NTS 92 B/12 W
BCGS (TRIM) 092B 051
LAT. 48 30' 56" N
LONG. 123 59' 00" W

GEOLOGICAL & GEOCHEMICAL REPORT
on
VALENTINE MTN PLACER TENURES 575069, 575070
VALENTINE MOUNTAIN AREA
SOOKE , B.C.

VICTORIA MINING DIVISION

FOR

MILL BAY VENTURES INC.,
400-455 Granville St, Vancouver, BC V6C 1T1

BY

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1.0 Property location, access and physiography:

Placer tenure numbers 575069 and 575070 are located approximately 50 kilometers northwest of Victoria, B.C. on NTS map sheet 092B12W (Fig. 1). All weather logging road access is either from the northeast via Shawnigan Lake, a distance of approximately 25 kilometers, or from the southeast via Sooke, also approximately 25 kilometers, each requiring about 45 minutes travel time by truck. These roads and the placer tenures are on private property owned by Timberwest Inc., with access limited by locked gates, to which keys are issued by Timberwest for refundable fees with terms covered by an annual access agreements. Mill Bay Ventures Inc. entered into such an agreement in 2009, and holds 4 gate keys. The main logging access roads have weekday travel restrictions during the period 07:00 to 17:00 hours, which requires vehicles to be authorized and radio equipped.

The area of the Valentine Mountain Property gets occasional heavy rain in the autumn, fire closures in the summer and snow at higher elevations in the winter. Relatively mild coastal climate generally allows year round fieldwork to be carried out. The property is part of the Insular Mountains which formed as a result of crustal thickening and subsequent mature dissection of a Tertiary erosion surface of relatively low relief, now expressed as fault controlled valleys and fault-line scarps forming monadnock-like plateaus (Grove, 1990). The terrain is mountainous and rugged between 670-800 meters elevation. Plateaus are developed on the ridge tops at elevations >800 meters above sea level. Quaternary ice advances from the north and northeast have deposited a 1-5 meter depth of drift throughout the region. Glaciofluvial, glaciolacustrine and outwash Quaternary sediments are not present within placer tenures 575069 and 575070 (however some of these features are present in the lower Jordan River about 3 kilometers to the southwest). Along the west flowing creek that runs through the tenures 575070 and the west part of 575069, there is an area of increased thickness of glacial drift (1-5 meter thickness) near the swampy sections of the creek which represents a target area for future placer gold exploration (Fig. 4).

2.0 Property definition, owner, operator, geology and history

The Valentine Mountain Property is situated in NTS map sheet 092B12W or BCGS map sheet 092C051 in the Victoria Mining Division of British Columbia (Fig 2). The property owner and operator is Mill Bay Ventures Inc. The property covers approximately 43 hectares of placer tenures, comprised of
two (2) cell placer claims:

Cell Placer Claims and Status as of December 1, 2009
Tenure No., TenureType, Claim Name, Owner Client#, (%interest), Map No.
Good To Date Status, number of hectares
575069 Placer BEAUPRE 108020 (100%) 092B 2010/jan/31 GOOD 21.396
575070 Placer BEAUPREWEST 108020 (100%) 092B 2010/jan/31 GOOD 21.396
2 Placer Claims, total= 42.792 hectares
Note: Currently, geochemical work done on the claims in December, 2009 has changed the expiry good to date to 2012/JAN/31

In 1864, the discovery of placer gold at the mouth of the Leech River (located approximately 8 kilometers southeast of the subject property) led to a small stampede of gold miners. Unlike other high profile placer goldfields in British Columbia such as Cariboo (Barkerville) or Atlin camps which are hosted in Tertiary drift, the Leech River

gold-bearing gravels are situated in the Quaternary glacial deposits. The Leech River placer gold deposits produced several thousand ounces of gold (1864-1866), and petered out. Placer mining related activity that followed has been small scale sluicing and panning with no reported gold production.

The development of lode gold-bearing quartz veins on Valentine Mountain mineral claims (and related geological data) is summarized as follows:

GEOLOGICAL SUMMARY & BEDROCK EXPLORATION HISTORY, VALENTINE MTN:

L.H. Fairchild (1979) completed a structural and metamorphic analysis of the Leech River Group in partial fulfillment of the requirements for a Masters degree at the University of Washington. Most of his work focused on the Valentine Mountain area. A point form summary of his study is listed below:

- Leech River Group consist of greenschist to amphibolite facies gneiss and schist metamorphic rocks Their protolith rock types listed in order of abundance are: pelite (shale), sandstone, volcanic, chert, conglomerate.
- Two Eocene deformational events, separated by a static period of unknown duration, consisted of fragmentation, rotation and regional shortening resulted in axial-plane cleavage, linear structures and coaxial mesoscopic parasitic folds about east-plunging fold axes.
- Amphibolite facies metamorphism resulted in biotite-garnet and staurolite andalusite successively introduced by continuous reaction, which extended from the end of the first phase of deformation into the second phase.
- Greenschist facies metamorphism results in muscovite-chlorite-quartz assemblages.
- San Juan, Clapp Ck. And Leech R. faults are E-W trending, steeply dipping, relatively straight zones of regional sub-parallel fault traces. The Leech R. fault is interpreted to be a left-lateral strike-slip fault zone active during the Eocene-Oligocene-Miocene.
- In the Jordan R. valley southwest of Valentine Mountain, 10-50 m. wide coarsegrained biotite orthogneiss to granodioritic sills and related pegmatite dykes are concordant with regional schistosity.
- In both mesoscopic and macroscopic folds throughout the Leech R. Group, metasandstone and metavolcanic units behave competently and pelitic rocks, which typically filled-in between competent bodies, behaved in a more ductile fashion. This competency contrast indicates that buckling, rather than homogenous flattening or slip-folding, was the dominant mechanism of folding.
- Isoclinal F1 structures are refolded by F2 resulting in cylindrical folds which are generally asymmetric-open in the north study area, and progressively symmetricclosed to the south.
- Dominant foliation in the study area is steeply dipping, F2 axial planar.

Gay A. Wingert (1984) completed a B.Sc. thesis for U.B.C. entitled Structure and Metamorphism of the Valentine Mountain Area, SW Vancouver Island, B.C. Her study is summarized as follows:

- The Leech R. Fm. underwent 2 stages of deformation and metamorphism which correlates with 2 stages of intrusion. Evidence for polymetamorphism is defined by distribution of staurolite and andalusite, indicating there was a primary metamorphic event which reached temperatures high enough to produce andalusite and a secondary metamorphic event of lower grade which only produced staurolite.

• The second stage of metamorphism began prior to the second stage of deformation.
• The final stages of igneous activity (presumed to have occurred in Late Eocene to Early Oligocene) coincide with dextral strike-slip movement along the Leech R. Fault. Retrograde alteration consists of staurolite & andalusite partially replaced by sericite-chlorite-quartz, garnets are crushed and altered to chlorite, and biotite and hornblende appears kinked and boudinaged. Late stage retrograde alteration is associated with late stage faulting and intrusive activity which produced dykes & sills, and gold-bearing quartz.
• The axial trace of a regional E-W trending anticline fold axis is centered on Valentine Mountain.
• Walker Creek is an axis for an E-W trending anticline fold axis
The B.C. Geological Survey Branch and the Geological Survey of Canada prepared a paper titled Andalusite in British Columbia- New Exploration Targets (Dr. G. Simandl, et. al., 1994). There was a chapter of this paper devoted to the Leech River Area with specific reference to potential economic deposits within the subject property.
• Typical grades of primary "hard rock" andalusite ores vary from 7 to 20%. Typical production capacities of individual mines vary from 25,000 to 65,000 tonnes per year.
• The coarser the crystals, the easier it is to upgrade the ore. Garnet and staurolite typically coexist with andalusite and where grades and textures permit, they are recovered as byproducts.
• Most of the area east of Valentine Mountain contains andalusite strongly retrograded to either mica and staurolite or mica and chlorite. The retrograde alteration appears to be strongest in the "Discovery Zone".
• The degree of retrograde alteration diminishes west of Jordan River where an EW trend may host zones of economic andalusite-garnet-staurolite.
• A 6 m. wide zone of schist (5-10% andalusite), surrounded by a felsic intrusion.
The following geology legend lists rocks found in the Valentine Mountain area:

EOCENE TO OLIGOCENE
Mt. Washington Plutonic Suite
EOIM quartz dioritic intrusive rocks
UPPER EOCENE TO OLIGOCENE
Carmanah Group
EOIC undivided sedimentary rocks
PALEOCENE TO EOCENE
Metchosin Igneous Complex
PeEMMvb Metchosin Formation: basaltic volcanic rocks
PeEMSgb Sooke Gabbro: gabbroic to dioritic intrusive rocks
LATE CRETACEOUS
LKJ Jordan River Metagranodiorite: granodioritic intrusive rocks
JURASSIC TO CRETACEOUS
Leech River Complex
JKLS Survey Mountain Volcanics: bimodal volcanic rocks
JKL greenstone, greenschist metamorphic rocks
EARLY JURASSIC TO MIDDLE JURASSIC
Island Plutonic Suite
EMJlgd granodioritic intrusive rocks
LOWER JURASSIC
Bonanza Group
LJBca calc-alkaline volcanic rocks

The Leech River Formation is affected by greenschist to amphibolite grade metamorphism. A well developed foliation and dominant east-west trending fabric is present throughout the thrust fault-bounded Leech River Formation. There is considerable left lateral displacement on the Leech River Fault. The dynamic emplacement of the Leech River Formation suggests that southern Vancouver Island was formed during a major Eocene age accretion, coinciding with extensive sea-floor basalt and gabbroic intrusions of the Metchosin Complex.
Gold bearing quartz and/or sulphide zones have been the focus of attention on Valentine Mountain. A summary of previous work on mineral claims in the Valentine Mountain area is outlined as follows:

1976-1984
Beau Pre Explorations Ltd. discovered and explored gold bearing quartz veins hosted in mixed schist/gneiss (i.e. metapelites/metasandstones). Amphibolite units were identified as key stratigraphic horizons, outline major structures, and host gold bearing quartz in the area of the "Discovery Zone" (3 km. west of RB claims). A weakly altered, E-W trending, steeply dipping, laterally continuous, 50-200 m. thick amphibolite unit is in close proximity (about 5-50 m.) to the main series of gold-quartz veins. A total of 4 goldquartz
veins were defined by drill intercepts as follows:
• "C" vein zone: Located parallel and 10-15 m. south of the "36" ("B" vein), the "C" vein consists of white to grey quartz, trace amounts of pyrrhotite, marcasite and native gold hosted in mixed gneiss and schist. DDH 82-6 intersected the "C" vein at 36.0-36.5 m. depth and returned 7.550 opt (258.86 g/t) Au across 0.5 m. Several other holes drilled nearby (i.e. 82-3,-7,-7A,-5,-5A,-6A) intersected the "C" vein with assay values up to 0.174 opt (5.97 g/t) Au across 0.3 m.
• "D" vein zone: Parallel and 50 m. north of the "C" vein is the "D" vein, which is localized along a fault zone along an amphibolite/gneiss contact. This vein was intersected by DDH 82-6A, 6, 5, & 21 with values up to 0.063 opt (2.16 g/t) Au across 1.3 m., which was recorded in the drill hole furthest west, and appears that the vein improves westward along strike.
• "A" vein zone: The "A" vein was tested by DDH 82-15. At 150.4-151.3 m. (0.9 m. wide) and at 154.6-155.1 m. (0.5 m. wide), two veins returned 0.042 opt (1.44 g/t) and 0.098 opt 3.36 g/t) Au respectively.
• Only 1 out of 13 drill holes (DDH #82-6) gave results (7.550 opt or 258.86 g/t Au over 1.6 ft. or 0.5 m.) which compared to the multi-ounce assays returned from the high grade section of the "36" vein trench. The main reason for erratic results appears to be structural, i.e. free gold occurs in scattered pockets in quartz veins, in fractures and on shear planes in the adjacent wall rocks (Grove, 1984).
• A bulk sample was shipped to Trail, B.C. (1983) giving the following results:
SAMPLE # 1 (223 lbs. / 101 kg)
SAMPLE # 2 (296 lbs. / 134 kg)
Description:
FINES from 5 tons sluiced
GOLD-QUARTZ grab vein & wall
rock
GOLD
4.82 OPT/ 165.26 gpt
18.44 OPT / 632.23 gpt
SILVER
0.60 OPT / 20.57 gpt
1.25 OPT / 42.86 gpt

• Gold bearing quartz mineralogy includes crystalline arsenopyrite, marcasite, rare chalcopyrite, sphalerite, galena and ilmenite.
• Alteration within the 50-200 m. thick amphibolite unit adjacent to the "Discovery Zone" consists of: extensive quartz, calcite and gypsum veining, spotty to veinlike K-spar zoning, tourmalinization, epidotization, biotitization of hornblende, and magnetite development (Grove, 1984).
• Spatial relation of gold-quartz and extensive alteration suggest that the amphibolite unit is significant in the localization of gold ore.
• Drill results reflect structure and give a "hit and miss" account of gold grades due to its scattered distribution as streaks, pockets and fracture infillings.

1985

Falconbridge mapping and trenching program identified the following geological features present in the "Discovery Zone":
• The "B" and "A" vein gold-quartz systems trend at azimuth 068 degrees, dipping 70 degrees south.
• There are numerous 090 trending, steep S dipping dextral strike-slip faults, offset by later dextral and sinistral strike slip micro-faults (several cm. displacement). Gold-quartz veins appear to have emplaced in between the macro and micro faulting events.
• Gold grades of the main quartz vein and adjacent wall rock increase where there are zones of increased cross and/or diagonal faulting and fracturing.
• Calculation of weighted averages of vein and wall rock from the "A" trench returned a value of 0.094 opt (3.22 g/t) Au over 1.38 m. along a strike length of 11.0 m.
• Quartz vein from the "A" trench averaged 0.959 opt (32.88 g/t) Au; wall rock assays averaged 0.028 opt (0.96 g/t) Au.
• Biotite gneiss (metasandstone) is the dominant host lithology for gold-quartz veins in the "Discovery Zone". Carbonaceous andalusite-staurolite-garnet-biotite schist (metapelite) forms about 15% of the host lithology for the gold-quartz veins and occurs as narrow, 0.1-5.0 m. wide, E-W trending bands within the more massive biotite gneiss.
• Samples identified as carrying visible gold returned assays of 0.001-0.013 opt (0.034-0.446 g/t) Au. These samples included severe dilution from nonmineralized wall rock which would partially explain the low values. The other explanation is that the assay lab did not effectively metallic screen the entire sample to recover the observed native gold.
• Bondar-Clegg treated a 19.1 kg. (42.1 lbs.) sample from the trench and obtained 8.74 grams Au and 0.46 grams Ag. The grade of this sample is 13.362 opt (458.13 g/t) Au and 0.70 opt (24 g/t) Ag.

1987-1988

Valentine Gold established a bulk sample pilot mill and cored 43 diamond drill holes, with the following significant results:
• "C" Vein zone: Depth extension of the "C" vein (located 10-15 m. south of and parallel to the "36" vein), defined by a total of 10 drill intercepts are projected on longitudinal section by Gordon Allen, P.Geo. (outlined an ore reserve calculation of 33,795 tons (30,660 tonnes) of **0.429 opt (14.7 g/t) Au** (based on a 1.2 m. width) from the "C" vein. The "C" vein is located parallel to and 25-35 m. south of a 100 m. thick, steep south dipping altered amphibolite unit.
• "D" vein zone: The "D" vein is located along the south contact of the altered amphibolite unit. This vein has an inferred strike length of 500 meters, but no ore

reserves have been calculated due to grades which average less than 0.100 opt (3.4 g/t) Au across 1.0 m. in the drill intercepts. The main feature of the "D" vein is a) amphibolite contact and b) fault-bound affinity. The "D" vein fault has led to poor recovery and consequent loss of fines as core drills cut this zone.

• "E" vein zone: The "E" vein was discovered by drilling towards a well defined Au soil anomaly 100 m. north of the "C" vein and 70 m. north of the "D" vein. The "E" vein is hosted by altered amphibolite, and is in close proximity to the gneiss/schist contact (10-40 m. to the north) and to a 2 m. wide, cross-cutting, (unit 5) quartz diorite dyke. DDH 87-14 recorded 0.226 opt (7.75 g/t) Au across a 0.3 m. wide fault zone @ 49.1-49.4 m. and 0.033 opt (1.13 g/t) Au across 1.0 m. @ 78.0-79.0 m., suggesting the presence of two parallel vein zones.

• "A" vein zone: The "A" vein was intercepted by DDH 87-3 returning 0.046 opt (1.58 g/t) Au across 0.6 m. in a fault zone (@28.5-29.1 m.). The "A" vein is located 20 m. south of the altered amphibolite contact, thus there is some speculation that it is the continuation of the "D" vein because if ones follows the zone west to 87-4, -5 (0.136 opt, or 4.66 g/t Au over 1.0 m. and 0.031 opt or 1.06 g/t Au across 0.9 m. respectively), these intercepts align with a fault zone adjacent to the altered amphibolite, characteristic of the "D" vein.

• The results from drilling in the "Discovery Zone" resulted in the following 2-D polygonal mineral inventory calculation in 1989 by Gordon Allen, P.Geo. on the "C" vein zone:

Total tonnage = 33,795 T (30,660 t)
Total ounces Au = 14,504 (450,700 g)
Calculated grade = 0.429 OPT Au (14.7 g/t)

1988

Vancouver Petrographics Ltd. (Dr. John Payne, Dr Jeff Harris, & Wendy Sisson) prepared detailed reports on core and trench samples taken from gold bearing quartz/sulphide zones located 2.5 km. ESE of Valentine Mountain. A summary of their work is listed below:

• The main rock types which host ore in the vicinity of the "Discovery Zone" trenches are a) metasandstone, b) metasiltstone, c) metamudstone. Less abundant host rocks include garnet-bearing schist and a mafic volcanic rock altered to chlorite-carbonate-epidote-actinolite. Several 1-3 m. wide granodiorite/quartz diorite dykes/sills cut the above sequence.

• Regional deformation resulted in a series of SE trending folds with steeply dipping axial planes and moderately ESE plunging fold axes. Strongly folded, finely banded argillaceous schist is crosscut at a high angle by quartz veins up to 10 cm. across. These veins are folded moderately to tightly about axes which may be coaxial to those which had already deformed the schist host rock. This suggests that two pulses of deformation occurred in the same stress field, and were separated by a tensional event during which quartz veins were introduced.

• Rocks from the "Braiteach Zone" are less deformed, and contain less interbedded argillaceous siltstone/mudstone than the "Discovery Zone".

• Early quartz veins are distended and smeared out, being locally obliterated in part. Less deformed quartz veins may represent later veins which represent tensional dilation that crosscuts the regional trend of foliation at a small angle.

• The "Discovery Zone" gold bearing veins contain quartz which has deformed and partly recrystallized to much finer aggregates, with inclusions of quartz with abundant fine grained pyrite and/or pyrrhotite along grain boundaries. Native gold occurs in later, discontinuous veinlets and replacement patches, whose emplacement is moderately controlled by grain borders of deformed quartz.

Locally, native gold (and pyrrhotite) occurs in tiny inclusions in coarse grained arsenopyrite.
• Paragenetic assemblages suggest that during metamorphism, native gold and arsenopyrite were concentrated into shears zones (preferentially in fold closures), and in part into quartz veins formed during early stages of deformation. The presence of K-spar envelopes and euhedral tourmaline suggests a component of hydrothermal contribution to Au-As bearing mineralization. At a later stage, further quartz veins formed, and gold migrated into some of these, possibly near the end of the deformational event.

1989

Noranda Exploration Ltd. performed work on the area of the West Leech claims as part of a geological, geochemical, geophysical and diamond drilling program that covered an area 3-5 km. east and west of Valentine Mountain. A summary of Noranda's work is given as follows:
• Unit 2 gneiss (metasandstone) is divided into 2 sub-units: 2a) meta-greywacke has a better developed schistosity and higher % of lithic fragments than 2b and is generally darker colored, 2b) massive metasandstone light to dark grey colour with minor schistosity with 5% disseminated biotite. Unit 2b is very hard to break because it has been partially recrystallized.
• Unit 1 schist (metapelite) is divided into 5 sub-units: 1a) phyllite, extremely fine grained and fissile, with abundant sericite and minor biotite on cleavage surfaces as a result of retrograde metamorphism related to movement along proximal faults. 1b) biotite schist, medium grey to black colour, quartz and biotite form light and dark bands 1-3 mm wide, garnet and/or andalusite/staurolite porphyroblasts are often observed within the biotite schist. 1c) Biotite-garnet schist, similar to 2b with the addition of 1-10 cm. reddish brown, euhedral garnet crystals. 1d) Biotite-garnet-staurolite schist, similar to 1c with the addition of euhedral staurolite commonly cruxiform. 1e) Biotite-garnet-staurolite-andalusite schist, similar to 1d with addition of 1-8 cm., pink andalusite porphyroblasts.
• Cataclastic textures observed in unit 1 schist consist of angular quartz fragments that have been deformed and flattened in the direction paralleling schistosity as a result of mechanical forces caused by proximal faults and/or overthrusts.
• Unit 5 Eocene intrusives consist of quartz diorite which occurs as a 2.8 km. long X 0.1-0.6 km. wide sill feature that widens out in Walker Creek. This quartz diorite has numerous 1-3 m. wide aplite sills with localized 1-3 mm wide orangered colour, euhedral garnets.
• Unit 6 pegmatite is leucocratic with calcic feldspar, sericite, quartz and localized tourmaline crystals up to 10 cm. in length. Pegmatite dykes and sills range from 0.1-1.5 m. width and occur in the Walker Creek area.
• 1-5 cm. wide parasitic "S" and "Z" folds were observed in schist layers and quartz veinlets, which serve as a guide to direction of fold hinges and indicate a major E-W trending, gentle east plunging anticline along the axis of Valentine Mountain Ridge.
• Quartz veins occur throughout all rock units mapped and vary from 0.05 to 2.0 m. width. They are generally milky white "bull" quartz with occasional subhedral crystals. Limonite is frequently observed, minor fine grained pyrite and lesser pyrrhotite occurs as fracture coatings in quartz. Arsenopyrite crystals were observed in quartz veins and wall rock. There appears to be an association of arsenopyrite and gold bearing quartz veins.
• Gold bearing zones within the amphibolite are associated with pyrrhotite aggregates (forming 3% of total volume), however not all pyrrhotite zones contain

gold mineralization.
• Quartz veins hosted in schist (metapelite) generally parallel well developed schistosity. In gneiss (metasandstone), quartz veins 0.05-0.1 m. wide cut sandstone beds at angles of 30-45 degrees, and bedding is at low angles to foliation.
• Variation in quartz veining between various lithological units reflects the units themselves, i.e. quartz vein material is of metamorphic origin with relatively minor influence of hydrothermal activity. Phyllites contain the least quartz and metasiltstones contain the most quartz, with amphibolite and metasandstone containing relatively medium amounts of quartz.
• Gold bearing quartz veins are predominantly hosted by metasandstone. The "B" quartz veins are translucent to transparent and commonly light orange in colour and the "C" vein is generally grey black in colour. Gold mineralization occurs within the vein material as well as the adjacent wall rock.
• Magnetometer data shows a strong, narrow, 120 trending dipolar (high and low) feature east of L 18100 E. In the area of the "Discovery Zone" this feature
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appears as a broad magnetic high over the amphibolite unit (probably caused by increased magnetite and/or pyrrhotite) and an adjacent magnetic low to the north which may reflect massive metasandstone. West of L 17600 E, a similar, narrow magnetic response has a more subtle character. The pronounced background and source shift hints at a possible fold axis occurring on L 17600 E at station20750 N (also observed in IP data).
• IP data from the west "Discovery Zone" indicates a chargeability/resistivity high and coincident Au soil geochemical anomaly between L 20600 E/20087 N and L 19600 E/ 20137 N. Core drilling this target between L 19800 E and L 19900 E proved to be successful in identifying two gold bearing zones localized along the contact of mixed metapelite/metasandstone and altered amphibolite. DDH 89-24 intersected 2.138 opt (73.3 g/t) Au across 0.37 m. @ 59.1-59.5 m.
• IP data from "BN" and "Braiteach" zones identified a similar IP chargeability/resistivity high and coincident Au soil geochemical anomaly between L 17150 E to L 18000 E located parallel and 50-125 m. north of the baseline.
• "Braiteach Zone" DDH 89-20 and 89-21 were collared on the west projection of Au intercept 0.136 opt (4.66 g/t) Au across 3.0 m. in DDH 88-12. DDH 89-20 cut 17.8 m. overburden, the following 99.1 m. cored through amphibolite with 5-7% quartz as stringers and veinlets with no significant Au values. Increased quartz, with 3-4% pyrite, pyrrhotite and chalcopyrite occur at 62.8-63.8 m. Fault breccia and gouge with 2-3% pyrite and pyrrhotite was cut at 76.5-77.8 m. An increase in biotite rich layers occurs at 77.8-84.4 m. with up to 4% disseminated pyrite, pyrrhotite and chalcopyrite. DDH 89-21 had 25 m. of overburden, followed by 86.1 m. of amphibolite. An increase in biotite rich layers with 4% disseminated pyrite, pyrrhotite and chalcopyrite occurs at 75.1-82.6 m. Fault gouge and shearing with 2-3% pyrite occurs at 93.5-94.7 m. and 103.3-109.0 m.
• "Discovery West" DDH 89-22,23,24 were drilled to intersect a deep IP target of high chargeability which coincides with anomalous Au geochemical anomaly and is interpreted as being the west extension of the "C" and "D" vein systems. DDH 89-22 cut 3 quartz veins, the largest being 20 cm., with mineralization consisting of 10% pyrite and 1% pyrrhotite. The "D" vein system located 4 m. above the metasandstone/amphibolite contact returned 740 ppb Au over 1.5 m. Within the amphibolite at 148.3-149.3 m. there is a 1.0 m. interval with visible gold that

returned 0.027 opt Au. DDH 89-23 cut two quartz veins, the largest being 0.35 m. wide with 1-2% pyrite and 1% pyrrhotite which are interpreted as the "C" vein system was intersected at 56.9-58.4 m. returning 0.040 opt (1.37 g/t) Au across 1.5 m. width and the "D" vein at 106.5-108.0 m. assaying 0.028 opt (0.96 g/t) Au across 1.5 m. DDH 89-24 cut 4 quartz veins, the largest being 0.41 m. wide, with 1-2% pyrite and less than 1% pyrrhotite. DDH 89-24 intersected 2.138 opt (73.31 g/t) Au across 0.37 m. @ 59.1-59.5 m. depth. This intersection is situated 2.2 m. above the metasandstone/amphibolite contact and is interpreted as the "D" vein system. At 69.0-70.0 m. depth, DDH 89-24 cut a biotite rich layer with 0.5% euhedral garnet porphyroblasts, 1-2% pyrite and 1% pyrrhotite which returned assay values of 0.152 opt (5.21 g/t) Au across 0.53 m. DDH 89-24 was
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stopped at too shallow a depth to intersect the projected IP chargeability anomaly, and was the final hole drilled by Noranda.

- Detailed mapping of the "BN Zone" shows the gold-bearing quartz vein systems are predominantly hosted by gneiss (metasandstone, unit 2), typically with 10-20% biotite and exhibiting "wood grain texture". There is some interbedded biotite-garnet-staurolite schist (unit 1) at L 17600 E/20935 N where there are 5-25 m. wide quartz vein swarms along the contacts of unit 1 & 2. At the southern edge of the Au soil anomaly is a massive, chlorite altered amphibolite (unit 3).
- A total of 41 rock chip samples were taken with the following highlights:
- "Braiteach Zone" trench sampling is summarized as follows:
  - Zone #1 outcrops in a road cut on J-6 logging road where specks of visible gold were found in limonitic, vuggy quartz hosted in a hydrothermal alteration zone within metasandstone. Out of 5 channels, 3 panels and 1 grab sample, the highest geochemical value returned was 390 ppb Au and 538 ppm As.
  - Zone #2 is located 55 m. north of the baseline on L 16800 E where a 0.08 m. wide E-W trending quartz vein was channel sampled in 11 locations along the outcrop, returning a high value of 740 ppb Au, and 875 ppm As.
  - Zone #3 is 80 m. WNW of zone #2 and consists of a main E-W trending, steep north dipping quartz vein with 10-20% quartz stringers 1 m. from the vein, which decrease with distance from the main vein. Results produced a high value of 150 ppb Au and 1063 ppm As.
  - Eight chip samples from Zones #4-6 returned values up to 159 ppb Au and 25 ppm As.
- Rock chip sampling on the Peg and Bo Claim Groups (Walker Creek area), returned 0.67% Cu across 0.2 m. and 0.28% Cu across 0.1 m.
- Recommendations for further work include exploration and development of low tonnage, high grade ores shoots along the 7 km. strike length known to host gold-bearing quartz veins.

1994

Fairbank Engineering Ltd performs detailed mapping of the 'C' vein trench at a scale of 1:250. A total of 13 samples were taken ranging in width from 9-110 cm. Sample No. returned a value of 30.20 g/t Au across a width of 7 cm.

1998

A geological and exploration evaluation of the Valentine Mountain Gold Property was carried out by Burgoyne Geological Inc. (Burgoyne, 1998). The report concluded that the highest priority exploration targets include the areas 50-300 m east of and 200-600 m west of the mill site. The high priority areas include Discovery ("B" and "C" Veins) depth extension, Discovery West (Noranda

DDH 89-24), and Log Dam (magnetic and Au in soil anomaly located approximately 300 m west of mill site). A separate geological evaluation of the Valentine Mountain Gold Project was carried out by W.R. Epp, P.Geo., who developed a new exploration model of subduction related mineralization in the Leech River Formation. Based on multi-depositional, subduction zone mineral deposit models, there is potential to discover porphyry copper-gold and related dyke-sill hosted gold, stockwork and breccia zones at depth. The geological model for a deep buried high tonnage, hydrothermal mineral zone is supported by the presence of auriferous quartz veins (e.g. 'C', 'B' and 'D' veins) which are believed to originate from underlying intrusives.

2000-2001

Beau Pre Explorations Ltd carried out a program of diamond drilling on the Discovery Zone ('B' and 'C' Vein structures). A total of 182.73 metres of BQ core drilling (DDH 00-01 to DDH 00-08) was performed from 6 different pads between the 'B' and 'C' Veins. Core drilling was set up to intersect the known 'C' vein structure (which strikes 092 and dips 60-75 degrees south) at an oblique angle and to cut quartz veining that may be perpendicular to the known structure. The results of significant precious metal intercepts are listed as follows:

DDH From To Width Au Grade

DDH: 00-03 From: 34.0 ft / 10.37 m To: 34.8 ft / 10.61 m Width: 0.8 ft / 0.24 m
Assay: **0.094 opt / 3.22 g/t**
DDH: 00-03 From: 74.8 ft / 22.81 m To: 79.8 ft / 24.33 m Width: 5.0 ft / 1.52 m
Assay: **0.116 opt / 3.98 g/t**
DDH: 00-06 From: 13.2 ft / 4.03 m To: 14.5 ft / 4.42 m Width: 1.3 ft / 0.39 m
Assay: **0.019 opt / 0.65 g/t**

• The presence of minor amounts of arsenopyrite as medium to coarse grained aggregates, are coincident with an increase in gold.

• A total of 4 shipments with a combined weight of 2.1 tonnes were processed through the Micronex dry mill. Sample material was collected from the 'Discovery - C Vein' trench and shipped to Delta, B.C. for assay balance and bench tests performed by Mineral Associates (R. Salter, Ph.D., P.Eng. and de Monte, Ph. D.) at Vancouver Blower, River Road, Delta, on behalf of First American Scientific Corp who have patented the KDS Micronex 'sonic wave' mineral processing machine. This high speed, chain driven 'sonic wave' mill also has applications in agricultural, forestry, and bio-solids. A total of 2.1 tonnes of quartz-sulphide vein material was crushed in a portable jaw crusher to less than 2.0 cm rock chips and processed in a rotor chamber where the high frequency, mechanically induced sonic wave reduced quartz-sulphide chips (which are fed into the machine on a conveyor belt) into 2-5 micron sized grains. These micro-grains are fractured and the light fraction is expelled by a classifier, with heavies falling into a clam-shaped trap at the bottom of the rotor. The 2,100 Kg of quartz vein sample was delivered in 50-60 gunny sacks and loaded into the Micronex mill by conveyor. Tests were carried out on six separate sections of the sample. Each of the six tests was weighed and gold assay of concentrate and tailings were recorded.

• Test # 1 Weight (grams) Gold Assay (grams/ tonne)
Concentrate 355 25.58
Tailing 6214 0.38
Gold Recovery = 82.0 %

• Test # 2 Weight (grams) Gold Assay (grams/ tonne)
Concentrate 1305 2.52
Tailing 6214 3.24
Gold Recovery = 17.1 %
• Test # 3 Weight (grams) Gold Assay (grams/ tonne)
Concentrate 539 67.07
Tailing 5732 0.67
Gold Recovery = 90.5 %
• Test # 4 Weight (grams) Gold Assay (grams/ tonne)
Concentrate 1078 16.40
Tailing 8683 1.32
Gold Recovery = 62.1 %
• Test # 5 Weight (grams) Gold Assay (grams/ tonne)
Concentrate 794 15.06
Tailing 8342 1.33
Gold Recovery = 52.2 %
• Test #6 Weight (grams) Gold Assay (grams/ tonne)
Concentrate 1419 2.07
Tailing 8512 1.36
Gold Recovery = 20.0 %
• Gold recovery was excellent in Test 1 and 3 where tailings contained less than 1 gram/tonne gold, including one as low as 0.38. Test 4 and 5 gave encouraging results. Test 2 and 6 results were unsatisfactory. Test 6 was a high temperature test (sample was heated to 350 degrees F), and can be discarded. Test 2 gave no apparent reason for being unsatisfactory although it did yield the highest weight recovery. Preliminary batch test-work on 6 samples yielded recoveries ranging from 17.1 % to 90.5 %. Further test samples should be larger in mass. A study of the tailings is necessary to optimize recoveries. Results from preliminary testing were encouraging and further on site processing using the KDS Micronex mineral processing machine is planned.
• The "Discovery West Zone-D Vein", which is localized within a fault zone along a steeply dipping amphibolite/schist contact, is located 600 meters west of the "Discovery Zone". The 'Discovery West Zone' features DDH 89-24 which intersected the "D vein" at 59.15-59.52 meters depth and returned 2.138 opt (73.3 g/t) Au across 0.37 m. A surface fault zone with quartz-pyrite-marcasite and native gold mineralization was localized along a schist/amphibolite contact with minor tourmaline and garnet alteration located 50 meters north of DDH 89-24. This gold bearing fault zone (see sample 599322 below) is interpreted as the 'D' vein which was intersected by DDH 89-24. The following list shows the results from 2001 field sampling of the "Discovery West - D Vein Zone":

Sample#
Width
Description of rock chip sample taken from 'Discovery West Zone'
Au opt (g/t)

599321 0.3 m 15% quartz, 1% limonite, 1% pyrite in schist 200+52 N, 203+50 E **0.016 (0.55)**
599322 0.5 m Fault zone at schist/amphibolite contact, 20% quartz, (vuggy), 2% limonite, 2% pyrite, trace visible gold in quartz 200+55 N, 203+50 E **2.919 (100.08)**
599323 1.5 m 5% quartz as concordant 0.2-2.0 cm wide stringers, 1%limonite, 0.5% py., 3% calcite, 1% ankerite in unit 3 amphibolite, strike 100, dip -78 south20+115 N, 20+300 E **0.023 (0.79)**

• The "Log Dam Zone" is located 1,100 metres west of the "Discovery Zone" and extends west for 250 meters to Tripp Ck. The Log Dam Zone features coincident geochemical (Au-As soil anomalies from Valentine Gold, 1986) and geophysical (IP and magnetometer anomalies from Noranda,1989) where a quartz vein was sampled in 1997 (at 201+75 N, 197+80 E), and returned a value of 2.762 opt (94.70 g/t) Au across 0.4 meters (Applied Mine Technologies sampling, 1997). The following table lists the results from 2001 fieldwork outcrop sampling of the "Log Dam Zone":

Sample#
Width
Description
Au opt (g/t)
599250 0.4 m 30% quartz, 2% limonite, 2% pyrite in schist/amphibolite contact 201+70 N, 197+85 E **0.934 (32.02)**
599319 0.3 m 20% quartz , 1% limonite, tr. pyrite hosted in contorted amphibolite 201+60 N, 196+00 E **0.062 (2.13)**

• Sample 599319 was taken 50 metres east of Tripp Creek where geological mapping indicates a major structural break occurs. The schist- phylliteamphibolite bedrock lithology dips steeply south on the east side of Tripp Creek and dips steeply north on the west side of Tripp Creek. This structural break also coincides with the presence of increased sulphides east of Tripp Creek as demonstrated by the IP chargeability increases shown by Noranda's 1989 ground survey, and a ground magnetic low (<55,180 nT) located west of Tripp Creek, suggesting increased alteration and mineralization in the vicinity of Tripp Creek. Geological mapping near Tripp Creek shows contorted foliation and fabric, with random oriented fold hinge plunges, suggesting a complex folding and deformation history.

2002

Beau Pre Explorations Ltd completed a program of surveying and road improvement on the 'B' & 'C' Veins located on the southeast portion of the Blaze 2 claim.

• GPS and chain & compass surveying on the 'B' and 'C' vein were carried by Gordon Allen, P.Eng. The objective of the 1:500 scale surveying of the 'B' & 'C' Veins, millsite and tailings pond was to prepare the technical data needed to proceed with mining and milling approximately 1,400 tonnes from the 'B' Vein, and approximately 2,365 tonnes from the 'C' Vein. The proposal includes an open pit mining method to a depth of about 3 meters and a width of about 5 meters, with an approximate stripping ratio of 1.5: 1 (waste:ore). The waste would be used to backfill the open pit for reclamation. This proposal also includes ore processing on site, using the Micronex KDS 'sonic wave' dry separation mill.

• The physical work consisted of improving a 100 m section of the connecting road from the active logging road located north of the mill site. Ditch improvements, and the addition of coarse gravel to the road, was done by local contractors in July, 2002.

• In addition to detailed surveying of the 'B'& 'C' Veins, millsite, & tailings pond a program of geological mapping, sampling and reclamation was carried out on the Discovery West trenches located about 500 meters west of the millsite. These trenches were excavated by hand in 2001 and previously sampled. "Discovery West Zone" is the west extension of the "D" vein zone and is located 600 m west of the 'Discovery Zone'. Parallel and 50 m. north

of the "Discovery Zone-C Vein" is the "D Vein", which is localized within a fault zone along a steeply dipping amphibolite/schist contact. The 'D' Vein was observed in the 'Discovery Zone' where it was intersected by DDH 82-6A, 6, 5, & 21 with values up to 0.063 opt Au across 1.3 m. The "Discovery West Zone" is 600 meters west of the "Discovery Zone".

• The gold assays obtained from the 'Discovery West D Vein' that were taken in 2002 were similar to the results from 2001 samples. Values of 100.08 g/t Au (across a width of 0.3 m., sample taken in 2001) and 11.4 g/t Au (across a width of 1.0 m., sample taken in 2002) were taken from the same trench located on the surface trace of the "Discovery West" drill section DDH- 89-24 on L 20+350 E station 20+060 N. This 1.0 m wide zone is the surface trace of the 'D' vein. Diamond drilling by Noranda in1989 defined the 'D' vein when DDH-89-24 cut 73.31 gm/tonne Au (2.738 oz/short ton Au) at a depth of 59.15-59.52 m. The correlation of high grade gold values in drilling and trenching plot on section at the contact of Leech River Fm actinolite-chloritebiotite-quartz-carbonate-garnet-epidote amphibolite (to the north), and biotitegarnet-staurolite-andalusite-quartz schist (to the south). This contact trends at a bearing of 090, and dips -65 to -75 degrees south. The gold bearing mineralization is characterized by sparse pyrite and marcasite hosted in a sheared wall-rock with late quartz veins and quartz micro-veins. The following

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table lists significant results from 2002 field sampling of the "Discovery West Zone" and "D" vein zone:

Sample# Width Description Au g/t

T-1 C 0.2 m
D Vein: 30% quartz as concordant 0.2-12.0 cm wide
veins in shear zone, 1% limonite, 0.5% py. in unit 2
schist, strike 092, dip -80 south, trace native Au in quartz **20.60**
T-1 D 0.6 m
12% quartz as concordant 0.2-3.0 cm wide vein, 2%
limonite, 1% py. in unit 2 schist, strike 94, dip -80 south **9.640**
T-1 E 0.2 m Shear zone parallel to D Vein, 20% quartz as concordant
0.3-5.5 cm wide stringers, 2% limonite, 1% py. in unit 2
schist, strike 094, dip -79south **7.360**
T-1 F 1.5 m 5% quartz as concordant 0.3-2.5 cm wide stringers, 2%
limonite, 1% py. in unit 2 schist, strike 095, dip -77south **1.775**

• The sampling of Trench 1 outlined a 1.0 m wide zone (sample T-1C,-D,-E) with a weighted average of 11.376 g/t Au (0.332 oz/t Au). Further trenching and diamond drilling along the amphibolite-schist contact (where the 'D' Vein occurs), is planned for the 'Discovery West' Zone. Reclamation work performed on the 'D' Vein 'Discovery West' trench sites included backfill, re-contouring and seeding the hand dug excavations.

2003-2004

Beau Pre Explorations Ltd. undertook varied work programs on the Valentine Mountain Property, consisting of a baseline environmental study, a geotechnical assessment, decommissioning and reclamation report on the tailings dam, a preliminary Geographic Information System (G.I.S.) compilation, and a single 305 m. drill hole on the Discovery West Target.

• On March 4, 2003 Jacques Whitford Environment Limited submitted proposal No .BCI03006, subsequently revised and resubmitted on April 28, 2003 as proposal No.BCI60004 to Beau Pre Explorations Ltd. for baseline environmental monitoring, geotechnical assessment and decommissioning and closure for the

Valentine Mountain Property. This proposal was designed to satisfy the permit requirements issued on July 17, 2002 by the B.C. Ministry of Energy and Mines for a 3000 tonne bulk sample from the Discovery Zone proposed by Beau Pre. The proposal was approved and the work was subsequently initiated, including a site visit on December 3, 2003 by Jennifer MacLean, P.Eng. of Jacques Whitford, accompanied by Jacques Houle, P.Eng.

• In late November, 2003 Don MacIntyre, PhD., P.Geo. was engaged to commence a Geographic Information System (G.I.S.) based compilation of prioritized data from the Valentine Mountain Property. Base maps were first created using publicly available TRIM data. All survey, drill hole traces, trenches and selected geological data were scanned as raster images and/or digitized and geo-referenced to the TRIM base, beginning at the Discovery Zone area and

working westwards. This work was not completed, with considerable data left to compile digitally.

• In November, 2003 the author was engaged by Beau Pre Explorations Ltd. to advise on and to help implement renewed exploration activity on the Valentine Mountain Property. It was decided that diamond drilling of one or more priority exploration targets would be the simplest way to accomplish this objective during the winter months, while advancing the knowledge of the property. After reviewing several possible drilling targets, it was decided to test the Discovery West target with a single 1000' (305 metre) drill hole collared at -45o bearing true north, due in part to its ability to test multiple objectives, and in part to good road access during a time of potential winter snow conditions. The four main objectives of the drilling program were as follows:

o Test the projection of "C" Vein 500 meters west of the Discovery Zone and south of the collars of three north-bearing drill holes (89-22, 89-23, 89-24) completed by Noranda in 1989, and

o Test the projection of "D" Vein at depth below a previous intercept obtained by Noranda in 1989 drill hole 89-24 which yielded 73.3 g/t gold over 0.37 meters at a vertical depth of 40 meters, and below surface trenching results completed by Beau Pre in 2000/2001 which yielded 100.8 g/t gold over 0.5 meters in 2000 and 11.4 g/t gold over 1.0 meters in 2001, and

o Test the projection of "G" Vein at depth below a previous intercept obtained in drill hole 89-24 which yielded 5.21 g/t gold over 0.53 meters at a vertical depth of 65 meters, and

o Test the reported "deep" geophysical induced polarization chargeability anomaly obtained by Noranda in 1989.

• The one hole (V-04-01) diamond drilling program began in late 2003 and completed in early 2004 at the Discovery West area of the Valentine Mountain Property met its objectives, but failed to yield high gold values as hoped, yet did yield significant information as follows:

o V-04-01 intersected the "C" Vein quartz-pyrite zone 105-120 meters down-hole beneath a faulted metasandstone-biotite schist contact at a vertical depth of 70 meters yielding 289 ppm arsenic and 5.1 ppb gold over 15.0 meters, based on multi-element ICP analysis of 30 g. subsamples from split core.

o V-04-01 intersected the "D" Vein quartz-pyrite zone at 172.5-180.9 meters down-hole beneath a faulted metasandstone-amphibolite contact at a vertical depth of 100 meters yielding 0.120 g/t gold over 8.4 meters,

based on metallic fire assay with an ICP finish of 0.5-1 kg. sub-samples from split core.
o V-04-01 intersected the "G" Vein quartz-pyrite zone at 215.03-223.54 meters down-hole within the amphibolite unit at a vertical depth of 120 meters yielding 0.088 g/t gold over 8.51 meters, based on metallic fire assay with an ICP finish of 1 kg. sub-samples from split core.
o V-04-01 intersected a deep quartz-pyrite zone at 253.14-262.30 meters down-hole which may represent the I.P. chargeability anomaly beneath
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the amphibolite-biotite schist contact at a vertical depth of 130 meters yielding 53.4 ppm arsenic and sub-detection limit (<5 ppb) gold over 9.15 meters, based on multi-element ICP analysis of 30 g. sub-samples from split core.
o These results suggests a probable inclined plunge to the Discovery West Zone at depth, possibly eastwards based on similarly oriented structural indicators apparent in outcrop throughout the property. Additional drilling may be warranted to test this hypothesis.
o Pending a detailed review of the drill core from V-04-01, currently stored in a shed on the property, additional splitting and sampling of sections with elevated arsenic and/or other values obtained in the multi-element ICP analyses may be warranted.

2004-2005

In late 2004, Beau Pre Explorations Ltd. completed a 5 hole, 422.2 metre definition drilling program on the "C" vein at the Discovery Zone, bracketing the intercept from previous hole DDH 82-6 which returned 7.550 opt (258.86 g/t) Au across 0.5 m., with all five holes fanned from a single set-up. The drilling results were as follows, with piercepoint
locations relative to that from DDH 82-6:

Hole # Width Au g/t As ppm Vertical from 82-6 Horizontal from 82-6
DDH 1 1.52 0.658 353 15 metres below 10 metres east
DDH 2 1.52 0.024 457 5 metres above 10 metres east
DDH 3 1.62 2.470 1375 50 metres below 10 metres east
DDH 4 1.55 3.770 1025 15 metres below 15 metres west
DDH 5 1.37 0.768 482 10 metres below 35 metres east

It should be noted that neither these intercepts from the 2004 drilling program nor those from the previous 2000-2001 drilling program have been incorporated into the "C" Vein resource estimate at the Discovery Zone. Appendices 1 and 2 show the longitudinal section with, and without, the 2004 pierce-points, respectively.
In early 2005, the author was engaged by Beau Pre Explorations Ltd. to manage its mineral tenures covering the Valentine Mountain Property. Soon after the implementation of the B.C. Mineral Titles Online (M.T.O.) system, all the legacy claims at Valentine Mountain were converted to 4 cell mineral claims, as follows:

Tenure# Owner Map No. Good to Date Status Area (ha.)
506801 101792 (100%) 092B 2006/FEB/14 GOOD 1198.055
506812 101792 (100%) 092B 2006/FEB/14 GOOD 1561.852
506818 101792 (100%) 092B 2006/FEB/14 GOOD 1390.107
506823 101792 (100%) 092B 2006/FEB/14 GOOD 1240.915
TOTALS 5390.929

2006-2007

In February, 2006 Beau Pre Explorations Ltd. reduced cell claim 506801 to 85.578 hectares to cover only the area of the Discovery Zone, paid cash in lieu of assessment work for the reduced claim, and allowed the remainder of the cell claims to forfeit. The

area of the forfeited cell mineral claims was subsequently acquired through claim selection by several different owners, completely fractionating the former Valentine Mountain Property. No work was done by any owners during this period.

2008

In July, 2008 Mill Bay Ventures Inc. completed a prospecting, rock sampling and stream moss mat sampling program over most of the Valentine Mountain Property. The stream moss mat samples yielded a high percentage (20 of 42 = 48%) with one or more elevated metal values. These fell into two distinct populations, consisting of 11 samples (26%) which yielded elevated values in gold only (>50 ppb); and 9 samples (12%) which yielded elevated values in one or more metals including copper (>50 ppm), lead (>10 ppm), zinc (>100 ppm), nickel (>50 ppm), cobalt (>50 ppm) and/or arsenic (>50 ppm). These results suggest the presence of upstream sources of at least two distinct types of metallic occurrences, one of which is primarily gold-bearing. These appear to display two trends: one along the east-west corridor centred on the Discovery Zone, and another along a possible west-northwest northern corridor. Follow-up prospecting and more detailed stream moss mat sampling was warranted, particularly along the latter. The rocks samples yielded only 6% (4 of 67) with elevated gold values (>0.10 g/t or 100 ppb), all located within 1 km. of the Discovery Zone, of which three (3) also yielded elevated arsenic values (>100 ppm). Many of the rock samples also yielded elevated values in one or more other metals including molybdenum (>10 ppm), nickel (>100 ppm), cobalt (>25 ppm), chromium (>100 ppm) and/or tungsten (>10 ppm). The 2008 program failed to discovery any new gold occurrences in outcrop, but did confirm the presence of the east-west structural gold corridor centered on the Discovery Zone. The new logging roads provide an excellent platform for systematic deep drilling of the corridor along strike and to depth from the Discovery Zone west to the Braiteach Zone.

3.0 2009 FIELDWORK

3.1 METHODS AND PROCEDURES

A total of 3 samples of gravel-sand-silt material were collected using a grubhoe and shovel. The sample material is from the 0.1-1.0 meter deep holes to extract soil from the 'C" horizon lying directly above bedrock (avoiding organic material in the upper soil profile). The sample sites were located based on the proximity to known gold bearing quartz veins in the Discovery Zone 'C' vein (samples VPLACER09-2 and VPLACER09-3), and the Discovery West zone (sample VPLACER09-1). Approximately 4 kilograms of material was collected at each site, and placed into marked poly bags. Sample moisture which was dried using a heater. The 3 samples were shipped to Pioneer Labs, Richmond, BC for 30 element ICP and Au geochemical analysis. Each sample was screened to -80 mesh (i.e. 80 openings/square inch) and the fines were analyzed, and the coarse fraction was disposed of.

3.2 GEOCHEMISTRY

Analysis of -80 mesh fraction for 3 gravel-sand-silt samples are summarized as follows (for location see Fig 3, 4, & geochemical analysis see Appendix A):

Sample No.	Cu ppm	As ppm	Ag ppm	Au ppb
VPLACER09-1	46	835	1.6	1,380
VPLACER09-2	31	385	0.8	205
VPLACER09-3	34	775	6.1	2,870

The results suggest that the 'C' horizon of the soil profile has significant Au-As values and reflects the proximity of known lode gold-bearing quartz veins. The low base metal values (i.e. <100 ppm Cu-Pb-Zn) and elevated arsenic values suggest that the source of the gold in the 'C' soil horizon is from weathering of gold-bearing quartz-arsenopyrite lode veins in close proximity to the sample.

4.0 DISCUSSION OF RESULTS

Recovery rates for placer mining can be highly variable because washing and concentrating methods and procedures can result in loss of fine gold and/or coarse gold. Since only -80 mesh fraction was tested it is not known whether the +80 mesh fraction contained gold (although based on the close proximity to known lode gold mineralization, it is probable that the +80 mesh fraction did contain gold in similar amounts as the -80 mesh fraction).
The table for three 'C' horizon soil samples (VPLACER09-1 to 3) taken shows the variation in grams/tonne Au for the 60-100% recovery range.

% Recovery	V-PLACER09-1 Au grams/tonne	VPLACER09-2 Au grams/tonne	VPLACER09-3 Au grams/tonne
100	1.380	0.205	2.870
95	1.311	0.195	2.727
90	1.242	0.185	2.583
85	1.173	0.174	2.440
80	1.104	0.164	2.296
75	1.035	0.154	2.153
70	0.966	0.145	2.009
65	0.897	0.133	1.866
60	0.828	0.123	1.722

Quaternary ice advances from the north and northeast have deposited a 1-5 meter depth of drift throughout the region. The physiography of the Valentine Mountain plateau (at elevations above 800 meters), enhances the chances for increased thickness of drift, however glaciofluvial, glaciolacustrine and outwash Quaternary/Tertiary sediments are not present within placer tenures 575069 and 575070 (some of these features are present in the lower Jordan River about 3 kilometers to the southwest). Along the west flowing creek that runs through the tenures 575070 and the west part of 575069, there is an area of increased thickness of glacial drift (1-5 meter thickness) near the swampy sections of the creek (Fig. 4). Geochemical analysis of 3 'C' horizon soils from trenches adjacent to lode gold-bearing quartz-arsenopyrite indicate significant gold values are present. The lack of glacial sediments and lack of drift > 1 meter thick suggests that the placer potential is limited in size. It is likely that gold can be recovered from sluicing and concentrating heavies. There is a minimal amount of drift material present, and it would be difficult to extract because of terrane and vegetation, making the economics of gold extraction and recovery challenging.

Even though there is an increased thickness of drift in the valley bottom where the creek and swamp are located, these areas are difficult to work because of environmental degradation of the watercourse and wetlands.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Geochemical analysis of -80 mesh screened 'C' horizon soil from 3 areas contain values between 205-2,870 ppb Au, in areas adjacent to trenches where lode gold-bearing quartz-arsenopyrite veins occur. The Au values are significant, but placer mining of this material would be very difficult due to lack of easily accessed drift and the limited extent (5-15 m) of trenches and gold-bearing quartz veins. A fence pattern (25 m spacing) of several short 3-6 m deep churn drill holes are recommended in the area of the swamps is recommended (Fig 4). The churn drilling would test for placer Au in the low-lying areas of the placer claims. This area would be the most likely to contain a considerable amount of gold-bearing drift that can be extracted by placer mining methods.

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STATEMENT OF QUALIFICATIONS

I, Andris Kikauka, of 4901 East Sooke Rd., Sooke B.C. V0S 1NO am a self employed professional geoscientist. I hereby certify that:

1. I am a graduate of Brock University, St. Catharines, Ont., with an Honours Bachelor of Science Degree in Geological Sciences, 1980.
2. I am a Fellow in good standing with the Geological Association of Canada.
3. I am registered in the Province of British Columbia as a Professional Geoscientist.
4. I have practiced my profession for twenty years in precious and base metal exploration in the Cordillera of Western Canada, U.S.A., Mexico, Central America, and South America, as well as for three years in uranium exploration in the Canadian Shield.
5. The information, opinions, and recommendations in the Geological, Geochemical Report are based on fieldwork carried out in my presence on the subject properties during December 4, 2009 during which time a technical evaluation consisting of systematic geological mapping of placer zones located on the subject property was carried out by the writer.
6. I was employed as an independent consultant for Mill Bay Ventures Inc.
7. As at the date hereof, to the best of my knowledge, information and belief, the Geochemical Report contains all scientific and technical information that is required to be disclosed to make it not misleading.
8. Recommendations in this report are guidelines. The listed recommendations contained within this report are not intended for public financing.

Andris Kikauka, P. Geo.,

A. Kikauka

December 23, 2009

ITEMIZED COST STATEMENT-

VALENTINE MOUNTAIN PLACER PROJECT- MILL BAY VENTURES INC,
GEOCHEMICAL 'C' HORIZON SAMPLING
CARRIED OUT ON MTO PLACER TENURE NUMBERS 575069, 575070
TRIM 092B.051, VICTORIA MINING DIVISION
DECEMBER 4, 2009

FIELD CREW:	
Andris Kikauka, geologist 1 day	$ 400.00
FIELD COST:	
Pioneer Labs, 3 ICP and Au geochemical analysis	$ 97.00
Vehicle and fuel costs	38.00
Report	400.00
Total amount=	$ 935.00

Valentine Mtn Placer Claims and Minfile Occurrences

FIG. 1 VALENTINE PLACER CLAIMS 575069-70 GENERAL LOCATION MAP

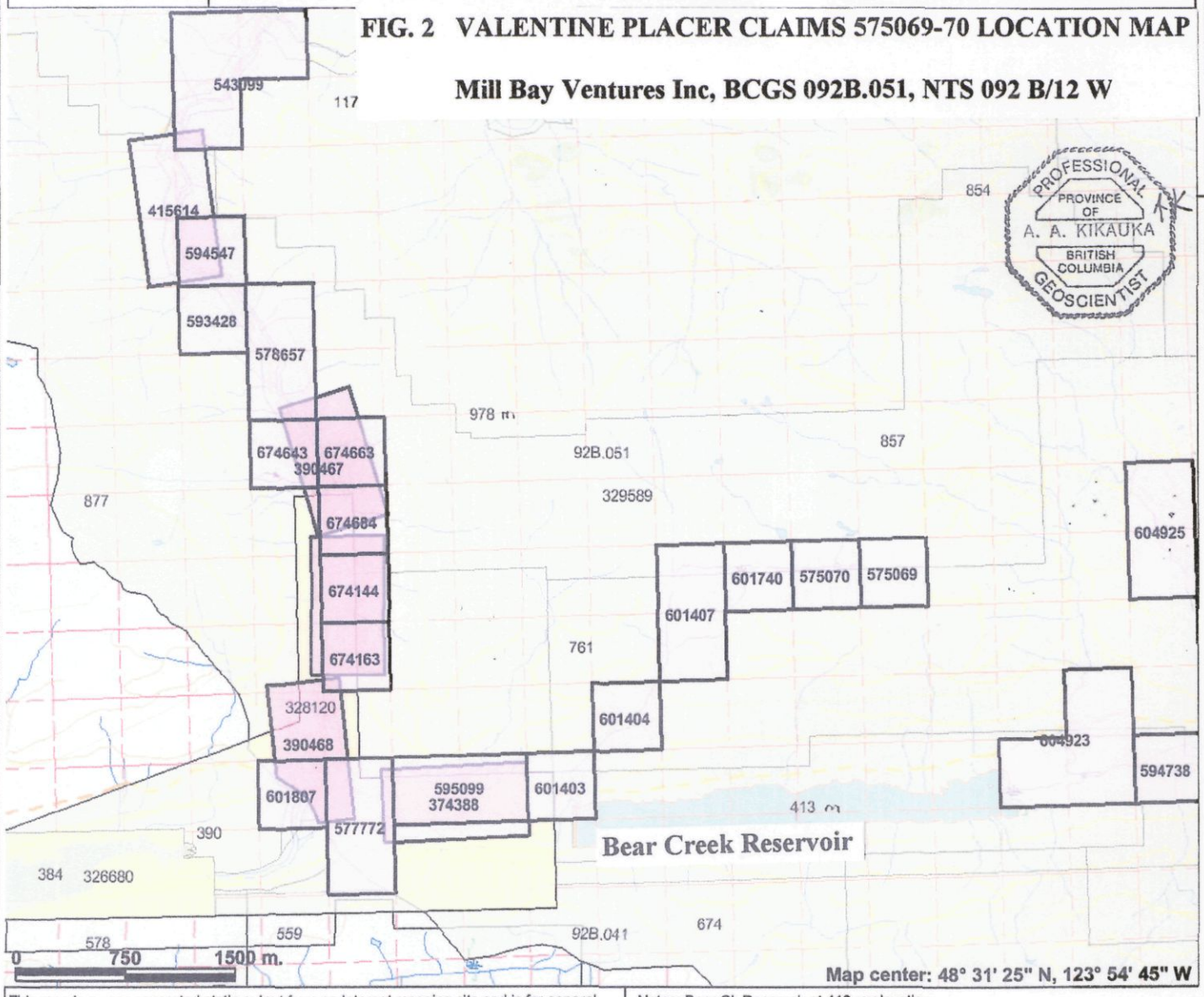
Mill Bay Ventures Inc, BCGS 092B.051, NTS 092 B/12 W

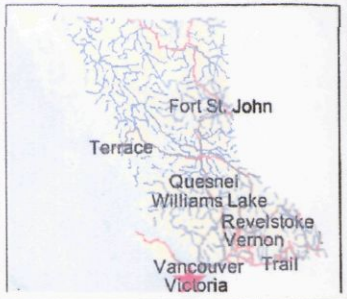
PROFESSIONAL GEOSCIENTIST
PROVINCE OF BRITISH COLUMBIA
A. A. KIKAUKA

Valentine Mountain Placer Claims

FIG. 2 VALENTINE PLACER CLAIMS 575069-70 LOCATION MAP

Mill Bay Ventures Inc, BCGS 092B.051, NTS 092 B/12 W





PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
A. A. KIKAUKA
GEOSCIENTIST

Legend

- Indian Reserves
- National Parks
- Conservancy Areas
- Parks

Placer Tenure (current)

- Placer Claim
- Placer Lease

Placer Reserves (current)

- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others

MTO Grid (MTO)

- Blocked by MEM
- Other
- Survey Parcels
- BCGS Grid

Contours (1:250K)

- Contour - Index
- Contour - Intermediate
- Areaof Exclusion
- Areaof Indefinite Contours

Annotation (1:20K)

Transportation - Points (TRIM)

- Helipad

Transportation - Lines (TRIM)

- Airfield
- Airport

Scale: 1:40,965

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

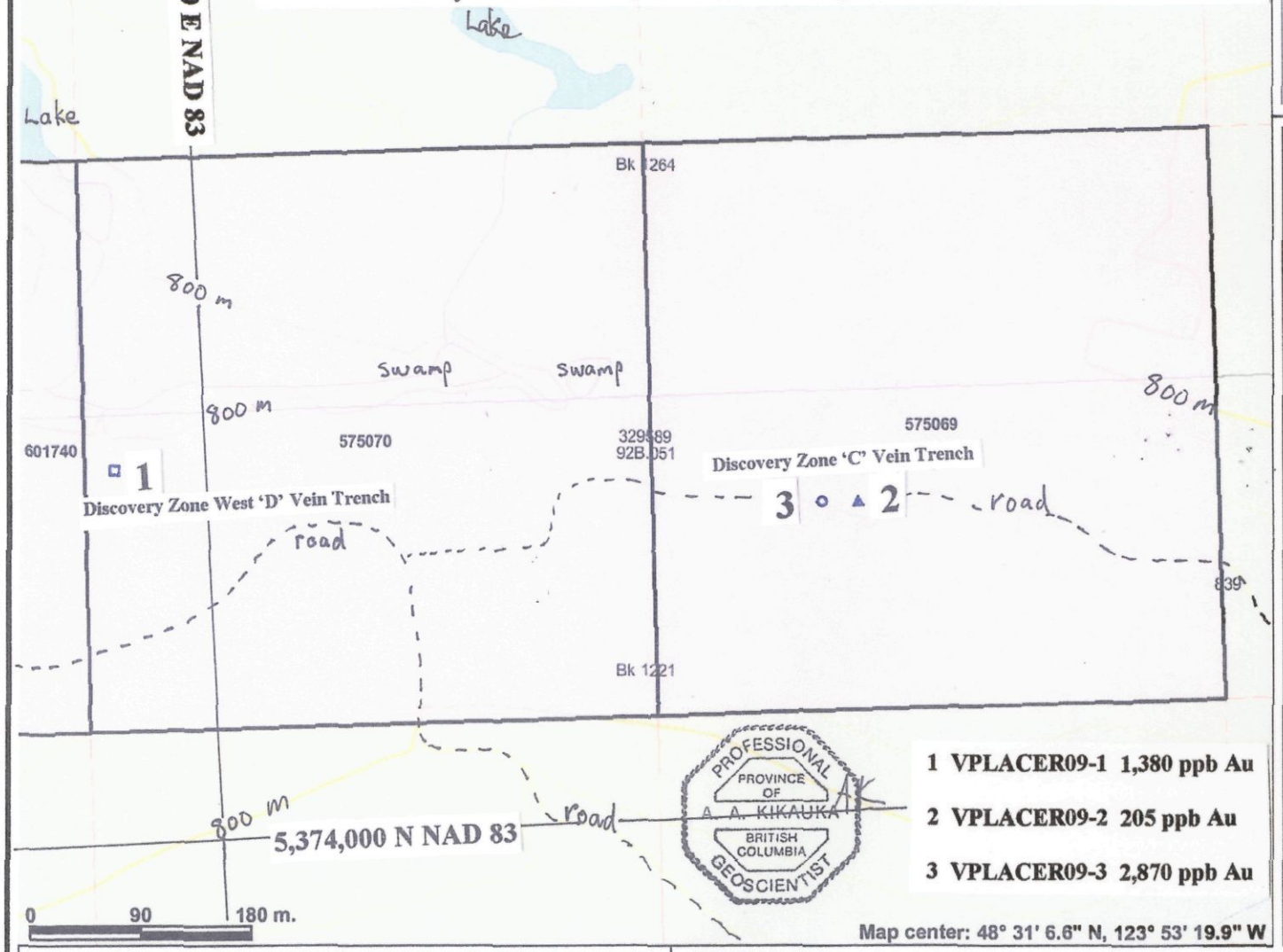
Notes: Bear Ck Reservoir at 413 m elevation
Valentine Mtn at 978 m elevation

VICTORIA, B.C.
50 Kms.

Valentine Mtn Discovery Zone Placer Claims

FIG. 3 VALENTINE PLACER CLAIMS 575069-70 SAMPLE LOCATION MAP

Mill Bay Ventures Inc, BCGS 092B.051, NTS 092 B/12 W

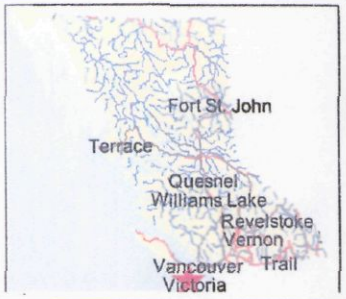


1 VPLACER09-1 1,380 ppb Au

2 VPLACER09-2 205 ppb Au

3 VPLACER09-3 2,870 ppb Au

Map center: 48° 31' 6.6" N, 123° 53' 19.9" W



Legend

- Indian Reserves
- National Parks
- Conservancy Areas
- Parks

Placer Tenure (current)

- Placer Claim
- Placer Lease

Placer Reserves (current)

- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others

MTO Grid (MTO)

- Blocked by MEM
- Other
- Integrated Cadastral Fabric
- Survey Parcels
- BCGS Grid

Contours (TRIM)

- Contour - Index
- Contour - Index.Indefinite
- Contour - Index.Depression
- Contour - Index.Depression Indefinite
- Contour - Intermediate
- Contour - Intermediate.Indefinite
- Contour - Intermediate.Depression
- Contour - Intermediate.Depression Indefinite
- Areaof Exclusion

Scale: 1:5,121

Notes: Gravel samples:
VPLACER 09-1 □
VPLACER 09-2 ▲
VPLACER 09-3 ○

Valentine placer tenures 575069-70

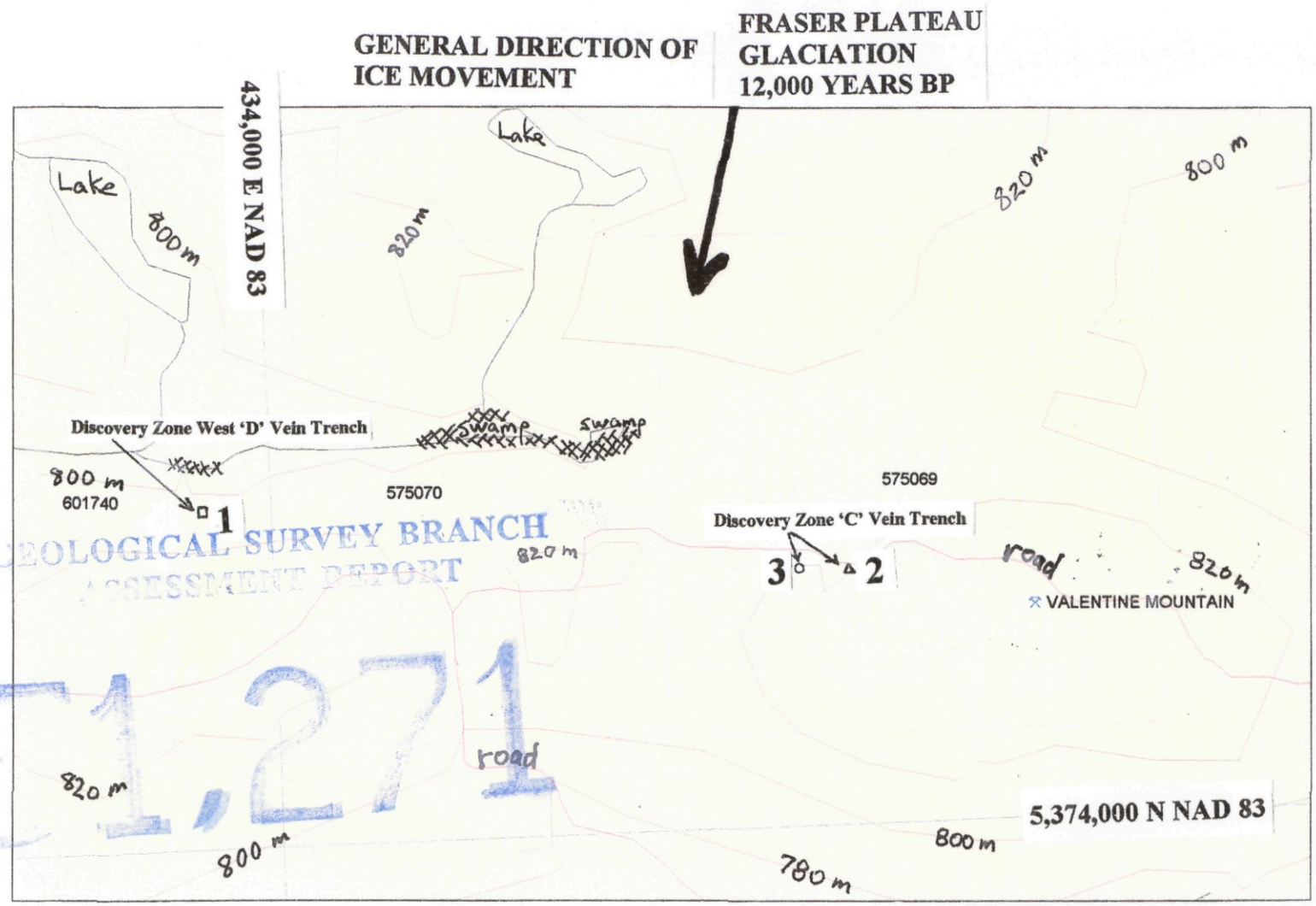


FIG. 4 VALENTINE PLACER CLAIMS 575069-70 SURFICIAL GEOLOGY

Mill Bay Ventures Inc, BCGS 092B.051, NTS 092 B/12 W

Glacial drift thickness 0-1 m, except in cross-hatched areas where it's 1-5 m thick

PIONEER LABORATORIES INC. #103-2691 VISCOUNT WAY RICHMOND, BC CANADA V6V 2R5 TELEPHONE (604) 231-8165

APPENDIX A

MILL BAY VENTURES INC.

GEOCHEMICAL ANALYSIS CERTIFICATE

Project: Valentine Mtn. Placer
Sample Type: Soils

Multi-element ICP Analysis - 0.500 gram sample is digested with 3 ml of aqua regia, diluted to 10 ml with water. This leach is partial for B, Ba, Cr, Fe, Mg, Mn, Na, P, S, Sn, Ti and limited for Na, K and Al. *Au Analysis- 20 gram sample is digested with aqua regia, MIBK extracted, and is finished by AA or graphite furnace AA.

Analyst _____
Report No. 2092520
Date: December 14, 2009

ELEMENT / SAMPLE	Ag ppm	Al %	As ppm	B ppm	Ba ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	K %	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P %	Pb ppm	S %	Sb ppm	Sn ppm	Sr ppm	Te ppm	Ti %	Tl ppm	V ppm	Zn ppm	Au* ppb
VPACER 09-1	1.6	1.66	835	<5	342	<10	.18	2	15	86	46	3.90	.94	.95	577	4	.06	19	.07	24	.20	6	<2	30	<5	.13	14	77	96	1380
VPACER 09-2	.8	1.74	385	<5	294	<10	.12	2	7	89	31	3.58	.78	.81	331	1	.05	14	.05	11	.10	<2	<2	28	<5	.13	16	71	60	205
VPACER 09-3	6.1	2.85	775	<5	403	<10	.12	2	8	144	34	4.36	1.01	1.00	426	5	.07	26	.07	20	.02	2	<2	32	<5	.14	<5	102	77	2870