

Ministry of Energy & Mines
Energy & Minerals Division
Geological Survey Branch

ASSESSMENT REPORT
TITLE PAGE AND SUMMARY

TITLE OF REPORT [type of survey(s)] _____ TOTAL COST 1850.00

AUTHOR(S) CRAIG KENNEDY SIGNATURE(S) Craig Kennedy

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S) N/A YEAR OF WORK 2010

STATEMENT OF WORK - CASH PAYMENT EVENT NUMBER(S)/DATE(S) 4832067

PROPERTY NAME SWEET SPOT

CLAIM NAME(S) (on which work was done) TENURE # 705444, 705446

COMMODITIES SOUGHT Pb/Zn/Ag

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN N/A

MINING DIVISION FORT STEELE NTS 0826001

LATITUDE — ° — ' — " LONGITUDE — ° — ' — " (at centre of work)

OWNER(S) JTM COORDINATES 5429000N - 577000E

1) CRAIG KENNEDY 2) _____

MAILING ADDRESS _____

OPERATOR(S) [who paid for the work]

1) KOOTENAY GOLD INC. 2) _____

MAILING ADDRESS _____

SUITE 960 - 1055 W. HASTINGS

VANCOUVER B.C. V6E-2E9

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

VENT FACIES STYLE ALTERATION AND LITHOLOGIES - MIDDLE ALDRIDGE FORMATION UPPER SILL PACKAGE. PREVIOUS WORK BY COMINCO ESTABLISHED Pb/Zn/Ag GEOCHEMISTRY ~~AND~~ ANOMALY. AREA ALSO HOSTS MANY UNTESTED GEOPHYSICAL ANOMALIES PREVIOUS DRILLING INTERSECTED MINERALIZATION AND ALTERATION.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS 19707, 20733, 22609, 21786, 23143, 28340

(OVER)

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 _____			
Non-core _____			
RELATED TECHNICAL			
Sampling/assaying _____			
Petrographic _____			
Mineralographic _____			
Metallurgic _____			
PROSPECTING (scale, area) _____	1:10000	Tenure 705444, 705446	1850.00
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			1850.00



Assessment Report

PROSPECTING

SWEET SPOT PROPERTY
Hawkins Creek
FORT STEELE MINING DIVISION

**BC Geological Survey
Assessment Report
32246**

N.T.S. MAP SHEET 082G.001

UTM COORDINATES 5429000N – 577000E

OWNER
Craig Kennedy
2290 Dewolfe Ave.
Kimberley BC V1A 1P5

OPERATOR
Kootenay Gold Inc
Suite 920 - 1055 W. Hastings St.
Vancouver BC V6E 2E9

REPORT BY
Craig Kennedy
Prospector
2290 Dewolfe Ave.
Kimberley BC V1A 1P5

April, 2011

32,246

**GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT**

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Sweet Spot Property

PROSPECTING REPORT

Craig Kennedy

April 2011

1.00 INTRODUCTION

This report describes and discusses initial prospecting work on the Sweet Spot Property.

1.10 Location and Access

The Sweet Spot property is approximately 8 km east of the village of Yahk, BC centered at UTM coordinates 5429000N – 577000E. The sought boundary of the property is the boarder of the USA.

1.20 Tenure

The Sweet Spot Property is made up of tenures 604912, 705444 and 705446. Work on the property was paid for by Kootenay Gold Inc, Suite 960 – 1055 W Hastings St, Vancouver BC V6E 2E9.

1.30 History of Previous Work

The area has seen moderate to heavy exploration activities through the last 40 years. Comino Ltd. was the most effective explores in the area, see assessment reports: 19707, 20733, 22609, 21786, 23143 and 28340.

1.40 Summary

The Sweet Spot claims lay within an area of fairly continuous mineral exploration activity over the last 40 years. Cominco Ltd. is responsible for the most concentrated exploration activities which include geology, soil geochemistry, geophysics, trenching and drilling. Four diamond drill holes were completed on the Sweet Spot property during the early 1990's. Comineo Ltd's previous exploration work directly factored into Kootenay Gold Inc. acquiring

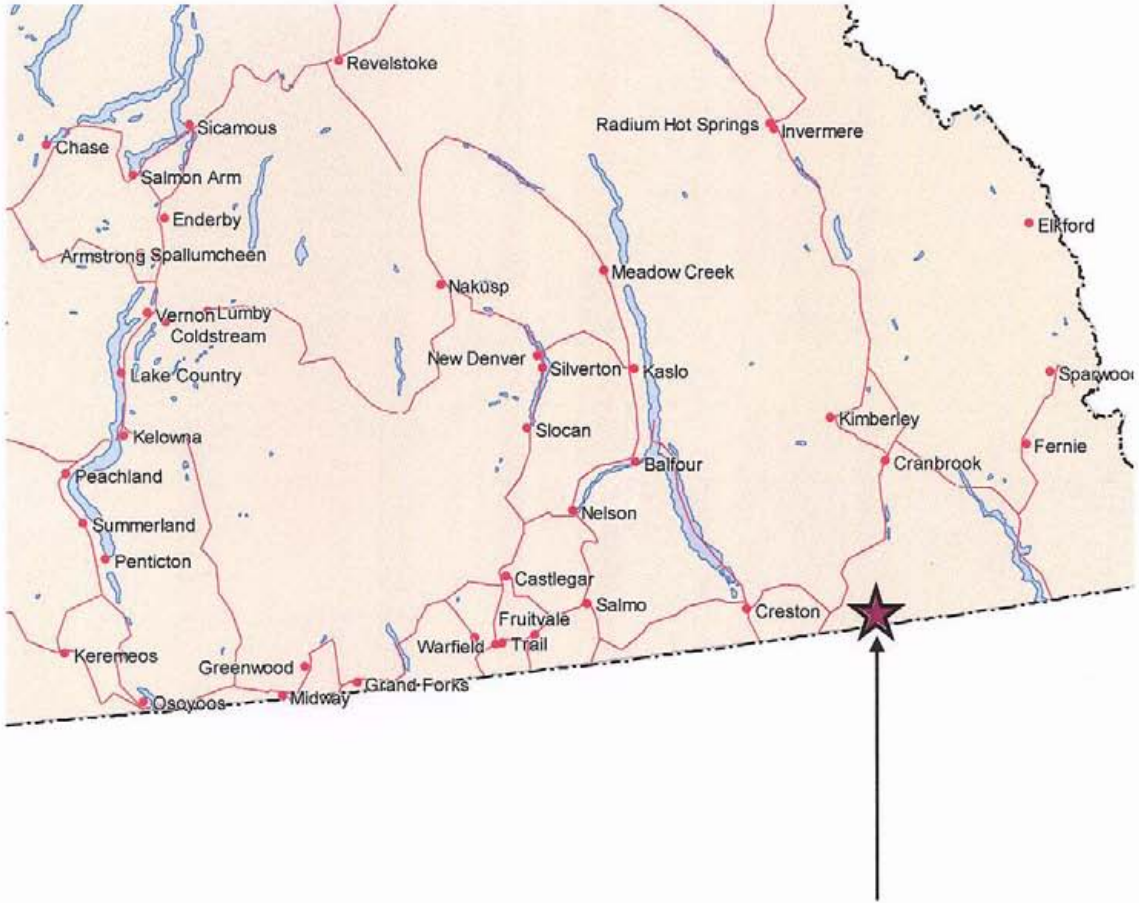
the Sweet Spot claim group. Evaluation of geology and historic work provided a framework for revisiting the area.

The Sweet Spot claims occupy an area hosted by the upper Middle Aldridge Formation, more specifically the upper sill package. The Hawkins Creek area is noted for a number of occurrences of tourmaline alteration. These are associated with mud volcano activity which occurred during sedimentation. The property structurally sits within the core of the regionally significant Moyie anticline. This core zone may reflect a corridor feature similar to the one at Kimberley BC, location of the past producing Sullivan Mine.

2.00 PROSPECTING PROGRAM 2010

Prospecting is greatly inhibited by heavy overburden and thick vegetation. Outcrops where noted exist along a prominent north, north-west ridge on the east side of south Hawkins Creek. Float observed represents a full range of middle Aldridge sedimentary styles with marker type well represented. Quartz vein float was always associated with gabbro float and may contain chlorite, epidote and or hornblend crystals. Only a few pieces had weak limonitic staining. Iron sulphides, pyrrhotite and pyrite were noted in marker beds and marker float. Garnet and patches of pyrrhotite and pyrite were noted in pieces of fine quartzite float. Some rare blebs of fine chalcopyrite were recognized with this mineralization. The most interesting outcrops encountered are quite limey (dolomitic), these are very unusual beds for the interior Belt Purcell Middle Aldridge. Calcareous siltstone and quartzite float is quite common along with abundant gabbro in the area of outcrops. The other important float encountered is sericitic altered brown – green rocks and fragmental disrupted siltstone material.

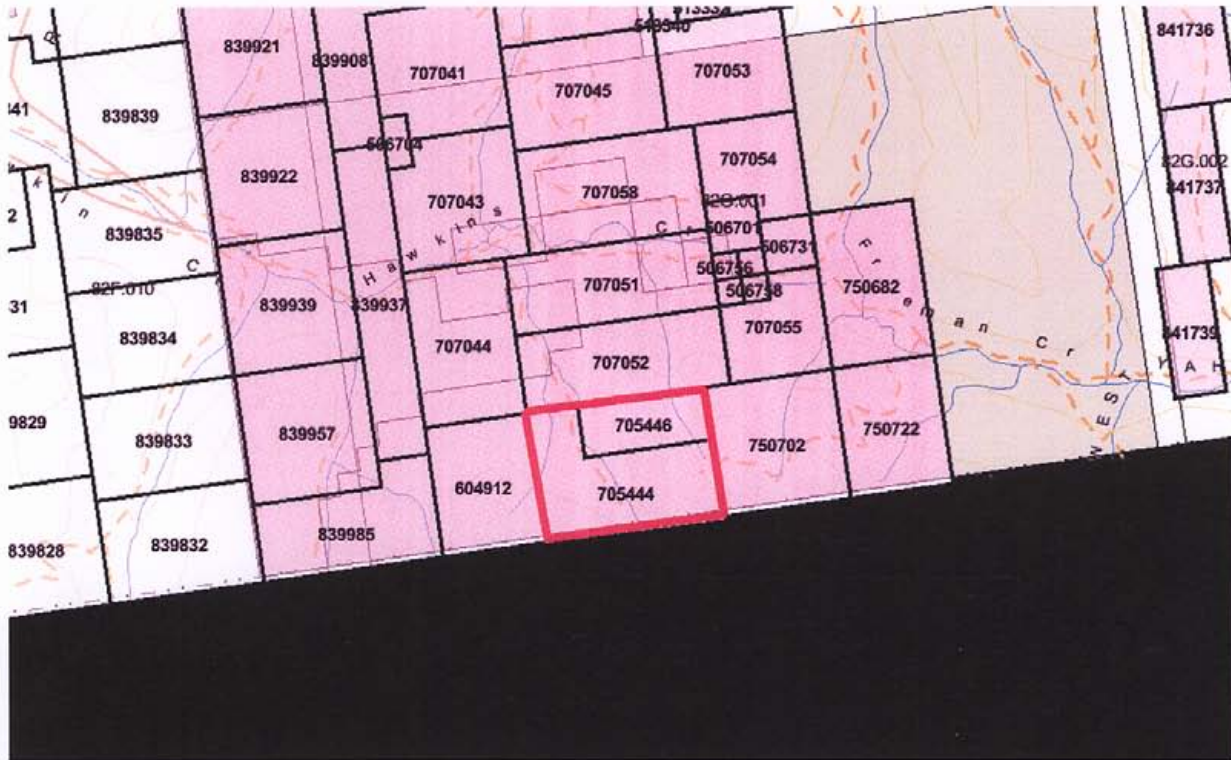
Figure 1: Regional Location Map



Sweet Spot Property Location

Figure 2: Claim Location Map

Map # 82G.001
Scale 1:100,000



Sweet Spot Claim Block

3.00 CONCLUSION

The Sweet Spot Property represents a very strong exploration target. Alteration and sedimentary styles indicate a significant area of vent type Middle Aldridge rocks. Surface work and diamond drilling by Cominco Ltd. in the early 1990's has demonstrated the potential of the area. Anomalous geochemistry and geology requires a review of all data, the idea being that mineralization is controlled by a structure which has not yet been seen. The wide spread carbonate alteration is very diagnostic of a vent type system. Future work should include prospecting, geology, trenching and drilling.

4.00 STATEMENT OF EXPENDITURES

Prospecting Program

Sweet Spot Property

Work performed: Summer 2010

Craig Kennedy - 3 days @ 500/day (Includes 4x4 vehicle)	\$1500.00
Craig Kennedy - report writing Misc drafting & maps	<u>350.00</u>
Total:	<u>\$1850.00</u>

5.00 AUTHOR'S QUALIFICATIONS

As the author of this report I, Craig Kennedy, certify that:

1. I am an independent prospector residing at 2290 Dewolfe Avenue, Kimberley, BC.
2. I have been actively prospecting in the East and West Kootenays district of BC for the past 32 years and have made my living prospecting for the past 23 years.
3. I have been employed as a professional prospector by major and junior mineral exploration companies.
4. I own and maintain mineral claims in BC and have optioned numerous claims to various exploration companies.



Craig Kennedy
Prospector

TENURE 604912

TENURE 705446

TENURE 705444

CANADA
BOARDER U.S.A

LEGEND

- △△ FLOAT/Subcrop
- ⊗ BEDROCK
- ① TRAVERSE ROUTE

SWEET SPOT PROSPECTING MAP
MAP SHEET 0826001

0826001

↑ N
SCALE 1:10,000

