

Ministry of Forests, Mines and Lands
BC Geological Survey

Assessment Report
Title Page and Summary

TYPE OF REPORT [type of survey(s)]: Geological and Diamond Drilling

TOTAL COST: \$180,848.85

AUTHOR(S): Jarrod Brown, M.Sc.

SIGNATURE(S): 

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): MX-1-626/April 1, 2010

YEAR OF WORK: 2010

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): 4853645; April 13, 2011

PROPERTY NAME: Kalum

CLAIM NAME(S) (on which the work was done): 399755, 399748

COMMODITIES SOUGHT: Au, Ag, Cu, Mo

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: Minfile 1031018, 19, 20, 51, 73, 74, 211, 213

MINING DIVISION: Skeena

NTS/BCGS: 1031066, 075, 076, 085, 086, 087

LATITUDE: 54 ° 45 ' " LONGITUDE: 128 ° 54 ' " (at centre of work)

OWNER(S):

1) Eagle Plains Resources Ltd

2)

MAILING ADDRESS:

Suite 200, 44-12th Ave S.

Cranbrook, BC, V1C 2R7

OPERATOR(S) [who paid for the work]:

1) Windstorm Resources Inc.

2)

MAILING ADDRESS:

709-837 West Hastings Street

Vancouver, BC, V6C 3N6

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):

Coast Crystalline Complex, Cretaceous, Granodiorite, I-Type Magnetite Series, Bowser Lake Group, Jurassic-Cretaceous,

Epithermal-Mesothermal veins, intermediate sulphidation, propylitic, ankeritic, sericitic, pyritic, Au, Ag, Galena, Arsenopyrite,

Chalcopyrite, pyrite, Molybdenite, Sedimentary-Intrusive Contact, Roof Pendant, VTEM Geophysics, Structurally Linked Sher

Zones

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: MEMPR ASSRPT 10523, 13303, 16026,

16411, 1795, 10128, 15455, 13455, 8393, 16302, 9329, 10827, 8201, 17890, 10821, 10045

| TYPE OF WORK IN THIS REPORT | EXTENT OF WORK (IN METRIC UNITS) | ON WHICH CLAIMS | PROJECT COSTS APPORTIONED (Incl. support) |
|--|----------------------------------|-----------------|---|
| GEOLOGICAL (scale, area) | | | |
| Ground, mapping | | | |
| Photo Interpretation | | | |
| GEOPHYSICAL (line-kilometres) | | | |
| Ground | | | |
| Magnetic | | | |
| Electromagnetic | | | |
| Induced Polarization | | | |
| Radiometric | | | |
| Seismic | | | |
| Other | | | |
| Airborne | | | |
| GEOCHEMICAL (number of samples analysed for...) | | | |
| Soil | | | |
| Silt | | | |
| Rock | | | |
| Other | | | |
| DRILLING (total metres; number of holes, size) | | | |
| Core 419.11 m | | | |
| Non-core | | | |
| RELATED TECHNICAL | | | |
| Sampling/assaying | | | |
| Petrographic | | | |
| Mineralographic | | | |
| Metallurgic | | | |
| PROSPECTING (scale, area) | | | |
| PREPARATORY / PHYSICAL | | | |
| Line/grid (kilometres) | | | |
| Topographic/Photogrammetric (scale, area) | | | |
| Legal surveys (scale, area) | | | |
| Road, local access (kilometres)/trail | | | |
| Trench (metres) | | | |
| Underground dev. (metres) | | | |
| Other | | | |
| TOTAL COST: | | | \$180,848.85 |

GEOLOGICAL and DIAMOND DRILLING REPORT

Volume I - Report
for the
KALUM PROPERTY
Terrace B.C. Skeena MD
128°54'W / 54°45' N

BC Geological Survey
Assessment Report
32174a

TRIM Map sheets 103I066, 075, 076, 077, 085, 086, 087

Prepared for

WINDSTORM RESOURCES INC.

709, 837 West Hastings Street
Vancouver, BC V6C 3N6

And

Eagle Plains Resources Ltd.
Suite 200, 16-11th Ave South.
Cranbrook, BC
V1C 2P1

By

Jarrold A. Brown, M.Sc., P.Geo.
TerraLogic Exploration Inc.
Suite 200, 44-12th Ave. S.
Cranbrook, B.C. V1C 2R7

March 14, 2011

SUMMARY

The Kalum Property, located about 35 kilometers northwest of Terrace British Columbia, is comprised of 21883.9 hectares of contiguous claim units. It is 100% owned by Eagle Plains Resources Ltd., subject to a 1% NSR.

The Property is centered upon a Cretaceous-age granodioritic stock of the Coast Crystalline Complex that has intruded Jurassic to Cretaceous-age sedimentary rocks of the Bowser Lake Group. A number of high-grade, vein-type gold occurrences are associated with the contact zone and magnetic signature of the intrusive stock. These occurrences have been explored by various operators and to various degrees over the past 80 years. All previous exploration efforts have been directed toward the discovery of high-grade stand-alone mineralization. The current Eagle Plains tenure represents the first time the gold occurrences have been consolidated by a single company.

The 2010 fieldwork by Eagle Plains consisted of a six hole, 419.11 m diamond drilling program at the Tuppie and Cirque Zones that was preceded by limited structural mapping. The zone boasts a system of sub-parallel m-scale shear zones that host high-grade Au mineralization (a grab sample returned 973 g/t Au and 502 g/t Ag in 2010) in quartz-carbonate veins and breccias. The zone is highly attractive due to the presence of high-grade mineralization, pervasive Fe carbonate alteration and structurally repeated zones. Although the shear zones were intersected at depth, the results of the 2010 DDH program were disappointing as only anomalous Au values up 492 ppb were encountered. All work was carried out by TerraLogic Exploration Inc. Total cost of the 2010 program was \$180 848.85

Total expenditures on the property by Eagle Plains and partners since 2003 are \$2 102 682.

The results from the 2008-2010 programs continue to support the potential for the Kalum Property to host both high-grade Au - Ag deposits and lower-grade bulk-tonnage type Au mineralization. This report includes recommendations for a two phase work program on the project. Phase 1, which includes continued grass roots exploration within previously unexplored structural zones, detailed infill geochemical sampling in areas identified by past work programs, XRF geochemical orientation, and detailed structural mapping and analysis, followed by a comprehensive GIS analysis of the data to locate targets for a Phase 2 diamond drilling program. The estimated budget for the Phase I work is \$200,000. Phase 2 will be contingent on the results from Phase I and has an estimated budget of \$500,000 based on a 2000 meter helicopter supported diamond drill program.

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LOCATION AND ACCESS

The project area is situated 35 kilometers northwest of the city of Terrace, B.C., approximately 600 km north of Vancouver (Figure 1). The Kalum property consists of 21,883.91 hectares centered at UTM 6069000 N / 504550 E on NTS mapsheets 103I066, 075, 076, 077, 085, 086 and 087. Terrace is located along the Yellowhead Highway, approximately 100km east of the major port of Prince Rupert, and 60km north of the port of Kitimat. Rail service is provided in Terrace, and direct air service is provided twice-daily from Vancouver. The project area is accessed by a network of B.C. Forest Service and private logging roads which cover most of the project area. Review of existing (year 2000) 5-year logging plans provided by Skeena Cellulose indicate that extensive roadwork and logging activities are planned for the project area, with some of the proposed activity now underway. A hydroelectric power line runs north-south along the eastern boundary of the project area.

The Property is located within the Kitimat Range of the Coast Mountains in the area of Mount Allard (1,505 meters above sea level). Elevation varies from 300 to 1,500 meters above sea level and topography is steep to moderate. Outcrop is present within numerous drainages and along ridges and escarpments but is sparse on timbered slopes. Much of the Property has a thin to moderate veneer of glacial till; total outcrop exposure is estimated at 10 to 20 percent. The eastern part of the claim block borders Kitsumkalum Lake and the Nelson River drainage is located directly north of the southern claim boundary. A number of small creeks and several Alpine lakes are also found on the claims. Tributary streams to the main drainages are deeply incised where they enter the larger U-shaped valleys.

The weather is typically coastal with wet summers and heavy snowfall in the winters. Large snow-drifts cover parts of the property until mid-June, with minor areas of permanent snow found only at the highest elevations and in sheltered areas. Vegetation varies from heather, blueberry and huckleberry on the upper slopes to Douglas fir, hemlock, alder and devil's club on the lower slopes below tree line.



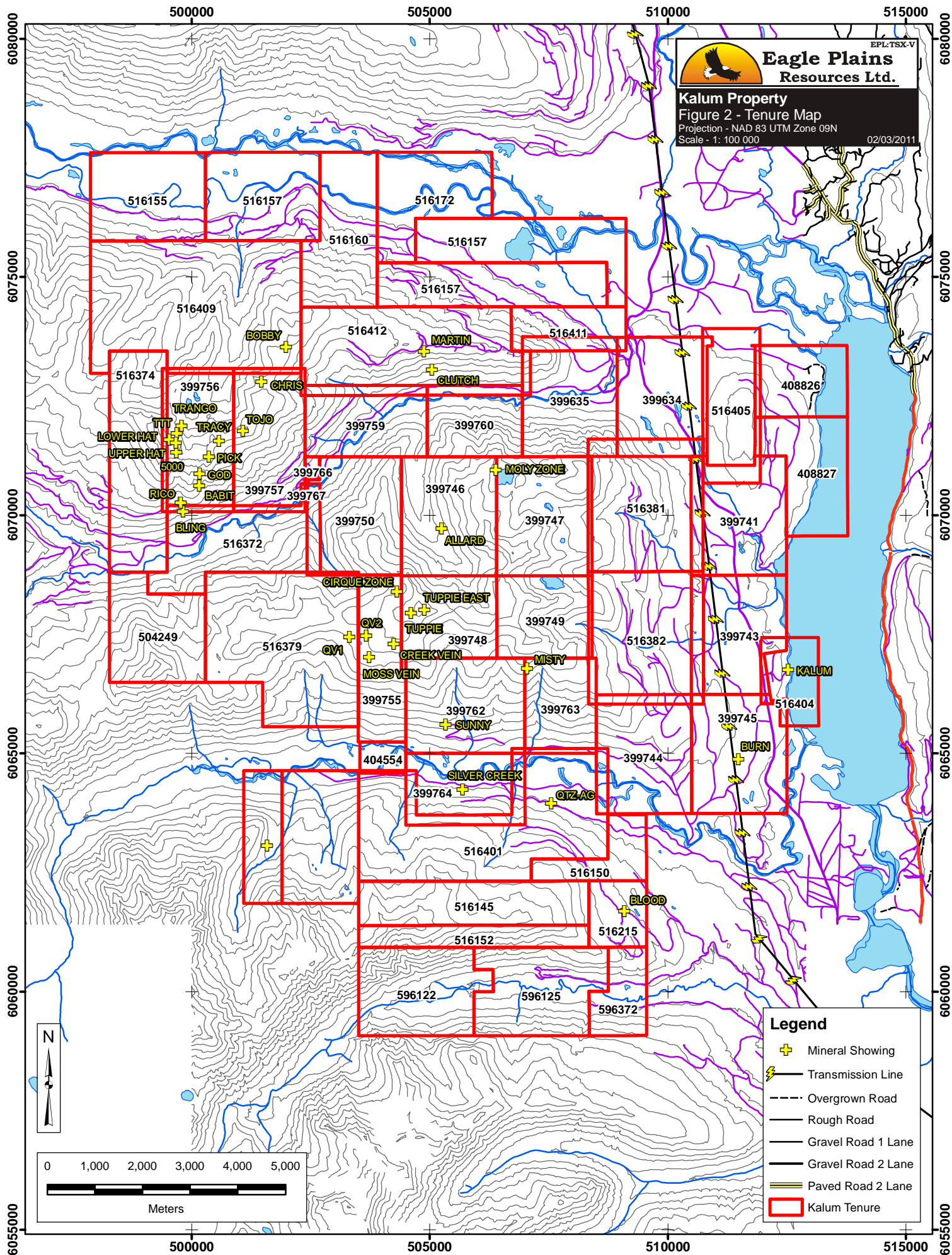
TENURE

The property consists of 49 MTO mineral claims totaling 21,883.91 Ha, located within NTS mapsheets 103I066, 075, 076, 077, 085, 086 and 087 (Figure 2). Eagle Plains Resources Ltd. owns a 100% unencumbered interest in the Property, and holds a 1% Net Smelter Return in trust for Bernard Kreft.

Table 1 – Kalum Tenure Summary

| Tenure Name | Tenure Number | Ownership | Expiry Date | Mining Division | Area |
|---------------------|---------------|-----------|-------------|-----------------|----------|
| KM | 833782 | 100% EPL | 20110917 | | 448.3700 |
| KM | 833786 | 100% EPL | 20110917 | | 224.1900 |
| KALUM SOUTH SOUTH | 596122 | 100% EPL | 20110710 | 19 Skeena | 467.3900 |
| KM | 596125 | 100% EPL | 20110710 | 19 Skeena | 467.4000 |
| KALUM SOUTH SOUTH 1 | 596129 | 100% EPL | 20110710 | 19 Skeena | 186.9600 |
| YCC 1 | 399634 | 100% EPL | 20110710 | 19 Skeena | 500.0000 |
| YCC 2 | 399635 | 100% EPL | 20110710 | 19 Skeena | 500.0000 |
| YCC 4 | 399741 | 100% EPL | 20110710 | 19 Skeena | 500.0000 |
| YCC 6 | 399743 | 100% EPL | 20110710 | 19 Skeena | 500.0000 |
| YCC 7 | 399744 | 100% EPL | 20110710 | 19 Skeena | 500.0000 |
| YCC 8 | 399745 | 100% EPL | 20110710 | 19 Skeena | 500.0000 |
| YCC 9 | 399746 | 100% EPL | 20110710 | 19 Skeena | 500.0000 |
| YCC 10 | 399747 | 100% EPL | 20110710 | 19 Skeena | 500.0000 |
| YCC 11 | 399748 | 100% EPL | 20110710 | 19 Skeena | 400.0000 |
| YCC 12 | 399749 | 100% EPL | 20110710 | 19 Skeena | 400.0000 |
| YCC 13 | 399750 | 100% EPL | 20110710 | 19 Skeena | 500.0000 |
| YCC 18 | 399755 | 100% EPL | 20110710 | 19 Skeena | 350.0000 |
| YCC 19 | 399756 | 100% EPL | 20110710 | 19 Skeena | 450.0000 |
| YCC 20 | 399757 | 100% EPL | 20110710 | 19 Skeena | 450.0000 |
| YCC 22 | 399759 | 100% EPL | 20110710 | 19 Skeena | 450.0000 |
| YCC 23 | 399760 | 100% EPL | 20110710 | 19 Skeena | 300.0000 |
| YCC 25 | 399762 | 100% EPL | 20110710 | 19 Skeena | 500.0000 |
| YCC 26 | 399763 | 100% EPL | 20110710 | 19 Skeena | 300.0000 |
| YCC 27 | 399764 | 100% EPL | 20110710 | 19 Skeena | 375.0000 |
| YCC 64 | 399766 | 100% EPL | 20110710 | 19 Skeena | 25.0000 |
| YCC 65 | 399767 | 100% EPL | 20110710 | 19 Skeena | 25.0000 |
| DREAM 19 | 404554 | 100% EPL | 20110710 | 19 Skeena | 100.0000 |
| KLM 1 | 408826 | 100% EPL | 20110710 | 19 Skeena | 300.0000 |
| KLM 2 | 408827 | 100% EPL | 20110710 | 19 Skeena | 500.0000 |
| HAT 3 | 504249 | 100% EPL | 20110710 | 19 Skeena | 410.4720 |
| KALUM SOUTH | 516145 | 100% EPL | 20110710 | 19 Skeena | 448.5080 |
| KALUM SOUTH 1 | 516150 | 100% EPL | 20110710 | 19 Skeena | 186.8310 |
| KALUM SOUTH 2 | 516152 | 100% EPL | 20110710 | 19 Skeena | 224.2900 |
| KALUM NORTH | 516155 | 100% EPL | 20110710 | 19 Skeena | 446.7870 |

| Tenure Name | Tenure Number | Ownership | Expiry Date | Mining Division | Area |
|---------------|---------------|-----------|-------------|-----------------|------------|
| KALUM NORTH 1 | 516157 | 100% EPL | 20110710 | 19 Skeena | 446.8560 |
| KALUM NORTH 2 | 516160 | 100% EPL | 20110710 | 19 Skeena | 446.9420 |
| KALUM NORTH 3 | 516168 | 100% EPL | 20110710 | 19 Skeena | 447.0580 |
| KALUM NORTH 4 | 516171 | 100% EPL | 20110710 | 19 Skeena | 446.9760 |
| KALUM NORTH 5 | 516172 | 100% EPL | 20110710 | 19 Skeena | 409.6370 |
| | 516215 | 100% EPL | 20110710 | 19 Skeena | 168.1950 |
| | 516372 | 100% EPL | 20110710 | 19 Skeena | 522.1970 |
| | 516379 | 100% EPL | 20110710 | 19 Skeena | 933.0750 |
| | 516381 | 100% EPL | 20110710 | 19 Skeena | 671.3000 |
| | 516382 | 100% EPL | 20110710 | 19 Skeena | 671.7640 |
| | 516401 | 100% EPL | 20110710 | 19 Skeena | 1046.1060 |
| | 516404 | 100% EPL | 20110710 | 19 Skeena | 205.3090 |
| | 516405 | 100% EPL | 20110710 | 19 Skeena | 391.4240 |
| | 516409 | 100% EPL | 20110710 | 19 Skeena | 1173.5270 |
| | 516411 | 100% EPL | 20110710 | 19 Skeena | 223.5790 |
| | 516412 | 100% EPL | 20110710 | 19 Skeena | 857.1260 |
| | 516374 | 100% EPL | 20110710 | 19 Skeena | 559.2010 |
| | | | | Total Area | 21883.9100 |



EPL:TSX-V

Eagle Plains Resources Ltd.

Kalum Property
Figure 2 - Tenure Map
 Projection - NAD 83 UTM Zone 09N
 Scale - 1: 100 000
 02/03/2011

Legend

- + Mineral Showing
- Transmission Line
- Overgrown Road
- Rough Road
- Gravel Road 1 Lane
- Gravel Road 2 Lane
- Paved Road 2 Lane
- Kalum Tenure

N

0 1,000 2,000 3,000 4,000 5,000

Meters

HISTORY AND PREVIOUS WORK

Previous exploration on the Property was directed at evaluating a number of separate mineral showings now located within the Kalum Property boundaries. Prior to Eagle Plains involvement in the project, each showing area had been worked at various times by various owners and operators; the current Eagle Plains land position represents the first time the mineral showings have been consolidated and evaluated as a whole by a single owner. The locations of the Minfile Showings with respect to the Property boundaries are shown in Figure 2.

Kalum Lake and Burn Occurrences

MINFILE NAME **KALUM LAKE**; OTHER NAMES PORTLAND, BAV, GOLD BAR, BURN
MINFILE NUMBER **103I 019**

and

MINFILE NAME **BURN**; OTHER NAMES KALUM LAKE, PORTLAND
MINFILE NUMBER **103I 211**

The earliest recorded activity on the Kalum Lake and Burn showing area is 1919 when C.A. Smith of Terrace staked the original Lakeside claims. The Portland and West Portland claims were staked in 1922. Between 1923 and 1925 the newly-formed Kalum Mines Ltd. conducted considerable work on the Property which consisted of shaft-sinking and drift-development along the main (Portland - #1) vein discovered in 1919. Two shafts were sunk with the east shaft reaching 9.1 meters (m) (30 feet) depth and the main or west shaft developed to 18.2 meters (60 feet) with 64 meters (210 feet) of drifting westerly along the vein. A selected grab sample collected in 1930 assayed 21.3 grams per tonne (g/t) (0.62 ounces per ton (oz/t)) gold and 75.4 g/t (2.2 oz/t) silver. Approximately 90 meters (295 feet) southeast of the main vein, Kalum Mines Ltd. put in a 26-meter (85 foot) adit along a second vein (#2 Vein). Assay values from samples of this vein collected in 1937 contained only minor amounts of gold and silver.

In 1972 the original claims were restaked as the Bav 1 - 4 by J. Apolczer of Terrace, B.C. One drill hole 114 m (374 feet) in length was drilled in an attempt to intersect the main vein and a zone of silicification lying adjacent to the known mineralized structure and workings. Drill records indicate that the main vein was not located but granodiorite with areas of quartz veining and weak alteration were intersected. Gold and silver values ranged from 0.07 to 0.38 g/t (0.002 - 0.011 oz/t) and 2.7 g/t to 0.68 g/t (0.08 - 0.02 oz/t) respectively. It is believed that this hole was drilled almost parallel to the strike of the main vein (Cavey and Chapman, 1987). The total cost of the 1972 program was \$9408.07.

In November of 1983 the property owner was Bradner Resources. Kalum Lake Mining Group was formed at this time and they trenched and sampled along the Main and #2 veins. Values up to 251 grams per tonne (g/t) (7.32 oz/t) gold and 225.6 g/t (6.58 oz/t) silver were obtained in a few grab samples collected from the #2 vein. Five trenches were dug using a tracked hoe accompanied by blasting and hand trenching. Several of the trenches did not reach bedrock and were abandoned due to slope stability concerns. This work was not filed for assessment and no record of the costs have been located.

In 1984 OreQuest Consultants was retained by Bradner Resources to complete a soil geochemical

survey over the southwestern portion of the claim block (Burn Showing area). A total of 576 soil samples and 17 rock samples were collected. A four-kilometer cut base line was used for control. Results from the survey indicated a coincident gold - silver - arsenic anomaly in the area of a granodiorite knob (Cavey and Howe, 1984). The highest gold value returned from the soil geochemical survey was 9400 ppb. The total cost of the 1984 program was \$18,540.62.

In 1987 a 395-meter (1300 foot) NQ diamond drilling program was undertaken on the Kalum property under the supervision of OreQuest Consultants Ltd. At the time the claims were owned by Terracamp Development Limited through an option with the Kalum Lake Mining Group. The objective of the program was to test the known gold bearing quartz veins and to locate additional mineralized zones. Two holes were drilled from one setup, with a third hole collared approximately 60 meters southeast. The continuity of the vein systems and mineralization was established to a depth of 120 meters and 65 meters for the #1 and #2 veins respectively. Strike extensions of 150 meters on the #1 vein and 60 meters on the #2 vein were also proven. Visible gold was encountered in the #2 vein in holes DDH-TR-87-1 and 87-2, and was also present at surface in the #1 vein. Assay values of up to 63.22 gm/t (1.86 oz/t) gold and 170 gm/t (4.9 oz/t) silver were returned from drill intersections which were comparable with high grade surface samples of up to 250.3 gm/t (7.3 oz/t) gold and 476.6 gm/t (13.9 oz/t) silver. Anomalous gold values were also recorded for up to 5 meters on either side of the #2 vein (Cavey and Chapman, 1987). Drillcore from the 1987 program was stored at the drillsites but was not found during the recent property visit.

A 52.4 kilogram bulk sample taken from these veins assayed 11.86 grams per tonne gold and 15.43 grams per tonne silver. Inferred reserves reported for the two main veins are estimated at 9434 tonnes grading 16.1 grams per tonne gold to a depth of 45 meters (Collins and Arnold, 1987). The authors of this report do not believe that this inferred reserve estimate is in accordance with sections 1.3 and 1.4 of the Instrument. Further diamond drilling was recommended to test the vertical and lateral extensions of the vein systems. Additional mapping, sampling and trenching with follow up diamond drilling was also recommended for the south (Burn) showing area. Reconnaissance sampling of historical trenches in the area of the Burn showing returned values of up to 16.8 gm/t (0.49 oz/t) gold, 242.1 gm/t (7.06 oz/t) silver and 0.5% copper. The total cost of the 1987 program was \$65,780.48.

In 1987, Terracamp Developments Ltd. retained Guillermo Salazar, P.Eng. to evaluate the potential grade and tonnage available in the Main (#1) and #2 veins on the Kalum Lake property. The Salazar report relied on data generated by past work programs, mainly that by OREQUEST Consultants Ltd. (Cavey and Howe, 1984; Cavey and Chapman, 1987).

The 1987 Salazar report recommended a multi-stage revenue-producing program designed to confirm the resources on the Kalum Lake property. Stage One recommendations included preparation of a topographic contour map from 1:20,000 scale air photos, re-opening of the trench between the high grade pit and hole TR-87-3 in the #2 vein and drilling into the Main and #2 veins. Salazar suggested the material extracted from the trench be processed and the gold thus recovered sold. Stage Two recommendations included re-opening of the 1923 adit after confirmation that it followed the #2 vein and/or trenching to the northeast from the high-grade pit. Stage Three recommendations included driving an adit into the upper fifteen meters of the #2 vein. Stage Three work was dependant on results from the first two stages. The total cost estimated for completion of Stage One, Two and Three was approximately \$300,000.00. (Salazar, 1987).

The last work recorded on the Kalum Lake property was in 1988. Terracamp Developments Ltd. retained Richard E. Arndt, P.Eng., P.Geol., to carry out an underground exploration program. The purpose of this work was to obtain a bulk sample of material from a quartz vein exposed at the surface by trenching, and to determine the lateral and "at depth" size and grade of the #2 Vein. The planned work consisted of driving a crosscut to the vein from the north and then drifting along the vein to collect a sample of "ore grade" material. A small underground diamond drilling program was also anticipated.

McElhanney Associates of Terrace was retained to prepare a detailed topographic map of the site surrounding the proposed mining activity and to be involved in surveying of the portal and underground workings. The map was done at a scale of 1:500 with 2 m contour intervals. Based on the results from this work, an underground program of approximately 100 meters was anticipated, consisting of an initial 2.45 m by 2.45 m (8 ft by 8 ft) crosscut and a 2.13 m by 2.13 m (7 ft by 7 ft) drift. The design also included three diamond drill stations. The mine design was for a tracked crosscut with a timbered trestle at the portal to dump muck cars. Northward Mining Contractors was mobilized to the site on September 6, 1988 and the portal was collared on September 9. On October 11th, the #2 Vein was intersected at 91.6 m from the portal mouth and the crosscut was terminated at 94.18 m. This face is also approximately the south wall of the 1920's drift, with the back of the 1920's drift one meter below the floor of the 1988 crosscut. A bulkhead was placed in front of the break into the old drift and a slash was started to turn on the #2 Vein.

On October 12, 1988, due to budget considerations, work was halted on the slash and Northward started demobilization of their equipment and crew. After the mining contractor left the site, OreQuest Consultants Ltd. surveyed, mapped and sampled the crosscut and sampled the old drift. However, the area where the crosscut broke into the old drift was very unstable, with bad ground on the back of the drift. Therefore, no detailed mapping or sampling program was attempted.

Recommendations from the program included surface diamond drilling to test the #2 Vein carefully along its strike length and down dip extension to better establish control for further underground exploration drifting. There was no statement of costs included with the 1988 report.

Quartz-Silver and Allard Occurrences

MINFILE NAME **QUARTZ – SILVER**; OTHER NAMES QS1 - 6

MINFILE NUMBER **103I 018**

and

MINFILE NAME **ALLARD**

MINFILE NUMBER **103I 151**

The original discovery was made by Mr. John Apolczer in 1968 who exposed a well mineralized quartz-sulfide vein during road building for logging operations. The Quartz - Silver claims were located by Mr. Apolczer and a Mr. Bates to cover this showing. Subsequently trenching and blasting were undertaken to increase exposure of the discovery showing and several other zones were identified. The first record of work on the Quartz - Silver claims was carried out by W.M. Sharp for Atlantis Mines in 1969. This consisted of preliminary geological mapping and sampling, primarily along the road cut. In 1970 Mr. Apolczer and Mr. Bates had the property returned to them and completed two

pack-sack diamond drill holes in the vicinity of the quartz-sulfide vein. Recovery was poor, however sludge samples were collected and assayed. No record of the results was found.

In 1985 Imperial Metals acquired an option on the property and conducted geological mapping and soil sampling (EMPR ASS RPT 13455). The bulk of this work was carried out in the vicinity of the main showing. A 3.5 kilometer grid was established and approximately 112 hectares was mapped on a scale of 1:5000. A total of 132 soil samples were collected and analyzed by multi element I.C.P. with gold analyzed by atomic absorption. Some weak coincident gold - lead soil anomalies were reported from this work; however no follow up was implemented. A 60 centimeter chip sample across the main sulphide vein returned values of 0.34 g/t (0.01 oz/t) gold, 78.9 g/t (2.3 oz/t) silver, 7.74% lead and 15.38% zinc. The total cost of the 1985 program was \$7025.00.

The last recorded work on the Quartz - Silver MinFile showing was in 1987, at which time the ground was held by Mount Allard Resources through an option agreement with the Kalum Mining Group. The work was carried out by OreQuest Consultants Limited (EMPR ASS RPT 16411), and the program included geological mapping, soil and rock geochemistry, prospecting, VLF and magnetometer surveying. Cut lines were established over two zones on the property for survey control. A total of 828 soil samples, 90 silt samples, 8 rock chip samples, and 14 rock samples were collected. Soil and silt geochemical surveys outlined a number of weak to moderate gold - silver - lead - zinc - copper anomalies. Results of the VLF and magnetometer surveys were largely inconclusive, with a weak east - west trend identified by the magnetometer on the northern grid. Mapping was limited to creek beds and road cuts due to overburden cover over most of the property. A number of felsic dykes, as well as minor quartz - sulphide veins were noted. A program of additional geochemical sampling and trenching was recommended. The cost of the program was not included in the assessment report.

Misty Occurrence

MINFILE NAME **MISTY**; OTHER NAMES MOSS, CREEK

MINFILE NUMBER **103I 213**

The Misty Claim was staked by C.C.H. Resources Ltd. during 1979 on the basis of a stream sediment anomaly indicated by a B.C. Ministry of Mines regional silt sampling program. Geological mapping, prospecting, silt sampling and reconnaissance soil sampling were carried out during 1979 and 1980. The soil geochemistry indicated widespread anomalous gold and arsenic values to the east of the Misty Claim and led to the staking of the Misty I Claim during 1981. The total costs of the programs were \$2193.98 and \$8210.99 respectively.

In August 1980, the Misty claim was sold to C.C.H. Resources Ltd.'s parent company, Campbell Chibougamu Mines Ltd. which later changed its name to Campbell Resources Inc. The claims were then sold to another wholly owned subsidiary, C.C.H. Minerals Ltd. on April 6th 1981 with Campbell Resources remaining as operator. Campbell Resources completed geological mapping and soil sampling in 1981 (EMPR ASS RPT 10128). A total of 303 soil samples and 6 rock samples were collected and analyzed for Au, Ag, and As. The soil geochemistry indicated a large area with anomalous gold values. The total cost of the 1981 program was \$17,959.75.

An extensive program was carried out by Campbell Resources during 1982 to investigate the gold anomalies (EMPR ASS RPT 10827). This included staking the Misty II Claim and hand-trenching and rock geochemistry over the soil geochemical anomalies. A total of 40 soil samples and 113 rock chip

samples were collected and a total of 102 meters of trenching and 270.21 meters of NQ diamond drilling was completed. A system of auriferous quartz veins and veinlets in a fracture zone was found in the soil geochemical anomaly on the Misty I Claim. Assays of up to 77.30 gms per tonne (2.25 oz/ton) gold were obtained from the narrow veinlets. Chip sampling in the trenches returned values of up to 21.6 g/t Au over 60 centimeters and 4.9 g/t over 1.1 meters. The geochemical results indicated good correlation between bedrock gold sources and anomalous soil samples. Five diamond drill holes tested the fracture zone and gold soil geochemical anomaly in the area of the “Wishbone” anomaly trenches. Core recoveries were very poor and led to inconclusive results. Further work was recommended including detailed mapping, soil geochemistry, trenching and diamond drilling. The total cost of the 1982 program was \$68,825.56.

Mascot Gold Mines Ltd. purchased the claims in 1984. In 1986, Mascot Gold carried out prospecting and soil geochemical and geophysical surveys (EMPR ASS RPT 15455). A total of 336 soil samples, 3 silt samples and 87 rock samples were collected. The results extended existing soil geochemical anomalies and located additional gold soil anomalies. A total of 8.725 line kilometers of VLF and 7.8 kilometers of total field magnetics were run. The magnetic survey was successful in locating the contact between sedimentary and intrusive rocks. The results from the VLF survey were largely inconclusive. The total cost of the 1986 program was \$36,532.00.

1987 work by Mascot consisted of linecutting, prospecting and soil and rock geochemical sampling (EMPR ASS RPT 16302). Several gold geochemical anomalies with coincidental arsenic, lead and zinc anomalies were found. The Creek and Moss Veins were also located during this time, and the Misty 3 and 4 Claims were staked. Further work was recommended including geological mapping, trenching, soil sampling and diamond drilling. The total cost of the 1987 program was \$50,879.77.

In 1988, the property was acquired by Corona Corporation with the 1988 field program on the Misty claims funded by Goldways Resources Ltd. The 1988 program concentrated on investigating the gold geochemical anomalies and quartz veins on the Misty 4 and Misty Claims (EMPR ASS RPT 17952). Soil sampling, magnetometer and VLF EM surveying, geological mapping and prospecting was carried out. A total of 110 rock samples and 560 soil samples were collected and analysed for 31 element ICP plus gold by fire assay.

No broad gold soil geochemical anomalies were located by the 1988 program. A number of quartz bedrock and float samples located on the property gave anomalous values in gold and silver. Prospecting of the previously-located soil anomalies indicated that trenching would be required to determine the causes of the anomalies. A total of 20.5 kilometers of VLF Electromagnetic and 20.8 kilometers of Total Field Magnetic ground surveying were completed. The magnetic survey appeared to be partially successful in distinguishing contacts between intrusive and sedimentary rocks. The VLF EM survey indicated four main northwest-trending conductor systems. A limited program of trenching was carried out on the Creek and Moss veins. Recommendations for further work included:

- 1) Completing the magnetometer and VLF EM surveys on the 1987 and 1988 grids.
- 2) Completing the geological mapping and prospecting over the remaining parts of the property.
- 3) Investigating the VLF EM conductor systems by prospecting and/or trenching to test their association with shearing and possibly quartz veining and precious metal mineralization.
- 4) Investigating the 1987 gold and arsenic soil geochemical anomalies by hand trenching.

5) Completing the trenching and sampling on the Creek and Moss veins to fully evaluate them.

The total cost of the 1988 program was \$55,000.00. The 1988 program is the last work recorded on the Misty Property and Misty showing area.

Chris Occurrence

MINFILE NAME **CHRIS**; OTHER NAMES ORO, IKE, BEAVER, MAYOU, LAURA

MINFILE NUMBER **103I 174**

The Chris vein showing was first staked in 1945 by S.R. Ling and W. Jorgenson. Minimal work was done by the original stakers. The first physical work, in the form of a number of trenches, was done in 1950 by Lake Expanse Gold Mines Ltd. No further work was done until 1959 when Conwest Exploration Co. Ltd. located a number of new trenches and put in a good walking trail to the property from the existing logging road system. Samples from their trenching averaged 0.5 oz/ton Au and 2.8 oz/ton Ag, with assays up to 4.96 oz/ton Au and 173 oz/ton Ag. Conwest dropped their option on the property and nothing was done on it until 1962 when Kootenay Base Metals drove a 57.1m (202') adit into the vein structure.

No other significant work was done on the Property until Prism Resources Limited staked the Chris claims in September 1979. Prism's 1980 work consisted of clearing the portal, cleaning and mapping the adit. (EMPR ASS RPT 8393). The 1980 report concluded that the 1962 adit was in sound shape, but appeared to have missed the major shear vein system exposed on surface in the area of the portal. Recommendations included detailed sampling of veins, surface prospecting and geophysics to determine the presence of parallel structures to the main vein system, and underground diamond drilling. The total cost of the 1980 program was \$7179.82.

1981 work by Prism Resources included: 122.7m (402.5') of IAX drilling in five holes; geological mapping at a scale of 1:1000 over a grid 300m x 200m; cleaning, blasting and sampling of 23 old and new trenches; installing a geochemical grid 400m x 250m with a 50m line spacing and a 25m sample spacing; collecting a total of 99 samples and conducting a topographic survey of the two previously mentioned grids.

The results from the 1981 program indicated that gold and silver values were relatively consistent throughout the 300m length of the main vein system: the average value of chip samples collected along the entire 300 meter length of the vein was 11.25 g/t Au, 80.57 g/t Ag and 1.4% Pb. The greatest widths of the vein are at the east and west ends; the west end is cut off by cliffs but the east end is still open to further exploration. Sampling of another vein 40 meters to the south of the Main vein returned an average value of 2.09 g/t Au, 8.23 g/t Ag and 0.1 % Pb over approximately 35 meters of strike length. Soil geochemical results indicate the presence of a possible mineralized structure along strike to the east of the known Main vein and continuing for another 300m.

Five IAX-size drill holes, three from surface (107.0m) and two underground (15.5m), with an aggregate length of 122.7m (402.5') of IAX-size core were drilled to test for surface and underground extensions of the Main vein. Core recoveries were very poor and although mineralized quartz veins were intersected, the size and grade of the veins could not be evaluated (Cavey, 1981). The drill contract was terminated because the drill was not getting the recoveries necessary to properly evaluate the property.

Recommendations included in the 1981 report were for further diamond drilling using a larger drill to improve core recovery. The report also concluded that consideration must be given to road access to the property from the existing system of logging roads. The total cost of the 1981 program was \$48,591.87.

Martin Occurrence

MINFILE NAME **MARTIN**; OTHER NAMES NOBLE, REX, GLEN NO.1

MINFILE NUMBER **103I 020**

No assessment work has been recorded on the MARTIN showing area. The MARTIN mineralization consists of gold-bearing quartz veins near the contact between sediments and granodiorite. A 30.0 centimeter sample collected from the main vein assayed 8.2 grams per tonne gold, 137 grams per tonne silver and 4.0 per cent lead (Minister of Mines Annual Report 1928). A second parallel vein, 50 meters from the main vein assayed 6.8 grams per tonne gold and 12.3 grams per tonne silver over 0.18 meters (Geological Survey of Canada Memoir 205).

Hat Occurrence

MINFILE NAME **HAT**; OTHER NAMES DRUM, KIT

MINFILE NUMBER **103I 173**

Don Young and Peter Ogryzlo staked the KM and Drum claims in 1979 to follow up a reconnaissance geochemical survey sponsored by the B.C. Dept. of Mines and Petroleum Resources which indicated that the Mayo Creek ridge was anomalous in arsenic and silver. Reconnaissance prospecting and following float and stream sediment dispersion trains led to the discovery and acquisition of the Hat and Flare claims in 1980. The first recorded assessment work on the HAT showing area is 1981 (EMPR ASS RPT 10045). The property owners undertook stream sediment sampling, prospecting, and geological mapping. Detailed sampling was conducted on the projection of the CHRIS vein mineralization onto the KM9 claim, and on the DRUM arsenopyrite showing. A total of 40 stream sediment samples, fifteen soil samples and ten rock chip samples were collected and analyzed for Au, Ag, Hg, Cu, Pb, Zn, As and Co. The report concluded that precious metal values appeared to be associated with quartz-arsenopyrite veins, which in turn appear to be associated with a diorite intrusion. Further work including detailed soil geochemistry, trenching and diamond drilling was recommended. The total cost of the 1980 - 81 work was \$7682.00.

The last-recorded work on the property was conducted by the owners during the 1982 field season (EMPR ASS RPT 10821). The goal of the project was to map and sample veins on the Property. Geological mapping was included in the sampling program, and float prospecting was used to search for other veins. Geochemical rock analyses were performed to clarify trace element associations with the precious metals. A total of 16 float samples, 19 grab samples, 11 chip samples and one stream sediment sample were collected. The samples were analysed using a thirty-element ICP package. A number of quartz veins with arsenopyrite, galena, sphalerite and pyrite were noted, generally associated with a later diorite intrusive. The best geochemical values returned were 41.10 g/t Au and 9587.8 g/t Ag from a chip sample of vein material. The total cost of the 1982 work was \$5890.00.

The Full and Moon claims were staked in 1986 by Don Young and Peter Ogryzlo to cover mineralized quartz veins discovered approximately 3 kilometers southwest of the CHRIS showing. The veins were discovered by following up stream-sediment geochemical anomalies and quartz float dispersion trains.

No previous reference to these veins is known, and therefore the largest vein may have been exposed by retreating snow and ice shortly before the discovery.

The object of the 1987 program was to chip sample and map the most highly-mineralized veins discovered during the initial exploration, to sample the mineralized stockwork zones, and to extend the area of mapping and prospecting (EMPR ASS RPT 17890). Geological mapping located a number of precious-metal-bearing quartz veins clustered in and around a younger composite multiphase stock of predominately diorite composition. A total of 7 soil and 26 rock samples were collected and analyzed by induced coupled plasma (ICP) for Cu, Pb, Ag and AS, with all samples analyzed for Au using AA.

Over thirty veins were noted associated with the diorite stock, fifteen of which had significant precious metal values. The 5000 vein returned values of 6.1 g/t Au and 17.3 g/t Ag from a 100-cm chip sample, the 4700 vein returned values of 7.3 g/t Au and 1077 g/t Ag from a 45-centimeter chip, and the PICK vein returned 4.8 g/t Au and 380 g/t Ag over a 70-cm chip. Samples from veins discovered during the 1987 program also returned precious metal values of up to 5.7 g/t Au and 429.6 g/t Ag from a 30-centimeter chip. Also significant was a grab sample of ankeritic vein material collected from a talus field which returned a value of 50.4 g/t Ag. Further work was recommended for the Full and Moon claims including more detailed sampling at depth of the 5000, 4700 and PICK veins to determine potential for economic tonnage and grade, as well as more detailed sampling on the veins discovered during 1987. The report also recommended further exploration of ankeritic alteration zones. The total cost of the 1987 program was \$4824.95. Work by Eagle Plains Resources in 2003 indicated that the Full / Moon showing is likely the same structure referred to as the Hat.

History of work by Eagle Plains Resources Ltd.

2003 Exploration by Eagle Plains Resources Ltd.

Eagle Plains Resources Ltd. completed a significant exploration program on the Kalum Au-Ag property between June and August 2003. The program included geological mapping and prospecting, rock grab and channel sampling, and stream sediment and soil sampling. The program was very successful and defined numerous new, high-grade zones of Au-Ag mineralization. These included four new showings: Bling/Rico, Tuppie, Tojo and Nelson Creek. In addition, many of the historical showings on the property were located, sampled and surveyed. This work confirmed that the Kalum property is highly prospective for economically viable, Au-Ag epithermal vein-type deposits.

The 2003 exploration program consisted of silt sampling, soil sampling, geological mapping, and prospecting. A total of 1225 soil samples, 408 rock samples and 341 silt samples were collected with 1:10000 scale geological mapping traverses over approximately 100 square kilometers. For a detailed account of the 2003 exploration program and results, please refer to Downie and Mosher, 2003 and Downie and Stephens, 2003. Total expenditures for the 2003 exploration program were C\$258,745.60.

2004 Exploration by Eagle Plains Resources Ltd.

2004 work by Eagle Plains followed up on recommendations generated by the 2003 work. This consisted of a three-phase program that included a 1512.3 km winter VTEM airborne geophysical survey and a very extensive geochemical program that included 1578 soil samples, 158 rock samples, 152 vein samples and 7 silt samples. A two week, 5-person fly camp was also established just below the Tuppie showing. This program also included a 19 hole diamond drill program which intersected

high-grade Au mineralization at every showing tested. For a detailed account of the 2004 exploration program and its results, please refer to Downie and Gallagher, 2004. Total expenditures for the 2004 exploration program were C\$909,719.

2005 Exploration by Eagle Plains Resources Ltd.

Analytic results derived from the 2003 - 2004 geologic, geophysical, and geochemical dataset is consistent with the Hat area of the Kalum property possessing the best potential to host high-grade and bulk-tonnage Au mineralization. Eagle Plains Resources Ltd. developed an exploration program to test this new theory. It consisted of a two week, 10 person fly camp in the Hat area, from which surficial geology and geochemistry exploration programs were based. A modest diamond drilling program, consisting of 3 holes from one pad totaling 568.75m was also based from this camp. Although the limited drill program did not intersect ore grade Au-Ag mineralization, results from the surface programs were very encouraging, resulting in the discovery of three new high-grade polymetallic Au – Ag showings. Total 2005 exploration expenditures by Eagle Plains Resources Ltd. on the Kalum property was \$327,086.87.

On October 09, 2007 Mountain Capital Inc. and Eagle Plains Resources Ltd. signed a letter of intent pursuant to an option agreement on the Kalum Property. Under the terms of the option agreement MCI can earn a 60% interest in the Kalum Property, commencing on the date of signing of a formal Agreement by both parties, by making make cash payments to Eagle Plains totalling \$500,000, carrying out \$4,000,000 in exploration expenditures on the Property and issuing an aggregate of 500,000 common shares of MCI.

2008 Exploration by Eagle Plains Resources Ltd.

The 2008 exploration program by funded by option partner Mountain Capital Inc. was directed towards exploring and attempting to define a broad zone of gold mineralization in a satellite granodiorite “stock” located on Tenure #399745 in the SE corner of the property. The work program consisted of 7.75 line km of grid establishment, collection of 55 soil samples, 8 rock samples, 4.1 line km of I.P. survey and the drilling of 11 NQ diamond drill holes. .W. Murton and Associates conducted the program on behalf of Mountain Capital Inc.

The results from the 2008 exploration program revealed that the granodiorite “stock” that was the focus of exploration is in fact a thrust emplaced granodiorite mass overlying a sequence of argillite / greywacke. Weak but pervasive gold mineralization associated with pyritic quartz stringers and veinlets is widespread in the stock.

The total expenditure on the property by Mountain Capital Inc. in 2008 was \$311,282.16. \$305,252.56 of this amount was filed for assessment purposes and resulted in the extension of the valid dates for all tenures listed to November 30, 2010.

2009 Exploration by Eagle Plains Resources Ltd.

The 2009 fieldwork by Eagle Plains at the Kalum included an Induced Polarization geophysical program that extended the grid in the area of the Burn showing, as well as a prospecting and geochemical sampling program in the areas of the Hat, Cirque, Tuppie, Babit and Misty showings. The results were very favorable, with the discovery of a new high grade gold showing in the Cirque area,

and the definition of high priority geophysical targets.

It has been interpreted that the majority of showings in the area, including the Tuppie, the HAT, the Trango, the Cirque Zone and collectively referred to as the Hat Structural Zone, are structurally linked and represent a single large- scale mineralized system over 1 km² in size. As part of the 2009 exploration program, two days were spent in the area of the Hat Structural Zone which confirmed the widespread nature of the mineralization. The best sample collected during the 2009 program was a grab sample from the Cirque Zone, DKKMR002, which returned 973 g/t Au and 502 g/t Ag. Another occurrence near this location returned 2.54 g/t Au and 32.3 g/t Ag (AHKMR039), while a third occurrence returned 0.12 g/t Au, 100 g/t Ag, 2.5 % Pb and 7.2 % Zn (AHKMR038). The area is attractive because these zones are structurally repeated on a scale of 50m, over a thickness of 300m, making it an excellent target for a bulk-tonnage, low-grade, open pit operation.

The total cost of the 2009 program was \$109,835.43.

GEOLOGY

Regional Geology

The geology in the Terrace area is dominated by a broadly anticlinal structure that trends NNE from Kitimat, has core of Paleozoic carbonate rocks and is flanked to the east and west by Mesozoic volcanics. This axis is the locus of hot springs and two stockwork-molybdenum deposits at Nicholson (Shannon) and Fiddler Creeks (Figure 3a). Evidence of rifting and extensional tectonics is seen in the Kitsumkalum valley, where Mesozoic volcanics are exposed in the valley adjacent to Paleozoic carbonates on the valley slopes. The Tseaux lava field, some 40 km north of the property, is the site of recent (400 year) volcanic activity.

The Kalum Property lies within the Kitimat Range of the Coast Mountains physiographic subdivision, 10 km west of the boundary with the Nass Range section of the Hazelton Mountains physiographic subdivision. The Coast Mountains are comprised of Jurassic-age and older sedimentary and volcanic rocks that have been intruded by the Cretaceous Coast Crystalline Complex. This belt of granitic rocks stretches from Vancouver into the Yukon, and is comprised chiefly of granodiorite, quartz diorite and diorite.

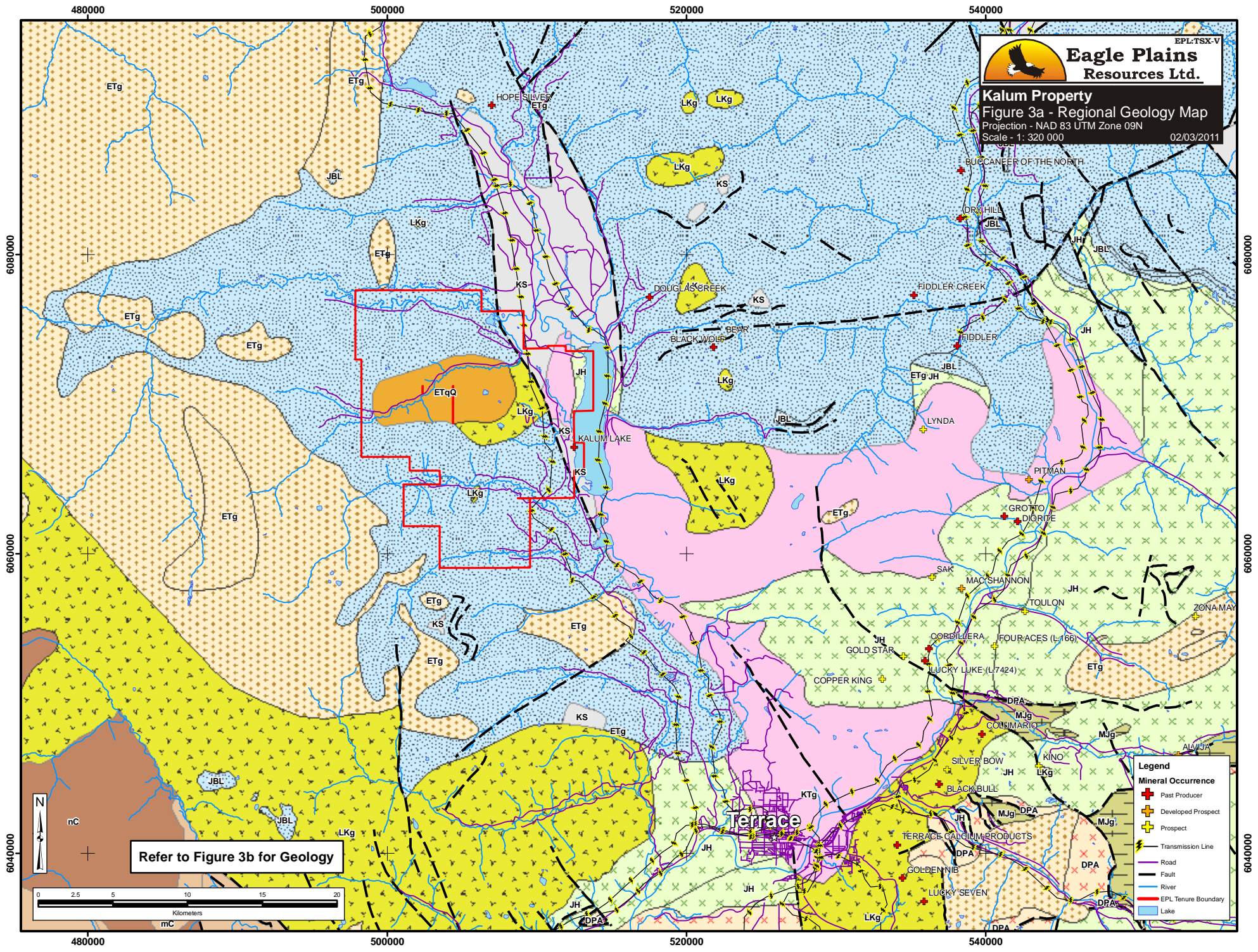
Local Geology

The Kalum Property is located on the northeast-trending contact between dioritic intrusions of the Cretaceous-age Coast Crystalline Complex, and the fine-grained sedimentary and volcanic sequence of the Upper Jurassic to Lower Cretaceous-age Bowser (Lake) Group. The Bowser Lake Group consists mainly of marine and freshwater shale, arenite, greywacke, conglomerate, argillite, and minor tuff. Intrusions range in composition from quartz monzonite to granodiorite and diorite and vary in size from small stocks to large batholiths. Contacts between the intrusions and sedimentary rocks are generally irregular. Hypabyssal rocks, in the form of porphyritic, aplitic, and basaltic dikes and sills, intrude both the sediments and Coast granitoids. On the northern part of the Property, in the area of the Chris occurrence, cross cutting rhyolite dykes have also been reported (Young and Ogryzlo, 1988).



EPL.TSX-V
**Eagle Plains
Resources Ltd.**

Kalum Property
Figure 3a - Regional Geology Map
Projection - NAD 83 UTM Zone 09N
Scale - 1: 320 000
02/03/2011



Refer to Figure 3b for Geology

- Legend**
- Mineral Occurrence**
- Past Producer
 - Developed Prospect
 - Prospect
- Transmission Line
- Road
- Fault
- River
- EPL Tenure Boundary
- Lake

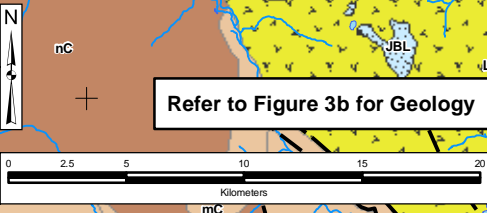


Figure 3b - Regional Geology Legend

after Journeay J.M. and Williams S.P., 1996

Tertiary



Quanchus Suite - hbl-biotite-granite - Terrane-stitching plutons of the Omineca / Intermontane / Coast / and Insular belts



Undivided plutonic assemblage - granodiorite / leucogranodiorite / qtz-monzonite / qtz-diorite / tonalite

Cretaceous



Undivided plutonic assemblage - granodiorite / leucogranodiorite / qtz-monzonite / qtz-diorite / tonalite

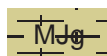


Undivided plutonic assemblage - granodiorite / leucogranodiorite / qtz-monzonite / qtz-diorite / tonalite



Skeena - greywacke / sandstone / siltstone / shale / conglomerate / coal - easterly derived back-arc clastics

Jurassic



Undivided foliated plutons - hbl-bt-diorite / granodiorite - amalgamated by Latest Jurassic/accreted to continental margin in Late Jurassic and Cretaceous time



Hazelton volcanics - basalt / andesite / rhyolite / dacite / pyroclastics - amalgamated by Latest Triassic time and accreted to Ancestral North America in the Jurassic



Bowser Lake - conglomerate / sandstone / siltstone / shale / limestone / coal - post-Accretion back-arc (?) and foredeep clastic wedge on Stikinia

Devonian - Permian



Asitka - basalt / rhyolite / pyroclastics / limestone / shale / sandstone / chert - amalgamated by Latest Triassic time and accreted to Ancestral North America in the Jurassic



Central Gneiss Complex - orthogneiss - undifferentiated metaplutonic rocks of the Central Gneiss Complex



Central Gneiss Complex - schist/gneiss - undifferentiated metamorphic rocks of uncertain protolith

Property Geology

The Kalum Property is centered on an irregularly shaped granodioritic pluton of the Coast Crystalline Complex that has surface dimensions of approximately 8 by 12 km. This pluton and many associated smaller intrusions were emplaced into Upper Jurassic to Lower Cretaceous Bowser Lake Group sedimentary rocks.

Lithology

The Bowser Lake Group

Bowser Lake Group rocks on the property comprise a monotonous package of arenite, greywacke, siltstone and mudstone, with lesser carbonaceous mudstone and conglomerate. Bedding is generally upright with variable strike, although all dips are generally shallow and mostly under 40°. Three broad, stratigraphic units were identified during the 2003 field season. The lower greywacke unit that comprises mostly greywacke, with lesser conglomerate, siltstone and mudstone, dominates the southern portion of the property. The central mudstone unit dominates the central portion of the property and consists of mudstone with lesser greywacke, siltstone and carbonaceous mudstone. The upper greywacke unit that consists of massive greywacke, with some interbedded mudstone and minor carbonaceous mudstone, dominates the northern part of the property. Bowser Lake Group rocks south of Nelson Creek locally have a penetrative foliation. The more pelitic units contain muscovite and chlorite, and indicate pre-Coast Plutonic Complex metamorphism of sub- to lower greenschist facies.

Hand sample rock descriptions were done on three of the types of Bowser units, the greywacke, the feldspathic arenite and the mudstone/shale were done during the geological mapping around the Hat showing in 2005. The sedimentary units, especially the sandstones, are very difficult to distinguish and have highly irregular contacts, and so are mapped for the most part as undifferentiated Bowser sediments.

The greywacke is dark grey in colour and for the most part massive. It is moderately well sorted, with fine to medium-grained quartz grains that are difficult to distinguish with the naked eye. The rock is comprised roughly of 70% grains, most of which are quartz and 30% calcite matrix. Calcite is also very commonly seen on fractured surfaces.

The feldspathic arenite is usually green-grey in colour and poorly sorted. The rock is comprised mostly (50%) of medium to coarse-grained sub-angular feldspar grains. The rest of the rock is comprised of medium to coarse-grained calcite (25%), some kind of medium-grained dark grain (10%) and medium to coarse-grained quartz (5%). The matrix is comprised of calcite and quartz and represents 5-10% of the rock. Calcite veinlets of up to 2cm wide are common throughout. The rock can also occur with a more silica rich matrix but still has the same rock classification.

The shale/mudstone unit is dark black and very fine grained. The rock is usually very fissile and fractured and has a common rusty surface, evidence of some sort of low metamorphism. There is little to no mineralization, other than the rare patch of disseminated euhedral pyrite.

Intrusive Suites

The Coast Plutonic Complex and associated hypabyssal intrusions on the property have a large range in composition and texture. Two main intrusive suites, the Allard Pluton, and Hat quartz diorite – diorite have been mapped in detail (Figure 3).

The main pluton, here named the Allard Pluton, has an irregular, east-west elongate shape, with a large embayment of Bowser Lake Group sedimentary rocks on the western side Figure 4. The outcrop pattern along the northern margin indicates that the contact here is likely to be steeply dipping, perhaps to the north. Exposed contacts and outcrop patterns across the central and southern portions of the property indicate an irregular, shallowly dipping, partially bedding-controlled sill-like geometry for the main pluton in this area. The eastern portion of the pluton is cut by a NNW-striking, steep fault that may have experienced normal movement.

The Allard pluton is dominated by coarse-grained hornblende-porphyrritic tonalite (locally poikilitic) and medium-grained hornblende-biotite granodiorite. The cupola of the pluton is exposed at the Tuppie Zone Figure 4. Dykes and sills of similar lithologic composition are common and display a strong foliation and / or carbonate alteration. A K/Ar cooling age of 100.2 ± 6.8 Ma was derived from the pluton (Godwin, unpublished in Breitsprecher and Mortensen, 2004).

The Hat Quartz Diorite – Diorite is an east – west trending elongate body north of Mayo Creek (Figure 4). It occurs as a weakly to strongly folded and foliated hornblende – pyroxene quartz diorite or diorite. Pyroxene remains fresh, while hornblende is altered to chlorite and pompellyite (Mihalynuk and Friedman, 2004). Mihalynuk and Friedman (2004) obtained a U-Pb crystallization age of 93.8 ± 0.5 Ma for this intrusive.

Many sills, dykes and plugs of variable composition and texture intrude Bowser Lake Group rocks around the margins of the main plutons, in particular in the embayment region on the pluton's western side and to a much lesser extent the Allard pluton itself. The embayment of sedimentary rocks on the pluton's western side hosts numerous sills of medium and coarse-grained granodiorite that range in thickness from 300 metres to less than 1 m. Numerous other, generally thin (0.5 to 10 m), sills and dykes of granodiorite to diorite generally are fine- to medium-grained and have plagioclase as the main phenocryst phase. A sill of pyroxene-porphyrritic diorite with unknown width intrudes the Allard pluton near its northern margin. A fine- to medium-grained lamprophyre sill crops out north of the northern margin of the Allard pluton. At least two small intrusions of garnet-plagioclase-muscovite granite crop out north of the main pluton. Plagioclase-porphyrritic granite (rhyolite) sills and/or dykes crop out near the Chris adit (Young and Ogryzlo, 1988) and in the western embayment area. A small plug or sill of medium-grained quartz-syenite crops out NW of the Misty Moss Creek showing. Aplitic and pegmatitic dykes, and vein-dykes are also common around the main pluton boundaries, but have highest densities in the western embayment area.

Metamorphism

A weak contact metamorphic and metasomatic aureole exists around the main Allard stock and is normally 100 to 300 m in width. In most areas it is defined by limonitic fractures, weak silica alteration and disseminated pyrite, chalcopyrite and arsenopyrite. Rocks within the aureole, particularly the mudstones, have a distinctive rusty appearance. In general, no metamorphic minerals could be identified in hand sample in the contact aureole. However, a number of country rock roof

pendants have contact metamorphic andalusite and biotite. This indicates low-pressure greenschist facies metamorphism in these areas.

Alteration

A number of different alteration assemblages associated with Au-Ag mineralization were observed in different areas across the property. These assemblages are summarized as follows:

1. Propylitic alteration (chlorite-epidote) associated with vein-dykes and aplite dykes (e.g. Moly zone), as pervasive alteration in more mafic portions of the stock (e.g. east of Hat vein) and associated with mineralized veins on the eastern side of the property (e.g. Kalum veins);
2. Ankeritic/silicic/pyritic alteration associated with mineralized veins hosted in granodiorite and diorite (e.g. Tojo, Hat);
3. Argillic/silicic/pyritic alteration around and distal to mineralized veins (e.g. Kalum, Burn and north Kalum);
4. Silicic and pyritic (lesser chalcopyrite and arsenopyrite) alteration as a pervasive phase in the contact aureole of the main stock;
5. Meter-scale carbonate alteration envelopes are commonly associated with polymetallic Au-Ag veins; particularly at the Tuppie and Hat zones (the most promising zones on the property).

Carbonate alteration is also associated with magnetite destruction and may be responsible for the magnetic low along the eastern margin of the Allard pluton.

Paragenesis

The 2003 field-mapping program by Stephens led to the recognition of the following broad, generalized magmatic-hydrothermal sequence (from oldest to youngest);

1. Granodiorite and diorite plutonism, contact metamorphism and metasomatism
2. Hypabyssal dykes and sills, mostly granodiorite to diorite in composition
3. Hypabyssal dykes and sills, more fractionated phases including plagioclase porphyritic granite (rhyolite), quartz-rich granite
4. Aplite dykelets with associated propylitic alteration
5. Vein-dykes of varying composition
6. Smoky quartz veins, some with feldspar selvages
7. Molybdenite-bearing veins with K-feldspar selvages hosted in main pluton
8. Main stage of Au-Ag bearing veins

It should be noted that many of these stages are transitional and overlap in both time and space. For example, many sills and dykes would be forming at the same time the main pluton was crystallizing, and aplite dykelets, vein-dykes and molybdenite-bearing veins are all closely associated with each other.

Structural Geology

The structural architecture of the rocks on the Kalum property can be described in terms of five main structural elements. These are: bedding, intrusive bodies (sills/dykes and pluton contacts), mineralized veins, faults and joints.

Bedding

Bedding in the Bowser Lake Group sedimentary rocks on the property has variable strikes and shallow to moderate dips. Cross-bedding in the greywacke units indicates that bedding is upright across the entire property. Stereonets show that the maximum density of bedding is at 240°/36° NW, with other sub-maxima at 236°/18° NW, 308°/30° NE, 020°/33° SE and 126°/36° SW. These data and field observations indicate broad warping of the bedding across a SSW-trending axis.

Intrusive bodies

Coast Plutonic Complex intrusive rocks on the property occur in the major pluton and as sills and dykes. In general, sills are more abundant than dykes. The sills and dykes are mostly granodiorite to diorite in composition (c.f. Property Geology section). Sills are mostly bedding parallel, and thus have variable orientations across the property. The stereonet maximum density for the sills is 162°/30° W and for the dykes is 129°/90°.

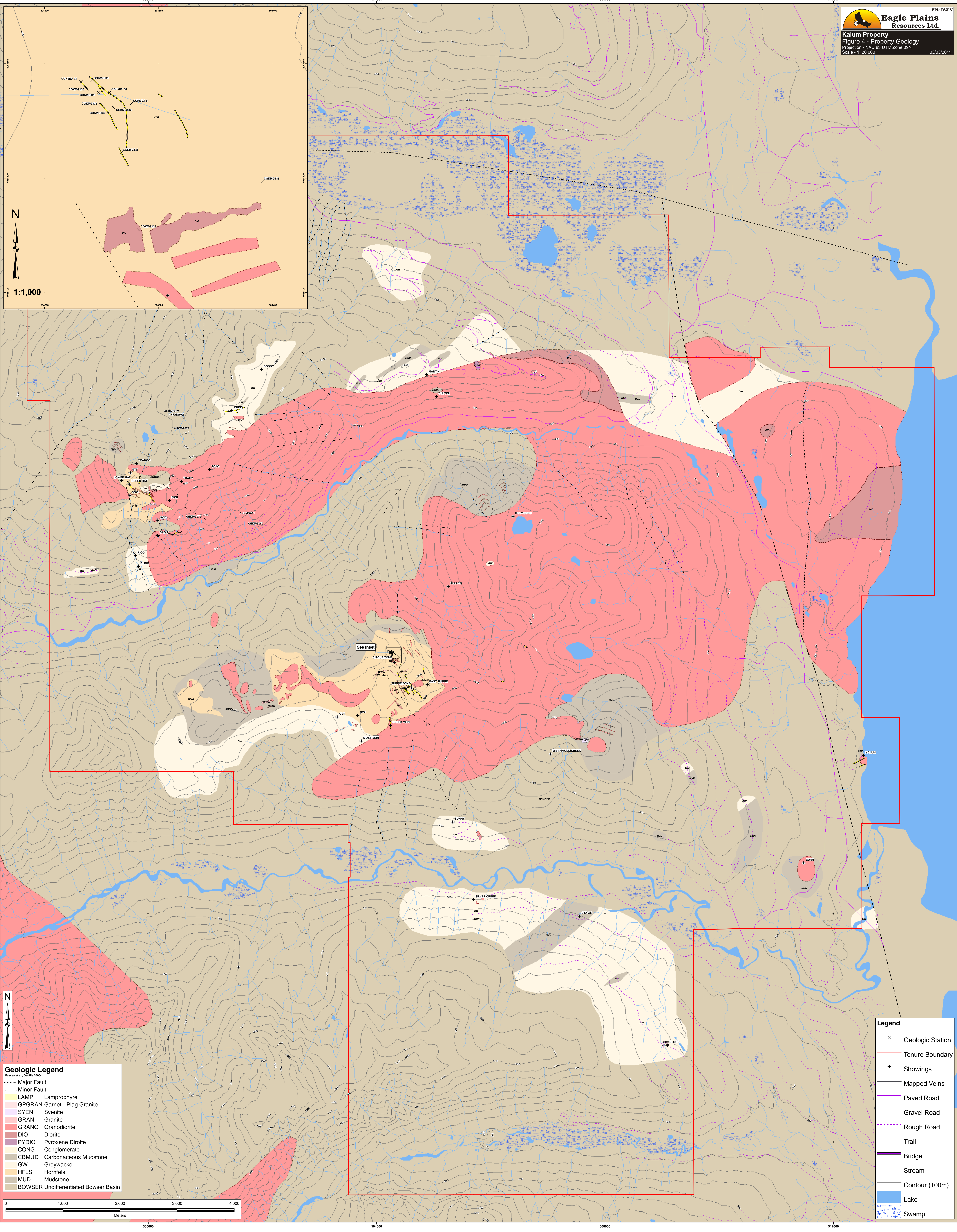
Faults

The faults measured in the field are dominated by a NNE-striking set with moderate to vertical dips and have a stereonet maxima at 026°/84° E. These faults cut all other geological features on the property and have a normal movement sense. The largest displacement observed was about 2 m (Fig lamprophyre photo offset). A minor set of NW-striking, steeply dipping faults, parallel to mineralized veins is also apparent.

The predominance of variably dipping, NNE-striking normal faults is consistent with a late extensional event that had a vertically plunging σ_1 and horizontally plunging, ESE-directed σ_3 .

Joints

Joints measured on the property fall into three major sets that have stereonet maxima at 139°/66° SW, 352°/72° E and 236°/72° NW. The first two sets have NW strikes and thus are likely to be related to the NW-striking set of shear veins. The minor NE-striking joint set corresponds with the NW-striking set of vein-dykes.

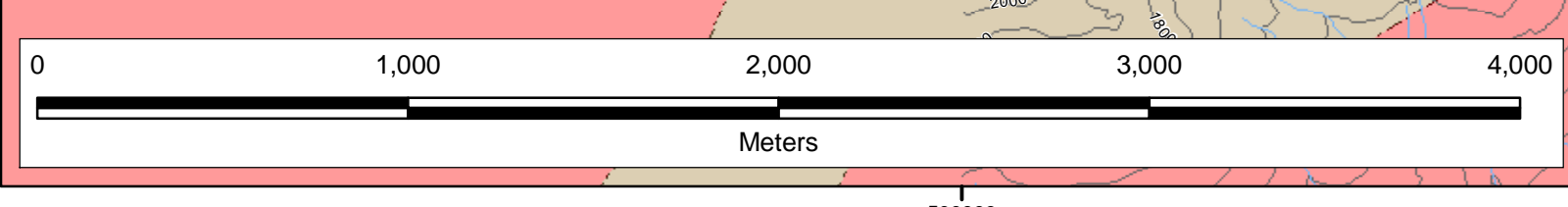


Geologic Legend
 Massey et al., Geolfile 2005-1

| | |
|--------|-------------------------------|
| --- | Major Fault |
| - - - | Minor Fault |
| LAMP | Lamprophyre |
| GPGRAN | Garnet - Plag Granite |
| SYEN | Syenite |
| GRAN | Granite |
| GRANO | Granodiorite |
| DIO | Diorite |
| PYDIO | Pyroxene Diorite |
| CONG | Conglomerate |
| CBMUD | Carbonaceous Mudstone |
| GW | Greywacke |
| HFLS | Hornfels |
| MUD | Mudstone |
| BOWSER | Undifferentiated Bowser Basin |

Legend

| | |
|---|------------------|
| x | Geologic Station |
| — | Tenure Boundary |
| + | Showings |
| — | Mapped Veins |
| — | Paved Road |
| — | Gravel Road |
| — | Rough Road |
| — | Trail |
| — | Bridge |
| — | Stream |
| — | Contour (100m) |
| — | Lake |
| — | Swamp |



2010 EXPLORATION PROGRAM RESULTS

Summary of work

An 18 day helicopter supported diamond drill program was conducted on the Kalum property from 6th to the 24th of August, 2010. The program consisted of two days of geologic mapping in the Cirque and Tuppie Zones and a total of thirteen days of drilling from three pads including mob and demob (Figure 6). A total of 419.11m of NQ core was drilled from six holes.

The goal of the program was to drill test high-grade shear-hosted quartz-carbonate veins and breccias that are present in the cupola of the Allard Stock. These north-south striking shear-hosted veins are interpreted to be continuous from the Cirque Zone to the Tuppie Zone (Figure 4).

Four samples collected from the 2010 diamond drilling program, were selected and submitted for petrographic analysis. Petrographic results are included in Appendix VII.

Crews were based in Terrace and traveled to the property via an AStar chartered from Quantum Helicopters. Drilling was completed by APEX Diamond Drilling of Smithers, BC.

Core was flown off the property at cross-shift to a staging area approximately 8km from the drill sites where it was transported to a secure logging facility in downtown Terrace. Geotechnical work, logging and sampling was completed at the facility and samples were shipped to ACME Analytical of Vancouver, BC for Group 1D (AR / ICP-OES) multi-element and Group 3B (FA / ICP-OES) Au analysis. External Au standards were incorporated into the sample chain of custody every 20 samples.

No geochemical samples were collected during the field program.

Total expenditures for the 2010 exploration program were \$ 180 848.85.

Geologic Mapping

Geologic mapping focused on confirming the location / nature of sample DKKMR002 which was collected in 2009 and returned 973 g/t Au and 502 g/t Ag from the Cirque Zone. The sample was collected by a field geotechnician so limited information pertaining to the sample was available.

The study area offered excellent exposure due to receding snow and ice – mapping was completed with a mapping grade DGPS system; Figure 5 is a detailed geologic map of the Cirque Zone showing the shear zone / alteration system. It is located within the cupola of the Allard Pluton and contains two discrete m-scale shear zones, separated by approximately 50m, that trend NNW and dip at approximately 45 to 65 degrees. The shear zones cross-cut the contact of the Allard Pluton (medium-grained hornblende-biotite granodiorite) and hornfelsed greywacke rocks of the Bowser Basin. Numerous subordinate veins, oblique to the main NNW trend, forming possible en echelon structures were also mapped. Meter-scale aplitic dykes are offset by the shear zones (Figure 5) but a lack of kinematic indicators makes absolute offset difficult to interpret.

The shear zones are characterized by rusty orange/red Fe-carbonate alteration halos that average 0.5m in thickness and have a maximum thickness of 5m. Hosted within these shear zones are 10cm to 60cm thick quartz-carbonate veins, weakly developed stockworks, and breccias that are continuous for up to 80m along strike. The breccias are typically matrix supported with angular to sub-rounded cm-scale clasts. These clasts commonly exhibit quartz coxcomb textures set in a recessive limonite / ankerite

matrix. Sulphides are present as fine-grained euhedral pyrite disseminated within the ankeritic matrix of the breccias.

DDH Program

A total of six holes (419.11m) were drilled from three pads during the 2010 program. Figure 6 is a plan map showing drill pad locations and traces and Table 2 contains each holes orientation and length.

Table 2 – 2010 Tuppie and Cirque Zone Drillholes

| Hole Number | Pad Number | Length(m) | Azimuth(Deg) | Dip(Deg) | Easting | Northing |
|-------------|------------|-----------|--------------|----------|----------|----------|
| KCZ10001 | KMPADC | 86.26 | 247.00 | -45 | 504270.9 | 6068563 |
| KCZ10002 | KMPADC | 41.76 | 247.00 | -70 | 504270.9 | 6068563 |
| KCZ10003 | KMPADC | 50.6 | 277.00 | -70 | 504270.9 | 6068563 |
| KCZ10004 | KMPADD | 92.03 | 210.00 | -45 | 504318.9 | 6068574 |
| KCZ10005 | KMPADD | 46.96 | 210.00 | -60 | 504318.9 | 6068574 |
| KCZ10006 | KMPADB | 101.5 | 240.00 | -45 | 504542.3 | 6067914 |

DDH Results

In all, a total of 207 core samples from the six holes were sent for analysis. Overall, results of the drill program were disappointing as no high-grade mineralization was intersected in any of the holes. DDH Logs and Strip Logs are presented in Appendix IV and the Analytical Certificates are presented in Appendix V.

KMPAD C (Figure 7 - Section A)

PAD C was designed to test main shear zone that hosts high-grade Au mineralization and was selected as primary target due to its:

- i) presence of high-grade Au mineralization at surface;
- ii) extensive pervasive Fe-Carb alteration haloes;
- iii) development of structurally repeated mineralized veins and breccias.

Three holes (KCZ10001 to 003) were collared off the pad which was located directly in the hanging wall of the main shear zone; all holes were continued to depth in hopes of intersecting sub-parallel “blind” shear zones in the footwall. Holes KCZ10001 and 002 were successful in intersecting the hanging wall, en echelon and footwall quartz-carbonate veins / breccias to some degree. These zones are variably mineralized with an average of 1% arsenopyrite, 1% pyrite and trace pyrrhotite.

Unfortunately, only the vein material was mineralized and the alteration envelopes appear to be devoid of Au mineralization. No blind shear zones or mineralization of any type was intersected at depth. The hanging wall vein returned 30cm at 0.164 g/t Au, while the footwall zone returned 0.55m of 0.168 g/t Au.

These quartz-carbonate zones are hosted within the complex contact zone of the main Allard Pluton and greywacke sediments of the Bowser Basin. There are also a number of late cm- to m-scale dykes / sills of intermediate to mafic composition that were intersected in the upper portion of the hole. Below

the shear zone lies a flat lying tabular intrusive body of intermediate composition that overlies a basal dioritic body.

KMPAD D (Figure 8 – Section B)

This pad was designed to test the subordinate quartz-carbonate shear zone to the east of the main zone and to hopefully intersect down-dip extension of main shear zone tested from Pad C (Figure 5 and X). Two holes KCZ10004 and 005 were collared from this pad and intersected a similar complex contact zone as at PAD C.

The same general lithologic sequence was observed – upper dyke swarm consisting of diorite, porphyritic and felsic dykes intruding host greywacke lithology hosted weakly developed quartz-carbonate stockwork zones with weak to moderately developed Fe-carbonate alteration haloes. Both holes intersected a 40m thick porphyritic dyke of intermediate composition that is weakly altered by silica and sericite and generally contains trace to 1% Po.

Alteration is generally limited to subtle Fe-carbonate along fractures and envelopes of qtz-carbonate veins and visible mineralization is limited to 2% fracture controlled pyrite from 11.53m to 12.6m and moderately developed quartz carbonate breccias from 14.46m to 19.98m that are mineralized with 1% pyrite and arsenopyrite in hole KCZ10005. This zone in KCZ10005 ran 98 ppb Au over 1.0 m length. These weakly mineralized zones are interpreted as the down-dip extension of the Higsy Vein. A silicified dyke in hole KCZ10004 ran 136 ppb Au over 1.0m from 21.65m to 22.65m

KMPAD B (Figure 9 – Section C)

KMPAD B is located to the North at the Tuppie Zone and was designed to test extension of Cirque Zone structures (Figure 6). Unfortunately, it was impossible to locate drill pad in desired location without collaring in the hanging wall, and only two of the four veins present were tested. One hole, KCZ10006, was collared at this pad and was drilled to the NW.

The hole intersected mainly massive unaltered Bowser sediments consisting of wacke and argillite that has been intruded by numerous m-scale diorite, felsic and porphyry dykes and pyrrhotite is commonly disseminated throughout the host sedimentary rocks. Very little alteration is noted in the logs with the exception of weakly silicified felsic dykes and minor chloritization of greywacke sediments. Weak silicification of stockworked greywacke sediments is also noted at the bottom of the hole.

Mineralization is limited to blebby Po and Py at ~68.0m which ran 102ppb Au over 1.0m in the greywacke sediments and fracture controlled Py (1%) and Aspy (Tr.) at 89m which ran 221ppb Au over 1.0m



Kalum Property
Figure 5 - Cirque Zone Geology
Projection - NAD 83 UTM Zone 09N
Scale - 1: 500
03/03/2011



6068600

6068550

6068500

6068450

6068600

6068550

6068500

6068450

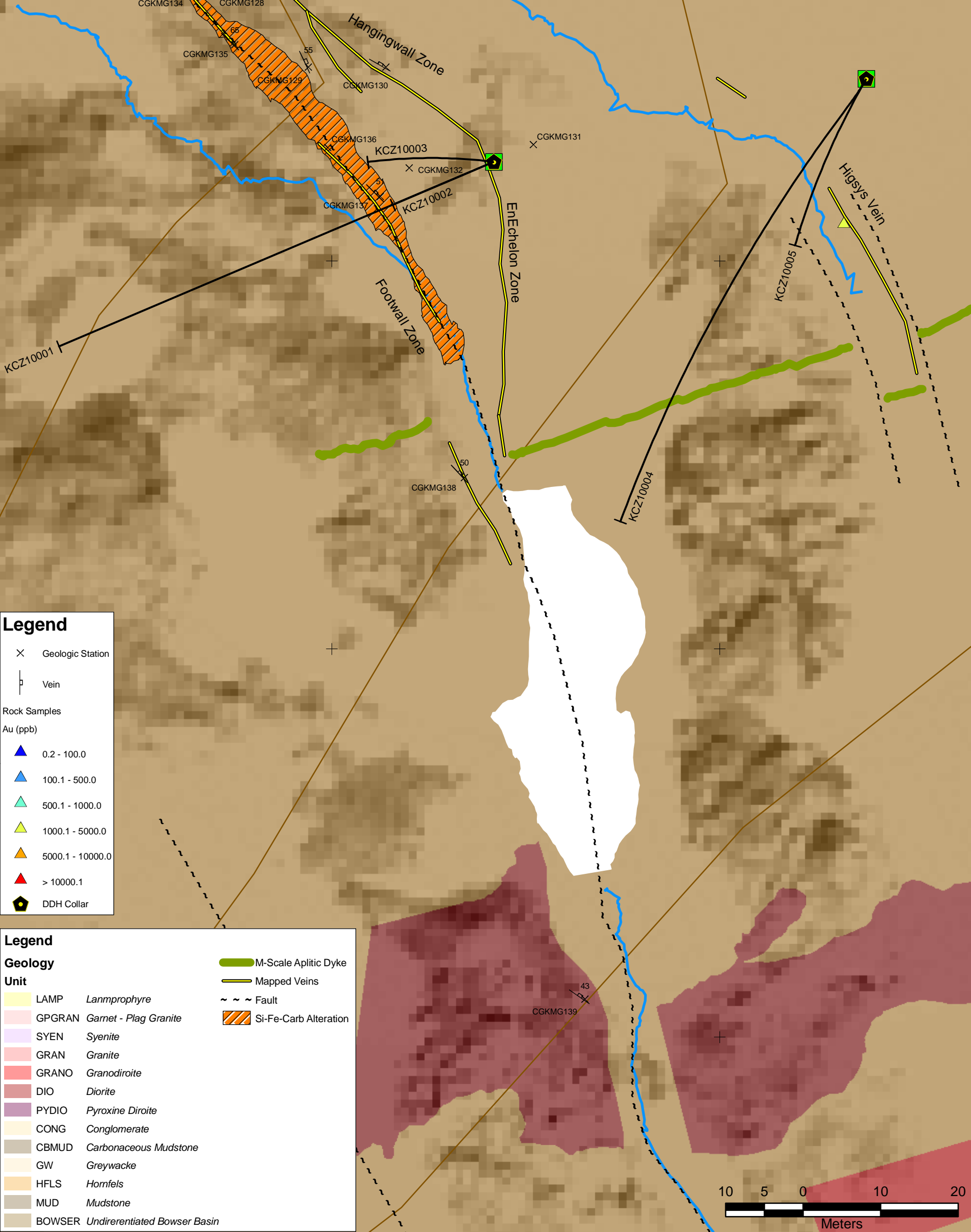
Legend

- × Geologic Station
- ┆ Vein
- Rock Samples
- Au (ppb)
- ▲ 0.2 - 100.0
- ▲ 100.1 - 500.0
- ▲ 500.1 - 1000.0
- ▲ 1000.1 - 5000.0
- ▲ 5000.1 - 10000.0
- ▲ > 10000.1
- ⬢ DDH Collar

Legend

Geology Unit

| | |
|--|-------------------------|
| ■ LAMP Lanprophyre | ■ M-Scale Aplitic Dyke |
| ■ GPGRAN Garnet - Plag Granite | ■ Mapped Veins |
| ■ SYEN Syenite | --- Fault |
| ■ GRAN Granite | ▨ Si-Fe-Carb Alteration |
| ■ GRANO Granodiorite | |
| ■ DIO Diorite | |
| ■ PYDIO Pyroxine Diorite | |
| ■ CONG Conglomerate | |
| ■ CBMUD Carbonaceous Mudstone | |
| ■ GW Greywacke | |
| ■ HFLS Hornfels | |
| ■ MUD Mudstone | |
| ■ BOWSER Undifferentiated Bowser Basin | |



504250

504500

504750



EPL:TSX-V
Eagle Plains Resources Ltd.
Kalum Property
 Figure 6 - DDH Plan Map
 Projection - NAD 83 UTM Zone 09N
 Scale - 1: 2500
 03/03/2011

6068500

6068500

6068250

6068250

6068000

6068000

6067750

6067750

Legend

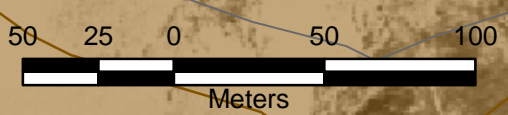
Geology

Unit

| | | |
|--|--------|------------------------------|
| | LAMP | Lanmprophyre |
| | GPGRAN | Garnet - Plag Granite |
| | SYEN | Syenite |
| | GRAN | Granite |
| | GRANO | Granodiroite |
| | DIO | Diorite |
| | PYDIO | Pyroxine Diorite |
| | CONG | Conglomerate |
| | CBMUD | Carbonaceous Mudstone |
| | GW | Greywacke |
| | HFLS | Hornfels |
| | MUD | Mudstone |
| | BOWSER | Undirerentiated Bowser Basin |

Mapped Veins

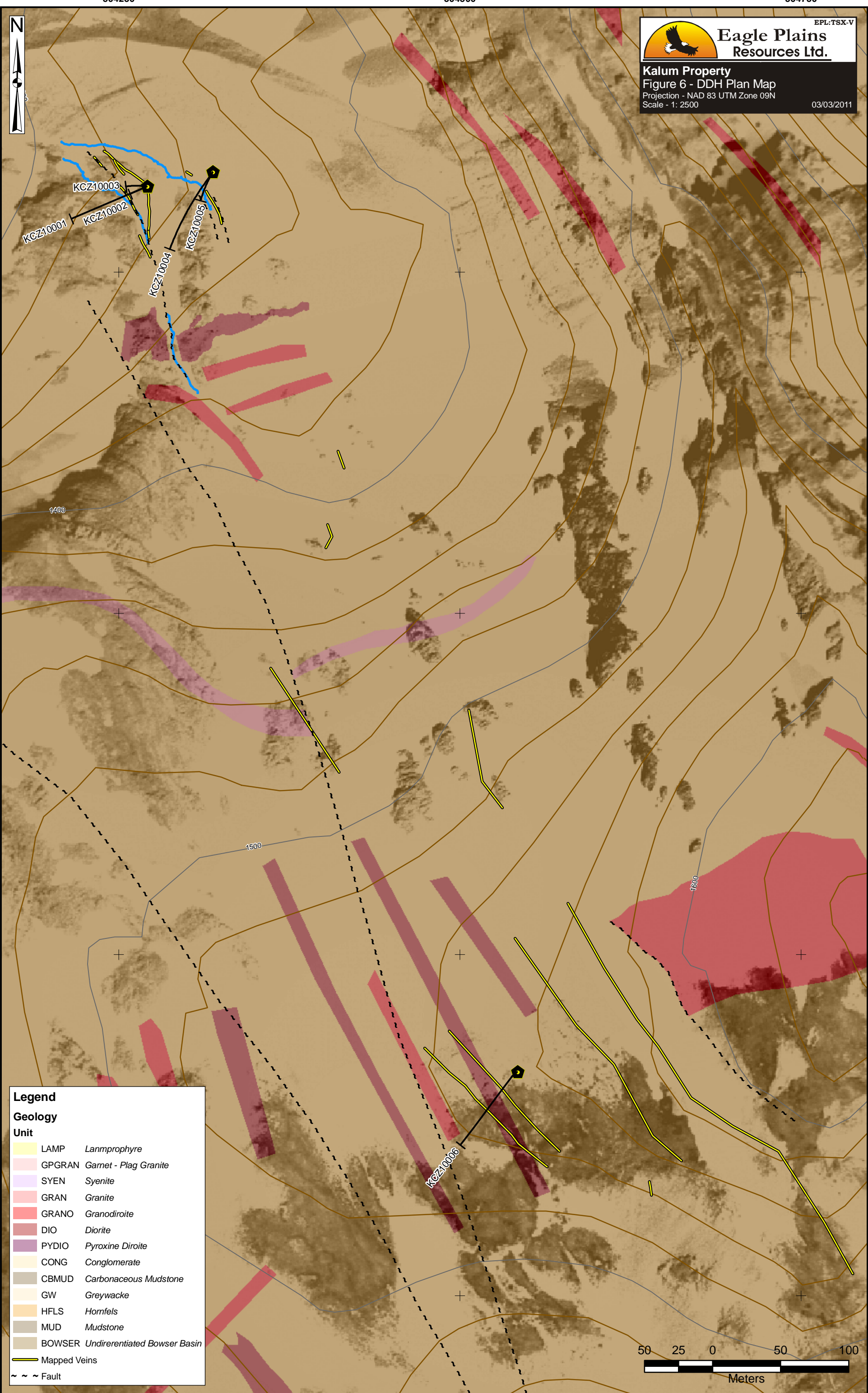
Fault

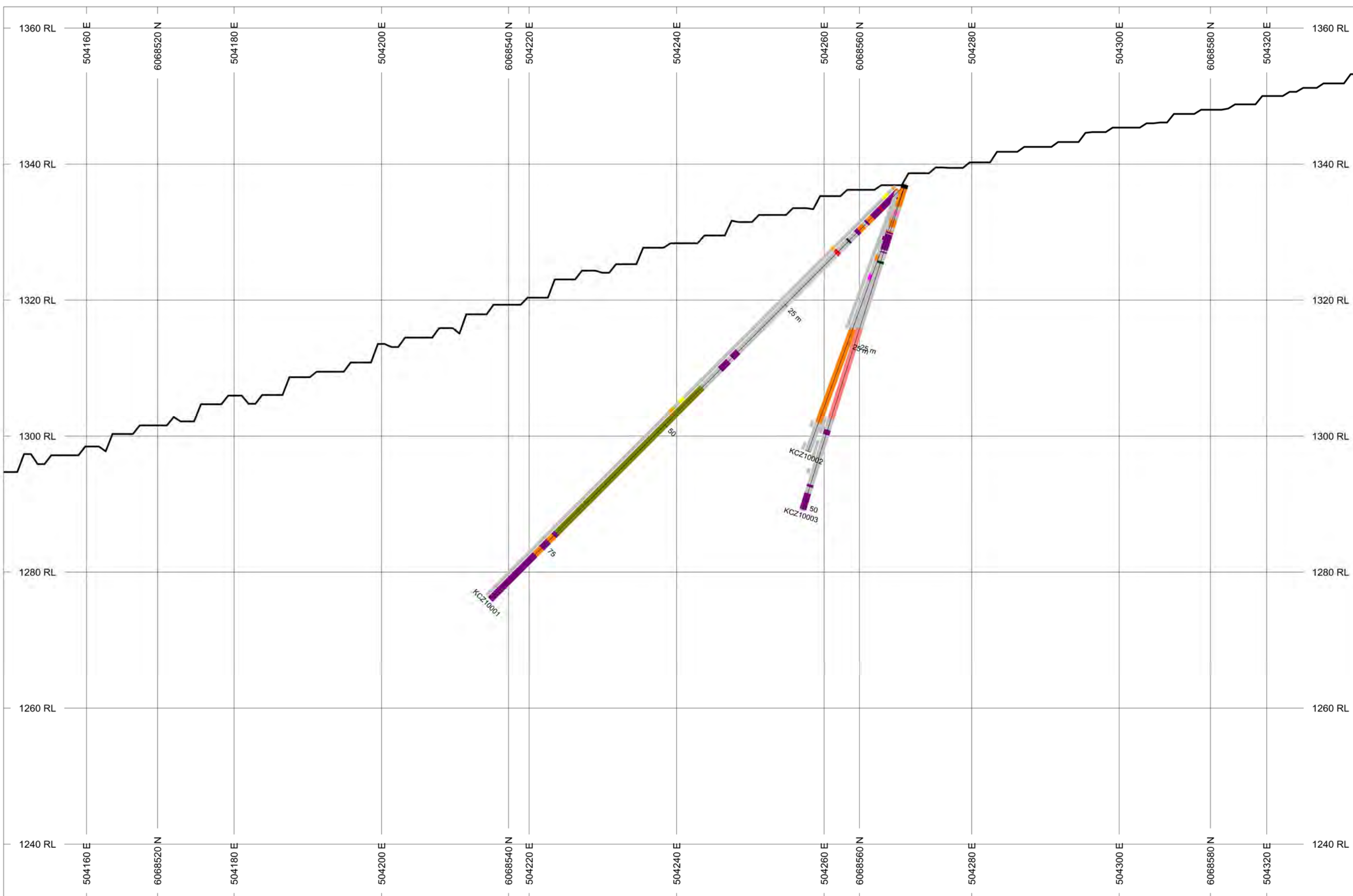


504250

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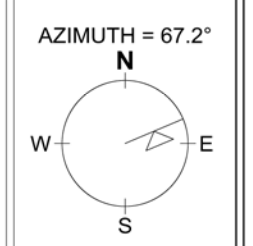
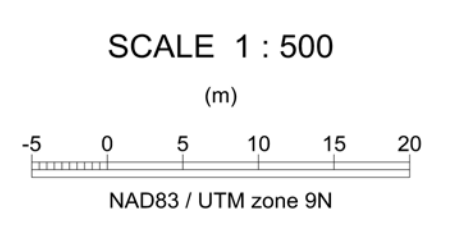




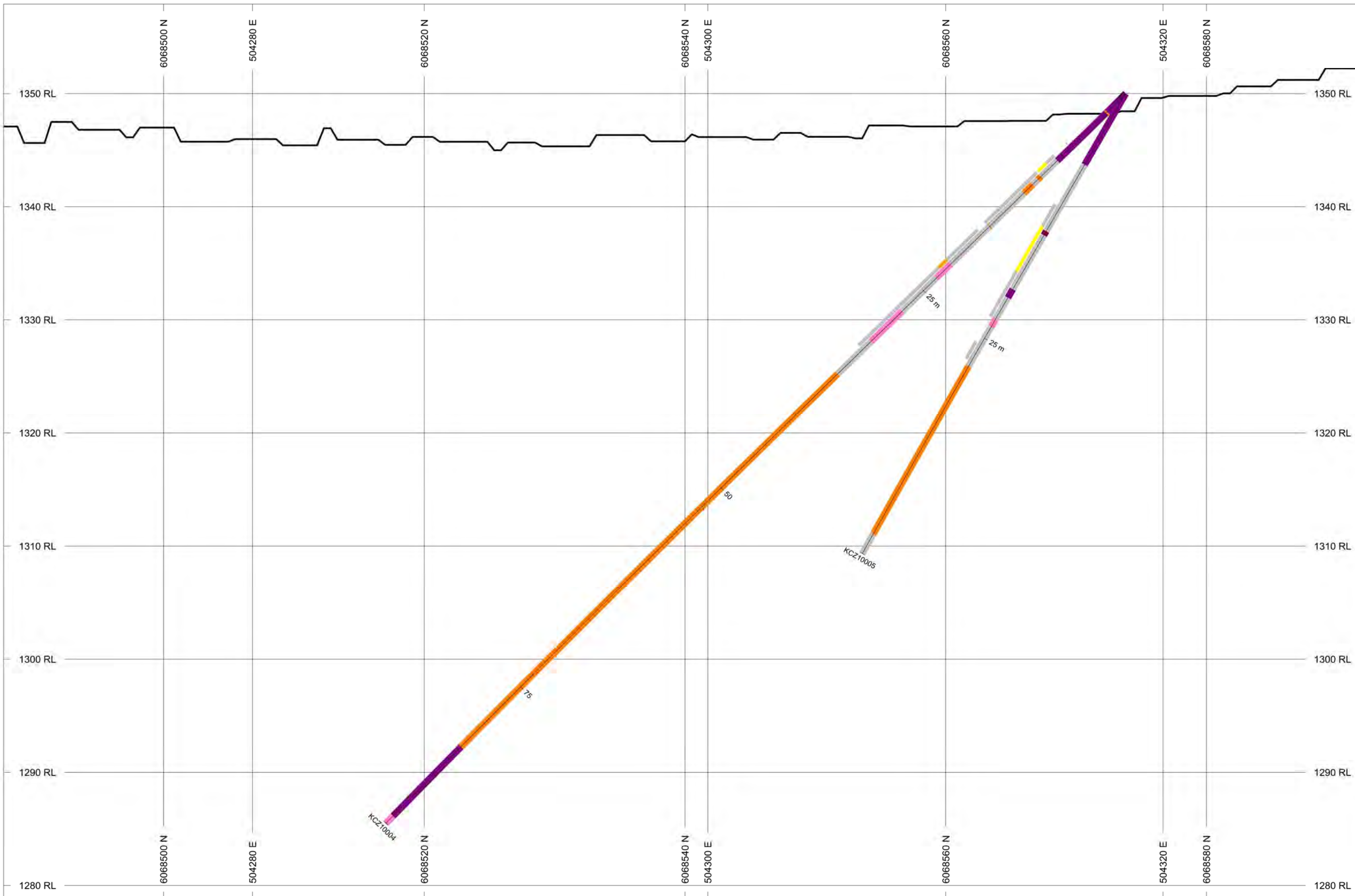
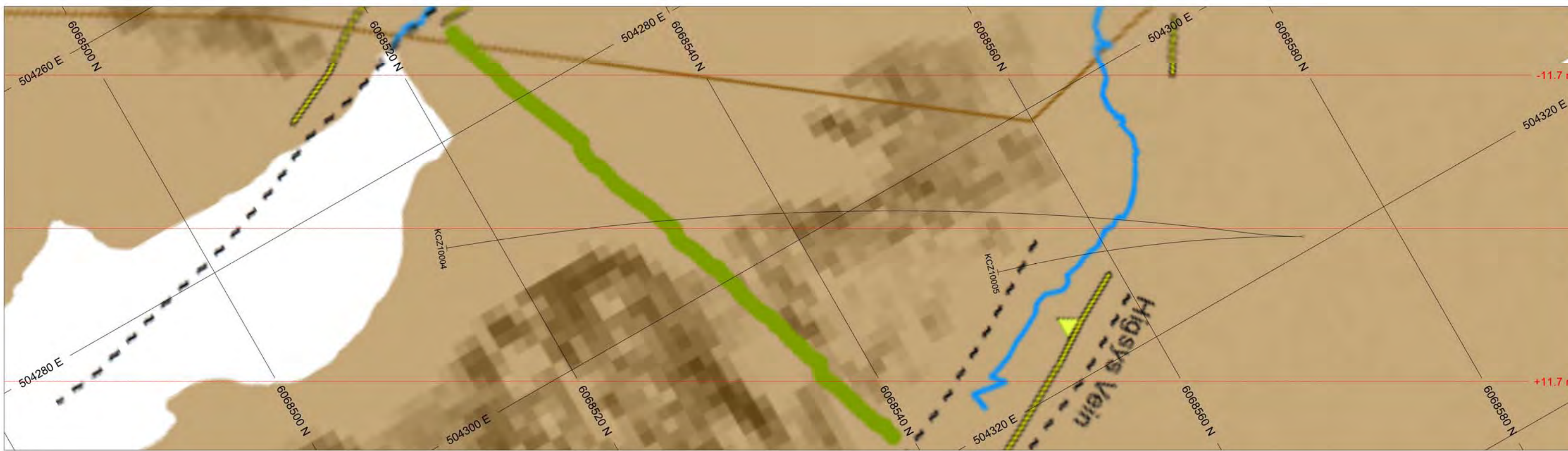
| NUMBER BANDS | L/R | COL | RANGE |
|--------------|-----|---------------|-------------------------|
| Au_ppb | L | [Color scale] | 300 250 100 50 |

| ROCK CODES | PAT | LABEL |
|------------|---------|----------------|
| Rock_Type | [Color] | Casing |
| | [Color] | Diorite |
| | [Color] | Felsic Dyke |
| | [Color] | Greywacke |
| | [Color] | Mafic Dyke |
| | [Color] | Porphyry Dyke |
| | [Color] | Quartz Breccia |
| | [Color] | Quartz Diorite |
| | [Color] | Tonalite |
| | [Color] | Vein Material |

SECTION SPECS:
 REF. PT. E, N 504241 m 6068550 m
 EXTENTS 200.1 m 131.4 m
 SECTION TOP, BOT 1363 m 1232 m
 TOLERANCE +/- 7.8 m



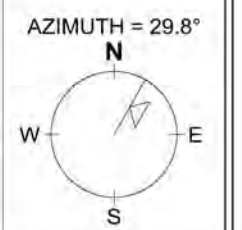
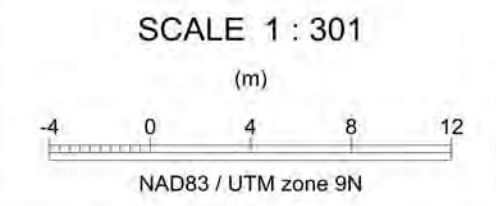
Eagle Plains Resources Ltd.
Kalum
Figure 7 - Section A

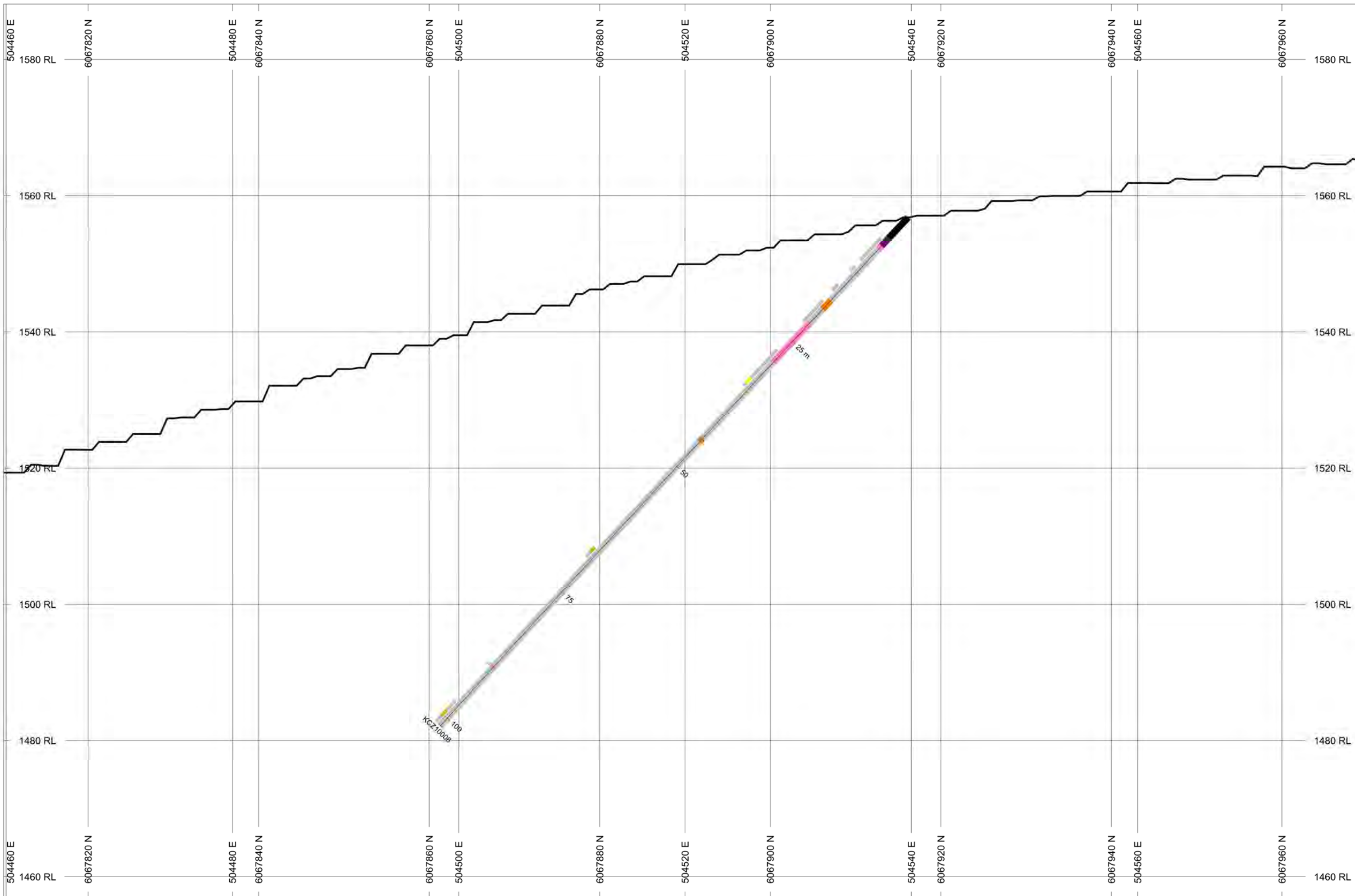
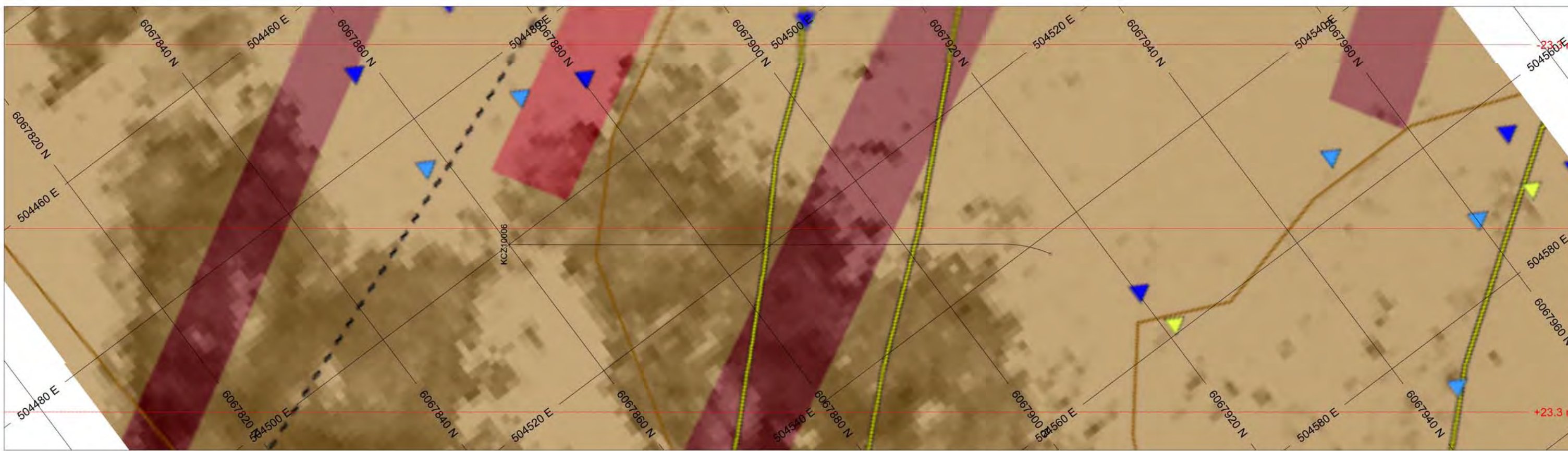


| NUMBER BANDS | L/R | COL | RANGE |
|--------------|-----|-----|-------|
| Au_ppb | L | | |
| | | | 300 |
| | | | 250 |
| | | | 100 |
| | | | 50 |

| ROCK CODES | PAT | LABEL |
|------------|-----|---------------|
| Rock_Type | | |
| | | Casing |
| | | Diorite |
| | | Diorite Dyke |
| | | Felsic Dyke |
| | | Greywacke |
| | | Porphyry Dyke |

SECTION SPECS:
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 EXTENTS 120.5 m 79.08 m
 SECTION TOP, BOT 1358 m 1279 m
 TOLERANCE +/- 11.7 m

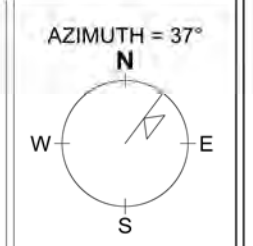
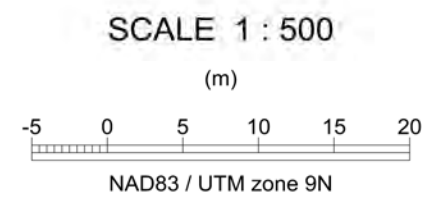




| NUMBER BANDS | L/R | COL | RANGE |
|--------------|-----|-----|-------|
| Au_ppb | L | | 300 |
| | | | 250 |
| | | | 100 |
| | | | 50 |

| ROCK CODES | PAT | LABEL |
|------------|-----|---------------|
| Rock_Type | | Casing |
| | | Diorite |
| | | Felsic Dyke |
| | | Greywacke |
| | | Porphyry Dyke |

SECTION SPECS:
 REF. PT. E, N 504520 m 6067890 m
 EXTENTS 200.1 m 131.4 m
 SECTION TOP, BOT 1588 m 1457 m
 TOLERANCE +/- 23.3 m



Eagle Plains Resources Ltd.
Kalum
Figure 9 - Section C

CONCLUSIONS

Eagle Plains Resources Ltd. has consolidated a large land package consisting of 14 separate historical showings co-incident with a regional airborne magnetic anomaly and the contact zone of Cretaceous intrusive plutons. Since initiating property acquisition in 2003, Eagle Plains and its partners have spent \$2 102 682 on exploration on the Kalum property. The programs included airborne and ground based geophysics, regional- and property-scale geologic mapping, geochemical surveying and diamond drilling. In addition to locating, sampling and surveying many of the historical showings, a number of new showings including the Tuppie, the HAT, the Trango, the Cirque Zone and the Babbit have been discovered. This work confirmed that the Kalum property is highly prospective for economically significant, Au-Ag epithermal vein-type deposits. Recent historical drilling has generated high-grade Au intercepts including hole KRC04001, drilled at the Rico showing which returned 35g/t Au over 2.5m from 101.8m to 104.3m; including a 0.5m interval that assayed 107g/t Au.

Although most of the known showings have seen some evaluation, the HAT and the Burn areas have been the focus of more detailed work.

Mineralization at the HAT can be classified into two main styles:

1. a series of stacked NW-dipping, shear-hosted, high-grade Au-Ag ± Zn ± Pb quartz veins. These veins strike up to 350 meters in length, range in thickness from 15cm to 2.5 meters and are additionally associated with Fe-carbonate alteration halos up to 4 meters in thickness. Fieldwork has shown that these alteration zones have with visible arsenopyrite mineralization have potential to host disseminated and fracture controlled Au grading up to 0.5 g/T Au;
2. massive Aspy + Cpy veins, of unknown relationship to local tectonics, grading up to 20 g/T Au.

Mineralization at the HAT is associated with flat lying shear zones that form an anastomosing / ramp – flat structure that sets the stage for structurally repeated mineralized zones. It has been interpreted that the majority of showings in the area, including the Tuppie, the HAT, the Trango, the Cirque Zone and collectively referred to as the Hat Structural Zone, are structurally linked and represent a single large-scale mineralized system over 1 km² in size.

- Structural mapping of the Cirque Zone did confirm that high-grade Au mineralization discovered in 2009 was sampled from cm-scale quartz carbonate veins / breccias that appear to be hosted in a series of sub-parallel shear zones.
 - Zones boast distinctive oxidized Fe-Carbonate alteration halos that are up to 5m in thickness.
- Unfortunately results from the 2010 drill program at the Cirque and Tuppie Zones were disappointing and did not confirm the presence of high-grade structurally controlled Au mineralization in quartz-carbonate breccias in the subsurface.
- The drill program did identify anomalous Au and As values within these weakly developed breccias and their iron carbonate alteration halos.
- Drill placement at the Tuppie Zone was not ideal due to constricting topography.
 - With a larger budget and longer time line the author thinks that a proper drill test of the

Tuppie Zone is warranted.

There remain many other high priority targets on the property, ready for grassroots and diamond drill exploration; these include: the Martin vein, the Tuppie Zone and the southern extension of the Hat structural zone. Most of the high-grade mineralization on the property is located near the margins of the main Allard pluton, both within the granodiorite and in the surrounding sedimentary country rocks. This indicates that most fluid-flow was focused near the intrusion margins, and in country-rock roof pendants around the main pluton. Only a relatively small portion of the sedimentary-intrusive contact zone has been explored to date. Potential exists along the unexplored contact zones, especially in areas that have a favorable geophysical signature. In areas of known mineralization, new discoveries are possible through soil geochemical sampling, prospecting and airborne geophysics. Ground work has been greatly aided due to the low annual snow pack which currently exists at the higher elevations in the Coast Mountains, which in turn has exposed many mineralized veins, structures and favorable geology for the first time in modern history.

RECOMMENDATIONS

Historic work by Eagle Plains Resource Ltd. focused its exploration program towards the Hat structural zone which has the potential for hosting high-grade Au-Ag mineralization and bulk tonnage, low-grade Au mineralization; and the Burn area, which has potential for bulk tonnage gold mineralization. The author recommends a two phase exploration program for the project.

Phase 1 recommendations include :

- continued mapping, prospecting, and geochemical surveys along strike of the Hat structural zone to the south of Mayo Creek;
- a detailed structural study of the Hat structural zone to better understand the relationships between intrusion, thrusting, mineralization and subsequent deformation;
- XRF geochemical analysis of 2004 - 2006 soil and silt samples to determine pathfinder element trends and overall detection limits;
- detailed soil and silt geochemical sampling, prospecting and mapping on the new claims along the southern boundary of the property;
- integration of all 2008 - 2009 data into the Geographic Information System(GIS) database;
- detailed interpretation of the data using the GIS to locate priority targets for followup including diamond drill targeting and detailed chip and channel sampling.

Phase 1 expenditures are estimated to be \$200,000.

Contingent on favorable results from Phase 1, a diamond drilling program should be undertaken to test the highest priority targets. This should include drilling at the HAT Structural Zone, the Tuppie Zone and other areas identified as favorable targets by the Phase 1 interpretation. The estimated cost of the Phase 2 program is \$500,000.

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