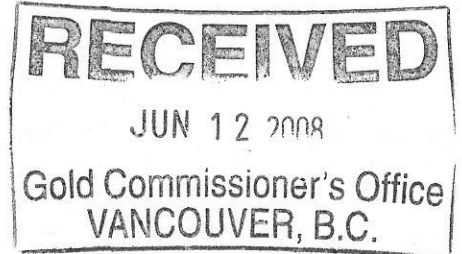


**GEOLOGICAL
TECHNICAL ASSESSMENT REPORT**

on the

MT. WASHINGTON PROPERTY

NANAIMO MINING DIVISION



N.T.S.: 92F/1, 92F/14

U.T.M. (N.A.D. 83) 335000 E.; 5515000 N.; Zone 10

DATE STARTED: JANUARY 15, 2007

DATE COMPLETED: APRIL 30, 2007

**GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT**

30,010

OWNER/OPERATOR: BLUEROCK RESOURCES LTD.

**AUTHORS: JACQUES HOULE, P.ENG.
PAUL D. GRAY, P.GEO.**

SUBMITTED: VANCOUVER, BC

DATE: JUNE 12, 2008

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1.0 SUMMARY AND INTRODUCTION

This report summarizes and presents the results of a Bluerock Resources Ltd. commissioned, Technical Summary Report, prepared by Jacques Houle, P.Eng., on the Mt. Washington Property, an advanced gold-silver-copper exploration property located on east-central Vancouver Island, British Columbia. The Mt. Washington Claim Group is owned 100% by Bluerock Resources Ltd. and is comprised of 22 legacy 2-post mineral claims, eight MTO mineral claims, and four crown granted mineral claims, totaling over 3,300 hectares, all within the Nanaimo Mining Division.

This Assessment Report is based *entirely* upon the work conducted by Jacques Houle, P.Eng., within his “Technical Summary Report on the Mt. Washington Property”, a N.I. compliant 43-101 Technical Report commissioned by Bluerock Resources Ltd. in January of 2007. The Houle Report was completed on April 30, 2007 and resulted in a complete re-cataloguing and compilation of all known geological and related information on the Mt. Washington Project. This Assessment Report presents a reproduction of the Houle Report, and therefore borrows heavily (verbatim in sections) from the 2007 Summary Report on the Mount Washington Property. The Houle Report represents a never before available complete historic compilation of the entire Mt. Washington Project geological database and a valuable compendium for all future exploration work on the Mt. Washington Property and region, both for Bluerock Resources and for the Province of British Columbia.

The geology underlying the Mt. Washington Property consists of Triassic Karmutsen mafic volcanics, Cretaceous Nanaimo Group sediments, and Tertiary Mt. Washington Intrusive Suite quartz diorite and quartz feldspar porphyry dikes and sill, and pyroclastic dacitic flows. The property hosts at least two known styles of metallic mineralization as follows:

- Gold-silver-copper bearing, shallowly-dipping quartz-sulphide veins such as the Domineer-Lakeview-Mt. Washington Copper zones (BC MINFILE’s 092F116 , - 117), interpreted as Tertiary in age;

- Copper-molybdenum-gold-silver bearing, steeply dipping silicified breccias such as the Washington, Murray, Quarry, Glacier, Oyster and Murex (MINFILE 092F206) breccias, also interpreted as Tertiary in age.

The Domineer-Lakeview-Mt. Washington Copper zones have been partially mined in two open pits, and have been explored by extensive surface diamond drilling, trenching and two underground adits from 1940 to the present by different companies. From 1964 to 1967, 381,773 tonnes were mined by the Mt. Washington Copper Co. Ltd., yielding 131 kg. gold, 7,235 kg. silver and 3,548 t. copper, grading 0.34 g/t gold, 19 g/t silver and 0.93% copper. Historical mineral resource estimates (pre-NI43-101) are as follows:

- Domineer-Lakeview Zones – 550,298 tonnes @ 6.75 g/t gold, 32.23 g/t silver and 0.57% copper (Better Resources Ltd., 1989)
- Mt. Washington Pit Area – 305,720 tonnes @ 1.07% copper, and undocumented gold and silver contents (W.G. Stephenson, 1970)

2.0 LOCATION, TOPOGRAPHY, CLIMATE AND ACCESS

The following section is taken directly from Houle, 2007.

The Mt. Washington Property is located approximately 25 kilometres due west of the city of Courtenay, British Columbia, in east-central Vancouver Island at latitude 49° 45' N. and longitude 125° 15' W (See Figures 2-1 and 2-2). The property covers approximately 3,400 hectares and is comprised of 22 legacy 2-post mineral claims, eight cell mineral claims, and four crown granted mineral claims (undersurface rights only). The mineral claims are located on NTS maps sheets 092F/11 or 092F/14 in the Nanaimo Mining Division (See Figure 2-3). The crown granted mineral claims are located in the Comox Land District. All the claims and crown grants are held 100% by Bluerock Resources Ltd. There is considerable internal overlap between the different tenures held by the Company, and others.

The Mt. Washington Property is situated along the eastern side of the insular mountains of Vancouver Island with elevations ranging from 550 metres in the east to 1,590 metres at the top of Mt. Washington. Topography ranges from steep mountains to poorly drained swamps, but is mostly covered by northeast draining creek valleys. Most of the property is covered by second growth mixed forest including active logging areas, except the areas above 1,100 metres which are mostly primary coniferous forest including minor sub-alpine areas above 1,400 metres. The climate is warm and dry in the summer and cool and wet in the winter, with snow accumulations of up to 5 metres above 1,000 metres elevation from November to June. This allows a snow-free field season of approximately 4 months from July to October for any field work, although site specific or underground work could continue throughout the year. Forest fire hazard due to severely dry conditions typically in August, may cause field work to be suspended.

Access to the Mt. Washington Property from the full service communities of Comox and Courtenay is via 4-lane Highway 19 north from the Comox Valley Parkway for 12 kilometres to the paved 2-lane Strathcona Parkway, and west for 10 kilometres to the beginning of the Tsolum Main logging road. At this point just east of the east end of the

Property, both the Parkway and the Tsolum Main, proceeding west and northwest respectively, and ultimately meeting, providing excellent access to most of the property, as well as the Mt. Washington Alpine Resort, where lodging and basic supplies are readily available during the summer and fall. Comox has both an international airport and a small hospital. Campbell River, 40 kilometres north of Mt. Washington, is the mining service hub of Vancouver Island. Travel time from either Comox or Campbell River to the property is 45 minutes.

The nearby Mt. Washington Alpine Resort and condominium complex is connected to the provincial hydroelectric grid. The property has several small lakes, the largest being McKay Lake and Pyrrhotite Lake (See Figure 2-4 for general layout and area MINFILE locations).



BLUEROCK RESOURCES LTD.

Mt. Washington Assessment Report 2007

TITLE

Mt. Washington - Property Location

		FILENAME: MWBCLOC.CDR	PROJECT NUMBER	DRAWING NUMBER 2-1	
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BLUEROCK RESOURCES LTD.
Mt. Washington Assessment Report 2007

TITLE

Mt. Washington - Property Location

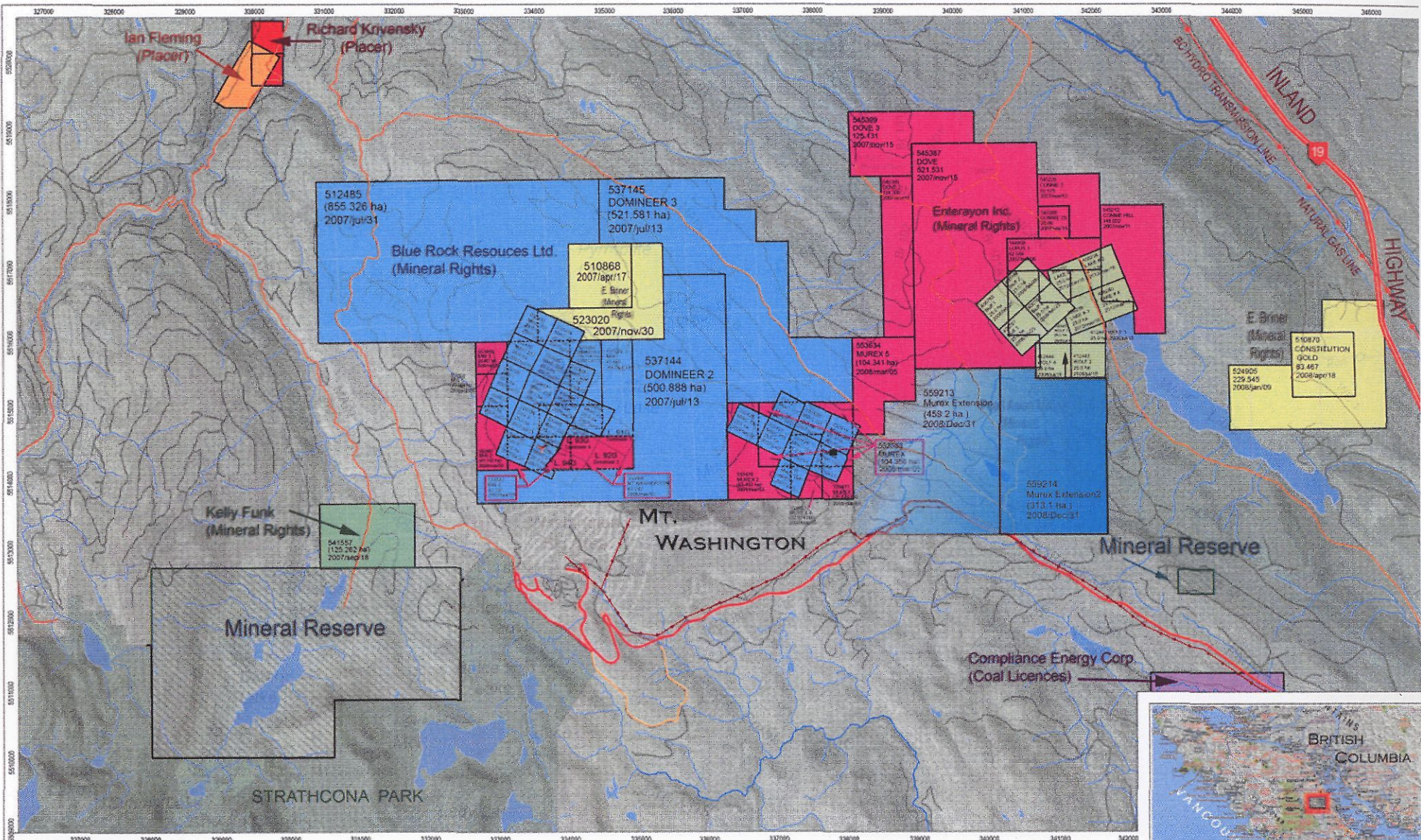
FILENAME:

MWBCLOC2.CDR

PROJECT NUMBER

DRAWING NUMBER

2-2



**MT. WASHINGTON
EXPLORATION CAMP**

Subsurface Mineral Rights

- BlueRock Resources Ltd.
- Enterayon Inc.
- E. Briner
- Pearl Asian Mining
- Kelly Funk

Road & Power Legend

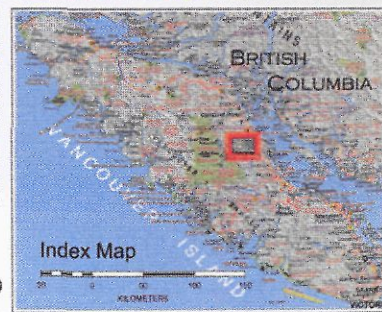
- Divided Freeway
- Highway
- Mainline Logging Road
- Secondary Logging Road
- Power Transmission Line

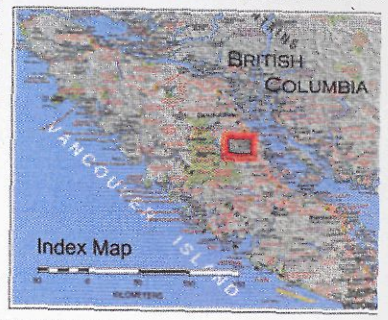
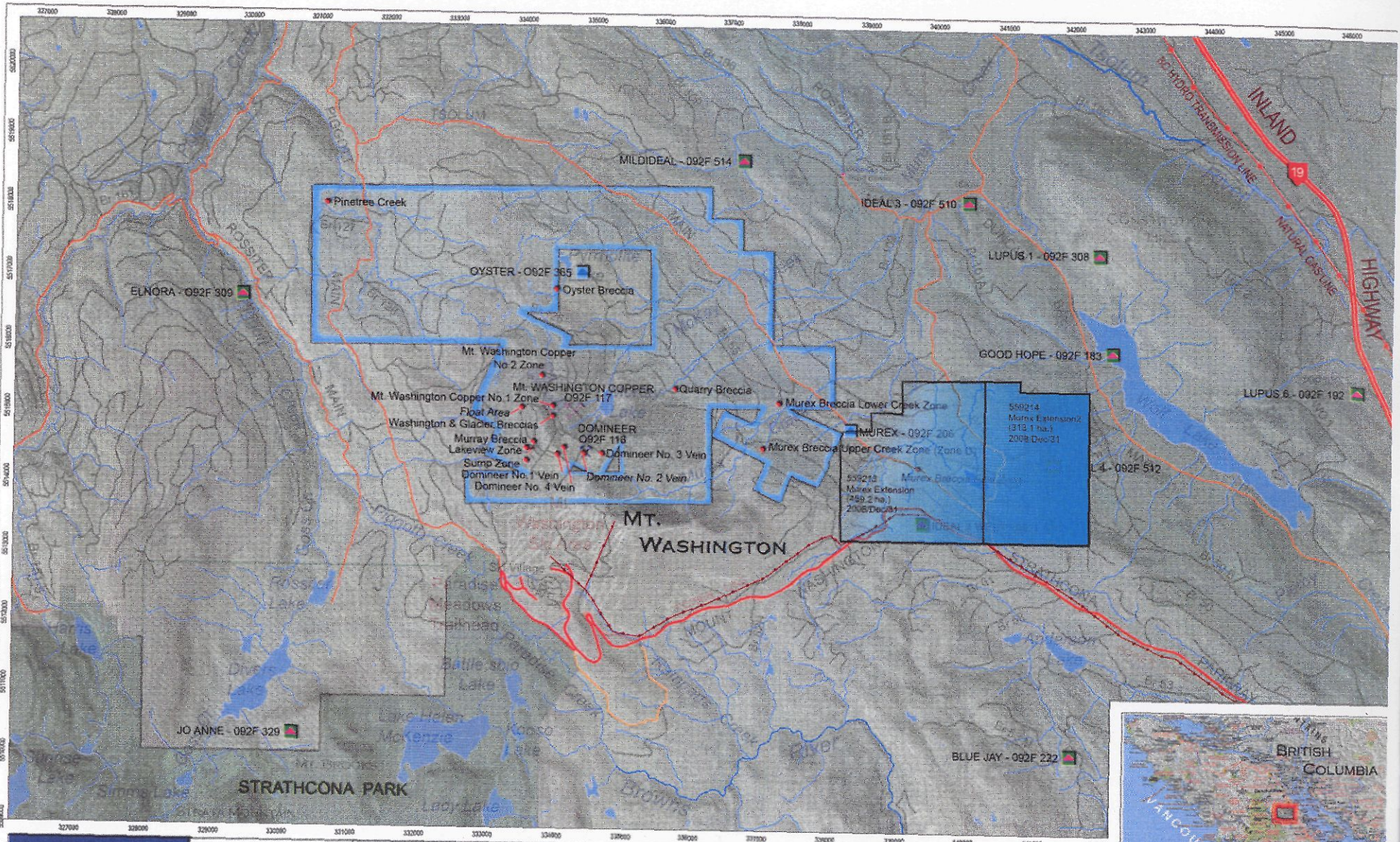
Figure: 2-3

Date: April 30, 2007
 Data Source: BC Map Place
 Drawn by: Dan P. Berkshire
 Berkshire Geological Services Ltd.

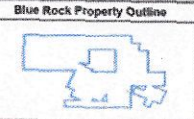


METRES
 Scale: 1:50,000





**MT. WASHINGTON
EXPLORATION CAMP**



"Significant Mineral Occurrences" identified in report & MinFile Locations

● Significant Occurrences

- Mineral Inventory Layers**
- MINFILE status
 - Producer
 - Past Producer
 - Developed Prospect
 - Prospect
 - Showing
 - All Others

Figure: 2-4

Date: April 30, 2007

Data Source: BC Map Place

Drawn by: Dan P. Berkshire
Berkshire Geological Services Ltd.



METRES

Scale: 1:50,000

3.0 CLAIM STATUS

The Mt. Washington Property is owned 100% by Bluerock Resources Ltd. and covers approximately 3,400 hectares. The Claim group is comprised of 22 legacy 2-post mineral claims, eight cell mineral claims, and four crown granted mineral claims (undersurface rights only), See Figure 2-3. The mineral claims are located on NTS maps sheets 092F/11 or 092F/14 in the Nanaimo Mining Division. The crown granted mineral claims are located in the Comox Land District. All the claims and crown grants are held 100% by Bluerock Resources Ltd. Table 3-1 presents the Mineral Claims Tenure Status of the Mt. Washington Property, and Table 3-2 the Crown Grants Status of the same.

Table 3-1: Mt. Washington Property Mineral Claims Tenure Status

Tenure Number	Tenure Type	Claim Name	Owner	Map Number	Good To Date	Status	Mining Division	Area
229726	Mineral Legacy	DJV 1	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
229727	Mineral Legacy	DJV 2	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
229728	Mineral Legacy	DJV 3	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
229730	Mineral Legacy	DJV 5	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232419	Mineral Legacy	MWC 101	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232420	Mineral Legacy	MWC 102	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232425	Mineral Legacy	MWC 115	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232426	Mineral Legacy	MWC 116	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232427	Mineral Legacy	MWC 117	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232428	Mineral Legacy	MWC 151	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232429	Mineral Legacy	MWC 152	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232430	Mineral Legacy	MWC 153	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232433	Mineral Legacy	MWC 201	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232434	Mineral Legacy	MWC 202	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232435	Mineral Legacy	MWC 203	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232436	Mineral Legacy	MWC 204	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232437	Mineral Legacy	MWC 206	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232439	Mineral Legacy	MWC 212	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232446	Mineral Legacy	MWC 222 FR	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232455	Mineral Legacy	MWC 231	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232456	Mineral Legacy	MWC 232	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
232458	Mineral Legacy	MWC 234	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	25
512485	Mineral Cell		102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	855.326
537029	Mineral Cell	MW	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	62.607
537054	Mineral Cell	DOMINEER 1	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	41.736
537144	Mineral Cell	DOMINEER 2	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	500.888
537145	Mineral Cell	DOMINEER 3	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	521.581

537343	Mineral Cell	MW2	102278 (100%)	092F	2010/jun/30*	GOOD	NANAIMO	41.741
559213	Mineral	MUREX EXTENSION	102278 (100%)	092F	2008/dec/31	GOOD	NANAIMO	459.2
559214	Mineral	MUREX EXTENSION2	102278 (100%)	092F	2008/dec/31	GOOD	NANAIMO	313.1
TOTALS								3,346.1498

**The expiry date is based on the acceptance of this report for assessment work credits.*

Table 3-2: Mt. Washington Property Crown Grant Status

Lot Number	Tenure Type	Claim Name	Owner	SID No.	Status	Land District	Area
91G	Gold and Silver	Domineer No.1	Bluerock Res.Ltd.	403640	Active	Comox	17.72
92G	Gold and Silver	Domineer No.3	Bluerock Res.Ltd.	403800	Active	Comox	15.67
93G	Gold and Silver	Domineer No.4	Bluerock Res.Ltd.	404000	Active	Comox	16.13
94G	Gold and Silver	Domineer No.6	Bluerock Res.Ltd.	404260	Active	Comox	17.88
TOTALS							67.40

4.0 HISTORY

The following section is taken directly from Houle, 2007.

Panning for gold on the Oyster River, which drains an area including the western slopes of Mt. Washington, was a common occupation during the depression. Some individuals panned four dollars worth of gold per day (Carson, 1960). This work, presumably from the 1920's, is the earliest documentation of any metallic mineral exploration in the immediate area. H.C. Gunning of the G.S.C. identified and documented occurrences of gold, silver and copper in the Forbidden Plateau area, southwest of Mt. Washington (Gunning, 1930).

In 1940 J.M. MacKay discovered and staked several gold-silver-copper veins on the Central and West arms of Mt. Washington, including the No.1, No.2 and No.3 Veins on the Domineer mining claim group. An access trail, trenching, channel sampling, bulk sampling and metallurgical testing were completed in 1941. The most significant results were obtained from channel sampling of the 20° west-dipping No.1 (Main) Vein by geologist D.F. Kidd as follows:

13.8 g/t gold
232 g/t silver
0.945 m. average thickness
27.4 m. strike length

The metallurgical testing consisted of flotation and cyanidation of a 12 kg. composite sample of assay rejects from the Domineer mining claim group was completed by the Canadian Bureau of Mines, including six polished thin sections, at the request of D.F. Kidd. The sample head grade assayed as follows:

8.23 g/t gold
216 g/t silver
5.48 % arsenic
1.74 % copper
15.33% iron
13.88% sulphur
0.45 % zinc
0.76 % lead

Mineralogical work identified pyrite, arsenopyrite, chalcopyrite, tetrahedrite and covellite in order of decreasing abundance in the sample. No native gold or silver were seen. Metallurgical test work suggested that the material was refractory, and that the gold was not amenable to gravity, cyanidation or bulk flotation. Five different tests were conducted, all showing high reagent consumptions and tailings assays, and poor metal recoveries, in part due to the oxidized nature of the sample. Results indicate that a method of selective flotation offered the best possibilities for treating the Domineer ore.

In 1944, the Domineer mining claim group was acquired by the Consolidated Mining and Smelting Co. of Canada Ltd. (Cominco), who completed geological mapping and additional trenching and sampling, along with several short adits during the period 1944-45. Cominco first identified and documented the presence of intrusive breccias on the west arm of Mt. Washington, and discovered the No.4, No.5, No.6 and No.7 Veins on the Domineer Group. Cominco located and sampled the No.8 Vein, which Kidd mapped as a possible northwest extension of the No.1 Vein, on the adjacent President Group to the west. They also recorded and assayed for base metals when present. Channel sampling results from six discontinuous trenched exposures on the 50⁰ east-dipping No.2 Vein yielded the highest gold grades of any veins sampled to date, as follows:

39.1 g/t gold
93.7 g/t silver
0.107 m. average thickness
122 m. strike length

In 1949, G.C. Murray staked the Murex Claim Group, located approximately 3 km. east of Mt. Washington, to cover north-south quartz stringers containing chalcopyrite, pyrite, pyrrhotite, and minor arsenopyrite and sphalerite exposed in outcrop along the bed of Murex Creek.

In 1951, the Domineer Group was acquired by Noranda Mines Ltd. (Noranda), who completed 13 exploration diamond drill holes in that year. The most significant intercepts were as follows:

- DDH No.2 yielded **41.7 m. @ 0.194% copper, including:**
 - **0.27 m. @ 7.2 g/t gold, 20.6 g/t silver, 0.10% copper and 6.4% zinc**
- DDH No.4 yielded **1.5 m. @ 6.21% copper, 68.6 g/t silver** (gold not recorded)
- DDH No.7 yielded **1.5 m. @ 4.11% copper, 34.3 g/t silver** (gold not recorded)

In 1956, the Mt. Washington Copper Co. Ltd. (Mt. Washington Copper) was formed by G.C. Murray, and an access road was completed to the West Arm of Mt. Washington, along with trenching in the Murex area. Also in 1956, A.C. Skerl, P.Eng. completed geological mapping in the Murex area, and identified an E-W striking fault breccia zone up to 6.1 m. thick containing lenses, seams and disseminations of pyrrhotite, chalcopyrite and pyrite hosted in mafic volcanics and tuffs. Five packsack exploration diamond drill holes were completed on a single section, for which no assays are recorded, but with mineralogical descriptions of massive sulphide intercepts as follows:

- Hole No.1 recovered **3.14 m. averaging 52% chalcopyrite**, 34% pyrrhotite, 13% pyrite over an intercept length of 4.57 m. from 0 m. to 4.57 m. at a 75⁰ core angle
- Hole No.5 recovered **1.83 m. containing 30% chalcopyrite**, 50% pyrrhotite over an intercept length of 2.13 m. from 2.13 m. to 4.26 m. at a 45⁰ core angle

In 1957, Noranda and Mt. Washington Copper began to jointly explore the Mt. Washington Property (Domineer and Murex areas). They completed an access road, 4 diamond drill holes, trenching, geological mapping, a self potential survey, and soil sampling in the Murex area. No logs are available for the diamond drill holes, but a drilling summary table shows the following averaged intercepts (only copper reported):

- Hole 57-1 yielded **22.9 m. @ 0.24% copper**
- Hole 57-2 yielded **18.9 m. @ 0.41% copper**
- Hole 57-3 yielded **25.6 m. @ 0.63% copper**
- Hole 57-4 yielded **50.3 m. @ 0.36% copper**

In 1958, Noranda resumed drilling in the area of the West Arm of Mt. Washington, and completed an electromagnetic survey, mechanized stripping, and 10 diamond drill holes in two clusters 40 metres apart starting 50 metres north of the Domineer No.1 Vein. No drill logs are available for these holes, but the drill hole collar locations and traces are plotted on old map copies. As a result of the work completed in 1958, a near-surface flat-lying vein or zone containing several veins was indicated. Its thickness varied from 2 to

4.5 metres and its grade averaged about 2% copper. It outcropped at surface in several places and occurred over an area of about 75 by 200 metres (Carson, 1960).

In 1960-61, Noranda again resumed drilling, and completed 57 vertical definition diamond drill holes at nominal 50' spacing in the West Arm area, plus 2 exploration diamond drill holes in the Murex area. The most significant intercepts from the West Arm area were as follows:

- DDH 60-9 yielded **13.0 m. @ 0.66% copper, including:**
 - **1.5 m. @ 3.3% copper, 0.86 g/t gold, 55 g/t silver**
- DDH P.S. 60-8 yielded 3.0 m. @ 0.72% copper, ending in mineralization
- DDH P.S. 60-9 yielded 3.1 m. @ 0.75% copper, including:
 - 1.6 m. @ 1.2% copper (gold silver not recorded) ending in mineralization
- DDH 61-MW-1 yielded 3.0 m. @ 1.6% copper, 0.17 g/t gold, 6.9 g/t silver
- **DDH 61-MW-2 yielded 1.9 m. @ 2.4% copper, 1.7 g/t gold, 27 g/t silver**
- DDH 61-MW-6 yielded 3.3 m. @ 1.8% copper, 0.17 g/t gold, 34 g/t silver
- DDH 61-MW-7 yielded 4.6 m. @ 1.0% copper, 0.34 g/t gold, 45 g/t silver
- DDH 61-MW-9 yielded 2.4 m. @ 1.7% copper, 0.17 g/t gold, 38 g/t silver
- DDH 61-MW-10 yielded 6.9 m. @ 1.0% copper, trace gold, 63 g/t silver, incl.:
 - **1.2 m. @ 2.8% copper**
- **DDH 61-MW-16 yielded 1.5 m. @ 2.9% copper**
- **DDH 61-MW-18 yielded 4.6 m. @ 2.1% copper, 0.34 g/t gold, 38 g/t silver**
- **DDH 61-MW-27 yielded 1.4 m. @ 2.9% copper, 0.17 g/t gold, 10 g/t silver**
- DDH 61-MW-28 yielded 2.2 m. @ 1.9% copper, 0.17 g/t gold, 27 g/t silver
- **DDH 61-MW-30 yielded 1.8 m. @ 2.9% copper, 1.0 g/t gold, 48 g/t silver**
- DDH 61-MW-31 yielded 2.9 m. @ 1.7% copper, 0.17 g/t gold, 17 g/t silver
- DDH 61-MW-35 yielded 2.3 m. @ 1.4% copper, 0.17 g/t gold, 21 g/t silver
- **DDH 61-MW-37 yielded 1.4 m. @ 3.5% copper, 3.8 g/t gold, 161 g/t silver**
- DDH 61-MW-39 yielded 1.7 m. @ 1.8% copper, 4.1 g/t gold, 26 g/t silver

In the Murex area, one of 2 diamond drill holes (DDH 61-M1) collared 120 metres apart oriented due north at -50° intersected mafic volcanics containing multiple zones of quartz-calcite fracture controlled and locally disseminated pyrite, pyrrhotite and chalcopyrite, with somewhat disappointing intercepts achieved as follows:

- 2.7 m. @ 0.14% copper from 23.2 m. to 25.9 m., and
- 1.4 m. @ 0.17% copper from 48.7 m. to 50.1 m., and
- 1.2 m. @ 0.50% copper from 68.1 m. to 69.3 m., and
- 1.8 m. @ 0.15% copper from 75.9 m. to 77.7 m.

No records exist of any assays other than for copper from the Murex holes. Also of note, in 1960 D.J.T. Carson completed and published his M.Sc. thesis at the University of British Columbia, which was titled "Geology of Mount Washington Vancouver Island British Columbia". Carson's thesis documented in detail the geological setting and mineralization in the Mt. Washington area, including many of the various breccias.

In 1961, Mt. Washington Copper and Noranda formed a new company, Qualicum Mines Limited, to develop the Mt. Washington Property, and engaged consulting engineers Hill, Starck & Associates Ltd. to undertake the mining geology and engineering. An agreement was reached with the Esquimalt and Nanaimo Railway Company Limited, owners of the base metals on the Mt. Washington Property, to mine and process ore. Development of the Mt. Washington Copper Mine was commenced, including installation of an all-season camp west of McKay Lake, and driving an exploration adit, which was completed in early 1962. The 2 m. x 2.5 m. adit was driven in a northerly direction along the strike of the mineralized zone for a distance of about 210 m, at an average elevation of 1315 m., and at an average gradient of +1.4%. The mineralization exposed in the ribs of the adit was mapped, and chip or channel sampled at 5' (1.52 m.) intervals, and assayed for copper, gold and silver. The initial (southern) portion of the adit yielded the following values:

160 m. length
2.07 m. average vertical thickness
2.03% copper
0.855 g/t gold
35.7 g/t silver

The thicknesses and grades confirmed the definition drilling results, and established the continuity of copper mineralization in the flat-lying vein structure through the southernmost of the two zones. The adit was stopped short of and not extended into the northernmost zone, and the northernmost 50 m. of the adit yielded much lower values of copper, silver and gold where chip or channel sampled. The southernmost zone was initially referred to as the Tunnel Block or the No.1 Zone, and the northernmost zone as the Noranda Block or the No.2 Zone. These were subsequently developed into the South Pit and North Pit, respectively. Pre-production mining commenced in the No. 1 Zone

(South Pit), from which 4,000 tonnes of low grade ore was mined, trucked to Comox and shipped to the Britannia concentrator, plus 800 tonnes of higher grade ore was mined, trucked and shipped to the Tacoma smelter. Recovery information from the ore shipments is not available.

In 1962, an additional 31 diamond drill holes and 35 percussion drill test holes, along with stripping and trenching were completed on the No.2 Zone (North Pit) by Hill, Starck & Associates. Total indicated ore reserves were estimated at 553,400 tonnes @ 1.40% copper, 0.51 g/t gold and 41 g/t silver, consisting of 217,700 tonnes @ 1.43% copper in the No.2 Zone (North Pit) and 335,700 tonnes @ 1.39% copper in the No.1 Zone (South Pit). Open pit ratios of ore to waste were estimated at 1:1 to 1:4. Inferred ore located between the two zones was estimated at 132,500 tonnes @ 0.65% copper. The mineral resource estimates reported at this time are not to current industry standards.

In 1963-64, Mt. Washington Copper reached an agreement to complete development and construction of the Mt. Washington Mine with Consolidated Woodgreen Mines Limited, subsequently renamed Cumberland Mining Ltd. The companies formed a subsidiary company, Mount Washington Milling Co. Ltd., to operate the Mt. Washington Mine and Mill. Woodgreen/Cumberland's 800-1000 ton per day flotation mill from the Motherlode Property near Greenwood, B.C., was dismantled, moved and erected 3.1 km. east of and 550 m. lower than the Mt. Washington mine site (7.2 km. by road). A tailings dam was constructed 2.3 km. east of and 180 m. below the mill site (2.4 km. by pipeline).

Contract mining and trucking was undertaken by Tymac Construction Company. By late 1964, 82,500 tonnes of ore had been mined and stockpiled at the mill site, and 122,000 tonnes of waste had been moved. Furukawa Mining Co. provided advance funding for startup of the mine and mill in exchange for the sale of the entire output of copper concentrate. The Mt. Washington mine was officially opened on December 5, 1964. It is significant to note that the mill was a single stage crushing, grinding and flotation plant with a design throughput of 750 TPD based on year round milling, and on seasonal mining from the open pit mine during the summer and fall.

In 1963, Cominco optioned the portion of the Mt. Washington Property below 4000' elevation (1219 m.), and in 1963-64 completed geological mapping, ground magnetics, and 22 diamond drill holes. Cominco's focused its exploration efforts on the bulk ore potential of the various breccias identified across the property, but only split and sampled selected portions of the core, analyzed samples routinely for copper only, and subsequently dropped the option on the property in early 1965. The following significant drill intercepts were achieved and reported by Cominco, and are listed by target area:

In 10 drill holes testing the Murex Breccia:

- Hole No. C-1 yielded:
 - **56.1 m. @ 0.25% copper** from 0 to 56.1 m., and,
 - **11.4 m. @ 0.19% copper** from 114.5 m. to 125.9 m.
- Hole No. C-2 yielded:
 - **37.3 m. @ 0.25% copper** from 33.5 m. to 70.8 m.
- Hole No. C-14 yielded:
 - **75.7 m. @ 0.28% copper** from 12.2 m. to 87.9 m.
- Hole No. C-16 yielded:
 - **5.6 m. @ 0.56% copper** from 11.1 m. to 16.7 and
 - **36.6 m. @ 0.29% copper** from 34.7 m. to 71.3 m.
- Hole No. C-18 yielded:
 - **19.5 m. @ 0.28% copper** from 48.9 m. to 68.4 m.
- Hole No. C-19 yielded:
 - **26.8 m. @ 0.29% copper** from 22.6 m. to 49.4 m., and
 - **7.5 m. @ 0.39% copper** from 64.0 m. to 71.5 m., and
 - **8.8 m. @ 0.26% copper** from 141.6 m. to 150.4 m., and
 - **1.8 m. @ 4.8% copper** from 195.8 m. to 197.6 m.

In 7 drill holes testing the Washington Breccia beneath, or on trend with the open pits:

- Hole No. C-5 yielded:
 - **6.4 m. @ 0.92% copper** from 17.4 m. to 23.8 m., and
 - **0.8 m. @ 0.88% copper** from 40.5 m. to 41.3 m.
- Hole No. C-6 yielded:
 - **2.4 m. @ 0.80% copper** from 15.2 m. to 17.6 m.
- Hole No. C-7 yielded:
 - **4.1 m. @ 1.51% copper** from 7.8 m. to 11.9 m., and
 - **11.9 m. @ 0.34% copper** from 103.6 m. to 115.5 m.
- Hole No. C-9 yielded:
 - **26.5 m. @ 0.40% copper** from 3.4 m. to 29.9 m.
- Hole No. C-10 yielded:
 - **1.8 m. @ 1.1% copper** from 35.1 m. to 36.9 m., and

- **7.3 m. @ 0.43% copper** from 149.1 m. to 156.4 m.

In 2 drill holes testing the Murray Breccia southwest of the open pits:

- Hole C-15 yielded:
 - **31.7 m. @ 0.27% copper, 0.26 g/t gold & 6.7 g/t silver** (61.0m.-92.7m.)

In 3 drill holes testing outcropping mineralization discovered during road construction northeast of the open pits, no significant drill intercepts were achieved.

In 1965, the Mount Washington Milling Co. mined 219,700 tonnes of ore, milled 170,100 tonnes of ore, stockpiled 49,600 tonnes of ore, and produced 8,100 tonnes of concentrate containing 1,704,300 kilograms of copper, 59,300 grams of gold and 3,723,000 grams of silver. In addition, 542,200 tonnes of waste and overburden was removed. The open pit operated from May 16th to December 10th, and the mill operated all year.

In 1966, the Mount Washington Milling Co. mined 156,100 tonnes of ore, milled 162,800 tonnes of ore, and produced 7,700 tonnes of concentrate containing 1,481,400 kilograms of copper, 67,900 grams of gold and 3,423,800 grams of silver. In addition, 273,200 tonnes of waste and overburden was removed. The open pit operated from the beginning of June to the end of November, and the mill operated all year.

In 1967, the Mount Washington Milling Co. milled 9,700 tonnes of stockpiled ore, and produced 1,400 tonnes of concentrate containing 257,500 kilograms of copper, 14,300 grams of gold and 552,700 grams of silver. At the end of March, the mill ceased operation and on April 3, 1967 the company was placed in receivership and all operations closed. The parent company maintained ownership of the property.

Over its 2.25 year mine life, the Mt. Washington mill processed 342,600 tonnes of ore averaging 1.005% copper, 0.413 g/t gold, and 22.5 g/t silver, generating 17,200 tonnes of concentrate containing 3,443,200 kilograms of copper, 141,500 grams of gold and 7,699,500 grams of silver. This data is from the Minister of Mines Annual Reports, and there exists conflicting data quoted elsewhere. Although mill recovery information is not

available, calculated recoveries compared to the total indicated resources are estimated at 71% for copper, 81% for gold, and 55% for silver. The calculated tonnage and grades of the tailings dam are therefore estimated at 325,400 tonnes @ 0.41% copper, 0.10 g/t gold and 18 g/t silver, but is not a resource estimate to current industry standards.

In 1966-68, the Mt. Washington Copper Co. Ltd. and Qualicum Mines Ltd. engaged consulting engineer W.G. Stephenson, P.Eng. to undertake exploration work targeting primarily porphyry copper style mineralization on the Mt. Washington property. In 1966, Stephenson completed a reconnaissance soil geochemistry survey along selected roads between Wolf Lake and McKay Lake, and analyzed several hundred samples for zinc, with poor results. In 1967, Stephenson completed geological mapping, grid-based soil geochemistry, and initiated a few widely spaced lines of ground magnetic and induced polarization (I.P.) surveys in the Murex area surrounding the mill site. Approximately two hundred samples were analyzed for copper, showing a broad area of 1.6 km. by 1 km. with elevated copper values in soils, exceeding 280 ppm, the anomalous threshold as determined by J.S. Scott, P.Eng. The geophysics delineated a co-incident magnetic high and chargeability high over an area of 1100 metres by 700 metres, co-incident with the northern portion of the soil anomaly. The magnetic survey was supervised by D.W. Smellie, P.Eng. and the I.P. survey was supervised and interpreted by D.B. Sutherland, M.A. and R.A. Bell, PhD. of McPhar Geophysics Limited, who conducted the I.P. survey.

In 1968, the Mt. Washington property was optioned by Marietta Resources Ltd. (Marietta) from the Mt. Washington Copper Co. Ltd. Marietta engaged consulting engineer W.G. Stephenson, P.Eng. to continue exploring the property for porphyry copper style mineralization. In 1968, Stephenson initiated additional I.P.-resistivity survey lines and an airborne magnetic survey was conducted over much of the Mt. Washington property. The geophysics delineated three large magnetic highs along an E-W trend across the property, flanked by chargeability highs and resistivity lows from which 4 significant targets were established, named Zones A-D. The best target, Zone A, was delineated over a length of 4 km. and a width of 750 metres. C. Elliot, Mining

Geophysical Engineer, supervised and interpreted both surveys. The airborne survey was conducted by Canadian Aero Mineral Surveys Limited.

In 1968-69 on behalf of Marietta, W.G. Stephenson obtained, re-logged and selectively sampled diamond drill core from Cominco's 1963-64 drilling programs, specifically for drill holes C-1 to C-4, C7 to C-10, C13 to C16 and C18 to C21. All sampled drill core was analyzed for copper, molybdenum, gold and silver. The following intercepts were obtained from essentially previously un-sampled core intervals from Cominco holes:

- Hole No.C-2 from the Murex Breccia which yielded:
 - **13.6 m. @ 0.15% copper, 0.06% molybdenum** from 78.2 m. to 91.8 m., including:
 - **7.2 m. @ 0.17% copper, 0.10% molybdenum** from 83.0 m. to 90.2 m.
- Hole No.C-7 from the Washington Breccia beneath the North Pit which yielded:
 - **70.4 m. @ 0.16% copper, 0.006% molybdenum** from 33.2 m. to 70.4 m., including:
 - **24.3 m. @ 0.16% copper, 0.016% molybdenum** from 61.0 m. to 85.3 m.
- Hole No.C-9 from the Washington Breccia east of the North Pit which yielded:
 - **76.2 m. @ 0.25% copper, 0.03% molybdenum, 0.22 g/t gold and 2.2 g/t silver** from 0 m. to 76.2 m., including:
 - **42.7 m. @ 0.26% copper, 0.05% molybdenum, 0.20 g/t gold and 1.9 g/t silver** from 6.1 m. to 48.8 m.
- Hole No.C-10 from the Washington Breccia south of the South Pit which yielded:
 - **30.3 m. @ 0.17% copper and 2.0 g/t silver** from 4.5 m. to 34.7 m., and,
 - **43.6 m. @ 0.24% copper and 2.0 g/t silver** from 34.7 m. to 78.3 m., and,
 - **34.1 m. @ 0.28% copper, 0.006% molybdenum and 1.7 g/t silver** from 131.1 m. to 165.2 m.
- Hole No. C-15 from the Murray Breccia southwest of the South Pit which yielded:
 - **15.3 m. @ 0.24% copper** from 94.4 m. to 109.7 m.

In 1969, on behalf of Marietta, W.G. Stephenson completed 15 diamond drill holes on the Mt. Washington property, following up new surface targets, geophysical targets and Cominco's drilling targets. Most of the holes were split and sampled over their entire lengths, and the samples analyzed for copper, molybdenum, silver and gold. The following drill results were achieved by Marietta, listed by target area:

In four holes testing I.P. target Zone A in the Murex area, no significant intercepts achieved, the best being:

- Hole 69-1 yielded 3 m. @ 0.26% copper, 5 ppm molybdenum and 2 ppm silver from 115.8 m. to 119.8 m., but averaged approximately 350 ppm copper over its entire 141 m. logged as mainly Karmutsen volcanics with some intrusives
- Hole 69-3 yielded 3 m. @ 0.03% copper and 0.02% ppm molybdenum from 100.6 m. to 103.6 m., but averaged approximately 250 ppm copper and 15 ppm molybdenum from 40 m. to the bottom of the hole at 305 m., logged as entirely Karmutsen volcanics
- Hole 69-6 yielded 3 m. @ 0.20% copper and 2.2 ppm silver from 116 m. to 119 m., but averaged approximately 250 ppm copper over its entire 152 m. depth, logged as entirely Karmutsen volcanics

In one hole testing co-incident I.P. target Zone C and magnetic target Body B in the Murex area, no significant intercepts achieved, the best being:

- Hole 69-2 yielded 3.0 m. @ 0.24% copper, 0.003% molybdenum and 1.8 ppm silver from 128 m. to 131 m., but averaged approximately 450 ppm copper over its entire 155 m. depth, logged as entirely Karmutsen volcanics

In one hole testing co-incident I.P. target Zone B and magnetic target Body A in the Murex area, the following significant intercept was achieved:

- Hole 69-4 yielded **3 m. @ 0.40% copper**, 0.001% molybdenum and **5 ppm** silver from 122 m. to 125 m., in silicified and sulphidic Karmutsen volcanics

In one hole testing magnetic target Body A in the Murex area, no significant intercepts achieved, the best being:

- Hole 69-7 yielded 3 m. @ 0.05% copper, 0.03% molybdenum and 1.5 ppm silver from 54.9 m. to 57.9 m., and was logged as hornblende syenite over its entire 305 m. length

In three holes testing copper surface copper-molybdenum mineralization exposed in a road cut east of McKay Lake, the following significant intercept, and two non-significant intercepts achieved:

- Hole 69-13 yielded **27.4 m. @ 0.009% copper and 0.0375% molybdenum** in a mineralized breccia body (later named the Quarry Breccia), and minor intrusives
- Hole 69-8 yielded 4.6 m. @ 0.14% copper from 1.5 m. to 6.1 m. , and averaged approximately 250 ppm copper over its entire 67 m. depth, intersecting intrusives surrounding a breccia body
- Hole 69-9 yielded **3 m. @ 0.05% ppm molybdenum** at 85 m. to 88 m., and averaged approximately 250 ppm copper over its entire 93 m. depth, intersecting intrusives, Karmutsen volcanics and minor breccias

In two holes testing co-incident I.P. target Zone C and magnetic target Body B in the Murex area, the following two significant intercepts achieved:

- Hole 69-10 yielded **82.3 m. @ 0.20% copper, 0.015% molybdenum and 3.3 g/t silver** from surface to 82.3 m. in mineralized Murex Breccia
- Hole 69-14 yielded **27.4 m. @ 0.22% copper, 0.005% molybdenum and 3.4 g/t silver** from surface to 27.4 m. in mineralized quartzite and intrusives

In one hole following up Cominco's hole C-9 in the Washington Breccia east of the North Pit, the following significant intercept achieved:

- Hole 69-11 yielded **45.7 m. @ 0.09% copper, 0.028% molybdenum** and 1.8 g/t silver from surface to 45.7 m., intersecting mineralized Washington Breccia

In one hole following up Cominco's holes C-10 and C-15 testing surface mineralization in the Washington Breccia south of the South Pit, the following significant intercept achieved:

- Hole 69-15 yielded **19.5 m. @ 0.17% copper, 0.003% molybdenum and 4.2 g/t silver** from 1.8 m. to 21.3 m., intersecting mineralized intrusives overlying Washington Breccia

In 1970, Marietta Resources Ltd. dropped the option on the Mt. Washington Property. R. Dunsmore, Geologist, supervised a ground electromagnetic survey over portions of property for the Mt. Washington Copper Co. in 1970, and located many anomalies.

In early 1972, the Minerals Section of Imperial Oil Limited (Esso) optioned the Mt. Washington property from Mt. Washington Copper Co. Ltd. Esso also completed agreements with all other tenure holders over an extensive area surrounding Mt. Washington, including five separate agreements with Canadian Pacific Oil & Gas (C.P.O.G.), the base metals rights holders, and surface rights holders, prior to commencing exploration work.

In 1972, Esso commenced a multi-year, systematic exploration program of the Mt. Washington Property under the direction of geologist D.A. Bridge. In the first year, Esso completed detailed geological mapping and chip sampling of the open pits and road cuts,

assaying all samples for copper, molybdenum, gold and silver, plus selected samples for arsenic. A grid was established and two baselines were soil sampled, and soils analyzed for copper and molybdenum. An I.P. survey was conducted along one of the grid baselines. No significant results were reported by Esso in 1972.

In 1973, Esso completed an airborne magnetic and electromagnetic geophysical survey over most of the property, a ground electromagnetic (E.M.) survey, an induced polarization (I.P.) survey, and seven diamond drill holes. The airborne geophysical survey was supervised by D.C. Fraser, Ph.D. of Aerodat Limited. The survey detected a large, elliptical east-west magnetic high 5 km. by 2.5 km. in size in the southeast portion of the property, corresponding with the Murex Breccia and quartz diorite intrusions, with numerous electromagnetic conductors along its northeast and southeast flanks. The survey also detected two circular, 500 m. diameter magnetic highs, one centred just northwest of McKay Lake, and one centred just west of Pyrrhotite Lake, corresponding with the North open pit and with the Oyster Breccia, respectively. The aeromagnetic high northwest of McKay Lake also displayed several electromagnetic conductors along its northern and western flanks. The ground E.M. survey was undertaken to locate airborne conductors near the open pits, and conducted by F.S. Eeg, C.E.T., but was terminated prior to its completion. The I.P. survey was conducted by P.E. Walcott, P.Eng., and was undertaken on two areas of the Murex Breccia, with nebulous results.

The drilling program in 1973 consisted of 7 holes, the first hole (Hole 73-1) which was abandoned in overburden. The fifth hole (Hole 73-5) was drilled to test an E.M. anomaly in the vicinity of Marietta drill hole M-1, and failed to achieve any significant intercepts, but only two core samples were taken over its 134 m. depth in spite of many notations of pyrite and chalcopyrite mineralization. The last hole (Hole 73-7) tested E.M. anomalies along the northeast flank of the large, elliptical magnetic anomaly in the vicinity of Marietta drill hole 69-3, and failed to achieve significant intercepts, the best being:

- Hole 73-7 yielded 50.3 m. @ 0.05% copper from 9.1 m. to 59.4 m.

The remaining four drill holes (Holes 73-2, 73-3, 73-4, and 73-6) were clustered in the vicinity of Marietta drill holes 69-8, 69-9 and 69-13, and yielded the following significant intercepts:

- Hole 73-3, which was systematically sampled and assayed for copper only, yielded:
 - **120.2 m. @ 0.24% copper** from 3.2 m. to 123.4 m., including:
 - **12.0 m. @ 0.48% copper** from 3.2 m. to 15.2 m., and,
 - **12.2 m. @ 0.61% copper** from 36.6 m. to 48.8 m., and,
 - **6.1 m. @ 0.65% copper** from 117.3 m. to 123.4 m.
- Hole 73-4, which was only selectively sampled and generally assayed only for copper, yielded:
 - **6.1 m. @ 0.40% copper, 0.019% molybdenum** and 0.26 g/t silver from 83.2 m. to 89.3 m. (only section assayed for anything but copper), and
 - 2.0 m. @ 0.22% copper from 94.2 m. to 96.2 m., and,
 - 3.1 m. @ 0.15% copper from 129.5 m. to 132.6 m., and,
 - 2.6 m. @ 0.24% copper from 134.1 m. to 136.7 m., and,
 - 1.8 m. @ 0.27% copper from 137.8 m. to 139.6 m., and,
 - 0.8 m. @ 0.20% copper from 144.9 m. to 145.7 m.
- Hole 73-6, which was systematically sampled and assayed for copper only, yielded:
 - **60.3 m. @ 0.20% copper** from 2.6 m. to 62.9 m., including:
 - **33.5 m. @ 0.27% copper** from 6.1 m. to 39.6 m., and,
 - **15.9 m. @ 0.15% copper** from 72.5 m. to 88.4 m., including:
 - **3.1 m. @ 0.39% copper** from 85.3 m. to 88.4 m., and,
 - **13.4 m. @ 0.31% copper** from 139.6 m. to 153.0 m., **ending in good mineralization, according to the drill log**

In 1974, Esso completed exploration work in 10 areas on the Mt. Washington property, consisting of geological mapping, prospecting, trenching, geochemical sampling, ground magnetic and electromagnetic surveys, and 21 diamond drill holes in 4 of those areas.

Two drill holes were completed in the northeast portion of the Murex area, referred to as the Murex Trend Breccia, with significant results as follows:

- Hole 74-2 intersected biotitic, mineralized shock breccia which yielded:
 - **46.5 m. @ 0.53% copper, 0.17 g/t gold and 7.2 g/t silver** from 9.1 m. to 55.6 m., and
 - **30.0 m. @ 0.245% copper, 0.003 g/t gold and 4.1 g/t silver** from 62.9 m. to 89.9 m.

In the Upper Murex Breccia, located in the southwest portion of the Murex area, and described as being clast-supported with a quartz-sulphide matrix, twenty one trenches and four drill holes were completed, with significant results as follows:

- Trench 1 chip sampling yielded **2.1 m. @ 0.32% copper, 0.79 g/t gold and 45 g/t silver**, and
- Trench 4 chip sampling yielded **1.0 m. @ 0.28% copper, 9.8 g/t gold and 6.2 g/t silver**
- Hole 74-3 yielded **57.15 m. @ 0.058% copper, 0.73 g/t gold and 2.1 g/t silver** from 0 m. to 57.15 m., including:
 - **21.3 m. @ 0.082% copper, 1.6 g/t gold and 2.3 g/t silver** from 18.3 m. to 39.6 m.
- Hole 74-5 yielded **91.4 m. @ 0.13% copper, 0.08 g/t gold and 2.9 g/t silver** from 0 m. to 91.4 m. **ending in mineralization**, and including:
 - **33.5 m. @ 0.17% copper, 0.11 g/t gold and 3.5 g/t silver** from 10.7 m. to 44.2 m., and
 - **12.5 m. @ 0.14% copper, 0.21 g/t gold and 4.1 g/t silver** from 78.9 m. to 91.4 m., **ending in mineralization**

In the West Murex Zone, grid-based soil sampling upslope from hole 69-10 yielded an area of approximately 200 m. by 100 m. with six samples exceeding 410 ppm copper, corresponding to a ground magnetic high trend. No drilling was done here in 1974.

In the Tsolum Breccia Zone, located at the east end of the Murex area, grid-based soil sampling and ground magnetics were conducted in the vicinity of an outcrop of intrusive breccia which contains visible chalcopyrite mineralization over approximately 25 m. Geophysics yielded a magnetic low over an area of approximately 300 m. by 100 m., and geochemistry yielded six corresponding soil samples exceeding 320 ppm copper, and two samples exceeding 28 ppm molybdenum. No drilling was done here in 1974.

In the Oyster Ridge Breccia, described as a collapse breccia with a matrix of quartz, chlorite, calcite and iron oxides, and located west of Pyrrhotite Lake, grid-based soil sampling and a ground magnetic survey were completed in 1974. No significant result were obtained from the breccia, and no drilling was completed here in 1974, but outcrop chip sampling from intrusive dikes exposed in Pyrrhotite Creek 100 m. to the southwest yielded the following significant results:

- **0.9 m. @ 7.5 g/t gold, 5.2% arsenic**, 0.05% copper, 0.13% lead and 0.05% zinc in a sulphidic intrusive breccia, and
- **0.9 m. @ 2.67% copper, 0.69 g/t gold, 27 g/t silver** from a chalcopyrite-bornite bearing shear zone

In the Meadows Anomaly, located on the west flank of Mt. Washington, prospecting, grid-based soil sampling, a ground electromagnetic survey, and seven drill holes were completed in 1974. Prospecting yielded three sulphide showings in outcrop, one which yielded significant values from grab sampling as follows:

- **29 g/t gold, 142 g/t silver, 24% arsenic and 0.83% copper**

The Murray Vein (probably synonymous with the Domineer No.1 Vein), exposed in outcrop 550 metres east of the Meadows Anomaly, yielded significant values from two grab samples as follows:

- **2.7 to 20 g/t gold, 244 to 376 g/t silver, 1.7 to 4.7% arsenic, and 1.4 to 3.2% copper**

Also at the Meadows Anomaly, soil geochemistry yielded two parallel, north-south elongate zones of co-incident anomalous copper, silver and gold. Geophysics yielded numerous electromagnetic conductors. Drilling in 1974 consisted of a fence of four holes (74-12, -13, -14 and -19) testing the geochemical anomaly to the east of the outcrop showing, and another three holes (74-16, -17 and -18) testing the geophysical conductors, with potentially significant results as follows, considering that **no gold analyses** were completed on the core samples:

- Hole 74-12 intersected multiple fractured limonitic zones, including two which yielded:
 - 3.1 m. @ 0.043% copper, 0.128% arsenic and 13.4 g/t silver from 3.0 m. to 6.1 m., and,
 - 0.8 m. @ 0.64% copper, 0.052% arsenic and 5.0 g/t silver from 18.3 m. to 19.1 m.
- Hole 74-13 intersected multiple fractured limonitic zones, including two which yielded:
 - 0.6 m. @ 0.22% copper, 0.022% arsenic and 3.1 g/t silver from 6.1 m. to 6.7 m., and
 - 3.7 m. @ 0.027% copper, 0.32% arsenic and 12.1 g/t silver from 12.8 m. to 16.5 m.

- Hole 74-15 intersected multiple thin sulphidic zones, including one which yielded 1.2 m. @ 0.32% copper, 0.013% arsenic and 3.0 g/t silver from 2.8 m. to 4.0 m.
- Hole 74-17 intersected multiple thin sulphidic zones, including one which yielded 1.5 m. @ 0.15% copper, 0.024% arsenic and 2.5 g/t silver from 0.9 m. to 2.4 m.
- Hole 74-19 intersected fractured, limonitic and sulphidic zones, including one which yielded 3.1 m. @ 0.35% copper, 1.8% arsenic and 43 g/t silver from 1.5 m. to 4.6 m.

In the area of the former Mt. Washington Copper open pits, seven drill holes (74-6, 74-7, 74-8, 74-9, 74-10, 74-20 and 74-21) were completed in 1974 to test both for vein extensions and for disseminated copper mineralization within 300 metres of the pits. The following significant results were achieved:

- Hole 74-6 yielded **97.5 m. @ 0.20% copper, 0.14 g/t gold and 5.3 g/t silver** from 23.8 m. to 121.3 m. (**only 60.9 m. of the section were analyzed for gold and silver**), including:
 - **1.5 m. @ 3.8% copper, 0.51 g/t gold and 119 g/t silver** from 73.9 m. to 74.4 m.
- Hole 74-7 yielded **80.2 m. @ 0.13% copper, 0.96% arsenic, 0.18 g/t gold, and 3.1 g/t silver** from 19.5 m. to 99.7 m., including:
 - **0.9 m. @ 1.64% copper, 0.022% arsenic, 0.10 g/t gold and 45 g/t silver** from 25.6 to 26.5 m., and
 - **3.0 m. @ 0.142% copper, 2.25% arsenic, 2.6 g/t gold and 69 g/t silver** from 69.2 m. to 72.2 m.
- Hole 74-9 yielded **31.4 m. @ 0.146% copper, 0.007% arsenic, 0.017 g/t gold and 3.03 g/t silver** from 10.7 m. to 42.1 m., including:
 - **10.2 m. @ 0.252% copper, 0.002% arsenic, 0.013 g/t gold and 4.43 g/t silver** from 13.7 m. to 23.9 m.
- Hole 74-10 yielded **115.8 m. @ 0.094% copper (only copper analyzed consistently)** from 1.5 m. to 117.3 m. (the entire hole), including:
 - **1.5 m. @ 0.678% copper, 0.034 g/t gold and 8.57 g/t silver** from 38.1 m. to 39.6 m.
- Hole 74-21 yielded **21.6 m. @ 0.097% copper (only copper analyzed consistently)** from 0 m. to 21.6 m. (the entire hole), including:
 - **0.9 m. @ 0.298% copper, 0.041% arsenic, 0.103 g/t gold and 9.26 g/t silver** from 11.0 m. to 11.9 m.

Additional soil geochemistry and prospecting were completed by Esso in 1974 in three other areas: McKay Creek, the 101 Zone and the South Comox Zone, but no significant results were obtained.

In 1975, Esso completed work in 4 areas on the Mt. Washington property, including a ground magnetic survey, soil sampling and trenching in the Murex area, trenching and a test induced polarization line over the Tsolum Breccia, and three drill holes in two other areas.

In the Oyster Ridge Breccia, two widely spaced drill holes (75-1, -2) were completed, but with no significant results. In the Murray Breccia, one drill vertical hole (75-3) was completed from the ridge crest to a depth of 300.8 m., yielding several significant intercepts as follows:

- **3.2 m. @ 3.6 g/t gold, 7.5 g/t silver** from 102.4 m. to 105.6 m. (**abundant arsenopyrite in quartz, suggesting the Murray/Domineer No.1 Vein**), and,
- **32.3 m. @ 0.117% copper, 0.008 g/t gold (no other analyses)** from 210.6 m. to 242.9 m., including:
 - **15.4 m. @ 0.173% copper and 0.027 g/t gold (no other analyses)** from 224.5 m. to 239.9 m., and
- **15.2 m. @ 0.200% copper and 0.062 g/t gold (no other analyses)** from 279.5 m. to 294.7 m.

In the Tsolum Breccia, the I.P. test line was inconclusive, and two trenches 9 metres apart yielded the following significant results from bulk sampling:

- **3.7 m. @ 0.40% copper**, and
- **1.5 m. @ 0.21% copper**

In the Murex area, the ground survey confirmed a magnetic low response from the previous airborne survey. Soil sampling indicated a 65 m. diameter molybdenum anomaly from the edge of the magnetic low. A rock chip sample from fractured siltstone within the magnetic low yielded **0.172% copper and 0.039% molybdenum**.

Also in 1975, P.J. McGuigan completed a B.Sc. thesis at the University of British Columbia entitled, "Certain Breccias of the Mount Washington Property, Vancouver Island", based on work completed while he was working for Esso in 1972 and 1973.

In 1976, Esso drilled a single 344 metre hole (MW-84) collared at -60 in a southwest direction, approximately 400 metres southwest of McKay Lake. The hole tested the area

near the Murray Breccia, was logged only in a cursory way by P.J. McGuigan, was only selectively sampled, and those samples were consistently analyzed only for copper. Hole MW-84 yielded multiple significant and largely un-bracketed intercepts as follows:

- **146.3 m. @ 0.284% copper from 9.1 m. to 155.4 m. and,**
- **9.1 m. @ 0.222% copper from 167.6 m. to 173.7 m. and,**
- **3.0 m. @ 0.143% copper from 192.0 m. to 195.0 m. and,**
- **3.0 m. @ 0.203% copper from 204.2 m. to 207.2 m. and,**
- **3.0 m. @ 0.192% copper from 216.4 m. to 219.4 m. and,**
- **3.0 m. @ 0.131% copper from 228.6 m. to 231.6 m. and,**
- **3.0 m. @ 0.103% copper from 240.8 m. to 243.8 m. and,**
- **3.0 m. @ 0.205% copper from 253.0 m. to 256.0 m. and,**
- **3.0 m. @ 0.193% copper from 265.2 m. to 268.2 m. and,**
- **3.0 m. @ 0.225% copper from 277.4 m. to 280.4 m. and,**
- **11.6 m. @ 0.134% copper from 290.2 m. to 301.8 m. and,**
- **9.1 m. @ 0.396% copper from 306.9 m. to 316.0 m. and,**
- **3.0 m. @ 0.499% copper from 338.4 m. to 341.4 m.**

From 1977 to 1982, Esso did not undertake any more exploration work on the Mt. Washington property, but instead concentrated primarily on metallurgical studies to investigate the feasibility of an on-site, low grade, heap leach copper operation. The lead consultant for these studies was A. Bruynesteyn of B.C. Research, and the project manager with Esso was R. Somerville, P.Eng. This time period coincided with a gradual decrease in the market price for copper, but also high volatility in the market prices for gold, silver and molybdenum, the other metals of potential interest at Mt. Washington. Esso terminated agreements covering the Mt. Washington property, and returned the mineral claims and crown grants to Mt. Washington Copper in 1982.

In late 1982, the mineral claims and crown grants covering the Mt. Washington property were acquired by Veerman-Botel Ltd. through an agreement with Mt. Washington Copper. Veerman-Botel did little work on the property before optioning it to Better Resources Ltd. (Better) in early 1983. In May, 1983, K.E. Northcote, P.Eng., completed a summary report on the property for Better Resources, and recommended that future exploration work be focused on both the high grade gold potential in the flat lying silicified zone, and the on the bulk tonnage gold potential of the breccia zones. He also noted that previous drilling was done using small diameter core, yielding poor recoveries

in the fractured, weathered mineralized zones, and that the core samples were not systematically analyzed for gold. Mr. Northcote recommended a 2-phase, \$310,000 exploration program on the Mt. Washington property, commencing with detailed re-evaluations of all previous work, including gold analyses of selected sample rejects. Better then staked many more claims, covering the West Arm, Murex Breccia and Oyster Breccia areas, and completed agreements with both Fording Coal Ltd. for the base metal rights and with the surface rights owner for the area covering the mineral claims and crown grants.

From 1983 to 1990, Better completed systematic exploration work targeting primarily the gold potential in the West Arm area of Mt. Washington. Most of Better's work on the Mt. Washington property was done under the direction of either J.F. Bristow, P.Eng. or C.C. Rennie, P.Eng., both former presidents and directors of Better. The company completed extensive grid-based soil geochemistry and targeted trenching across the property and chip sampling of showings, but the main exploration technique utilized was diamond drilling, using large diameter (generally NQ size) core, routinely analyzing core samples for gold, and surveying all drill collar locations.

By the end of 1986, Better had completed 55 drill holes in the West Arm area of Mt. Washington, renamed the Lakeview-Domineer area; and 10 holes in the Murex area. Most of the drill holes in the Lakeview-Domineer area yielded significant intercepts in gold and/or silver, including some of the better intercepts as follows:

- Hole 83-2 yielded **2.7 m. @ 9.8 g/t gold, 121 g/t silver and 3.2% arsenic** from 7.3 m. to 10.0 m. including:
 - **1.2 m. @ 16.2 g/t gold, 263 g/t silver and 4.1% arsenic** from 8.8 m. to 10.0 m. (**5% chalcopyrite logged but not analyzed for copper**)
- Hole 84-15 yielded **0.9 m. @ 17.5 g/t gold, 120 g/t silver and 2.0% arsenic** from 17.4 m. to 18.3 m.
- Hole 86-5 yielded **5.3 m. @ 7.5 g/t gold, 36.6 g/t silver and 1.6% arsenic** from 4.6 m. to 9.9 m., including:
 - **1.5 m. @ 13.0 g/t gold, 3.8 g/t silver and 0.25% arsenic** from 4.6 m. to 6.1 m., and
 - **1.6 m. @ 24.3 g/t gold, 111.4 g/t silver, 2.15% copper and 4.8% arsenic** from 8.3 m. to 9.9 m.

- Hole 86-17 yielded **0.9 m. @ 9.3 g/t gold, 8.8 g/t silver, 0.08% copper and 1.35% arsenic** from 4.3 m. to 5.2 m. and,
- **1.5 m. @ 13.4 g/t gold, 20.9 g/t silver, 0.58% copper and 4.2% arsenic** from 15.8 m. to 17.3 m.

In February, 1987 J.J. McDougall, P.Eng. completed a summary report on the Mt. Washington Property for Better Resources, and completed preliminary mineral resource estimates using only drilling data (historical and not to current standards) for the Lakeview-Domineer area as follows:

Drill-Indicated Underground:

<u>Area/Zone</u>	<u>Min. Grade</u>	<u>Min. Thickness</u>	<u>Tonnes</u>	<u>Gold</u>	<u>Silver</u>
Lakeview	3.4 g/t gold	3.0 metres	176,632	7.9 g/t	33.6 g/t
Domineer	3.4 g/t gold	3.0 metres	37,387	7.2 g/t	66.5 g/t

Drill-Indicated Open Pit:

<u>Area/Zone</u>	<u>Min. Grade</u>	<u>Min. Thickness</u>	<u>Tonnes</u>	<u>Gold</u>	<u>Silver</u>
West Grid	1.7 g/t	not specified	119,115	2.4 g/t	15.4 g/t

Inferred Underground:

<u>Area/Zone</u>	<u>Min. Grade</u>	<u>Min. Thickness</u>	<u>Tonnes</u>	<u>Gold</u>	<u>Silver</u>
Central	not specified	not specified	440,627	6.2 g/t	not specified

In the Murex area, the following significant drill intercepts were achieved in 1986, **but none of the core samples were analyzed for molybdenum:**

- Hole MX-86-1 yielded **16.0 m. @ 6.1 g/t gold, 4.2 g/t silver and 0.17% copper** from 1.5 m. to 17.5 m., including:
 - **6.8 m. @ 11.0 g/t gold, 5.0 g/t silver and 0.27% copper** from 10.7 m. to 17.5 m.
- Hole MX-86-6 yielded **22.0 m. @ 0.32 g/t gold, 0.92 g/t silver and 0.10% copper** from 15.2 m. to 37.2 m., including:
 - **7.8 m. @ 0.77 g/t gold, 1.84 g/t silver and 0.15% copper** from 23.9 m. to 31.7 m.
- Hole MX-86-7 yielded **19.8 m. @ 0.22 g/t gold, 9.9 g/t silver & 1.5% copper** from 29.4 m. to 49.2 m. and,
- **6.8 m. @ 0.38 g/t gold, 21 g/t silver & 3.3% copper** from 55.5 m. to 62.3 m.

In 1987, Better completed an additional 113 drill holes to increase the confidence in the Lakeview-Domineer area mineral resource, plus an additional 5 drill holes in the Murex area, and grid-based geological mapping, soil and rock geochemistry and ground magnetic surveys, along with 8 diamond drill holes in the area of the Oyster Breccia.

The Lakeview-Domineer definition drilling was reasonably successful and the company commenced an underground exploration adit, which was completed in early 1988. The 3 m. x 3 m. adit was driven in an east-northeasterly direction along the strike of the mineralized zone for a total distance of about 290 m., including a northeasterly crosscut, at an average elevation of 1375 m., and at an average gradient of +2.5%. The mineralization exposed in both ribs of the adit was geologically mapped after the initial 45 m., and channel or panel sampled at roughly 10' (3 m.) intervals more or less in its entirety, and samples assayed for gold, silver, copper and arsenic. Grab samples from blast rock (muck grabs) were also routinely taken along the adit while it was being advanced. The initial (un-mapped) western portion of the adit yielded the following values from 35 channel samples along 15 consecutive cuts in the southeast rib:

45 m. length
1.4 m. average vertical thickness
21.8 g/t gold
139 g/t silver
0.73% copper
6.30% arsenic

A portion of the adit yielded the following values from 8 consecutive muck grab samples over 10 m. length from near the middle of the initial 45 m. un-mapped portion:

10 m. length
3 m. assumed vertical height
9.67 g/t gold
94.3 g/t silver
0.41% copper
2.04% arsenic

In the initial western portion of the adit, drift sampling results confirmed the thickness and exceeded the grades of the definition drilling results, and established the continuity of gold-silver-copper-arsenic mineralization of the flat-lying vein structure in that portion of the drift. However, it appears from the channel sampling information that the vein structure may dip eastward into the footwall of the drift at the 45 m. mark, beyond which channel, panel and muck grab sampling results were extremely erratic and much lower in values. It has been suggested by C.C. Rennie that this section of the adit obliquely intersected one of a series of en-echelon, gently southeast dipping "sigmoid" veins within the flat-dipping shear structure along which the adit was driven.

In the 1987 Murex drilling, the drill core was only sporadically sampled, and analyzed routinely only for copper, gold and silver, but yielded the following significant intercepts:

- Hole MX-87-11 yielded **1.5 m. @ 0.31% copper and 1.0 g/t silver** from 32 to 33.5 m., and **1.5 m. @ 0.29% copper and 1.0 g/t silver** from 38.5 to 40 m.
- Hole MX-87-13 yielded **3.2 m. @ 0.40% copper and 2.5 g/t silver** from 12 to 15.2 m., including **1.7 m. @ 0.52% copper and 3.8 g/t silver** from 12 to 13.7 m.
- Hole MX-87-14 yielded **1.1 m. @ 0.44% copper and 2.1 g/t silver** from 41.6 m. to 42.7 m., and **1.5 m. @ 0.37% copper & 2.1 g/t silver** from 45.1 m. to 46.6 m.
- Hole MX-87-15 yielded **4.6 m. @ 0.56% copper and 4.8 g/t silver** from 48.9 m. to 53.5 m., and **4.6 m. @ 0.13% copper** from 61.3 m. to 65.9 m.
- Hole MX-87-15A yielded **4.3 m. @ 0.71% copper, 0.28 g/t gold and 8.9 g/t silver** from 46.8 m. to 53.1 m.

In the 1987 Oyster Breccia work, soil geochemistry and ground magnetic surveys failed to yield significant results. Select outcrop rock grab samples taken from four locations along the southern, eastern and northern perimeter of the 450 metre diameter Oyster Breccia yielded significant values in 6 of 7 samples as follows:

- Sample 87-P-2 yielded **13.2 g/t gold, 29.1 g/t silver, 1.04% lead, 8.01% arsenic** from a 0.3 m. silicified fault breccia along the southern perimeter
- Sample 87-P-3 yielded **4.72 g/t gold, 4.38 g/t silver, 0.18% copper, 3.16% arsenic** from a 0.15 m. flat lying zone along the southeast perimeter
- Sample 87-P-4 yielded **626 g/t silver, 2.76% arsenic** from a 0.05 m. brecciated quartzite along the southeast perimeter
- Sample 87-P-5 yielded **626 g/t silver, 0.36% arsenic** from a 0.05 m. vuggy, brecciated quartzite along the northeast perimeter
- Sample 87-P-6 yielded **12.4 g/t gold, 23.5 g/t silver, 1.15% arsenic** from a 0.2 m. silicified massive pyrite zone along the eastern perimeter

- Sample 87-P-7 yielded **626 g/t silver, 20.01% arsenic** from a 0.3 m. vuggy, silicified and brecciated quartzite along the southern perimeter

Better completed 8 drill holes from 3 setups over a 40 metre strike length to test down-dip beneath samples 87-P-1, -2 and -7 along the southern perimeter of the Oyster Breccia, but failed to yield any significant intercepts, the best being as follows:

- Hole 87-116 yielded 0.4 m. @ 2.8 g/t gold, 6.9 g/t silver, 0.07% copper and 3.7% arsenic from 38.7 m. to 39.1 m. from a vuggy, kaolinized, limonitic brecciated volcanic containing pyrite, arsenopyrite and chalcopyrite

In September, 1987 Noranda Exploration Company Ltd. (Noranda) optioned a 51% interest in the Murex portion of the Mt. Washington property (Murex property) from Better Resources. From 1987 to 1989, Noranda completed systematic exploration work on the Murex property, targeting primarily the copper-gold potential of the breccia bodies.

In 1987, Noranda completed grid-based geological mapping, geochemistry consisting of rock, soil and stream sediment sampling, and ground geophysics consisting of magnetic, electromagnetic, down-hole Mise a la Masse (on Better's drill hole MX-86-01), and test induced polarization surveys on the Murex Property.

Geological mapping of the Murex Property by D.R. Bull of Noranda led to the interpretation of the Murex area as a post-intrusive collapse structure containing multi-phase intrusions, four types of related breccias and local quartz-sulphide mineralization. Soil geochemistry and ground geophysics outlined 4 target areas worthy of follow-up work, and were identified as Zones A, B, C, and D. The Mise a la Mass survey failed to reach the target zone due to caving of the hole above it. Select outcrop rock grab samples (81) were systematically analyzed for copper, silver, gold and arsenic, of which 7 were also analyzed for lead, zinc and molybdenum. These samples contained various amounts of pyrite, pyrrhotite and chalcopyrite, occasionally with magnetite or realgar, and many yielded elevated values in copper, and occasionally in silver, gold, arsenic and/or molybdenum as well. Some of the more significant samples were as follows:

- Sample 17333 yielded 0.085% copper, **8.0 g/t silver and >100 g/t gold** from a pyritic, pyrrhotitic alteration zone in a mixed lithology breccia from Zone D

- Sample 17348 yielded **0.47% copper, 6.2 g/t silver, 0.14 g/t gold and 0.0026% molybdenum** from a quartz veinlet in basalt with pyrite, pyrrhotite and chalcopyrite from Zone A
- Sample 19012 yielded **>1% copper, 18.2 g/t silver and 0.22 g/t gold** from a quartz fracture filling in basalt from Zone B
- Sample 19017 yielded **>1% copper, 42.0 g/t silver and 1.4 g/t gold** from a breccia containing pyrite, chalcopyrite and pyrrhotite from Zone B
- Sample 19022 yielded **>1% copper, 11.8 g/t silver and 0.22 g/t gold** from a basalt fragment breccia containing pyrite, chalcopyrite & pyrrhotite from Zone B
- Sample 19024 yielded **>1% copper, 38.0 g/t silver and 0.24 g/t gold** from gangue filled fractures in basalt from Zone B
- Sample 27568 yielded **0.194% copper, 3.2 g/t silver and >1% arsenic** from a pyritic, realgar bearing alteration zone between diorite and basalt from north of the grid area
- Sample 27583 yielded **>1% copper, 54.0 g/t silver and 0.12 g/t gold** from an alteration zone in a pyritic diorite breccia from Zone C
- Sample 27584 yielded **>1% copper, 10.8 g/t silver and 0.08 g/t gold** from pyrite and chalcopyrite bearing quartz veinlets in fractured basalt from Zone D

In 1988, Better completed 66 additional definition drill holes into, and commenced metallurgical studies for, the Lakeview-Domineer Zone, and also deepened Esso hole MX-75-1 in the Oyster Breccia on the Mt. Washington Property. The Esso hole MX-75-1 was deepened from 184 m. to 542 m., and failed to yield any significant intercepts, but was only sporadically sampled and those samples analyzed only for gold and silver.

The definition drilling was reasonably successful, and also confirmed the presence of multiple en-echelon quartz-sulphide veins within the much thicker, flat-lying shear structure as interpreted from geological mapping and sampling of the adit. The vein intercepts displayed a continuum from gold-rich to copper-rich, and of various thicknesses, as exemplified in the following drill holes:

- Hole 88-183 yielded the following intercepts:
 - **2.0 m. @ 0.34 g/t gold, 2.1 g/t silver, 0.77% copper** and <0.01% arsenic from 54.7 to 56.7 m. and,
 - **8.4 m. @ 0.89 g/t gold, 10.8 g/t silver, 0.79% copper** and 0.40% arsenic from 61.9 to 70.3 m. and,
 - **1.9 m. @ 1.70 g/t gold, 12.4 g/t silver, 0.12% copper & 1.13% arsenic** from 73.1 to 75.0 m. and,
 - **8.3 m. @ 1.04 g/t gold, 9.7 g/t silver, 0.91% copper** and 0.05% arsenic from 82.9 to 91.2 m.
- Hole 88-185 yielded the following intercepts:

- **3.6 m. @ 7.6 g/t gold, 11.7 g/t silver, 0.08% copper and 2.77% arsenic** from 66.1 to 69.0 m. and,
- **1.8 m. @ 1.2 g/t gold, 12.3 g/t silver, 1.98% copper and 0.20% arsenic** from 89.2 to 87.4 m.
- Hole 88-202 yielded the following intercepts:
 - **2.8 m. @ 0.07 g/t gold, 1.9 g/t silver, 0.55% copper & <0.01% arsenic** from 38.1 to 40.9 m. and,
 - **5.3 m. @ 0.22 g/t gold, 6.7 g/t silver, 0.87% copper & <0.01% arsenic** from 50.6 to 55.9 m. and,
 - **3.9 m. @ 0.39 g/t gold, 4.4 g/t silver, 1.20% copper & <0.01% arsenic** from 59.3 to 63.2 m. and,
 - **3.0 m. @ 0.75 g/t gold, 6.2 g/t silver, 1.83% copper & <0.01% arsenic** from 79.2 to 82.2 m. and,
 - **1.6 m. @ 9.12 g/t gold, 92.9 g/t silver, 0.20% copper & 3.1% arsenic** from 91.2 to 92.8 m. and,
 - **1.6 m. @ 0.17 g/t gold, 2.7 g/t silver, 1.17 % copper & <0.01% arsenic** from 99.0 to 100.6 m.

Better's metallurgical studies for the Lakeview-Domineer Zone were conducted by G.W. Hawthorne, P.Eng., and culminated in the design of an on-site 200 ton per day concentrator using a 5 step process to produce two products: a flotation gold-copper concentrate containing 26% of the gold and 68% of the copper, and gold bullion containing 66% of the gold using a combination of bio-oxidation and cyanidation. The recovery of silver was not considered in the process, and the on-site tailings pond would contain 8% of the gold, 32% of the copper and 99% of the arsenic (as ferric arsenate after bio-oxidation). The total cost of the plant and site services was estimated to be approximately C\$7 million in 1988. As part of the metallurgical work, microscope studies including photomicrographs were completed by J.F. Harris, Ph.D., who identified and described the relationships between the following metallic minerals in the flotation concentrate: pyrite, arsenopyrite, pyrrhotite, chalcopyrite, tetrahedrite, gold, sphalerite and galena.

In 1988 on the Murex Property, Noranda completed geological mapping and outcrop rock geochemistry along grid lines, road cuts and stream beds, grid-based soil geochemistry, ground geophysics including magnetics, electromagnetics and induced polarization surveys, and 9 diamond drill holes. Geophysics identified targets in Zone A and Zone D. Geological mapping identified a fifth distinct breccia type exposed in outcrop. Soil

geochemistry including test pits identified elevated values in gold, silver, copper and arsenic associated with Zone D and the Zone E. Rock geochemistry from select float or outcrop grab samples, or representative outcrop chip or panel samples, yielded numerous significant values in gold, silver, copper and/or arsenic as follows:

- Sample R-28001 yielded **1.3 g/t gold, 63 g/t silver, 5.1% copper** from a select outcrop grab of massive sulphide in a basaltic breccia in Zone A
- Sample R-28002 yielded **0.56 g/t gold, 26 g/t silver, 2.2% copper** from a select outcrop grab of chalcopyrite vein in a basaltic breccia in Zone A
- Sample R-28042 yielded **12 g/t gold, 28 g/t silver, 0.36% copper, >10% arsenic** from a select float grab of sulphidic basalt in Zone A
- Sample R-28052 yielded **0.12 g/t gold, 17 g/t silver, 2.5% copper** from a select matrix only outcrop grab sample from a mixed lithology breccia in Zone A
- Sample R-44004 yielded **0.24 g/t gold, 27 g/t silver, 2.2% copper** from a select outcrop grab sample of a fractured basalt with quartz and sulphides in Zone A
- Sample R-43017 yielded **1.4 g/t gold, 17 g/t silver, 1.9% copper** from a 1 m. square panel sample of sulphidic basaltic breccia in Zone A
- Sample R-44028 yielded **0.74 g/t gold, 31 g/t silver, 3.8% copper** from a select matrix only outcrop grab sample from a sulphidic basaltic breccia in Zone A
- Sample R-27605 yielded **9.3 g/t gold, 125 g/t silver, 7.0% copper** from a select outcrop grab of a sulphidic mixed lithology breccia in Zone D
- Sample R-27606 yielded **6.9 g/t gold, 2.1 g/t silver, 0.23% copper** from a select outcrop grab of a sulphidic mixed lithology breccia in Zone D
- Sample R-28625 yielded **0.07 g/t gold, 83 g/t silver, 4.5% copper** from a select outcrop grab of a sulphidic alteration zone in diorite breccia in Zone D
- Sample R-28628 yielded **3.4 g/t gold, 54 g/t silver, 2.5% copper** from a select outcrop grab of a sulphidic alteration zone with quartz veinlets in Zone D
- Sample R-28010 yielded **4.8 g/t gold, 128 g/t silver, 5.7% copper** from a select outcrop grab of a sheared, sulphidic basaltic breccia in Zone D
- Sample R-28026 yielded **7.4 g/t gold, 0.5 g/t silver, 0.07% copper** from a 0.27 m. chip sample from a sheared, quartz and iron oxide rich basalt in Zone D
- Sample R-28089 yielded **9.0 g/t gold, 4.9 g/t silver, 0.26% copper** from a select outcrop grab of a sulphidic basaltic breccia in Zone D
- Sample R-28092 yielded **4.0 g/t gold, 31 g/t silver, 0.98% copper** from a 0.88 m. channel sample of an altered, sulphidic shear in basalt breccia in Zone D
- Sample R-28098 yielded **4.0 g/t gold, 16 g/t silver, 1.0% copper** from a 0.19 m. channel sample of an altered shear zone in basalt breccia in Zone D
- Sample R-28014 yielded **2.3 g/t gold, 22 g/t silver, 2.8% copper** from a 0.1 m. channel sample of a sulphidic quartz vein in Zone D
- Sample R-28120 yielded **5.0 g/t gold, 2.1 g/t silver, 0.13% copper** from a 0.5 m. channel sample of a basaltic breccia in Zone D
- Sample R-28122 yielded **10.4 g/t gold, 1.5 g/t silver, 0.13% copper** from a 0.5 m. channel sample of a basaltic breccia in Zone D

- Sample R-28123 yielded **4.3 g/t gold, 28 g/t silver, 1.4% copper** from a 0.5 m. channel sample of a basaltic breccia in Zone D
- Sample R-28124 yielded **4.4 g/t gold, 106 g/t silver, 5.9% copper** from a 0.1 m. channel sample of a massive sulphide pod in a basaltic breccia in Zone D
- Sample R-79784 yielded **8.5 g/t gold, 4.3 g/t silver 0.12% copper** from a 5 m. chip sample of a sulphidic mixed lithology breccia in Zone D
- Sample R-79797 yielded **1.1 g/t gold, 28 g/t silver, 2.8% copper** from a sample of a sheared sulphidic quartz vein in basalt in Zone D

Diamond drilling on the Murex Property by Noranda in 1988 yielded significant intercepts as follows:

- NMX-88-17 yielded **0.25m. @ 3.7 g/t gold, 46 g/t silver and 9.7% copper** from 196.5 to 197.21 m. from a massive sulphide vein in Zone A
- NMX-88-19 intersected a sulphidic mixed lithology breccia in Zone D yielding:
 - **11.0 m. @ 5.0 g/t gold, 0.50 g/t silver and 0.10% copper** from 12.7 m. to 23.7 m., including:
 - **3.0 m. @ 12 g/t gold, 1.4 g/t silver, 0.22% copper** from 20.7 to 23.7 m.
- NMX-88-20 intersected a sulphidic mixed lithology breccia in Zone D yielding:
 - **12.4 m. @ 1.1 g/t gold, 2.0 g/t silver, 0.16% copper and 0.004% molybdenum** from 28.9 m. to 41.3 m. and,
 - **8.0 m. @ 1.2 g/t gold, 2.6 g/t silver, 0.21% copper and 0.002% molybdenum** from 45.7 to 53.7 m.
- NMX-88-22 yielded **0.52 m. @ 0.14% molybdenum** from 33.65 to 34.17 m. in a quartz vein hosted in basalt in Zone D
- NMX-88-23 yielded **1.54 m. @ 19 g/t silver and 1.6% copper** from 72.48 to 74.02 m. in a mixed lithology breccia in Zone D

Also in 1988, three academic geology papers on the Mt. Washington property were completed, titled and authored as follows:

- Tertiary Low-Angle Faulting and Related Gold and Copper Mineralization on Mount Washington, Vancouver Island by J.E. Muller, Consulting Geologist
- Mount Washington, Vancouver Island, British Columbia: A Tertiary Calc-Alkaline Intermediate to Acid Volcanic Centre by R. Dahl & D.H. Watkinson of Carleton University and H.P. Wilton of the B.C. Geological Survey Branch
- The Lakeview-Domineer Gold Deposit of Mount Washington, Vancouver Island, British Columbia: A Thrust Controlled Epithermal Gold-Silver Deposit in Volcanic Setting by R. Dahl and D.H. Watkinson of Carleton University and J.F. Bristow of Better Resources Ltd.

In 1989, Better completed and published a revised mineral resource estimate for the Lakeview-Domineer Zone as follows, which are not to current industry standards:

Drill-Indicated Underground:

<u>Area/Zone</u>	<u>Min. Grade</u>	<u>Min. Thickness</u>	<u>Tonnes</u>	<u>Gold</u>	<u>Silver</u>
Lakeview-Domineer	3.4 g/t gold	2.0 metres	301,270	7.2 g/t	37.7 g/t

Drill-Indicated Open Pit:

<u>Area/Zone</u>	<u>Min. Grade</u>	<u>Min. Thickness</u>	<u>Tonnes</u>	<u>Gold</u>	<u>Silver</u>
West Grid	1.7 g/t	not specified	249,546	6.2 g/t	25.4 g/t

Better also completed outcrop trenching and sampling, and 17 drill holes testing in two areas west of the Lakeview-Domineer Zone on the Mt. Washington property. Trenching was completed in two areas, referred to as the Sump Area (SW of the adit) and the Float Area (North of the adit). In the Float Area, 3 trenches each 15 m. apart exposed a N-S trending shear zone over a strike length of 30 m. from which 4 chip samples yielded the following average width and values:

- **1.3 m. @ 11 g/t gold, 42 g/t silver, 0.48% copper and 12% arsenic**

In the Sump Area, 5 chip samples taken from a N-S trending vertical breccia yielded the following average widths and values:

- **1.1 m. @ 5.1 g/t gold, 24 g/t silver, 0.66% copper**

None of the 5 holes in the Float Area yielded any significant intercepts. Although sampling of the drill core was very selective and samples only analyzed for gold, silver and copper, many of the 12 holes from the Sump Area intersected multiple veins with a continuum of significant gold-rich to copper-rich intercepts, as follows:

- Hole 89-221 yielded the following intercepts:
 - 0.2 m. @ 0.10 g/t gold, 0.35 g/t silver, **0.88% copper** from 9.1 to 9.4 m.,
 - **2.7 m. @ 2.3 g/t gold, 16 g/t silver, 0.96% copper** from 10.6 to 21.3 m.,
 - **3.0 m. @ 1.5 g/t gold, 5.1 g/t silver, 0.14% copper** and 0.18% arsenic from 25.9 to 28.9 m.
- Hole 89-222 yielded **2.9 m. @ 0.65 g/t gold, 2.4% copper** from 3.0 to 5.9 m.
- Hole 89-224 yielded the following intercepts:

- **1.4 m. @ 1.1 g/t gold and 2.4% copper** from 3.3 to 4.7 m. and,
- **4.0 m. @ 2.0 g/t gold, 28 g/t silver, 1.6% copper** from 27.9 to 37.8 m.,
- **1.1 m. @ 3.1 g/t gold, 50 g/t silver, 9.7% copper** from 36.7 to 37.8 m.,
- **9.8 m. @ 4.7 g/t gold, 36 g/t silver, 2.7% copper** from 40.5 to 50.3 m.
- Hole 89-225 yielded the following intercepts:
 - **2.9 m. @ 5.0 g/t gold, 37 g/t silver, 2.1% copper** from 25.4 to 28.3 m.,
 - **3.0 m. @ 0.7 g/t gold, 25 g/t silver, 1.6% copper** from 47.0 to 50.0 m.,
 - **1.1 m @ 1.7 g/t gold, 38 g/t silver, 1.1% copper** from 53.0 to 54.1 m.,
 - **1.1 m. @ 0.7 g/t gold, 7.9 g/t silver, 0.53% copper** from 58.8 to 59.9 m.
- Hole 89-227 yielded the following intercepts:
 - **1.4 m. @ 6.2 g/t gold, 9.9 g/t silver, 0.29% copper** from 2.7 to 4.1 m.,
 - **0.3 m. @ 0.27 g/t gold, 32 g/t silver, 2.0% copper** from 17.1 to 17.4 m.,
 - **1.6 m. @ 1.6 g/t gold, 7.9 g/t silver, 1.8% copper** from 21.8 to 24.4 m.,
 - **0.7 m. @ 0.7 g/t gold and 3.0% copper** from 30.8 to 32.3 m. and,
 - **0.8 m. @ 1.6 g/t gold and 3.1% copper** from 43.6 to 44.4 m.

In 1989, Noranda completed grid-based soil geochemistry, detailed outcrop channel or chip sampling and geochemistry, detailed geological mapping, geophysical surveys consisting of electromagnetics and induced polarization, and 2 diamond drill holes focusing entirely on the D Zone of the Murex property. The outcrop channel sampling yielded significant values in gold, silver and/or copper in the D Zone as follows:

- Sample R112764 yielded **3 m. @ 3.2 g/t silver and 0.39% copper** from a Karmutsen-Comox breccia with 2% sulphides
- Sample R112794 yielded **3.5 m. @ 2.0 g/t silver, 0.22% copper and 0.18% arsenic** from a siliceous breccia with 1% pyrite
- Sample R112800 yielded **3 m. @ 11 g/t silver and 0.32% copper** from a limonitic, siliceous diorite with 1% pyrrhotite
- Sample R112802 yielded **2.5 m. @ 5.5 g/t silver and 0.39% copper** from an altered, malachitic diorite
- Sample R112805 yielded **3 m. @ 22 g/t silver and >1% copper** from an altered, siliceous, malachitic diorite with 1-2 % sulphides
- Sample R112809 yielded **0.5 m. @ 10 g/t silver and >1% copper** from a 0.1 m. quartz-sulphide vein containing 60% sulphides mostly pyrite, with some chalcopyrite and arsenopyrite

Drilling yielded two significant intercepts 100 metres apart stepping out 100-200 metres east of Better's 1986 drill hole cluster in the D Zone as follows:

- NMX-89-25 yielded **4.0 m. @ 6.5 g/t gold, 30 g/t silver and 4.1% copper** from 29 to 33 m., including:
 - **1.0 m. @ 21 g/t gold, 71 g/t silver and 9.3% copper** from 29 to 30 m. in a massive sulphide vein in basalt with pyrrhotite, chalcopyrite and pyrite

- NMX-89-26 yielded **6.5 m. @ 0.23 g/t gold, 7.3 g/t silver and 1.1% copper** from 16.2 to 22.7 m. in a siliceous basaltic breccia with pyrrhotite and chalcopyrite

In late 1989, Noranda terminated its option agreement, returning the Murex property to Better Resources. In 1990, Better engaged in the B.C. Mine Development Review process, completed acid-base accounting studies on the 6,000 tonne stockpile of rock extracted from the adit driven to test the Lakeview-Domineer Zone, and drilled an additional 5 holes south of the Sump Area. Only one of the holes yielded a significant intercept as follows:

- 90-237 yielded **12 m. @ 1.5 g/t gold, 20 g/t silver and 0.95% copper** in an altered feldspar porphyry containing patches and veinlets of pyrrhotite, pyrite and chalcopyrite

In late 1990, North Slope Minerals Inc. (North Slope) commissioned a summary report on the Murex property by J.J. McDougall, P.Eng., and subsequently negotiated an option agreement with Better. In 1991, North Slope engaged L. Sookochoff, P.Eng. who managed a 6 hole drilling program on the Murex property based largely on recommendations made by McDougall to follow up results from Noranda's 1989 drilling program. North Slope's 1991 drilling program consisted of 3 holes (NSM 91-1 to 3) fanning down-dip of and on-section with NMX-89-25, 2 holes (NSM 91-4 & 5) fanning down-dip of and on-section with NMX-89-26, and 1 hole testing Noranda's EM conductor C, approximately 200 metres to the south. Although the core was only sporadically split and sampled, several significant intercepts were achieved:

- Hole NSM 91-1 (-70⁰) yielded the following intercepts:
 - **1.0 m. @ 2.7 g/t silver and 0.50% copper** from 33 to 34 m. including a 0.3 m. thick massive sulphide vein in a wider breccia zone in basalt and,
 - **1.0 m. @ 0.8 g/t silver and 0.22% copper** from 62 to 63 m. including a 0.3 m. thick semi-massive sulphide vein in a second wider breccia zone
- Hole NSM 91-2 (-84⁰) yielded the following intercept:
 - **4.0 m. @ 0.27% copper** from 32 to 36 m. within a wider zone of sulphidic breccia in basalt
- Hole NSM 91-3 (-88⁰) yielded the following intercept:
 - **1.0 m. @ 2.5 g/t silver and 1.3% copper** from 32.5 to 33.5 m. including a 0.55 m. thick massive sulphide vein within a wider breccia zone in basalt
- Hole NSM 91-4 (-75⁰) yielded the following intercept:

- **4.0 m. @ 5.5 g/t silver and 1.2% copper** from 34.8 to 38.8 m. hosted by quartz-carbonate-sulphide veins in a breccia zone in basalt, including:
 - **2.0 m. @ 0.11 g/t gold, 8.3 g/t silver and 1.7% copper** from 34.8 to 36.6 m. and,
- **2.0 m. @ 2.1 g/t silver and 0.59% copper** from 67.5 to 69.5 m. in basalt containing sulphide patches and quartz-sulphide veins and,
- **1.0 m. @ 3.9 g/t silver and 0.87% copper** from 77.5 to 78.5 m. in a 1 m. thick quartz-carbonate-sulphide vein in basalt
- Hole NSM 91-5 (-88⁰) was stopped short of its intended target and not sampled
- Hole NSM 91-6 was sampled by selecting, splitting and analyzing only short (<0.15 m.) portions of the mineralized sections, so drill intercepts cannot be calculated, but the selected sampling yielded the following significant values from sulphide veins hosted in silicified and hornfelsed sandstone:
 - **8.3 g/t silver, 0.68% copper** and 0.04% zinc at 77.4 m. and,
 - **13.4 g/t silver, 0.03% copper, 0.07% lead and 0.01% zinc** at 78.9 m. and,
 - **1.5 g/t silver and 0.22% copper** at 104.9 m. and,
 - **1.5 g/t silver and 0.37% copper** at 112.2 m. and,
 - **2.4 g/t silver and 0.38% copper** at 138.1 m.

In 1992, North Slope Minerals dropped the option on the Murex property and returned it to Better Resources. Also in 1992, Montgomery Consulting completed computer-based geochemical modeling of rock samples and drill data for the Domineer-Lakeview area on behalf of Better Resources. The period 1991-1992 was one of falling metal prices, coinciding with mine closures, significant increases in parks, and declining mineral exploration activity in British Columbia, and particularly on Vancouver Island. The Mt. Washington property and owner Better Resources was caught in this economic down-cycle for the mineral exploration and mining industry. The company closed the adit in the Lakeview-Domineer Zone, and reclaimed the waste dumps outside it. No significant exploration activity has taken place on the Mt. Washington property since 1992.

There are several known mineral occurrences which occur at least partially on the Mt. Washington Property, including four documented in B.C. MINFILE, as follows:

- Domineer/Lakeview – MINFILE 092F16 – Developed Prospect Status
- Mount Washington Copper – MINFILE 092F117 – Past Producer Status
- Murex – MINFILE 092F206 – Prospect Status
- Oyster – MINFILE 092F365 – Prospect Status

The Domineer-Lakeview and Mount Washington Copper occurrences (including all known past producing open pits, waste dumps, underground adits and historical mineral resources), and the Washington, Murray and Glacier Breccias, are covered by the Company's mineral tenures in the southwest part of the property. The Quarry Breccia is also covered by the Company's mineral tenures in the east-central part of the property. The Murex Breccia is covered by the Company's tenures in the southeast part of the property, surrounded by cell mineral claims held by Enterayon Inc. Enterayon also holds extensive mineral tenure east of Bluerock's property. The former tenure holder of base metal rights in the area forfeited those rights in 2005, so it is assumed that those rights reverted to the crown (if untenured) or to mineral tenure holders (if tenured). The Oyster Breccia is only partially covered by the Company's mineral tenures in the north-central part of the property, straddling the western boundary of cell mineral claim 510868 held by Esther Briner. Briner's two-claim property also covers the McKay Breccia in its entirety, and is entirely surrounded by the Bluerock's Mount Washington Property. The former Mt. Washington Copper mill site is located near the east end of and is covered by the Company's mineral tenure. The former Mt. Washington Copper tailings dam is untenured, and is located approximately 1 km. due east of the Company's mineral tenures.

The site of the former Mt. Washington Copper Mine has been identified as a source of acid rock drainage and copper contamination in at least one local watershed, being the Tsolum River. To some extent, this may be a natural phenomenon resulting from weathering of sulphidic rock exposures containing elevated metal values, particularly iron, copper and arsenic occurring as sulphide minerals pyrite, chalcopyrite and arsenopyrite. However, it is apparent that the former open pit mining operations during the 1960's significantly increased the surface exposure of sulphidic bedrock. According to available records, the mining operation was unsuccessful due to poor copper recovery, resulting in the termination of operations, and forfeiture of tenures covering the open pits and waste dumps. At that time, performance bonds for reclamation were not required to be posted by operators of exploration, development and mining projects in British Columbia. Therefore, the environmental liability resulting from the mining and related

operations at Mt. Washington reverted to the Province of British Columbia, which has attempted to mitigate problems since they were identified and understood. Bluerock Resources Ltd. does not hold any environmental liability for past mining and related operations, but does only for those trenches, adits and waste dumps completed and subsequently reclaimed by Better Resources Ltd. A performance bond of \$5,000 is still held in trust, its return pending final approval by the Ministry of Energy, Mines and Petroleum Resources for reclamation completed by the Company.

Similar to elsewhere in British Columbia, no permit is required for non-mechanized exploration, but a valid permit is required to undertake any mechanized work on the Mt. Washington Property. Such permits for are issued by the Inspector of Mines at the Victoria-based Southwest Regional Office, Health and Safety Branch, Mining and Minerals Division, Ministry of Energy Mines and Petroleum Resources. This requires the submission of a Notice of Work and Reclamation Program Application, which takes approximately one month to process, but commonly takes longer due to delays in received referral responses from local First Nations Bands. In addition, owners of the surface rights for the private lands covering the Mt. Washington Property must be fairly compensated for any and all damages to the surface rights by the mineral tenure owner.

5.0 REGIONAL GEOLOGY

The following section is taken directly from Houle, 2007.

The regional geological setting of the Mt. Washington property is very complex, reflecting the multiple sedimentary, tectonic and plutonic events in the geological history of mid-Vancouver Island. Within 75 kilometres of the property are exposed and mapped examples of four volcano-sedimentary successions and four intrusive suites, as shown in Figures 5-1 and 5-2, and summarized in the following geological legend:

<u>Age</u>	<u>Volcano-sedimentary Units</u>	<u>Intrusive Units</u>
Tertiary Cretaceous	(unnamed) volcanics, pyroclastics Nanaimo Group sediments	Mt. Washington
Jurassic Triassic	Bonanza Group Lemare Lake volcanics Bonanza Group Parson Bay volc's., sed's.	Island
Triassic Triassic	Vancouver Group Quatsino limestones Vancouver Group Karmutsen volcanics	Mt. Hall
Permian Devonian	Buttle Lake Group sediments Sicker Group volcanics	West Coast

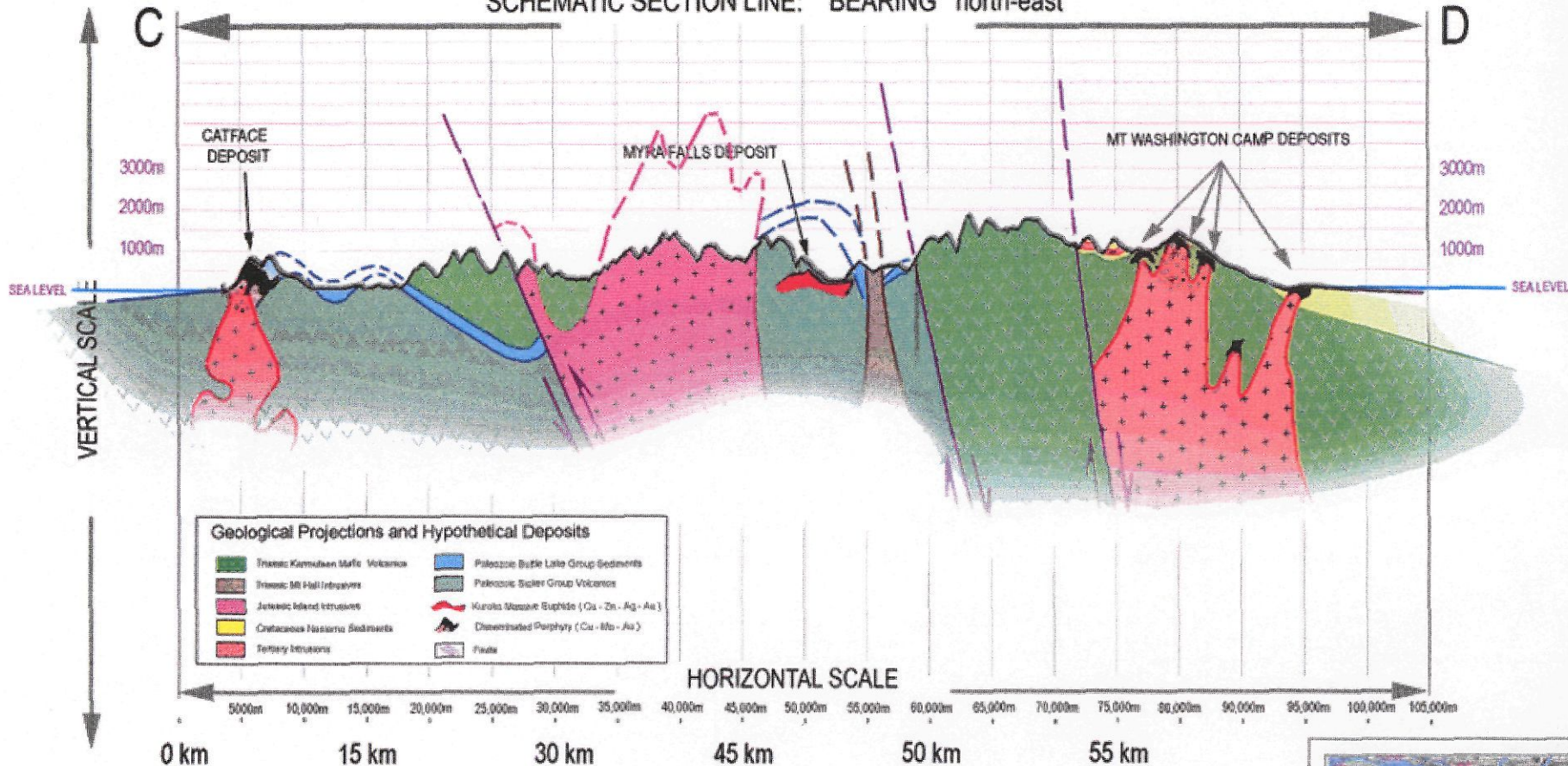
In the mid-Vancouver Island area, these volcano-stratigraphic units are gently folded along northwest-trending axes, and are generally gently-dipping to the northeast, with the younger units more extensively exposed along the east side of the island. The West Coast intrusives are re-crystallized rocks of various origins occurring mainly along the Pacific coast. The Mt. Hall intrusive suites are relatively uncommon, basic intrusives coeval with the Karmutsen plateau basalts. The Jurassic Island Intrusives are the most extensive, forming elongate northwest-trending felsic batholiths, stocks and dykes. The Mt. Washington intrusives are also felsic, but occur in isolated clusters of small stocks both along the Pacific coast, and along a northeast corridor between Tofino and Comox.

Structurally, mid-Vancouver Island is dominated by steeply-dipping, northwest-trending horst and graben structures, and by steeply dipping, north-south strike-slip faults. There

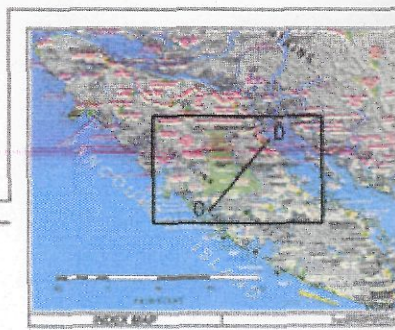
SCHEMATIC SECTION LINE: BEARING north-east

C

D



PERSPECTIVE: LOOKING NORTH WEST



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MID VANCOUVER ISLAND
SCHEMATIC SECTION

Figure: S-2
Date: April 30, 2007
Data Source: Jacques Houle, P. Eng.
Drawn by: Dan P. Berkshire
Berkshire Geological Services Ltd.

are also many short strike length, steeply-dipping, northeast-trending (possibly early) faults, and occasional, shallowly-dipping thrust faults. This complex structural history combined with the multiple intrusive events have served to juxtapose the various volcano-sedimentary units in unexpected relative positions, usually only apparent after detailed geological mapping and three dimensional (drilling) data compilation by very skilled and experienced geoscientists. Such detailed information is generally only available in areas of current or prior economic interest, such as at the former Forbidden Plateau area projects (5-15 km southwest), the Myra Falls Mine (30 km southwest), the Catface Project (75 km southwest), and at Mt. Washington itself.

6.0 PROPERTY GEOLOGY

The following section is taken directly from Houle, 2007.

The local area around Mt. Washington from Strathcona Park in the west to Constitution Hill in the east (Figures 6-1 and 6-2) hosts exposures of only three ages of rocks:

- Tertiary volcanics, pyroclastics; and Mt. Washington intrusives and breccias
- Cretaceous Nanaimo Group sediments
- Triassic Vancouver Group Karmutsen volcanics and tuffs

Most of the local area is underlain and surrounded by massive, pillowed, or porphyritic volcanic flows and tuffs of the Triassic Karmutsen Formation, which are extensively faulted and locally brecciated and/or hornfelsed near intrusions. Gently east-dipping Cretaceous Nanaimo Group conglomerates, sandstones and/or siltstones increase eastwards in exposure, and unconformably overlie the Karmutsen volcanics. Some rocks previously mapped as hornfelsed Nanaimo Group sandstones (Carson, 1960) have been re-interpreted as Tertiary volcanoclastics and/or intrusive sills (Dahl et al., 1988; and Muller, 1988). Tertiary Mt. Washington Intrusive Suite fine to medium grained and porphyritic felsic stocks, sills, dikes and various breccias occur as circular to elliptical, upright cylindrical bodies and intrude all other rock types in the local area. These intrusions and related breccias are probably sub-volcanic, and may be more extensive and numerous at depth than at surface, and some may even coalesce at depth.

The Mt. Washington property geology is particularly complex, probably due to what has been interpreted as a collapsed volcanic dome structure (Dahl et al.). Shallow-dipping thrust and normal faults are cut by variably trending, steeply-dipping faults. At least two sub-parallel thrust faults have apparently displaced the peaks of both Mt. Washington and Constitutional Hill, possibly along bedding planes of the Nanaimo sediments and/or Tertiary volcanoclastics. This has been interpreted as a detachment fault environment similar to that found in the southwestern USA (Muller). At least seven different breccia bodies have been mapped on the property by various company geologists, and range widely in texture and composition, some of which are associated with intrusive stocks,

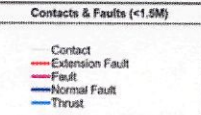
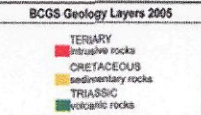
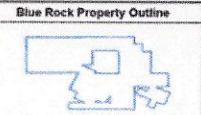
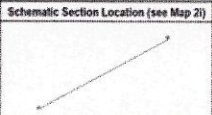
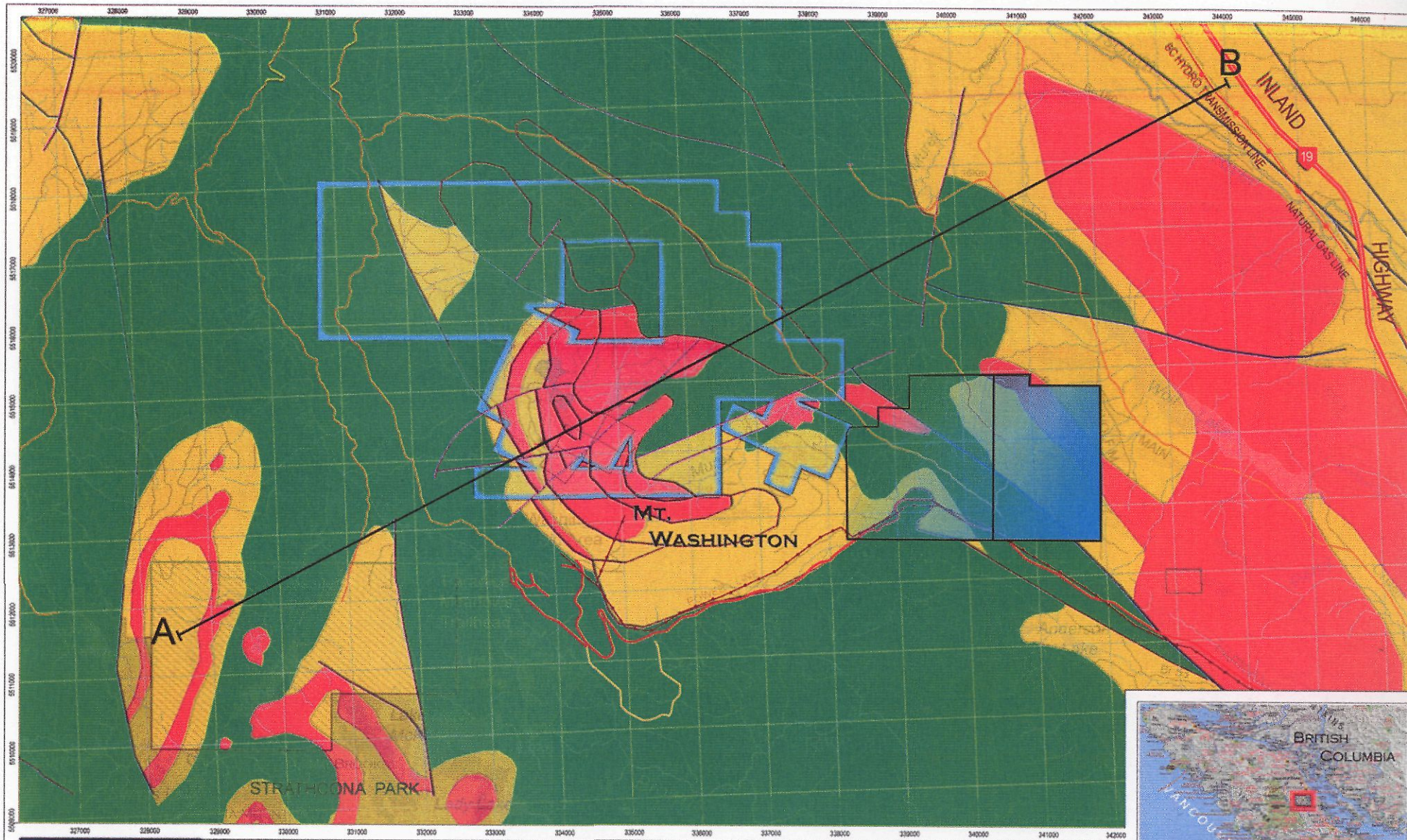
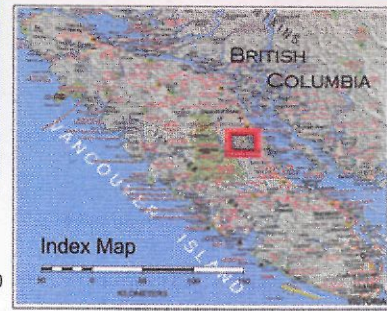
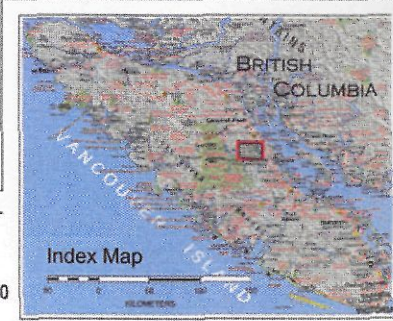
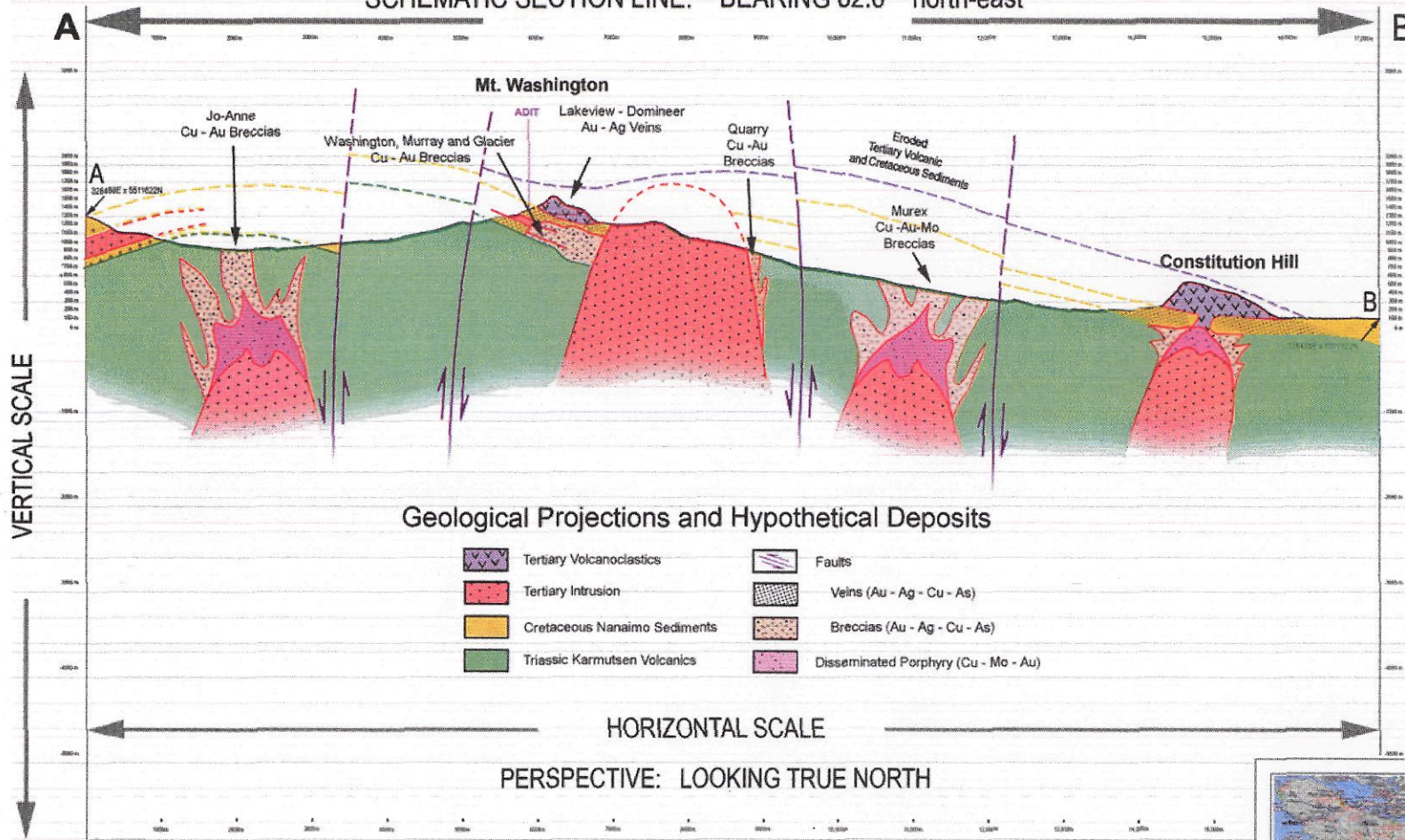


Figure: 6-1
 Date: April 30, 2007
 Data Source: BC Map Place
 Drawn by: Dan P. Berkshire
 Berkshire Geological Services Ltd.



SCHMATIC SECTION LINE: BEARING 62.6 north-east



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**MT. WASHINGTON
EXPLORATION CAMP**

Figure: 6-2
 Date: April 30, 2007
 Data Source: Jacques Houle, P. Eng.
 Drawn by: Dan P. Berkshire
 Berkshire Geological Services Ltd.



Scale: 1:50,000

sills and dikes. All breccia bodies are spatially associated with polymetallic sulphide mineralization hosted in faults, veins, and breccia matrix. It appears that mineralization post-dates the breccias, the intrusions and the faulting, including the detachment style thrust faulting. The northeast-trending faults appear to be oldest, and possibly control the emplacement of intrusions and breccias.

7.0 MINERALIZATION

The following section is taken directly from Houle, 2007.

The mineral deposits that have been historically explored, developed and mined on the Mt. Washington property could be classified as one or more of the following types under the B.C. Mineral Deposit Profile categories:

- Epithermal Au-Ag-Cu: High Sulphidation - H04
- Epithermal Au-Ag: Low Sulphidation – H05
- Subvolcanic Cu-Au-Ag (As-Sb) – L01
- Porphyry Cu-Mo-Au – L04

The Lakeview-Domineer Developed Prospect (MINFILE 092F116) and the Mt. Washington Copper Past Producer (MINFILE 092F117) were classified under both the High Sulphidation Epithermal (H04) and Porphyry (L04) categories when last updated in MINFILE in 1989-90. The Murex Prospect (MINFILE 092F206) was classified as a Porphyry (L04) and the Oyster Prospect (MINFILE 092F365) as a Low Sulphidation Epithermal (L05), both in 1990. However, the Subvolcanic (L01) category created in 1995 (Panteleyev, 1995) to capture the Equity Silver Past Producer (MINFILE 093L001) in central B.C. appropriately describes all the metallic mineral occurrences on the Mt. Washington property, in the author's opinion. Other deposits mined worldwide and allocated to the same category include Rochester (Nevada, USA), Kori Kollo (Bolivia) and part of Lepanto (Philippines). Metal grades and tonnage ranges for Subvolcanic Cu-Au-Ag deposits worldwide are 10-50 million tonnes @ 0.25 - 2.5% copper, 1–10 g/t gold, and 10–100 g/t silver. At current metal prices, many of these types of deposits have sufficient grades and dimensions to permit bulk underground mining, and are therefore well worth exploring beyond the depth limits of open pit mining methods. They are often spatially and genetically associated with all three of the other deposit types listed above, which have many economically significant examples worldwide. Refer to Figures 5-2 and 6-2 being schematic sections showing known and hypothetical mineral deposits at two scales, both for the Mt. Washington Camp, and for mid-Vancouver Island.

Seventeen selected metallic mineral occurrences have been discovered and documented on the Mt. Washington property, as described in the History section of this report, and shown in Figure 2-4, by type with approximate locations, orientations and dimensions as follows:

Quartz-Sulphide Veins and Zones:

Domineer No.1 Vein (may be contiguous with Lakeview Zone to the west)

- Centred at 5514250 N, 334250 E, 1415 m. elevation
- Orientation 0° Strike, 20° Dip West
- Dimension 750 m. length x 150 m. width x 1 m. thick
- Delineated by mapping, sampling of 10-15 trenches, 50-75 drill holes

Domineer No. 2 Vein

- Centred at 5514100 N, 334650 E, 1355 m. elevation
- Orientation 030° Strike, 50° Dip Southwest
- Dimension 125 m. length x unknown width x 0.1 m. thick
- Delineated by mapping, sampling of 5 trenches, possibly 1 drill hole

Domineer No. 3 Vein

- Centred at 5514100 N, 334900 E, 1415 m. elevation
- Orientation 020° Strike, Dip unknown
- Dimension 20 m. length x unknown width x 1 m. thick
- Delineated by mapping, sampling of 3 trenches, not drill-tested

Domineer No. 4 Vein

- Centred at 5514200 N, 334350 E, 1395 m. elevation
- Orientation 320° Strike, 25° Dip Northeast
- Dimension 50 m. length x unknown width x 0.5 m. thick
- Delineated by 10-15 trenches, possibly 3 drill holes

Mt. Washington Copper No.1 Zone (Tunnel Block, South Pit)

- Centred at 5514800 N, 334200 E, 1315 m. elevation
- Orientation 0° Dip (Flat)
- Dimension 250 m. north-south x 200 m. east-west x 2 m. thick
- Delineated by trench mapping and sampling, 100's of drill holes including percussion and diamond drill, and 210 m. underground adit
- Largely mined out by open pit in the 1960's

Mt. Washington Copper No.2 Zone (Noranda Block, North Pit)

- Centred at 5515400 N, 334200 E, 1315 m. elevation
- Orientation 0° Dip (Flat)
- Dimension 250 m. length x 200 m. width x 2 m. thick

- Delineated by trench mapping and sampling, 100's of drill holes including percussion and diamond drill
- Largely mined out by open pit in the 1960's

Lakeview Zone (West Grid, Meadows; may be contiguous with Domineer No.1 Vein)

- Centred at 5514800 N, 334200 E, 1375 m. elevation
- Orientation 0⁰ Dip (Flat)
- Dimension 750 m. north-south x 375 m. east-west x 1-3 m. thick
- Delineated by trench samples, about 200 drill holes and 290 m. underground adit
- Mineral resource estimate of 550,298 tonnes @ 6.75 g/t gold, 32.23 g/t silver includes Domineer, West Grid (Historical, and not to current standards)

Sump Zone

- Centred at 5514100 N, 333700 E, 1315 m. elevation
- Orientation 0⁰ Strike, Steeply West Dipping
- Dimension 60 m. length x unknown width x 40 m. thick (4-5 veins)
- Delineated by trench samples, 12 drill holes

Float Area

- Centred at 5514800 N, 333750 E, 1330 m. elevation
- Orientation 0⁰ Strike, Dip unknown
- Dimension 30 m. length x unknown width x 1 m. thick
- Delineated by trench samples, about 200 drill holes

Sulphide Breccia Zones:

Washington & Glacier Breccias

- Centred at 5514650 N, 334200 E, 1315 m. elevation
- Orientation 350⁰ Azimuth, unknown plunge
- Dimension 1100 m. length x 500 m. width x unknown depth
- Delineated by outcrop and trench mapping and sampling, 15-25 drill holes

Murray Breccia

- Centred at 5514300 N, 333900 E, 1300 m. elevation
- Orientation 340⁰ Azimuth, unknown plunge
- Dimension 750 m. length x 300 m. width x unknown depth
- Delineated by outcrop and trench mapping and sampling, 5-10 drill holes

Quarry Breccia

- Centred at 5515000 N, 336000 E, 990 m. elevation
- Orientation circular / cylindrical with unknown plunge
- Dimension 200 m. diameter x unknown depth
- Delineated by outcrop and trench mapping and sampling, 5-10 drill holes

Oyster Breccia (partially beyond property boundary)

- Centred at 5516500 N, 334300 E, 1110 m. elevation
- Orientation circular / cylindrical with unknown plunge
- Dimension 400 m. diameter x unknown depth
- Delineated by outcrop and trench mapping and sampling, 9 drill holes

Murex Breccia Lower Creek Zone (Zone A, may include Tsolum Breccia)

- Centred at 5514750 N, 337500 E, 750 m. elevation
- Orientation 315⁰ Strike, Steep plunge
- Dimension 750 m. length x unknown width x 175 m. thick (4 zones)
- Delineated by outcrop and trench mapping and sampling, 10-15 drill holes

Murex Breccia Upper Creek Zone (Zone D)

- Centred at 5514100 N, 337250 E, 900 m. elevation
- Orientation 300⁰ Azimuth, Steep plunge
- Dimension 750 m. length x unknown width x 175 m. thick (2-3 zones)
- Delineated by outcrop trenching and mapping, 20-30 drill holes

Murex Breccia East Zone (east of and beyond property boundary)

- Centred at 5513750 N, 339500 E, 575 m. elevation
- Orientation 300⁰ Azimuth, Steep plunge
- Dimension unknown length x unknown width x 3 m. thick
- Delineated by outcrop trenching and mapping, 1 drill hole

7.1 MINERAL RESOURCE ESTIMATES

The following section is taken directly from Houle, 2007.

Of the seventeen (17) veins and zones identified in the Mineral Deposits section of this report, mineral resource estimates have been established on only four (4) veins, none of which are to current industry standards and therefore cannot be relied upon. None of the eight (8) breccia zones has been subjected to sufficient and successful detailed work to establish mineral resources estimates to date. Of the four veins with mineral resource estimates, two were partially mined out by Mt. Washington Copper Co. Ltd., and the other two may be contiguous and therefore one included in the other. These four veins are summarized as follows:

Domineer No.1 Vein (may be contiguous with Lakeview Zone to the west)

Included in Lakeview-Domineer Resource by Better Resources (1989), shown below.

Mt. Washington Copper No.1 Zone (Tunnel Block, South Pit)

From 1965 to 1967, 342,600 tonnes of ore averaging 1.005% copper, 0.413 g/t gold, and 22.5 g/t silver were produced from the No.1 and No.2 Zones combined. In addition, mineral resources remaining adjacent to one or both pits were estimated at 305,720 tonnes @ 1.07% copper by W.G. Stevenson (1970).

Mt. Washington Copper No.2 Zone (Noranda Block, North Pit)

Included in Mt. Washington Copper No.1 Zone above.

Lakeview Zone (West Grid, Meadows; may be contiguous with Domineer No.1 Vein)

Combined Lakeview-Domineer mineral resource estimate by Better (1989) as follows:

Drill-Indicated Underground:

<u>Area/Zone</u>	<u>Min. Grade</u>	<u>Min. Thickness</u>	<u>Tonnes</u>	<u>Gold</u>	<u>Silver</u>
Lakeview-Domineer	3.4 g/t gold	2.0 metres	301,270	7.2g/t	37.7g/t

Drill-Indicated Open Pit:

<u>Area/Zone</u>	<u>Min. Grade</u>	<u>Min. Thickness</u>	<u>Tonnes</u>	<u>Gold</u>	<u>Silver</u>
West Grid	1.7 g/t	not specified	249,546	6.2g/t	25.4g/t

Based on the detailed observations from the Lakeview adit driven by Better in 1987-88, as detailed in the History Section of this report, it appears that there are higher grade sections of the zone which may be defined by more detailed work.

8.0 2007 WORK PROGRAM

The 2007 Work Program on the Mt. Washington Property involved the preparation of a robust project information compilation and summary report focused on the entirety of all previous exploration and development the property had undergone. This Technical Summary Report was prepared by a third party, Qualified Person, Mr. Jacques Houle, P.Eng., and was prepared in compliance with National Instrument 43-101. Mr. Houle completed the report in the period from January 15, 2007 to April 30, 2007, and not only produced a report but was able to organize, compile and catalogue into a useable system, the extensive (over 50 years of exploration and development data) Company reports and materials.

In addition to a Property exploration and development summary document, the Houle Report included a comprehensive recommendation section, which is reproduced in its entirety within this report. The project summary and recommendations will lead all future exploration campaigns of the Mt. Washington property.

The 2007 Houle Report has resulted in a valuable geological and economic compilation of the Mt. Washington mineral property for the Company and for the Province.

9.0 DISCUSSION AND RECOMMENDATIONS

The following section is taken directly from Houle, 2007.

The various surveys, analyses, tests and excavations conducted on the Mt. Washington property during the +50 year period from 1940 to 1992 has identified at least 16 mineral occurrences containing varying combinations of gold, silver, copper, molybdenum and arsenic in clusters over an area of 6 km. by 3 km. Hundreds of ore-grade intercepts at current metal prices were achieved in natural and trenched outcrop samples or diamond drill holes by numerous operators on most if not all 16 mineral occurrences on the property. One attempt by a junior company at mining and recovering only copper from a narrow vein deposit using open pit mining methods and producing a single flotation concentrate was not very successful. This may have been due in part to problems with mining narrow vein deposits by open pit methods, and in part due to the polymetallic nature of the mineral deposit and related analytical and metallurgical challenges.

Systematic, multi-year exploration programs completed by junior and senior companies have been successful both on the Mt. Washington property and in the surrounding mineral district. However, a large portion of the mineral district to the southwest of the Mt. Washington property was alienated from exploration and development in 1990 when it was being actively explored by major companies. At that time, the Lakeview-Domineer project was in the B.C. Mine Development Review process, and included a viable metallurgical process to recover both gold and copper. Funding to develop the project could not be obtained by owner Better Resources, due in part to the mining industry's negative perception of mining in B.C., including Vancouver Island at that time. The project was essentially mothballed, and no meaningful exploration activity has occurred in the Mt. Washington area since 1992. With current metal prices, the property warrants re-evaluation, data compilation, and systematic exploration programs.

The Mt. Washington property should first be re-evaluated based on its regional geological setting compared to other similar settings worldwide which host past or currently producing mines, with consideration to mineral deposit types and models.

Today's geological literature is much more extensive than it was at the times when Mt. Washington was being actively explored. In the author's opinion, some of the key points to consider in such a comparison would be:

- Tertiary age intrusive associated deposits and mineral districts
- Breccias – tectonic, intrusive and hydrothermal
- Fault structures – low angle detachment faults, steep faults
- Polymetallic – gold, silver, copper, molybdenum and arsenic
- Epithermal, porphyry and transitional mineral deposit types

Using today's and projected future estimates of metal prices for gold, silver, copper and molybdenum, reasonable exploration target models should be established for the Mt. Washington property. An investigation should be made of current mining and processing techniques and costs at operations exploiting similar deposits worldwide, including both open pit and underground operations. In the author's opinion, the following combined exploration target models could be used as a starting point:

- Underground, flat-dipping, discontinuous but clustered narrow vein deposits totaling 1 million tonnes @ 10 g/t gold, 100 g/t silver, 0.50% copper and 5% arsenic, requiring complex processing for optimal recovery of gold, silver and copper while suppressing arsenic
- Underground, steeply-dipping, bulk mineable, clustered, discontinuous deposits totaling 50 million tonnes @ 1 g/t gold, 5 g/t silver, 0.50% copper, 0.01% molybdenum and 0.5% arsenic, with similar processing requirements as above plus molybdenum recovery

The extensive data record available for the Mt. Washington property needs to be assembled into a single G.I.S.-based, 3-D model, and all rock units used by different operators need to be integrated into single, coherent geological legend. This would be most useful with contributions by one or more retired geologists who worked on the Mt. Washington property in the past and are familiar with the rocks. Because of the size and variable integrity of the data record, this process will take considerable time, effort and cost. At the end of the process, both property wide and detailed plan and sections views

should be available for any selected portions of the property showing any and all combinations of historic geology, geochemistry, geophysics (by type), trenching, drilling, and excavations. Using this, well-conceived exploration programs should be planned.

A phased, systematic exploration program is warranted on the property to achieve the following primary exploration objectives, in the author's opinion:

- Establish new, bulk-mineable indicated resources of sufficient grades to be mined by underground methods in one or more of the breccia zones by drilling
- Establish measured resources in the Lakeview-Domineer Zone by re-opening the portal, re-mapping the adit, definition drilling and detailed interpretation
- Discover new economic mineral deposits of any type of the property through systematic, phased exploration probably commencing with airborne geophysics

In addition, the author recommends preliminary studies to be carried out to achieve the following primary environmental objectives:

- Establish baseline environmental database using historic and modern data
- Evaluate the metal resources in and metallurgical characteristics of the existing tailings pond from the historic mining operations at Mt. Washington
- Design a program to permanently mitigate acid rock drainage and metal leaching from the historic open pits on the Mt. Washington property

Finally, the author recommends the following socio-economic programs be initiated to complement the exploration and environmental objectives:

- Identify, negotiate and establish contract, employment and other co-operation agreements with local First Nations bands
- Negotiate and establish access road use and other co-operation agreements with local surface rights holders and the Mount Washington Alpine Resort
- Negotiate and establish work progress update protocols with local recreation and conservation groups and communities

The following Phase 1 combined planning, exploration, environmental and socio-political programs and budgets are proposed for the first year at the Mt. Washington property:

Table 9-1 – Proposed Work Program and Budget Summary

Item	Description	Units/Timing	Unit Cost	Item Cost
Re-evaluation	Mining Geol./Eng.	1 month	\$10,000 / month	\$ 10,000
GIS Compilation	2 GIS Technicians	3 months	\$15,000 / month	\$ 45,000
Geological Legend	Retired Geologist	1 month	\$10,000 / month	\$ 10,000
Plan Exploration	Project Geologist	3 months	\$10,000 / month	\$ 30,000
Subtotal		Months 1-3		\$ 95,000
Explore Breccias	3000 m. Drilling	2 months	\$100 / metre	\$ 300,000
Lakeview-Domineer	Underground Work	2 months	\$100,000 /month	\$ 200,000
New Discoveries	1000 km. Airborne	1 month	\$150 / km	\$ 150,000
Subtotal		Months 4-5		\$ 650,000
Environmental	Baseline Program	10 months	\$2,500 / month	\$ 25,000
Tailings Pond	500 m. Drilling	1 month	\$100 /metre	\$ 50,000
Open Pits	ARD / ML Study	2 months	\$10,000 / month	\$ 20,000
Subtotal		Months 3-12		\$ 95,000
First Nations	Agreements	10 months	\$5,000 / month	\$ 50,000
Road Use, Surface	Agreements	1 month	\$5,000 / month	\$ 5,000
Local Communities	Meetings	10 months	\$4,000 / month	\$ 40,000
Subtotal		Months 3-12		\$ 95,000
Contingencies	5% of each item			\$ 65,000
TOTALS		12 Months		\$ 1,000,000

Phase 2 and subsequent programs and budgets would follow depending on the success of the Phase 1 programs, and would probably escalate in size and cost.



Paul D. Gray, P.Geo.

Dated: June 12, 2008

10.0 REFERENCES

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http://www.em.gov.bc.ca/Mining/Geosurv/Publications/catalog/cat_arpts.htm

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Information Circulars:

http://www.em.gov.bc.ca/Mining/Geosurv/Publications/catalog/cat_ic.htm

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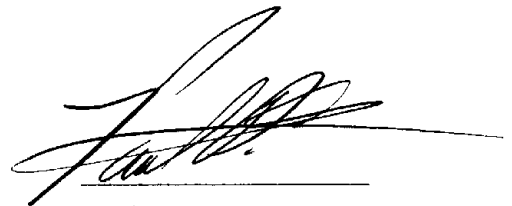
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11.0 STATEMENT OF QUALIFICATIONS

I, Paul D. Gray, of #1 – 1081 West 8th Avenue, Vancouver V6H 1C3, in the Province of British Columbia, DO HEREBY CERTIFY THAT:

1. During the time of the work described in this report I was a Director of Bluerock Resources Ltd, a public Company with offices at 350-580 Hornby Street, Vancouver, B.C.
2. I am a graduate of Dalhousie University, Halifax, in the Province of Nova Scotia, with a Bachelor of Science degree (Honours) in Earth Sciences.
3. I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC), License Number 29833.
4. I have practised my profession as an exploration geologist in the mineral exploration industry continuously since 1997. I have worked on base and precious metals exploration projects as a geologist in British Columbia, Northwest Territories, Utah, Colorado, Mongolia, Central and South America.
5. I have read the 2007 Jacque Houle, P.Eng. Mt. Washington report and was personally responsible for editing that report into the B.C. Assessment Report format. Further I have requested and received oral and written approval to utilize Mr. Houle's report for this Assessment Report.

DATED at Vancouver, British Columbia this 12th day of June, 2008.



Paul D. Gray, P.Geo

The following section is taken directly from Houle, 2007.

Date and Signature Page

I, Jacques Houle, P.Eng. Do hereby certify that:

1. I am currently employed as a consulting geologist by:
Jacques Houle, P.Eng. Mineral Exploration Consulting 6552 Peregrine Road,
Nanaimo, British Columbia, Canada V9V 1P8
2. I graduated with a Bachelor's of Applied Science degree in Geological Engineering
with specialization in Mineral Exploration from the University of Toronto in 1978.
3. I am a member in good standing with the Association of Professional Engineers and
Geoscientists of British Columbia, the Society of Economic Geologists, the
Association for Mineral Exploration British Columbia, and the Vancouver Island
Exploration Group; I am also a member of the Technical Advisory Committee for
Geoscience B.C.
4. I have worked as a geologist for 29 years since graduating from university, including
5 years as a mine geologist in underground gold and silver mines, 15 years as an
exploration manager, 3 years as a government geologist and 4 years as a mineral
exploration consultant.
5. 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, membership in 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.
6. I am responsible for the preparation of the Technical Report entitled "Summary
Report on the Mt. Washington Property". I visited the mineral property between 2000
and 2005.
7. I have had prior involvement with the properties that are the subject of the Technical
Report, both as a government geologist and as a consultant.
8. 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.
9. I am independent of the issuer applying all the tests in NI 43-101.
10. I have read National Instrument NI 43-101, Companion Policy 43-101.CP and Form
43-101F1, and the Technical Report has been prepared in compliance with that
instrument, policy and form.

Dated this 30th day of April, 2007.



Signature of Qualified Person

Jacques Houle, P.Eng.

Print name of Qualified Person



Seal of Qualified Person

12.0 STATEMENT OF EXPENDITURES

Mt. Washington Project Expenses Statement – 2007

January 15 – April 30, 2007 – Mt. Washington Report Program Expenses:

Jacques Houle, P.Eng.	Geologist 351.5 Hours @ \$60.00 / Hour	\$21,090.00
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Paul D. Gray, P.Geo	Geologist Report Compilation 9.2 Hours @ \$60.00 / Hour	\$552.00
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Sub-Total = **\$21,642.00**

Total = \$21,642.00

N.B. GST not included in the above amounts: See the Houle Invoices on the following pages

Dated: June 12, 2008



Paul D. Gray, P.Geo.

Jacques Houle, P.Eng.
 Mineral Exploration Consulting
 6552 Peregrine Road, Nanaimo, B.C. V9V 1P8
 (250) 390-3930 jhoule06@shaw.ca

Invoice to: **Mr. Michael Collins, President**
Bluerock Resources Ltd.
Suite 350, 580 Hornby Street
Vancouver, B.C. V6C 3B6

Invoice #: **07.04.03**

Invoice Amount: **\$ 9,724.44**

Invoice Details: April, 2007:

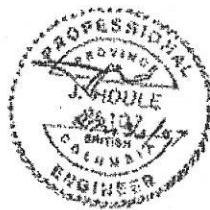
Mt Washington
130

Project	Fees+GST	GST	Fees	Hours	Salary	Office	Field	Truck	Core shack	Per Diem
Mt.Washington	9,724.44	550.44	9,174.00	139.00	8,340.00	834.00	-	-	-	-
TOTAL	9,724.44	550.44	9,174.00	139.00	8,340.00	834.00	-	-	-	-

Subtotal Fees \$ 9,174.00
 7% G.S.T. (GST registration no. 897214706) \$ 550.44

Invoice Total \$ 9,724.44

Invoice is due and payable upon receipt.



okup
plm

Jacques Houle, P.Eng.
Mineral Exploration Consulting
 6552 Peregrine Road, Nanaimo, B.C. V9V 1P8
 (250) 390-3930 jhoule06@shaw.ca

Invoice to: **Mr. Michael Collins, President**
Bluerock Resources Ltd.
Suite 350, 580 Hornby Street
Vancouver, B.C. V6C 3B6

Invoice #: **07.03.02**

Invoice Amount: **\$ 8,430.18**

Invoice Details: March, 2007:

OKay
MM

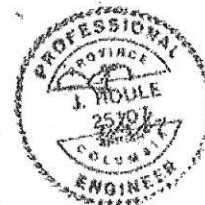
Project	Fees+GST	GST	Fees	Hours	Salary	Office	Field	Truck	Core shack	Per Diam
Mt.Washington	8,430.18	477.18	7,953.00	120.50	7,230.00	723.00	-	-	-	-
TOTAL	8,430.18	477.18	7,953.00	120.50	7,230.00	723.00	-	-	-	-

Subtotal Fees \$ 7,953.00
 7% G.S.T. (GST registration no. 897214706) \$ 477.18
Invoice Total \$ 8,430.18

Invoice is due and payable upon receipt.

Mt. WASH # 140
P. GRAY

POSTED



Jacques Houle, P.Eng.
Mineral Exploration Consulting
 6552 Peregrine Road, Nanaimo, B.C. V9V 1P8
 (250) 390-3930 jhoule06@shaw.ca

Invoice to: **Mr. Michael Collins, President**
Bluerock Resources Ltd.
Suite 350, 580 Hornby Street
Vancouver, B.C. V6C 3B6

Invoice #: **07.02.07**

Invoice Amount: **\$ 6,436.32**

Invoice Details: February, 2007:

Project	Fees+GST	GST	Fees	Hours	Salary	Office	Field	Truck	Core shack	Per Diem
Mt. Washington	6,436.32	364.32	6,072.00	92.00	5,520.00	552.00	-	-	-	-
TOTAL	6,436.32	364.32	6,072.00	92.00	5,520.00	552.00	-	-	-	-

Subtotal Fees \$ 6,072.00
 7% G.S.T. (GST registration no. 897214706) \$ 364.32

Invoice Total \$ 6,436.32

Invoice is due and payable upon receipt.

POSTED



130
 Mt. Washington
 OKM
 JMH