ASSESSMENT REPORT

ON

GEOLOGICAL COMPILATION

MONROE LAKE PROPERTY

Mineral Tenure 507398 & 505849

Monroe Lake Area, British Columbia

FORT STEELE MINING DIVISION

TRIM MAP 82G.021

UTM 5467900N 580700E

For

St. Eugene Mining Corporation Limited

515 –850 West Hasting St.

Vancouver, B.C., V6C 1E1

By

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&
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August, 2010

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1.00 INTRODUCTION

Summary

Exploration work conducted on the Vent Zone to date indicates a potentially economic deposit estimated at between 50,000 and 100,000 tonnes with attractive zinc/lead values. Additional exploration activities as recommended in this report on this and nearby targets might double this resource. The deposit will not support a stand alone mining operation, based on present technology, but represents an excellent candidate as ore feeding a regionally located ore concentrating complex where ore is drawn from a number of discrete deposits. The Society Girl deposit on the Company's St. Eugene property east of the town of Moyie represents another excellent potential feed supply, and it is expected that with additional focused exploration, other deposits will be defined. The Vent Zone as it is currently defined offers a number of advantages for mining. It is near surface, hosted within competent ground, may be concentrated with simple metallurgical processes and can be developed and extracted from a short access drift.

1.10 Location and Access

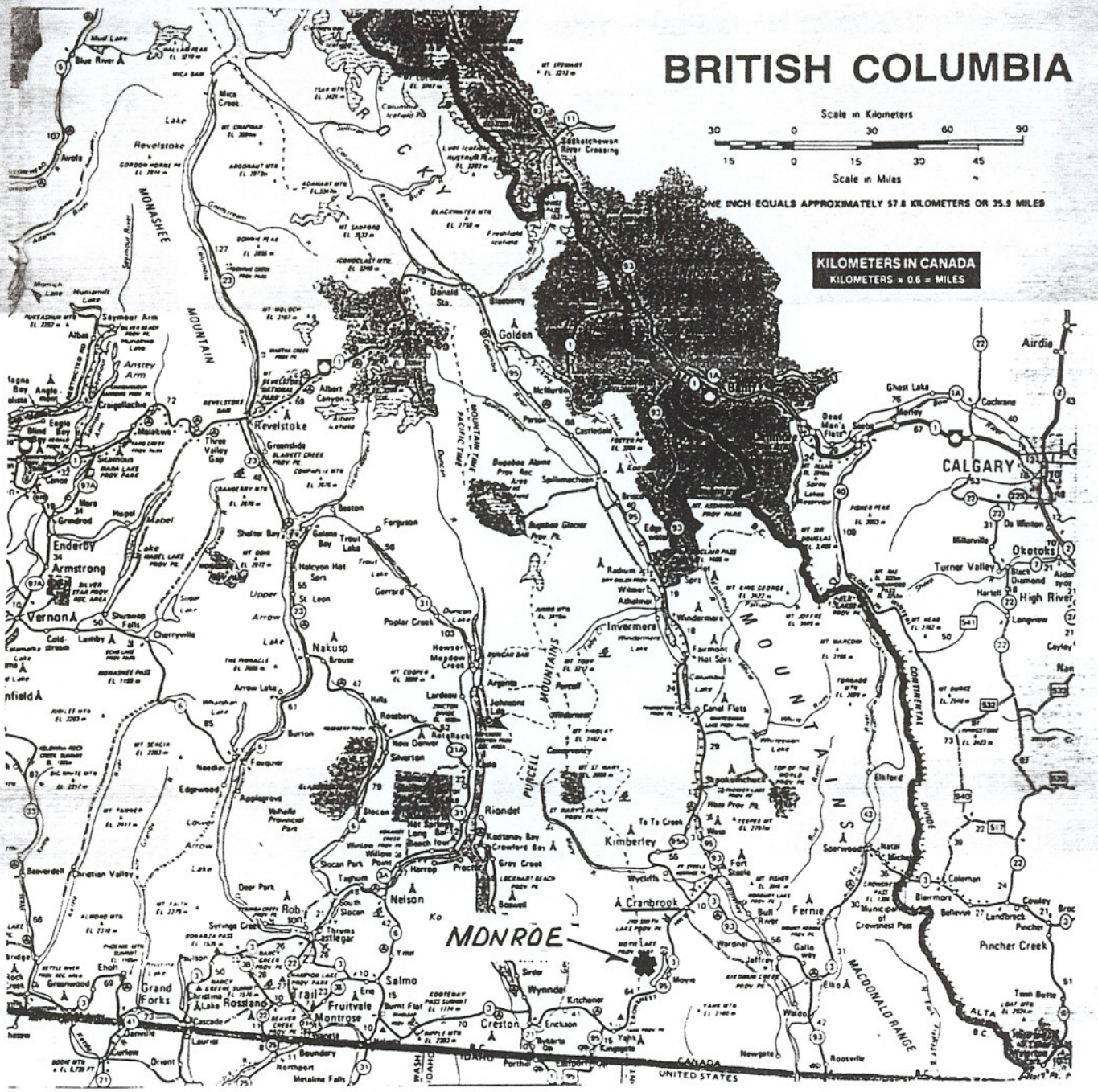
1.11
The Monroe Lake property is part of St. Eugene Mining Corporation's Moyie Lake claim block and is located about 18 kilometers southwest of Cranbrook, B.C. just west of Highway 3/95 and about 1 kilometer west of Monroe Lake (Figures 1 & 2). The claim block is centered approximately at UTM coordinates 5467900N 580700E. Access is via Highway 3/95 south of Cranbrook and the Monroe Lake and Lamb Creek Forest Service Roads.

1.20 Property

The Monroe Lake claim group is part of a larger block of claims in the Moyie Lake area held by St. Eugene Mining Corporation Ltd. (Fig. 2). The historic 'Fors' showing of lead-zinc-silver mineralization is located within the claim block.

1.30 Physiography

The Monroe Lake claim block is located just northwest of Moyie Lake within the Moyie Range of the Purcell Mountains. Topography is of glacially rounded mountain ridges and tops with generally steep-sided stream valleys. Elevations on the property range from 1077 meters at Monroe Lake to about 1830 meters, with nearby mountains reaching 2100 meters. Forest cover on the Monroe claims was completely destroyed in 2003 by the large Lamb Creek forest fire. In 2004, burned trees were clearcut and removed from the property.



MONROE PROPERTY

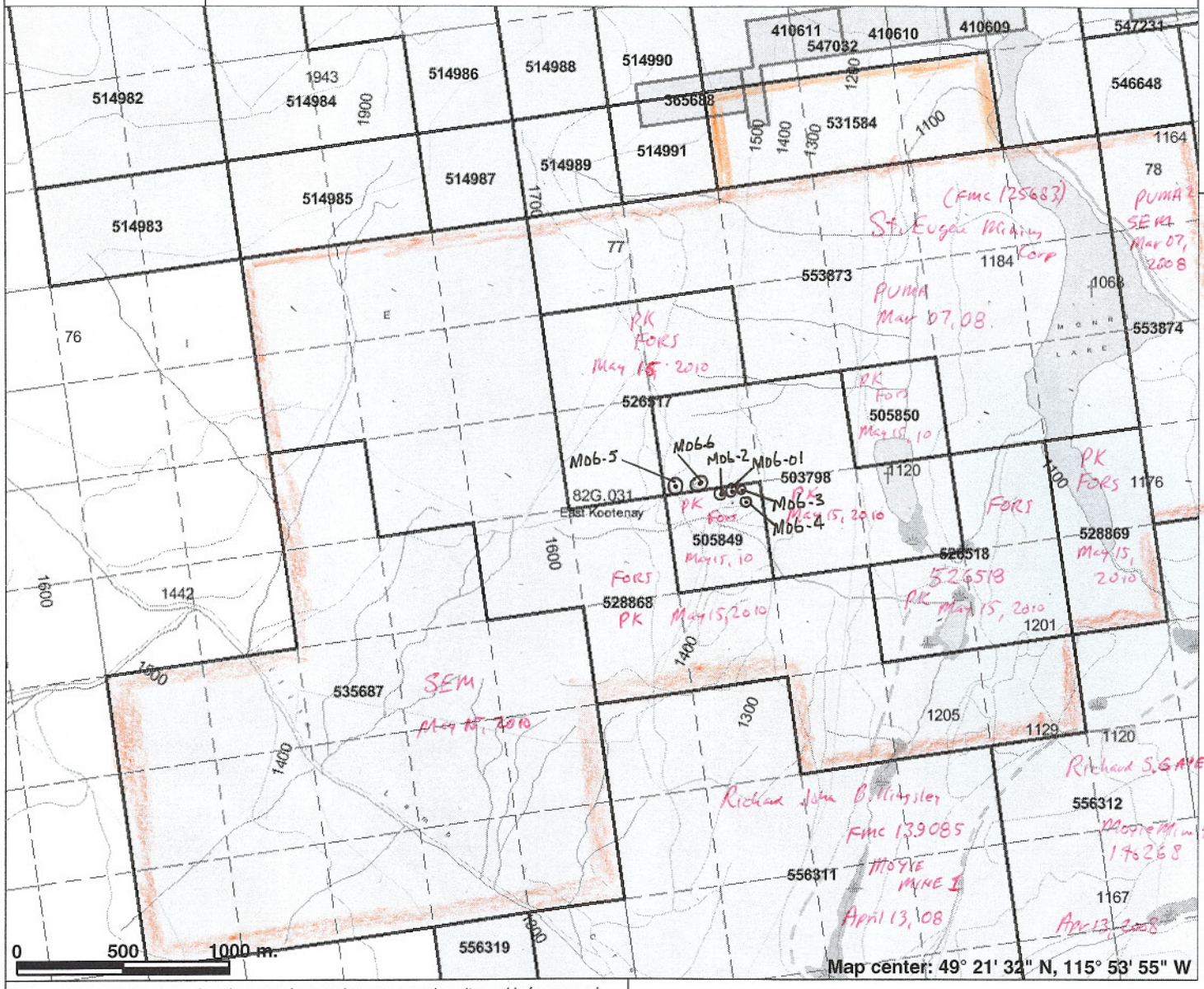
PROPERTY LOCATION MAP

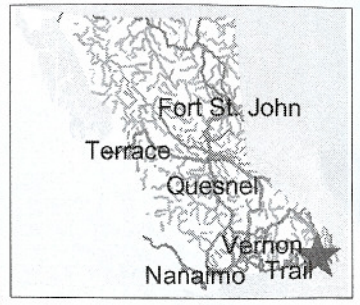
Scale: as shown	Date: May 2007	Plate:

FIGURE 1

MONROE LAKE

Internet Mapping Framework





Legend

- Indian Reserves
- National Parks
- Parks
- Mineral Titles Grid (MTO)
- Mineral Tenures (Mineral - MTO)
- Mineral Claim
- Mineral Lease
- Reserves (Mineral - MTO Sites)
- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others
- Mining Division (MTO)
- Integrated Cadastral Fabric
- BCGS Grid
- Contours (1:250K)
- Contour - Index
- Contour - Intermediate
- Areaof Exclusion
- Areaof Indefinite Contours
- Annotation (1:20K)
- Transportation - Points (TRIM)
- Helipad
- Transportation - Lines (TRIM)
- Airfield
- Airport
- Airstrip
- Airport.Abandoned

Scale: 1:28,221

Fig. 2

Page 5

1.40 History of Previous Work

The St. Eugene Mine at Moyie Lake, approximately 15 km south of the Monroe Lake claim block, was discovered in 1893 and mined intermittently from 1895 to 1929. Just over one million tons were mined at an approximate grade of 15% Pb, 7 oz/ton Ag and 5% Zn (zinc was not recovered in the early years of mining). Minor production occurred from the Aurora deposit west of the lake and from the Society Girl deposit located "on strike" of the St. Eugene to the ESE.

In 1966 Cominco prospectors discovered the Fors showing, a stratiform occurrence of lead and zinc sulphide mineralization, on what is now the Monroe Lake claim block. Cominco's subsequent exploration of the property between 1966 and 1978 included soil geochemistry, geophysics and diamond drilling, including deeper holes to test underlying stratigraphy equivalent to that which hosted the large Sullivan orebody at Kimberley, approximately 40 kilometers to the north. The property was dropped by Cominco, acquired by local prospectors, and optioned by Placer Dome in 1987 with minimal work of geological mapping and geochemistry undertaken for one season. In 1992 Chapleau Resources Ltd and Barkhor Resources Inc. optioned the property and drilled an extensive package of hydrothermally altered rocks with considerable disseminated base metal mineralization and narrow lenses of more massive lead-zinc mineralization interpreted to be stratiform in nature. Kokanee Explorations Ltd. (later Consolidated Ramrod Gold Corporation) entered into an agreement for the claims and proceeded to do extensive exploration including ground geophysics and considerable diamond drilling. Between 1992 and 1996 this joint venture drilled 32 holes totalling 13,708 meters.

In the fall of 1996 the property was optioned to Citation Resources Inc. who drilled 13,717 meters in 17 holes between 1996 and 1997.

The thrust of the Ramrod and Citation drilling was a Sullivan style Sedex deposit either at Sullivan Geological time, up to 1500 meters below the present surface, or at levels above this horizon (the Sullivan oebody mineralization is located stratigraphically at the contact between the lower and middle divisions of the Aldridge Formation). The model in vogue and which motivated the extensive exploration programmes, was based on the concept that Sullivan style mineralization could exist at any position within the thick middle Aldridge sequence above Sullivan time. Using this model, exploration activities focused on areas where there was surface evidence for the presence of "venting" systems with the characteristics that has been identified with the formation of the large Sullivan Mine deposit.

St. Eugene Mining Corp. acquired the property in 2006 and carried out a limited drilling program focused on the area of known lenses of sulphide mineralization. This drilling consisted of 562.1 meters in 6 holes (Pighin, 2007). Drilling intersected narrow bands of massive lead and zinc - bearing sulphides along with extensive fracture and disseminated mineralization. DDH M-06-1 intersected significant base metal values as indicated by the following analyses (more complete results are in Pighin, 2007):

Core Depth From To	Core Length	% Pb	% Zn
15.6m – 17.0m	1.4m	9.28	19.3
17.0m – 18.3m	0.7m	1.42	2.98
18.3m – 19.3m	1.0m	2.23	3.58
37.3m - 37.8m	0.5m	9.27	13.25
37.8m – 38.8m	1.0m	4.06	9.55
41.8m – 42.3m	0.5m	13.5	7.11
45.0m – 45.6m	0.6m	6.58	11.30
47.4m – 50.0m	0.6m	6.26	9.49

1.50 Scope of Present Program

In the fall of 2009 and early 2010 R.T.Trenaman undertook a detailed evaluation of existing drill results to determine the known extent of the base metal mineralization and to provide definitive guidelines for further exploration.

Following the criteria of the model utilized by Ramrod and Citation, the Monroe Lake ('Fors') mineral occurrence –in this document referred to as the Vent Zone- and situated near the centre of the claim block, became the focus for the search.

2.00 GEOLOGY

The Monroe Lake property is underlain by rocks of the Aldridge and Kitchener Formations which are members of the Proterozoic Purcell Supergroup. The Aldridge Formation is a thick sequence of fine- grained siliciclastic rocks including argillites, siltstones and impure quartzites, largely of turbidite affinity. The Aldridge Formation was host to the world class lead-zinc-silver Sullivan orebody at Kimberley, approximately 40 kilometers north of the Monroe Lake property.

The Kitchener Formation consists of fine siltstone, silty carbonate and carbonate and is exposed only in the southeast corner of the property and on the south side of the Moyie Fault. The Moyie Fault is a major transverse fault with local apparent vertical displacement in the order of 5000 meters.

The area has been most recently mapped by Hoy and Diakow (1982); the Monroe Lake area is on the western flank of a north-plunging anticline whose axis trends NNE and runs through Moyie Lake. Bedding on the property dips gently north to northeast.

The initial diamond drilling by Chapleau Resources and Barkhor Resources discovered a relatively large Sullivan-type vent structure consisting of a steeply-dipping, discordant, strongly tourmalinized and albitized fragmental body which is flooded by late calcite and sulphides. The sulphides are mainly galena, sphalerite, arsenopyrite and pyrrhotite and occur as heavy disseminations, massive sulphide veins and flat-lying massive sulphide lenses (Britton and Pighin 1994). The highest grade intercept was one meter of massive sulphides grading 9.35% lead, 16.4% zinc, 0.09% cadmium and 98 grams per metric ton silver (The Northern Miner, December 7, 1992).

3.00 EVALUATION OF HISTORIC EXPLORATION DATA

3.10 Previous Exploration History - Proofing Previous Exploration Data.

Geological Mapping: The Munroe claim clock , the subject of this compilation report, had been extensively explored over a period of close to fifty years by a number of different companies prior to its acquisition by St. Eugene. These prior activities had been driven by the search for a Sullivan Mine "look a like" Sedex deposit.

Following the acquisition of the property, the management of St. Eugene undertook a careful review of the geological records, including diamond drill hole logs for holes drilled on the Vent Zone outcrop and within a 1.5. km radius of this core area.

The Company was fortunate to be able to draw on the experience of a number of geologists who had spent much of their professional careers studying and involved in exploration work in this package of middle Aldridge rock. These include professional geologists Dave Pighin, Peter Klewchuk and Robert Gifford. Many of the drill holes had been logged by these individuals and others equally qualified.

The original core was stored at Dave Pighin's Vine facility near the north end of Moyie Lake and was readily available for study.

The approach taken by St. Eugene was that the sulfide mineralization which had been intersected in a number of drill holes at the Vent Zone was mainly structurally controlled, and more closely fitted the model for the St. Eugene mine 9 km to the south, where the silver/lead/zinc ores are constrained within a steeply dipping vein system, rather than the Sedex model which applied to the Sullivan deposit. The Coeur d' Alene suphide deposits 150 km to the south are, to a large extent also vein controlled, and confined to the same package of early Proterozoic rocks.

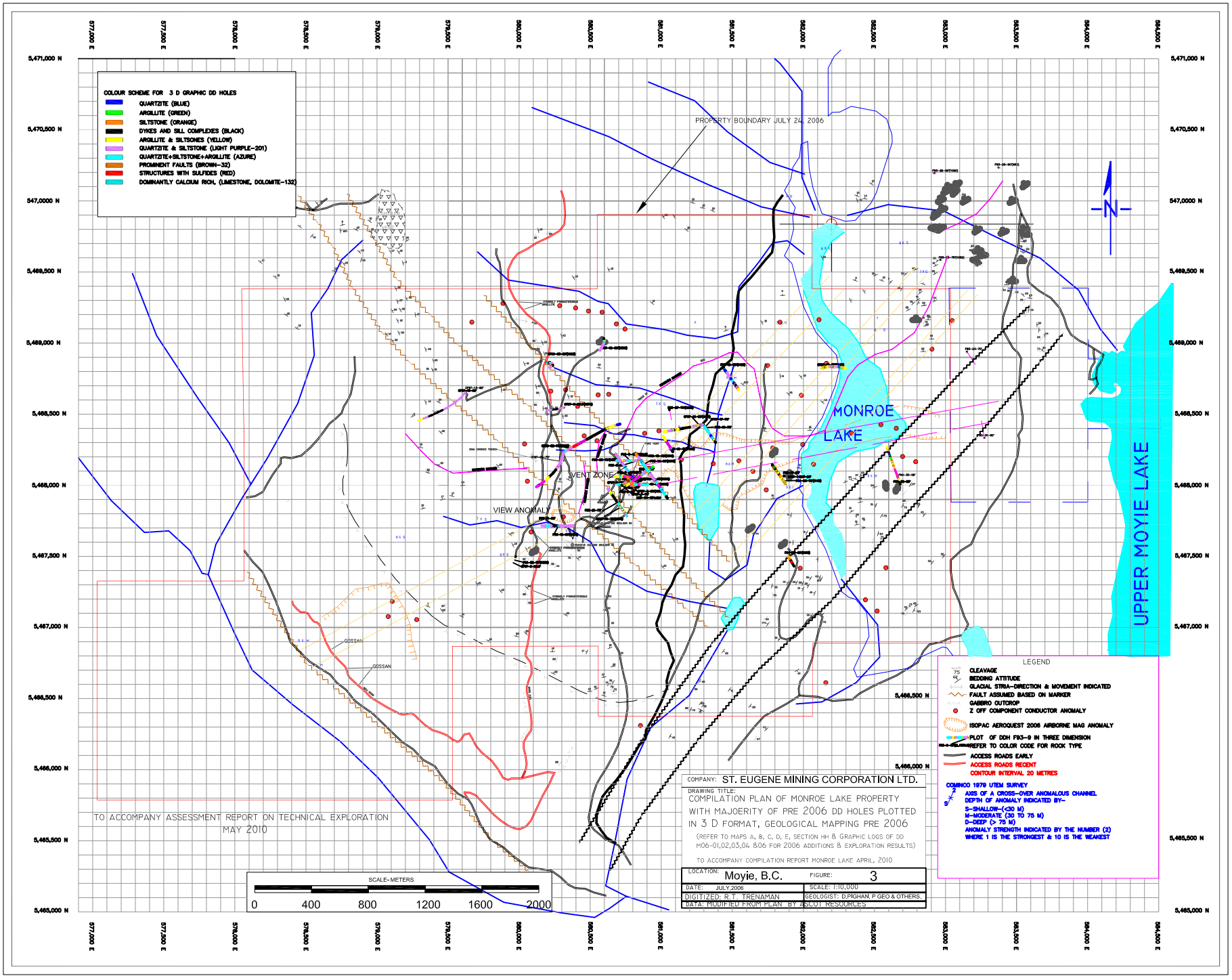
The exploration model designed by St. Eugene aimed to confirm that the Vent Zone was structurally controlled and more closely fitted St. Eugene vein style mineralization as compared to the sedex model earlier followed.

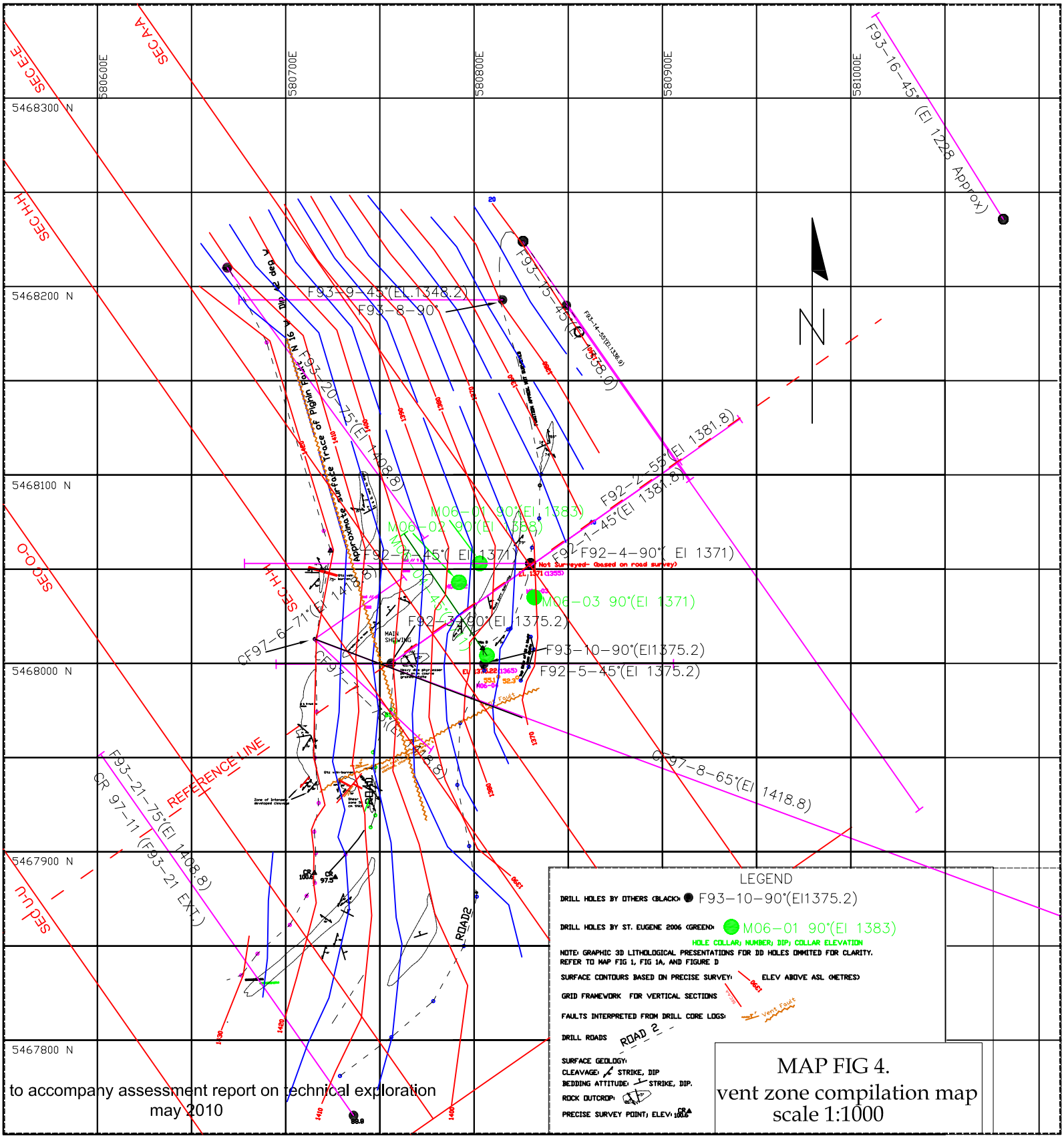
3.20 A Review of the Previous Exploration Data Base

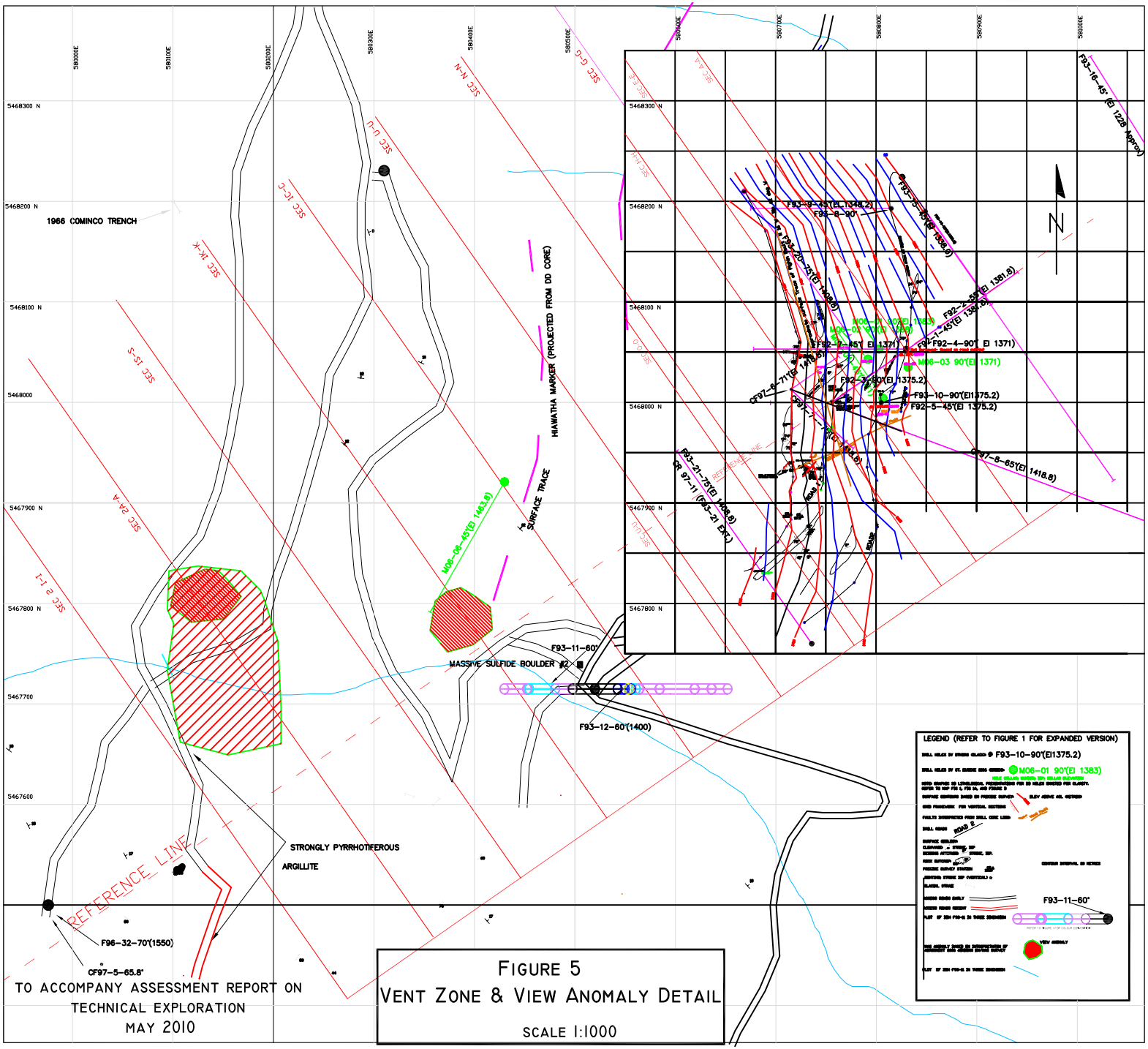
The results of this review, along with the results of the diamond drill programme completed in 2006, are incorporated in a number of maps and sections which form part of this report.

Step 1. The majority of drill logs from previous programmes were graphically plotted on the property geological map Figure 3, scale of 1:10000 in three dimensional format using a color code representing main rock types and other selected data. (Refer to the legend contained in Figure 3 for the color code. Enlarged plans at a scale of 1:2500 for the areas of the Vent zone and View anomaly provided an enhancement for details of these areas (Figure 4 and 5).

Step 2. To further assist with the process of understanding possible mineralizing controls, a framework was generated to provide for the development of a sequence of vertical sections at 15 meters intervals to cover the space between the Vent Zone and View Anomaly. These sections were designed to


COLOUR SCHEME FOR 3 D GRAPHIC DD HOLES
QUARTZITE (BLUE)
ARGILLITE (GREEN)
SILTSTONE (ORANGE)
DYKES AND SILL COMPLEXES (BLACK)
ARGILLITE & SILTSONES (YELLOW)
QUARTZITE & SILTSTONE (LIGHT PURPLE-201)
QUARTZITE+SILTSTONE+ARGILLITE (AZURE)
PROMINENT FAULTS (BROWN-32)
STRUCTURES WITH SULFIDES (RED)
DOMINANTLY CALCIUM RICH, (LIMESTONE, DOLOMITE-132)
PROPERTY BOUNDARY JULY 24, 2006
MONROE LAKE
UPPER MOYIE LAKE
VENT ZONE
VIEW ANOMALY
GOSSAN
GOSSAN
LEGEND
CLEAVAGE
BEDDING ATTITUDE
GLACIAL STRIA-DIRECTION & MOVEMENT INDICATED
FAULT ASSUMED BASED ON MARKER
GABBRO OUTCROP
Z OFF COMPONENT CONDUCTOR ANOMALY
ISOPAC AEROQUEST 2006 AIRBORNE MAG ANOMALY
PLOT OF DDH F93-9 IN THREE DIMENSION
REFER TO COLOR CODE FOR ROCK TYPE
ACCESS ROADS EARLY
ACCESS ROADS RECENT
CONTOUR INTERVAL 20 METRES
COMINCO 1979 UTEM SURVEY
AXIS OF A CROSS-OVER ANOMALOUS CHANNEL
DEPTH OF ANOMALY INDICATED BY-
S-SHALLOW-(<30 M)
M-MODERATE (30 TO 75 M)
D-DEEP (> 75 M)
ANOMALY STRENGTH INDICATED BY THE NUMBER (2)
WHERE 1 IS THE STRONGEST & 10 IS THE WEAKEST
TO ACCOMPANY ASSESSMENT REPORT ON TECHNICAL EXPLORATION
MAY 2010
SCALE-METERS
0 400 800 1200 1600 2000
COMPANY: ST. EUGENE MINING CORPORATION LTD.
DRAWING TITLE:
COMPILATION PLAN OF MONROE LAKE PROPERTY
WITH MAJOERITY OF PRE 2006 DD HOLES PLOTTED
IN 3 D FORMAT, GEOLOGICAL MAPPING PRE 2006
(REFER TO MAPS A, B, C, D, E, SECTION HH & GRAPHIC LOGS OF DD
M06-01,02,03,04 &06 FOR 2006 ADDITIONS & EXPLORATION RESULTS)
TO ACCOMPANY COMPILATION REPORT MONROE LAKE APRIL, 2010
LOCATION: Moyie, B.C.
FIGURE: 3
DATE: JULY,2006
SCALE: 1:10,000
DIGITIZED: R.T. TRENAMAN
GEOLOGIST: D.PIGHIN, P.GEO & OTHERS.
DATA: MODIFIED FROM PLAN BY ASCOT RESOURCES


580600E
580700E
580800E
580900E
581000E
5468300 N
5468200 N
5468100 N
5468000 N
5467900 N
5467800 N
SEC A-A
SEC E-E
SEC H-H
SEC O-O
SEC U-U
F93-16-45° (EI 1228 Approx)
F93-15-45°(EI 1358.9)
F93-9-45°(EI.1348.2)
F93-8-90°
F93-20-75°(EI 1408.8)
M06-01 90°(EI 1383)
M06-02 90°(EI 1358)
F92-7-45°(EI 1371)
F92-4-90°(EI 1371)
F92-2-55°(EI 1381.8)
F92-1-45°(EI 1381.8)
M06-03 90°(EI 1371)
F92-3-90°(EI 1375.2)
F93-10-90°(EI1375.2)
F92-5-45°(EI 1375.2)
CF97-6-71°(EI 1418.8)
CF97-8-65°(EI 1418.8)
F93-21-75°(EI 1408.8)
CR 97-11 (F93-21 EXT.)
REFERENCE LINE
ROAD 2
MAIN SHOWING
Not Surveyed- (based on road survey)
LEGEND
DRILL HOLES BY OTHERS (BLACK) F93-10-90°(EI1375.2)
DRILL HOLES BY ST. EUGENE 2006 (GREEN) M06-01 90°(EI 1383)
HOLE COLLAR; NUMBER; DIP; COLLAR ELEVATION
NOTE: GRAPHIC 3D LITHOLOGICAL PRESENTATIONS FOR DD HOLES OMMITED FOR CLARITY.
REFER TO MAP FIG 1, FIG 1A, AND FIGURE D
SURFACE CONTOURS BASED ON PRECISE SURVEY; ELEV ABOVE ASL (METRES)
GRID FRAMEWORK FOR VERTICAL SECTIONS
FAULTS INTERPRETED FROM DRILL CORE LOGS:
Vent Fault
DRILL ROADS
ROAD 2
SURFACE GEOLOGY:
CLEAVAGE; STRIKE, DIP
BEDDING ATTITUDE; STRIKE, DIP.
ROCK OUTCROP;
PRECISE SURVEY POINT; ELEV;
MAP FIG 4.
vent zone compilation map
scale 1:1000
to accompany assessment report on technical exploration
may 2010



TO ACCOMPANY ASSESSMENT REPORT ON
TECHNICAL EXPLORATION
MAY 2010

FIGURE 5
VENT ZONE & VIEW ANOMALY DETAIL

SCALE 1:1000

view South 55 degrees west, normal to the trend of the geophysical anomaly (azimuth 235 degrees) between the Vent Zone and View Anomaly (see reference to geophysical survey). Cross-sections were constructed through the Vent Zone, while only selected sections farther southwest toward the View Anomaly were completed because of a shortage of time. Section HH (Figure 6) is included as part of this report to illustrate the type of detail incorporated.

Step 3. Precise Survey. This survey was conducted in two stages; a first stage as part of the process of vetting previous exploration activities, and a later stage to incorporate the location of drill hole collars for holes completed in the 2006 St. Eugene drill programme. The survey covered the surface over the Vent Zone and surrounding area (see Figure 7). The survey provided co-ordinate data having an accuracy of +/- 0.1 meters for diamond drill hole collars, while at the same time providing sufficient survey points to construct a relatively precise surface contour map of the area on which topographical features and geological mapping data could be accurately plotted.

3.30 Adding to the Data Base

Step 1. Airborne Geophysical Survey

A combined EM/MAG airborne survey was flown over the entire property (Klein, 2006). As Figure 8 shows, the airborne geophysical survey identified a linear trending magnetic high anomaly commencing at the east border of the property and trending at an azimuth of 260 degrees for two km, then changing to a direction of 235 degrees. The directional change of the mag anomaly path coincided with the position of the Vent Zone, thus confirming the value of this survey as an exploration tool. The survey also identified the presence of another anomaly approximately 1500 metres to the southwest. Although it yielded a weaker signature, it was deemed to be worthy of follow up exploration activity. This was named the View Anomaly. The next step in the exploration programme was to “ground proof” this second anomaly. (Note that the Vent is defined as a “zone” since diamond drilling has confirmed its presence while the View is identified as an anomaly, since it has not been adequately tested by diamond drilling.)

Step 2. The ground proofing involved:

a. Conducting additional surface geological mapping in the area surrounding the View Anomaly and incorporating this information into the available maps.

b. Carrying out a number of soil sample traverses (shown in Figure 9) to provide support for the geophysical data results.

Step 3. Diamond Drilling.
In October 2006, five diamond drill holes were drilled on the Monroe Lake property. Four of these holes further tested the Vent Zone and one was targeted toward the View Anomaly. Graphic logs are presented in Figure 10.
For the Vent zone the objective was to:
a. confirm the veracity of the data related to lithological, structural and sulfide elements reported in drill holes drilled prior to the St. Eugene programme.

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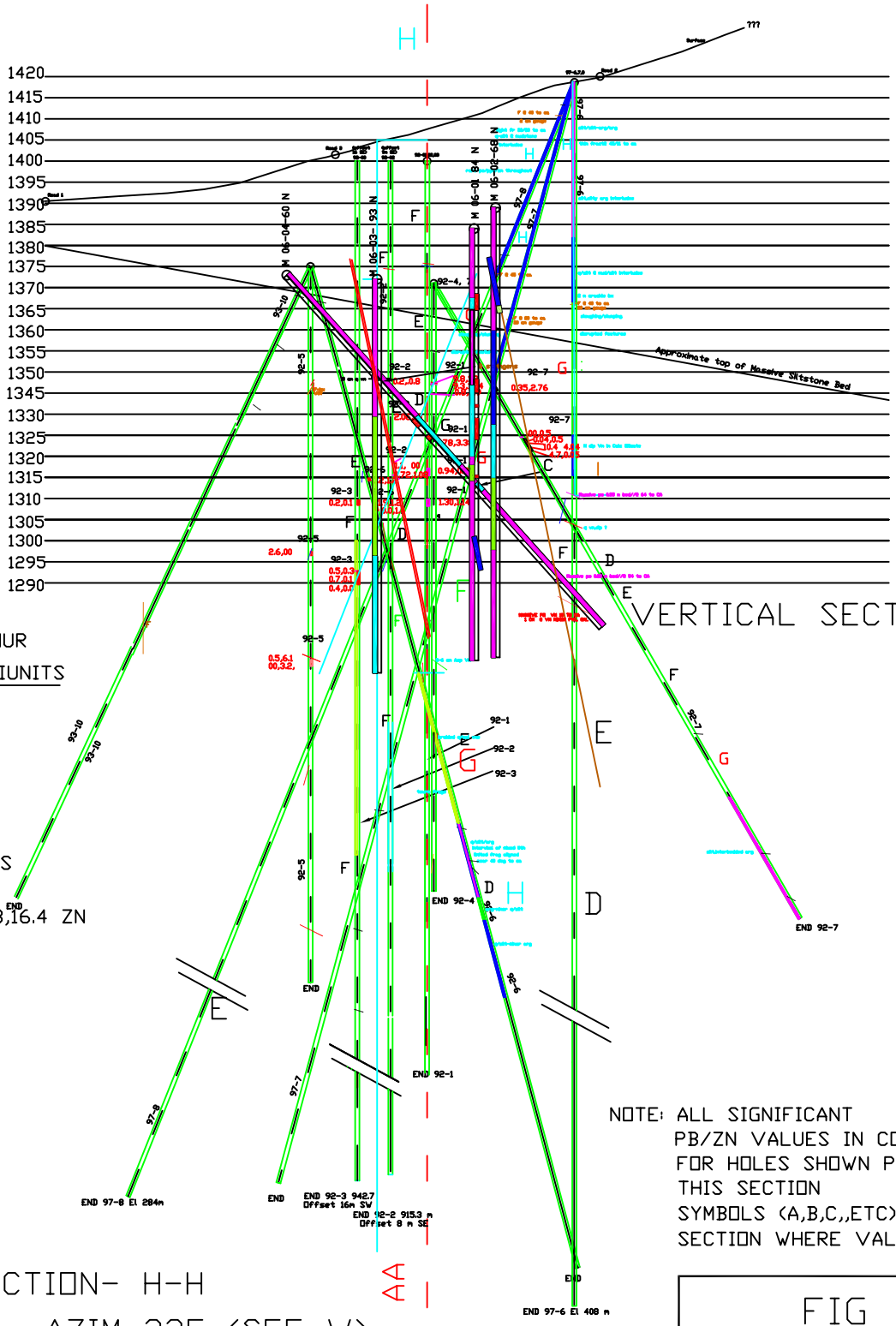


PARTIAL LEGEND OF COLOUR SCHEME FOR LITHOLOGIAL IUNITS

- MAPPED QUARTZITE
- MAPPED SILTSTONE
- MAPPED ARGILLITE
- MAPPED DOLMOTITIC
- MAPPED ALBITE
- MAPPED LIME SILICATES
- MAPPED QTZ VEIN
- 9.3,16.4 MAPPED SULFIDE:9.3 PB,16.4 ZN

NOTE: ALL SIGNIFICANT PB/ZN VALUES IN CORE FOR HOLES SHOWN PROJECTED THIS SECTION SYMBOLS (A,B,C,,ETC) INDICATE SECTION WHERE VALUES BEST FIT

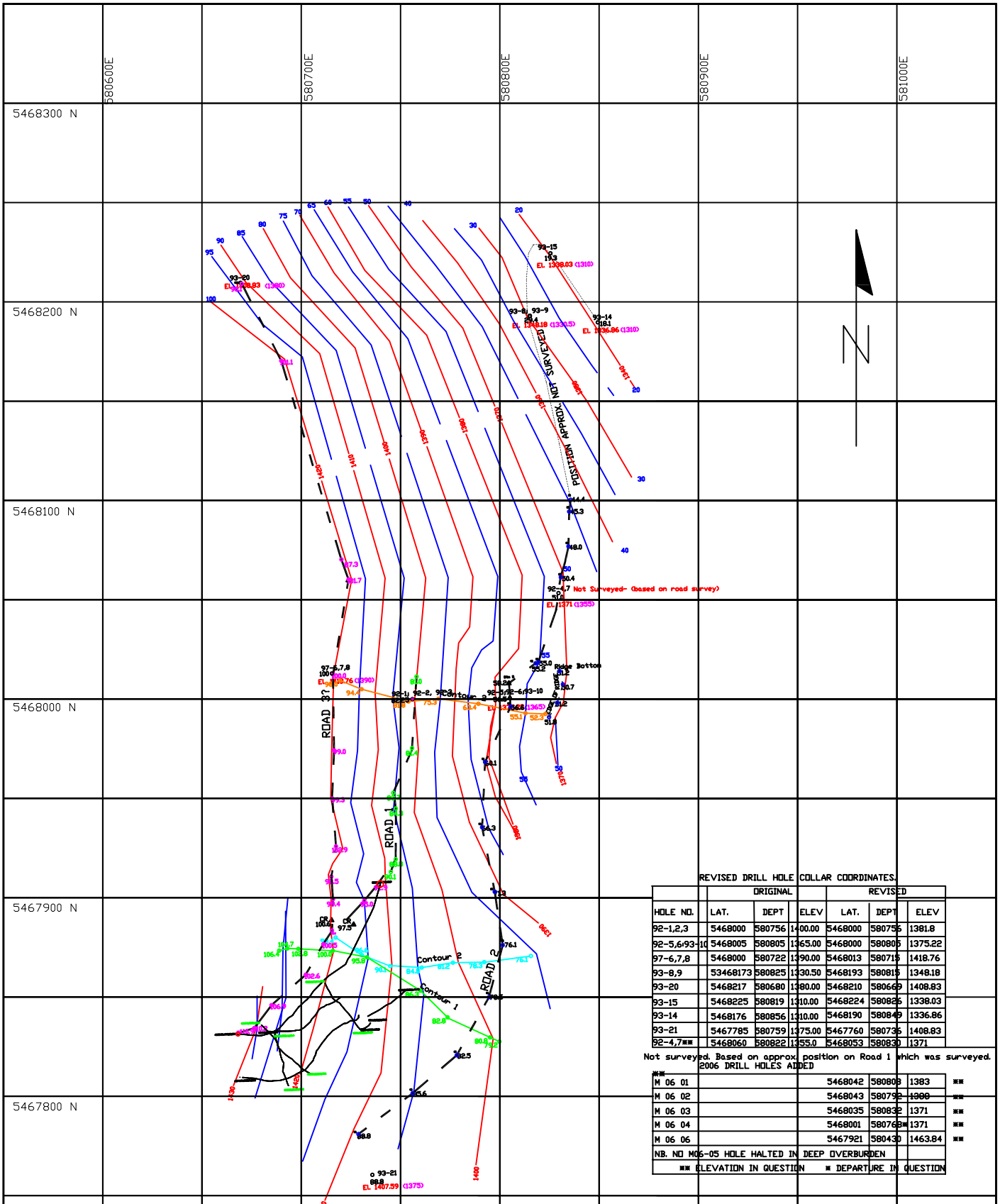
VERTICAL SECTION- H-H

VIEW LOOKING AZIM 235 (S55 W)

TYPICAL DETAIL PLOTTED TO SECTIONS TO ASSIST WITH INTERPRETATION OF FAULTS, MINERALISZATION, LITHOLOGICAL, AND ALTERATION BOUNDARIES

SCALE: 1:100

FIG 6
SECTION H-H
VENT ZONE



REVISED DRILL HOLE COLLAR COORDINATES.

	ORIGINAL			REVISED			
HOLE NO.	LAT.	DEPT	ELEV	LAT.	DEPT	ELEV	
92-1,2,3	5468000	580756	1400.00	5468000	580756	1381.8	
92-5,6,93-10	5468005	580805	1365.00	5468000	580805	1375.22	
97-6,7,8	5468000	580722	1390.00	5468013	580715	1418.76	
93-8,9	53468173	580825	1330.50	5468193	580815	1348.18	
93-20	5468217	580680	1380.00	5468210	580669	1408.83	
93-15	5468225	580819	1310.00	5468224	580826	1338.03	
93-14	5468176	580856	1310.00	5468190	580849	1336.86	
93-21	5467785	580759	1375.00	5467760	580736	1408.83	
92-4,7**	5468060	580822	1355.0	5468053	580830	1371	

Not surveyed. Based on approx. position on Road 1 which was surveyed.

2006 DRILL HOLES ADDED

M 06 01	5468042	580808	1383	**
M 06 02	5468043	580792	1388	**
M 06 03	5468035	580832	1371	**
M 06 04	5468001	580769*	1371	**
M 06 06	5467921	580430	1463.84	**

NB. NO M06-05 HOLE HALTED IN DEEP OVERBURDEN

** ELEVATION IN QUESTION * DEPARTURE IN QUESTION

TO ACCOMPANY ASSESSMENT REPORT ON

TECHNICAL EXPLORATION

MAY 2010

FIGURE 7

SCALE 1:1000

ST. EUGENE MINING CORPORATION LTD

TITLE: PRECISE SURVEY OD HOLE COLLARS

VENT ZONE AREA, MUNROE LAKE PROPERTY

REVISED DRILL HOLE COLLAR COORDINATES.

SURVEYORS: B PIGHIN, B. MACKLIN

PLOTTED: R. TRENAMAN

SEPTEMBER 19, 2006

EDITED SEPTEMBER 20,2006- RTT

EDITED APRIL 5, 2010 - RTT

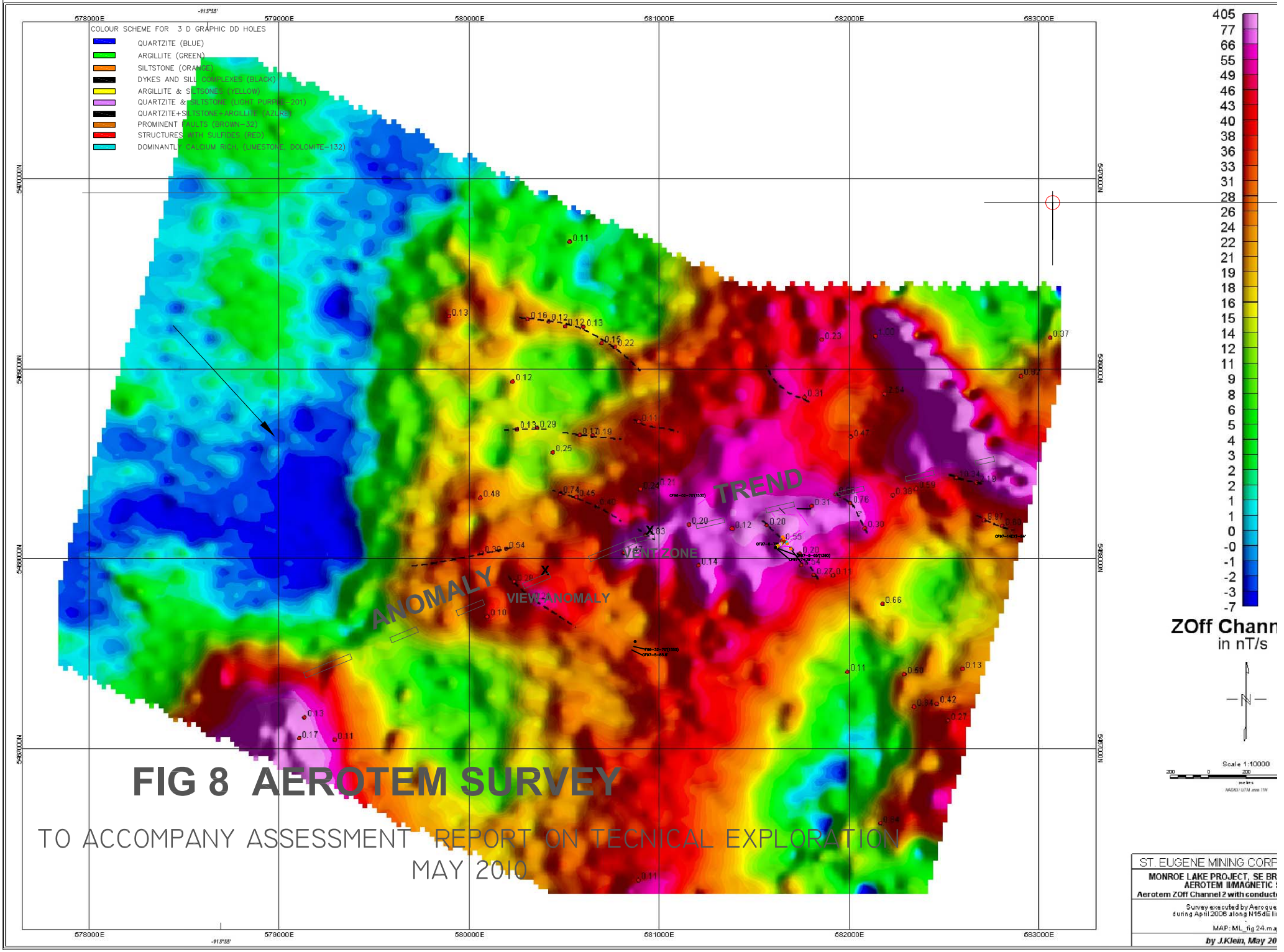
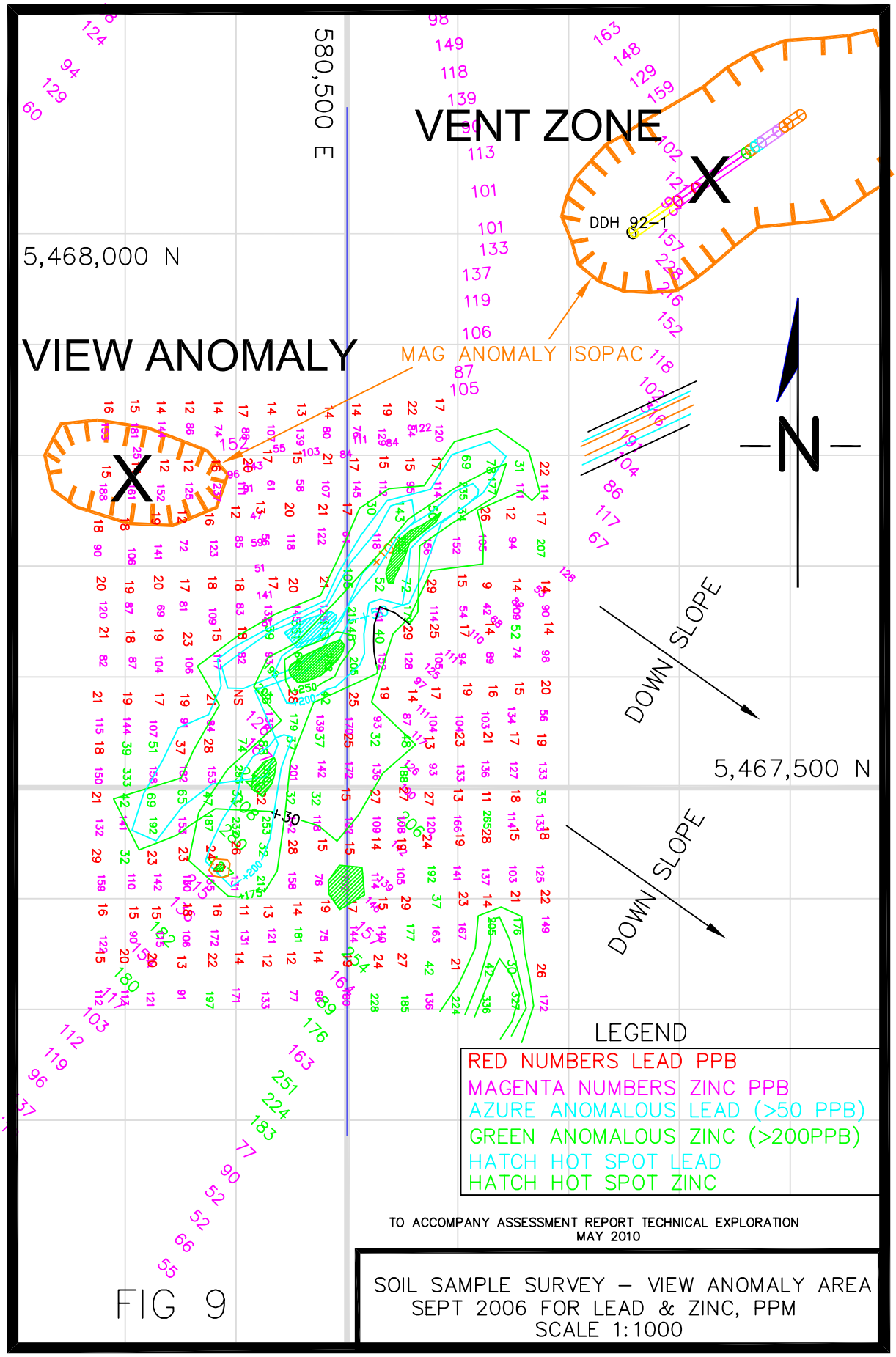


FIG 8 AEROTEM SURVEY

TO ACCOMPANY ASSESSMENT REPORT ON TECNICAL EXPLORATION

MAY 2010


580,500 E
5,468,000 N
VENT ZONE
DDH 92-1
VIEW ANOMALY
MAG ANOMALY ISOPAC
N
DOWN SLOPE
DOWN SLOPE
5,467,500 N
LEGEND
RED NUMBERS LEAD PPB
MAGENTA NUMBERS ZINC PPB
AZURE ANOMALOUS LEAD (>50 PPB)
GREEN ANOMALOUS ZINC (>200PPB)
HATCH HOT SPOT LEAD
HATCH HOT SPOT ZINC
TO ACCOMPANY ASSESSMENT REPORT TECHNICAL EXPLORATION
MAY 2010
SOIL SAMPLE SURVEY – VIEW ANOMALY AREA
SEPT 2006 FOR LEAD & ZINC, PPM
SCALE 1:1000
FIG 9

GRAPHIC LOGS WITH SIGNIFICDENT ASSAYS 2006 DRILL HOLES VENT DEPOSIT

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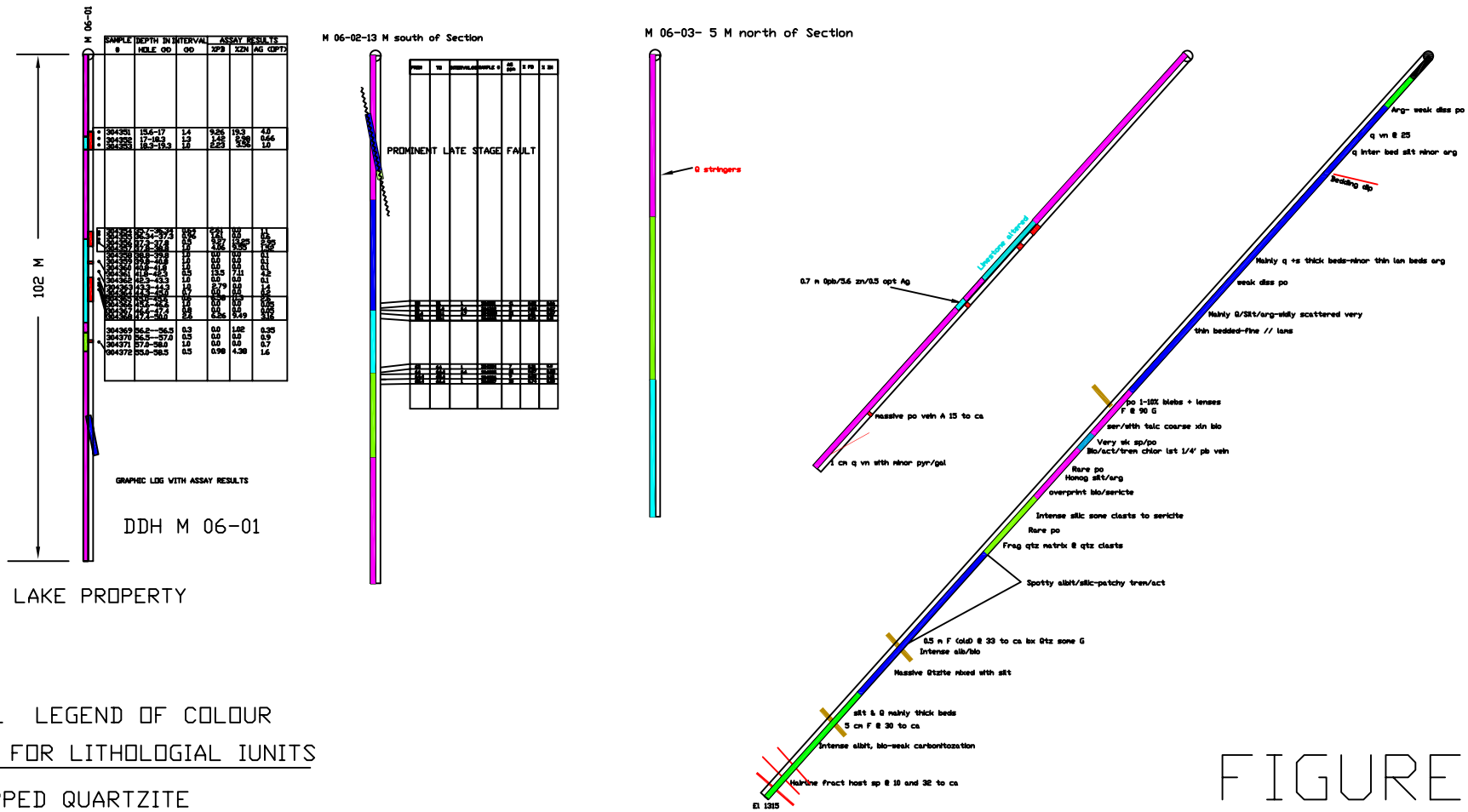
MAY 2010

M06-01 M06-02 M06-03 M06-04 M06-06



MUNROE LAKE PROPERTY

PARTIAL LEGEND OF COLOUR

SCHEME FOR LITHOLOGIAL IUNITS

- MAPPED QUARTZITE
- MAPPED SILTSTONE
- MAPPED ARGILLITE
- MAPPED DOLMOTITIC
- MAPPED ALBITE
- MAPPED LIME SILICATES
- MAPPED QTZ VEIN
- 9.3,16.4 MAPPED SULFIDE:9.3 PB,16.4 ZN

FIGURE 10

SECTIONS 2006 MONROE LAKE DD HOLES

REFER TO FIGURES 4, 5, & 7 FOR COLLAR LOCATIONS

SCALE 1:250

a. add to the understanding of the controls for, and economic potential of lead/zinc and silver mineralization previously reported for the Vent Zone.

Results –In summary

For the Vent Deposit

The four holes drilled in the Vent Zone confirmed the drill results reported in earlier exploration programmes, and added significant information, which, when added to the data from previous work, provided the basis for a working hypothesis to explain the extent and configuration of the potential economic mineralization at this site and other potential targets.

For the View Anomaly:

Because of financial constraints only one hole (Diamond Drill Hole M06-06) of the two planned to test the View Anomaly was drilled. The results were inconclusive, but confirmed the presence of the carbonate unit which is viewed as an important control unit for sulphide mineralization at the Vent Zone (see discussion below).

3.40 Interpretation of Results from the 2006 Exploration Programme.

1. Airborne Aerodat MAG/EM survey.

The magnetic anomaly highlighted by the airborne survey probably reflects sections of the stratigraphy containing an enhanced component of magnetic minerals, particularly phyrrhotite and probably marked the path of fracturing along which one or more episodes of mineralizing activity has taken place.

2. Observations gleaned from a study of detailed sections of the Vent Zone. (eg.section HH; Figure 6).

To provide a thorough analysis of the information which has been documented from the previous exploration programmes and the additional information from the 2006 programme will take considerably more study than has been applied to date. Because of the complex history of faulting associated with the Vent Zone, such a study would be assisted considerably by the use of an interactive three dimensional software programme in which coordinate data could be viewed for faults, lithologies, sulfide minerals and alteration specifics. In the meantime, it is fair to say that a preliminary interpretation has been possible that can be used to draw useful conclusions with regard to the geological environment and controls for potential economic mineral concentration for the Vent Zone, and by extension, other potential targets.
The following observations are made:

The Vent mineral zone is a product of a complex geological history spanning in excess of one billion years and involving at least two separate events involving deformation, alteration and sulfide deposition:

Event Number 1. Commencing during the infilling of the Purcell basin (approximately 1.5 mm years ago), the system of fractures that provide a channel way for fluid flow underlying the Vent Zone formed, probably at the junction of basin parallel and connecting cross over synrift faults. The record shows that the process of channel-way development involved both soft and brittle disruption, indicating that this event culminated after basin filling had progressed above the present surface in the area of the Vent Zone. A 400 meter thick diorite (Moyie) sill is mapped in diamond drill core 500 meters below the present Vent Zone surface; this sill may have provided the energy and fluids needed to alter the suite of sediments forming the walls of the channel-way to their present altered state, as well as providing a component of the sulfides that are indicated in drill cores.

Event Number 2. The Jurassic period saw a reactivation of a number of earlier Proterozoic fault systems with major offset and reverse movement on the Moyie Fault, whose path traverses to the east of the property boundary. It is speculated that this was the period when earlier fractures which had acted as feeders for the Vent Zone first stage metamorphic event were reactivated and provided avenues for a second pulse of alteration and sulphide deposition (or remobilization of sulphides from other locations within the earlier structure). During this stage some of the earlier fractures extended, with wall offsets, through brittle failure providing new openings for additional sulphide deposition. These secondary deposits will occur as fracture fillings within linear fault structures. Core from Diamond Drill hole M06-01 provides evidence for both styles of sulphide deposition; near the top of the hole lead/zinc sulphides occur in a near vertical dipping vein, cutting quartzite sections of the sequence while at a greater depth and within a carbonate section of the hole, lead and zinc sulphides appear to replace portions of the lime rich component to the sedimentary rock sequence. The attitude of the sulphide bearing structure intersected has not been resolved to this time (DDH M06-01 also provides evidence for a post mineralizing fault which truncates the sulphide mineralization near the top of the hole). It is thought that this second event was attended by the development of phyrrhotite in the wall rocks along the path of the reactivated fracture patterns; this second event phyrrhotite is the source for the magnetic anomaly highlighted by the airborne survey.

Significant Lithological Units

The notable lithological features of the Vent Zone which appear to play a major control to sulphide mineralization, are a near flat lying relatively massive quartzite unit in the order of 100 meters thick and minerals within the Vent Zone core area and commonly the host to galena, sphalerite and other sulphides immediately underlying, a predominantly carbonate rich (dolomitic) unit approximately 5 meters thick.

The steep bluffs immediately below the drill collar locations at the Vent Zone are a surface expression of this quartzite unit, as is the promontory which marks the general position of the View Anomaly. It appears that this unit has acted as a cap for the majority of strong alteration and mineralization epochs which the Vent Zone area has been subjected to. The dolomitic unit is identified in most of the drill holes drilled into the Vent Zone, and is mapped in DDH CF 97-11, approximately 200 metres southwest of the Vent Zone and in DDH M 06-06 a further 300 meters south west in the area of the View Anomaly. This is a highly reactive unit, having been altered to tremolite, actinolite and related lime rich. Even at some distance from the Vent Zone core area in the two holes referred to above this unit reflects a significant degree of alteration.
In summary, potential economic concentrations of base metal sulphides at the Vent Zone, appear to be restricted to two environments; 1: replacements in a carbonate rich unit capped by a relatively thick (100 meters) predominantly quartzite unit and, 2: within vertical fracture fillings that cut the aforementioned quartzite unit. While these controls would define the vertical extent of individual zones, in the former case five meters, and in the later case 100 meters, there is insufficient data, based on the review completed to date to determine their lateral extent.

Faulting:

Based on the drill core results, the Vent Zone has been subjected to a number of faulting events spread throughout the geological history. There is evidence for two dominant fault structures that have played a significant role in the formation of the Vent Zone. Additionally there is evidence for later stage post-mineralization offset.

1. The “Vent” fault. Based on the analysis of sections AA through HH (Figure 6), this structure was early stage and a main feeder for the fluid flows generating the metamorphic signatures associated with this zone. From the analysis of core hole data as plotted on the family of sections, it strikes azimuth 220 and dips 72 degrees south east. In a number of core hole logs it is described as a healed zone of fragmentals and quartz veins approximately 15 metres thick. Alteration is limited primarily to the hanging wall and consists of a zone up to 25 meters in which sedimentary members are altered to actinolite/tremolite and, above a strong overprint of biotite. Limey rocks are more strongly altered. What might be the surface signature of this fault seen in a quartzite outcrop of limited extent is a zone of intense cleavage five metres wide.

3. The “No Name” fault. In a number of sections there is evidence of a strong north-south trending fault with near vertical dips that cuts through the Vent Zone. Further analysis is required to determine how it interrelates with the Vent Fault, but incomplete analysis suggests it blends into this structure in the core of the Vent Zone. The No Name fault may be one of the family of synrift faults which form part of the development of the Purcell Basin.

3. The “Pighin” fault zone has been identified in three holes, and by three point solution based on three holes drilled at the Vent Zone has an attitude N 16 degrees W, dipping 42 degrees W. This is considered to be a late stage fault; its surface trace lies above the Vent Zone but it represents a possible threat for offsetting for any west extension of vein style sulphides. The core hole logs record other faults with associated gouge indicating probable post-mineralization offsetting.

4.00 CONCLUSIONS AND RECOMMENDED FURTHER WORK

The Monroe Lake property, based on this work, offers the potential for one or more $100,000^{+}$ ton lead zinc deposits. Such deposits will occur in two possible environments:

a. Vein fillings in steeply dipping roughly east west striking fracture systems contained within prominent quartzite members of the middle Aldridge Formation. This form of sulphide control is similar to that for the main ore bodies at the original St. Eugene Mine 9 km to the south of the Vent Zone, and for the Vine deposit approximately 5 km to the northeast.

b.

c. Carbonate replacement type deposits within the carbonate rich sedimentary sequence immediately underling the quartzite "cap" at the Vent Zone.

d. A primary control for both these deposits types, based on the present data, will be above or near the confluence of deep seated basin parallel and crossing synrift faults.

e. Early exploration results suggest that an analog to the Vent Zone could exist at the View Anomaly.

Recommendations;

1. Complete the analysis of the drill hole core data for the Vent Zone employing an interactive dimensional software to build a three dimensional model. Build the core data available for the View Anomaly (three holes) into this model.

Estimated cost $20,000

2. Drill four additional core holes specifically designed to determine the thickness of the vein type intersections identified to date.

Estimate 4 holes at average length of 75 meters. 300 metres. $50,000

3. Pending the results obtained, drill three holes to expand the knowledge of the View Anomaly

Estimate 3 holes at 175 meters 530 metres $100,000

Total Cost $170,000

5.0 REFERENCES

Britton, J.M., and Pighin, D.L.,1994; The Fors Prospect, a Proterozoic sedimentary exhalative base metal deposit in middle Aldridge Formation, southeastern British Columbia (82G/5W); Northwest Geology, v.23, p.33-39.

Hoy, T., and Diakow, L., 1982; Geology of the Moyie Lake area; Preliminary map No. 49; British Columbia Ministry of Energy, Mines and Petroleum Resources.

Klein, Jan., 2006; Report on a Helicopter-borne Aerotem II/Magnetic survey over the Moyie Lake and Monroe Lake grids, SE British Columbia, executed by Aeroquest Limited on behalf of St. Eugene Mining Corporation Ltd. BC Assessment Report 28450.

Pighin, D.L., 2007; Assessment Report on Diamond Drill Holes M-06-1 to M-06-6, Monroe Property, Fort Steele Mining District. BC Mines and Petroleum Resources Assessment Report 29242.

6.00 STATEMENT OF EXPENDITURES

R.T.Trenaman; Review and analysis of historic and recent geologic data including diamod drilling;construction of Autocad drawings, plans and cross-sections to enable geologic analysis and interpretation; report writing;

20 days @ $800/day	$16,000
P. Klewchuk; Report writing; 2 days @ $500/day	1,000
Total Expenditure	$17,000

7.00 AUTHOR'S QUALIFICATIONS

As author of this report I, Roland Trenaman, certify that:

1. I am a practising Professional Mining Engineer with Registration Number 5784

2. I am a graduate mining engineer with a B. A. Sc. degree (1957) from the University of British Columbia.

3. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia.

4. I have been actively involved in the mining and exploration industry for 63 years, primarily in the province of British Columbia and Northwest Territories. I was employed by a major mining company for 31 years. Subsequently I have worked as a mining industry consultant, and as a president and principal in three mining/exploration companies whose primary focus was achieving successful mine operations.

5. I am a principal in St. Eugene Mining Corporation which controls the Monroe Property, the subject of this report.

Dated Vancouver, British Columbia this 15th day of August, 2010.

"R. T. Trenaman"

R. T. Trenaman, P. Eng.

As author of this report I, Peter Klewchuk, certify that:

1 I am an independent consulting geologist with offices at 408 Aspen Road, Kimberley, B.C.

2 I am a graduate geologist with a B. Sc. degree (1969) from the University of British Columbia and an M. Sc. degree (1972) from the University of Calgary.

3 I am a Fellow of the Geological Association of Canada and a member of the Association of Professional Engineers and Geoscientists of British Columbia.

4 I have been actively involved in mining and exploration geology, primarily in the province of British Columbia, for the past 34 years.

5 I have been employed by major mining companies and provincial government geological departments.

Dated at Kimberley, British Columbia this 15th day of August, 2010.

"P.Klewchuk"
Peter Klewchuk, P. Geo.