

Geophysical and Geological Assessment Report

on the

Rossland Property

6 Mineral Claims
located in the

**BC Geological Survey
Assessment Report
31607**

Nelson Mining Division

British Columbia

NTS 82F/6E

UTM: 441172mE, 5433274mN, Zone 11
49.05° North Latitude, 117.81° West Longitude

Prepared for

YELLOWSTONE RESOURCES LTD.

by

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Vancouver, BC

July 27, 2010

SUMMARY

The Rossland Property consists of 6 mineral claims covering approximately 1546 hectares. The registered owner of 100% of the claims is Yellowstone Resources Ltd. of White Rock, B.C.

The property is located 3 kilometres south of Rossland and is 10 kilometres southwest of Trail, BC. This area is gifted with a rich infrastructure network including an extensive transportation hub, local heavy industry services, major electrical power dams located near the property and the Teck-Cominco zinc smelter located in Trail.

The Rossland gold camp is historically the second largest gold producer in British Columbia. Mineralization in the Rossland camp consists predominantly of pyrrhotite-rich quartz veins containing up to 70% sulphides found along faults intersecting augite porphyry or diorite porphyry intrusions. The Rossland property is located in the immediate vicinity of several past producing mines. Historical production from the Centre Star, Le Roi and War Eagle Mines totalled 2,706,000 ounces of gold, 3,300,000 ounces of silver and 100,000 tons of copper from 5.9 million tons of ore.

The claims were originally staked in 1982 to cover electromagnetic conductors outlined by an airborne geophysical survey that coincided with favourable geology similar to that of the Rossland gold mining camp. Ground surveys conducted in 1983 and 1986 outlined coincident anomalous gold and base metals in the soils with electromagnetic inferred conductors and magnetic highs.

The Rossland Property is underlain mainly by Rossland Group volcanic and sedimentary rocks. Grey to black siltstone and argillite underlie the area where the most prominent airborne electromagnetic anomalies occur.

The purpose of the 2010 exploration program was to expand geophysical surveying over favourable areas, locate past grid areas and map trails and road-cuts in the survey area. The survey was conducted from April 5th to 10th, 2010. Much of the ground was covered with snow during the time the author visited the property.

The results of the survey confirmed earlier work and further delineated anomalous zones. Several areas warrant further investigation. A soil sampling program is recommended to pinpoint the source of the anomaly, followed by trenching.

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1.0 INTRODUCTION AND TERMS OF REFERENCE

The author was contracted by Yellowstone Resources Ltd. (the Company) to conduct geophysical exploration and write an Assessment Report on the Rossland Property (the Property). This report summarizes the work performed on the Property from April 5th to 10th, 2010. Sources of information included available published sources, including industry assessment reports on the Property and on the general area, as well as unpublished reports that were made available to the author by Yellowstone Resources Ltd.

2.0 RELIANCE ON OTHER EXPERTS

The author has personally visited the Property and supervised the work performed for submission in this report. The author has also relied on the truth and accuracy of the aforementioned private and public data in the preparation of this assessment report.

3.0 DISCLAIMER

The author is not responsible for previous data collected and prepared by others. With respect to mineral tenure information for the subject claims, the author has relied solely on the information available for public access on the Mineral Titles Online website and the disclaimers associated with this site.

4.0 LOCATION, ACCESS, CLIMATE, PHYSIOGRAPHY AND INFRASTRUCTURE

4.1 LOCATION

The Rossland Property is located in the Kootenay region of southern British Columbia (Figure 1). It is composed of 6 contiguous mineral claims, situated within the Trail Creek Mining Division.

The centre of the claims are situated approximately 3 kilometres south of Rossland, B.C. on NTS map sheet 82F04. The geographical centre of the property is 49.05° north latitude and 117.81° west longitude, or at UTM coordinates 441172mE and 5433274mN, Zone 11.

4.2 ACCESS

The property is easily accessible. The paved Highway 22 heading south of Rossland enters the property 1.5 kilometres from the junction with Highway 3B, and well maintained gravel roads provide access to the eastern claim blocks located south of



FIGURE 1: LOCATION MAP

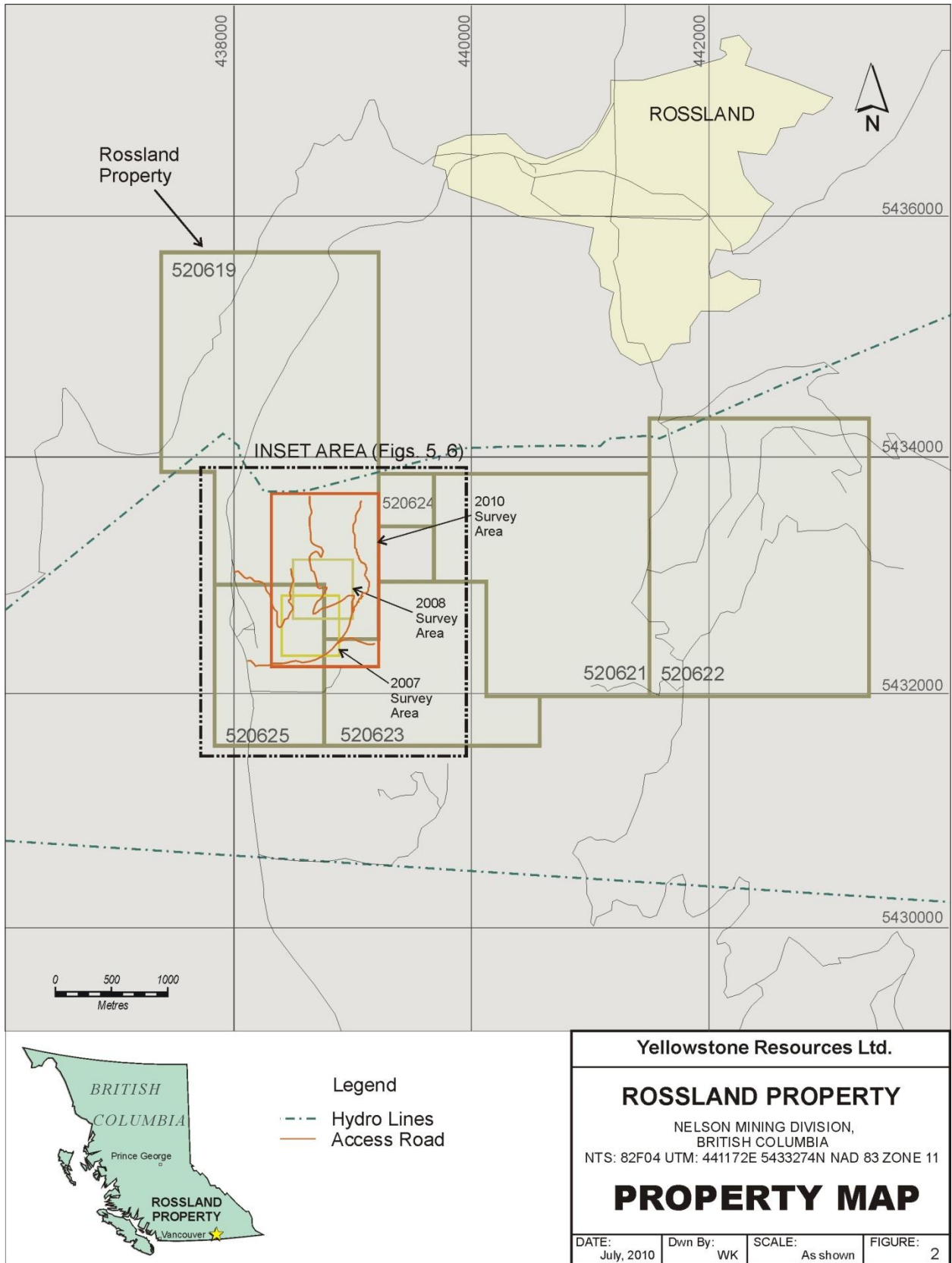


FIGURE 2: PROPERTY MAP

town. A good quality logging trail provides access to the area of interest approximately 5.35 kilometres from the junction with Highway 3B.

The area examined during the spring 2010 program is cut by numerous logging roads and mining trails providing potential access to most of the area examined (Figure 2). Most of the trails are moderately overgrown with small bushes and trees; rehabilitation of the roads could be done simply by brushing out the new growth. In good weather the main roads are accessible by two wheel drive, but a four-wheel drive vehicle is recommended to fully access the property. A quad would be very useful in any program conducted in this area, as many of the trails would not need rehabilitation to be accessible to a quad.

4.3 CLIMATE

The climate in the Rossland area is boreal forest, changing to subalpine as elevation increases. The climate of the region is typical of south-central British Columbia with hot, dry summers (June to August) and mild winters (November to April). Winter temperatures dip to -10°C in January, while summer temperatures average 25°C . Annual precipitation is 917 millimetres with the main accumulations from November to February in the form of snow. July and August are typically the driest months.

Snow-free exploration can generally be conducted on the property from early to mid-May until late October.

4.4 PHYSIOGRAPHY

Topography on the property is moderate. Elevations vary from 600 metres above sea level along Little Sheep Creek to 1300 metres on the southern flank of Tamarak Mountain. Slope gradient varies from gentle to moderate.

Extensive logging has been conducted throughout the area, resulting in tangled slopes of deadfall and brush in old clear-cut areas and basically untouched stands of old growth forest in other areas. The resulting vegetation consists predominantly of secondary growths of balsam, fir, cedar, jack pine, spruce, birch and alder. Primary stands of mature cedar can be found in the old growth areas.

4.5 INFRASTRUCTURE

The property is situated approximately 10 kilometres southwest of Teck Cominco's lead-zinc smelter complex in Trail, BC. Rossland and Trail, both historic mining centres, are able to provide all the services needed to support work on the Rossland Property.

The region is a major producer of hydro-electrical power, and three electrical power dams are located on the Pend d'Oreille River to the southeast of the property. Seattle City Light's Boundary Dam is located immediately across the border where the Pend d'Oreille loops into Canada. BC Hydro's Seven Mile Dam is located on

southeast of Trail, and Tech Cominco's Waneta Dam is located just before the river re-enters the USA. High voltage power lines pass through the property.

Creeks on the property are able to provide ample water for drilling during the summer months.

5.0 STATUS OF MINERAL TENURE

Yellowstone Resources Ltd. is the registered owner of a 100% interest in 6 contiguous mineral claims totalling 1545.55 hectares in the Nelson Mining Division of British Columbia (Figure 2). Claim information is summarized in Table 1. The claims had been staked using the traditional system of physical demarcation of claim boundaries on the ground, and were later converted to cell claims. The Rossland Property claims are presently all in good standing. There are several Crown Granted Claims shown on the government maps, mainly along the northern portions of the claims. The status of these has not been checked by the author and is unknown.

TABLE 1: Claim Information

Claim Name	Tenure Number	Area (Ha)	Expiry Date*
	520619	486.85	22 April, 2012
	520621	296.43	12 November, 2011
	520622	423.46	12 November, 2011
	520623	190.59	22 April, 2012
	520624	21.17	22 April, 2012
	520625	127.05	22 April, 2012

*Pending acceptance of this report

Cell claims as they are defined in B.C. can consist of between one and twenty-five individual contiguous cells. Each individual cell is defined on the map by lines of latitude and lines of longitude, covering approximately 21 hectares in the area of the property. Cells decrease in size as the lines of longitude converge as one goes northward, reducing to a size of approximately 16 hectares at the north of the province. Acquisition and maintenance charges are based on the area of each particular claim.

Fieldwork conducted on the claims can be applied to hold the claims in good standing up to a maximum of ten years from the date of application. If no work is performed, cash may be paid in lieu. In British Columbia, work performed on a claim must equal or exceed the minimum specified value per hectare; excess value of work in one year can be applied to cover work requirements on the claim for **additional years. During the first three years of a claim's existence, the minimum work value is \$4 per hectare (plus an additional \$10 per unit recording fee); this amount increases to \$8 per hectare after the third year.**

Crown granted mineral claims (Crown grants) in B.C. are similar to patented claims in other jurisdictions; some of the older ones may include some surface and timber rights. Crown grants do not have an expiry date but are kept in good standing by paying an annual tax of \$1.25 per hectare. Full size Crown grants in B.C. are up to 25 hectares. Work values are the same on a claim regardless of whether a portion of the cell claim is occupied by one or more Crown grants. The claim holder does not own rights to minerals within the Crown grant by staking the claim. Mineral rights may be obtained by purchasing the Crown grant from the owner, or by entering into an option deal.

With respect to mineral tenure information for the subject claims, the author has relied solely on the information available for public access on the Mineral Titles Online website and the disclaimers associated with this site.

6.0 PROPERTY HISTORY

The Rossland mining camp was the second largest gold mining camp in British Columbia in terms of recorded gold production. The total camp production, mainly between 1895 and 1937, was 2.7 million ounces of gold and 3.3 million ounces of silver from 5.9 million tons of ore. The average grade of the ore was 0.47 ounces of gold per ton, 0.60 ounces of silver per ton and about 1% copper. Most of the production came from the Le Roi, Centre Star, War Eagle, and Josie mines. Molybdenum was also produced from Red Mountain, which is located in the area, during the period 1966 to 1971.

An airborne electromagnetic survey conducted in 1981 by Rubicon Resources Ltd. outlined a number of electromagnetic anomalies in the area. In the same year a geochemical survey outlined a number of gold anomalies.

The area covered by the Rossland Property was originally staked in 1982 and 1983 by Jero Resources (Figure 3), to cover an area of favourable geology that correlates with the electromagnetic anomaly outlined in the airborne survey. Preliminary geological fieldwork and geophysical and geochemical surveys on the claims indicate anomalous gold in soil samples and geophysical anomalies trending northeast-southwest. Since 1982 preliminary ground geophysical, geological and geochemical surveys have been conducted over various parts of the claims.

The Rossland claims are 100% owned by Yellowstone Resources Ltd. The claims were originally staked for Jero Resources Ltd, which subsequently amalgamated with Gunsteel Resources Inc in 1985. Gunsteel was the beneficial owner of these properties until 2008, when they were acquired by Yellowstone Resources in return for Yellowstone shares. This was part of a larger agreement whereby Gunsteel Resources Inc., Nugget Mines Ltd., and Goldrich Resources Inc. placed all their mineral assets into Yellowstone Resources in return for Yellowstone shares, effectively consolidating all the mineral assets into one company.

The claims were all changed from the old four post Legacy claims to the new Cell claims on September 30, 2005.

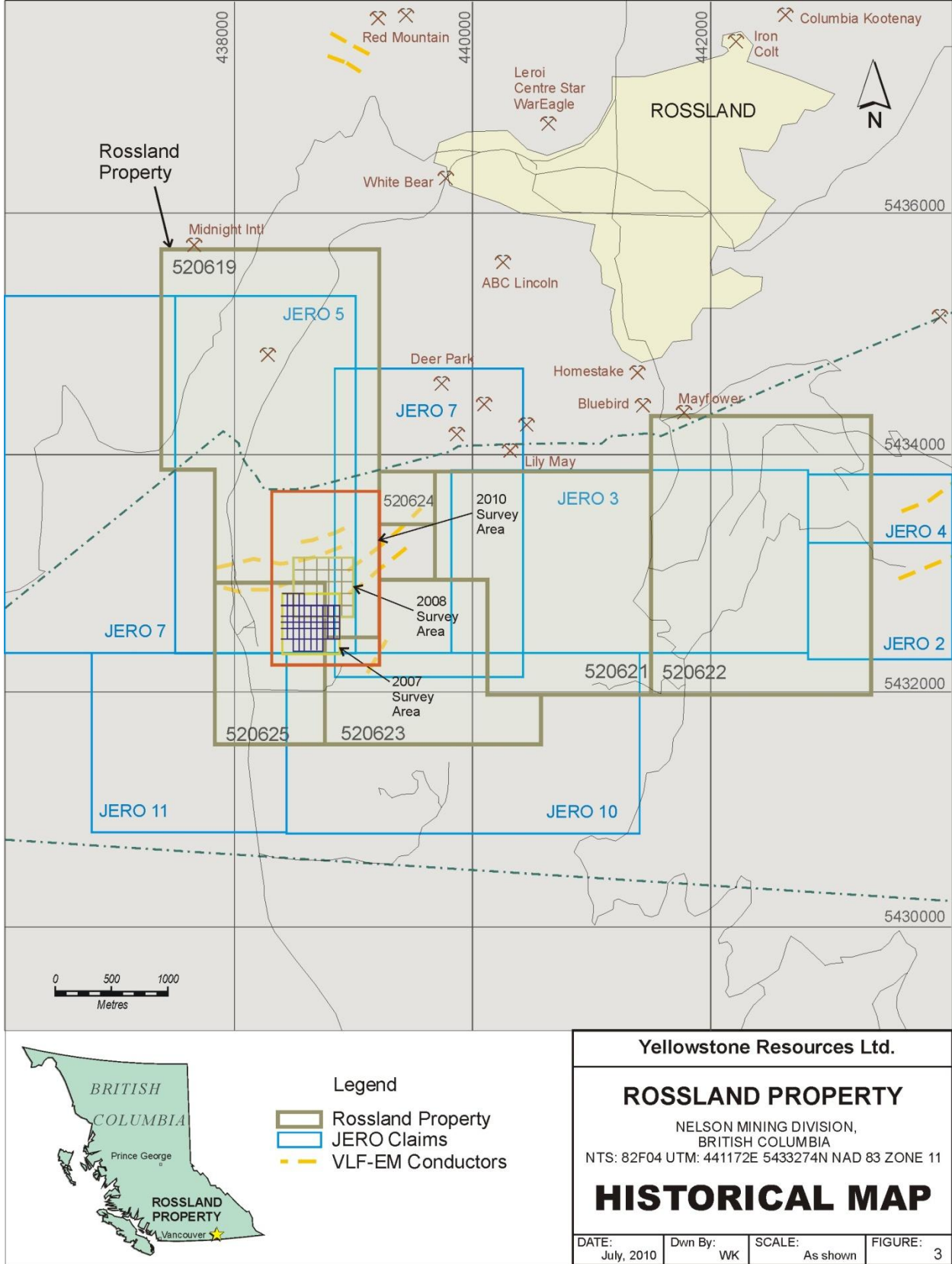


FIGURE 3: HISTORICAL MAP

6.1 RECENT HISTORY

The work history on the property is based on information filed with the Ministry of Mines through assessment reports filed since the property was staked by Jero Resources.

Following the acquisition of the property the year previous, Jero ran two VLF-EM lines across the Jero 2 and 4 claims in 1983. The purpose of the survey was to carry out a preliminary evaluation of airborne electro-magnetic anomalies obtained by Rubicon in 1981. Additionally, three lines of geochemical sampling were undertaken to provide a preliminary assessment of the claim area.

In 1986, an electromagnetic ground survey of the south end of previous lines was completed, and soil sampling was conducted on the southern portion of the JERO 5 claim. A total of 31 soil and 3 rock samples were collected.

During February 1989, a total of 2.2 kilometres of magnetometer data and 1 kilometre of VLF data was collected over the Jero 10 and Jero 11 claims. The surveys were performed on a grid emplaced in the 1986 exploration program, with an additional 350 metres of line added to a grid. The baseline (1.1 kilometres) for the grid established during the 1986 work program was surveyed with a magnetometer. This data was used to correct data gathered in 1986 for diurnal variation.

An anomalous magnetic high coincident with a VLF-electromagnetic anomaly and a gold anomaly in the soils that was identified during this program. A second magnetic high was identified which was coincident with gold, silver and lead anomalies in soil and was proximal to a VLF-electromagnetic anomaly.

Several magnetic highs were identified within the survey area. These highs are significant, as they could be related to pyrrhotite-rich areas which have been associated with gold-copper deposits in the Rossland Camp.

During the winter of 1990, a total of 7.8 kilometres of grid was established and 6.0 kilometres of VLF data collected on the JERO 3 claim. Four weak anomalies striking less than 200 metres were found in the VLF data.

The 2006 field work continued the earlier work on the south portion of the claims, and consisted of 120 geochemical soil samples on 25 metre spacing on a grid spaced 100 and 50 metres apart.

The soil geochemical survey outlined anomalous gold. The anomalies seem to be clustered around the eastern central area of the grid although several single point anomalies occur throughout. The results appear to agree with past work over the claims. There appears to be no correlation between gold and any other element.

In 2008, field work consisted of 141 geochemical soil samples on 25 metre spacing on a grid spaced 100 metres apart. Results confirmed earlier findings of anomalous gold values in the soils.

7.0 REGIONAL GEOLOGY

The Rossland Property is located within the southern part of the Kootenay Arc, a north-south trending, curvilinear belt of complexly deformed sedimentary, volcanic, and metamorphic rocks extending some 400 kilometres from Colville, Washington to the vicinity of Revelstoke, B.C., a distance of several hundred kilometers (Figures 4a, 4b). The Kootenay Arc lies between the Proterozoic Purcell Belt metasediments to the east, and the Shuswap Metamorphic Complex and the Nelson Batholith to the west. These rocks occur as a broadly conformable, thick succession of sediments and volcanics ranging in age from the earliest Cambrian in the east to late Mesozoic in the west. This miogeosynclinal suite of rocks is locally intruded by acidic phases of the Nelson Plutonic series.

The belt is characterized by open to isoclinal north-trending folds in the oldest sedimentary rocks which contain stratiform zinc-lead-silver deposits in Cambrian limestones and dolomites and gold deposits in quartz veins filling late crossfaults.

8.0 PROPERTY GEOLOGY

The Rossland Property lies to the south of the Rossland gold camp and is largely covered by overburden. Previous reports indicate outcrops are confined to road cuts and a few steeper slopes. According to Fyles (1984), the claims are underlain by sedimentary and volcanic rocks of the Rossland Group. Grey to black siltstone and argillite underlie the east central part of the map area where the most prominent airborne electromagnetic anomalies occur. Pyrite and/or pyrrhotite occur in trace to minor amounts in the green volcanics, the massive greenstones and in the siltstones. They are grey to green in color and commonly contain feldspar phenocrysts. Volcanic breccias, agglomerates and sandstones are also common. The volcanic and sedimentary rock are bleached or silicified.

A few dikes or small bodies of coarse-grained hornblende syenodiorite were also noted on the property (Allen, 1986).

During the 2010 program, no geological features were mapped or observed due to a combination of snow cover at altitude and overburden elsewhere.

9.0 DEPOSIT TYPES AND MINERALIZATION

The gold deposits of the Rossland camp occur in a complex environment in which major volcanic, sedimentary and intrusive rocks occur. The oldest rocks are the Carboniferous Mount Roberts Formation which consists of siltstone, sandstone, conglomerate and minor limestone. They are overlain by volcanic rocks and interbedded sediments of the Jurassic Rossland Group. Irregular bodies and dykes of augite porphyry were apparently coeval with the Rossland volcanics. These rocks

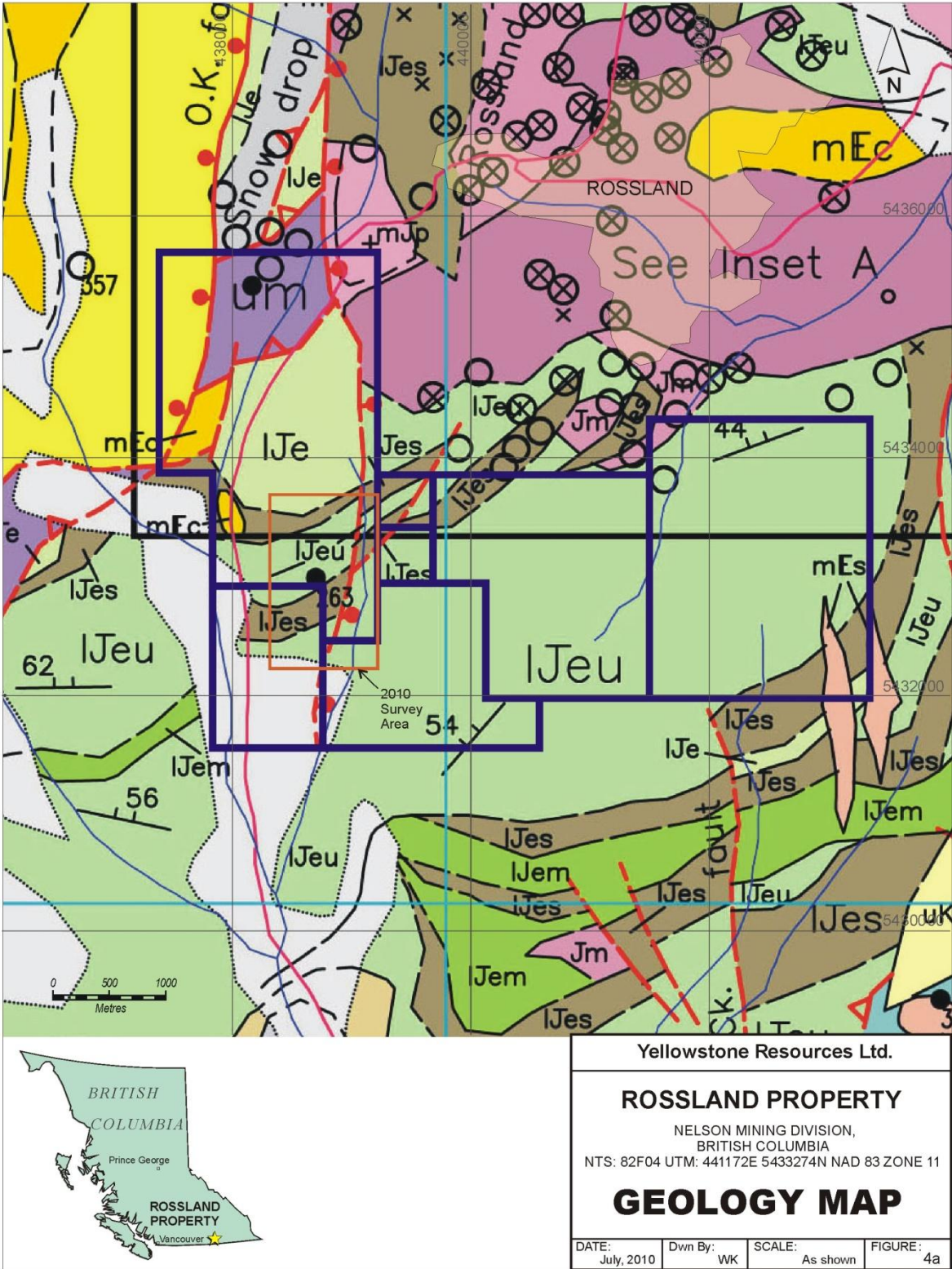


FIGURE 4A: GEOLOGY MAP



Geoscience Map 1998-1
**GEOLOGICAL COMPILATION
 OF THE TRAIL MAP-AREA
 SOUTHEASTERN
 BRITISH COLUMBIA**



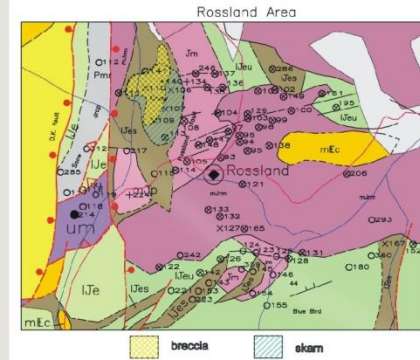
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Compiled by:
 Höy, T. and Dunne, K.P.E.



LEGEND	
CENOZOIC	
Tertiary	EARLY JURASSIC
Tr Tertiary dike	Jr ROSLAND GROUP matrix to intermedial flows and tuffs, tuffites, argillaceous siltstone, turbidite siltstone and shale, minor gabbro conglomerate and subvolcanic intrusions
Tr non-banded-feldspar and hornblende porphyries	Jh HILL FORMATION argillite, calcareous siltstone, minor pelitic conglomerate and carbonate
MEC MIDDLE EOCENE MEC COPWELL INTRUSIVES sulfide epithermal, biotite - augite monzonite, micro-syenite, "Meig"-granite, gneissoidal	Jb BLUE FORMATION mafic flows, pyroclastic breccia, mafic to intermediate tuffs, tuffites
mE MIDDLE EOCENE mE SHELBOURN INTRUSIONS granite, mylonite dike	Jes JESSE Dike sedimentary rock, argillaceous siltstone
mE MARION FORMATION middle flow, minor tuff, tuffaceous sandstone and tuffaceous conglomerate	JLc Lower Elze Formation basaltic to andesitic agate, crystal and fine tuff, mafic flows, tuffaceous siltstone and conglomerate, laminaritic flow
E EOCENE - PALEOCENE E Kesteven biotite quartz monzonite, granite	JLd Lower Elze Formation basaltic flow and fine basaltic, basaltic pyroclastic breccia, minor basaltic to andesitic agate and fine tuff
P PALEOCENE P K-feldspar megacrystic biotite-hornblende quartz monzonite	JLs ARCHIBALD FORMATION argillite, turbidite siltstone, calcarenite and minor massive siltstone
MESOZOIC	EARLY JURASSIC AND LATE TRIASSIC (?)
LATE CRETACEOUS	Lj TRAIL GROUP argillite, siltstone, grit, impure limestone, minor chert, wack, generally rusty-weathering
U UPRIGHT BATHOLITH coarse conglomerate with quartzite and/or siltstone clasts, minor argillite	DEVONIAN TO EOCENE (?)
EC EARLY CRETACEOUS EC granite, quartz porphyry, granitic gneiss; qz-kinked pluton, kimberlite gneiss	U TRAIL DRESSES amphibolite and biotite gneiss, hornblende gneiss, minor schist, pegmatite and sulfide
M MIDDLE TO EARLY JURASSIC mE NELSON INTRUSIONS rhyolite basalt, basaltoid (m.b.), feld (m.b.) and mafic (m.b.) siltstone; porphyritic granite, granodiorite, quartz monzonite, biotite, minor dike, primary and breccia	DEVONIAN (?)
EM EARLY TO MIDDLE JURASSIC EM ROSLAND MONZONITE biotite/sulfide-augite monzonite, monzonite	ES EASTERN ONES COMPLEX heterogeneous hornblende schistite, quartz-feldspar porphyry, amphibolite, calc-silicate gneiss, orthogneiss
SK SILVER KING INTRUSIONS gneissoidal porphyry (monzonite)	DEVONIAN
FC FAYE CREEK PLUTONIC COMPLEX diorite, gabbro, mafic-diorite, syenonite, monzonite	SD JOHNSON CREEK PLUTON trondhjemite
Mt METAGABBRO; monzonite, diorite	
	PALEOZOIC
	ULM ULTRAMAFIC ROCKS serpentinite, minor dunite
	PENNSYLVANIAN TO PERMIAN
	Pr MOUNT ROBERTS FORMATION siltstone siltstone, argillite, silt chert, minor sandstone, chert limestone or dolomite
	LATE MISSISSIPPIAN TO LOWER PERMIAN
	Mm MILFORD GROUP siltstone argillite and phyllite, gray limestone, chert
	CARBONIFEROUS
	C argillite, silt argillite, siltstone, minor limestone (possibly equivalent to Pm)
	EARLY PALEOZOIC
	IP JARDINE GROUP quartzite, schist, argillite, slate, limestone, minor gneiss members, may include M
	EARLY AND (?) MIDDLE CROCOWAN
	OC ACTIVE FORMATION biotite argillite, slate, quartzite
	MIDDLE CAMBRIAN
	ML HELWY FORMATION black limestone, calcareous argillite, slate, and phyllite
	EARLY CAMBRIAN
	LC LAD FORMATION phyllite, argillite, schist, micaceous quartzite, Beave (Balsford) limestone member
	EARLY CAMBRIAN TO NEOPROTEROZOIC
	CH HAMIL GROUP argillite, micaceous argillite, quartzite, argillaceous quartzite, feld and quartzite (large formations)
	PRECAMBRIAN
	W WINDERMERE SUPERGROUP gne and quartzite, minor garnet, limestone, argillite and phyllite, minor conglomerate, feld, basalt and Mn-rich Ferruginous
	ULM ULTRAMAFIC ROCKS serpentinite, minor argillite, limestone

SYMBOLS	
limit of exposures	ULM
geological contact (defined, approximate, assumed)	-----
fault (defined, approximate, assumed)	-----
river/stream/creek	~~~~~
highway/major road	=====
fault: thrust, overturned, normal, early/late	-----
shear zone, upper limit of shear strain	-----
Sense of motion	-----
anticline: upright, overturned	-----
syncline: upright, overturned	-----
bedding (inclined, vertical, overturned, tops unknown)	-----
cleavage, foliation	-----
carbonate replacement	•
massive sulphide	▲
vein	○
vein: Au-Cu	⊗
skarn	x
porphyry	+
unknown	•
industrial mineral	•



Yellowstone Resources Ltd.

ROSSLAND PROPERTY

NELSON MINING DIVISION,
 BRITISH COLUMBIA
 NTS: 82F04 UTM: 441172E 5433274N NAD 83 ZONE 11

GEOLOGY LEGEND

DATE: July, 2010	Dwn By: WK	SCALE: As shown	FIGURE: 4b
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FIGURE 4B: GEOLOGY LEGEND

are intruded by five groups of plutonic rocks: The Rosslund monzonite, the Trail batholith (granodiorite), Coryell intrusions (syenite), Rainy Day stock (quartz diorite) and a large number of dykes including diorite, lamprophyre, syenite, and quartz feldspar porphyry (Allen, 2008).

Thorpe (1973) has defined three zones: central, intermediate and outer. Veins of the central zone have a high chalco-pyrite content and gold/silver ratio. Veins in the intermediate zone are characterized by a wide range of mineralogies including pyrrhotite, chalcopyrite, arsenopyrite, pyrite, molybdenite, cobaltite, gold bismuth and bismuth and bismuthinite. Veins in the outer zone contain sphalerite, galena and tetrahedrite and have a lower gold/silver ratio (Sykes, 1990).

The molybdenite deposits on Red Mountain occur in brecciated granodiorite, and hornfelsic and skarny sedimentary rock of the Mount Roberts Formation. Mineralization consists of irregularly distributed disseminations and veinlets of pyrrhotite, pyrite, magnetite, molybdenite, scheelite and chalcopyrite (Eastwood, 1966; Fyles, 1967; Hainsworth, 1966). Appreciable amounts of gold are reported in these deposits (Sykes, 1990).

10.0 2010 EXPLORATION

Exploration work was conducted on the property from April 5th to 10th, 2010, and consisted of establishing a grid and conducting a geophysical magnetometer and VLF-EM survey (Figure 5). A baseline was established at 090°, running roughly along the northern limit of the 2008 survey. Lines were spaced 100 metres apart and surveyed in using a handheld GPS. Stations were created every 12.5 metres along the lines. In total, 8.4625 line kilometres of grid was established on the property. A Gem GSM-19 Overhauser VLF Walking Magnetometer unit was used to conduct the survey, which can take simultaneous magnetic and VLF-EM readings. Due to some equipment problems as well as time and budgetary constraints, it was not possible to conduct both surveys over the entire portion of the grid.

Roads and several other features in the field were surveyed in using a handheld GPS (Figure 5). Previous hand-drawn maps from old reports were digitized and the **new surveyed base was used to create a 'best fit' compilation of previous work on the property.**

A total of 5.7375 line kilometres of geophysical magnetometer survey was conducted. A base station was not used to correct the data. While conducting the survey, loops were performed to close lines and correct the data. Results of the magnetometer survey are presented in Appendix I, both in profile form and contoured.

In general, VLF-EM anomalies are caused by relatively conductive zones in the earth's crust (i.e. shear zones or massive sulphides). VLF-EM anomalies which are coincident with magnetic highs are likely massive sulphides with a high percentage of pyrrhotite or magnetite. The VLF-electromagnetic method utilizes an

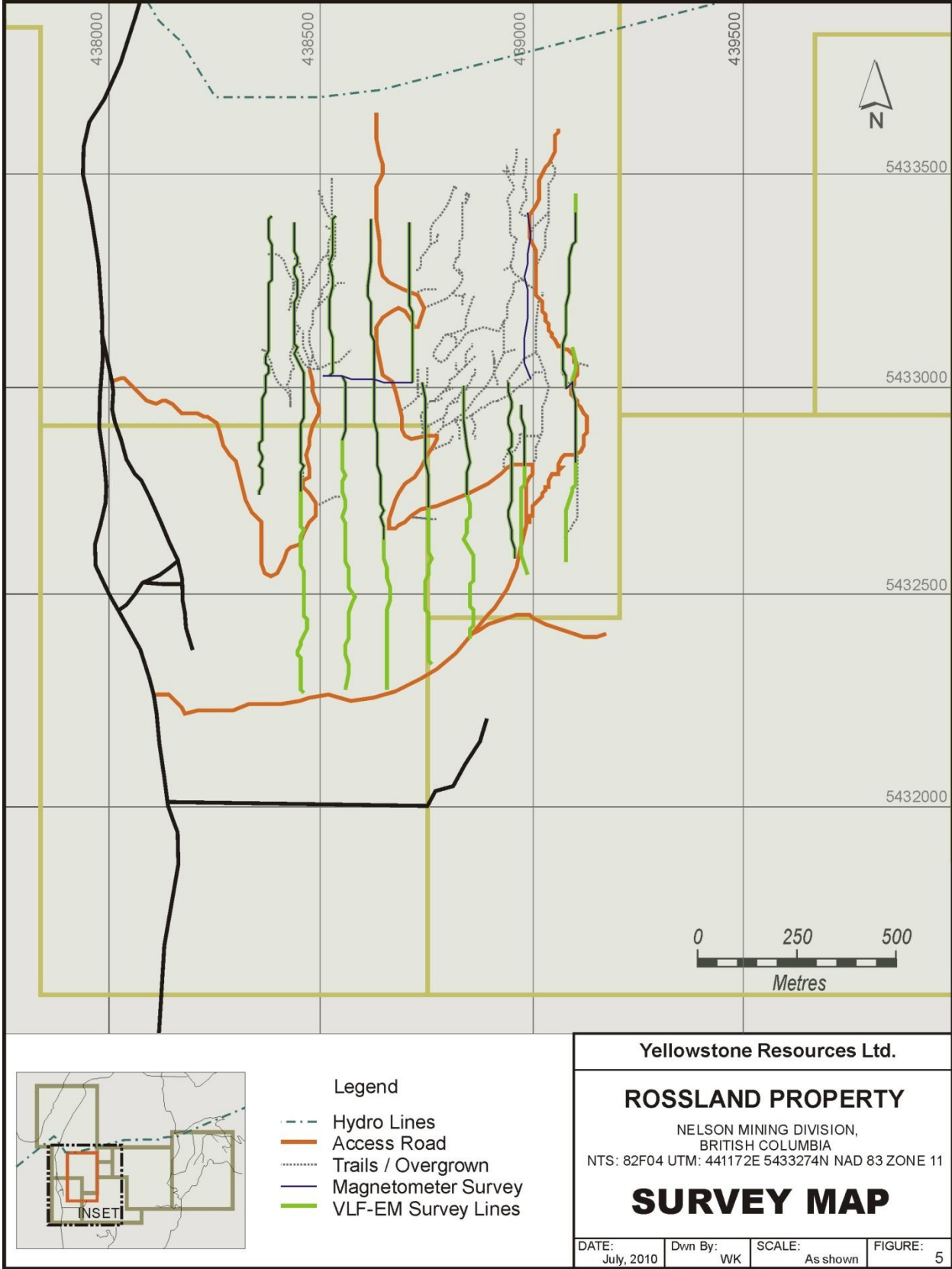


FIGURE 5: SURVEY MAP

electromagnetic field transmitted from radio stations in the 3 to 30 kilohertz range (a long range submarine communication signal). The magnetic field transmitted from the station will be horizontal. Conductive bodies (such as the presence of massive sulphides or fault structures) in the earth's crust will create a secondary magnetic field. By measuring various parameters of the vertical component of the secondary field, conductive zones can be located and to a degree, evaluated.

Three stations were used for the VLF-EM survey: Hawaii (21.4 kHz), Cutler (24.0 kHz) and Seattle (24.8 kHz). The instrument measures the in-phase and quad-phase of a vertical magnetic field as a percentage of the horizontal primary field with a resolution of 1%. The in-phase percentage has been converted to a dip angle (the arctangent of the in-phase percentage divided by 100) and then Fraser-filtered. Conductive zones are interpreted to underlie the point on a traverse line where changes in in-phase and quadrature percentage occur. The Fraser filtered values will show high positive values at this point.

A total of 8.0625 kilometres of VLF-EM was conducted over the Property. The results are presented in Appendix II.

11.0 OTHER RELEVANT DATA

During the course of the survey in 2010, the author discovered apparent geological workings on the property which do not appear to be referenced in the literature. Personal discussions with the Company indicated no knowledge of any such work being performed on the Property. The nature and origin of these features remains unknown.

A small pit was located in a mineralized rock exposure along the baseline, and more significantly, what appeared to be a small adit was located along the north-eastern portion of the grid (Figure 6, Plate 1).

Possible drill hole locations were also noted. Four different sites were encountered, each with white PVC pipe lodged into a hole into the ground. There had been writing on the pipe with a black felt pen, but it had completely faded and was totally illegible. The pipes looked very similar to markers for a drill hole (Figure 6, Plate 2).

There could be many different explanations for this, but the fact that they are located in areas of mineralization and also located in the area of the strongest magnetic anomaly is interesting.

12.0 INTERPRETATION

Plots of the magnetometer survey can be found in Appendix I. The plots of the VLF-EM survey is presented in Appendix II.

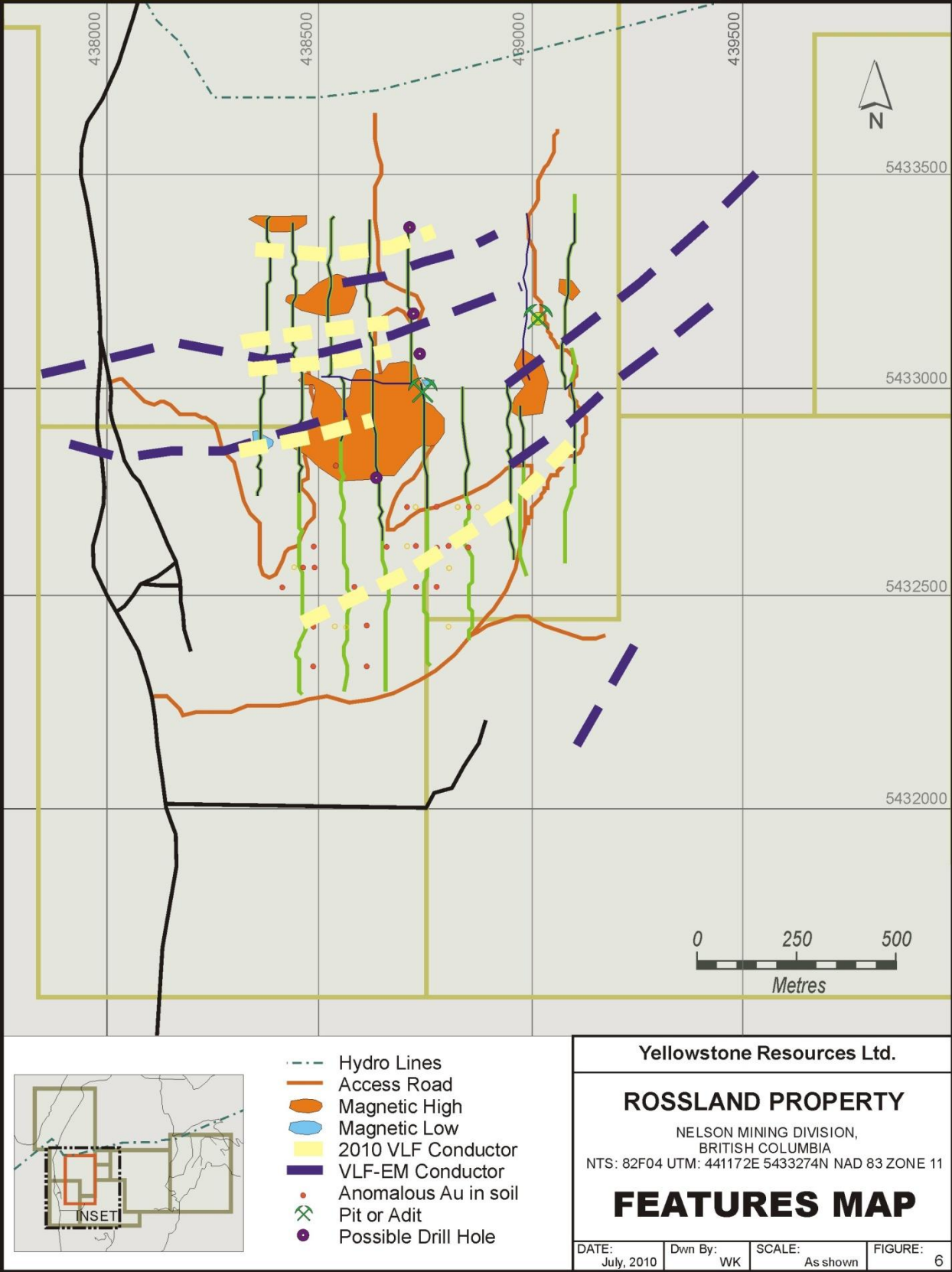


FIGURE 6: FEATURES MAP



Excavated Pit



Adit

Yellowstone Resources Ltd.			
ROSSLAND PROPERTY			
NELSON MINING DIVISION, BRITISH COLUMBIA NTS: 82F04 UTM: 441172E 5433274N NAD 83 ZONE 11			
WORKINGS			
DATE: July, 2010	Dwn By: WK	SCALE: As shown	PLATE: 1

PLATE 1: POSSIBLE WORKINGS



Yellowstone Resources Ltd.			
ROSSLAND PROPERTY			
NELSON MINING DIVISION, BRITISH COLUMBIA NTS: 82F04 UTM: 441172E 5433274N NAD 83 ZONE 11			
PROPERTY PHOTOS			
DATE: July, 2010	Dwn By: WK	SCALE: As shown	PLATE: 2

PLATE 2: POSSIBLE DRILL HOLES

The magnetometer survey shows a very intense northeast trending high centred around line 4900N, station 4900E. A weaker magnetic high is located on the same trend on line 5500 E, station 5250 N. Line 4900E has another magnetic located around station 5175 N. The third zone of interest is at the north end of lines 4700 E and 4800 E where a magnetic high is also located.

Cutler and Seattle, and to a weaker degree Hawaii, all exhibited almost identical responses, showing three strong northeast trending conductors in the northwest section of the grid. These conductors follow the similar trending zones noted on earlier surveys. Two weaker response on the southern portion of the grid display the same trend and also coincident with earlier conductive trends.

Both the magnetic and the VLF-EM responses are strongest in the central portion of the grid, around 4900E and 4900N.

It is of interest to note that the possible drill holes, the pit and the adit noticed during the survey also follow the general anomalous trend and appear to line up with the known conductors.

13.0 CONCLUSIONS

The 2010 geophysical survey successfully identified and delineated VLF-EM conductors coincident with the trends from earlier airborne surveys. The magnetometer survey identified highs along the same north-easterly trend, and outlined several areas of interest which should be further examined in detail.

Based on the results from this program, further work is strongly recommended on this property.

14.0 RECOMMENDATIONS

Following up on the success of this program, a two-stage response is warranted to further delineate the source of the anomalous zones.

STAGE I

1. Due to time constraints, the grid was simply flagged in as surveying progressed. The baseline and lines 4700 E to 5100 E should be cut and marked from stations 4700 N to 5400 N.
2. This same area of the cut grid should be geochemically sampled by means of a soil sample survey. The areas where there is coincident magnetic and VLF responses should also have 50 metre infill lines.
3. Soil geochemistry should be conducted along the entire length of lines 5400 E and 5500 E, and samples should be collected for 100 metres along the grid where the weak VLF-EM conductor occurs to the south.
4. The entire area should be geologically mapped. Geochemical rock sampling should be conducted in the anomalous zones identified by this program

wherever possible, and the pit and adit should be examined and sampled as well.

STAGE II

1. Based on the results of this mapping and geochemical survey, a trenching program should be conducted to sample bedrock from the anomalous zones.

15.0 COST ESTIMATES

TABLE 2: Stage 1 Cost Estimate

STAGE 1	
Linecutting	
2 men, 3 days total	\$ 2,000.00
Mapping	
3 days	\$ 2,000.00
Soil Geochemistry	
2 men, 5 days total	\$ 4,000.00
Assays	\$ 6,000.00
Consumables	\$ 500.00
Vehicle and Fuel	\$ 1,500.00
Room and Board	\$ 1,500.00
	<hr/>
Subtotal	\$ 17,500.00
15% Contingency	\$ 2,625.00
	<hr/>
Total	\$ 20,125.00

TABLE 2: Stage 1 Cost Estimate

STAGE 2	
Trenching program	\$ 20,000.00
Geological Supervision	\$ 12,000.00
Assays	\$ 6,000.00
Consumables	\$ 1,000.00
Vehicle and Fuel	\$ 2,000.00
Room and Board	\$ 2,000.00
	<hr/>
Subtotal	\$ 43,000.00
15% Contingency	\$ 6,450.00
	<hr/>
Total	\$ 49,450.00

16.0 REFERENCES

- Allen, G.M., 1986: 1986 Assessment Report describing Geophysical and Geochemical Surveys on the Jero 2 to 6 Claims (Rossland Property), Gunsteel Resources Inc., Assessment Report 15,414.
- Allen, Gary M., 2008: Geochemical Assessment Report on the Rossland Claims (Rossland Property), Yellowstone Resources Ltd., Assessment Report 29,869.
- Allen, D.G., 1983: Geochemical and Geophysical Report on the Jero 1 to 4 Claims (Rossland Property), Jero Resources Ltd., Assessment Report 11,441.
- Dunn, D., G. Allen and S. Endersby, 2008: Technical Report on the Mineral Properties of Yellowstone Resources in the Sheep Creek, Bayonne, Ymir and Rossland Mining Camps, Yellowstone Resources Ltd., Unpublished Report.
- Endersby, Stan A. And Gary M Allen, 2007: Geochemical Assessment Report on the Rossland Claims (Rossland Property), Yellowstone Resources Ltd., Assessment Report 28,796.
- Fyles, J.T., 1984: Geological Setting of the Rossland Mining Camp, BC, Department of Mines Bulletin Number 74.
- Höy, T. Dunne, K.P.E. (1998): Geological Compilation of the Trail Map Area, NTS 82F/3, 4, 5, 6); **B.C. Ministry of Energy and Mines**, Geoscience Map 1998-1.
- Mineral Titles Online, 2010: Government of British Columbia Website, Mineral Titles Branch.
- Sykes, E. and D.G. Allen, 1989: Geophysical Assessment Report on the Jero 10 and 11 Claims, Gunsteel Resources Inc., Assessment Report 18,759.
- Sykes, E., 1990: Geophysical Assessment Report on the Cherry Group (Jero Claims), Gunsteel Resources Inc., Assessment Report 19,985.

17.0 CERTIFICATE OF QUALIFICATION

I, Willie Kushner, B.Sc., do hereby certify that:

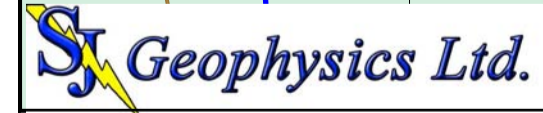
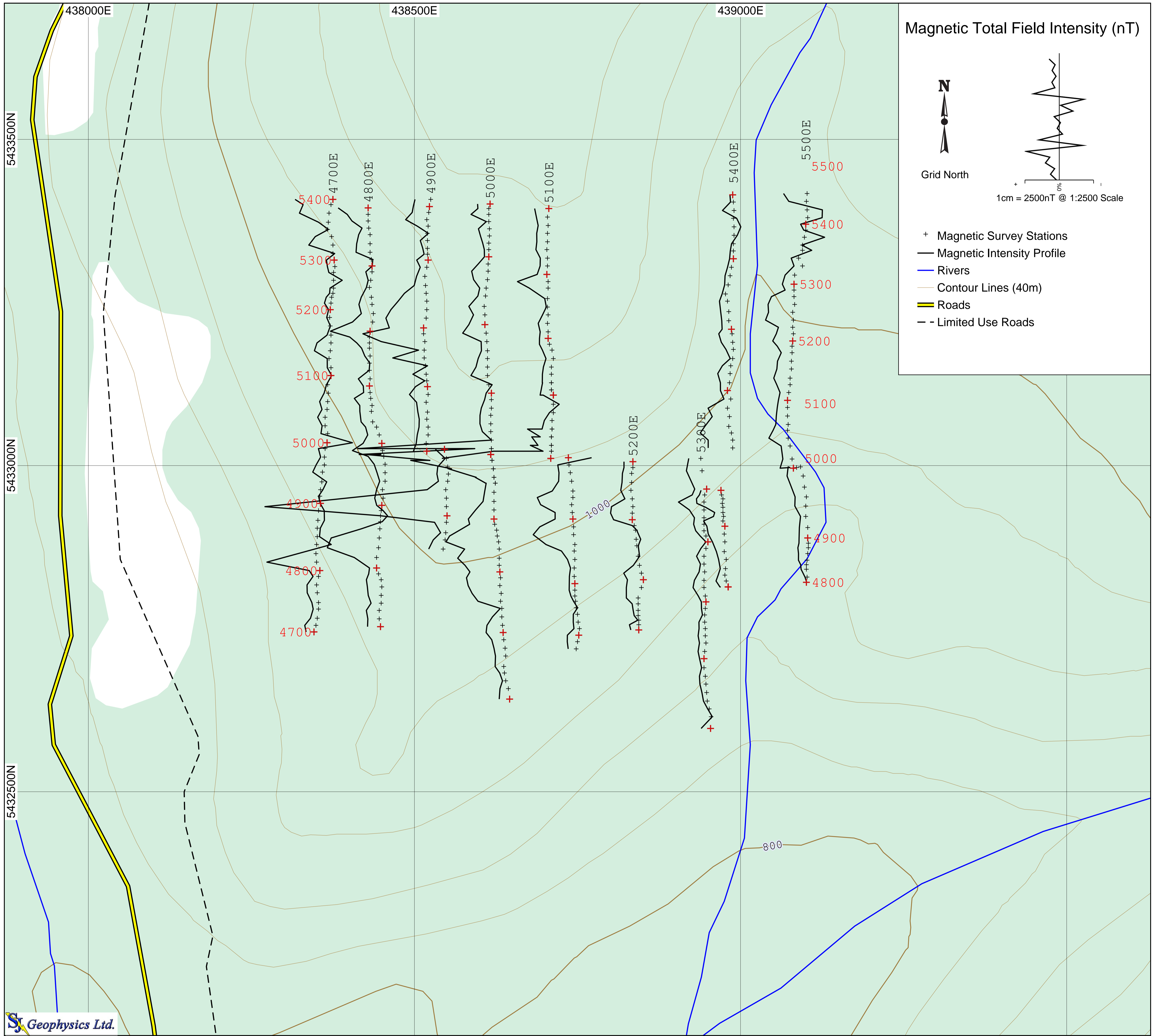
1. I graduated with a Bachelor of Science degree in Geology from the University of Alberta, Edmonton, Alberta, in 1987.
2. I have been practicing my profession as an Exploration Geologist continuously since my graduation for the past 22 years.
3. I am a consulting geologist and I was contracted by Yellowstone Resources Ltd. **to compile the report titled "Geophysical and Assessment Report on the Rossland Property" dated July 27, 2010.**
4. The information contained within this report is based on information collected while visiting the property during April 6th to 10th, 2010 and compiled from past reports, the sources of which are quoted in the report.
5. I am responsible for all of the maps and contained within. I personally believe this report accurately depicts the information available to date.
6. I hold no interest, directly or indirectly in the Rossland Property or any surrounding properties, and have no agreements, arrangements or understandings with the property owner.

Dated this 27th day of July, 2010



Willie Kushner, B.Sc.

APPENDIX I
MAGNETOMETER SURVEY PLOTS



Project Information:
 Survey by: Willie Kushner
 Processing by: S.J.V. Consultants Ltd.
 Survey Date: April 6-10th, 2010

Instrumentation:
 GEM Systems GSM-19 Magnetometer

Mapping Information:
 Datum: NAD83
 Projection: UTM Zone 11N
 Mapping Date: July 15th, 2010

Ground Magnetic Survey

Magnetic Total Field Intensity (nT)

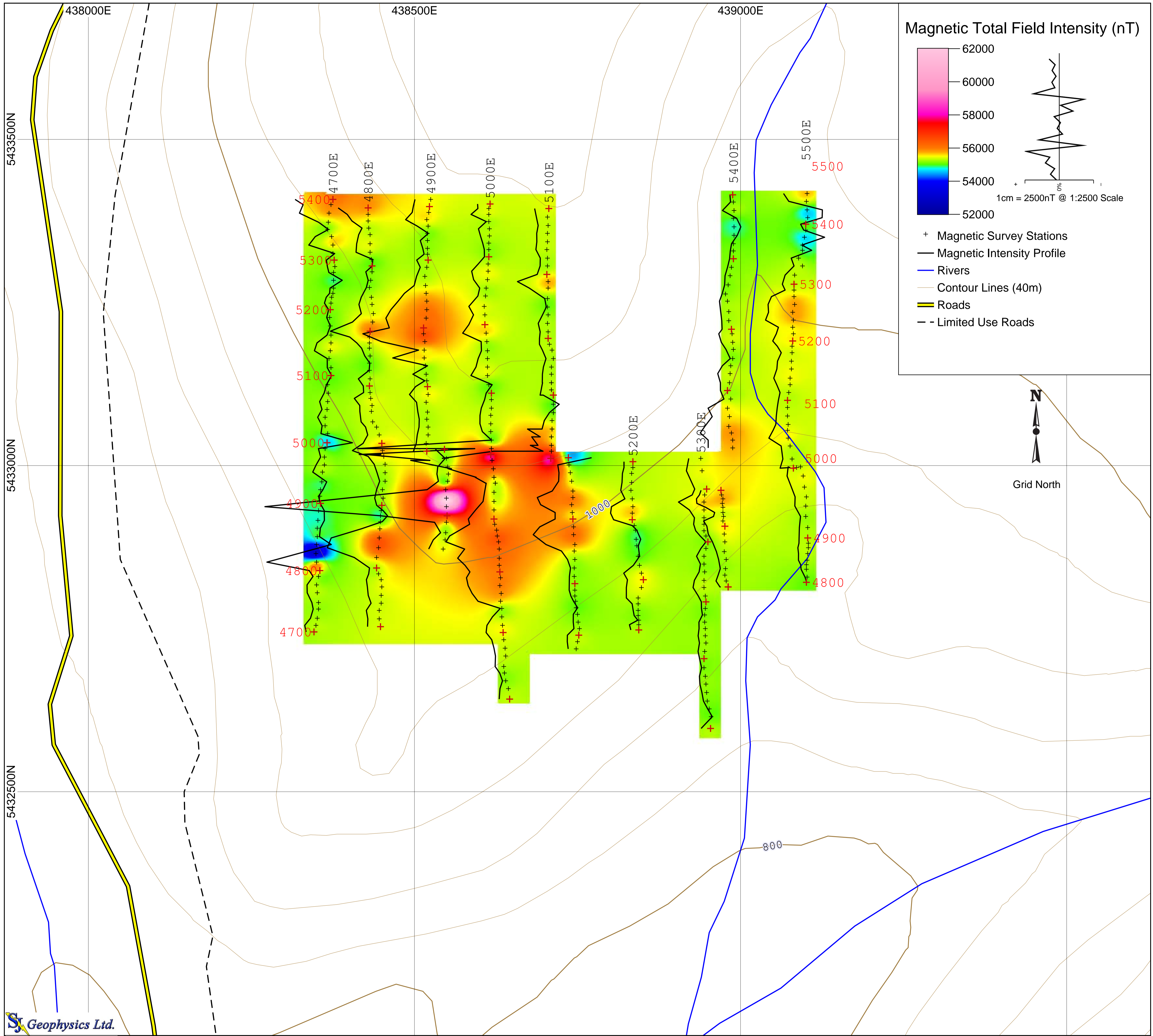
Datum: 55000 nT



Yellowstone Resources Ltd.

Rosland Property

Rosland, British Columbia



SJ Geophysics Ltd.

Project Information:
 Survey by: Willie Kushner
 Processing by: S.J.V. Consultants Ltd.
 Survey Date: April 6-10th, 2010

Instrumentation:
 GEM Systems GSM-19 Magnetometer

Mapping Information:
 Datum: NAD83
 Projection: UTM Zone 11N
 Mapping Date: July 15th, 2010

Ground Magnetic Survey

Magnetic Total Field Intensity (nT)

Datum: 55000 nT

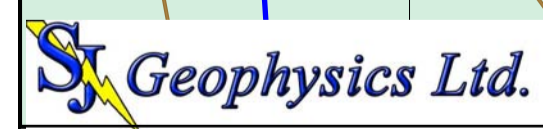
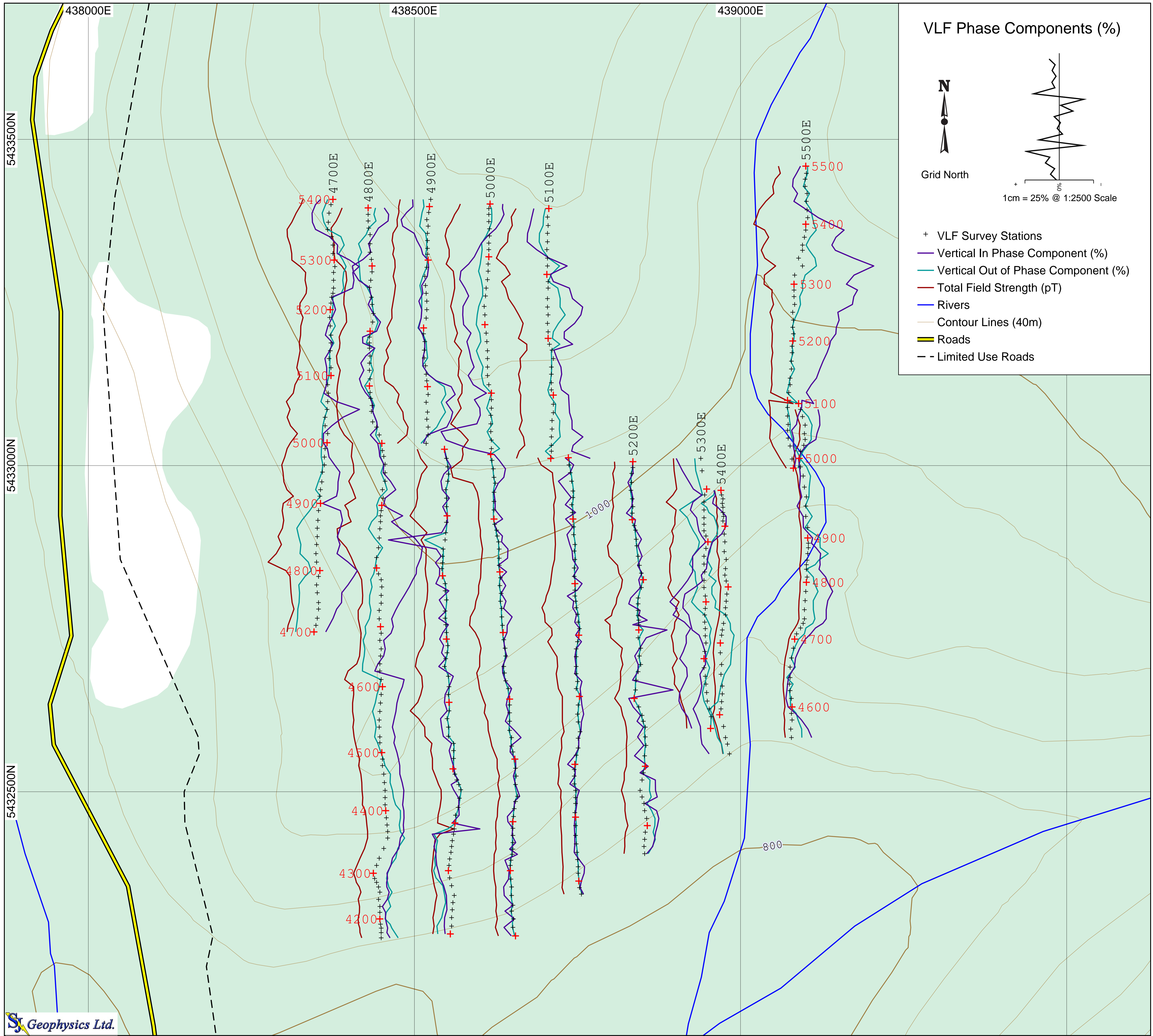


Yellowstone Resources Ltd.

Rosland Property

Rosland, British Columbia

APPENDIX II
VLF-EM SURVEY PLOTS



Project Information:
 Survey by: Willie Kushner
 Processing by: S.J.V. Consultants Ltd.
 Survey Date: April 6-10th, 2010

Instrumentation:
 GEM Systems GSM-19 Magnetometer

Mapping Information:
 Datum: NAD83
 Projection: UTM Zone 11N
 Mapping Date: July 15th, 2010

Ground VLF Survey

VLF Profile Map

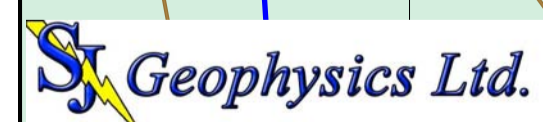
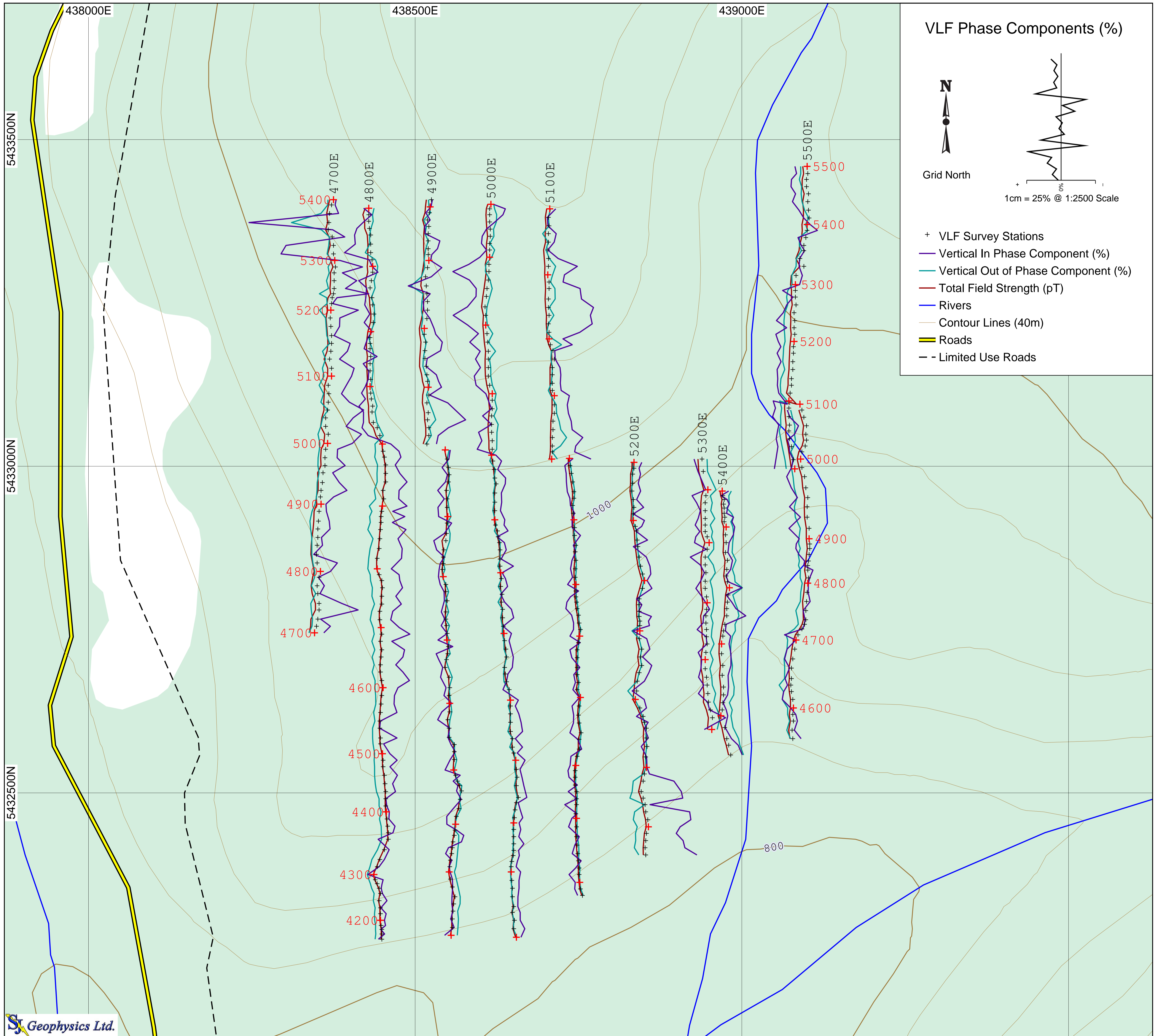
Frequency: 24.8 kHz

Yellowstone Resources Ltd.

Rosland Property

Rosland, British Columbia





Project Information:
 Survey by: Willie Kushner
 Processing by: S.J.V. Consultants Ltd.
 Survey Date: April 6-10th, 2010

Instrumentation:
 GEM Systems GSM-19 Magnetometer

Mapping Information:
 Datum: NAD83
 Projection: UTM Zone 11N
 Mapping Date: July 15th, 2010

Ground VLF Survey

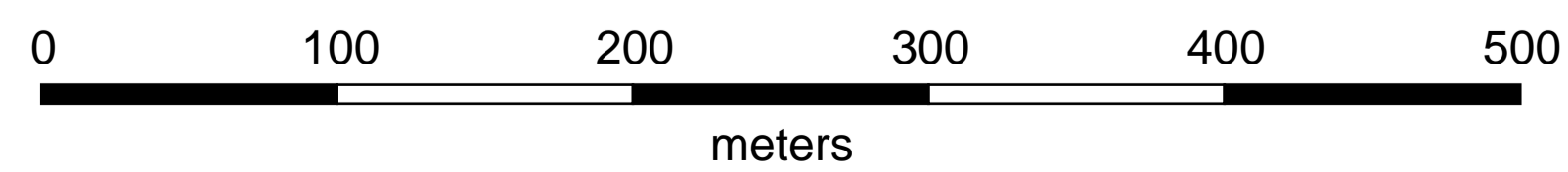
VLF Profile Map

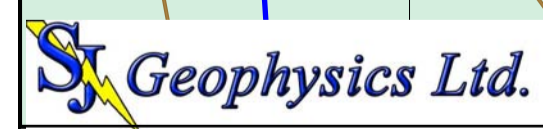
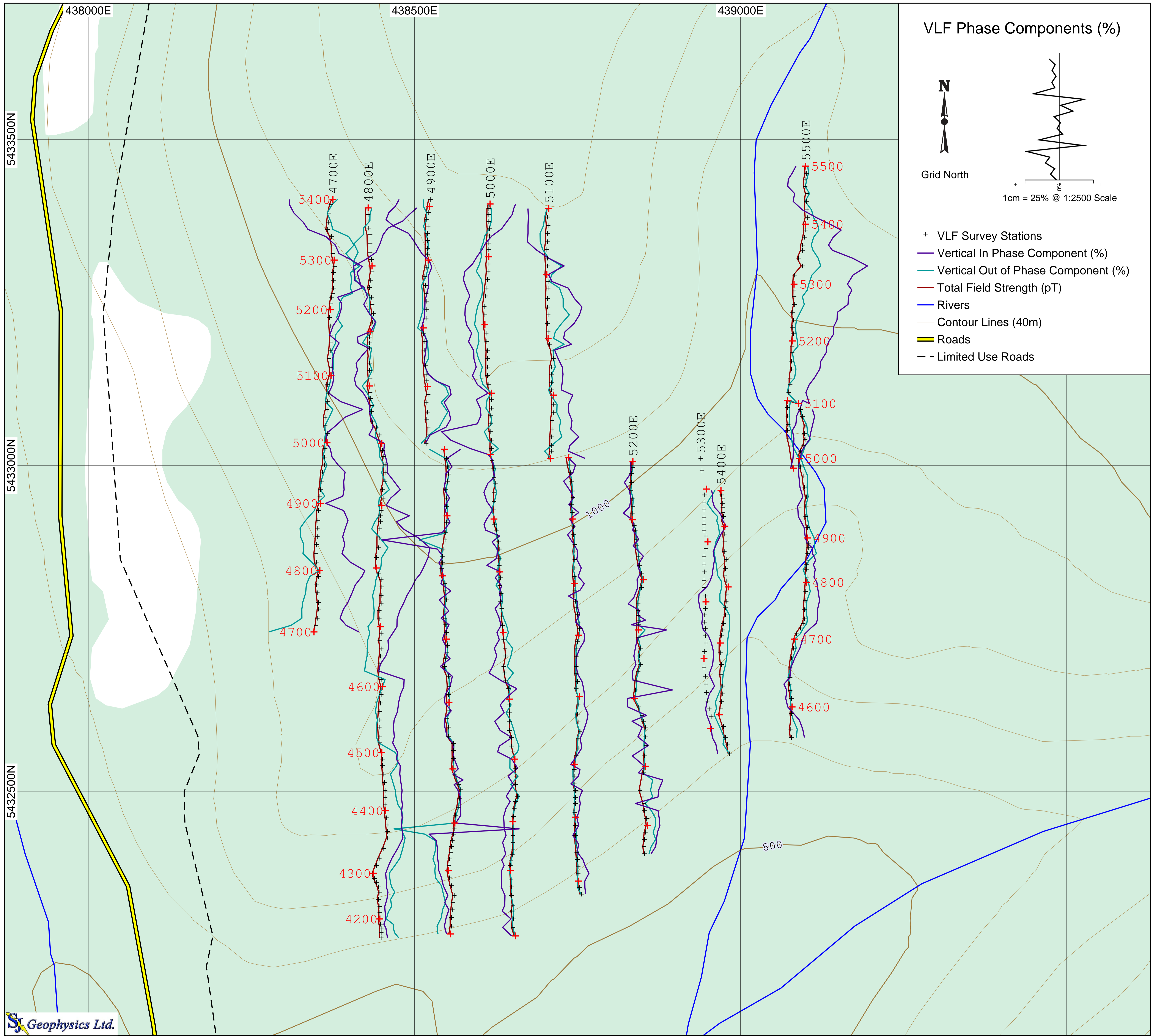
Frequency: 21.4 kHz

Yellowstone Resources Ltd.

Rosland Property

Rosland, British Columbia





Project Information:
 Survey by: Willie Kushner
 Processing by: S.J.V. Consultants Ltd.
 Survey Date: April 6-10th, 2010

Instrumentation:
 GEM Systems GSM-19 Magnetometer

Mapping Information:
 Datum: NAD83
 Projection: UTM Zone 11N
 Mapping Date: July 15th, 2010

Ground VLF Survey

VLF Profile Map

Frequency: 24.0 kHz

Yellowstone Resources Ltd.

Rosland Property

Rosland, British Columbia



APPENDIX IV
STATEMENT OF EXPENDITURES

Project Planning and Preparation					\$ 1,150.00
Geologist					
2 days @	\$	575.00	/day	\$	1,150.00
Mob / DeMob					\$ 1,670.00
Geologist					
2 days @	\$	575.00	/day	\$	1,150.00
Helper					
2 days @	\$	260.00	/day	\$	520.00
Survey and Prospecting					\$ 6,950.00
Geologist					
5 days @	\$	575.00	/day	\$	2,875.00
Helper					
5 days @	\$	260.00	/day	\$	1,300.00
Gem GSM-19 Mag/VLF unit and base rental					
7 days @	\$	225.00	/day	\$	1,575.00
EM-16 VLF Unit					
7 days @	\$	50.00	/day	\$	350.00
Expendables					
Flagging, Bags etc				\$	500.00
Chainsaw rental					
7 days @	\$	25.00	/day	\$	175.00
Equipment Rental (Radios, etc)					
7 days @	\$	25.00	/day	\$	175.00
Transportation					\$ 1,535.00
Vehicle Rental					
7 days @	\$	80.00	/day	\$	560.00
Transportation - Mob/Demob					
1600 kms @	\$	0.50	/km	\$	800.00
Transportation for Survey					
350 kms @	\$	0.50	/km	\$	175.00
Food and Accommodation					\$ 2,300.00
Food					
14 mandays @	\$	100.00	/day	\$	1,400.00
Accommodation					
6 days @	\$	150.00	/day	\$	900.00
Other					\$ 1,725.00
Report					
3 days @	\$	575.00	/day	\$	1,725.00
		Subtotal		\$	15,330.00
		Contingency		\$	3,066.00
20 %				\$	3,066.00
		Total		\$	18,396.00