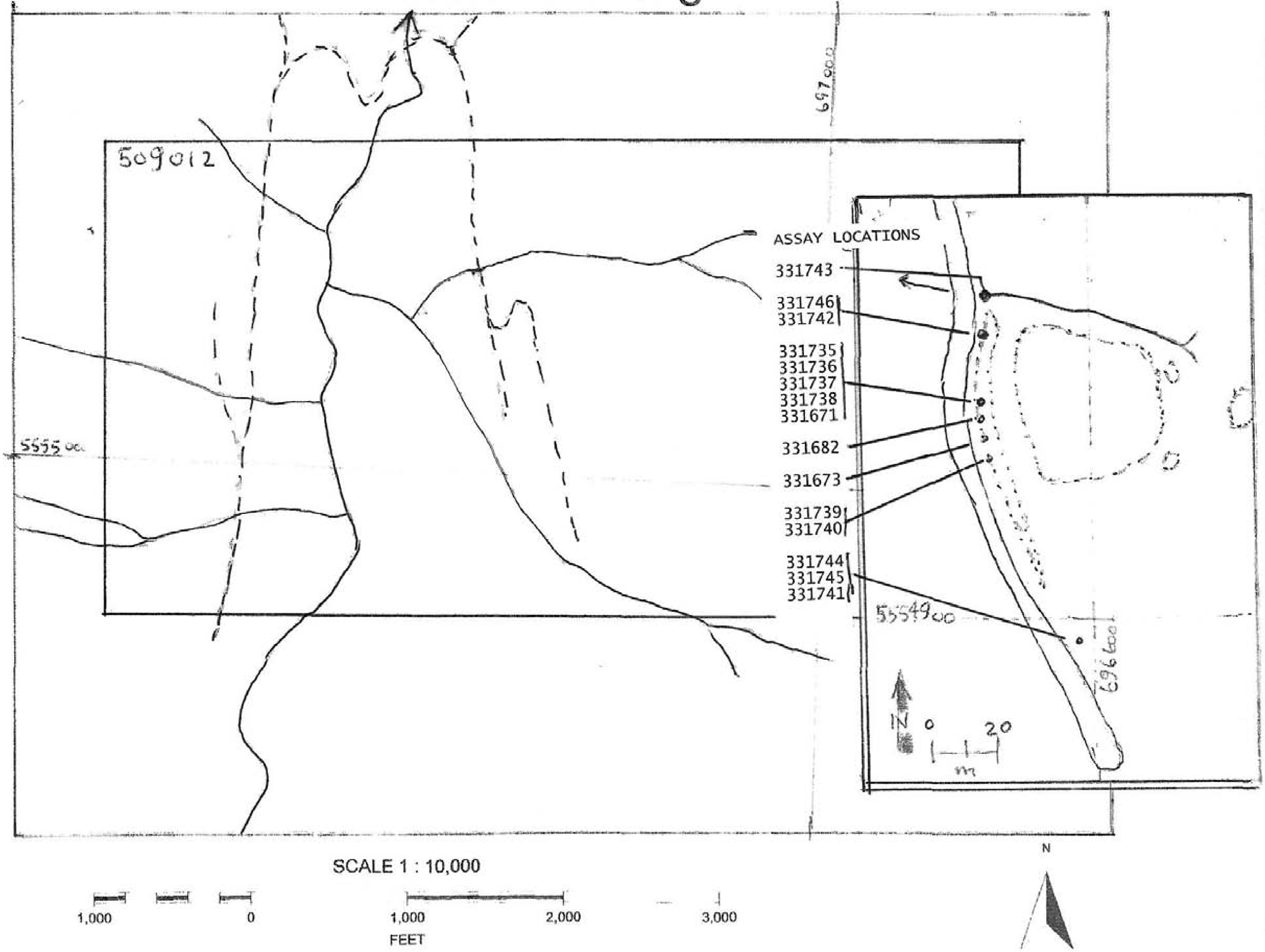


Figure 5 Location of assayed specimens

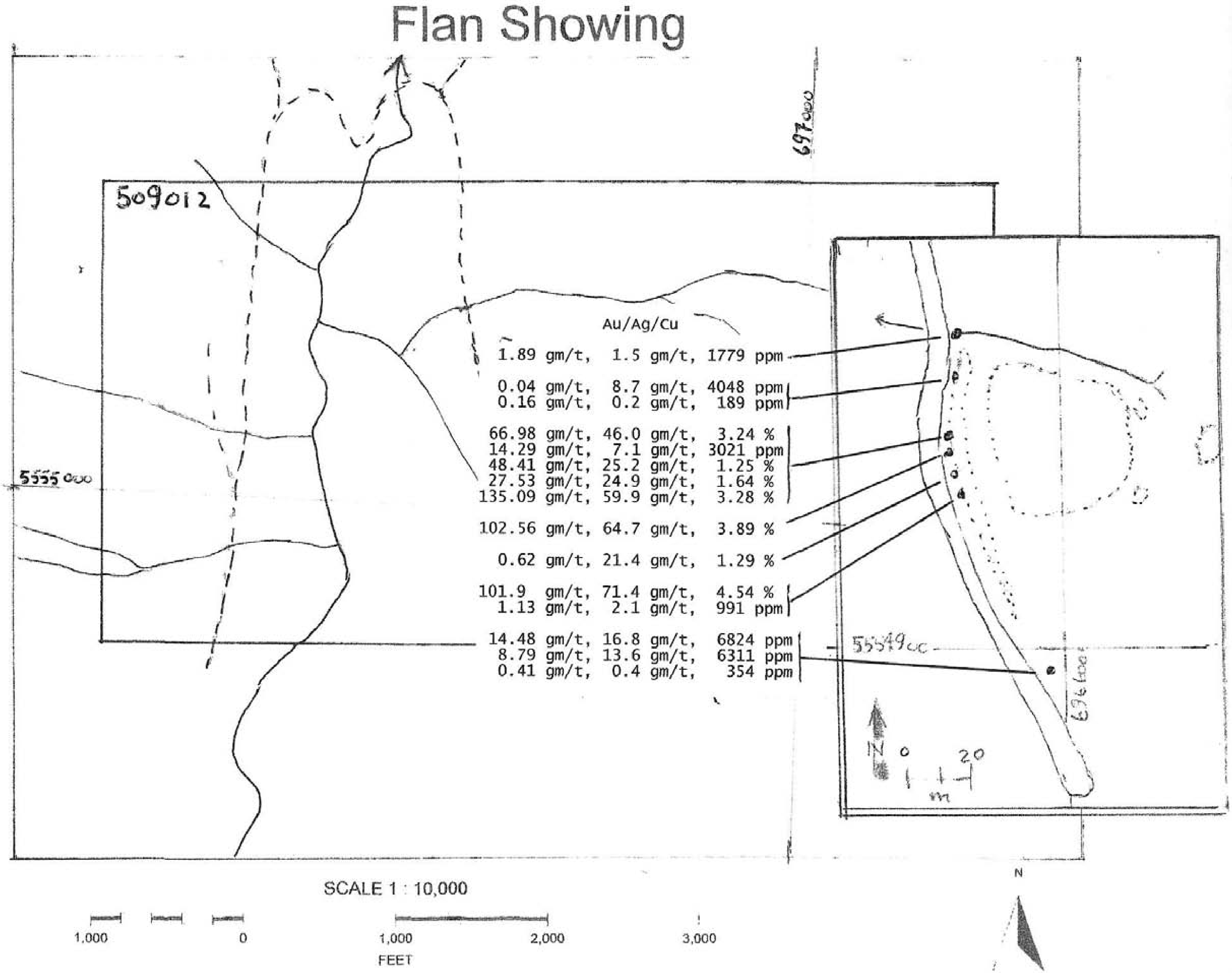


Figure 6 Location of gold, silver and copper values

Figure 7 Photograph of subcrop at showing

Figure 8 Photograph of subcrop detail,
note top of ladder, unmoved from previous figure

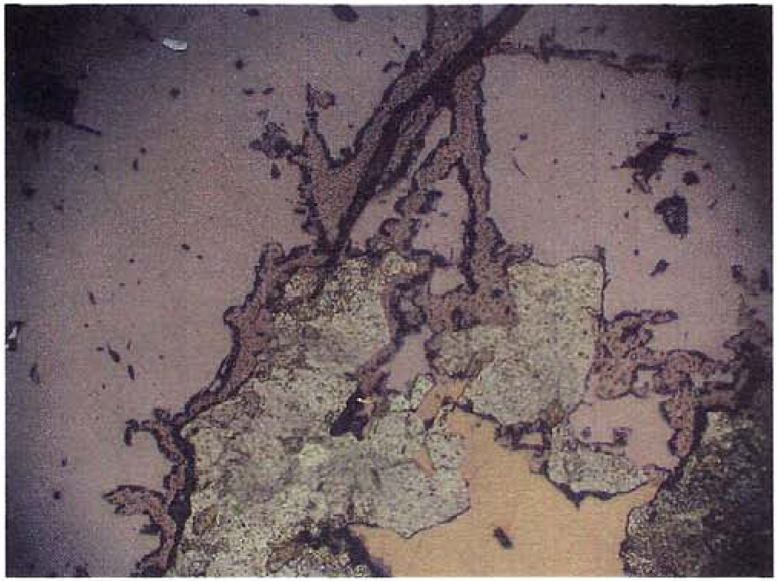
Figure 9 Photograph of partly oxidized specimen
Sulphide rich portion was sectioned

Figure 10 Photograph of massive sulphide specimen

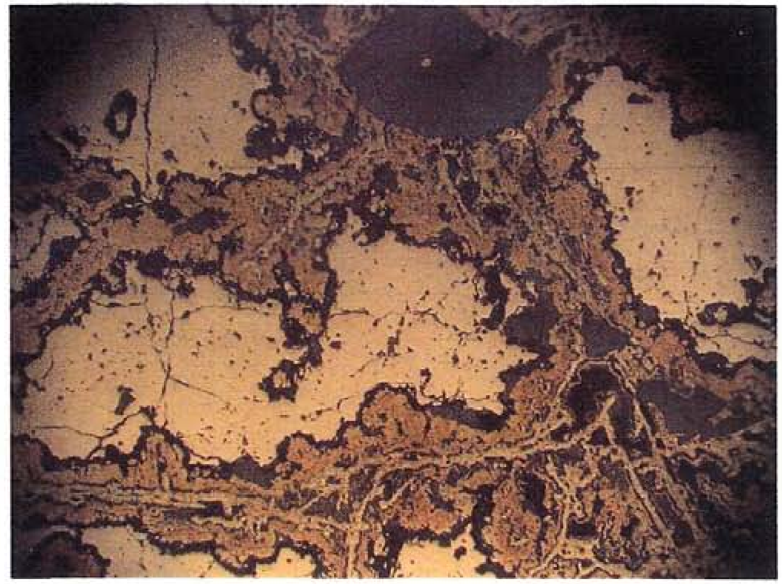
Figure 11 Photograph of boulder 872 after it was rolled out of till.

Figure 12 Photograph of semi massive sulphide sample.

Figure 13 Photomicrographs of pyrrhotite alterations

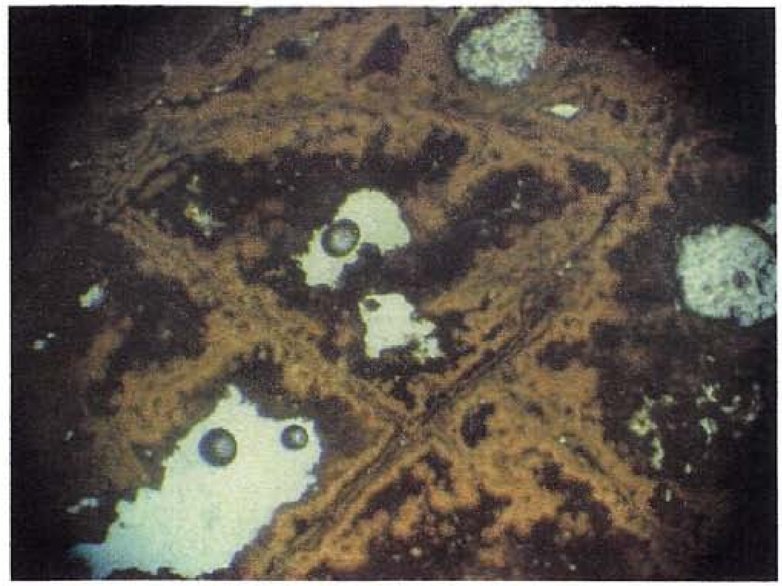


872 Reflected light, FOV 4 mm, Massive pyrrhotite cut by minor pyrrhotite alteration, note chalcopyrite in south east corner



868 Reflected light, FOV 4 mm, Pyrrhotite core, surrounded by pyrrhotite alteration, note multiple veinlets, colloform textures, grey is incipient limonite

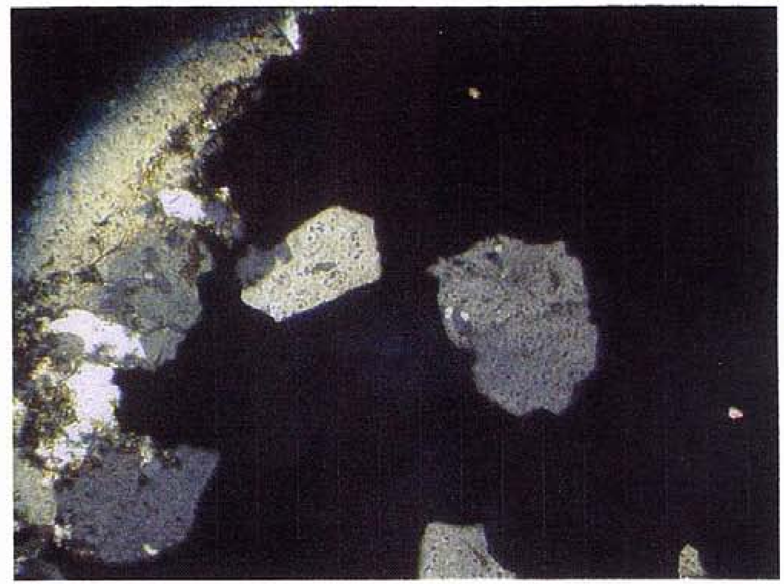
866C Reflected Light, FOV 4 mm, Pyrrhotite alteration rimming silicates to the east and voids, with black inside coating to west.



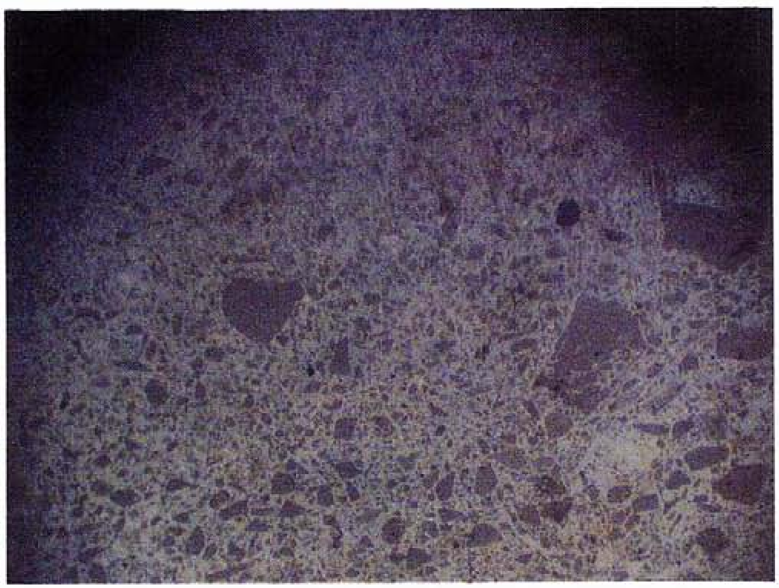
866C Relected light, POV 4 mm Pyrrhotite alteration and voids. Note black rims on voids ("melnikovite")

Figure 14 Photomicrographs of selected polished sections

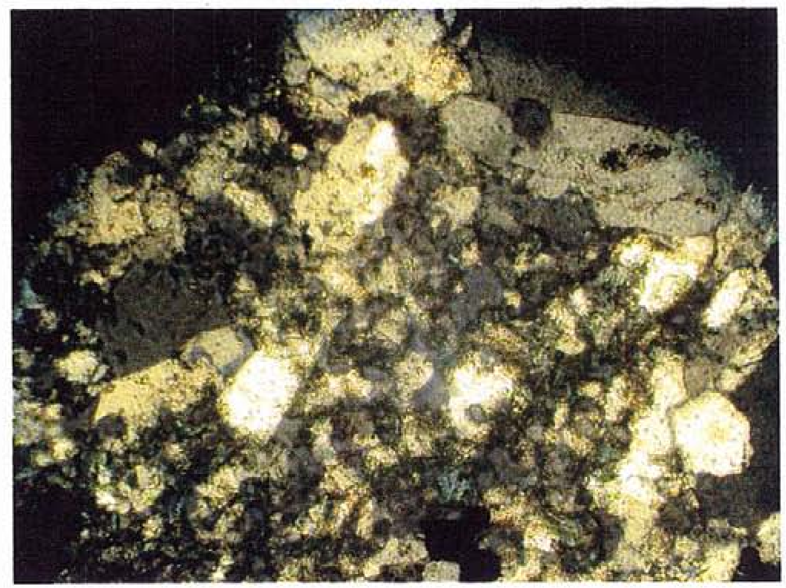
872 Reflected light, POV 4 mm, Chalcopyrite between quartz crystals



872 XPL, same view, Note different orientations of quartz crystals



866A Reflected light, FOV 4 mm, Limonite fragments in Limonite matrix.



872 XPL FOV 4 mm Fragment with quartz, feldspars, chlorite and clay.