

NTS: 092I.056
Lat. 50° 33' 22" N
Long. 120° 52' 35" W
UTM: 10: 5602618 N, 650430 E

GEOLOGICAL ASSESSMENT REPORT

**TOPOGRAPHICAL
LINEAMENT
ANALYSIS**

**BC Geological Survey
Assessment Report
31626**

**KERRISDALE 1 PROPERTY
LOGAN LAKE, B.C.**

Kamloops Mining Division

Mineral Tenure Number
505556
Event Number
4705672

Owner:

John Morita CGA

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August 17th, 2010

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Summary

The Kerrisdale1 Property is located in the south-central section of British Columbia. The property is approximately 42 km west-southwest of Kamloops, B.C.; Logan Lake at a distance of 12 road km to the south-southeast is the nearest community offering lodging facilities with some limited services. The Property covers an area of ≈ 369 ha and is owned by John Morita CGA of Vancouver B.C.

The geology of the Kerrisdale1 property area is underlain by the outer husk of the Guichon Creek Batholith, a multi-phased Late Triassic-Mid Jurassic intrusive consisting of four known identified phases: - Highland Valley, Bethlehem, Bethsaida and the Hybrid-Border. Fracturing and shearing occurs predominately in the diorite and quartz diorite of the Border-Hybrid phase but less so in the granodiorite main phase of the Batholith. One of the salient centers of the Batholith is host to Canada's major copper deposits at Highland Valley, a distance of 12.0 kms to the southwest of the Kerrisdale property boundary. The geological environment of the Kerrisdale1 property is possibly more analogous to the Craigmont area some 40 kms to the south thereof rather than to the nearby Highland Valley Porphyry deposits. One of the major hindrances to mineral exploration of the Guichon Batholith region is the ubiquitous cover of Pleistocene glacial deposits which leaves only about 3% of the Batholith outcropping. In some areas in the region the glacial till can attain depths of greater than 25m.

The current work consisted of a topographical and lineament analysis of the Kerrisdale1 property and the immediate area. The purpose of the analysis was to determine the orientation of potential mineralizing structures and to target areas on the Kerrisdale worthy of future exploration. A total of 152 lineaments were catalogued, sectioned, and plotted on three separate Spider or Rose Diagrams. The survey found two sets of lineaments: one major regional set at 340° cuts the western half of the Property with an auxiliary dispersion eastwards; the second lineament set is discontinuous and ranges from 040° - 060° . The second set is also correlative to the mineralizing fractures on the Dansey Property 3.0 kms due south of the Property.

The topographical analysis revealed areas containing vague circular features of unknown origin, one such prominent feature occurs at the northwest portion of the property and is coincident with an Induced Polarization anomaly discovered years ago by a former operator.

The primary intention of the current work is to design a grid orientation to the sampling lines for any future surveys. The current work is an initial phase of an overall "work-in-progress" programme on the Kerrisdale1. This initial phase has determined the best orientation to the sampling lines is at a bearing of 300° , this direction cuts across the majority of the lineaments on the Kerrisdale1 Property.

This technical report details the findings from the topographic and lineament analysis of the Kerrisdale1 property and is submitted for assessment work credits. The author of this report works under the direction of John Kowalchuk P.Geol.

Introduction and Terms of Reference

The Kerrisdale 1 claim consists of one block covering an area of ≈ 369 hectares located northwest of Logan Lake BC and is owned by Mr. John Morita of Vancouver BC. Mr. John Morita retained the author to develop a comprehensive review of the Kerrisdale 1 claim block area by conducting a preliminary phase of topographical air photo and lineament array analysis of the property and surrounding area. The survey was performed for the purpose of determining airborne structural features and controls that lead to prospective mineralized areas worthy of future exploration programs on the claim. The regional area surrounding the Kerrisdale 1 claim has had much historical development and is host to British Columbia's major copper producer and past producers. The geology of the region is very conducive to the location of structurally controlled economic mineral zones.

This report details the findings from the current work program, history of exploration, geology, and mineral potential on and surrounding the property area. The author relies upon data published by the Governments of Canada and British Columbia which forms an essential part of this report. The current survey is the initial phase of a "work-in-progress" programme and submitted for assessment work credits. The author works under the approval of John Kowalchuk who's a practicing Professional Geologist residing in Richmond BC.

Property Location, Access, and Description

The Kerrisdale1 Property is located in south central British Columbia about 200 km northeast of Vancouver BC and approximately 40 km southwest from the City of Kamloops; the Village of Logan Lake provides the infrastructure for the Highland Valley mines and is the nearest community situated 12 road km southeast of the property.

Access to the property from Vancouver BC is via Coquihalla highway to the Logan Lake turnoff south of Kamloops BC. From the Village of Logan Lake take Hwy 97C north for a distance of 5.9 km then via loose surface roads for another 7 km that leads to the western portion of the Kerrisdale1 Claim. Road access within the property boundaries is through two sets of hydro power line trails. Figure 1 shows the boundaries of the property area together with a map inset showing the general location, Figure 2 displays the location of the property within the region.

The Property consists of one claim block identified as Mineral Tenure Number 550556 named Kerrisdale 1. The claim, located within the Map Sheet NTS 921.056, covers a surface area of 369.5354 ha and is geographically centered at Lat, 50° 33' 22" N; Long, 120° 52' 35" W (UTM: 10: 5602618 N, 650430 E) in the Kamloops Mining Division. The following information provided by the Mineral Titles Office shows the legal record of title:-

Tenure Number	Type	Claim Name	Good Until	Area (ha)
550556	Mineral	KERRISDALE 1	20110902	369.5374

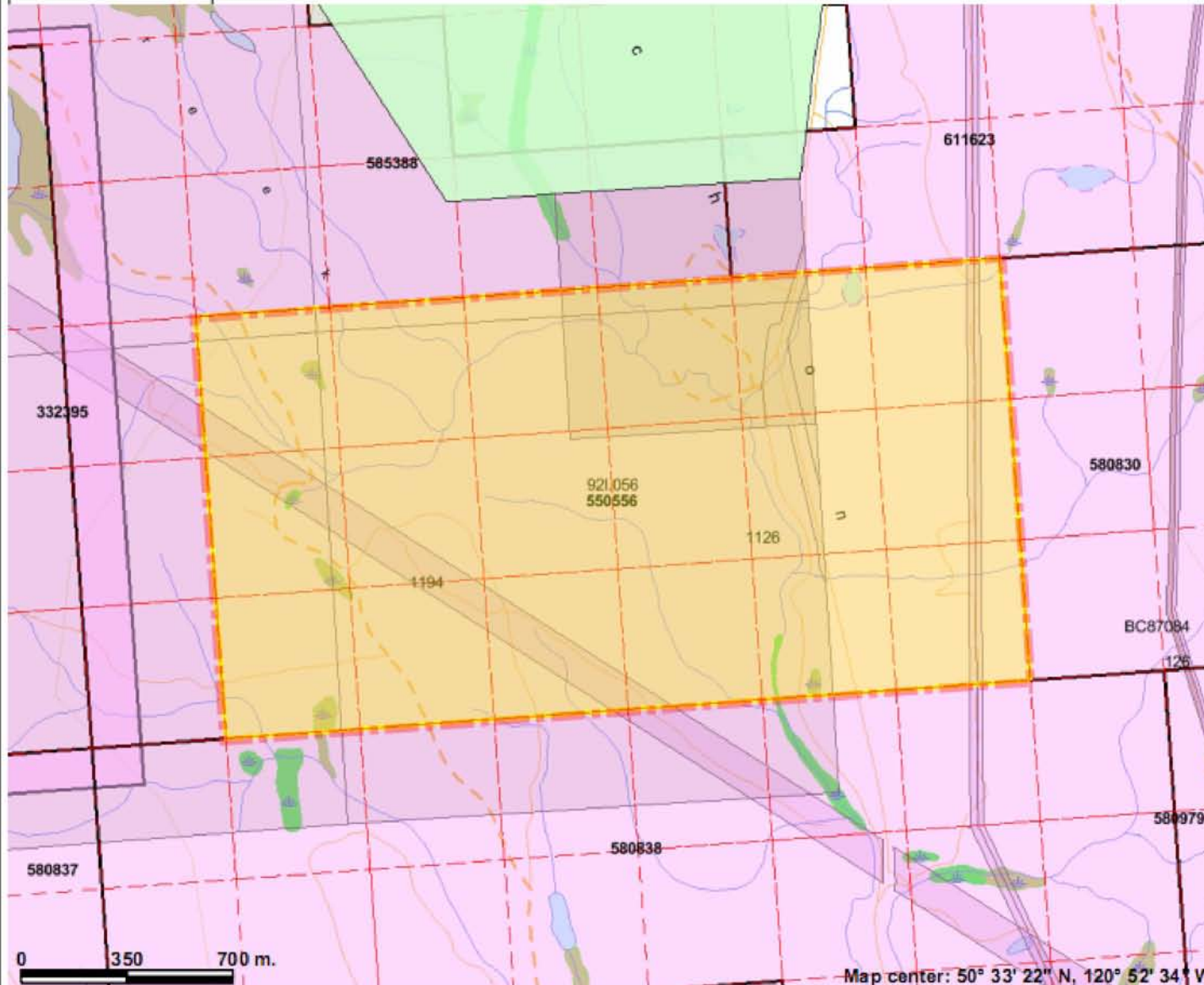
Total Area: 369.5374 ha

Below is the legal description of the surface rights holders covering the Property depicted in Figure 3.

<p>Coordinate Position BC Albers: 1360933, 628603 Geographic: 50° 33' 20" N, 120° 53' 57" W UTM 10N: 648804, 5602505</p> <p>Tantalus Surface Ownership Parcel SID: 4766170 Primary Parcel SID: 4766170 Crown Indicator: Y Ownership Confidence: High Shape Confidence: 0/0 0 I 0 (P) Legal Description: SECTION 25, TOWNSHIP 18, RANGE 22, WEST OF THE 6TH MERIDIAN, KDYD AREA: 2625363.06286 LEN: 6481.42870709209</p>	
<p>Coordinate Position BC Albers: 1362150, 628533 Geographic: 50° 33' 15" N, 120° 52' 56" W UTM 10N: 650017, 5602381</p> <p>Tantalus Surface Ownership Parcel SID: 3383270 Primary Parcel SID: 3383270 Crown Indicator: Y Ownership Confidence: High Shape Confidence: ½ 0 I 1 (P) Legal Description: SECTION 30, TOWNSHIP 18, RANGE 21, WEST OF THE 6TH MERIDIAN, KDYD AREA: 2301549.995133 LEN: 6486.68647773417</p>	
<p>Coordinate Position BC Albers: 1362714, 629203 Geographic: 50° 33' 35" N, 120° 52' 25" W UTM 10N: 650611, 5603026</p> <p>Tantalus Surface Ownership Parcel SID: 2836991 Primary Parcel SID: 3383270 Crown Indicator: N Ownership Confidence: Medium Legal Description: N1/2 OF NE1/4, SECTION 30, TOWNSHIP 18, RANGE 21, WEST OF THE 6TH MERIDIAN, KDYD Primary Indicator: N OWNERSHIP_EFFECTIVE_DATE: Dec 31, 1906 AREA: 328275.3324555 LEN: 2431.98188</p>	

Figure 1

Kerrisdale1



Legend

- Indian Reserves
- National Parks
- Conservancy Areas
- Parks
- MTO Grid (MTO)
- Blocked by MEM
- Other
- Mineral Tenure (current)**
- Mineral Claim
- Mineral Lease
- Mineral Reserves (current)**
- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others
- Integrated Cadastral Fabric
- Survey Parcel Right of Ways
- Survey Parcels
- BCGS Grid
- Contours (1:250K)**
- Contour - Index
- Contour - Intermediate
- Area of Exclusion
- Area of Indefinite Contours
- Annotation (1:20K)**
- Transportation - Points (TRIM)**
- Helipad
- Transportation - Lines (TRIM)**

0 350 700 m.

Map center: 50° 33' 22" N, 120° 52' 34" W



Scale: 1:20,000

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: boundaries of the Kerrisdale Mineral Property are highlighted in yellow-red dashed lines

Figure 2 Regional Claim Map

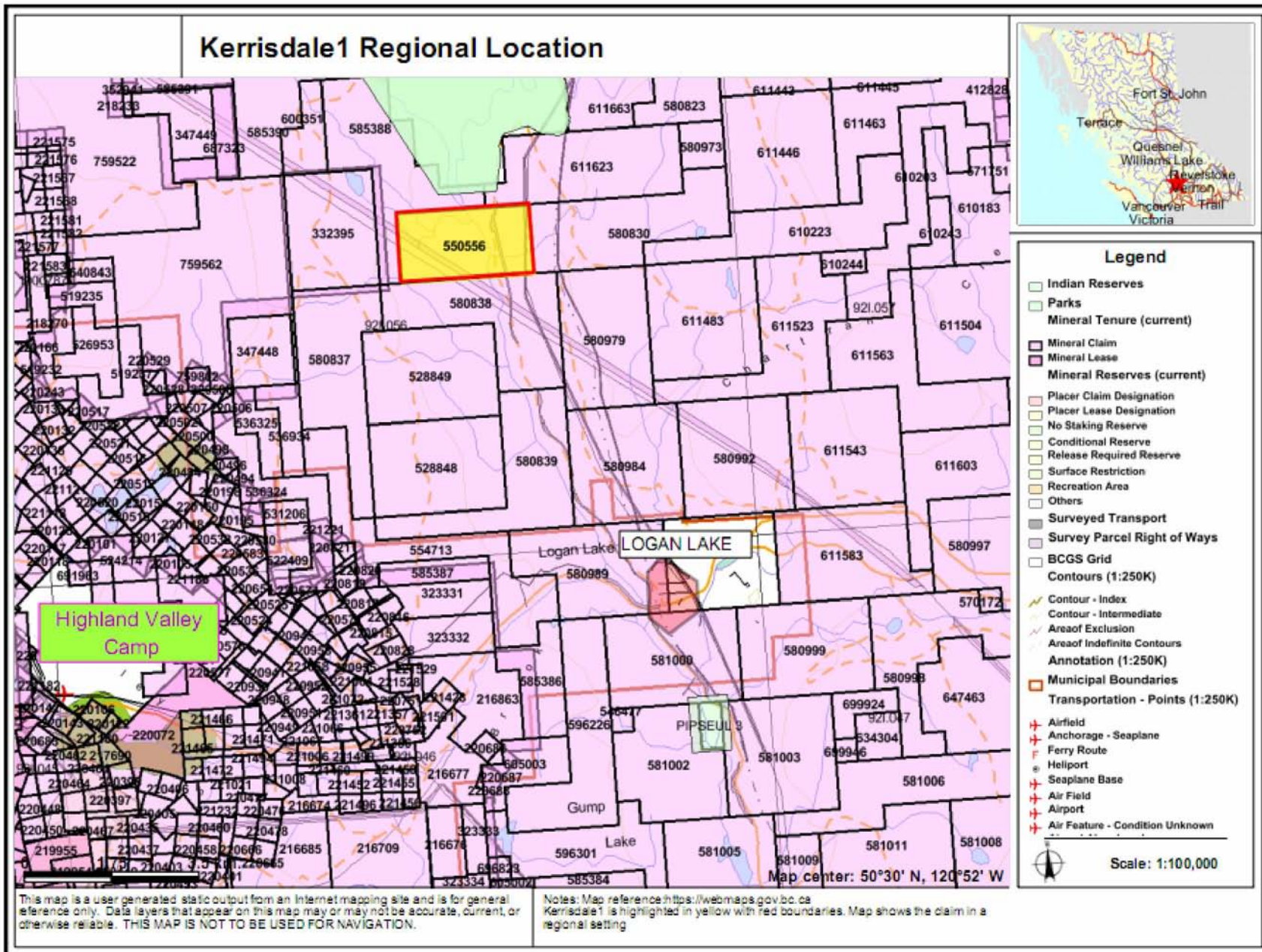
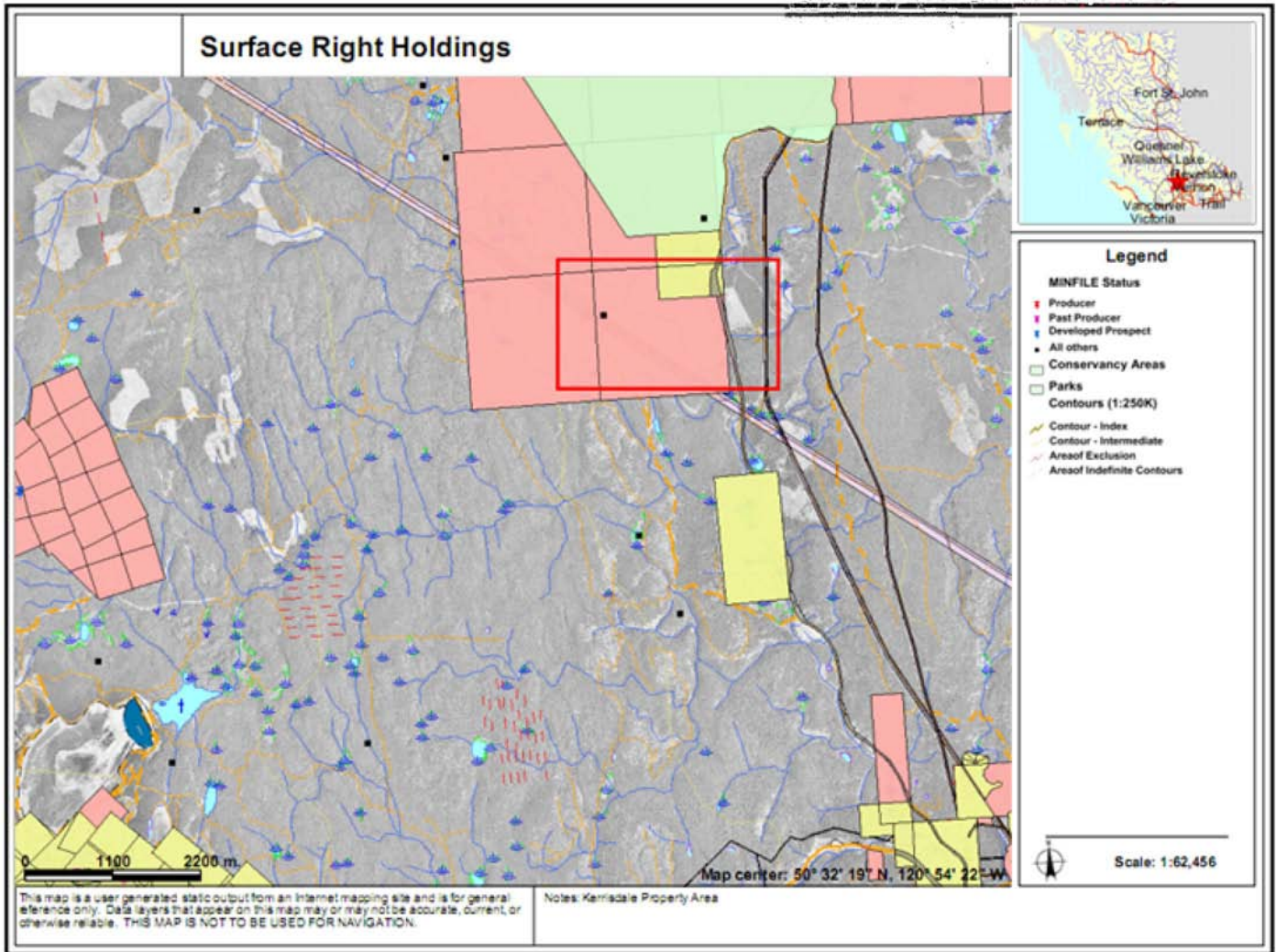


Figure 3 Surface Right Holdings



Note: The outline of the Kerrisdale Claim block marked in red shows the relationship of the surface rights affecting the area.

The names of the surface rights holders are unknown to the author at the present time; the surface rights are restricted to rights of occupancy that is only applied to surface and not to mineral rights. There are two BC Hydro power transmission lines traversing the property of which the power line maintenance roads provide further access to the property. The First Nations Band governing the area is not known to the writer.

Water for all phases of future exploration programs is available from the various streams, marshes, ponds and lakes within the boundaries of the property.

Physiography and Climate

The Property occupies an area characterized by the subdued topography reminiscent of gentle rolling hills of the Thompson Plateau with an elevation of 1150 metres on average. The area is generally in the BC dry belt within the Southern Interior Ecoprovince. Table 1 displays the average weather over a 30 year reporting period. Vegetation consists of Douglas fir, Pine, Sage-brush and grass meadows or range land used for livestock grazing.

Table 1

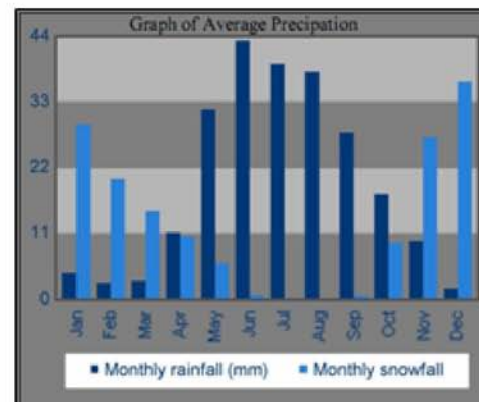
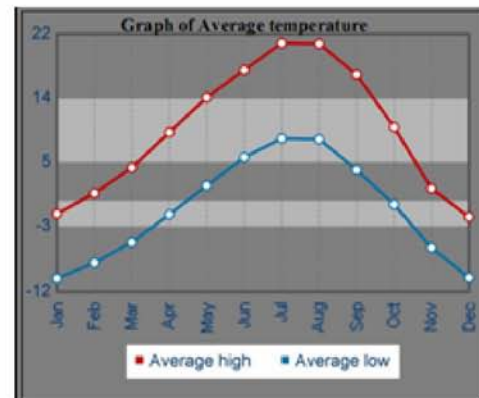
Weather Statistics

- **Station:** Highland Valley Lorne x, BC, Canada
- **Latitude:** 50.5° **Longitude:** -121.0° **Altitude:** 1268 m

The weather statistics displayed here represent the value of each meteorological parameter for each month of the year. The sampling period for this data covers 30 years. Record maximums and minimums are updated annually.

Temperature (°C)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Average high	-1.7	1	4.4	9	13.6	17.3	20.8	20.7	16.7	9.7	1.6	-2.1
Average low	-10.2	-8.2	-5.5	-1.8	2	5.7	8.2	8.1	4.1	-0.5	-6.2	-10.2
Average	-6	-3.6	-0.6	3.6	7.9	11.5	14.5	14.4	10.4	4.6	-2.3	-6.2
Precipitation												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly rainfall (mm)	5	3	3	11	32	43	39	38	28	18	10	2
Monthly snowfall (cm)	29	20	15	11	6	1	0	0	1	9	27	36
Mean daily snow depth (cm)	-	-	0	0	0	0	0	0	0	0	4	27
Mean monthly end snow depth cm	26	13	0	0	0	0	0	0	0	0	8	23
Rainfall												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Above 0.2 mm	1	1	1	3	9	9	8	8	8	6	3	1
Above 5 mm	0	0	0	1	2	3	3	2	2	1	1	0
Above 10 mm	0	0	0	0	1	1	1	1	1	0	0	0
Snowfall												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Above 0.2 cm	8	6	5	3	1	0	0	0	0	3	7	9
Above 5 cm	2	2	1	1	0	0	0	0	0	1	2	3
Above 10 cm	1	0	0	0	0	0	0	0	0	0	0	1
Snow depth												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mean daily snow depth (cm)	-	-	0	0	0	0	0	0	0	0	4	27
Median daily Snow depth (cm)	-	-	0	0	0	0	0	0	0	0	2	28
Extreme daily Snow depth (cm)	90	47	37	7	0	0	0	0	1	13	29	60
Mean monthly end snow depth cm	26	13	0	0	0	0	0	0	0	0	8	23

Reference: <http://www.theweathernetwork.com/statistics/precipitation/cil123469>



History-Regional

The Guichon Batholith hosts the largest open pit copper-molybdenum mine in Canada namely the Valley Copper Mine; as well the Batholith has other significant past producers such as Lornex, Bethlehem, and Highmont. The discovery of copper mineralization in the Highland Valley Camp was first documented in 1899, but it was not until 1954 that Spud Huestis and his associates staked a significant amount of claims that became Bethlehem Copper Corporation which together with Sumitomo performed a substantial exploration effort that led to development and later in 1962 production from the Bethlehem mine. The camp was very active in 1954 led by another explorer, Egil Lorntzen, who discovered the Lornex porphyry deposit that was later developed and placed into production in 1972 by Rio Algom. Additional major porphyry deposits were discovered which gave a reputation of the Highland Valley as one of the largest and most prolific copper molybdenum producing areas in the world.

With the exploration activities heating up in the Highland Valley Camp in 1954 other exploration programs were spurred on throughout the region; on the south-eastern border of the Guichon Batholith diamond drilling in 1957/58 on the Craigmont property led to later development and production in 1962. The Craigmont mine is the largest copper-iron skarn mine in Western Canada, the mining innovations credited to the development are: the first open pit mine in British Columbia, a pioneer in using underground sub-level block caving techniques, and the innovator of trackless mining equipment/machinery.

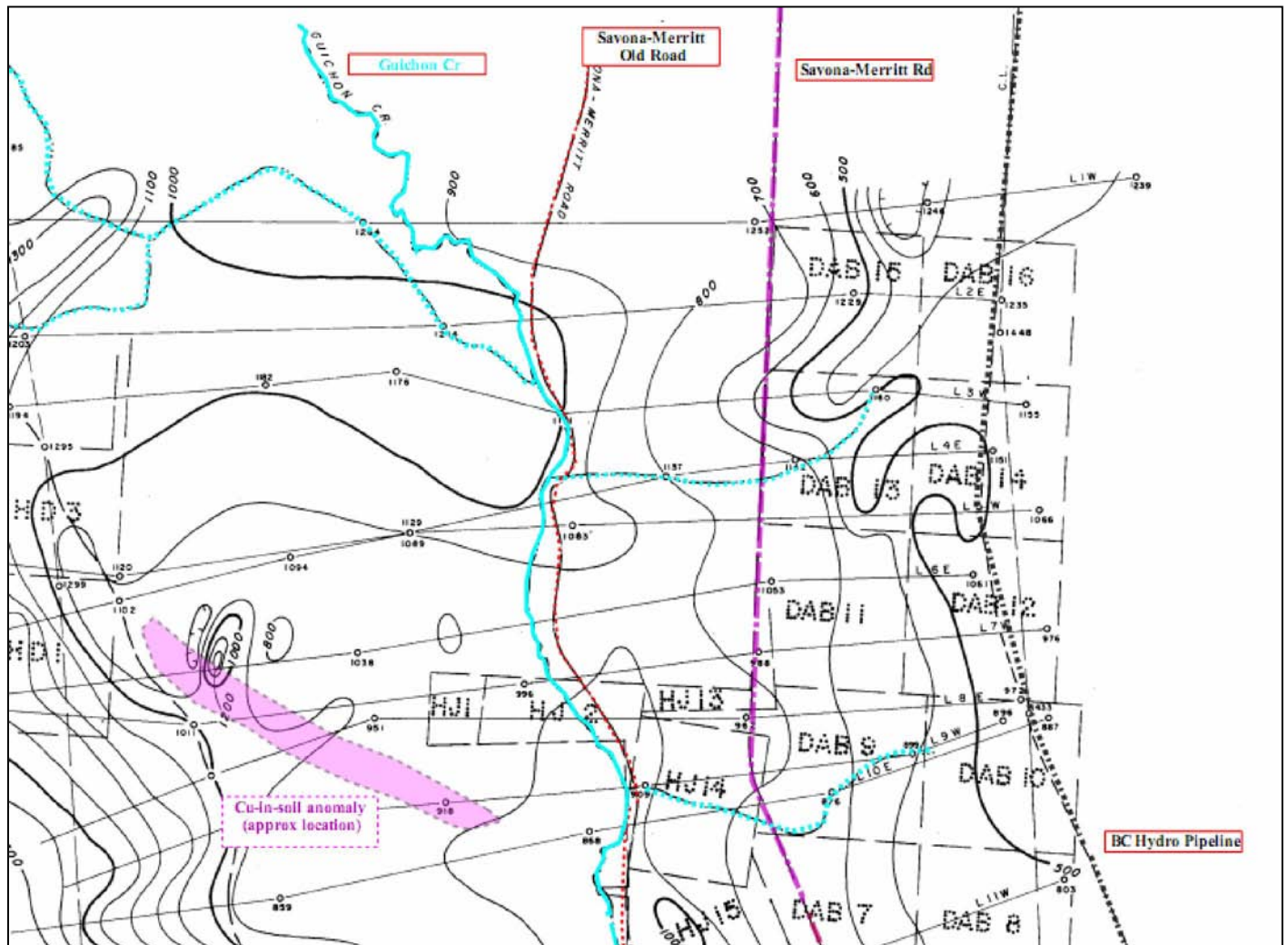
-Property

There has been very little direct exploration on the Kerrisdale1 property, however within the area there has been some exploration that has had results in finding mineralization. The following information is from assessments reports in the region of the Kerrisdale1 that may have an impact for future exploration considerations on the property:-

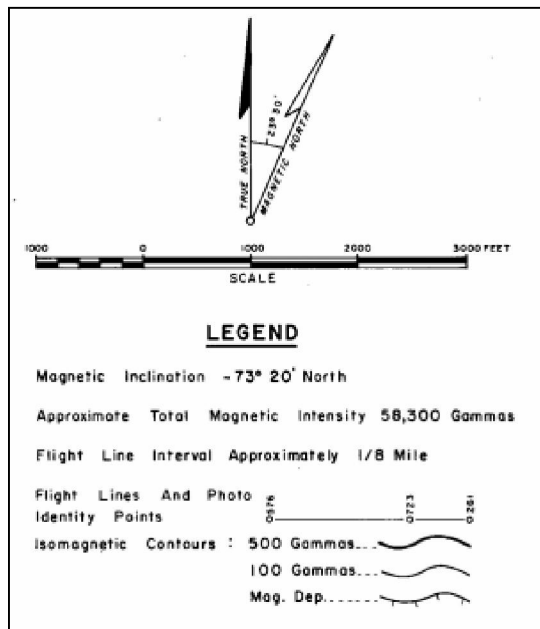
- **1967 ARIS 1166** Report on Aeromagnetic Survey, Dab & HJ Claims, Alwin Mining Co. by Richard Crosby B.Sc P.Eng.

The survey covers an area just south of the Kerrisdale1 and in a similar geological environment; the results from the program outlined several structural and contact relationships. The results were encouraging enough to recommend a follow up program of soil sampling in the vicinity of the interpreted faults. Figure 4 depicts the air borne magnetometer map with an overlay of the copper-in-soil geochem anomaly from the recommended program described following.

Figure 4 Airborne Magnetometer Survey

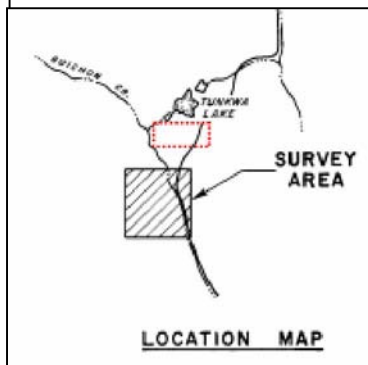


Legend



Notes:

- Creeks are blue
- Roads in red
- Copper anomaly overlay as shown

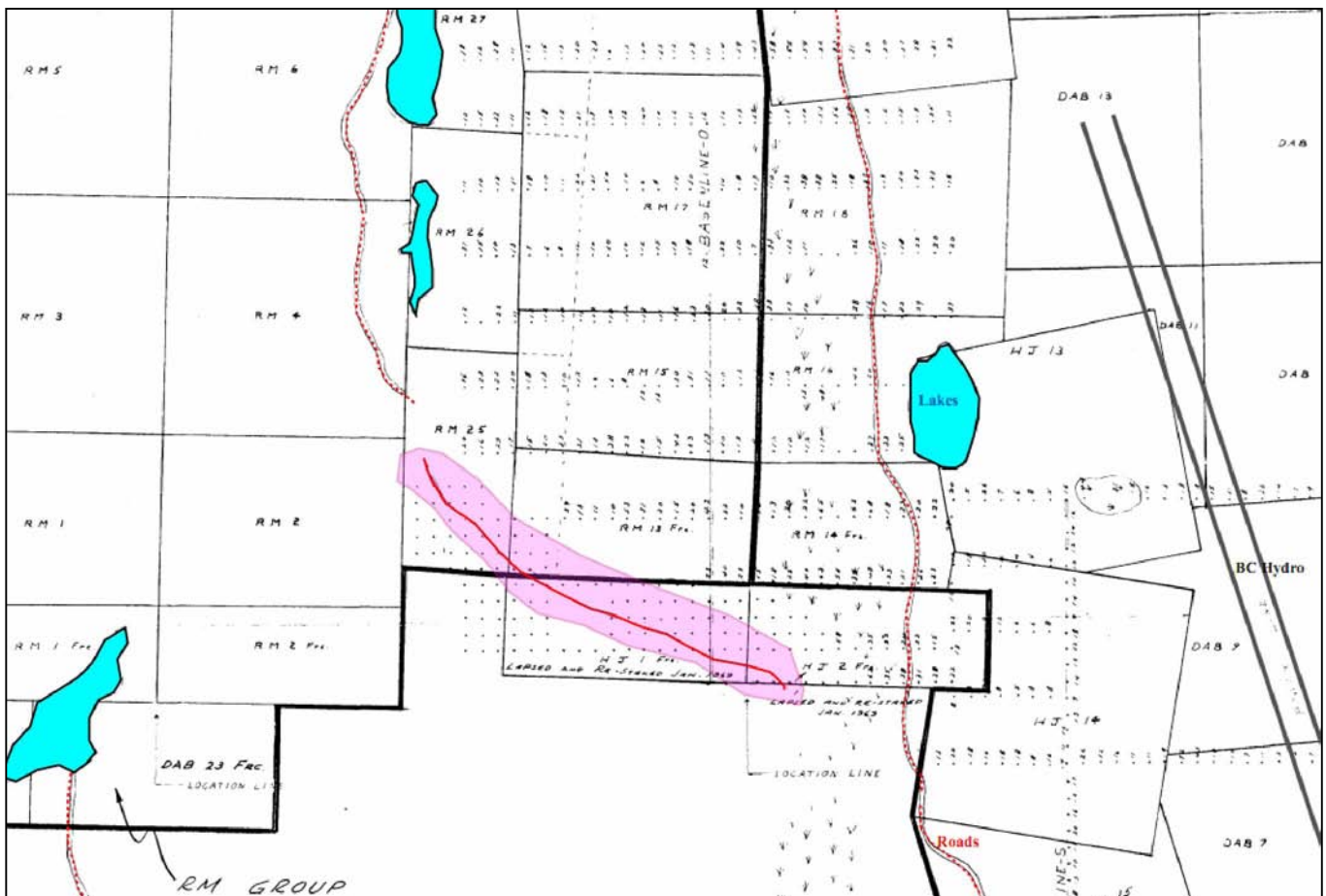


Kerrisdale property approx. location is shown in red on the location map.

- **1969 ARIS 1787** Geochemical Report on the RM and Dab Groups for Alwin Mining Co, by J. Crowhurst P.Eng

The program included line cutting of 75,600 lineal feet or 14.3 miles and sample collection by hand auger of 780 soils at stations 100 feet apart, lines were at 400 foot intervals. An additional 11,200 feet of lines with 131 samples are also documented in the report. The result from the program indicated a zone as much as 150 feet wide and extending for at least 1100 feet and is open to the northwest with isolated highs to the southeast which beyond is a swamp where no samples are collected. The anomalous copper values are more than 100ppm and background is at 30ppm. Figure 5 displays the trend of the copper-in-soil anomaly, Kerrisdale1 claim is just to the immediate north of the map area. The trend is plotted as an overlay on the previous air borne Figure 4 map above.

Figure 5. Copper-in-Soil Anomaly



- **1969 ARIS 2069** Geochemical Report on the Dab Claim Group for Alwin Mining Co, by J. Crowhurst P. Eng.

The work extended the soil sampling over several more of the mineral claims, results were discouraging in discovering new zones. However, copper values showed a slight elevation in the area southeast of the above soil anomaly and beyond the swampy area (Figure 5). Although the cut off for anomalous copper-in-soil at 100ppm in the previous program was applied to this program, the threshold limit for this program should have been taken at a lower value as the effect of thickening soil depth may have played a factor in generating lower copper-in-soil values.

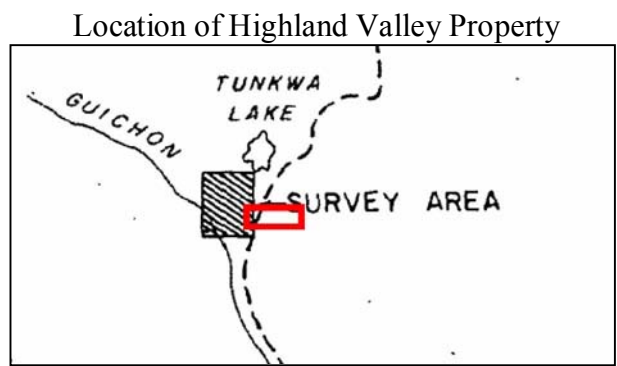
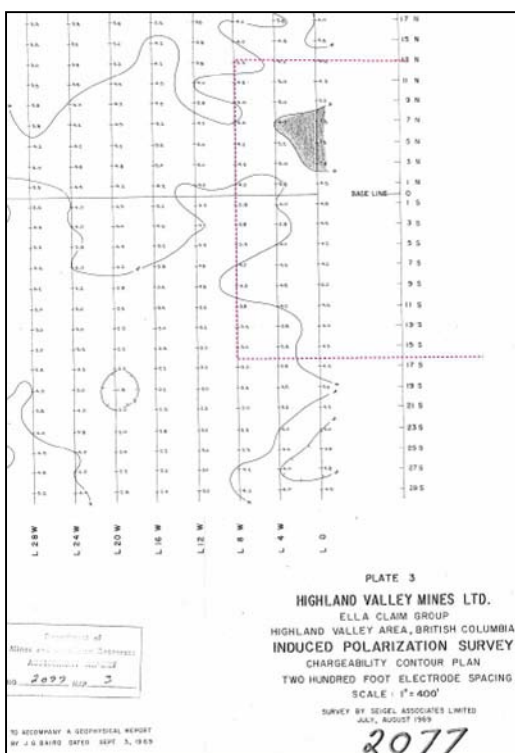
- **1969 ARIS 2077** Report on Induced Polarization Survey, Ella Claim Group for Highland Valley Mines Ltd, by J. Baird B.Sc P.Eng

The IP program surveyed an area just west of the Kerrisdale1 claim block and covered a portion of the western section of the Property. The results showed an area of chargeability responses in excess of 6.0 milliseconds observed from 2N to 8N on lines 0 and 4W for both electrode separations. The recommendation from the program is to delimit the areal extent of the anomaly which trends eastwardly off the survey grid (Note: further into the Kerrisdale1 property area). Quoted from page 4 of the report,

“At present however, the anomalous source is interpreted to contain about 0.5 to 1.0% by volume of metallically conducting material and come within about 100 feet and perhaps closer to the ground surface”.

The report goes on to detail the resistivity survey which outlines the contact between the Guichon Batholith with volcanic rocks of either the Nicola or Kamloops Groups. Figure 6 below shows the approximate location of the Kerrisdale claim (in red dashes) with the IP survey grid.

Figure 6 Induced Polarization Survey (200 foot electrode spacing)



Red line is approx position of Kerrisdale Property

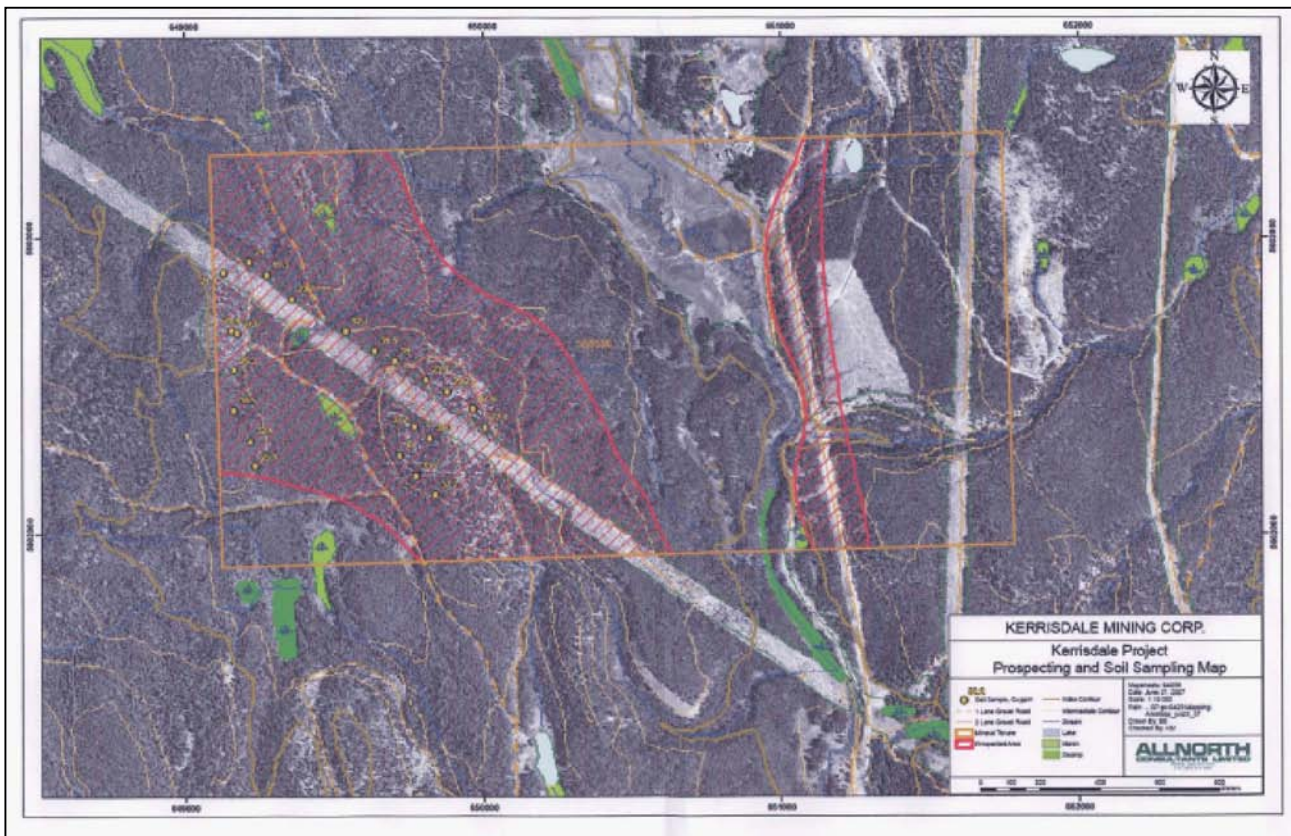
- **1972 ARIS 3459** Geophysical Report for Alwin Mining Co, by W. Read B.Sc P.Eng

This work was a ground magnetometer survey which was a follow up from the air borne geophysics survey conducted in 1969. The area is just south of the Kerrisdale1 on the Dab claims. Results show a major trend striking northwest interpreted as the contact area between the Guichon Batholith to the west and volcanics to the east, the magnetic embayments along this contact zone are caused by northeast trending faults. The report concludes that there is a direct correlation between the magnetic data and the geochemical anomalies.

- **2007 ARIS 29416** Geological and Geochemical Report on the Kerrisdale Property for J. Morita by J. Pardy P.Geo.

This survey was very limited in scope by focusing on a small area of the property. The number of soil samples collected was an insufficient quantity to form any meaningful conclusions; the program was of a reconnaissance nature to locate the RM occurrence (MinFile # 092INE111). The report also states in the conclusions and interpretations “Exploration will be hindered by the extent and thickness of glacial cover observed during the 2007 work”. Figure 7 below shows the soil sampling map.

Figure 7 Prospecting and Soil Sampling Map

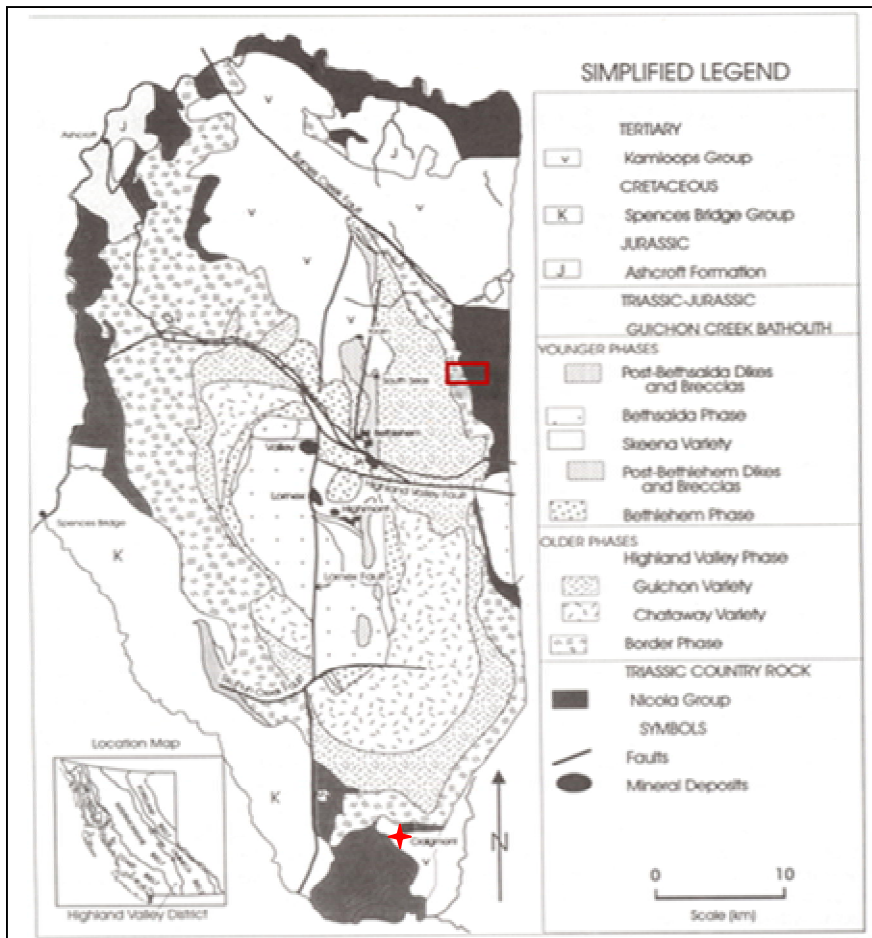


Geological Setting

The Property is regional situated in the Quesnel Trough, a 30 to 60 km wide belt of Lower Mesozoic volcanic and sedimentary strata which has been intruded by numerous, economically significant batholiths together with their accompanying satellite intrusions. There are few distinct intrusive plugs within the belt that have no known affiliation with any of the main batholiths that hosts major porphyry deposits (MinFile# 092ISE160; Rey Lake deposit 46+ million tonnes at 0.17% Cu and 0.018% Mo).

The most important geological feature of the Kerrisdale property region is the Guichon Creek Batholith and its relationship with the Nicola volcanoclastic belt. The southern part of the Quesnel Trough contains the Nicola belt that stretches from the U.S. border north-westwards for 200+ kms. The Nicola contact almost envelopes the Guichon Creek Batholith (Figure 8).

Figure 8 General Geology of the Guichon Cr. Batholith
(Showing major Highland Valley porphyry Cu-Mo deposits.)



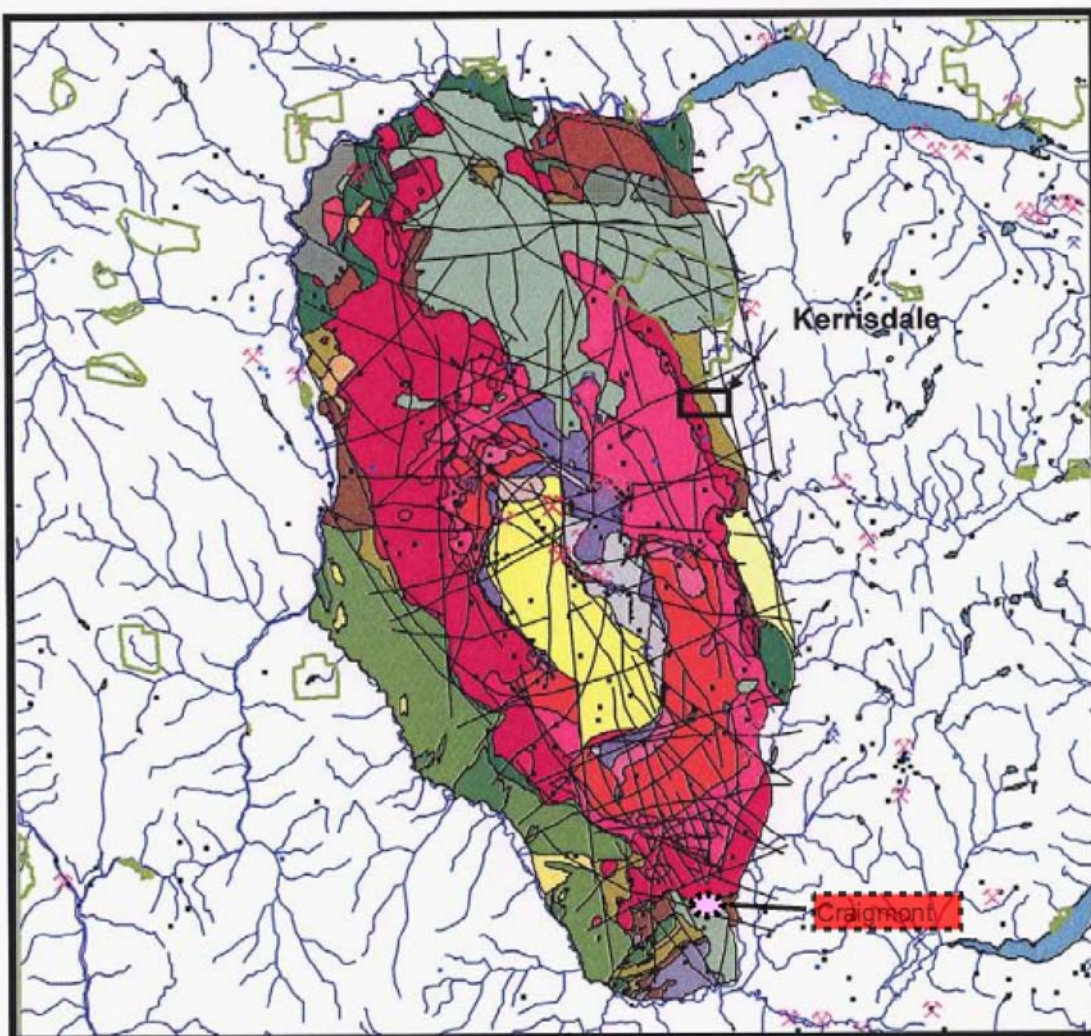
The approximate positioning of the Kerrisdale property is highlighted in red.

The Craigmont skarn property at the lower right side of the Guichon Batholith is marked with red star.

Modified from "Porphyry Deposits of the Northwestern Cordillera" edited by T.Schroeter

The Guichon Creek Batholith contains most of the past and presently producing mines of the region albeit the Craigmont deposit. The Batholith is a multi-phased intrusive complex consisting of at least seven distinct lithologies; the ore-bodies of the past and present mines are not restricted to any particular phase. Each ore-body appears to be distinct and hosted within a unique and entirely separate intrusive phase to each other. The main mechanism for ore placement appears not to be the intrusive phases but of structural confinement along several major fault zones. Faulting has developed the conditions necessary for the fracturing of the intrusive plutons and the later emplacement of the ore zones (Figure 9). The faults prepare the host rocks by providing conduits for the placement and deposition of the mineral and igneous stocks. The controlling faults for mineral emplacement occurred simultaneously and alternatively in the last stages of the intrusion of the Guichon Batholith.

Figure 9 Guichon Creek Batholith (showing structural lineaments)



The above diagram shows the location of the mineral occurrences in the area, dark linears are the various fault zones. The coloured areas represent the major intrusive phases within the Batholith; the Kerrisdale property and Craigmont mine are in the Border Phase which consists of quartz diorite, granodiorite and a mixture of Nicola Fm lithologies.

The JA deposit occurs in a quartz plagioclase stock which has intruded into the Guichon and Bethlehem phases. The Lornex mine appears to be a faulted offset from Valley Copper mine (VC) which occurs entirely in the quartz monzonite of the Bethsaida phase. The Lornex and VC ore-deposits located in the Highland Valley occur at the low side of an airborne magnetic high, the magnetic high traces the major fault systems occurring throughout the area. The magnetic low is caused by the destruction of magnetite due to supergene and thermodynamic processes (AR 29164 Sookochoff).

Economically, the Highland Valley Camp hosts the major porphyry deposits situated about 12 km to the southwest of the Kerrisdale Property, these deposits appear trending to the northeast and towards the Kerrisdale1 area. The deposits generally range in size from less than 50mil tonnes to greater than 900mil tonnes grading 0.2 to 1.5% copper, 0.04% molybdenum and minor precious metals, the Camp as a whole has mined 1.15 billion tonnes of ore over its production life.

Regional Geology of the Property Area

The geology of the region surrounding the Kerrisdale1 property is problematical due to the sparse amount of outcroppings as with the Guichon Batholith where Pleistocene glacial material mantle the region leaving less than 3% of the surface exposed. The ubiquitous blank of glacial material throughout the region has been an impediment to mineral exploration. At Kerrisdale1 Property, determination of the geology can be vectored in with other nearby exploration programs that have conducted trenching, drilling, and surface geophysical programs.

Several mineral occurrences are located both to the south and northwest of the Property; the Dab at 2.5 kms to the south has reported intersections in drill core of low copper mineralization occurring in a mafic intrusive rock. The Dansey claim is about 3.5 kms south of the Property which has had a recent diamond drilling program however; past trenching on the claim block has exposed low grade mineralization in quartz diorite of the Guichon Batholith's Border Phase. The recent diamond drilling program has had intersections of low grade copper mineralization over significant widths. The mineralization at the Dansey claim is described in MinFile Capsule Geology quoted below (MinFile # 092INE034):

“Trenching has exposed disseminations and blebs of chalcopyrite, pyrite, bornite, hematite, magnetite and molybdenite mineralization in and adjacent to several northeast faults and

shear zones in quartz diorite. The faults and shears mostly dip northwest at moderate to high angles. The shears are characterized by intensely chloritized and sericitized quartz diorite and vary from 1.5 to 9 metres wide. Near the shears are random fractured zones with pyrite and minor chalcopyrite on fracture planes.”

About 4 kms to the northwest of the Kerrisdale, two other mineral occurrences have obtained different rock types. The WDR property (MinFile #092INE135) had an extensive program by Valley Copper Mines in 1963 which included geological mapping, road construction, and bulldozer trenching at number of areas stretching over a distance of 6 kms in a north to north-westerly direction. The trenching exposed the gradational contact of unaltered Nicola volcanics on the east through to hornfelsed Nicola then into a medium grained diorite that becomes increasingly lighter coloured and coarser grained towards the Guichon intrusive contact. The width of the contact zone of transitional, hybrid rocks fluctuates from 300 to 1200m wide. Trenching on the property exposed a steeply dipping mineralized fault trending 050° and is parallel to the jointing within the adjacent quartz diorite. At the Pod occurrence, a small prospect pit exposes two quartz veinlets bearing chalcopyrite (MinFile #092INE117).

A previous worker in 2007 attempted to locate the RM occurrence on the Kerrisdale property without much success (ARIS #29416). The occurrence has been described in MinFile #092INE111 as “disseminated copper mineralization occurs in an altered quartz diorite of the Hybrid phase of the Guichon Creek Batholith”. The location of the showing occurrence has an accuracy of a radius of 1.0kms and is not usually field checked by government geologists as to the position but rely on filed assessment reporting. The RM occurrence is more than likely associated with the Dab occurrence (MinFile #092INE040, ARIS #01787) immediately to the south of the Kerrisdale1.

Geology of the Kerrisdale1 Property

The bedrock exposure is rare to non-existent on the Kerrisdale1 due to the pervasive cover of the Pleistocene glacial till deposits. The above exploration programs conducted on the nearby mineral occurrences, it can be assumed the Kerrisdale1 property lies at the cusp of the Guichon Creek Batholith. In the following pages, the air photos clearly show a major north northwest trending set of linears on the far west side of the property. To the immediate west of the Property, an earlier ground geophysics program on the Ella Claim Group revealed a set of north northwest trending anomalies on the extreme west of that property which were interpreted as the main Guichon Creek Batholith contact zone (ARIS #2077).

Economic Geology

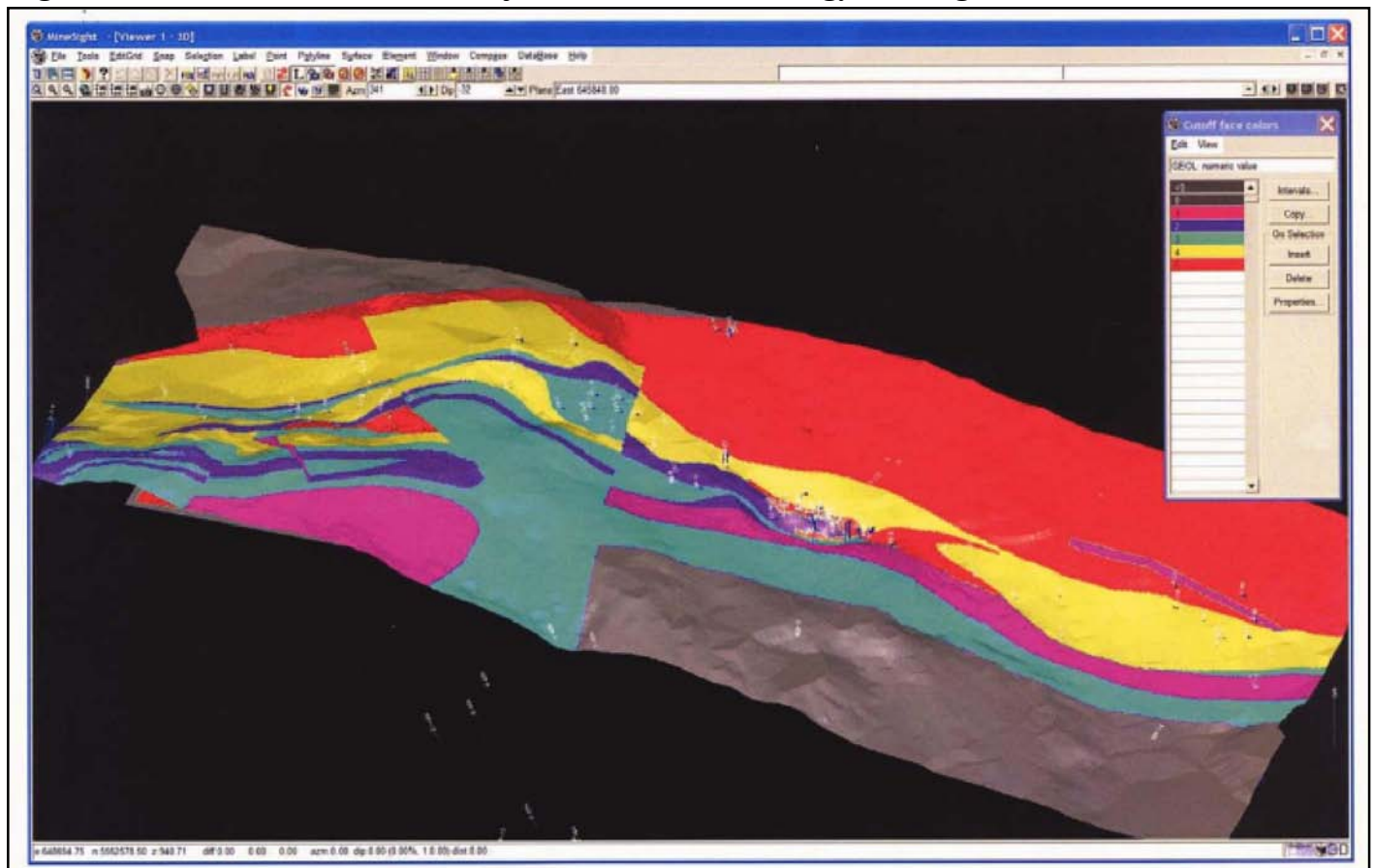
The relationship of the all the economic mines in the district have one common mode of emplacement that occur along structural conduits. The Highland valley deposits are controlled by a system of cross faults entirely encompassed within the various igneous phases. The Craigmont Mine is the only producer outside the Highland Valley Camp and hosted at the Border Phase of the Guichon Batholith. The Craigmont may have a comparable geological similarity to the Kerrisdale¹ Property. Craigmont is located immediately north of Merritt and 40 kms south of the Kerrisdale¹. It has been a major producer of copper totalling almost a billion pounds throughout its life; the mine is in production today as a leading supplier of magnetite to the coal industry.

Craigmont is BC's largest Copper-Iron skarn deposit occurs adjacent to the southern margin of the lower Jurassic Guichon Creek Batholith. In the area of the Craigmont mine occur various compositions of quartz diorite and granodiorite of the Border phase of the Guichon Creek Batholith. These apophyses intrude the Nicola Group. The contact is irregular and difficult to distinguish as the result of the similarity of rock types between the Border phase quartz diorite and the metamorphosed sandstone of the Clastic Sediment unit (Figure 10). The mineralization occurs in calcareous tuffs, greywackes, and argillites of the Nicola Gp. The structural attitudes of the greywackes in contact with the Batholith's Border phase are parallel to the contact; as well these rocks have been altered to a quartzofeldspathic hornfels. Alteration mineralogy has a thermal distribution; within the hornfelsed facies, the greywackes contain hydrothermal biotite and actinolite whereas limestone within the zone is altered to marble. Directly to the south of the area is a massive actinolite skarn that has further altered to epidote and garnet in places. The contact aureole from the Guichon Border Phase is at least 1500 feet wide in the Mine Block area.

The controlling structural feature of ore emplacement is a large anticline that contains drag folds of ore bearing minerals which occur on the north limb. The folds are frequently occupied by diorite dykes and the system plunges 60° to 70° eastward. These minor structures could be the result of plug emplacement. Faults within the mine area have two developed sets: one striking 080° with a steep south dip and the other at 280° with a near vertical dip, both are parallel to the Guichon Batholith margin and to bedding and foliation within the Nicola. The anticline is cut by two regional faults; on the Westside by a northwest trending fault and on the south by an east trending fault. The ore bearing fluids were confined within a block that was bounded by these regional faults and the Guichon intrusive hence a mineralizing trap area developed as a result thereof.

The ore is semi-continuous and occurs as massive pods, lenses and disseminations extending throughout the horizon that extends out for 900 m and to a vertical depth of 600 m. Grades of copper ore is up to 4%; magnetite, hematite and various other skarn minerals comprised up to a further 20% of the ore by weight. The observable controls on ore deposition are chemically favourable host rocks of calcitic nature, folding and brecciation caused by faulting and proximity to the Guichon Batholith.

Figure 10 Three Dimensional Projection of Surface Geology at Craigmont



Colour Legend

- **Guichon Creek Batholith**
- **Nicola Group Clastic Sediments**
- **Nicola Group Rhyolite Fragmental**
- **Nicola Group Limestone**
- **Nicola Andesitic Volcanics**

Note: the contact between the Guichon Batholith and the Nicola Grp, being irregular.

Reference: ARIS #28119

Survey Description

Exploration Methodology

Over the recent years, exploration for porphyry deposits at the regional scale has targeted geological provinces that contain producing mines. In regards to the Kerrisdale1 property it would more appropriate to focus on those types of geological environments where past exploration efforts have been successful, i.e. the Craigmont mine north of Merritt BC. Area selection for an exploration program should be based upon recognizable controls that include the presence of regional structures together with major intrusive centres. However, targeting a certain area for an exploration program based upon the known geological deposit models always has had problematical implications as recent exploration in areas outside the “known” belt of deposits has had discoveries that have ran counter to the existing regional and deposit models. Hence, the Kerrisdale1 property area has had previous exploration programs targeting the porphyry deposit models at Highland Valley. One common thread that exists throughout the Guichon Batholith is the extensive fracturing and faulting in areas associated with economical deposits.

It is the basis of this report to focus on the structural linears and lineaments on the Kerrisdale1 property by vectoring in the most favourable areas worthy of further airborne and ground exploration programs. The topographical, lineament analysis is the first step in developing an overall exploration program on the Kerrisdale1. Table 2 below explains the approaches and methods used in exploration not only for porphyry deposits of which it was developed for but generally can be applied to most mineral exploration programs.

Table 2

	Area Selection	District Exploration	Property Exploration	Evaluation
Socio-political environment	██████████	✓	✓	
Regional geology	██████████	██████████	✓	
Known porphyry deposits	██████████	██████████	○	
Remote sensing	██████████	██████████	██████████	
Aeromagnetics	██████████	██████████	██████████	
Stream geochemistry	██████████	██████████	██████████	
EM-radiometrics	██████████	██████████	██████████	
Prospecting	██████████	██████████	██████████	
Geological mapping	██████████	██████████	██████████	
Rock geochemistry	██████████	██████████	██████████	
Induced polarization	██████████	██████████	██████████	
Oxide appraisal	██████████	██████████	██████████	
Soil geochemistry	██████████	██████████	██████████	
Drilling	██████████	██████████	██████████	
Alteration mapping	██████████	██████████	██████████	
Mineral chemistry	██████████	██████████	██████████	

The table is an exploration plan for Porphyry deposits but can be applied to virtually any exploration target sought for. The red check marks have been completed; Remote Sensing is outlined as a red circle includes air-photo interpretation and analysis.

Adapted from Porphyry Deposits of Northwestern Cordillera of North America, by T. Schroeder in CIM Special Vol. 46, 1995

Lineament and Topographical Survey

The topographical lineament analysis and interpretation was conducted by the author using the stereograph imaging machines at University of BC's Geography Air Photo Library. The current survey targeted not only the Kerrisdale property but also areas immediately to the south and west for comparison purposes. A scan copy of the original black and white air photos from the UBC Geography Library are in Appendix I. A total of 152 linears were measured and categorized by the author into range boxes at 10° intervals, Table 3 displays the data; Figures 11, 12 and 13 are the Spider-web Array plots or Rose Diagrams of the data; Figure 14 is an air photo of the Kerrisdale property area, Figures 15 and 16 are the air photo overlays of the interpreted lineaments and surface features.

The lineaments were based upon observations on the air photos as straight or nearly straight patterns crisscrossing the Kerrisdale property. Also plotted are dark linear features on the surface that maybe due to seepage permeating upwards from structural features such as brecciated facies contacts, jointing, fracturing, or faulting of the bedrock below the glacial overburden. Cuts in streams or their sudden changes in direction may reflect the bedrock structures below are also shown. Several vague circular features were delineated as they may represent either subsurface plugs or satellite plutons. Past exploration programs in the immediate area with known geochemical and geophysical anomalies were also marked on the air photo overlays.

On the Dansey property 3 kms to the south of the Kerrisdale, Copper-Molybdenum (Cu-Mo) mineralization is predominantly fracture controlled with most of the mineralization occurring within a secondary group of fractures striking 040°-080°N. Areas of moderate Cu-Mo mineralization are founded at the diorite-quartz/diorite interface but also weak mineralized Cu-Mo zones are found intermittently throughout the diorite.

The primary purpose of this initial phase of the "work-in-progress" program is to ascertain the principal orientation of future exploration grids on the Kerrisdale and, as well, target areas that have potential of hosting fracture controlled mineralization. Any future program should orientate their grid's sampling lines to crisscross the majority of the surface lineaments (assuming they represent structural features of the bedrock below) as this would maximize the effectiveness of data obtained rather than the gridlines being parallel to the structural linears that could lead to flat or meaningless results.

Table 3 Linear-Array Measurements

Bearing Parameters

Category (boxed)	West					North										East				Total linears (per area)
	270- 275	275- 285	285- 295	295- 305	305- 315	315- 325	325- 335	335- 345	345- 355	355- 005	005- 015	015- 025	025- 035	035- 045	045- 055	055- 065	065- 075	075- 085	085- 090	
Linear Directions of Kerrisdale Property																				
Frequency of measurements	8	0	0	1	4	1	1	6	1	3	1	2	2	4	2	9	2	1	3	<u>51</u>
Linear Directions South of Kerrisdale Property (re:Dab Area)																				
Frequency of measurements	0	1	2	1	1	2	0	7	0	1	0	3	2	3	3	2	2	0	1	<u>31</u>
Linear Directions West of Kerrisdale Property																				
Frequency of measurements	0	2	3	4	0	0	1	11	8	4	0	5	1	7	8	0	11	2	3	<u>70</u>
Total Linears																			<u>152</u>	

Figure 11 Spider Plot of Structural Linears from Airphotos (Kerrisdale Property)

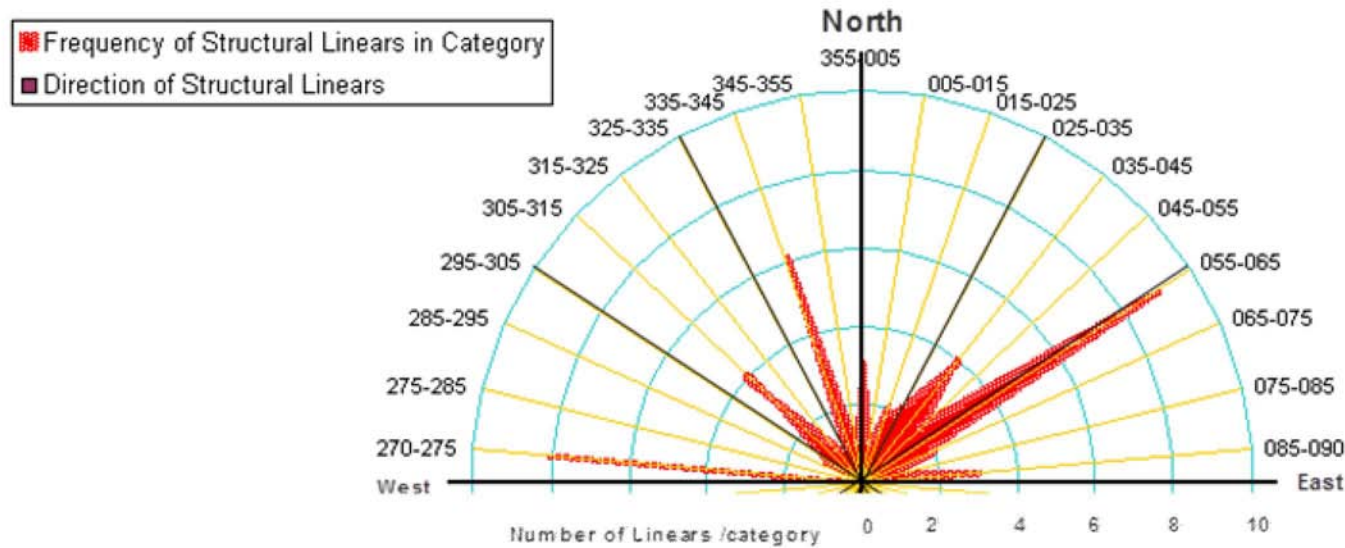


Figure 12 Spider Plot of Structural Linears from Airphotos (South of Kerrisdale Property)

■ Frequency of Structural Linears in Category
■ Direction of Structural Linears

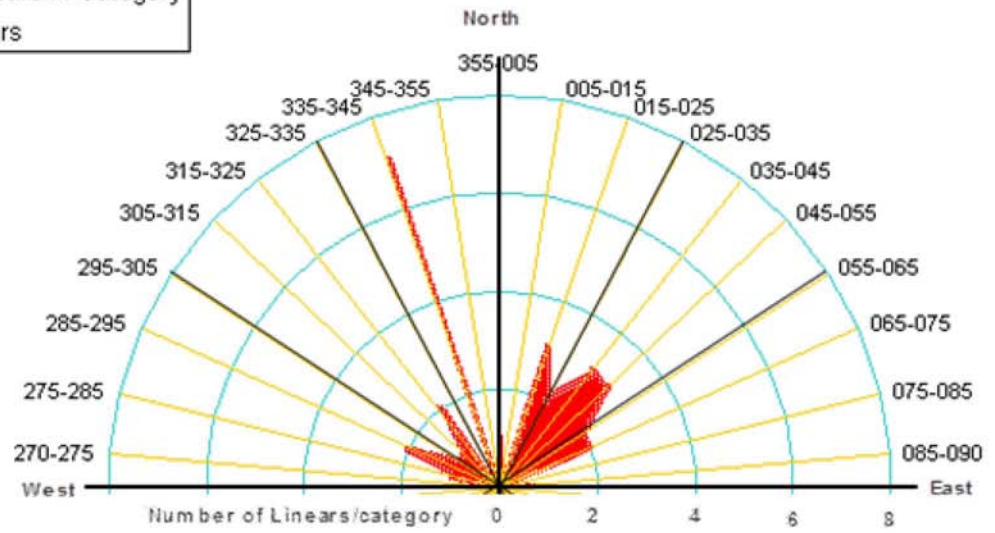


Figure 13 Spider Plot of Structural Linears (West of Kerrisdale Property)

■ Frequency of Structure Linears
■ Direction of Structural Linears

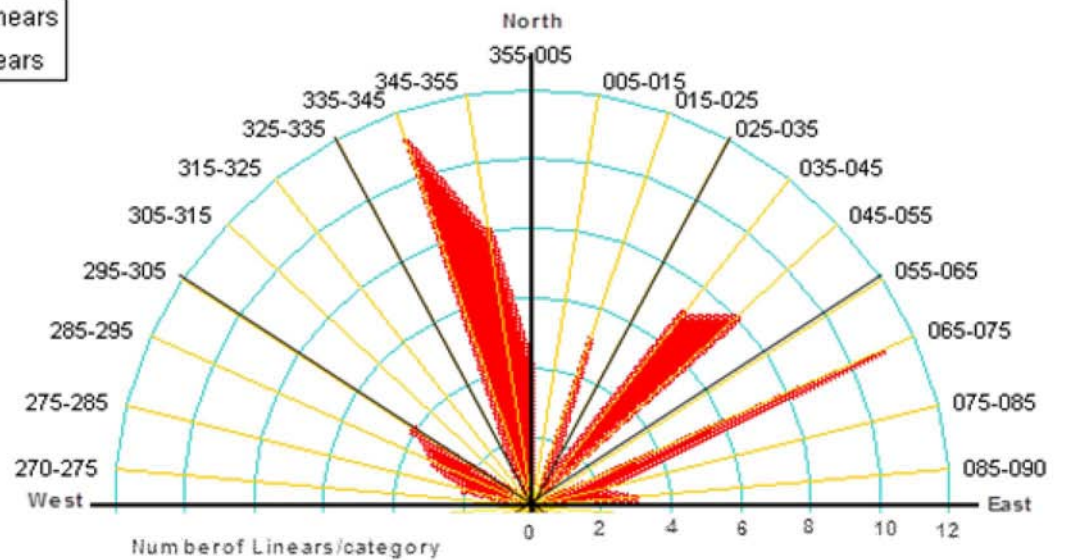
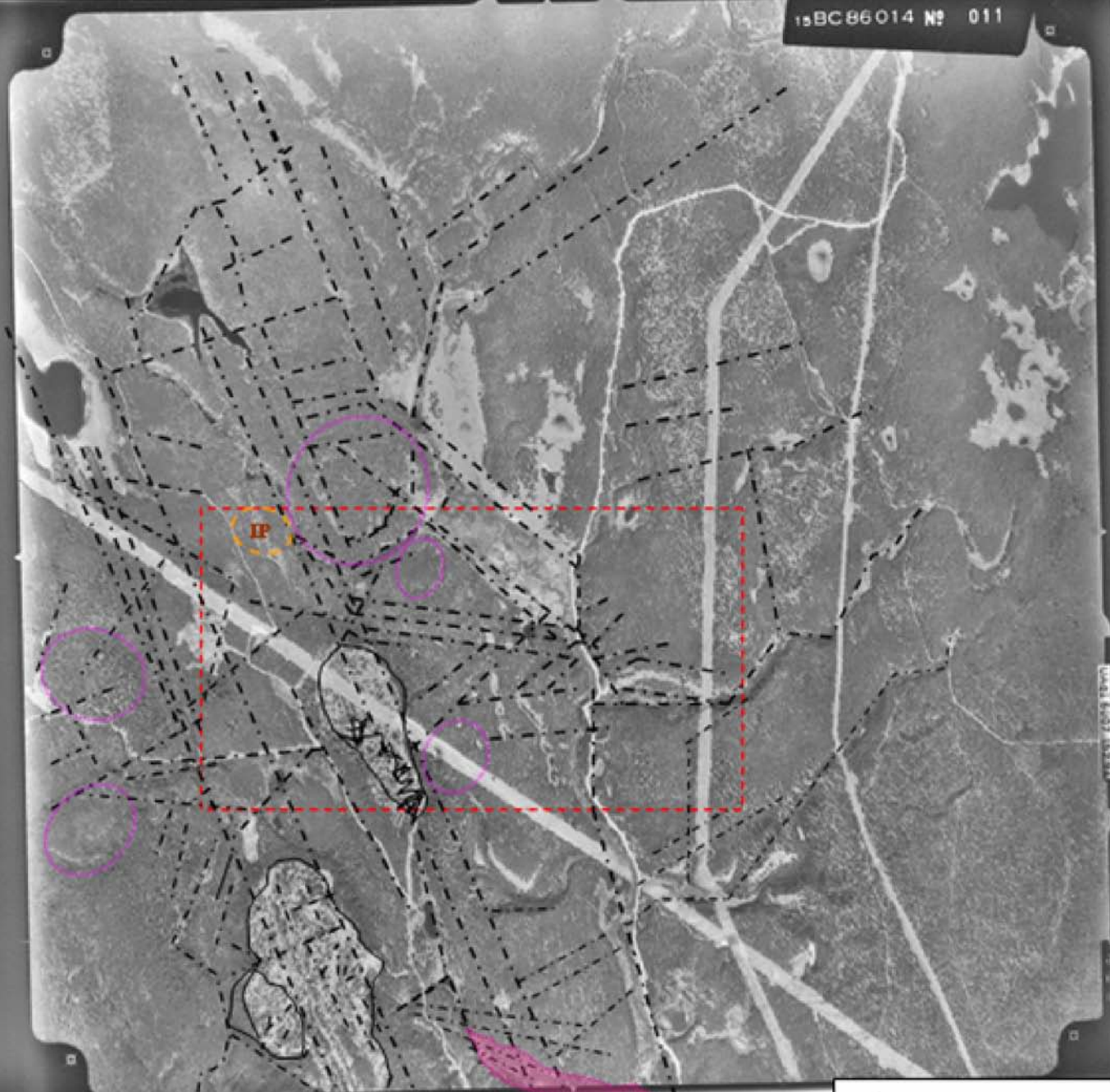


Figure 14 Airphoto of Kerrisdale Property



Figure 15 Lineaments

15BC86014 Nº 011

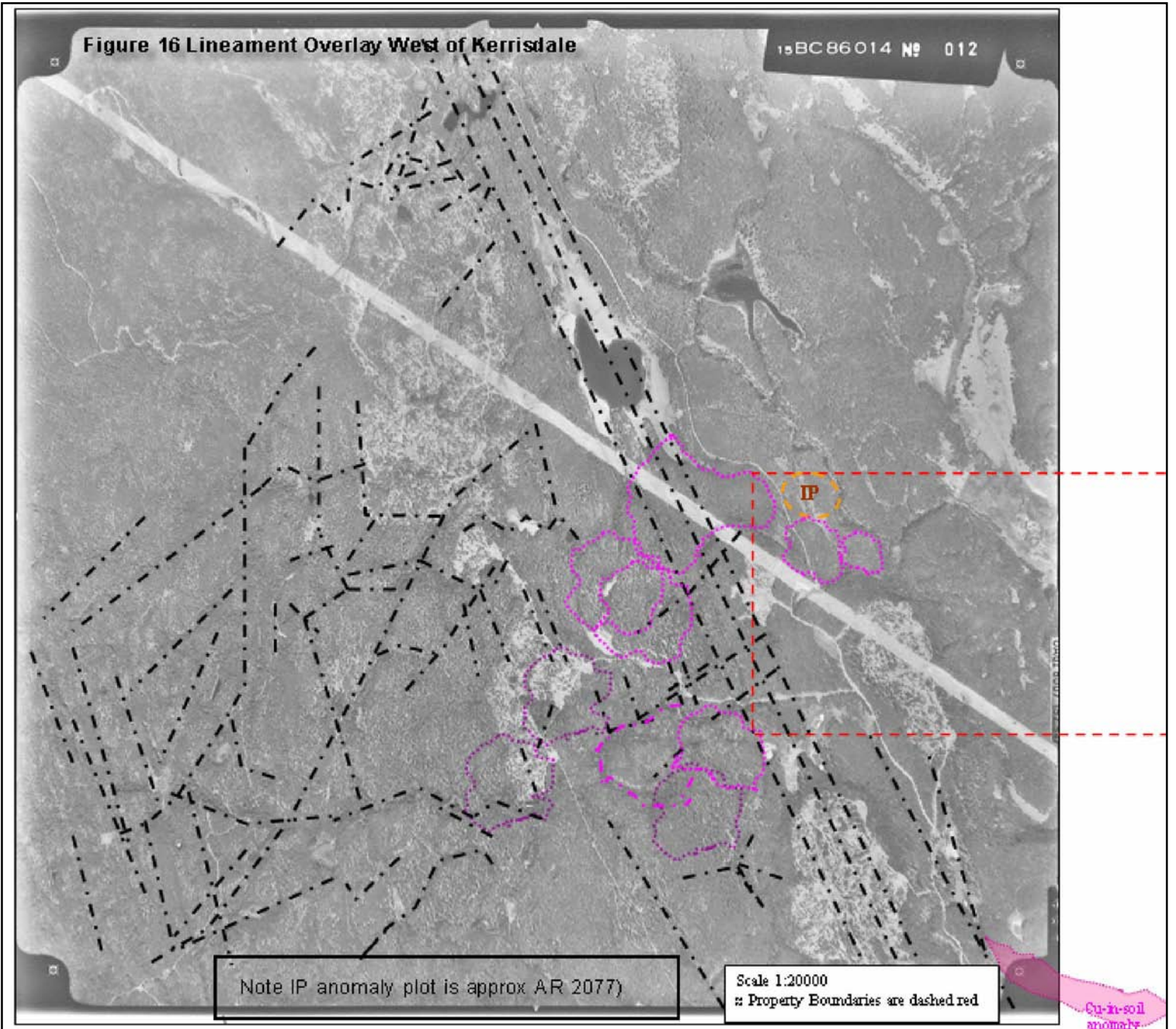


Cu-in-soil anomaly

Scale 1:20000 airphoto

Figure 16 Lineament Overlay West of Kerrisdale

15BC86014 No 012



Note IP anomaly plot is approx AR 2077)

Scale 1:20000
Property Boundaries are dashed red

Cu-in-soil anomaly

Discussion of Survey Results

The air photos of the Kerrisdale Property area have shown two principal sets of lineament trends; a major set of linears trending approximately 340° have affected the topography of the area by offsetting the lake shores to the north of the property; a secondary set of linears trending from 040° to 060° has caused a jaggedly development, in some places a dendritic pattern, to several creeks and valleys that cross the Property.

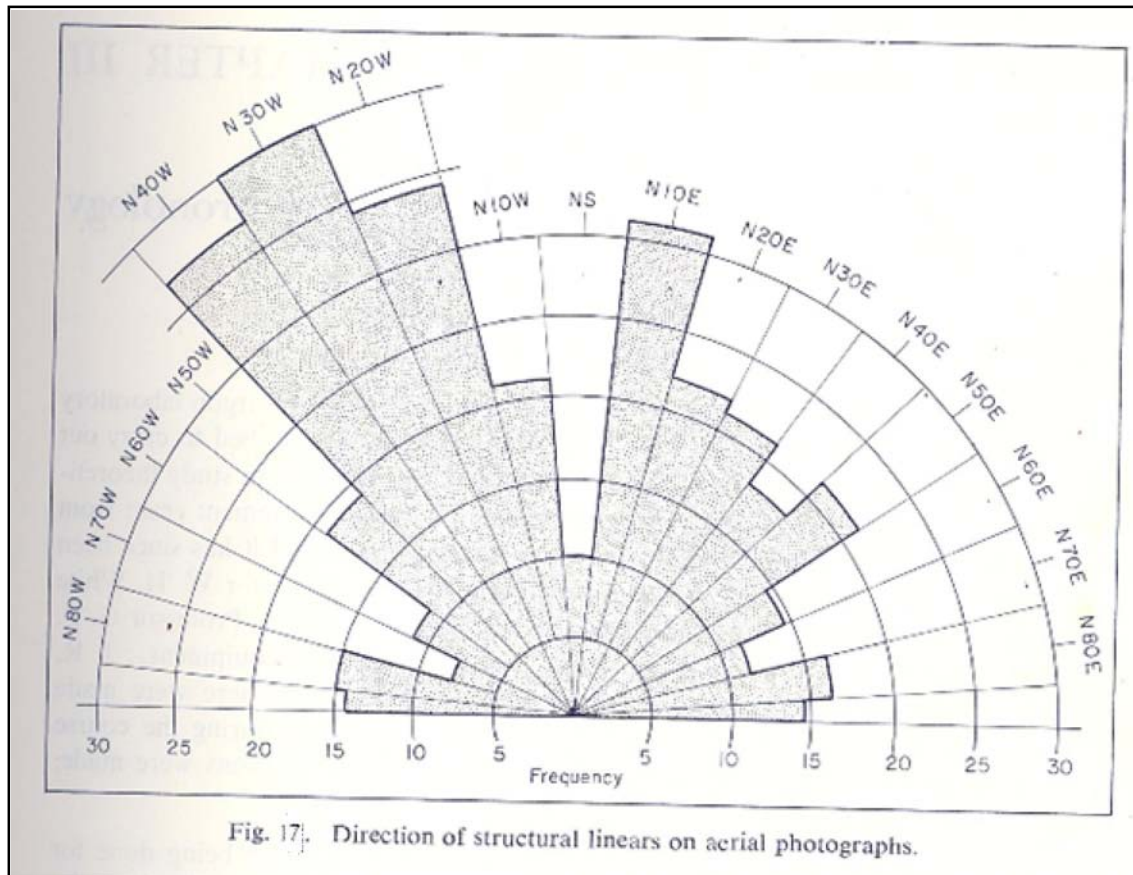
The major set of linears appears on the stereoscope as a closely packed series of numerous parallel lineaments, so many that the author has only shown a few lines to indicate this feature that stretches over a width of almost a kilometre. This major lineament occurs as one distinct set in all three Spider Plots as a narrow cluster. The two known anomalies as outlined on foregoing air photo figures lie in close proximity to this major lineament zone. Most sulphide mineral occurrences in the Guichon Batholith are associated with faulting, the steeply dipping faults occurring at the Bethlehem strike within 20° of north and similar faults appear on other properties in the Batholith (Figure 17). These faults are complicated with braided or branching structures of sheared, altered rock which attain widths of up to 30m. Ice movement direction is southeasterly and may have enhanced or heighten the relief of those linears striking from 315° to 345° N (BCDMPR Bulletin #56). The major set of linears on the Kerrisdale1 that strike 340° may have been emphasized or accentuated by glacial ice scouring. The two best developed fault sets recognized in the open pit at Craigmont strike 080° with a steep south dip and 280° with near vertical dip are parallel to the margin of the Guichon Batholith (AR 28119). The Craigmont is situated on the south side of the Guichon Batholith whereas the Kerrisdale1 is on the east side of the Batholith where the major structural trend at 340° may reflect the margin of the Batholith.

The secondary set of linears is the most important which correspond to the trend of the mineralizing linears occurring on the Dansey Property 3.0 kms to the south of the Kerrisdale. The Kerrisdale1 secondary linear set trend is at 040° -- 060° whereas the Dansey claim set, where the majority of the mineralization is hosted, trends at 040° -- 080° (AR 29164) (Figure 18).

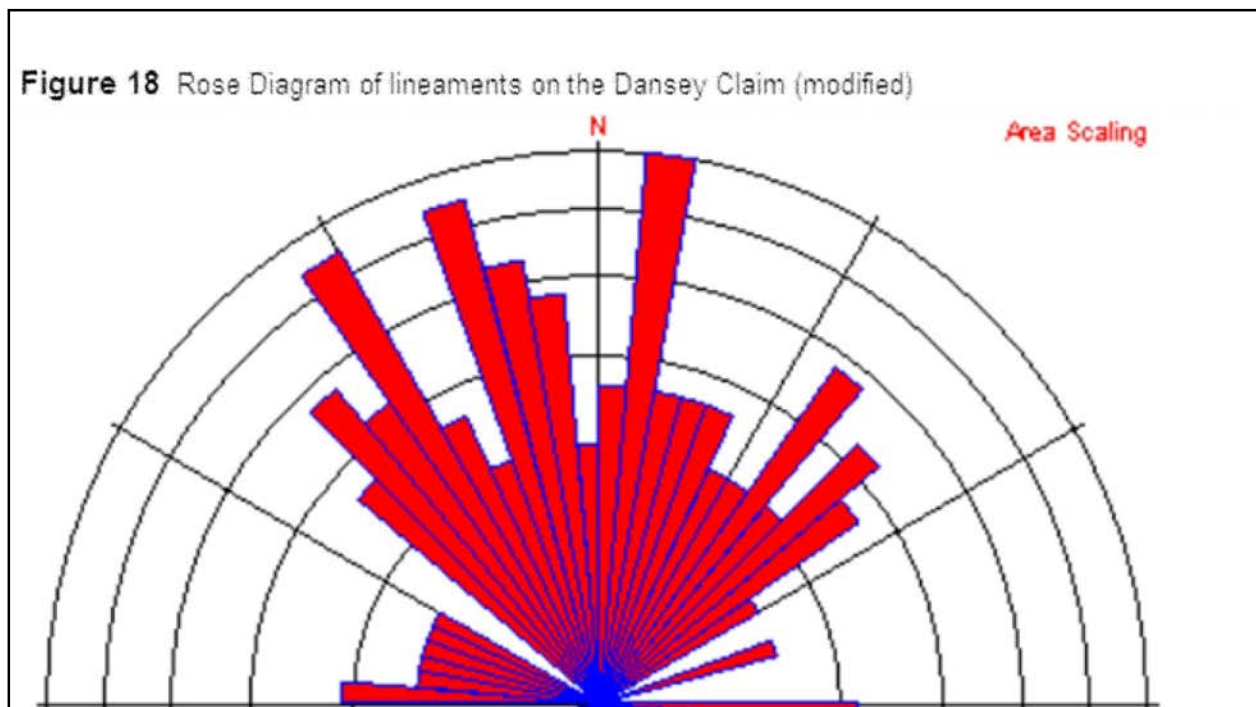
The linear curvature of several creeks and ridges portrays a vague, indistinct appearance resembling an irregular outline of a topographical circular feature. Immediately to the west of the property a cluster of circular patterns forms an outline shape of a petunia (flower) with apparent radiating linears. This feature shows obscurely on the black and white air photos but is more pronounced on the regional satellite imagery (Figure 19). The air photo roll numbers used for topographic analysis of the flower structure are 15BC86014-

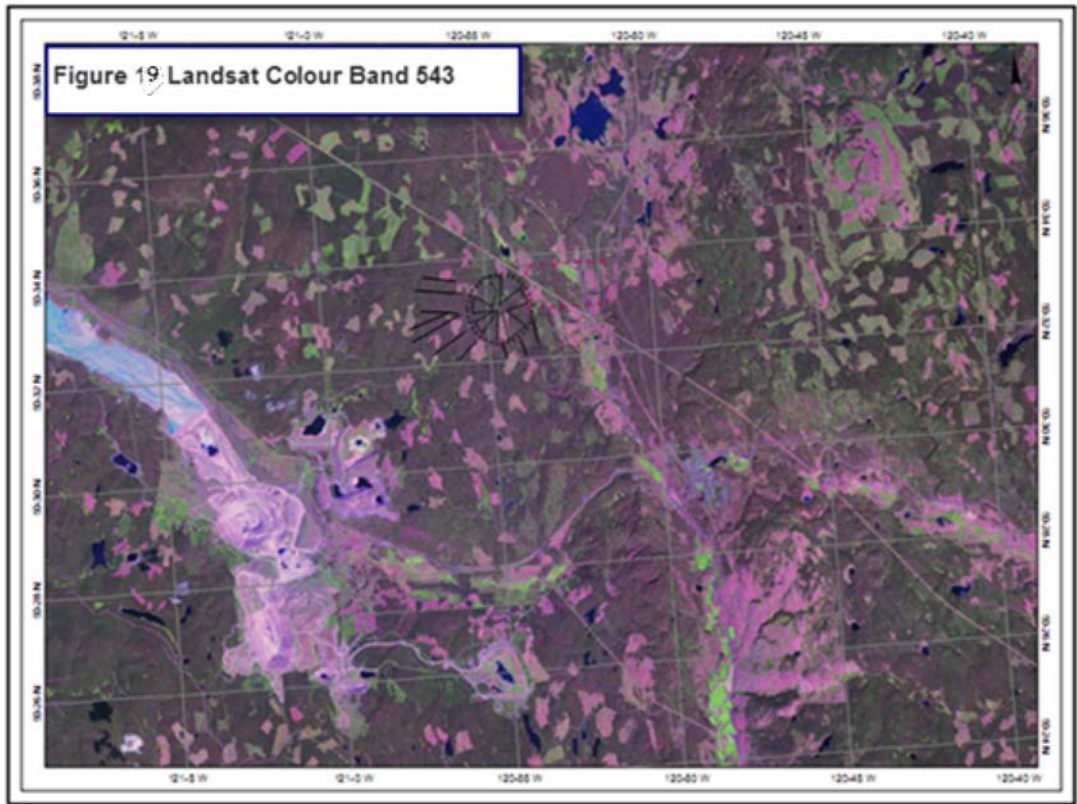
#11, #12, & #13, the flower structure is very indistinct and it is only when plotting the individual curved linears does the structure pattern become evident (Figure 20).

Figure 17 Direction of Prominent linears occurring in the Guichon Creek Batholith

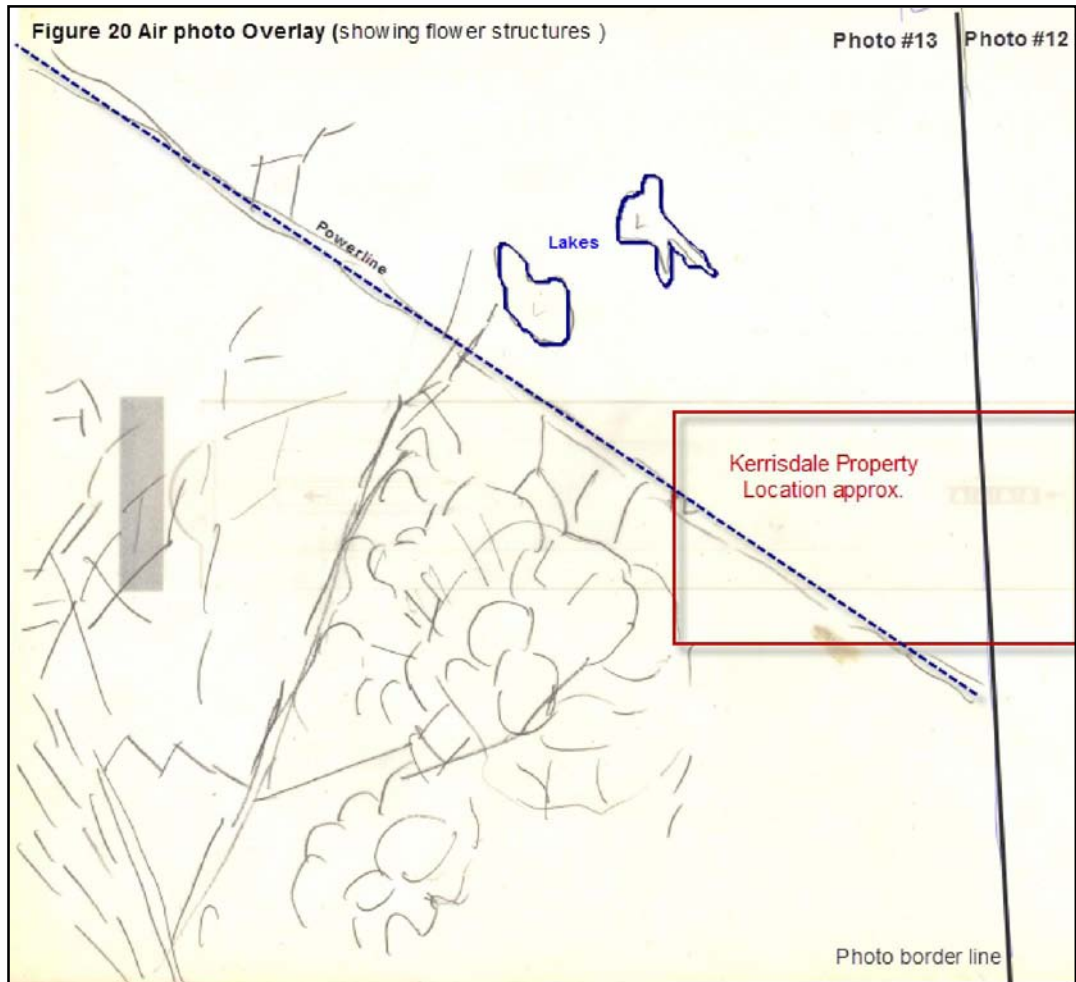


Reference: BCDMPR Bulletin #56





Note: Location of the Kerrisdale property in dotted red is approximate



Conclusions

The results from the analysis of the topographical and lineament features occurring near and on the Kerrisdale1 Property have indicated a dominant structural zone trending at 340° conforming to the regional strike of the Guichon Creek Batholith, this major set appears to be associated with the known geophysical and geochemical anomalies discovered by previous operators working in the area. A second minor set of lineaments is confined to a range trending from 040°--060° and is correlative to the strike of the mineralized fractures at the Dansey Property to the south of the Kerrisdale1.

Several vague or obscure circular features are noted but to speculate on the development of these features are tenuous at best whether related to glacial outwash fans or igneous plugs intruding into the Guichon Batholith maybe only determine by an on-site visit of the area. It appears these circular features have a particular shape just to the west of the Kerrisdale1 in the form of a flower-petal structure. The major mineral deposits in the Guichon Batholith centered around the Highland Valley appear to have two separate regional structural trends; a dominant set trending almost northward is associated with the Highland Valley, Lornex, Krain, and Southseas occurrences, this dominant trend appears offset by a secondary trend heading north-eastward where the Bethlehem deposits are situated (see Fig 9). The flower-petal structure just west of the Kerrisdale is on strike with this regional secondary set trending north-eastwardly.

The current report is the initial phase of a “work-in-progress” programme where each work phase is dependant on the prior work programmes. Definite conclusions cannot be deduced but only inferences are ascertained at this time until further information is available from any future work programs.

Recommendations

Any future work programs requiring a survey grid should orientate the sampling lines at 300°N in order to effectively cross the secondary set of linears occurring on the Kerrisdale1 Property. The induced polarization anomaly on the west side of the Kerrisdale1 Property, as outlined in AR#2077, is of interest and should be investigated further.

Cost of Current Survey

Wages:

Technical (Analysis and Graphics):

B. Hemingway B.Sc FGAC

June 26th to June 27th, 2010 2.0 days @ \$350/day \$ 700.00

Travel:

B. Hemingway B.Sc FGAC

0.5 days @ \$350/day \$ 175.00

Costs:

Transportation:

Travel (UBC Geography Library) 68kms @ 52¢/km \$ 35.36

Report:

Report writing and map preparation 2.0 days @ \$350/day \$ 700.00

Sundry (printing, maps, office, computer, etc) \$ 300.00

Total Cost of Current Technical Survey

\$1910.36

References used in Kerrisdale Report 2010

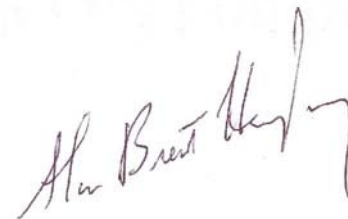
1. BC Government
 - a. Mineral Titles Online BC: www.mtoline.gov.bc.ca
 - b. MapPlace Internet File Search and Downloads: www.em.gov.bc.ca/Mining/Geolsurv/MapPlace
 - c. MinFiles #: www.em.gov.bc.ca/Mining/Geolsurv/MinFile
 - i. 092INE040 DAB;
 - ii. 092INE117 POD;
 - iii. 092INE034 DANSEY;
 - iv. 092INE135 WDR;
 - v. 092INE111 RM;
 - vi. 092INE163 GUICHON CREEK;
 - vii. 092ISE012 BERTHA – MOLLY;
 - viii. 092ISE035 CRAIGMONT
 - d. ARIS #: <http://aris.empr.gov.bc.ca>
 - i. 1166 Crosby, R. O. (1968): Report on Aeromagnetic Survey on some HJ and DAB Mineral Claims; Alwin Mining Co Ltd
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 - iii. 2069 Crowhurst, J. (1969): Geochemical Report on the “Dab” Claim Group; Alwin Mining Co Ltd.
 - iv. 2077 Baird, J. (1969) Report on Induced Polarization Survey, Ella Claim Group; Highland Valley Mines Ltd.
 - v. 3459 Read, W. S. (1972): Geophysical Report on the RM 25-27 Mineral Claims; Alwin Mining Co Ltd.
 - vi. 28119 Fleming, J. (2006): Craigmont Mine Geophysical Program and Drilling Campaign for 2005; Christopher James Gold Corp.
 - vii. 29164 Sookochoff, L. (2007): Geological Assessment Report (Lineament Array Analysis) on the Dansey Claim; Sookochoff
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 - e. BCDMPR Bulletin No.56 Northcote, K. (1969): Geology and Geochronology of the Guichon Creek Batholith
2. University of British Columbia Dept of Geography Remote Sensing Library
3. Canadian Institute of Mining, Metallurgy, and Petroleum. Edited by Schroeter. T. (1995): Special Volume 46 Porphyry Deposits of the Northwestern Cordillera of North America
4. The Weather Network http://www.theweathernetwork.com/statistics/precipitation/c11_123469

Statement of Qualifications

I, Brent Hemingway of the City of Surrey, British Columbia; certify hereby:

1. I am a Geologist residing at #50-1640-162nd Street Surrey BC., V4A 6Y9
2. I am a graduate of UBC with a Bachelor of Science in Geology in 1978
3. I am a Fellow of the Geological Association of Canada
4. I am a member of the Society Economic Geologists
5. I have engaged in the study of Geology after graduation for four years with several major and junior exploration companies in Western Canada and thereafter for eighteen years as a free agent.
6. I personally carried out the current topographical and lineament analysis on the Kerrisdale1 Claim June 23 and 24th, 2010; the findings are described within this report
7. This report is reliant on the records from previous operators on the Kerrisdale1 Property area, data in the literature from the British Columbia Ministry of Mines and data from the Canadian Federal Government.
8. I am the author of this report, the composition thereof, and with the planning of the current survey.
9. I have a no interest in the Kerrisdale1 mineral tenure or any other interest in surrounding tenures, and know of no other claim on the property.
10. I work under the supervision of John Kowalchuk B.Sc P.Geo

Dated this 17 day of August, 2010



Alan Brent Hemingway, B.Sc FGAC

Surrey, B.C.

Appendix 1

Air Photos

15BC86014 № 010

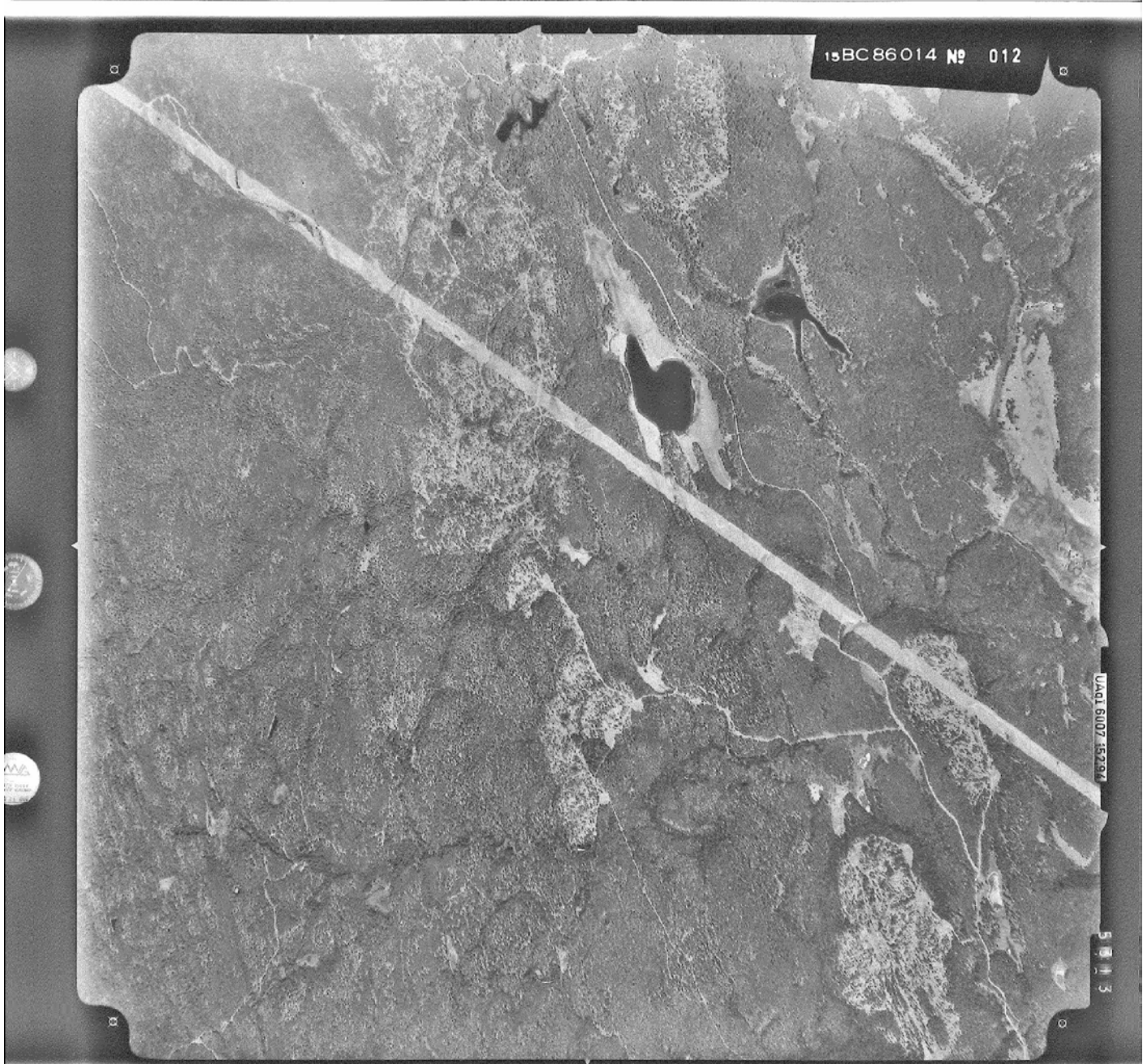
UAGI S107 15294

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UAGI 6107 15284

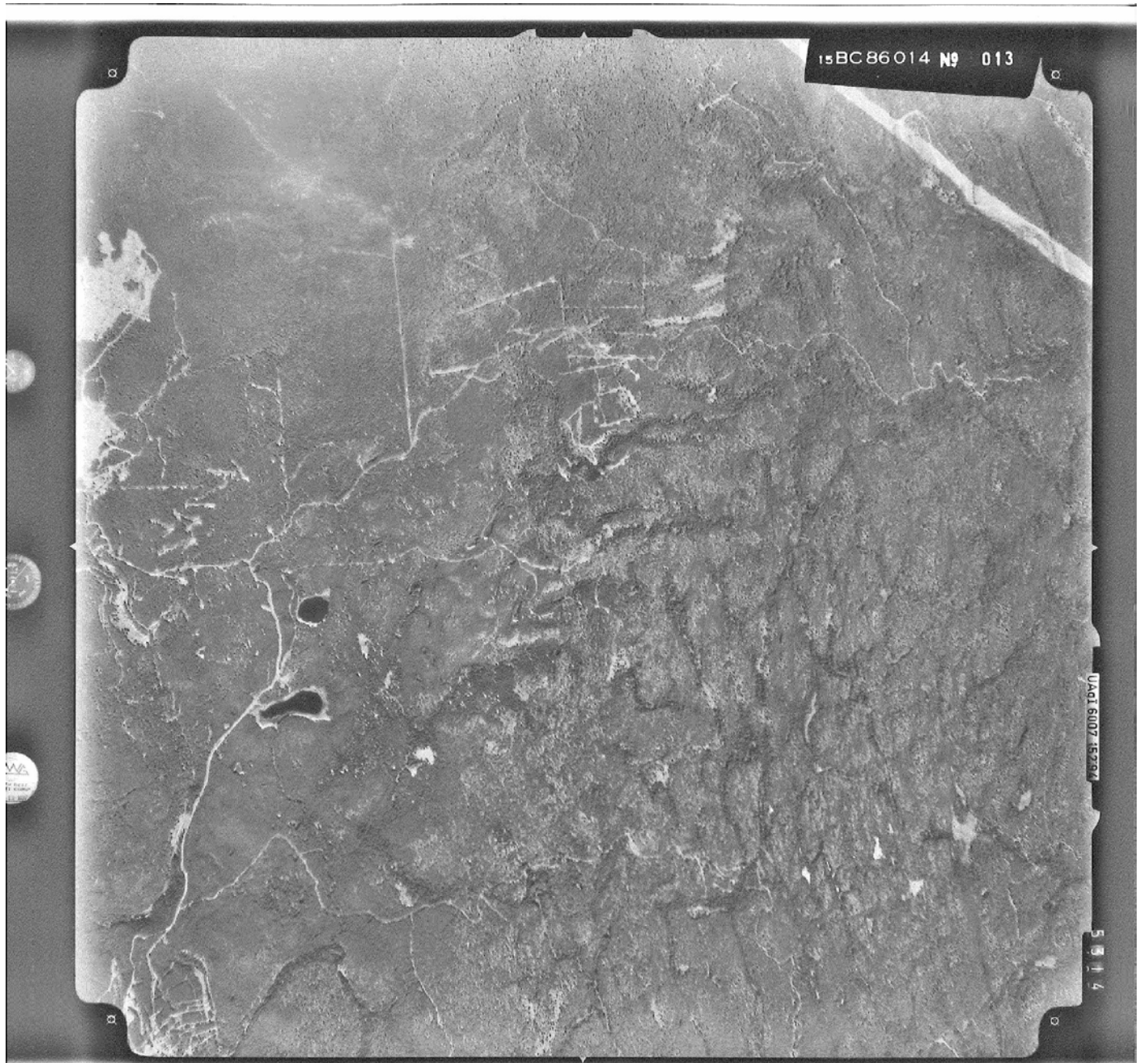




15BC86014 № 012

UAG16007 15294

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15BC86014 № 013

UAGI 6007 15284

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15BC86014 № 014

UADL 8007 152 94

5 9 1 5