2008 Assessment Report

Airborne Geophysical Survey on the Dragon Property

Alberni Mining Division
Vancouver Island, Southwestern British Columbia

49°51'05"N 126°18'53"W
NTS 92E/16

Paget Resources Corporation
1160-1040 W. Georgia St.
Vancouver, BC
V6E 4H1

Nigel Luckman, B.A.Sc.
November 5th, 2008

Table of Contents

List of Figures

List of Appendices

1 Introduction

The Dragon Property hosts semi-massive to massive suphide mineralization within rocks of the Sicker Group. The property was optioned in 2007 by Paget Resources Corporation and all terms of the option agreement have been satisfied. This report describes the results of an airborne electromagnetic and magnetic survey conducted over the property in March 2008 and recommends that further work be carried out on the property.

2 Property Location and Access

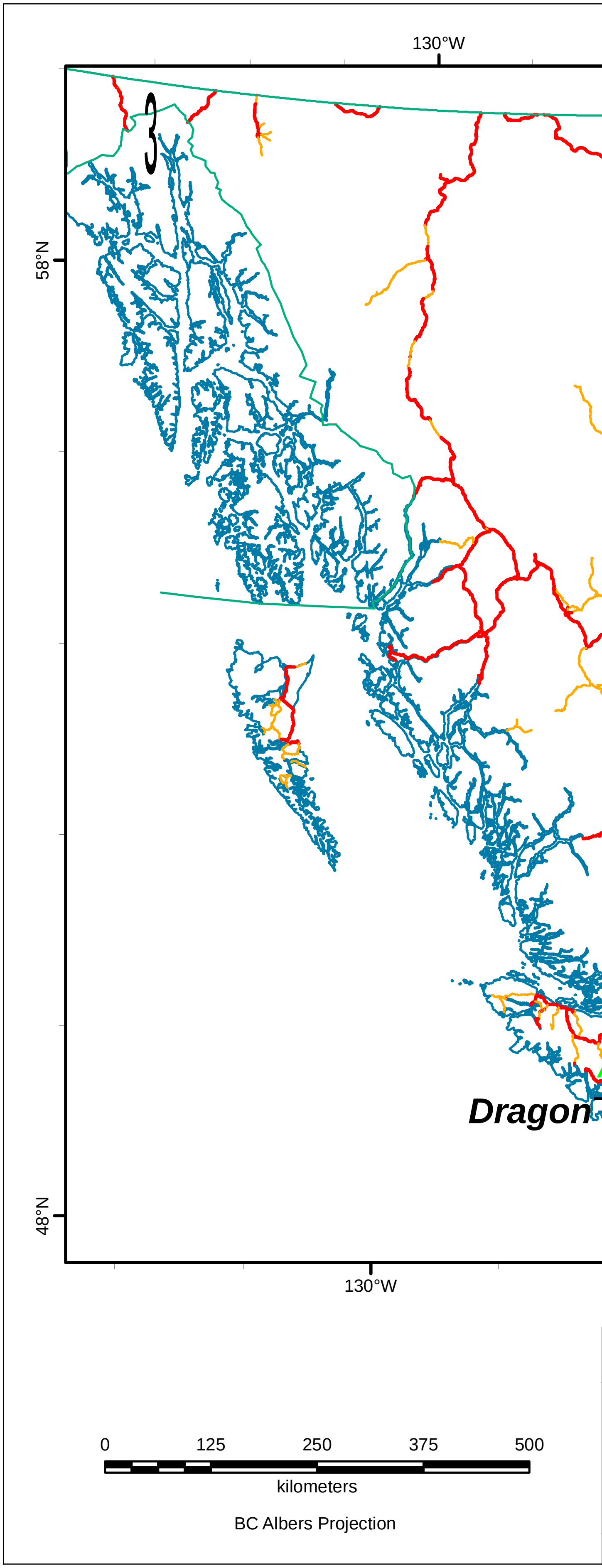
The Dragon Property is located on Vancouver Island in southwestern British Columbia (Figure 1), approximately 23 kilometers northwest of Gold River. Access is via helicopter from Gold River, or by logging roads which connect to the main gravel road between Gold River and Tahsis. The topography on the property is rugged, with steep slopes and abundant cliffs in some areas. Elevations range from about 100 meters to 1400 meters with tree line at approximately 1100 meters. First and second-growth timber is present on the property, and there are numerous logging cuts.

3 Claim Status

The Dragon Property (Figure 2) consists of fifteen claims in the Alberni Mining Division, totaling 6582 hectares in area. Mineral tenure numbers and details are as follows:

Tenure Number	Claim Name	Owner	Map	Good To Date	Area
514503		201036 (100%)	092E	2012/Oct/30	562.462
565487	DRAGON1	201036 (100%)	092E	2012/Oct/30	499.834
565489	DRAGON 2	201036 (100%)	092E	2012/Oct/30	499.828
565490		201036 (100%)	092E	2012/Oct/30	333.371
565491	DRAGON 4	201036 (100%)	092E	2012/Oct/30	499.749
565492	DRAGON 3	201036 (100%)	092E	2012/Oct/30	499.767
565493	DRAGON 5 A	201036 (100%)	092E	2012/Oct/30	250.026
565494	DRAGON 6 A	201036 (100%)	092E	2012/Oct/30	437.676
565495	DRAGON 4	201036 (100%)	092E	2012/Oct/30	499.743
565496	DRAGON 7 A	201036 (100%)	092E	2012/Oct/30	20.838
565497	RUKS 1	201036 (100%)	092E	2012/Oct/30	458.424
565498	RUKS 2	201036 (100%)	092E	2012/Oct/30	499.965
565499	RUKS 3	201036 (100%)	092E	2012/Oct/30	500.202
565500	RUKS 4	201036 (100%)	092E	2012/Oct/30	520.445
565501	DRAGON 5	201036 (100%)	092E	2012/Oct/30	500.142

* Good to Dates reflect new dates upon acceptance of work described in this report



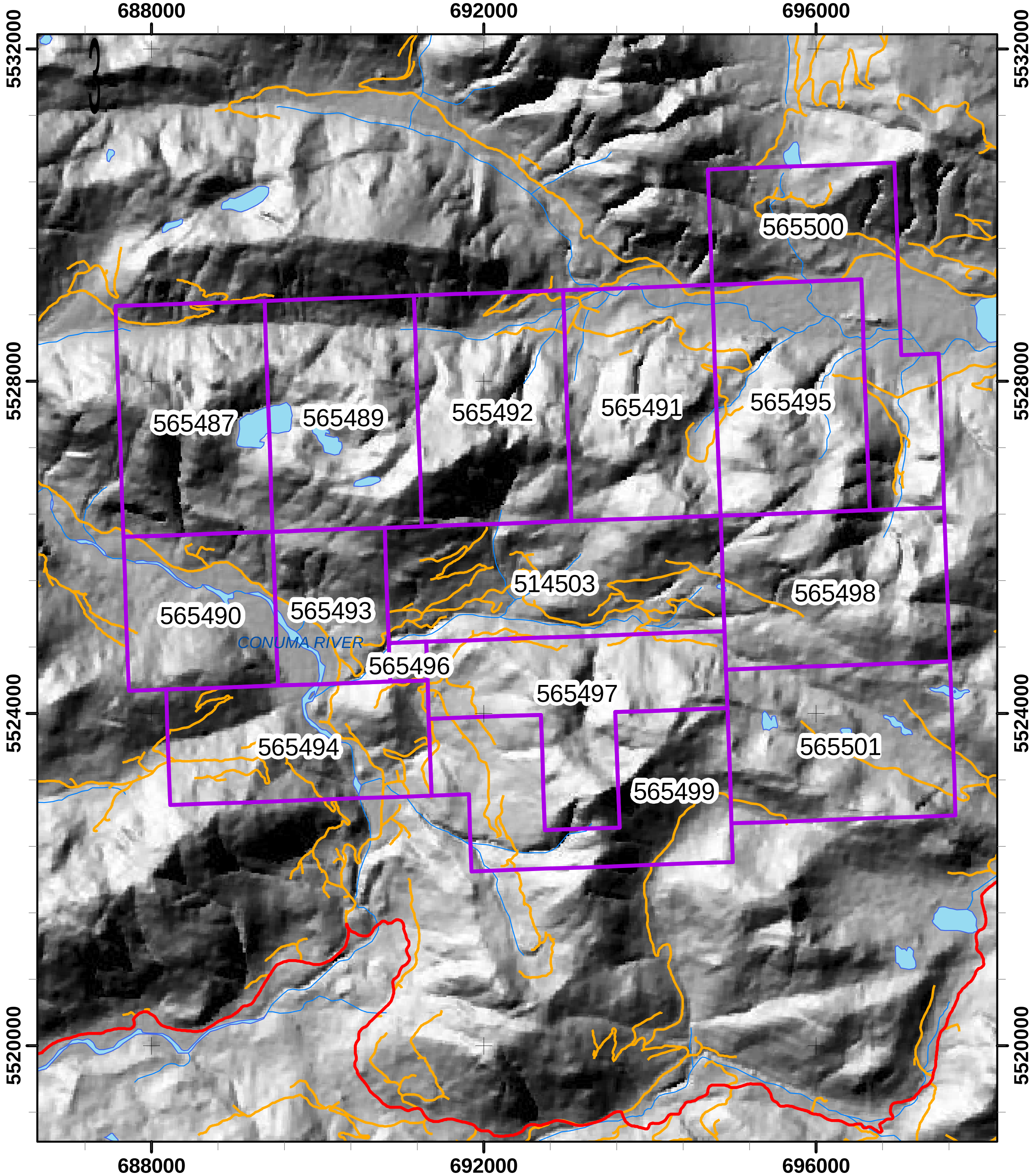
PAGET RESOURCES CORPORATION

Dragon Property
General Location Map

Vancouver Island, British Columbia

Date: November 2008

Figure: 1



PAGET RESOURCES CORPORATION

Dragon Property
Claim Map

Vancouver Island, British Columbia

Date: November 2008 | Figure: 2

4 Geology and Previous Work

The regional geology of the area has been described in Muller *et al* (1981). In general, the geology consists of variably metamorphosed volcanic and sedimentary rocks of the Paleozoic Sicker Group, Late Paleozoic limestones of the Buttle Lake Group and Middle to Upper Triassic basalts of the Karmutsen Formation. These rocks have been intruded by Early to Middle Jurassic granites and granodiorites belonging to the Island Intrusive Suite.

Previous work on the property has consisted of requisite geologic mapping and rock sampling. Soil and stream sediment sampling has been undertaken, along with airborne magnetic and apparent resistivity surveys. Minor drilling was also conducted. Detailed accounts of this work are described in B.C. Ministry of Energy, Mines and Petroleum Resources Assessment Reports 22964 (Robertson 1993), 23125 (Kemp and Gill, 1993), 23512 (Specogna 1994), 24377 (Jones 1996a), 24593 (Jones 1996b), 28593 (Ruks 2006) and 29189 (Ruks 2007).

5 Airborne Geophysical Survey

A 578 line-kilometer, 100 meter line-spaced, helicopter-borne geophysical survey was conducted over the Dragon Property from March 15th to March 25th, 2008 in an attempt to delineate subsurface structure, identify contact zones and faults and locate conductive zones. The survey was performed by Aeroquest International utilizing its AeroTEM time domain electromagnetic system.

The survey logistical details, equipment specifications and results are presented in Appendix A, "Report on a Helicopter-borne AeroTEM System Electromagnetic & Magnetic Survey, Dragon Project".

5.1 Total Magnetic Intensity

The contour map (Figure 3) of total magnetic intensity depicts a broad east-northeast to west-southwest zone of high to moderate magnetic intensity, flanked by zones of lower magnetic intensity to the north and south. This zone is divided east of Leighton Peak by a southwest to northwest trending low that intersects the canyon containing the Falls and North showings. The rocks to the west of this low exhibit higher magnetic response than the rocks to the east, and are probably rocks of the Island Intrusive Suite (Ruks, 2007, Map 3) in contact with Sicker Group, represented by the moderate intensity to the east. The flanking zones to the north and south of low intensity are considered to be rocks of the Buttle Lake Formation. Known zones of mineralization on the property do not exhibit any anomalous magnetic signatures.

5.2 AeroTEM Off-Time

The contour map (Figure 4) and profile map (Figure 5) of the Z Off-time response, which also show the Aeroquest interpreted picks, reveal that most of the electomagnetic anomalies lie along the southern margin of the broad zone of high to moderate total magnetic intensity that trends east-northeast across the survey area. The remainder of the EM anomalies lie along the southwest to northwest trending contact zone between what is interpreted as rocks of the Island Intrusive Suite and rocks of the Sicker Group.

The EM response over the Falls and North showings (692436mE, 5527926mN, line 10100.20) is very weak, and has not been selected as an interpreted pick by the Aeroquest algorithms. However, inspection of the flight data indicates that the terrain clearance of the EM bird was 99 meters due to the steep canyon that the Falls showing is located in, which may have attenuated EM response. The extremely high response 200 meters north of the Falls showing (anomalies 10060.20/A and 10070.20/A) is over an area mapped as narrow layers of argillite, limestone and felsic volcanics in contact with granodiorite (Jones 1994b, Figures 4 and 5). Some pyrite was noted in the volcanics.

No EM response was noted over the Dragon showing (692620mE, 5527535mN, line 10140.25).

EM anomalies on lines 10160.25 to 10240.25 appear to coincide with a limestone unit on the east flank of Leighton Peak and a "layered limy" rhyoloite to dacite tuff unit (Jones 1004b, Figure 5) that outcrops at the head of a stream drainage to the east of Leighton Peak.

Other EM anomalies of interest are 10460.28A, 10460.28B and 10470.28A. These roughly correspond to the locations of samples 18640 to 18643 (Jones 1994b) which are from a zone containing "strongly pyritized felsic volcanic rock with stringers of quartz-pyrite-sphalerite-galena, strongly silicified felsic volcanic(?) rock with quartz stockwork veinlets and disseminated to poddy chalcopyrite, and semi-massive pyrite-chalcopyrite-sphalerite(?) replacement(?) in bedded limy tuffs" (Jones 1994b, pg 14). Assays ranged up to 860 ppb Au, 5.2g/t Ag, 1.25% Cu and 1670 ppm Zn.

6 Summary and Recommendations

The 2008 airborne magnetic and electromagnetic survey is useful in delineating the major rock units and structural details on the Dragon property. A correlation between zones of semi-massive to massive suphide mineralization and AeroTEM Off-time anomalous response, though extremely weak, was noted for the Falls and North showings. Other mineralized showings on the property were identified by the geophysical survey.

It is recommended that the locations of all the AeroTEM Off-time anomalies be visited and explored for the causative sources. Further work should include ground electromagnetic surveys over targets of interest to provide greater detail of EM anomalies of interest, detailed geologic mapping to trace the contacts between Island Intrusive, Sicker Group and Buttle Lake Formation rocks, as mineralization on the property has been shown to occur near these contacts, and rock sampling to test any mineralization discovered. Based on successful results of this follow-up work, a drill program to test the extent of mineralization would be recommended.

7 References

Gray, M.J. (1994): Geological and Lithogeochemical Report on the Specogna-Muchalat Property, B.C. Ministry of Energy, Mines and Petroleum Resources. Assessment Rept. 23373.

Kemp, R. and Gill, G. (1993): Geological, Geochemical and Diamond Drilling Report on the Specogna-Muchalat Property, B.C. Ministry of Energy, Mines and Petroleum Resources. Assessment Rept. 23125.

Jones, M.I. (1996a): Geological Mapping, Lithogeochemical Sampling, Moss-mat Sampling, Soil Sampling and Diamond Drilling, B.C. Ministry of Energy, Mines and Petroleum Resources. Assessment Rept. 24377.

Jones, M.I. (1996b): Geological Mapping, Lithogeochemical Sampling, Stream Sediment and Soil Sampling and Borehole E-M Surveys, B.C. Ministry of Energy, Mines and Petroleum Resources. Assessment Rept. 24593.

Muller, J.E., Cameron, B.E.B., and Northcoat, K.E. (1981): Geology and Mineral Deposits of Nootka Sound Map Area, Vancouver Island, British Columbia, Geological Survey of Canada, Paper 80-16, 53p.

Robertson, K.A. (1993): Combined Airborne Magnetic, Electromagnetic, Radiometric and VLF-EM Report on the Muchalat Property, B.C. Ministry of Energy, Mines and Petroleum Resources. Assessment Rept. 22964.

Ruks, T.R. (2006): 2006 Assessment Report, Dragon Property, Geological Mapping and Prospecting, B.C. Ministry of Energy, Mines and Petroleum Resources. Assessment Rept. 28693.

Ruks, T.R. (2007): 2007 Assessment Report, Dragon Property, Geological Mapping Compilation and Air Photo Interpretation, B.C. Ministry of Energy, Mines and Petroleum Resources. Assessment Rept. 29189.

Specogna, M. (1994): Prospecting Report on the Much 1 & Much 2 Mineral Claims, B.C. Ministry of Energy, Mines and Petroleum Resources. Assessment Rept. 23512.

Appendix A

Report on a Helicopter-borne AeroTEM System Electromagnetic & Magnetic Survey, Dragon Project

Aeroquest International

Report on a Helicopter-Borne AeroTEM System Electromagnetic & Magnetic Survey

Aeroquest Job # 08065

Dragon Project
Gold River, Vancouver Island,
B.C., Canada
NTS 092E17

For

Paget Resources Corporation

by

AEROQUEST

7687 Bath Road,
Mississauga, ON, L4T 3T1
Tel: (905) 672-9129
Fax: (905) 672-7083
www.aeroquest.ca

Report date: June 2008

Report on a Helicopter-Borne AeroTEM System Electromagnetic & Magnetic Survey

Aeroquest Job # 08065

Dragon Project

Gold River, Vancouver Island,
B.C., Canada
NTS 092E17

For

Paget Resources Corporation

1100-1040 - West Georgia Street
Vancouver, B.C.
Canada, V6E 4H1

by

AEROQUEST

7687 Bath Road,
Mississauga, ON, L4T 3T1
Tel: (905) 672-9129
Fax: (905) 672-7083
www.aeroquest.ca

Report date: June 2008

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF MAPS (1:10,000)

- TMI – Coloured Total Magnetic Intensity (TMI) with line contours and EM anomaly symbols.
- ZOFF2 – AeroTEM Z2 Off-time with line contours and EM anomaly symbols.
- EM – AeroTEM off-time profiles Z2 – Z12 and EM anomaly symbols.

The AeroTEM system uses a wide-band transmitter and delivers more power over a wide frequency range. This frequency range is then captured into 16 time channels, the early channels containing the high frequency information and the late time channels containing the low frequency information down to the system base frequency. Because frequency domain HEM systems employ two coil configurations (coplanar and coaxial) there are only a maximum of three comparable frequencies per configuration, compared to 16 AeroTEM off-time and 12 AeroTEM on-time channels.

Figure 6 shows a comparison between the Dighem HEM system (900 Hz and 7200 Hz coplanar) and AeroTEM (Z-axis) from surveys flown in Raglan, in search of highly conductive Ni-Cu-PGM sulphide. In general, the AeroTEM peaks are sharper and better defined, in part due to the greater S/N ratio of the AeroTEM system over HEM, and also due to the modestly filtered AeroTEM data compared to HEM. The base levels are also better defined in the AeroTEM data. AeroTEM filtering is limited to spike removal and a 5-point smoothing filter. Clients are also given copies of the raw, unfiltered data.

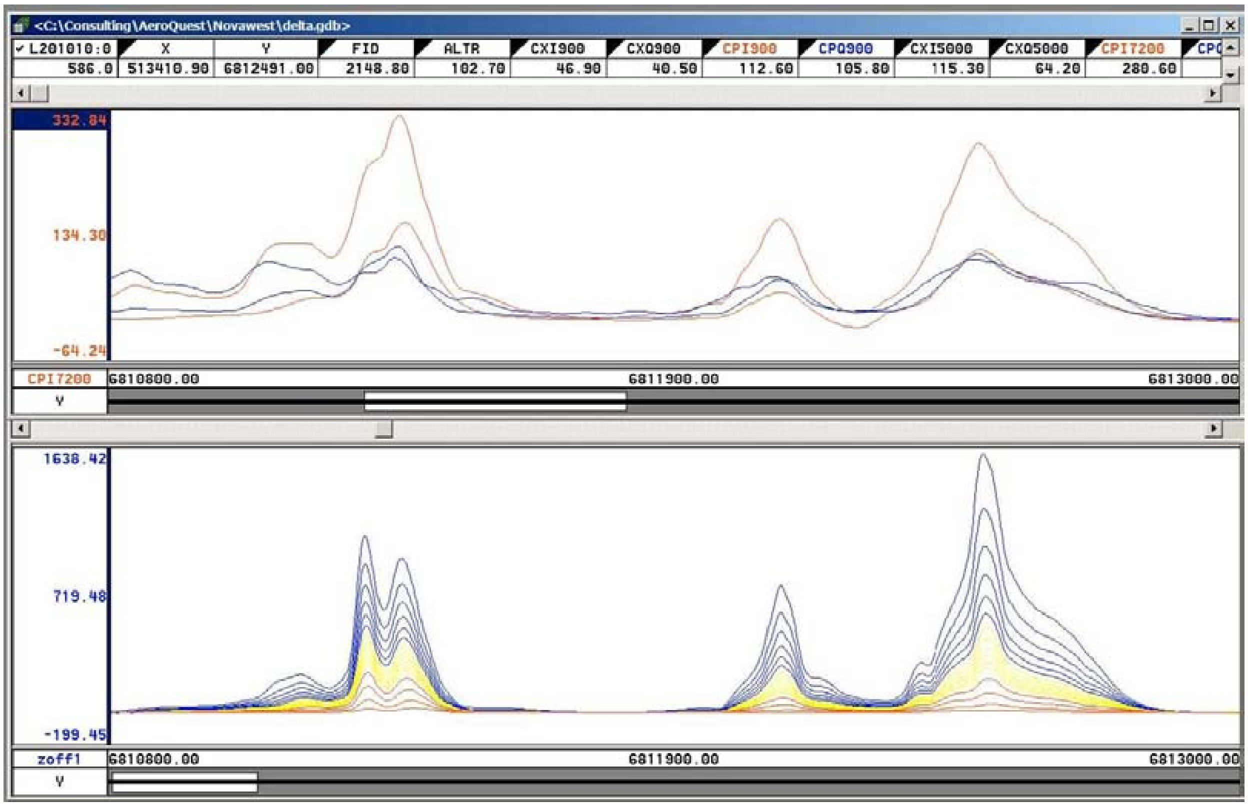


Figure 6. Comparison between Dighem HEM (upper) and AeroTEM (lower) surveys flown in the Raglan area. The AeroTEM responses appear to be more discrete, suggesting that the data is not as heavily filtered as the HEM data. The S/N advantage of AeroTEM over HEM is about 5:1.

Aeroquest Limited is grateful to the following companies for permission to publish some of the data from their respective surveys: Wolfden Resources, FNX Mining Company Inc, Canadian Royalties, Nova West Resources, Aurogin Resources, Spectrem Air. Permission does not imply an endorsement of the AeroTEM system by these companies.

1. INTRODUCTION

This report describes a helicopter-borne geophysical survey carried out on behalf of Paget Resources Corporation for Dragon Project, near Gold River, Vancouver Island, British Columbia.

The principal geophysical sensor is Aeroquest's exclusive AeroTEM II (Charlie) time domain helicopter electromagnetic system which is employed in conjunction with a high-sensitivity caesium vapour magnetometer. Ancillary equipment includes a real-time differential GPS navigation system, radar altimeter, video recorder, and a base station magnetometer. Full-waveform streaming EM data is recorded at 36,000 samples per second. The streaming data comprise the transmitted waveform, and the X component and Z component of the resultant field at the receivers. A secondary acquisition system (RMS) records the ancillary data.

The total survey coverage is 590.3 line-km, of which 578.4 line-km fell within the defined project area (Appendix 1). The survey was flown at 100 metre line spacing and in an East-West survey flight direction. The survey flying described in this report took place from March 15th to March 25th, 2008. This report describes the survey logistics, the data processing, presentation, and provides the specifications of the survey.

2. SURVEY AREA

The Project area (Figure 1) is located on Vancouver Island, southwest British Columbia, approximately 20 km north of Gold River. The survey consisted of a single block of covering approximately 51.7 km² and can be located on NTS sheets 092E17. Survey terrain was rugged with lakes and rivers (Figure 2) and elevations ranging from approximately 100 – 1,400 m above sea level. The survey block boundary co-ordinates are tabulated in Appendix 1.

There are 15 mining claims either partially or wholly covered by the survey. Claim ownership is tabulated in Appendix 2.

The base of survey operations was in Gold River, BC. The survey crew was accommodated at the Gold River Chalet.

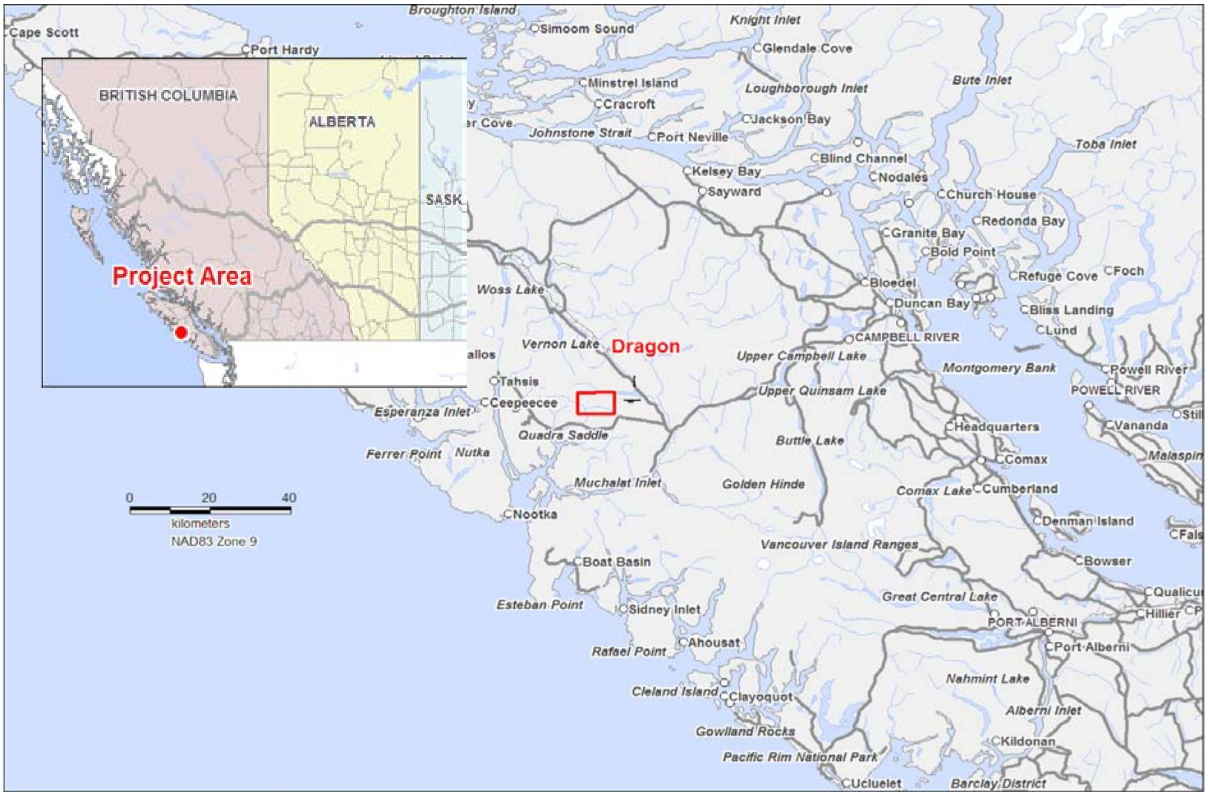


Figure 1. Project Area

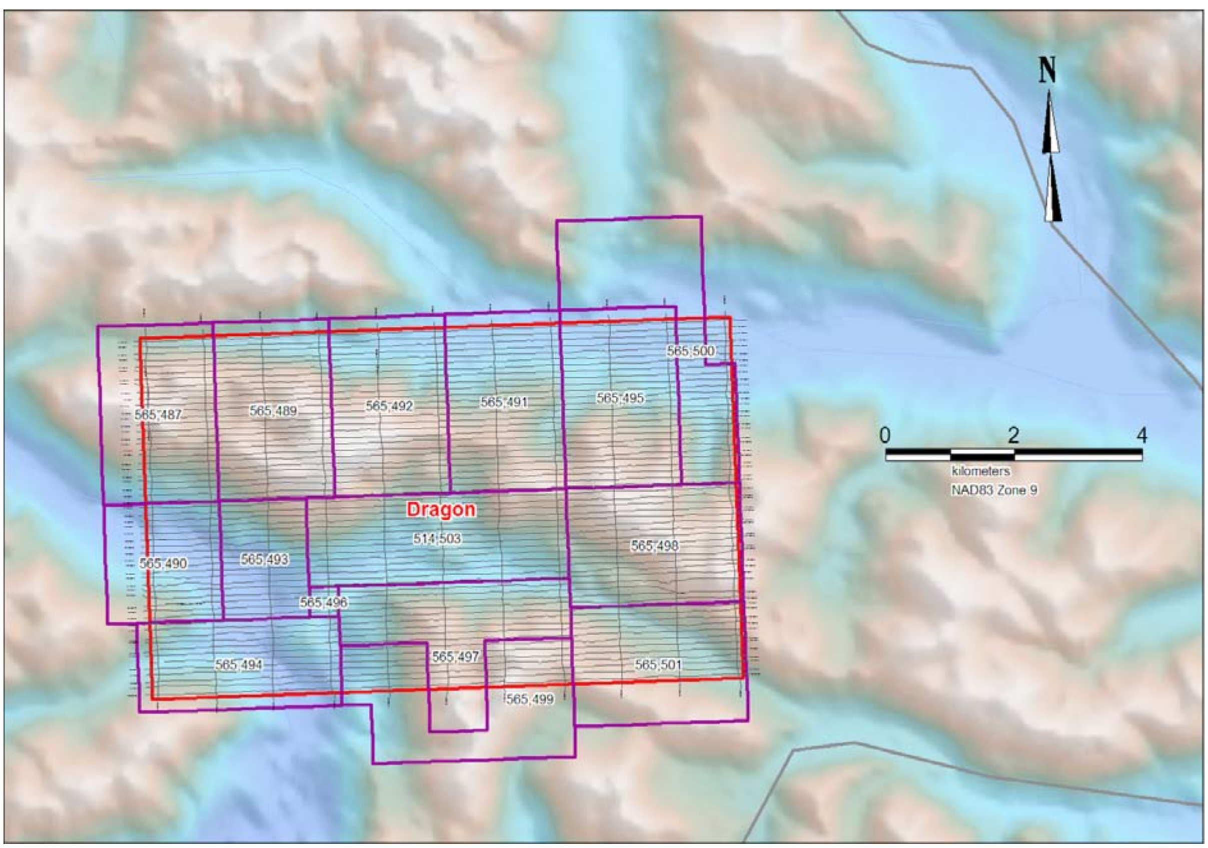


Figure 2. Project flight path and mining claims and shaded topography

3. SURVEY SPECIFICATIONS AND PROCEDURES

The survey specifications are summarised in the following table:

Project Name	Line Spacing (metres)	Line Direction	Survey Coverage (line-km)	Date flown
Dragon	100	E-W (90º)	590.3	March 15 - 25, 2008

Table 1. Survey specifications summary

The survey coverage was calculated by adding up the along-line distance of the survey lines and control (tie) lines as presented in the final Geosoft database. The survey was flown with a line spacing of 100 metres. The control (tie) lines were flown perpendicular to the survey lines with a spacing of 1000 metres.

The nominal EM bird terrain clearance is 30 metres, but can be higher in more rugged terrain due to safety considerations and the capabilities of the aircraft. A magnetometer sensor is mounted in a smaller bird connected to the tow rope 17 metres above the EM bird and 21 metres below the helicopter (Figure 4). A second magnetometer is installed on the tail of the EM bird. Nominal survey speed over relatively flat terrain is 75 km/hr and is generally lower in rougher terrain. Scan rates for ancillary data acquisition is 0.1 second for the magnetometer and altimeter, and 0.2 second for the GPS determined position. The EM data is acquired as a data stream at a sampling rate of 36,000 samples per second and is processed to generate final data at 10 samples per second. The 10 samples per second translate to a geophysical reading about every 1.5 to 2.5 metres along the flight path.

3.1. NAVIGATION

Navigation is carried out using a GPS receiver, an AGNAV2 system for navigation control, and an RMS DGR-33 data acquisition system which records the GPS coordinates. The x-y-z position of the aircraft, as reported by the GPS, is recorded at 0.2 second intervals. The system has a published accuracy of under 3 metres. A recent static ground test of the Mid-Tech WAAS GPS yielded a standard deviation in x and y of under 0.6 metres and for z under 1.5 metres over a two-hour period.

3.2. SYSTEM DRIFT

Unlike frequency domain electromagnetic systems, the AeroTEM II system has negligible drift due to thermal expansion. The operator is responsible for ensuring the instrument is properly warmed up prior to departure and that the instruments are operated properly throughout the flight. The operator maintains a detailed flight log during the survey noting the times of the flight and any unusual geophysical or topographic features. Each flight included at least two high elevation ‘background’ checks. During the high elevation checks, an internal 5 second wide calibration pulse in all EM channels was generated in order to ensure that the gain of the system remained constant and within specifications.

3.3. FIELD QA/QC PROCEDURES

On return of the pilot and operator to the base, usually after each flight, the AeroDAS streaming EM data and the RMS data are carried on removable hard drives and FlashCards, respectively and transferred to the data processing work station. At the end of each day, the base station magnetometer data on FlashCard is retrieved from the base station unit.

Data verification and quality control includes a comparison of the acquired GPS data with the flight plan; verification and conversion of the RMS data to an ASCII format XYZ data file; verification of the base station magnetometer data and conversion to ASCII format XYZ data; and loading, processing and conversion of the steaming EM data from the removable hard drive. All data is then merged to an ASCII XYZ format file which is then imported to an Oasis database for further QA/QC and for the production of preliminary EM, magnetic contour, and flight path maps.

Survey lines which show excessive deviation from the intended flight path are re-flown. Any line or portion of a line on which the data quality did not meet the contract specification was noted and reflown.

4. AIRCRAFT AND EQUIPMENT

4.1. AIRCRAFT

A Eurocopter (Aerospatiale) AS350B2 "A-Star" helicopter - registration C-FPTG was used as survey platform. The helicopter was owned and operated by Hi-Wood Helicopters, Calgary, Alberta. Installation of the geophysical and ancillary equipment was carried out by Aeroquest Limited personnel in conjunction with a licensed aircraft. The survey aircraft was flown at a nominal terrain clearance of 220 ft (65 metres).

Figure 3. Helicopter registration number C-FPTG

4.2. MAGNETOMETER

The AeroTEM II airborne survey system employs the Geometrics G-823A caesium vapour magnetometer sensor installed in a two metre towed bird airfoil attached to the main tow line, 21 metres below the helicopter (Figure 4). The sensitivity of the magnetometer is 0.001 nanoTesla at a 0.1 second sampling rate. The nominal ground clearance of the magnetometer bird is 51 metres (170 ft.). The magnetic data is recorded at 10 Hz by the RMS DGR-33.

4.3. MAGNETOMETER II

In addition to the main magnetometer bird on the main tow line, the AeroTEM II system includes an additional G-828A magnetometer installed on the tail of the EM bird (Figure 4). The sensor is located 37 metres below the helicopter and has a superior nominal terrain clearance of 31 m. Data is recorded at 300 samples a second and down sampled to 10 Hz by the AeroDAS acquisition system.

Figure 4. AeroTEM II EM bird. Arrow indicates the location of the second caesium magnetometer sensor.

4.4. ELECTROMAGNETIC SYSTEM

The electromagnetic system is an Aeroquest AeroTEM II time domain towed-bird system (Figure 4, Figure 5). The current AeroTEM II transmitter dipole moment is 38.8 kNIA. The AeroTEM bird is towed 38 metres (125 ft) below the helicopter. More technical details of the system may be found in Appendix 4.

The wave-form is triangular with a symmetric transmitter on-time pulse of 1.10 ms and a base frequency of 150 Hz (Figure 5). The current alternates polarity every on-time pulse. During every Tx on-off cycle (300 per second), 120 contiguous channels of raw X and Z component (and a transmitter current monitor, itx) of the received waveform are measured. Each channel width is 27.78 microseconds starting at the beginning of the transmitter pulse. This 120 channel data is referred to as the raw streaming data. The AeroTEM system has two separate EM data recording streams, the conventional RMS DGR-33 and the AeroDAS system which records the full waveform (Figure 6).

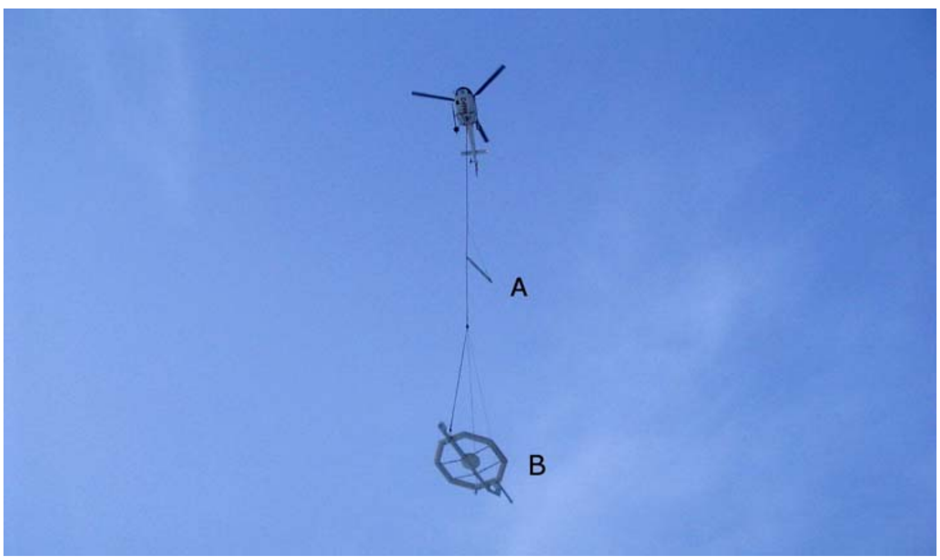


Figure 5. The magnetometer bird (A) and AeroTEM II EM bird (B)

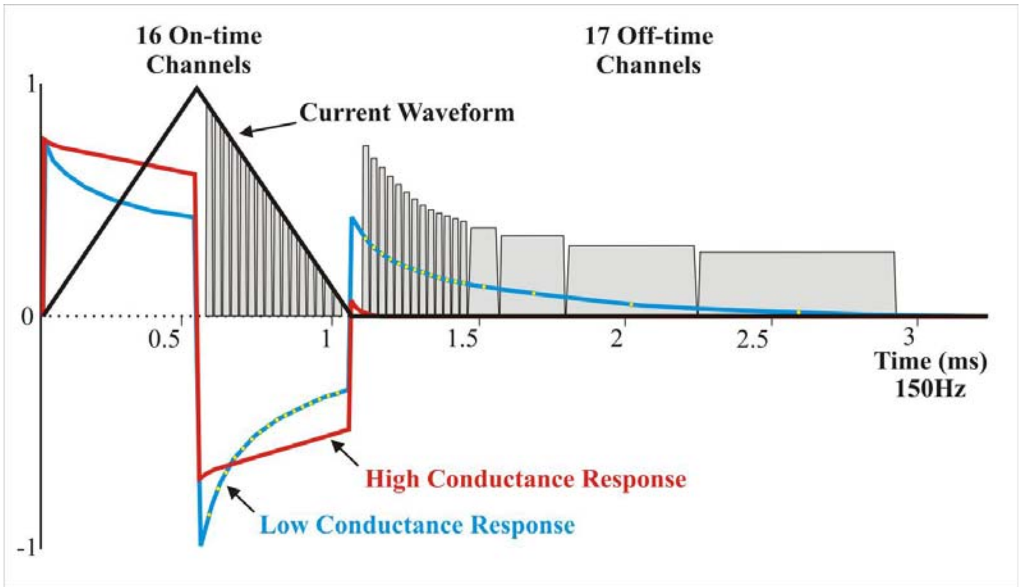


Figure 6. Schematic of Transmitter and Receiver waveforms

4.5. AERODAS ACQUISITION SYSTEM

The 120 channels of raw streaming data are recorded by the AeroDAS acquisition system (Figure 7) onto a removable hard drive. The streaming data are processed post-survey to yield 33 stacked and binned on-time and off-time channels at a 10 Hz sample rate. The timing of the final processed EM channels is described in the following table:

```
Average TxOn       -15.3577 us
Average TxOff      1044.6071 us
```

Channel	Sample Range	Time Width (us)	Time Center (us)	Time After TxOn (us)
On1	4 - 4	27.778	97.222	112.580
On2	5 - 5	27.778	125.000	140.358
On3	6 - 6	27.778	152.778	168.135
On4	7 - 7	27.778	180.556	195.913
On5	8 - 8	27.778	208.333	223.691
On6	9 - 9	27.778	236.111	251.469
On7	10 - 10	27.778	263.889	279.247
On8	11 - 11	27.778	291.667	307.024
On9	12 - 12	27.778	319.444	334.802
On10	13 - 13	27.778	347.222	362.580
On11	14 - 14	27.778	375.000	390.358
On12	15 - 15	27.778	402.778	418.135
On13	16 - 16	27.778	430.556	445.913
On14	17 - 17	27.778	458.333	473.691
On15	18 - 18	27.778	486.111	501.469
On16	19 - 19	27.778	513.889	529.247

Channel	Sample Range	Time Width (us)	Time Center (us)	Time After TxOff (us)
Off0	45 - 45	27.778	1236.111	191.504
Off1	46 - 46	27.778	1263.889	219.282
Off2	47 - 47	27.778	1291.667	247.060
Off3	48 - 48	27.778	1319.444	274.837
Off4	49 - 49	27.778	1347.222	302.615
Off5	50 - 50	27.778	1375.000	330.393
Off6	51 - 52	55.556	1416.667	372.060
Off7	53 - 54	55.556	1472.222	427.615

Off8	55 - 56	55.556	1527.778	483.171
Off9	57 - 58	55.556	1583.333	538.726
Off10	59 - 61	83.333	1652.778	608.171
Off11	62 - 64	83.333	1736.111	691.504
Off12	65 - 68	111.111	1833.333	788.726
Off13	69 - 73	138.889	1958.333	913.726
Off14	74 - 81	222.222	2138.889	1094.282
Off15	82 - 94	361.111	2430.556	1385.948
Off16	95 - 114	555.556	2888.889	1844.282

4.6. RMS DGR-33 Acquisition System

In addition to the magnetics, altimeter and position data, six channels of real time processed off-time EM decay in the Z direction and one in the X direction are recorded by the RMS DGR-33 acquisition system at 10 samples per second and plotted real-time on the analogue chart recorder. These channels are derived by a binning, stacking and filtering procedure on the raw streaming data. The primary use of the RMS EM data (Z1 to Z6, X1) is to provide for real-time QA/QC on board the aircraft.

The channel window timing of the RMS DGR-33 6 channel system is described in the table below.

RMS Channel	Start time (µs)	End time (µs)	Width (µs)	Streaming Channels
Z1, X1	1269.8	1322.8	52.9	48-50
Z2	1322.8	1455.0	132.2	50-54
Z3	1428.6	1587.3	158.7	54-59
Z4	1587.3	1746.0	158.7	60-65
Z5	1746.0	2063.5	317.5	66-77
Z6	2063.5	2698.4	634.9	78-101

Figure 7. AeroTEM II Instrument Rack., including AeroDAS and RMS DGR-33 systems, AeroTEM power supply, data acquisition computer and AG-NAV2 navigation system.

4.7. MAGNETOMETER BASE STATION

The base magnetometer was a Geometrics G-859 caesium vapour magnetometer system with integrated GPS. Data logging and UTC time synchronisation was carried out within the magnetometer, with the GPS providing the timing signal. The data logging was configured to measure at 1.0 second intervals. Digital recording resolution was 0.001 nT. The sensor was placed on a tripod in an area of low magnetic gradient and free of cultural noise sources. A continuously updated display of the base station values was available for viewing and regularly monitored to ensure acceptable data quality and diurnal variation.

4.8. RADAR ALTIMETER

A Terra TRA 3500/TRI-30 radar altimeter is used to record terrain clearance. The antenna was mounted on the outside of the helicopter beneath the cockpit. Therefore, the recorded data reflect the height of the helicopter above the ground. The Terra altimeter has an altitude accuracy of +/- 1.5 metres.

4.9. VIDEO TRACKING AND RECORDING SYSTEM

A high resolution digital colour 8 mm video camera is used to record the helicopter ground flight path along the survey lines. The video is digitally annotated with GPS position and time and can be used to verify ground positioning information and cultural causes of anomalous geophysical responses.

Figure 8. Digital video camera typical mounting location.

4.10. GPS NAVIGATION SYSTEM

The navigation system consists of an Ag-Nav Incorporated AG-NAV2 GPS navigation system comprising a PC-based acquisition system, navigation software, a deviation indicator in front of the aircraft pilot to direct the flight, a full screen display with controls in front of the operator, a Mid-Tech RX400p WAAS-enabled GPS receiver mounted on the instrument rack and an antenna mounted on the magnetometer bird. WAAS (Wide Area Augmentation System) consists of approximately 25 ground reference stations positioned across the United States that monitor GPS satellite data. Two master stations located on the east and west coasts collect data from the reference stations and create a GPS correction message. This correction accounts for GPS satellite orbit and clock drift plus signal delays caused by the atmosphere and ionosphere. The corrected differential message is then broadcast through one of two geostationary satellites, or satellites with a fixed position over the equator. The corrected position has a published accuracy of less than 3 metres.

Survey co-ordinates are set up prior to the survey and the information is fed into the airborne navigation system. The co-ordinate system employed in the survey design was NAD83 [World] using the UTM zone 9N projection. The real-time differentially corrected GPS positional data was recorded by the RMS DGR-33 in geodetic coordinates (latitude and longitude using WGS84) at 0.2 s intervals.

4.11. DIGITAL ACQUISITION SYSTEM

The AeroTEM received waveform sampled during on and off-time at 120 channels per decay, 300 times per second, was logged by the proprietary AeroDAS data acquisition system. The channel sampling commences at the start of the Tx cycle and the width of each channel is 27.778 microseconds. The streaming data was recorded on a removable hard-drive and was later backed-up onto DVD-ROM from the field-processing computer.

The RMS Instruments DGR33A data acquisition system was used to collect and record the analogue data stream, i.e. the positional and secondary geophysical data, including processed 6 channel EM, magnetics, radar altimeter, GPS position, and time. The data was recorded on 128 Mb capacity FlashCard. The RMS output was also directed to a thermal chart recorder.

5. PERSONNEL

The following Aeroquest personnel were involved in the project:

- Manager of Operations: Bert Simon
- Manager of Data Processing: Gord Smith
- Field Data Processors: Doug Garrie, Dary Ly
- Field Operator: Emilio Sosa
- Data Interpretation and Reporting: Paul Klein, Matt Pozza, Marion Bishop, Liz Johnson

The survey pilot, Paul Kendall, was employed directly by the helicopter operator – Hi-Wood Helicopters.

6. DELIVERABLES

6.1. Hardcopy Deliverables

The report includes a set of three 1:10,000 maps. The survey area is covered by a single map plate and three geophysical data products are delivered as listed below:

- TMI – Coloured Total Magnetic Intensity (TMI) with line contours and EM anomaly symbols.
- ZOFF2 – AeroTEM Z2 Off-time with line contours and EM anomaly symbols.
- EM – AeroTEM off-time profiles Z2 – Z12 and EM anomaly symbols.

The coordinate/projection system for the maps is NAD83 – UTM Zone 9N. For reference, the latitude and longitude in WGS84 are also noted on the maps.

All the maps show flight path trace, skeletal topography, and conductor picks represented by an anomaly symbol classified according to calculated off-time conductance. The anomaly symbol is accompanied by postings denoting the calculated off-time conductance, a thick or thin classification and an anomaly identifier label. The anomaly symbol legend and survey specifications are displayed on the left margin of the maps.

6.2. Digital Deliverables

6.2.1. Final Database of Survey Data (.GDB)

The geophysical profile data is archived digitally in a Geosoft GDB binary format database. A description of the contents of the individual channels in the database can be found in Appendix 2. A copy of this digital data is archived at the Aeroquest head office in Mississauga.

6.2.2. Geosoft Grid files (.GRD)

Levelled Grid products used to generate the geophysical map images. Cell size for all grid files is 20 metres.

- Total Magnetic Intensity from Mag sensor on the tow cable (MagU_TMI)
- AeroTEM Z Offtime Channel 1 (zoff[2])

6.2.3. Digital Versions of Final Maps (.MAP, .PDF)

Map files in Geosoft .map and Adobe PDF format.

6.2.4. Google Earth Survey Navigation Files (.kmz)

Flight navigation lines, EM Profiles, EM Anomalies, geophysical grids and contours in Google Earth .kmz format. Double click to view flight lines in Google Earth.

6.2.5. Free Viewing Software (.EXE)

- Geosoft Oasis Montaj Viewing Software
- Adobe Acrobat Reader
- Google Earth Viewer

6.2.6. Digital Copy of this Document (.PDF)

Adobe PDF format of this document.

7. DATA PROCESSING AND PRESENTATION

All in-field and post-field data processing was carried out using Aeroquest proprietary data processing software and Geosoft Oasis Montaj software. Maps were generated using 36-inch wide Hewlett Packard ink-jet plotters.

7.1. BASE MAP

The geophysical maps accompanying this report are based on positioning in the NAD83 datum. The survey geodetic GPS positions have been projected using the Universal Transverse Mercator projection in Zone 9 North. A summary of the map datum and projection specifications is given following:

- Ellipse: GRS 1980
- Ellipse major axis: 6378137m eccentricity: 0.081819191
- Datum: North American 1983 - Canada Mean
- Datum Shifts (x,y,z) : 0, 0, 0 metres
- Map Projection: Universal Transverse Mercator Zone 9 (129º W)
- Central Scale Factor: 0.9996
- False Easting, Northing: 500,000m, 0m

For reference, the latitude and longitude in WGS84 are also noted on the maps.

The background vector topography was sourced from Natural Resources Canada 1:50000 National Topographic Data Base data and the background shading was derived from NASA Shuttle Radar Topography Mission (SRTM) 90 metre resolution DEM data.

7.2. FLIGHT PATH & TERRAIN CLEARANCE

The position of the survey helicopter was directed by use of the Global Positioning System (GPS). Positions were updated five times per second (5 Hz) and expressed as WGS84 latitude and longitude calculated from the raw pseudo range derived from the C/A code signal. The instantaneous GPS flight path, after conversion to UTM co-ordinates, is drawn using linear interpolation between the x/y positions. The terrain clearance was maintained with reference to the radar altimeter. The raw Digital Terrain Model (DTM) was derived by taking the GPS survey elevation and subtracting the radar altimeter terrain clearance values. The calculated topography elevation values are relative and are not tied in to surveyed geodetic heights.

Each flight included at least two high elevation 'background' checks. These high elevation checks are to ensure that the gain of the system remained constant and within specifications.

7.3. Electromagnetic Data

The raw streaming data, sampled at a rate of 36,000 Hz (120 channels, 300 times per second) was reprocessed using a proprietary software algorithm developed and owned by Aeroquest Limited. Processing involves the compensation of the X and Z component data for the primary field waveform. Coefficients for this compensation for the system transient are determined and applied to the stream data. The stream data are then pre-filtered, stacked, binned to the 33 on and off-time channels and checked for the effectiveness of the compensation and stacking processes. The stacked data is then filtered, levelled and split up into the individual line segments. Further base level adjustments may be carried out at this stage. The filtering of the stacked data is designed to remove or minimize high frequency noise that can not be sourced from the geology.

The final field processing step was to merge the processed EM data with the other data sets into a Geosoft GDB file. The EM fiducial is used to synchronize the two datasets. The processed channels are merged into 'array format; channels in the final Geosoft database as Zon, Zoff, Xon, and Xoff.

Apparent bedrock EM anomalies were interpreted with the aid of an auto-pick from positive peaks and troughs in the off-time Z channel responses correlated with X channel responses. The auto-picked anomalies were reviewed and edited by a geophysicist on a line by line basis to discriminate between thin and thick conductor types. Anomaly picks locations were migrated and removed as required. This process ensures the optimal representation of the conductor centres on the maps.

At each conductor pick, estimates of the off-time conductance have been generated based on a horizontal plate source model for those data points along the line where the response amplitude is sufficient to yield an acceptable estimate. Some of the EM anomaly picks do not display a Tau value; this is due to the inability to properly define the decay of the conductor usually because of low signal amplitudes. Each conductor pick was then classified according to a set of seven ranges of calculated off-time conductance values. For high conductance sources, the on-time conductance values may be used, since it provides a more accurate measure of high-conductance sources. Each symbol is also given an identification letter label, unique to each flight line. Conductor picks that did not yield an acceptable estimate of off-time conductance due to a low amplitude response were classified as a low conductance source. Please refer to the anomaly symbol legend located in the margin of the maps.

7.4. Magnetic Data

Prior to any levelling the magnetic data was subjected to a lag correction of -0.1 seconds and a spike removal filter. The filtered aeromagnetic data were then corrected for diurnal variations using the magnetic base station and the intersections of the tie lines. No corrections for the regional reference field (IGRF) were applied. The corrected profile data were interpolated on to a grid using a bi-directional grid technique with a grid cell size of 20 metres. The final levelled grid provided the basis for threading the presented contours which have a minimum contour interval of 5 nT.

8. GENERAL COMMENTS

The survey was successful in mapping the magnetic and conductive properties of the geology throughout the survey area. Below is a brief interpretation of the results. For a detailed interpretation please contact Aeroquest Limited.

8.1. MAGNETIC RESPONSE

The magnetic data provide a high resolution map of the distribution of the magnetic mineral content of the survey area. This data can be used to interpret the location of geological contacts and other structural features such as faults and zones of magnetic alteration. The sources for anomalous magnetic responses are generally thought to be predominantly magnetite because of the relative abundance and strength of response (high magnetic susceptibility) of magnetite over other magnetic minerals such as pyrrhotite.

8.2. EM ANOMALIES

The EM anomalies on the maps are classified by conductance (as described earlier in the report) and also by the thickness of the source. A thin, vertically orientated source produces a double peak anomaly in the z-component response and a positive to negative crossover in the x-component response (Figure 8). For a vertically orientated thick source (say, greater than 10 metres), the response is a single peak in the z-component response and a negative to positive crossover in the x-component response (Figure 9). Because of these differing responses, the AeroTEM system provides discrimination of thin and thick sources and this distinction is indicated on the EM anomaly symbols (N = thin and K = thick). Where multiple, closely spaced conductive sources occur, or where the source has a shallow dip, it can be difficult to uniquely determine the type (thick vs. thin) of the source (Figure 10). In these cases both possible source types may be indicated by picking both thick and thin response styles. For shallow dipping conductors the ‘thin’ pick will be located over the edge of the source, whereas the ‘thick’ pick will fall over the downdip ‘heart’ of the anomaly.

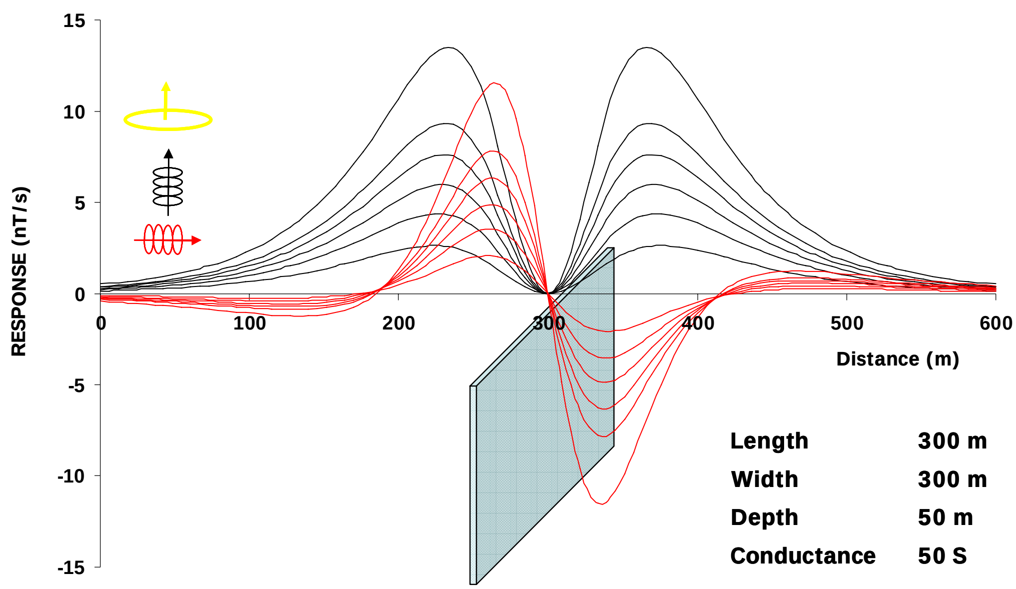


Figure 9. AeroTEM response to a ‘thin’ vertical conductor.

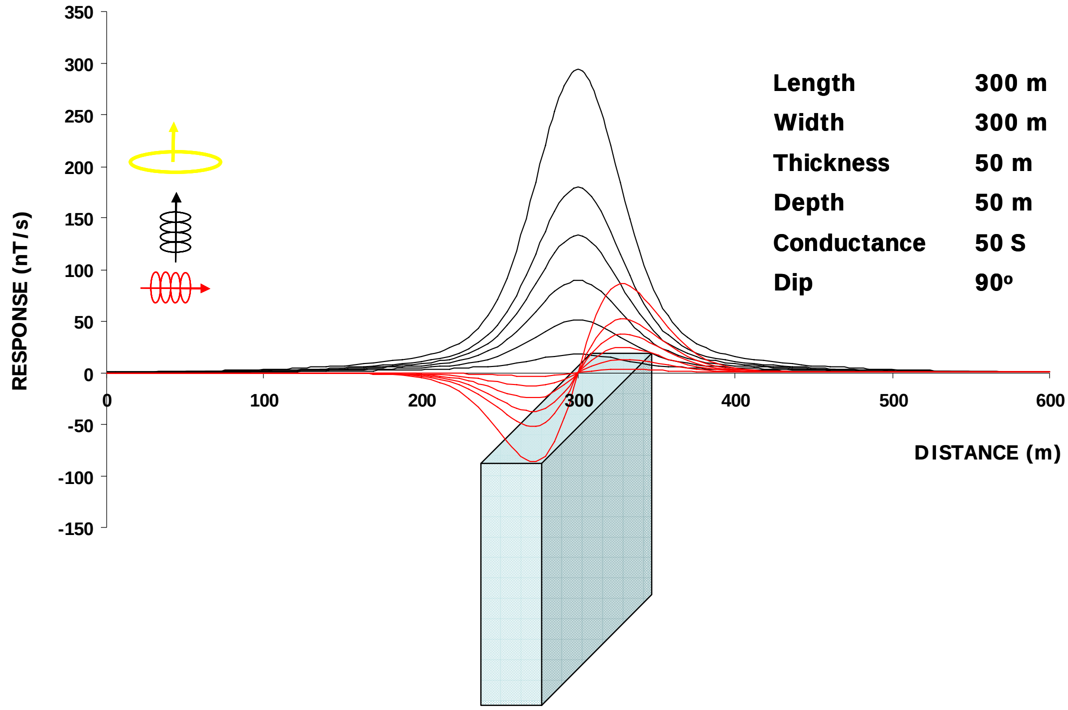


Figure 10. AeroTEM response for a 'thick' vertical conductor.

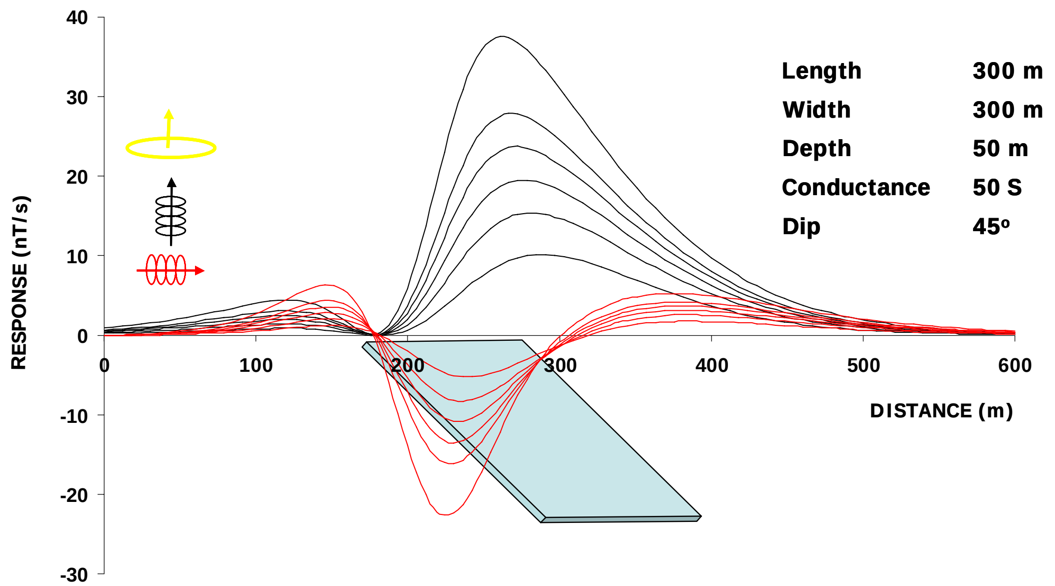


Figure 11. AeroTEM response over a 'thin' dipping conductor.

All cases should be considered when analyzing the interpreted picks and prioritizing for follow-up. Specific anomalous responses which remain as high priority should be subjected to numerical modeling prior to drill testing to determine the dip, depth and probable geometry of the source.

Respectfully submitted,

Paul Klein,
Aeroquest Limited
June, 2008

Reviewed By:

Doug Garrie
Aeroquest Limited
June, 2008

APPENDIX 1: SURVEY BOUNDARIES

The following table presents the Dragon block boundaries. All geophysical data presented in this report have been windowed to 100m outside these outlines. X and Y positions are in metres: NAD83 UTM Zone 9N.

X	Y
688221.56	5528729.09
697401.18	5529057.88
697606.93	5523444.29
688418.34	5523107.5

APPENDIX 2: MINING CLAIMS

From Government of British Columbia Mineral Titles Online Viewer (June 2008)

Tenure Number	Claim Name	Owner	Good To Date	Area (Ha)
565489	DRAGON 2	RUKS, TYLER WILLIAM	2008/sep/02	499.828
565492	DRAGON 3	RUKS, TYLER WILLIAM	2008/sep/02	499.767
565495	DRAGON 4	RUKS, TYLER WILLIAM	2008/sep/02	499.743
565501	DRAGON 5	RUKS, TYLER WILLIAM	2008/sep/02	500.142
514503		RUKS, TYLER WILLIAM	2009/June/14	562.462
565487	DRAGON1	RUKS, TYLER WILLIAM	2008/sep/02	499.834
565491	DRAGON 4	PAGET RESOURCES CORPORATION	2008/sep/02	499.749
565493	DRAGON 5 A	PAGET RESOURCES CORPORATION	2008/sep/02	250.026
565494	DRAGON 6 A	PAGET RESOURCES CORPORATION	2008/sep/02	437.676
565496	DRAGON 7 A	PAGET RESOURCES CORPORATION	2008/sep/02	20.838
565497	RUKS 1	PAGET RESOURCES CORPORATION	2008/sep/02	458.424
565498	RUKS 2	PAGET RESOURCES CORPORATION	2008/sep/02	499.965
565499	RUKS 3	PAGET RESOURCES CORPORATION	2008/sep/02	500.202
565500	RUKS 4	PAGET RESOURCES CORPORATION	2008/sep/02	520.445
565490		PAGET RESOURCES CORPORATION	2008/sep/02	333.371

APPENDIX 3: DESCRIPTION OF DATABASE FIELDS

The GDB file is a Geosoft binary database. In the database, the Survey lines and Tie Lines are prefixed with an "L" for "Line" and "T" for "Tie".

COLUMN	UNITS	DESCRIPTOR
Line		Line number
Flight		Flight #
emfid		AERODAS Fiducial
utctime	hh:mm:ss.ss	UTC time
x	m	UTM Nad83 Zone 9
y	m	UTM Nad83 Zone 9
galtf	m	GPS altitude of Mag bird
bheight	m	Terrain clearance of EM bird
dtm	m	Digital Terrain Model
basemagf	nT	Base station total magnetic intensity
pwrline		powerline monitor data channel
Fiducial		fiducial
zon	nT/s	Processed Streaming On-Time Z component Channels 1-16
zoff	nT/s	Processed Streaming Off-Time Z component Channels 0-16
Xon	nT/s	Processed Streaming On-Time X component Channels 1-16
Xoff	nT/s	Processed Streaming Off-Time X component Channels 0-16
TranOn	ms	Transmitter on
TranSwitch	ms	Transmitter switch
TranOff	ms	Transmitter off
TranPeak	ms	Transmitter peak
Off_Pick		Indicates a thick or thin conductor
Anom_labels		Alphanumeric label of conductor pick
Off_Con	S	Off-time conductance at conductor pick
Off_Tau	µs	Off-time decay constant at conductor pick
Anom_ID		Anomaly Character (K= thicK, N = thiN)
Grade		Classification from 1-7 based on conductance of conductor pick
Off_AllCon	S	Off-time conductance
Off_AllTau	µs	Off-time decay constant
MagU	nT	Final levelled total magnetic intensity from upper magnetometer sensor
On_AllCon	S	On-time conductance
On_AllTau	µs	On-time decay constant
ralt	m	Helicopter radar altimeter (height above terrain)

APPENDIX 4: AEROTEM ANOMALY LISTING

Line	Anom	ID	Cond (S)	Tau (μs)	Flight #	UTC Time	Bird height (m)	Easting (m)	Northing (m)
10010	A	N	1.8	133.3	120	23:02:58	51.2	691982.6	5528808.3
10010	B	K	1.8	133.3	120	23:03:03	68.6	691927.3	5528802.7
10010	C	K	2.1	145.7	120	23:03:13	62.6	691868.9	5528802.5
10020	A	N	4.5	211.8	120	23:10:11	113.1	691997.5	5528715.2
10030	A	K	0.8	87.5	120	23:20:39	79.2	691827.3	5528600.3
10060	A	K	9.7	311.8	120	23:49:41	76.6	692546.3	5528317.6
10070	A	K	5.7	238.9	120	23:59:56	72.5	692554.0	5528227.5
10160	A	K	3.7	192.1	25	18:28:59	29.0	692820.7	5527335.7
10180	A	K	10.9	330.6	25	18:51:00	47.4	692742.6	5527149.1
10180	B	N	7.0	263.6	25	18:51:32	66.3	692251.5	5527117.1
10190	A	K	2.1	143.9	25	19:01:17	84.2	692279.2	5527006.2
10190	B	N	2.2	149.7	25	19:01:39	68.4	692690.8	5527014.3
10200	A	K	3.2	180.0	25	19:13:34	57.5	692231.0	5526918.4
10220	A	N	2.9	170.9	26	21:06:50	46.9	691984.0	5526713.6
10230	A	K	6.7	258.5	26	21:15:27	125.1	691993.3	5526604.0
10240	A	K	5.5	233.6	26	21:30:20	55.4	691880.7	5526508.3
10290	A	K	3.3	180.8	27	0:28:28	69.8	688641.2	5525883.8
10300	A	K	3.2	178.8	27	0:29:33	50.5	688735.1	5525798.8
10310	A	K	6.3	250.3	27	0:48:55	98.8	688805.0	5525697.0
10321	A	K	5.3	229.5	27	0:50:17	93.6	688892.2	5525594.5
10330	A	K	13.9	372.3	27	1:08:46	80.8	689207.2	5525525.4
10340	A	K	0.6	74.8	27	1:19:31	70.9	697400.5	5525691.8
10350	A	K	0.4	64.3	27	1:20:08	74.8	697401.3	5525619.3
10350	B	K	26.5	514.6	27	1:27:44	44.7	689636.3	5525319.7
10360	A	K	11.3	336.4	27	1:30:44	44.4	689721.7	5525234.4
10370	A	K	9.8	312.3	27	1:46:10	55.1	690178.5	5525147.5
10370	B	K	21.8	466.7	27	1:46:21	44.8	689949.0	5525139.0
10370	C	K	34.4	586.9	27	1:46:29	39.5	689800.1	5525129.0
10380	A	K	33.6	579.7	27	1:49:34	41.8	690062.2	5525054.3
10390	A	K	1.9	136.2	29	21:45:35	73.2	692351.0	5525023.9
10400	A	K	4.0	198.8	29	21:53:53	64.0	691867.6	5524900.8
10400	B	K	1.3	112.0	29	21:54:15	58.9	692239.0	5524924.0
10400	C	K	8.8	296.7	29	21:54:26	59.9	692464.9	5524926.2
10410	A	K	0.6	77.3	29	22:06:42	60.6	692481.1	5524825.4
10410	B	K	0.0	17.3	29	22:07:34	76.4	691504.7	5524785.6
10422	A	K	2.8	166.8	29	22:24:13	68.4	694350.6	5524790.0
10430	A	K	2.1	143.7	28	20:50:06	65.2	694317.1	5524682.5
10440	A	K	1.5	121.1	28	20:36:35	85.1	694550.1	5524603.4

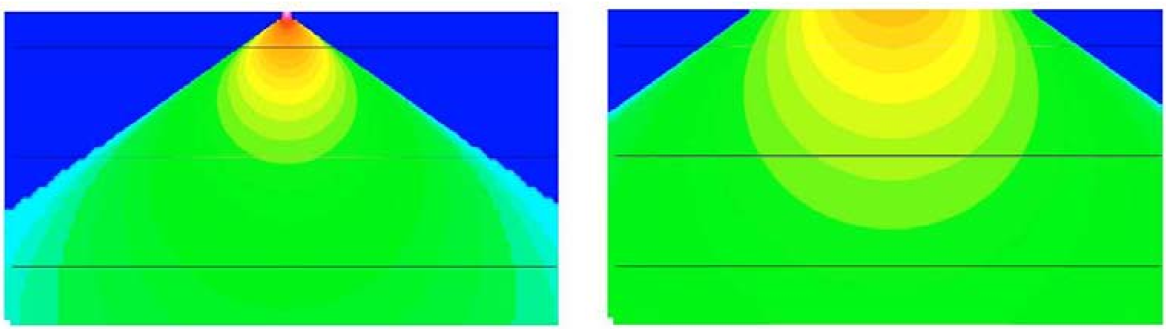
Line	Anom	ID	Cond (S)	Tau (µs)	Flight #	UTC Time	Bird height (m)	Easting (m)	Northing (m)
10440	B	K	0.6	74.2	28	20:37:19	60.0	693660.2	5524567.4
10460	A	N	0.6	79.0	28	20:15:28	66.7	695004.5	5524417.5
10460	B	K	1.4	119.3	28	20:15:40	68.1	694890.0	5524408.5
10470	A	N	0.0	0.0	28	20:10:26	89.4	695076.9	5524303.8
19030	B	K	6.0	245.2	21	2:39:35	61.7	690239.5	5525025.4
19050	A	K	8.1	283.9	21	2:16:00	136.0	691921.4	5528888.9
19050	A	K	3.8	195.0	21	2:21:55	125.6	692003.2	5526635.8
19110	A	K	0.4	62.6	24	21:47:18	45.8	697432.0	5525602.8

APPENDIX 5: AEROTEM DESIGN CONSIDERATIONS

Helicopter-borne EM systems offer an advantage that cannot be matched from a fixed-wing platform. The ability to fly at slower speed and collect data with high spatial resolution, and with great accuracy, means the helicopter EM systems provide more detail than any other EM configuration, airborne or ground-based. Spatial resolution is especially important in areas of complex geology and in the search for discrete conductors. With the advent of helicopter-borne high-moment time domain EM systems the fixed wing platforms are losing their *only* advantage – depth penetration.

Advantage 1 – Spatial Resolution

The AeroTEM system is specifically designed to have a small footprint. This is accomplished through the use of concentric transmitter-receiver coils and a relatively small diameter transmitter coil (5 m). The result is a highly focused exploration footprint, which allows for more accurate "mapping" of discrete conductors. Consider the transmitter primary field images shown in Figure 1, for AeroTEM versus a fixed-wing transmitter.



The footprint of AeroTEM at the earth's surface is roughly 50m on either side of transmitter

The footprint of a fixed-wing system is roughly 150 m on either side of the transmitter

Figure 1. A comparison of the footprint between AeroTEM and a fixed-wing system, highlights the greater resolution that is achievable with a transmitter located closer to the earth's surface. The AeroTEM footprint is one third that of a fixed-wing system and is symmetric, while the fixed-wing system has even lower spatial resolution along the flight line because of the separated transmitter and receiver configuration.

At first glance one may want to believe that a transmitter footprint that is distributed more evenly over a larger area is of benefit in mineral exploration. In fact, the opposite is true; by energizing a larger surface area, the ability to energize and detect discrete conductors is reduced. Consider, for example, a comparison between AeroTEM and a fixed-wing system over the Mesamax Deposit (1,450,000 tonnes of 2.1% Ni, 2.7% Cu, 5.2 g/t Pt/Pd). In a test survey over three flight lines spaced 100 m apart, AeroTEM detected the Deposit on all three flight lines. The fixed-wing system detected the Deposit only on two flight lines. In exploration programs that seek to expand the flight line spacing in an effort to reduce the cost of the airborne survey, discrete conductors such as the Mesamax Deposit can go undetected. The argument often put forward in favour of using fixed-wing systems is that because of their larger footprint, the flight line spacing can indeed be widened. Many fixed-wing surveys are flown at 200 m or 400 m. Much of the survey work performed by Aeroquest has been to survey in areas that were previously flown at these wider line spacings. One of the reasons for AeroTEM's impressive discovery record has been the strategy of flying closely spaced lines and finding all the discrete near-surface conductors. These higher resolution surveys are being flown within existing mining camps, areas that improve the chances of discovery.

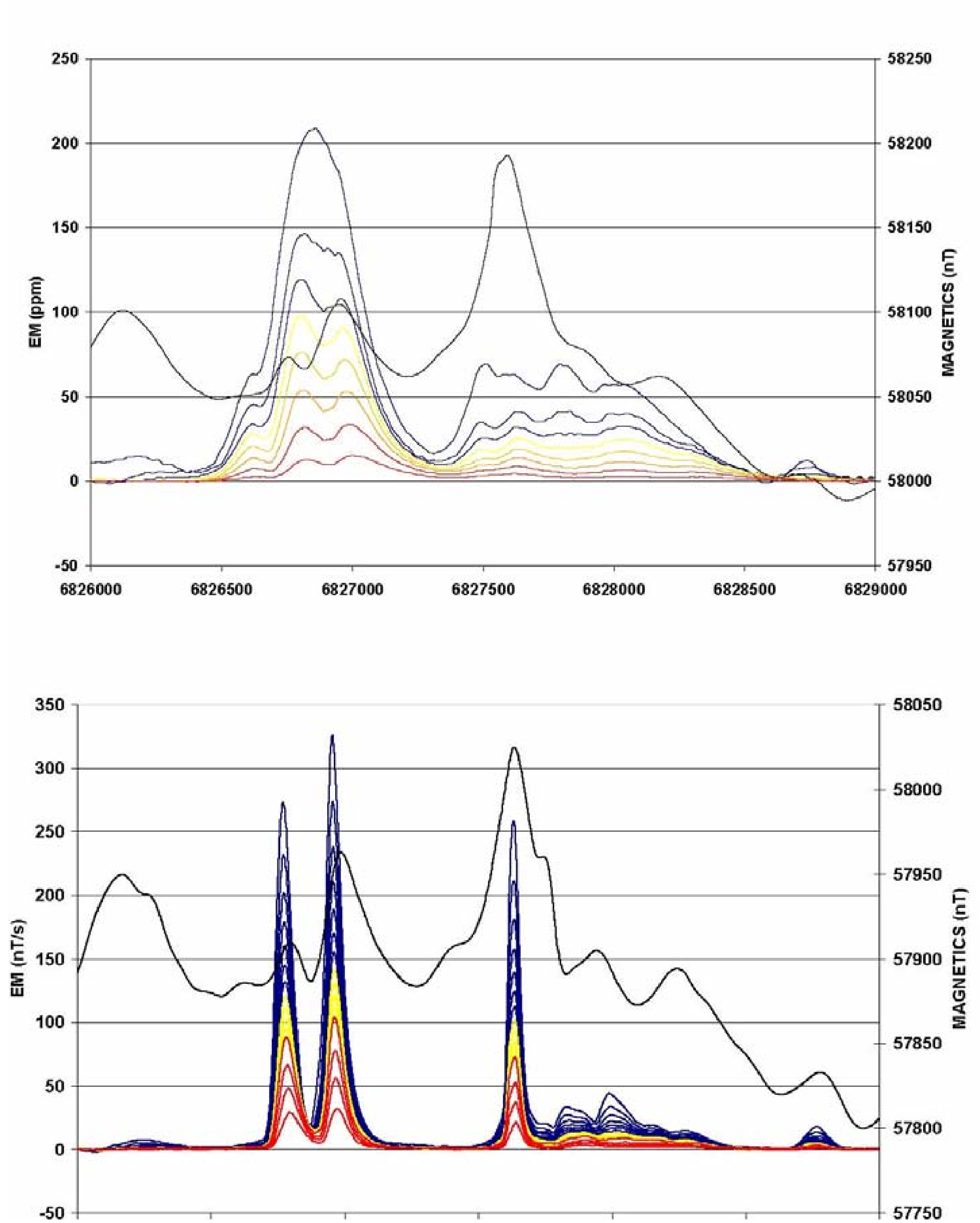


Figure 2. Fixed-wing (upper) and AeroTEM (lower) comparison over the eastern limit of the Mesamax Deposit, a Ni-Cu-PGE zone located in the Raglan nickel belt and owned by Canadian Royalties. Both systems detected the Deposit further to the west where it is closer to surface.

The small footprint of AeroTEM combined with the high signal to noise ratio (S/N) makes the system more suitable to surveying in areas where local infrastructure produces electromagnetic noise, such as power lines and railways. In 2002 Aeroquest flew four exploration properties in the Sudbury Basin that were under option by FNX Mining Company Inc. from Inco Limited. One such property, the Victoria Property, contained three major power line corridors.

The resulting AeroTEM survey identified all the known zones of Ni-Cu-PGE mineralization, and detected a response between two of the major power line corridors but in an area of favorable geology. Three boreholes were drilled to test the anomaly, and all three intersected sulphide. The third borehole encountered 1.3% Ni, 6.7% Cu, and 13.3 g/t TPMs over 42.3 ft. The mineralization was subsequently named the Powerline Deposit.

The success of AeroTEM in Sudbury highlights the advantage of having a system with a small footprint, but also one with a high S/N. This latter advantage is achieved through a combination of a high-moment (high signal) transmitter and a rigid geometry (low noise). Figure 3 shows the Powerline Deposit response and the response from the power line corridor at full scale. The width of power line response is less than 75 m.

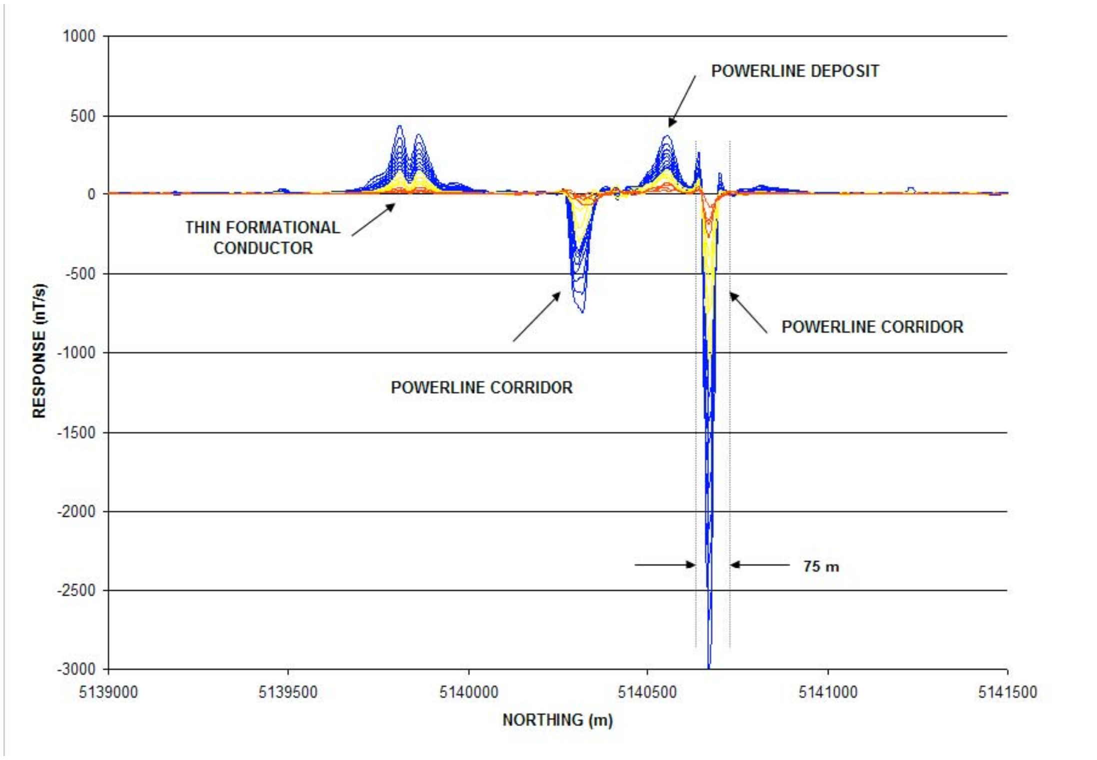


Figure 3. The Powerline Deposit is located between two major power line corridors, which make EM surveying problematic. Despite the strong response from the power line, the anomaly from the Deposit is clearly detected. Note the thin formational conductor located to the south. The only way to distinguish this response from that of two closely spaced conductors is by interpreting the X-axis coil response.

Advantage 2 – Conductance Discrimination

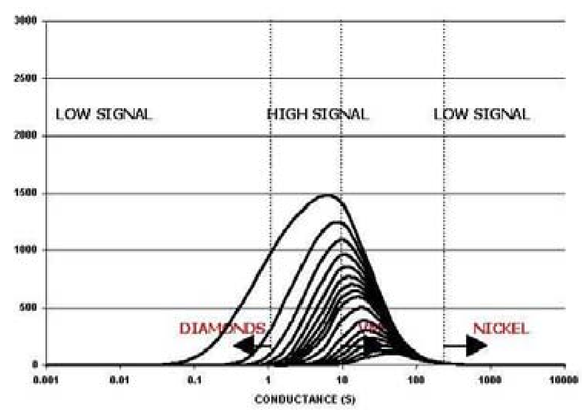
The AeroTEM system features full waveform recording and as such is able to measure the on-time response due to high conductance targets. Due to the processing method (primary field removal), there is attenuation of the response with increasing conductance, but the AeroTEM on-time measurement is still superior to systems that rely on lower base frequencies to detect high conductance targets, but do not measure in the on-time.

The peak response of a conductive target to an EM system is a function of the target conductance and the EM system base frequency. For time domain EM systems that measure only in the off-time, there is a drop in the peak response of a target as the base frequency is lowered for all conductance values below the peak system response. For example, the AeroTEM peak response occurs for a 10 S conductor in the early off-time and 100 S in the late off-time for a 150 Hz base frequency. Because base frequency and conductance form a linear relationship when considering the peak response of any EM system, a drop in base frequency of 50% will double the conductance at which an EM system shows its peak response. If the base frequency were lowered from 150 Hz to 30 Hz there would be a fivefold increase in conductance at which the peak response of an EM occurred.

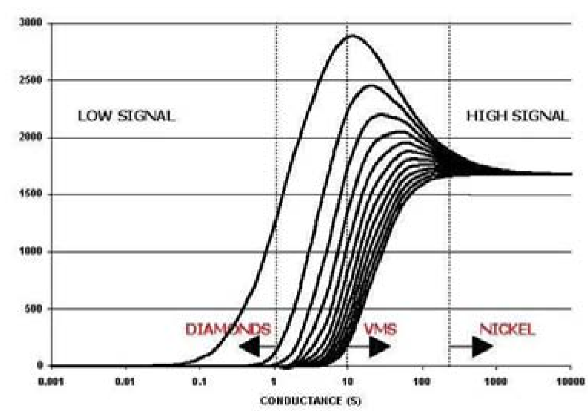
However, in the search for highly conductive targets, such as pyrrhotite-related Ni-Cu-PGM deposits, a fivefold increase in conductance range is a high price to pay because the signal level to lower conductance targets is reduced by the same factor of five. For this reason, EM systems that operate with low base frequencies are not suitable for general exploration unless the target conductance is more than 100 S, or the target is covered by conductive overburden.

Despite the excellent progress that has been made in modeling software over the past two decades, there has been little work done on determining the optimum form of an EM system for mineral exploration. For example, the optimum configuration in terms of geometry, base frequency and so remain unknown. Many geophysicists would argue that there is no single ideal configuration, and that each system has its advantages and disadvantages. We disagree.

When it comes to detecting and discriminating high-conductance targets, it is necessary to measure the pure in phase response of the target conductor. This measurement requires that the measured primary field from the transmitter be subtracted from the total measured response such that the secondary field from the target conductor can be determined. Because this secondary field is in-phase with the transmitter primary field, it must be made while the transmitter is turned on and the transmitter current is changing. The transmitted primary field is several orders of magnitude larger than the secondary field. AeroTEM uses a bucking coil to reduce the primary field at the receiver coils. The only practical way of removing the primary field is to maintain a rigid geometry between the transmitter, bucking and receiver coils. This is the main design consideration of the AeroTEM airframe and it is the only time domain airborne system to have this configuration.



The off-time AeroTEM response for the 16 channel configuration.



The on-time response assuming 100% removal of the measured primary field.

Figure 4. The off-time and on-time response nomogram of AeroTEM for a base frequency of 150 Hz. The on-time response is much stronger for higher conductance targets and this is why on-time measurements are more important than lower frequencies when considering high conductance targets in a resistive environment.

Advantage 3 – Multiple Receiver Coils

AeroTEM employs two receiver coil orientations. The Z-axis coil is oriented parallel to the transmitter coil and both are horizontal to the ground. This is known as a maximum coupled configuration and is optimal for detection. The X-axis coil is oriented at right angles to the transmitter coil and is oriented along the line-of-flight. This is known as a minimum coupled configuration, and provides information on conductor orientation and thickness. These two coil configurations combined provide important information on the position, orientation, depth, and thickness of a conductor that cannot be matched by the traditional geometries of the HEM or fixed-wing systems. The responses are free from a system geometric effect and can be easily compared to model type curves in most cases. In other words, AeroTEM data is very easy to interpret. Consider, for example, the following modeled profile:

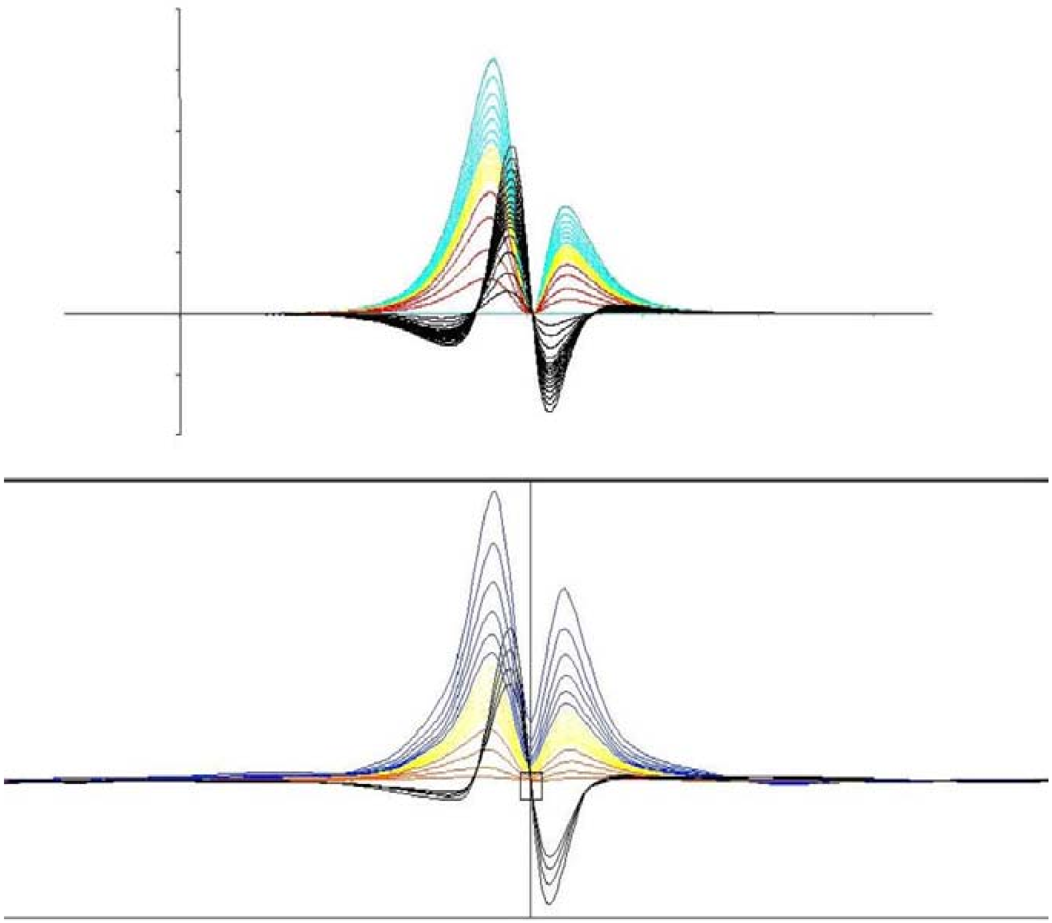


Figure 5. Measured (lower) and modeled (upper) AeroTEM responses are compared for a thin steeply dipping conductor. The response is characterized by two peaks in the Z-axis coil, and a cross-over in the X-axis coil that is centered between the two Z-axis peaks. The conductor dips toward the higher amplitude Z-axis peak. Using the X-axis cross-over is the only way of differentiating the Z-axis response from being two closely spaced conductors.

HEM versus AeroTEM

Traditional helicopter EM systems operate in the frequency domain and benefit from the fact that they use narrowband as opposed to wide-band transmitters. Thus all of the energy from the transmitter is concentrated in a few discrete frequencies. This allows the systems to achieve excellent depth penetration (up to 100 m) from a transmitter of modest power. The Aeroquest Impulse system is one implementation of this technology.

APPENDIX 6: AEROTEM INSTRUMENTATION SPECIFICATION SHEET

AEROTEM Helicopter Electromagnetic System

System Characteristics

- Transmitter: Triangular Pulse Shape Base Frequency 150 Hz
- Tx On Time - 1,150 (150 Hz) µs
- Tx Off Time - 2,183 (150 Hz) µs
- Loop Diameter - 5 m
- Peak Current - 250 A
- Peak Moment - 38,800 NIA
- Typical Z Axis Noise at Survey Speed = 5 nT peak to peak
- Sling Weight: 270 Kg
- Length of Tow Cable: 40 m
- Bird Survey Height: 30 m nominal

Receiver

- Two Axis Receiver Coils (x, z) positioned at centre of transmitter loop
- Selectable Time Delay to start of first channel 21.3 , 42.7, or 64.0 ms

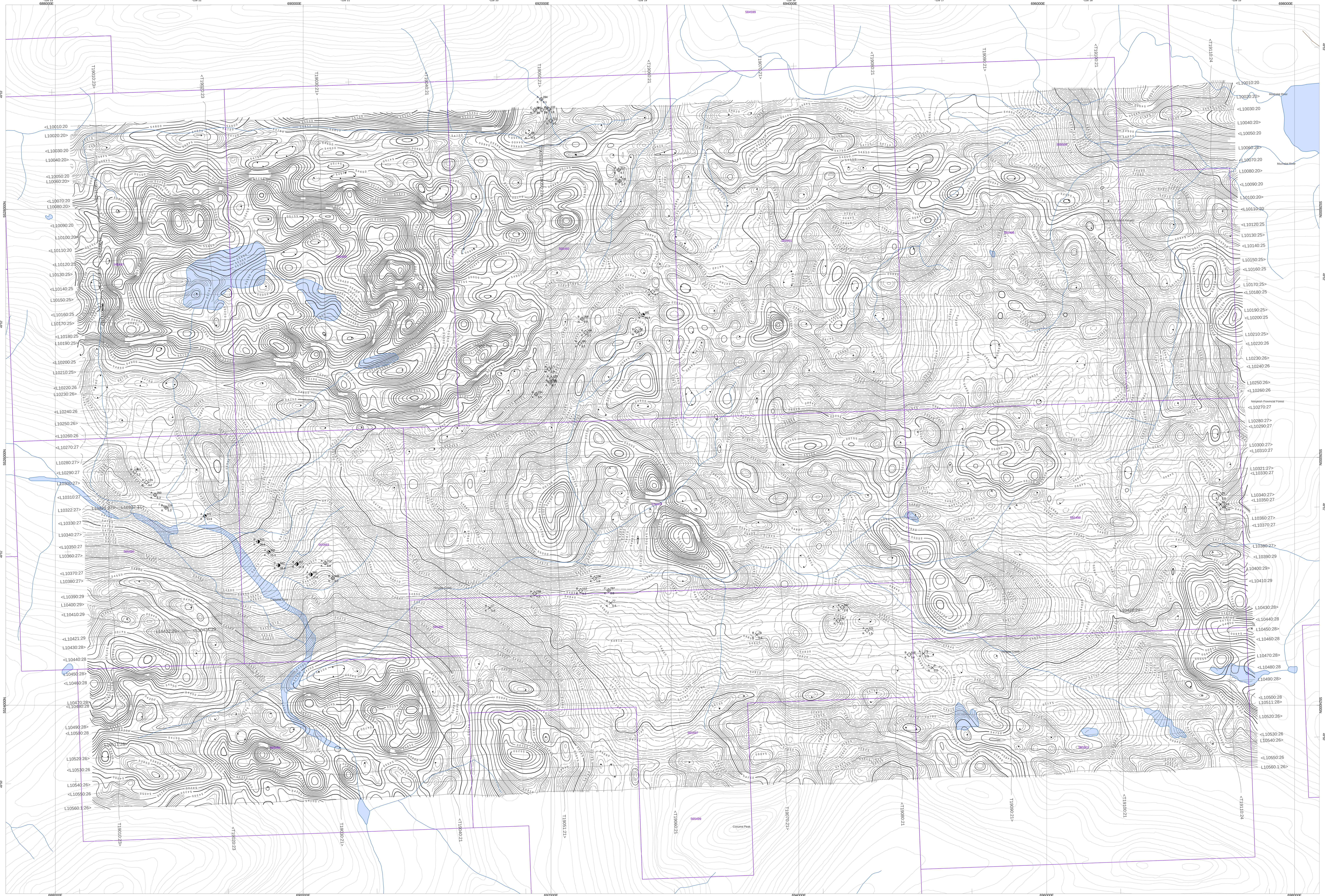
Display & Acquisition

- AERODAS Digital recording at 120 samples per decay curve at a maximum of 300 curves per second (27.778µs channel width)
- RMS Channel Widths: 52.9,132.3, 158.7, 158.7, 317.5, 634.9 µs
- Recording & Display Rate = 10 readings per second.
- On-board display - six channels Z-component and 1 X-component

System Considerations

Comparing a fixed-wing time domain transmitter with a typical moment of 500,000 NIA flying at an altitude of 120 m with a Helicopter TDEM at 30 m, notwithstanding the substantial moment loss in the airframe of the fixed wing, the same penetration by the lower flying helicopter system would only require a sixty-fourth of the moment. Clearly the AeroTEM system with nearly 40,000 NIA has more than sufficient moment. The airframe of the fixed wing presents a response to the towed bird, which requires dynamic compensation. This problem is non-existent for AeroTEM since transmitter and receiver positions are fixed. The AeroTEM system is completely portable, and can be assembled at the survey site within half a day.

Figure 1: Total Magnetic Intensity Contour Map



Grid North
NAD83-Zone9

The topographic data base was derived from 1:50000 NRC (Natural Resources Canada) NTDB data
Topo contours derived from NASA SRTM (Shuttle Radar Topography Mission) data
Inset data derived from Natural Resources Canada 'Atlas of Canada Base Maps'

This map accompanies the technical report entitled 'Report on a Helicopter-Borne Magnetic and Electromagnetic Survey, Gold River, BC', by Aeroquest Limited, June 2008

TMI Contour Interval

- 5nT
- 10nT
- 50nT
- 250nT

Off-Time Anomaly Symbols

- >50S ....
- 35-50S ....
- 20-35S ....
- 10-20S ....
- 5-10S ....
- 1-5S ....
- <1S ....

anomaly label A; decay constant (µs) 125; thicK/thiN source K; off-time conductance (S) 36

SURVEY SPECIFICATIONS:
Survey flown: March 15-25, 2008
Traverse line spacing: 100 metres
Traverse line direction: 88° Azimuth (E-W)
Nominal EM bird height: 30 metres
Aircraft: Aerospatiale A-Star 350B2+ (C-FDEV)

INSTRUMENTATION:
Data acquisition: ADAS & RMS DGR-33
Magnetometer: Geometrics G-823A cesium vapour
Installation: Mounted on EM bird
Sensitivity: .001 nanoTesla
Electromagnetics: AeroTEM II System (ECHO)
Configuration: Towed bird

NAVIGATION:
Navigation: Differential Global Positioning System (DGPS)
Navigation equipment: AGNAV with MID-TECH RX400p receiver
Radar Altimeter: Terra TRA3000/TRI-30

DATA PROCESSING
Magnetics: diurnal, tieline and micro-leveling corrections

POSITIONING
Datum: NAD83
Major Axis: 6378137.000
Eccentricity: 0.081819191

MAP PROJECTION
Projection: Universal Transverse Mercator
Central Meridian: 129°W (Zone 9)
Central Scale Factor: 0.9996
False Easting/Northing: 500,000m/0m

scale 1:10,000

200 0 200 400 600
(meters)
NAD83 / UTM zone 9N

Paget Resources Corporation
Gold River, British Columbia

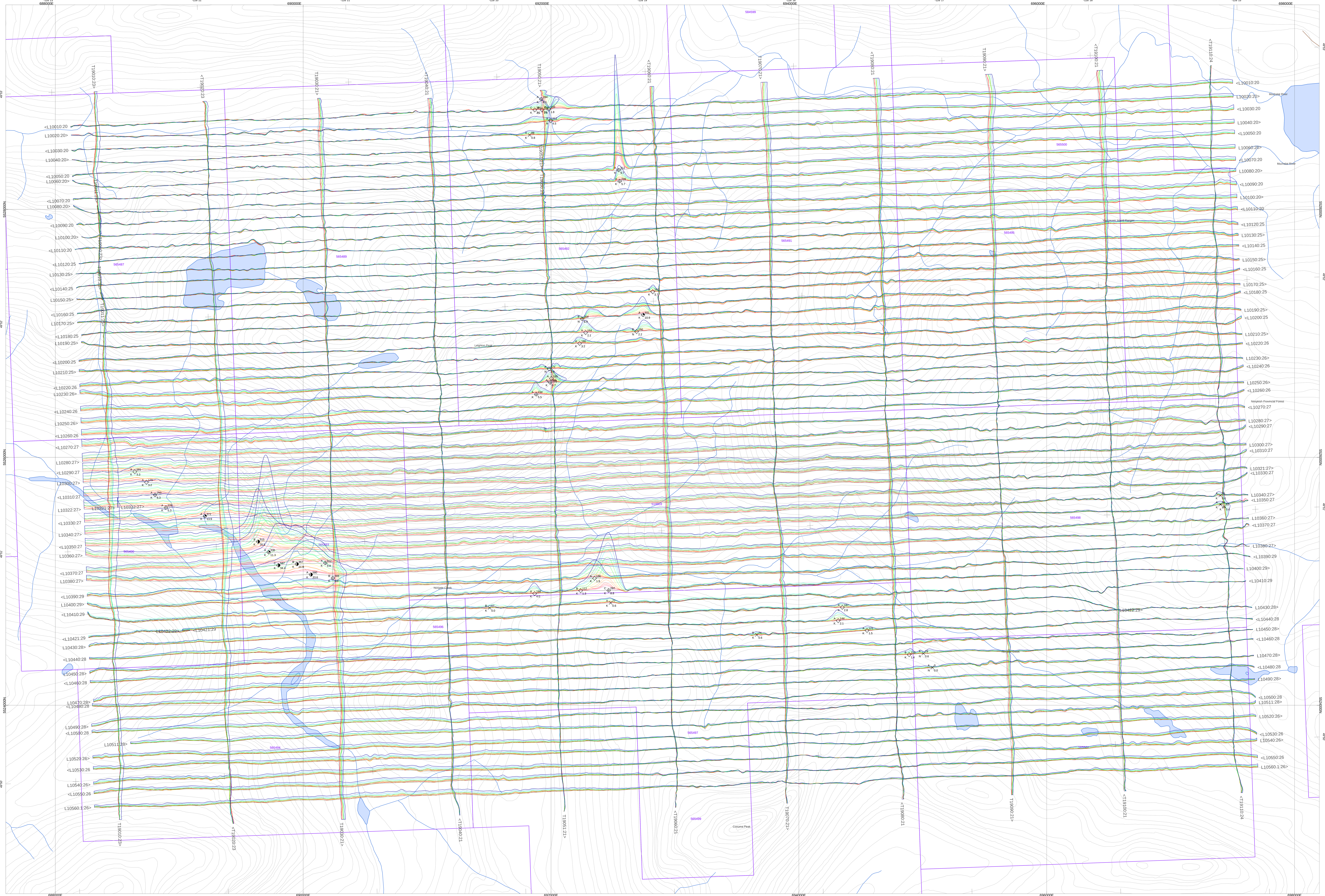
TOTAL MAGNETIC INTENSITY
Dragon Block
NTS 092E16

7687 Bath Road, Mississauga, ON, CANADA L4T 3T1
Tel: (905) 672-9129 Fax: (905) 672-7083
www.aeroquest.ca

June 2008

TMI

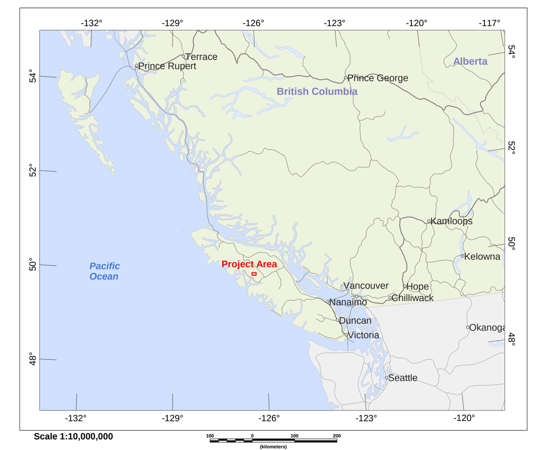
Figure 4: AeroTEM Off-Time Profiles Map



Grid North
NAD83-Zone9

The topographic data base was derived from 1:50000 NRC (Natural Resources Canada) NTDB data
Topo contours derived from NASA SRTM (Shuttle Radar Topography Mission) data
Inset data derived from Natural Resources Canada 'Atlas of Canada Base Maps'

This map accompanies the technical report entitled 'Report on a Helicopter-Borne Magnetic and Electromagnetic Survey, Gold River, BC', by Aeroquest Limited, June 2008



AeroTEM Profiles
positive excursion to top and right, 1mm=5nT/s

- Z2 Off-Time Channel
- Z3 Off-Time Channel
- Z4 Off-Time Channel
- Z5 Off-Time Channel
- Z6 Off-Time Channel
- Z7 Off-Time Channel
- Z8 Off-Time Channel
- Z9 Off-Time Channel
- Z10 Off-Time Channel
- Z11 Off-Time Channel
- Z12 Off-Time Channel

Off-Time Anomaly Symbols

- >50S
- 35-50S
- 20-35S
- 10-20S
- 5-10S
- 1-5S
- <1S

anomaly label A, 125 decay constant (µs)
thicK/thiN source K, 36 off-time conductance (S)

SURVEY SPECIFICATIONS:
Survey flown: March 15-25, 2008
Traverse line spacing: 100 metres
Traverse line direction: 88° Azimuth (E-W)
Nominal EM bird height: 30 metres
Aircraft: Aerospatiale A-Star 350B2+ (C-FDEV)

INSTRUMENTATION:
Data acquisition: ADAS & RMS DGR-33
Magnetometer: Geometrics G-823A cesium vapour
Installation: Mounted on EM bird
Sensitivity: .001 nanoTesla
Electromagnetics: AeroTEM II System (ECHO)
Configuration: Towed bird

NAVIGATION:
Navigation: Differential Global Positioning System (DGPS)
Navigation equipment: AGNAV with MID-TECH RX400p receiver
Radar Altimeter: Terra TRA3000/TRI-30

DATA PROCESSING
Magnetics: diurnal, tieline and micro-leveling corrections

POSITIONING
Datum: NAD83
Major Axis: 6378137.000
Eccentricity: 0.081819191

MAP PROJECTION
Projection: Universal Transverse Mercator
Central Meridian: 129°W (Zone 9)
Central Scale Factor: 0.9996
False Easting/Northing: 500,000m/0m

scale 1:10,000
(meters)
NAD83 / UTM zone 9N

Paget Resources Corporation
Gold River, British Columbia

AEROTEM OFF-TIME PROFILES
Dragon Block

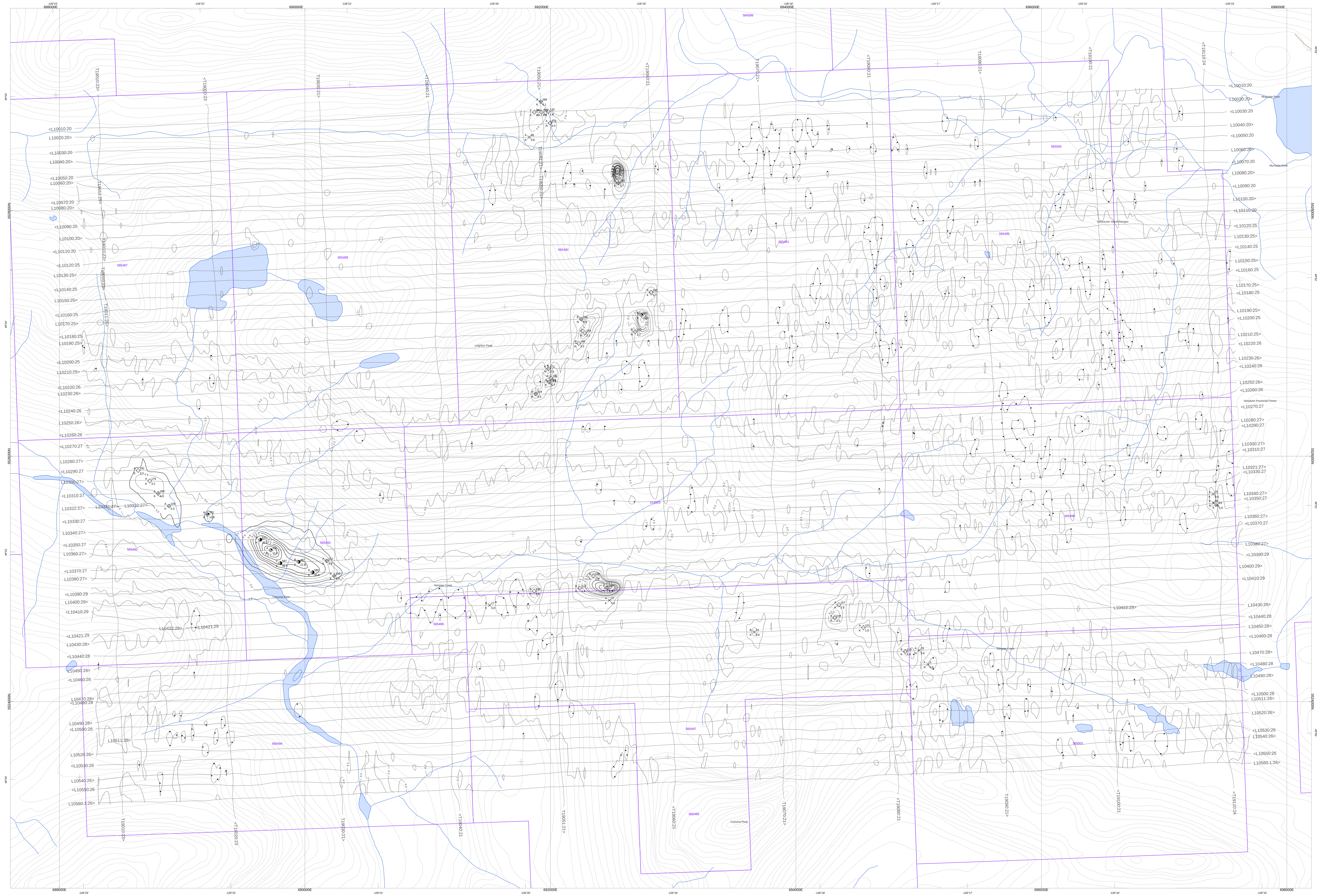
NTS 092E16

AEROQUEST
7687 Bath Road, Mississauga, ON, CANADA L4T 3T1
Tel: (905) 672-9129 Fax: (905) 672-7083
www.aeroquest.ca

June 2008

EM

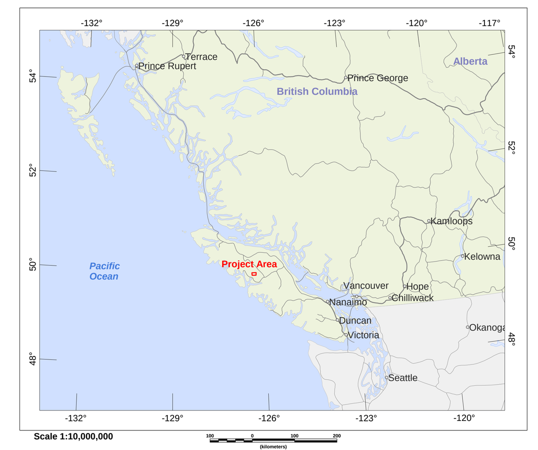
Figure 5: AeroTEM Z2 Off-Time Contour Map



Grid North
NAD83-Zone9

The topographic data base was derived from 1:50000 NRC (Natural Resources Canada) NTDB data
Topo contours derived from NASA SRTM (Shuttle Radar Topography Mission) data
Inset data derived from Natural Resources Canada 'Atlas of Canada Base Maps'

This map accompanies the technical report entitled 'Report on a Helicopter-Borne Magnetic and Electromagnetic Survey, Gold River, BC', by Aeroquest Limited, June 2008



Scale 1:10,000,000

(kilometers)
NAD83 / UTM zone 9N

ZOFF Contour Interval

5, 10nT/s

50nT/s

Off-Time Anomaly Symbols

>50S

35-50S

20-35S

10-20S

5-10S

1-5S

<1S

anomaly label A, decay constant (µs) 125
thicK/thiN source K, off-time conductance (S) 36

SURVEY SPECIFICATIONS:
- Survey flown: March 15-25, 2008
- Traverse line spacing: 100 metres
- Traverse line direction: 88° Azimuth (E-W)
- Nominal EM bird height: 30 metres
- Aircraft: Aerospatiale A-Star 350B2+ (C-FDEV)

INSTRUMENTATION:
- Data acquisition: ADAS & RMS DGR-33
- Magnetometer: Geometrics G-823A cesium vapour
  - Installation: Mounted on EM bird
  - Sensitivity: .001 nanoTesla
- Electromagnetics: AeroTEM II System (ECHO)
  - Configuration: Towed bird

NAVIGATION:
- Navigation: Differential Global Positioning System (DGPS)
- Navigation equipment: AGNAV with MID-TECH RX400p receiver
- Radar Altimeter: Terra TRA3000/TRI-30

DATA PROCESSING
- Magnetics: diurnal, tieline and micro-leveling corrections

POSITIONING
- Datum: NAD83
  - Major Axis: 6378137.000
  - Eccentricity: 0.081819191

MAP PROJECTION
- Projection: Universal Transverse Mercator
- Central Meridian: 129°W (Zone 9)
- Central Scale Factor: 0.9996
- False Easting/Northing: 500,000m/0m

scale 1:10,000

(meters)
NAD83 / UTM zone 9N

Paget Resources Corporation
Gold River, British Columbia

AEROTEM Z2 OFF-TIME
Dragon Block

NTS 092E16

AEROQUEST
7687 Bath Road, Mississauga, ON, CANADA L4T 3T1
Tel: (905) 672-9129 Fax: (905) 672-7083
www.aeroquest.ca

June 2008

ZOFF

Appendix B
Statement of Qualifications

I, Nigel Luckman, certify that:

1. I am a geological engineer employed by Paget Resources Corporation, with offices located at:
   1160-1040 West Georgia Street
   Vancouver, BC

2. I graduated from the University of British Columbia in 1988 with a Bachelor of Applied Science, Geological Engineering.

3. Since 1988 I have been continuously employed in mineral exploration in North and South America.

4. I have prepared all sections of this report with the assistance of Paget Resources consultants.

Dated this 5th day of November, 2008

N. Luckman

Signature

Nigel Luckman

Appendix C

Statement of Expenditures

Item	Name	Date	#	Cost	Item sub-total	
DRAGON WORK COSTS						
Contractor						
Aeroquest	survey line km		578.4	160	92544	
	standby		0.5	3500	1750	
	standby		4.5	3500	15750	
	mob/demob		1	8500	8500	
	GST		0.05	118544	5927.2	
						124471.20
management fee			3	550		**1650.00**
Report			days	daily rate		
	Preparation		3	550	1650	
	Materials, maps, binding, copying		1	200	200	
						1850.00

SUBTOTAL work / mob-demob 127971.20

Assessment work to claim: 127971.20