REPORT ON

THE 2007 EXPLORATION PROGRAM

ON THE TODD CREEK PROPERTY

SKEENA MINING DIVISION,

STEWART GOLD CAMP,

NORTHWESTERN BRITISH COLUMBIA

LATITUDE 56° 15' NORTH

LONGITUDE 129° 46' WEST

NTS 104 A/5, 104 A/4

BY

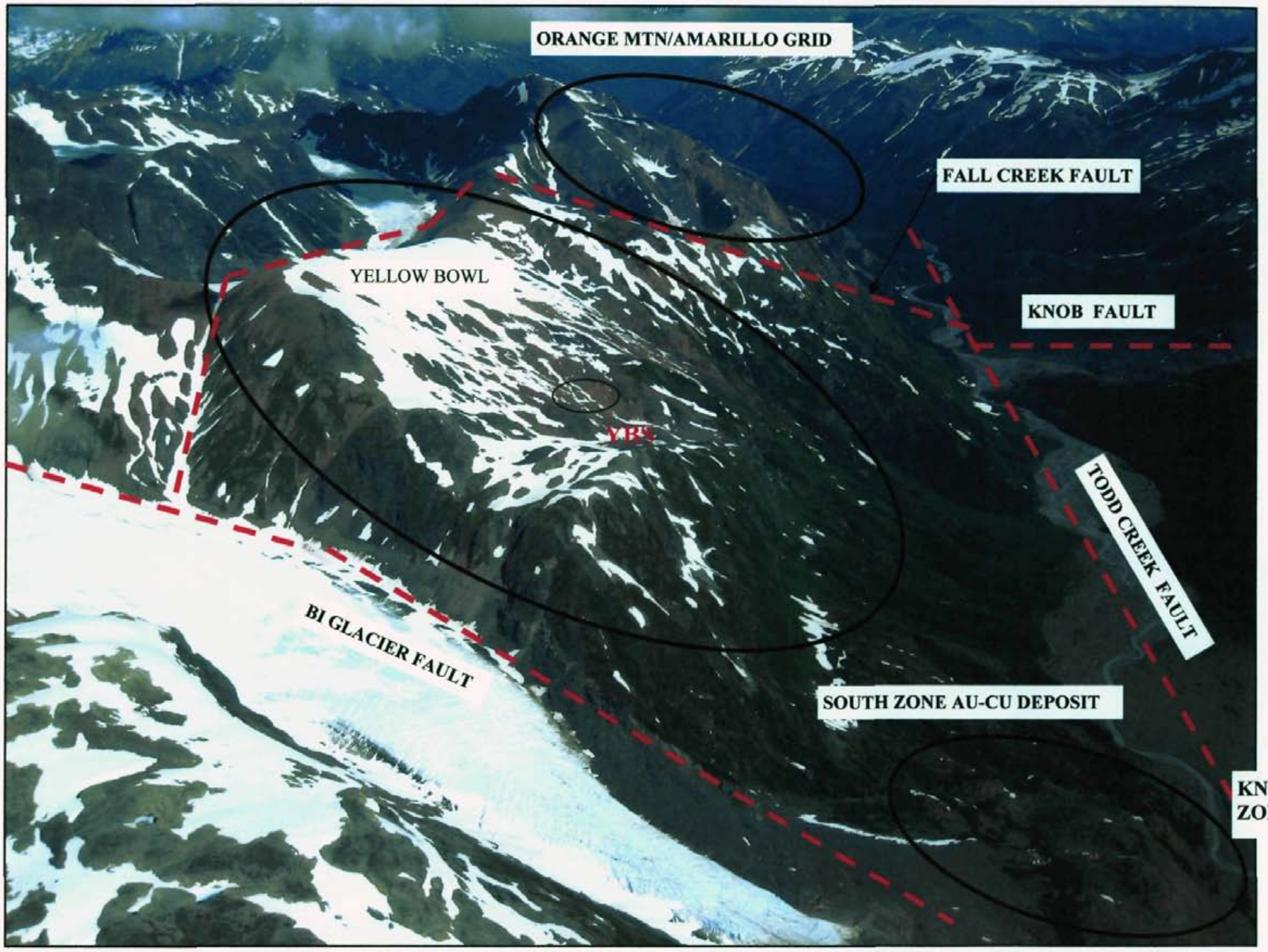
GEOFINE EXPLORATION CONSULTANTS LTD.

FOR

GOLDEYE EXPLORATIONS LIMITED

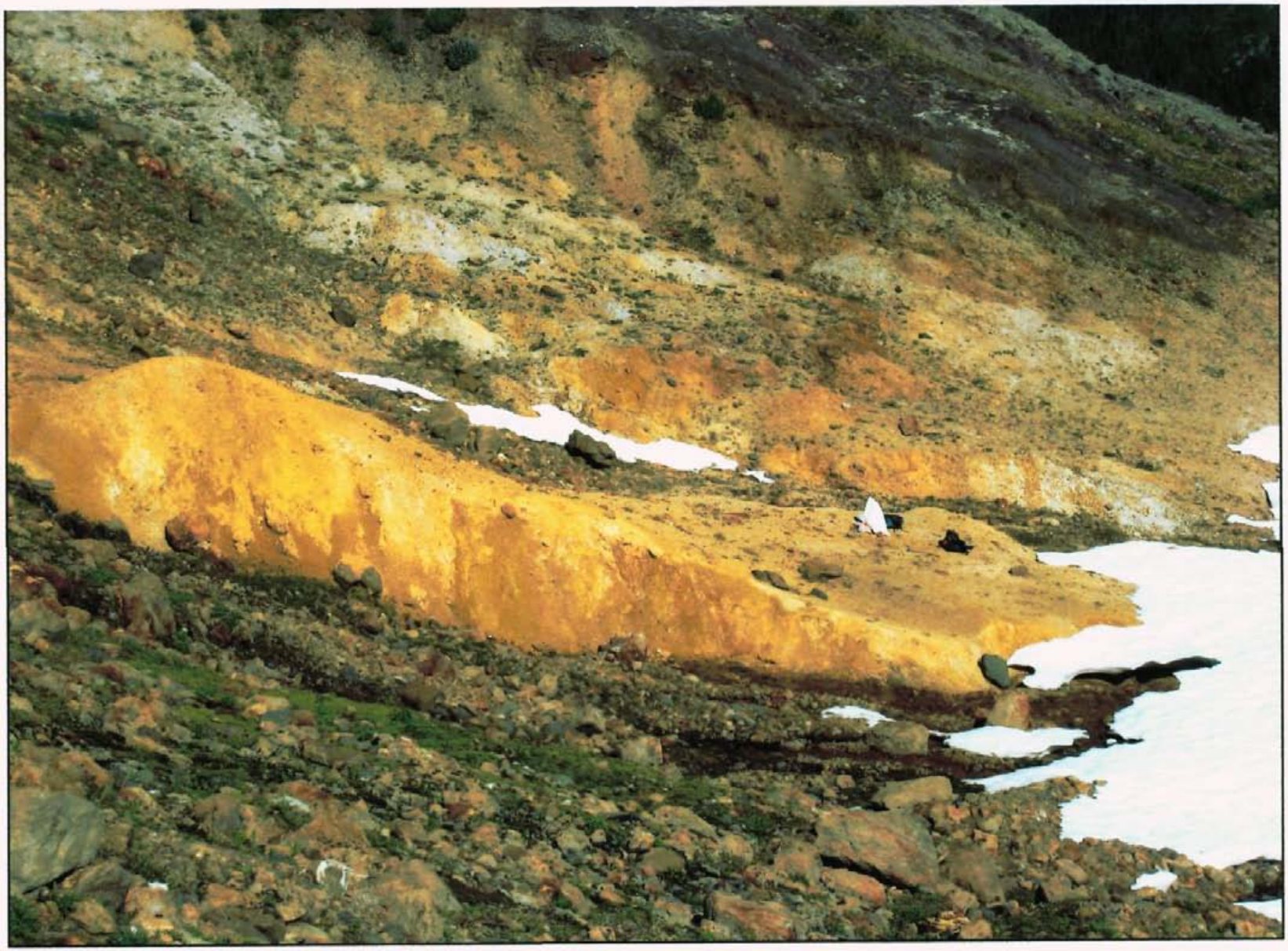
February 2008

FRONTSPIECE PHOTO 1
LOOKING NORTH AT YELLOW BOWL AND ORANGE MOUNTAIN TARGET AREAS



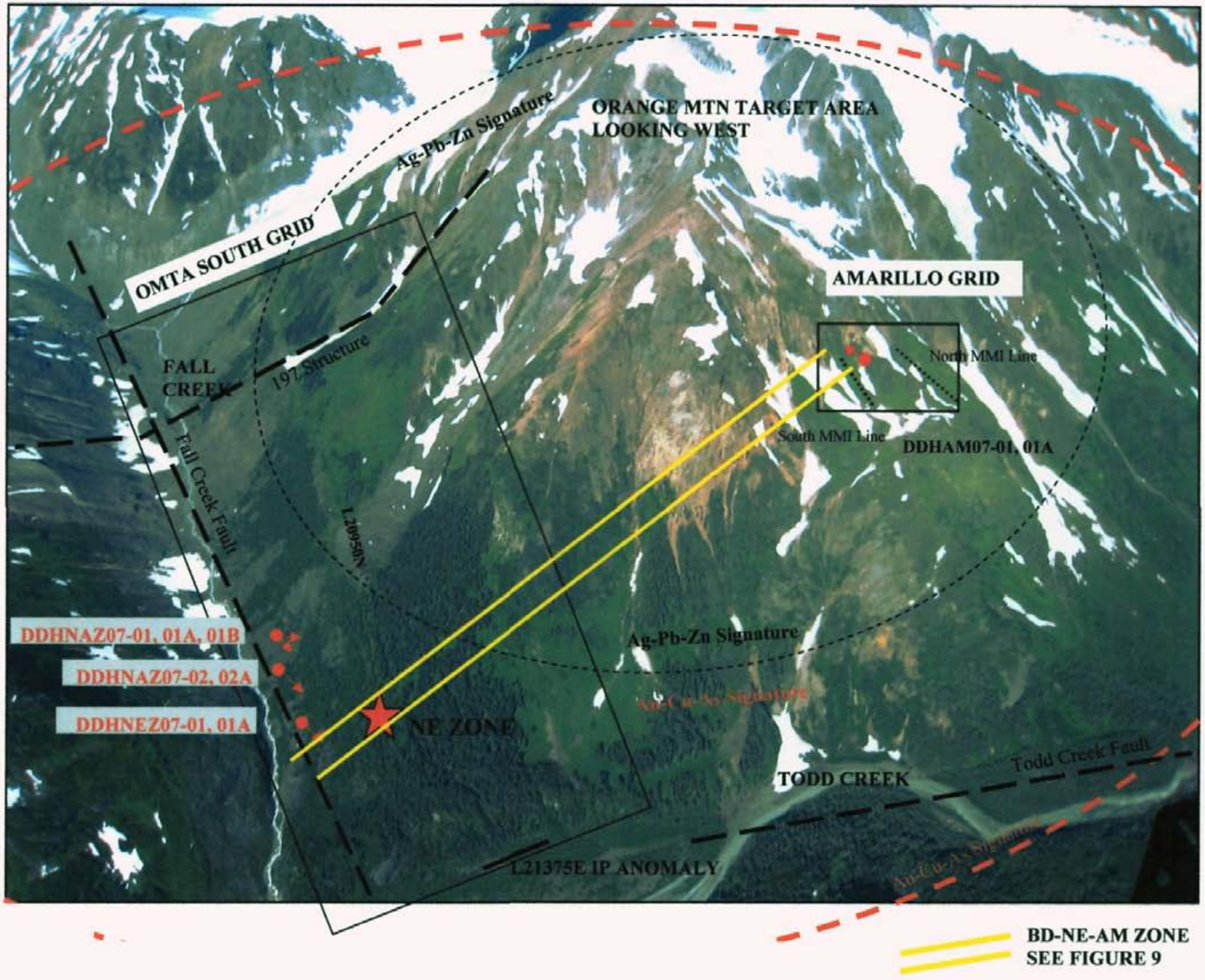
FRONTSPIECE PHOTO 1A
YELLOW BOWL YBS GOSSAN ZONE WITH SEMI MASSIVE SULPHIDE VEINS OVER WIDE AREAS, QUARTZ-SERICITE-PY +/- CPY ALTERATION

FRONTSPIECE PHOTO 1B
LOOKING NW AT ARGILLIC ALTERATION, YELLOW BOWL YBS ZONE



FRONTSPIECE PHOTO 2:
KNOB GOSSAN ZONE: SULFIDE MATRIX BRECCIA "MILL ROCK"
C/W FELDSPAR PORPHYRY (ELEV ~ 1050m), 340 m below AMARILLO GRID;
370m BELOW YBS SHOWING, YELLOW BOWL.

FRONTSPIECE PHOTO 3
LOOKING WEST AT SOUTH & AMARILLO GRIDS, OMTA



SUMMARY:

2007 TODD CREEK EXPLORATION PROGRAM:

The Todd Creek Property is located in the historic Stewart Gold Camp and straddles the Todd Creek Valley, approximately 35 km northeast of Stewart, Northwestern British Columbia. The Property comprises about 12200 hectares in 30 mineral tenures, which are registered in the name of Geofine Exploration Consultants Ltd. ("Geofine") on behalf of Geofund, a private investment group.

Goldeye Explorations Limited ("GGY") holds the property under option from Geofine and can earn a 100% interest by fulfilling escalating option payments and work conditions. The GGY interest is subject to a Geofund 2.5% NSR. Under the terms of an agreement signed with GGY in November 2006, Polar Star Mining Corporation has the right to earn a 60% interest in the Todd Creek Property.

The 2007 field program was carried out mainly from May 27 to October 4, 2007 and was supervised by David Molloy, P. Geo. (APGO, BCAPEG) and David Kennedy P. Geo. (BCAPEG). Project expenditures including initiation and overhead total about $1.766 M and are shown by exploration category in Table E1. The work was carried out under BC work permit number MX-1-153 and included the interpretation of the historic Geonex Aerodat 1994 airborne survey and a general compilation of geophysical data and mineral showings (JVX, 2007); snow cat plowing and construction of the exploration camp; grid installation and restoration (~22 km of geophysical grid, base, tie, drill lines and access lines); heli airphotos and structural interpretations; GPS surveying of historic drill collars; geological and geochemical surveys (389 MMI-M samples; 130 rock samples; 9 soil and stream samples) geophysical surveys (~18 km of mag, VLF and Spectral IP; and, about 3600 m of borehole IP (JVX, 2007); drill hole spotting, topographic and GPS surveys; diamond drilling (2818.02 m in 12 holes, Tables D1, DR 1, DR 1A); core logging and sampling (1755 samples); thin section studies; and, reclamation.

As summarized below, the results of the 2007 exploration program on the Todd Creek Property are regarded as positive and are interpreted to have laid the foundation for the 2008 follow-up program proposed by Geofine that emphasizes drilling for a substantial discovery.

revised Mar 7 2008 *GFX*

TABLE E1

TODD CREEK 2007 EXPENDITURES, NW BRITISH COLUMBIA
JAN 1, 2007 - NOVEMBER 5, 2007

EXPENDITURE CODE:					EXPENDITURES	TOTALS	GST
103: FIELD SUPPLIES:							$ 1,227.28
	reporting				$ 670.50		
	core logging/splitting/bags				$ 2,165.56		
	drill pad /pickets				$ 1,933.27		
	field equip				7348.35		
	core saw blades (Pothier @ $400/blade)				4091.17		
	field office/report supplies				2986.00		
						19194.85	
107: FEES:							
	field rates $477-$535/DAY		Days	Day rate			
	(375 man days)						
Jan 1-May 30	Geofine Explo. (P.Geo)	data comp, formulate, init prog, grid,	47.5	556.5	26433.75		
Jan 1-May 30	J Calder Res. (Geo)	layout, ddh spotting, snowcat prog	25.5	503.5	12839.25		
Jun 1-Oct 31	Geofine Explo. (P.Geo)		72	556.5	40068.00		
Jun 1-Oct 31	J Calder Res. (Geo)		72	503.5	37762.50		
Jun 10-Aug 30	Ailsa Explor. (P.Geo)			477	10125.00		
Jun 10-Aug 30	Ailsa Explor. (P.Geo)			477	14787.00		
Aug 15	Ailsa Explor. (P.Geo)			477	899.12		
Jun 10-Aug 30	Ailsa Explor. (P.Geo)			477	5424.74		
Jun-07	Lisa Thomas (Sampler)		8	250	2060.00		
Jun 2007	Trillium Springs (Geo)			477	8143.94		
July 1-Aug 15	Trillium Springs (Geo)			477	17901.60		
	work comp				4003.12		
						180448.02	9804.19
106: COMMUNICATION:							263.46
May18-Sept 30	rent sat phone, radio phones				1041.05		
	phone/internet field				1615.85		
						2656.90	
109: SUBSISTANCE, ACCOMODATION:							534.73
	crew meals/food/groceries/camp (Ave 15 men, 2.5 mo @ $30-$35/day)				34211.16		
	crew & pad builders accomodation in Stewart						
	(apt rental @ $750/mo & $675/mo)				1745.00		
	emerg field food				34.16		
						35990.32	
110:MOB-DEMOB:							49.59
	within BC				878.47		
	travel to BC						
						878.47	
115:VEHICLE RENTAL, ALLOWANCE:							735.45
	veh rental/prop travel from Stewart				12914.77		
	2 vehicles @ $3000/mo for 2.5 months incl gas/insur/repairs					12914.77	
	& km charges						
116: AIRLINES:							201.95
	within BC				2629.88		
	travel to BC				925.36		
	travel re project research				0.00		
						3555.24	

EXPENDITURE CODE:			EXPENDITURES	TOTALS	GST
117: AIRCRAFT CHARTER:					26055.47
May 29-Aug 31	**Helicopter support for drill program incl pad building/**		435208.65		
	MMI-M sampling, geophysical surveys: Prism Heli minimum				
	contract 3-3.5 hr/day for 3 months				
	approx $1200/hr				
	VIH 212 Heli support for Drill Moves				
				435208.65	
118: LINECUTTING, GRID RESTORATION:			45880.23		3443.37
Jun 12-July 10	Ranex Lincutting, Smithers	Invoice 07-026			
	2 cutters, 2 swampers incl 11 crew days @ $1557 IP crew & support				
				45880.23	
120: GEOPHYSICAL SURVEYS:					
July 7-15	JVX re DHIP		14151.00		
June-July	JVX re IP/Mag/VLF		50095.70		
October 22	JVX re IP/Mag/VLF compilation		1166.00		
	JVX report/maps		7736.49		
	JVX re IP/Mag/VLF compilation		14906.25		
	JVX maps, interp		4982.00		
	JVX re IP/Mag/VLF report		6454.26		
			99491.70	99491.70	4557.61
121 GEOCHEMICAL SURVEYS:					
122: CAMP, PAD BUILDING:		Rugged Edge Holdings			
May 18-Aug 30		snowcat plowing, camp installation/maintenance/			
		core splitting/pad building/cook with			
		level 3 first aid/rental of stoves/tents,			
		food exped./pad materials delivery			
		core saw rental			
		2.5 mo rent of 20 man camp			
				254805.56	14951.74
124: ENGINEERING REPORT:					
125: DIAMOND DRILLING:					
	deposit	2820 m in 12 holes Boyles 56	30000.00		
30-Jun	CYR DRILLING INV 428	Cyr Drilling, Winnipeg Manitoba	165416.36		
31-Jul	CYR DRILLING INV 441		189737.64		
15-Aug	CYR DRILLING INV 499		75780.65		
30-Sep	balance of 3rd party expenditures		7038.05		
				467972.70	26766.20
126: ASSAYS:Drill core/MMI-M					
	Standards		4161.00		
	Core Storage				
	ALS Chemex (aprox $37/sample)		75165.21		
	SGS re MMI-M samples ($40/sample)		22368.00		
	MMI-M consultant report				
				101694.21	5739.5
131: COURIER, SHIP SAMPLES TO LAB:			3757.56		171.38
	Bandstra, Chemex, SGS				
				3757.56	
135: COPIER:					138.68
	Field maps/permit prep		2510.24		
				2510.24	
140: FILING, ASSESSMENT, OTHER FEES:					1500.00
	FILING FEES:		9993.68		

EXPENDITURE CODE:						EXPENDITURES	TOTALS	GST
		CLAIM STAKING:				0.00		
		REPORT WRITING:				20000.00		
		Geofine Explor/J Calder Res.						
		(40 man days) QA/Data Verification,						
		drafting, sections, data processing, interp, write, compile						
		BOND:				NA		
OTHER: mkting, thin section preparation (PFT Thinsections)						18000.00		
							47993.68	
OVERHEAD:						51560.68		0.00
							51560.68	
	PROGRAM EXPEDITURE TOTAL:						$ 1,766,513.78	$ 96,140.60

TABLE D1

DIAMOND DRILL HOLE SUMMARY

15-Dec-07 gfx

2007 TODD CREEK DRILL PROGRAM: June 28-August 2/07

(Preliminary Data)

DRILL TARGET Date Drilled	HOLE NO. GPS Readings In UTM	RATIONALE	COLLAR LOC. ELEVATION (m) calc and tied into Noranda collar elevations where possible	AZIMUTH (°)	INCLINATION (°)	LENGTH (m)	LENGTH ft)	No of Samples & checks
SOUTH ZONE DEPOSIT								
June 28-July 1	DDHSZD07-01 451820 6231133 1038m	Follow-up DDHSZ04-04 intersect 3.09 g Au/t, 0.29% Cu over 10m incl 10.51 g Au/t 0.88% Cu over 2.22m	10055N, 9869E 1117 m	100	-75	48.13	159	24
July 1-July 5	DDHSZD07-01A 451820 6231133 1038m	SZD07-01 Abandoned - stuck rods. Redrill	10055N, 9869E 1117 m	100	-75	319.13	1047	159
				TOTAL DRILLING SOUTH ZONE:		**367.26**	**1206**	
MEXT ZONE								
July 6-12	DDHMZ07-01 451715 6231500 1086m	Follow-up of and 20m N of MZ08-02 OXIDE INTERSECT S of MEXT Fault	10410N, 9690E 1175 m	100	-50	465.43	1527	224
				TOTAL DRILLING MEXT ZONE:		**465.43**	**1527**	
OMTA South Grid Zone 207 (area of North A Zone)								
July 13-15	DDHNAZ07-01 451861 6236561 1038 m	JVX IP Anomaly E associated with North A Zone	208+11N, 205+79E 1035 m	88	-50	230.73	757	152

TABLE D1

DIAMOND DRILL HOLE SUMMARY

15-Dec-07 gfx

2007 TODD CREEK DRILL PROGRAM: June 28-August 2/07

(Preliminary Data)

DRILL TARGET Date Drilled	HOLE NO. GPS Readings in UTM	RATIONALE	COLLAR LOC. ELEVATION (m) calc and tied into Noranda collar elevations where possible	AZIMUTH (°)	INCLINATION (°)	LENGTH (m)	LENGTH (ft)	No of Samples & checks
July 15-16	DDHNAZ07-01A	Undercut of DDHNAZ07-01	208+11N, 205+79E	88	-60	209.4	687	130
	451861		1035 m					
	6236581							
	1038 m							
July 16-17	DDHNAZ07-01B	30 deg north fan out from	208+11N, 205+79E	60	-50	99.67	327	71
	451861	DDHNAZ07-01	1035 m					
	6236581							
	1038 m							
July 18-19	DDHNAZ07-02	JVX IP Anomaly G	207+28N, 206+82E	70	-50	162.46	533	108
	451975	associated with North A Zone						
	6236485							
	991 m							
July 19 -21	DDHNAZ07-02A	Undercut of DDHNAZ07-02	207+28N, 206+82E	70	-65	334.37	1097	184
	451975							
	6236485							
	991 m							
Zone 211 (area of North B, B1 Zones)								
July 23 -24	DDHNEZ07-01	JVX IP Anomaly H	207+71N, 209+43E	82	-50	167.5	549.5	82
	452222	associated with						
	6236549	B, B1 Zones						
	984 m							
July 24-25	DDHNEZ07-01A	Undercut of DDHNEZ07-01	207+71N, 209+43E	82	-60	136.55	448	80
	452222							
	6236549							
	984 m							
				TOTAL DRILLING OMTA South Grid:		1340.68	4398.5	

		TABLE D1						
		DIAMOND DRILL HOLE SUMMARY			15-Dec-07	gfx		
		2007 TODD CREEK DRILL PROGRAM: June 28-August 2/07						
		(Preliminary Data)						No of
			COLLAR LOC.					Samples
DRILL TARGET	HOLE NO.	RATIONALE	ELEVATION (m) calc	AZIMUTH (°)	INCLINATION (°)	LENGTH (m)	LENGTH ft)	& checks
Date Drilled	GPS Readings		and tied into Noranda					
	in UTM		collar elevations where					
			possible					
Amarillo Grid								
July 27- 31	DDHAM07-01	Favourable alteration and	4890N, 4850E	245	-45	392.58	1288	271
	451956	anomalous 2007 MMI						
	6238183	results from Areas 5 & 2.						
	1393 m							
July 31-Aug 2	DDHAM07-01A	Undercut of DDHNEZ07-01	4890N, 4850E	245	-60	252.07	827	152
	451956							
	6238183							
	1393 m							
				TOTAL DRILLING AMARILLO Grid:		644.65	2116	
				TOTAL 2007 PROGRAM METERS:		2818.02	9246.5	1617

TABLE DR 1

TODD CREEK PROPERTY - 2007 DRILL PROGRAM — Jan 20 2008

SIGNIFICANT AU, CU ZONES

ZONE	DRILL HOLE NO.	FROM (m)	TO (m)	CORE LENGTH (m)	WEIGHTED AVERAGES Au value, Cu value	SAMPLE NUMBERS
SOUTH ZONE DEPOSIT						
	SZD07-01A	120.48	123.00	2.52	3.12 g Au/t	743781 - 743782
		253.06	253.85	0.79	0.30 g Au/t, 0.19% Cu	743871
MIDDLE EXTENSION - SOUTH ZONE DEPOSIT						
	MZ07-01	349.68	349.82	0.14	5.61 g Au/t, 1.135% Cu	
		387.88	397.00	9.12	2.07 g Au/t, 0.15% Cu	744059 - 744065
	incl	387.88	389.70	1.82	8.57 g Au/t, 0.55% Cu	744059 - 744060
	incl	388.57	389.70	1.13	12.25 g Au/t, 0.66% Cu	744060
OMTA - SOUTH GRID, A ZONE						
	NAZ07-01	116.50	128.87	12.37	1.63 g Au/t, 0.41% Cu	743615 - 744624, 626
	incl	116.50	122.09	5.59	3.15 g Au/t, 1.0% Cu	
	incl	120.10	122.09	1.99	8.29 g Au/t, 2.41% Cu	743618 - 743619
	incl	120.10	120.92	0.82	19.50 g Au/t, 5.83% Cu	743618
	NAZ07-01A	110.98	115.50	4.52	3.40 g Au/t	744208 - 744211
	incl	112.00	113.50	1.50	7.12 g Au/t	744209.00
		157.80	162.26	4.46	2.15 g Au/t	744244 - 744247
	incl	160.70	162.26	1.56	3.45 g Au/t	744247.00
	NAZ07-01B	77.10	82.61	5.51	632 ppb Au, 0.089% Cu	744336 -744340
	incl	81.70	82.61	0.91	2.92 g Au/t, 0.11% Cu	744340
	NAZ07-02	22.11	23.19	1.08	0.78 g Au/t	744366 - 744367
		91.00	94.30	3.30	1.06 g Au/t, 0.34% Cu	744406 - 744408
	incl	91.65	93.05	1.40	2.08 g Au/t, 0.74% Cu	744407 - 744408
		141.24	141.38	0.14	1.63 g Au/t, 1.55% Cu	744445
	NAZ07-02A	15.50	17.00	1.50	1.75 g Au/t	744470
		224.00	227.31	3.31	703 ppb Au	744167 - 744169
	incl	225.50	226.50	1.00	1.585 g Au/t	
		245.84	254.25	8.41	1.00 g Au/t	744186 - 744196
	incl	245.85	247.00	1.16	1.975 g Au/t	744186
		300.00	304.50	4.50	4.40 g Au/t	745527 - 744529
	incl	300.00	301.50	1.50	12.80 g Au/t	745527

ZONE	DRILL HOLE NO.	FROM (m)	TO (m)	CORE LENGTH (m)	WEIGHTED AVERAGES Au value, Cu value	SAMPLE NUMBERS
OMTA - SOUTH GRID, B ZONE cont.						
	NEZ07-01	26.08	27.70	1.62	1.48 g Au/t, 0.73% Cu	745563 - 745564
		54.42	57.00	2.58	2.94 g Au/t, 0.34% Cu	745576 - 745578
	incl	54.42	55.20	0.78	9.24 g Au/t, 1.1% Cu	745576
	NEZ07-01A	27.11	27.80	0.69	1.39 g Au/t, 0.15% Cu	745636
		51.91	52.92	1.01	7.32 g Au/t, 2.95% Cu	745641
		59.95	60.63	0.68	0.829 g Au/t, 0.36% Cu	745648
		66.33	67.39	1.06	0.824 g Au/t, 0.27% Cu	745654

TABLE DR 1A

TODD CREEK PROPERTY - 2007 DRILL PROGR — Jan 20 2008

SIGNIFICANT ANOMALOUS MES SIGNATURES - OMTA - AMARILLO GRID

ZONE

OMTA - AMARILLO GRID

DRILL HOLE NO.	FROM (m)	TO (m)	CORE LENGTH (m)	WEIGHTED AVERAGES MES signatures	SAMPLE NUMBERS
AM07-01	15.21	40.5	25.29	40 ppb Au, 3.01 g Ag/t, 253 ppm Cu, 174 ppm As, 147 ppm Pb, 16 ppm Sb, 36.72 ppm Cd, 773 ppm Zn , 4.45% Fe, 841 ppm Mn, 3.11% S	745691-745710
incl.	33.12	40.50	7.38	121 ppb Au, 7.7 g Ag/t, 647 ppm Cu, 127 ppm As, 371 ppm Pb, 20 ppm Sb, 36.72 ppm Cd, 1997 ppm Zn , 3.18% Fe, 310 ppm Mn, 2.94% S	745706 - 745710
	65.50	77.00	11.50	100 ppb Au, 0.58 g Ag/t, 805 ppm Cu, 185 ppm As, 56 ppm Pb, 19 ppm Sb, 1.78 ppm Cd, 261 ppm Zn , 4.35% Fe, 500 ppm Mn, 4.05% S	745729-745737
	157.27	302.00	144.73	11 ppb Au, 133 ppm Cu, 65 ppm As, 20 ppm Pb, 6.7 ppm Sb, 0.36 ppm Cd, 115 ppm Zn , 6.37% Fe, 1882 ppm Mn, 3.39% S	745796 - 745913
incl.	178.32	178.73	0.41	516 ppb Au, 1.2 g Ag/t, 2850 ppm Cu, 252 ppm As, 17 ppm Pb, 15 ppm Sb, 1.40 ppm Cd, 362 ppm Zn , 6.04% Fe, 1835 ppm Mn, 2.61% S	745816
AM07-01A	18.00	51.00	33.00	13 ppb Au, 3.63 g Ag/t, 131 ppm Cu, 244 ppm As, 122 ppm Pb, 17 ppm Sb, 12 ppm Cd, 535 ppm Zn , 3.78% Fe, 451 ppm Mn, 2.77% S	745956-745981
incl.	42.00	51.00	9.00	10 ppb Au, 2.99 g Ag/t, 130 ppm Cu, 198 ppm As, 227 ppm Pb, 17 ppm Sb, 16 ppm Cd, 971 ppm Zn 3.17% Fe, 96 ppm Mn, 3.34% S	745974 - 745981
	79.05	88.18	9.13	21 ppb Au, 0.883 g Ag/t, 226 ppm Cu, 58 ppm As, 112 ppm Pb, 11 ppm Sb, 5.69 ppm Cd, 658 ppm Zn 3.61% Fe, 1214 ppm Mn, 2.29% S	901503 - 901510

A) SIGNIFICANT 2007 EXPLORATION RESULTS:

i) The intersection of significant Au-Cu and Au values in a number of the drill holes e.g., 8.57 g Au/t and 0.55% Cu over a 1.82 m core length in the MEXT Zone hole DDHMZ07-01 (Table DR1); 8.29 g Au/t and 2.41% Cu over a 1.99 m core length in the A Zone hole DDHNAZ07-01 on the South Grid, Orange Mountain Target Area (OMTA); and, 7.32 g Au/t and 2.95% Cu over 1.01 m core length in the B Zone hole DDHNEZ07-01A, also on the South Grid.

ii) The discovery of new, major targets (Yellow Bowl, Knob, Orange Mountain) that include potential for Cu-Au porphyry and VMS mineralization and that remain mainly untested with diamond drilling. The immense Yellow Bowl and Orange Mountain alteration zones are postulated to be underlain by intrusions. As a very general yardstick of where the heart of these systems may be and where drill holes should be targeted, the intrusive feldspar porphyry at the Knob Zone is located 340 m below the Amarillo Grid, OMTA; and, 370 m below the Yellow Bowl YBS Zone.

a) The new Yellow Bowl YBS Zone, with up to 0.339 g Au/t and 0.87% Cu over 3 m in initial samples from the extensive gossan zone. The favorable alteration (jarosite/alunite- limonite, argillic, quartz-sericite-py +/- cpy, carbonate-sericite-quartz py +/- cpy, and chlorite-epidote-carbonate- py +/- cpy) has never been explored or drill tested and is deemed to have potential for hosting a major Au-Cu porphyry deposit. The target has become particularly relevant in view of the substantial Au-Cu porphyry mineralization currently being discovered in such environments northwest of the Todd Creek Property in the Stewart Gold Camp.

b) The interpretation of EM anomalies from the 1994 Geonex Aerodat airborne survey at the Knob Zone and north of the Knob Zone (Southern, Northern Conductors). The Knob Zone with its sulfidized, felsic breccias, intrusive porphyry and favorable geochemical signature is interpreted to be proximal to a felsic centre and to have potential for VMS mineralization. The high priority targets have never been tested with diamond drilling.

c) The recognition and confirmation by thin section studies that felsic stratigraphy is associated with a number of the important exploration targets (Knob, A, North East Zones) and that the property has the potential for hosting volcanogenic massive sulfide mineralization. The multiphase breccia veins on the South Grid, OMTA, which often have a semi massive sulfide component, may be the near surface manifestation of such a VMS system. The orthogonal structural fabric along Fall Creek is postulated to reflect the plumbing of such a Knob-OMTA VMS system (KOVMS), which may include stacked exhalative horizons that trend north and extend into Orange Mountain.

d) The recognition of metal zoning that includes two principal multi element signatures (MES) in MMI-M soil, rock and core samples: i) Au-Cu-As- +/- rare earths; ii) Ag-Cd-

Pb-Zn +/- rare earths; and, 2 principal auriferous types of mineralization:

1. sulfide type, including semi massive sulfides: a) auriferous pyrite; b) Au+Cu in cpy +/- py e.g., South Zone Au-Cu deposit; South Grid, OMTA showings.
2. oxide or spec type: auriferous specular hematite and hematite e.g., MEXT Zone mineralization intersected in MEXT Zone holes DDHMZ06-02, DDHMZ07-01.

Transitional zoning in the MES is apparent along the KOVMS plumbing system referenced above on the South Grid, from the mainly Au-Cu-As signature in the mineralized structures near Fall Creek transitional to the mainly Ag-Pb-Zn signature on Orange Mountain. The distribution of the MES and auriferous mineralization types suggests that the South, Yellow Bowl, Knob Zones and the southern area of the South Grid, OMTA offer favorable Au-Cu environments, while the core of the Orange Mountain Target Area including the Amarillo Grid and the northern area of the South Grid are amenable to Ag-Pb-Zn mineralization. Most importantly, the Au-Cu potential is now interpreted to extend from the southwest area of the South Grid, OMTA to the east and northeast to the generally unexplored, extensive east flank of the OMTA e.g. the area of the IP anomaly on L21375 E (see Section e3 below).

e) Newly discovered and newly expanded components of the possible KOVMS plumbing system offer important Au-polymetallic targets:

1) The NAZ02A Zone e.g., the lower pyritized zone in the A Zone hole DDHNAZ07- 02A on the South Grid, OMTA that returned 4.4 g Au/t over a 4.5 m core length, including 12.80 g Au/t over 1.5 m; this is the first drill test of the previously unknown, deep zone. The NAZ02A Zone appears to be a parallel zone on the east side of the A Zone, which was delineated over a 550 m strike length by the 2007 IP and geochemical surveys. The zones remain open to the north and south.

2) The 197 IP anomaly delineated over a strike length of ~750 m in the western area of the South Grid, OMTA is interpreted to represent the northern extension of the important Ice Zone Fault, located on the west side of the Yellow Bowl Zone, where a 1990 Noranda hole NTC90-55 returned strongly anomalous Au and As values over the first 103 m, including 10.3 g Au/t over 1.5 m. Geological surveys and MMI-M soil sampling indicate the 197 Zone has potential for both Au-Cu and Ag-Pb-Zn mineralization. For example, historic float material (sample 598689, Map 5B) collected from a gossan zone on BL20000E at 21000N returned 2160 ppm Zn, 618 ppm Cd and 8.2 g Ag/t. The 2007 follow-up surveys located sulfidized, silicified, malachite stained crystal tuff breccia with quartz-carbonate-sulfide-fuchsite fracture fillings that returned up to 1.84 g Au/t, 8.2 g Ag/t, 0.93% Cu, 0.05% Pb and 5.02% Zn in a 1 m x 2 m composite outcrop sample 901626. The target is furthered evidenced by the results from other reconnaissance rock samples with anomalous Au, Cu (up to 0.47%), Pb and Zn (up to 0.29%) values.

The mineralization is directly associated with or proximal to the 197 IP anomaly. The 197 Zone target has never been evaluated by diamond drilling.

3) The IP anomaly located on the 2007 reconnaissance line L21375 E i.e., on the southeastern area of the South Grid, OMTA; the anomaly requires further delineation with geophysics but is considered important in view of its association with the Au-Cu signature flanking Orange Mountain.

4) The detailed delineation by the geochemical and geophysical surveys of the BD-Northeast Zone over a strike length of ~350 m; the zone remains open to the south and the north at the Northeast Zone, where the strong IP anomaly has an associated 185 m wide multi element MMI-M anomaly. The Northeast Zone has never been tested by diamond drilling.

f) The evidence of the huge mineralizing system on Orange Mountain, with DDHAM07-01 intersecting 13 pulses of sulfide mineralization, interpreted as a pyritic halo to a possible VMS and/or Au-Cu porphyry deposit at depth. The mineralized zones referenced in Section e) above extend into Orange Mountain with the MES transitional from Au-Cu in the Fall Creek area to strongly Ag-Pb-Zn-Cd on the Amarillo Grid, OMTA. Favorable multi element signatures (Au, Ag, Pb, Zn, Cd, As, Sb, Mn, Fe, S) occur over wide sections of the core, which includes some specific indications of proximity to the target and of metal zoning within the system e.g., 0.294 g Au/t, 11.5 ppm Ag, 1652 ppm Cu, 512 ppm Pb, 2538 ppm Zn (33.12 m -35.92 m); and, 0.243 g Au/t, 1.1 ppm Ag, 4670 ppm Cu, 34 ppm Pb, 872 ppm Zn (74-75.5 m). No geophysical surveys and only 2 drill holes (DDHAM07-01 and undercut DDHAM07-01A) have ever been drilled in the large target area.

iii) The apparent extensions of the South Zone Au-Cu deposit (207,000 tonnes grading 5.48 g Au/t, Hemlo Gold Mines Inc., 1988 Annual Report, along with significant Cu credits) and its northern extension, the MEXT Zone via bore hole IP surveying, indicate the deposit remains open at depth. The interpretation of the oxide target on the MEXT Zone by magnetic modeling i.e., a ~400 x 200 m cylinder shaped body that remains open to the north and may reflect the separate auriferous oxide phase postulated to represent the northern extension of the South Zone Au-Cu deposit. Drill intercepts at vertical depths of up to 305 m on the south fringe and east fringe of the interpreted body suggest it could be associated with a significant Au-Cu deposit. The extent of the magnetic body needs to be defined and its core evaluated with diamond drilling.

DDHMZ07-01: 2.07 g Au/t, 0.15% Cu over a 9.12 m core length
DDHMZ06-01A: 0.372 g Au/t, 0.11% Cu over a 13 m core length
DDHMZ06-01B: 0.591 g Au/t, 0.086% Cu over a 28.35 m core length
DDHMZ06-01C: 0.723 g Au/t, 0.23% Cu over an 8.9 m core length
DDHMZ06-01C: 0.913 g Au/t, 0.40% Cu over a 5.18 m core length
DDHMZ06-01D: 1.06 g Au/t, 0.09% Cu over a 13.59 m core length

B) EXPLORATION RATIONALE AND PROPOSED 2008 FOLLOW-UP EXPLORATION PROGRAM:

The exploration status of the Todd Creek Property is considered to have been enhanced in 2007 by the exploration results referenced above. The favorable geology is located in the Stewart Eastern Volcanic Belt, part of which is focused along the Todd Creek Valley. One or more large intrusions are thought to have driven the immense mineralizing systems that have generated a variety of deposits types. Based on the discovery of semi-massive sulfides and felsic stratigraphy at a variety of showings and new targets, this potential is now interpreted to include one or more VMS systems. The MEXT-NEXT Zone is considered to have potential for a large auriferous oxide deposit.

The potential for a substantial deposit (Au-Cu porphyry and/or VMS) is considered to exist at depth on the Yellow Bowl and Knob Zones and on Orange Mountain. These major targets cover about 10 square km but have only been tested by a total of 2 drill holes. As snow conditions allow, the YBS target on the Yellow Bowl Zone is interpreted to have potential for an almost immediate discovery of a sizeable Cu-Au porphyry deposit.

The target rationale and recommendations for a 2008 discovery exploration program are provided below:

i) South Zone Deposit (SZD):

In the follow-up of the 2004 South Zone hole DDHSZD04-04, undercut hole DDHSZD07-01A (Table DR 1) intersected the Zone A South Zone Deposit (SZD) mineralization ~75 m down dip of the 04-04 intersection (3.09 g Au/t and 0.29% Cu over a 10 m core length). However, the mineralization in 07-01A was weak (0.3 g Au/t and 0.19% Cu over a core length of 0.79 m). DDHSZD07-01 did intersect the Zone B SZD mineralization (3.12 g Au/t over a 2.52 m core length).

Borehole IP surveying of the holes apparently located the A Zone mineralization about 25 to 50 m south of DDHSZD07-01A. This would suggest the southerly plunge to the target as previously interpreted on vertical long sections. Detailed follow-up drilling is proposed with at least 2 drill holes totalling about 800 m in proximity to the postulated plunge axes. The rationale for the holes includes following the axes of shoot morphologies down plunge to stronger mineralization. As envisioned by the Fedikow (2006) exploration strategy, the large and intense epithermal multiphase breccia vein systems may be associated with a porphyry/oxide system at depth. As the roots of these systems are approached with deeper drilling, it is anticipated that the widths and grades of the mineralization will increase.

As a prerequisite for the 2008 drill holes, it is recommended that the 2007 magnetometer survey be expanded on the SZD and MEXT Grids to further delineate/interpret oxide or intrusive bodies that may be associated with the SZD.

ii) MEXT Zone (Middle Extension of SZD):

As a follow-up of the oxide zone intersected in 2006 MEXT hole DDHMZ06-02 (1.06 g Au/t and 0.09% Cu over a core length of 13.59 m), DDHMZ07-01 (Table DR 1) intersected the target at a vertical depth of 305 m and ~75 m down dip of the DDHMEXT06-02 intersection. Although the hole did return interesting values (2.07 g Au/t and 0.15% Cu over a 9.12 m core length including 12.25 g Au/t and 0.66% Cu over 1.13 m), the borehole IP survey indicated a stronger target is located about 25 m to the north of the drill hole.

Follow-up drilling is recommended, especially since the auriferous oxide component at the MEXT Zone has become a high priority in view of the target's apparent delineation by magnetic modeling. Detailed follow-up drilling into the core of the target is proposed, since the two initial southern most holes drilled to date (DDHMZ06-02, DDHMZ07-01) and the shallow eastern holes (DDHMZ06-01A-01D) do not appear to have intersected the interpreted magnetic body. Two follow-up holes totalling ~700 m are recommended, their locations to be finalized via the results of the geophysical surveys referenced in Section i) above.

iii) Yellow Bowl Zone:

The Yellow Bowl South Target Area (YBS; Frontspiece Photo 1) was located by helicopter reconnaissance surveys as snow waned on the upper levels of the Yellow Bowl Zone in July 2007. The follow-up of the favorable structural fabric and alteration (argillic to propylitic) in the small part of an extensive gossan zone was immediately indicative of a significant Au-Cu target associated with intensely sulfidized pyroclastic rocks and possible felsic flows, thought to be underlain by a large intrusive.

The initial 13 samples of sub crop and in situ mineralization averaged 293 ppb gold and 0.53% copper. Individual composite outcrop samples with malachite staining returned up 60 ppb Au and 1.96% Cu over 1 m; composite samples of the gossan zone hosted by pyritized and silicified volcanic breccia with some malachite staining returned up to 339 ppb Au and 0.87% Cu over 3 m. Individual angular mineral boulders returned up to 1.63 g Au/t and 0.58% Cu.

As revealed in air photos, the Yellow Bowl Zone is a much more extensive target then previously thought. Historic surveys in the central area had indicated an environment with considerable exploration potential based on alteration, sulfidization and felsic interbeds. The YBS gossan widens considerably to the west, above the cliff exposure that was sampled in 2007. Based on the initial results from a small part of the southern area of the zone and subject to snow conditions, a comprehensive follow-up exploration program, including 1500 m of diamond drilling, is proposed for 2008. The program would include additional geological and geochemical surveys to outline the extent of the favorable multi element signature and to prioritize drill set-ups. The drill program would comprise 3 or 4 deep holes to test the postulated Cu-Au porphyry system at depth. As a general yardstick to the target depth, the feldspar porphyry intrusive at the Knob Zone is located 370 m vertically below the YBS Zone.

iv) Knob Zone:

The favorable attributes of the Knob Zone include an extensive jarsite/alunite gossan with favorably altered (silicified, sericitized, intensely sulfidized) felsic volcanic breccias and flows located at a prominent structural junction (Todd Creek, Fall Creek, Knob Faults). The zone is proximal to the most significantly apparent targets located to date on the Todd Creek Property (the Yellow Bowl Zone and Orange Mountain Target Area) and is thought to be situated close to a felsic centre. The Knob is locally intruded by feldspar porphyry and has favorable magnetic and potassic signatures. The historic Noranda and Geofine geological and geochemical surveys have outlined favorable multi element signatures in the altered rocks, including Au (up to 970 ppb), Ag (up to 14.4 ppm), Cu (up to 3697 ppm) and As (up to 1860 ppm). A stream sediment sample taken in the vicinity of the EM anomalies referenced below returned 20 ppb Au, 17 ppm Ag, 401 ppm Cu, 60 ppm Pb, 1775 ppm Zn.

The airborne EM anomalies interpreted by JVX in 2007 from a 1994 Geonex Aerodat airborne survey add substantially to the exploration rationale and may be associated with a volcanogenic massive sulfide deposit. Drill testing is the obvious next step after the airborne EM anomalies have been precisely located on the Knob Zone by ground geophysics, including deep looking EM. At least three initial holes totalling about 900 m are proposed, the first of which would be collared in hanging wall rocks on the west side of Todd Creek in propylitically altered crystal tuff breccias near the Jeremy Showing. The holes would be drilled east across the Todd Creek Fault into the EM anomalies on the Knob Zone. As referenced in Section v) below, the geophysical survey should be expanded to cover the South Grid and the area south of Fall Creek, where other VMS horizons may occur

v) South Grid, Fall Creek Area, Orange Mountain Target Area (OMTA):

Much of the 2007 exploration program was focused on the South Grid, Orange Mountain Target Area. The grid area is located on the south flank of Orange Mountain and hosts numerous Au-Cu zones located in the vicinity of Fall Creek e.g., BD-NE, A, A02A; 203, 197/Ice Zone. The zones may be related to the interpreted centre of VMS Au-Cu mineralization at the Knob Zone. Moreover, their structural controls appear to define the plumbing system of the large hydrothermal system and explain the transitional zoning along the structures from the Au-Cu environment proximal to Fall Creek to the Ag-Pb-Zn signature towards and intensely developed on Orange Mountain (see Section vi). The IP survey has been very useful in delineating the plumbing system and the magnetic survey provides information on the stratigraphic controls of the mineralized zones. This model may also provide the rationale for the variety of the apparent target types including Au-Cu VMS associated with stacked exhalative horizons in hanging wall rocks west of the Knob Zone along the Fall Creek Valley; Ag-Pb-Zn VMS mineralization on Orange Mountain; Au-Cu porphyry at Yellow Bowl (see Section iii); and, near surface epithermal multiphase Au-Cu and Ag-Pb-Zn veins along the extensive plumbing systems.

As a result of this theory, a number of high priority targets immediately become apparent in the Fall Creek area. Seven areas of interest are located on the grid and they include:

a) East Area: Reconnaissance geophysical line L12375E located a priority IP anomaly with magnetic association. The target requires further definition via geophysical and geochemical surveys. Subject to positive results, follow-up evaluation with two drill holes totalling 200 m is recommended.

b) Area of the historic B, B1, Northeast Showings: Geological surveys located the new D and southern the extension of the D Showing, with semi massive sulfide components. Sub crop samples returned values ranging up to 5.89 g Au/t and 6.1% Cu; and, 1.275 g Au/t and 11.05% Cu. IP surveying outlined an anomaly associated with the showings over strike a length of 350 m that remains open to the north and south. The general target area, like that of the A Zone referenced below is associated with a broad magnetic low that strikes NW across the grid and is thought to possibly represent propylitically altered host rocks. MMI-M soil sampling located a 185 m wide multi-element soil anomaly on L209+50N that includes anomalous Au and Cu in the vicinity of the Northeast Showing. The mineralization may be associated with a felsic horizon in the footwall of the zone. Initial drilling of the B Zone returned up to 7.32 g Au/t and 2.95% Cu over a 1.01 core length in DDHNEZ07-01A (Table DR 1). Follow-up drilling (400 m) is required to evaluate the area of the Northeast Showing and along strike to the north and south. The area of the B1 and the B Zones in the vicinity of Fall Creek is also deemed to warrant follow-up drilling in the vicinity of the intersection of the mineralized structures and the Fall Creek Fault, where a 1994 composite sample returned 2.21 g Au/t and 2.28% Cu over 6.5 m (Geofine, 1994). The mineralization is thought to have southern plunge morphologies similar to those on the South Zone and careful drill targeting is required. The Fall Creek Fault may also offer an important drill target.

c) A Zone and new NAZ02A Zone: The historic A Zone was delineated by the Spectral IP survey over a strike length of about 550 m and tested by 5 holes from two set-ups about 100 m apart. The zone is located on the west edge of a broad magnetic low near a magnetic high interpreted to be associated with potassically altered crystal tuff breccias. The foot wall rock of the zone is thought to be composed of felsic stratigraphy of dacitic composition. Results from historic Noranda trenching ranged up to 3.8 g Au/t over 14.3 m and drill results ranged up to 3.47 g Au/t and 0.75% Cu over a 31.85 m core length including 14.47 g Au/t and 2.06% Cu over 5.95 m.

Results from the northern tier of 3 2007 holes (DDHNAZ07-01, -01A, -01B; Table DR 1) ranged up to 19.5 g Au/t and 5.53% Cu over a core length of 0.82 m. The southern tier of 2 holes (DDHNAZ07-02, -02A) returned up to 1.06 g/t Au and 0.34% Cu over a 3.3 m core length representing the down dip extension of the A Zone.

Hole DDHNAZ07-02A apparently intersected two new zones of interest at depth on the east side of the A Zone. The zones are associated with intensely pyritized and silicified crystal tuff breccias and

returned Au values of 1 g Au/t over a 8.41 m core length at a vertical depth of about 205 m; and 4.4 g Au/t over a core length of 4.5 m, including 12.8 g Au/t over 1.5 m at a vertical depth of 274 m. More importantly, anomalous Au values are associated with most of the core that was sampled and the hole ended in anomalous Au values. In view of the coalescence and strengthening of the IP anomalies at depth in the vicinity of Fall Creek, the deep hole is considered significant in further delineating the auriferous environment. Deep follow up drilling comprising about 800 m is recommended to evaluate the new zones north and south of Fall Creek; and, to test the junction of the Fall Creek and A Zone Structures. The Fall Creek Fault appears to be the focus of the Au-Cu signature and has yet to be evaluated by diamond drilling or deep geophysical surveys.

d) The 197 IP anomaly: The anomaly is located on the west end of the South Grid and is interpreted as the northern extension of the Ice Creek Fault. It is associated with favorably altered and mineralized crystal tuff volcanic breccias and the northwest area of the anomaly has a strong Ag-Cd- Pb-Zn MMI-M soil signature. The new target has never been drill tested and about 400 m of diamond drilling is proposed to initially evaluate priority areas of the IP response. The area of the anomaly associated with the strongest Au-Cu soil signature in the vicinity of Fall Creek is of particular interest.

As a prerequisite to the drill testing referenced above, it is recommended the EM/IP survey proposed for the Knob Zone be carried out on a restored South Grid, OMTA and its expansion to the south across Fall Creek. Detailed mapping would be used to locate felsic stratigraphy and felsic horizons. Any deep EM anomalies located in this environment would be deemed to be very high priority drill targets

vi) Amarillo Grid Area, Orange Mountain Target Area (OMTA):

Orange Mountain is located about 2 km north of Fall Creek and is characterized by a 1.5 by 2 km, prominent gossan zone with jarosite/alunite, limonite and manganese and numerous, steeply dipping barite veins and local areas of baritized rock. The host rocks comprise strongly silicified, pyritized and locally sericitized crystal tuff breccia in an apparent high-level epithermal environment.

In 1997 Geofine located the strongest Ag-Pb-Zn-Cd soil geochemical anomaly on the Amarillo Grid that it had ever encountered in its exploration efforts in the Stewart Gold Camp (Geofine, 1997). The results from a 2006 northern orientation MMI-M soil line and a 2007 southern MMI-M line confirmed the strong multi element soil signature (MES) that includes Au, Ag, As, Zn, Cd, Cu, REE, Mo, Pb. The MMI-M results also indicated the MES extends onto the cliffs above the grid.

The 2007 Amarillo Grid holes DDHAM07-01 and undercut hole DDHAM07-01A, the first ever drill test on Orange Mountain, evaluated the apparent source areas of the strong MMI-M and conventional soil geochemistry and associated favorable alteration. The holes intersected numerous pulses of generally strong and locally intense, mainly pyrite mineralization that entails the strongest sulfidization encountered on the Todd Creek Property to date. For example, DDHAM07-01 encountered 13 pulses of sulfides that comprise approximately 55% of the core. The pyrite occurs as

disseminations in silicified crystal tuff breccia, as fracture fillings including semi-massive pyrite and as sulfide matrix breccia, in which fragments are often partially or completely replaced by pyrite. Subject to confirmation by thin section studies, segments of the mineralization may be associated with exhalite horizons surrounded by classic ankeritic halos.

Although no economic values were intersected, the holes were collared into multi element signatures in what is interpreted to be a pyritic halo. The signatures are thus considered to be indicative of more significant concentrations of mineralization down dip/plunge or along strike (Table DR 1A). For example, DDHAM07-01 returned 0.040 g Au/t, 3 g Ag/t, 175 ppm As, 15 ppm Cd, 254 ppm Cu, 147 ppm Pb , 16 ppm Sb, 772 ppm Zn, 842 ppm Mn, 4.6 % Fe and 3.11% S over a core length of 25.29 m (15.21-40.50 m) incl. 0.121 g Au/t, 7.7 g Ag/t, 647 ppm Cu, 127 ppm As, 37 ppm Cd, 371 ppm Pb, 20 ppm Sb, 1997 ppm Zn, 310 ppm Mn, 3.18% Fe and 2.94 % S over a 7.38 m core length (33.12-40.50 m). The mineralization does show some apparent zoning with some Au-Cu-As-Sb enriched sections in the hanging wall rocks e.g., 65.5-77 m that returned 0.099 g Au/t, 185 ppm As, 805 ppm Cu and 19 ppm Pb; As-Cu-Sb enriched sections e.g., 157.27-162 m that contained 442 ppm As, 1078 ppm Cu and 28 ppm Sb; and a consistent Mn, Fe and S anomaly in the lower area of the hole e.g., 157.27- 302 m that returned 1883 ppm Mn, 6.37% Fe and 3.38% S over 144.73 m.

The As, Cd and Sb anomalies are of particular significance, since they are often associated with the target mineralization on the Todd Creek Property. Some direction for follow-up drilling is provided by the results from the MMI-M samples and rock samples from the southern MMI-M sample line on the Amarillo Grid. The highest MMI-M gold values to date (up to 5.6 ppb) on the grid were returned from soil samples collected at the top of the southern MMI-M Line, near the alteration exposed in the cliffs. Some important evidence of proximity to this target was also provided by the results from composite samples of sulfide matrix breccia collected from a mineralized outcrop near the top of the sample line. Three of the samples averaged 230 ppb Au, 26 ppm Ag, 0.29% Cu, 0.09% Pb and 0.46% Zn.

It is concluded that the Amarillo Grid of the OMTA has potential for hosting a substantial VMS deposit. Approximately 1500 m of drilling is required to test the signatures in DDHAM07-01, -01A at a deeper depth and to test the MMI-M anomalies and mineralization located on the southern MMI-M line. Thin sections studies will be used to help establish the location of the 2007 drill intercepts in the system. It is postulated that a number of such mineralized zones occur on and in the vicinity of the Amarillo Grid and that if the follow-up drilling is successful, a series of set ups at various elevations and along strike locations will be required to adequately test the target.

vii) Southern EM Anomaly:

The southern EM anomaly was interpreted from the Geonex Aerodat 1994 Airborne survey. It is of interest since it is located in proximity to the structural junction of the Knob, Fall Creek, and Todd Creek Faults and has apparent attributes including a nearby limonite-jarosite/alunite gossan zone and silicified/sulfidized host rocks. The target is of special interest in view of the interpretation of the Knob Zone as a felsic volcanic centre with associated EM anomalies.

Attempts at detailed follow-up in 2007 were frustrated by vegetation cover and the lack of a nearby heli landing site. Reconnaissance geological and geochemical surveys carried out from below the target indicated a strong Pb-Zn signature, along with anomalous Cd, Sb and some Ag in soil and stream sediment samples. The signature is similar to that on the OMTA described in Section vi) above and may be associated with the postulated VMS system at the centered at the Knob Zone. The installation of a small grid is required to facilitate the 2008 surveys and if successful, drill testing with two 100 m drill holes will be proposed.

C) PROPOSED 2008 BUDGET, DISCOVERY DRILL PROGRAM: TODD CREEK PROJECT:

It is concluded that the Todd Creek Property now offers a unique and almost immediate opportunity for the discovery of a significant ore body. A number of high priority targets in environments with potential for Au-Cu and Ag-Pb-Zn VMS and Au-Cu porphyry deposits have been identified. Many are ready for drill testing; others can be further prioritized with deep EM and magnetic surveys to precisely focus the drill evaluation. The recommended 2008 exploration program would total about $2.5 M and include at least 6000 m of diamond drilling. The drill and camp contracts are already in place and the work could commence in June. The drill targets would be prioritized by on-going thin section studies, analyses and the prerequisite 2008 field surveys. The program would be orchestrated according to results and meterage would be re-allocated to the highest priority targets as the program progressed.

TARGET: **PROGRAM:**

1. SOUTH ZONE DEPOSIT, MEXT ZONE: MAGNETIC SURVEY, 1500 M OF DIAMND DRILLING

2. YELLOW BOWL: GEOLOGICAL, GEOCHEMICAL SURVEYS 1500 M OF DIAMOND DRILLING

3. KNOB ZONE: EM, IP SURVEYS, 900 M OF DIAMOND DRILLING

4. FALL CREEK: EM IP SURVEYS, 1600 M OF DIAMOND DRILLING

5. AMARILLO GRID, ORANGE MOUNTAIN: 1500 M OF DIAMOND DRILLING

6. SOUTHERN CONDUCTOR: GEOLOGICAL, GEOCHEMICAL, EM SURVEYS, 200 M OF DIAMOND DRILLING

PROGRAM TOTAL: 30 KM OF GRID RE-ESTABLISHMENT, EXPANSION
30 KM OF DEEP EM, MAG: 25 KM DEEP IP
6000 M OF DD*

TOTAL EST COST INCLUDING CAMP, HELI SUPPORT @ $425/M, $2.55 M, (SUBJECT TO CONTRACTOR BIDS)

*the drill targets would be further prioritized to accommodate the exploration budget.

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REPORT ON

THE 2007 EXPLORATION PROGRAM

ON THE TODD CREEK PROPERTY

SKEENA MINING DIVISION,

STEWART GOLD CAMP,

NORTHWESTERN BRITISH COLUMBIA

LATITUDE 56° 15' NORTH

LONGITUDE 129° 46' WEST

NTS 104 A/5, 104 A/4

BY

GEOFINE EXPLORATION CONSULTANTS LTD.

FOR

GOLDEYE EXPLORATIONS LIMITED

February 2008

REPORT ON THE 2007 EXPLORATION PROGRAM CARRIED OUT ON THE TODD CREEK PROPERTY, STEWART GOLD CAMP, SKEENA MINING DIVISION, NORTHWESTERN BRITISH COLUMBIA

1. INTRODUCTION:

This report reviews the results of the 2007 helicopter supported exploration program on the Todd Creek Property, located in the Stewart Gold Camp of Northwestern British Columbia, about 35 km northeast of Stewart (Figures 1, 1.18, 1.34, 2-3; see Appendices A-B, C, D, E, F, G, H, I, J for the analytical results, photos, figures, tables, maps, drill logs, cross-sections, vertical long sections, and JVX Geophysical Report, respectively). Field activities included the installation of the South Grid on the south flank of Orange Mountain (Photo 5A; Figure 9B; Maps A, 1, 6. 7) and the carrying out of geological, geochemical (MMI-M soil sampling) and geophysical surveys (Spectral IP, magnetometer). The geophysical surveys were also completed on a small area of the South Zone Deposit Grid (MEXT- NEXT Zones (Photos 1A, B; Figures 9A, 10; Map 1). The geological and geochemical surveys were also carried out on five areas on and in proximity to the historic Amarillo Grid (Photos 5A, C, G-K; Figure 9B; Maps 1, 8, 9); on the southern area of the Yellow Bowl Zone (Frontspiece Photos 1, 1A, 1B; Photos 2, 2B; Figure 9A; Map 1); and, on the Knob Zone (Frontspiece Photo 2; Figure 9A; Map 1) and Jeremy Showing (Photo 3E).

Two follow-up holes were drilled on the South Zone Au-Cu deposit and on the MEXT Zone (Photos 1A, B; Figure 9A; Maps 1, 4, 4A). The two 2007 holes and one historic hole (DDHSZD04-04) were surveyed with borehole IP. Seven drill holes were used to evaluate IP anomalies associated with Au-Cu zones on the South Grid, OMTA (Photos 4A, 5A; Figure 9B; Maps 5A-C). Two drill holes were used as an initial evaluation of the Amarillo alteration zones and geochemical anomalies (Photos 5A, C; Figure 9B; Maps 8, 9). Geofine Exploration Consultants Ltd. ("Geofine") supervised the work on behalf of Goldeye Explorations Limited ("GGY") and Polar Star Mining Corporation (POS).

The Todd Creek Property is dominated by Jurassic Age pyroclastic rocks of the Unuk River Formation, which host most of the significant mineralization in the Stewart Camp (Figures 2-4). The mineralizing systems on the Todd Creek Property are considered immense (Fedikow, 2006) and have been traced over an almost continuous strike length of about 10 km from the Mylonite Zone in the south to beyond the Orange Mountain Target Area in the north. Structurally controlled epithermal–mesothermal Au-Cu vein mineralization constitutes the most apparent historic exploration target on the Todd Property i.e., M Type (blebby chalcopyrite in multiphase breccia veins). M Type comprises the South Zone Au-Cu deposit ("SZD"); drill indicated reserves of 207,000 tonnes grading 5.48 g Au/t, Hemlo Gold Mines Inc., 1988 Annual Report; with significant Cu values), the Fall Creek Zones and the North A Zones. A second type, Spec Type (auriferous specular hematite) was discovered by Geofine in 1999 and is found mainly at the MEXT Zone.

However, based on the historic database and Fedikow (2006) studies, such vein mineralization is now postulated to be the near surface expression of substantial Au-Cu porphyry and/or exhalative

mineralizing systems at depth. For example, the SZD and it's along strike extensions, the MEXT and NEXT Zones, are thought to be underlain by a large Au-Cu porphyry system related to an intrusion, such that the intrusion, the resulting deformation, the formation of the structurally hosted Au-Cu multiphase breccia veins and mineralogical and alteration zoning are closely related spatially, temporally and genetically. It is also contemplated that one or more such porphyry or exhalative systems are also associated with the expansive sulfidized environments of the Yellow Bowl Zone (Frontspiece Photos 1, 1A, B) and of the Orange Mountain Target Area (OMTA; Frontspiece Photo 3). As a very general indication of where such intrusive bodies may be located in the systems, the MEXT Zone is located about 160 m above an outcop of hornblende porphyry at the NEXT Zone; or, about 180 m above the feldspar porphyry at the Knob Zone, about 4 km to the north. The new Yellow Bowl South Zone is located about 370 m above the porphyry at the Knob Zone and the Amarillo Zone, OMTA is located about 340 m above the Knob porphyry.

The favourable geological environment of the Todd Creek Property is thus regarded as having excellent potential for hosting a substantial ore body. The major discovery opportunity relates to the large Yellow Bowl, Knob and Orange Mountain targets, which historically have been tested with a total of two drill holes and for which the exploration rationale has now been developed, rationale that could facilitate an almost immediate significant discovery.

2. PROPERTY, OWNERSHIP, OPTION AGREEMENTS:

The Todd Creek Property consists of 30 mineral tenures i.e., the Todd 1-8, Todd 11-13 and Todd 18 Tenures; the Pat 4-5 Tenures; the Pat 20-24 Tenures; the Benji 8-12 Tenures; the Poly 8-11 Tenures; and, the Orange and Orange 2 Tenures (Figures P1, 1-4; Table P1) that cover 12222 ha or about 122 square km. The tenures are located on British Columbia Mineral Titles Maps 104A04E, 104A04W, 104A05E and 104A05W.

The tenures are registered in the name of Geofine Exploration Consultants Ltd, as agent of Geofund. Geofund is the owner of the property and is a private investment group that funds the research, acquisition, exploration and marketing of mineral targets. Goldeye Explorations Limited ("GGY") holds the property under option from Geofine and can earn a 100% interest by fulfilling escalating option payments and work conditions. The GGY interest is subject to a Geofund 2.5% NSR. Under the terms of an agreement signed with GGY in November 2006, Polar Star Mining Corporation has the right to earn a 60% interest in the Todd Creek Property.

3. LOCATION AND ACCESS:

The Todd Creek Property is situated in the Skeena Mining Division, about 35 km northeast of the town of Stewart, Northwestern British Columbia (Figures 1, 1.34, 2, 3; Map A). The property is located on NTS Map Sheets 104/A4 and 104/A5 and centred at about Latitude 56° 15', Longitude 129° 46'. The claims straddle the Todd Creek Valley, approximately 10 km north of the Stewart Highway 37A (Figure 2-4, Photo 2A).

In view of the mountainous terrain, helicopter access is currently required, either from the Prism Helicopter base in Stewart or from staging areas near American Creek; or, from the Bowser Lake access road off the Stewart-Cassiar Highway (Figures 2, 3). The most currently apparent land route to facilitate the development of an ore body potentially is up American Creek, along the existing road to the Mountain Boy Property; and, further north to Virginia Creek and then south along Todd Creek to the Orange Mountain Target Area; and, farther south to the South Zone deposit (Map A). Access could also possibly be attained by a ~5 km tunnel driven east to the Fall Creek area of the property from Kimbell Lake on American Creek (Map A). An all season route down American Creek and Hwy 37A to the port of Stewart would be most advantageous re. the possible utilization of the historic Silbak-Premier mill north of Stewart (Figure 2). The discovery of a major ore body, which is the on-going exploration objective, could justify the expense of such a tunnel.

4. TOPOGRAPHY, DRAINAGE, CLIMATE, WILDLIFE & VEGETATION:

The Todd Creek Property is located within the Boundary Ranges of the northern British Columbia Coastal Mountains. The regional topography is characterized by the Todd Creek Valley, which has an elevation of between about 600 to 900 m on the property (Map 1). East and west of Todd Creek, the valley rises steeply to elevations over 2000 m. Young, deep valleys hosting tributaries, which drain into Todd Creek and which facilitate geological and geochemical surveys characterize the mountainous topography. The heads of the valleys are often occupied by glaciers, which are currently receding at a rate of tens of metres per year. Approximately 20% of the property is covered by glaciers and ice fields (Figure 4).

The exploration field season generally extends from late June to October. Summers are usually characterized by long hours of daylight and pleasant temperatures. Although winters have been getting milder and glaciers have been rapidly receding, snow can cover higher evaluations in early September and accumulations can total several metres in a 24-hour period. Snow accumulations on the Todd Property in May 2006 totalled about 8 meters and a snow cat was employed to plow out the camp site for camp installation in early June. Recorded mean annual snowfalls in the area range from 520 cm at Stewart (sea level) to 1,500 cm at Tide Lake Flats (915 m elevation). The proximity to the ocean and relatively high mountains can make for highly changeable weather, including dense morning fog along the coast. Stewart is located on the Portland Canal (Figure 3) and has the distinction of being Canada's most northerly, year round ice-free seaport.

Wildlife in the area consists of mountain goats, foxes, grizzly bears, black bears, wolves, marmots, martins and ptarmigan. Vegetation in the Todd Valley ranges from dense tag alders to small areas of spruce forest, to sub-alpine spruce thickets, with heather and alpine meadows. Above tree line at approximately 1,200 m, bare rock, talus slopes and glaciers with occasional islands of alpine meadow prevail.

5. EXPLORATION HISTORY:

The central area of the Stewart Camp was prospected at the close of the 19th century, mainly for visible gold in quartz veins. The showings were generally located on Crown granted claims, but very little of this work was documented.

The most prominent early discovery was the historic Silbak-Premier gold-silver mine, which produced 56,000 kg of gold and 1,281,400 kg of silver in its original lifetime from 1918 to 1976. The mine was re-opened by Westmin in 1988 with reserves quoted at 5.9 million tonnes grading 2.16 g gold/t and 80.23 g silver/t (Randall, 1988). The mine closed in 1998 and the 2500 t/d mill facility was put up for sale.

The Camp (Figure 2), after more recent discoveries that include the recently closed Snip Mine (total deposit size of 1,055,105 ounces of gold contained in 1.3 M tonnes); the Eskay Creek Mine (total deposit size of about 7.1 M ounces gold equivalent); Red Mountain (with reserves of about 1 M ounces of gold); and the Sulphurets/Mitchell deposits (2007 combined resource of ~ 17.5 M oz Au, and 5 B lbs Cu, continues to be regarded as a very prospective environment where discoveries of rich, gold/silver/base metal deposits can be made.

5.A. BC MINFILE SHOWINGS:

Historical exploration activities on the Todd Creek Property evolved around the 12 mineral showings that are located on and in the vicinity of the property and that are referenced in the BC government's mineral records ("Minfile"). The showings are briefly described below and are located on Maps 1A, 2A-2D according to Minfile Number.

a. Minfile 001: South Zone Deposit on Todd 13:

The South Zone deposit is located on the Todd 13 Mineral Claim, north of the new Benji 9 and 10 Claims. The South Zone was discovered by Newmont Mining Corporation in 1959, and was held by Noranda Exploration Company, Limited and Goldnev Resources Inc. as the Toc 10 Claim, until the spring of 1997. Geofine staked the South Zone deposit as part of the Todd Creek Property.

According to Government Assessment Report 18800, the South Zone is the most significant target area located on the Toc 10 and 11 claims. Drilling in 1987 tested the southern 175 m strike length of the zone and significant results include:

11.93 g gold/t over 1.73 m
4.10 g gold/t over 2.00 m
4.01 g gold/t over 1.50 m
3.25 g gold/t over 3.69 m
3.36 g gold/t over 2.61 m

Drilling in 1988 tested the down dip extension and strike continuity of the zone for an additional 200 m to the north. Intersections ranged from 1-30 m and significant values include:

6.91 g gold/t over 8.15 m
6.86 g gold/t over 2.00 m
6.53 g gold/t over 2.05 m
4.65 g gold/t over 6.15 m
8.83 g gold/t over 11.70 m
6.12 g gold/t over 6.10 m

The zone has been tested by 34 holes comprising 3186 m. The zone was reported by Noranda to be hosted by altered feldspar porphyry exposed over an area of 950 by 500 m. Quartz-pyrite is the principal alteration, but near the mineralization, quartz-sericite is the dominant type. The mineralization consists of chalcopyrite, pyrite, specular hematite and malachite. The mineralization is hosted by a 5 to 15 m wide, northeast trending, fracture zone that dips west. The area is underlain by Upper Triassic to Lower Jurassic rocks of the Unuk River Formation, which is part of the Hazelton Group (Figure 5).

The South Zone is reported to contain drill indicated reserves of 207,000 tonnes grading 5.48 g Au/t (Hemlo Gold Mines Inc., 1988 Annual Report).

b. Minfile 111: Mid Zone on Todd 12:

The Mid Zone was discovered by Noranda in 1986. It comprises an area about 500 by 250 m encompassing several west-southwest to northwest trending quartz-pyrite-chalcopyrite veins. The veins are 0.01 to 6.0 metres wide and 1 to 108 metres long. Grab samples assayed up to 1.68% copper with negligible molybdenum, lead, zinc, silver, arsenic, cadmium, antimony, and gold values. The mineralization is apparently hosted by altered felsic rocks composed of quartz-sericite-pyrite.

c. Minfile 110: Ridge Showing on Todd 12:

Noranda discovered the Ridge Showing in 1987. The showing consists of several mineralized outcrops that cover an area about 300 by 200 m. Mineralization comprises pyrite, chalcopyrite and malachite. North-northwest trending andesite flows and agglomerates are reported to be interbedded with feldspar porphyry (intrusive?) and rhyolite flows and tuffs. Grab samples assayed up to 0.34 g gold/t, 5.2 g silver/t, and 14.14% copper. The mineralization appears to be hosted by mafic volcanics that lie immediately west of a large gossan apparently associated with feldspar porphyry. Approximately 200 m north of the showing, a sample from outcrop assayed 12.7g silver/t, 1.17% lead and 1.71% zinc.

d. Minfile 109: Knob 1 Showing on Todd 3:

The Knob 1 showing was discovered by Noranda in 1987. The showing comprises several 1-10 cm wide pyrite +/- chalcopyrite veins that occur in a large, prominent gossan. The gossan includes

extensive areas of quartz-sericite-pyrite alteration. A grab sample from one of the veins assayed 0.37% copper. The mineralization occurs in pervasively altered, northwest trending andesite flows and breccias, which are intruded by fine grained mafic dykes.

e. Minfile 108: Toc 9 Showing on Todd 4:

Noranda discovered the Toc 9 Showing in 1986. Mineralization consists of narrow chalcopyrite veins that occur in 1-2 m wide discontinuous, north-northwest trending shear zones. The zones are reported to be hosted by altered feldspar porphyry composed of quartz, sericite and pyrite. Grab samples assayed up to 32.9 g gold/t and 3.08% copper.

f. Minfile 107: F1 Zone or Fall Creek East Zone on Todd 3:

The F1 Zone was discovered by Noranda in 1987 as a follow-up of anomalous values returned in a soil survey on the south side of Fall Creek. During 1986 to 1989 Noranda completed geological mapping, silt and soil geochemical surveys and four holes totalling 368 m on the zone. Significant intersections include:

6.72 g gold/t over 1.45 m
12.10 g gold/t over 1.25 m
2.73 g gold/t and 0.59% copper over 13.00 m
incl. 5.41 g gold/t and 0.50% copper over 5.25 m
4.34 g gold/t over 2.00 m
3.94 g gold/t over 7.90 m
incl. 4.71 g gold/t over 4.75 m

The mineralization is associated with pervasively altered andesites that contain quartz-sericite-pyrite zones and that are cut by mineralized structures with a variety of orientations. The main zone of interest is associated with quartz-pyrite-chalcopyrite-barite veins that have been traced for 400 m along strike and 300 m vertically. The drilling tested the zone over a strike length of 100 m and to a depth of 50 m.

IP and gold soil geochemistry delineated an anomalous area 900 by 450 m, which encompasses the F1 zone and several other mineralized outcrop and float occurrences. In 1990, Golden Nevada Resources Inc. drill tested a number of the IP targets with 10 holes that did return some significant results including 1.35 g gold/t over 15.35 m (Baerg, 1991). The encouraging results were never followed up.

g. Minfile 106: North A Zone on Todd 2:

The North A Zone on the Todd 2 claim was a Newmont discovery and yielded significant results. The zone is described as northwest trending and vertically to steeply west dipping, comprising 0.1-2 m wide quartz, chalcopyrite, pyrite, hematite and breccia veins. The veins are commonly banded and brecciated and have been traced for 320 m. Trenching results ranged up to 3.8 g gold/t across 14.3 m.

The zone was tested with 9 holes and a Mise-a-la-masse survey. The drilling and geophysics suggest that the zone is discontinuous and poddy along strike and down dip. Widths on the zone range from 1-32 m. The zone was tested over a strike length of 150 m. Significant drill values include the following:

3.47 g gold/t, 0.75% copper over 31.85 m
incl. 14.47 g gold/t, 2.06% copper over 5.95 m
2.83 g gold/t, 0.58% copper over 1.95 m
3.95 g gold/t, 0.22% copper over 2.00 m
3.43 g gold/t, 0.73% copper over 1.70 m
6.21 g gold/t, 0.60% copper over 1.75 m

Another zone located 200 to 550 m east of the above zone contains identical mineralization except for the absence of stringer mineralization. Chip sampling on this zone produced assay values up to 9.53 g gold/t and 0.35% copper across 1 m.

h. Minfile 105: North East Zone on Todd 2:

Noranda discovered the showing in the course the follow-up of a geochemical survey. The host rocks are propylitically altered green volcanics, green to buff agglomerates/flow breccias and tuff. Alteration consists of chlorite, carbonate, sericite and pyrite (2-5%). A feldspar porphyry dyke is exposed near the showing. Mineralization consists of a west-northwest trending barite-quartz-galena vein, which cuts the feldspar porphyry body. Samples assayed up to 39.30 g silver/t, 12% lead, and 6.2% zinc, with negligible copper and gold values.

i. Minfile 104: Orange Mt. Showing on Woodcock's Todd Claim (2 units) within Todd 1 and Todd 2:

The showing is hosted by altered volcanics within an alteration zone some 1500 m by 1200 m. A barite jasper zone lies within the alteration zone and is the locus of the showing. Mineralization comprises pyrite, barite, and galena. Abundant jarosite is noted in the intensely altered area. Chip samples ranging up to 232.5 g silver/t and 12.8% lead across 0.7 m were reported. Approximately 190 m east northeast of the showing, grab samples assayed up to 199.5 g silver/t and 27.7% lead. Approximately 250 m northeast of the showing grab samples assayed up to greater than 100 g silver/t, 0.22% copper, and 0.28% lead.

j. Minfile 103: Bow 31 Showing on Todd 2:

Brucejack Gold Ltd. outlined an area of anomalous gold and silver values in 1987-1988. Marlin Developments analyzed the previously collected samples for base metals. The showing consists of massive to weakly foliated, fine-grained tuff that contains 7 to 10% finely disseminated pyrite. A grab sample assayed 175.9 g silver/t, 0.41% lead, and 0.52% zinc.

k. Minfile 102: Bow 32 Showing on Todd 2:

Brucejack Gold in conjunction with Marlin Developments found the zone in the follow-up of a geochemical survey. Mineralized outcrops occur on both sides of Todd Creek over a distance of about 200 m. Silver values from the outcrops typically range from 34 to 343 g/t. The highest-grade mineralization occurs on the east bank of the creek and is hosted in a hematite-chlorite altered felsic tuff. It consists of a 20 to 30 cm wide stock work of quartz, barite and carbonate containing 15% pyrite as disseminations and stringers. A sample of this mineralization assayed 2262.9 g silver/t. Immediately west of the showing on the west bank of the creek, a grab sample assayed 0.14 g gold/t, 233.1 g silver/t and 0.54% lead.

5.B. GEOFINE HISTORIC EXPLORATION ACTIVITIES:

In 1994, Geofund staked the Todd Creek Property and, under an option agreement with Oracle Minerals Inc., carried out a $200,000, Phase 1 exploration program (Molloy, 1994). The work included compilations of historical data; a Geonex Aerodat helicopter borne conventional EM and gradiometer survey (Map A; Woolham, 1994); and, reconnaissance geological and geochemical surveys on a number of the most prospective targets, including the Fall Creek, North and Amarillo Zones. Based on the work, a $600,000, 1997 follow-up program was recommended that included an 1800 m drill program (Molloy, 1994). The historical Noranda gold and copper intersections on the East and West Fall Creek Zones and on the North A Zone were the main focus of the proposed drill program.

In 1997, Geofund optioned the property to Island-Arc Resources Ltd. Geofine carried out a $215,000 detailed follow-up program on the Amarillo, North, Yellow Bowl and South Zones; and reconnaissance surveys on the East Target Area and the Mylonite Zone. As a result, an $850,000 exploration program was proposed that included further target prioritization and about 2600 m of diamond drilling on the South, Amarillo and Fall Creek, and North Grids (Molloy, 1997). The program was never carried out.

In 1999, Okak Bay Resources Ltd. funded an $85,000 exploration program, which was carried out by Geofine. The work included the discovery of the Zinc Zone; and, the MEXT and NEXT Zones. Detailed follow-up work was carried out on the North, Fall Creek and the Amarillo Zones. The historic Noranda drill holes on the South Zone were located and tied into the new 9950E Base Line. Fourteen proposed holes were spotted on the South, NEXT, North and Amarillo Zones and a drill program comprising at least 1200 m was recommended (Molloy, 1999).

In 2000, Island Arc Mining Corporation funded a $125,000 geological and geochemical program to mainly evaluate the apparent northern extension of the South Zone deposit ("SZD"; Molloy, 2000). The work included the staking of the Benji 8-12 Claims (Figure 4, Table P1), mainly to cover the postulated southern and northern extensions of the SZD; the taking and interpretation of air photos of the South Zone to precisely locate the South Zone Structure ("SZS") and its possible extensions; the

refurbishing of parts of the historic Noranda/Geofine South Zone Grid and the re-spotting of the drill holes located in 1999 on the SZD; the extension of the 1999 South Zone Base Line to 8925N and 10550N; and, the installation of control lines i.e., the By Glacier Control Line; the Southern Projection Line of the SZD; the Todd Valley Control Line (C Line) from the southern area of the SZD to north of the NEXT Zone; the MEXT/NEXT Zone Control Lines on the cliff above the MEXT and NEXT Zones; and, the Knob Zone Control Lines. The program also included the refurbishing of part of the Amarillo Grid and the re-spotting of drill holes spotted in 1999, as snow conditions allowed. Some detailed grid lines were also over the Barite and North Barite Zones. In view of extensive snow cover in 2000, only minimal work could be carried out on the Yellow Bowl Zone.

Geological and geochemical surveys on the aforementioned control and grid lines included some hand stripping and the collection of 368 rock (talus, float, sub crop, panel, glacial boulders), soil, stream sediment and check samples. SZS mineralization types were classified; and, 343 of the samples were analyzed by FA/AA for gold, and by 34 element ICP. Some additional whole rock, tungsten, tin and quality assurance analyses were carried out. Seven drill holes were spotted and topographic surveys run on drill section lines.

In 2004 Lateegra Resources Corp. funded a $329,000 exploration program, which included grid restoration, topographic surveys, hole spotting, camp installation, diamond drilling, core logging and sampling, the collection of 3 large composite samples of mineralized talus and reclamation. The 6 confirmation and step out drill holes on the South Zone deposit and the NEXT Zone totalled 761 m. Five of the holes were drilled on the South Zone deposit (SZD) in the vicinity of the highest-grade Noranda historic holes and one of these (DDHSZD04-02) was abandoned in overburden. The NEXT Zone was tested with one hole (DDHNZ04-01). The MEXT Zone was not tested due to on going drill breakdowns.

All the holes intersected favourable alteration and mineralization over core lengths ranging between 20 to 36 m. Such stratigraphies i.e., the South Zone Deposit Stratigraphy ("SZDS") and NEXT Zone Stratigraphy ("NZS") are the visual components of the drill core with the strongest alteration and apparent auriferous mineralization. The stratigraphies are generally signatured by elevated Au and Cu values along with some elevated amounts of Bi, Fe, Mn, Mo, Pb, S, Sb and some Na and K depletion. DDHNZ04-01 constituted a 500 m step out from the most northerly Noranda historic hole (VLS 1). The hole intersected five multiphase quartz breccia veins that returned up to 1.68 Au/t and 0.49% Cu over a 7.02 m core length, including 4.18 g Au/t and 0.92% Cu over a 1.5 m core length. DDHSZD04-04, the deepest hole ever drilled on the SZD, intersected the SZD mineralization at vertical depth of about 182 m and returned 3.09 g Au/t and 0.29% Cu over a core length of 10 m, including 10.51 g Au/t and 0.88% Cu over a core length of 2.22 m. Holes DDHSZD04-01, -02A and -03 were drilled in proximity to the historic Noranda higher-grade intersections and all holes hit the SZDS as planned. However, the grades and widths in DDHSZD04-01 and DDHSZD04-03 were less than expected. DDHSZD04-02A provided the best indication of a wide zone, returning 1.08 g Au/t and 0.18% Cu over an 18.34 m core length, including 5.39 g Au/t and 0.88% Cu over a 2.3 m core length.

A compilation of the 32 historic and the five 2004 drill holes indicated that the overall average grade of all these holes is 3.57 g Au/t and 0.34% Cu over an average core length of 4.61 m or over an estimated true width of 3.23 m. Using a cutoff of 3 g Au/t and an 8.2 gram meter product, the resulting average grade from the remaining16 holes is 4.8 g Au/t and 0.43% Cu over an average core length of 6.4 m or an estimated true width of 4.5 m. It was recommended (Molloy, 2004) that a 2005 diamond drill program of sufficient scope and size be carried out to attempt to determine if the South Zone Structure has potential for hosting a significant ore body: four initial holes totalling about 1200 m to evaluate the SZD at depth; one hole totalling about 300 m to evaluate the NEXT Zone at depth; and, 4 holes totalling about 350 m to initially test the Gold Gully–MEXT Zone.

In 2005, Goldeye Explorations Limited ("GGY") optioned the Todd Creek Property and funded a 2006, $550,000 exploration program that included grid restoration (~3 km), location of historic drill collars, topographic surveys, hole spotting, camp installation, diamond drilling (1330 m in 8 holes), core logging and sampling, reclamation and a MMI-M orientation soil geochemical survey (11 sample sites, 44 samples) on the Amarillo Grid of the Orange Mountain Target Area.

The MMI-M survey was supervised and interpreted by Dr. Mark Fedikow P.Eng., P.Geo., who also reviewed the historic Todd Creek database and carried out a geochemical study re. the Todd Creek drill core : ***Interpretation of Rock (Drill Core) Geochemical Data From the Todd Property, Stewart Area, British Columbia and Recommendations For Further Exploration).***

Five of the drill holes tested the MEXT Zone (Photos 1B-F). Four of these were drilled from the same set-up, which was located about 270 m north of the northernmost historic Noranda drill hole on the South Zone. All of the holes intersected the South Zone multi phase breccia vein system (SZMBVS). Hole DDHMZ06-01D was drilled on the south side of the MEXT Fault and intersected the strongest mineralization (up to 0.913 g Au/t and 0.40% Cu over a core length of 8.9 m. The three remaining holes (DDHMZ06-01A-1C) drilled from the first set-up intersected the SZMBVS on the north side of the MEXT Fault, providing important confirmation of the along strike continuity of the SZMBVS between the MEXT Zone and the NEXT Zone. Anomalous gold and copper values ranged up to 0.59 g Au/t and 0.085% Cu over a 28.35 m core in DDHMZ06-1B and 0.72 g Au/t and 0.23% Cu over a 5.18 m core length in DDHMZ06-1C (Photo 1C). DDHMZ06-02 was spotted about 83 m south and 293 m west of DDHMZ01A-01D and was used as an initial, deep evaluation of the postulated oxide target. The hole was successful in intersecting the SZMBVS at a vertical depth of about 232 m and returned 1.06 g Au/t and 0.09% Cu over a core length of 13.59 m.

The two follow-up holes (DDHFC-01A, –01B) drilled on the Fall Creek East IP Zone failed to return intersections comparable to those obtained by Noranda in holes NTC88-47, 48 (e.g., 1.24 g Au/t and 0.39% Cu over a core length of 31.5 m incl. 3.14 g Au/t and 0.97% Cu over a core length of 11 m) and in hole NTC88-48 (e.g., 1.27 g Au/t and 0.12% Cu over a core length of 27.85 m incl. 3.94 g Au/t and 0.31% Cu over 7.90 m). However each of the 2006 holes interested a number of well-sulfidized, multiphase breccia veins systems, which returned wide zones of anomalous copper and gold values e.g., 0.56 g Au/t and 0.12% Cu over a core length of 19.59 m in DDHFC06-01A; and, 0.58 g Au/t and 0.25% Cu over 10.95 m in DDHFC06-01B. The holes intersected multiple breccia

vein systems with MES that are considered indicative of a high priority gold environment on the property.

DDHAZ06-01 was drilled on the North A Zone, north of Fall Creek, to follow-up the wide intersection of 1.51 g Au/t and 0.34% Cu over 16.75 m in DDHNTC 88-41; the outcrop sample near Trench 5 (647 Showing), which returned 44.18 g Au/t and 3.30% Cu over 2 m; and, the gold values in additional outcrop samples, which ranged up to 4.04 g Au/t. Subsequent sampling of the 647 Showing in 2006, by Tim Beesley, P.Geo. an independent consultant, returned 117.17 g Au/t and 5.65% Cu over 2 m. Samples of angular, sulfidized and silicified boulders found near the outcrop in 2006 had gold contents up to 32.2 g and copper contents up to 4.47%. DDHNAZ06-01 was drilled under the North A Zone multiphase breccia system and returned 0.42 g Au/t and 0.17% over a core length of 8.05 m incl. 1.04 g Au/t and 0.23% Cu over a core length of 2.5 m.

The orientation MMI-M survey on the Amarillo Grid was supervised in the field by Dr. Mark Fedikow confirmed the importance of the historic, conventional geochemical anomaly:

Based on the results from this orientation survey the potential for detecting anomalous precious and/or associated metal anomalies related to the style of mineralization being sought must be regarded as excellent. The magnitude of the MMI-M responses and the elements that typify the anomalies are suggestive of an epithermal/exhalite deposit type. The possibility of deep porphyry mineralization based on the Cu-Mo response along the transect cannot be ruled out and the possibility exists that any epithermal system on the property may be rooted in such and intrusive-hosted zone of mineralization.

Geofine acquired the remaining ground in the Orange Mountain Target Area when two inlier claims expired in October 2006.

Based on his review of the exploration status of the Todd Creek Property, including the 2006 results, Dr. Fedikow indicated that there is excellent potential for the discovery of a significant ore body at depth, in the roots of such major mineralizing systems. The targets on the property include epithermal Au-Cu, porphyry Au-Cu and VMS mineralization.

Dr. Fedikow provided specific exploration rationale and recommendations for making such a discovery:

Recommendations For Mobile Metal Ion Surveys and Diamond Drilling:

The next step in the exploration program on the Todd Creek property should include a mixture of diamond drill testing of specific targets and the undertaking of additional Mobile Metal Ion soil geochemical surveys. The drill targets are large systems and likely associated with felsic intrusions that represent heat and metal sources at depth and as such the step-out drilling is recommended to target these large mineralizing systems. So that estimates of depth to source regions can be obtained

and drill set-ups established in the most effective manner (declination and inclination) a component of deep-looking ground geophysics (induced polarization) that will model both depth to source and orientation of the target is suggested. The targets on the property include epithermal Au-Cu, porphyry Au-Cu and VMS mineralization.

a) South Zone Structure:

Target Area 1: MEXT Zone:

Four drill holes (VLS1; ~1800 m) are required from two set-ups to follow-up DDHMZ06-01D and DDHMZ06-02. The purpose of these holes will be to intercept the MEXT Zone at vertical depths of 100 and 200 m under the oxide zone intersected in DDHMZ06-02. The drill targets are shown on Vertical Longitudinal Section 1 (VLS1). The target rationale for the holes includes the presence of the Cu-Mo-W signature in the 2006 MEXT drill holes, which is thought to be indicative of an Au-Cu porphyry system at depth. As this system is approached, it is believed the oxide (specular hematite) component of the mineralization will be replaced or overprinted by a later phase of higher grade and more expansive, sulfide mineralization. It is also contemplated that the elevated zinc values associated with the MEXT mineralization will increase down-dip to halo the strongest Au-Cu mineralization.

Target Area 2: NEXT Zone:

One hole (DDHNZ07-01; ~500 m) is proposed to test the NEXT Zone at a vertical depth of 200 m under the intersection in DDHNZ04-01 (1.07 g Au/t and 0.49% Cu over 7 m). The follow-up hole would be located about 275 m north of the set-up of DDHMZ06-01D. The drill target is shown on VLS1.

The rationale for drilling this hole includes the large zone of propylitic alteration at the NEXT Zone that is apparently unique to the hanging wall rocks of the South Zone Structure. The complete alteration package comprising proximal potassic and phyllic to distal propylitic appears to be intact and indicates that the complete range of mineralization components (porphyry Au-Cu to epithermal base and precious metal) may be intact and strongly developed at depth. There is also geological information suggesting that a quartz-feldspar porphyry intrusion may be associated with the target.

Target Area 3: South Zone Deposit (SZD):

Four holes from two set-ups (VLS1; ~1800 m) are proposed to test the South Zone Deposit at vertical depths of 100 m and 200 m below the intersect in DDHSZD04-04 (3.09 g Au/t and 0.29% Cu over 10 m). The rationale includes the favorable structural fabric that is postulated by Geofine, Island Arc (1998) and Derry Michener Booth & Wahl (1999) to include plunging ore shoot morphologies. For example, the follow-up of such shoots as recommended by Island Arc (1998) also recommends the drilling of a hole proximal to the proposed hole DDHSZD07-01. It is also

postulated that an Au-Cu porphyry system underlies the South Zone deposit. The target is interpreted on the basis of Cu-Mo and Cu-W signatures in drill holes from the SZD. Moreover, the development of a zinc halo at depth, as referenced above with regard to the MEXT Zone, is indicative of the potential for higher-grade mineralization.

Target Area 4: Southern Extension of the South Zone Structure:

The South Zone Structure (SZS) is the host of the South Zone deposit, MEXT Zone and NEXT Zone mineralization. The structure remains open to the north, towards the Knob Zone (4 km) and to the south, towards the Mylonite Zone (3km). The postulated southern extension is covered by young (maximum of 50 year old) glacial-fluvial sediments deposited by receding glaciers in the Todd Creek Valley. This segment of the SZS has never been subject to historic evaluation. It is possible that the application of an MMI-M soil geochemical survey may be an appropriate, cost effective exploration tool, the success of which could be determined via two orientation lines of MMI-M sampling. If the technique is successful in delineating the extension of the SZD then the SZS could be evaluated with MMI-M survey lines at a 50 m spacing, on which approximately 250 samples would be collected.

b) Yellow Bowl Zone:

The Yellow Bowl Zone is located above and northwest of the SZS and extends northward over a strike length of about 2 km to the Fall Creek Target Area. Based on the historic geological and geochemical surveys and recent helicopter reconnaissance, the zone is interpreted to have favorable exploration attributes. These include orthogonal structural fabric, sulfide, sericite and jarosite/alunite alteration, and a variety of mineralization types including epithermal Au-Cu and possible exhalative horizons. Such characteristics are often indicative of significant discovery potential in Hazelton Group rocks, which host most of the important mineralization in the Stewart Gold Camp.

Geological and geochemical surveys, as formulated by Geofine, are proposed to evaluate specific areas of the Yellow Bowl Zone in order to delineate and prioritize drill targets. Exploration tools would also include the use of rare earth elements to attempt to confirm the existence of the exhalative horizons. Since historic exploration has been limited by snow cover that often persists into early August, 2007 exploration activities would be phased, such that priority areas of the Yellow Bowl
Target Area could be evaluated and some initial drill testing carried out in 2007 i.e., at least 2 drill holes totalling about 300 m.

c) Fall Creek East Target Area:

One hole DDHFC07-01 (~200 m) is proposed to undercut DDFC06-01A by 50 m to evaluate the potential for higher grade Au-Cu mineralization. The hole would be drilled from the same set up as the Noranda holes NTC88-47, 48.

The rationale for this drill hole is based on the review of the geochemical signatures in the 2006 drill holes (DDHFC06-01A, -01B) on the Fall Creek East Zone. Drill hole DDH FC06-01A presents a Au zone at approximately 50 m down the hole but the elements Ag, Pb, Cd, and Zn and to a lesser extent As are all maximized at or near the bottom of the drill hole. This suggests significant potential at depth for repetitions of base and precious metal zones. This is particularly relevant in light of the fact that significant mineralized zones in the Stewart Camp are characterized by haloes of Zn. In addition, there is potential for the epithermal or exhalative base metal + Ag zone to be associated with or rooted in a porphyry-type zone of mineralization although low Cu:Mo and Cu:W correlation coefficients argue against this later scenario.

d) Orange Mountain Target Area:

The collection of an additional 50 MMI-M samples on the Amarillo Grid and the collection of a total of 400 MMI-M samples, along with IP surveying, on the northern and northeastern expansion of the North C Grid are recommended. The budget would include provision for about 1000 m of follow-up drilling.

The Amarillo Grid on Orange Mountain offers the almost immediate target with potential for the discovery of a high level, epithermal Pb-Zn-Ag deposit. The magnitude of the responses obtained from the survey and the characteristic elements in the survey are suggestive of epithermal/exhalite-type mineralization that could be rooted in a porphyry Cu-Mo intrusive system. The strong rare earth signatures in the MMI-M samples also provide the evidence for the intrusive system.

Since the very strong, conventional soil anomalies have been confirmed in 2006 by one line of orientation MMI-M sampling, a drill target is immediately apparent on the upper area of L49+50E to test a strong multi element geochemical signature. However, prior to drill testing, three additional lines of MMI-M sampling are proposed as an attempt to further locate the strongest expression of the porphyry Cu-Mo intrusive system at depth. The collection of the additional 400 MMI-M samples, along with IP surveying is also recommended on the southern and southeastern flank of Orange Mountain i.e., on the northern and northeastern extension of the North C Grid. The work would be used to continue the delineation or location of the postulated porphyry system referenced above. The provision for follow-up diamond drilling (~1000 m) of the anomalies so delineated would be included in the budget.

As a result of the Fedikow recommendations, a ~$2 M budget was proposed that included 5600 m of diamond drilling (Molloy, 2006). In view of the smaller 2007 drill program (~2800 m) and the focus on the Fall Creek Area of the OMTA, much of the Fedikow recommended drill strategy was not carried out.

6. REGIONAL GEOLOGY:

The Todd Creek property is situated in a broad, north-northwest trending volcanogenic-plutonic belt consisting of the Upper Triassic Stuhini Group and the Upper Triassic to Lower Middle Jurassic Hazelton Group. This belt has been termed the "Stewart Complex" (Figures 5, 6) by Grove (1986) and forms part of the Stikinia Terrane. The Stikinia Terrane, together with the Cache Creek and Quesnel Terranes, constitute the Intermontaine Superterrane, which was accreted to North America in Middle Jurassic time (Monger et al, 1982). To the west, the Stewart Complex is bordered by the Coast Plutonic Complex. Sedimentary rocks of the Middle to Upper Jurassic Bowser Lake Group overlay the Stewart Complex in the east.

The Jurassic stratigraphy was established by Grove (1986, Figure 5) during regional mapping conducted from 1964 to 1968. Formational subdivisions have been made and are currently being modified and refined as regional work continues, most notably by the Geological Survey Branch of the British Columbia Ministry of Energy, Mines and Petroleum Resources (Alldrick, 1984, 1985, 1989); and, by the Geological Survey of Canada (Anderson, 1989; Anderson and Thorkelson, 1990; Lewis, et al, 1992; Creig, et al, 1995). The sedimentological, structural, and stratigraphic framework of the area is being established with some degree of precision. The Hazelton Group represents an evolving (alkalic/calc-alkalic) island arc complex, capped by a thick turbidite succession (Bowser Lake Group). Grove (1986) divided the Hazelton into four litho-stratigraphic units (time intervals defined by Alldrick et al, 1987):

1. The Upper Triassic to Lower Jurassic Unuk River Formation (Norian to Pliensbachian).
2. The Middle Jurassic Betty Creek Formation (Pliensbachian to Toarcian).
3. The Middle Jurassic Salmon River Formation (Toarcian to Bajocian).
4. The Middle to Upper Jurassic Nass Formation (Toarcian to Oxfordian - Kimmeridigian).

Alldrick assigned formational status (Mt. Dilworth Formation, Figure 7) to a Toarcian rhyolite unit (Monitor Rhyolite) overlying the Betty Creek Formation. Rocks of the Salmon River Formation are transitional between the mostly volcanic Hazelton Group and the wholly sedimentary Bowser Lake Group and are presently regarded as the uppermost formation of the Hazelton or the basal formation of the Bowser Lake Group.

The Unuk River Formation (Figure 7), a thick sequence of andesite flows and pyroclastic rocks with minor interbedded sedimentary rocks, hosts a number of major gold deposits in the Stewart Camp (Figure 2). The unit is unconformably overlain by heterogeneous, maroon to green, epiclastic volcanic conglomerates, breccias, greywackes and finer grained clastic rocks of the Betty Creek Formation. Felsic flows, tuffs and tuff breccias characterize the Mt. Dilworth Formation (Figure 7). This formation represents the climatic and penultimate volcanic event of the Hazelton Group volcanism and forms an important regional marker horizon. The overlying Salmon River Formation has been subdivided in the Iskut area into an Upper Lower Jurassic and a Lower Middle Jurassic member (Anderson and Thorkelson, 1990). The upper member has been further subdivided into three north trending facies belts: the eastern Troy Ridge facies (starved basin), the medial Eskay

Creek facies (back-arc basin) and the western Snippaker Mountain facies (volcanic arc). Sediments of the Bowser Lake Group rest unconformably on the Hazelton Group rocks and they include shales, argillites, silt and mudstones, greywackes and conglomerates. The contact between the Bowser Lake Group and Hazelton Group passes between Strohn Creek in the north and White River in the south. The contact appears to be a thrust zone with the Bowser Lake Group sediment "slices" occurring within and overlying the Hazelton Group pyroclastics to the west.

Two main intrusive episodes occurred in the Stewart Area: a Lower Jurassic suite of diorite to granodiorite porphyries (Texas Creek Suite) that are comagmatic with extrusive rocks of the Hazelton Group; and, an Upper Cretaceous to Early Tertiary intrusive complex (Coast Plutonic Complex and satellite intrusions). The early Jurassic suite is characterized by the occurrence of coarse hornblende, orthoclase and plagioclase and phenocrysts and locally potassium feldspar megacrysts. The Eocene Hyder quartz-monzonite, comprising a main batholith, several smaller plugs and a widespread dyke phase, represents the Coast Plutonic Complex.

Middle Cretaceous regional metamorphism (Alldrick et al., 1987) is predominantly of the lower greenschist facies. This metamorphic event seems to be related to compression and concomitant crustal thickening at the Intermontaine - Insular superterrane boundary (Rubin et al., 1990). Biotite hornfels zones are associated with a majority of the quartz monzonite and granodiorite stocks.

7. REGIONAL MINERALIZATION AND EXPLORATION ACTIVITIES:

The Stewart Complex is the setting for the Stewart (Silbak-Premier, Silver Butte, Big Missouri, Red Mountain), Iskut (Snip, Johnny Mountain, Eskay Creek) Sulphurets, and Kitsalt (Alice Arm) gold/silver mining camps (Figure 2). Mesothermal to epithermal, depth persistent gold-silver veins form one of the most significant types of economic deposit. There appears to be a spatial as well as a temporal association of gold deposits to Lower Jurassic calc-alkaline intrusions and volcanic centres (Figures 8, 8A, 8B). In the Stewart area, the main regional trend of mineralization corresponds with the trend of the Jurassic Stewart Volcanic Belt (Figures 6, 8B). A second volcanic belt and associated regional linear trend of mineralization is postulated to extend from south of the area of the Red Mountain deposit north through the Todd Creek area (Figure 8 B). The intrusions are often characterized by 1-2 cm sized, potassium feldspar megacrysts and correspond to the top of the Unuk River Formation.

The most prominent example of this type of mineralization is the historic Silbak-Premier gold-silver mine, which is located in the main, Stewart volcanic belt (Figure 2). The mine produced 56,000 kg of gold and 1,281,400 kg of silver in its original lifetime from 1918 to 1976. The mine was re-opened by Westmin in 1988 with reserves quoted at 5.9 million tonnes grading 2.16 g gold/t and 80.23 g silver/t (Randall, 1988). The mine was closed in the summer of 1997 and the mill was put up for sale.

The ore is hosted by Unuk River Formation andesites and comagmatic Texas Creek porphyritic dacite sills and dykes. The ore bodies comprise a series of en echelon lenses, which are developed

over a strike length of 180 m and through a vertical range of 600 m (Grove, 1986; McDonald, 1988). The mineralization is controlled by northwesterly and northeasterly trending structures and their intersections but also occurs locally concordant with andesitic flows and breccias.

Two main vein types occur: silica-rich, low-sulfide precious metal veins and sulfide-rich base metal veins. The precious metal veins are more prominent in the upper levels of the deposit and contain polybasite, pyrargyrite, argentiferous tetrahedrite, native silver, electrum and argentite. Combined sulfides of pyrite, sphalerite, chalcopyrite and galena are generally less than 5%. The base metal veins crosscut the precious metal veins and increase in abundance with depth. They contain 25 to 45% combined pyrite, sphalerite, chalcopyrite and galena, with minor amounts of pyrrhotite, argentiferous tetrahedrite, native silver, electrum and arsenopyrite.

Quartz is the main gangue mineral, with lesser amounts of calcite, barite, and some adularia being present. The mineralization is associated with strong silicification, feldspathization, and pyritization. A temperature range of 250 to 260 degrees C has been determined for the deposition of the base and precious metals (McDonald, 1988).

Middle Eocene silver-lead-zinc veins are characterized by high silver to gold ratios and by spatial association with molybdenum and/or tungsten occurrences. They are structurally controlled and lie within north, northwest, and east trending faults. This mineralization has been less significant in economic terms.

Porphyry molybdenum deposits are associated with Tertiary Alice Arm Intrusions, a belt of quartz-monzonite intrusions parallel to the eastern margin of the Coast Plutonic Complex. An example of this type of deposit is the BC Molybdenum Mine at Lime Creek.

The world class Eskay Creek Mine (Figure 2; total deposit size of about 7.10 M oz gold equivalent) was obtained by Barrick Gold in a merger with Homestake in 2001. The deposit is hosted within Contact Unit carbonaceous mudstone and breccia, as well as the underlying rhyolite breccia. Two styles of mineralization are present. The first is a visually striking assemblage of disseminated to near massive stibnite and realgar within the Contact Unit. The second style occurs in the adjacent footwall rhyolite, and features a stock work style quartz-muscovite-chlorite breccia mineralized with sphalerite, tetrahedrite and pyrite. Highest gold and silver values are obtained where the Contact Unit is thickest and the immediately underlying rhyolite breccia is highly fractured and altered (Blackwell, 1990; Barrett et al, 1996).

The Eskay Creek 21B deposit is approximately 900 m long, from 60 to 200 m wide and locally in excess of 40 m thick. Contact Unit mineralization comprises a continuous stratiform sheet of banded high-grade gold and silver bearing base metal sulfide layers, from 2 to 12 m thick. Mineralization appears to be bedding parallel. Sulfide minerals present include sphalerite, tetrahedrite, boulangerite, bornite plus minor galena and pyrite. Gold and silver are associated with electrum, which occurs as abundant grains associated with sphalerite. Peripheral and footwall to the banded sulfide mineralization, are areas of microfracture, veinlet hosted, disseminated tetrahedrite, pyrite and minor boulangerite mineralization. The mine is expected to be closed on March 2008, in view of depletion

of reserves.

On December 31, 2001, Seabridge Gold Inc. acquired a 100% interest in the Red Mountain advanced stage gold project from North American Metals Corp. a subsidiary of Wheaton River Minerals Ltd. In January 2003 Steffen Robertson and Kirsten (Canada) Inc. ("SRK") completed an engineering and preliminary economic study of the project for Seabridge. The SRK mineral resource calculation is shown in the following table (Seabridge, 2004):

Resources Used In SRK Study - All Categories of Resources (000's)			
	Tonnes	**Au g/t**	**Ag g/t**
Mineral Resources (All Categories > 0 g/t Au)	**1,941.2**	**7.74**	**26.2**
Mineral Resources (All Categories > 6 g/t Au)	**1,216.6**	**9.14**	**28.7**
Mining Recovery	89%		
Recovered Tonnes	1,081.2	9.13	28.9
Dilution Percent	14%		
Dilution Tonnes	180.7	0.55	n/a
Tonnes	**1,261.9**	**7.90**	**24.7**

Under SRK's base case analysis and using a 5% discount rate, a break-even project is achieved at a gold price of US$399/oz. The life of mine cash operating costs average US$213 per ounce and total costs, inclusive of capital, average US$358 per ounce. A 50% increase in mineable tonnage and reductions of 15% in capital and operating costs would reduce the break even gold price to $338.

Seabridge did not carry out any work on the Red Mountain project in 2007. The deposit is comprised of the Marc Zone and its northerly extension, the AV Zone. The zones comprise sulfide lenses or cylinders associated with a structural junction and the brecciated contact of the Goldslide Intrusion. The mineralization consists of densely disseminated to massive pyrite and/or pyrite stringers and veinlets and variable amounts of arsenopyrite, tetrahedrite and various tellurides. Several phases of mineralization and deformation are indicated by the presence of different generations of pyrite and breccia fragments consisting of pyrite. High-grade gold values are usually associated with the semi massive, coarse-grained pyrite aggregates, but also with stock works of pyrite stringers and veinlets. Gold occurs as native gold, electrum and as tellurides.

As reported by the BC Ministry of Energy and Mines, there was a substantial increase in exploration activities in BC in 2007, with expenditures totalling about $416 M, a 57% increase over 2006. Exploration expenditures in the Northwest Region in 2006 totalled $170 M, a 30% increase over 2006. There were 63 exploration projects with expenditures over $500,000 (Table 1.2, Figures 1.18. 1.34). The 2006 drilling activities totalled 374,000 m, a 20% increase over 2006.

8. TODD CREEK PROPERTY GEOLOGY, MINERALIZATION:

The Lower Jurassic Unuk River Formation of the Hazelton Group dominates southern and central areas of the property geology (Grove, 1982; Figures 3, 4; Maps 3-5, 9). The formation hosts most of the significant base and polymetallic mineralization in the Stewart Camp. Unaltered rocks mainly comprise monotonous green-grey, red, purple tuff–breccia, breccia and agglomerate, with interbeds of crystal and lithic tuff. Green and grey-black andesite and dacite to rhyolite flows are commonly found in various areas of the property; however, their distribution is rather limited relative to that of the ubiquitous pyroclastic rocks.

Middle Jurassic Hazelton Group sediments (siltstone, greywacke, sandstone and conglomerate) of the Salmon Arm Formation overlie Unuk River Rocks on the northern part of the property. Rhyolite and rhyolite breccia of the Mt. Dilworth Formation (Figure 7) are found mainly on the northeast part of the property.

As indicated in Min File Report 104A 001, the rocks are reported to have been intruded by a number of feldspar porphyry bodies, the extent of which remain to be determined. As indicated by the total magnetic intensity map (Map 2A), a number of circular to elongated magnetic lows and highs in the southern area of the property may reflect such intrusions or zones of alteration. However, based on Geofine's experience, much of the porphyry reported historically in the South Zone is crystal tuff. Feldspar porphyry +/-hornblende was observed at the north end of the NEXT Zone and feldspar porphyry +/-hornblende is associated with the extensive pyritized breccias at the Knob Zone. Based on the coarse felsic breccia and associated porphyry, the Knob Zone is interpreted to be located proximal to a volcanic centre.

Varying degrees of pervasive alteration have been mapped ranging from calcite-epidote-pyrite, chlorite-quartz-pyrite, quartz-carbonate-pyrite to quartz-pyrite-sericite-jarosite-alunite. The prominent magnetic low in the centre of Map 2A is reflective of the propylitic to pyrite-quartz-sericite alteration observed in the field. On Map 2B (potassium count map) a broad potassium anomaly is associated with the magnetic anomaly. The area of the potassium anomaly includes the Knob and Yellow Bowl Zones and Orange Mountain, the areas with the most extensive jarosite/alunite-limonite gossan zones and most intensive sulfidization on the property.

The prominent gossan zone on the Orange Mountain Target Area (Photos 5A, C) is associated with altered (quartz-barite-jasper) pyroclastic rocks and andestitic flows. The Amarillo Zone is located on the east side of Orange Mountain (Photo 5A) and is thought to epitomize the top of a large epithermal system, characterized by ubiquitous barite and jasper, often mineralized with varying amounts of galena, sphalerite and chalcopyrite.

As revealed in airphotos taken in 2007 (Frontspiece Photo 1), the Yellow Bowl Zone is much more extensive than originally thought (~1.5 x 3 km). The alteration of the crystal tuff and crystal tuff breccia is pervasive and includes argillic, silification +/- sericite; and, carbonate + sericite +/- quartz.

The altered pyroclastic rocks are interbedded with felsic units of rhyolite to dacite composition. Fine disseminated pyrite accompanies the alteration and chalcopyrite veins, lenses and stringers are often associated with carbonate +/- chlorite +/- sericite +/- quartz. Massive pyrite veins and lenses are common in the gossan zones, generally with strongly anomalous Au and Cu values.

As mapped by Grove (Figure 4), the property is bordered on the west by a major northeast trending fault that follows American Creek and partially on the east by a north trending structure. A major north trending fault system is postulated to be associated with the Todd Creek Valley. The fault system includes the South Zone Structure (Map 2B) that generally trends about 10° and dips 65° to the west. As noted in Section 7, the regional system is interpreted to extend from south of the Red Mountain deposit north, across Bear Valley and the Todd Ice field, and down the Todd Creek Valley. As indicated in Figure 8B, a regional mineralization trend is related to the structure, which is thought to be associated with a second zone of volcanism, the Eastern Jurassic Volcanic Belt (Figures 5, 8B).

The structural components of the Todd Creek Property are dominated by an orthogonal to sub orthogonal fabric that generally trends north-northeast and west-northwest. Dips are generally to the northwest and southwest. Most of the mineralization discovered to date is associated with the fabric and is most often hosted by South Zone Structure, or structures orthogonal to it, particularly at or in the vicinity of structural junctions. Such junctions are conducive to the development of south plunging ore shoot morphologies, which are one of the current exploration targets. The Mylonite and Knob Zones occur at prominent structural junctions and the latter zone, with associated EM anomalies (Photo 3; Maps 1, 2D) is considered a high priority exploration target.

Many of the historical showings on the property, including the South Zone Deposit ("SZD"; 207,000 t grading 5.48 g gold/t {Hemlo Gold Mines Inc., 1988 Annual Report}, along with significant copper credits) are associated with multiphase quartz-pyrite-chalcopyrite +/-hematite, galena and sphalerite breccia vein systems. Such banded veins generally have a massive to semi-massive pyrite +/- chalcopyrite core, surrounded by sulfide matrix breccia and/or blebby chalcopyrite breccia. At the SZD, metallic zoning or replacement includes the transition from sulfides (pyrite and blebby chalcopyrite) to auriferous specular hematite e.g., at the MEXT Zone and generally towards the footwall rocks of the deposit. The mineralization is hosted mainly by quartz-pyrite and quartz-pyrite-sericite altered volcanic breccia, agglomerate and crystal tuff-breccia and crystal tuff. Extensive gossan zones of limonite +/- hematite and jarosite/alunite are developed on the sulfidized host rocks.

The intensely sulfidized felsic breccia at the Knob Zone and the felsic stratigraphy in the footwall rocks of the mineralized zones e.g., A and Northeast Zones along Fall Creek that trend into Orange Mountain are deemed to have volcanogenic massive sulfide potential. The alteration and multi element signatures at the Yellow Bowl and South Zones are considered indicative of Au-Cu porphyry systems at depth. Historic exploration efforts have not been focused on these targets in view of the much more readily apparent copper-gold mineralization exposed in the outcrops of well-mineralized multiphase breccia vein systems. However, exploration success on the property is dependent on the discovery of an ore body. The apparent targets with size potential to host a large, economic deposit are associated with the Orange Mountain and the Yellow Bowl and Knob Zones.

9. 2007 EXPLORATION PROGRAM, TODD CREEK PROPERTY:

The 2007 field program was carried out mainly from May 27 to October 4, 2007 and was supervised by David Molloy, P. Geo. (APGO, BCAPEG) and David Kennedy P. Geo. (BCAPEG). Project expenditures including initiation and overhead total about $1.766 M and are shown by exploration category in Table E1. The work was carried out under BC work permit number MX-1-153 and included the interpretation of the historic Geonex Aerodat 1994 airborne survey and a general compilation of geophysical data and mineral showings (JVX, 2007); snow cat plowing and construction of the exploration camp; grid installation and restoration (~22 km of geophysical grid, base, tie, drill lines and access lines); heli airphotos and structural interpretations; GPS surveying of historic drill collars; geological and geochemical surveys (Table S1, 389 MMI-M samples; 130 rock samples; 9 soil and stream samples) geophysical surveys (~18 km of mag, VLF and Spectral IP; and, about 3600 m of borehole IP (JVX, 2007); drill hole spotting, topographic and GPS surveys; diamond drilling (2818.02 m in 12 holes, Tables D1, DR 1, DR 1A); core logging and sampling (Table S1) 1755 samples); thin section studies; and, reclamation.

9.1.A. 2007 FIELD PROGRAM, TODD CREEK PROPERTY:

The 2007 field program was initiated in late May with the plowing of the 8 meters of snow on the Todd camp site. The snow cat was transported by a S61 supplied by VIH. The camp was installed in early June by Rugged Edge of Smithers. The South Grid, Orange Mountain Target Area and the MEXT-NEXT Grid on the South Zone were installed by Ranex of Smithers shortly thereafter. JVX Ltd. of Richmond Hill carried out geophysical surveys (Spectral IP, magnetometer) on the grids in the latter part of June and first half of July, aided by the Ranex line cutting crew. The drill program was carried out by Cyr Drilling of Winnipeg Manitoba, with drill pads installed by Rugged Edge. Prism Helicopters provided camp support with an on-site Huges 500 and drill support for the large Boyle 56 drill with a B3. A VIH 212 supplemented the support, after the B3 was damaged on another project and taken out of service. The camp and drill demob were completed by August 15. Additional geochemical surveys were carried out from Stewart in September and October.

A total of 2300 composite in situ rock, talus, drill core, stream sediment, soil, and MMI soil samples were collected (Table S1). The rock, talus, core, soil and sediment samples were submitted to ALS Chemex Labs ("Chemex") in Vancouver for Au and ICP analysis. The MMI-M soil samples were submitted to SGS Canada in Scarborough for MMI-M analysis. The analytical results for all the samples are shown on the Chemex and SGS Certificates of Analysis, included in Appendices A and B.

9.1.B. 2007 SECURITY, SAFETY, ENVIRONMENTAL PROTECTION, QUALITY ASSURANCE OF ANALYTICAL DATA, DATA VERIFICATION:

9.1.B.1. SECURITY:

The 2007 exploration program utilized a number of security/confidentiality measures and procedures. The requirement of confidentiality for third party contractors was documented in their service contracts. The exploration camp was located some distance from the main drill camp (Photo 1B) to ensure privacy and security for the program orchestration, core logging and sampling, communications, and database generation. The core was sealed in core boxes at the drill sites and once delivered to the exploration camp, remained in the care of Geofine.

Geofine personnel carried out the core logging and splitting in the core shack and placed the samples in labelled and tagged sample bags, which were immediately secured in rice bags for shipment. The bags were sealed and three colour-coded security tags were fastened to each bag. The bags were shipped to Stewart by Geofine personnel and were stored in a secure Geofine cargo trailer until shipment by Bandstra Transportation to ALS Chemex Labs in Vancouver. The lab was required to verify that the security tags were still in place for each shipping bag when the samples arrived at their facility.

MMI-M samplers were trained by Geofine personnel and supervised by Dave Kennedy, P.Geo. He supervised the preparation of the samples for shipment. Geofine personnel delivered them to the airports in Smithers or Terrace or to post offices in those cities for transport to SGS.

9.1.B.1.b. SAFETY, ENVIRONMENT PROTECTION:

The program was carried out based on the requirements of the government project permit and the laws and regulations of BC. All contract staff was required to have at least Level 1 BC First Aid Certificates. A cook with Level 3 was on site for the duration of the program and a first aid station was maintained in her tent. A helicopter contracted from Prism Helicopters in Stewart remained on-site for the entire program and two satellite communications systems as well as three satellite telephones and field radios were available for communications. No injuries were sustained during the exploration program.

The program was carried out with adherence to the appropriate environmental standards, safeguards and equipment requirements. The campsite was maintained in a clean and natural state with garbage burned in a proper fire pit on a daily basis and non-combustible materials flown to the staging area and shipped to Stewart. Fuel drums were shipped out from the property as emptied and absorbent materials were placed under drums used for tent heating and drill fuel. The drill sites were maintained in a clean and orderly state, with cuttings being contained in sump ponds. The ponds were lined with tarps and sediments were allowed to settle out, with clear water drained off the top of the ponds through hay bales. After the drill program the ponds were drained and the sludge material removed and buried.

All the drill set-ups were dismantled and the lumber stored with the core at the exploration camp. All drill sites were left in a clean and natural state and no contaminants were discharged in drainage channels. The upper and lower camps were dismantled and all garbage and materials removed. The camp floors were moved with the helicopter and stored with the core at the lower camp site and with the camp lumber at the upper camp site. Before, during and after photos were taken of most activities and provided to the mining inspector. The camp and field sites were inspected in August and no issues were found by the inspector.

9.1.B.l.c. QUALITY ASSURANCE:

Four CANMET Standards (Tables 2, 3) as described below were used to monitor the quality of the Chemex analytical results from the analyses of the drill core. It should be noted that not all CANMET values are certified values. Those provided by other laboratories are so named by CANMET (i.e., provisional and informational) to indicate a lower confidence level relative to certified values.

a) CANMET Standard MA-1b was used as a "high" gold check and has a certified gold content of 17 g Au/t and an informational value of 4 g Ag/t (Table 2).

b) CANMET Standard MA-3a was used as a "moderate" gold check and has a certified content of 8.56 g Au/t (Table 2). Other analytical values for MA-3a referenced are informational (Table 2).

c) CANMENT Standard MA-2c was used as a "moderate-low" gold check and has a CANMET certified gold content of 3.02 g/t and a provisional silver value of 0.51 g/t. Other analytical values for MA-2c referenced in Table 2 are informational.

d) CANMET Standard CH-4 was used as a "low" gold check and has a CANMET certified content of 88 ppb gold (Table 2). Other analytical values for CH-4 shown in Table 2 are informational.

The selected Chemex analytical results for each of the CANMET standards submitted during the Todd drill program are shown in Table 3 relative to the analytical values referenced above and reported by CANMET. The Chemex Certificates and their issue dates are also referenced in Table 3 in order to ascertain any apparent trends over time in deviations from the certified values. The complete analytical results for each standard sample are also shown on the ALS Chemex Certificates included in Appendix A, along with the samples they were submitted with.

The quality assurance procedures and materials re. the MMI-M samples submitted to SGS involved the running of duplicate samples by SGS and the insertion of blanks and of check samples by SGS. The process also included the inclusion of check samples by Geofine with each MMI-M sample shipment. Geofine check samples were prepared from a batch of homogenized soil material. The SGS analytical results for the QA samples are shown in Table SGS MMIM QUALITY

ASSURANCE.
Based on the results of the quality assurance work referenced above, it is concluded that:

i> As shown in Table 3, the ALS Chemex Au results for all of the standards correlate very well with the CANMET Certified Values. The ALS Chemex Cu results for the standards also correlate well with the standard values, as do most Chemex values that can be compared with the standard values.

ii> Some exceptions are apparent e.g., the ALS Chemex Cu values for Standard MA-3a, relative to which the ALS Chemex values are on average about 25% higher. This apparent lack of correlation also applies to the ALS Chemex Pb values, which average about 73% higher than the standard value. However, as shown in Table 3, the Cu and Pb values for MA-3a are Informational Values. Moreover, based on Geofine's considerable experience with CANMET Informational and Provisional Values and the repeatability of the individual ALS Chemex Cu and Pb values referenced above, the ALS Chemex values are considered reliable. Most of the ALS Chemex values fall within the range of acceptable statistical variance relative to the values for the standards and the generally small variability in most of the results probably relates to the difficulty in maintaining the homogeneous concentration of elements in the standards.

iii> As indicated in Table SGS MMIM Quality Assurance, there is very good correlation of the SGS results for the duplicate samples with the lab's original values. The SGS blank samples returned blank values and the SGS values for the MMISRM 14 STANDARD compare well with the SGS expected values for the standard. The SGS values for the Geofine P1 Standard show good correlation and fall within the range of acceptable statistical variance. The generally small variability in most of the results is probably related to the difficulty in maintaining the homogeneous concentration of elements in the P1 Standard.

iv> Based on the QA process referenced above, the ALS Chemex and SGS analytical results are considered reliable and there are no issues with regard to the data supplied by the labs.

9.1.B.1.d. DATA VERIFICATION:

On-going data verification was carried out relating to both technical and financial information. David Kennedy P. Geo., and David Molloy, P. Geo were responsible for the data verification. Procedures related to the technical data included ensuring the correct drill set up location and elevation and verifying the drill head inclination and checking the setting a number of times during the drilling of each hole.

At least one acid test was taken in each hole and once the inclination of the hole at that point was determined via the correction of the angle etched on the test tube, the new inclination was utilized on

the cross-section. Core boxes were labelled on the inside with permanent marker and with metal tags on the outside. Each drill run of each hole was measured as a verification of core lengths and recoveries reported by the driller. The runs, core recoveries and acid tests are shown at the end of each drill log. The drillers' footage measurements of the core were converted to meters and the blocks were relabelled in the core boxes.

Sample intervals were marked in the core boxes via the affixing of sample tags at the beginning of each sample interval. Duplicate tags were included in each labelled sample bag for use by ALS Chemex. Hole information including runs, sample numbers, recoveries and lithologies were entered as generated by the P. Geo. and checked by him on a daily basis. Cross-sections and vertical long sections were updated as each hole progressed and so verified by the P. Geo. Selected assay data from the final Chemex Certificates of Analysis were entered on the logs and so verified. The components of the report have been signed and stamped by David Molloy, P. Geo., as project manager.

Data verification with regard to financial issues included the careful scrutiny of specific contractor services, performance, and consumption of supplies relative to invoices, records, work sheets and contract terms. Such approved or revised and approved back-up information was used for the checking of the interim and final invoices of each contractor. Approved expenditures were also used on a daily basis to verify budget projections and to determine the overall size and duration of the drill program.

9.1.C. 2007 EXPLORATION PROGRAM RESULTS, INERPRETATION, RATIONALE FOR 2008 PROPOSED PROGRAM:

The exploration data referenced in this report is included in the Appendices attached hereto: analytical results (Appendix A, B: photos (Appendix C), figures (Appendix D) , tables (Appendix E), maps (Appendix F), drill logs (Appendix G), cross-sections (Appendix H), vertical longitudinal sections (Appendix I), JVX Geophysical Report (Appendix J). The exploration targets on the Todd Creek Project are shown on Figures 4, 9A, B; Maps A, 1. The interpretation of the Geonex Aerodat 1994 airborne survey data is presented on compilation Map 1A (structural interpretation); Map 2A (total magnetic intensity); Map 2B (potassium count); Map 2C (apparent resistivity); and, Map 2D (EM profiles and EM anomaly centres). The MINFILE showings are also shown on the on the compilation maps (Appendix F, Todd 2007 Maps).

The results of the JVX Ltd. geophysical surveys are provided in the separate JVX report appended hereto: Report on Spectral IP/Resistivity, Magnetic and VLF Surveys, And Surface and Borehole IP/Resistivity, Magnetic and VLF Surveys, MEXT Zone Area And Borehole IP/Resistivity Surveys, South Zone Deposit Grid, Ref. 7-50, December 2007. The IP anomalies and total magnetic intensity data and the filtered magnetic data for the South Grid, OMTA are shown on Maps 6 and 7, respectively.

The locations of the MMI-M samples on the South Grid, OMTA and on and in the vicinity of the Amarillo Grid, OMTA are shown on Maps 6 and 8, respectively. The results for the MMI-M samples are shown in Table MMI OMTA South Grid and in Table MMI Areas 1-5. The MMI-M analytical results are also shown on the SGS Certificates of Analysis in Appendix B. The apparent metal zoning in the MMI-M samples along mineralized structures on the South Grid, OMTA is shown on Map 6 by colour coding for the dominant signatures i.e., Au-Cu-AS or Ag-Pb-Zn. The zoning along the BD-NE-AM Zone and along the 197 Zone is shown in Tables MMI AM-NE-BD and Tables MMI 197, respectively.

The locations of the rock samples are shown on Figures 11(D Zone), 12 (Southern Extension D Zone), 14 (197 Zone) 15 (Southern EM Conductor) in Appendix D, Todd 2007 Figures; and, on Photos 2C-D2, F, G (Yellow Bowl), 3C-E (Knob Zone), 4C, K-R (BD-NE Zone), 4D-G (A Zone), 5C, E, F (Amarillo Grid), 5D, D1, G-K (Areas 1-5, OMTA) and 6 (Southern EM Conductor). The location and selected assay results for the samples with significant Au and Cu values are shown in Table R1 GPS. The descriptions of the rock samples and their analytical results are provided in Tables R-YBS and AR-YBS, respectively, for the Yellow Bowl Zone; Tables R-BD and AR-BD-NE-AM-DDHNEZ-DDHAM, respectively, for the B1, D and south extension of D; and in Tables R-NE and AR-BD-NE-AM-DDHNEZ-DDHAM, respectively for the Northeast Zone. The analytical results for core samples illustrating multi element signatures (MES) in DDHAM07-01, 01A are included in Table AR-BD-NE-AM-DDHNEZ-DDHAM, respectively, along with the analytical results for the rock samples collected on the South Amarillo MMI-M line and the results for the samples collected at the Northeast Zone, the D Zone, the south extension of the D Zone and the B1 Zone. The table thus illustrates the enrichment and depletion of the signatures along the trend of the

B1, D and Northeast Zones to the Amarillo drill holes DDHAM07-01, 01A.

The descriptions of the rock samples and their analytical results are also provided in Tables R-A Zone and AR-A Zone, respectively for the A Zone; in Tables R-197 and AR-197 for the 197 Zone; in Tables R-JER and AR-JER for the Jeremy Showing; and, in Tables R-OMTA Areas 1-5 and AR-OMTA Areas 1-5 in the vicinity of the Amarillo Grid. The analytical results for all the rock samples are also provided on the ALS Chemex Certificates of Analysis included in Appendix A.

The parameters for the twelve 2007 drill holes are shown in Table D1 and the drill results are shown in Table DR1 and DR 1A. Two of the holes were drilled on the South Zone Deposit (DDHSZD07-01, abandoned, and DDHSZD07-01A); and, one on its northern extension, the MEXT Zone (DDHMZ07-01; Maps 4, 4A). Seven holes (DDHNAZ07-01, -01A, -01B, DDHNAZ07-02, -02A, DDHNEZ07-01, -01A; Maps 5A-D, 6,7) were used to investigate the Spectral IP anomalies located by JVX on the South Grid, OMTA. Two holes (DDHAM07-01, -01A) were used to evaluate the MMI-M soil anomalies and favourable alteration on the Amarillo Grid, OMTA (Maps 8, 9).

The geology, core samples and selected assays are shown on the drill logs and on the individual cross sections. The anomalous multi element signatures (enrichment and depletion) in the drill core for each hole are provided in Tables DDHSZD07-01, -01A, DDHMZ07-01, DDHNAZ07-01, -01A, -01B, DDHNAZ07-02, -02A, DDHNEZ07-01, -01A; DDHAM07-01, -01A. All of the analytical results are shown on the Chemex Certificates of Analysis included in Appendix A. The penetration points and gram meter products (GMP) for the 2007 holes and the historic holes on the A and B Zones of the South Zone deposit, including the MEXT Zone, are shown on Vertical Longitudinal Sections 1 and 2 (VLS 1, VLS 2, Appendix I), respectively. The copper and gold results for the drill holes on the A and 02A Zones are shown the North A Zone Vertical Longitudinal Sections 10000N, 10050N and 10100N, also included in Appendix I.

The target rationale and recommendations for a 2008 exploration program that emphasizes drilling for the discovery of a substantial deposit are provided below:

9.1.C.1. South Zone Deposit (Photos 1A-D; Figure 9A; Tables D, DR 1, DDHSZD07-01, -01A; Maps 1, 1A; 3, 4; Drill Logs DDHSZD07-01, 01A; Cross Section 10055N; VLS 1, 2; JVX 2007 Geophysical Report; ALS CHEMEX CERTIFICATES OF ANALYSIS):

In the follow-up of DDHSZD04-04 (3.09 g Au/t and 0.29% Cu over a 10 m core length; Photo 1D; Map 4; VLS 1), DDHSZD07-01 (Photos 1A, B) had to be abandoned due to stuck rods. Undercut hole DDHSZD07-01A (Figure 9A; Table DR 1) intersected Zone A of the South Zone Deposit (SZD) mineralization ~75 m down dip of the 04-04 intersection (Cross Section 10055N). However, the mineralization in 07-01 was weak, grading 0.3 g Au/t and 0.19% Cu over a core length of 0.79 m (253.06-253.85 m; VLS 1). A wider zone of anomalous Au and Cu values (0.062 g Au/t and 0.046 % Cu) occurs in the hanging wall rocks (213.29-241 m) and is associated with a broad Fe, Mg, Mn anomaly that extends to the end of the hole (Table DDHSZD07-01A). DDHSZD07-01A did

intersect Zone B of the SZD mineralization, which returned 3.12 g Au/t over a 2.52 m core length (120.48-123 m; VLS 2).

Borehole IP surveying of DDHSZD04-04 and DDHSZD07-01A, apparently located the target mineralization as evidenced by a stronger IP anomaly, about 25 to 50 m south of DDHSZD07-01A (JVX 2007). This would suggest the southerly plunge to the target as previously interpreted on VSL 1. Detailed follow-up drilling is proposed with at least 2 drill holes totalling about 800 m in proximity to the postulated plunge axes (VLS 1). The holes were proposed as part of the 2006 program but were not drilled due to client priorities re. South Grid OMTA geophysical targets. The rationale for the holes includes following the axes of shoot morphologies down plunge to stronger mineralization. As envisioned by the Fedikow (2006) exploration strategy, the large and intense epithermal multiphase breccia vein systems may be associated with a porphyry/oxide system or exhalative mineralization at depth. As the roots of these systems are approached with deeper drilling, it is anticipated that the widths and grades of the mineralization will increase.

As a prerequisite for the 2008 drill holes, it is recommended that the 2007 magnetometer survey be expanded on the South Zone deposit and MEXT Grids to further delineate/interpret oxide or intrusive bodies that may be associated with or underlie the South Zone Au-Cu deposit. Physical property studies (magnetic susceptibility, chargeability) should be carried out on critical areas of the historic core to determine the geophysical signatures of the target mineralization and host rocks.

9.1.C.2. MEXT Zone (Middle Extension of SZD; Photos 1A-F; Figures 9A, 10; Tables DR 1, DDHMZ07-01; Maps 1, 1A, 2A-C; 4, 4A: Drill Log DDHMZ07-01; Section 10410N; VLS 1; JVX 2007 Geophysical Report; ALS Chemex Certificates of Analysis):

As a follow-up of the oxide zone intersected in DDHMZ06-02 (1.06 g Au/t and 0.09% Cu over a core length of 13.59 m; Photo 1E), DDHMZ07-01 intersected the target mineralization at a vertical depth of 305 m and ~75 m down dip of the DDHMZ06-02 intersection. The zone returned 2.07 g Au/t and 0.15% Cu over a 9.12 m core length including 12.25 g Au/t and 0.66% Cu over 1.13 m (Table DR 1; Photo 1F) and is signatured by Au, Cu and Mn enrichment and by NA, K, P, Ti depletion. As shown in Table DDHMZ07-01, the intersection is interpreted to have a sulfide and oxide component as does the zone in DDHMZ06-02. The bore hole IP survey indicated a stronger target is located about 25 m to the north of the drill hole (JVX 2007).

Follow-up drilling is recommended, especially since the auriferous oxide component at the MEXT Zone has become a higher exploration priority in view of the target's apparent delineation by magnetic modeling (Photo 1C; Figure 10). An ~400 x 200 m cylinder shaped body has been interpreted that remains open to the north and may reflect the separate auriferous oxide phase postulated to represent the northern extension of the South Zone Au-Cu deposit. The drill intercepts listed below at vertical depths of up to 305 m on the south fringe and east fringe of the interpreted body suggest it could be associated with a significant Au-Cu deposit.
DDHMZ07-01: 2.07 g Au/t, 0.15% Cu over a 9.12 m core length

DDHMZ06-01A: 0.372 g Au/t, 0.11% Cu over a 13 m core length
DDHMZ06-01B: 0.591 g Au/t, 0.086% Cu over a 28.35 m core length
DDHMZ06-01C: 0.723 g Au/t, 0.23% Cu over an 8.9 m core length
DDHMZ06-01C: 0.913 g Au/t, 0.40% Cu over a 5.18 m core length
DDHMZ06-01D: 1.06 g Au/t, 0.09% Cu over a 13.59 m core length

Detailed follow-up drilling into the core of the target is proposed, since the initial holes drilled to date do not appear to have intersected the interpreted magnetic body. The presence of such a body has been evidenced by often erratic compass readings in the vicinity of DDHMZ06-02 (Map 4). Two follow-up holes totalling ~700 m are recommended, their locations to be finalized via the results of the surveys and studies referenced in Section 9.1.C.1. above.

9.1.C.3. Yellow Bowl Zone (Frontspiece Photos 1, 1A, 1B; Photos 2, 2A-G; Figure 9A; Tables R1 GPS, R-YBS, AR-YBS; Maps A, 1, 1A, 2A-D):

The Yellow Bowl South Target Area (YBS; Photos 2, 2A-E; Figure 9A) was located by helicopter reconnaissance surveys as snow waned on the upper levels of the Yellow Bowl Zone in August 2007. The follow-up of the favorable structural fabric and alteration in the small part of an extensive gossan zone was immediately indicative of a significant Au-Cu porphyry target associated with intense sulfide mineralization hosted mainly by pyroclastic rocks interbedded with felsic stratigraphy (Photos 2D-G)..

The 13 various samples of interest (Photos 2D, 2D-1, 2D-2; Tables R1 GPS, R-YBS, AR-YBS) have a favorable multi element signature that includes enrichment of Au, Ag, As, Cu, Fe, Mn, S and some enrichment of Mo, Pb and Sb: and, depletion of Ba, Be, K, Na, P, Sr, Ti and V. The samples average 293 ppb gold and 0.53% copper. Individual composite outcrop samples stained with malachite returned up 60 ppb Au and 1.96% Cu over 1 m (Photo 2G). Composite samples of the gossan zone hosted by pyritized and silicified volcanic breccia with some malachite staining returned up to 339 ppb Au and 0.87% Cu over 3 m (Photo 2F). Individual angular mineral boulders returned up to 1.63 g Au/t and 0.58% Cu. The favorable alteration includes jarosite/alunite-limonite-manganese; argillic; quartz-sericite-py +/- cpy; carbonate-sericite-quartz py +/- cpy; and, chlorite-epidote-carbonate- py +/- cpy (Frontspiece Photos 1A, B). The YBS has never been drill tested and is deemed to have potential for the almost immediate discovery of a major Au-Cu porphyry deposit. The target has become particularly relevant in view of the substantial Au-Cu porphyry mineralization currently being discovered in such environments northwest of the Todd Creek Property in the Stewart Gold Camp (e.g. Figure 1.18; Table 1.2).

As revealed in air photos 2, 2A-C, taken from about 10,000 feet in late August, the Yellow Bowl Zone is a much more extensive target then previous thought. Historic surveys in the central area of the zone had indicated an environment with considerable exploration potential based on alteration, sulfidization and felsic interbeds. The YBS gossan widens considerably to the west, above the cliff exposure that was sampled in 2007 (Photos 2D, E). Based on the initial results from a small part of the southern area of the zone and subject to snow conditions, a comprehensive follow-up exploration

program, including 1500 m of diamond drilling, is proposed for August 2008. The program would include additional geological and geochemical surveys to outline the extent of the favorable multi element signature and to prioritize drill set-ups. The drill program would comprise 3 or 4 deep holes to test the postulated Cu-Au porphyry system at depth. As a general yardstick to the target depth i.e., the postulated underlying intrusion, the feldspar porphyry intrusive at the Knob Zone is located at a vertical depth of 370 m below the YBS Zone.

9.1.C.4. The Knob Zone (Photos 3A-E; 5A; Figure 9A; TABLES R1 GPS, R-Jer, AR-Jer; Maps A, 1, 1A; 2A-D):

The Knob Zone (Photos 3A-E) comprises a large 1 km by 0.5 km exploration target located about 2 km northeast of the YBS Zone and about 4 km north of the NEXT Zone. It is located in a favorable structural setting at the prominent structural junction of the Knob Zone Fault, the Fall Creek Fault and the Todd Valley Fault system (Photo 5A). It is composed of weakly to strongly altered (pyrite-quartz-sericite-carbonate) felsic flows and crystal tuff, tuff breccia and agglomerate, locally intruded by feldspar porphyry. The propylitically altered hanging wall tuff and tuff breccia (Photo 3E) hosts the Jeremy Showing (Tables R1 GPS, R-Jer, AR-Jer), which returned 238 ppb Au and 1930 ppm Cu in initial sampling.

The Knob zone is proximal to the most significantly apparent targets located to date on the Todd Creek Property (the Yellow Bowl Zone and Orange Mountain Target Area) and is thought to be situated close to a felsic centre. The Knob is locally intruded by feldspar porphyry and has favorable magnetic and potassic signatures. The historic Noranda and Geofine geological and geochemical surveys (Molloy, 2000) have outlined favorable multi element signatures in the altered rocks, including Au (up to 970 ppb), Ag (up to 14.4 ppm), Cu (up to 3697 ppm) and As (up to 1860 ppm). A stream sediment sample taken in the vicinity of the EM anomalies referenced below returned 20 ppb Au, 17 ppm Ag, 401 ppm Cu, 60 ppm Pb, 1775 ppm Zn.

The airborne EM anomalies interpreted by JVX in 2007 from a 1994 Geonex Aerodat airborne survey (Map 2D) add substantially to the exploration rationale and may be associated with a volcanogenic massive sulfide deposit. Drill testing is the obvious next step after the airborne EM anomalies have been precisely located on the Knob Zone by ground geophysics, including deep looking EM. At least three initial holes totalling about 900 m are proposed, the first of which would be collared in hanging wall rocks on the west side of Todd Creek in propylitically altered crystal tuff breccias near the Jeremy Showing. The holes would be drilled east across the Todd Creek Fault into the EM anomalies on the Knob Zone. As referenced in Section 9.1.C.5. below, the geophysical survey should be expanded to cover the South Grid and the area south of Fall Creek, where other VMS horizons may occur.

9.1.C.5. South Grid, Orange Mountain Target Area (Photos 4A-4P, 5A; Maps A, 1, 1A, 2A-D., 5A-D, 6, 7); Figures 9B, 11-15; Tables D1, DR 1, MMI-M OMTA South Grid; JVX 2007 Geophysical Report; ALS Chemex Certificates of Analysis):

Much of the 2007 exploration program was focused on the South Grid, Orange Mountain Target Area (OMTA; Photos 4A-C), where the Fedikow (2006) study also indicated the potential for a Au-Cu discovery at depth. The 2007 exploration activities included the installation of the ~20 km South Grid on snow cover and the carrying out of geophysical, geological and geochemical surveys as topography and ground conditions permitted. The location of the topographically chained geophysical grid has been integrated with the historic slope corrected grid (Maps 5A, 5B) on Map 6. Approximately 17 km of km of mag, VLF and Spectral IP surveys were completed and 54 individual chargeability anomalies identified (JVX 2007). Geological and geochemical surveys included the collection of 58 rock samples and 308 MMI-M soil samples. On-site geophysical data interpretation was used to prioritize drill targets. Six holes that totalled 1340.68 m were drilled from a total of 3 set-ups on the South Grid (Table D1, DR 1).

9.1.C.5.i. East Area (Photos 4A; 5A; Maps 6, 7):

Reconnaissance geophysical line L12375E located a priority IP anomaly with magnetic association (Map 6; JVX 2007t) as an initial investigation of the gold-copper potential of the east flank of Orange Mountain. The anomaly and broader area to the north below the Amarillo Grid requires further definition via geophysical, geological and geochemical surveys. The work would be carried out in conjunction with that proposed in Section 9.1.C.4 above. Subject to positive results, follow-up evaluation with two drill holes totalling about 300 m is recommended.

9.1.C.5.ii. Area of Historic B, B1 New D, Southern Extension of New D and Northeast Zones (Photos 4C, K, K-1, L-R; Figure 9B; Tables D1, DR 1, R1 GPS; R-BD, R-NE; AR-BD-NE-DDHNEZ-DDHAM; MMI South Grid; Compare AM-NE-NE MMI-M; DDHMEZ07-01, 01A; Maps A, 1, 5A-D, 5B, 6, 7; Drill Logs DDHNEZ07-01, -01A; Drill Section 20771N; ALS Chemex, SGS Certificates of Analysis):

The area hosts a number of historic (B, B1, Northeast) and new Au-Cu Zones (D, southern extension of D) that occur over a total strike length of about 500 m on the north and south sides of Fall Creek (Maps 5A-C, 6, 7). The strong MMI-M Cd-Ag-Pb-Zn signature (Table MMI AM-NE-BD, MMI Areas 1-5) delineated on the Amarillo Grid (Maps 1, 8, 9) is located about 1.4 km to the north and along strike from the Northeast Showing (Map 1).

Geological surveys in 2007 located the new D and the southern extension of the D Showing (Photos 4C, 4K, K-1, L-N; Figures 11, 12; Tables R1 GPS, R-BD-NE; R-NE, AR-BD-NE-DDHNEZ-DDHAM; Maps 5B, 6, 7). The showings are structurally controlled, have semi massive sulfide

components and are located to the northeast, along strike of the historic B Zone (Map 5A). Analytical results from angular sub crop mineralized with py-cpy returned values ranging up to 5.89 g Au/t and 6.1% Cu; and, 1.275 g Au/t and 11.05% Cu (Table R1 GPS). Composite chip samples from the D Showing returned up to 1.22 g Au/t and 2.48% Cu over 1x1 m; a composite of the footwall stringer zone at the southern extension of the D Zone returned 2.27 g Au/t and 1.5% Cu; composite samples from the B1 Zone (Photo 4O) returned up to 1.7 g Au/t and 2.04% Cu over 1.2 m; and, those from the Northeast Zone returned up to 0.33 g Au/t, 1.14% Cu and 0.20% Pb over 0.5 m (Tables R1 GPS, AR-BD-NE-DDHNEZ-DDHAM). The rocks have rather similar multi element signatures that include Ag, Au, Cu, As, Cd, Pb, Zn, Sb enrichment and Ba, Na, P, Ti, Sr, V depletion. However, the Northeast Zone has the weakest Au and Cu values but contains galena, as reflected in the stronger lead values in three of the rock samples.

MMI-M soil sampling was carried over the area of the showings where overburden conditions permitted i.e., on L207+50N and 209+50N (Table MMI OMTA South Grid; Map 6). On L207+50N where the soil cover is poorly developed, the target is signatured mainly by anomalous Au, As and Cu. On and in the vicinity of L209+50N, a strong multi element signature (MES) was located in the vicinity of the Northeast Zone (Photos 4P-R) that includes Au and Cu but is somewhat transitional into to Ag-Pb- Zn. The signature is up to 185 m wide on L209+50E and is coincident with IP anomalies D and E (Map 6). The target is associated with a felsic horizon in the footwall of the zone and remains open to the northwest. It is considered to constitute an important drill target, since it is interpreted to occur in an environment transitional to Au-Cu from the Ag-Pb-Zn signature that is located on the northern part of the South Grid and extends north to the Amarillo Grid (Tables MMI AM-BD-BD-NE Compare, AR-BD-NE-DDHNEZ-DDHAM). Significant Au-Cu mineralization has been discovered in the Stewart Camp in environments with such transitional zoning.

IP surveying delineated a chargeability anomaly associated with the B, D and NE Showings that extends from L207+50N to L209+50 and remains open to the south and north (Map 6). The general target area, like that of the A Zone referenced in the section below is associated with a broad magnetic low that strikes NW across the eastern area of grid and is thought to signature propylitically altered interbeds of crystal tuff breccia and felsic flows (Map 7).

Two initial drill holes, DDHNEZ07-01 and undercut hole DDHNEZ07-01A (Tables D1, DR 1, DDHNEZ07-01, -01A; Drill Logs DDHNEZ07-01, -01A; Sections 20771N), were used to test IP anomaly H on L207+50N (Map 6), as recommended by JVX. Both holes intersected favorable geology with a number of pulses of sulfide mineralization that included py, cpy and hem. DDHNEZ07-01 intersected an upper zone from 26.08 to 27.70 m that returned 1.48 g Au/t and 0.73% Cu over a 1.62 m core length; and, a lower zone (54.42-55.20 m) that contained 2.94 g Au/t and 0.34% Cu over a 2.58 m core length, including 9.24 g Au/t and 1.1% Cu over 0.78 m. The mineralization is associated with sulfide matrix breccia and multiphase breccia veins that are signatured by Au, Ag, Cu, As, Pb, Zn, Fe, Mg, Mn enrichment and Ba, Na, K, Sr depletion (Tables DHNEZ07-01, -01A, AR BD-NE-AM-DDHNEZ-DDHAM).

As shown in Table DR 1 and on Section 20771, undercut hole DDHNEZ07-01A intersected 2 main zones of interest including an upper zone (27.11-27.80 m) that returned 1.39 g Au/t and 0.15% Cu

over a core length of 0.69 m; and a lower zone (51.91-52.92 m) that contained 7.32 g Au/t and 2.95% Cu over a core length of 1.01 m. The mineralization is associated with a sulfide matrix breccia and has a signature similar to that in the upper hole. Faults occur in the hanging wall rocks of the higher grade intersections in both holes (Section 20771N) and in view of the similar nature and MES signatures of the intersections they may represent offsets of the same zone.

The favorable geological setting of the BD-NE target area includes potential for VMS mineralization. The area of the Northeast Zone, with the evidence of zoning transitional from a Ag-Pb-Zn environment on the northern area of the South Grid and on the Amarillo Grid to a Au-Cu environment that extends from north of the showing south to Fall Creek and beyond (Tables MMI-M AM-BD-BD-NE Compare, AR BD-NE-DDHNEZ-DDHAM; Figures 13 A, B) is deemed to offer a high priority follow-up target. Substantial Au-Cu mineralization has been discovered in the Stewart Camp in and near the zone transitional to the two mineral types.

The proposed follow-up work would include the expansion of the geophysical, geological and geochemical surveys to the north of the Northeast Zone on a summer grid as topography allows. The surveys should also be expanded to the south side of Fall Creek, since the IP anomalies on the South Grid tend to strengthen and coalesce towards the creek. Subject to results of the surveys, three initial follow-up drill holes (~400 m) are required to evaluate the area of the Northeast Zone and along strike to the north and south. The area of the B1 and the B Zones in the area of Fall Creek is also deemed to warrant follow-up drilling in the vicinity of the intersection of the mineralized structures and the Fall Creek Fault, where a 1994 composite sample returned 2.21 g Au/t and 2.28% Cu over 6.5 m (Molloy, 1994). The target mineralization may have southern plunge morphologies similar to those on the South Zone and careful drill targeting is required. The work in the BD-NE target area should be carried out in conjunction with the proposed follow-up of the IP anomaly referenced in Section 9.1.C.5.i.).

9.1.C.5.iii. A Zone and New NAZ02A Zone (Photos 4A, D-I, Figure 9B; Tables D1, DR 1, R1 GPS, AR-A ZONE, AR-197, MMI OMTA South Grid, MMI 197 Zone, DDHNAZ07-01, -01A, -01B, -02, -02A; Maps A, 1, 2A, B, 5A-D, 6, 7; Drill Logs DDHNAZ07-01, -01A, -01B, -02, -02A; Sections 20728N, 20811N; North A Zone Vertical Longitudinal Sections VLS 10000N, VLS 10050N, VLS 10100N; ALS Chemex, SGS Certificates of Analysis):

The historic A Zone (Photos 4A, D; Maps 5A-D) was delineated by the JVX magnetic and Spectral IP survey over a strike length of about 550 m (Maps 6, 7) and tested by 5 holes from two set-ups about 100 m apart (Photo 4A; Tables D1, DR 1; Maps 5A, B, 6, 7)). The zone is located on the west edge of a broad magnetic low near a magnetic high interpreted to be associated with potassically altered crystal tuff breccias (Map 7). The foot wall of the zone is thought to be composed of felsic stratigraphy of dacitic composition (Photo 4E).
Historic work had traced the A Zone over a strike length of about 400 m on the north and south sides of Fall Creek (Map 5A). Results from the historic Noranda trenching (Photo 4D) ranged up to 3.8 g

Au/t over 14.3 m and drill results ranged up to 3.47 g Au/t and 0.75% Cu over 31.85 m including 14.47 g Au/t and 2.06% Cu over 5.95 m (VLS 10000N, 10050N). The Au-Cu mineralization mainly comprises of M type or South Zone deposit type i.e., blebby chalcopyrite in multi phase quartz-barite breccia veins (Photos 4F, G). MMI-M sampling was carried out over the zone on L207+50N and L208N and the multi element signature comprises mainly Au, As and Cu (Table MMI-M OMTA).

The northern tier of 3 holes (DDHNAZ07-01, -01A, -01B; Tables D1, DR 1; Drill Logs DDHNAZ07-01, -01A, -01B; Drill Section 20811N; North A Zone VLS 10050N) on L20811N tested Spectral IP anomaly E (Map 6). DDHNAZ07-01 was drilled at an inclination of -50 degrees under Noranda trench A and intersected the interpreted A Zone at a vertical depth of approximately 94 m. The zone returned 1.63 g Au/t and 0.41% Cu over a core length of 12.37 m, including 8.29 g Au/t and 2.41% Cu over 1.99m, which includes 19.5 g Au/t and 5.53% Cu over of 0.82 m (Photo 4 H). The higher grade mineralization is associated with semi massive py/cpy hosted by a sulfidized and chloritized crystal tuff breccia (CTVBX).

DDHNAZ07-01A was drilled at an inclination of -60 degrees under DDHNAZ07-01 and intersected an upper auriferous zone, which returned 3.4 g Au/t over a core length of 4.52 m including 7.12 g Au/t over 1.5 m at a vertical depth of about 99 m. The hole also intercepted a lower zone, the interpreted A zone at a vertical depth of 139 m that returned 2.15 g Au/t and 0.053 % Cu over a core length of 4.46 m including 3.45 g Au/t and 0.07% Cu over a core length of 1.56 m. The mineralization is as associated with pyritized CTVBX, generally without cpy. Vertical zoning in the A Zone may explain the apparent transition to auriferous pyrite in the lower hole.

A third hole, DDHNAZ07-01B, was drilled from the same set-up as DDHNAZ07-01, 01A, but at an azimuth of 60 degrees relative to 88 degrees for the first two holes. The hole intersected a zone of strongly anomalous Au and Cu values i.e., 0.63 g Au/t and 0.9% Cu over 5.51 m core length including 2.92 g Au/t and 0.11% Cu over 0.9 m.

The southern tier of 2 holes (DDHNAZ07-02, -02A; Tables D1, DR 1; Drill Logs DDHNAZ07-02, -02A; Drill Section 20728N; North A Zone VLS 10050N, 100100N) was collared on L207+28 N to test Spectral IP anomaly G, located approximately 100 m to the southeast along strike of the northern tier of holes. DDHNAZ07-02 was drilled under Noranda trench 4 (Maps 5A, B, 6) at an azimuth of 70 degrees and an inclination of -50 degrees. The hole returned 1.06 g/t Au and 0.34% Cu over a 3.3 m core length, including 2.08 g Au/t and 0.74% Cu over 1.4 m.

Hole DDHNAZ07-02A was drilled under DDHNAZ07-02 at an inclination of -65 degrees and only intersected weak indications of the A Zone mineralization i.e. 0.57 g Au/t and 0.09 Cu over a core length of 2.18 m. However, the hole did intersect two new zones at depth, apparently located in foot wall rocks on the east side of the A Zone. The upper zone is associated with intensely pyritized and silicified crystal tuff breccias and returned gold values of 1 g Au/t over a 8.41 m core length at a vertical depth of about 205 m. The footwall rocks of the zone comprise a crackled chert unit (256.74 to 262.48 m) mineralized with fine pyrite in patches and as fracture fillings. The unit has been logged as an exhalite horizon and the hanging wall mineralization is thus of special interest. The hole also intersected a lower zone (300-304.5 m) in hematized and chloritized crystal tuff breccia that returned

4.4 g Au/t over a core length of 4.5 m, including 12.8 g Au/t over 1.5 m at a vertical depth of 274 m. In view of the unexpected, significant mineralization, the rest of the hole should be sampled.

More importantly, anomalous Au values are associated with much of the core that was sampled and the hole ended in anomalous Au values (Table DDHNAZ02-02A). In view of the coalescence and strengthening of the IP anomalies at depth in the vicinity of Fall Creek, the deep hole is considered significant in further delineating the auriferous environment. The deep upper and lower zones referenced above in DDHNAZ02-02A project to surface about 20 and 35 m east, respectively, of the historic A Zone, in an area devoid of any historic showings or 2007 IP anomalies (Maps 5A 6). However, the zones are located along strike and north of what was interpreted historically as the sinistral offset of the A Zone on the south side of Fall Creek (Map 5A). The offset had been traced historically over a strike length of over 200 m and surface sampling had returned interesting results ranging up to 330 ppb Au, 0.4% Cu over 13.5 m including 2.16 g Au/t, 1.28% Cu, and 0.15% Zn over 3 m. The zone appears to have a Noranda IP association on the south side of the creek that remains open to the south. The last interval in the only Noranda hole (90-49) on the A Zone IP axis south of Fall Creek returned 7.45 g Au/t and 0.68% Cu over a 1.06 m core length.

The multi element signatures of the 2007 NAZ holes on the A Zone are shown in Table A Zone and are integrated with those of the historic Noranda holes on North A Zone VLS 10050N and 10100N. There are a number of interesting assays on and near the interpreted orthogonal plunge axes as shown on VLS 10050N, which can be used to interpret structural controls. As contemplated on the vertical long section, such controls often entail forward and back plunge directions and highest grades are frequently found in the vicinity of such axes.

The recommended 2008 follow-up would entail, as required for the other South Grid targets, the summer restoration of the South Grid and its expansion to the south, up the south valley side of Fall Creek. The 2007 geophysical surveys should be expanded to the south towards the Fall Creek East Showing grid and deep looking IP arrays used in the vicinity of the creek. The DDHNAZ07-01 holes and the DDHNAZ07-02 hole were not long enough to test the deep zones intersected in NAZ02A. The upper deep zone is of particular interest since in may be associated with an exhalative horizon. The new South Grid should be cut at 25 m spacing over the IP anomaly so that detailed mapping can be carried out. Thin section studies have indicated that at least part of the footwall rocks of the A Zone are comprised felsic stratigraphy.

Deep follow up drilling comprising about 800 m is recommended to evaluate the new zones north and south of Fall Creek; and, to test the junction of the Fall Creek and A Zone Structures. The Fall Creek Fault appears to be the focus of the Au-Cu signature and has yet to be evaluated by diamond drilling or deep geophysical surveys.

9.1.C.5.iv. 20300E Area of the Central Mag High and Spectral IP Anomaly C (Photo 4 A; Maps 5B, D, 6, 7):

The JVX Spectral IP survey (Map 6) delineated IP C anomaly over a strike length of approximately 600 m in an area postulated to be underlain by silicified and potassically altered crystal tuff breccias. The anomaly is associated with a magnetic high (Map 7), along the eastern and western edges of which are located the A and 197 Zones (Maps 5A-5C).

The area is mainly overburden covered, but locally the rocks are hematized and sericitized with quartz carbonate fracture fillings. Historic, conventional soil geochemical surveys outlined one of the largest As anomalies on the grid in the 20300E target area, with associated Au and Cu anomalies (Molloy, 1997). The results of the 2007 MMI-M soil sampling on L207+50E and 208+50E delineated Au, Cu, As and Mo signatures associated with the IP anomaly (Tables MMI OMTA, South Grid). The IP anomaly is of particular interest since the main limb of the Noranda IP anomaly on the south side Fall Creek i.e., the northern extension of the Fall Creek East IP axis (Map 2D) may extend across the creek to connect with the JVX IP anomaly C.

The 20300E area is currently considered to be of lower priority at this time, in view of the much more significant targets to the east and west, as referenced above. If the South Grid is restored, the northern IP anomalies in the 20300E can be further evaluated by MMI-M surveys. Geophysical surveys conducted on and expanded grid south of Fall Creek would further prioritize the target area

9.1.C.5.v. 197 Zone (Area of the 197 IP Anomaly; Photo 4B; Figure 14; Tables MMI 197, R-197 Zone; AR-197 ZONE; Maps 5B, D, 6, 7):

The 197 IP anomaly is located on the west end of the South Grid, OMTA has been traced northwest over a ~750 m strike length (Map 6). The 197 Zone is associated with the possible structural contact of the magnetic low and the high (Map 7). The magnetic low appears to signature propylitically altered (limonitized, sulfidized, silicified, chloritized) crystal tuff breccia, often with quartz-carbonate-sulfide fracture fillings.

The northwest area of the anomaly has a strong Ag-Cd-Pb-Zn MMI-M soil signature (Lines 21100N-21200N, with an apparent transition to a Au-Cu-As-Mo signature on L207+50N (Table MMI 197). Conventional soil geochemistry has outlined a large As anomaly with some Au and Cu correlation (Molloy, 1997). Historic float material (sample 598689, Map 5B) collected from a gossan zone on BL20000E at 21000N returned 2160 ppm Zn, 618 ppm Cd and 8.2 g Ag/t. As shown on Map 5B and on Figure 14, the 2007 geological surveys located sulfidized, silicified, malachite stained crystal tuff breccia with quartz-carbonate-sulfide-fuchsite fracture fillings that returned up to 1.84 g Au/t, 8.2 g Ag/t, 0.93% Cu, 0.05% Pb and 5.02% Zn in a 1 m x 2 m outcrop composite sample (901626). The target is furthered evidence by the results from other samples in Tables R-197, AR 197 and on Figure 14 that include anomalous Au, Cu (up to 0.47%), Pb and Zn (up to 0.29%) values. The mineralization is directly associated with or proximal to the 197 IP anomaly.

As shown on Map 6, the 197 IP anomaly was also traced across Fall Creek and it may extend to the south in the area of Ice Creek i.e., associated with the Ice Creek Structure (Map 5D). The Noranda historic drill hole NTC90-55 tested the Ice Showing and intersected very anomalous Au (0.4 g Au/t) and As values over the first 100 m of the hole, including 10.3 g Au/t over 1.5 m.

The 197 Zone should be further evaluated with geophysical surveys on an expansion of the South Grid, south of Fall Creek. The Ice Creek structure is located along the west contact of the Yellow Bowl Zone (Photo 2C, Map 2D) and is regarded as an important Au-Cu target, as indicated by the results of NTC90-55. The 197 Zone has never been evaluated by diamond drilling and is considered to be a high priority drill target, particularly in the vicinity the structural junction with Fall Creek; on its postulated southern extension; in the vicinity of the Ice Creek Showing; and, in the vicinity of the transition from the Ag-Pb-Zn signature in soil and rock samples to the Au-Cu signature. About 400 m of diamond drilling is proposed to initially evaluate priority geophysical targets associated with the favorable geochemical signatures and geological environment. An additional 200 m of diamond drilling is recommended to be allocated to a hole undercutting NTC90-55.

9.1.C.5.vi. Amarillo Grid AREA, OMTA (Photos 5A-K; Tables D1, DR 1A, AR-AM, MMI AM-NE-BD, MMI 1-5 AM, R-OMTA AREAS 1-5, AR OMTA Areas 1-5; AR-BD-NE-AM-DDHNEZ-DDHAAM; DDHAM07-01, 01A; Figures 9B, 15; Maps 1, 8, 9; Drill Logs DDHAM07-01, 01A; Section 4890.

The large Orange Mountain Target Area (OMTA; Photos 5A-D) is bounded by the Fall Creek Fault on the South, the Todd Creek Fault on the East , the 197 or Ice Creek Fault, approximately 2 km to the west of Todd Creek and the Virginia Creek Structure (Map A) about 4.5km north of Fall Creek. Orange Mountain (Photo 5A) is located about 1.5 km north of Fall Creek and is characterized by a 1.5 by 2.5 km, prominent gossan zone with jarosite/alunite, limonite and manganese oxidation and numerous, steeply dipping barite veins and local areas of baritized rock (Photo 5D). The host rocks comprise strongly silicified, pyritized and locally sericitized crystal tuff breccia in an apparent high-level epithermal environment. Historic and 2007 mapping had located a number of barite-jasper veins and stock works (Photo 5D, Map 9) often mineralized with sphalerite and galena that returned interesting Ag-Pb-Zn values. However, the veins were not deemed of sufficient size and number to explain very the strong soil geochemistry referenced below.

The Amarillo Grid (Photos 5A, B; Maps 8, 9) is located about 1.4 km north of Fall Creek in an area of relatively moderate topography, on the east flank of Orange Mountain and about 1 km west of Todd Creek. Historic, conventional soil geochemistry had outlined the strongest Ag-Pb-Zn-Cd anomaly that Geofine had encountered in its exploration efforts in the Stewart Gold Camp (Geofine, 1998). The soil anomaly remained open to the south, north and west, with the strongest components delineated near the base of the cliffs on the west side of the grid (Photos 5B, G).

The results from the 2006 northern orientation MMI-M soil sample line and the 2007 southern MMI-M soil sample line (Photos 5A, C; Table MMI AM-NE-BD; Maps 8, 9) confirmed the strong

multi element soil signature (MES) that includes Au, Ag, As, Au, Cd, Cu, REE, Mo and Pb. The MMI-M results also indicated that the MES extended onto the cliffs the above the grid (Photos 5A, B, G). The MMI-M sampling and geological surveys were expanded in 2007 to five areas on cliffs to the west and south of the strong soil geochemical signature on the grid (Photos G-K; Map 7). The results of the MMI-M soil surveys indicate that the favorable MES are most apparent in areas 2, 3 and 5 (Tables MMI Areas 1-5). Areas 2 and 5 are of particular interest since they host the strongest As and Au values. The MES from the rock samples that mainly comprise barite veins and altered (baritized, silicified, oxidized) CTVBX (Tables R-OMTA AREAS 1-5, AR OMTA Areas 1-5) suggest that Areas 1 (up to 24.3 g Ag/t, 0.08% Pb, 0.27% Zn) and 5 (up to 0.84 g Au/t, 0.15% Pb) provide the strongest indication of the polymetallic target

The Fedikow (2006) study of the OMTA and exploration status of the Todd Creek Project indicated that one or more immense hydrothermal mineralizing systems were operative on the Todd Creek Property. One such large system is postulated to have been focused on Orange Mountain, and responsible for the strong Ag-Pb-Zn-Cd-Ba multi element signature that is concentrated on and around the Amarillo Grid. However, as referenced in other sections of this report i.e., 9.1.C.5.ii. and 9.1.C.5.), the signature is much more extensive, extending southwest to the 197 Zone at the west end of the South Grid, south to approximately L21000N, South Grid, and open to the north (Photo 5A). As indicated in the results from conventional and MMI-M soil samples and from rocks samples, the signature is transitional into a Au-Cu-As and/or Au signature south and east of the Ag-Pb-Zn signature.

The Au-Cu signature extends south to beyond Fall Creek on the South Grid where numerous gold copper showing are located; and, southeast towards the Knob Zone (Photo 5A), which may be proximal to the centre of the interpreted VMS system. The Au-Cu signature is also postulated to extend east, from below the Amarillo Grid towards Todd Creek on the east flank of Orange Mountain, where little historic work has been carried out. Pyritic halos are associated with both types of signature: on Orange Mountain sections of the strong pyrite mineralization contain the Pb-Zn-Ag ; on the southern area of the South Grid, wide sections of auriferous pyrite have been intersected in the drill core e.g., DDHNAZ07-02A.

The exploration strategy for the first ever drill test of the multi element signatures (MES) on Orange Mountain contemplated testing the apparent source areas of the strong MMI-M and conventional soil geochemistry and associated favorable alteration (jarosite/alunite, quartz-pyrite-sericite +/- barite). The initial hole DDHAM07-01 (inclination of -45 degrees) and undercut hole DDHAM07-01A (inclination of -60 degrees; Photos 5A-C; Maps 8, 9; Drill Logs DDHAM07-01, -01A; Section 4890N) were drilled into the steeply dipping stratigraphy at an azimuth of 245 degrees to evaluate Areas 2 and 5 (Photo 5G) in the upper, western area of the Amarillo Grid.

The holes intersected numerous pulses (logged as Sulfide Lead Ins, Cores, Sulfide Lead Outs) of generally strong and locally intense, mainly pyrite mineralization that entails the strongest sulfidization encountered on the Todd Creek Property to date. For example, DDHAM07-01 has 13 pulses of sulfides that comprise approximately 55% of core. The pyrite occurs as disseminations in silicified CTVBX, fracture fillings including semi-massive pyrite and sulfide matrix breccia, in

which fragments are often partially or completely replaced by pyrite. Classic ankeritic halos are often associated with the sulfide pulses and ankerite replacement of fragments is common.

Although no economic values were intersected, the holes were collared into the top of the target MES that are postulated to be indicative of more significant concentrations of mineralization down dip/plunge or along strike (Tables DR 1A, DDHAM07-01, -01A). For example, DDHAM07-01 returned 0.040 g Au/t, 3 g Ag/t, 175 ppm As, 15 ppm Cd, 254 ppm Cu, 147 ppm Pb , 16 ppm Sb, 772 ppm Zn, 842 ppm Mn, 4.6 % Fe and 3.11% S over a core length of 25.29 m (15.21-40.50 m) incl. 0.121 g Au/t, 7.7 g Ag/t, 647 ppm Cu, 127 ppm As, 37 ppm Cd, 371 ppm Pb, 20 ppm Sb, 1997 ppm Zn, 310 ppm Mn, 3.18% Fe and 2.94 % S over a 7.38 m core length (33.12-40.50 m; Photo 5F). The mineralization does show some apparent zoning with some Au-Cu-As-Sb enriched sections in the hanging wall rocks e.g., 65.5-77 m that returned 0.099 g Au/t, 185 pp As, 805 ppm Cu and 19 ppm Pb; As-Cu-Sb enriched sections e.g., 157.27-162 m that contained 442 ppm As, 1078 ppm Cu and 28 ppm Sb; and a consistent Mn, Fe and S anomaly in the lower area of the hole e.g., 157.27-302 m that returned a weaker MES signature in the hanging wall rocks for a number of elements i.e., 0.011 g Au/t, 65 ppm As, 0.36 Cd, 133 ppm As, 20 ppm Pb, 7 ppm Sb, 262 ppm Zn but with 1883 ppm Mn, 6.37% Fe and 3.38% S over 144.73 m. Similar signatures are found in DDHAM07-01A (Table DR 1A).

The As, Cd and Sb anomalies are considered of particular significance in these intercepts, since they are often associated with important mineralization on the Todd Creek Property. Based on Geofine's successful experience in the Stewart Camp, the utilization of such signatures entails tracing them via follow-up, down plunge/down dip drilling deeper into the system and/or along strike into stronger Ag-Pb-Zn mineralization; or, to a transition into a Au-Cu-As component of the system. Some direction to such a transition has apparently been provided by the results from the 2007, southern MMI-M sample line on the Amarillo Grid (Photos 5A, 5G). The highest MMI-M Au values to date (up to 5.6 ppb) on the Amarillo Grid have been returned from soil samples collected at the top of the southern MMI-M Line, near the alteration exposed in the cliffs. There is some indication that the MMI-M Au values do have a distinct signature, with their correlation with strong arsenic and some of the highest Au values being associated with the lowest Zn and Cd values (Table MMI AM-NE-BD). Some important evidence of proximity to this target is also provided by the results from composite samples of sulfide matrix breccia collected from a mineralized outcrop near the top of the sample line (Photo 5C). Three of the samples averaged 230 ppb Au, 26 ppm Ag, 0.29% Cu, 0.09% Pb and 0.46% Zn (Table AR-BD-NE-AM-DDHNEZ-DDHAM).

It is concluded that the OMTA has potential for a substantial VMS deposit. As referenced in Sections 9.1.C.4., 5. the orthogonal structural fabric along Fall Creek is postulated to reflect the plumbing of a possible Knob-OMTA VMS system (KOVMS), which may include stacked exhalative horizons that trend north and extend into Orange Mountain. The transitional zoning along the north trending fabric is deemed to provide further evidence of such a system, which may entail a substantial Ag-Pb-Zn VMS target on Orange Mountain.

Approximately 1500 m of drilling is required to test the signatures in DDHAM07-01, -01A at a deeper depth and to test the MMI-M anomalies and mineralization located on the southern MMI-M line. It is postulated that a number of such mineralized zones occur on and in the vicinity of the Amarillo grid and that if the follow-up drilling is successful, a series of set-ups at various elevations and along strike locations will be required to adequately test the target.

9.1.C.5.vii Southern EM Anomaly (Photo 6; Figure 16; Tables R SCON; ARS-SCON; Map 1):

The southern EM anomaly (Photo 6) was interpreted from the Geonex Aerodat 1994 Airborne survey and is shown on Map 1. The anomaly is of interest since is located in proximity to the structural junction of the Knob, Fall Creek, and Todd Creek Faults and has apparent attributes including a nearby limonite-jarosite/alunite gossan zone and silicified/sulfidized host rocks.

Attempts at detailed follow-up in 2007 were frustrated by vegetation cover and the lack of a nearby heli landing site. Geological and geochemical surveys carried out from below the target (Figure 16) indicated a strong Pb-Zn signature, along with anomalous Cd, Sb and some Ag in soil and stream sediment samples (Table R-SCON, ARS-SCON). The signature is somewhat similar to that on the OMTA described in Section 9.1.C.5.vi and may represent a phase of the VMS system postulated to be associated with the Knob Zone. The installation of a small grid is required to facilitate the follow-up 2008 surveys.

9.2. CONCLUSIONS, RECOMMENDATIONS:

9.2.A. CONCLUSIONS:

It is concluded that the 2007 exploration program has significantly advanced the exploration status of the Todd Creek Property. Such advancements as referenced below are deemed to have provided the exploration rationale and strategy for the almost immediate discovery of a significant Au-Cu porphyry deposit and/or a VMS deposit; and, for an oxide Au deposit. The potential for such deposits was recognized in the Fedikow 2006 review of the Todd Creek exploration data base.

a) The recognition of and the development of exploration rationale for areas with favorable alteration and structural fabric that could host such major deposits referenced above. Such environments include the Yellow Bowl and Knob Zones and Orange Mountain. The extensive gossan zones total about 10 square km and to date the favorable enviromnents that include definitive multi element signatures, propylitic to argillic alteration, intense sulfidization and some EM anomalies have been tested by a total of 2 drill holes and have not been evaluated with geophysical surveys. The targets provide an obvious exploration opportunity and become particularly relevant in view of the major Au-Cu porphyry deposits being discovered and expanded in similar environments to the northwest of the Todd Creek Property (Figure 1.18).

b) The interpretation of the Knob-OMTA structrual fabric as a possible VMS plumbing system that is postulated to include stacked felsic horizons and transitional zoning from the Au-Cu signature in the Knob and Fall Creek areas to the Ag-Pb-Zn signature on Orange Mountain. The Knob Zone may be associated with a felsic centre and the VMS potential appears to extend into Orange Mountain.

c) The west trending Fall Creek Fault appears to have been a main conduit of the Knob mineralizing system. The north trending structure fabric e.g. B, B1, A Zones host numerous Au-Cu showing in the vicinity of Fall Creek. The 2007 Spectral IP anomalies strengthen and coalese at depth in the vicinity of the fault, but the structure has never been tested by diamond drilling. The 2007 hole DDHNAZ07-02A drilled on the A Zone near the fault intersected two new deep Au zones associated with auriferous pyrite. Most of the core from the hole that was sampled contains anomalous Au values and the hole terminates in such values.

d) The 197 Zone, a strong component of the Knob-OMTA plumbing system represents just one of the many unique exploration opportunities that the Todd Creek Property currently offers. As described in Section 9.1.C.5.v., the 197 IP anomaly is located on the west end of the South Grid, OMTA and has been traced northwest over a ~750 m strike length. The 197 Zone is located along the possible structural contact of the magnetic low and the high shown on Map 7. The northwest area of the anomaly has a strong Ag-Cd-Pb-Zn MMI-M soil signature (Lines 21100N-21200N), with an apparent transition to a Au-Cu-As-Mo signature on L207+50N. Conventional soil geochemistry has outlined a large As anomaly with some Au and Cu correlation. As shown on Map 5B and and on Figure 14, the 2007 geological surveys located sulfidized, silicified, malachite stained crystal tuff breccia with quartz-carbonate-sulfide-fuchsite fracture fillings that returned up to 1.84 g Au/t, 8.2 g Ag/t, 0.93% Cu, 0.05% Pb and 5.02% Zn in a 1 m x 2 m composite sample (901626). The target is

furthered evidenced by the results from other samples in Tables R-197, AR-197 and on Figure 14 that include anomalous Au, Cu (up to 0.47%), Pb and Zn (up to 0.29%) values. The mineralization is directly associated with or proximal to the 197 IP anomaly.

As shown on Map 6, the 197 IP anomaly was also traced across Fall Creek and it may extend to the south in the area of Ice Creek i.e., associated with the Ice Creek Structure (Map 2D). The Noranda historic drill hole NTC90-55 tested the Ice Showing and intersected very anomalous Au (0.4 g Au/t) and As values over the first 100 m of the hole, including 10.3 g Au/t over 1.5 m. The Ice Creek structure is located along the west contact of the Yellow Bowl Zone (Photo 2C, Map 2D) and is regarded as an important Au-Cu target, as indicated by the results of NTC90-55. The 197 Zone has never been evaluated by diamond drilling and is considered to be a high priority drill target, particulary in the vicinity of the structural junction with Fall Creek; on its postulated southern extension, in the vicinity of the Ice Creek Showing; and, in the vicinity of the transition from the Ag-Pb-Zn signature in soil and rock samples to the Au-Cu signature.

e) The auriferous oxide target on the MEXT Zone of the South Zone Au-Cu deposit has been enhanced by the JVX modelling of the geophysical data. A magnetic body has been delineated that may reflect an important Auoxide deposit (auriferous specular hematite). Drill holes with oxide/sulfide intersections at vertical depths of up to 305 m in proximity to the body evidence the importance of the target:

DDHMZ07-01: 2.07 g Au/t, 0.15% Cu over a 9.12 m core length
DDHMZ06-01A: 0.372 g Au/t, 0.11% Cu over a 13 m core length
DDHMZ06-01B: 0.591 g Au/t, 0.086% Cu over a 28.35 m core length
DDHMZ06-01C: 0.723 g Au/t, 0.23% Cu over an 8.9 m core length
DDHMZ06-01C: 0.913 g Au/t, 0.40% Cu over a 5.18 m core length
DDHMZ06-01D: 1.06 g Au/t, 0.09% Cu over a 13.59 m core length

f) Other interesting targets include the South Zone Au-Cu deposit which remains open at depth. Borehole IP surveying has apparently located the extension of the main, plunging Au-Cu mineralized shoot. The recommended follow-up drilling strategy would entail following the axes of shoot morphologies down plunge to stronger mineralization. As envisioned by the Fedikow (2006) exploration strategy, the large and intense epithermal multiphase breccia vein systems may be associated with a porphyry or VMs system at depth. As the roots of these systems are approached with deeper drilling, it is anticipated that the widths and grades of the mineralization will increase.

g) A number of important reconnaissance targets have been indentified via the interpretation of the 1994 Geonex Aerodat airborne survey. Initial follow-up surveys on the Southern EM conductor located in the vicinity of the Knob Zone have located an interesting multi element signature that may be related to the VMS system postulated to be associated with the Knob Zone. The target and other EM anomalies require detail follow-up, and if the results are positive, evaluation with diamond drilling.

9.2.B. RECOMMENDATIONS:

The recommended 2008 exploration program would total about $2.5 M and include at least 6000 m of diamond drilling. The program would include some geophysical surveys and additional geological and geochemical surveys to locate the most favorable set-ups on the major targets (Yellow Bowl, Knob and Orange Mountain) prior to deep drill testing.

The drill and camp contracts are already in place and the work could commence in June. The drill targets would also be prioritized by on-going thin section studies, analyses and the prerequisite 2008 field surveys. The program would be orchestrated according to results and meterage would be re-allocated to the highest priority targets as the program progressed.

TARGET: **PROGRAM:**

1. SOUTH ZONE DEPOSIT, MEXT ZONE: MAGNETIC SURVEY, 1500 M OF DIAMND DRILLING

2. YELLOW BOWL: GEOLOGICAL, GEOCHEMICAL SURVEYS, 1500 M OF DIAMOND DRILLING

3. KNOB ZONE: EM, IP SURVEYS, 900 M OF DIAMOND DRILLING

4. FALL CREEK: EM IP SURVEYS, 1600 M OF DIAMOND DRILLING

5. AMARILLO GRID AREA, ORANGE MOUNTAIN: 1500 M OF DIAMOND DRILLING

6. SOUTHERN CONDUCTOR: EM, GEOLOGICAL, GEOCHEMICAL SURVEYS, 200 M OF DIAMOND DRILLING

PROGRAM TOTAL: 30 KM OF GRID RE-ESTABLISHMENT, EXPANSION
30 KM OF DEEP EM, MAG: 25 KM DEEP IP
6000 M OF DD*

TOTAL EST. COST INCLUDING CAMP, HELI SUPPORT @ $425/M, $2.55 M, (SUBJECT TO CONTRACTOR BIDS)

*the drill targets would be further prioritized to accommodate the exploration budget.

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11. STATEMENT OF QUALIFICATIONS:

I, David E. Molloy P. Geo. of the Town of Unionville, of the Regional Municipality of York, Ontario, hereby certify that:

i. I am President of Geofine Exploration Consultants Ltd. with a business address at 49 Normandale Road, Unionville, Ontario, L3R 4J8.

ii. I am a graduate of McMaster University, in the City of Hamilton, Ontario, with a B.A. in Philosophy (1968); I am a graduate of the University of Waterloo, in the City of Waterloo, Ontario, with a B.Sc. in Earth Science (1972);

iii. I have practiced my profession in mineral exploration continuously for the past 35 years, including 16 years as a consultant; 10 years with St. Joe Canada Inc./Bond Gold Canada Inc./LAC Minerals Ltd. as Regional Geologist, Exploration Manager, Vice President and as Senior Vice President, Canadian Exploration; and, 8 years with Beth-Canada Mining Company as a Regional Geologist;

iv. I am a Fellow of The Geological Association of Canada;

v. I am a Member of the Canadian Institute of Mining and Metallurgy, the Association of Exploration Geochemists, the Prospectors and Developers Association; and, the Association for Mineral Exploration BC;

vi. I am a member of the Association of Professional Geoscientists of Ontario and the Association of Professional Engineers and Geoscientists of BC;

vii. I have supervised the fieldwork and the preparation of this report entitled "Report on the 2007 Exploration Program Carried Out on the Todd Creek Property, Skeena Mining Division, Stewart Gold Camp, Northwestern British Columbia", for the Goldeye Explorations Limited, by Geofine Exploration Consultants Ltd.;

viii. The recommendations herein are solely the responsibility of Geofine Exploration Consultants Ltd.

David E. Molloy, P. Geo.
President

PROFESSIONAL GEOSCIENTIST
DAVID E. MOLLOY
PRACTISING MEMBER
0017
ONTARIO

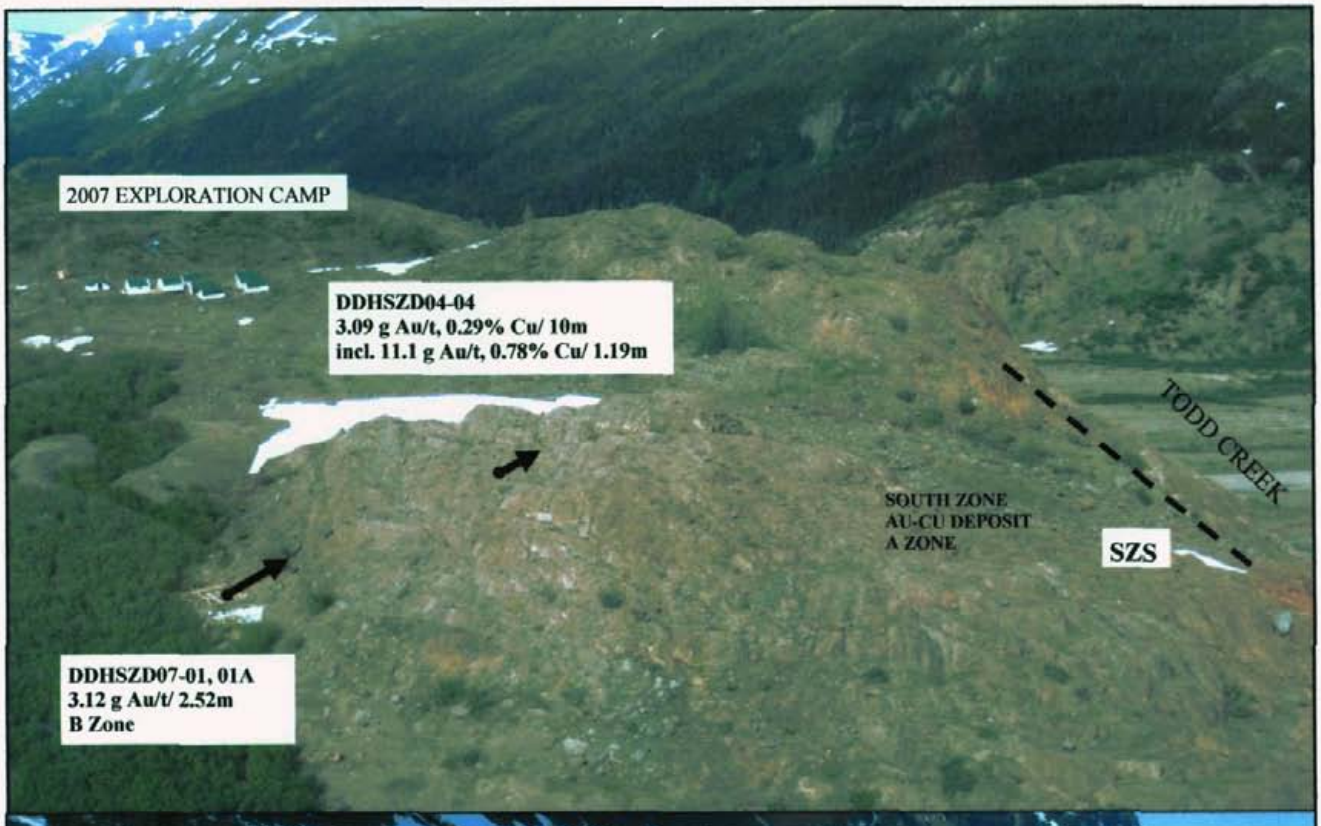
Dated at Unionville, Ontario, this 10th day of February, 2008.

TODD CREEK PROPERTY

APPENDIX C

PHOTOS

PHOTO 1A
DDHSZD07-01 FOLLOW-UP OF DDHSZD04-04 INTERSECT,
SOUTH ZONE AU-CU DEPOSIT, LOOKING NNE



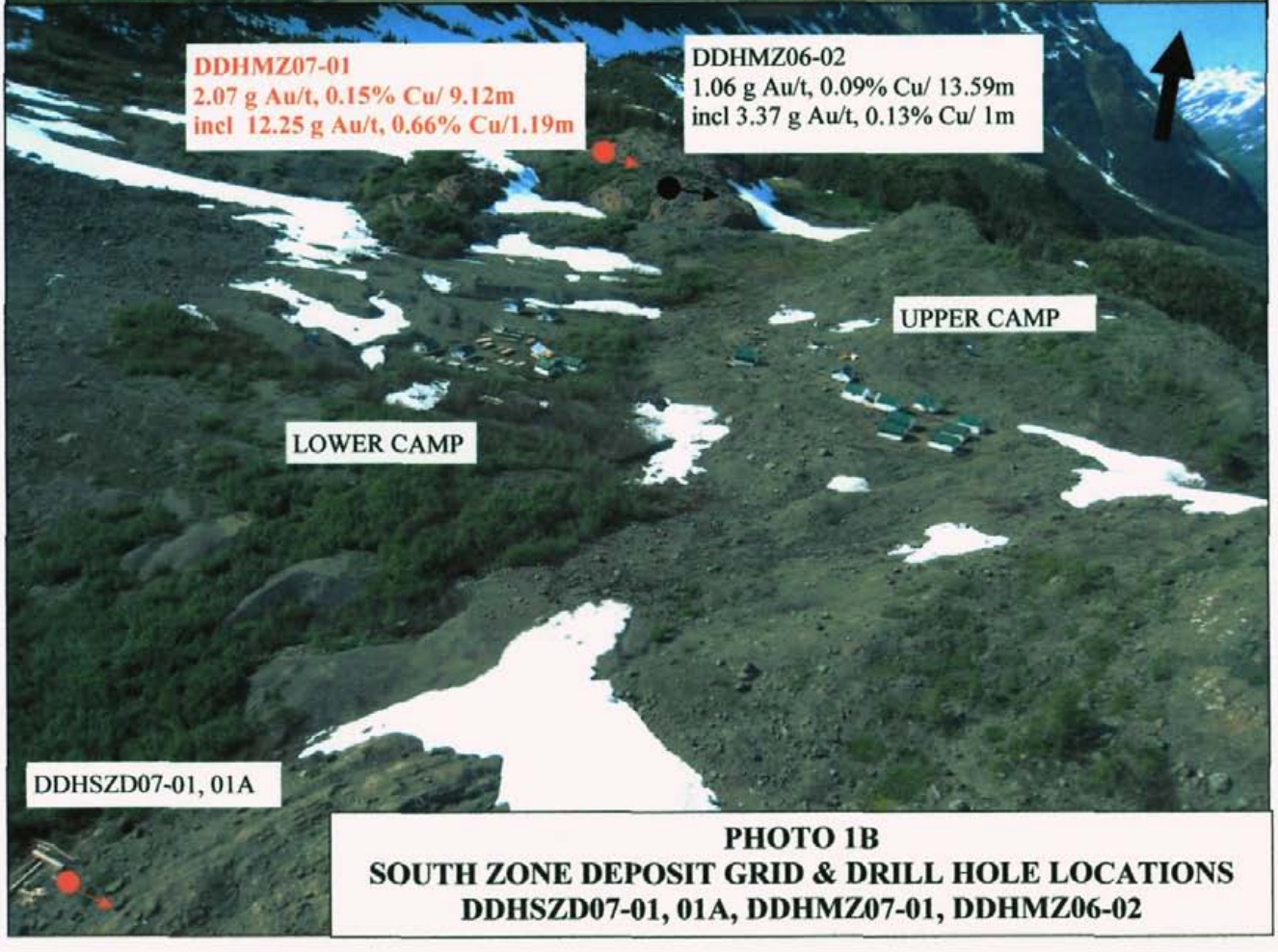


PHOTO 1B
SOUTH ZONE DEPOSIT GRID & DRILL HOLE LOCATIONS
DDHSZD07-01, 01A, DDHMZ07-01, DDHMZ06-02

PHOTO 1C
DDHMZ07-01, MEXT ZONE OXIDE TARGET: SOUTH ZONE DEPOSIT
LOOING NW
Sample 744059-744065: 2.07 g Au/t, 0.15% Cu /9.12m including 8.57 g Au/t, 0.55% /1.82m

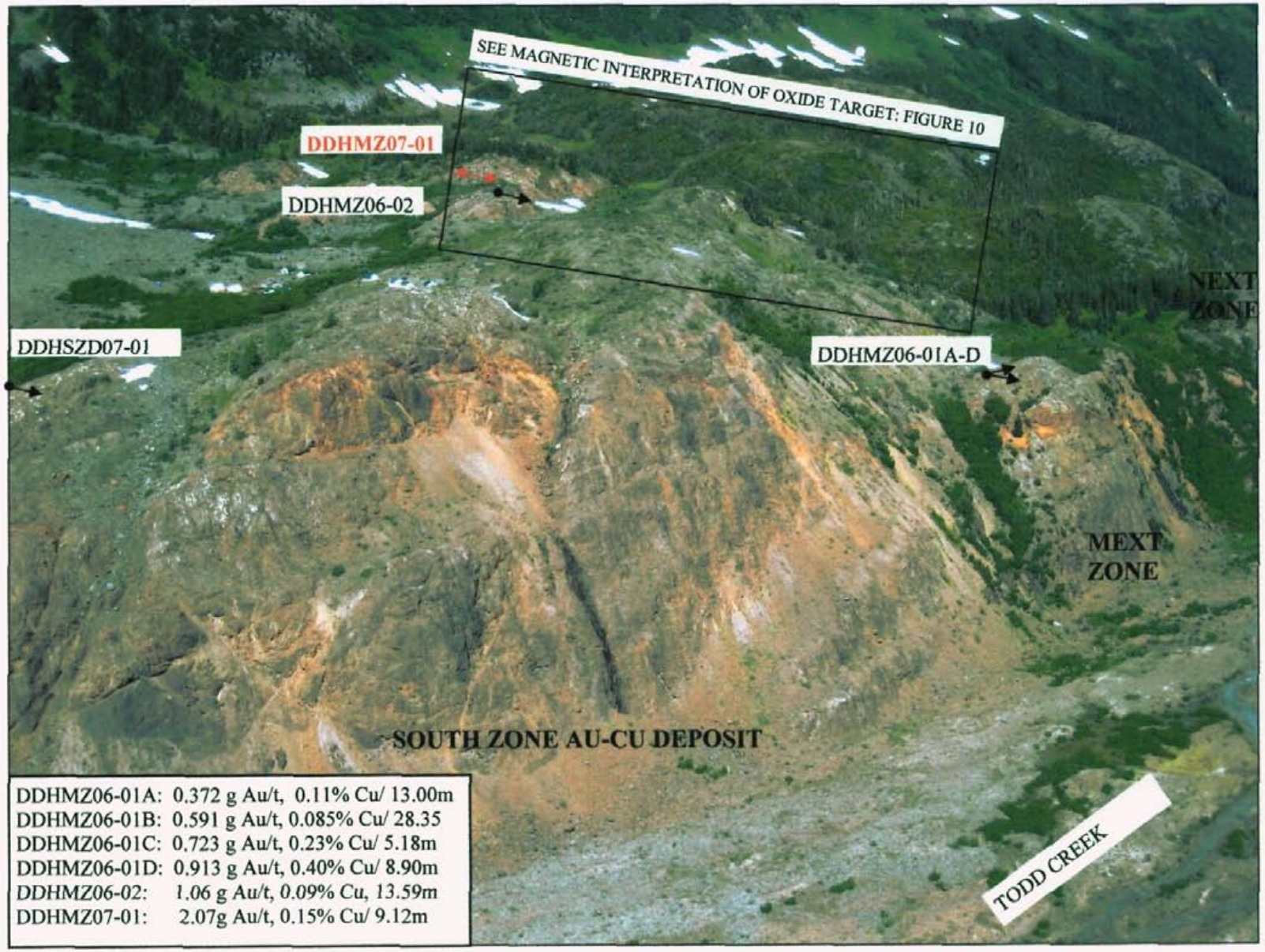
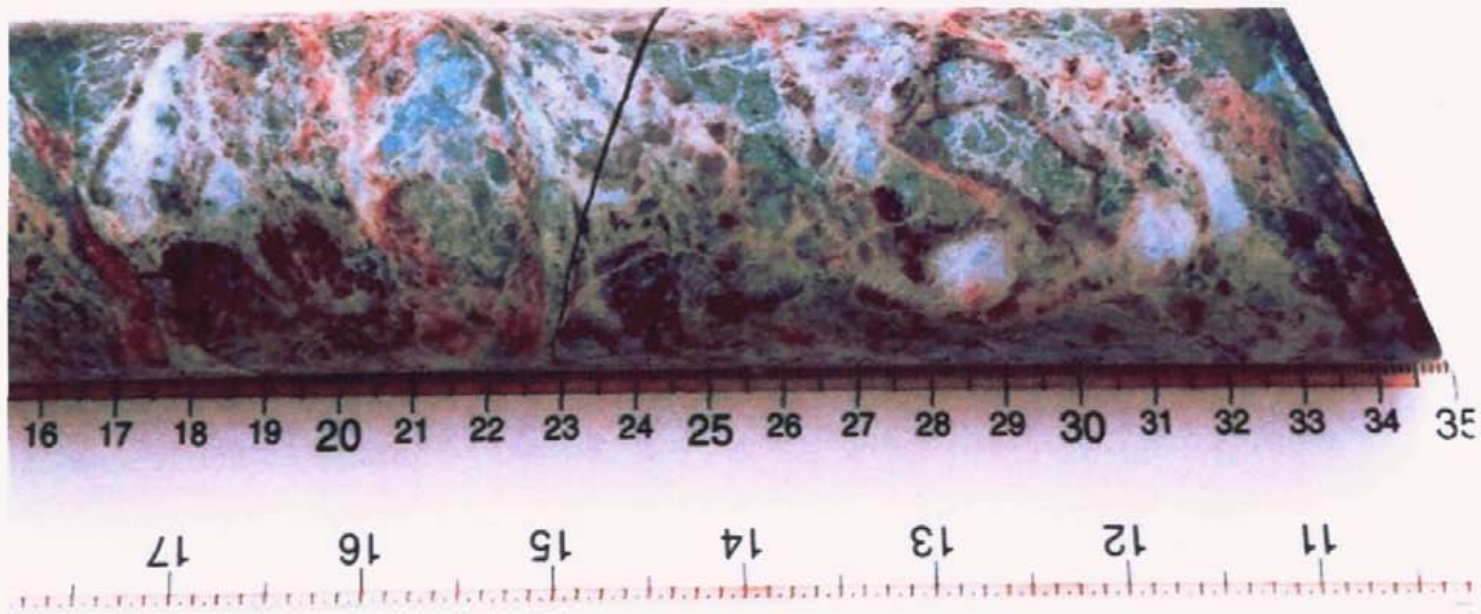


PHOTO 1D
MEXT ZONE OXIDE TYPE MINERALIZATION
DDHSZD04-04



DDHSZD04-04: @ 182.5m. QUARTZ SULFIDE HEMATITE BRECCIA VEIN
PART OF SAMPLE 609227: 11.1 g Au/t, 0.78% Cu over 1.19m (181.93-183.12m).

PHOTO 1E
MEXT ZONE OXIDE TYPE MINERALIZATION
DDHMZ06-02: 1.6 g Au/t, 0.09% Cu/ 13.59m incl

DDHMZ06-02: Sample 9745: 330.73-331.73m, grading 3.37 g Au/t, 0.13% Cu

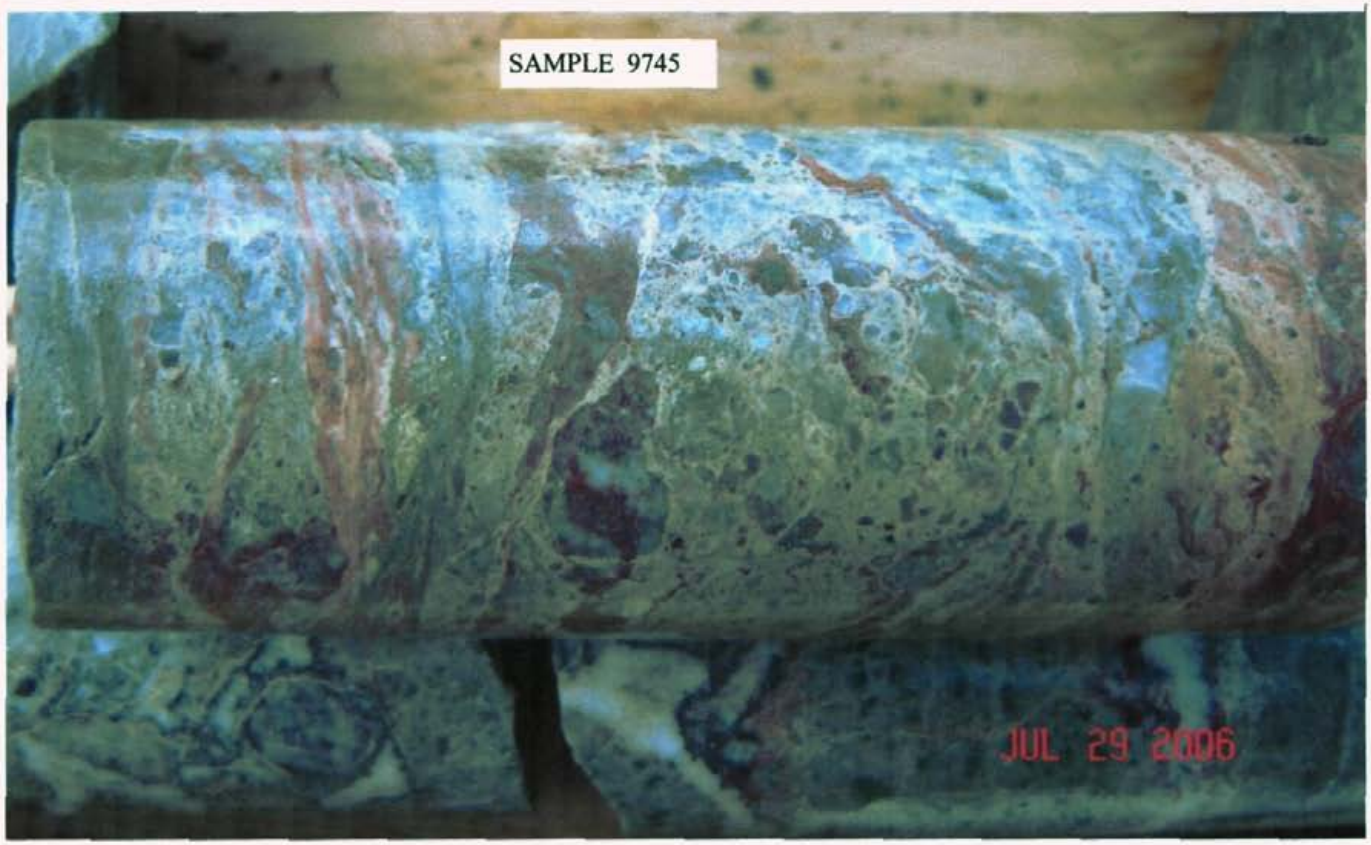


PHOTO 1F
DDHMZ07-01, MEXT ZONE: SOUTH ZONE DEPOSIT GRID
Sample 744059-744065: 2.07 g Au/t, 0.15% Cu /9.12m including 8.57 g Au/t, 0.55% /1.82m

PHOTO 2
LOOKING NORTH AT YELLOW BOWL AND ORANGE MOUNTAIN TARGET AREAS

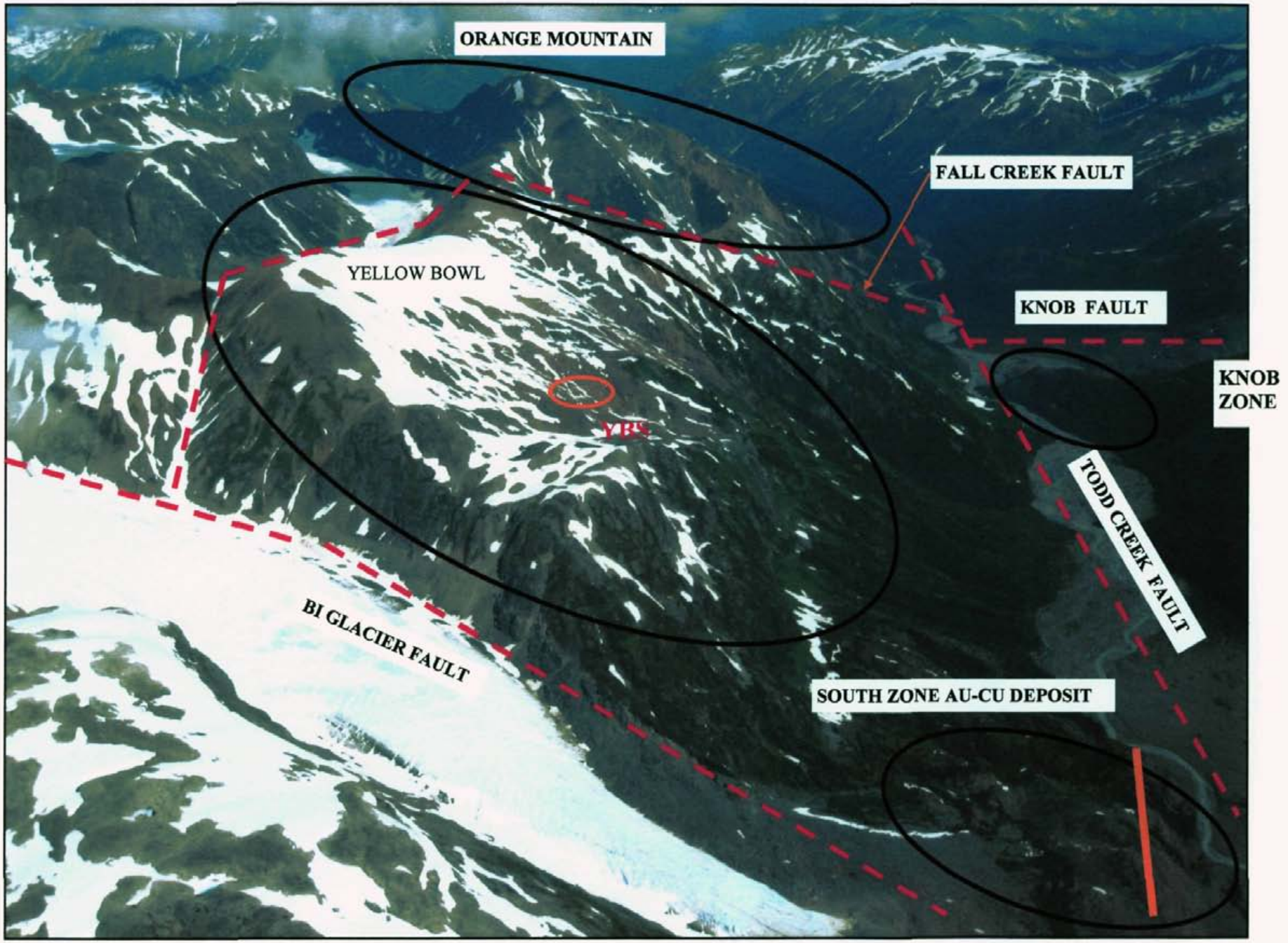


PHOTO 2A
YELLOW BOWL, KNOB & ORANGE MTN PRIORITY EXPLORATION TARGETS
IN PROXIMITY TO FALL, TODD & KNOB CREEK FAULTS
LOOKING NORTH UP TODD CREEK

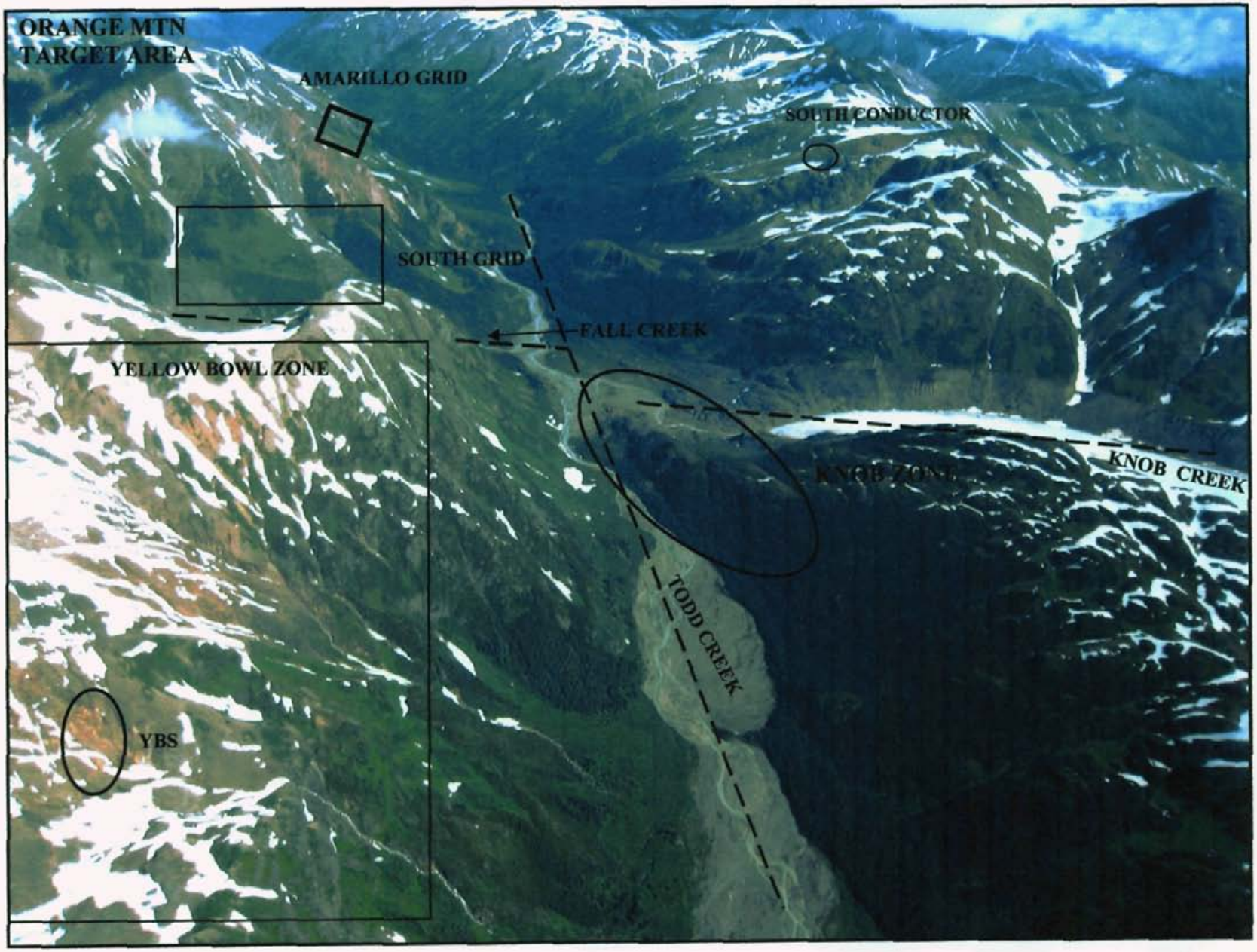


PHOTO 2B:
YELLOW BOWL ZONE ALTERATION (JAROSITE/ALUNITE, LIMONITE, PY-CPY-QUARTZ-SERICITE, PY-CPY-CARBONATE-SERICITE) , LOOKING NW

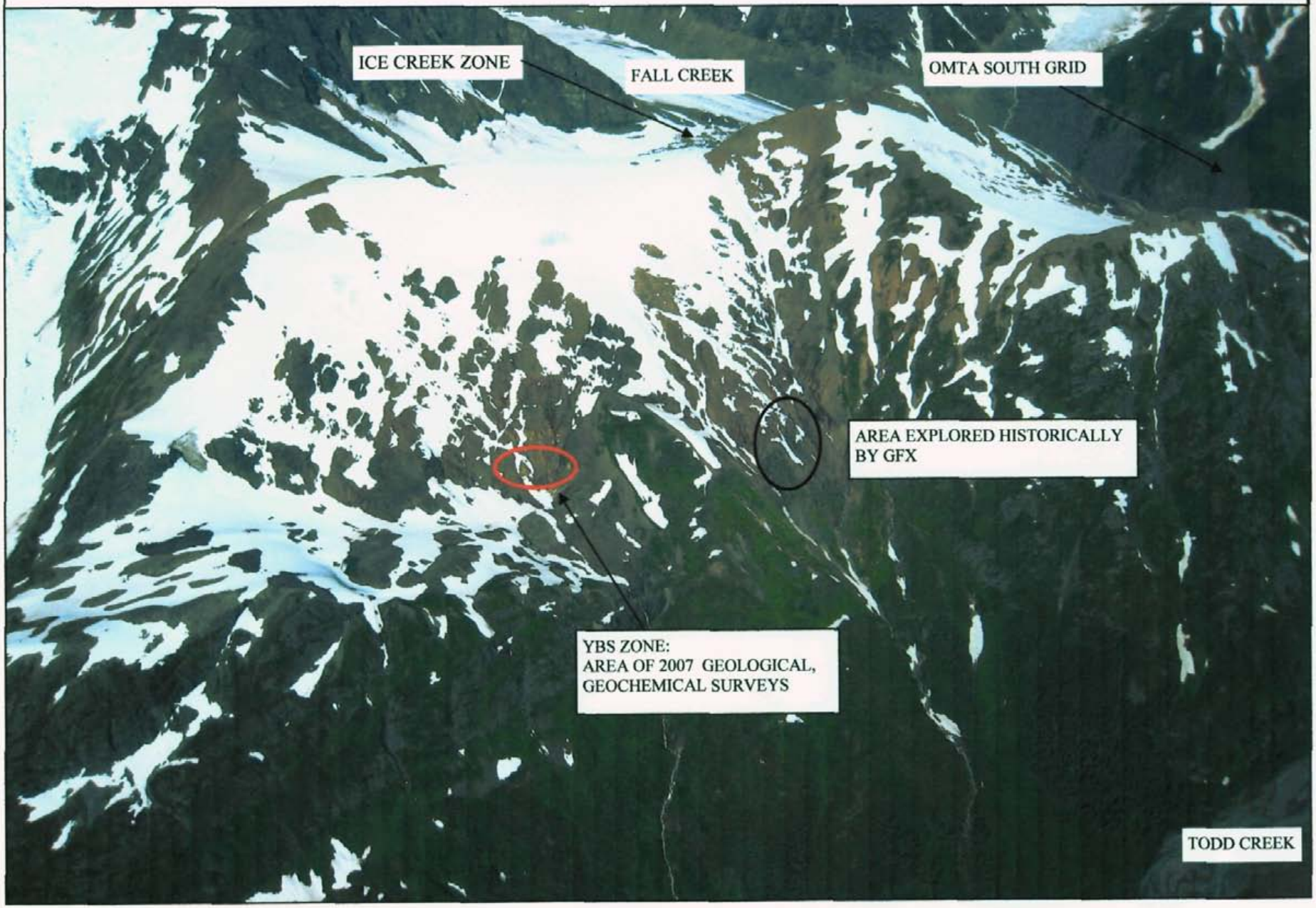


PHOTO 2C
WESTERN EXPOSURE OF YELLOW BOWL; LOOKING NORTH AT ICE SHOWING AND SOUTH GRID, OMTA

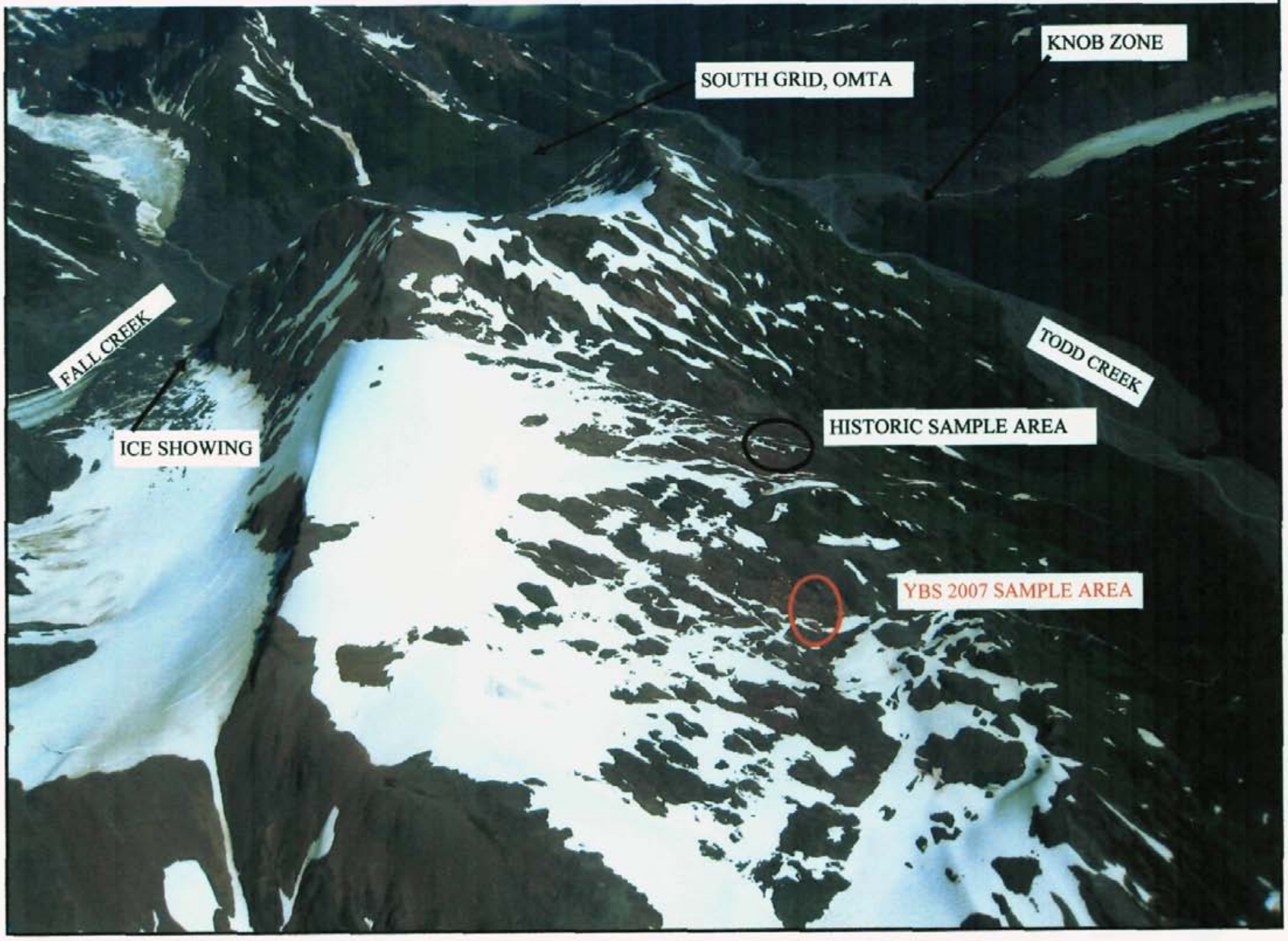
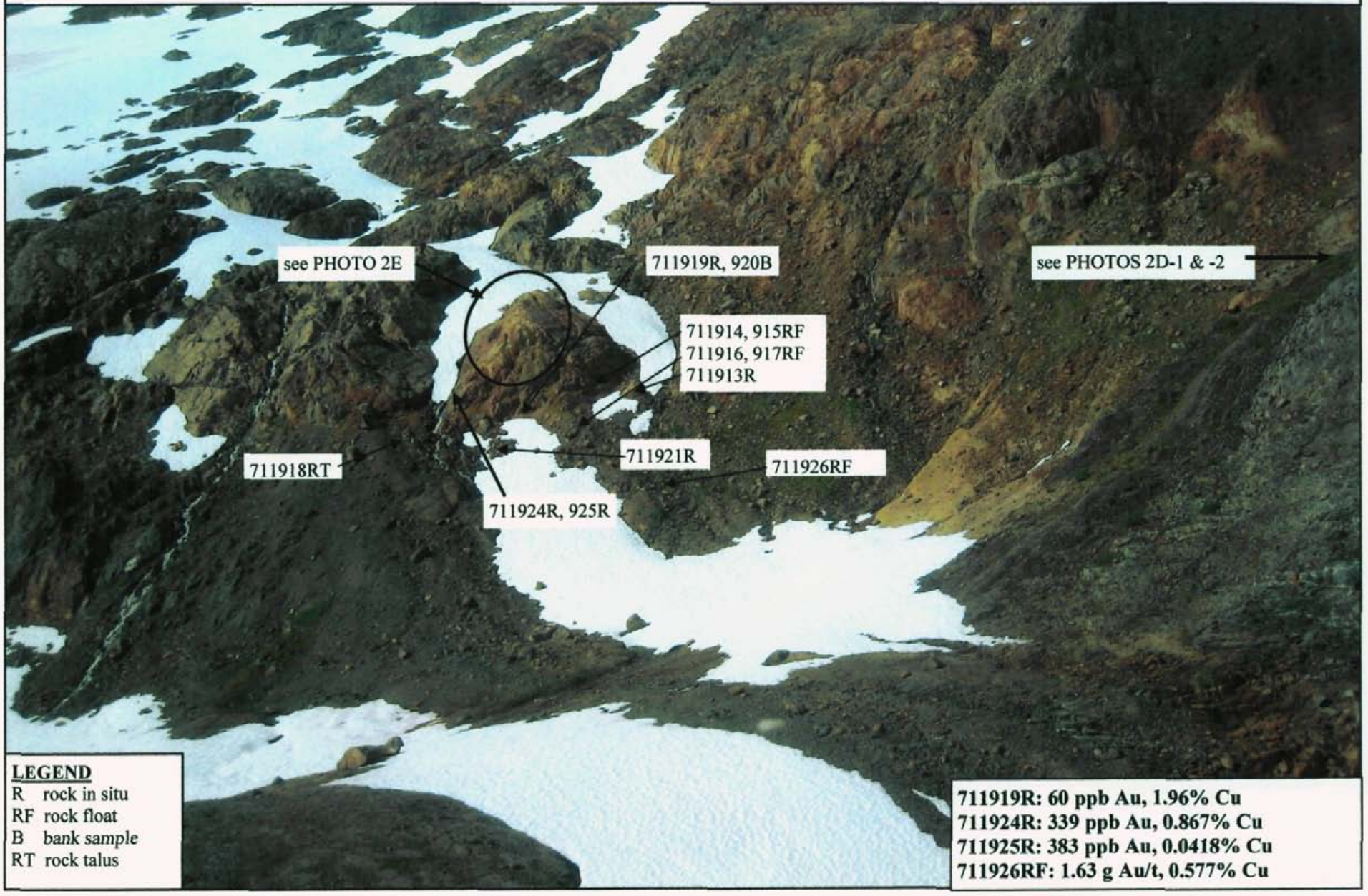


PHOTO 2D
LOOKING WEST AT YELLOW BOWL ZONE, 2007 YBS SAMPLE AREA
(see TABLE AR-YBS)



LEGEND
R rock in situ
RF rock float
B bank sample
RT rock talus

711919R: 60 ppb Au, 1.96% Cu
711924R: 339 ppb Au, 0.867% Cu
711925R: 383 ppb Au, 0.0418% Cu
711926RF: 1.63 g Au/t, 0.577% Cu

PHOTO 2D-1
LOOKING NW AT YELLOW BOWL ZONE, 2007 YBS SAMPLE AREA
(see Table AR-YBS)

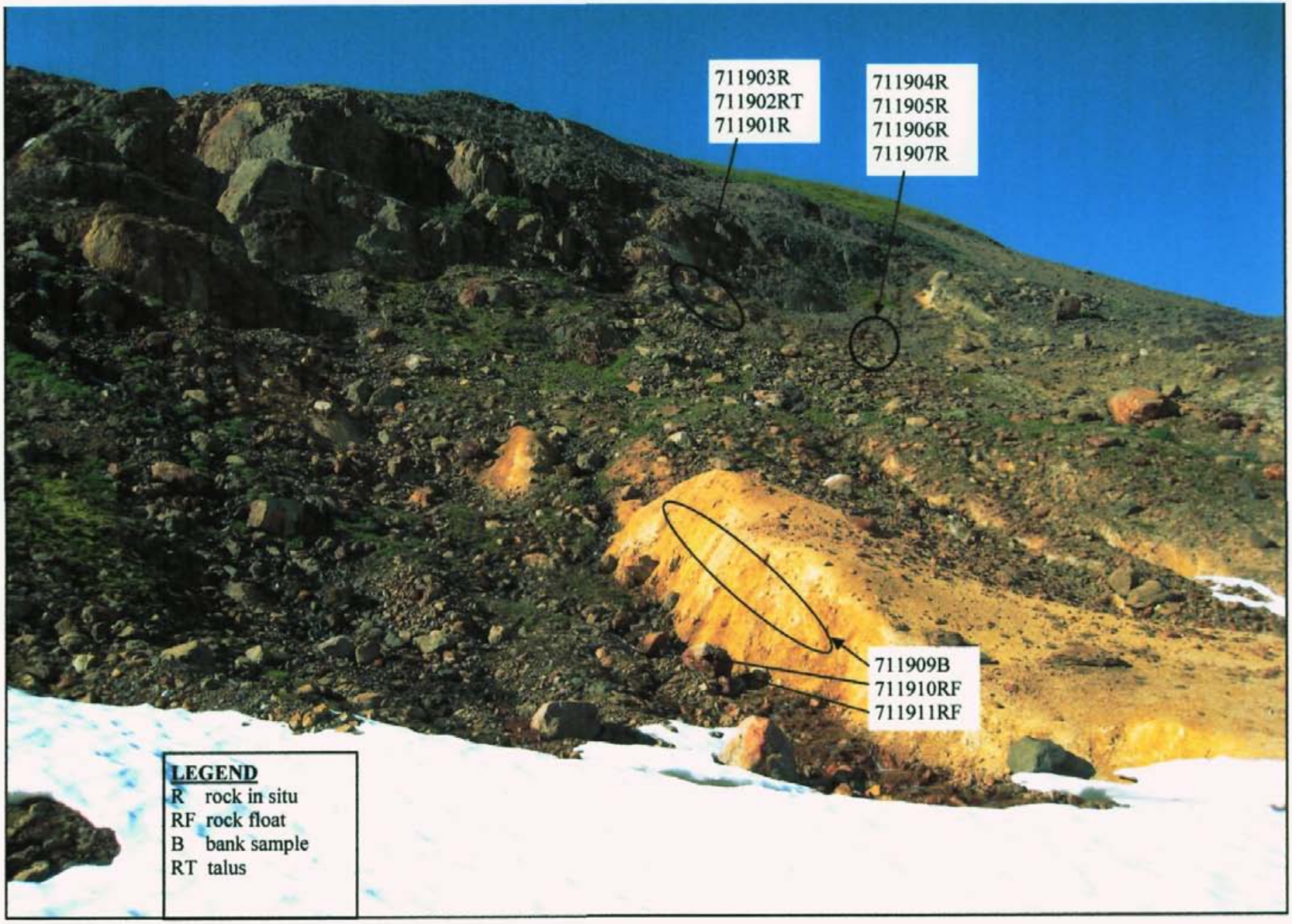


PHOTO 2D-2
LOOKING W AT YELLOW BOWL ZONE, YBS SAMPLES 711901-711907

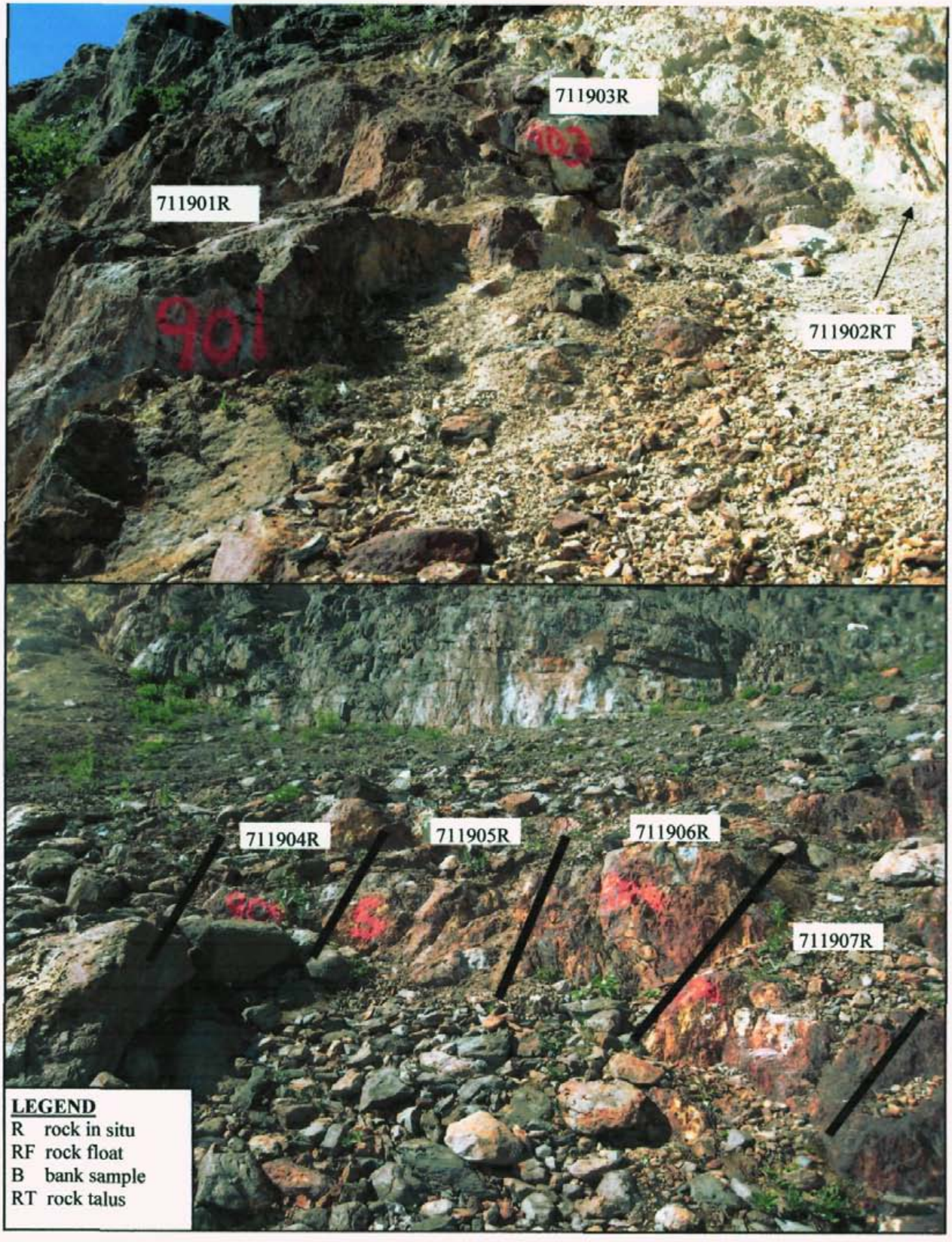


PHOTO 2E
YELLOW BOWL GOSSAN ZONE WITH SEMI MASSIVE SULPHIDE VEINS OVER WIDE AREAS
LOOKING NW AT CONTINUATION OF MINERALIZATION SAMPLED IN 711924 & 711925

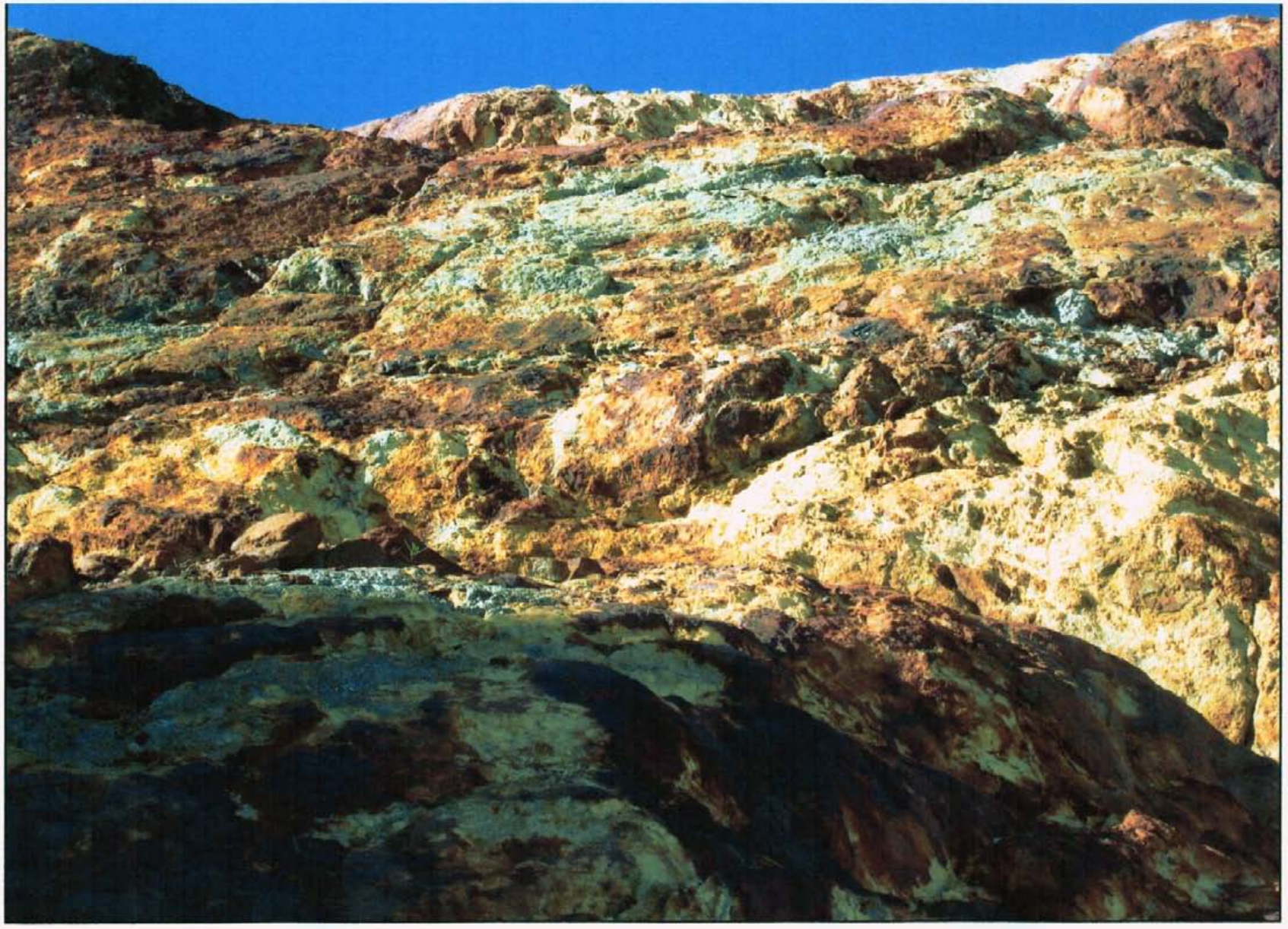


PHOTO 2F
YELLOW BOWL, YBS SAMPLE 711924
SEMI MASS SULFIDE IN SITU C/W
MALACHITE./AZURITE, PY, CPY:
339 ppb Au, 0.867% Cu / 3.0m

PHOTO 2G
YELLOW BOWL, YBS SAMPLE
SAMPLE 711919: 60 ppb Au, 1.96% Cu /0.5m

PHOTO 3
KNOB ZONE , LOOKING NE
SULFIDE MATRIX BRECCIA "MILL ROCK" AND FELDSPAR PORPHYRY INTRUSIVE
WITH AIRBORNE EM ANOMALIES

PHOTO 3A
LOOKING E AT KNOB ZONE LIMONITE, JAROSITE/ALUNITE ALTERATION

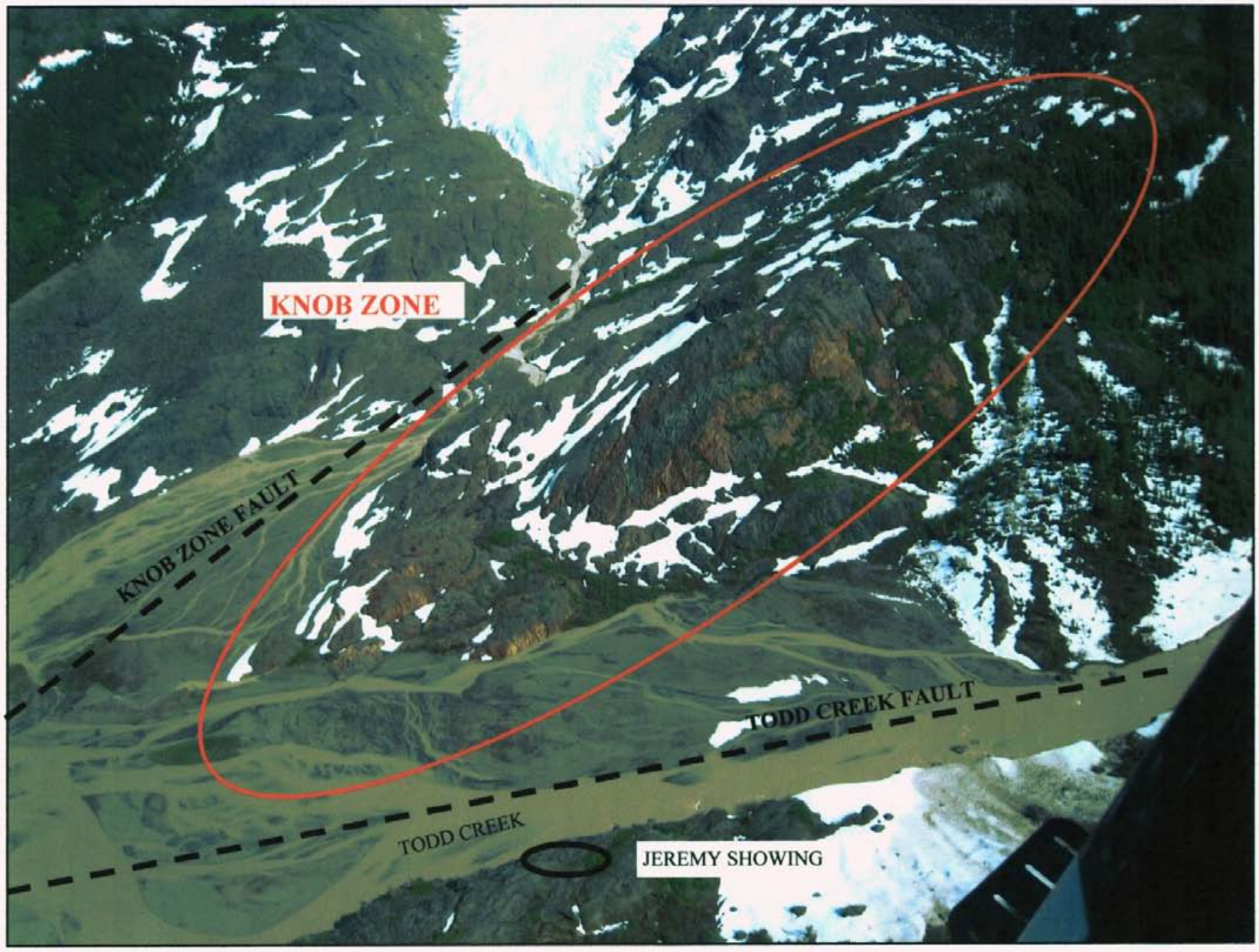


PHOTO 3B: KNOB GOSSAN ZONE: SULFIDE MATRIX BRECCIA "MILL ROCK" C/W FELDSPAR PORPHYRY (ELEV ~ 1050m), 340 m below AMARILLO GRID; 370m BELOW YBS SHOWING, YELLOW BOWL.

PHOTO 3C
CONTACT OF SULFIDE MATRIX BRECCIA "MILL ROCK" AND FELDSPAR PORPHYRY
KNOB ZONE

PHOTO 3D
KNOB ZONE SULFIDE VEINS & SULFIDE MATRIX BRECCIA "MILL ROCK"

PHOT0 3E
JEREMY SHOWING HOSTED BY THE PROPYLITICALLY ALTERED HW ROCK OF THE KNOB ZONE
SAMPLE 712163: 238 ppb Au, 1930 ppm Cu, 1.6 g Ag/t

PHOTO 4A
OMTA SOUTH GRID—LOOKING NE

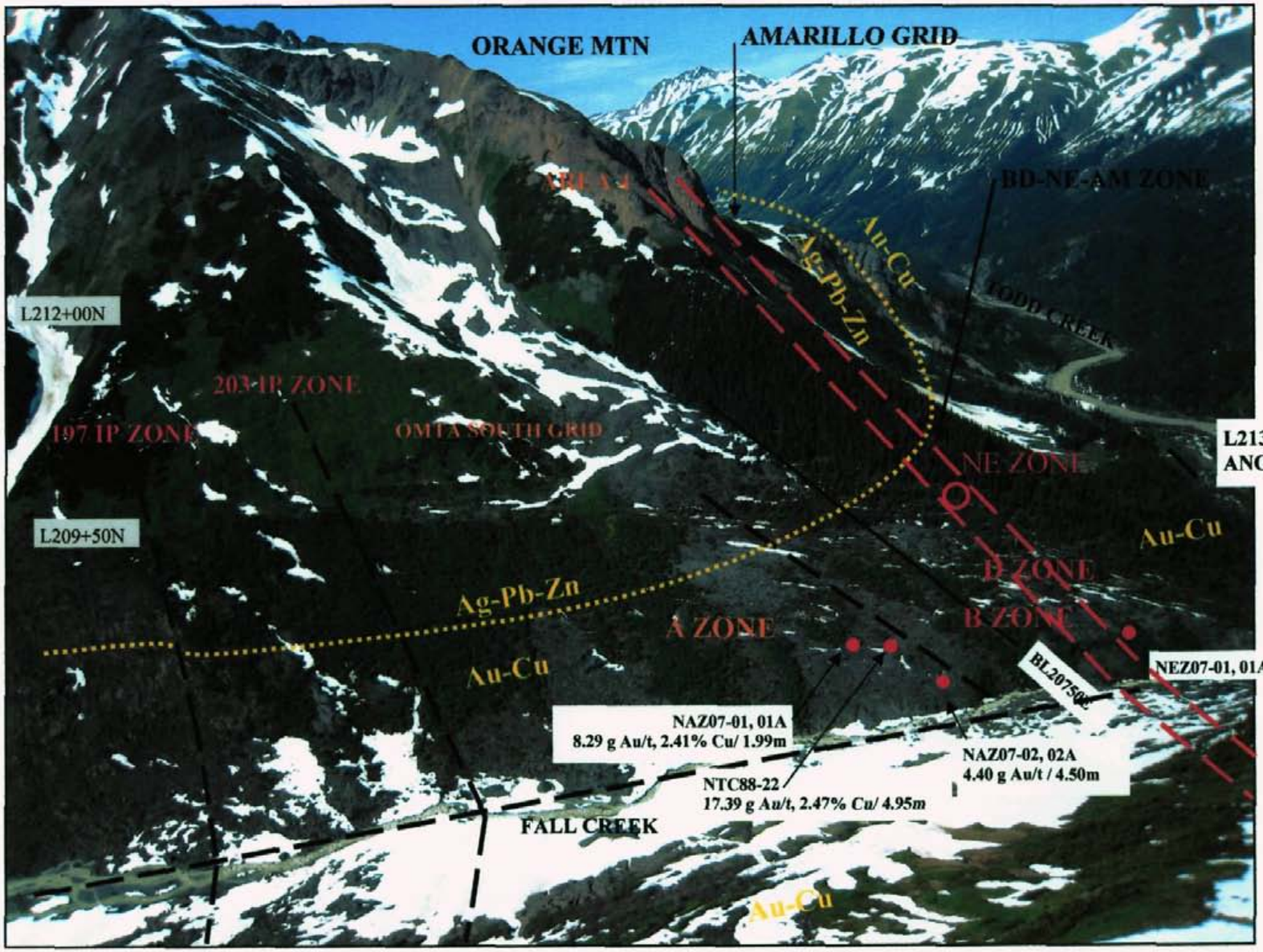


PHOTO 4C
NEZ07-01: 1.48 g Au/t, 0.73% Cu/ 1.62m & 2.94 g Au/t, 0.34% Cu/ 2.58m
NEZ07-01A: 7.32 g Au/t, 2.95% Cu/ 1.01m

PHOTO 4D
DDHNAZ07-01 DRILL SET UP ON A ZONE, OMTA SOUTH GRID
A ZONE MINERALIATION EXPOSED IN HISTORIC TRENCHES WITH FELSIC STRTIGRAPHY IN FOOT-

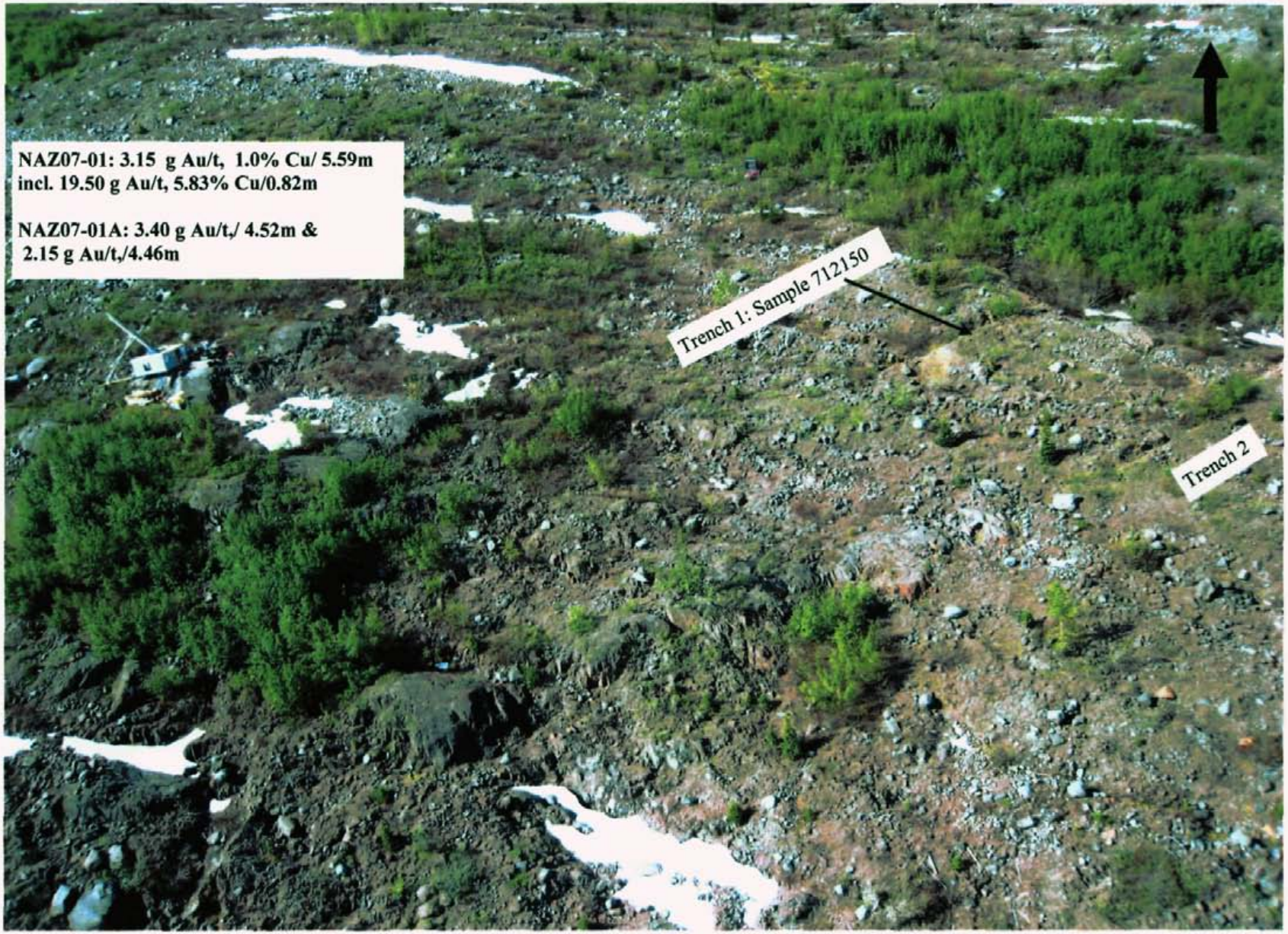


PHOTO 4E
CONTACT OF CRYSTAL TUFF VOLCANIC BRECCIA & FELSIC VOLCANICS IN FOOT WALL TO A ZONE
OMTA SOUTH GRID

PHOTO 4F
OMTA—NORTH A GRID, TRENCH 1 MATERIAL
SAMPLE 712150: 565 ppb Au, 4.22% Cu

PHOTO 4G
SULFIDE MATRIX BRECCIA (CPY, PY) FROM TRENCH 1
A ZONE, OMTA SOUTH GRID
SAMPLE 712149: 20.90 g Au/t, 1.485% Cu

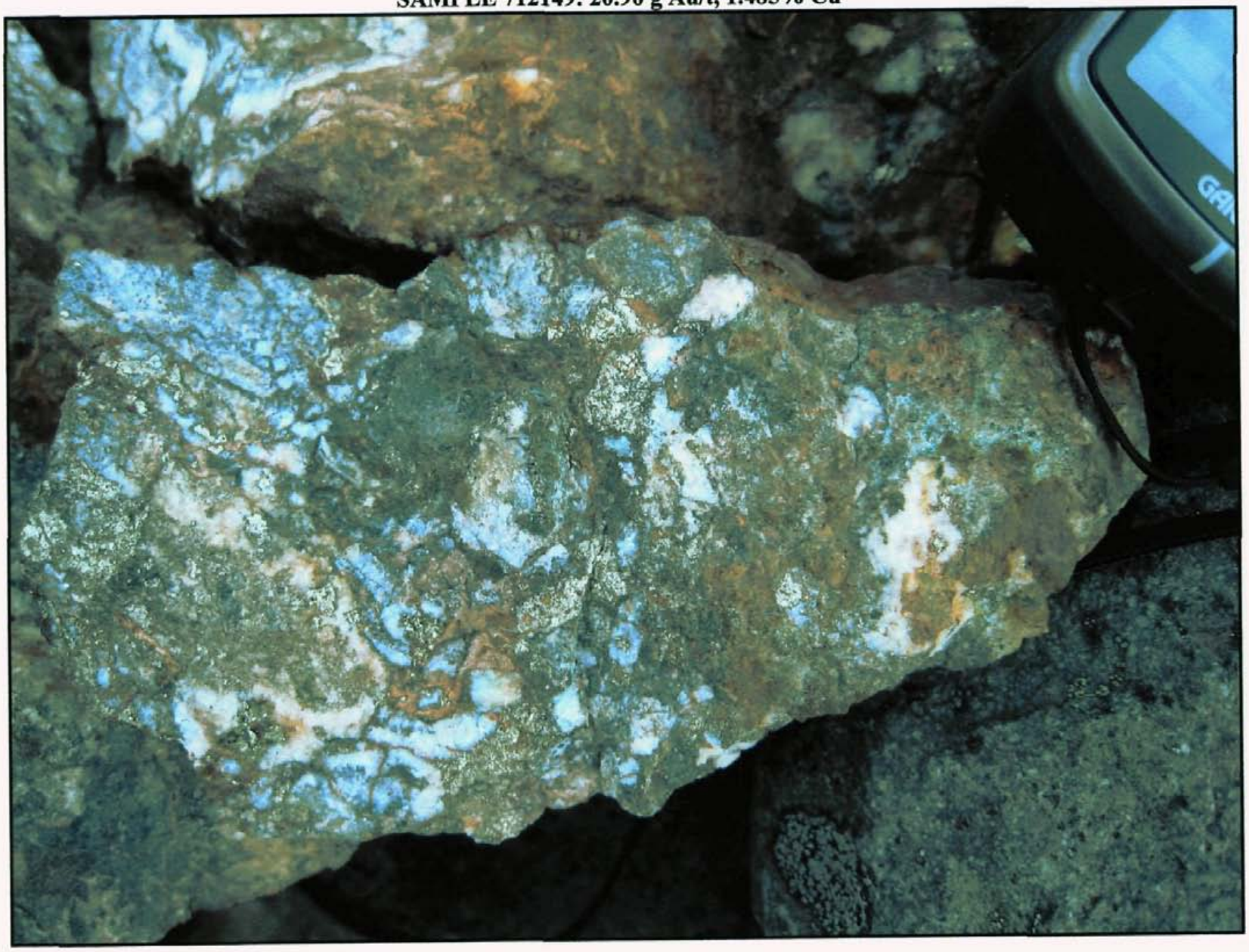


PHOTO 4H : DDHNAZ07-01

SULFIDE MATRIX BRECCIA WITH SEMI MASSIVE SULFIDE VEINS

SAMPLE 743618: 19.50 g Au/t, 5.83% Cu / 0.82m

OMTA SOUTH GRID, NORTH A ZONE

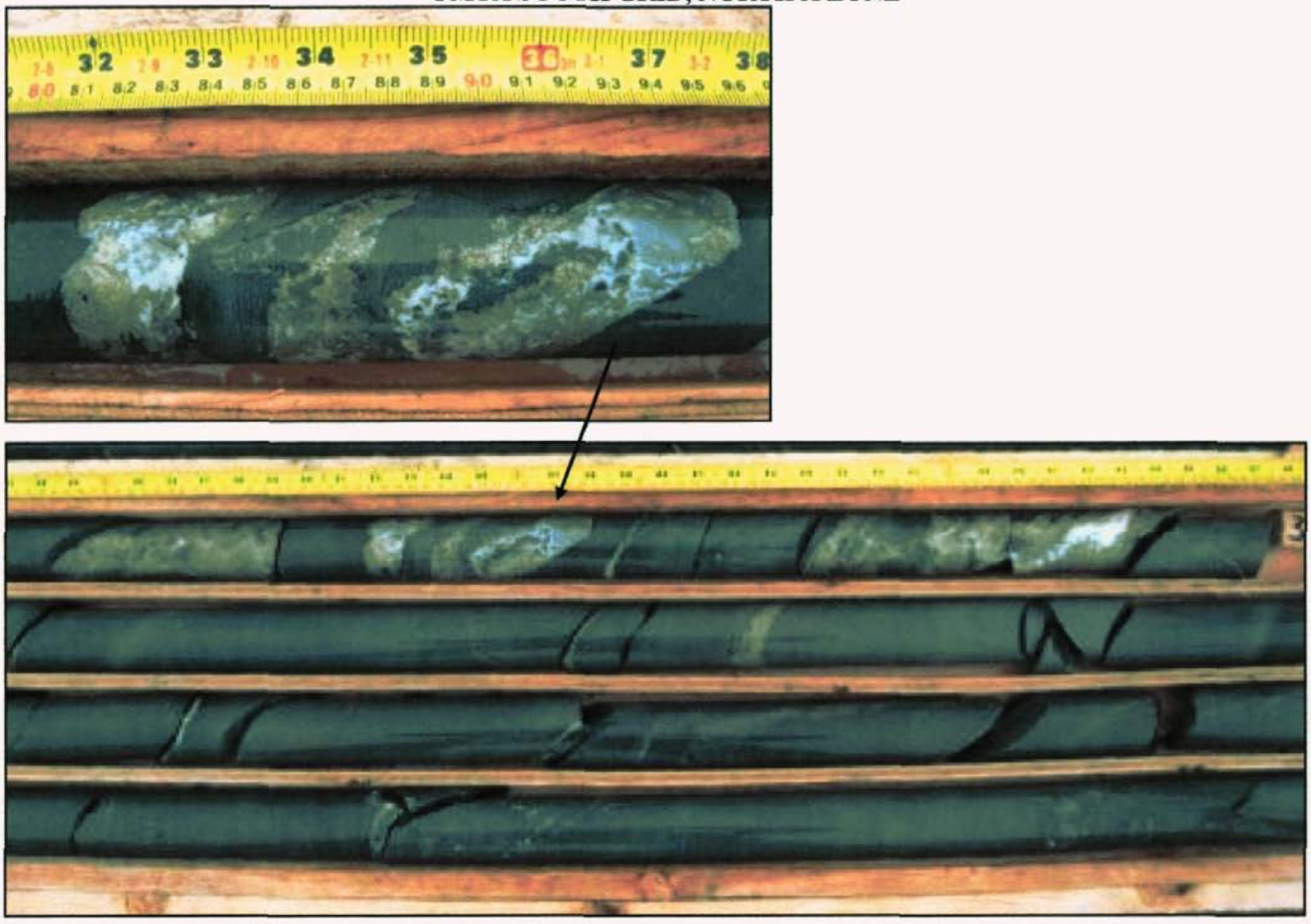


PHOTO 4K
BD-NE-AM TREND WITH AU-CU SIGNATURE TRANSITION TO AG-PB-ZN SIGNATURE
LOOKING WEST ALONG SOUTH GRID, OMTA TO DRILL AT DDHNAZ07-02, 02A

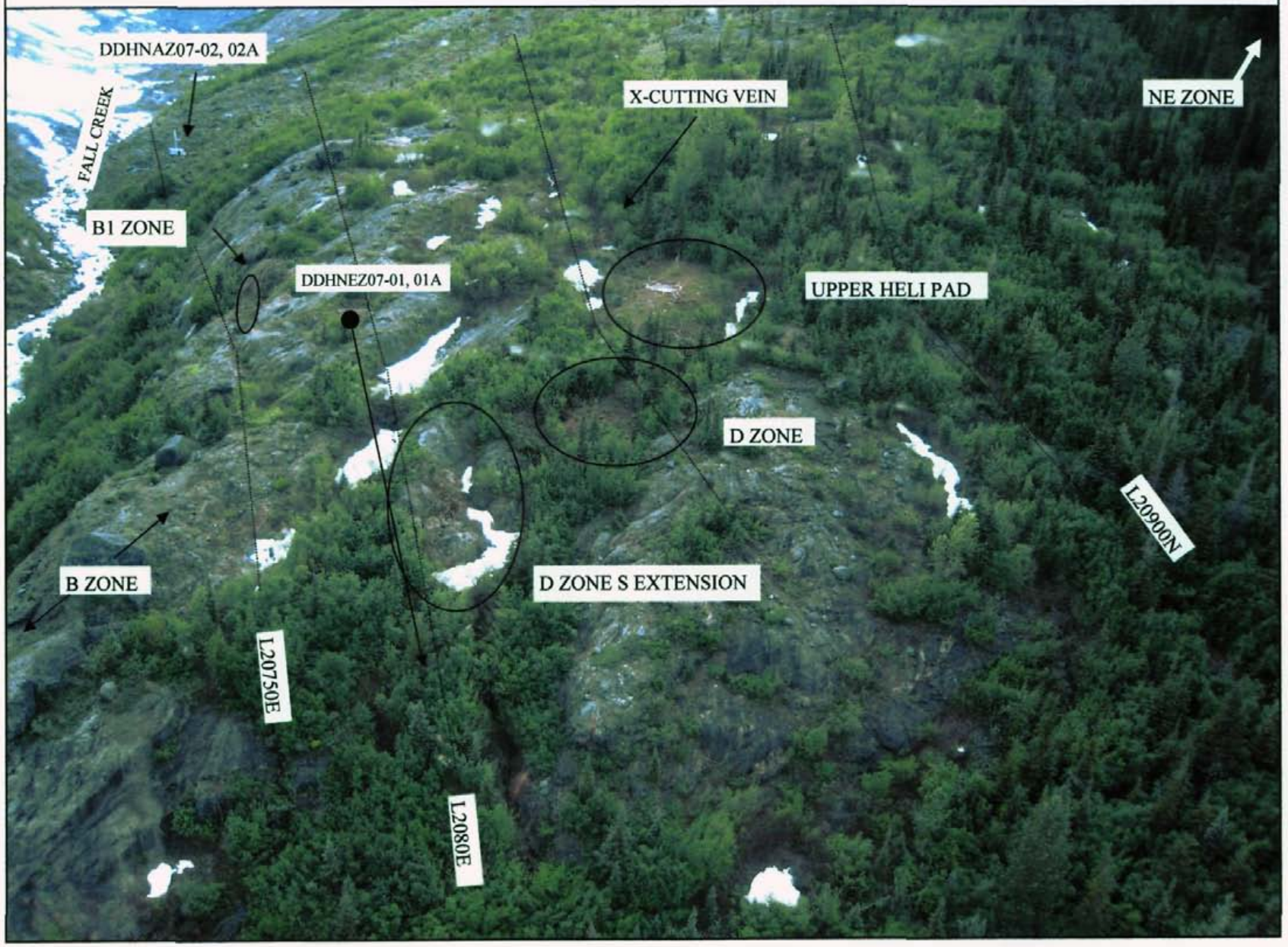


PHOTO 4K-1
D ZONE MINERALIZATION
712137:1.32 g Au/t, 1.49% Cu, 11.1 g Ag/t (0.50m composit of E wall)
712138:1.215 g Au/t, 2.48% Cu, 9.5 g Ag/t (1x1m composit of knob between E & W wall)

PHOTO 4L
D ZONE MINERALIZATION
712137: 1.215 g Au/t, 2.48% Cu, 9.5 g Ag/t (1x1m composite of knob between E & W wall)

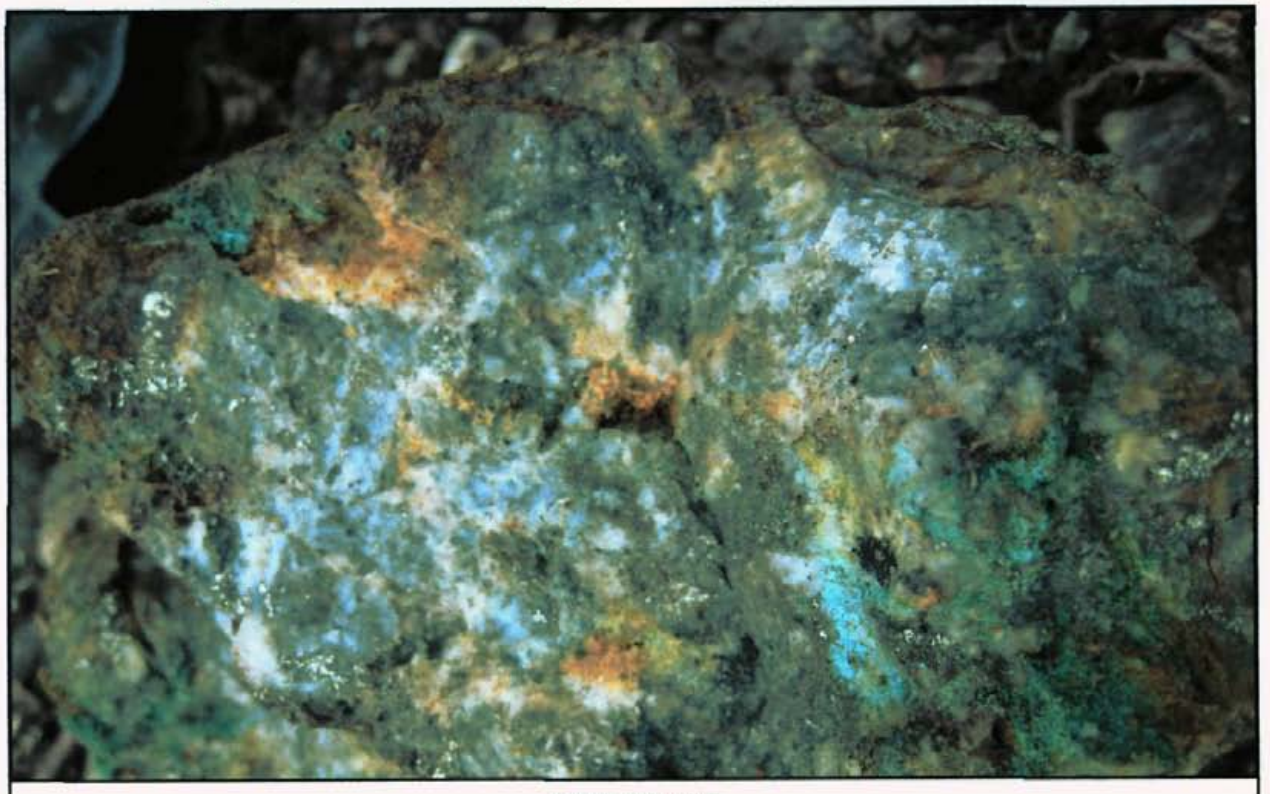


PHOTO 4M
STRINGER ZONE, SOUTH EXTENSION OF D ZONE, LOOKING WEST
712153: 2.27 g Au/t, 1.5% Cu, 4.8 g Au/t / 0.5m

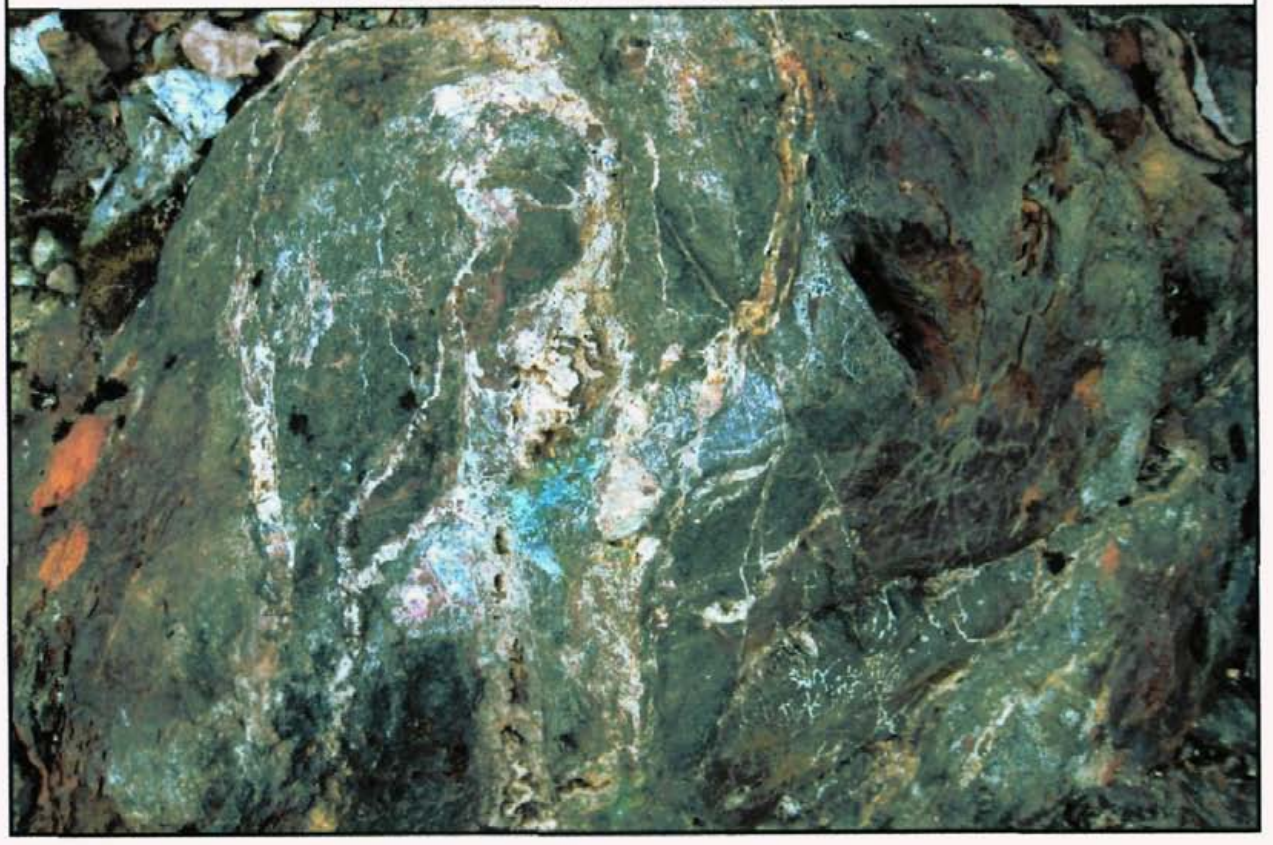


PHOTO 4L
D ZONE MINERALIZATION
712137: 1.215 g Au/t, 2.48% Cu, 9.5 g Ag/t (1x1m composite of knob between E & W wall)

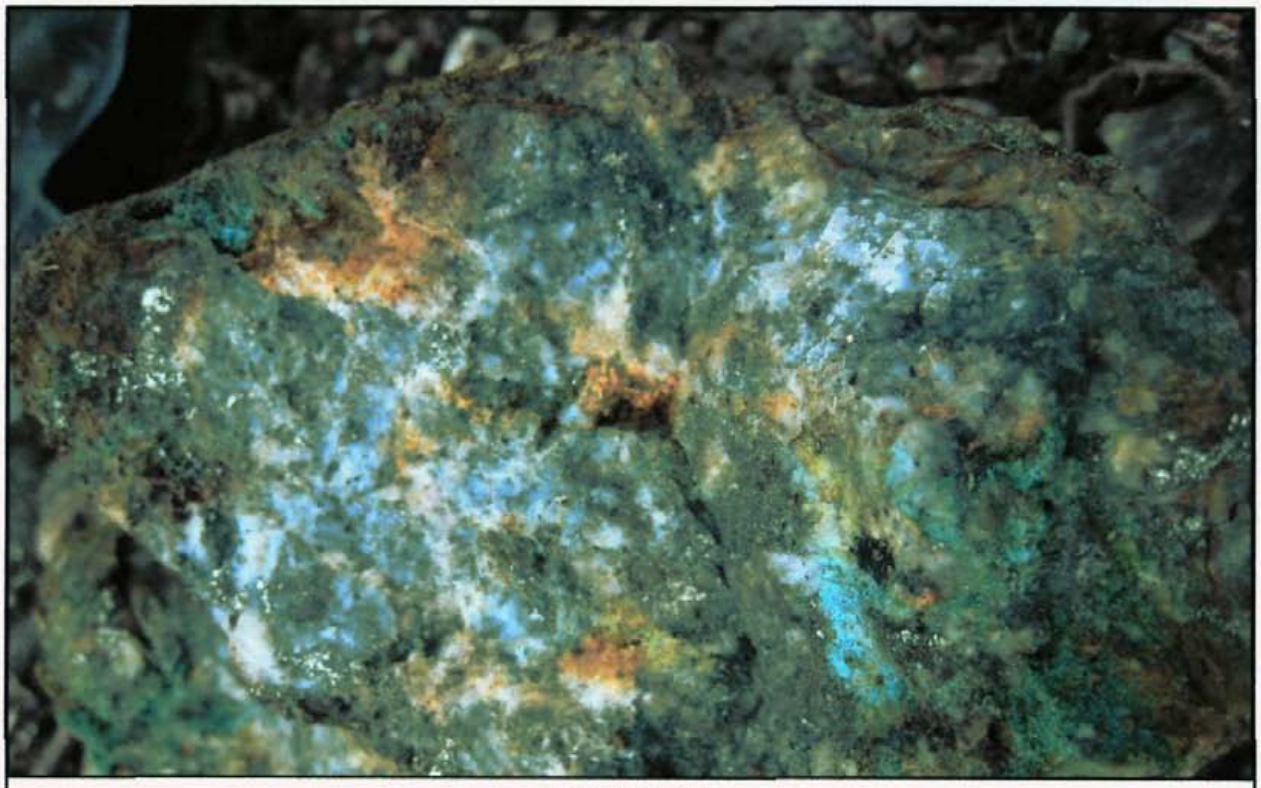


PHOTO 4M
STRINGER ZONE, SOUTH EXTENSION OF D ZONE, LOOKING WEST
712153: 2.27 g Au/t, 1.5% Cu, 4.8 g Au/t / 0.5m

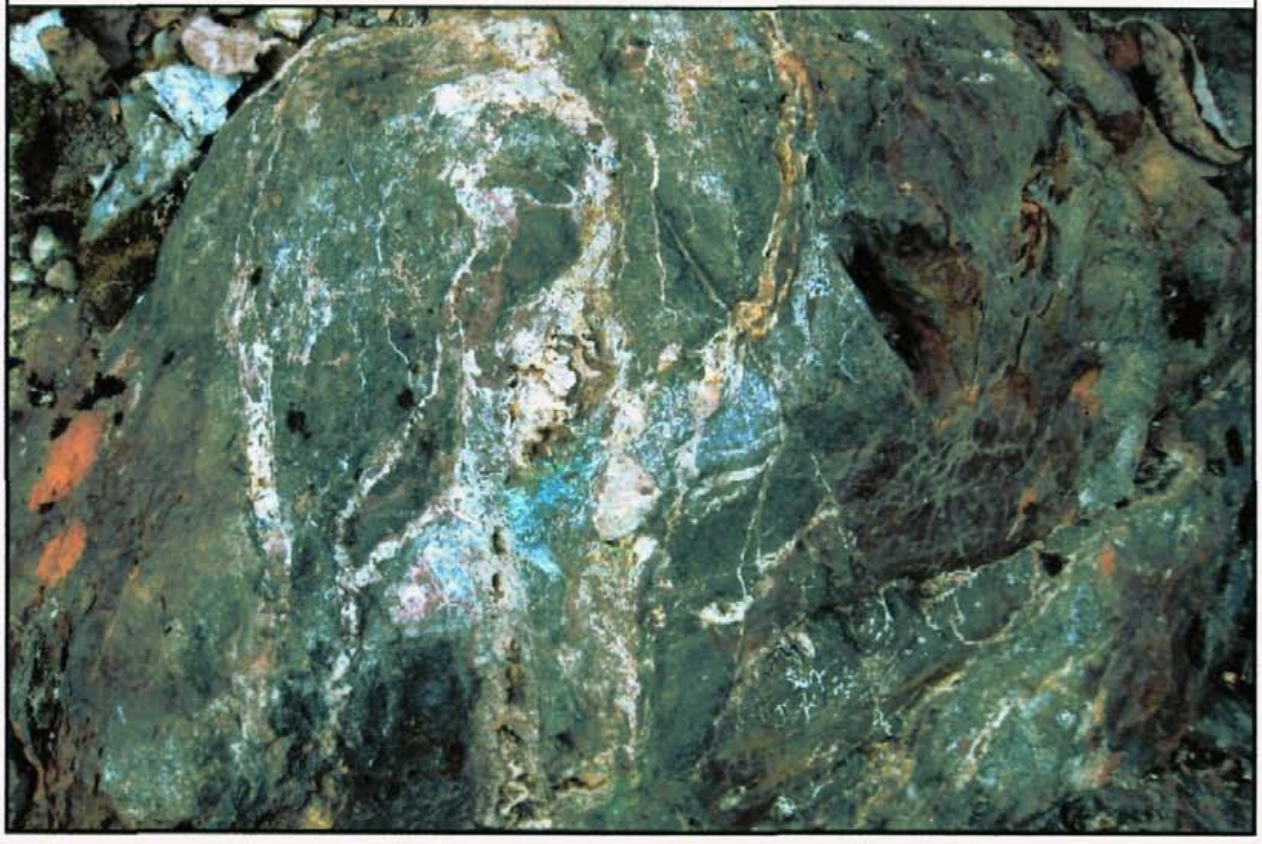


PHOTO 4N
SEMI MASSIVE SULFIDE (PY, CPY) BOULDER , SOUTH EXTENSION OF D ZONE
SAMPLE 712154: 5.89 g Au/t, 6.1% Cu

PHOTO 4O : LOOKING NW AT B1 SHOWING
SOUTH GRID, OMTA
IP GRID L207+50N, SW OF DDHNEZ07-01, 01A

PHOTO 4P : LOOKING NE AT NORTH EAST SHOWING
SOUTH GRID, OMTA
IP GRID 209+35N, 210+30E

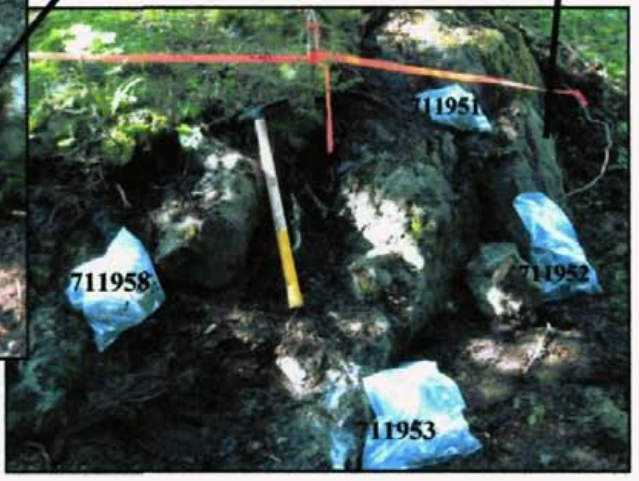


PHOTO 4Q: (see PHOTO 4P)
SOUTH GRID, OMTA: NE SHOWING
SAMPLE 711951: 327 ppb Au, 1.14% Cu /0.5m

PHOTO 4R: (see PHOTO 4P)
SOUTH GRID, OMTA: NE SHOWING
SAMPLE 711957: 764 ppb Au, 0.439% Cu /0.40cm

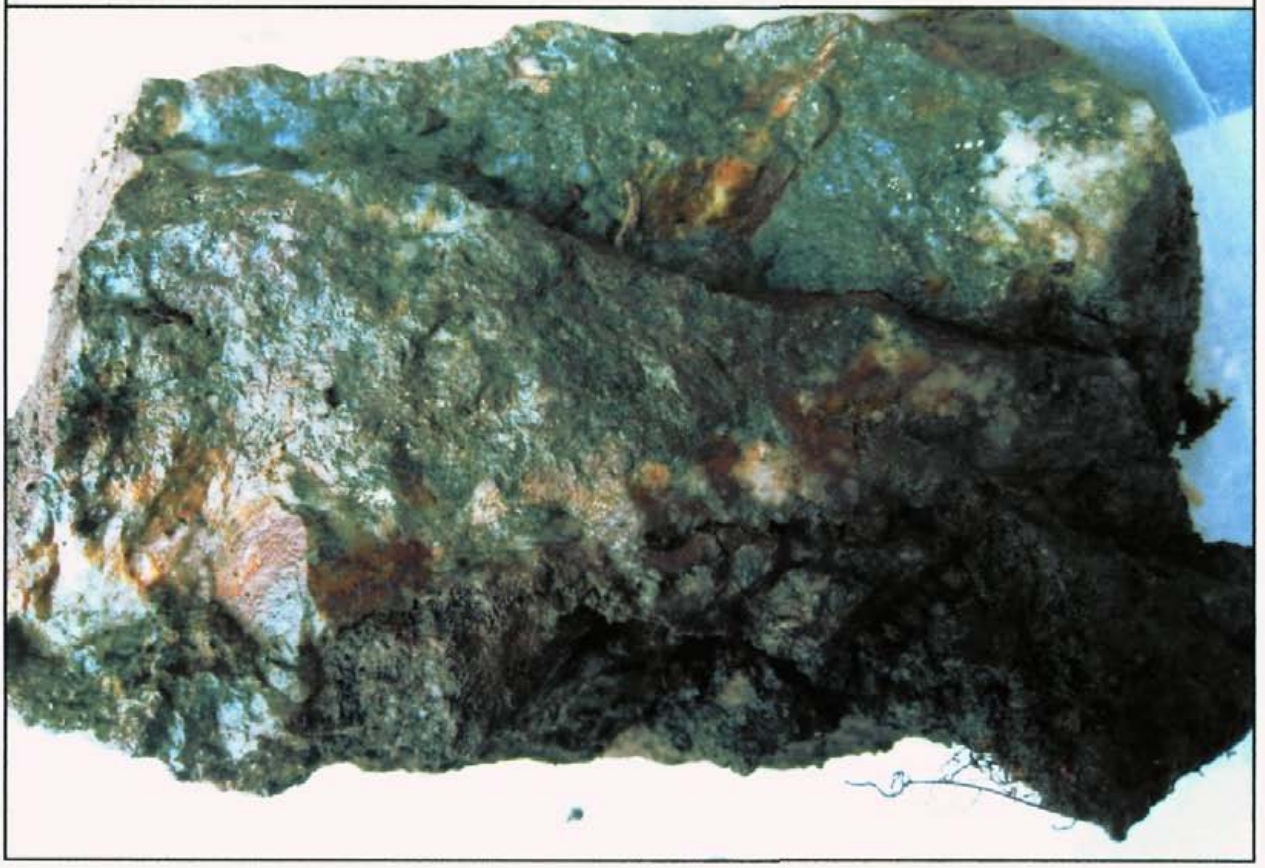


PHOTO 5A
LOOKING WEST AT SOUTH & AMARILLO GRIDS, OMTA

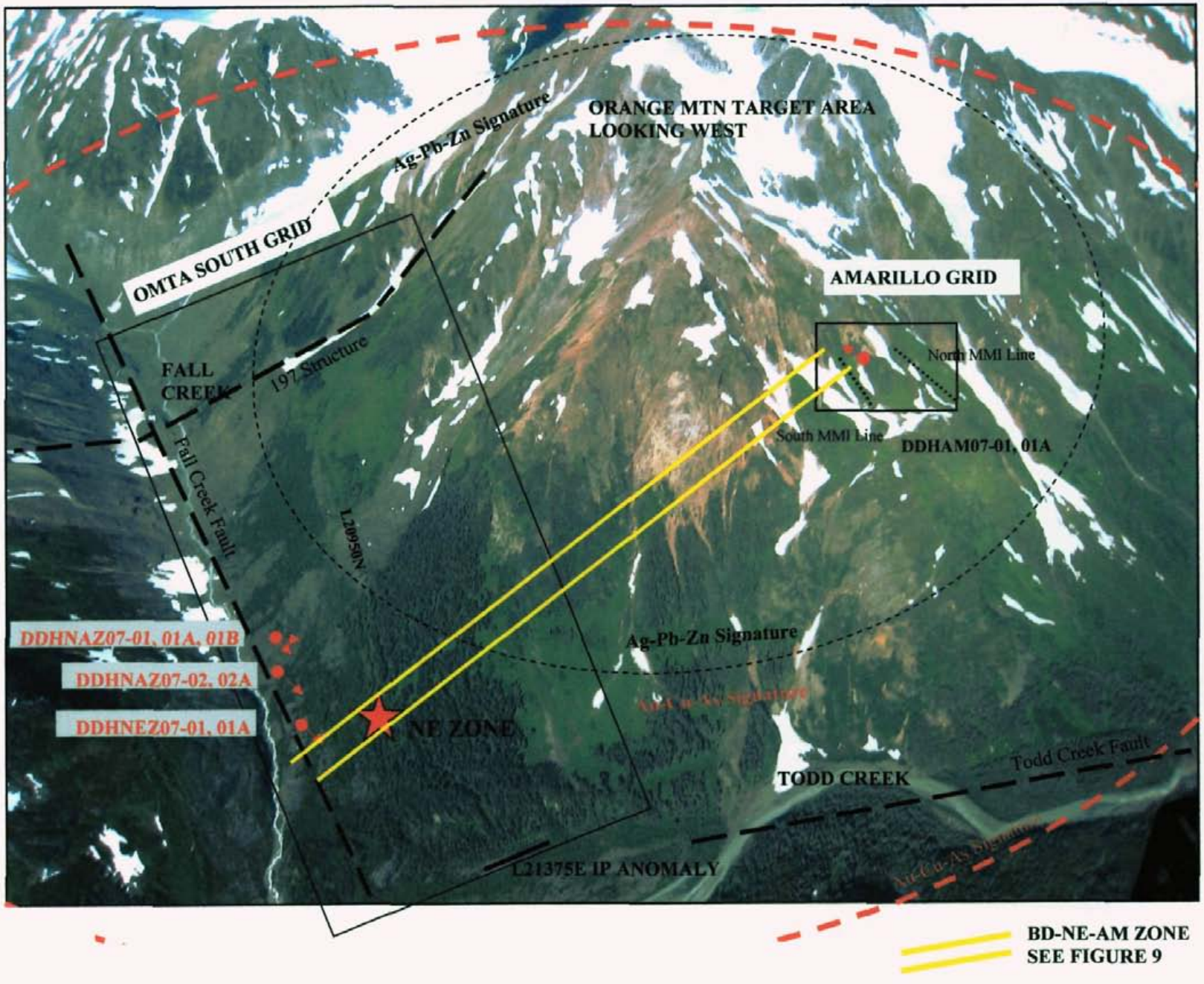
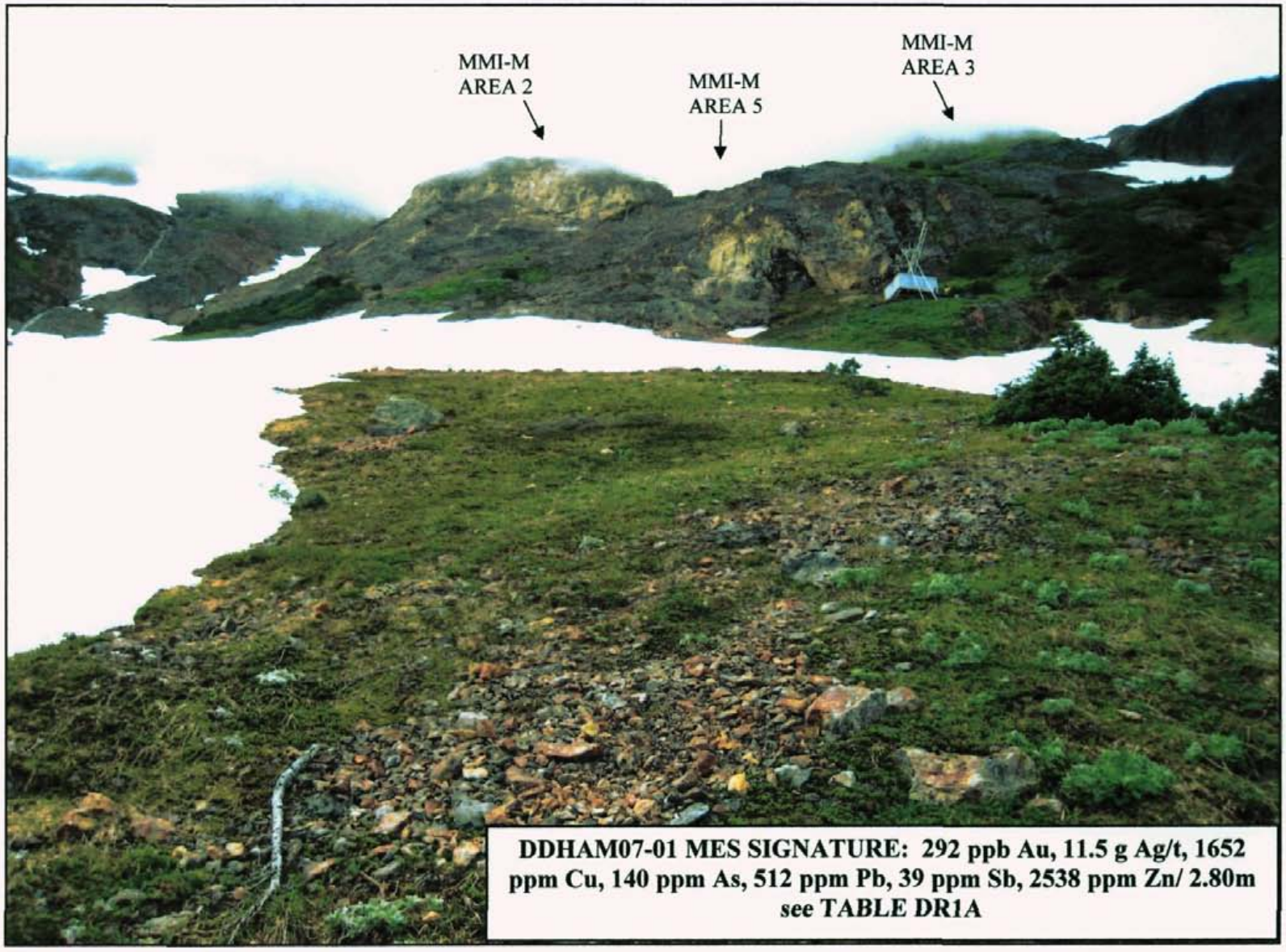


PHOTO 5B
LOOKING 300 DEG TO DDHAM07-01, 01A
AMARILLO GRID, OMTA



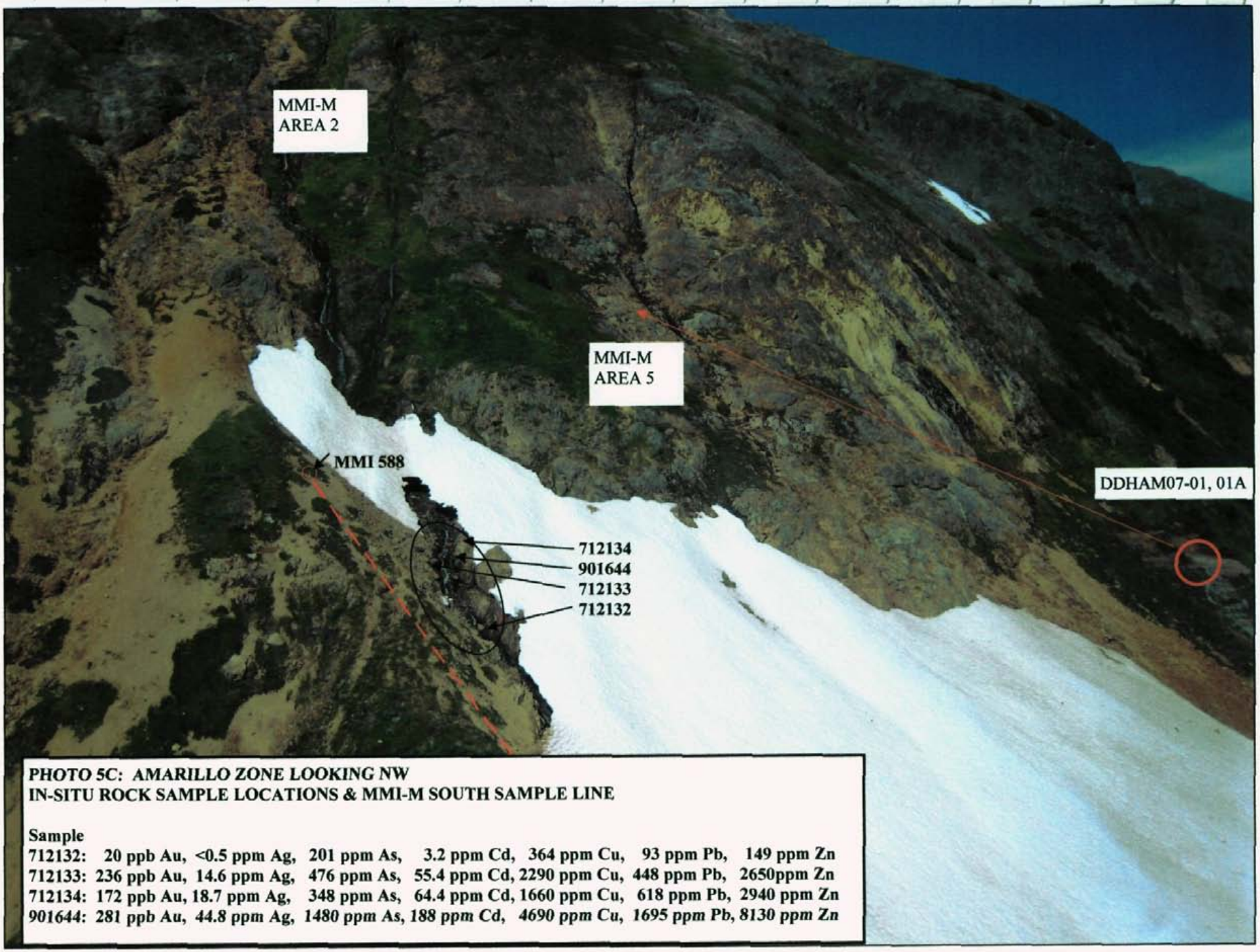


PHOTO 5C: AMARILLO ZONE LOOKING NW
IN-SITU ROCK SAMPLE LOCATIONS & MMI-M SOUTH SAMPLE LINE

Sample

712132:	**20 ppb Au,**	**<0.5 ppm Ag,**	**201 ppm As,**	**3.2 ppm Cd,**	**364 ppm Cu,**	**93 ppm Pb, 149 ppm Zn**
712133:	**236 ppb Au,**	**14.6 ppm Ag,**	**476 ppm As,**	**55.4 ppm Cd,**	**2290 ppm Cu,**	**448 ppm Pb, 2650ppm Zn**
712134:	**172 ppb Au,**	**18.7 ppm Ag,**	**348 ppm As,**	**64.4 ppm Cd,**	**1660 ppm Cu,**	**618 ppm Pb, 2940 ppm Zn**
901644:	***281 ppb Au,***	***44.8 ppm Ag,***	***1480 ppm As,***	***188 ppm Cd,***	***4690 ppm Cu,***	***1695 ppm Pb, 8130 ppm Zn***

PHOTO 5D
LOOKING NORTH AT SOUTH SIDE OF AREA 1, AMARIILO, OMTA
VERY INTENSE JAROSITE/ALUNITE & LIMONITE ALTERATION WITH STEEPLY DIPPING BARITE VEINS AND FAULTS IN ALTERED CT/VBX

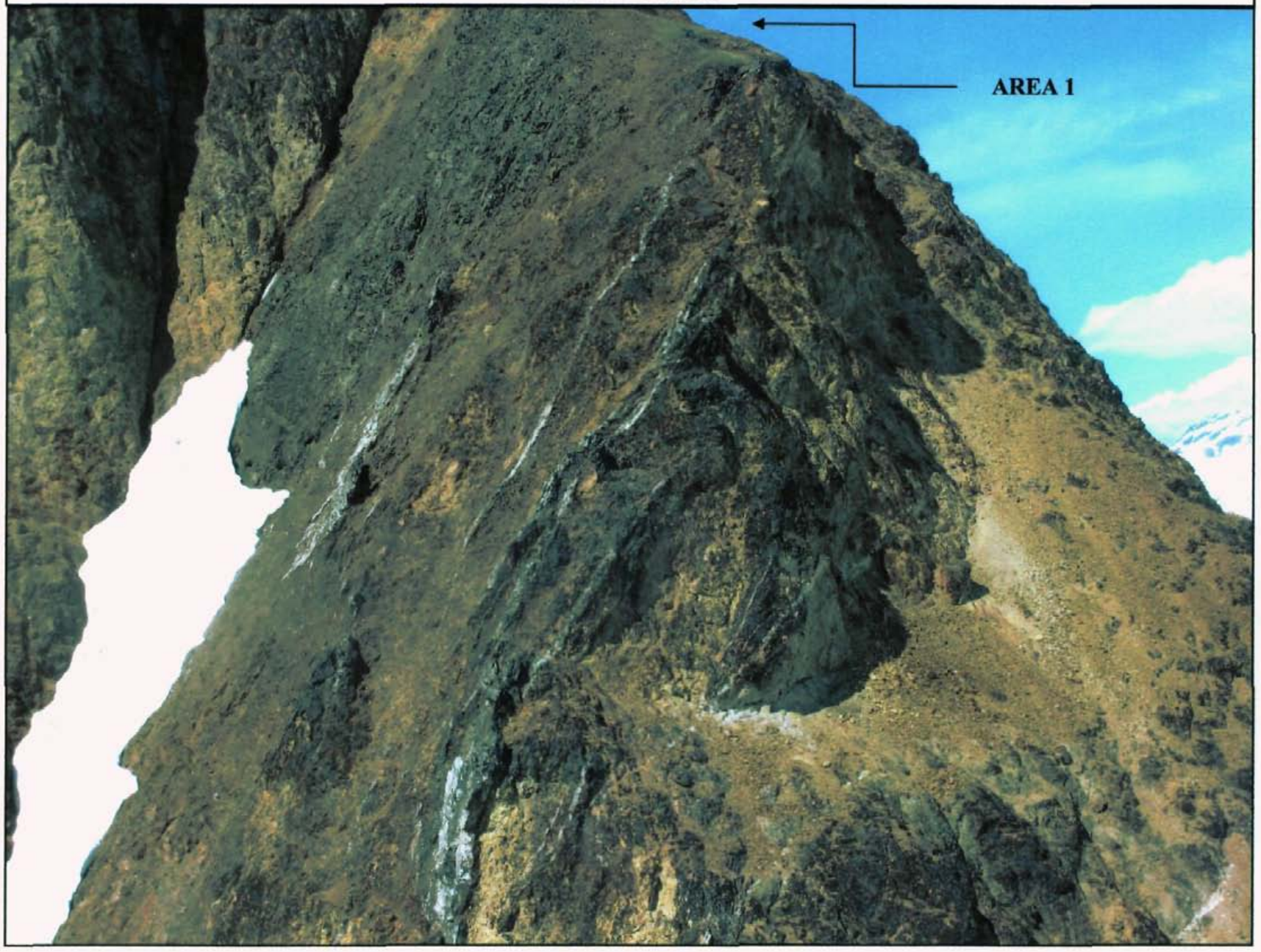


PHOTO 5D-1
LOOKING ~250 DEG AT AREA 1, AMARILLO, OMTA
SOME SAMPLE LOCATIONS IN ALTERED (OXIDIZED, BARITIZED) CT/VBX
(SEE TABLES MMI AREAS 1-5, R-OMTA AREAS 1-5, AR-OMTA AREAS 1-5)

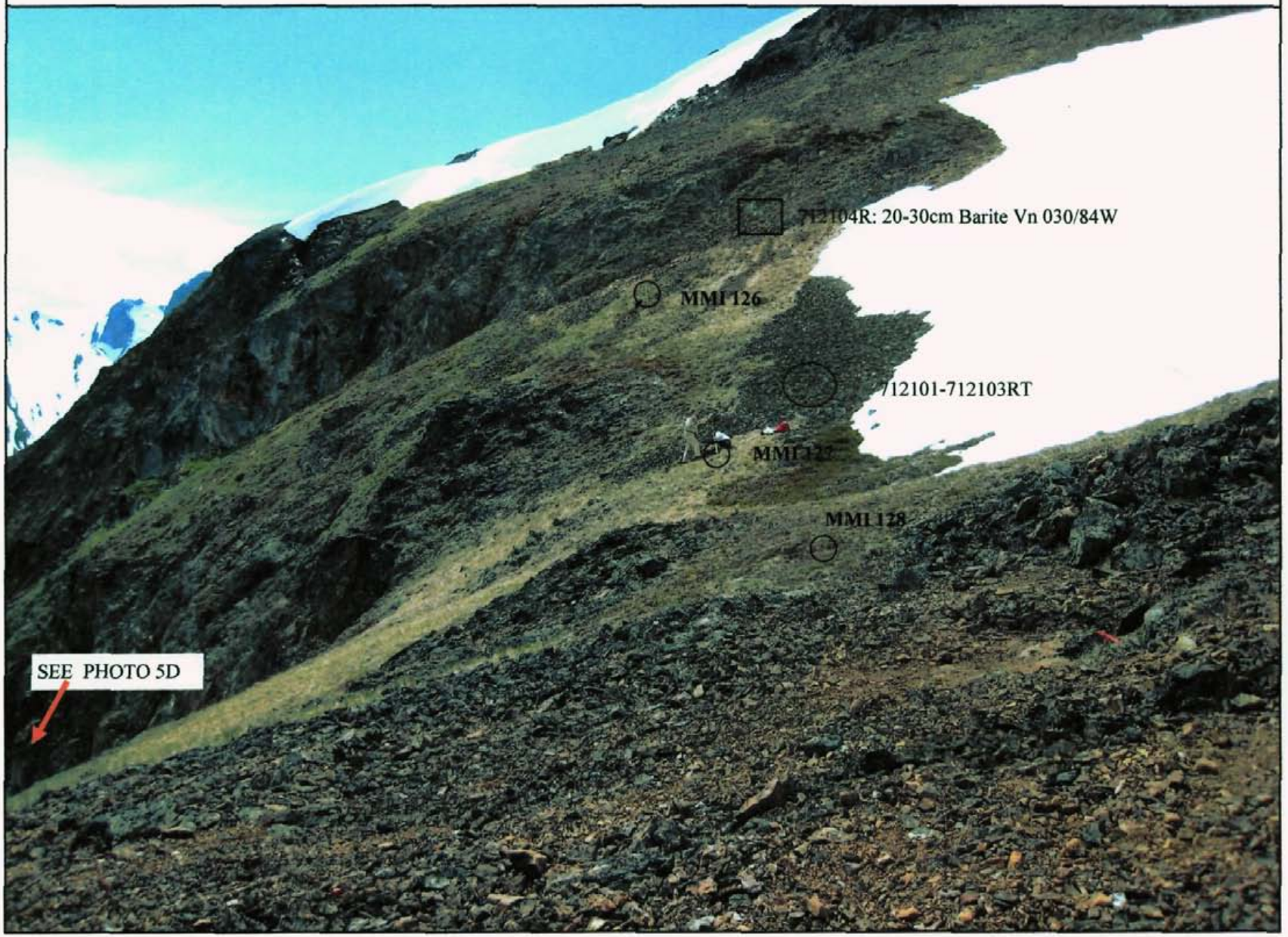
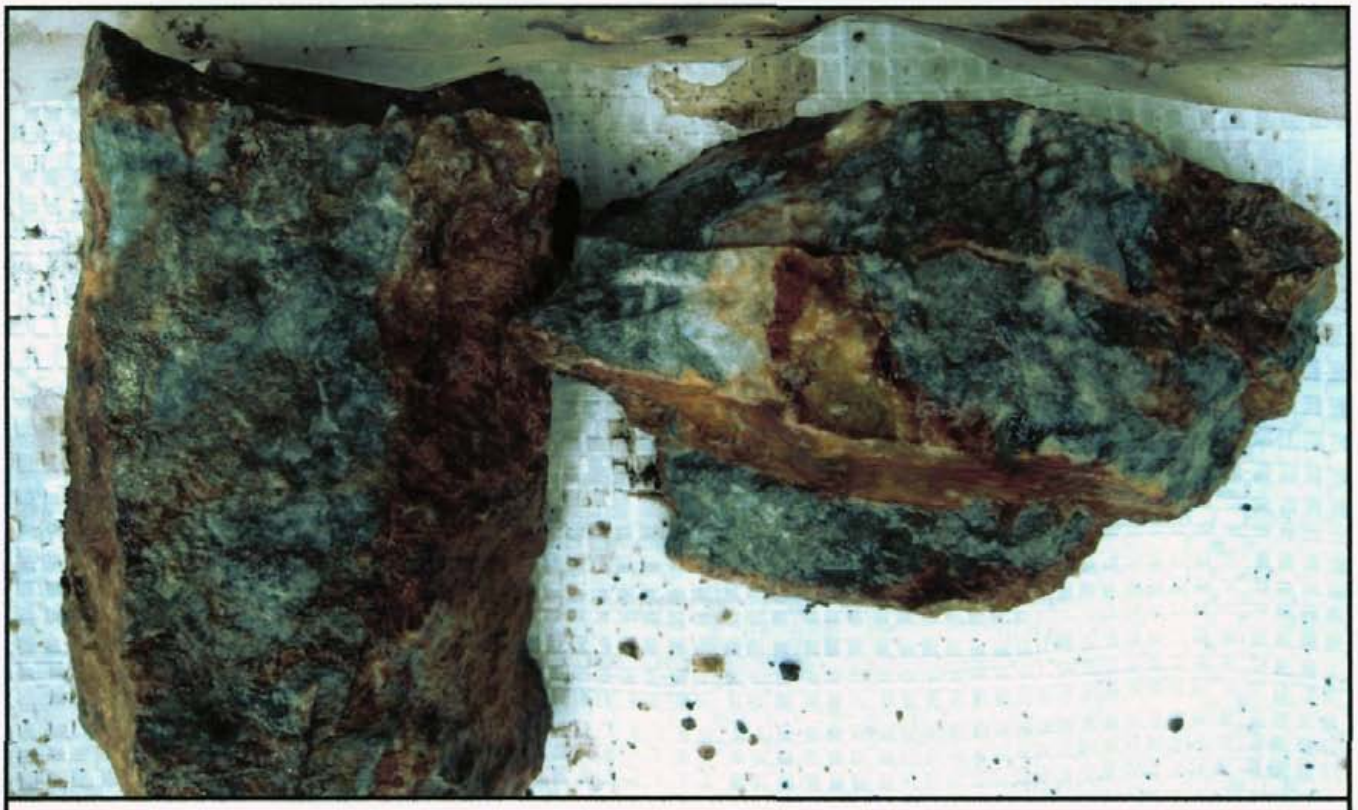


PHOTO 5E
SULFIDIZED, SILICIFIED CRYSTAL TUFF VOLCANIC BRECCIA,
LOCALLY SULFIDE MATRIX BRECCIA



712133: 236 ppb Au, 14.6 ppm Ag, 476 ppm As, 55.4 ppm Cd, 2290 ppm Cu, 448 ppm Pb, 2650ppm Zn

901644: 281 ppb Au, 44.8 ppm Ag, 1480 ppm As, 188 ppm Cd, 4690 ppm Cu, 1695 ppm Pb, 8130 ppm Zn

PHOTO 5F
DDHAM07-01 SAMPLES 745706-745707
292 ppb Au, 11.5 g Ag/t, 1652 ppm Cu, 140 ppm As, 512 ppm Pb, 39 ppm Sb, 2538 ppm Zn/ 2.80m

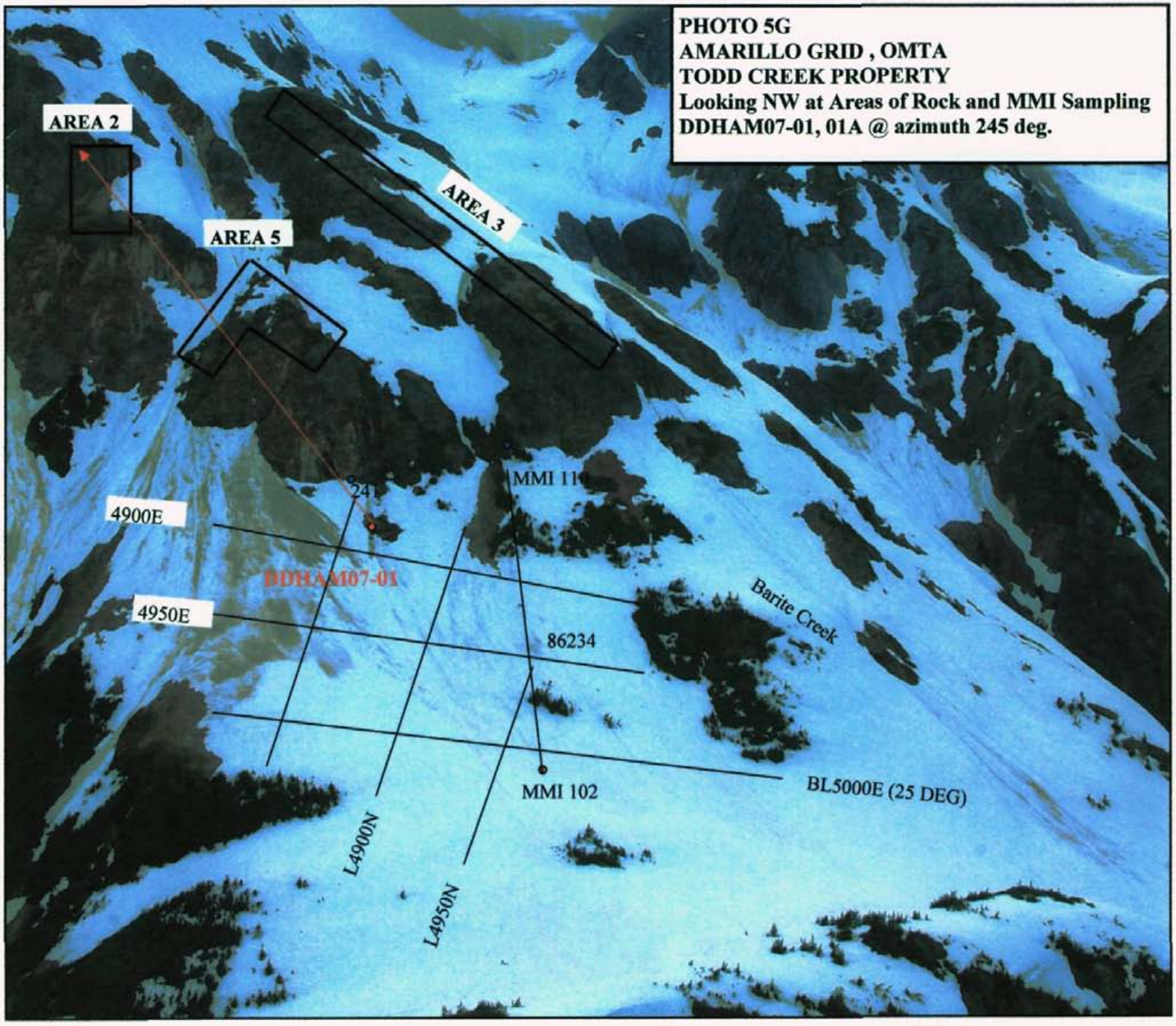


PHOTO 5G
AMARILLO GRID , OMTA
TODD CREEK PROPERTY
Looking NW at Areas of Rock and MMI Sampling
DDHAM07-01, 01A @ azimuth 245 deg.
AREA 2
AREA 5
AREA 3
MMI 110
241
4900E
DDHAM07-01
4950E
Barite Creek
86234
MMI 102
BL5000E (25 DEG)
L4900N
L4950N

PHOTO 5H: MMI-M AREA 2
WEST OF AMARILLO GRID, OMTA: LOOKING WEST
MMI-M GEOCHEMICAL SAMPLES (yellow) & ROCK SAMPLES (blue)
(See TABLES MMI AREA 1-5, R-OMTA AREA 1-5, AR-OMTA AREA 1-5)

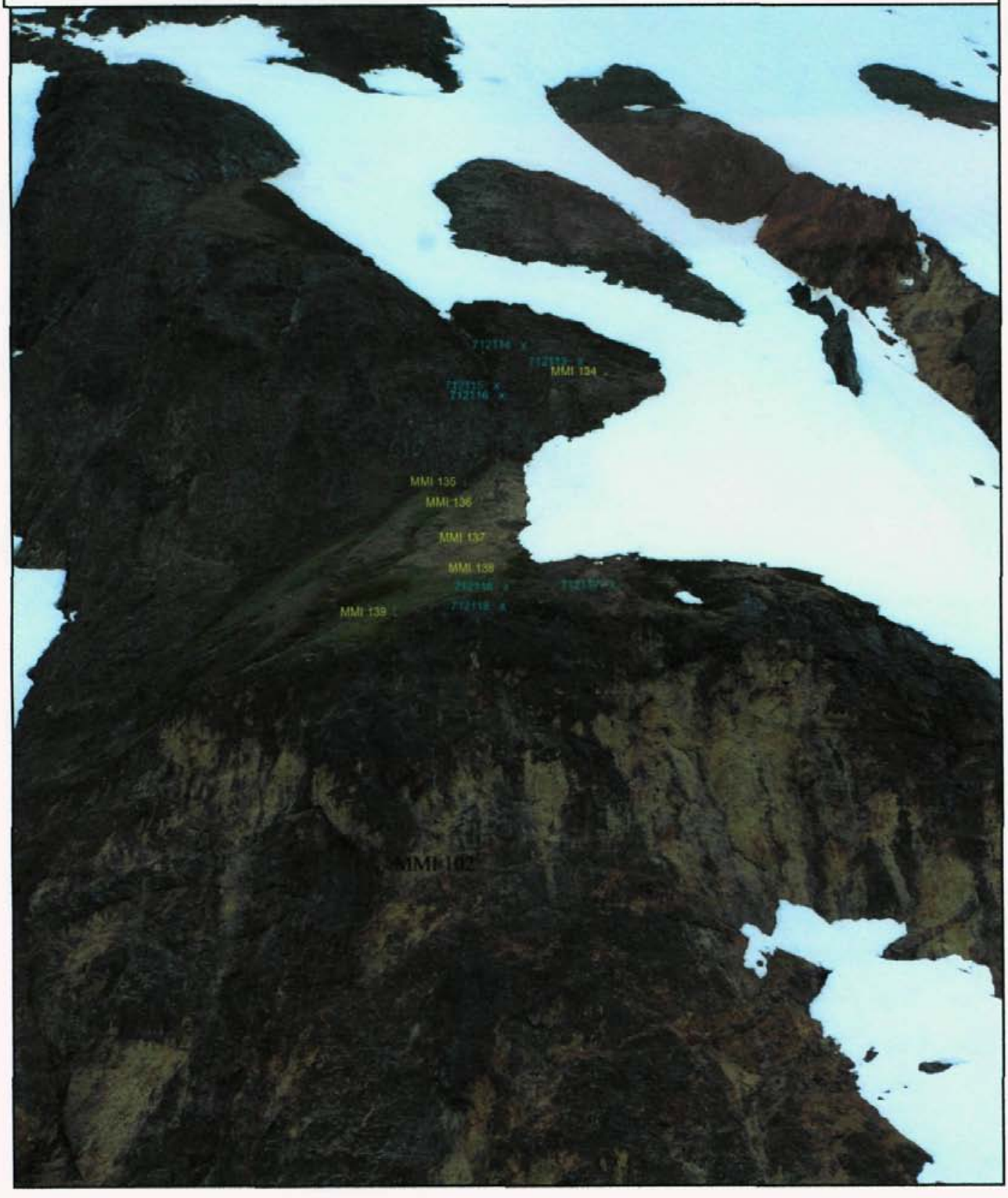
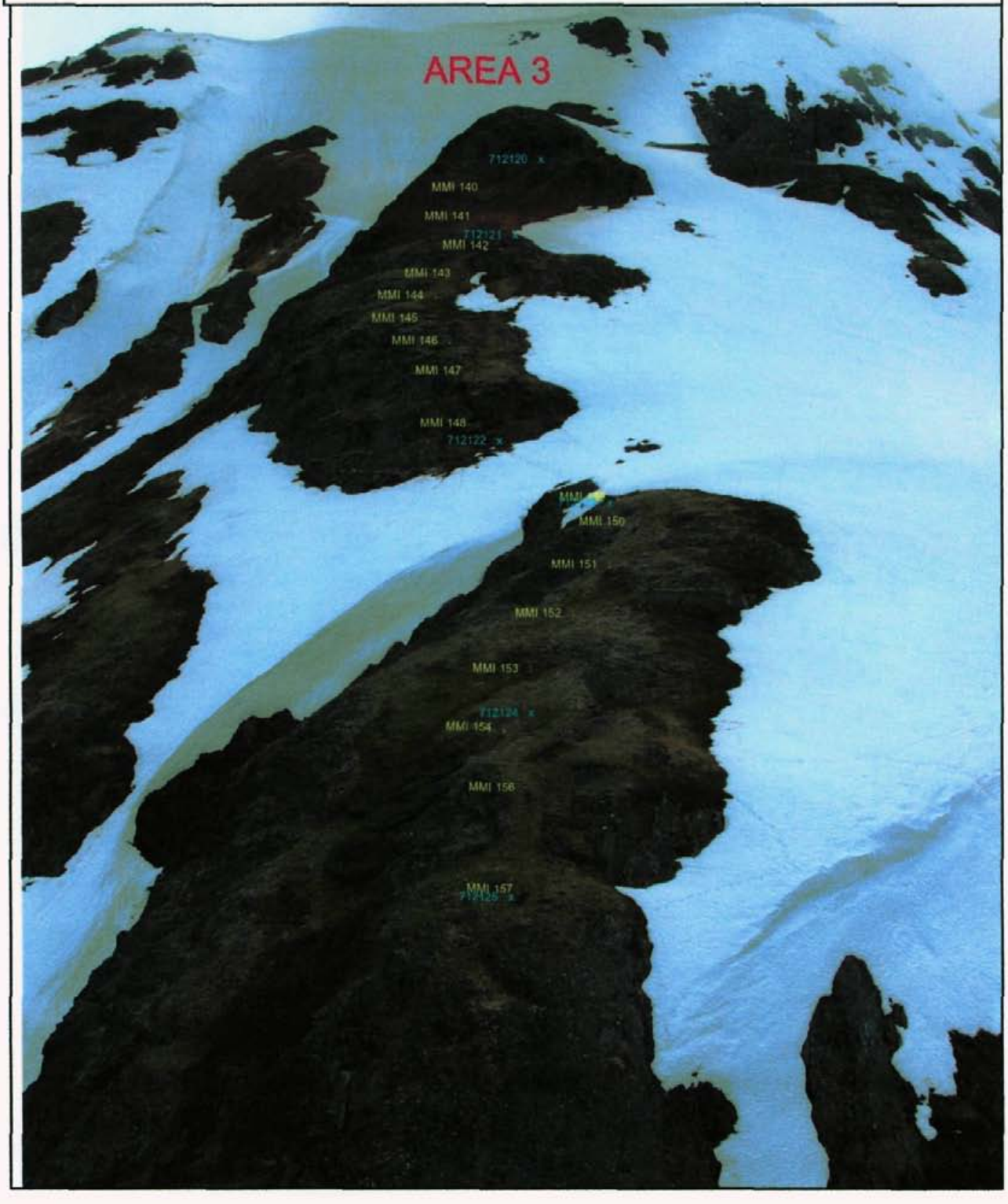


PHOTO 5I: MMI-M AREA 3
NORTH WEST OF AMARILLO GRID, OMTA
LOOKING NORTH
MMI-M GEOCHEMICAL SAMPLES (yellow) & ROCK SAMPLES (blue)
(See TABLES MMI AREA 1-5, R-OMTA AREA 1-5, AR-OMTA AREA 1-5)



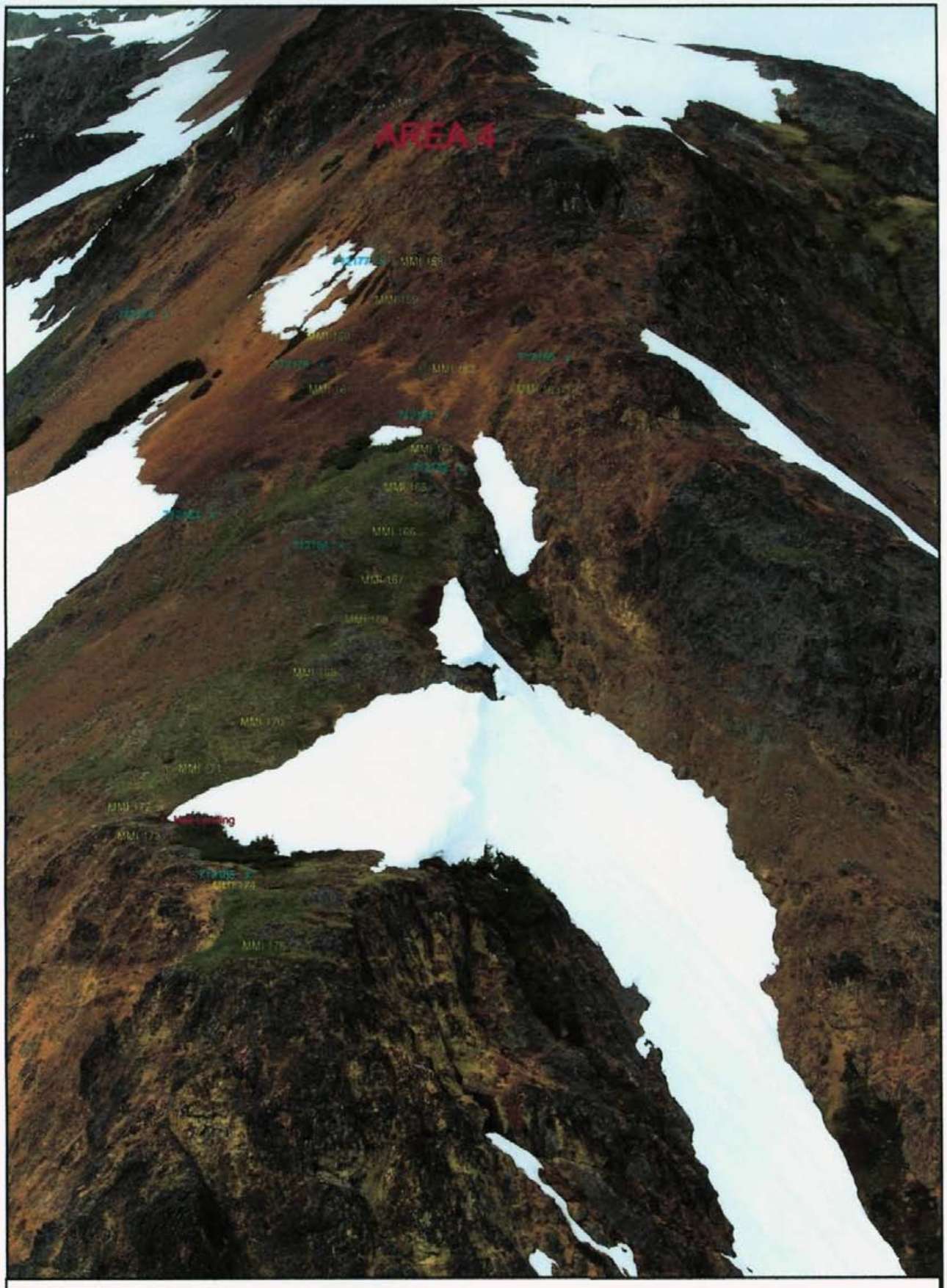


PHOTO 5J: MMI-M AREA 4
SOUTH OF AMARILLO GRID, OMTA
LOOKING NORTH
MMI-M GEOCHEMICAL SAMPLES (yellow) & ROCK SAMPLES (blue)
(See TABLES MMI AREA 1-5, R-OMTA AREA 1-5, AR-OMTA AREA 1-5)

PHOTO 5K: MMI-M AREA 5
SOUTHWEST OF AMARILLO GRID, OMTA
LOOKING WEST
MMI-M GEOCHEMICAL SAMPLES (yellow) & ROCK SAMPLES (blue)
(See TABLES MMI AREA 1-5, R-OMTA AREA 1-5, AR-OMTA AREA 1-5)

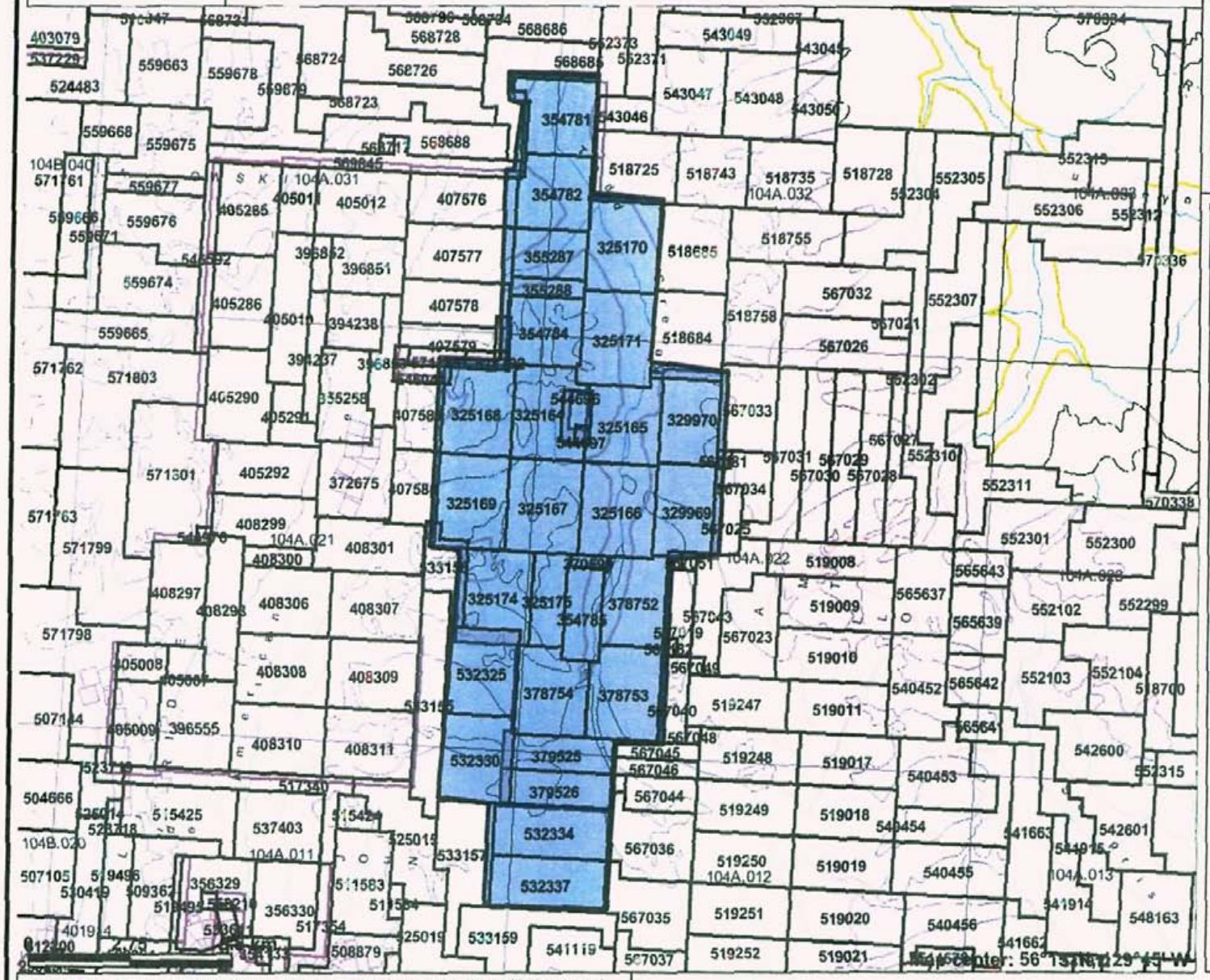
PHOTO 6
LOOKING NW AT GOSSAN ZONE IN PROXIMITYY TO SOUTH EM CONDUCTOR AND INITIAL SAMPLE AREA

TODD CREEK PROPERTY

APPENDIX D

FIGURES

FIGURE P1: TODD CREEK PROPERTY JANUARY 24 2008



Legend

- Indian Reserves
- National Parks
- Parks

Mineral Tenures (Mineral - LRDW)

- Mineral Claim
- Mineral Lease

Reserves (Mineral - LRDW Sites)

- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others

Mining Division (MTO)

- Survey Parcels
- BCGS Grid

Contours (1:250K)

- Contour - Index
- Contour - Intermediate
- Areaof Exclusion
- Areaof Indefinite Contours

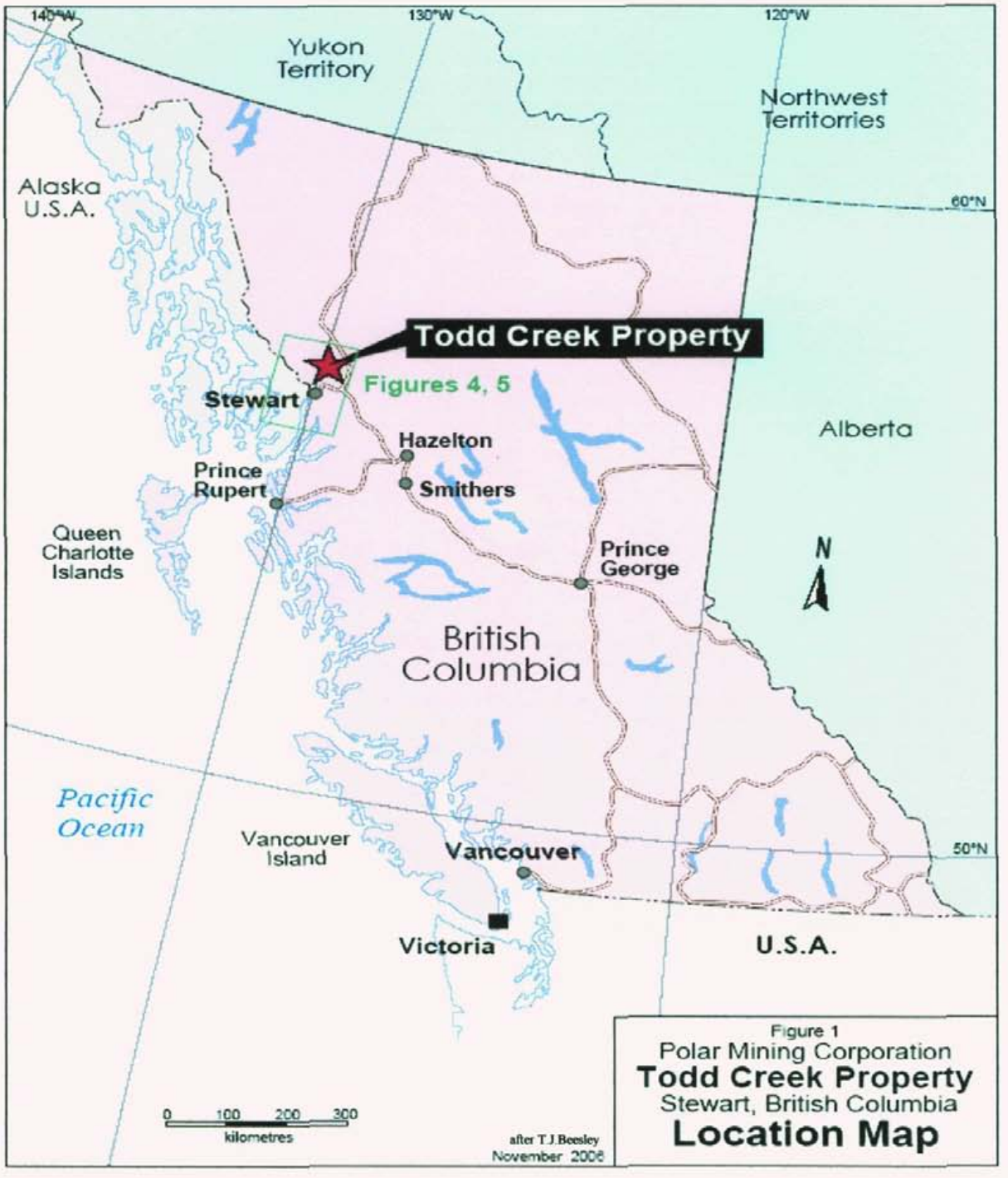
Annotation (1:250K)

Transportation - Points (1:250K)

- Airfield
- Anchorage - Seaplane
- Ferry Route
- Heliport
- Seaplane Base
- Air Field
- Airport
- Air Feature - Condition Unknown

Scale: 1:159,541

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


140°W
130°W
120°W
Yukon Territory
Northwest Territorries
Alaska U.S.A.
60°N
Todd Creek Property
Figures 4, 5
Stewart
Hazelton
Alberta
Prince Rupert
Smithers
Queen Charlotte Islands
Prince George
N
British Columbia
Pacific Ocean
Vancouver Island
Vancouver
50°N
Victoria
U.S.A.
0 100 200 300
kilometres
after T.J.Beesley
November 2006
Figure 1
Polar Mining Corporation
Todd Creek Property
Stewart, British Columbia
Location Map

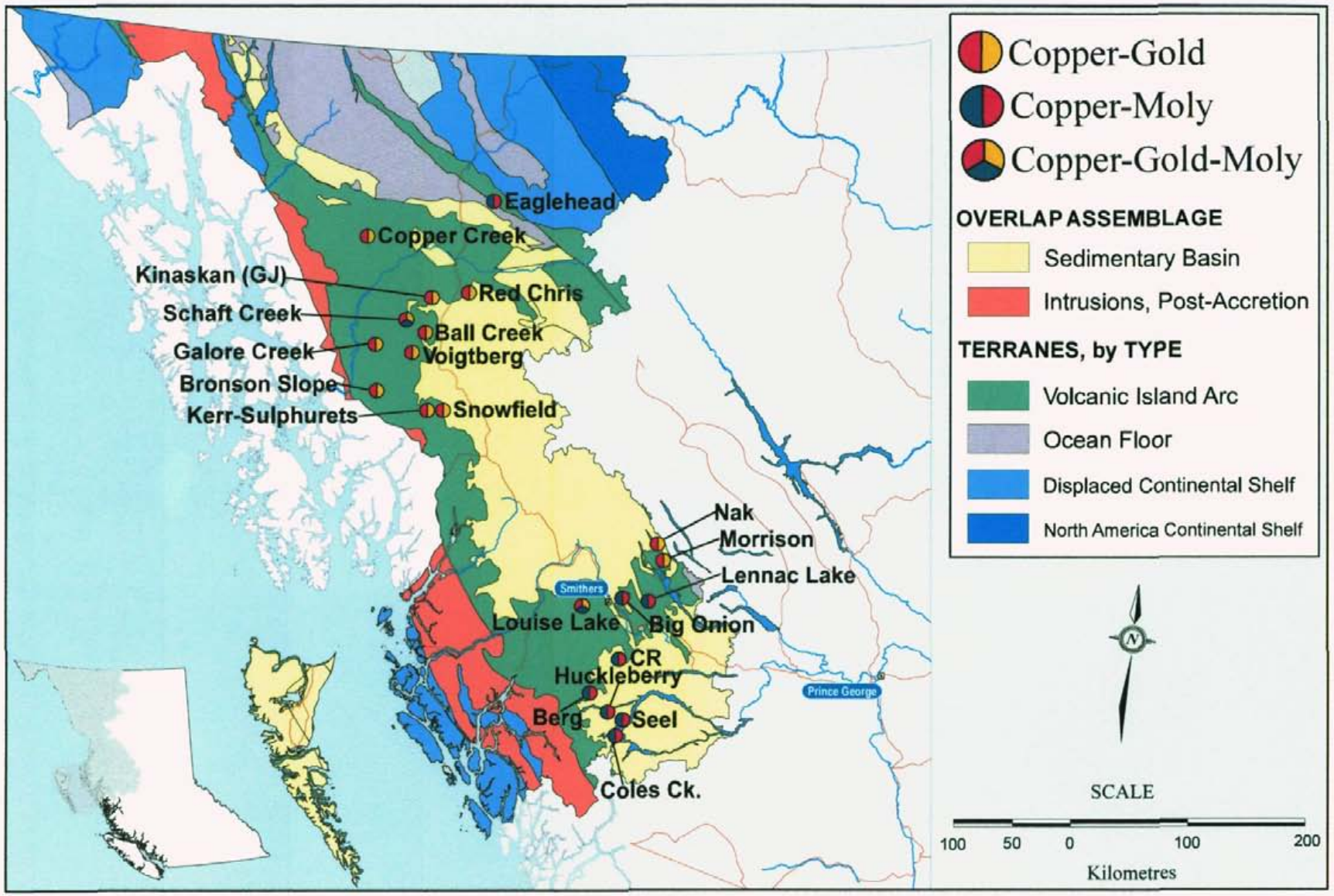


Figure 1.18. Map of porphyry copper projects in Northwest Region.

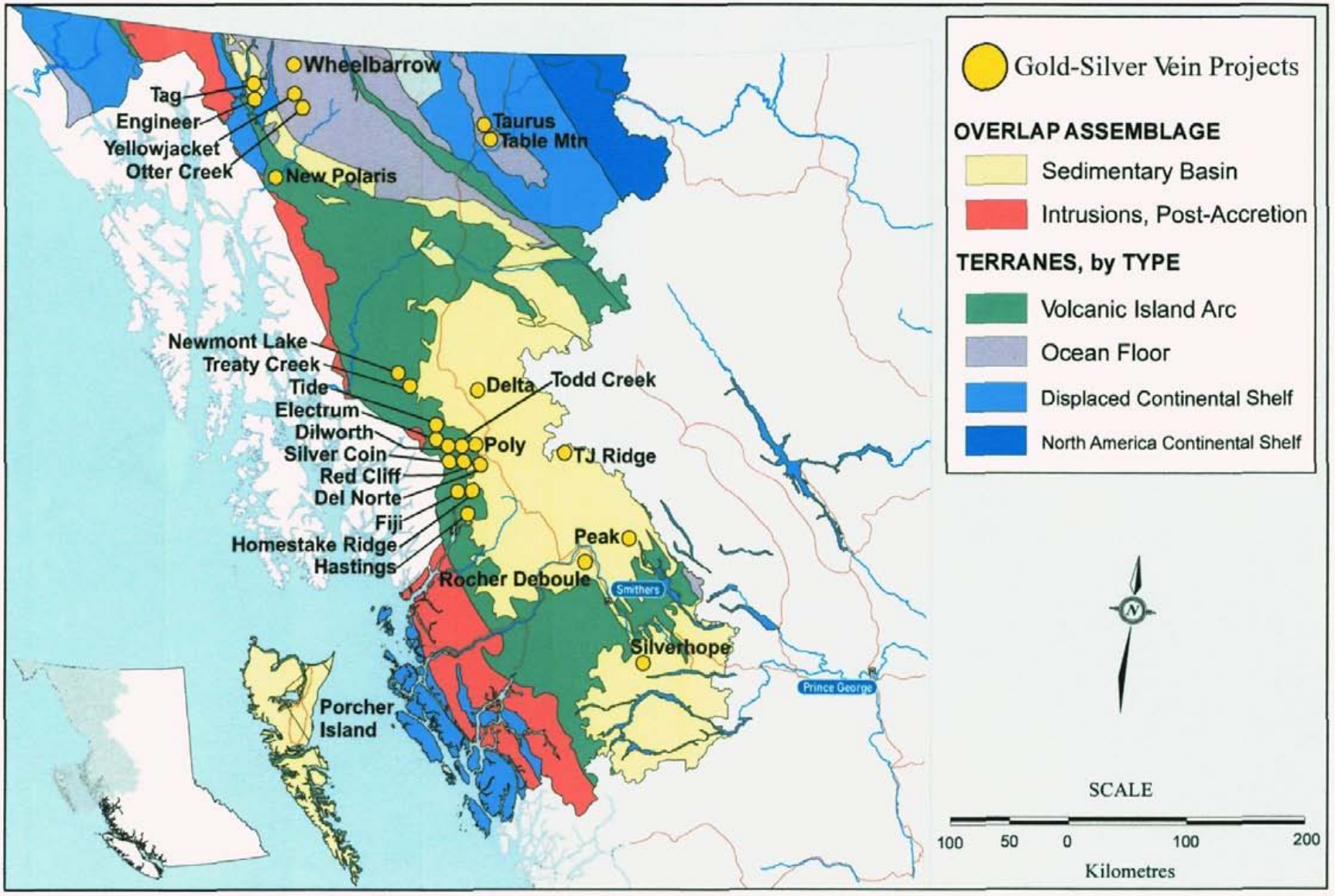


Figure 1.34. Map of gold-silver projects in Northwest Region.

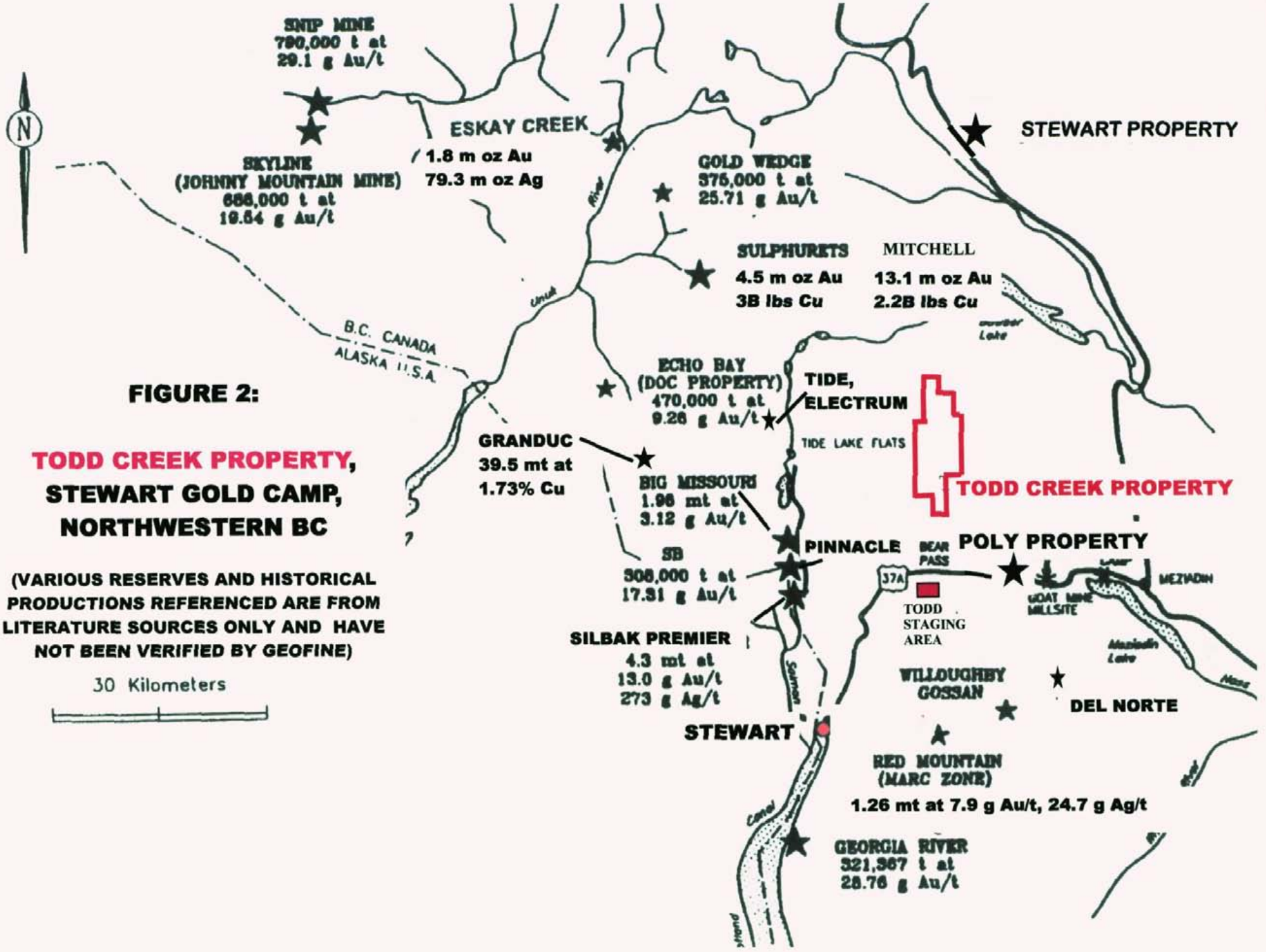


FIGURE 2:

TODD CREEK PROPERTY,
STEWART GOLD CAMP,
NORTHWESTERN BC

(VARIOUS RESERVES AND HISTORICAL PRODUCTIONS REFERENCED ARE FROM LITERATURE SOURCES ONLY AND HAVE NOT BEEN VERIFIED BY GEOFINE)

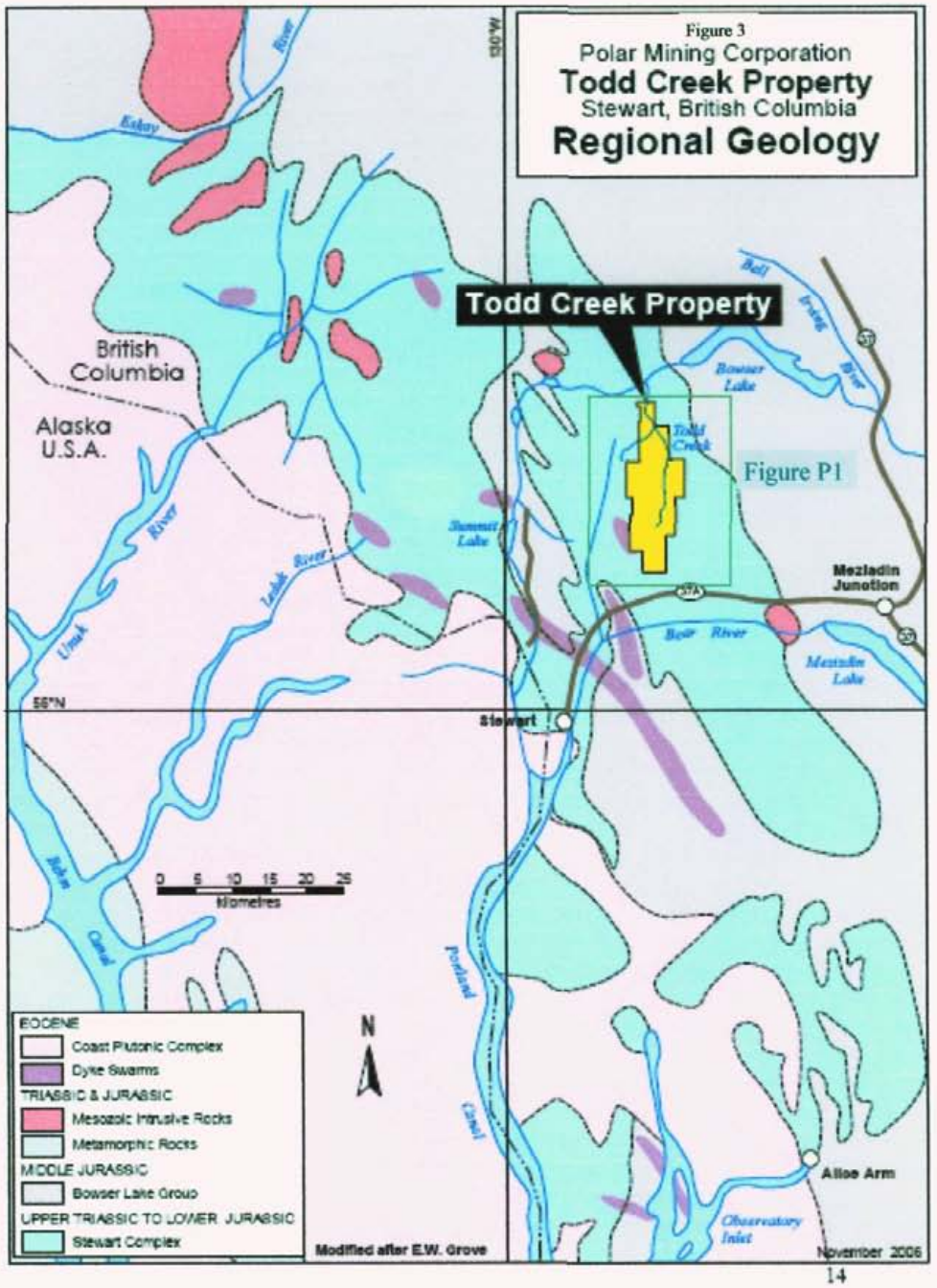


Figure 3
Polar Mining Corporation
Todd Creek Property
Stewart, British Columbia
Regional Geology
Todd Creek Property
British Columbia
Alaska U.S.A.
Figure P1
Mezladin Junction
Stewart
Alice Arm
Observatory Inlet
Bowser Lake
Summit Lake
Meziadin Lake
Bear River
Unuk River
Ladue River
Portland Canal
Bell Irving River
Kinskuch River
56°N
130°W
0 5 10 15 20 25
Kilometres
N
EOCENE
Coast Plutonic Complex
Dyke Swarms
TRIASSIC & JURASSIC
Mesozoic Intrusive Rocks
Metamorphic Rocks
MIDDLE JURASSIC
Bowser Lake Group
UPPER TRIASSIC TO LOWER JURASSIC
Stewart Complex
Modified after E.W. Grove
November 2006

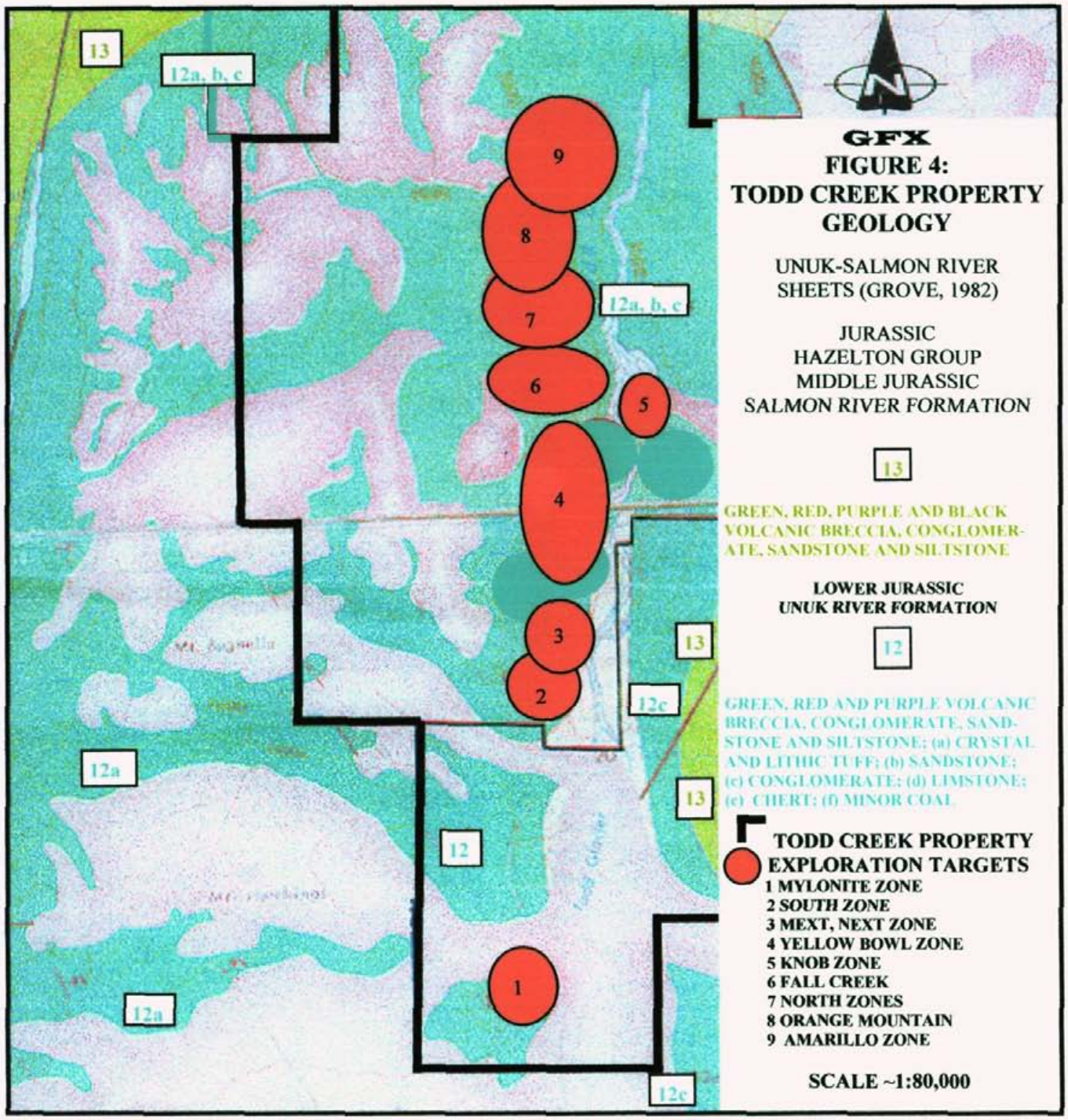
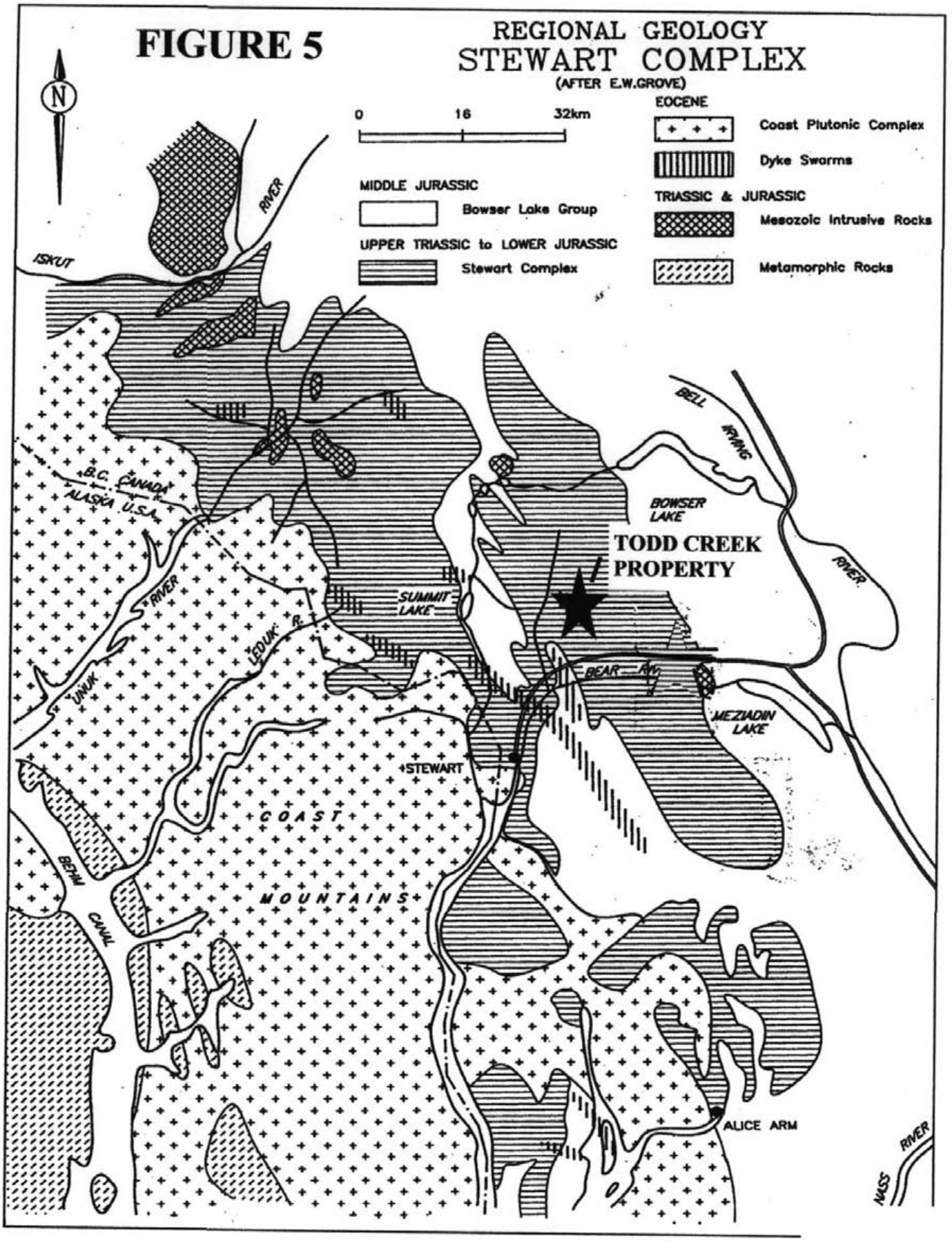

13
12a, b, c
9
8
7
6
5
4
3
2
1
12a, b, c
13
12c
12a
13
12
12a
12c
N
GFX
FIGURE 4:
TODD CREEK PROPERTY
GEOLOGY
UNUK-SALMON RIVER
SHEETS (GROVE, 1982)
JURASSIC
HAZELTON GROUP
MIDDLE JURASSIC
SALMON RIVER FORMATION
13
GREEN, RED, PURPLE AND BLACK VOLCANIC BRECCIA, CONGLOMERATE, SANDSTONE AND SILTSTONE
LOWER JURASSIC
UNUK RIVER FORMATION
12
GREEN, RED AND PURPLE VOLCANIC BRECCIA, CONGLOMERATE, SANDSTONE AND SILTSTONE; (a) CRYSTAL AND LITHIC TUFF; (b) SANDSTONE; (c) CONGLOMERATE; (d) LIMSTONE; (e) CHERT; (f) MINOR COAL
TODD CREEK PROPERTY
EXPLORATION TARGETS
1 MYLONITE ZONE
2 SOUTH ZONE
3 MEXT, NEXT ZONE
4 YELLOW BOWL ZONE
5 KNOB ZONE
6 FALL CREEK
7 NORTH ZONES
8 ORANGE MOUNTAIN
9 AMARILLO ZONE
SCALE ~1:80,000

FIGURE 5


REGIONAL GEOLOGY
STEWART COMPLEX
(AFTER E.W.GROVE)
N
0
16
32km
EOCENE
Coast Plutonic Complex
Dyke Swarms
TRIASSIC & JURASSIC
Mesozoic Intrusive Rocks
Metamorphic Rocks
MIDDLE JURASSIC
Bowser Lake Group
UPPER TRIASSIC to LOWER JURASSIC
Stewart Complex
ISKUT
RIVER
B.C. CANADA
ALASKA U.S.A.
UNUK
RIVER
LEDUK R.
SUMMIT LAKE
BELL IRVING
BOWSER LAKE
TODD CREEK PROPERTY
RIVER
BEAR ARM
MEZIADIN LAKE
STEWART
COAST
MOUNTAINS
BEHM CANAL
ALICE ARM
NASS RIVER

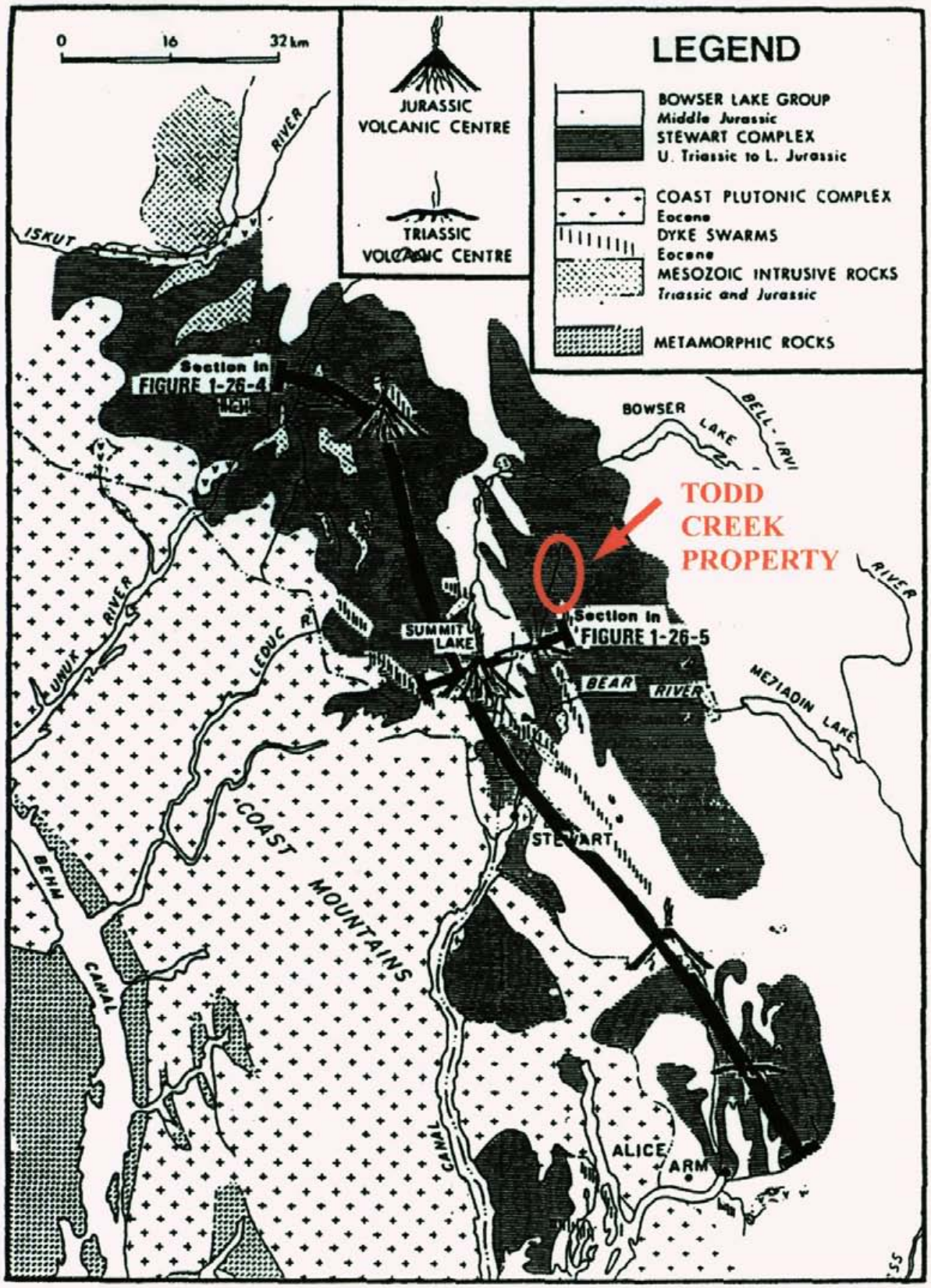


Figure 1-27-3. Distribution of the Stewart complex showing the locations of section lines for Figures 1-27-4 and 1-27-5.

FIGURE 6]

STEWART VOLCANIC BELT

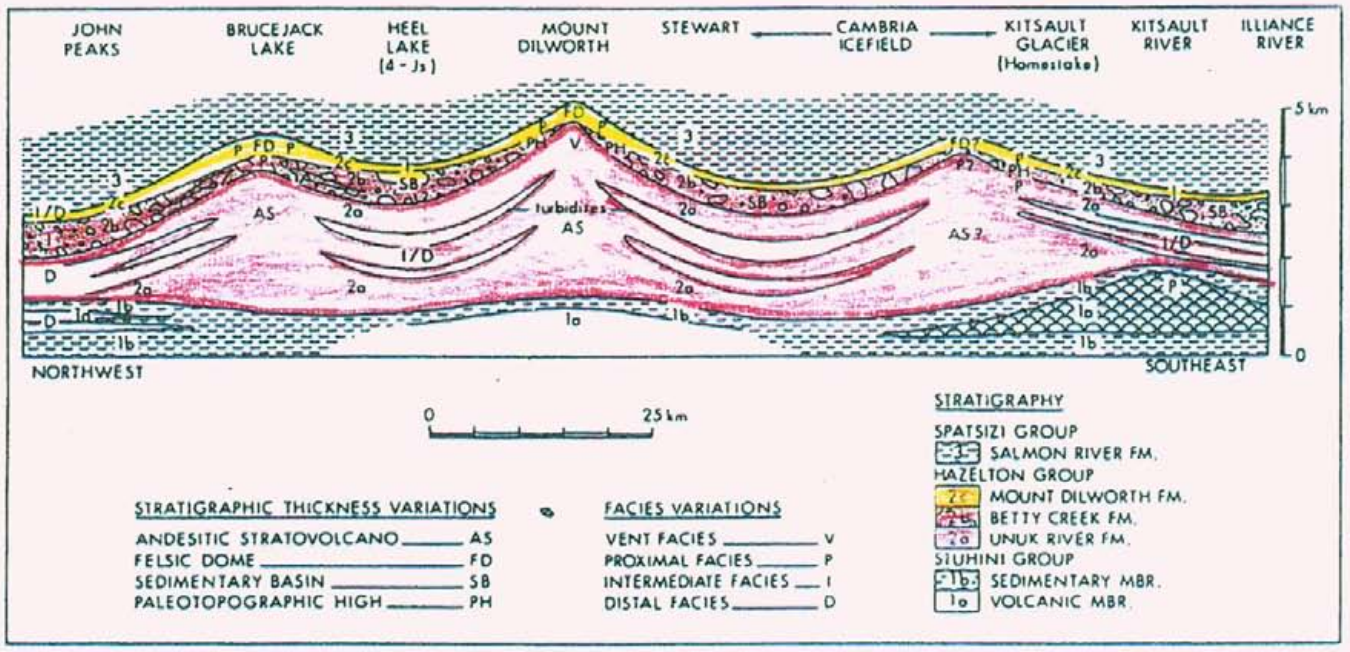


Figure 1-27-4. North-south schematic reconstruction through the Stewart complex.

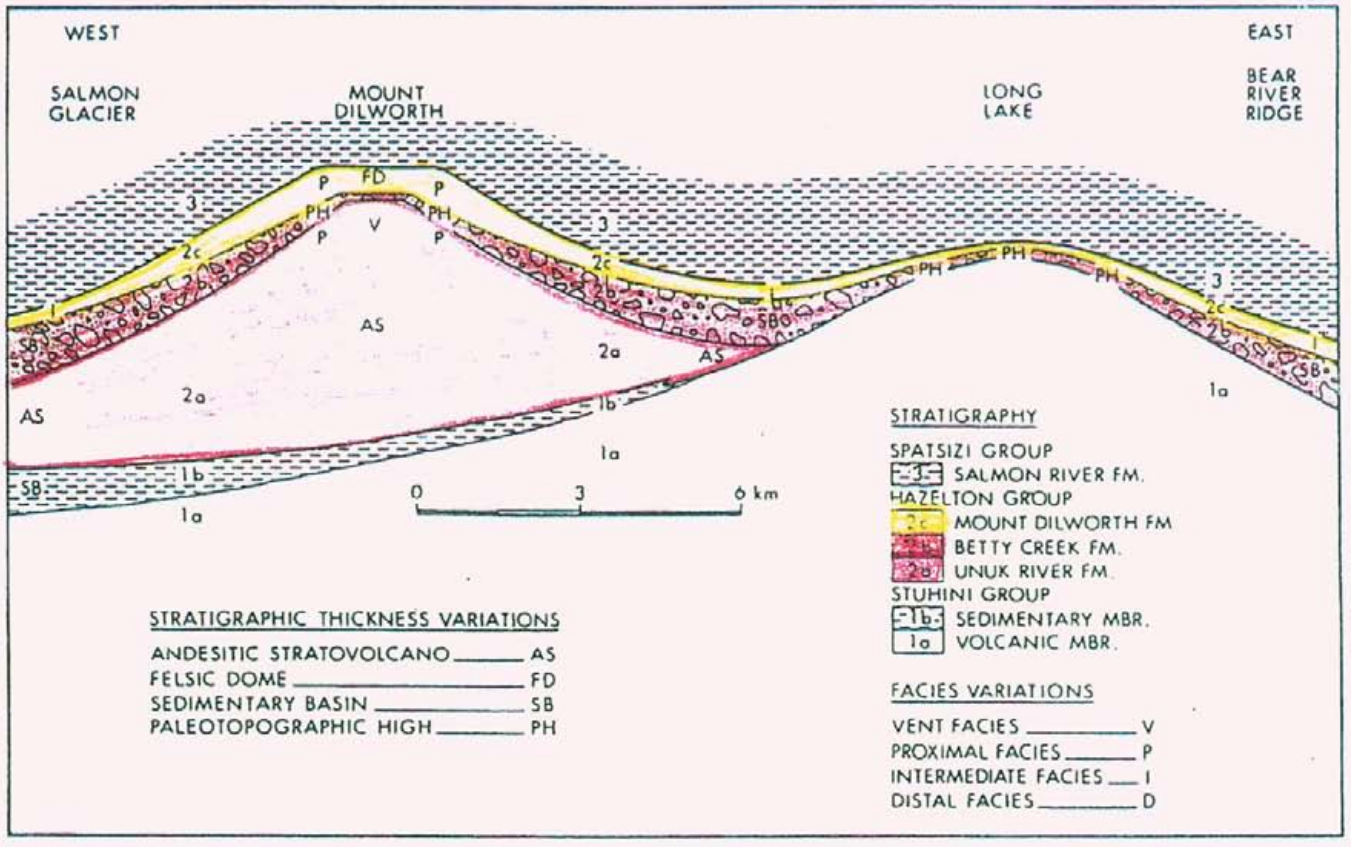
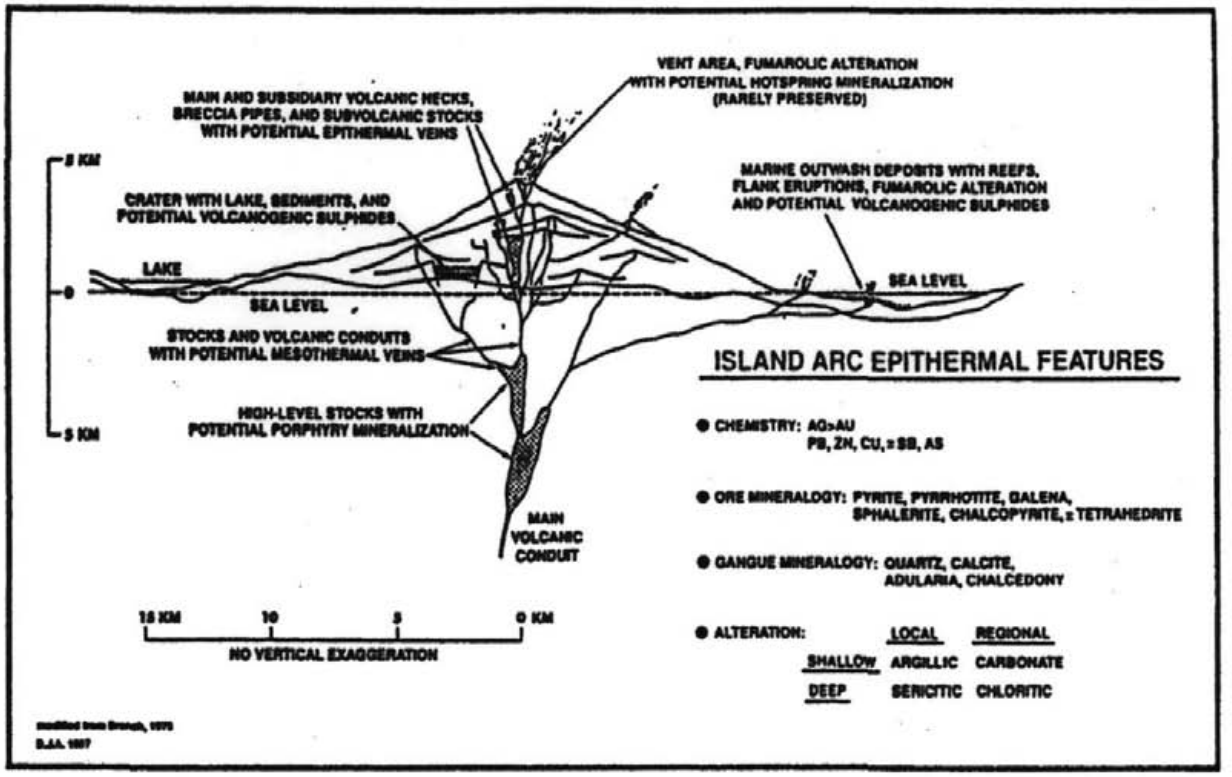


Figure 1-27-5. West-east schematic reconstruction through the Stewart complex.

FIGURE 7

DILWORTH FORMATION IN STEWART COMPLEX STRATIGRAPHY

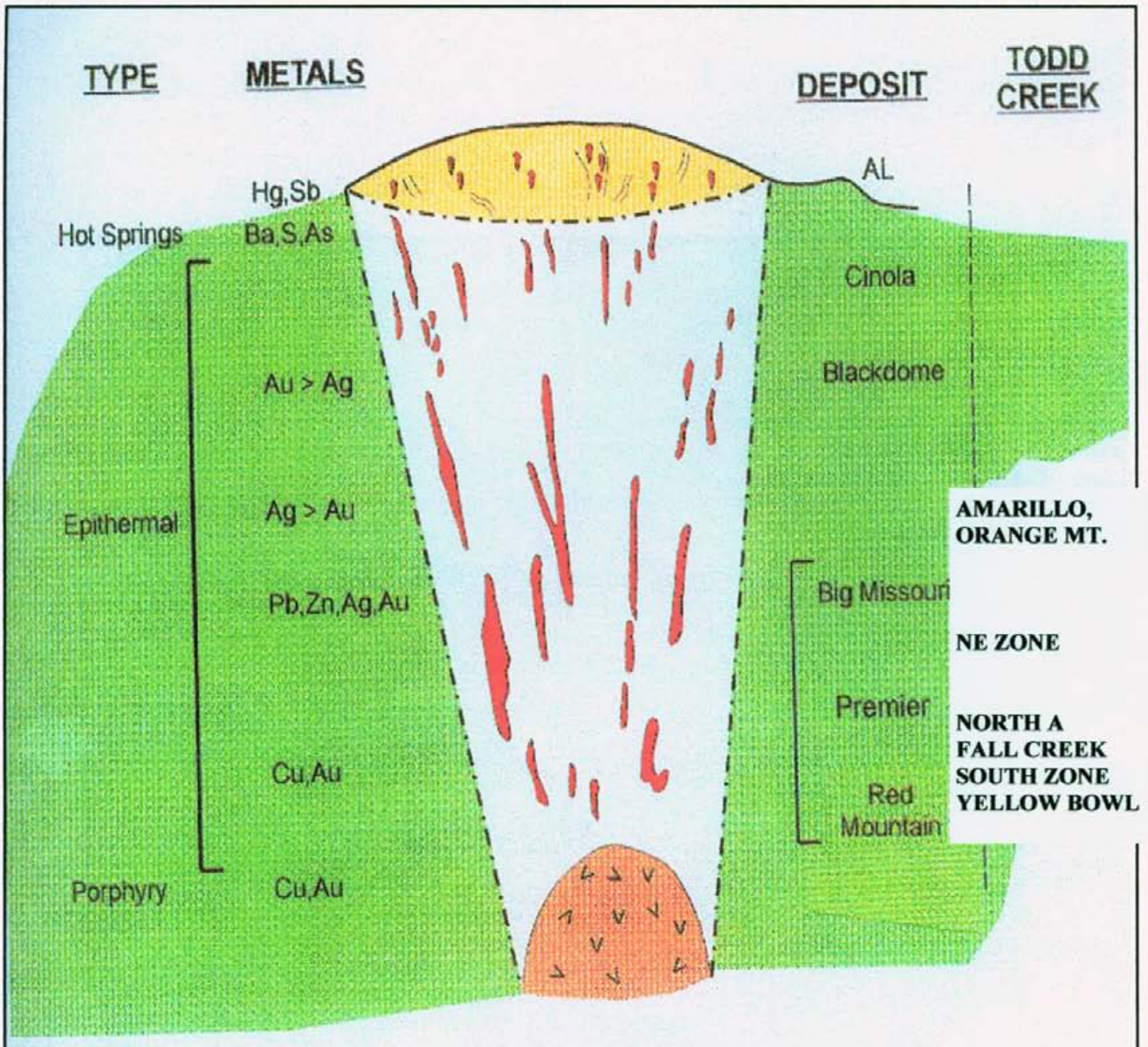


Distribution of ore deposits within a stratovolcano (modified from Branch, 1976).

FIGURE 8

FIGURE 8

**GENETIC MODEL FOR MINERAL DEPOSITS,
MINERALIZATION TYPES:
STEWART CAMP**



(after Panteleyev, 1986 and others)

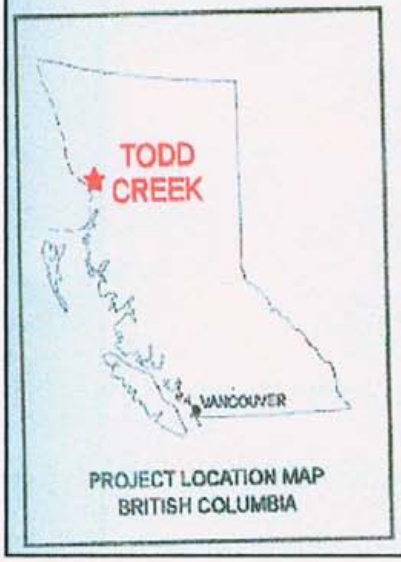


FIGURE 8A

EPITHERMAL MINERALIZATION TYPES, TODD CREEK PROPERTY

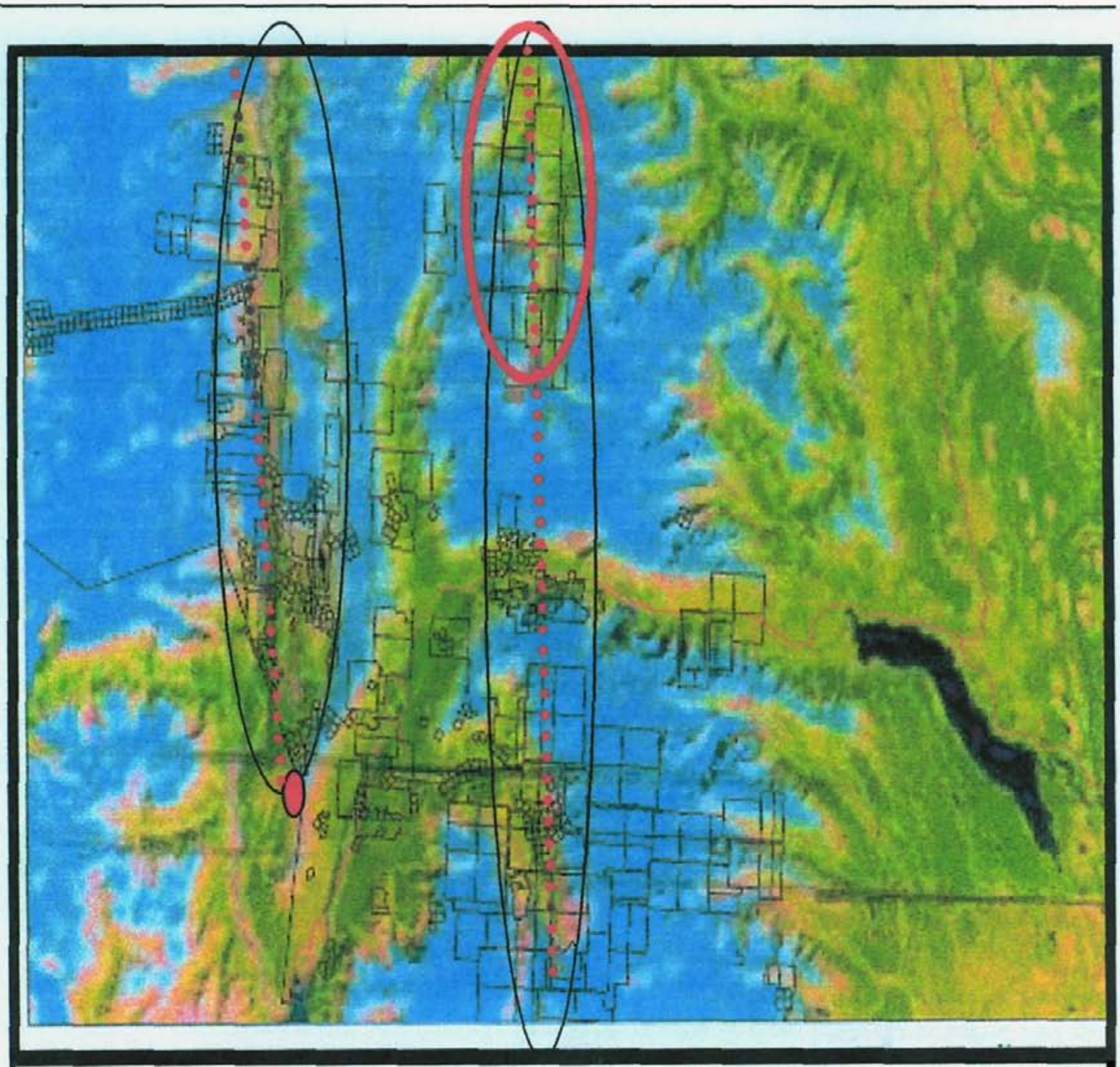


FIGURE 8B

LANDSAT IMAGE, STEWART AREA

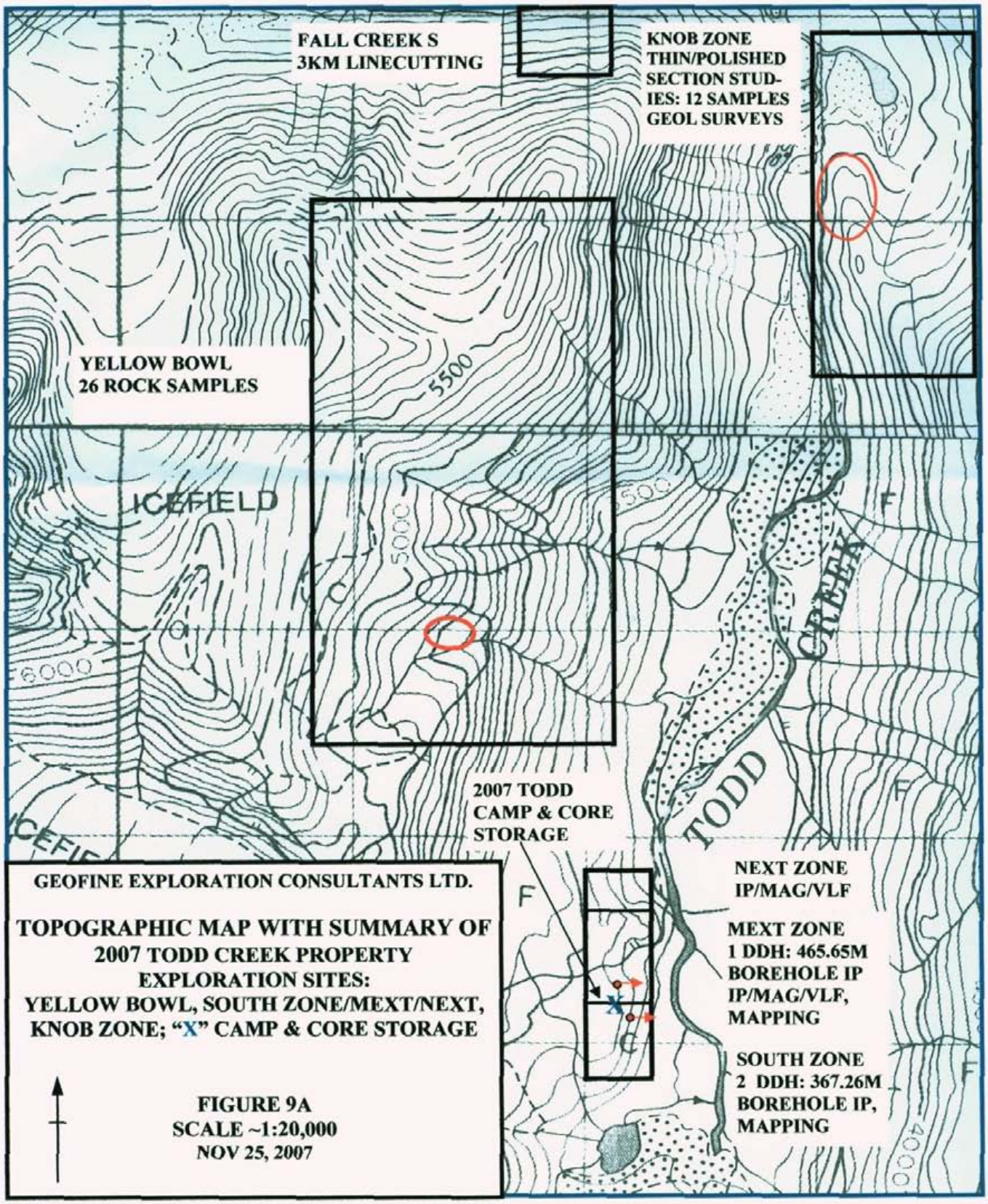
MINERAL TITLES

TODD CREEK PROPERTY

STEWART

MINERALIZATION TREND

SCALE ~1: 383,595



GEOFINE EXPLORATION CONSULTANTS LTD.

TOPOGRAPHIC MAP WITH SUMMARY OF 2007 TODD CREEK PROPERTY EXPLORATION SITES: YELLOW BOWL, SOUTH ZONE/MEXT/NEXT, KNOB ZONE; "X" CAMP & CORE STORAGE

FIGURE 9A
SCALE ~1:20,000
NOV 25, 2007

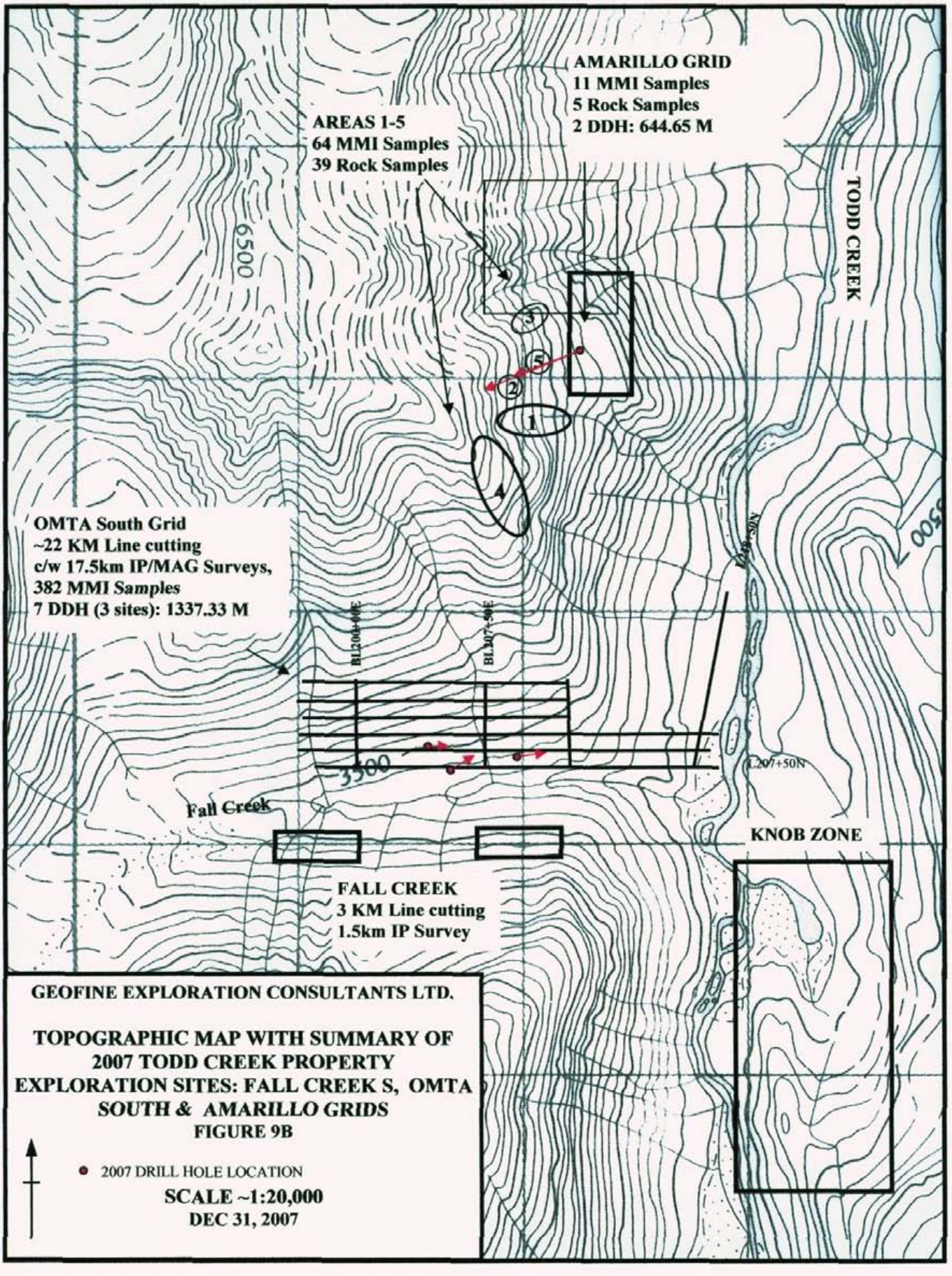
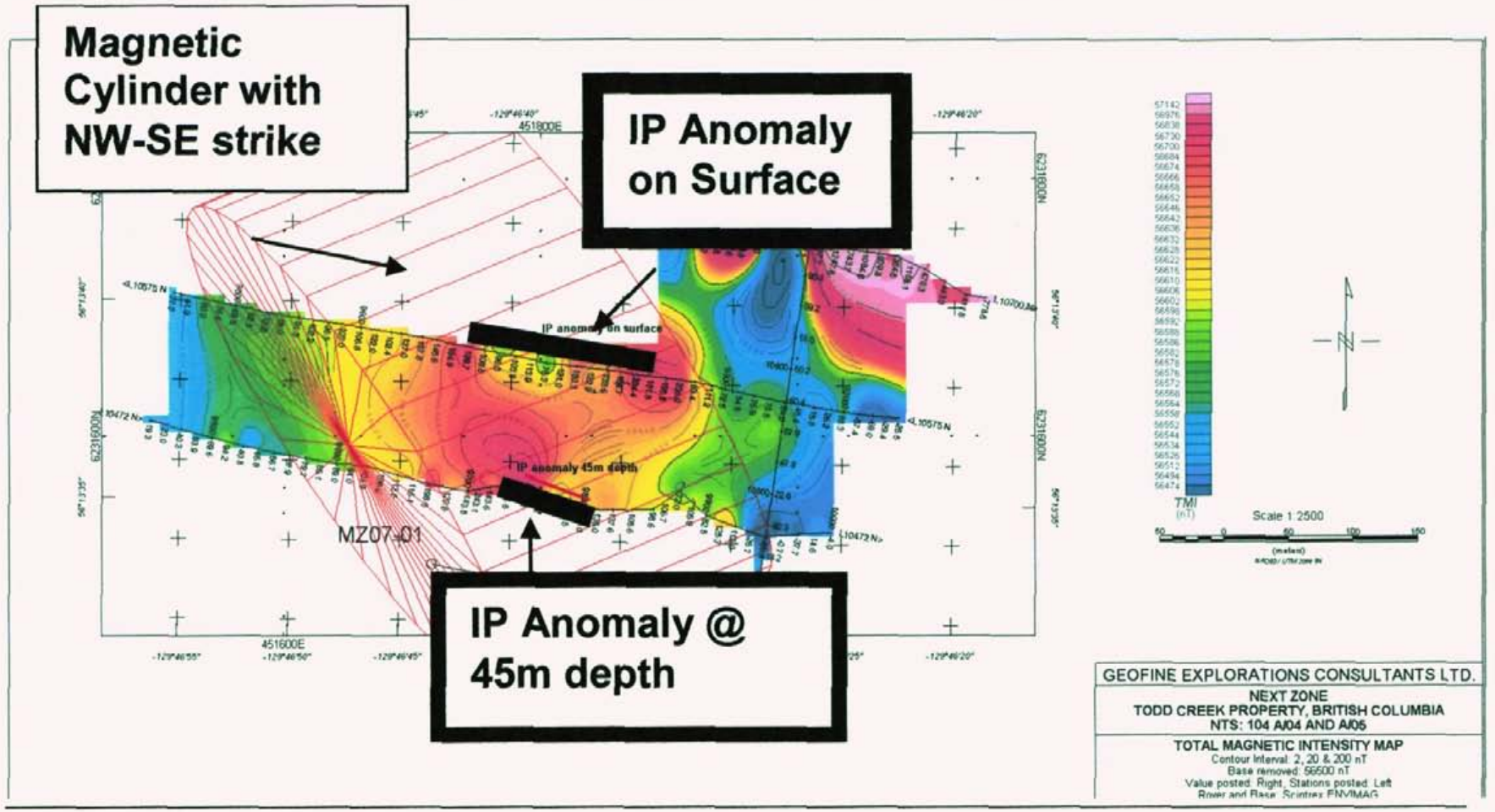

AMARILLO GRID
11 MMI Samples
5 Rock Samples
2 DDH: 644.65 M
AREAS 1-5
64 MMI Samples
39 Rock Samples
TODD CREEK
6500
OMTA South Grid
~22 KM Line cutting
c/w 17.5km IP/MAG Surveys,
382 MMI Samples
7 DDH (3 sites): 1337.33 M
BL200+00E
BL300+00E
3500
L207+50N
Fall Creek
KNOB ZONE
FALL CREEK
3 KM Line cutting
1.5km IP Survey
GEOFINE EXPLORATION CONSULTANTS LTD.
TOPOGRAPHIC MAP WITH SUMMARY OF
2007 TODD CREEK PROPERTY
EXPLORATION SITES: FALL CREEK S, OMTA
SOUTH & AMARILLO GRIDS
FIGURE 9B
2007 DRILL HOLE LOCATION
SCALE ~1:20,000
DEC 31, 2007

FIGURE 10
MAGNETIC INTERPRETATION; MEXT-NEXT ZONES



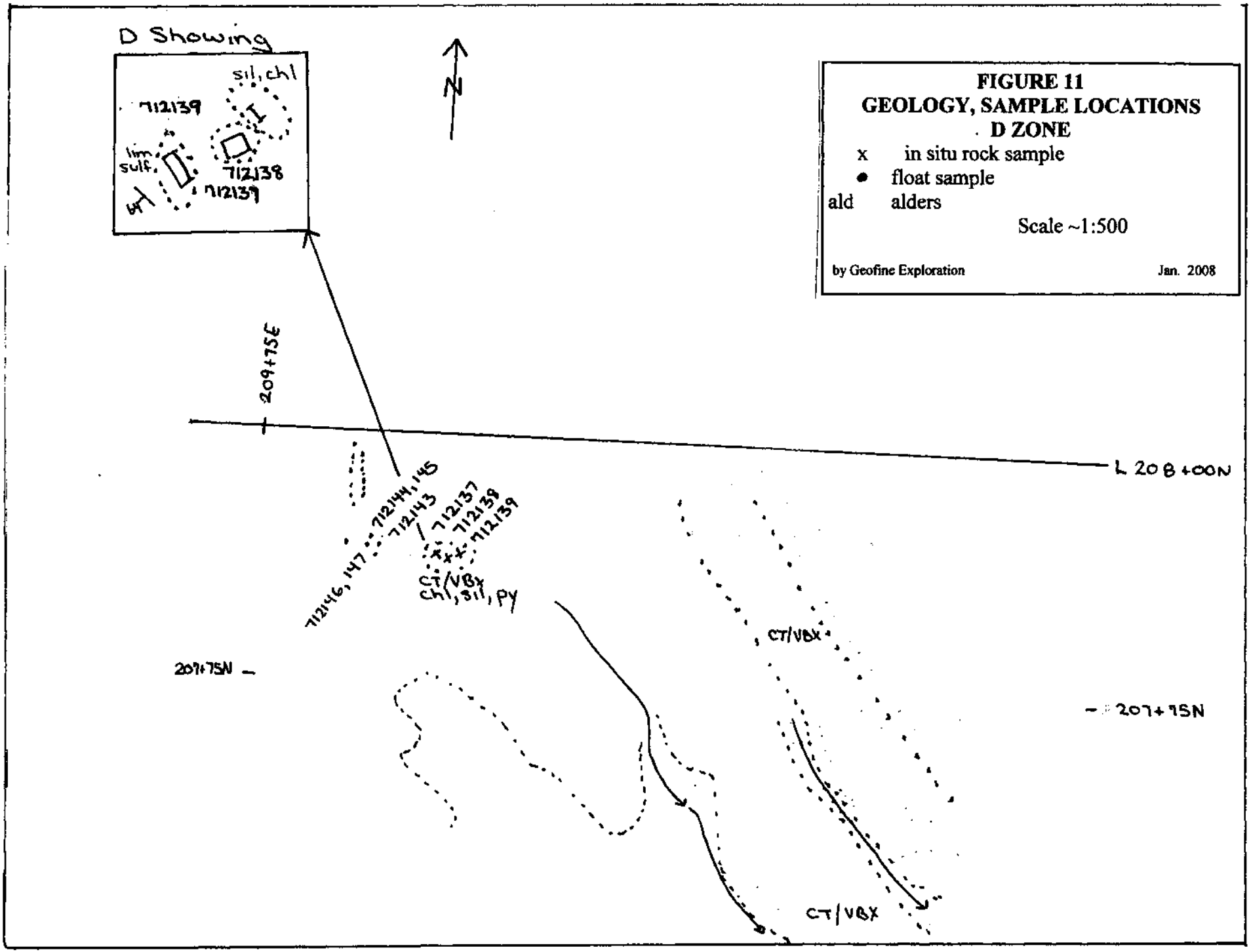


FIGURE 11
GEOLOGY, SAMPLE LOCATIONS
D ZONE

x in situ rock sample
● float sample
ald alders

Scale ~1:500

by Geofine Exploration Jan. 2008

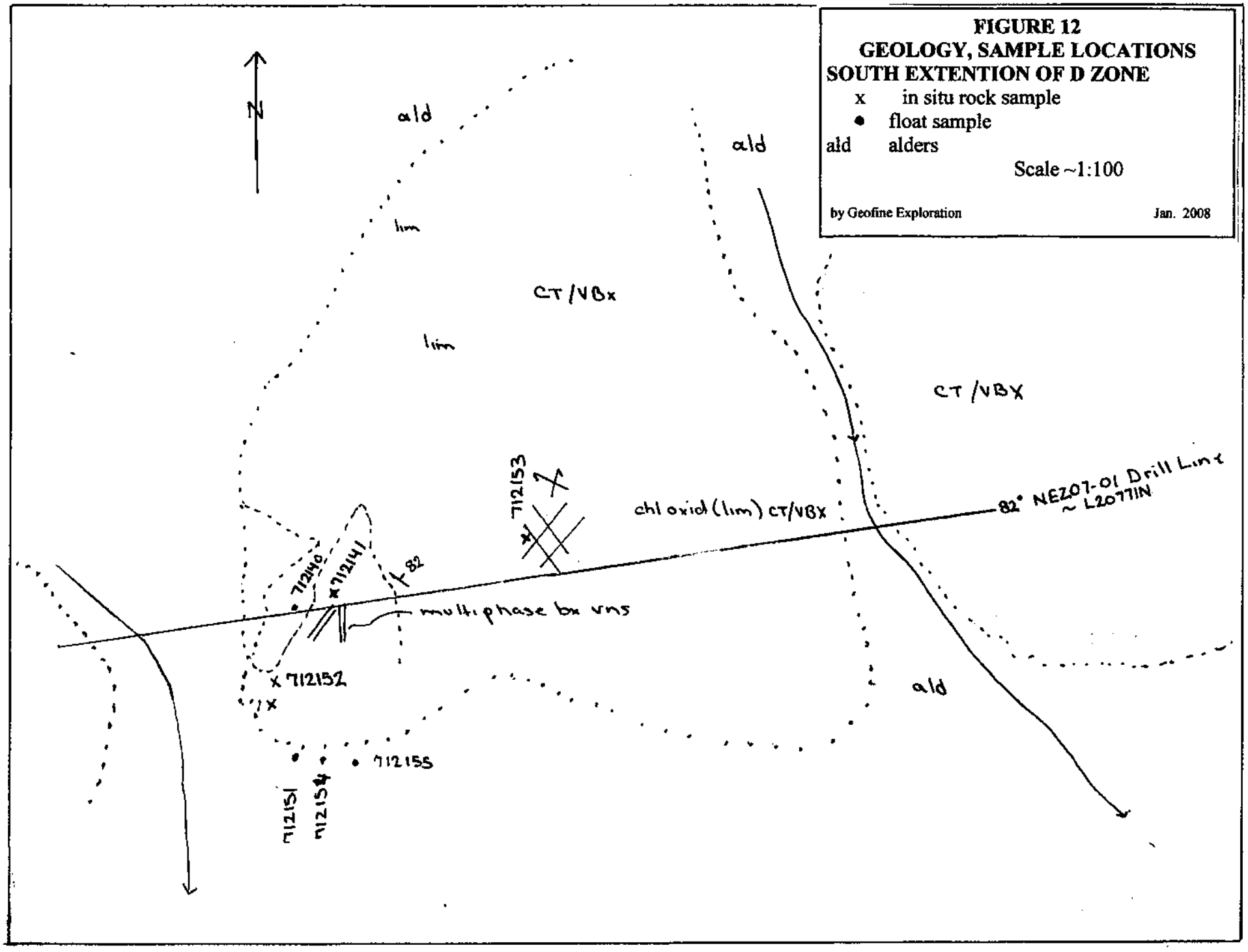
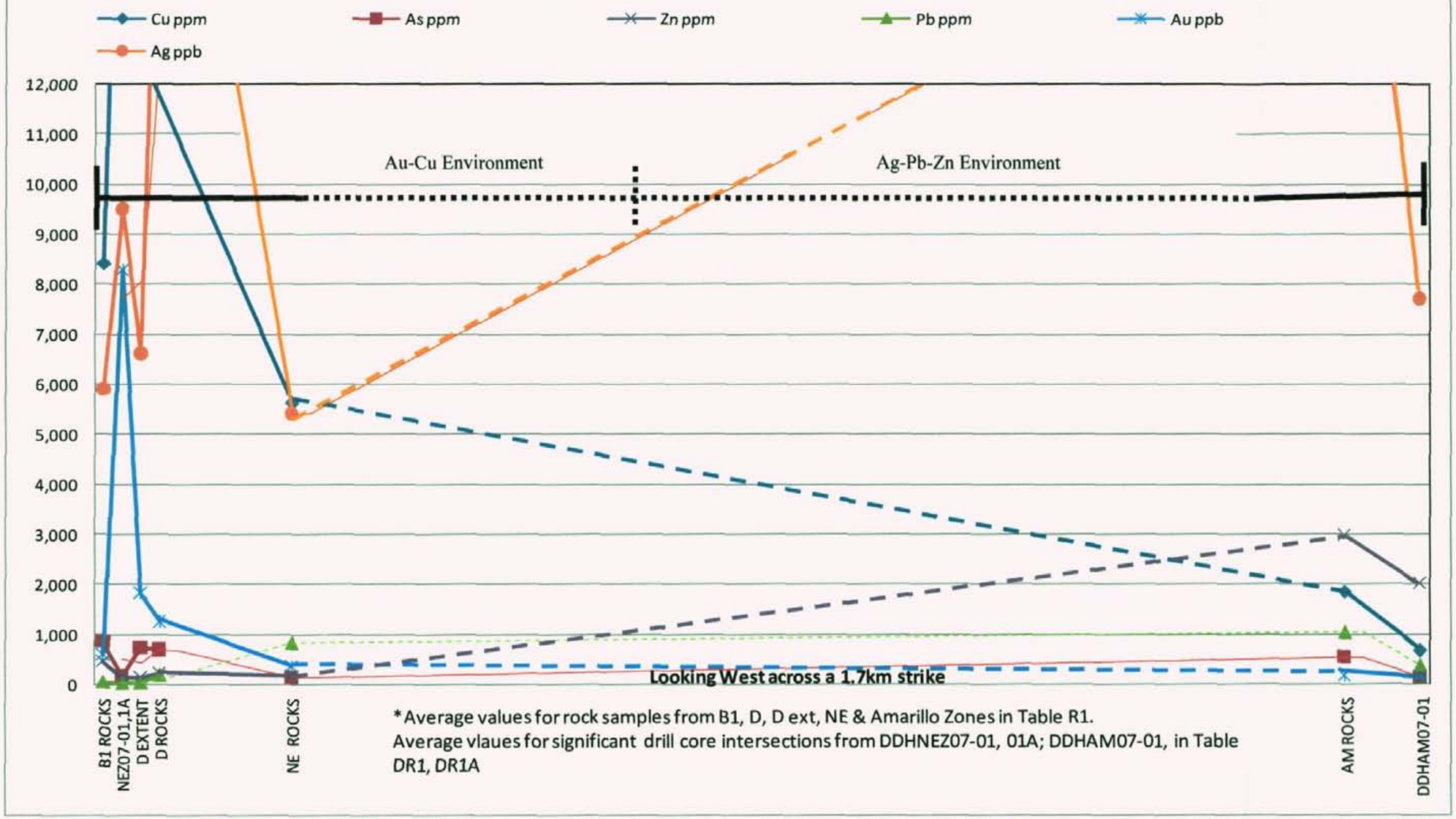


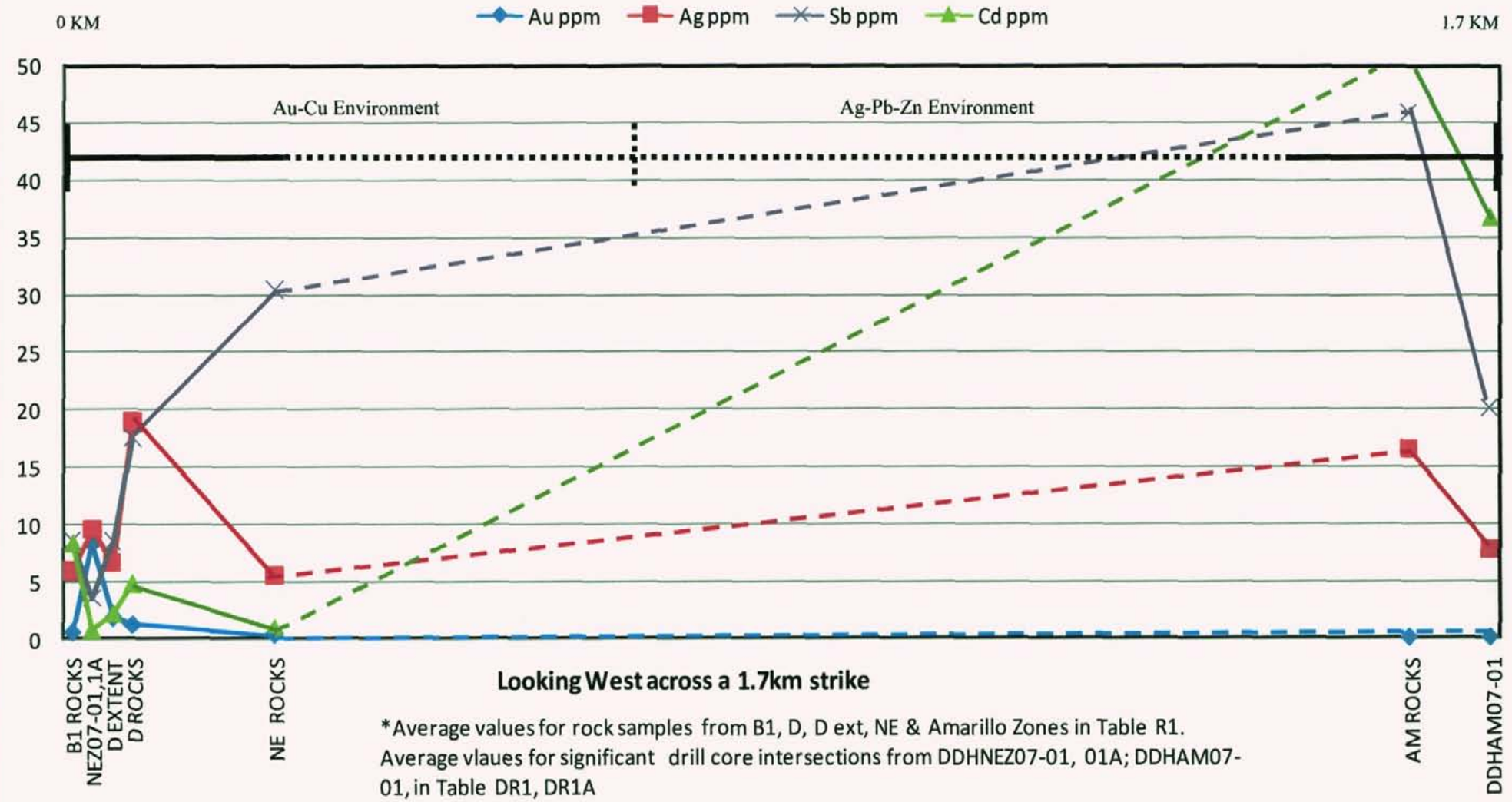
FIGURE 12
GEOLOGY, SAMPLE LOCATIONS
SOUTH EXTENTION OF D ZONE
x in situ rock sample
• float sample
ald alders
Scale ~1:100
by Geofine Exploration
Jan. 2008
N
ald
lim
CT/VBx
lim
ald
CT/VBX
712153
chl oxid (lim) CT/VBX
82° NEZ07-01 Drill Line
~ L2077IN
712140
712141
82
multi phase bx vns
712152
712155
712151
712154
ald

FIGURE 13A: MES ZONING: Au,-Cu to Ag-Pb-Zn
MES AVERAGES OF Au-Cu MINERALIZATION FOR ROCK & CORE SAMPLES
BD-NE-AM, OMTA: Cu ppm, As ppm, Zn ppm, Pb ppm, Au ppb, Ag ppb
2007 TODD CREEK PROPERTY



*Average values for rock samples from B1, D, D ext, NE & Amarillo Zones in Table R1.
Average vlaues for significant drill core intersections from DDHNEZ07-01, 01A; DDHAM07-01, in Table DR1, DR1A

FIGURE 13B: MES ZONING: Au,-Cu to Ag-Pb-Zn
MES AVERAGES OF Au-Cu MINERALIZATION FOR ROCK & CORE SAMPLES
BD-NE-AM, OMTA: Cu ppm, As ppm, Zn ppm, Pb ppm, Au ppm, Ag ppb
2007 TODD CREEK PROPERTY



*Average values for rock samples from B1, D, D ext, NE & Amarillo Zones in Table R1.
Average vlaues for significant drill core intersections from DDHNEZ07-01, 01A; DDHAM07-01, in Table DR1, DR1A

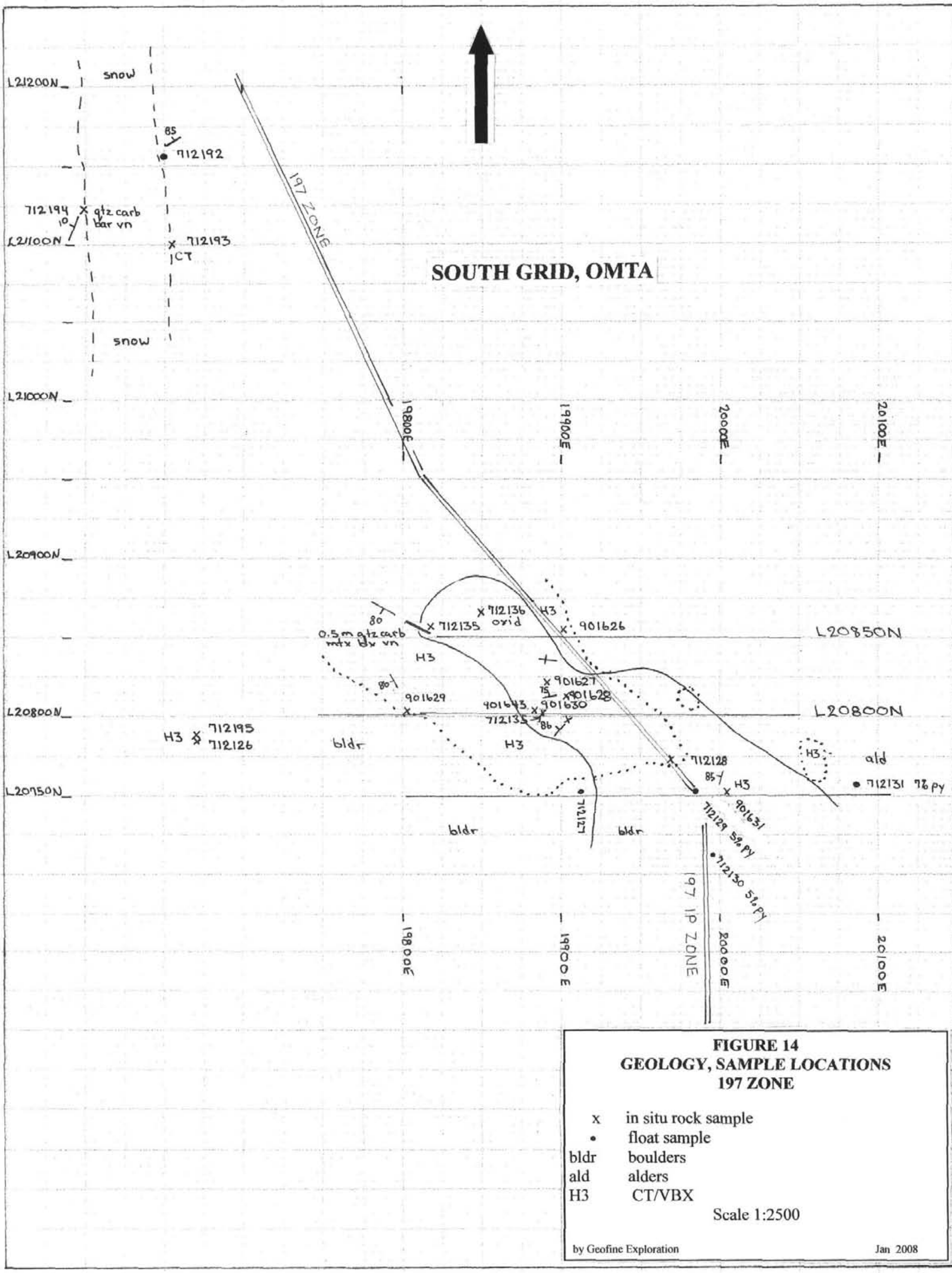


FIGURE 14
GEOLOGY, SAMPLE LOCATIONS
197 ZONE

x	in situ rock sample
•	float sample
bldr	boulders
ald	alders
H3	CT/VBX

Scale 1:2500

by Geofine Exploration Jan 2008

AMARILLO GRID

	AMARILLO GRID - SOUTH MMI-M LINE							
SAMPLE	Ag	As	Au	Ba	Cd	Cu	Pb	Zn
NUMBER	PPB	PPB	PPB	PPB	PPB	PPB	PPB	PPB
587	293	950	5.6	2320	9	1660	2740	260
588	278	220	3.3	5630	35	910	1690	840
589	246	60	3.0	22700	817	860	960	9200
590	157	100	0.9	9580	132	330	1360	3270
591	104	90	0.4	5100	293	610	3600	4090
592	82	100	0.3	7840	179	220	1920	5560
593	311	230	2.2	8110	129	1120	2620	2260
594	180	50	1.0	11700	219	450	1470	4680
595	158	90	0.8	5590	98	500	1760	2650
596	127	60	0.7	5910	81	450	6790	3060
597	182	60	0.7	4250	61	410	1050	1950

	AMARILLO GRID - ROCK SAMPLES							
	(See TABLE AR-BD-NE ROCKS)							
SAMPLE	Ag	As	Au	Ba	Cd	Cu	Pb	Zn
NUMBER	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
712132	<0.5	201	0.02	250	3.2	364	93	149
712133	14.6	476	0.236	260	55.4	2290	448	2650
712134	18.7	348	0.172	160	64.4	1660	618	2940
901644	44.8	1480	0.281	100	188	4690	1695	8130
901645	4.5	117	0.041	290	23.6	212	2290	953

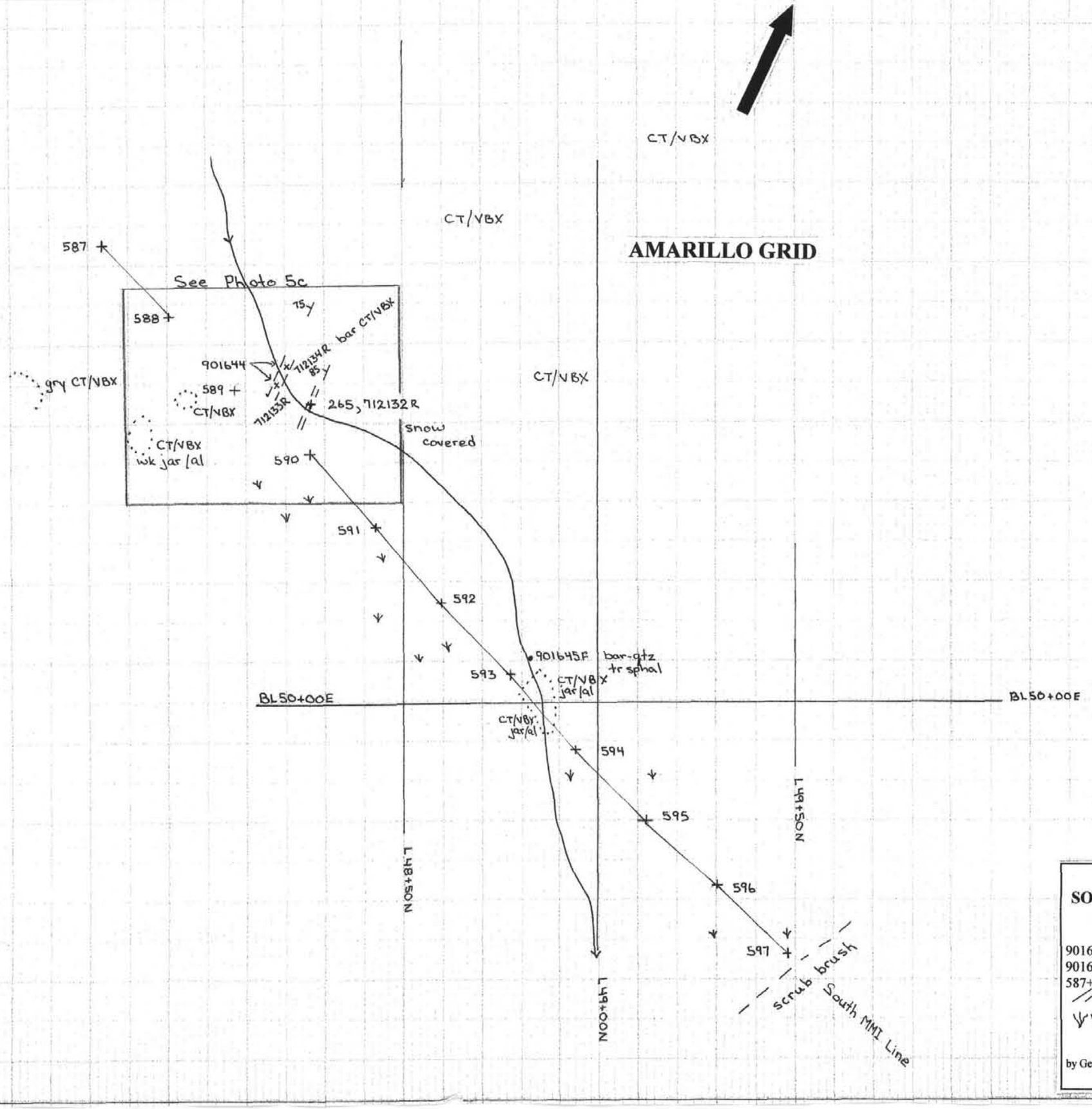
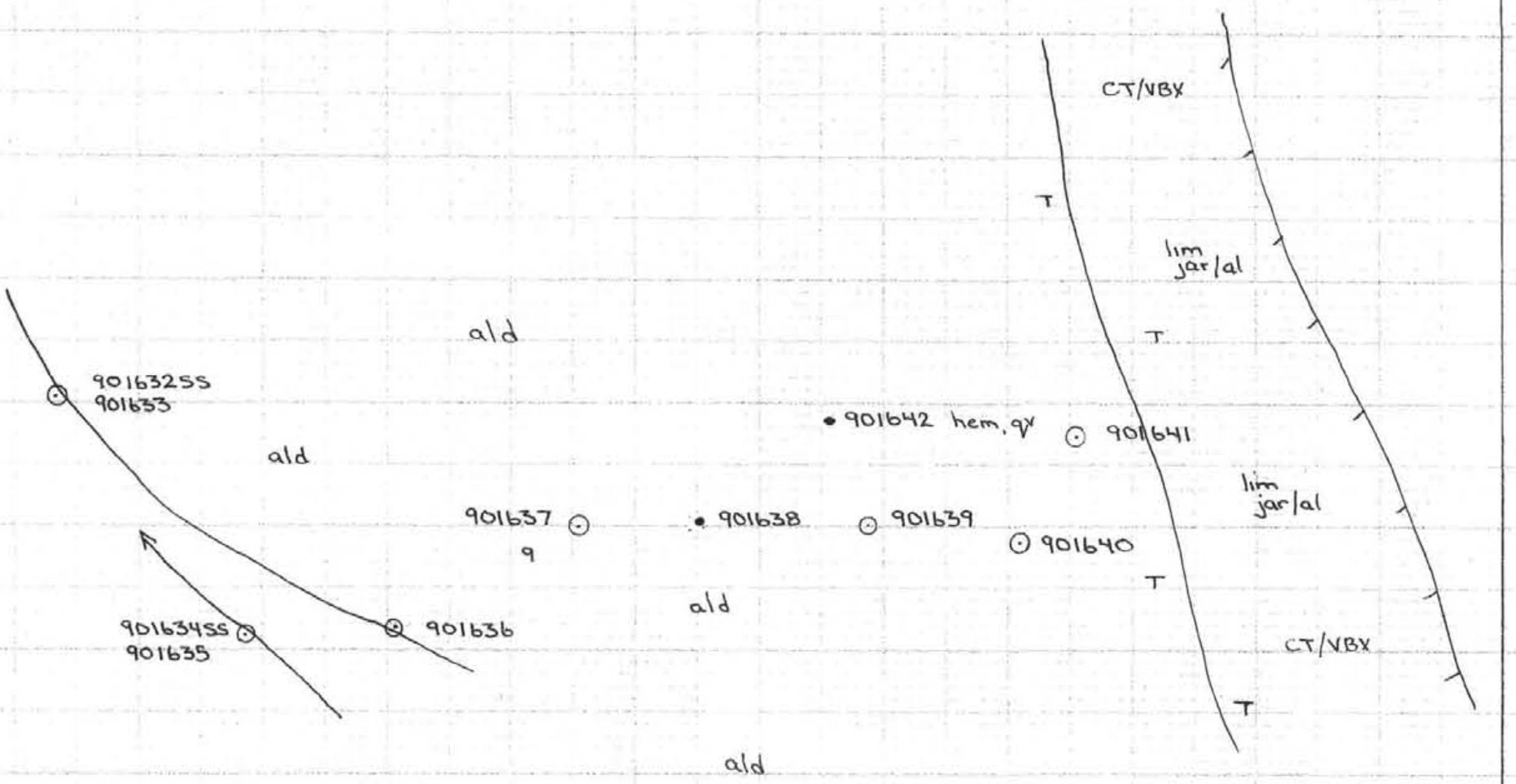


FIGURE 15
SOUTHERN MMI-M LINE & ROCK SAMPLE LOCATIONS
AMARILLO GRID

901644R x in situ rock sample
901645F . float boulder
587+ MMI-M sample location
// vein
meadow

Scale 1:1000

by Geofine Exploration Jan 2008



SOUTH CONDUCTOR

ROCK, SOIL, STREAM SAMPLE MULTI ELEMENT SIGNATURE ANALYTICAL RESULTS

SAMPLE NUMBER	Au-ICP21 Au ppm	ME-ICP61 Ag ppm	ME-ICP61 As ppm	ME-ICP61 Ba ppm	ME-ICP61 Cu ppm	ME-ICP61 Fe %	ME-ICP61 Mn ppm	ME-ICP61 Pb ppm	ME-ICP61 Zn ppm
ROCK SAMPLES									
901642	0.001	0.7	<5	4190	30	2.42	1015	20	224
SOIL SAMPLES									
901633	0.008	0.9	747	1540	33	6.17	7760	252	1070
901635	0.003	<0.5	35	1940	9	1.75	194	39	87
901636	NSS	<0.5	8	880	12	0.62	137	17	31
901637	0.021	1.3	17	2500	15	1.5	2940	57	187
901639	0.006	1.9	29	4650	20	5.3	14500	470	691
901640	0.007	2.1	21	3610	23	2.57	10750	291	464
901641	0.006	5.5	16	3440	48	3.38	11300	338	674
STREAM SEDIMENT									
901632	0.006	1	73	3620	18	3.43	2120	101	443
901634	0.006	1.7	66	5800	20	4.03	3490	110	544

FIGURE 16
GEOLOGY, SAMPLE LOCATIONS
SOUTH CONDUCTOR, NORTH KNOB ZONE

O	soil sample
x	in situ rock sample
SS	stream sample locations
	float sample
T	talus
ald	alders
	steep rock face

Scale 1:1000

by Geofine Exploration Jan. 2008

APPENDIX E
1. MMI-M SOIL SAMPLING FIELD PROCEDURES:

The samples are collected under the direction of a P.Geo., who also oversees all aspects of the soil geochemical survey. As described below, the samples are collected at specific vertical depths and are not collected with regard to specific soil horizons. Field notes include the type of sample and any abnormalities in the sample hole and material in it.

A pit approximately 0.7 X 0.6 x 0.6 m is dug at each sampling site. The pit is dug with unpainted and uncontaminated tools including a grub hole and shovel. The sampling face, usually the north face is cleaned to minimize soil material falling into the hole. The face is measured and marked from the top of the hole. The first marker is inserted immediately below the organic (root) layer. The next marker is placed 25 cm vertically below the first marker. The third marker is located an additional 15 cm below the second marker (at 40 cm vertically below the first marker). Sampling involves the use of uncontaminated plastic tools (cleaned after each sample is taken), including scoops and scrappers in order to collect a representative sample of the soil material between the 25 to 40 cm level. The sample is scrapped off the cleaned face starting from the bottom of the sample area and working upward into the scoop. The procedure is carefully carried out to avoid the inclusion of any unwanted debris from other areas of the hole. Any large rocks are removed from the sample, which is placed in a locking plastic freezer bag. Approximately 200 grams of material are collected. The bags are pre-numbered and the sample sites are marked with pickets and/or flags that contain the sample number. The samples are usually collected on chained and picketed GPS grids and GPS co-ordinates are also collected at each sample site. The sample locations are plotted on the grid maps and the samples are packed into boxes for shipping under the supervision of the P.Geo. The samples are stored in the sample tent in the restricted area of the geo camp and prior to shipping remain at all times under the care and control of Geofine.

9.1.B. 2007 SECURITY, SAFETY, ENVIRONMENTAL PROTECTION, QUALITY ASSURANCE OF ANALYTICAL DATA, DATA VERIFICATION:

9.1.B.1. SECURITY:

The 2007 exploration program utilized a number of security/confidentiality measures and procedures. The requirement of confidentiality for third party contractors was documented in their service contracts. The exploration camp was located some distance from the main drill camp (Photo 1B) to ensure privacy and security for the program orchestration, core logging and sampling, communications, and database generation. The core was sealed in core boxes at the drill sites and once delivered to the exploration camp, remained in the care of Geofine.

Geofine personnel carried out the core logging and splitting in the core shack and placed the samples in labelled and tagged sample bags, which were immediately secured in rice bags for shipment. The
bags were sealed and three colour-coded security tags were fastened to each bag. The bags were shipped to Stewart by Geofine personnel and were stored in a secure Geofine cargo trailer until shipment by Bandstra Transportation to ALS Chemex Labs in Vancouver . The lab was required to verify that the security tags were still in place for each shipping bag when the samples arrived at their facility.

MMI-M samplers were trained by Geofine personnel and supervised by Dave Kennedy, P.Geo. He supervised the preparation of the samples for shipment. Geofine personnel delivered them to the airports in Smithers or Terrace or to post offices in those cities for transport to SGS in Toronto

9.1.B.1.b. SAFETY, ENVIRONMENT PROTECTION:

The program was carried out based on the requirements of the government project permit and the laws and regulations of BC. All contract staff was required to have at least Level 1 BC First Aid Certificates. A cook with Level 3 was on site for the duration of the program and a first aid station was maintained in her tent. A helicopter contracted from Prism Helicopters in Stewart remained on-site for the entire program and two satellite communications systems as well as three satellite telephones and field radios were available for communications. No injuries were sustained during the exploration program.

The program was carried out with adherence to the appropriate environmental standards, safeguards and equipment requirements. The campsite was maintained in a clean and natural state with garbage burned in a proper fire pit on a daily basis and non-combustible materials flown to the staging area and shipped to Stewart. Fuel drums were shipped out from the property as emptied and absorbent materials were placed under drums used for tent heating and drill fuel. The drill sites were maintained in a clean and orderly state, with cuttings being contained in sump ponds. The ponds were lined with tarps and sediments were allowed to settle out, with clear water drained off the top of the ponds through hay bales. After the drill program the ponds were drained and the sludge material removed and buried.
All the drill set-ups were dismantled and the lumber stored with the core at the exploration camp. All drill sites were left in a clean and natural state and no contaminants were discharged in drainage channels. The upper and lower camps were dismantled and all garbage and materials removed. The camp floors were moved with the helicopter and stored with the core at the lower camp site and with the camp lumber at the upper camp site. Before, during and after photos were taken of most activities and provided to the mining inspector. The camp and field sites were inspected in August and no issues were found by the inspector.

9.1.B.l.c. QUALITY ASSURANCE:

Four CANMET Standards (Tables 2, 3) as described below were used to monitor the quality of the Chemex analytical results from the analyses of the drill core. It should be noted that not all CANMET values are certified values. Those provided by other laboratories are so named by

CANMET (i.e., provisional and informational) to indicate a lower confidence level relative to certified values.

a) CANMET Standard MA-1b was used as a "high" gold check and has a certified gold content of 17 g Au/t and an informational value of 4 g Ag/t (Table 2).

b) CANMET Standard MA-3a was used as a "moderate" gold check and has a certified content of 8.56 g Au/t (Table 2). Other analytical values for MA-3a referenced are informational (Table 2).

c) CANMENT Standard MA-2c was used as a "moderate-low" gold check and has a CANMET certified gold content of 3.02 g/t and a provisional silver value of 0.51 g/t. Other analytical values for MA-2c referenced in Table 2 are informational.

d) CANMET Standard CH-4 was used as a "low" gold check and has a CANMET certified content of 88 ppb gold (Table 2). Other analytical values for CH-4 shown in Table 2 are informational.

The selected Chemex analytical results for each of the CANMET standards submitted during the Todd drill program are shown in Table 3 relative to the analytical values referenced above and reported by CANMET. The Chemex Certificates and their issue dates are also referenced in Table 3 in order to ascertain any apparent trends over time in deviations from the certified values. The complete analytical results for each standard sample are also shown on the ALS Chemex Certificates included in Appendix A, along with the samples they were submitted with.

The quality assurance procedures and materials re. the MMI-M samples submitted to SGS involved the running of duplicate samples by SGS and the insertion of blanks and of check samples by SGS. The process also included the inclusion of check samples by Geofine with each MMI-M sample shipment. Geofine check samples were prepared from a batch of homogenized soil material. The SGS analytical results for the QA samples are shown in Table SGS MMIM QUALITY ASSURANCE.

Based on the results of the quality assurance work referenced above, it is concluded that:

i> As shown in Table 3, the ALS Chemex Au results for all of the standards correlate very well with the CANMET Certified Values. The ALS Chemex Cu results for the standards also correlate well with the standard values, as do most Chemex values that can be compared with the standard values.

ii> Some exceptions are apparent e.g., the ALS Chemex Cu values for Standard MA-3a, relative to which the ALS Chemex values are on average about 25% higher. This apparent lack of correlation also applies to the ALS Chemex Pb values, which average about 73% higher than the standard value. However, as shown in Table 3, the Cu and Pb values for MA-3a are Informational Values. Moreover, based on Geofine's considerable experience with CANMET Informational and Provisional Values and the repeatability of the individual ALS Chemex Cu and Pb values

referenced above, the ALS Chemex values are considered reliable. Most of the ALS Chemex values fall within the range of acceptable statistical variance relative to the values for the standards and the generally small variability in most of the results probably relates to the difficulty in maintaining the homogeneous concentration of elements in the standards.

iii> As indicated in Table SGS MMIM Quality Assurance, there is very good correlation of the SGS results for the duplicate samples with the lab's original values. The SGS blank samples returned blank values and the SGS values for the MMISRM 14 STANDARD compare well with the SGS expected values for the standard. The SGS values for the Geofine P1 Standard show good correlation and fall within the range of acceptable statistical variance. The generally small variability in most of the results is probably related to the difficulty in maintaining the homogeneous concentration of elements in the P1 Standard.

iv> Based on the QA process referenced above, the ALS Chemex and SGS analytical results are considered reliable and there are no issues with regard to the data supplied by the labs.

9.1.B.1.d. DATA VERIFICATION:

On-going data verification was carried out relating to both technical and financial information. David Kennedy P. Geo., and David Molloy, P. Geo were responsible for the data verification. Procedures related to the technical data included ensuring the correct drill set up location and elevation and verifying the drill head inclination and checking the setting a number of times during the drilling of each hole.

At least one acid test was taken in each hole and once the inclination of the hole at that point was determined via the correction of the angle etched on the test tube, the new inclination was utilized on the cross-section. Core boxes were labelled on the inside with permanent marker and with metal tags on the outside. Each drill run of each hole was measured as a verification of core lengths and recoveries reported by the driller. The runs, core recoveries and acid tests are shown at the end of each drill log. The drillers' footage measurements of the core were converted to meters and the blocks were relabelled in the core boxes.

Sample intervals were marked in the core boxes via the affixing of sample tags at the beginning of each sample interval. Duplicate tags were included in each labelled sample bag for use by ALS Chemex. Hole information including runs, sample numbers, recoveries and lithologies were entered as generated by the P. Geo. and checked by him on a daily basis. Cross-sections and vertical long sections were updated as each hole progressed and so verified by the P. Geo. Selected assay data from the final Chemex Certificates of Analysis were entered on the logs and so verified. The components of the report have been signed and stamped by David Molloy, P. Geo., as project manager.

Data verification with regard to financial issues included the careful scrutiny of specific contractor services, performance, and consumption of supplies relative to invoices, records, work sheets and contract terms. Such approved or revised and approved back-up information was used for the checking of the interim and final invoices of each contractor. Approved expenditures were also used on a daily basis to verify budget projections and to determine the overall size and duration of the drill program.