ASSESSMENT REPORT TITLE PAGE AND SUMMARY

TITLE OF REPORT: The CHES Cu-Mo-W property, Central British Columbia, Tetachuck Lake Map Area: 2008 Exploration

TOTAL COST: $ 23,296.36

AUTHOR(S): G.E. Ray
SIGNATURE(S):

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S):
STATEMENT OF WORK EVENT NUMBER(S)/DATE(S): 4220841, June 12, 2008

YEAR OF WORK: 2008

PROPERTY NAME: Ches (Exo, Tet)

CLAIM NAME(S) (on which work was done): 560645 & 542555 (CHES)

COMMODITIES SOUGHT: Cu, Pb, Zn, Mo, W, Ag, Au

MINERAL INVENTORY MINFILE NUMBER(S),IF KNOWN: Exo (093F 017); Tet (093F 002)

MINING DIVISION: Omineca Mining Division
NTS / BCGS: NTS 093F/05E

LATITUDE: 53° 24' 46.50"
LONGITUDE: 125° 42' 33.03" (at centre of work)
UTM Zone: 10-U, NAD 83). EASTING: UTM 319945 m E; NORTHING: 5921625 m N

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REPORT KEYWORDS: grass-roots exploration, prospecting, alteration, base-metal mineralization, skarn, porphyry, mineralized grab sampling and assay sampling

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS:

Dirom, G.E., and Knauer, J.D. (1971): Report on geochemical surveys on the Tetachuck Property, 94F/5E. For Noranda Exploration Company, Assessment Report 3173.

Fountain, D.K. (1972): Report on the Induced Polarization and Resistivity Survey on the Tetachuck Property. For Noranda Exploration Company, Assessment Report 3777.

Keefe, R. (2000): Soil and Rock geochemistry of the Ches Mineral Claims, Omineca Mining Division, British Columbia, Assessment Report 26354.

Leask, G.P. (1987a): Prospecting and geological report – Exo Claim Group, central British Columbia. Assessment Report 15129.

Leask, G.P. (1987b): Geophysical and Geochemical report on the Exo Claim Group, central British Columbia. Unpublished Report, Assessment Report 17679.

Richards, G.G. (1981): Geological – Geochemical report. Q.P. #1 -#3 Mineral Claims, Tetachuck Lake, Fraser Plateau, NTS 93F/5E. Assessment Report 9580.

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (in metric units)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
GEOLOGICAL (scale, area)			
Ground, mapping			
Photo interpretation			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
GEOCHEMICAL (number of samples analysed for …)			
Soil			
Silt			
Rock	20 samples	560645 542555	
Other			
DRILLING (total metres, number of holes, size, storage location)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling / Assaying		560645 542555	$5,948.29
Petrographic			
Mineralographic			
Metallurgic			
PROSPECTING (scale/area)		560645 542555	$17,348.07
PREPATORY / PHYSICAL			
Line/grid (km)			
Topo/Photogrammetric (scale, area)			
Legal Surveys (scale, area)			
Road, local access (km)/trail			
Trench (number/metres)			
Underground development (metres)			
Other			
		TOTAL COST	$23,296.36

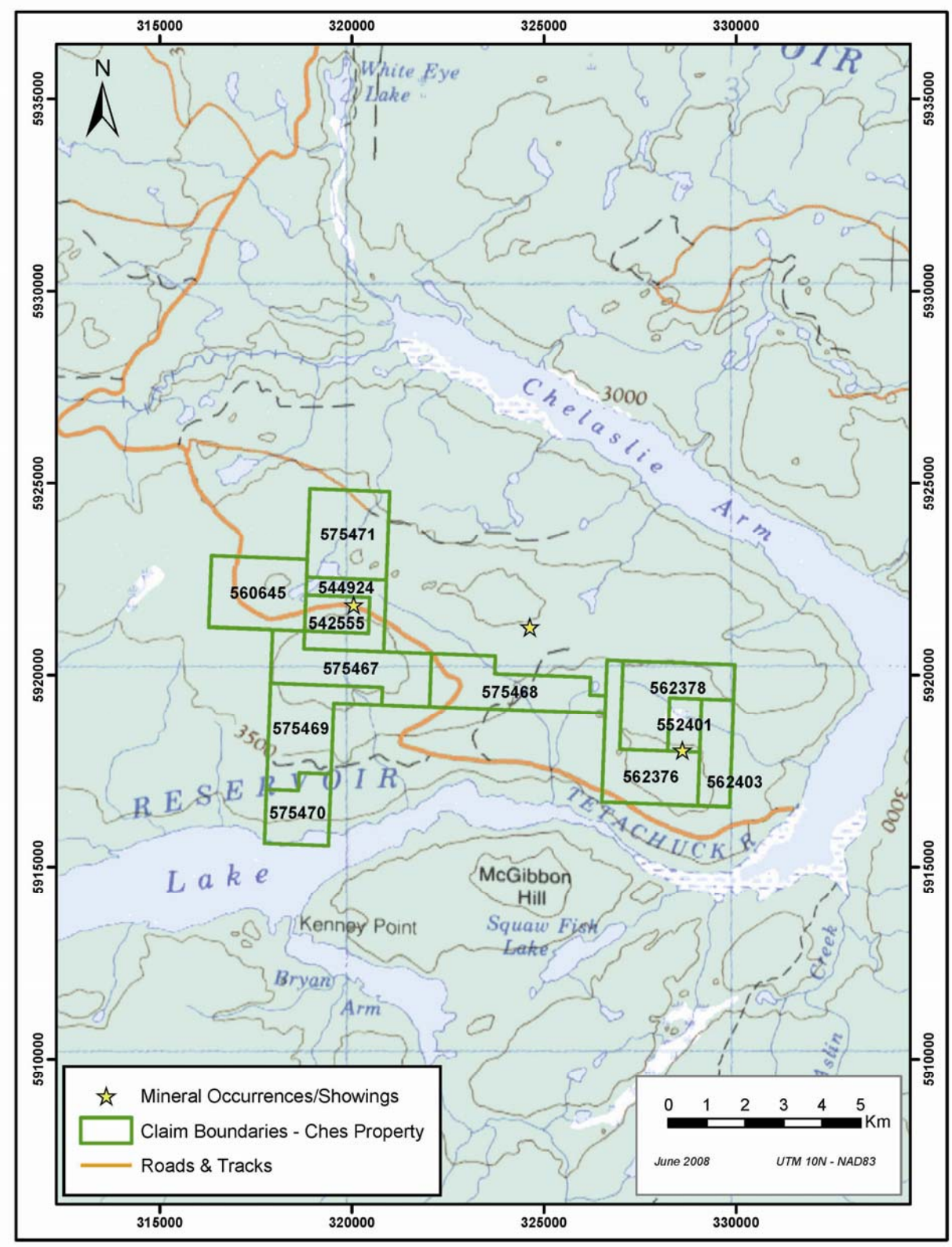

Figure 2: Location and distribution of the 12 mineral claims that comprise the CHES property

The CHES Cu-Mo-W property, Central British Columbia, Tetachuck Lake Map Area

2008 Exploration Report

(NTS 093F/05E)
Canada

(UTM Zone 10-U 319945 E, 5921625 N)
NAD 83

Tenure numbers: 542555, 544924, 552401, 560645, 562376, 562378, 562403, 575467,575468, 575469, 575470, 575471

An Assessment Report:

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1st February 2009

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1.0 Introduction: Location, Access & Topography

The CHES property is situated in the Omineca Mining Division, in the Tetachuck Lake map area (NTS 93F/05E) of British Columbia (UTM Zone 10-U, UTM 319945 m E and 5921625 m N, NAD 83). It lies in the northern Nechako Plateau region at the height of land between Chelaslie Arm and Tetachuck Lake (Figure 1). The property is situated approximately 80 kilometers south of Burns Lake and 180 km southeast of Smithers, and is accessible via an all-weather paved highway south from Burns Lake to Takysie Lake, via the Francois Lake ferry.

A route log to the property is as follows:

1) From Highway 16 in Burns Lake go south on Highway 35 for 24 km to the Francois Lake ferry and make the ferry-crossing to the south side of the lake.

2) Continue southward on the Keefe Landing road for approximately 40 km to Ootsa Lake.

3) Turn left on the Ootsa Lake road and travel 48 km to the Fraser Lake Sawmills East Ootsa camp and barge landing. Cross to the south side of Ootsa Lake.
Take the Chelaslie-Main forest service road for 31.2 km to reach the Exo skarn open-cut road quarry. From this main haul road there are many branching arteriole dirt roads that cover the property.

The property ranges between 900 and 1400 m in height above sea level and topographically comprises low, hummocky rolling hills (Photo 1), interspersed with muskeg. Rock outcrop is limited in many parts due to widespread glacial cover. The vegetation includes jack pine, balsam and spruce forest, although extensive areas have been clear-cut and replanted with conifer samplings.

The property comprises 12 contiguous mineral claims (Figure 2) that total 4280.06 hectares in area. Details of the tenure numbers of the claims and their individual areas are listed in Table 1.

Table 1: CHES property claim tenure numbers

Tenure No.	Tenure Type	Claim Name	Good To Date	Area (ha)
542555	Mineral	CHES	Feb 14th 2009	154.19
544924	Mineral	CHES	Feb 14th 2009	231.28
552401	Mineral	TET	Feb 20th 2009	115.70
560645	Mineral	-	Feb 14th 2009	462.52
562376	Mineral	QP2	Feb 14th 2009	443.61
562378	Mineral	QP1	Feb 14th 2009	443.45
562403	Mineral	QP3	Feb 14th 2009	231.44
575467	Mineral	CHET 1	Feb 14th 2009	481.98
575468	Mineral	CHET 2	Feb 14th 2009	482.01
575469	Mineral	CHET 3	Feb 14th 2009	482.14
575470	Mineral	CHET 4	Feb 14th 2009	270.13
575471	Mineral	CHET 5	Feb 14th 2009	481.62

TOTAL AREA = 4280.06 hectares

Figure 1: Location of the CHES property in central British Columbia

Photo 1: Aerial view of the open-cut that exposes the Exo sulfide-skarn mineralization. Note the rolling forested landscape with recent clear cuts.

2.0 Exploration History

There is relatively little historic information concerning past exploration on the property apart from some unpublished assessment reports by Dirom and Knauer (1971), Fountain (1972), Richards (1981), Keyser (1984), Leask (1987a and 1987b) and Keefe (2000), as well as data presented by the BC Minfile for the Tet showing (093F 002), Exo prospect (093F 017) and the nearby Godot showing (093F 035). The limited past exploration was focused in the vicinities of the Tet Cu-Mo porphyry-style showing in the central parts of the property, and the area around the Exo Cu-Mo-W skarn-stockwork prospect situated further west.

The earliest known exploration occurred in the early 1970's with trenching and the completion of at least seven short diamond drill holes (< 200 ft or 61 m long) at the Tet Cu-Mo porphyry showing. There is no record what company did this work, although indirect evidence via Richards (1981) suggests that Noranda Exploration Company completed the drilling. In 1972 Noranda also completed a geophysical reconnaissance program of induced polarization (IP) and resistivity surveys over the Godot Cu-Mo showing (Fountain, 1972) which lies just outside

the CHES claims. Further exploration in this area took place a decade later with a soil sampling program conducted by Colossal Energy Inc (Keyser, 1984).

In 1980, JMT Services and Prism Resources Ltd conducted a small program of soil and rock-chip sampling at the Tet Cu-Mo showing, as well as some 1:6000 scale geological mapping (Richards, 1981). It was during this program that the old drill-pads and trenches from the (presumed) Noranda work were discovered, as well as some of the old drill core. During the 1980 exploration at the Tet showing, Richards (1981) notes that sixty-three rock-chip samples, twelve soil samples and some silt samples were collected. In addition, pyritic Cu-Mo mineralization hosted by hornfels, quartz diorite and aplite was seen in float and outcrop. One hornfels sample assayed 16 ppm Mo, and soils in the vicinity of the aplite body contained between 22 to 88 ppm Mo. From his examination of the old drill core, Richards (1981) deduced that the Cu-Mo mineralization and alteration increased with depth in DDH 1, the most northerly placed hole. From this he concluded that "*the drilling may have only tested the outer alteration zone of a larger porphyry system*". He recommended prospecting further north of DDH 1, and undertaking an IP survey to the north-west, although there is no record that this work was done.

The first known exploration around the Exo Cu-Mo-W skarn-stockwork prospect took place at an uncertain date after Esso Minerals Ltd staked the ground around an area with high Cu-Zn values in lake sediments (Leask, 1987a and 1987b). Follow-up work by Esso included 15 km of cut line with soil sampling and magnetometer and VLF-EM geophysical surveys. Leask (1987b) notes that although several areas of anomalous soils coincided with magnetic highs, no further work was done at that time, and the claims were allowed to lapse.

In 1985, road construction uncovered several new skarn and stockwork mineralized zones that were then staked by Leask Associates (Leask, 1987b). Prospecting and 1:10,000 scale geological mapping conducted in 1986 discovered more mineralized skarn outcrops. In 1987, 26 km of grid-line were cut. Magnetometer and VLF-EM readings and soil samples were taken at 25 m along the cut-lines. A total of 848 soil samples were collected. The range of soil assays were as follows: 7 ppm to 512 ppm for Cu, 1 ppm to 39 ppm for Mo, 1 ppm to 124 ppm for W, 33 ppm to 4306 ppm for Zn, 0.1ppm to 2.4 ppm for Ag, 1 ppb to 310 ppb for Au. The geological mapping outlined a hornfels-skarn envelope, as least 1 km wide, adjacent to the western margin of the Tetachuck North Stock. Within this envelope, a 300 m-wide Mo-Cu stockwork zone was discovered, adjacent to some sulfide-rich Cu skarn mineralization. Leask (1987b) notes that this zone averaged 0.52% Cu, 0.07% WO_3, 0.008% MoS_2, and 0.15 oz/ton Ag over a distance of 350 m. He concluded that the western margin of the Tetachuck North Stock dips westward at a shallow angle under the skarn-hornfels-altered sediments.

The last known exploration on the property is described by Keefe (2000). This took place in the vicinity of the Exo Cu-Mo-W skarn-stockwork zone and involved the collection of 18 bedrock samples, 1 silt sample and 39 soil samples. The rock samples were taken along the face of a road open-cut quarry (Photos 1 & 2) that had recently been excavated for road-fill.

3.0 Regional Geology

Geologically, the region lies in the Stikine Terrane (Stikinia) that began amalgamation and convergence with the other terranes of the Intermontane Belt during the Triassic period. Rocks in the Tetachuck Lake map area are separable into four stratified units that range in age from Early Jurassic to the Miocene, as well as four intrusive suites of Jurassic to Eocene age. The

four stratified units are the Early to Middle Jurassic Hazelton Group, the Eocene Ootsa Lake and Endako groups and Miocene basaltic flow cover rocks.

The Hazelton Group rocks are economically important in British Columbia because they host many mineral occurrences and deposits, including the deposit worked at the Eskay Creek Mine. Other important deposits hosted by the group include Core Mountain and Chikamin Mountain in the Chikamin Mountain (93E/06) map area, and the Premier, Kerr and Inel deposits in the Iskut River map area.

The Hazelton Group comprises arc-volcanics and related sediments formed in response to subduction of the Wrangellia and/or Cache Creek terranes under Stikinia during Early and Middle Jurassic times (Gabrielse, 1991; Marsden and Thorkelson, 1992). It ranges in age from Toarcian (late Early Jurassic) to Bajocian (early Middle Jurassic) and the succession consists of sub-aerial and submarine volcanic rocks interbedded with marine sediments. The group is divided into two formations, the older Entiako and the younger Naglico (Diakow et al., 1997; Quat and Struik (1999), and the contact between these units is mostly para-conformable. The two formations represent a silica-bimodal volcanic and sedimentary succession deposited in an arc-back-arc complex of the Stikine Terrane (Quat and Struik, 1999). Volcanic-sedimentary rocks of the Naglico Formation mostly occupy the CHES property. Regionally, the Hazelton Group is overlain by Eocene Ootsa Lake Group rhyolites, Endako Group basalts and Miocene-age basalts.

In the Tetachuck Lake map area Struik et al. (1999) sub-divides the Naglico Formation into the following three lithologic units:

1. Unit 1: a feldspar-phyric andesite flow and lapilli tuff.
2. Unit 2: andesite agglomerate and breccia.
3. Unit 3: a sedimentary sequence containing sandstone interbedded with limey ash tuff and limestone with zones of densely packed gastropod and clam shell debris.

The Naglico Formation in the Tetachuck Lake map area correlates with the Smithers Formation in the Whitesail Reach map area and the Salmon River Formation in the Iskut River-Telegraph Creek map areas (Struik et al., 1999).

Small intrusive stocks and plugs are scattered throughout the district where they intrude the Hazelton Group rocks; Billesberger et al. (1999) describe some of these bodies. They represent at least three plutonic suites of Jurassic, Late Cretaceous and Eocene age (Friedman et al., 2000). They have a wide range of compositions and include diorite, granodiorite, alaskite, aplite, monzonite and granite. Many are fine to medium-grained, equigranular to moderately porphyritic, and contain biotite and hornblende. Some are slightly foliated and they may be cut by andesite and rhyolite dykes. Several of these small intrusive bodies occur on, and nearby, the CHES property, and some are spatially associated with Cu mineralization as present at the Exo prospect and Tet showing.

The Eocene Ootsa Lake Group includes rhyolites that are characterized by light colored flows; in the Tetachuck Lake area these are sometimes banded but are more usually massive. The rhyolites contain phenocrysts of quartz, plagioclase and minor biotite. The Eocene-age Endako Group basalt is found in small patches throughout the district. It forms massive, dark aphanitic flows with a few phenocrysts of pyroxene and trace olivine.

The Miocene basalt forms the youngest rocks in the district. The flows are dark grey to black, flat-lying and locally contain mantle xenoliths up to 10 cm in diameter. The xenoliths comprise crystals of olivine, pyroxene, diopside and augite within a massive aphanitic groundmass. This basalt correlates with the Chilcotin Group of south-central British Columbia (Struik et al., 1999).

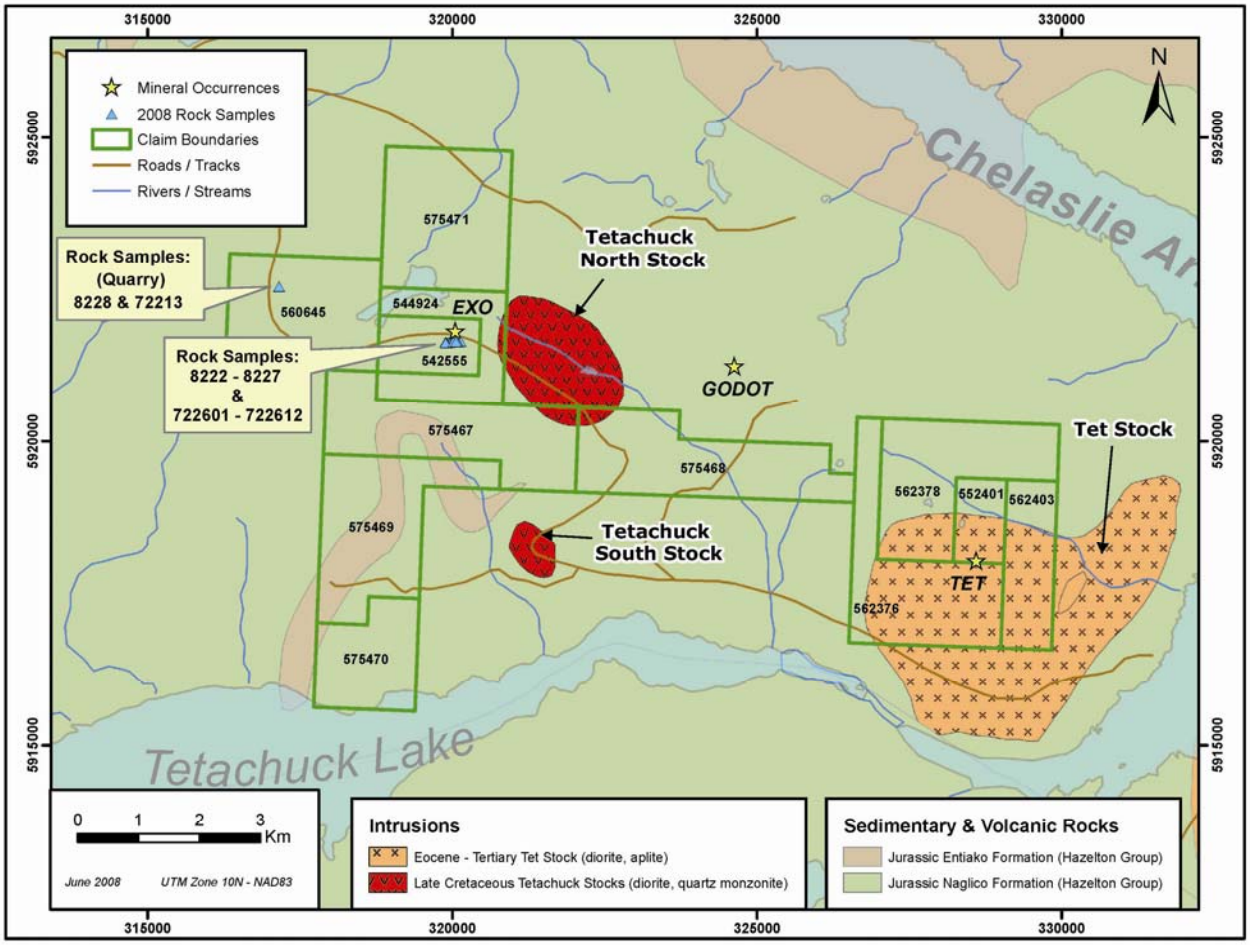

Figure 3: Geology of the CHES property area and location of the 20 grab samples collected by the Author and prospector Bruce Anderson. Geology taken from the BC Map-Place.

4.0 Property Geology

The CHES property is mostly underlain by a folded sedimentary and volcanic sequence belonging to the Middle Jurassic, arc-related Naglico Formation; this formation forms part of the Hazelton Group. These rocks are intruded by several small stocks and plugs that were emplaced during Jurassic, Late Cretaceous and Eocene magmatic events. The Cretaceous event resulted in the Tetachuck North Stock which lies in the western part of the property (Figure 3). This body is probably genetically related to the Exo polymetallic Cu-Mo-W skarn (BC Minfile 093F 017). It yielded a U-Pb zircon age of 76 to 79 Ma, suggesting it is part of the metallogenically important Bulkley plutonic suite (Friedman et al., 2000). Another somewhat

larger granodiorite-alaskite body, named for this report the “Tet Stock”, lies in the eastern part of the property. It is believed to be either Eocene or Cretaceous in age and appears to host the Tet Cu-Mo showing (BC Minfile 093F 002).

4.1 Naglico Formation (Hazelton Group)

Struik et al. (1999) note that the Naglico Formation in the CHES property area records a sub-aerial volcanic explosive and eruptive event that was associated with marine sedimentation. These workers identified three units in the formation, all of which are believed to be present in the CHES property area. They are as follows:

Unit 1: feldspar-phyric andesite flows and tuffs, which are found in the Chelaslie River and Tetachuck Lake areas. The flow rocks are generally maroon to dark grey and contain plagioclase phenocrysts, acicular hornblende, and minor pyroxene phenocrysts. The lapilli tuff contains fragments of the flow unit in a groundmass of the same composition.

Unit 2: andesite agglomerate and breccia that is found at the Chelaslie-Main and Chelaslie River areas. It occurs stratigraphically under Unit 1 rocks in this area.

Unit 3: this is found on the CHES property, although differences between the sedimentary rocks in Chelaslie-Main and Chelaslie River areas suggest a facies change across the district (Struik et al., 1999). Unit 3 includes fossiliferous limestone and mudstone with interbedded sandstone and limey ash tuff. The mudstone is dark grey, weathers brown and its bedding is interrupted by local bioturbation. The limey sandstone package is cream to yellow and has interbeds, up to 45 cm thick, of limey ash. It is overlain with angular unconformity by Ootsa Lake Group rhyolite. Unit 3 calcareous siltstones and mudstones are believed to host the Exo skarn-stockwork mineralization.

4.2 Intrusive Rocks

At least two intrusive stocks are known to be present on the CHES property, and both are associated with copper mineralization (Figure 3). The oldest and smallest of these, the Tetachuck North Stock, lies in the western part of the property and has been described by Billesberger et al., (1999) and Friedman et al. (2000). This economically important intrusion is sub-circular and covers a 3.5 km^2 area. It consists of a pale, medium-grained quartz monzodiorite that contains hornblende, biotite, plagioclase, K-feldspar, and lesser titanite, apatite and zircon. U-Pb dating by Friedman et al. (2000) on zircons and titanite fractions gave ages ranging between 76.6 and 79.3 Ma (Late Cretaceous) for the Tetachuk North Pluton. The wide hornfels envelope on the western margin of the pluton hosts the Exo polymetallic Cu-Mo-W skarn (BC Minfile 093F 017).

The other larger pluton, the Tet Stock, underlies part of the eastern portion of the CHES property. It consists of a medium to coarse-grained biotite-hornblende granodiorite and alaskite and is possibly Cretaceous or Eocene in age. The alaskite phase appears to host Cu-Mo mineralization (Richards, 1981), encountered by past drilling at the Tet showing (BC Minfile 093F 002).

5.0 Mineralization

5.1 General Statement

At least two type of mineralization exist on, or immediately adjacent to the CHES property. The best known is represented by the copper-dominant polymetallic skarn and stockwork system present at the Exo prospect (BC Minfile 093F 017), which lies in the western part of the CHES property (Figure 3). The other type represents the intrusive-hosted Cu-Mo porphyry-style mineralization as seen at the Tet and Godot showings (BC Minfile 093F 002 and 035) located further east. The Author examined and sampled parts of the Exo skarn-stockwork prospect but, due to thick vegetation and prevailing snow conditions, the helicopter could not land at either the Tet or Godot showings. Consequently, details on the latter two sites were largely derived from the BC Minfile and reports by Dirom and Knauer (1971), Fountain (1972), Richards (1981), and Keyser (1984).

5.2 Mineralization at the Exo Cu-Mo-W skarn (BC Minfile 093F 017)

The intrusion of the Tetachuck North Stock resulted in an extensive zone of thermal and hydrothermal alteration in the surrounding sedimentary country rocks. On the western margin of the stock this altered zone is at least 1 km wide; it is marked by green calc-silicate hornfels containing abundant silica-quartz, epidote and chlorite, with lesser amounts of purple-brown colored biotite hornfels. These rocks are siliceous, fine-grained and vary from massive to layered (Photo 2); the layering represents remnant sedimentary bedding. Locally, the hornfels is overprinted by garnet-pyroxene-epidote skarn-alteration that is commonly quartz-rich and siliceous.

At least two types of skarn-hornfels-hosted mineralization are seen at the Exo Cu-Mo-W prospect, namely:

1. Thin (< 1.5 m) units of massive and semi-massive sulfide that are mostly concordant with bedding (Photo 2). These contain abundant pyrite and magnetic pyrrhotite with lesser amounts of chalcopyrite. Trace bornite, molybdenite and magnetite may also be present.

2. Quartz-pyrite stockwork veins are present, up to 0.6 cm thick (Photo 3), which contain variable amounts of pyrite, molybdenite, chalcopyrite and brown sphalerite. Blebs and masses of (apparently barren) coarsely crystalline pyrite are also spatially associated with the stockworks. Scheelite is reported at the Exo skarn (Leask, 1987b) and assays (Tables 3A and 3B) confirm the presence of enhanced values of W.

The **Type 1** massive to semi-massive sulfide mineralization is best seen in a 35-40 meter-long road-side open-cut that was excavated for road-building material (Photo 1). This cut, situated at UTM 319946 m E and 5921625 m N, lies more than 1 km west of the western margin of the Tetachuck North Stock. The steeply northwest-dipping, north-northeast to northeast-striking host rocks show evidence of open folding. Most of the hornfelsic rocks in the open-cut contain between 1 to 5% fine-grained, disseminated pyrite, but at certain localities there are thin (<1.5 m) steeply-dipping zones of siliceous brown-garnet exoskarn containing > 25% pyrite-pyrrhotite and lesser chalcopyrite (Photo 1). These mineralized zones are orientated sub-parallel to the remnant bedding, and some are spatially associated with late faulting, oxidation and abundant

black Mn-oxide alteration. Samples collected from the open-cut during the Author's recent site visit on the 13th of May, 2008 include those numbered 722601 to 722607 (Table 2).

The **Type 2** vein-stockwork mineralization (Photo 3) occurs immediately east of the road-side open-cut where it is seen in float and sub-crop for > 300 m along the logging road. This mineralization is hosted by hornfels and garnet-exoskarn; the latter is characterized by pink garnet with epidote and abundant quartz. Molybdenite tends to (but not always) occur along the margins of the quartz-pyrite ± chalcopyrite veinlets. The samples from the stockwork zone include those numbered 722608 to 722612 (Table 2).

5.3 Mineralization at the Tet Cu-Mo showing (BC Minfile 093 002)

The BC Minfile and a report by Richards (1981) briefly describe the mineralization at the Tet showing. There are a variety of intrusive rocks of uncertain age, including older and larger diorite bodies that are cut by smaller dikes or plugs of alaskite, aplite and quartz porphyry. Several styles of Cu-Mo mineralization are reported including:

1. Chalcopyrite and molybdenite hosted by quartz veinlets containing variable quantities of pyrite

2. Molybdenite along fractures, commonly with quartz veinlets, less than 1 cm wide, that are hosted by diorite and hornfelsed country rocks

3. Disseminated molybdenite hosted by an aplite plug

Photo 2: Exo skarn prospect open-cut. NW dipping bedded hornfels-exoskarn with a 0.6 meter thick unit of semi-massive sulfide (immediately left of, and behind prospector Bruce Anderson), that passes down (left) into a 2 meter-thick oxidized zone with remnant sulfides, Mn-oxides and fracturing

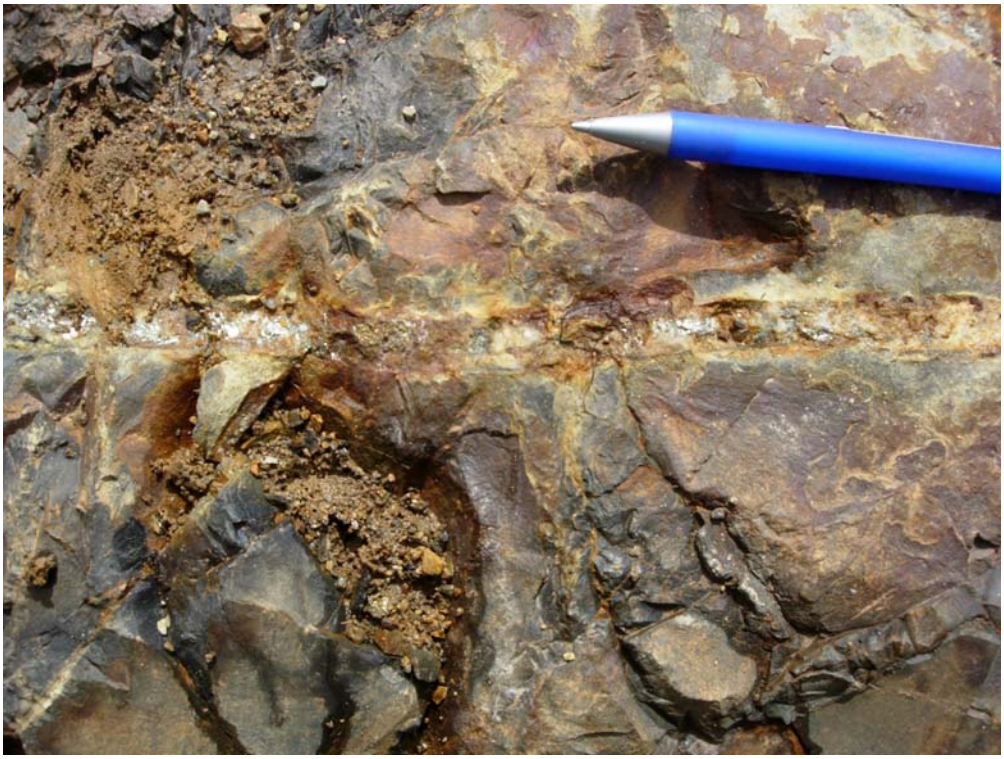

Photo 3. Exo stockwork zone. Outcrop of calc-silicate and biotite hornfels cut by quartz-pyrite ± molybdenite-chalcopyrite veins and stockworks, UTM 320019E, 5921637N

5.4 Mineralization elsewhere on the CHES property

From the results of their district-wide geological mapping, Struik et al. (1999) note that the flows and tuffs in the Tetachuck Lake map area are distinct in having abundant quartz veining and epidote alteration. These workers report that local sulfide mineralization is found in quartz veins and disseminations throughout the andesite tuffs and consists of pyrite and minor chalcopyrite and bornite. The quartz veins are up to 3 mm wide, 2-3% by volume and occur in two episodes. The first episode contains minor sulfides and is sub-horizontal while the second episode is sulfide-rich and cross-cuts the first set of veins. It is possible that this style of mineralization is present on the CHES property.

5.5 Mineralization at the nearby Godot Cu-Mo showing (BC Minfile 093F 035)

This showing lies outside the CHES property, being situated immediately north of claim tenure 575468 and east of the Exo mineralization (Figure 3). There is little known about either the detailed geology or mineralization at the Godot Cu-Mo showing, apart from data in the BC Minfile and in reports by Dirom and Knauer (1971), Fountain (1972) and Keyser (1984). The geology includes Hazelton Group sedimentary and volcanic rocks with younger granodioritic intrusives. Disseminated pyrite, chalcopyrite and molybdenite are spatially associated with the margins of the granodiorite.

6.0 Exploration

Throughout the 2008 field season, exploration by Scarlet Resources Ltd. mainly involved sampling some mineralized outcrops in the Exo skarn vicinity. No geological mapping, trenching, drilling or geophysical surveys were conducted in the season.

On May the 13th 2008 visit, prospector Bruce Anderson and the Author (G.E. Ray) made a helicopter visit to the claims and collected a total of twenty rock grab and rock chip samples. The location and description of these samples are shown in Table 2 and Figure 3. Ten of these were taken from the Exo skarn road open cut (Photos 1 and 2) where sulfide-rich garnet skarn is exposed. Another eight samples were collected nearby along the logging road that passed over the wide Mo-Cu-bearing quartz stockwork zone. The remaining two grab samples were taken from another smaller roadside quarry located at UTM 317152E, 5922541N.

The assay results of the 20 samples, as returned by Acme Laboratories Ltd, are shown in Tables 3A, 3B and 3C. Fourteen of the samples contained > 2000 ppm Cu (maximum 10500 ppm), and ten samples assayed > 598 ppm W (maximum 3031 ppm). In addition, there were sporadic anomalous values in Mo (maximum 219 ppm), Zn (maximum 1862 ppm), and Ag (maximum 16 ppm). There were also sporadic enhanced values in Co (up to 155 ppm), Mn (up to 7343 ppm), Bi (up to 16 ppm) and Se (up to 43 ppm). Assays in Au and As were very low (maximum 0.02 g/t Au and 9 ppm As).

Table 2: Location & description of rock grab samples taken from the CHES property, May 13th 2008

Sample Number	NAD 83 UTM E	NAD 83 UTM N	Elevn (m)	
				Samples from the Exo road open-cut (Photo 1)
722601	319946	5921625	1193	Outcrop, silicified calc-silicate hornfels (CSH) with 1-3% fine grained (fg) pyrite
722602	319931	5921625	1198	Float-subcrop, CSH, minor garnet skarn & 3-8% fg pyrite, minor chalcopyrite
722603	319932	5921624	1204	Outcrop, rusty layered CSH with 5% fg pyrite
722604	319908	5921623	1206	Outcrop, garnet skarn with massive pyrite-pyrrhotite & chalcopyrite
722605	319908	5921623	1206	Outcrop, garnet skarn with massive pyrite-pyrrhotite & chalcopyrite
722606	319882	5921624	1198	Massive black pyrite-pyrrhotite-rich boulder with chalcopyrite
722607	319889	5921631	1209	Float, massive pyrite-pyrrhotite garnet skarn with minor chalcopyrite
8222	319902	5921617	1201	75 cm chip sample of oxidized, fractured, epidote-altered hornfels
8223	319902	5921617	1200	0.5 m zone, massive pyrite-pyrrhotite with chalcopyrite, 2 m W of sample 8222
8224	319885	5921620	1204	CSH with skarn & oxidized pyrite veins & minor chalcopyrite
				Samples from the Exo stockwork zone
722608	320096	5921635	1202	Float, garnet-epidote-qtz skarn with 20% pyrite stringers, trace chalcopyrite
722609	320114	5921637	1196	Float, garnet-epidote-qtz skarn w pyrite-molybdenite-chalcopy veins & stringers
722610	320138	5921640	1197	Float, biotite hornfels, qtz-pyrite stockwork veins with molybdenite
722611	320086	5921633	1200	Subcrop garnet skarn with pyrite-chalcopyrite veinlets
722612	320019	5921637	1199	Outcrop CSH with pyrite-qtz-chalcopyrite veins
8225	320015	5921638	1203	Epidote-rich boulder with veins of 15% pyrite, lesser chalcopyrite & molybdenite
8226	320066	5921648	1200	Boulder with 10% pyrite, trace chalcopyrite
8227	320057	5921638	1204	Float with pyrite-chalcopyrite-molybdenite stringers
				Samples from the pyritic road quarry
72213	317152	5922541	1147	Outcrop, grey-green silicified lapilli tuff with 5-10% pyrite & lesser pyrrhotite
8228	317153	5922555	1147	Tuff with pyrite-pyrrhotite

Table 3A: Assay results of rock samples taken from the Exo road open-cut (enhanced values marked in red)

ELEMENT	Au	Mo	Cu	Pb	Zn	Ag	Mn	Fe	As	Bi	W	Se
SAMPLES	g/t	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm
722601	<0.01	5.7	104.2	3.9	33	<0.5	239	2.77	<5	<0.5	5.7	<2
RE 722601	-	7.1	104.7	3.0	33	<0.5	232	2.79	<5	<0.5	5.5	<2
722602	0.02	**26.5**	**3789.2**	4.7	160	4.0	256	4.01	<5	1.9	11.6	2
722603	<0.01	7.0	310.0	3.3	89	<0.5	302	2.32	<5	1.0	7.9	<2
722604	0.02	14.6	**5196.8**	10.1	**1862**	**6.8**	2239	**24.87**	<5	4.0	**3031.6**	**43**
722605	0.01	14.8	**4054.1**	9.7	**1410**	**5.2**	1664	**18.46**	9	4.3	**1803.0**	**24**
722606	<0.01	11.2	**10500.4**	11.2	984	**16.3**	1793	**21.76**	<5	6.8	**2827.5**	**25**
722607	<0.01	8.7	**3655.0**	32.3	594	**7.9**	1303	**19.46**	<5	**16.1**	**1942.7**	**26**
8222	<0.01	1.8	159.7	36.1	415	0.5	**7343**	4.13	<5	1.7	10.6	<2
8223	0.02	9.0	**4993.5**	15.2	**1212**	**6.7**	2410	**21.08**	<5	3.4	**2238.4**	**28**
8224	<0.01	2.1	**2913.0**	4.3	305	3.3	2647	5.51	<5	1.5	297.4	4

Table 3B: Assay results of rock samples taken from the Exo stockwork zone (enhanced values marked in red)

ELEMENT	Au	Mo	Cu	Pb	Zn	Ag	Mn	Fe	As	Bi	W	Se
SAMPLES	g/t	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm
722608	<0.01	7.5	**2054.9**	5.0	192	1.8	1941	7.10	<5	1.4	**974.1**	7
722609	0.02	2.8	**4530.3**	6.9	985	**6.8**	1581	7.32	<5	3.1	406.5	6
RE 722609	-	2.4	**4557.1**	9.2	978	**7.0**	1578	7.35	7	2.9	412.1	5
722610	<0.01	**219.2**	768.4	3.1	146	0.8	409	2.48	<5	0.5	13.8	3
722611	0.02	16.3	**3758.8**	5.9	116	3.4	1858	7.39	7	1.2	**708.6**	9
722612	0.01	**45.9**	**2840.6**	4.4	324	2.7	2025	7.23	5	2.1	**1194.4**	12
8225	0.01	**102.2**	**3043.7**	6.9	158	1.9	625	9.75	6	**12.0**	69.3	9
8226	0.02	9.9	**2191.5**	5.8	180	3.6	489	9.45	7	2.7	**598.9**	19
8227	0.01	**40.8**	**3028.2**	8.8	**3814**	2.7	1436	4.83	<5	8.2	**775.8**	5

Table 3C: Assay results of rock samples taken from the pyritic road quarry

ELEMENT	Au	Mo	Cu	Pb	Zn	Ag	Mn	Fe	As	Bi	W	Se
SAMPLES	g/t	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm
722613	<0.01	1.0	60.2	4.4	46	<0.5	629	5.28	<5	<0.5	3.9	<2
8228	<0.01	2.5	60.7	53.4	74	0.8	420	5.24	8	2.2	1.6	<2
BLK	-	<0.5	<0.5	<0.5	<5	<0.5	<5	<0.01	<5	<0.5	<0.5	<2
STD SF-3A	-	298.4	7730.0	9100.4	10892	54.4	4074	7.18	48	4.9	3.4	8

Acme Analytical Laboratories. 852 E. Hastings St, Vancouver, BC V6A 1R6, Tel 604 253-3158

Acme file # SMI08000513 Received: May 14 2008 * 20 samples in this disk file.

Analysis: Lead collection fire assay fusion - ICP-ES finish 1:1:1 Aqua Regia Digestion - ICP-MS finish

7.0 Interpretation

Scarlet Resources' CHES property near Tetachuck Lake, central British Columbia, is believed to have a good mineral potential for polymetallic, Cu-dominant skarns and Cu-Mo porphyries for the following reasons:

(1) It contains economically favorable Hazelton Group rocks as well as several intrusive bodies, some of which are spatially associated with skarn-style mineralization at the Cu-Mo-W Exo prospect and porphyry-style mineralization at the nearby Tet Cu-Mo showing.

(2) The area has had little serious exploration work since the late 1980's. The recent construction of numerous logging roads and forestry cut-blocks has made large parts of the claims more accessible for prospecting, sampling and geological mapping.

(3) The last phase of exploration to test the porphyry potential of the Tet showing took place in the early 1980's when a number of short holes were drilled, although recommended follow-up drilling was never accomplished. This promising area warrants further exploration, using modern geophysical IP and magnetometer techniques, to outline drill targets.

(4) The polymetallic mineralization at the Exo skarn-stockwork prospect can be discontinuously traced in outcrop and float for more than 300 m along a logging road. This impressive mineralization, which has never been tested by drilling, requires further exploration, including geophysical IP surveying to delineate drill targets.

(5) Previous exploration at the mineralized Exo skarn and stockwork zone has been mainly focused on the western margin of the Tetachuck North Stock. Large parts of the thermal aureole around the northern, eastern and southern boundaries of the stock could have some mineral potential.

(6) The two different types of polymetallic mineralization at the Exo (namely sulfide-rich garnet skarn and quartz-vein stockworks) suggest a mineral and chemical zoning may exist in the exoskarn-hornfels envelope that surrounds the Tetachuck North Stock. Worldwide, some distal exoskarns contain economic gold ore bodies in what visually appears to be barren pyrrhotite ± arsenopyrite zones. These gold zones can be easily overlooked in the field due to their lack of base metals and bland, monotonous appearance.

8.0 Summary

1. The CHES property comprises 12 contiguous mineral claims (Table 1) with a total area of 4280.06 hectares, and is situated in the Tetachuck Lake map area (NTS 093F/05E) of central British Columbia.

2. The property, which lies in the geological Stikine Terrane is mostly underlain by a folded sedimentary and volcanic sequence belonging to the Middle Jurassic, arc-

related Naglico Formation, which forms part of the Hazelton Group (Figure 3). These rocks are intruded by several small stocks and plugs that were emplaced during Jurassic, Late Cretaceous and Eocene magmatic events.

3. The property is believed to have a good mineral potential for both polymetallic, Cu-dominant skarns and Cu-Mo porphyries

4. Two copper-bearing mineral showings are present on the CHES property (Figure 3). The best known is the Cu-dominant polymetallic skarn-stockwork system at the Exo prospect (BC Minfile 093F 017). In the eastern extension of the CHES claim block there is the intrusive-hosted, Cu-Mo porphyry-style mineralization at the Tet showing (BC Minfile 093F 002), while immediately outside the claim block there is the Godot Cu-Mo porphyry showing (BC Minfile 093F 035; Figure 3).

5. At least two types of skarn-hornfels-hosted mineralization are seen at the Exo Cu-Mo-W prospect, namely:

   (a) Thin (< 1.5 meter) units of massive and semi-massive sulfide that are mostly concordant with bedding (Photo 2). These contain abundant pyrite and magnetic pyrrhotite with lesser chalcopyrite. Trace bornite, molybdenite and magnetite may also be present.
   (b) Quartz-pyrite stockwork veins, up to 0.6 centimeter thick (Photo 3), containing pyrite, molybdenite, chalcopyrite and brown sphalerite.

6. The Godot Cu-Mo porphyry showing (BC Minfile 093F 035), which lies just outside the CHES property, comprises disseminated chalcopyrite and molybdenite hosted by granodiorite. Further east at the Tet Cu-Mo showing (Figure 3; BC Minfile 093 002) there are a variety of intrusive rocks of uncertain age, including older and larger diorite bodies that are cut by smaller dikes or plugs of alaskite, aplite and quartz porphyry.

7. During the 2008 season Scarlet spent $23,296 on the property. Expenditures included a helicopter visit to the claims by a geologist and prospector, as well as the collection of 20 mineralized rock samples that were assayed for precious and base metals.

9.0 Recommendations

Exploration at the CHES property is recommended to take place over the next two field seasons, as follows:

(1) Hire a prospector to examine and sample as much of the property as possible, particularly the vicinities around the Exo and Tet showings.

(2) Complete reconnaissance geological mapping to determine the size and margins of the intrusive stocks related to the Exo and Tet showings.

(3) Cut grid-lines for a planned 2009 geophysical and geochemical soil survey. The lines at the Exo prospect should be at 100 to 200 meters spacing and orientated northwest-southeast (i.e. normal to the strike of the geology). The orientation of the planned cut lines at the Tet showing is uncertain due to our current poor knowledge of the geological strike and controls of the porphyry mineralization.

(4) The soil-sampling program should involve samples collected at 25 meter intervals along the grid lines.

(5) A geophysical crew should be hired to complete an IP-magnetometer survey over the Exo and Tet areas.

(6) Hopefully, the prospecting, mapping and soil and geophysical surveys conducted in the 2009 season should outline favorable drill targets. During the following seasons these should be drilled after suitable environmental permitting is obtained, and construction of drill pads and drill-roads is completed.

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11.0 Appendices

Appendix A: Statement of Qualifications

Gerald E. Ray, Ph.D., P.Geo.
2243 McNeill Avenue,
Victoria, BC
CANADA V8S 2Y7
Telephone 1 250 592 9562
Fax 1 250 592 9740
Email: geray@shaw.ca

I, Gerald Edwin RAY, P.Geo., P. Eng., do hereby certify that:

1. I am currently employed as a consultant geologist by Scarlet Resources Ltd., Suite 725-666 Burrard Street, Vancouver B.C, V6C 2X8.
2. I graduated with a B.Sc., degree in Geology from the University of Bristol (UK) in 1966 and obtained a Ph.D., from the "Research Center for African Geology" at the Leeds University (UK) in 1970.
3. I am a member of the Association of Professional Geoscientists of British Columbia (License # 19503) and the Association of Professional Engineers of Saskatchewan (Member No. 2888).
4. I have worked as an economic geologist a total of 38 years since my graduation from university.
5. Using data supplied to me by Scarlet Resources Ltd., I am responsible for the preparation of this document titled **"The CHES Cu-Mo-W property, Central British Columbia, Tetachuck Lake map area, 2008 Exploration report"** dated the 1st of February 2009. Accompanied by prospector Bruce Anderson I visited and sampled the CHES property on the 13th of May 2008 for one day.

Dated this 1st February 2009

Signature by qualified person

Printed name of qualified person
Gerald E. Ray, Ph.D.

Appendix B: Statement of Costs

During the 2008 season, Scarlet spent Can$23,296.36 on the CHES property as follows:

Exploration Work Type **Comment**

Statement of Costs,
CHES property, 2008

Personnel (Name)* / Position	Field Days (List actual days)	Unit	Quantity	Unit Price	Subtotal*
Gerry Ray (Geologist)	From May 12, 2008 to May 14, 2008	Day	3.00	$ 682.50	$ 2,047.50
Bruce Andeson (Prospector)	May 13, 2008	Day	1.00	472.50	472.50
Lorne Warren (CJL Enterprises Ltd.)	May 13, 2008	Day	1.50	682.50	1,023.75
Christ Warren (CJL Enterprises Ltd.)		Day	1.00	52.50	52.50
					$ 3,596.25

Office Studies	(Note - office only, do not include field days)	Unit	Quantity	Unit Price	Subtotal
Literature search	Nil	-	-	$ -	$ -
Database compilation	Nil	-	-	-	-
Computer modelling	Nil	-	-	-	-
Reprocessing of data	Nil	-	-	-	-
General research	Nil	-	-	-	-
Report preparation	Gerry Ray (Geologist)	Hour	67.50	85.31	5,758.59
	Gerry Ray (Geologist)	Hour	35.00	91.88	3,215.63
	Hazel Mullin (Geologist)	Hour	6.50	78.75	511.88
Other (specify)	Mapping	Hour	34.25	78.75	2,697.19
	Database search	-	1.00	120.75	120.75
					$ 12,304.03

Geochemical Surveying	Number of Samples	Unit	Quantity	Unit Price	Subtotal
Drill (cuttings, core, etc.)	Nil	-	-	$ -	$ -
Stream sediment	Nil	-	-	-	-
Soil	Nil	-	-	-	-
Rock	20 (Acme Analytical Laboratories Vancouver Ltd.)	-	20.00	45.21	904.26
Water	Nil	-	-	-	-
Biogeochemistry	Nil	-	-	-	-
Whole rock	Nil	-	-	-	-
Petrology	Nil	-	-	-	-
Other (specify)	Nil	-	-	-	-
					$ 904.26

Drilling	No. of Holes, Size of Core and Metres	Unit	Quantity	Unit Price	Subtotal
Diamond	Nil	-	-	$ -	$ -
Reverse circulation (RC)	Nil	-	-	-	-
Rotary air blast (RAB)	Nil	-	-	-	-
Other (specify)	Nil	-	-	-	-
					$ -

Other Operations	Clarify	Unit	Quantity	Unit Price	Subtotal

Trenching	Nil	-	-	$ -	$ -
Bulk sampling	Nil	-	-	-	-
Underground development	Nil	-	-	-	-
Other (specify)	Nil	-	-	-	-
					$ -

Reclamation	**Clarify**	**Unit**	**Quantity**	**Unit Price**	**Subtotal**
After drilling	Nil	-	-	$ -	$ -
Monitoring	Nil	-	-	-	-
Other (specify)	Nil	-	-	-	-
					$ -

Transportation		**Unit**	**Quantity**	**Unit Price**	**Subtotal**
Airfare	Airfares to/from Smithers	-	1.00	$ 1,242.68	$ 1,242.68
Taxi	Taxi to/from Victoria airport	-	2.00	66.00	132.00
truck rental	Nil	-	-	-	-
kilometres	Nil	-	-	-	-
ATV	Nil	-	-	-	-
fuel	Nil	-	-	-	-
Helicopter (hours)	Interior Helicopters	Hour	2.90	992.25	2,877.53
Fuel (litres/hour)	Interior Helicopters	Litres	330.60	1.65	546.73
Other	Parking	-	2.00	1.10	2.20
					$ 4,801.14

Accommodation & Food		**Unit**	**Quantity**	**Unit Price**	**Subtotal**
Hotel	Hudson Bay Lodge	-	1.00	$ 251.60	$ 251.60
Camp	Nil	-	-	-	-
Meals	Breakfast, lunch, coffee and water	-	1.00	160.23	160.23
					$411.83

Miscellaneous		**Unit**	**Quantity**	**Unit Price**	**Subtotal**
Telephone	Nil	-	-	$ -	$ -
Other (Specify)	Printing expenses and staking fee	-	1.00	1,278.86	1,278.86
					$1,278.86

Equipment Rentals		**Unit**	**Quantity**	**Unit Price**	**Subtotal**
Field Gear (Specify)	Nil	-	-	$ -	$ -
Other (Specify)	Nil	-	-	-	-
					$0.00

Freight, rock samples	**Unit**	**Quantity**	**Unit Price**	**Subtotal**
	-	-	$ -	$ -
				$0.00

TOTAL Expenditures **$ 23,296.36**

Appendix C: Assay certificates (Acme Labs)

ACME ANALYTICAL LABORATORIES LTD.
852 E. Hastings St. Vancouver BC V6A 1R6 Canada
Phone (604) 253-3158 Fax (604) 253-1716
www.acmelab.com

Client: **Baron Group - Scarlette**
725 - 666 Burrard St.
Vancouver BC V6C 2X8 Canada

Submitted By: Gerry Ray
Receiving Lab: Acme Analytical Laboratories (Vancouver) Ltd.
Received: May 14, 2008
Report Date: May 28, 2008
Page: 1 of 2

CERTIFICATE OF ANALYSIS SMI08000513.1

CLIENT JOB INFORMATION

Project: EXO
Shipment ID:
P.O. Number
Number of Samples: 20

SAMPLE DISPOSAL

DISP-PLP Dispose of Pulp After 90 days
DISP-RJT Dispose of Reject After 90 days

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Method Code	Number of Samples	Code Description	Test Wgt (g)	Report Status
R150	20	Crush, split and pulverize rock to 150 mesh		
G6	20	Fire Assay fusion Au by ICP-ES	30	Completed
7AX	20	1:1:1 Aqua Regia digestion ICP-ES/ICP-MS analysis	1	Completed

ADDITIONAL COMMENTS

Invoice To: Baron Group - Scarlette
725 - 666 Burrard St.
Vancouver BC V6C 2X8
Canada

CC:

BRITISH COLUMBIA CERTIFIED ASSAYER
Clarence Leong

ACME ANALYTICAL LABORATORIES LTD.
852 E. Hastings St. Vancouver BC V6A 1R6 Canada
Phone (604) 253-3158 Fax (604) 253-1716
www.acmelab.com

Client: **Baron Group - Scarlette**
725 - 666 Burrard St.
Vancouver BC V6C 2X8 Canada

Project: EXO
Report Date: May 28, 2008

CERTIFICATE OF ANALYSIS SMI08000513.1

	Method	WGHT	G6	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX
	Analyte	Wgt	Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Th	Sr	Cd	Sb	Bi	V	Ca
	Unit	kg	GM/T	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%
	MDL	0.01	0.01	0.5	0.5	0.5	5	0.5	0.5	0.5	5	0.01	5	0.5	0.5	5	0.5	0.5	0.5	10	0.01
722601	Rock	2.49	<0.01	5.7	104.2	3.9	33	<0.5	1.9	3.4	239	2.77	<5	<0.5	1.1	6	<0.5	<0.5	<0.5	22	0.14
722602	Rock	2.31	0.02	26.5	3789	4.7	160	4.0	1.9	13.7	256	4.01	<5	<0.5	<0.5	11	1.7	<0.5	1.9	<10	0.27
722603	Rock	1.71	<0.01	7.0	310.0	3.3	89	<0.5	2.3	3.3	302	2.32	<5	<0.5	<0.5	37	0.6	<0.5	1.0	10	0.29
722604	Rock	2.31	0.02	14.6	5197	10.1	1862	6.8	54.4	54.8	2239	24.87	<5	6.1	<0.5	<5	17.9	<0.5	4.0	12	1.93
722605	Rock	1.66	0.01	14.8	4054	9.7	1410	5.2	36.4	36.6	1664	18.46	9	4.3	<0.5	9	12.8	<0.5	4.3	15	1.46
722606	Rock	1.74	<0.01	11.2	10500	11.2	984	16.3	41.8	113.5	1793	21.76	<5	3.9	<0.5	<5	9.8	<0.5	6.8	14	2.43
722607	Rock	2.63	<0.01	8.7	3655	32.3	594	7.9	43.6	155.6	1303	19.46	<5	2.7	<0.5	15	5.9	<0.5	16.1	<10	0.99
722608	Rock	0.85	<0.01	7.5	2055	5.0	192	1.8	12.0	9.1	1941	7.10	<5	1.5	0.5	20	1.5	0.7	1.4	10	2.00
722609	Rock	1.24	0.02	2.8	4530	6.9	985	6.8	10.2	29.1	1581	7.32	<5	2.0	0.6	12	9.2	<0.5	3.1	20	1.59
722610	Rock	1.57	<0.01	219.2	768.4	3.1	146	0.8	2.4	6.2	409	2.48	<5	1.2	1.7	22	1.4	<0.5	0.5	22	0.46
722611	Rock	2.02	0.02	16.3	3759	5.9	116	3.4	5.6	41.1	1858	7.39	7	1.3	<0.5	13	0.9	<0.5	1.2	24	2.16
722612	Rock	1.83	0.01	45.9	2841	4.4	324	2.7	8.2	11.8	2025	7.23	5	1.0	0.8	21	2.3	0.6	2.1	15	1.45
722613	Rock	1.60	<0.01	1.0	60.2	4.4	46	<0.5	6.4	25.2	629	5.28	<5	<0.5	0.8	82	<0.5	0.9	<0.5	105	1.01
8222	Rock	1.28	<0.01	1.8	159.7	36.1	415	0.5	9.5	1.8	7343	4.13	<5	2.3	0.7	41	5.7	<0.5	1.7	71	4.89
8223	Rock	1.76	0.02	9.0	4993	15.2	1212	6.7	39.1	41.8	2410	21.08	<5	5.7	<0.5	<5	11.2	<0.5	3.4	30	2.11
8224	Rock	1.30	<0.01	2.1	2913	4.3	305	3.3	10.5	5.5	2647	5.51	<5	1.6	<0.5	13	3.1	<0.5	1.5	45	2.83
8225	Rock	1.83	0.01	102.2	3044	6.9	158	1.9	11.4	31.0	625	9.75	6	1.1	0.7	22	1.6	<0.5	12.0	51	0.80
8226	Rock	1.32	0.02	9.9	2191	5.8	180	3.6	12.8	39.6	489	9.45	7	0.8	<0.5	15	1.8	<0.5	2.7	20	0.75
8227	Rock	1.61	0.01	40.8	3028	8.8	3814	2.7	5.5	5.6	1436	4.83	<5	0.7	0.9	25	34.8	<0.5	8.2	20	1.07
8228	Rock	1.61	<0.01	2.5	60.7	53.4	74	0.8	8.1	26.6	420	5.24	8	<0.5	0.6	44	<0.5	1.4	2.2	74	0.64

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Client: **Baron Group - Scarlette**
725 - 666 Burrard St.
Vancouver BC V6C 2X8 Canada

Project: EXO
Report Date: May 28, 2008

CERTIFICATE OF ANALYSIS SMI08000513.1

	Method	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX
	Analyte	P	La	Cr	Mg	Ba	Ti	Al	Na	K	W	Hg	Sc	Tl	S	Ga	Se
	Unit	%	ppm	ppm	%	ppm	%	%	%	%	ppm	ppm	ppm	ppm	%	ppm	ppm
	MDL	0.001	0.5	0.5	0.01	5	0.001	0.01	0.01	0.01	0.5	0.05	0.5	0.5	0.5	5	2
722601	Rock	0.014	6.0	7.6	0.62	50	0.095	1.20	0.10	0.48	5.7	<0.05	8.6	0.6	1.0	9	<2
722602	Rock	0.013	1.7	9.9	0.39	31	0.055	0.76	0.11	0.06	11.6	<0.05	6.3	<0.5	3.7	<5	2
722603	Rock	0.012	3.6	9.5	0.30	37	0.051	0.85	0.14	0.15	7.9	<0.05	5.1	<0.5	0.9	<5	<2
722604	Rock	0.060	2.2	5.9	0.12	<5	0.045	0.82	0.02	<0.01	3032	<0.05	4.1	<0.5	17.6	<5	43
722605	Rock	0.082	2.8	6.0	0.21	16	0.077	0.92	0.04	0.07	1803	<0.05	5.3	<0.5	14.4	<5	24
722606	Rock	0.091	2.9	4.6	0.08	<5	0.036	0.68	0.01	<0.01	2828	<0.05	4.3	<0.5	15.7	<5	25
722607	Rock	0.070	2.2	4.5	0.25	18	0.067	0.88	0.14	0.03	1943	<0.05	5.2	<0.5	16.9	<5	26
722608	Rock	0.068	4.1	12.9	0.15	8	0.118	1.17	0.06	0.05	974.1	<0.05	7.1	<0.5	6.4	<5	7
722609	Rock	0.063	3.5	15.4	0.28	5	0.132	1.35	0.06	0.03	406.5	<0.05	7.0	<0.5	6.5	5	6
722610	Rock	0.055	7.0	13.3	0.54	118	0.217	1.23	0.18	0.34	13.8	<0.05	10.5	<0.5	1.2	<5	3
722611	Rock	0.071	2.5	15.4	0.14	8	0.085	1.07	0.06	0.04	708.6	<0.05	5.4	<0.5	7.2	<5	9
722612	Rock	0.048	3.5	9.5	0.32	24	0.139	1.38	0.15	0.07	1194	<0.05	6.1	<0.5	6.9	6	12
722613	Rock	0.128	4.3	7.4	1.25	137	0.157	4.01	0.23	0.33	3.9	<0.05	8.1	<0.5	2.5	8	<2
8222	Rock	0.111	5.3	13.5	0.88	<5	0.137	2.55	0.02	0.02	10.6	<0.05	8.4	<0.5	<0.5	12	<2
8223	Rock	0.055	2.2	6.8	0.17	9	0.046	0.87	0.02	0.02	2238	<0.05	4.6	<0.5	14.6	<5	28
8224	Rock	0.052	2.1	10.2	0.22	18	0.092	1.40	0.08	0.07	297.4	<0.05	7.6	<0.5	2.9	5	4
8225	Rock	0.108	4.8	8.8	0.56	19	0.169	1.39	0.14	0.07	69.3	<0.05	8.2	<0.5	8.0	7	9
8226	Rock	0.031	2.6	12.0	0.13	41	0.127	0.84	0.12	0.17	598.9	<0.05	6.1	<0.5	9.9	<5	19
8227	Rock	0.054	4.0	12.2	0.33	41	0.152	1.32	0.16	0.15	775.8	<0.05	6.4	<0.5	3.9	<5	5
8228	Rock	0.102	3.0	4.6	1.06	117	0.139	3.13	0.12	0.32	1.6	<0.05	5.8	<0.5	2.9	5	<2

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725 - 666 Burrard St.
Vancouver BC V6C 2X8 Canada

Project: EXO
Report Date: May 28, 2008

QUALITY CONTROL REPORT SMI08000513.1

	Method	WGHT	G6	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX
	Analyte	Wgt	Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Th	Sr	Cd	Sb	Bi	V	Ca
	Unit	kg	GM/T	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%
	MDL	0.01	0.01	0.5	0.5	0.5	5	0.5	0.5	0.5	5	0.01	5	0.5	0.5	5	0.5	0.5	0.5	10	0.01
Pulp Duplicates																					
722601	Rock	2.49	<0.01	5.7	104.2	3.9	33	<0.5	1.9	3.4	239	2.77	<5	<0.5	1.1	6	<0.5	<0.5	<0.5	22	0.14
REP 722601	QC			7.1	104.7	3.0	33	<0.5	1.5	2.7	232	2.79	<5	<0.5	1.3	8	<0.5	<0.5	<0.5	25	0.13
722609	Rock	1.24	0.02	2.8	4530	6.9	985	6.8	10.2	29.1	1581	7.32	<5	2.0	0.6	12	9.2	<0.5	3.1	20	1.59
REP 722609	QC			2.4	4557	9.2	978	7.0	11.5	29.4	1578	7.35	7	1.9	0.6	13	9.2	<0.5	2.9	20	1.54
Reference Materials																					
STD OXK48	Standard		3.68																		
STD OXK48	Standard		3.50																		
STD OXK48	Standard		3.61																		
STD OXK48	Standard		3.60																		
STD SF-3A	Standard			298.4	7730	9100	10892	54.4	3551	189.2	4074	7.18	48	3.3	2.9	57	46.9	10.3	4.9	106	2.58
STD SF-3A Expected				308	7705	9625	10628	54	3365	183	4247	7.91	46	3.2	2.7	51.2	44.7	9.5	4.7	102.4	2.59
STD OXK48 Expected			3.557																		
BLK	Blank			<0.5	<0.5	<0.5	<5	<0.5	<0.5	<0.5	<5	<0.01	<5	<0.5	<0.5	<5	<0.5	<0.5	<0.5	<10	<0.01
BLK	Blank		<0.01																		
BLK	Blank		<0.01																		
BLK	Blank		<0.01																		
BLK	Blank		<0.01																		
Prep Wash																					
G1	Prep Blank	<0.01	<0.01	<0.5	1.7	6.0	57	<0.5	4.9	4.6	673	1.91	<5	3.3	5.2	81	<0.5	<0.5	<0.5	42	0.56
G1	Prep Blank	<0.01	<0.01	0.7	1.4	6.1	58	<0.5	4.5	4.7	634	1.87	<5	3.1	6.0	89	<0.5	<0.5	<0.5	32	0.64

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QUALITY CONTROL REPORT SMI08000513.1

	Method	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX	7AX
	Analyte	P	La	Cr	Mg	Ba	Ti	Al	Na	K	W	Hg	Sc	Tl	S	Ga	Se
	Unit	%	ppm	ppm	%	ppm	%	%	%	%	ppm	ppm	ppm	ppm	%	ppm	ppm
	MDL	0.001	0.5	0.5	0.01	5	0.001	0.01	0.01	0.01	0.5	0.05	0.5	0.5	0.5	5	2
Pulp Duplicates																	
722601	Rock	0.014	6.0	7.6	0.62	50	0.095	1.20	0.10	0.48	5.7	<0.05	8.6	0.6	1.0	9	<2
REP 722601	QC	0.018	6.8	7.7	0.65	49	0.098	1.19	0.13	0.51	5.5	<0.05	8.6	0.6	1.0	9	<2
722609	Rock	0.063	3.5	15.4	0.28	5	0.132	1.35	0.06	0.03	406.5	<0.05	7.0	<0.5	6.5	5	6
REP 722609	QC	0.062	3.3	14.7	0.27	8	0.118	1.42	0.10	0.03	412.1	<0.05	8.5	<0.5	6.6	5	5
Reference Materials																	
STD OXK48	Standard																
STD OXK48	Standard																
STD OXK48	Standard																
STD OXK48	Standard																
STD SF-3A	Standard	0.056	8.9	172.0	4.28	263	0.119	1.02	0.49	1.04	3.4	0.56	3.7	2.8	5.2	<5	8
STD SF-3A Expected		0.054	8.3	167.1	4.27	260	0.117	1	0.47	0.99	3.4	0.57	3	2.7	4.2		7.9
STD OXK48 Expected																	
BLK	Blank	<0.001	<0.5	<0.5	<0.01	<5	<0.001	<0.01	<0.01	<0.01	<0.5	<0.05	<0.5	<0.5	<0.5	<5	<2
BLK	Blank																
BLK	Blank																
BLK	Blank																
BLK	Blank																
Prep Wash																	
G1	Prep Blank	0.072	9.1	12.8	0.66	283	0.171	1.29	0.13	0.65	<0.5	<0.05	4.8	<0.5	<0.5	5	<2
G1	Prep Blank	0.076	11.3	10.3	0.62	263	0.170	1.41	0.15	0.67	<0.5	<0.05	4.8	<0.5	<0.5	6	<2