

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

**ASSESSMENT REPORT  
TITLE PAGE AND SUMMARY**

<b>TYPE OF REPORT (type of survey(s))</b>	<b>TOTAL COST</b>	<b>\$9,333.26</b>
Dip Needle Survey		

AUTHOR(S) \_\_\_\_\_ SIGNATURE(S) \_\_\_\_\_  
R.Tim Henneberry, P.Geo. "signed and sealed"

NOTICE OF WORK NUMBER(S) / DATE(S) \_\_\_\_\_ YEAR OF WORK 2007

STATEMENT OF WORK – CASH PAYMENT EVENT NUMBERS / DATE(S) 4181796

PROPERTY NAME Little Slate Creek

CLAIM NAME(S) (on which work was done) \_\_\_\_\_  
521289, 521290, 521292, 523098, 523126, 523151, 523164, 523180

COMMODITIES SOUGHT Placer Gold

MINERAL INVENTORY MINFILE NUMBERS, IF KNOWN \_\_\_\_\_

MINING DIVISION Omenica NTS 093N/10 TRIM 093N067, 093N068

LATITUDE \_\_\_\_\_ LONGITUDE \_\_\_\_\_ (at centre of work)

NORTHING 6171600 EASTING 398700 UTM ZONE 10 MAP DATUM NAD 83

OWNER 1 665777 B.C. Ltd. OWNER 2 \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_  
1870 Inglewood Drive \_\_\_\_\_  
Kamloops, B.C. V2B 4W1 \_\_\_\_\_

OPERATORS (who paid for work) \_\_\_\_\_  
SAME \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size, attitude)  
The surface geology of the Little Slate Creek property consists of a section of a buried Tertiary channel of a total length of 20-25 km. This channel has proven to be auriferous wherever it is cut by topography. Based on these other locations, the channel is suspected to be 75 m wide by 5 m thick. A 3D resistivity geophysical survey, followed by trenching and airtrack drilling is recommended to confirm the presence of the channel.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS  
28642

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (In Metric Units)	On Which Claims	Project Costs Apportioned
GEOLOGICAL (scale, area)			
Ground, mapping			
Photo Interpretation			
GEOPHYSICAL (line kilometres)	1725 line metres	521290, 523098, 523126, 523151	\$9,333.26
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Siesmic			
Other			
Airborne			
GEOCHEMICAL			
(number of samples analyzed for)			
Soil			
Silt			
Rock			
Other			
DRILLING			
(total metres, number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling / assaying			
Petrographic			
Mineralogical			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATION / PHYSICAL			
Line/grid (kilometres)			
Topographic / Photogrammatic (scale, area)			
Legal Surveys (scale, area)			
Road, local access (kilometres)			
Trench (metres)			
Underground dev. (metres)			
Other			
		TOTAL COST	\$9,333.26

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**BC Geological Survey  
Assessment Report  
29741**

2007 ASSESSMENT REPORT

LITTLE SLATE CREEK PROJECT

Omenica Mining Division  
UTM Zone 10 6171600 398700 (NAD 83)

FOR

**665777 B.C. Ltd.**  
1870 Inglewood Drive  
Kamloops, B.C. V2B 4W1

By: R.Tim Henneberry, P.Geo.  
February 9, 2008

-2-  
SUMMARY

The Little Slate Creek placer property is being explored for its placer gold potential. Little Slate Creek is road accessible, located 250 kilometres northwest of Prince George, in the Omenica Mining Division.

Little Slate Creek lies in the Intermontane Belt of the Canadian Cordillera, along the Manson Fault Zone. While there has only been minimal exploration completed on the present property holdings, exploration and mining completed over the last century on properties to the east and north strongly suggests the same buried channel may underlie the present property holdings. This buried channel, suspected to be 20 to 25 kilometres in length, is auriferous wherever it has been cut by present topography. The 3000-4000 metre suspected strike length on the 665777 B.C. Ltd. holdings is the focus of the present program.

A dip needle survey was undertaken in the spring of 2007, prior to break up. Five lines were run across the suspected trace of the main buried channel. The 2007 dip needle survey provided inconclusive results.

A recommended 3D resistivity ground geophysical survey will have a much better chance of locating the buried channel under glacial cover. The grid will be 3500 metres long and with 500 metre cross lines spaced every 100 metres long the baseline. The geophysical survey will be contracted to S.J. Geophysics of Delta, B.C.

The second stage of the program will be air track drilling followed by excavator trenching. The air track drilling will pinpoint the location of the channel, while the follow up excavator trenching will open up the channel for sampling and mapping.

The third phase of the program will consist of establishing a test cut, likely at the west end of the channel, at the point where it meets the Germansen River. This will involve clearing the glacial overburden to expose the gravels. Once the gravels are exposed they, 10,000 cubic metres of gravels will be sluiced in order to ascertain gold tenure. The maximum daily throughput should be limited to 500 cubic metres. As well, the fine tailings should be run through a Knelson concentrator. The purpose of the limited throughput and the concentrator is to capture the fine gold and any PGE's.

<b>Grid and survey total</b>	<b>\$</b>	<b>41,875</b>
<b>3D Resistivity survey</b>	<b>\$</b>	<b>35,000</b>
<b>Air Track Drilling</b>	<b>\$</b>	<b>61,450</b>
<b>Bulk Test</b>	<b>\$</b>	<b>324,575</b>
<b>Documentation</b>	<b>\$</b>	<b>20,000</b>
<b>Contingency</b>	<b>\$</b>	<b>67,100</b>
<b>TOTAL 2006 BUDGET</b>	<b>\$</b>	<b>550,000</b>

The 2007 dip needle survey cost \$9,333.26.

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## INTRODUCTION

The purpose of this report is to document the 2007 dip needle survey for assessment credits on the Little Slate Creek Placer Project.

This report was commissioned by Mr. Rolland Menard, a principal of 665777 B.C. Ltd.

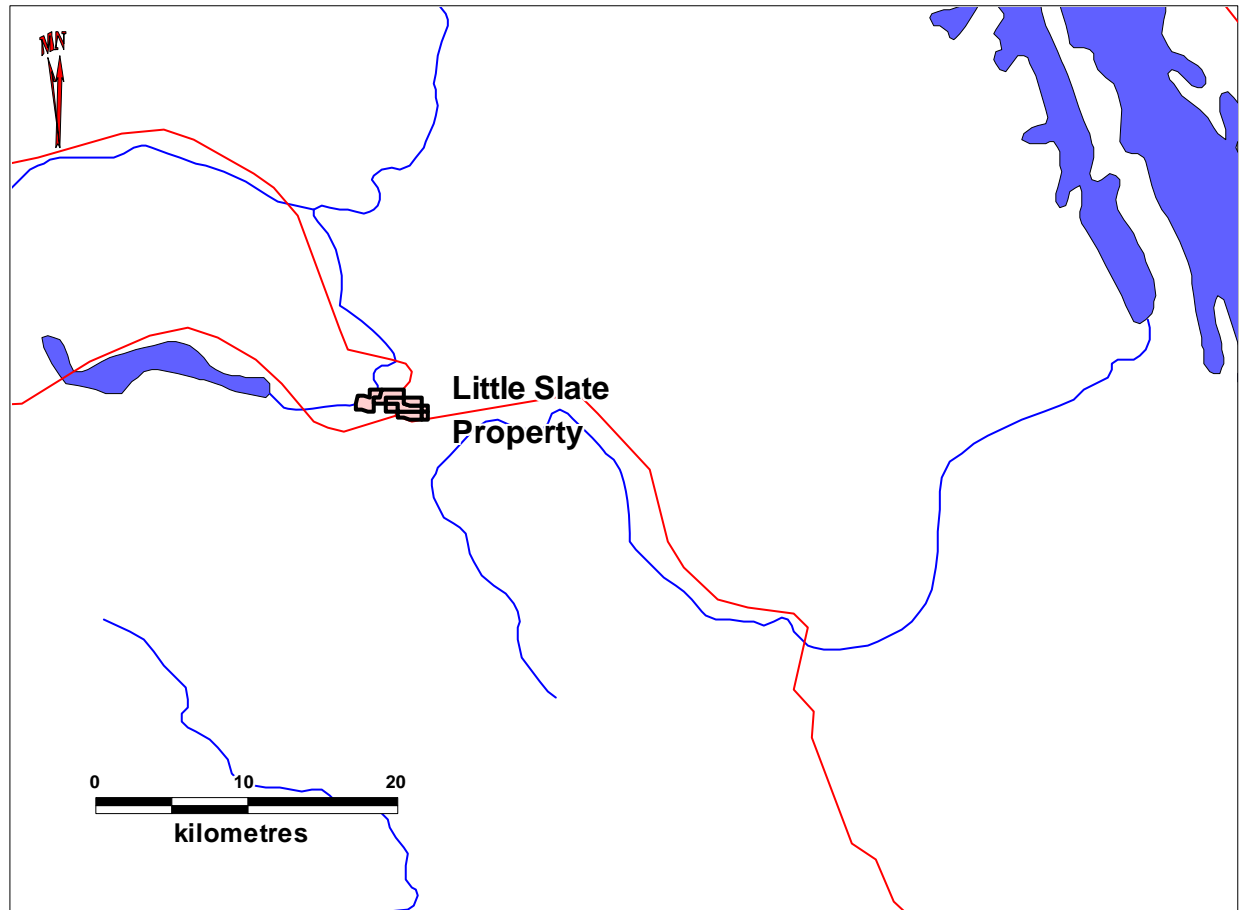
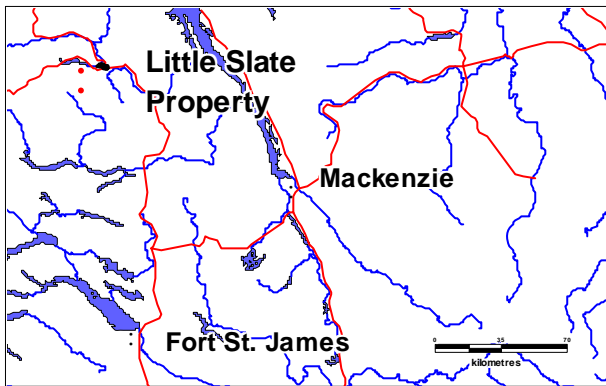
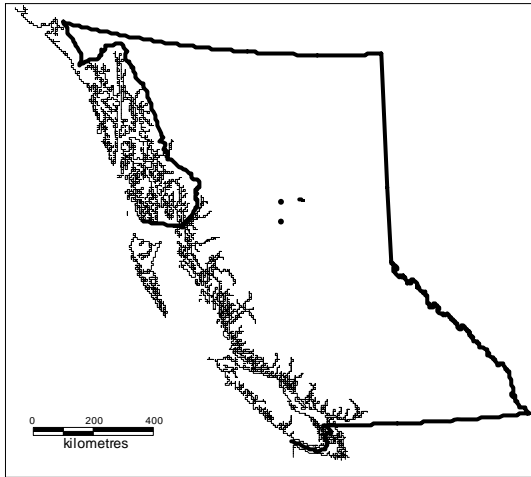
The target on the Little Slate Creek property is a buried Tertiary channel thought to represent the paleo Germansen River. This channel has been worked in lower Slate Creek toward Manson River on the southeast and on lower Germansen River (at Plughat Creek) in the north.

The author visited the site in 2006, but was not on site during the 2007 dip needle survey. This survey was carried out by prospector W. Brent McEwen with the assistance of Robert Barinecutt. The author, as the technical principal and qualified person of 665777 B.C. Ltd., compiled the results into a report in support of the assessment credits.

## RELIANCE ON OTHER EXPERTS

The author is not relying on a report or opinion of any experts. The ownership of the claims comprising the property and the ownership of the surrounding claims has been taken from the Mineral Titles Online database maintained by the British Columbia Ministry of Energy and Mines. The data on this site is assumed to be correct.

The author is relying on information compiled by government geologists, and in the assessment files and on his experience in placer deposits in British Columbia, including the general area of Germansen River / Manson River area. All reports are listed in the references of this report. The geological assessment reports and government reports have been written by competent geologists and engineers to the industry standards of the day.



All maps projection NAD 83 Zone 10

**LITTLE SLATE PROPERTY  
LOCATION**  
Figure 1

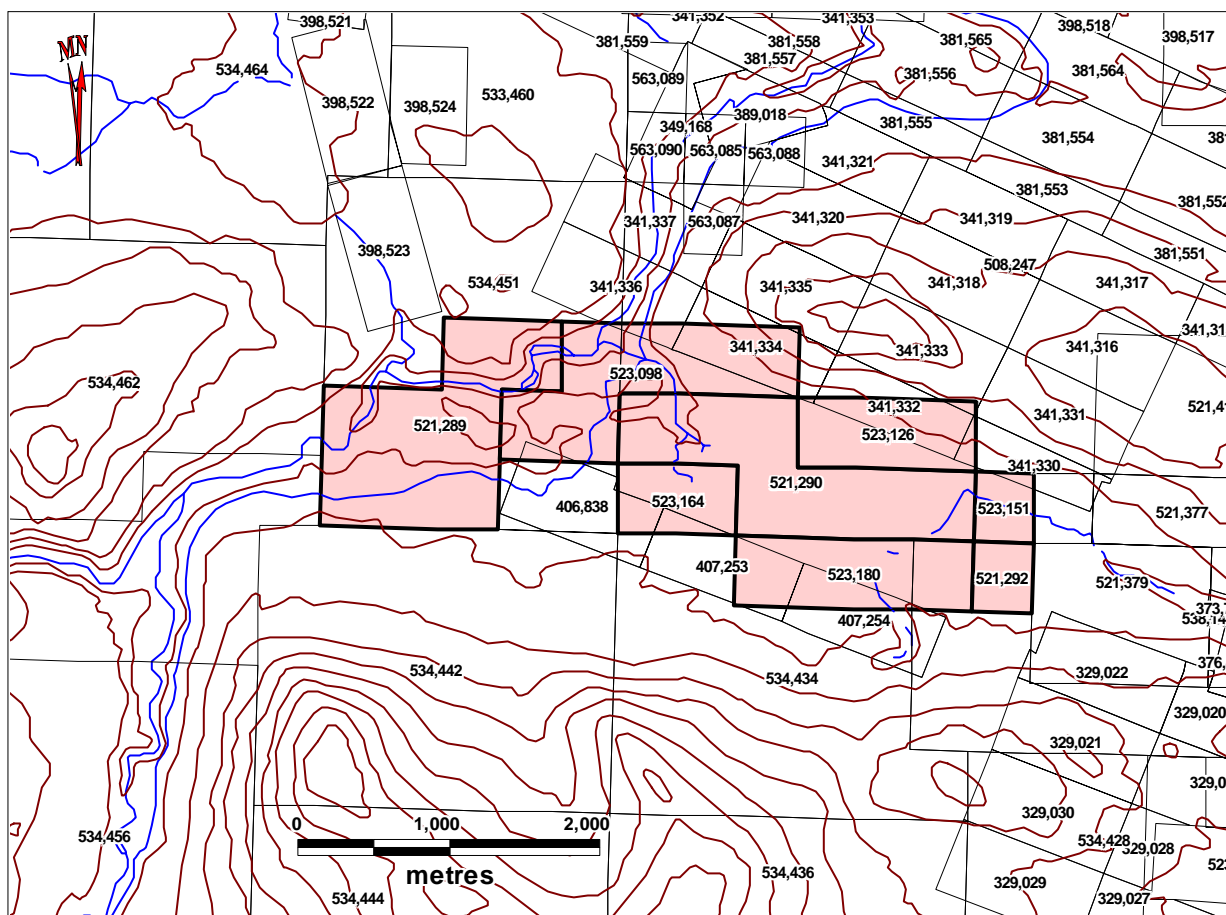
PROPERTY DESCRIPTION AND LOCATION

The Little Slate Creek project lies on TRIM sheets 093N067 and 093N068 in the Omernica Mining Division, covering an area of 583.702 hectares. The geographic center of the property is UTM Zone 10 6171600 398700 (NAD 83). The property consists of 8 map tenures:

Number	Anniversary Date	Hectares
521289	December 1, 2008*	145.92
521290	December 1, 2008*	127.687
521292	December 1, 2008*	18.243
523098	December 1, 2008*	109.431
523126	December 1, 2008*	54.72
523151	December 1, 2008*	18.242
523164	December 1, 2008*	36.484
523180	December 1, 2008*	72.975
		-----
		583.702

\* pending approval of assessment credits

The claims are registered in the name of Rolland Menard of Kamloops, B.C. Mr. Menard is holding them in trust for 665777 B.C. Ltd.



Projection NAD 83 Zone 10

LITTLE SLATE CREEK PROPERTY  
Claim Location (093N067, 093N068)

Figure 2



## ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Little Slate Creek project lies within the central interior approximately 250 kilometres northwest of Prince George. The project is accessible by gravel road from Fort St. James, 226 kilometres to the south or by well maintained logging roads from Mackenzie, 160 kilometres to the east. The western end of the property is accessible by the road to Germansen Lake, while the remainder of the property is accessible by the Slate Creek road.

The claims lie on TRIM sheets 093N067 and 093N068 in the Omenica Mining Division. The geographic center of the property is UTM Zone 10 6171600 398700 (NAD 83). Elevations range from 1000 metres at the Germansen River to 1140 metres at the upper reaches of the northeastern corner of the claim group.

The logistics of working in this part of the province are good. Gravel road access will allow the movement of supplies and equipment by vehicle as opposed to air. Heavy equipment should be available locally in either Mackenzie or Fort St. James. Supplies, fuel and lodging are available locally in Germansen Landing or Manson Creek

The climate of this part of the province is typical of northern Canada. The summer field season is generally warm and dry and runs from mid- to late- May through to mid- to late- October. Winters are cold with significant snow accumulations. Temperatures can dip to minus 20 Celsius for extended periods.

At this stage of the exploration of the Little Slate Creek property, the only permitting required would be for air track drilling and excavator and cat trenching. These permits are generally readily obtainable contingent on the posting of small (\$5,000 to \$10,000) reclamation bonds.

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HISTORY

The Manson Creek / Slate Creek / Germansen River area has a long and storied exploration history as an important British Columbia placer gold area. Gold was first discovered in the region in 1868 and most of the rich river deposits were mined out by the turn of the century. The importance of the Tertiary buried channels were subsequently realized and mining restarted in the 1930s and 1940's. Individual miners have worked Slate Creek intermittently since the 1940's.

The recorded production of placer gold from Slate Creek has been recorded by Holland (1950) at a fineness of 847 valued at \$17.45 per ounce. Holland (1950) also states that records for the period 1887 to 1931 were kept haphazardly and are amongst the least complete in the province.

1881-1885	161 ounces valued at	\$2,800	1936-1940	2,288 ounces valued at	\$66,422
1931-1935	296 ounces valued at	\$8,492	1941-1945	481 ounces valued at	\$15,479
			<b>Total</b>	<b>3,226 ounces valued at</b>	<b>\$93,193</b>

The first large scale attempt at placer mining was undertaken in the early 1920's by Kildare Mines, Limited. They attempted to mine the buried channel to a depth of 30-60 feet by hydraulic methods. A layer of boulder a top the gravels made hydraulic mining extremely difficult and the operation met with limited success. (MMAR 1924)

Consolidated Mining and Smelting Company of Canada Limited (later Cominco) operated a lease on the buried channel in Slate Creek during the 1930's and early 1940's. They utilized a dragline in their mining plan and encountered a similar problem with the layer of boulders overlying the bedrock. The preceded their mining operations with a drilling program that showed at least two buried channels with widths of 150-200 feet each. No mention of depths to bedrock was noted in the report. (Lay, 1933).

The Consolidated Mining and Smelting Company of Canada Limited sold the Slate Creek lease in the late 1980's to a group of individuals that eventually became Slate Placer Ltd. Slate Placer Ltd. has operated continuously on the lease since 1991. The pay gravels are covered by 40 to 90 feet of glacial debris and overburden. Pay gravels are 7 feet thick , with the top 2 feet of bedrock also mined and washed. Slate Placer Ltd. averages about 1000 ounces for every 12,000 yards of gravel washed.

There is little available historical data available for the present Little Slate Creek property holdings. There are reports of limited testing on the ground, but the snow cover during the property visit masked any indications of such work.

Henneberry (2006) documented a small mapping program in 2006.

LEGEND

CRETACEOUS

EKGm Germansen Batholith granite

TRIASSIC TO JURASSIC

LTrJgb gabbroic to dioritic intrusives

TrJTvfv Takla Group felsic volcanics

TRIASSIC

uTrTW Takla Group Witch Lake volcanoclastics

uTrTvc Takla Group volcanoclastics

muTrTsf Takla Group fine clastic sediments

MISSISSIPPIAN TO PERMIAN

MPNH Nina Creek Group - marine sediments

MPNP Nina Creek Group - basaltic volcanics

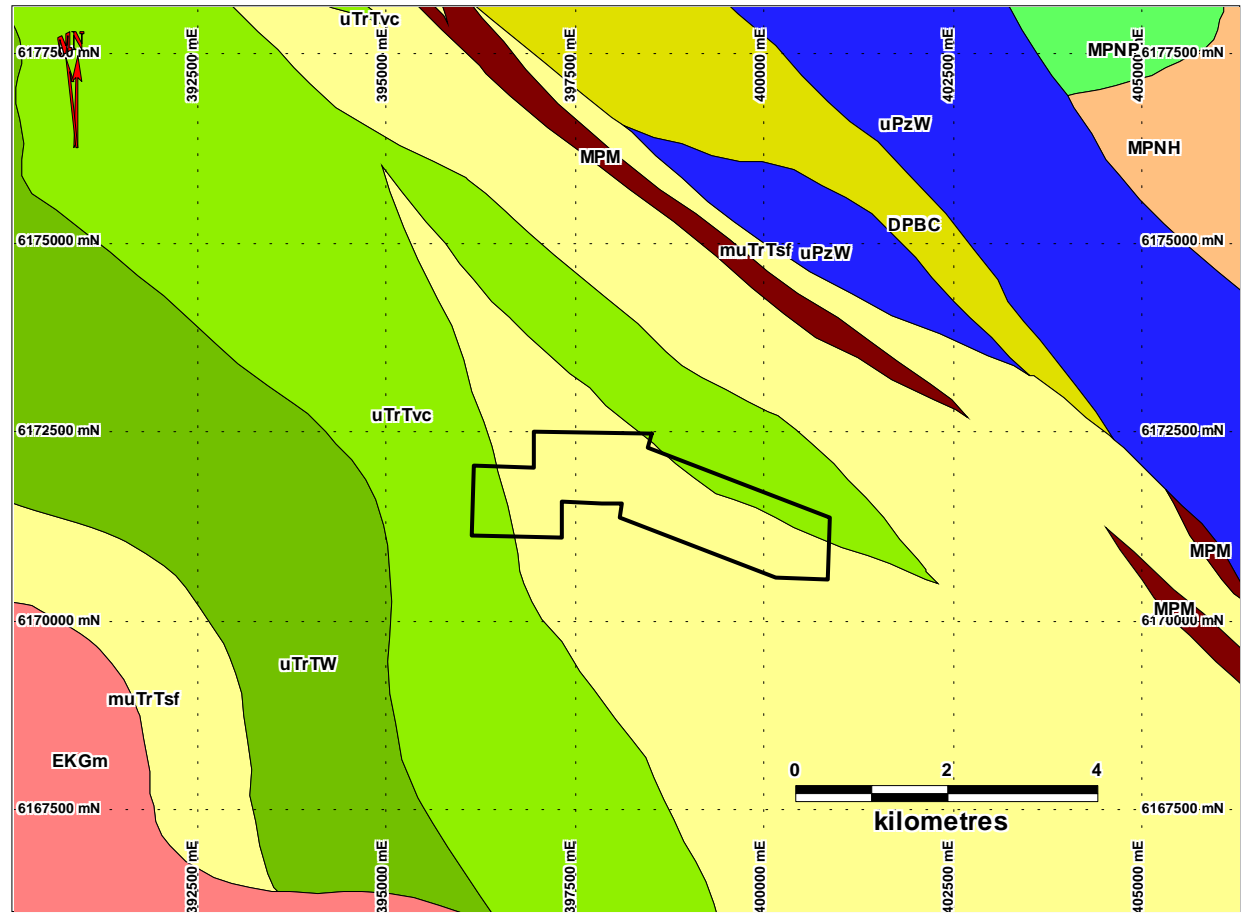
MPM Manson Lake ultramafic

LATE DEVONIAN TO LATE PERMIAN

DPBC Big Creek Group clastics

PALEOZOIC

uPzW Wolf Ridge gabbro



Projection NAD 83 Zone 10

LITTLE SLATE CREEK REGIONAL GEOLOGY

Figure 3

Geology from MapPlace  
[webmap.em.gov.bc.ca/mapplace](http://webmap.em.gov.bc.ca/mapplace)

## REGIONAL GEOLOGY

### **Bedrock Geology** - Ferri and Melville (1994)

The Slate Creek area lies along the boundary between the Intermontane and Omenica belts, two of the five geomorphological belts of the Canadian Cordillera. It is underlain by the Intermontane superterrane and rocks representing the displaced North American margin.

The Intermontane superterrane is represented by rocks of the Quesnel and Slide Mountain terranes. Quesnel terrane rocks comprise a volcanic and sedimentary assemblage assigned to the Middle Triassic to Lower Jurassic Takla Group and a poorly defined sedimentary and volcanic suite belonging to the upper Paleozoic Lay Range assemblage. The Slide Mountain Terrane is represented by upper Paleozoic oceanic rocks of the Nina Creek group and the Manson Lake ultramafics. The west side of the Quesnel terrane is intruded by the multiphase, Triassic to Cretaceous Hogem batholith.

Rocks of North American affinity within the map area are part of the para-autochthonous Cassiar terrane and the pericratonic Kootenay terrance. The Cassiar terrane is represented by a Proterozoic to Permian carbonate and siliclastic wedge, which includes strata of the Proterozoic Ingenika Group to the Devonian Big Creek Group. The lower parts of the Ingenika Group are metamorphosed to upper amphibolite grade and polydeformed, and are included within the Wolverine Complex, one of several core complexes along the length of the Omenica Belt. The Kootenay terrane is composed of the Boulder Creek group of uncertain age. Rocks of the Manson Lake ultramafic suite have been thrust onto it and its margins are believed to be splays of the Manson Fault.

Rocks in the study area trend northwesterly, and as a general rule, dip to the southwest. The most notable structure in the area is the Manson fault zone, a vertical, right-lateral fault of unknown displacement. The age of movement on this fault is believed to be from Cretaceous to early Tertiary. The fault zone trends to the northwest and follows segments of the Manson Lakes, Germansen River and Nina Creek drainage systems. This structural zone is economically important as all known placer operations and precious metal showings in the area are associated with it.

### **Surficial Geology** - summarized from Lay, 1936; Holland, 1937

The surficial geology of the Slate Creek / Manson River / Germansen River area is marked by thick glacial deposits, bedrock terraces and benches at various levels above present river level and buried channel gravels both above and below the present river levels.

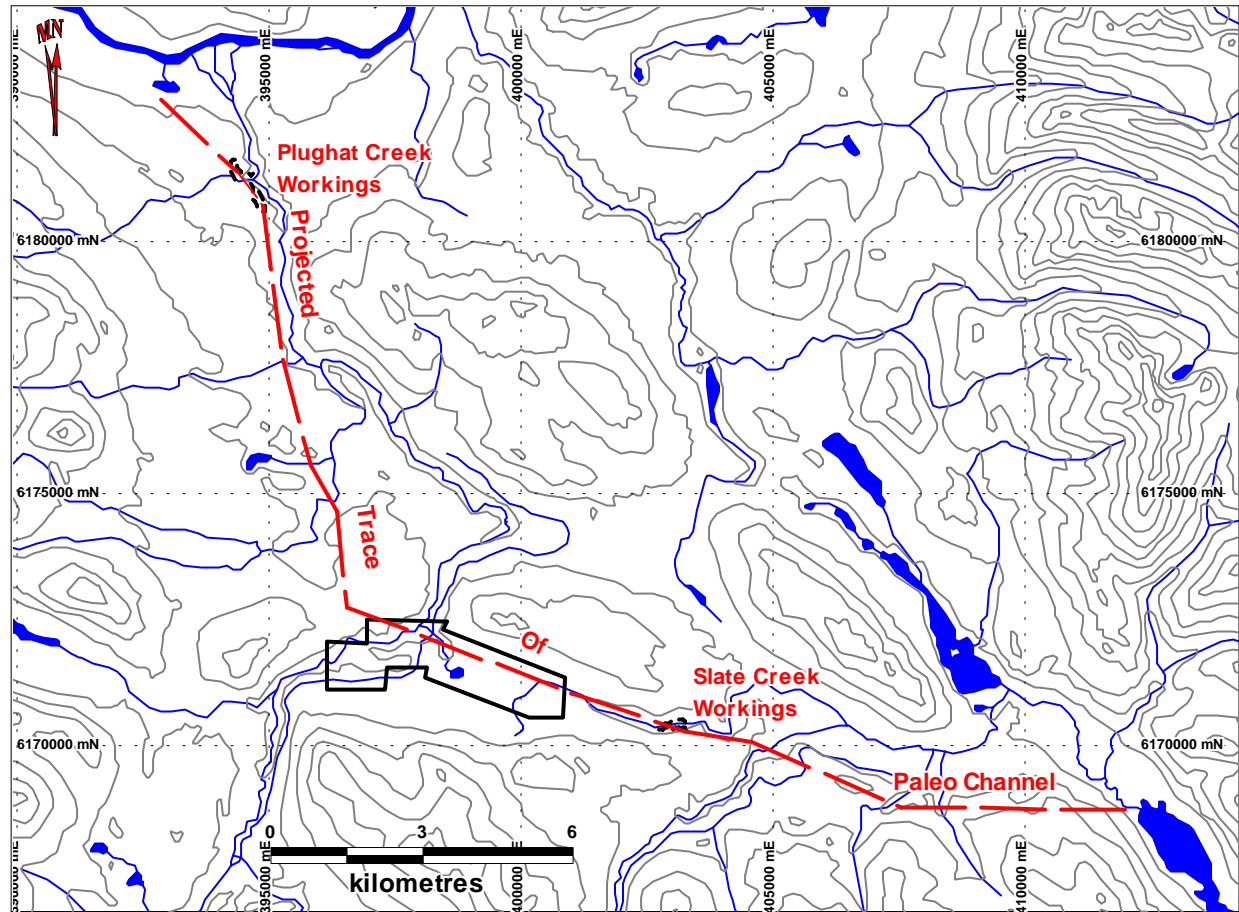
Geological descriptions suggest a somewhat similar Pleistocene stratigraphy to that of the Cariboo (Eyles and Kocsis, 1989). Thick lowermost gravels overlain by subglacial deposits, including extensive plugs of lodgement till and related subglacial facies along most valleys. These in turn, have been reworked or buried by postglacial mass-wasting and fluvial activity which has left valley side fan deposits and terraced gravel sequences.

The projected location of the paleo-channel is based on the following:

Slate Creek - (Lay, 1933)  
Lower Germansen -  
Present author's experience

The section north of the Slate Creek Project to Plughat Creek, (the top tributary) is speculative at best and may be off by up to 500 metres to the east or west as geological information for this section is very poor.

Projection NAD 83 Zone 10



LITTLE SLATE CREEK CHANNEL LOCATION

Figure 4

### **Little Slate Creek Surficial Geology**

The surficial geology of the Little Slate Creek property is dominated by a V-shaped valley that widens to the west. The western half of the claim group covers a large swampy area sharply confined to the north and south by prominent ridges.

The suspected buried Tertiary channel, thought to represent the paleo- Germansen River, appears to trend through the present Little Slate Creek Project ground. Geological mapping by the provincial district geologist in the early 1930's (Lay, 1933) was successful in tracing a buried channel from the head of Manson Lakes to upper Slate Creek. The existence was subsequently proved through mining by the predecessor company of Cominco. This exploration did not continue further to the west because the volume of glacial material overlying the channel was increasing and there was only limited water available across the pass at the headwaters of Slate Creek and down Little Slate Creek to the Germansen River.

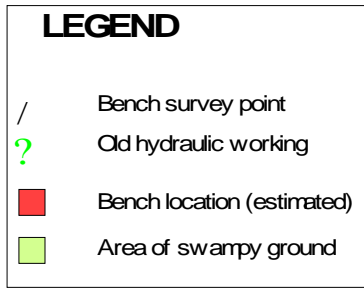
The north end of this channel has been exposed and mined on ground at Plughat Creek on the present property holdings of W.A. Morris. Two large hydraulic pits were first opened in the 1930's and have been mined intermittently since that time. The channel in this area is overlain by 90-130 feet of glacial material and is protected from erosion by a deep cut into bedrock.

The central section of the channel has not been tested to any extent, although the ground overlying the suspected trace of the channel is held by staking.

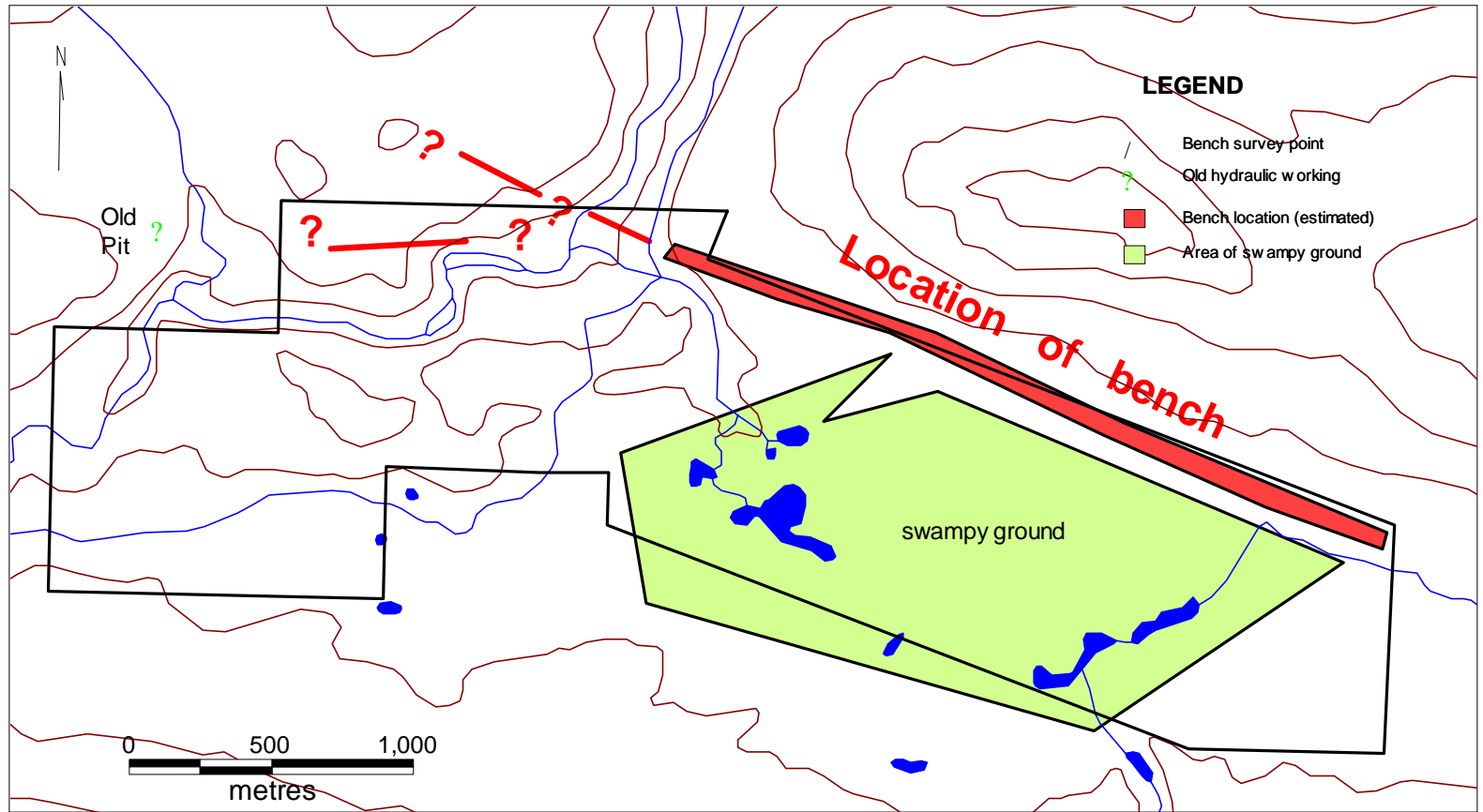
Lay (1936 - page C6) reported the following about the Germansen River "*...most important to note that no placer deposits of any importance have been discovered either by early or present day workers above Little Slate Creek...*". This strongly suggests the gold in the river may have been derived from a buried channel crossing the Germansen River in the area of Little Slate Creek. The suspected location of this channel would be at the northeastern extremity of the present property holdings, possibly against the break in slope.

The buried Tertiary channel represents an ancient stream bed. The present streams in the area run 10's of kilometres (i.e. Germansen River). There is no reason to believe these paleo-streams would not run similar distances.

The only description of the stratigraphy of the channel on Slate Creek is from Ministry of Energy and Mines Annual Report. (MMAR, 1924) *...The ground is said to be from 30-60 feet deep..The bed-rock is schist and clay-bands in the gravels are not frequent or of much thickness...* (MMAR, 1935) *...Drag-line operations...have been impeded by the tightly packed glacial gravels overlying bed-rock...*



Based on measurements and observations by the author in January and May 2006.



Projection NAD 83 Zone 10

**LITTLE SLATE CREEK GEOLOGY**  
Figure 5

The largest part of the Little Slate Creek property is underlain by low swampy ground. The eastern half of the claim block is predominantly covered by this ground. The western half of the claim block is slightly elevated compared to the eastern half and is generally covered by hummocky glacial debris interspersed with lower boggy ground.

The area of interest abuts the northeast boundary of the claim block, in the area immediately above the road. A marked bench runs through this section of the property. This bench continues off the Little Slate Creek property to the southeast and appears to end abruptly at the edge of the ridge abutting the Little Slate Creek property to the north.

The bench is approximately 10-15 metres above the low lying swampy ground. The bench is approximately 60-75 metres wide. This bench is suspected of marking the location of the suspected buried channel, the target of the exploration program.

An examination of the gravels was not made as the suspected auriferous zone is buried by a large volume of barren glacial gravels.



The level ground at the top of the bench



Old hydraulic pit to the west of the Little Slate Property



The exploration target on the Little Slate Creek property is a suspected buried Tertiary channel: the older gravel type of the three types of placer deposits classified by Eyles and Kocsis (1989) and Eyles (1989) in the Cariboo region of British Columbia. This classification system appears to be applicable for the Germansen River / Manson River area.

Eyles and Kocsis (1989) noted placer deposits in the Cariboo occur in three distinct sedimentological settings: older gravels, subglacial complexes and postglacial placers. The older gravels commonly known as *Tertiary gravels* were deposited in a long ( $\pm 100,000$  years) cool-temperate and non-glacial episode that terminated about 30,000 years ago. These gravel sequences are the largest by volume of the placer deposits in the Cariboo. These older gravels occur along valley floors for the most part buried under younger sediments. Older gravels comprise massive, poorly stratified and coarse-grained deposits of braided rivers and show gold grades up to 8.18 grams per cubic metre.

The overlying subglacial placers are much more geographically restricted. These deposits record the quarrying of auriferous gravels and bedrock by late Wisconsin glaciers. The upper parts of these deposits carry far-traveled debris and in general show low gold values. The basal portions of these lodgement tills resting on bedrock of moderate or high relief offer the greatest potential because of the likelihood of subglacial cavity formation in the lee of bedrock knobs and the movement of subglacial waters along the lowermost portions of the valleys.

Postglacial gravels, for the most part, do not contain gold values associated with the older gravels and lodgement tills. Richer runs are usually an indication that a modern rivers have cut down into older placer deposits. Many older placer deposits were discovered following the postglacial gravels upstream.

The buried Slate Creek channel was discovered as a result of following the post glacial gravels up the tributary streams to the point where these streams cut into and eroded the buried channel.

The exploration target is the western extension of the Slate Creek channel from the headwaters of Slate Creek, over the pass and down Little Slate Creek valley to the point where it is intersected by the Germansen River.

### **Evaluation of Placer Gold in Buried Channels**

The placer gold target at Little Slate Creek is a buried Tertiary channel. The channel was originally discovered by following the placer gold found in the bed of north flowing tributaries of Slate Creek to a potential source. This led to the discovery of the channel where it was cut by Lost Creek and upper Manson River.

These buried Tertiary channels generally are the bed of the paleo rivers. The present rivers (i.e. the Cariboo and Quesnel rivers in Likely and the Germansen river) are major rivers, flowing several 10's of kilometres. There is every reason to suspect that the paleo-rivers were also major rivers, flowing several 10's of kilometres as well. This strongly suggests these buried channels will run for several kilometres, provided the present channel has not flown through and eroded the same paleo-channel. These buried channels are the main targets for exploration and development in Little Slate Creek.

Levson et al (1993) looked at several methods for evaluating these buried placers. These included reverse circulation drilling, borehole logging, seismic surveys and ground penetrating radar.

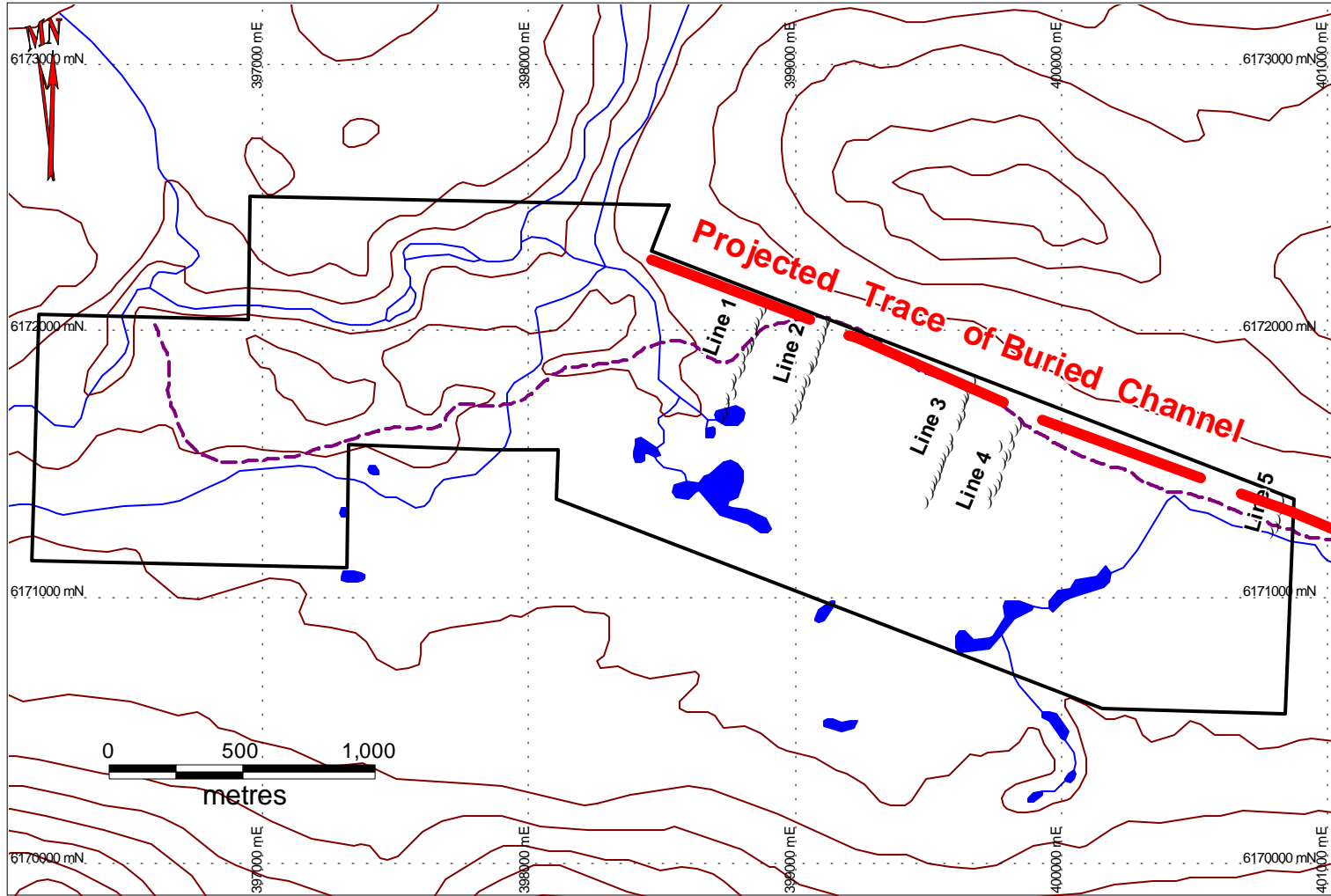
The reverse circulation drilling was successful in locating buried channels, once the suspected locations of the channels were identified by geomorphology and geology. The drilling was valuable in determining lithologic composition of the gravels, the gravel stratigraphy and the depth to bedrock. The drilling was not recommended for accurate determinations of the gold content of the gravels.

The borehole logging showed that subsurface gravel units can be readily distinguished from units with high silt and clay.

The refraction and reflection seismic surveys, as expected, were successful in locating the buried channels and the depth to bedrock. Ground penetrating radar was also successful, though its use is limited to buried channel that are not overlain by clay rich sediments.

Recent work by S.J. Geophysics of Delta in the area of 3D resistivity has also proven to be very effective in locating buried channels and depth to bedrock.

The possible extension of the buried channel on the Little Slate Creek property holdings can best be explored by ground geophysics, followed by air track drilling and excavator trenching. The purpose is to locate the channel. The work by Levson et al (1993) has clearly shown that grade calculations generally cannot give accurate determinations of the gold content.



Projection NAD 83 Zone 10

**LITTLE SLATE CREEK PROJECT**  
**Dip Needle Survey Lines**  
 Figure 6

MINERALIZATION  
(all gold values in U.S. Dollars)

There is little hard exploration data for the Slate Creek channel. Most of the available information is from government sources compiled in the first half of the century. There is virtually no exploration information for the suspected section of the Slate Creek channel on the present claim holdings of 665777 B.C. Ltd. The existence of a buried channel on the present Little Slate Creek holdings is based solely on geological theory and minimal field evidence.

The theory is based largely on the projection of the known buried channel from Slate Creek, across the pass at the headwaters of Slate Creek and down Little Slate Creek to the Germansen River. This theory is supported by the absence of gold in the Germansen River above Little Slate Creek. The theory is further supported by the buried channel worked at Plughat Creek at the northern end of the Germansen River, as shown on Figure 4.

The present Germansen River flows well in excess of 10 kilometres from Germansen Lake to the Omenica River. There is no reason to expect that a paleo-river flowing in the Tertiary would not flow similar distances, from upper Manson Lake through Slate Creek valley and pass and then down to the Tertiary Omenica River. The present status of placer mineral claim locations also appears to support this theory as the suspected trace of the channel as shown on Figure 4 has been staked almost completely from one end to the other.

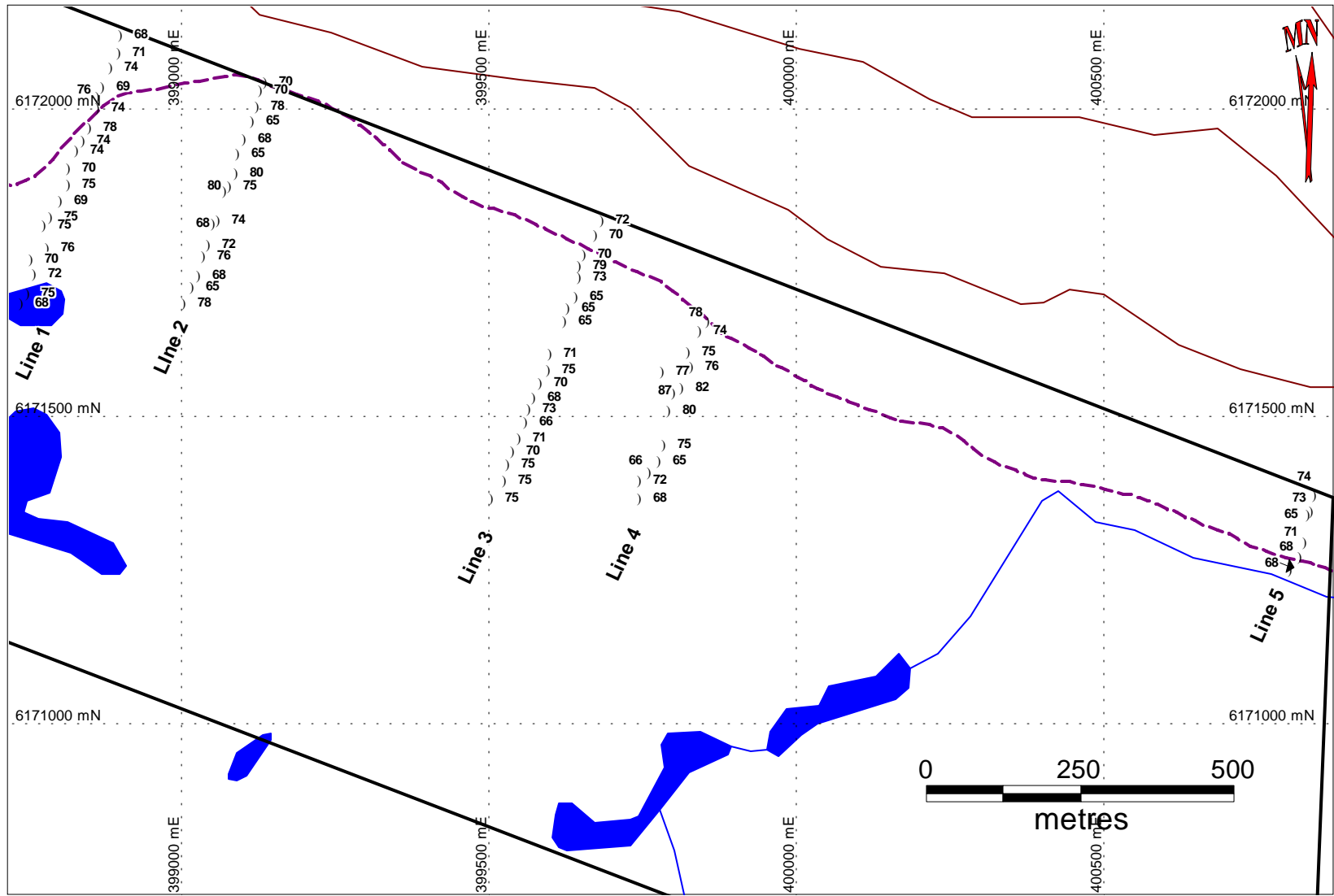
Following through on this theory would allow inferences on the size and tenor of the buried channel on the present Little Slate Creek Project to be made from a review of exploration data for the buried channel at Slate Creek and at Plughat Creek.

The available information on the Slate Creek workings is minimal. There is no information on volumes mines or on grade. Holland (1950) reported a production of 2,288 raw ounces valued at \$66,422 for the period 1936 to 1940, the period of production from Consolidated Mining and Smelting. There is no information given on widths of pay channel or depths of pay gravels.

There is considerably more information available on the Plughat Creek workings as reported in Henneberry (2005). Two large hydraulic pits were opened on the buried channel, one on the north (pit #7) and one on the south (pit #1) of Plughat Creek. The buried channel was measured at 75 to 100 metres in width and pay gravels were measured at 5 m (15 feet) thick. The average grade was calculated at US9.77 at a gold price of US\$400 per ounce.

The suspected strike projection of the buried channel on the present Little Slate Creek holdings is 3000 to 4000 metres depending on its precise location. Carrying these measurements forward would provide the following exploration target on the present Little Slate Creek property:

3500m by 75m by 5m = 1,312,500 cubic metres of gravel  
1,312,500 m<sup>3</sup> by 1.31 yd<sup>3</sup> per m<sup>3</sup> = 1,719,375 yards



Projection NAD 83 Zone 10

**LITTLE SLATE CREEK PROJECT**  
**Dip Needle Results**  
 Figure 7

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EXPLORATION

In order to meet 2007 assessment requirements a dip needle survey was completed over the northeastern section of the Little Slate property to see if a geophysical response might be obtained suggesting a possible buried channel. The survey was completed in late April – early May to allow access to the swampy ground where the trace of the channel was suspected.

A total of 5 lines of various lengths from 125 metres to 475 metres were completed as shown in Figure 7. Readings were completed at 25 metre intervals along each of the lines. The raw data is presented in the following table and plotted in Figure 8:

distance (m)	Line 1	Line 2	Line 3	Line 4	Line 5
0	68	70	72	78	74
25	71	70	70	74	73
50	74	78	70	75	65
75	69	65	79	76	71
100	76	68	73	82	68
125	74	65	65	87	68
150	78	80	65	80	
175	74	75	65	77	
200	74	80	67	75	
225	70	74	71	65	
250	75	68	75	66	
275	69	72	70	72	
300	75	76	68	68	
325	75	68	73		
350	76	65	66		
375	70	78	71		
400	72		70		
425	75		75		
450	68		75		
475			75		

The dip needle essentially works like a crude magnetometer. The readings from the Little Slate Property show considerable variation along each of the lines, with readings ranging from the mid 60's to the low 80's. A more precise survey, either IP resistivity or high-sensitivity proton magnetics will be required to attempt to locate potential buried channels.

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DRILLING

The author is not aware of any drilling having been completed on the claims comprising the Little Slate property.

SAMPLING METHOD AND APPROACH

The 2007 exploration program completed on the Little Slate property did not involve any sampling, so this section is not applicable.

SAMPLE PREPARATION, ANALYSES AND SECURITY

The 2007 exploration program completed on the Little Slate property did not involve any sampling, so this section is not applicable.

DATA VERIFICATION

The 2007 exploration program completed on the Little Slate property did not involve any sampling, so this section is not directly applicable. However, a brief discussion on using historical placer production data and exploration data is appropriate as this data is relevant when it comes to determining potential grades of placer gravels.

There are considerable issues arising from the use of historical placer production and exploration data under National Instrument 43-101. On a hard rock mineral project, there is still a degree of confidence in utilizing historical data gathered by reputable geologists with reputable mining companies using industry standard (at the time) geological techniques and reputable assay labs.

Placer exploration and mining data comes from numerous sources that have varying degrees of credibility:

- Production results reported to government surveys
- Drilling results reported

The data on the buried channel at Plughat Creek are based on several industry reports supplemented by data from government sources (Henneberry, 2005). The limited data on Slate Creek is strictly from government surveys.

The projected location of buried channel on the present Little Slate Creek property holdings is based on reviews of data available for a buried channel in other locations and the interpretation of the data as it applies to the present holdings.

**There is no guarantee the channel actually exists and further actually trends onto the present property holdings. The exploration program in the following sections of this report is designed to prove its existence, verify its size and establish its gold tenor.**

## INTERPRETATION AND CONCLUSIONS

While the present Little Slate Creek property has yet to produce placer gold, the buried channel suspected of underlying the property has produced significant placer gold to the east in Slate Creek and to the northwest at Plughat Creek. There have also been reports of the channel being cut and prospected in Goodasany Creek, though there is little documentation.

Based on the geological information and interpretation:

- the buried channel runs the length of the present Germansen river valley from its confluence with the Omenica river in the north to its southern junction with the south fork of the Germansen river, then up Little Slate Creek, across the pass and down the length of Slate Creek.
- the buried channel is auriferous wherever present topography has cut it

The channel is an attractive exploration target over its entire 3000-4000 metre strike length on the present property. A program of 3D resistivity ground geophysics, air track drilling and excavator trenching is recommended to test the channel along the suspected strike.

A successful conclusion will result in a Phase 2 program of a test cut at the westernmost point of the buried channel. This cut will consist of 10,000 cubic metres and should provide information on the geology of the channel, depths of overburden and tenor of the pay gravels.

The 2007 dip needle survey was implemented in an attempt to locate the suspected buried channel. The wide variation in the values did not allow a proper interpretation of the results, so the survey has to be viewed as inconclusive. A stronger more modern geophysical survey, for example the 3D resistivity ground survey, is required to locate the suspected buried channel.



## RECOMMENDATIONS

Further exploration is very much warranted for the Little Slate Creek placer property. The geologic setting is comparable to known placer gold producers in the Cariboo and other regions of central British Columbia. While there has only been minimal exploration completed on the present property holdings, exploration and mining completed over the last century on properties to the east and north strongly suggests the same buried channel may underlie the present property holdings. This buried channel, suspected to be 20 to 25 kilometres in length, is auriferous wherever it has been cut by present topography. The 3000-4000 metre suspected strike length on the 665777 B.C. Ltd. holdings is the focus of the present program.

The 2007 dip needle survey provided inconclusive results, so a more advanced geophysical technique is required to locate the channel under glacial cover.

A 3D resistivity ground geophysical survey is recommended as it will have a much better chance of locating the buried channel under glacial cover. The grid will be 3500 metres long and with 500 metre cross lines spaced every 100 metres long the baseline. The geophysical survey will be contracted to S.J. Geophysics of Delta, B.C.

The second stage of the program will be air track drilling followed by excavator trenching. The air track drilling will pinpoint the location of the channel, while the follow up excavator trenching will open up the channel for sampling and mapping.

The third phase of the program will consist of establishing a test cut, likely at the west end of the channel, at the point where it meets the Germansen River. This will involve clearing the glacial overburden to expose the gravels. Once the gravels are exposed they, 10,000 cubic metres of gravels will be sluiced in order to ascertain gold tenure. The maximum daily throughput should be limited to 500 cubic metres. As well, the fine tailings should be run through a Knelson concentrator. The purpose of the limited throughput and the concentrator is to capture the fine gold and any PGE's.

<b>Grid and survey total</b>	<b>\$</b>	<b>41,875</b>
<b>3D Resistivity survey</b>	<b>\$</b>	<b>35,000</b>
<b>Air Track Drilling</b>	<b>\$</b>	<b>61,450</b>
<b>Bulk Test</b>	<b>\$</b>	<b>324,575</b>
<b>Documentation</b>	<b>\$</b>	<b>20,000</b>
<b>Contingency</b>	<b>\$</b>	<b>67,100</b>
<b>TOTAL 2006 BUDGET</b>	<b>\$</b>	<b>550,000</b>

The cost of the 2007 dip needle survey was \$9,333.26

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CERTIFICATE OF QUALIFIED PERSON

I, R.Tim Henneberry, P.Geo. of 2446 Bidston Road, Mill Bay, B.C. , V0R2P4, do hereby certify that:

I am the Qualified Person of:

**665777 B.C. Ltd.**

1870 Inglewood Drive  
Kamloops, B.C. V2C 2K3

I earned a Bachelor of Science Degree majoring in geology from Dalhousie University, graduating in May 1980.

I am registered with the Association of Professional Engineers and Geoscientists in the Province of British Columbia as a Professional Geoscientist.

I have practiced my profession continuously for 27 years since graduation.

I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101. My relevant experience for the purpose of this technical report is: 1988-1991 exploration manager for New Era Developments Ltd.'s Stewart River (Yukon) Placer Operations and 2003-2006 exploration manager for Tarmac Management Ltd.'s Likely and Germansen River Placer Projects.

I am responsible for the preparation of the technical report titled "2007 Assessment Report Little Slate Creek Project" and dated February 9, 2008, relating to the Little Slate Creek property. I last visited the Little Slate Creek property on May 31, 2006. As the technical principal of 665777 B.C. Ltd., I was asked to compile the results of the 2007 dip needle survey into a report for assessment credits completed by 665777 B.C. Ltd. principal Brent McEwen, a prospector. I was not on site during the survey.

I have had no prior involvement with the property that is the subject of the Technical Report.

I am not aware of any material fact or material change with respect to the subject matter of the Technical report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

I am a principal of 665777 B.C. Ltd. and therefore I cannot be considered independent after applying all of the tests in section 1.4 of NI 43-101.

I have read NI 43-101 and Form 43-101F, and the Technical Report has been prepared in compliance with that instrument and form.

I consent to the filing of the Technical Report with the British Columbia Ministry of Energy, Mines and Petroleum Resources in support of assessment credits for the Little Slate Creel Property.

Dated this 9th day of February, 2008.

**"signed and sealed"**

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R.Tim Henneberry, P.Geo

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STATEMENT OF COSTS

**LITTLE SLATE STATEMENT OF COSTS FOR 2007**

Brent McEwen	Apr 29, 30; May 1, 2, 3, 4, 5				
Rob Barinecutt	Apr 29, 30; May 1, 2, 3, 4, 5				
Personnel					
Brent McEwen	7	days	@ \$400 /day	\$ 2,800.00	
Rob Barinecutt	7	days	@ \$400 /day	\$ 2,800.00	
Support					
Vehicle	7	days	@ \$30 /day	\$ 210.00	
Vehicle	2090	kms	@ \$0.5 /km	\$ 1,045.00	
ATV		days	@ \$40 /day	\$ -	
Fuel				\$ 322.88	
Room and board				\$ 655.38	
Supplies					
Report	20	hours	@ \$75 /hour	\$ 1,500.00	
<b>Assessment Credit Subtotal</b>				<b>\$ 9,333.26</b>	

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COST ESTIMATES

**Grid**

Establish 3500 m baseline

Establish 500 m cross lines at 100 metre intervals

Geologist	5 days	@ \$	450 /day	\$2,250
Prospector	20 days	@ \$	250 /day	\$5,000
Assistant	20 days	@ \$	200 /day	\$4,000
Assistant	20 days	@ \$	200 /day	\$4,000
Assistant	20 days	@ \$	200 /day	\$4,000
Room & Board	85 days	@ \$	125 /day	\$10,625
Vehicle + Fuel	20 days	@ \$	200 /day	\$4,000
Vehicle + Fuel	20 days	@ \$	200 /day	\$4,000
Equipment rental				\$1,000
Travel				\$2,500
Sundries				\$500

**Grid total** **\$41,875**

**3D Resistivity Survey - Contract** **\$35,000**

**Air Track Drilling / Trenching**

Drill every second or third cross line - 15 holes per line

Excavate trenches to bedrock - 15 trenches

Trenching				
Hitachi UH 14 Hoe	150 hours	@	\$200 /hour	\$30,000
Air track Drilling				
Compressor	20 days	@	\$50 /day	\$1,000
Drill	20 days	@	\$100 /day	\$2,000
Operator	20 days	@ \$	200 /day	\$4,000
Support				
Project Manager	8 days	@	\$450 /day	\$3,600
Prospector	35 days	@ \$	250 /day	\$8,750
Vehicle	35 days	@	\$75 /day	\$2,625
Room and Board	63 days	@	\$125 /day	\$7,875
Travel				\$500
Documentation				
Report				\$1,000
Reproduction				\$100
<b>Air Track / Trenching Subtotal</b>				<b>\$61,450</b>

**Bulk Test**

Establish a cut to bedrock (150 feet by 150 feet by 15 feet)

10 day time frame

Process the resulting 12,500 cubic yards

50 yards an hour - 10 hours a day = 25 days to complete the mining

Equipment costs are all in, including fuel and operator

Stripping				
Equipment Mob				\$500
Cat Dozer	225 hours	@	\$200 /hour	\$45,000
Cat Dozer	225 hours	@	\$200 /hour	\$45,000
Test Mining				
Cat Dozer	50 hours	@	\$200 /hour	\$10,000
Hitachi UH14	90 hours	@	\$200 /hour	\$18,000
Hough 780 Loader	90 hours	@	\$150 /hour	\$13,500
Processing				
Cat Dozer	135 hours	@	\$200 /hour	\$27,000
Hitachi UH14	250 hours	@	\$200 /hour	\$50,000
Hough 780 Loader	250 hours	@	\$150 /hour	\$37,500
6 inch pump	250 hours	@	\$25 /hour	\$6,250
Wash plant	250 hours	@	\$100 /hour	\$25,000
Support				
Project Manager	15 days	@	\$400 /day	\$6,000
Cook / Gold Tech	30 days	@	\$150 /day	\$4,500
Sundries				\$10,000
Vehicle	76 days	@	\$75 /day	\$5,700
Room and Board	125 days	@	\$125 /day	\$15,625
Travel				\$5,000
<b>Bulk Test Total</b>				<b>\$324,575</b>