

BC Geological Survey
Assessment Report
30101

Assessment Report for the

LYDY Property

Soil Sampling Program

Fort Steele Mining Division

N.T.S. 82 F/ 10E

Latitude 49° 35' 21" N, Longitude 116° 39' 40" W

for

Jasper Mining Corporation
1020, 833 - 4th Avenue S.W.
Calgary, Alberta
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of

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Submitted: July, 2008

SUMMARY

The LYDY property is located approximately 10 km east of Kootenay Lake and 68 km west of Cranbrook on the relatively well maintained Grey Creek Pass Forest Service road. The property comprises a total of 1,201.52 ha (2,969 acres), consisting of 7 2-post claims and 3 Mineral Tenure Online (MTO) mineral tenures. Several clear cuts are present on the property, together with a number of old logging roads which provide good access to the northwestern half of the property.

Anomalous molybdenum and tungsten anomalies were identified in soils recovered by Cominco Ltd in 1979 to follow up on anomalous silt samples released by the Geological Survey of Canada. A total of 13 drill holes (9 diamond and 4 percussion) were drilled to test the anomalous soil results associated with a small outcrop of quartz monzonite.

Eagle Plains Resources Ltd (“Eagle Plains”) acquired the immediately adjacent claims to the north, comprising their Sphinx property, and completed a total of 14 drill holes, comprising 3,330 metres, in 2005. On the basis of the 14 holes completed by Eagle Plains, together with data from previous drill holes completed by Barkhor Resources, a 43-101 compliant Inferred Resource of 62,005,615 tonnes grading 0.035% Mo, using a cut-off grade of 0.01% Mo, was determined for the Sphinx property (News Release, May 9, 2006). In 2006, an additional 4 diamond drill holes were completed, totaling 1,700 m. An additional 8 holes were completed in 2007, totaling 2,344 m. The results of these later holes have not been incorporated into the reserve estimate.

Between July 19th and 27th, a short soil sampling program (consisting of 15 man-days) was completed to provide further geochemical information with which to evaluate the property. A total of 177 soil samples were recovered and submitted to Acme Analytical Laboratories for processing using SS80 preparation and 39 element Group 1DX (ICP) analysis.

Soil sampling during 2007 returned a number of multi-station, coincident soil anomalies, particularly along the northwestern soil lines. The 177 soil samples recovered during 2007, were appended to the composite soil database compiled for the property, increasing the total analyses available to date to 473 analyses. The resulting composite database was evaluated for anomalies, which are described herein.

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INTRODUCTION

The LYDY property is located approximately 10 km east of Kootenay Lake and 68 km west of Cranbrook (Fig. 1 and 2) on the relatively well maintained Grey Creek Pass Forest Service road. The property comprises a total of 1,201.52 ha (2,969 acres), consisting of 7 2-post claims and 3 Mineral Tenure Online (MTO) mineral tenures (Fig. 3). Several clear cuts are present on the property, together with a number of old logging roads which provide good access to the northwestern half of the property.

Anomalous molybdenum and tungsten anomalies were identified in soils recovered by Cominco Ltd in 1979 to follow up on anomalous silt samples released by the Geological Survey of Canada. A total of 13 drill holes (9 diamond and 4 percussion) were drilled to test the anomalous soil results associated with a small outcrop of quartz monzonite.

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Soils sampling during 2007 returned a number of multi-station, coincident soil anomalies, particularly along the northwestern soil lines. The 177 soil samples recovered during 2007, were appended to the composite soil database compiled for the property, increasing the total analyses available to date to 473 analyses. The resulting composite database was evaluated for anomalies, which are described herein.

LOCATION AND ACCESS

The LYDY property is located in the western Purcell Mountains (latitude 49° 36' 30" N, longitude 116° 39' 18" W), approximately 68 kilometres west of Cranbrook, B.C. on N.T.S. mapsheet 82 F/10E (Fig. 1 and 2). The property consists of 7 2-post claim units and 1 Mineral tenure Online (MTO) mineral tenure straddling Baker Creek (Fig. 3).

The property can be accessed by gravel Forest Service Roads (FSR) from Cranbrook / Kimberley along the St. Mary's Road. The road is well maintained west of St. Mary's Lake to Km 45. At km 45, take the Redding Creek - St. Mary's FSR for approximately 25 km along a moderately rough gravel road to km 25, then take the right fork to Grey Creek Pass. The northern boundary of the LYDY property is at approximately 8 km along the Baker Creek / Grey Creek Pass road.

Alternatively, the property can be accessed using the Grey Creek Pass road from the community of Grey Creek, approximately 10 km from the east side of Kootenay Lake. Follow the road up Grey Creek and continue south up a tributary of Grey Creek through Grey Creek Pass to the property.

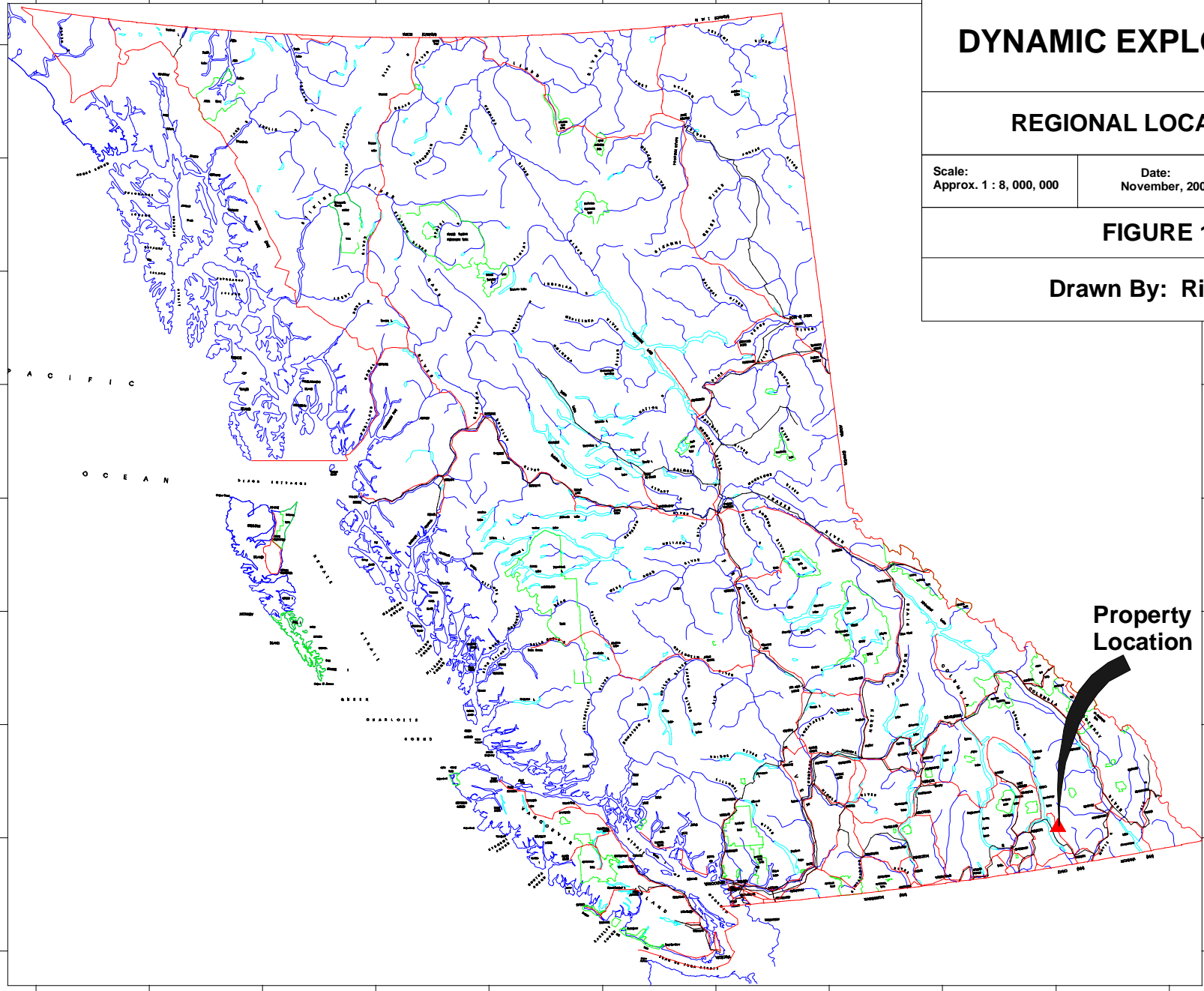
The Grey Creek Pass road provides access to the western portion of the property, while a series of logging roads provides good access throughout the northeastern portion of the property. All roads are negotiable using a 2WD vehicle although 4WD is recommended for better clearance.

PHYSIOGRAPHY AND CLIMATE

The LYDY property is located in Grey Creek Pass (Fig. 2), approximately 10 km due east of the community of Grey Creek on the east side of Kootenay Lake. Relief in the area varies from 1780 metres (5840 feet) along Baker Creek to approximately 2480 metres (8136 feet) on the eastern edge of the property.

The claims are well exposed along the north-south oriented Baker Creek valley. Vegetation in the area consists predominantly coniferous, with deciduous trees preferentially located along the valley bottom. Undergrowth consists largely of small deciduous shrubs.

The claims are located east of Kootenay Lake in a regional topographic high, comprising the local drainage divide, and are therefore subject to heavier precipitation. As a result, the region is characterized by heavy snowfall during the winter months. The property is available for vehicle based, geological exploration from June to late October.



DYNAMIC EXPLORATION LTD

REGIONAL LOCATION MAP

Scale:
Approx. 1 : 8, 000, 000

Date:
November, 2005

Mapsheet:
N.T.S. 82F / 10E
BCGS: 082F057

FIGURE 1

Drawn By: Rick Walker

Property
Location

DYNAMIC EXPLORATION LTD

PROPERTY LOCATION MAP

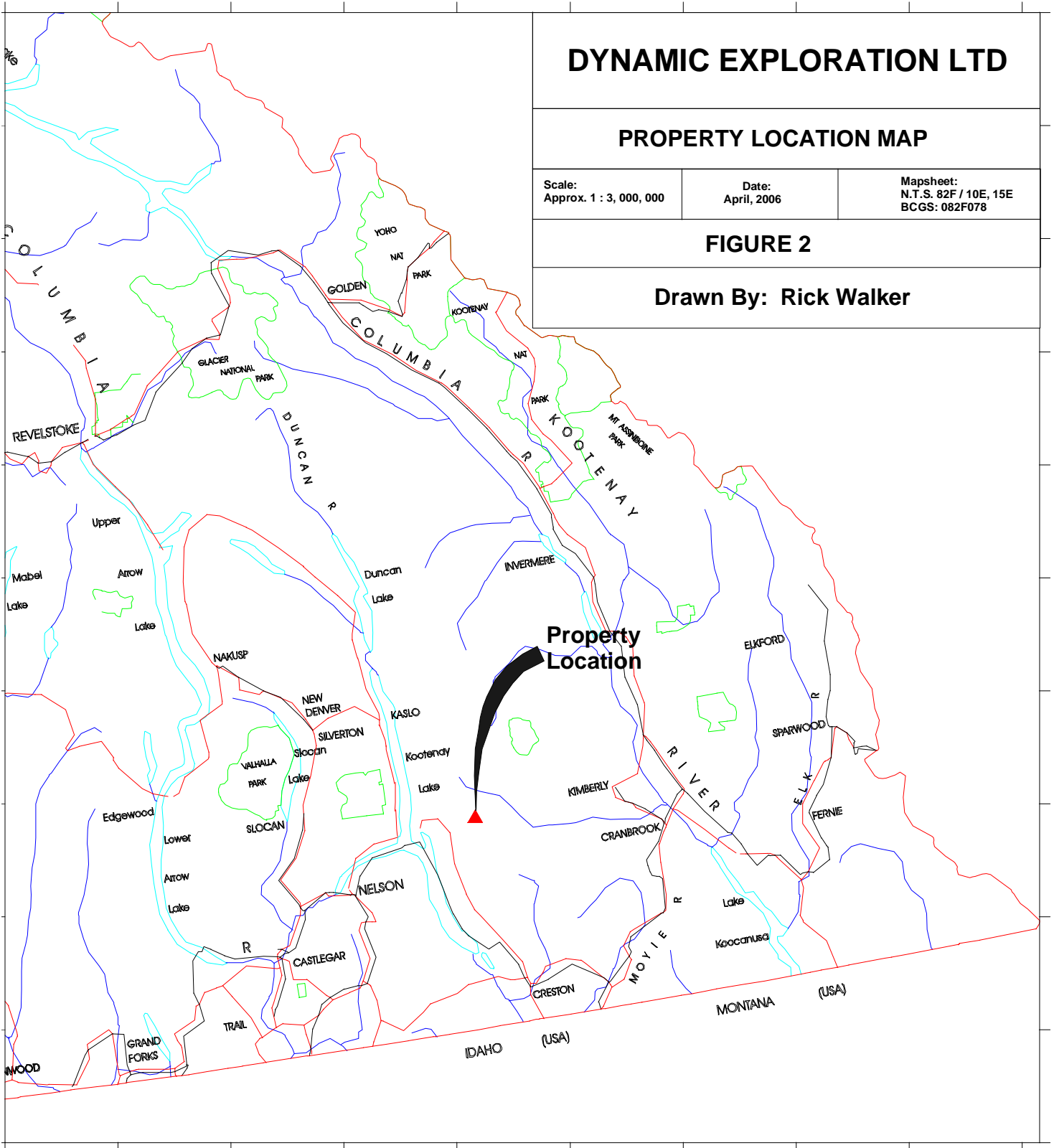
Scale:
Approx. 1 : 3, 000, 000

Date:
April, 2006

Mapsheet:
N.T.S. 82F / 10E, 15E
BCGS: 082F078

FIGURE 2

Drawn By: Rick Walker



CLAIM STATUS

The property consists of 7 2-post claims and 3 Mineral Tenure Online (MTO) mineral tenures (Fig. 3), acquired in accordance with existing government claim location regulations. Significant claim data are summarized below:

Tenure Name	Area (ha)	Tenure #	Date of Record	Expiry Date*
LYDY 1	25	413143	July 31, 2004	July 31, 2014
LYDY 2	25	413244	July 31, 2004	July 31, 2014
LYDY 3	25	413245	July 31, 2004	July 31, 2014
LYDY 4	25	413246	July 31, 2004	July 31, 2014
LYDY 6	25	413248	July 31, 2004	July 31, 2014
LYDY 13	25	413255	July 31, 2004	July 31, 2014
LYDY 14	25	413256	July 31, 2004	July 31, 2014
	377.084	512490	July 31, 2004	July 31, 2014
LYDY WEST	398.046	553152	Mar. 2, 2008	Mar. 2, 2012
LYDY EAST	<u>251.39</u>	553153	Mar. 2, 2008	Mar. 2, 2012
Total:	1,201.52			

The claims were originally comprised of 14 2-post claims, however, seven were converted to a single MTO tenure (512490) in 2005. An additional 2 MTO tenures were acquired in 2008.

*After 2007 assessment credit applied.

HISTORY

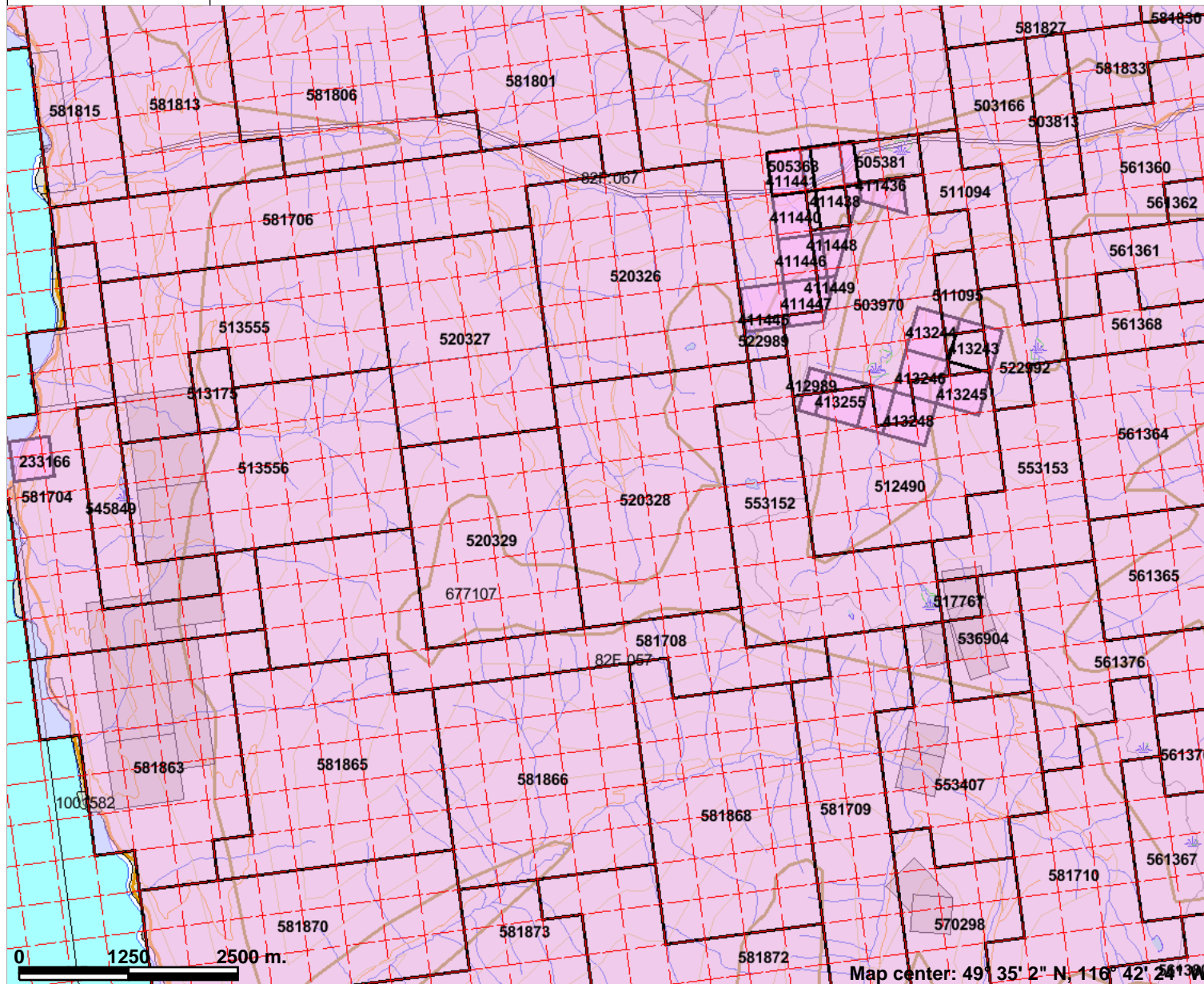
1978 - Geological Survey of Canada released Open File 514.

- Cominco Ltd undertakes preliminary soil sampling in September which return anomalous Zn, Mo and W over a large area.

1979 - Cominco Ltd undertakes reconnaissance contour and grid soil sampling (939 soil samples), silt sampling (11 samples), 1:5,000 scale geological mapping and prospecting. The samples were analyzed by Atomic Absorption for Ag, Cu, Mo, Pb, W and Zn.

“Results show anomalous values for Zn, Mo and W over a large area on the Baker 1 claim, extending onto the Baker 4 claims to the north and the Baker 2 and Baker 3 claims to the

Figure 3: Mineral Tenure Map



Legend

- Indian Reserves
- National Parks
- Parks
- Mineral Titles Grid (LRDW)
- Mineral Tenures (Mineral - LRDW)
- Mineral Claim
- Mineral Lease
- Reserves (Mineral - LRDW Sites)**
- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others
- Mining Division (MTO)
- Survey Parcels
- BCGS Grid
- Contours (1:250K)
- Contour - Index
- Contour - Intermediate
- Area of Exclusion
- Area of Indefinite Contours
- Transportation - Points (TRIM)
- Helipad
- Transportation - Lines (TRIM)
- Airfield
- Airport
- Airstrip
- Airport.Abandoned
- Ferry Route
- Road (Gravel/Undivided) - 1 Lane

Map center: 49° 35' 2" N, 116° 42' 24" W

Scale: 1:69,095

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

south. A small molybdenite occurrence was found, near the north end of the anomalous zone.

“The sediments to the east of the unconformity constitute a complex assemblage of argillite, quartzite and dolomite, with minor amphibolite. Generally these units could not be correlated over more than a few hundred metres, due apparently to structural complications and/or sedimentary facies variations. To the west (above the unconformity) three major units occur - a conglomerate, a massive quartzite, and black argillite. ... An outcrop of intrusive rock was located in the centre of the claim group. This rock is a quartz monzonite consisting of quartz, feldspar and accessory biotite.

A skarn-type molybdenite showing was found on the property. The host rock is a quartz-garnet-actinolite-calcite skarn” (Wright 1979).

The skarn showing occurs within a broad zone characterized by anomalous molybdenum (>10 ppm Mo) and tungsten (>20 ppm W).

1980 - Cominco Ltd drilled 5 BQ diamond drill holes (BC - 80 - 01 to 05), totaling 1005 metres. Core was split into 3 m (10 foot) intervals and assayed for Mo, analyzed geochemically for W.

“Drilling in 1980 has shown a zone of lithologies consisting of light grey phyllite, overlying dark green banded calcareous metasediments (“skarn”) which in turn overlies a thick sequence of relatively pure quartzite or phyllitic quartzite. This sequence of rocks is invaded by a biotite quartz monzonite plug and numerous dikes, as well as quartz veins.

Mineralization occurs throughout all of the drill holes, but appears to be most significant in the intrusion and the quartzite. Grades in these rocks are low but persistent, averaging about 0.03% Mo” (Wright 1980).

1983 - Cominco Ltd drilled 4 diamond drill holes, totaling 286.5 m - no report filed (Wright 1984).

1984 - Cominco Ltd drilled 4 percussion drill holes, totaling 341.4 m. Drill “... cuttings from these holes were split in 10 foot intervals and analyzed geochemically for molybdenum and tungsten. One hole was also analyzed for lead, zinc, silver and gold.

Mineralization consists mainly of pyrite and occurs throughout all of the drill holes. Grades in these rocks are low but persistent, averaging less than 100 ppm Mo and less than 200 ppm W. ... (The drill program) ... has succeeded in identifying minor molybdenum and tungsten on the valley bottom. These occur together with disseminated pyrite, in quartzites, phyllites and skarn” (Wright 1984).

1995 - G. Johnstone completed limited program of soil (88 samples) and chip (12 samples) sampling on the Jodi and Moly claims.

“Several rock outcrops revealed nicely bedded silver, lead and zinc, this was found in two

separate zones of Dolomitic Limestone which were separated by Green Phyllite and Black Argillite. The best Mineral values seem to be coming from the west side of the two zones and has Black Argillite as a contact rock (sic.) ...

Sulphide mineralization is evident in several outcrop locations extending over a 100 meter strike length in two dolomitic limestone zones separated by about 100 meters of phyllite and argillite. The better zone is the westernmost section where mineralization thickness of up to 2 meters is evident with lead/zinc/silver grades showing 6.7%/1.2%/3.0 oz/tn” (Johnstone 1995).

1997 - Barkhor Resources Ltd drilled 10 holes

“Cominco had outlined a strong molybdenum-tungsten-zinc soil anomaly which is 200 metres wide and at least 1200 metres long. The 1997 drilling is systematically testing the area of the anomaly. By year end a total of about 2500 metres had been completed in nine holes on the property. The last seven holes which were drilled on the anomaly all contain visible molybdenite but the only assays reported so far are from the sixth hole in which a 29.0 metre interval averaged 0.0769 per cent molybdenum (Exploration in BC, page 49). The best molybdenite mineralization occurs in a stockwork of very thin quartz veins in a shattered, sericite-rich, phyllitic, white quartzite, which is interbedded with pyroxene-garnet skarn-altered dolomite containing disseminated scheelite” (BC MINFILE 082FNE004 - see Appendix).

“... a private consultant reported that “typical drill intersections are averaging 0.03-0.038% Mo over core length ranging from 90 to 230 m”” (Eagle Plains Resources 2005a).

2004 - Jodi claims acquired by Eagle Plains Resources Ltd

2005 - LYDY property acquired by Jasper Mining Corporation

- preliminary soil sampling (125 samples) along the existing road network. Confirmed anomalous tungsten values previously reported by Cominco Ltd. In addition, anomalous bismuth and copper values were identified.

Six NQ diamond drill holes (totaling 1,165.8 metres) completed from 4 separate drill pads, to test coincident tungsten + bismuth anomaly. Holes 1 to 5 were collared in the Mount Nelson Formation of the Purcell Supergroup whereas Hole 6 was collared at the unconformity between the Mount Nelson Formation and the Horsethief Creek Group of the overlying Windermere Supergroup.

Although no molybdenum mineralization or felsic intrusive lithologies were intersected in any of the holes, the presence of pyrrhotite, idioblastic biotite porphyroblasts and variable chloritic alteration is interpreted as indicative of location within a thermal aureole in relative proximity to a felsic intrusive, probably a quartz monzonite correlative to the Cretaceous Bayonne Magmatic Belt. In addition, a carbonate breccia unit with a porphyritic diorite and

possible bedded massive sulphide breccia fragments was intersected in LYDY 05-01 and is interpreted as a possible olistostrome derived from a high standing block of Mount Nelson Formation, Toby Formation and/or and lower Horsethief Creek Group strata.

Eagle Plains Resources Ltd completed 14 diamond drill holes totaling 3,330 m. Issued News Release with pertinent results, as well as significant results from Barkhor program.

Hole Number	From (m)	To (m)	Width (m)	Mo (%)	
J197-006	18.3	45.2	26.9	0.072	
Including	28.8	34.8	6	0.232	
J197-007	153.4	175.5	22.1	0.041	
	186.4	201.1	14.7	0.055	
	193.3	197.5	4.2	0.104	
	226.4	242.5	16.1	0.052	
J197-009	18	76.9	58.9	0.027	
Including	28.9	33.8	4.9	0.058	
Including	28.9	30.9	2	0.097	
J197-010	190.5	209.2	18.7	0.059	
	308.9	327	18.1	0.1	
SX05001	4	340.9	336.9	0.033	Hole ended in mineralization
	25	44	19	0.06	
	96	118	22	0.05	
Including	96	101	5	0.112	
	288	318	30	0.066	
Including	292	318	26	0.07	
SX05002	3	231.1	228.1	0.036	Hole ended in mineralization
	51	159	108	0.06	
Including	110	159	47	0.1	
Including	121	128	7	0.308	
SX05003	9	106	97	0.012	
	37	52	15	0.021	
SX05004					No Significant Results
SX05005	7.1	391.7	384.6	0.029	Hole ended in mineralization
	193	245	52	0.051	
Including	193	210	17	0.063	
	375	382	7	0.101	
SX05006	6.1	309	302.9	0.021	
	114	239	125	0.03	
Including	204	223	19	0.06	
Including	208	220	12	0.078	
SX05007	6	100	94	0.029	
	36	55	19	0.061	
Including	43	54	11	0.085	

SX05008					No Significant Results
SX05009	24	237.2	213.2	0.026	
Including	133.0	145.0	12	0.042	
SX05010	12.0	43.0	31.0	0.032	
Including	19.0	23.0	4.0	0.060	
SX05011	47.0	48.0	1.0	0.033	
SX05012	3.0	188.0	185.0	0.044	
Including	106.0	151.0	45.0	0.066	
Including	139.0	150.0	11.0	0.103	
SX05013					No Significant Results
SX05014					No Significant Results

- Eagle Plains issues 43-101 compliant Inferred Resource of 62,005,615 tonnes grading 0.035% Mo, using a cut-off grade of 0.01% Mo, was determined for the Sphinx property (News Release, May 9, 2006).

2006 - Aeroquest International airborne geophysical survey flown over joint McFarlane / Lydy property, comprising a total of 455.8 line km (flown jointly with the Lydy property) or 40.2 km², comprised of magnetic, electromagnetic (EM) and radiometric data.

- Drill Program by Eagle Plains - 4 holes totaling 1,700 m

Hole Number	From (m)	To (m)	Length (m)	Mo (%)	
SX06015	11.5	481.89	470.39	0.042	Hole ended in mineralization
	20.5	27.5	7	0.087	
	332.5	411.5	79	0.068	
Including	342.5	348.5	6	0.098	
	456.5	461.5	5	0.074	
SX0616	65.25	420.25	355	0.03	
	185.25	232.25	47	0.045	
Including	185.25	196.25	11	0.063	
	226.25	232.25	6	0.135	
	294.25	352.25	58	0.042	
Including	319.25	336.25	17	0.065	
Including	333.25	336.25	3	0.223	
SX06017					No Significant Results
SX06018					No Significant Results

2007 - Drill Program by Eagle Plains - 8 holes totaling 2,344 m

Hole Number	From (m)	To (m)	Length (m)	Mo (%)
SX07019	27	113	86	0.054
	62	65	3	0.114
	77	85	8	0.111
	363	372	9	0.073
Including	363	365	2	0.214
SX07020	14	19	5	0.121
SX07021	14	21	7	0.098
	19	21	2	0.2
	31	50	19	0.054
SX07022	229	259	30	0.077
	242	251	9	0.104
	262	278	16	0.068
SX07024	77	87	10	0.055
SX07025	135	142	7	0.073
Including	139	142	3	0.102
	146	175	29	0.085
Including	156	175	19	0.104
Including	156	159	3	0.276
	232	241	9	0.078
Including	234	238	4	0.112
	262	269	7	0.123
Including	265	268	3	0.203
	293	305	12	0.072
SX07026	185	202	17	0.056
	221	225	4	0.061
	231	242	11	0.063

REGIONAL GEOLOGY

The only previous work undertaken pertaining to the general area of the Lydy claims was that of Reesor (1993) for the east side of Kootenay Lake. The stratigraphy of the Purcell Supergroup strata has been well described to the east by Höy (1993) and the Purcell and Windermere Supergroup to the north by Pope (1990).

Stratigraphy

Proterozoic

Belt-Purcell Supergroup

The following has been modified from Höy (1993).

Sheppard Creek Formation (Lower Dutch Creek Formation)

The Sheppard Formation includes up to several hundred metres of stromatolitic dolomite, quartz arenite, siltstone and argillite lying above the Nicol Creek Formation. A dramatic increase in thickness in the Skookumchuk area is accompanied by prominent facies changes in the Sheppard Formation and in the overlying Gateway and Phillips formations.

The Sheppard Formation is characterized by an assemblage of green siltite, sandy dolomite, quartz wacke, distinctive stromatolitic dolomite and oolitic dolomite layers.

West of Skookumchuk, the formation is still recognizable but is referred to as the lower Dutch Creek Formation. It comprises green siltstone and argillite with minor dolomitic siltstone and, near the top, stromatolitic dolomite. This stromatolitic sequence can be traced north of Bradford Creek and marks the contact between the lower and upper Dutch Creek. It comprises cycles of rounded and gritty quartz wackestone, overlain by oolitic, stromatolitic or massive dolomite. These cycles may contain a few thin purple argillite beds with mud cracks and locally, rip-up clasts. They are overlain by and interbedded with light green siltstone-argillite couplets, usually lenticular, laminated and graded.

Gateway Formation (Upper Dutch Creek Formation)

The Gateway Formation is defined to include siltite, argillite, arenite and dolomite between the Sheppard Formation and red and maroon siltstone and argillite of the overlying Phillips Formation. It correlates with the lower part of the upper Dutch Creek Formation northwest of Skookumchuk.

The Gateway Formation comprises dominantly pale green siltstone and minor dolomitic or argillaceous siltstone.

... Salt casts and symmetrical ripples throughout the Gateway Formation suggest deposition in shallow water; dessication cracks, mud-chip breccias and oxidized facies indicate periods of

subaerial exposure. ... The formation thickens rapidly to the north in the Skookumchuk area primarily as the result of an increase in the pale green siltstone component. The absence of the overlying Phillips Formation, sparse outcrop and the similarity between lithologies in the upper Gateway and lower Roosville formations make it difficult to determine the thickness and extent of the Gateway Formation to the north and west. ...

Dutch Creek Formation

The Dutch Creek Formation is defined as a group of rocks between the Purcell lavas (Nicol Creek Formation) and the Mount Nelson Formation. The lavas are not exposed in the Lardeau and Nelson east-half map areas and hence it is difficult to determine the exact thickness and extent of the Dutch Creek Formation there. It is estimated to be between 1200 and 1500 metres thick in the Windermere area and a 1300-metre section has been measured east of Kootenay Lake at Rose Pass.

In the Fernie west-half map area, the Dutch Creek Formation is only exposed northwest of Skookumchuck. The lower part of the formation is described in the section on the Sheppard Formation. The upper part includes the Gateway Formation the Roosville Formation and overlying rocks beneath the Mount Nelson Formation. The maximum thickness of the Dutch Creek Formation in the Bradford Creek area is estimated to be 4800 metres, including approximately 3300 metres of upper Dutch Creek.

The upper Dutch Creek is discontinuously exposed north of Skookumchuck. A carbonate marker bed approximately 200 metres thick occurs within the formation some 3000 metres above the Nicol Creek lavas. It is a massive, cream to tan-weathering, thick to medium-bedded dolomite and limestone unit. Crypto-algal features are present locally. The top and the base of the unit consist mainly of argillaceous silty dolomite. It is included within the Dutch Creek rather than the Mount Nelson Formation as the basal quartzite typical of the Mount Nelson is not exposed below it. Furthermore, green siltstone, black argillite and thin oolitic dolomite interbeds higher in the section probably correlate with similar facies in the Roosville Formation at Larchwood Lake.

Mount Nelson Formation

The Mount Nelson Formation comprises a thick sequence of quartzite, dolomitic argillite and siltstone that conformably overlies the Dutch Creek Formation. It was restricted to include only the lower part of the formation. The upper part, informally named the Frances Creek Formation, is separated from the Mount Nelson Formation (new) by a disconformity.

The lower Mount Nelson Formation is divisible into three members in the Mount Forster map: a basal white orthoquartzite 100 to 200 metres thick, 100 to 300 metres of buff and grey dolomites and an upper unit, to 370 metres thick, of purple and red shale with buff dolomite interbeds. The overlying Frances Creek Formation comprises thick-bedded orthoquartzite, grey dolomite and interbedded sandstone and shale.

The total thickness of the Mount Nelson Formation (new) in the Mount Forster area varies from 500 metres to 1950 metres, due partly to erosion prior to deposition of the Frances Creek Formation or Windermere Supergroup and partly to syndepositional tectonics. The Frances Creek Formation varies in thickness from 750 metres to 1020 metres. At Rose Pass east of Kootenay Lake, the entire Mount Nelson Formation is approximately 750 metres thick.

In Fernie west-half map area, the Mount Nelson Formation is only exposed at Lookout Mountain along the northern edge of the map area. It has a gradational contact with the underlying Dutch Creek Formation; phyllitic black argillite-siltstone rocks become increasingly more quartzitic and the interbeds of quartz wacke become cleaner up-section. The basal quartzite of the Mount Nelson is a clean, well-rounded and well-sorted, medium-bedded orthoquartzite containing a few thin beds of sandy dolomite. The basal quartzite is overlain by a mixture of white, green and purple quartz arenite and dolomitic sandstone, locally gritty, as well as some purplish dolomite and argillite. Locally, the diagenetic character of these maroon beds is clearly demonstrated as the colouring crosscuts bedding planes and leaves spotty remnants of light green argillite. A buff weathering sequence of dolomite overlies these quartzwacke, siltstone and argillaceous dolomite beds. This package is overlain by more green siltstone and minor purple siltstone and argillite. The total exposed thickness of the Mount Nelson Formation is approximately 400 metres.

The following has been summarized from Aitken and McMechan (1991).

Middle carbonate division

A distinctive carbonate unit comprises the middle division of the Purcell (Belt) Supergroup. To the east, in the Rocky and eastern Purcell mountains, the middle division consists of the well known Kitchener Formation. In the west the middle carbonate division consists of the more basinal facies of the thick, lower subdivision of the Coppery Creek Group. The thick (1400 m) lower unit consists of dolomite interbedded with green, grey or black phyllite which grades upward to silvery and green phyllite, siltite and some carbonate.

Upper division

The strata comprising the Van Creek Sheppard, Gateway and Roosville formations of the Rocky and eastern Purcell Mountains pass laterally into a succession of grey and green siltite, argillite and phyllite, quartzite, argillaceous dolomite and dolomite. The volcanic (Nicol Creek) and red quartzite marker (Phillips) units thin and disappear to the west, making subdivision of the upper division impractical. Therefore, the upper two units of the 'Coppery Creek' and 'La France Creek' groups are interpreted to comprise the upper division along the western Purcell Mountains.

The upper two divisions of the Coppery Creek group consists of a middle unit approximately 200 m thick comprised of thinly laminated black phyllite and grey siltite. The upper unit consists of silvery phyllite, calcareous dark grey phyllite and dolomite, with a sequence of interbedded dolomite

and quartzite at the top and is approximately 300 metres thick.

The 'La France Creek group' of the western Purcell is approximately 1000 m thick, comprised of intensely deformed and metamorphosed sediments dominated by siltite, quartzite and phyllite. The group has been subdivided into a lower unit consisting of thinly interbedded, black phyllite and grey siltite and an upper unit of grey siltite and quartzite with black phyllite and carbonate-bearing siltite and phyllite near the top. The 'La France Creek group' gradationally overlies the upper unit of the 'Coppery Creek group'. In most areas, strata of the 'La France Creek group' grade into thicker-bedded quartzite at the base of the Mount Nelson Formation.

The Mount Nelson Formation consists of a cliff-forming, basal unit of white, grey or green orthoquartzite with rare argillaceous laminae and partings, overlain by brownish red to grey-weathering impure carbonate interbedded with black, purple or red argillite and grey siltite. Stromatolites and lenses or nodules of chert occur locally within the carbonate unit. The basal orthoquartzite, up to 70 m thick, thins gradually to the south. Interbeds of green, black or red argillite are common within the upper quartzite unit and green and black argillite and siltite form the top of the preserved formation. The carbonate unit is thicker in western exposures, where it is overlain by interbedded black phyllite and grey siltite. Cream-weathering dark-coloured dolomite and brown-weathering, white dolomite, locally interbedded with black phyllite, occur at the top of the formation as preserved. Mud cracks in argillite, ripple marks in quartzite and solution-breccias in dolomite are locally common in both area.

The Mount Nelson Formation, whose maximum preserved thickness is about 1000 m is unconformably overlain by conglomerate of the Toby Formation of the Upper Proterozoic Windermere Supergroup. Evidence for small-scale, pre-Toby block faulting is found locally. Regionally, the unconformity cuts out progressively older Purcell strata southward along the western Purcell Mountains ”.

The following has been modified from Pope (1990):

Van Creek Formation

The Van Creek Formation consists of coarse to medium-grained, light-grey or green to dark-green quartzites, siltstones and silty argillites. The beds have consistent thicknesses of between 20 to 50 centimetres with slightly undulose bases and truncated tops, together with internal cross and planar lamination and grading. Van Creek quartzites grade upward into thinly bedded pale green quartzites and then into thinly interbedded 2 to 20 centimetre pale green quartzites, silts and buff weathering dolomitic silts of the Lower Gateway Formation, Hg 1 member.

Lower Gateway Formation

The Lower Gateway Formation is subdivided into two members Hg1 and Hg2.

Hg 1: The contact between the Van Creek and Lower Gateway formations is gradational and in the absence of the Nicol Creek Formation can only be roughly estimated. The lowermost units of the Lower Gateway Formation are identified as where carbonate first occurs in the succession. The thin bedded quartzites in this transitional sequence are characterized by weathered pyrite, which imparts a distinctive red spotted appearance.

The Hg1 member is estimated ... to be well in excess of 1000 metres thick. It consists of interbedded packages of quartzite, green siltstone and buff dolomitic siltstone and dolomite. Sedimentary structures such as cross lamination, grading, channelling and dewatering structures, are well preserved and compositional differences frequently enhance exposures. Siltstones in the dolomitic packages usually show an upwards gradation from dolomite free, finely cross-laminated silt and sand to dolomitic cross-laminated siltstone and cryptalgal to stromatolitic-laminated micritic dolomite. Bed thicknesses vary from generally 2 to 10 centimetres in the fine grained quartzite dominated lower part, to 10 to 50 centimetres in the upper dolomite dominated part of the Hg 1 member.

Hg2: The dolomite dominated upper part of the Hg1 member passes into a 90-metres thick, cream to buff weathering dolomite unit. The dolomite displays cryptalgal and stromatolitic laminations, cream chert intercalations, rare halite casts and silty and sandy cross lamination. Bed thickness varies between 50 centimetres to 2 metres, and grain size varies from micrite, which is typically blue-grey, to coarse sucrose-textured, light coloured recrystallized dolomite.

Dutch Creek Formation

The boundary between the Lower Gateway Formation and the Dutch Creek Formation is characterized by a narrow zone of rusty weathering. The contact is interpreted as a parallel unconformity and the rusty weathering zone marking a hiatus.

Within the Dutch Creek Formation there is not a clearly defined stratigraphy, but four basic lithofacies (A to D) have been distinguished. Beds are usually between 2 to 20 centimetres thick and consist of fine grained quartzite and argillite in graded couplets. Sedimentary structures include fine herringbone ripple and channel cross-laminations. The Dutch Creek Formation has a marked lack of carbonate.

Lithofacies A - Finely interlaminated green and dark grey to black graded siltstone-argillite couplets. Beds 1 - 10 cm thick.

Lithofacies B - Drab green to grey silt to fine sand quartzite and grey green to black silty argillite interbeds 5 - 20 cm thick.

Lithofacies C - Grey black argillite and siltstone with buff dolomitic siltstones.

Lithofacies D - Dark grey limestone and limey siltstone interbedded with argillite beds 10 cm to 1 m thick.

There is a great variation in thickness of the Dutch Creek Formation from an estimated 1000 metres to less than 300 metres over a lateral distance of 5 kilometres. Although the observed contact with the overlying Mount Nelson Formation is always paraconformable, the contact is very sharp and represents a major change in facies, hydrodynamic energy and sedimentary processes, and is therefore interpreted as an unconformity.

Mount Nelson Formation

The Mount Nelson Formation has been subdivided into the:

- a) lower quartzite, a useful 50 to 150 metre thick marker horizon consisting of white, well-sorted, fine- to medium-grained pure quartz arenites,
- b) lower main dolomite - an approximately 400 metre thick sequence which conformably overlies and is gradational with the lower quartzite, comprised of cryptalgal to stromatolitic laminated, pale grey weathering dolomites with interbedded carbonaceous argillites capped by a cream-coloured stromatolitic, crystalline cherty-dolomite unit approximately 20 metres thick overlain in sharp contact by,
- c) the middle quartzite - an apple green coloured sequence consisting of massive, fine- to coarse-grained quartz arenites, impure sandstones and argillites having A-B to A-E Bouma sequences evident,
- d) orange dolomite sequence - approximately 180 metres thick consisting of varicoloured buff weathering dolomitic siltstones, argillites and impure sandstones underlying bright orange-buff weathering silty and sandy crystalline dolomites with abundant cryptalgal and stromatolitic laminations and intercalated chert.
- e) white markers conformably overlie the orange dolomite and are up to 70 metres thick. The white markers consist of cream, buff and silver-grey dolomites with purple, green and buff dolomitic mudstones and local interbeds of pure white magnesite up to 1 metre thick,
- f) purple sequence - gradationally overlies the white markers, consisting of purple weathering dolomitic sandstones and siltstones which grade upward into purple weathering argillite. Mudchip breccias and monomict pebble conglomerates are interbedded with siltstones and argillites and the sequence is overlain by a pebble to boulder conglomerate with a purple weathering sandy argillitic matrix in sharp contact with the purple shales. The pebble to boulder conglomerate is interpreted as the locus of an intraformational unconformity with a

thickness between 2 and 10 metres thick,

- g) upper middle dolomite - approximately 80 metres thick and similar to the lower main dolomite. It is distinguished by abundant algal allochems which are typically replaced by black chert,
- h) upper quartzite - a distinctive cliff-forming unit consisting of white quartzites more than 260 metres thick (equivalent to the upper Mount Nelson Quartzite (Atkinson 1975)). The upper quartzite consists of well sorted medium- to coarse-grained, essentially pure arenites. They are distinguished from the lower quartzite on the basis of massive bedding and poorly preserved sedimentary structures.
- i) upper dolomite - the uppermost unit in the Belt-Purcell exposed below the Windermere unconformity. The upper dolomite is gradational with the underlying quartzite over 10 metres consisting of interbedded purple argillite, quartzite and dolomite. The upper dolomite is comprised of pale to dark grey dolomite interbedded with quartz and dolomite pebble conglomerates with dolomitic quartz sands.

Windermere Supergroup

The Windermere Supergroup varies in thickness in the Toby Creek area, from 80 metres to over 3 kilometres and is in sharp contact with the underlying Belt-Purcell Supergroup across an unconformity with considerable topography, interpreted as a result of a local basement high, the "Windermere High" (Reesor 1973). The Windermere Supergroup was deposited above this unconformity and consists of a basal conglomeratic unit, the Toby Formation, and the overlying argillite and pebble conglomerate dominated Horsethief Creek Formation.

Toby Formation

The Toby Formation is the basal unit of the Windermere Supergroup and overlies different levels of the Belt-Purcell stratigraphy in the separate fault panels, interpreted to indicate active faulting during sedimentation (Pope 1990). Four distinct facies have been identified in the Toby Creek area but their stratigraphic position relative to one another is uncertain due to rapid lateral facies changes.

The Toby Formation consists of:

- a) a basal boulder breccia lithofacies consisting of monomict clast-supported boulder breccias.
- b) a diamictite lithofacies - the most commonly developed facies consisting of rounded quartzite and subangular dolomite boulders (derived from the immediately underlying Mount Nelson Formation) in a sandy argillite matrix.
- c) a sparse clast diamictite lithofacies consisting of graded fine to coarse-grained, poorly sorted arenites and argillites with a minor component of rounded quartzite pebbles or cobbles.

- d) a siltstone-argillite lithofacies which comprises the bulk of, and is the dominant lithology in, the upper portion of the Toby Formation, consisting of well-sorted and graded fine quartz arenites and argillites which typically exhibit complete Bouma sequences.

The Toby volcanics are the oldest igneous rocks identified in the Toby Creek area and are believed to be altered submarine basalts related to regional Hadrynian extension. The flows are holocrystalline and glomeroporphyritic basaltic andesites, having plagioclase phenocrysts in a fine-grained plagioclase groundmass.

Green metadiabase dykes have also been identified and have been interpreted as the metamorphic equivalent to the Toby volcanics. They are the most common igneous rocks and are always intruded at a high angle to bedding. They are typically altered, consisting of anhedral masses of chlorite, anhedral to euhedral carbonate and sericite and skeletal opaques. Chlorite pseudomorphs after pyroxene and amphibole have been identified. Bulk mineralogical proportions indicate these dykes were most probably originally basaltic in composition and have been subsequently hydrated.

Horsethief Creek Group

The Toby Formation is gradational into the overlying Horsethief Creek Formation, in which five lithofacies have been identified. These lithofacies define a rudimentary stratigraphy of facies within the Horsethief Creek Formation as individual lithological units are inconsistent due to rapid lateral thickness and facies variations.

The lithofacies identified in the Horsethief Creek Formation are as follows:

- a) siltstone-argillite - dominant in the lower half of the Horsethief Creek Formation and separate the remaining lithofacies throughout the formation. This lithofacies consists of thick sequences of thin bedded (1 to 10 cm), graded siltstone and argillite and finely laminated (1 to 5 mm), black, green and grey argillite.
- b) black carbonate - an easily traced marker used to identify and map the base of the Horsethief Creek Formation consisting of thin bedded (5 to 20 cm), dark grey to black limestone, with variable quartz sand and silt in a calcitic matrix, and thin calcareous quartz-arenite beds.
- c) dolomite - buff weathering dolomite, up to 30 metres thick, dolomite pebble-conglomerate beds and dolomite supported quartzite occur throughout the Horsethief Creek Formation.
- d) quartz feldspar arenites and pebble conglomerates - consist of pebble conglomerates comprised of grain-supported, moderately sorted crystalline quartz and quartz feldspar clasts with variable red jasper, green to grey argillite, quartzite and dolomite clasts in a quartz, feldspar, carbonate, sericite and chlorite matrix. Clasts are generally 1 to 2 centimetres in diameter but may exceed 10 centimetres in length. Coarse arenite beds are similar to the pebble conglomerates but have a greater proportion of matrix and are generally poorly sorted.

- e) red and varicoloured argillites - are present at the top of the Horsethief Creek Formation and consist of variably coloured argillites with interbedded pink carbonate, and varicoloured impure arenites.

Mesozoic

Granitic Intrusions

Cretaceous intrusives of broadly “granitic” composition are present in a belt extending from the westernmost Rocky Mountains to Kootenay Lake, northward to the Baldy Batholith. Intrusions range from small dykes and sills to larger intrusive complexes such as the Mt. Skelly Batholith and are collectively referred to as the Bayonne Magmatic Belt (or Suite).

“Intrusive rocks ... include a number of small post kinematic mesozonal quartz monzonite, monzonite and syenitic plutons, numerous small quartz monzonite to syenite dikes and sills probably related to these stocks, and late mafic dikes. The Kiakho and Reade Lake stocks, two of the larger of the mesozonal plutons, cut across and apparently seal two prominent east-trending faults that transect the eastern flank of the Purcell anticlinorium, and hence place constraints on the timing of latest movement on these faults.

The Kiakho stock is exposed on the heavily wooded slopes of Kiakho Creek approximately 10 kilometres (west-southwest) ... of Cranbrook ... Exposures consist mainly of large, fresh angular boulders of boulder fields. Although contacts with country rock were not observed, regional mapping indicates that it intrudes clastic rocks of the Aldridge and Creston formations. The distribution of outcrops and a pronounced aeromagnetic anomaly indicate that it cuts the east-trending Cranbrook normal fault with no apparent offset. ...

The Kiakho stock is similar to the Reade Lake stock with the dominant phase being a light grey, medium-grained quartz monzonite. It is generally equigranular but grades into a hypidiomorphic granular porphyritic phase with prominent plagioclase and light grey to flesh-coloured potassic feldspar phenocrysts; both are up to several centimetres in diameter in a granular groundmass of white subhedral plagioclase, light grey potassic feldspar, quartz and black hornblende” (Höy 1993).

The Bayonne Granitic Suite is a composite batholith comprised of a number of smaller Jurassic to Cretaceous age granitoid stocks and plutons which extends from near the International Boundary across Kootenay Lake. On the east side of the Kootenay Lake, the Bayonne Granitic Suite locally includes the Mount Skelly Pluton, a biotite (hornblende) monzogranite with megacrysts of potassium feldspar (Reesor 1996). Rice (1941) grouped these granitoids under the broad heading of the Bayonne Batholith, as described below.

“The Bayonne batholith varies in composition from a granite to a calcic granodiorite; the average composition is that of a fairly alkaline granodiorite. ... Much of the rock has an equigranular texture, but a porphyritic phase occurs in many places, at some of which phenocrysts of potash feldspar 2 or

3 inches long are present. The potash feldspar may be orthoclase or microcline and in some specimens both occur. The plagioclase is oligoclase, generally well twinned and frequently in zoned crystals. Dark brown biotite is the only ferromagnesian mineral abundant, but grains of hornblende occur in rare instances. The usual accessories are present. Sericite and epidote are the commonest secondary minerals, but neither occur in significant amounts except where the rock has been altered.

A marked feature of the Bayonne batholith is its highly variable nature. This is observable not only in the range of composition but in the appearance of the rock. Coarse-grained and fine-grained, porphyritic and non-porphyritic, pink and light or dark grey phases may occur in a single exposure, in some places in streaks and patches. Masses of pegmatite and dykes of pegmatite and aplite occur everywhere. Some of the pegmatite dykes are over 100 feet wide. A few large crystals of blue-green beryl, pink garnet, magnetite, and a little black tourmaline were seen in these pegmatites.

Large inclusions of granitized sediments are locally abundant. ... These inclusions vary in size from a foot to some hundreds of feet. Alteration is severe, but the sedimentary nature of the original rock is, in most cases, still recognizable and the boundary between the granite and the inclusion is generally fairly sharp. Other inclusions or xenoliths (sic.) from a few inches to a foot long also occur, which can readily be distinguished from the first type mentioned. They parallel one another, are darker coloured, their original texture and composition has been more or less completely altered, they are fairly uniform in size, and they usually grade imperceptibly into the granite. They are more widely distributed, indeed very few exposures of any size were examined that did not contain some of these xenoliths (sic.), and in places they are extremely abundant. The xenoliths (sic.) are often most common in the porphyritic phases and scarcer in the non-porphyritic phases of the granite ...“.

Structure

Four major phases of deformation have been identified in the Toby Creek area, Helikian-Devonian extension (D1), Jurassic-Paleocene contraction (D2-D3) and Eocene extension (D4).

The first phase of deformation resulted in unconformities at the base of the Dutch Creek and Mount Nelson Formations (D1a) and the unconformity at the base of the Windermere Supergroup (D1b). Thinning of Paleozoic strata onto the Windermere High is interpreted to reflect the effects of D1c deformation together with the development of small fault-bounded sub-basins.

Contraction during the Columbian (D2) and Laramide (D3) orogenies resulted in a series of northeast vergent thrust faults and the development of a regional foliation (S1). Three major thrust sheets are evident in the Toby Creek area with one, the Mount Nelson thrust sheet, comprised of four smaller fault panels. The three major thrust sheets represent out-of-sequence faults, having propagated toward the hinterland, carried in the hanging wall of the Purcell Thrust.

Contraction during D2 and D3 produced east-vergent imbricate thrust faults and west vergent backthrusts. Many of these faults were subsequently reactivated during the fourth phase (D4) of deformation. High angle brittle faults are also a result of D4.

LOCAL GEOLOGY

Stratigraphy

The LYDY property is underlain by south striking, steeply west dipping, Late Proterozoic age strata correlated to the uppermost Purcell Supergroup and lower Windermere Supergroup on the western limb of the Purcell Anticlinorium. Correlations (from west to east) differ as to correlations for the strata, indicated by Massey et al. (2005) as belonging to the Horsethief Creek Group, Mount Nelson and Dutch Creek formations, overthrust onto the Kitchener Formation (Fig. 4). Alternatively, Reesor (1996) correlated the strata to a continuous succession comprising the Horsethief Creek Group, Mount Nelson Formation and La France Creek Group (Fig. 5).

No geological mapping was undertaken on the property during the 2005 field season. As such, the author is not in a position to address possible stratigraphic correlations. The field data (soil sample and drill hole locations) have been plotted on the digital geology for the property (Fig.4 - Massey et al. 2005). However, a copy of the stratigraphic correlations from Reesor (1996) is also included for completeness.

Given the stratigraphic descriptions and correlations presented under “Regional Geology”, the author believes that those of Reesor (2004) may be more applicable, particularly given the facies changes described by Höy (1993) and Aitken and McMechan (1991).

Structure

The structure of the Baker Creek area is dominated by its position on the western flank of the Purcell Anticlinorium, a north plunging fold of regional significance. The Purcell Anticlinorium is allochthonous with respect to North American cratonic basement, having been transported northeastward in the hanging wall of the Purcell Thrust. This major structure has been complicated slightly by a number of regional and local faults, discussed below with reference to the Kootenay Lake mapsheet of Reesor (1996). An early folding event has been proposed for early structures interpreted to have developed in the Late Proterozoic during the Goat River Orogeny (Höy 1993).

The prominent faults in the Baker Creek area are interpreted to be predominantly the result of the Laramide orogeny, characterized by east-verging, west-dipping thrust faults. The major fault system of the area is the St. Mary / Hall Lake fault system, interpreted to be a long lived fault initiated in the Late Proterozoic as a growth fault and periodically active at least into the Laramide orogeny. Eastward directed movement across the St. Mary / Hall Lake fault resulted in steeply dipping strata on the western limb of the Purcell Anticlinorium being juxtaposed against relatively shallowly to moderately dipping strata closer to the hinge axis.

Significant dip displacement is indicated across the fault east of Sanca Creek where Proterozoic lower Creston strata has been juxtaposed against early Paleozoic Cambrian Eager Formation strata. Later thrust faults are evident in the hanging wall of the St. Mary / Hall Lake fault. The Redding

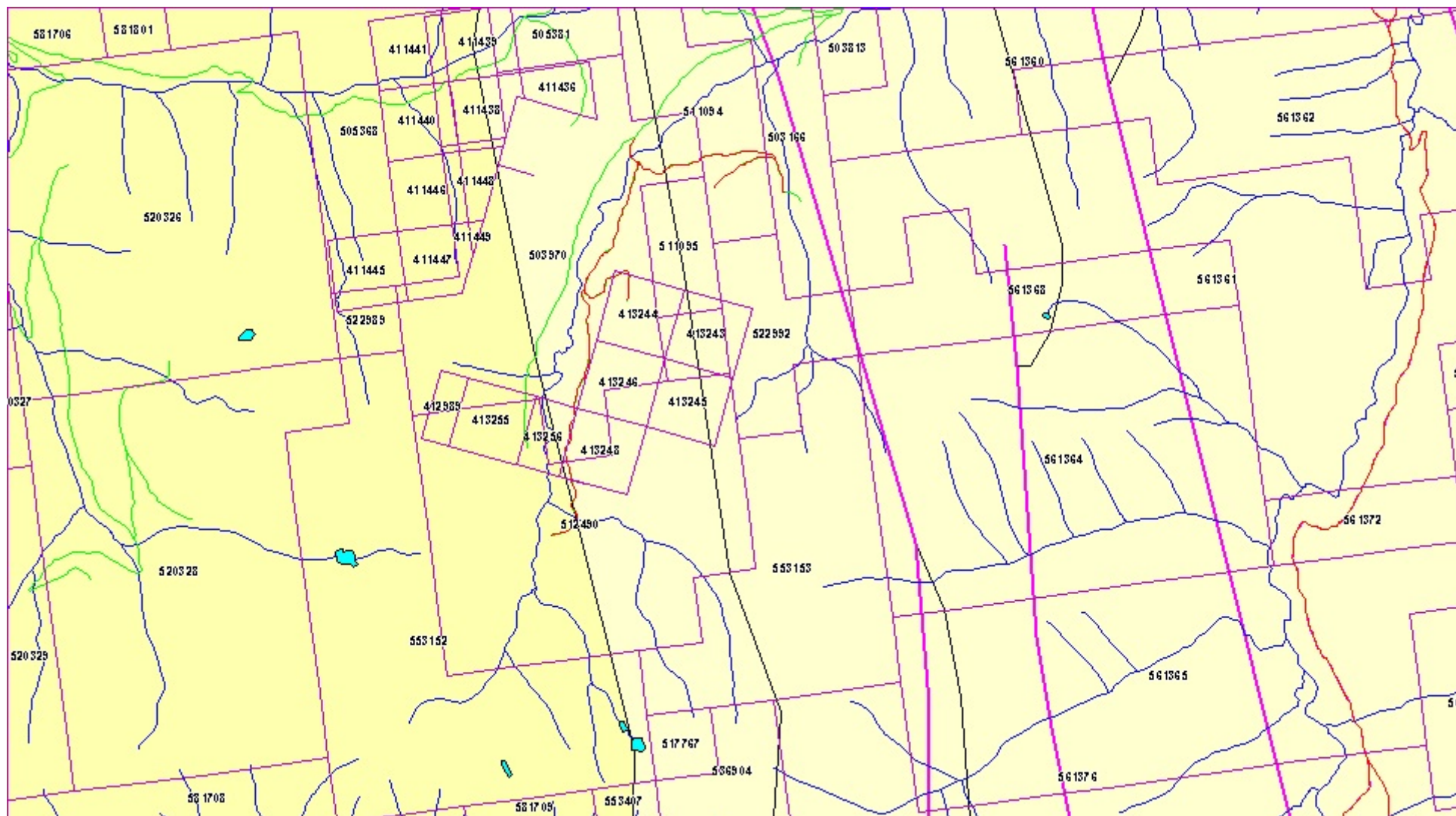
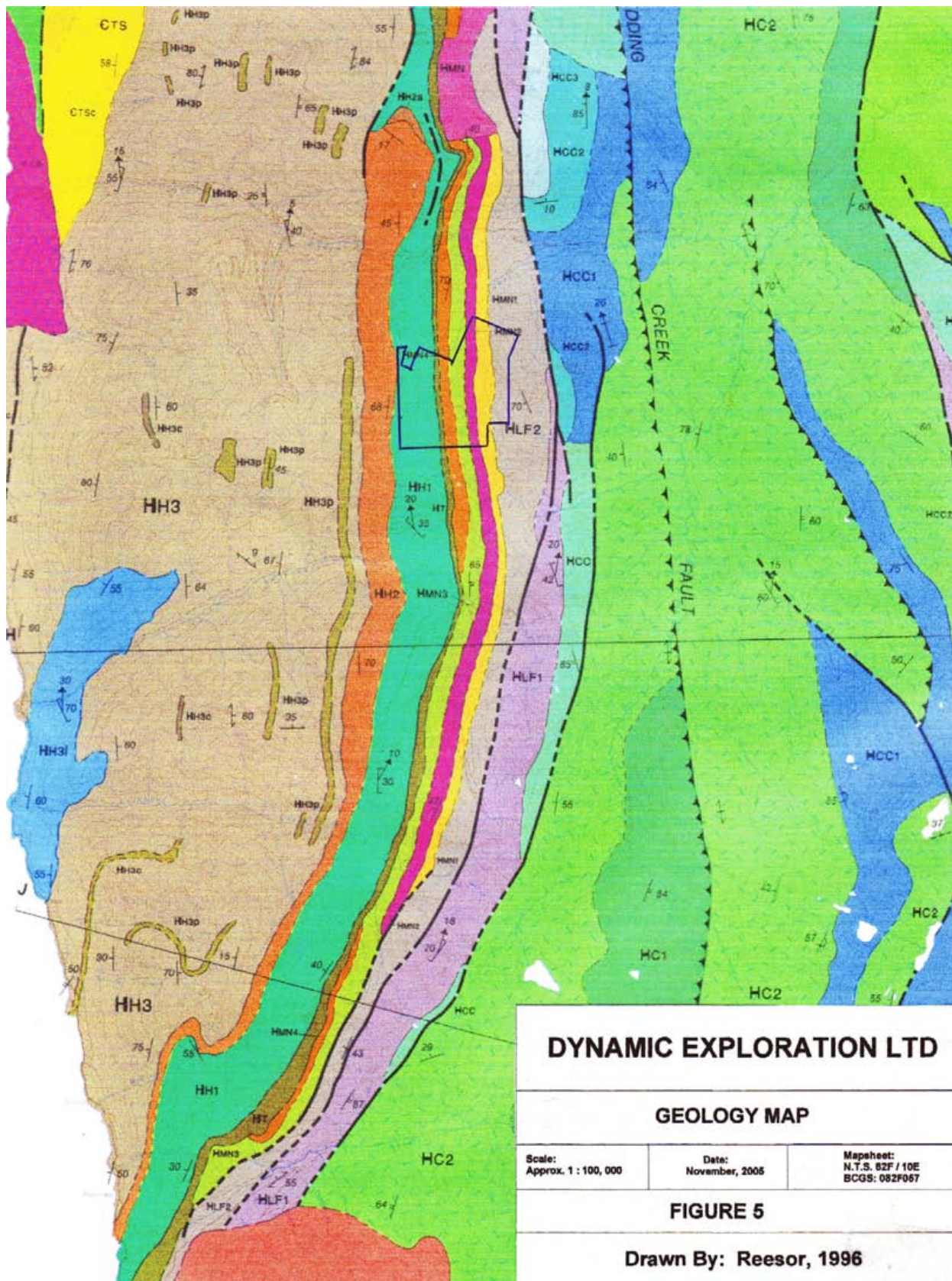


Figure 4 - Geology Map. Thin black lines - stratigraphic contacts, purple lines - fault contacts. The road network is continuous from that indicated on the Lydy property (top centre of figure) to the McFarlane property (left edge), thereby providing access to the northwest portion of the property. (taken from The MapPlace web-site; approximate scale 1: 30,000)

Figure 5: Geology Map. The preceding page and legend (below) represent excerpts from Reesor (1996) and are believed to be more representative of the geology underlying the LYDY property. Approximate scale - 1: 70,000)





Creek fault is locally significant fault. It is a west dipping, east verging thrust fault that juxtaposes middle Creston strata against the lower member of the Coppery Creek group. A number of smaller, normal faults are indicated in the hanging wall of the Redding Creek Fault, all of which appear to have minor dip (and probably strike-slip) movement. All of the faults in the hanging wall of the St. Mary / Hall Lake fault are interpreted to be older than the Cretaceous Mount Skelly Pluton (Bayonne Magmatic Belt) as all are truncated at the contact of the pluton.

2007 PROGRAM

A short soil sampling program was completed on the Lydy property to further the geochemical information available for evaluating the property. Two of the lines from 2005 were extended on the east side of Baker Creek. Three additional contour lines were completed to assess the potential for geochemical anomalies on the west side of the Baker Creek valley. The survey was completed over a 2 day period from July 25th to 27th, inclusive.

Samples were collected from a variably developed “B Horizon”, at depths between 5 cm and 30 cm and placed in Kraft bags at the sample site. Samples were dried in Cranbrook, then shipped by Greyhound Courier to Acme Analytical Laboratories Ltd in Vancouver.

All samples were processed using the SS80 package and analysis using the Group 1DX (39 element ICP) package. Samples locations are plotted on Figure 6, with analytical results included in Appendix B.

RESULTS

Soil Samples

A total of 177 soils samples were recovered from the LYDY property and submitted for 39 element ICP analysis at Acme Analytical Laboratories Ltd. in Vancouver. The resulting data were combined with results from the 2005 program (Fig. 6) and the resulting composite database was analyzed, using the statistical package SPSS, for basic statistical parameters.

As the proposed target under consideration is a molybdenum ± copper ± gold porphyry deposit, the elements of particular interest to this program are antimony, bismuth, copper, lead, molybdenum, silver, tungsten and zinc. The property is also interpreted to have potential for base metal mineralization, including lead, zinc and silver.

For the purposes of statistical analysis, the top 2% of the data for each element considered has been

clipped so as to minimize the bias of extreme outliers. Table 1 is a tabulation of pertinent statistical data pertaining to some of these elements from the composite analytical database arising from soil sampling.

Table 1: Summary Statistics for Select Analytical Data from Soil Samples

		Mo	Cu	Pb	Zn	As	Au	Bi	W
N	Valid	473	473	473	473	473	91	473	473
	Missing	45	45	45	45	45	427	45	45
Mean		0.967	25.12	25.703	93.60	10.19	1.10	1.338	2.992
Std. Deviation		0.489	14.81	13.944	62.96	8.26	0.55	1.894	6.731
Range									
Minimum		0.2	3.6	5.1	11	1	0.5	0.2	0.02
Maximum		11.2	115.1	345.8	1112	87	2.9	70.9	181.7
Percentiles	50	0.9	22.0	23.1	82	7.30	0.9	0.6	0.8
	75	1.2	33.2	28.9	102	13.00	1.4	1.3	1.9
	95	1.8	56.1	52.7	212	29.00	2.4	5.3	14.4
	98	2.3	63.52	71.6	339	38.52	2.7	8.4	29.9

Of note are the results for molybdenum and tungsten, particularly with regard to the results defining the surface soil anomaly documented by Cominco Ltd (Mo > 10 ppm, W > 20 ppm). In comparison, the data for molybdenum returned a maximum value of 11.2 ppm, while tungsten returned a maximum value of 181.7 ppm.

Copper

Figure 7 is a plot of individual sample data, together with contoured results. The data indicate a number of moderately (> 39.923 ppm) to highly (> 54.7 ppm) anomalous results, particularly on the west side of the valley immediately west of Baker Creek. There are a number of localized single to short multiple highs on the east side of the valley, however, the emphasis on any further work should be on the west side.

The contoured results of gridding document a prominent anomaly extending along the west side of Baker Creek and oriented north-south. The surface exposure of the quartz monzonite host for the molybdenum mineralization documented on the Sphinx property is located approximately 500 m the northern termination of this anomaly. Cominco data (not plotted) document the continuation of this mineralized trend (Wright 1979) between the trend defined herein and the quartz monzonite exposure.

Molybdenum

Figure 8 is a plot of individual sample data, together with contoured results. Again, the plot documents a number of moderately (>1.456 ppm) to highly (1.946 ppm) anomalous molybdenum

data, however, there is no clear trend evident. The anomalous values document are present as single values to small clusters of anomalous values.

An exception to this general observation is the large anomaly defined by very widely spaced data at the northwestern corner of the map. Several clusters of anomalous data have been gridded so as to produce a large anomaly with anomalous values along the periphery. As such, it is largely an artifact of the gridding algorithm except it broadly coincides with the area drilled by Eagle Plains over the previous three years to define their low grade resource.

DISCUSSION

The presence of elevated to strongly anomalous values for bismuth, copper, molybdenum and/or tungsten values in soils is interpreted to be indicative of the influence of a magmatic system in the area. Furthermore, anomalous copper and copper are interpreted to be favourable indications for identification of possible mineralization associated with a felsic intrusive correlated to the Bayonne Magmatic Suite. Finally, the presence of anomalous molybdenum values and, in particular, localized clusters of anomalous values and a prominent trend of anomalous values oriented north-south and extending down the core of the property to the immediate south of a low grade 43-101 compliant Inferred Resource of 62,005,615 tonnes grading 0.035% Mo, using a cut-off grade of 0.01% Mo, identified on the adjacent Sphinx property (News Release, May 9, 2006) is interpreted to represent an opportunity for a similar resource on the Lydy property.

Previous work (Johnstone 1995) proposed a fault along the Baker Creek valley, along which base metal mineralization was localized. On the basis of work completed on behalf of Jasper to date, the hypothesized fault zone was interpreted to host the quartz monzonite intrusive host for the molybdenite mineralization documented by Eagle Plains in their drill program. By extension of these interpretations, the proposed fault zone may, indeed, extend along Baker Creek and acted as a zone of crustal weakness along which a quartz monzonite intrusive correlated to the Bayonne Magmatic Suite was intruded. The near surface portion of this intrusion (with a small surface exposure) is present underlying the Sphinx property, while a prominent molybdenum anomaly documented initially by Cominco (Wright 1979), confirmed and extended by Eagle Plains Resources Ltd (<http://www.eagleplains.com/projects/bc/sphinx/documents/SphinxbrochureDec06.pdf>) and documented on the Lydy property (herein) is interpreted to document the sub-surface continuation of the mineralized intrusive host to the south underlying the Lydy property.

The results of Jasper's 2005 diamond drill program on the Lydy property was interpreted to indicate relative proximity to an intrusive heat source, interpreted to be a correlative (or phase) of the Crawford Bay Stock and, therefore, correlative to the Cretaceous Bayonne Magmatic Belt, which is typically associated with anomalous molybdenum (Walker 2005).

Also, as reported from the 2005 program, "... several drill core samples returned highly anomalous molybdenum values (see Appendix B), including 05-22 #24 (68.4 ppm), 05-22 #25 (47.6 ppm), 05-

04-70 (39.6 ppm) and 05-04-72 (13.2 ppm). Molybdenum values, although low, are nonetheless weakly to moderately anomalous (to locally highly anomalous) and are, again, interpreted to indicate relative proximity to a felsic intrusive source” (Walker 2005).

The drill holes completed in 2005 tested a number of geochemical (and subtle airborne magnetic) anomalies on the east side of the Baker Creek. The work by Eagle Plains on their Sphinx property, as well as the prominent geochemical anomalies for molybdenum described above are interpreted to indicate potential for identification of analogous molybdenum mineralization on the west side of Baker Creek. Furthermore, the surface soil geochemical program on the adjacent, and contiguous, McFarlane property to the west document “... a broad corridor extending east from the eastern contact of the Crawford Stock through the McFarlane property toward the Lydy property ...

Quantitative results have confirmed high grade, molybdenite-bearing quartz veins, with veins ranging from mm-scale to a maximum of 1.2 m (Ben Derby adit). Evaluation of available information is interpreted to suggest potential for identification of additional mineralization localized along an en echelon vein system. Furthermore, Eagle Plains low grade resource to the northeast may indicate potential for the mineralized vein system to extend from the Crawford Stock through the McFarlane property to the Lydy / Sphinx properties. Mineralization on the Sphinx property is associated with an interpreted Cretaceous age intrusive body, occurring as “disseminations and within quartz-pyrite stockwork veins hosted by both sedimentary and intrusive rocks”.

The potential for intrusion-related and/or other magmatic related mineralization continues to be suggested by:

- 1) the general association of molybdenum with Cretaceous intrusions of the Bayonne Magmatic Belt,
- 2) possible association of a weakly (to moderately) anomalous “intrusion-related gold” suite of metals including arsenic, antimony, bismuth, tungsten and tin,
- 3) spatial association between silver-bearing to silver-rich base metal veins and documented intrusions (i.e. Perry Creek - Moyie River area, Rose Pass area (Welcome-Enterprise) and, in particular, the Sanca - Akokli Creek area),
- 4) the documented presence of relatively small felsic intrusions in the general area (i.e. Hall Lake Stock, Sawyer Stock, Ailsa Lake, Mount Skelly Complex, Fry Creek Batholith, etc), and
- 5) an arguably higher grade metamorphic grade evident in the limited exposures along the road network between Birkbeck and McFarlane Creeks with respect to the regional metamorphic grade.

Potential for identification of porphyry-style mineralization is interpreted to be supported by:

1. proximity of the McFARLANE property to the Sphinx property of Eagle Plains Resources Ltd on which an Inferred Resource of 62,005,615 tonnes grading 0.035% Mo, using a cut-off grade of 0.01% Mo has been identified (Eagle Plains 2005a and 2005b),
2. identification of a number of anomalous to highly anomalous molybdenum values in both

- soils and drill core (Note: on the McFarlane property), together with a relatively large number of weakly through strongly anomalous Mo values, and
3. Widespread and weakly to arguably moderately anomalous copper mineralization identified in a number of areas on the property, albeit not generally coincident with molybdenum” (Walker 2008).

Finally, of further interest is the presence of possibly bedded, massive sulphide breccia clasts in a possible olistostrome. From the limited information available in a single drill intersection, the material was probably derived from the underlying Toby Volcanics and Mount Nelson Formation. Further drilling to intersect the same horizon in multiple holes may provide a sub-surface vector toward a possible bedded massive sulphide horizon. Of note is the sulphide horizon described by Johnstone (1995):

“Several rock outcrops revealed nicely bedded silver, lead and zinc, this was found in two separate zones of Dolomitic Limestone which were separated by Green Phyllite and Black Argillite. The best Mineral values seem to be coming from the west side of the two zones and has Black Argillite as a contact rock (sic.) ...

Sulphide mineralization is evident in several outcrop locations extending over a 100 meter strike length in two dolomitic limestone zones separated by about 100 meters of phyllite and argillite. The better zone is the westernmost section where mineralization thickness of up to 2 meters is evident with lead/zinc/silver grades showing 6.7%/1.2%/3.0 oz/tn”.

CONCLUSIONS

The 2007 program consisted of a limited soil sampling program (177 samples) along contours on either side of Baker Creek. The results of the soil program were combined with the results of the 2005 soil program to produce a composite geochemical database for the property. On the basis of analysis of the results of this composite database, a number of anomalous data were identified for bismuth, copper, molybdenum and/or tungsten, interpreted to be indicative of the influence, and proximity, of a magmatic system in the area. Furthermore, anomalous copper and copper are interpreted to be favourable indications for identification of possible mineralization associated with a felsic intrusive correlated to the Bayonne Magmatic Suite. Finally, the presence of anomalous molybdenum values and, in particular, localized clusters of anomalous values and a prominent trend of anomalous values oriented north-south and extending down the core of the property to the immediate south of a low grade 43-101 compliant Inferred Resource of 62,005,615 tonnes grading 0.035% Mo, using a cut-off grade of 0.01% Mo, identified on the adjacent Sphinx property (News Release, May 9, 2006) is interpreted to represent an opportunity for a similar resource on the Lydy property.

Although no molybdenum mineralization or felsic intrusive lithologies were intersected in any of the 2005 diamond drill holes, the presence of pyrrhotite, idioblastic biotite porphyroblasts and variable chloritic alteration is interpreted as indicative of location within a thermal aureole in relative proximity to a felsic intrusive, probably a quartz monzonite correlative to the Cretaceous Bayonne Magmatic Belt.

Of further interest is the presence of possibly bedded, massive sulphide breccia clasts in a possible olistostrome. From the limited information available in a single drill intersection, the material was probably derived from the underlying Toby Volcanics and Mount Nelson Formation. Further drilling to intersect the same horizon in multiple holes may provide a sub-surface vector toward a possible bedded massive sulphide horizon. Of note is the sulphide horizon described by Johnstone (1995):

“Several rock outcrops revealed nicely bedded silver, lead and zinc, this was found in two separate zones of Dolomitic Limestone which were separated by Green Phyllite and Black Argillite. The best Mineral values seem to be coming from the west side of the two zones and has Black Argillite as a contact rock (sic.) ...

Sulphide mineralization is evident in several outcrop locations extending over a 100 meter strike length in two dolomitic limestone zones separated by about 100 meters of phyllite and argillite. The better zone is the westernmost section where mineralization thickness of up to 2 meters is evident with lead/zinc/silver grades showing 6.7%/1.2%/3.0 oz/tn”.

A carbonate breccia unit with a porphyritic diorite and possible bedded massive sulphide breccia fragments was intersected in LYDY 05-01 and was interpreted as a possible olistostrome derived from a high standing block of Mount Nelson Formation, Toby Formation and/or and lower Horsethief Creek Group strata.

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Appendix A

Statement of Qualifications

STATEMENT OF QUALIFICATIONS

I, Richard T. Walker, of 2601 - 42nd Avenue South, Cranbrook, British Columbia, hereby certify that:

- 1) I am a graduate of the University of Calgary of Calgary, Alberta, having obtained a Bachelors of Science in 1986.
- 2) I obtained a Masters of Geology at the University of Calgary of Calgary, Alberta in 1989.
- 3) I am a member of good standing with the Association of Professional Engineers and Geoscientists of the Province of British Columbia.
- 4) I am a consulting geologist and Principal with the firm of Dynamic Exploration Ltd. with offices at 2601 - 42nd Avenue South, Cranbrook, British Columbia.
- 5) I am the author of this report which is based on work completed under my supervision between July 19th and 27th, 2007.
- 6) I was personally involved in the acquisition of the claims described herein.

Dated at Cranbrook, British Columbia this 14th day of July, 2008.

Richard T. Walker, P.Geo.

Appendix B

Analytical Results

Easting	Northing	SAMPLES	Mo	Cu	Pb	Zn	Ag	N	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Ce	Mg	Ba	Ti	Al	Na	K	W	Zr	Cs	Sh	Y	Nb	Ta	Bm	Sc	Li	S	Rb	Hf	
524203	5493214	05-I-S-344	0.9	26	22	96	0.1	38.5	18	772	6.41	4	4.9	<1	20.2	97	0.2	0.3	0.4	101	0.5	0.072	66.6	73.6	1.54	533	0.455	7.57	84.1	1.74	1.3	20.7	14.3	1.6	23	6.6	0.5	2	13	69.7	<1	85.1	0.8	
524192	5493167	05-I-S-345	1.0	21.2	25.3	87	<1	28.6	16	724	5.04	6	3.2	<1	14.2	71	<1	0.3	0.5	95	0.1	0.057	48.7	63.9	1.21	486	0.386	6.94	64.7	1.96	1.7	20.7	11.7	1.8	9.9	5.1	0.4	2	11	49.9	<1	83.2	0.8	
524184	5493114	05-I-S-346	1.9	31.2	28.6	105	<1	29.9	17	789	4.56	7	3.2	<1	16.2	84	0.3	0.4	1.2	81	0.42	0.081	58.5	62.1	1.04	526	0.372	7.46	67.8	2.03	3.4	45.4	11.2	2.2	22.3	6.5	0.6	2	11	53.2	<1	111.4	1.7	
524174	5493065	05-I-S-347	1.1	30.8	20.2	88	<1	33.3	19	800	5.04	6	1.6	<1	13.8	87	<1	0.3	0.5	1.1	78	0.19	0.067	48.1	65.9	1.17	489	0.284	5.97	65.4	2.04	3	35.3	9.5	0.9	1.7	13.8	1.81	0.19	11	87.1	0.8		
524177	5493005	05-I-S-348	0.9	28.9	23	102	<1	35.4	17	683	5.08	4	1.6	<1	14.4	89	0.1	0.2	0.5	86	0.2	0.085	51	75	1.28	551	0.345	7.77	72.2	1.96	1.3	17.4	12.5	1.7	11.7	5.6	0.5	2	12	61	<1	91.2	0.7	
524166	5492948	05-I-S-349	0.7	20.7	24	88	<1	28.8	13	433	4.6	6	1.2	<1	12.7	84	0.1	0.2	0.5	86	0.2	0.15	0.061	50.2	60.7	1.1	489	0.382	6.99	67.43	1.84	1.3	18.6	10.7	1.5	8.9	6	0.5	2	11	50.9	<1	89.2	0.7
524165	5492932	05-I-S-350	1.6	24.1	22	92	<1	30.6	15	667	4.8	4	1.7	<1	14.1	85	0.2	0.4	1	91	0.46	0.094	48.2	73.2	1.2	471	0.33	7.56	6.89	2.28	2	42.7	9.5	2.2	21.6	6.2	0.6	2	13	53.4	<1	104.3	1.8	
524127	5492825	05-I-S-351	1.1	27.8	19.6	106	<1	36.1	16	429	5.04	5	1.2	<1	12.8	95	0.1	0.3	0.5	98	0.15	0.059	43.9	67.8	1.34	542	0.307	7.89	77.77	2	1.8	16.2	10.3	1.8	7.5	5.4	0.4	2	12	59	<1	97.1	0.6	
524114	5492765	05-I-S-352	0.9	35.6	23.5	79	<1	22.8	11	654	3.1	6	2.6	<1	12.1	28	0.1	0.4	1.2	55	0.21	0.059	43.9	31.9	1.05	475	0.271	5.12	68.12	2.01	3.3	23.5	8.6	1.8	12.7	4.5	0.4	2	9	28.7	<1	86.7	1.1	
524104	5492718	05-I-S-353	1.7	47.1	22.7	102	<1	32.2	20	655	5.08	1.8	2.0	<1	13.6	57	<1	0.2	0.7	95	0.2	0.042	56.6	78.3	1.36	549	0.351	6.76	67.5	2.41	3.3	35.1	9.6	2.6	6.4	6.2	0.4	2	10	46.4	<1	103	1.4	
524095	5492653	05-I-S-354	0.6	56.4	31.2	87	0.1	33.4	14.1	844	4.1	9	1.6	<1	14.6	51	<1	0.3	0.5	1.1	78	0.19	0.067	48.1	65.9	1.17	489	0.284	5.97	65.4	2.04	3	35.3	9.5	0.9	17.9	4.8	0.4	2	11	55.1	<1	91.8	1.9
524098	5492598	05-I-S-355	0.5	47.3	20.7	106	0.1	32	22	1238	4.74	7	4.2	<1	8.9	51	0.2	0.3	0.4	166	0.5	0.149	37.7	65.9	2.35	424	0.41	6.32	0.7	1.54	1.1	33.2	8.0	1.6	14.6	3.3	0.3	2	14	88.5	<1	58.4	1.9	
524102	5492573	05-I-S-356	0.9	20.2	48	173	0.1	17.2	12	1786	3.48	10	2.5	<1	8.3	38	1.1	0.9	0.4	0.41	0.187	35.2	33	0.42	237	0.155	5.42	1.046	0.68	1	68.9	90	0.9	32.6	3.1	0.2	2	8	27.1	<1	37.7	2.5		
524100	5492533	05-I-S-357	0.8	58	33.8	118	<1	18.8	14	1127	3.8	14	1.8	<1	12.7	68	<1	0.2	0.6	1.4	1.4	0.12	41.6	57.2	1.68	519	0.366	8.55	63.3	1.5	72.8	8.0	2.4	18.6	6	0.4	2	14	60.7	<1	105.6	2.1		
524088	5492353	05-I-S-359	0.8	28.8	52.5	80	0.1	22.3	10	991	3.23	9	1.8	<1	12.6	39	0.2	0.9	1.6	72	1.82	0.082	44.7	41.4	1.81	516	0.245	6.7	0.7	2.89	3.8	34.5	90	2.7	14.2	5.1	0.4	3	11	31.2	<1	132.9	1.7	
524085	5492302	05-I-S-360	1.1	46.4	34.1	101	0.2	30.6	15	667	4.8	4	1.7	<1	14.1	85	0.2	0.4	1	91	0.46	0.094	48.2	73.2	1.2	471	0.33	7.56	6.89	2.28	2	42.7	9.5	2.2	21.6	6.2	0.6	2	13	53.4	<1	104.3	1.8	
524041	5492261	05-I-S-361	0.6	39.8	34.6	97	0.2	29.2	15	1002	3.94	15	2.6	<1	15.5	64	0.3	0.6	0.8	74	1.11	0.085	54.1	58.5	1.33	398	0.328	6.34	67.07	1.88	1.7	38.1	10.1	2	11.7	6.2	0.5	2	10	39.6	<1	94.6	1.4	
524030	5492207	05-I-S-362	1.5	42.1	156.1	533	0.2	29.4	22	1089	6.03	46	9.2	<1	17.6	40	0.7	1.9	1.5	79	0.39	0.111	60.9	63.3	0.88	417	0.275	6.58	59.5	2.09	1.8	55.4	11.5	2	15.2	5.1	0.6	2	11	51.5	<1	89.7	2	
524014	5492158	05-I-S-363	0.7	37.1	32.4	86	<1	32.2	20	655	4.56	19	16.7	<1	13.8	57	<1	0.2	0.6	81	0.22	0.088	47.6	52.7	1.64	549	0.351	6.76	67.5	2.41	3.3	35.1	9.6	2.6	6.4	6.2	0.4	2	10	46.4	<1	103	1.4	
523974	5492114	05-I-S-364	0.4	32.5	21.1	73	<1	23.5	11	447	3.14	10	1.6	<1	15.1	35	0.1	0.5	0.7	62	0.4	0.052	52.8	42.8	0.87	390	0.339	6.13	79.5	2.07	2.5	30.6	10.3	2.2	6.9	6.5	0.6	2	8	32.8	<1	100.5	1.4	
523937	5492070	05-I-S-365	0.6	50.1	33.9	84	0.1	39.9	22	1228	4.53	20	2.7	<1	19.3	61	0.2	0.4	0.6	74	0.39	0.119	65.9	52.7	1.27	415	0.317	6.13	67.8	1.87	1.4	21.2	11.9	1.5	12.8	4.9	0.4	2	10	36	<1	82.2	0.8	
523894	5492018	05-I-S-366	0.7	86	39.6	99	0.2	36.5	25	1975	7.13	13	9.3	<1	12.4	69	0.4	0.4	0.8	109	0.69	0.132	46.2	62.5	1.44	423	0.309	6.31	70.2	1.81	1.3	36.7	9.2	1.6	27.2	3.5	0.3	2	14	88.2	<1	67.6	1.2	
523879	5491969	05-I-S-367	1	30.7	25.5	65	0.3	17.8	12	753	3.92	9	7.9	<1	9.7	136	0.4	0.3	0.5	56	0.64	0.134	33.3	40.9	0.86	398	0.402	8.55	1.74	1.32	1.3	5.4	8.2	1.6	18.8	6.1	0.5	2	9	38.6	0.1	67.2	3.5	
523867	5491920	05-I-S-368	0.5	63.1	26.3	101	<1	39.5	18	629	5.13	13	1.7	<1	14.5	69	0.1	0.3	0.6	101	0.21	0.084	44.3	68.1	1.6	475	0.375	7.6	7.69	2.25	2.2	32.4	100	2.1	9.8	6.2	0.5	3	12	44.8	<1	87.5	0.8	
523826	5491888	05-I-S-369	1.2	66.9	43.7	92	0.1	41.2	19	2499	6.89	24	3.4	<1	18.5	88	0.6	0.7	1.8	86	0.26	0.087	55.8	66.3	1.36	543	0.314	7.6	6.82	2.47	2.9	32.6	104	2.2	23.7	5.3	0.4	2	14	47.8	<1	110.7	1.3	
523802	5491838	05-I-S-370	1.7	20.7	25.5	65	0.3	17.8	12	753	3.92	9	7.9	<1	9.7	136	0.4	0.3	0.5	56	0.64	0.134	33.3	40.9	0.86	398	0.402	8.55	1.74	1.32	1.3	5.4	8.2	1.6	18.8	6.1	0.5	2	9	38.6	0.1	67.2	3.5	
523794	5491788	05-I-S-371	0.7	40.2	27.7	91	<1	39.5	20	1155	4.06	23	1.8	<1	15.4	67	0.1	0.4	1.1	70	0.17	0.07	55.3	55.9	0.97	445	0.237	7.2	6.09	2.28	3.4	26.2	120	2.1	10.3	4.5	0.4	2	10	44.5	<1	118	1.1	
523777	5491742	05-I-S-372	0.4	38.3	24.5	84	<1	34	18	925	3.75	12	1.7	<1	14.4	77	0.1	0.4	1.1	70	0.17	0.07	55.3	55.9	0.97	445	0.237	7.2	6.09	2.28	3.4	26.2	120	2.1	10.3	4.5	0.4	2	10	44.5	<1	118	1.1	
523771	5491704	05-I-S-373	0.5	38.3	24.5	84	<1	34	18	925	3.75	12	1.7	<1	14.4																													

Appendix C

Statement of Expenditures

STATEMENT OF EXPENDITURES

The following expenses were incurred on the LYDY property for the purposes of soil sampling between July 19th to 27th, 2007.

PERSONNEL

Geologist - 1 day at \$ 400 / day	\$ 400.00
Field Manager - 5 days at \$350 / day	\$ 1,750.00
Field Crew - 10 days @ \$250 / day	\$ 2,500.00
Sub-Total	\$ 4,650.00

EQUIPMENT RENTAL

4WD Truck - mileage - 623 km @ \$0.75 / km	\$ 467.25
Accommodation	\$ 177.42
Mobile radios (Trucks) - 3 days at \$20 / day	\$ 60.00
Hand-held Radios - 13 man-days at \$10 / day	\$ 130.00
Quads - 3 man-days at \$100 / day	\$ 300.00
Satellite Phone	\$ 31.50
Storage Trailer (Equipment) - 3 days at \$20 / day	\$ 60.00
Sub-Total	\$ 1,226.17

FIELD SUPPLIES (Flagging, KRAFT bags, etc.)

15 man-days @ \$20 / day	\$ 300.00
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DISBURSEMENTS

Analyses - 177 soil samples at \$25 / sample	
Fuel	
Field Supplies	\$ 4,425.00
Groceries	
Shipping	\$ 138.21
Sub-Total	\$ 943.34

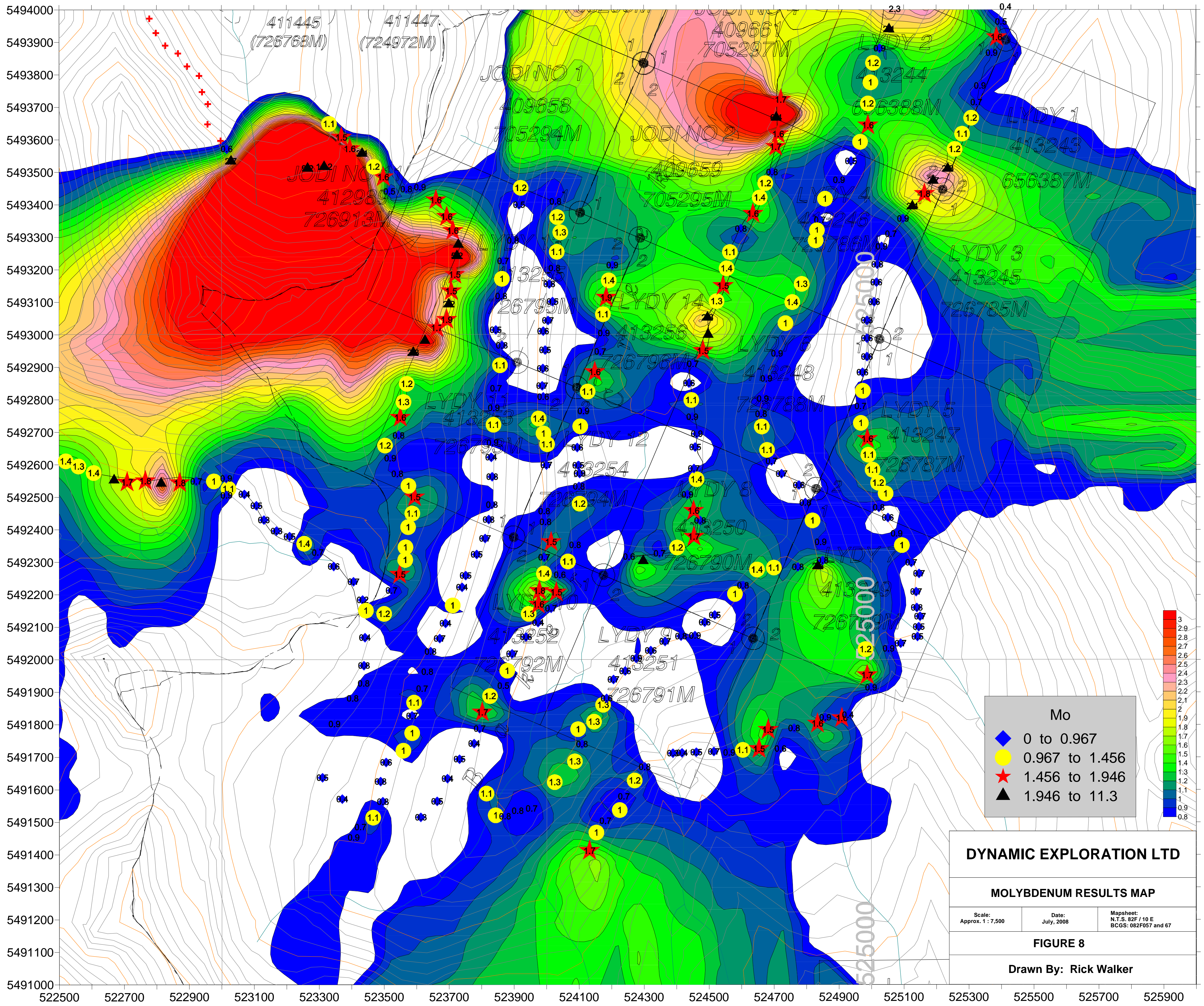
REPORT/REPRODUCTION

R. T. Walker, P.Geo.: 1.0 days report writing / drill logs at \$500/day	\$ 500.00
2.0 days analysis at \$350 / day	\$ 5,809.29
Sub-Total	\$ 6,309.29

Total	\$ 500.00
	\$ 700.00
	\$ 1,200.00

\$ 13,185.46

LYDY PROPERTY



Mo

- ◆ 0 to 0.967
- 0.967 to 1.456
- ★ 1.456 to 1.946
- ▲ 1.946 to 11.3

DYNAMIC EXPLORATION LTD

MOLYBDENUM RESULTS MAP

Scale: Approx. 1 : 7,500	Date: July, 2008	Mapsheet: N.T.S. 82F / 10 E BCGS: 082F057 and 67
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FIGURE 8

Drawn By: Rick Walker