

**Summary Report on the
Clabon Creek Mine Property**
Technical Exploration and Development Report

51° 11' 26" N, 117° 54' 57" W
Revelstoke, B.C.

Revelstoke Mining Division

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Summary

The Clabon Creek Mine is located 37 km north east of the city of Revelstoke, B.C. in the Revelstoke Mining Division. Access is by helicopter and by logging and 4-wheel drive roads off the Trans-Canada Highway. However, the claims were inaccessible by road in October of 2007 as the bridge over Clabon Creek had been removed. The 120 claim units (2430 hectares) are held in the name of Stan Endersby.

Eric Ascroft and Peter Thayer visited the property on the 9th of October, 2007. The purpose of the visit was to take samples of the mineralization and to determine whether or not the adits were open. None of the adits which had defined resources were open however two surface samples were taken. This report compiles previous exploration and development studies and reports.

Mineable reserves and resources of silver, lead, zinc and tungsten ores occur in a swarm of quartz veins (24) over a 3.5 km square area. These resources have been defined or partially defined by underground workings, diamond drilling and various geological exploration tools. Underground workings consist of extensive horizontal drifting and crosscutting (5,530m) and raising (1,270m), with minor stoping. Mine workings have exposed the mineralization on several of the veins to varying degrees on fourteen levels. All of the reports agree that there is good potential for additional resources.

Economic interest is focused on the swarm of sub-parallel quartz veins occurring over the claim block. The veins have been subjected to surface exploration, underground development, and limited production at several periods

between 1915 and present. The veins dip between 25 and 65 degrees and are up to 750m in length. Individual veins vary in thickness from a few centimetres to +5m wide, averaging about 1.5m thick. Each of the 14 levels is accessible by road.

In 1980 AMAX of Canada Ltd. (AMAX) sampled and recalculated the reserves on two of the veins and reported 200,720 tonnes grading 2.58% Pb, 0.93% Zn and 87.8 grams/tonne Ag in five pods. Previous work in 1971 by Western Resources Consultants Ltd. (Western) for Stannex Minerals Ltd. reported 358,000 tonnes grading 3.27% Pb, 1.60% Zn and 108 grams/tonne, plus a 20,600 tonne possible and probable resource containing 0.97% WO₃ (tungsten trioxide), see Table 1.

Table 1 Estimated Reserves

Year	Company	Tonnes	Ag gm/t	Pb %	Zn %
1971	Western Resources	358,331	108 (3.17 oz/ton)	3.27	1.60
1981	AMAX	200,720	87.8 (2.58 oz/ton)	2.58	0.93

AMAX reported that six primary veins outcrop on the steep hill side west of Clabon Creek. Western however reported many other sub parallel and parallel veins which have not been tested. A reconciliation of tonnes and grade was done by AMAX which reported a much more conservative width and

lateral extent for the mineralized sections. The earlier results by Stannex and Western were obtained when the workings were all open and accessible, whereas several of the levels were not open when AMAX did their work in 1980. As well, ground to the north of the old crown granted claims may contain unexplored mineralized veins under the old icefields, which have now just become visible due to global warming. Quartz veins in this area are visible in arial photographs.

Tin and copper are present in the highest elevation exposures with tungsten present in the lowest elevations. According to AMAX such apparent vertical zoning of these metals in the veins may indicate concentrations of tungsten and molybdenum at depth if it follows the example of the Mt. Pleasant, New Brunswick deposit.

AMAX drilled two holes in 1980, one of which was a vertical hole in the valley floor to intersect the cluster of veins and also to test for a potential tungsten – molybdenum mineralized intrusive deposit. The veins were somewhat continuous and there was no indicator rocks present in the hole to suggest that the source of the mineralized veins was an intrusion. It is the authors conclusion that one hole does not disprove the fact that the source of the veins was or was not an intrusive.

During the war years when tungsten and tin were considered strategic metals the government supported some of the exploration and development work on the property as well as metallurgical test work. The test work completed to date shows good separations and recoveries for the zinc, lead and silver ores, even at coarse grinds.

The host slate and argillite rocks surrounding the veins are reported to be “fairly competent” and would not be a concern when mining.

The emphasis of this summary is based on the work done by AMAX. It is noted on their underground map that several of the drifts and adits were caved, some of the levels were flooded with water and some of the tail ends of the levels were reported to have “bad” air. Hence it can be concluded that some of the earlier defined resources were inaccessible and not included in their resource statement. Their maps identify “possible” resources of tungsten trioxide as well as silver; however, no comment is made in their report about the potential of these resources.

Recommendations

The 1970 report by Western includes a proposed mine development program. They proposed a two phased program costing less than \$500k (in 1970 dollars), which would provide access to the resource blocks at a lead, zinc, silver ore mining rate of 350 tonnes per day and 100 tonnes per day tungsten.

The author of this report concurs with the proposed development program outlined by Western, however, it is recommended that the following first two recommendations be done first. These two recommendations are estimated to cost \$300,000 for the first and \$30,000 for the second.

- 1. Reserves and resources should be updated using current and long range metal prices. A diamond drill program should be considered to expand and increase confidence in the resources, 10 holes at 300 m /hole.**
- 2. The potential to mine the high grade and easily accessed resources should be considered, 3 months at \$10,000/mos.**
- 3. Additional metallurgical test work is required to reflect technological improvements in metallurgy since 1970.**

- 4. A pre-feasibility study be prepared to determine possible future action.**
- 5. Exploration diamond drilling should be carried out to test all of the other veins on the claims. Prominent veins of quartz up to 50 feet width are visible on aerial photos on ground that was never covered by claims.**
- 6. The veins at higher elevations may contain tin and copper.**
- 7. There is an opportunity to explore for tungsten and molybdenum at depth.**
- 8. The un-named high grade zinc vein, which was intersected by AMAX diamond drilling, should be further explored by further drilling.**
- 9. Easy exploration targets on the east side of Clabon Creek to follow the 8 East vein down dip and along strike. The short drill hole by AMAX northwest of the adit may not have been long enough to intersect the 8 east vein.**
- 10. Map veins and structures to delineate more targets.**

Risks and Opportunities

Risks

- Separation of the complex mineralogy may not be practical at a small concentrator. Work by Henry Howard, consulting metallurgist, confirms easy separation of lead, zinc and silver, whereas separation of copper and tin from the lead, zinc and silver ores may be difficult**
- A concentrator near the mine site may not be environmentally accepted**

Opportunities

- Good exploration potential**

- **Much of the development work has been done – quick access to ore is possible**
- **Early mining of tungsten**
- **A water powered generating plant in the steep creek bed may be possible near the mine site**
- **Paved road and mainline railway are within 7 kilometres of the mine site**
- **Defined reserves of at least 200,000 tonnes of lead, zinc and silver ore and a tungsten resource of 20,000 tonnes are available**
- **Gravity concentration of the ores may be possible**
- **Current metal prices have never been better**
- **Technological improvements in metallurgical recoveries since the 1970 studies may be applicable**

Location, Access and Topography

The Clabon property is located near the headwaters of Clabon Creek, 30 km, as the crow flies, northeast of Revelstoke, B. C. at 51° 12' N latitude and 117° 54' W longitude, see Figure 1, 2 & 3. The property is accessed by helicopter and via a 10 km logging road north off the Trans Canada Highway immediately east of the Woolsey Creek bridge however the bridge over Clabon Creek has been removed. The logging roads are generally in good condition when dry.

Revelstoke is a city with a population of approximately 8,000 people. The city has an airport with daily service to Vancouver, as well as bus service along the Trans-Canada Highway to the east and west.

Property elevations range from approximately 1,250m to 2,400m. The main showings on the claims cover a steep easterly facing slope west of Clabon Creek. The tree line is at

1,900m and vegetation below 1,600 m consists of mature cedar and fir stands. Avalanche chutes are covered with alders. Bedrock is continuous only at higher elevations.

The average estimated snowfall in the winter is 650 cm.

The property is located within a 15 km wide corridor between Mt. Revelstoke National Park to the west and Glacier National Park to the east. The area has a long history of mining so environmental permitting is not considered a problem.

Claims

The Clabon Creek property consists of seven claim groups as shown in Table 2 and Figure 4.

Table 2 Claim Data

Tenure #	Claim Name	Owner	Good to Date	Area Hectares	Units
528414		107714	November 15, 2007	162	8
515911	Clabon 1	107714	November 15, 2007	405	20
531317		107714	November 15, 2007	466	23
544654		107714	November 15, 2007	425	21
552293		107714	February 19, 2008	304	15
553907		107714	March 8, 2008	182	9
553898		107714	March 8, 2008	486	24
Total				2430	120

The claims are held by 107714, Stan A. Endersby.

Prior Exploration

Fourteen underground levels have been developed on six sub-parallel mineralized quartz veins.

Exploration history of the property is as follows:

- 1915-20** **Underground development on levels 3 and 5 with minor hand-cobbed production**
- 1925-30** **Development completed on 3, 5, 8, 9 and 10 levels
Stannite ($\text{Cu}_2\text{FeSnS}_4$) found**
- 1939-44** **A 25 t/d underground tungsten concentrator was constructed in 1939, which was removed in 1940 and replaced with a 75-100 t/d pilot mill. In 1944 metallurgical testing was performed.**
- 1949-54** **Minor development performed. A small shipment of tungsten ore was shipped to Trail, B.C. in 1950. In 1952 a 50 t/d concentrator was constructed and in 1953 2,800 tons of tungsten and 2,400 tons of Ag-Pb-Zn ore were milled.**
- 1967-70** **2,450 m of underground development done and a feasibility study carried out.**

From 1915 to 1980 a total of 5,530m of drifting and cross cuts and 1,270m of raises have been developed on fourteen levels. No work was done on the property from 1970 to 1980.

In 1980 all of the accessible veins on the property greater than 0.3m in width were mapped and assay samples were taken on all visible mineralized veins. Two holes were drilled totalling 554m. One of the holes reported a 0.3m vein assaying 18% Zn below the Clabon Creek bed. Very little work has been reported on the property since 1981.

Regional Geology

The property lies within and towards the northern extremity of the Kootenay Arc, a 30km wide arcuate belt of Lower Palaeozoic strata which extends 300 km northward from the United States border to the vicinity of Big Bend on the Columbia River. The Kootenay Arc is well known for its rich and remarkable diverse mineral deposits.

Property Geology

The property is underlain by three units, all members of the Lardeau Group of Cambrian to Devonian age, dipping steeply to moderately to the northeast. Dips generally flatten at lower elevation exposures, from -60° on the ridge-tops to -30° in Clabon Creek valley. The central part of the property covering the area of economic interest is underlain entirely by black, fissile graphitic shales.

Structural Features

As indicated by flattening of dips at lower elevations, the property is located on the southwest flank of a northwest trending syncline. Major faulting is not evident on the surface;

however, several faults have been mapped underground. The largest, in the east-west striking fault, was mapped on all levels displacing the veins up to 30m.

Veins

Approximately twenty-four sub-parallel quartz veins greater than 0.3m wide have been mapped on the property over an area of 3.5 square kilometres. Underground development has explored six of the larger veins on both sides of Clabon Creek. Exploration to date has defined economic mineralization on veins 5 and 5a. The six main veins range up to five metres wide, averaging 1.5m wide and extending for a distance of 2.4km. Over this distance they pinch, swell and splay. These veins are composed mainly of quartz with accessory pyrite, galena, sphalerite, local scheelite, stannite, chalco-pyrite and possibly tetrahedrite.

Western reported that silver, lead and zinc were the only metals of economic significance in the veins, however Cu, Sn and W are locally present. Metal zoning is best developed in the No. 5 vein where Cu and Sn occur at the highest elevations while W appears to be more common in the lower 8 – 10 levels.

Based on the exposures of the veins the following comments are made by AMAX:

Vein 1 - This approximate 2m wide vein is essentially barren with minor pyrite, galena and sphalerite. One surface pit has been opened on the east side of Clabon Creek and one on the west.

Veins 2 & 3 - Approximately one metre wide and barren of sulphides. Number three is intersected by the ten level cross-cut.

Vein 4 - Number four vein located 150m below vein three contains minor galena, sphalerite and scheelite. The vein has been intersected on levels 10, 9, 5 and 4. The vein in the upper levels contains no economic mineralization. At depth in the 8 and 10 levels, minor Pb-Zn-Ag mineralization occurs.

Vein 5 - Located approximately stratigraphically below the number 4 vein. It carries most of the sulphide mineralization and all existing ore resources. The vein is continuous for 600m between 1 and 10 levels. The width of number 5 vein varies significantly; the maximum width being 4-6m.

Vein 5a - This 0.2-1.5m wide vein is located 10m below the number 5 vein and is exposed in the 1, 2, 3, 4 and 5 underground levels and appears to join the number 5 vein between levels 5 and 6. The higher levels of this vein contain high Sn and moderate Ag-Pb-Zn values. This vein is open to the west.

Vein 6 – Vein 6 is the 2nd largest vein on the property, exposed in levels 2, 5, 8, 9 and 10, the sulphide pods are small and discontinuous.

An unnamed vein, intersected by diamond drilling a vertical hole from Clabon Creek bed, intersected a 0.3m wide vein at 63m depth assaying 18.1% Zn.

Resources

- 1. The 1980 program by AMAX confirmed the major veins in all accessible underground workings. Levels 10, 9, 8, 5, 4, 3, 2, and 1 were channel sampled to delineate and to recalculate ore resources. Surface exposures of veins**

were also sampled by representative channels or grab samples. In instances where barren argillite was encountered within the vein, it was included in the sample if it was less than 0.3m wide. Anything larger was picked out and not included in the assay.

2. Calculated reserves are based on weighted average assays and widths for all samples taken within each ore shoot.
3. Calculated average grade and tonnage values are in the following Table 3:

Table 3 AMAX Reserves

Ore Shoot	Average Grade			Width (m)	Area (m ²)	Volume (m ³)	Density (gm/cc)	Tonnes
	Pb%	Zn%	Ag gm/tonne					
8E	2.08	0.86	45.3	2.0	8,600	17,200	2.96 *	50,850
Snowflake	3.28	0.92	116.2	1.5	10,500	15,750	2.96	46,620
1-2 level	2.07	0.96	75.8	1.6	7,550	12,100	2.96	35,750
5 level	2.97	1.11	113.8	2.6	7,050	18,300	2.96	54,200
10level	2.04	0.48	76.8	2.3	1,950	4,500	2.96	13,300
Totals	2.58	0.93	87.8					200,720

** Density was calculated from mineral densities in Dana's Mineralogy assuming an average vein composition within each ore shoot of 90% quartz, 3.5% galena, 1.5% sphalerite and 5% pyrite*

The following tables show the 1970 data:

Table 4 1970 Western Reserves reported by AMAX

Ore Shoot	Average Grade			Tonnes
	Pb%	Zn%	Ag gm/tonne	
8E	2.84	1.25	58	118,856
Snowflake				0
1-2 level	2.75	1.58	99.5	110,051
5 level	3.63	1.75	135	113,772
10level	3.06	2.47	250	15,652
Totals	3.27	1.60	108	358,331

Copper and tin assay results were not included in the resource compilation by Western or AMAX as they considered the data to be “scant” and preliminary metallurgical results suggested difficulty in separation of the copper and tin.

The average resource value, in the ground, of the 1970 resource at \$12.00US/oz Ag, \$1.50US/lb Pb, \$1.30US/lb Zn and \$1.00Cdn \$/US \$ is:

• Lead: 3.27%	\$108.13/tonne
• Zinc: 1.60%	\$45.86/tonne
• Silver: 3.17oz/ton	\$41.93/tonne
	<hr/>
Total (358,000 tonnes)	\$195.92Cdn/tonne

Plus 19,000 tonnes containing 0.97% WO₃ currently priced at \$260US/metric tonne unit (\$11.80US/lb). This inplace block is today worth more than \$5Cdn million.

NOTE:

Tungsten prices and many tungsten statistics are quoted in units of tungsten trioxide (WO₃). The short ton unit ("STU"), used in the United States, is 1% of a short ton (20 pounds) and tungsten trioxide is 79.3% tungsten. Therefore, a short ton unit of WO₃ equals 20 pounds of WO₃ and contains 7.19 kilograms (15.86 pounds) of tungsten. The metric ton unit ("MTU"), used in most other countries, is 1% of a metric ton (10 kilograms). A metric ton unit of WO₃ contains 7.93 kilograms (17.48 pounds) of tungsten.

The AMAX 200,000 tonne resource is worth more than \$25million at \$12.00US/oz Ag, \$1.50US/lb Pb and \$1.30US/lb Zn and with an exchange rate of \$1.00Cdn/\$1.00US:

• Lead: 2.58%	\$85.31/tonne
• Zinc: 0.93%	\$26.65/tonne
• Silver: 2.58 oz/ton	\$34.12/tonne
	<hr/>
Total (excluding tungsten)	\$146.08Cdn/tonne

Exploration Potential

AMAX reported that there is limited exploration potential on the property to extend established “ore” shoots and to discover additional shoots. It was emphasized that additional potential is limited to a maximum of perhaps one to two times the established reserves since the veins dip steeply into the mountain and become inaccessible to drilling within a short distance down-dip. Western, however, reported that three of the veins exposed underground have received little exploration or development. They report that all the veins which are exposed underground are open at depth and along strike. In addition they reported that there are 14 sub parallel veins with surface exposures which are unexplored.

AMAX reported the following areas on the property with potential for additional reserves;

- 1. On the number 5 vein, ore shoots on levels 10W and 8E are both open at depth. On both shoots there is sufficient room to double existing reserves.**
- 2. The 5A vein west of the Snowflake workings is essentially untested, but is known to be well mineralized at exploration pits on the Snowflake B and C claims. The possibility exists for another ore shoot in this area similar in size to that on the Snowflake Level.**
- 3. The mineralized vein intersected at 63m in RS-80-2 (18% Zn over 0.3 m) suggests the presence of an ore shoot in this vein beneath Clabon Creek.**
- 4. On the basis of more-or-less regular spacing of ore shoots in the number 5 vein west of Clabon Creek, there is sufficient room for one to three additional shoots on this vein between the 10N and 8E adits on the east side of Clabon Creek.**

References

- 1. February, 1980 Regal Silver Property Report by AMAX of Canada Ltd.**
- 2. May, 1970 Exploratory and Feasibility Report on the Albert Canyon Mining Property for Stannex Minerals Ltd. by Western Resources Consultants Ltd.**
- 3. September, 1982 Geological Report on Albert Canyon Mining Property by E. O. Chisholm for Stannex Minerals Ltd.**
- 4. February, 1989 Geological and Geochemical Report on the Regal Silver Property by A&M Exploration Ltd. for Alber Resources Ltd.**

Affidavit of Expenditures**Wages and labour**

Eric Ascroft 2 days @ \$200/day	\$400.00
Peter Theyer 4 days @\$ 500/day	\$2,000.00
Gary Allen 5 days @ 500/day	<u>\$2,500.00</u>
Total	\$4,900.00

Travel

Vehicle rental 4 days @ \$50/day	\$200.00
Helicopter	\$2,149.68
Accommodation & meals	\$492.82
Gas	<u>\$826.58</u>
Total	\$3,669.08

Miscellaneous	\$29.50
Grand total	\$8,598.58

Certification

I Gary M. Allen, do hereby certify that:

- 1. I am a practising Professional Mining Engineer in Manitoba and Ontario with office at 5 Ursa Court, Sudbury, Ontario P3E6B8**
- 2. I am a graduate of the South Dakota School of Mines and Technology, B.Sc. (1968) and M. Sc. (1970)**
- 3. I have practiced mining engineering and mining exploration for more than 30 years.**
- 4. I have not personally visited the Clabon claims however I have visited and supervised exploration work on adjacent claims.**
- 5. I have an interest in the claims.**

Gary M. Allen, P Eng., October 30, 2007

G. Allen Oct 30/07

Chart # 100416

Figure 1

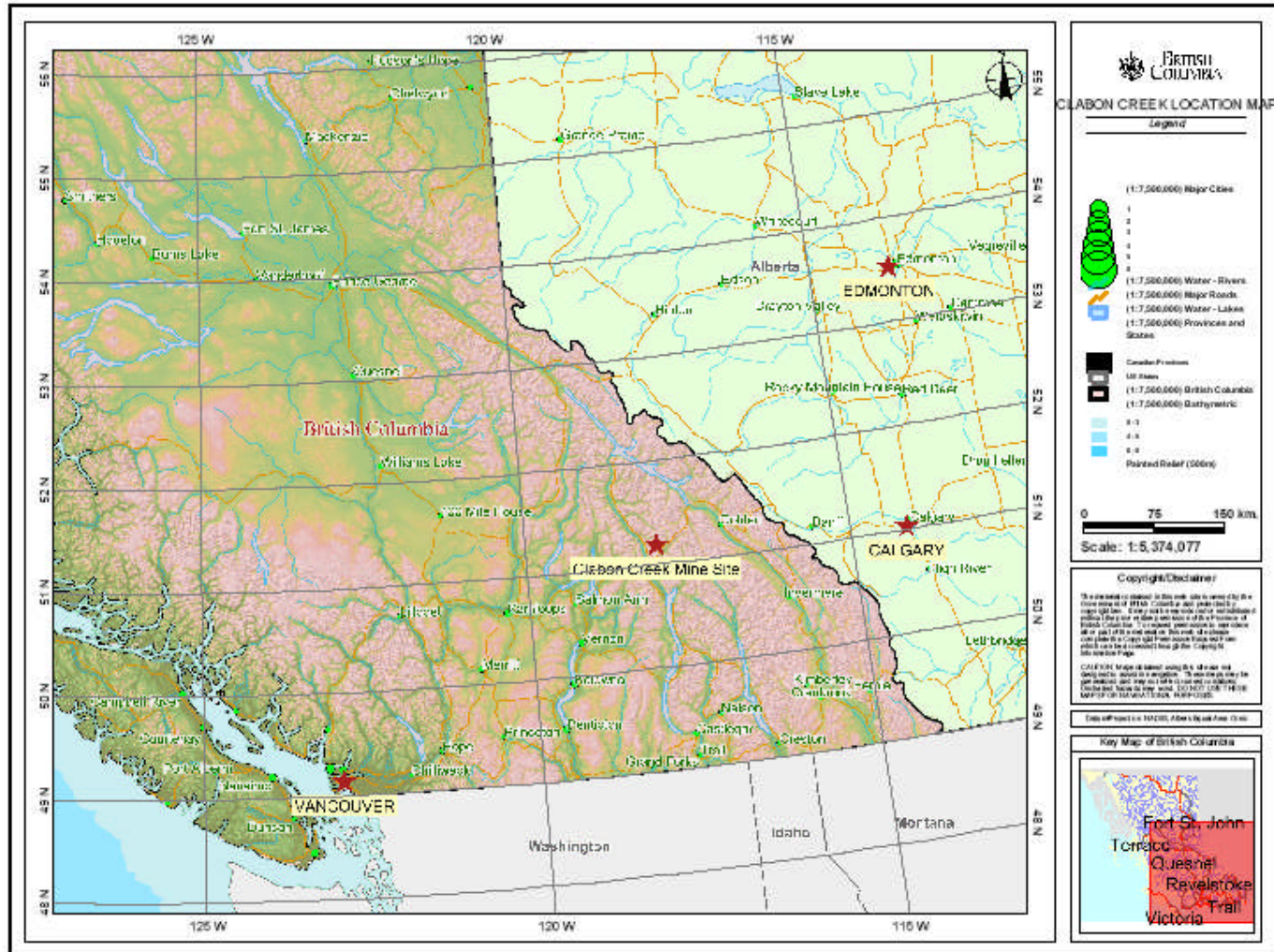


Figure 3

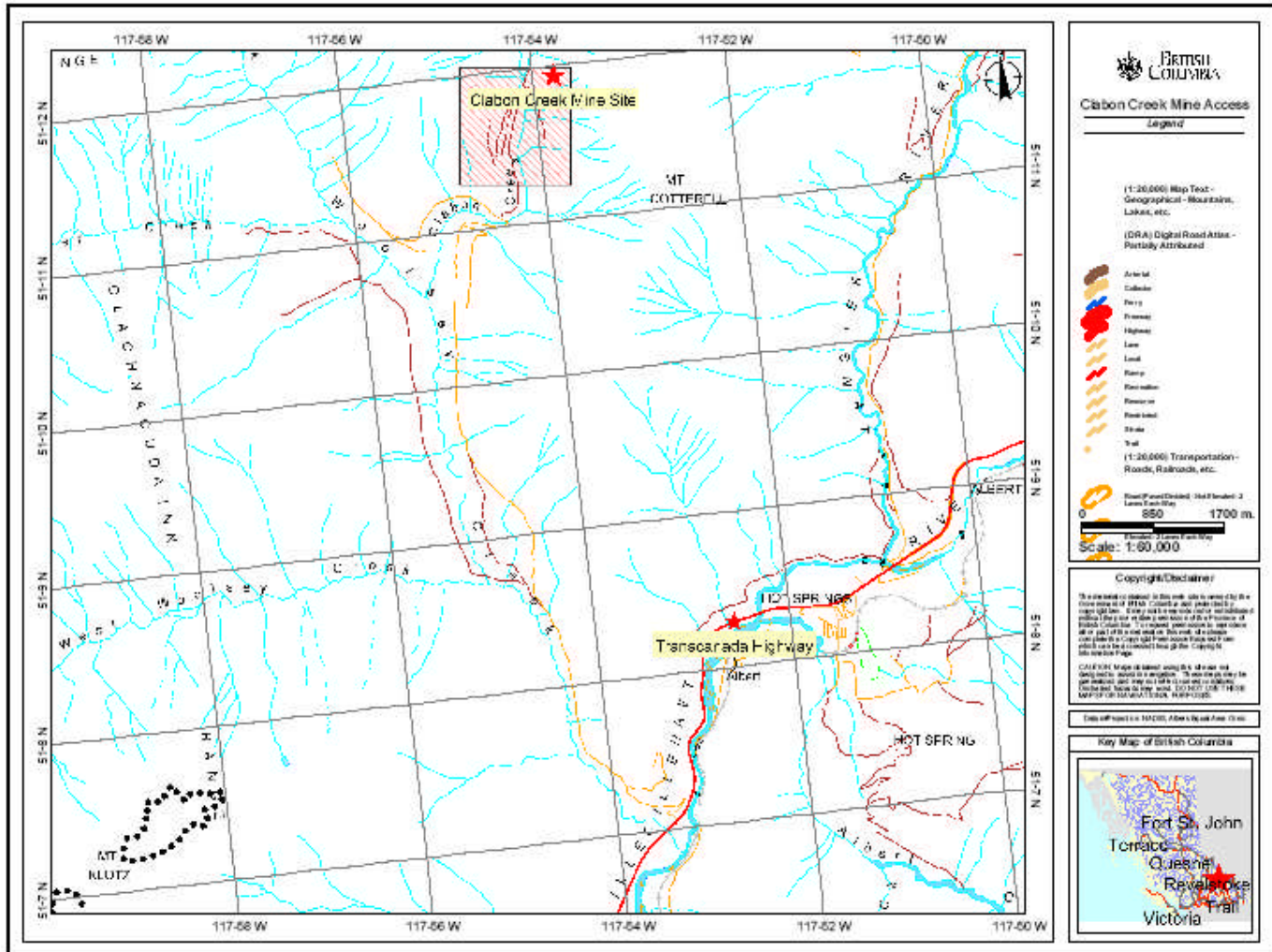


Figure 4

