WATSON BAR GOLD PROJECT
GEOLOGY / GEOCHEMICAL / ALTERATION STUDY REPORT

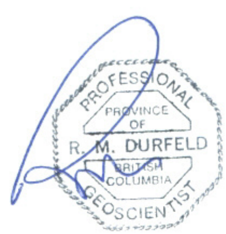
Clinton Mining Division, British Columbia

Latitude 51° 03' 06" North
Longitude 122° 03' 30" West

UTM NAD 83
566000 mE
5656000 mN

NTS 092O.010 and 092P.001

Durfeld Geological Management Ltd.
P.O. Box 4438 Station Main
Williams Lake, B.C. V2G 2V5



by:
R.M.(Rudi) Durfeld, B.Sc., P.Geo.
November 10th, 2007

Table of Contents

ILLUSTRATIONS

1 INTRODUCTION

The focus of the 2007 program centred on a compilation of all previous soil and geology data into the Manifold GIS program to correlate all targets to data. Scott Geophysics were contracted to reprocess the Induced Polarization data by inversion. During the 2007 field season select drill core and rock samples were collected for PIMA Spectral Analysis / Clay Alteration mapping. Based on the results of the PIMA work a greatly expanded program may be warranted. This report compiles the results of the work program and makes recommendations for ongoing exploration.

1.1 Location, Access and Physiography

The Watson Bar property, covering some 5,059.6 hectares (12,502 acres) in the Clinton Mining Division, lies 33 kilometres due west of Clinton and 7 kilometres west of the Fraser River (Figure 1). The property is bisected by the broad and steep east trending Watson Bar Creek Valley and north trending immature, "V" shaped, narrow valleys of Trimble, Second, Madsen and Red Creeks and their tributaries. The property is centred at 51° 53' 06" North Latitude and 122° 03' 30" West Longitude, UTM NAD 83 566000 mE, 5656000 mN covering portions of Trim Sheets 92O.010 and 92P.001

The property is readily accessible from the village of Lillooet via the all-weather West Pavilion / Slok Creek logging road which at 70 kilometres bisects the property. The West Pavilion and Second Creek logging roads in conjunction with secondary cat trails provide good access to much of the property.

Late in 2007 the local logging contractor was extending the logging road westerly up the Watson Bar Creek valley which will improve access to the western anomalies.

The elevation of the property ranges from 400 metres in Watson Bar Creek to 1,600 metres at the summits in the south.

Vegetation is characterized by open forests of mature fir and pine, with undergrowth of grasses that are typical of the dry climate (mean annual precipitation of less than 30 centimetres) in this area. In the lower elevations toward Watson Bar Creek the trees give way to sage brush, tumbleweed and grasses. Locally, in areas of recent forest fires, the forest cover consists of closely spaced immature fir and pine.

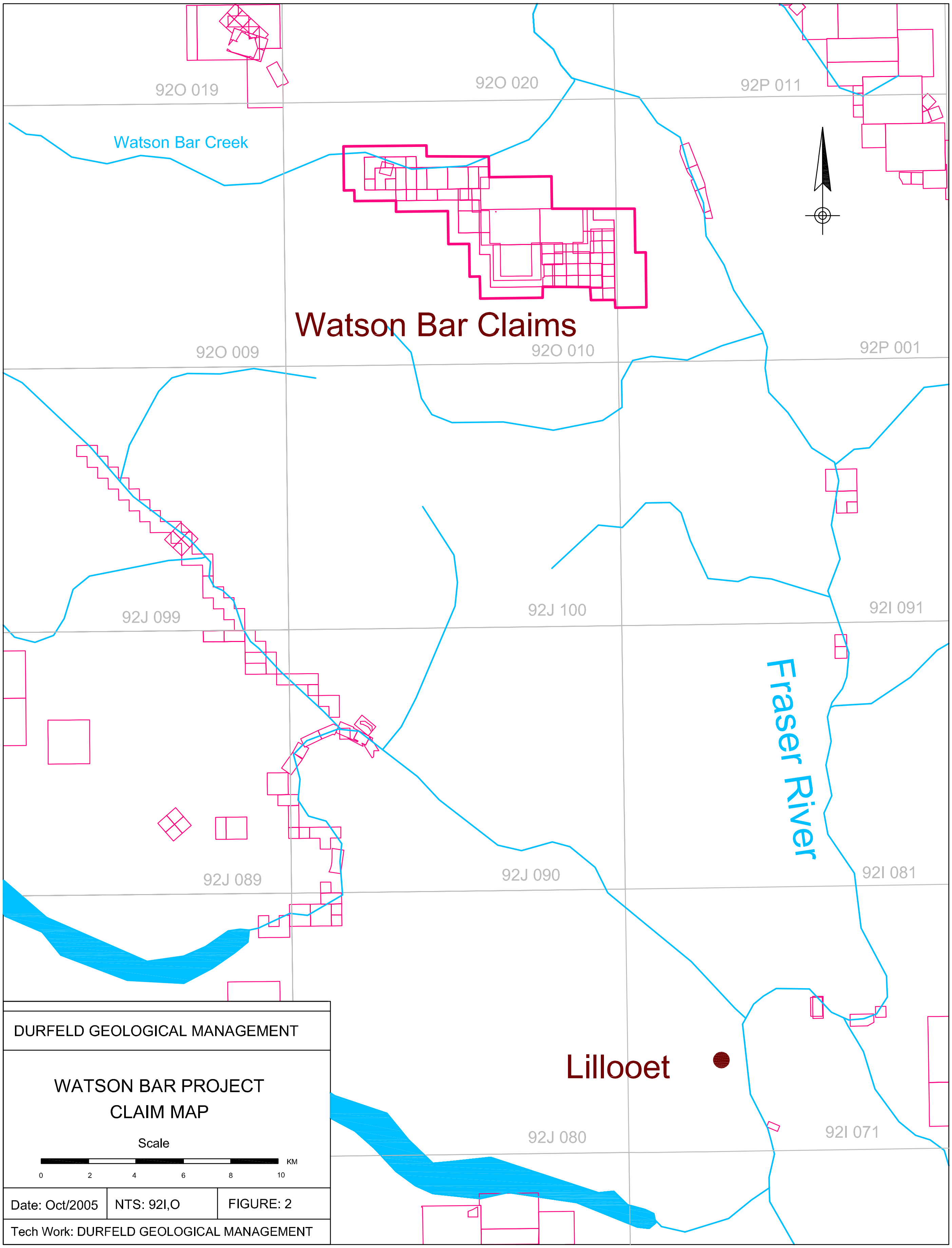
1.2 Ownership

The Watson Bar Property is comprised of 43 contiguous mineral tenures, covering 5,059.4 hectares (12,502 acres). The status of these claims is summarized in the following table and the relative claim locations are plotted as Figure 2. The Good to Date column reflects work that was applied for assessment credit on September 11 (Event Number: 4169051) and is documented in

WATSON BAR PROJECT
Location Map
Fig. 1

this report. The tenures are recorded in the name of R.M. Durfeld.

Tenure Number	Owner	Map Number	Good To Date	Area
208239	107306 (100%)	092O	2009/sep/19	300.0
208290	107306 (100%)	092O	2012/jun/29	450.0
208304	107306 (100%)	092O	2012/aug/12	375.0
404420	107306 (100%)	092O	2009/aug/13	25.0
404421	107306 (100%)	092O	2008/aug/13	25.0
416069	107306 (100%)	092O	2008/nov/11	25.0
502782	107306 (100%)	092O	2009/jan/13	467.3
516643	107306 (100%)	092O	2009/sep/19	40.6
516644	107306 (100%)	092O	2009/sep/19	40.6
516645	107306 (100%)	092O	2009/sep/19	60.9
516646	107306 (100%)	092O	2009/aug/13	81.2
516647	107306 (100%)	092O	2009/aug/13	81.2
516648	107306 (100%)	092O	2009/aug/13	40.6
516649	107306 (100%)	092O	2009/aug/13	40.6
516650	107306 (100%)	092O	2009/aug/13	40.6
516651	107306 (100%)	092O	2009/aug/13	20.3
516652	107306 (100%)	092O	2009/nov/11	40.6
516653	107306 (100%)	092O	2008/nov/11	20.3
516654	107306 (100%)	092O	2009/nov/11	40.6
516655	107306 (100%)	092O	2008/nov/11	20.3
516656	107306 (100%)	092O	2009/nov/11	40.6
516657	107306 (100%)	092O	2009/nov/11	20.3
516658	107306 (100%)	092O	2009/nov/11	60.9
516659	107306 (100%)	092O	2009/nov/11	60.9
516660	107306 (100%)	092O	2009/nov/11	20.3
516722	107306 (100%)	092O	2009/aug/13	81.3
516723	107306 (100%)	092O	2009/aug/13	40.6
516726	107306 (100%)	092O	2009/aug/13	40.6
516728	107306 (100%)	092O	2009/aug/13	40.6
516729	107306 (100%)	092O	2009/aug/13	40.6
516734	107306 (100%)	092O	2009/sep/15	20.3
517413	107306 (100%)	092O	2009/sep/15	304.8
517417	107306 (100%)	092O	2009/sep/15	81.2
532199	107306 (100%)	092O	2009/apr/16	507.6
539131	107306 (100%)	092O	2009/oct/16	406.3
539139	107306 (100%)	092O	2009/sep/19	20.3
539140	107306 (100%)	092O	2009/sep/19	20.3
539141	107306 (100%)	092O	2009/sep/19	243.9
539142	107306 (100%)	092O	2009/dec/25	40.6
539143	107306 (100%)	092O	2009/dec/25	20.3
539144	107306 (100%)	092O	2009/dec/25	20.3
539146	107306 (100%)	092O	2009/mar/12	182.9
562979	107306 (100%)	092O	2008/jul/14	507.8
		Total Area		**5059.4**



DURFELD GEOLOGICAL MANAGEMENT

WATSON BAR PROJECT
CLAIM MAP

Date: Oct/2005 | NTS: 92I,O | FIGURE: 2

Tech Work: DURFELD GEOLOGICAL MANAGEMENT

1.3 History

The earliest work in the vicinity of the property was during the Fraser River Gold Rush when placer miners worked bars in the Fraser River. Subsequently, placer mining for gold occurred in Watson Bar Creek during the period 1860 to 1900. Adits and open cuts on the adjacent Mad claims date from this period. In June 1980, E and B Explorations Inc staked much of what is now the Watson Bar Property as the Carolyn 1 to 8 mineral claims to acquire several large alteration zones hosted by Jackass Mountain Group sedimentary rocks. E and B Exploration prospected the property and carried out contour soil and rock sampling. Dome Mines acquired the southern portion of what is now the Watson Bar Property in 1980 and subsequently prospected and soil sampled its claims.

E and B Exploration allowed their claims to lapse in 1986 and the Watson Bar Property was staked by Durfeld-McClintock in 1986 and 1987. Cyprus optioned the property in late 1987 and from 1987 to 1992 conducted soil and rock sampling, Induced Polarization surveying, trenching and diamond drilling. Cyprus terminated its option in 1992 and in 1996, Stirrup Creek Gold Ltd acquired an option on the Watson Bar Property. Stirrup Creek carried out further trenching and diamond drilling before terminating the option in mid 1999.

Over the past several years the property has been expanded to include the area that had been held by BHP as the MAD property since the early 80's. The data and data bases have been expanded to include the MAD data.

1.4 2007 Work Program

The 2007 work program was permitted as ‘Mineral & Coal Exploration Activities & Reclamation Permit Number: **MX-3-227,** Mine Number: **0300096.**

The program consisted of:

- Data Compilation:
    - All the soil and rock data was imported to the Manifold data base for manipulation and plotting.
        - Dot plots were generated for gold and arsenic and overlain on the geology
    - Early in the year Scott Geophysics was contracted to perform 2D inversion on the old IP data generating new resistivity and chargeability plots that were also added to Manifold and are plotted with the geology overlain in this report.
- Prospecting and rock sampling was conducted in select areas in conjunction with collection of samples for PIMA SPECTRAL ANALYSIS / alteration mapping. Select sections of old drill core were also collected and sent out for PIMA SPECTRAL ANALYSIS.
- All of the drill core has been deteriorating, so a lot of effort had to be put toward reboxing, restacking, labelling and covering for better preservation. The PIMA sampling was conducted in conjunction with the labelling and restacking.

The results of the 2007 program are compiled in this report.

2. GEOLOGY

2.1 Regional Geology

The vicinity of the Watson Bar Property was mapped by H. W. Tipper (1978), Duffell and McTaggart (1952), Read (1987) and Hickson et al (1994). These workers show the area to be underlain by a Cretaceous to Tertiary sequence of sedimentary and volcanic rocks locally intruded by Lower Cretaceous to Upper Tertiary dykes and small stocks of granodiorite.

Cretaceous Age sedimentary and volcanic rocks are divisible into two main groups: the Early Cretaceous Age Jackass Mountain Group sedimentary rocks and the Middle Cretaceous Age Spences Bridge Group volcanic rocks. In the area of the Watson Bar Property the two units are separated by the northwesterly trending Slok Creek Fault, part of the Fraser River Fault system. The Jackass Mountain Group lies to the southwest of the Slok Creek Fault.

Duffell & McTaggart divide the Jackass Mountain Group into 3 distinct units consisting of a lower unit A comprised of up to 600 metres of non marine arkose, greywacke and lesser conglomerate and shale; a middle unit B consisting of up to 500 metres of coarse conglomerate with minor beds of greywacke and argillite; and an upper unit C of greywacke with thinly interbedded conglomerate and argillite that is at least 1,500 metres thick. Unit A and the massive conglomerate of unit B are interpreted to have accumulated in subaerial conditions as fluvial deposits that were at times inundated by the sea. Strata of Unit C locally contain marine fossils and are for the most part of marine origin. The strata of the Jackass Mountain Group have shallow to moderate dips. Folding is minor and generally inconspicuous, with the dominant structures being normal faults.

The Spence Bridge Group lies to the northeast of the Slok Creek Fault and consists of andesitic and dacitic tuffs, agglomerates and breccias with minor intercalated conglomerate and sandstone.

The youngest rocks in the property area are Eocene Age dacitic and occasional rhyolitic tuffs, breccias, agglomerates and flows.

2.2 Property Geology

The Watson Bar Property was previously mapped by McClintock and Durfeld (1988), Durfeld and Jackson (1990) and Read (1998). A compilation of the previous mapping is presented in Figure 3.

The oldest rock on the property are a thick sequence of clastic sedimentary rocks of the Lower Cretaceous Jackass Mountain Group (Units **KSs, KSd, KCg, and KAr**). Due to the paucity of outcrop, absence of distinctive marker beds and extensive faulting, no attempt was made to subdivide the Jackass Mountain Group rocks on the property. However, review of drill core, particularly that from Zone V shows the rock sequence in the northern portion of the property to consist of an upper thick-bedded sandstone-siltstone sequence transitional at depth to a sequence containing a few centimetres to 2 metre thick beds of carbonaceous and locally pyritic argillite. Conglomerate beds occur throughout the stratigraphy as beds from 2 metres to several tens of metres thick. The thickest conglomerate beds occur in the western area of the property and overlie finer grained strata of siltstone and argillite. Except for this thick unit of conglomerate, the Jackass Mountain Group on the property most closely match Duffell and McTaggarts' unit C.

The dominant structures in the Jackass Mountain rocks are steep dipping normal faults. Some minor warping of the strata is present in the southeastern map area but is insignificant. The most prominent fault on the property is the Slok Creek Fault which juxtaposes rocks of the Spences Bridge Group against the Jackass Mountain Group rocks. The Slok Creek Fault is a multi strand fault as evident by the sliver of Spences Bridge Group dacitic tuffs lying southwest of the main fault strand. Initial mapping by Read and other government mappers showed the Slok Creek fault as a steep angle strike-slip fault. More recent work by Read shows dip-slip movement. The presence of the younger Spences Bridge Group rocks to the northeast of the fault implies down dropping of the strata on this side of the fault. Assuming normal movement, then the Slok Creek Fault dips steeply to the northeast.

Two other major faults cutting the Jackass Mountain Group rocks are indicated by abrupt changes in bedding attitudes. The most prominent fault is a structure named the Base Line Fault which separates northwesterly moderately southwesterly dipping strata from northeasterly trending, shallow to moderate northwesterly dipping strata. Further evidence of the fault are different lithologies on either side of the fault. On the northeast side of the fault the dominant lithologies are thick bedded greywacke and siltstones overlying a siltstone-argillite sequence. On the southwest side thick conglomerate beds occur. The Base Line Fault can be traced from the western property limit to the central grid area. In the southeastern map area, based on changes in bedding attitudes, the fault appears to form two strands. The trace of the fault, suggest it has a northeasterly dip.

The second major fault indicated by changes in bedding attitudes is a northerly trending fault which parallels South Second Creek. Strata east of the creek trends northwesterly with shallow southwesterly dips. West of the fault, the strata strikes northeasterly with moderate northwesterly dips. This fault appears to post date the Baseline Fault as the continuation of this fault appears to be displaced northwards across the South Second Creek fault.

In addition to the three main faults, there are numerous minor faults which have little or no offsets. These minor faults have two dominant directions: northerly with moderate to steep dips to either the east or west and northwesterly with shallow to moderate southwest dips. These minor faults are likely subsidiary or conjugate faults related to movement along the main faults.

The Spences Bridge Group rocks lie northeast of the Slok Creek Fault and are comprised of maroon coloured andesitic tuffs and agglomerates. Because no alteration or mineralization occur in these rocks, they have not been studied in detail.

In the south central grid area is an elliptical-shaped stock of granodiorite measuring 700 metres by 500 metres. In the central area of the stock the granodiorite is hypidiomorphic granular (**TKgd**) and becomes porphyritic towards its margin (**TKfp**). The location of the stock at the intersection of the Baseline and South Second Creek Faults suggests these faults played a role in the emplacement of the intrusive.

Elsewhere in the map area, dykes and sill-like bodies of latite to granodiorite porphyry are common. Dykes range in thickness from less than a metre to over 10 metres and are preferentially orientated between 090° and 120° with steep dips to the southwest and northeast. Splaying and coalescing of the dykes is common. Sills are generally thinner than the dykes but are compositionally identical. Sills for the most part are restricted to the area north of the Baseline Fault and west of South Second Creek where the strata strikes northwesterly and dips moderately southwest.

A distinct quartz porphyry dyke is found in the eastern property area. The quartz porphyry may be a young phase of the granodiorite or may represent intrusions related to the younger Eocene volcanic rocks.

The Eocene volcanic rocks occur north of the map area and are separated from the Jackass Mountain Group rocks by a splay of the Fraser Fault. Within the map area, they are represented by fine grained andesite, their subvolcanic equivalent and quartz porphyry dykes. A post mineralization equigranular granodiorite dyke in the west central map area is also thought to be a subvolcanic equivalent to the Eocene volcanics.

2.3 Alteration and Mineralization

Epithermal alteration is extensive within the grid area and consists of broad areas of iron carbonate alteration with localized area of intense argillic alteration cored by zones of silicification. The more intense argillization and silicification show a strong spacial relationship to the northeasterly trending Baseline and northerly trending South Second Faults. Silicification consists of both fracture filling and pervasive replacement of the rock. Quartz veins are characteristic of open space fillings, with both druse and banded textures. Vein directions are predominantly northeasterly and northerly with variable dips. Lithology controls to a large extent the style of silicification. Pervasive silicification is prevalent in the clastic sedimentary rocks of the Jackass Mountain Group, while veins more often occur in the granodiorite intrusives and feldspar porphyry dykes and sills.

Argillic alteration occurs as broad envelopes around the zones of silicification. Past work has described the alteration as a phyllic / argillic alteration dominated by sericitization of mafics and feldspars of the host lithologies with subordinate areas of kaolinization. Below surface oxidation minor amounts of disseminated and fracture filling pyrite occur. Thicker quartz veins are mineralized with arsenopyrite, galena, sphalerite, chalcopyrite and locally stibnite.

2007 PIMA Spectral Analysis / Alteration Study

During the 2007 field season some 182 outcrop samples and drill core were selected and sent to Kim Heberlein in Maple Ridge for PIMA Spectral Analysis. Ms Heberlein provided the data in XL format to which coordinates and drill hole information was added. The alteration was then coded according to the code sheet (Appendix III) and added to the rock and drill data bases. Samples were selected from the altered rock and altered wall rock to veins within zones I, II, IV, V, VIII and X. It was hoped that the PIMA analyses would give an insight into the types of clay and phyllic alteration minerals present which would provide an indication of temperatures of the hydrothermal solutions responsible for the alteration. Appendix III shows results of clay alteration sampling in relation to depth in drill holes, gold mineralization and the associated mineralization zone. Plotting of these results showed distinct assemblages that are described by area. It will also be useful to compare the alteration mineral assemblage to '*Temperature Stability of Hydrothermal Minerals in the Epithermal Environment*'

The results showed that the dominant alteration mineral is kaolinite. Illite and lesser smectite and dickite occur in localized zones within mineralization zones I, II, IV, V, Watermelon and Mad Adit. These PIMA data show that the broad alteration zones of zones I, II, and IV and Point may be extended, covering a broad NW trending area up to 1 km wide. Within this broad zone are localized occurrences of Illite/Dickite which represent high temperature clay alteration which often occurs within five metres of gold mineralization (>300 ppb Au). Samples of drill core show a close association of high temperature clay species with elevated gold mineralization. Rock samples show the occurrence of high temperature clay species at greater distances from known mineralization and may indicate the possibility of hidden gold mineralization in the vicinity.

Mad Adit

Limited PIMA sampling would suggest a broad zone of kaolinite and lesser calcite and quartz. Within this area, the occurrence of illite-chlorite-biotite and sulphur suggesting an epithermal gradient with potential for epithermal ore deposition. A spatial association of high temperature clay species with zones of elevated gold values is uncertain in this area perhaps in part due to limited sampling. Rock samples show the occurrence of Illite, Dickite, and Sulfur beyond the mineralized adit. This is a potential indicator of possibly hidden higher temperature epithermal mineralization and indicates the need for more detailed investigation.

Zone V

Most of the exploration on the Second Creek property has focussed on the auriferous veins of Zone V where intercepts of up to 24.45 g/T gold over 4 metres have been encountered by previous diamond drilling. Zone V is interpreted to be an auriferous quartz vein localized in a shallow structure separating dominantly sandstone and interbedded siltstone units from a sequence of siltstones and graphitic argillite. It appears more likely that the faults and shearing in the argillite units are minor faults related to or conjugate to the Slok Creek Fault and / or the Baseline Fault. Similarly oriented faults to those in Zone V were mapped near the Slok Creek Fault and elsewhere on the property. As the strata at Zone V have parallel strike and dip to the minor faults associated with the Slok Creek Fault, it is not surprising that movement on the minor faults in Zone V would be bedding-parallel to stratigraphy and the breaks would occur along the carbonaceous argillite units. These bedding-parallel structures may also have controlled the emplacement of the feldspar porphyry sills which occur throughout the section.

The auriferous quartz veins of Zone V occur in and adjacent to bedding-parallel faults in the upper part of the argillite-siltstone sequence. Thickness of the veins is variable from a few centimetres to tens of metres. However, the veins do display a lensoidal pinch and swell in surface exposures and bifurcation, breaking across stratigraphy between fault planes. Plotting of vein thicknesses shows a 215° plunge to the thickest part of the mineralized vein system Step out holes 98-06 and 98-04 drilled along strike to the northwest and southeast respectively show the vein in Zone V continues, albeit thinner and lower grade, toward Zone I and Zone VII.

The auriferous veins in Zone V differ from the veins in other zones by the absence of a broad zone of argillic alteration and pervasive silicification in the wall rock of the vein and a higher pyrite and arsenopyrite content. Texturally, Zone V vein differs in having coarse cockscomb textures rather than the massive to chalcedonic quartz typical of the other zones. Samples of wall rock and vein material from several drill holes and surface trenches were analysed by a PIMA II spectrometer. The results show illite and chlorite to be prevalent minerals adjacent to veins and in the altered zones and suggest higher temperature hydrothermal solutions formed the alteration in Zone V.

3. GEOCHEMISTRY

3.1 Sample Collection / Location / Origin

Early in 2007 the compilation of all soil data was completed for the property. This was compiled using the Manifold GIS system. Figure 4 shows the anomalous gold and arsenic values overlain on the geology. This work helped to further define zones requiring further evaluation. For the 2007 program the Point, Adit, Watermelon, II and V zones were evaluated by further rock and soil sampling. Several days were spent re-accessing, prospecting and sampling in the adit area. Soil and rock samples were placed in kraft or plastic sample bags, labelled with a unique number, given a UTM location and sample information recorded in a notebook. The samples were shipped to Assayers Canada in Vancouver and analyzed for gold and multi element ICP. In conjunction with the soils, rock geochem samples were kept for Pima Spectral Analysis. The results of the rock sampling are tabulated as Appendix I and plotted for gold and arsenic as figure 5. The compiled data and analytical data are given as Appendix I.

4. GEOPHYSICS

INDUCED POLARIZATION SURVEY

The reprocessed (2D inverted) Induced Polarization survey data has been overlain on the geology as figures 7A to 7D for resistivity and chargeability at a 25 and 50 metre slice.

The 50 metre resistivity plan (Figure 7A) shows a marked increase in resistivity to the south and west, crudely mapping the increased intrusive activity and observed hydrothermal alteration in that direction. The 25 metre resistivity plan (Figure 7B) maps the shallower, smaller features and defines resistivity highs in response to the sills, alteration and vein structures in zones I, V and VII and showing some connectivity between zones I and V.

The 50 metre chargeability plan (Figure 7C) again maps the broad geological features, showing a strong contrast in zone V corresponding to the carbonaceous horizon. The baseline fault shows up as a contrast zone. The conglomerates in the south grid area show the strongest chargeability response. The 25 metre chargeability plan (Figure 7D) while supporting the 50 metre geological interpretation shows more discrete anomalies. This is particularly evident in zones I and V where the chargeability maps the sulphide vein / carbonaceous zones.

5. CONCLUSIONS AND RECOMMENDATIONS

The Watson Bar Project covers some 5,059.4 hectares (12,502 acres) in the Clinton Mining Division that is prospective for hosting low-sulphidation epithermal gold mineralization.

The project area is underlain by the Lower Cretaceous Age Jackass Mountain group sediments that were intruded by granodiorite to granite sills and stocks of Upper Cretaceous Age. The limited 2007 PIMA alteration mapping suggests broad zones of kaolinite and lesser calcite and quartz alteration. The occurrence of higher temperature clays (illite – chlorite) related to the gold mineralization in zone V and the Mad Adit area suggest that the gold mineralization is related to the higher temperature clay alteration. Historic and recent geochemical (soil and rock) plots show broad zones of anomalous arsenic around smaller anomalous gold targets. The 2D inversion of the Induced Polarization data showed good resolution with the mapped structures, lithology and alteration.

Ongoing exploration should continue to focus on target resolution. In the past this has been done by compiling geology - geochemistry (soil, rock and drilling) – geophysics (induced polarization resistivity / chargeability). The success of the limited PIMA alteration mapping of the 2007 survey suggests that the expansion and broader incorporation of this technique could be beneficial in vectoring to gold mineralization.

6 BIBLIOGRAPHY

Cathro, M.S., Durfeld, R.M. and Ray, G.E. (1997): Epithermal Mineralization on the Watson Bar Property (92O/01E), Clinton Mining Division B.C.; B.C. Ministry of Energy, Mines and Petroleum Resources, Geological Fieldwork 1997, Paper 1998-1.

Duffell, S. and McTaggart, K.C. (1952): Ashcroft Map Area, BritishColumbia; Geological Survey of Canada, Memoir 262, 122 pages.

Durfeld, R.M. (1990): Report on Diamond Drilling, Watson Bar Project; B.C. Ministry of Energy, Mines and Petroleum Resources, Assessment Report 19777.

Durfeld, R.M. (1992): Report on Trenching and Diamond Drilling, Watson Bar Property; B.C. Ministry of Energy, Mines and Petroleum Resources, Assessment Report 22497.

Durfeld, R.M. (1996): Drilling and Trenching Report on the Watson Bar Mineral Project; B.C. Ministry of Energy, Mines and Petroleum Resources, Assessment Report 24676.

Durfeld, R.M. and Jackson, A.W. (1990): Report on Geology, Geochemistry, Trenching Induced Polarization and Diamond Drilling, Watson Bar Project; Unpublished Internal Report for Cyprus Gold (Canada) Ltd.

Durfeld, R.M. and McClintock, J.A. (1987): Geological and Geochemical Report on the Second Claim Group; B.C. Ministry of Energy, Mines and Petroleum Resources, Assessment Report 16879.

Hickson, C.J., Mahoney, J.B. and Read, P.B. (1994); Geology of the Big Bar Map Area B.C.; in Current Research 1994A, Geological Survey of Canada, pages 143-150.

Livingstone, K.W. (1982): Geological and Geochemical Report, Watson Bar Project; B.C. Ministry of Energy, Mines and Petroleum Resources, Assessment Report 10381.

McClintock, J.A. and Durfeld, R.M. (1988): Geological and Geochemical Report on the Second Claim Group; B.C. Ministry of Energy, Mines and Petroleum Resources, Assessment Report 17473.

Price B.J., Livingstone, K.W. and Howell, W.A. (1981): Watson Bar Geological and Geochemical Report; B.C. Ministry of Energy, Mines and Petroleum Resources, Assessment Report 9462.

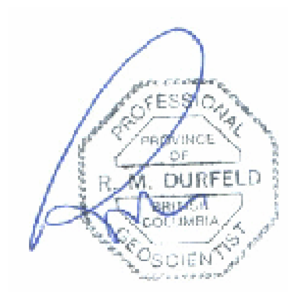
Read P.B. (1997): Unpublished Geological Map of the Watson Bar Property.

Trettin, H.P. (1961): Geology of the Fraser River between Lillooet and Big Bar Creek; B.C. Ministry of Energy, Mines and Petroleum Resources, Bulletin 44, 109 pages.

Tipper, H.W. (1978): Taseko Lakes (92O) Map-Area; Geological Survey of Canada, Open File 534.

Warren, H.V. (1982): The Significance of a Discovery of Gold Crystals in Overburden; in Precious Metals in the Northern Cordillera; Levinson A.A. editor, The Association of Exploration Geochemists, pages 45-51.

Warren, H.V. and Hajek, J.H. (1973): An Attempt to Discover a "Carlin-Cortez" Type of Gold Deposit in B.C., Western Miner, Number 46, pages 124-134.



7.0 COST SUMMARY

Durfeld Geological Management Ltd.
Project Income Detail

Watson Bar Project Report from 01/01/2007 to 10/24/2007

PERSONEL					
GEOLOGIST / MANAGER					
RM Durfeld,B.Sc,P.Geo	Jun 21-23, July 18-20, Aug 1-4, 7-10, 16-18,	12	day	700	$8,400.00
LOGISTICS / CAMP					
Lucas Durfeld	Jun 21-23, July 18-20, Aug 1-4, 7-10, 16-18,	11	day	300	$3,300.00
SR FIELD ASSISTANT					
Guido Durfeld	Jun 21-23, July 18-20, Aug 1-4, 7-10, 16-18,	8.5	day	275	$2,337.50
FIELD ASSISTANTS					
Chris Lees	Jun 21-23, July 18-20, Aug 1-4, 7-10, 16-18,	12	day	270	$3,240.00
Andrew Penner	Jun 21-23, July 18-20, Aug 1-4, 7-10, 16-18,	13	day	260	$3,380.00
Room and Board		57	mandays	60	$3,390.00
4X4 Pickup	2 pickups including fuel	17	days	220	$3,740.00
FIELD CONSUMABLES					$300.00
FREIGHT EXPENSE					$45.02
EXPLORTAION					
Scott Geophysics Ltd.	Complete inversion on IP data				$2,200.00
Kim HEBERLEIN	PIMA Spectral Analyses				$1,622.64
Assayers Canada	Rock and soil analyses				$416.00
Casey Map	Data compilation and Plotting				$2,000.00
Report Preparation					$3,000.00
	TOTAL PROJECT COST				**$37,371.16**

Dated at Williams Lake, British Columbia this 28th day of October 2007.

R.M. Durfeld, B.Sc., P.Geo.

8. Statement of Qualifications

I, Rudolf M. Durfeld, do hereby certify that:

1.) I am a geologist with offices at 2029 South Lakeside Drive, Williams Lake, BC.

2.) I am a graduate of the University of British Columbia, B.Sc. Geology 1972, and have practised my profession with various mining and/or exploration companies and as an independent geological consultant since graduation.

3.) I am a member Canadian Institute of Mining and Metallurgy.

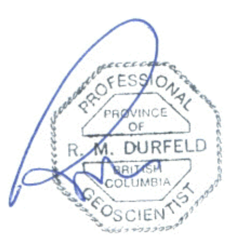
4.) That I am registered as a Professional Geoscientist by the Association of Engineers and Geoscientists of B.C. (No. 18241).

5.) That this report is based on:

a.) my supervision, geological observations and compilation of all available data.

b.) my personal knowledge of the property area and a review of available government maps and assessment reports.

Dated at Williams Lake, British Columbia
this 28th day of October 2007



R.M. Durfeld, B.Sc., P.Geo.

Appendix I

2007 Rock Sample Results and Descriptions

Rock Samples PIMA , Au and As Analyses and Sample Descriptions

UTMEast	UTMNorth	Sample	PIMA	Au	As	Description
564034	5656980	W1	6,7,2	7270	4900	Quartz vein from hand blasted trench
564034	5656980	W2	2,6			Pale red arkose with carbonate coated fracture surfaces. Wall rock to vein
564034	5656980	W3	2			Sample from quartz vein from 3 metres along strike. Two stage veining. Minor pyrite
564034	5656980	W4	2	26	25	Float sample between W1 and W3. Mainly carbonate with pyrite and chalcopyrite
564034	5656980	W5	2,6,7			Bleached arenite with fine carbonate veinlets. Wall rock to vein
564034	5656980	W6	2,6,7			Second sample of the carbonate and bleached arkose wall rock
564034	5656980	W7	2,11	5	9	Arkose cut by 4mm massive white quartz vein.
564194	5657073	WW1	2,11			Float feldspar porphyry cut by network of fine hairline quartz and carbonate veins
564331	5656994	WW2	2,7			Float of arkose with veins and fractures filled with yellowish boxwork. Alteration is quartz and carbonate.
564405	5656897	WW3	2,7,11			Float of pervasively silicified and carbonate altered siltstone. Local drusy cavities.
564667	5656865	Z2	2,7			Float of arkose with quartz stringer and finely diseminated pyrite. Orange weathering with bleached appearance on fresh surface.
564667	5656865	Z2a	2,7			Float in suboutcrop area 2 metres from Z2.
564667	5656865	Z2b	2			Arkose, bleached and clay altered cut by sucrosal quartz vein.
560780	5658029	251001		3	297	Quartz Carbonate altered rock with Asp and SB
560770	5658029	251002		5	82	Iron Stained Sd
560761	5658029	251003		5	37	Alt'd Sd up to 2% sulphide
560766	5658042	251005		6	40	Alt'd Qv and sulphide
561172	5657998	251007		36	8	Shallow dipping Silicious dyke
561180	5657998	251008		11	21	Shallow dipping Silicious dyke
561191	5657193	251009		2	24	3M chloritic shear zone
561191	5657195	251010		9	9	Silicious sill
562846	5658161	251051	7,2,6,5	2440	10000	Qtz vein in adit
562846	5658155	251052	7,16,2,5	4560	860	Qtz vein in adit middle of roof
562846	5658150	251053		110	75	Qtz vein in back of roof
562846	5658125	251054	2	3	50	Dk grey vein above adit
562800	5658125	251055	6,2	4	193	Beside old trench by adit
562825	5658125	251056		8745		Soil beside adit.
562840	5658161	250808	9,12			
562840	5658161	250836	2,7,.6			

562840	5658161	250837	2			
562840	5658161	250838	2,6			
562758	5657978	250839	2,6			
562480	5658121	20251	2,7,6			
562467	5658138	20257	2,6			
562474	5658155	20259	2,11			
562615	5658235	20260	3,4,G			
562615	5658235	20263	2,11			
559343	5658759	20264	6			
559673	5658736	250707	2,9			
559721	5658732	250713	2,6			
559790	5658738	250714	2			
560005	5658818	250715	2,6,F			
569517	5654086	250719	2			
569517	5654086	250721	2			

Appendix II
Drill Core PIMA Analyses

Drill Core PIMA Analyses

DDH	Au(ppb)	PIMA	From	To	Zone
89-01	70	11,9,6	28	30	V
89-01	13500	7,B	32	33	V
89-06	440	11,6,2	67	68	II
89-06	20	2	68	69	II
89-06	40	11,2	150	152	II
89-06	30	11,2	165	167	II
91-12	1	6,2	163	164	V
91-12	2770	6,7,2	168	169	V
91-12	955	2,7	178	179	V
91-12	102	11,9	188	190	V
91-12	490	14,2,11	195	196	V
96-06	1	11,6,2	52	53	V
96-06	1475	11,2,7	56.66	57	V
96-06	26	11,9,D	61.66	62	V
96-06	94	6	62	63	V
96-06	134	11,9	66	67	V
96-06	1080	11,D,9,6	71	72	V
96-07	25	6	47	47.33	V
96-07	3130	11,D.6,2	51.66	52	V
96-07	7925	B	52	52.33	V
96-07	18	11,6,9	54	55	V
96-07	5	11,D,6.2	66	67	V
96-07	3030	5,11,6	68.33	68.66	V
96-07	1635	11,D,5	69	70	V
96-08	686	11,6	57	57.33	V
96-08	815	2,11,6	61	62	V
96-08	1010	11,2	69	70	V
96-08	96	11,6,2	75.33	75.66	V
96-10	2790	B,5	35	35.33	V
96-10	15	11,6,10	36	37	V
96-11	23	9,2,6	7	8	V
96-11	5	9,11	11	12	V
96-11	5	11,2	24	25	V
96-11		11,9	25	26	V
96-11	3	9,2,6	26	27	V
96-11		9,A	77	80	V
96-11	11	11,9,2	108	109	V
96-11	4	9	213	214	V
96-11	19	9	220	222	V
96-14	3	4	29	30	XI
96-14	5	4	34	35	XI
96-14	3	9,3,1	41	42	XI
96-14		9,3	64	65.5	XI
97-01	13	2,12	9.1	11	XI
97-01	7	12	25	26	XI
97-01	4	?	40	41	XI
97-01	1	7	43	44	XI
97-01	4	6	49	50	XI

97-03	1	2,6	9	10	V
97-03	1	11,9	16	17	V
97-03		6,F	59	71.6	V
97-03	4	7,2	76	77	V
97-03		7,2	106	107	V
97-03		11,9,2	146.8	148	V
97-05	1	1,2	93	94	V
97-05	7	11,D,10,6	106	108	V
97-05	62	7,6	109	109.5	V
97-05	25680	7,6,F	112.5	113	V
97-05	2406	11,D,6,F	116.5	117	V
97-05	525	D,6,2,5	119	120	V
97-05	202	2,12	132	134	V
97-06		6,1,12	66	67	V
97-06	25680	E	186	187	V
97-06	7	E	216	217	V
97-08	4	7,2	42	43	I
97-08	415	2,D	162	163	I
97-08	231	6,2	198	199	I
97-08	11	6,2	200	201	I
98-03		11,9,2	92.2	95.3	V
98-03		11,9,E	130.9	147.1	V
98-04	10	6,2	97	98	V, I
98-04		6,2,F	162.5	163.5	V, I
98-04	10	11,2	166	167.7	V, I
98-04	10	2	168.7	170.7	V, I
98-04	10	2	181	182	V, I
98-05	10	11,9,B	120.7	122.7	V
98-06	10	2,9,F	14.3	15.3	VII
98-06	10	11,9	92.6	93.6	VII
98-06		9	118.2	141.3	VII
98-06	10	11	151	152.3	VII
98-06	10	2	161.5	162.4	VII
98-06	10	11	177.8	179.5	VII
98-06	20	6,F	179.5	180	VII
98-06	20	6,5	181	182.1	VII
98-06	20	E,F	184.1	186.1	VII
98-06	10	2	188.2	189.2	VII
98-06	10	7,6	189.2	189.8	VII
98-06	20	7,E	189.8	190.8	VII
98-06	20	E	190.8	191.8	VII
98-06	10	2	191.8	192.7	VII
98-06	70	11,6,2	205	207.2	VII
98-06	10	2	215.2	216.2	VII
98-06	10	6,2	226.6	227.6	VII
98-06	10	E	230.7	231.7	VII
98-06	10	6,2	239.6	240.8	VII
98-06	10	2	244.8	245.7	VII
98-06	10		245.7	246.8	VII
98-06	10	2,F	247.9	248.8	VII

98-06	20	2,F	255.6	256.2	VII
98-06	20	2,F	257.2	259.08	VII
98-07		2	57.6	58.6	VIII, X
98-07	10	2	70	71	VIII
98-07	10	2	74	75	VIII
98-07	10	2	76.9	77.9	VIII
98-09	120	2	40	41	X
98-09	600		43	44	X
98-09	40	11,6	44	45	X
98-09	10		64.5	66.5	X
98-09	10	11,6,2	97	99	X
98-10	10	2	10	12	IV
98-10	10	2	18.6	19.1	IV
98-10	10	2	21.5	22.9	IV
98-10	10		30.4	31.9	IV
98-10	10	2,1	31.9	33.2	IV
98-10	10	7,E	33.2	34.2	IV
98-10	10	2,1	39	40.4	IV
98-10	10	6,2	43	43.9	IV
98-10	10	F	45.42	46.33	IV
98-10	10	2	50.7	52.5	IV
98-10	10	2,F	69.7	71.6	IV
98-10	10	2	71.6	72.9	IV
98-10	20	6,2,F	72.9	74.7	IV
98-10	10	2	78.6	79.6	IV
98-10	10	2	98.8	101.3	IV
98-11	10	11,2,1	50	51.5	I
98-11	10	2	61	62	I
98-11	10	11,2	100.4	101.4	I
98-11	10	2	128	131	I
98-11	20	2,F	157	158	I
98-11	290	2	197.6	198.6	I
98-11	800	2,F	211.6	212.6	I
98-11	90	11,7,6,1	212.6	214	I
98-11		11,9,2,1	238.1	244	I
C1	660	11,C	0	0.5	V
C1	3680	C	0.5	1	V
C1	3660	11,C	1	1.5	V
C1	1770	C	1.5	2	V
C1	9970	7,C	2	2.5	V
C1	1260	C	2.5	3	V
M88-1	1	2,11	17.15	18.15	Mad Adit
M88-1		2,11	57.91	61.72	Mad Adit
M88-1	3	2,6	74.07	75.07	Mad Adit
M88-1		2	131	133.17	Mad Adit
M88-1	4285	2	168.77	169.77	Mad Adit
M88-1	3	2,7,6,F	222.2	222.93	Mad Adit
M88-2		2,11,6	88.27	93.57	Mad Adit
M88-2		2,6	93.57	95.25	Mad Adit

Appendix III
Clay Mineral Alteration Codes

Clay Mineral Alteration Codes

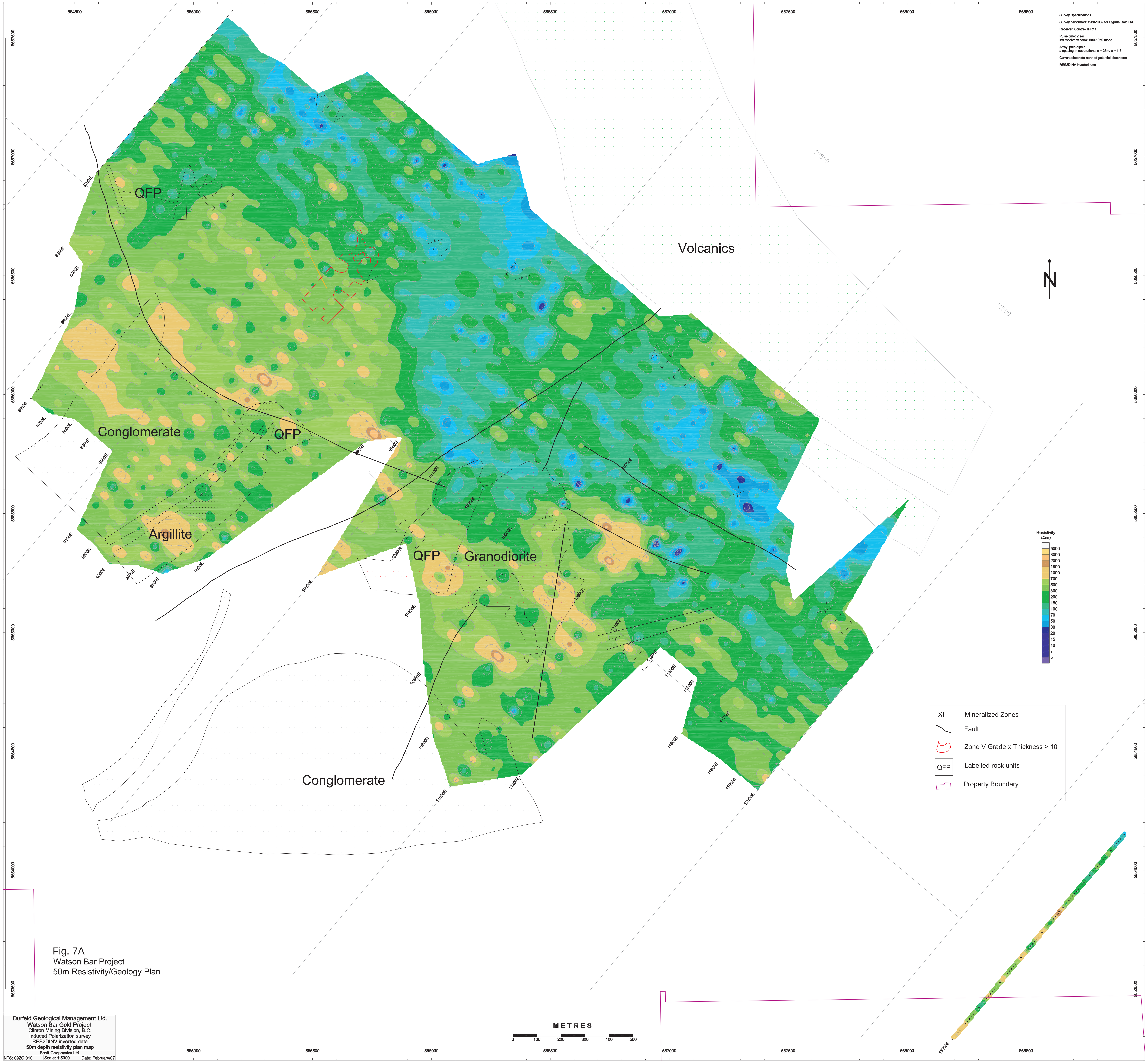
ALTERATION MINERALS	TEMPERATURE	ALTERATION CODE
Mordentite	100-150	
Jarosite	100-150	
Smectite	100-200	1
Cristobalite	100-180	
Marcasite	100-200	
Kaolinite	100-225	2
Pyrite	100-300+s	
Laumontite	150-200	
Illite/Smectite	150-225	3
Chlorite/Smectite	150-225	4
Dickite	150-275	5
Diaspore	140-300+s	14
Alunite	100-300	15
Sulphur	100-300	16
Calcite	100-300	6
Quartz	150-300	7
Adularia	150-300	8
Wairikite	190-280	17
Chlorite	180-300	9
Epidote	190-300	10
Illite	190-300	11
Zunyite, Topaz	210-300+s	18
Biotite	290+s	12
Amphibole	290+s	13
Analcite		A
Gypsum		B
Scorodite		C
Muscovite		D
Clay		E
Dolomite		F

Watson Bar Creek
Point Zone
Mad Adit Zone
Watermelon Zone
Madsen Creek
Second Creek
Trimble Creek
SOUTH SECOND FAULT
2007 Rock PIM Sample
2, 6 Alteration Code
Property Boundary
Creeks
Roads
Drill trace
DDH Collar
Area of Clay Alteration
Faults
Geology Fills
Granodiorite
Volcanics
Quartz/feldspar Porphyry
Argillite
Sandstone/Siltstone
Conglomerate
500 m
DURFELD GEOLOGICAL MANAGEMENT
Watson Bar Project
Property Geology
Date: Oct. 25, 2007
NTS: 92O/ 1E
Fig. 3
CaseyMap CAD & Graphics

Point Zone
Watermelon
C A M E L S F O O T
H O G B A C K
M T N
Claims Boundary
Lines
Roads
Lines
Creeks
Lines
Soils Au (ppb)
<25
25...75
75...200
>200
Soils As (ppm)
<75
75...215
215...475
>475
0
500 m
559000 m
560000 m
561000 m
562000 m
563000 m
564000 m
565000 m
566000 m
567000 m
568000 m
569000 m
570000 m
571000 m
5652000 m
5651000 m
DURFELD GEOLOGICAL MANAGEMENT
WATSON BAR PROJECT
Au/As in Soil
Date : Oct. 25, 2007
NTS: 92O/ 1E
Fig. 4
CaseyMap CAD & Graphics


561000 m
562000 m
563000 m
564000 m
5659000 m
5658000 m
5657000 m
5656000 m
N
Watson Bar Creek
Madsen Creek
D
A
B
C
Point Zone
6
5
5
3
37
40
82
297
36
11
8
21
Mad Adit Zone
4560
10000
2440
860
110
75
3
4
8745
193
50
9
2
9
24
7270
5
26
4900
25
9
Watermelon Zone
Claims Boundary
Lines
Roads
Lines
Creeks
Lines
Au in Rock 2007 (ppb)
<100
100...300
300...1000
>1000
As in Rock 2007 (ppm)
<1000
1000...2000
2000...5000
>5000
0
500 m
DURFELD GEOLOGICAL MANAGEMENT
WATSON BAR PROJECT
Au/As in Rock 2007
Date: Oct. 25, 2007
NTS: 92O/1E
Fig. 5
CaseyMap CAD & Graphics


Inset A
Mad Adit Zone
Point Zone
Watermelon Zone
Inset B
Inset C
Property Boundary
Creeks
Roads
Drill trace
DDH Collar
Area of Clay Alteration
Faults
Geology Fills
Granodiorite
Volcanics
Quartz/feldspar Porphyry
Argillite
Sandstone/Siltstone
Conglomerate
2007 Rock PIMA Sample
2, 6 Alteration Code
PIMA Analysis in Drill Core
PIM Alteration Codes
1 Smectite
2 Kaolinite
6 Calcite
7 Quartz
9 Chlorite
11 Illite
12 Biotite
D Muscovite
F Dolomite
0 400 m
DURFELD GEOLOGICAL MANAGEMENT
WATSON BAR PROJECT
Geology/PIMA Analyses
Date: Oct. 25, 2007
NTS: 92O/ 1E
Fig. 6
CaseyMap CAD & Graphics



Survey Specifications
Survey performed: 1988-1989 for Cyprus Gold Ltd.
Receiver: Scintrex IPR11
Pulse time: 2 sec
Mx receive window: 690-1050 msec
Array: pole-dipole
a spacing, n separations: a = 25m, n = 1-5
Current electrode north of potential electrodes
RES2DINV inverted data
QFP
Volcanics
Conglomerate
QFP
Argillite
QFP
Granodiorite
Conglomerate
N
Resistivity (Ωm)
5000
3000
2000
1500
1000
700
500
300
200
150
100
70
50
30
20
15
10
7
5
XI Mineralized Zones
Fault
Zone V Grade x Thickness > 10
QFP Labelled rock units
Property Boundary
METRES
0 100 200 300 400 500
Fig. 7A
Watson Bar Project
50m Resistivity/Geology Plan
Durfeld Geological Management Ltd.
Watson Bar Gold Project
Clinton Mining Division, B.C.
Induced Polarization survey
RES2DINV inverted data
50m depth resistivity plan map
Scott Geophysics Ltd.
NTS: 092O.010
Scale: 1:5000
Date: February/07

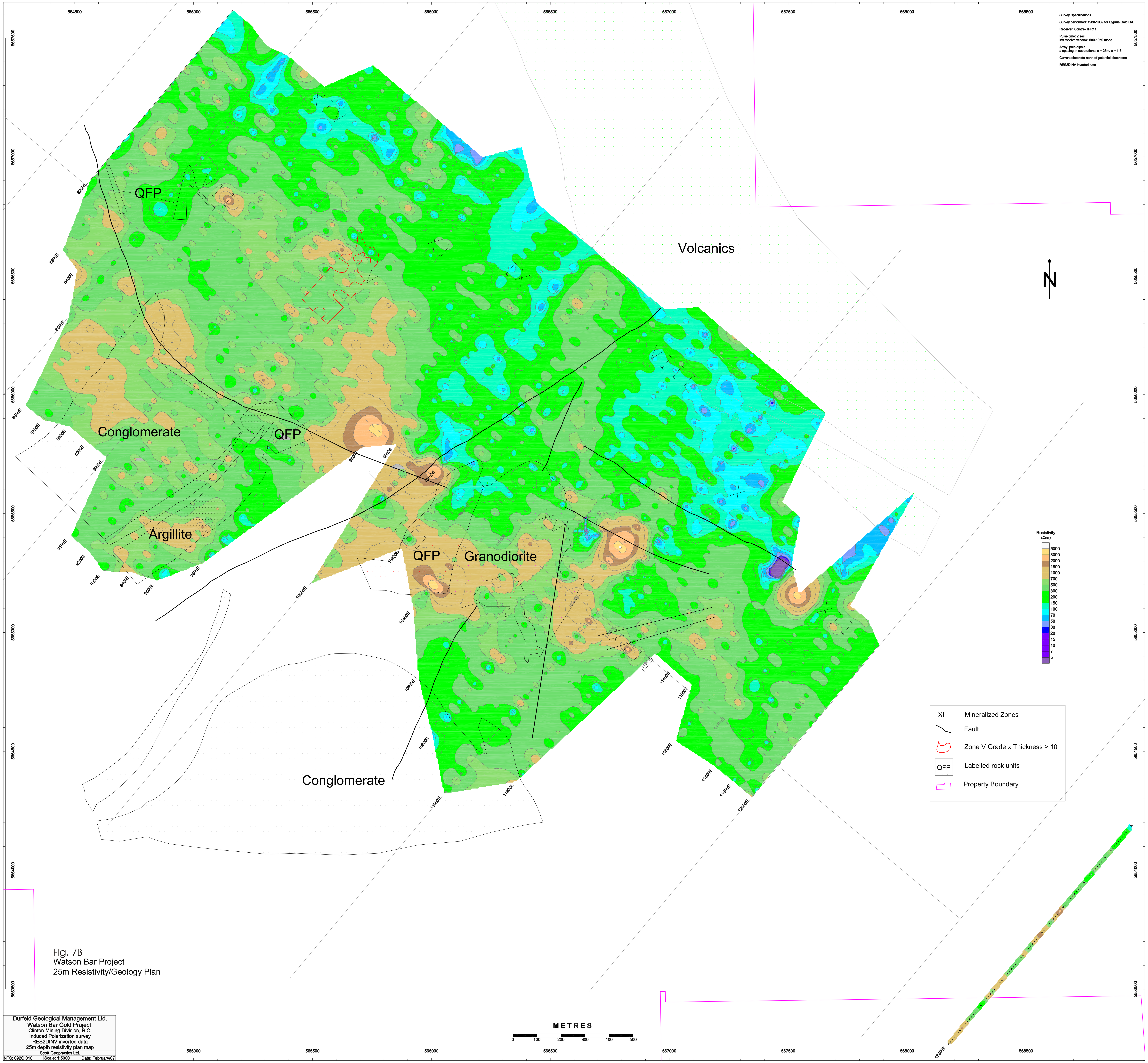


Fig. 7B
Watson Bar Project
25m Resistivity/Geology Plan

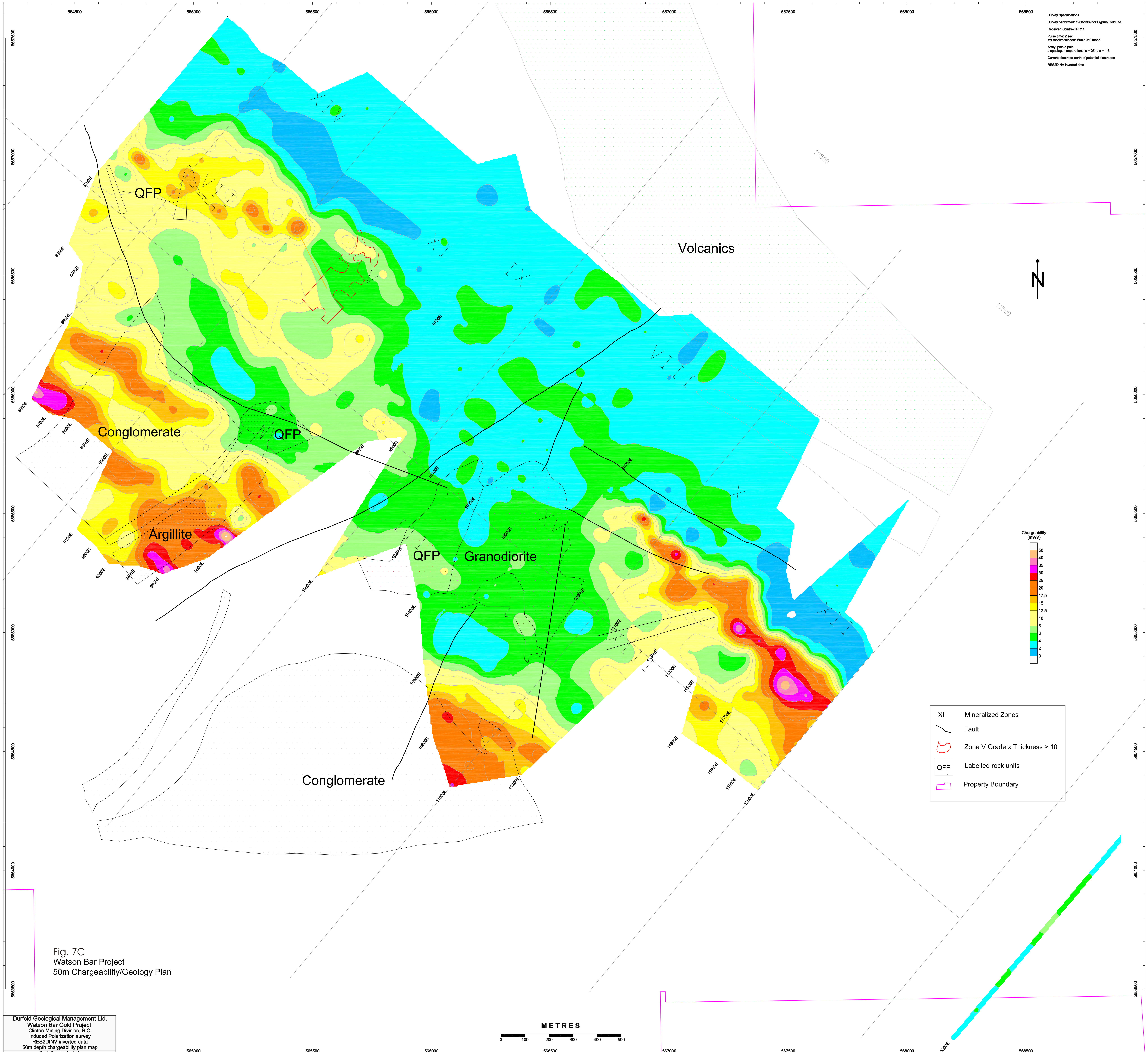


Fig. 7C
Watson Bar Project
50m Chargeability/Geology Plan

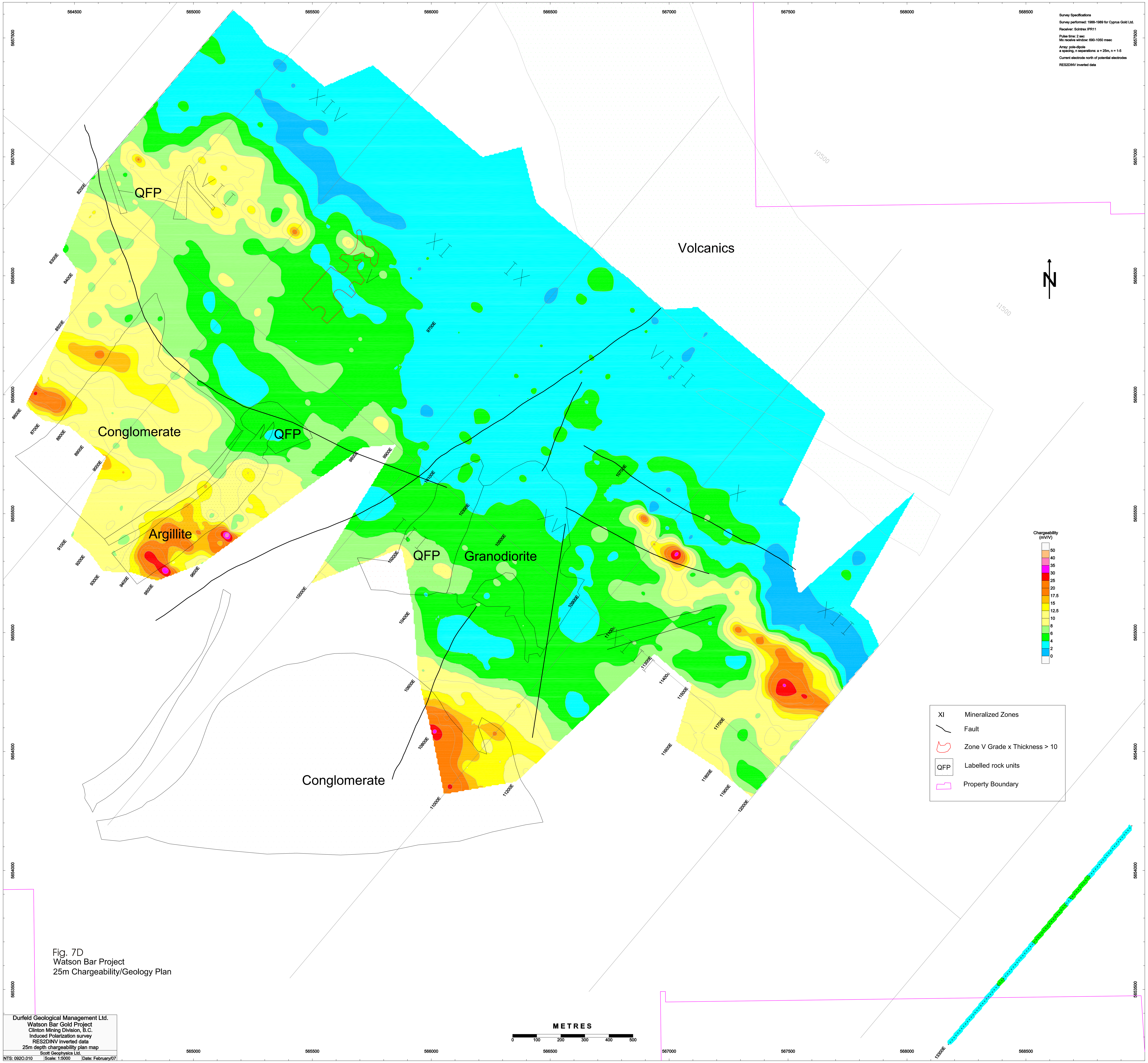


Fig. 7D
Watson Bar Project
25m Chargeability/Geology Plan