BRITISH COLUMBIA
The Best Place on Earth

Ministry of Energy and Mines
BC Geological Survey

Assessment Report
Title Page and Summary

TYPE OF REPORT [type of survey(s)]: GEOCHEMICAL

TOTAL COST: 2982.58

AUTHOR(S): LINDINGER, LEO J.

SIGNATURE(S

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): N. A.

YEAR OF WORK: 2011

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): 4872238

PROPERTY NAME: STEEP

CLAIM NAME(S) (on which the work was done): STEEP 664169

COMMODITIES SOUGHT: GOLD, COPPER, SILVER

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: 082M118

MINING DIVISION: KAMLOOPS

NTS/BCGS: NTW O82M040, 082L 13

LATITUDE: 51 ° 02 ' " LONGITUDE: 119 ° 46 ' " (at centre of work)

OWNER(S):
1) LINDINGER, LEO
2)

MAILING ADDRESS:
680 DAIRY ROAD, KAMLOOPS, B. C. V2B-8N5

OPERATOR(S) [who paid for the work]:
1) LINDINGER, LEO
2)

MAILING ADDRESS:
SEE ABOVE

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):
EAGLE BAY ASSEMBLAGE ROCKS, PALEOZOIC, NW STRIKING OVERTURNED CARBONATE STRATIGRAPHY THAT HAS BEEN SKARNIFIED BY DEVONIAN? INTRUSIVE HOST COPPER, ZINC-LEAD AND GOLD MINERALIZATION ASSOCIATED WITH LATE STAGE RETROGRADE AND NE STRIKING BRITTLE FRACTURING.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: 06890, 16651, 19514

Next Page

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	19	664169	496.89
Silt			
Rock	4	664169	113.19
Other			
DRILLING (total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying			2352.5
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:	2982.58

GEOCHEMICAL ASSESSMENT REPORT

on the

AWSUM (STEEP) PROPERTY

West Adams Lake Area

KAMLOOPS MINING DIVISION, B.C.

NTS: 082L/13, 082M/04 Latitude: 51°02' Longitude: 119°46'

BY:

Leopold J. Lindinger, P.Geo.

September 25, 2010

Table of Contents

List of Figures

List of Tables

Appendices

SUMMARY

The Steep prospect was acquired by staking by Mr. Leopold Lindinger of Kamloops, B.C. The property currently consists of 3 contiguous mineral claims totalling 833.71 hectares as located on NTS map sheets 082L13 and 082M04, at 119^{O} 46’ West and 51^{O} 2’ North in the Kamloops Mining Division. The Steep claims protect the Steep Minfile prospect (082M 118) and the Pat Minfile showing (082M 119). The Steep 3 (Minfile# 082LNW052) gold and base metal skarn showing is partially outside the eastern property boundary.

The Steep prospect is located 55 kilometres northeast of Kamloops, British Columbia. Access is north from Kamloops to Louis Creek then onto the Squam Bay road to the West Adams Forest Service Road then south to the lower and upper parts of the property via several routes. Alternate access from the south is from the Trans Canada Highway at Squilax then north on the Agate Bay Road then onto the West Adams Road. The lower parts of the property are accessible from April to November. The upper parts of the property are accessible from mid June to October.

The Steep prospect occurs as two displaced west to northwest striking areas anomalous gold, arsenic, copper and lead in soils occurring over a 4 kilometre strike length. The anomalies overlie and are surface indications of mineralized skarn hosted by lithologies assigned to the Paleozoic Eagle Bay Assemblage. The Eagle Bay Assemblage is a mixed package of deformed and structurally imbricated continentally-derived sediments and subaqueous volcanics which have been regionally metamorphosed to greenschist facies rocks, including mainly greenstones, quartzites, phyllites, schists and marbles.

Widely spaced trenching and drilling has encountered erratic gold mineralized skarn over the same 4 kilometre strike. The gold with associated copper, bismuth, cobalt and sometimes arsenic is hosted by disseminated to semi-massive pyrrhotite, sheared sulphidic rock and sulphidic quartz veinlets and stockwork. The mineralization occurs most commonly at the southwestern (distal) side of a skarn package that is interpreted as overturned by Miller et al., 1988. Controls on mineralization are unknown; however, a deformed intermediate to felsic sill complex, unit Dgn (orthogneiss) of Schiarizza and Preto, 1987; lies 100 to 200 meters northeast of the mineralized trend. Gold and copper are also spatially associated with Tertiary felsic dykes. The mineralized trend is open to the northwest, southeast and to depth.

The AWSUM prospect is classed as a deformed, multi-zoned gold-(copper) and magnetite (iron) carbonate replacement deposit or skarn. Less deformed deposits of this class in British Columbia include the Nickel Plate-Hedley and Lustdust deposits. Ray and Webster, 1997 (their appendix 3) classify the Steep Minfile prospect (082M 118) as a gold skarn. Metal element ratios from a variety of mineralized grab samples on the Steep prospect fall in both gold skarn and other skarn fields using metal element ratio plots from Ray and Webster, 1997.

On June 6, 2006, K. Dunne P.Geo and L. Lindinger, P. Geo visited the property for the purposes of confirmation sampling and examination of the property’s merits as a qualifying property for Charlotte Resources Ltd. Four rocks and two 3 meter discontinuous segments of core were taken for confirmation of gold and copper values. Results confirmed the existence of gold and copper

at the property in quartz vein, sulphidic shear zone and semi massive pyrrhotite skarn environments.

Subsequently the property was restaked several times by Lindinger. On may 19, 2011 Lindinger with technician Adam Lyons and field assistant François Berude completed a small soil and rock sampling program infilling an area previously reporting some of the highest soil samples on the property. The sampling program was a limited success with one 310 ppb gold value down hill from an earlier soil sample of 9660 ppb gold. the rocks sampled failed to return anomalous gold or silver but several returned anomalous copper.

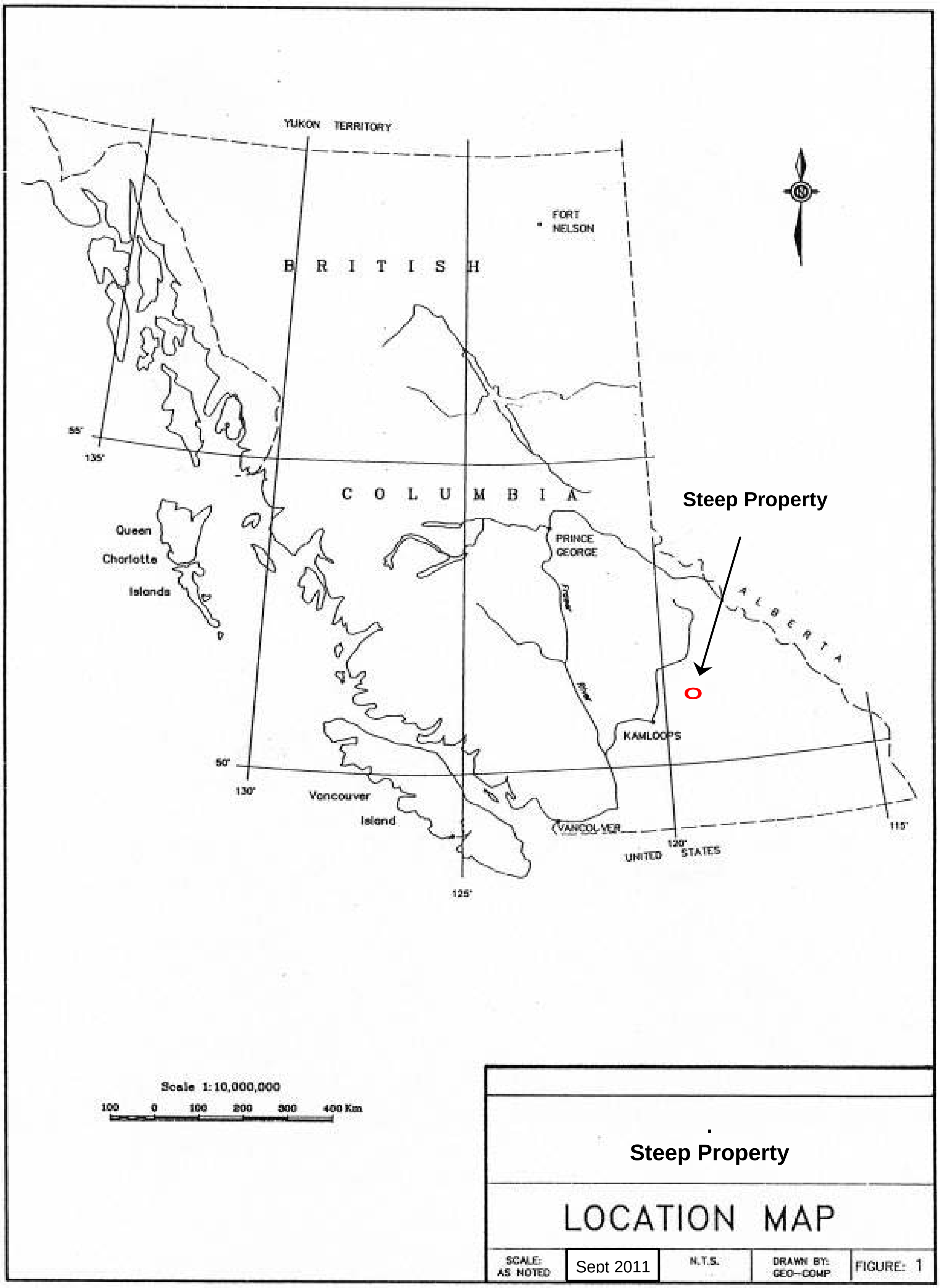
A preliminary 100,000 dollar exploration program comprising database creation, grid work, geological mapping, and soil and rock geochemistry is proposed to improve drill target definition. Additional exploration expenditures of the defined targets would follow.

INTRODUCTION

The author on June 15, 2011 visited the Steep property and in the central portion of the property took 20 soil and 6 rock samples that were analyzed for ppb gold mineralization. The report documents the results of the program.

Photo 1 – Overview photograph of Steep Property taken looking northwest from kilometre 3 on West Adams Forest Service Road. Background ridge covers area of Main Grid of Miller, 1989; ridge in foreground covers are of Lower Grid of Miller, 1989.

Figure 1 – Location Map



PROPERTY DESCRIPTION AND LOCATION

The Steep Property includes 3 claims totalling 833.71 hectares. The two claims upon which the assessment work discussed in this report are being applied total 467.6 hectares (see Table 1 below), They are on Crown Land located in the Kamloops Mining Division, on the west side of Adams Lake and straddle the kilometre 9 point on the West Adams Logging Road. The claims cover portions of NTS map sheets 082L13 and 082M04 and are centered at 119^{O} 46' West and 51^{O} 2' North (Figure 2). The claims are 100% beneficially owned by Leo Lindinger. Additional details including the current expiry dates are tabulated in "Table 1 – Mineral Tenure" below.

TABLE 1 – MINERAL TENURE TO WHICH ASSESSMENT IS APPLIED

Tenure Number	Claim Name	Owner	Issue Date	Good To Date*	Area (ha)
664169	STEEP	115758	2009/Nov/03	2013/Oct/05	304.97
664183	STEEPNW	115758	2009/Nov/03	2013/Oct/05	162.63
TOTAL AREA					**467.60**

The claims protect the STEEP (Minfile# 082M118) gold and base metal skarn prospect and the PAT 082M119 ultramafic asbestos showing. The STEEP 3 (Minfile# 082LNW052) gold and base metal skarn showing is just outside the eastern property boundary.

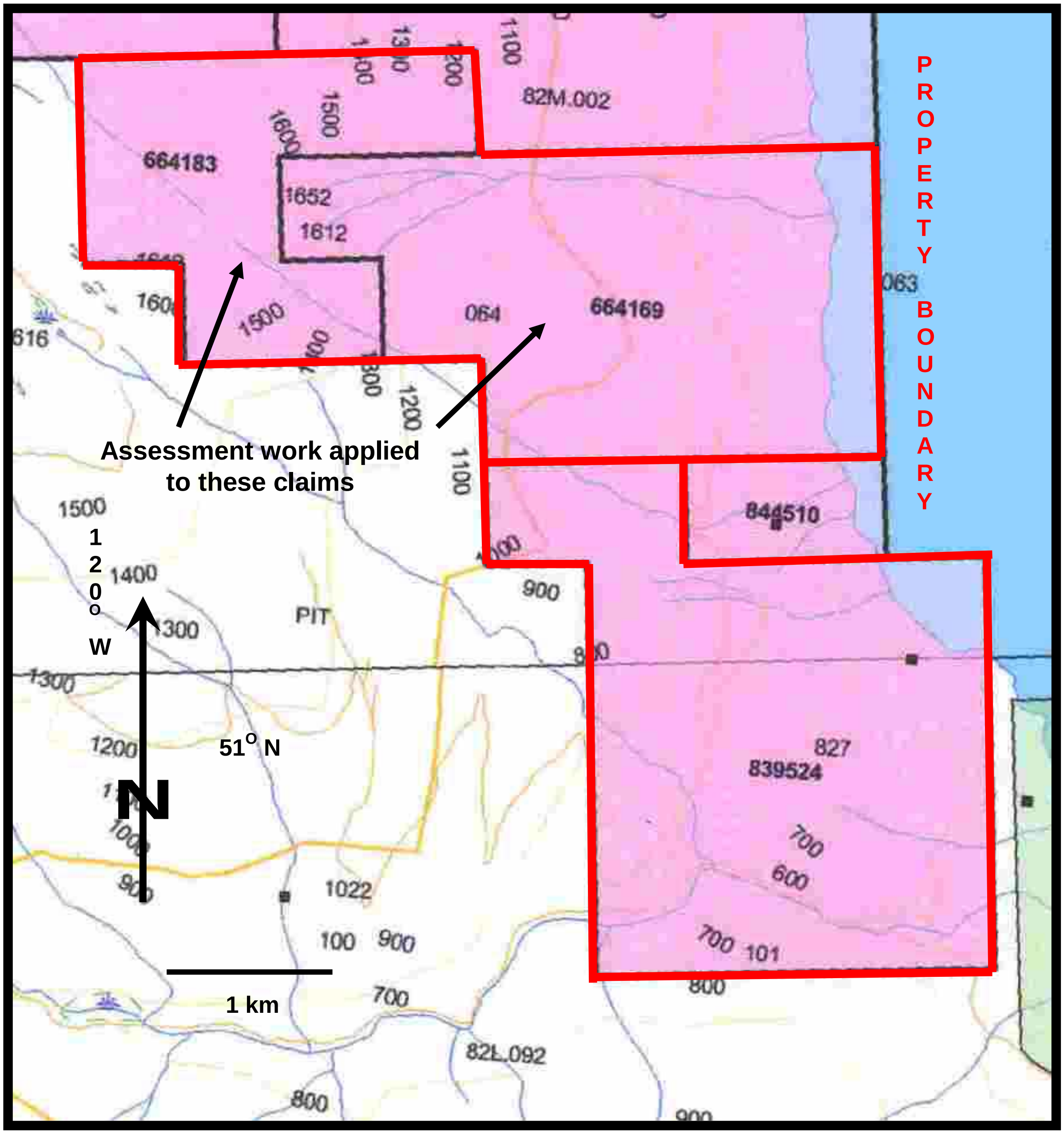
Mineral claims in British Columbia may be kept in good standing by incurring exploration expenses or by paying cash in lieu. Four dollars per hectare per year of exploration work must be applied prior to the first, second and third anniversaries followed by an eight dollar per hectare per year requirement thereafter.

Proposed exploration work causing mechanical disturbance normally requires that a Notice of Work and Reclamation must be submitted at least 70 days before work is planned to begin. The author is not aware of any extraordinary environmental liabilities that may be associated with land comprising the property.

To complete mechanical exploration work a reclamation bond will have to be placed with the Ministry of Energy Mines and Petroleum resources of B.C. For the work recommended in this report the bond should not exceed 2500 dollars.

* assuming acceptance for assessment credit the work this report documents as filed under event number 4872238

Figure 2 – Mineral Tenure and Property Boundaries Plan



ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Steep (Steep) property is located about 55 km east-northeast of Kamloops, B.C. and is situated on the west side of Adams Lake at geographic coordinates 51°02' N by 119°46' W, on NTS Map sheets 082L/13 and 082M/04. Road access from Kamloops is via the Yellowhead Highway north to Louis Creek then west on the Agate Bay Road to the West Adams Forest Service Road (FSR) then south to either kilometre 13 to access the upper portions of the property or to the lower areas at kilometre 9 and roads at kilometre 8.5 and 7.5. Alternate access from the south to the lower parts of the property is gained from the Trans Canada Highway via the Anglemont Road from Squilax then by following the West Adams FSR northward from the south end of Adams Lake to the property. Access to the upper parts of the property is via the 5400 logging road at the kilometre 13 mark on the West Adams FSR, then connecting with the Fadear FSR, then south to the road leading to the radio repeater tower at the northwest end of the property. Alternate access is from the Louis Creek –Whitecroft FSR then onto the Fadear FSR.

There is a medium voltage power line along the West Adams FSR.

The Property is located in the transitional zone between the interior dry belt to the west and wetter bio-geoclimatic zones to the east. Due to the east facing high relief, rain fall and bio-geoclimatic zones vary with elevation due to a moderate rain shadow effect at lower elevations. The highest point on the property is at the Radio repeater tower near the northwest end of the property at 1625 meters. The lowest visible topographic point is Adams Lake at 480 meters.

The dominant industry in the area is forestry with a saw mill located at the south end of Adams Lake. Adams Lake has a fairly well developed tourism industry with several fishing camps and resorts. Mining and mineral exploration is minor but continuous activity due to the metal potential of the rocks in the area that are prospective for several deposit types.

The western edge of the property occupies the east edge of a small plateau (southeast end of the Adams Plateau) between Cicero Creek and Adams Lake and extends down the steep east slope to Adams Lake. The elevation change is 1250 meters over 2 to 3 kilometres horizontal distance. Most of the slope is fairly continuous with moderate rock exposures, however more resistant lithologies display numerous cliffs and higher amounts of outcrop exposure. Forest cover includes stands of commercial Douglas fir at lower elevations giving way to spruce-balsam forests at higher elevations. Adequate water for drilling purposes is available from creeks and small ponds in early summer, fall and winter.

HISTORY

The following is excerpted from Miller, 1989;

…"The date of the original discovery of mineralization on Steep property is unknown. In the late 1960's logging activity resulted in the exposure of the skarn zone in several locations.

In 1971 the area of the present Steep property was staked by an exploration syndicate directed by K.L. Daughtry. Surface geochemical and geophysical surveys and hand trenching were conducted in 1971-72 to evaluate the base metal potential of the property. Results were negative and the claims were allowed to lapse."…

The following is excerpted from Miller et al., 1988;

…"In 1976, following a regional airborne geophysical survey, Craigmont Mines staked the area of the STEEP property and, in 1977, carried out geochemical and geophysical surveys. The claims were allowed to lapse and were restaked by various parties over the next decade.

Detailed rock chip sampling of the skarn zone on the Adams Lake road was carried out by Cominco Ltd. in 1985. Samples were analyzed for precious metals but returned only very low values."…

Discovery Consultant Ltd. staked the area as the STEEP property in September 1986 and optioned the claims to National Resource Explorations Ltd. (NRE).

Miller et al., 1988 continues (see Figures 11 and 12);

…"In 1986 NRE, attracted by the geological setting of the skarn zone at the contact of the Eagle Bay and Sicamous Formations, staked the STEEP claims as part of its Shuswap project."…

…"A limited line cutting and HLEM survey near the Adams Lake West logging road was conducted in late 1986 and followed up with the drilling of DDH 258-1 to 3 in January and February of 1987.

Further staking on the west of the property was done in May, and in June, 1987 the main grid was established with a 2.5 km baseline and 21.8 km of cross-lines at 100 m intervals. The baseline starts at the 9 km post on the main West Adams logging road, and runs up the nose of the ridge on azimuth 295°. The entire grid was soil sampled and covered with an HLEM survey during June-August, 1987.

Diamond drill holes 258-4 through 9 were drilled in August- October 1987, and holes 258-10 through 14 were drilled in January through March, 1988."…

…" Gold values in soils run up to 1500 ppb with a mean of 5 ppb and a threshold of 20 ppb. High gold values are within larger areas of high arsenic values which range up to a maximum value of 1254 ppm against a mean of 5 ppm and a threshold of 30 ppm. High gold values are similarly within areas of higher copper values which have a mean of 45 ppm and a 100 ppm threshold.

While high gold values in soil have a clear spatial association to zones of high copper, lead and arsenic, direct correlations of gold with these other elements on a sample by sample basis are poor."...

…"An attempt was made to cover the entire grid with an HLEM survey, with a total of 18.2 line km covered.

An Apex Parametrics Max Min II Unit was used to carry out the survey. This is a multi frequency, horizontal loop electromagnetic induction system which measures the in phase and quadrature of the secondary field as a percentage of the primary field intensity.

A one hundred metre coil separation was utilized. Readings at 2 frequencies, 444HZ and 1777HZ, were taken at 25 metre intervals. Coils were kept coplanar and data was slope corrected to maintain proper separation. Data is presented as profiles with conductive axes marked on the 444HZ maps.

This survey proved difficult both to conduct and interpret due to the steepness of the terrain. It served to confirm the continuity of sulphides along strike, but was not useful in picking out detail within the broad sulphide zone."…

Wynne, 1987, describes a one line gravimetric survey along the West Adams FSR (Line 0+00W. A gravimetric anomaly there was tested by drilling. Semi-massive magnetite was intersected in hole STEEP 87-1 which was visually estimated at 60% over 18 meters.

Miller et al., 1988 continues (see also Figures 6 and 7);

…" Between January, 1987 and March, 1988 a total of 3360 metres of NQ diamond drilling in 14 holes was completed on the property. A total of approximately 1.4 km of minimum standard road was built for access to drilling sites. Commercial timber along these roads was harvested and taken to the nearby Holding Lumber Co. Sawmill. The details of the drill program are tabulated below.

HOLE NO.	***COLLAR LOCATION***	***CLAIM***	***ELEVATION*** *(metres)*	***DIP***	***AZ***	***TOTAL DEPTH*** *(metres)*	***SECTION***
258-1	*0+50W/4+10N*	*STEEP 1*	*700*	*-45*	*212*	*200.6*	*1W*
258-2	*3+60W/7+80N*	*STEEP 1*	*690*	*-45*	*212*	*211.5*	*4W*
258-3		*STEEP 3*	*549*	*-45*	*228*	*187.7*	
258-4	*2+50W/6+50N*	*STEEP 1*	*730*	*-45*	*210*	*349.6*	*3W*
258-5	*4+30W/5+20N*	*STEEP 4*	*850*	*-45*	*205*	*251.8*	*4W*
258-6	*9+00W/5+60N*	*STEEP 4*	*975*	*-45*	*205*	*90.5*	*9W*
258-7	*8+50W/7+00N*	*STEEP 4*	*884*	*-45*	*205*	*352.6*	*9W*
258-8	*23+00W/2+60N*	*STEEP 4*	*1615*	*-45*	*205*	*204.8*	*23W*
258-9	*24+00W/3+20N*	*STEEP 4*	*1585*	*-45*	*205*	*199.5*	*24W*
258-10	*2+50W/6+50N*	*STEEP 1*	*730*	*-55*	*210*	*49.0*	*3W*
258-11	*2+50W/6+50N*	*STEEP 1*	*730*	*-55*	*210*	*336.2*	*3W*
258-12	*2+50W/6+50N*	*STEEP 1*	*730*	*-38*	*210*	*316.7*	*3W*
258-13	*2+50W/6+50N*	*STEEP 1*	*730*	*-45*	*220*	*352.2*	*3W*
258-14	*2+50W/6+50N*	*STEEP 1*	*730*	*-45*	*200*	*306.3*	*3W*

TOTAL 3360 metres

Diamond drill core was split at the property and one half was sent to Bondar Clegg for analysis. At Bondar-Clegg the entire sample was crushed to -10mesh, riffle split, and a 250 gram sub-sample pulverized to -150 mesh. Analytical procedure on the sub-sample was exactly the same as for soil samples, above.

Part of hole 258-4, and holes 258-7 to 8 were sent to Kamloops Research & Assay Lab for analysis. At Kamloops gold was done by fire-assay and Cu, Pb, Zn, Ag, As and Sb were done by geochemical methods.

Any samples running over 1000ppb Au were both re-run and sent to another lab for checking."…

…"Sulphide mineralization is mainly associated with units 3 and 4 and appears to be directly related to metasomatic alteration. In these units the dominant sulphide is pyrrhotite which occurs mainly as blebs and laminae, drawn out parallel to foliation. Local layers of massive pyrrhotite and magnetite occur. Pyrite, chalcopyrite and occasional rare sphalerite occur as fine intergrowths with pyrrhotite. Pyrite also occurs as separate blebs, cubes, veinlets associated with quartz and calcite and as fine coatings on late fractures. Some pyrrhotite is also associated with fine quartz-calcite veinlets commonly 1-2 mm thick, but which may range up to 0.5 m thick.

Gold mineralization within the skarn/sulphide zone on surface is known only from the soil geochemical survey, which showed several high gold zones. Diamond drill testing of these soil anomalies returned significant gold intersections in six holes (4, 7, 8, 9, 11, 12) as summarized below.

HOLE	***FROM***	***TO***	***LENGTH (m)***	***AU OPT***	***AG ppm***	***AS ppm***	***BI ppm***	***SB ppm***	***CU ppm***	***PB ppm***	***ZN ppm***
258-2	88.0	88.4	0.4	0.004	14.0	806	37	15	3830	1450	15500
258-4	16.9	17.4	0.5	0.001	22.3	1871	44	<5	1374	6910	9061
	251.3	254.3	3.0	0.166	0.3	<20	272	<4	315	4	60
check ¼ core above int				0.172	<0.5	<5	240	<5	479	6	61
258-7	196.5	197.7	1.2	<0.001	17.5	<5	40	46	843	4352	7098
	250.0	256.0	6.0	0.027	<0.5	23	125	7	331	23	60
	283.3	292.0	8.7	0.054	1.0	108	151	173	227	70	24
258-8	69.0	72.0	3.0	0.021	0.9	1431	8	23	66	20	79
258-9	62.5	65.5	3.0	0.013	<0.5	51	16	<5	192	7	27
	68.5	71.5	3.0	0.006	<0.5	326	19	61	33	14	43
258-11	58.0	59.0	1.0	0.033	<0.5	960	<2	<5	17	22	59
258-12	256.8	257.9	0.2	0.033	1.0	2000	11	<5	2373	17	19

NOTE: Analyses were done partly at Kamloops Research Assay Lab. and partly at Bondar-Clegg. Where samples were initially run at Kamloops, the values in this table are from check samples run by Bondar-Clegg, and can be found on the last sheet of each drill log.

By far the best intersection was 0.172 oz/t Au over a 3 m core length at a depth of 251.3 metres in 258-4. Samples on either side were barren but enriched in As, Mo, and Cu. High bismuth values were associated directly with the gold. In microscope examination rare minute grains of gold, 5-15 microns in size were seen with pyrrhotite along with similar sized grains of native bismuth and bismuth telluride (Identified by SEM analysis). Minor pyrite and chalcopyrite were also associated with the pyrrhotite. The host rock mineralogy consisted dominantly of chlorite and calcite along with lesser plagioclase, quartz, allanite (?) and rutile. The gold intersection occurred in the calc-silicate phyllite well beyond the main garnet skarn.

In hole 87-7, two thicker intersections of lower grade gold mineralization were obtained. These intersections lie in about the same stratigraphic position as the intersection in hole 87-4, but are 600 m to the northwest and 150-175 m higher in elevation. The better intersection in hole 87-7 was at a depth of 283.3 m and averaged 0.054 oz/t Au over an 8.7 m core length. The gold is associated with about 6% pyrrhotite, minor pyrite and traces of chalcopyrite. The host rock is composed largely of epidote and actinolite with lesser quartz, calcite and biotite. This assemblage also represents a zone of retrograde alteration.

The other intersection in hole 7 was at a depth of 250 m and assayed 0.027 oz/t Au over a 6.0 m core length. It occurs in a similar mineralogical and lithological setting as the higher grade assay and both zones are within a larger section containing geochemically high values in As, Cu, and Mo. Again, high bismuth geochemistry is directly related to gold values. The up-dip projections of intersections in both holes corresponds with the location of surface soi1 geochemical anomalies in Au, As, and Cu.

The intersections in 258-8 and 9 are again similar although lower grade, and their occurrence at roughly the same stratigraphic horizon as the intersections in holes 4 and 7 implies that this horizon is enriched in gold over a strike length of at least 2000 metres.

Of the five holes (258-10,11,12,13,14) drilled in early 1988 to test for continuity of the intersection in 258-4, only holes 11 and 12, drilled on the same azimuth at a steeper and shallower dip respectively, intersected any significant gold. It appears that the gold mineralization is not uniform along strike, and may be, controlled in part by some type of cross structure."…

The following is excerpted from Miller, 1989; For trench locations see Figure 11 and 12.

…"In 1989 the property was optioned to Teck Explorations Limited which undertook a program of rock chip sampling and mapping on the main grid and soil sampling and mapping on the lower grid.

A total of 586 rock chip samples were taken on the main grid and lower grid mainly at locations indicated as trenches 1 to 14 on Fig. 3. Each trench and sample location was mapped at a scale of 1:500. The total area of trench mapping is about 8 hectares.

On the lower grid a total of 353 soil samples was collected and geological mapping at a scale of 1:2500 covered an area of about 60 hectares.

Total line cutting amounted to 12.6 km of which 4.1 km is baseline which was surveyed with a transit.

Much of the work was done on the Steep 3 and 4 claims and very minor work was done on the Steep 1 and 5 claims."…

…" Trenches 1 to 13 were mapped at scale of 1:500 to show sample locations and detailed geology. The sample locations were marked with spray paint in the field. At most locations, where rock was well exposed, no blasting was done. At other locations, some shallow drilling and blasting was done to expose bedrock. On average each one metre sample weighed about 5 kg.

The samples were analyzed for Au, Ag, Al, As, B, Ba, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, Sb, Sn, Sr, Ti. U, V, W, Y and Zn. Analyses were done by Eco-Tech Laboratory Ltd., Kamloops, B.C. Most elements were analyzed by the multi-element ICP method. Gold was determined by the atomic absorption method and fire assay. Barium was determined by digestion by lithium metaborate fusion and atomic absorption as well as by ICP. Details of analysis methods are given in Appendix 1. Analyses bedrock sample locations, and geological mapping of bed-rock sample locations are presented in Appendix 2. The threshold for gold is estimated at 20 ppb.

In general, sample results for gold were lower in bedrock samples than in soils except for sections of trenches 1, 3 and 5. The best results from these trenches are summarized as follows:

TRENCH NO.	SAMPLE NO.	WIDTH (m)	GOLD s/t
1	24668	1.0	1.43
3	24617	1.0	1.27
5	23277	1.0	1.68

Sample 24668, trench 1, was taken from a grey-green, siliceous, banded calc-silicate skarn containing about 2% pyrite and pyrrhotite and was similar to adjacent samples. It was associated with elevated values in silver, boron, iron, bismuth, cobalt, copper,' manganese and antimony. Three adjacent 1 m samples ranged from 30 to 145 ppb gold. One of these carried elevated lead and zinc values.

Sample 24617, trench 3, occurs at the south end of a 16 m gold anomaly with other values ranging up to 170 ppb gold. Associated high values include arsenic, bismuth and cobalt. The anomaly occurs in rocks similar to those near sample 24668.

Sample 23277, trench 5, and adjacent sample 23278 (115 ppb gold) are flanked by several lower values (5 or less than 5 ppb gold). They fall within a broad section of elevated arsenic and bismuth values. The anomaly occurs within rocks similar to those near sample 24668.

Other gold values greater than 50 ppb include sample 23231, trench 4, sample 79547, trench 10, sample 79720 and samples 79735-37, trench 11, and samples 23091 and 24675, trench 14.

Sample 23231, trench 4 is a single high 1 m sample contain 220 ppb gold. It is associated with higher arsenic and bismuth values. Sample 79547, trench 10, contains 80 ppb gold and is associated with high silver, arsenic, cadmium, lead and zinc (greater than 1% lead). Adjacent samples run 10 ppb gold. Sample 79720, trench 11, contains 90 ppb gold and adjacent samples run 5 to 15 ppb gold. It is associated with high copper and iron values. Samples 79735-37, trench 11, range from 70 to 180 ppb gold with no associated high values in other elements. Sample 23091, trench 14, contains 455 ppb gold. Adjacent samples run less than 5 and 10 ppb gold. This sample is located within a quartz porphyry dyke and has associated high silver and titanium. Sample 24675, trench 14, lies just north of the same dyke and runs 55 ppb gold with high associated silver, titanium and zinc. Also in this area, sample 23099 contains high silver (4.6 ppm), copper, (694 ppm), titanium (24 ppm) and zinc (400 ppm) and is located at the north edge of the same dyke. Another sample of interest in trench 14 is 23068 which lies in massive skarn just north of a second quartz porphyry dyke. It runs 256 ppm lead and 935 ppm zinc."…

Miller, 1989 concludes his trenching observations;

…" bedrock sampling identified 3 one-metre samples with gold values in excess of 1 g/t. These sample locations are separated by several hundred metres along the regional strike of host rocks. The host rocks are similar calc-silicate skarns of unit 2. Rocks adjacent to the gold bearing rocks are very similar, yet contain much lower gold values. All of the 3 best samples had elevated bismuth values.

At other locations on the main grid, bedrock samples were lower in grade than previous soil samples. One factor which may explain this variance is the fact that in many trenches, bedrock was not fully exposed and sampled in the vicinity of anomalous soils."…

Miller, 1989; discusses the 1989 soil geochemistry results;

…"<u>SOIL GEOCHEMISTRY</u>

Soil sampling was conducted on the lower grid to determine if gold mineralization was associated with skarns in this area. Samples were taken at 25 m intervals along grid lines spaced 100 m apart. Samples were taken from the I1Btt and llC1l horizons at depths averaging 25 cm. The samples were collected in kraft paper bags and taken to Eco-Tech Laboratory Ltd., Kamloops, B.C. where they were dried, sieved to -80 mesh and analyzed by the multi-element ICP technique plus fire assay and atomic absorption for gold. Details of the analysis methods are given in Appendix 1. Analyses are tabulated in Appendix 3."…

…" The base line was surveyed with a transit and grid line intersections were corrected for slope along the base line. Soil sample stations along grid lines were initially flagged in the field without slope correction and were later slope corrected for plotting."…

…" Several gold and arsenic anomalies are present. In some cases gold and arsenic are closely associated while in others arsenic anomalies are close, but separate from gold anomalies.

The longest gold anomaly is located at 91+00 to 91+25N on lines 109+00 to 112+00E. Gold ranges up to 55 ppb. A second relatively strong anomaly occurs at 87+50 to 88+00N on lines 110+00 to 111+00E. Gold values range up to 70 ppb. A third relatively strong anomaly occurs between 89+25N and 90+00N on lines 118+00 and 119+00E: Gold values range up to greater than 1000 ppb. A bedrock chip sample was taken at the site of the high value (identified as T-31 on Figs. 5 and 6). This sample contained only 5 ppb gold, but covered only a 4 m rock exposure.

Other elements that tend to be associated with the gold anomalies mentioned above include silver, cobalt, copper, iron and nickel."…

No further work was completed and the claims were allowed to lapse in June 2000 and were staked by Leo Lindinger shortly after. Since then work by Lindinger has been confined to reviewing the drill core in the now badly decayed boxes and restricted sampling along the West Adams Forest Service Road and mineralized sections of hole DDH87-07. Two samples of core from hole DDH 87-7 with >10% pyrrhotite, AWC-01 and AWC-02, taken from 285.1m to 285.2m and 289.7m to 289.8m respectively (Lindinger, personal communication June 6, 2006), ¼ split and sent to ALS Chemex Laboratories for gold and 34 element induced coupled plasma analysis (Lindinger, 2006). These 2 samples returned 6.63 and 7.94 g/t gold respectively. The road sampling at the 9.3 kilometre point returned moderately anomalous copper (from 736 to 1607 ppm Cu) and weakly anomalous gold (from 20 to 45 ppm Au) results in all samples. These analytical results are presented in Appendix IV.

In early 2005 the claims were converted to new cell claims under the new Mineral Tenure Act and the claims holdings were expanded.

In 2006 the property was optioned by Charlotte Resources Ltd. As part of the option requirements a 43-101 report was prepared by K.P.E. Dunne P.Geo and J.L. Lindinger P.Geo. (Dunne and Lindinger 2006). The following is excerpted from their report.

"K. P. E.. Dunne P.Geo collected a total of 7 surface rock and drill core samples for limited check sampling. The samples were collected as follows:

- *3 surface rock grab samples from Trench 14 of Miller (1989); see Figure 15*
- *1 chip sample collected over 3m from Trench 14 of Miller (1989); see Figure 15*
- *1 chip sample collected over 3m just north of Trench 13 in the same location as the samples A1 through A4 of Lindinger, 2004 (see Figure 14, Appendix IV)*
- *2 discontinuous samples of core, each collected as 7 to 8 randomly selected pieces (1.5 to 4cm in length). Each discontinuous channel sample was collected over a 3 m section of core from DDH 87-7 (see Figure 11 for drill hole location). The samples were ¼ split before sending for analyses.*

The samples were submitted to Eco-Tech Laboratory Ltd. for gold and ICP multi-element analyses on June 7, 2006.

Gold, silver and copper assay and ICP multi-element analyses are listed in Appendix I. Sample numbers, UTM (NAD 83) locations and sample descriptions are given in Appendix II.

Results are discussed below.

Grab Samples from Trench 14
The gold and ICP results from sample KDAW-06-01, a grab sample taken from banded to massive calc-silicate rock with minor stringers and disseminations of pyrrhotite ± pyrite, fall within the general range of values obtained in Trench 14 during the 1989 exploration program of Miller (1989).

Sample KDAW-06-03 was a grab sample taken from a discontinuous, approximately 2 to 5cm wide translucent to white quartz vein with traces of calcite and patchy and disseminated pyrite, chalcopyrite and sphalerite. This sample returned grades of 235 ppb Au, 38.3 g/t Ag, 177 ppm Zn and 1.56 % Cu (Appendix III). The significantly higher grade of this sample compared with the 3m channel sampling in Trench 14 during the 1989 exploration program of Miller (1989) indicates that gold mineralization may be spotty, related in part to vein structures.

Sample KDAW-06-04 was a grab sample taken just north of KDAW-06-03. This sample was a 5 cm thick pod of rusty, pyrite-pyrrhotite-chalcopyrite bearing silicified rock within green banded calc-silicate rock. This sample returned grades of 25 ppb Au, 10.1 ppm Ag, 112 ppm Zn and 1.29 % Cu (Appendix III). Gold and particularly silver and copper grades in this grab sample are elevated above the general range of values obtained in Trench 14 during the 1989 exploration program of Miller (op. cit.).

Chip Sample from Trench 14
KDAW-06-02 was a 3m chip sample collected from approximately the same location as the 1m chip samples 23091 through 23093 of Miller, 1989 (see pages 2-48, 53 and 54 excerpted from Miller, 1989 in Appendix II). The grades obtained for this sample (Appendix III) fall in the general range of samples 23091 through 23093 of Miller, 1989 with the exception of failure to duplicate the high gold value of sample 23091 (455 ppb).

Chip Sample north of Trench 13
KDAW-06-07 was a 3m chip sample collected from approximately the same location as the sequence of 4 chip samples, A1 through A4, taken over 14m by Lindinger in 2004. The grades obtained for this sample have elevated gold and copper values and fall in the general range of samples A1-through A4 (Appendix I and II).

Discontinuous Samples of Core
KDAW-06-05 and KDAW-06-06 are two discontinuous channel samples comprising 7 to 8 pieces of core each and each collected over a separate 3 m section of core in drill hole DDH 87-7. The samples were ¼ split prior to geochemical analyses. The samples were collected over the same 3 m intervals of core (intervals 250.0m to 253.0 m and 253.0m to 256.0 m) which returned grades of 0.018 oz/ton Au and 0.025 oz/ton Au, respectively, in the report by Miller et al., 1988 (Appendix II). Both samples KDAW-06-05 and KDAW-06-06 returned even higher gold grades

of 1.02 g/t Au (0.030 oz/t Au) and 4.19 g/t Au (0.122 oz/t Au), respectively, and similar but slightly higher copper values (Appendix III and Table 2 below).

Metal element ratios from a variety of mineralized grab samples on the Steep prospect (see Table 2 below) were tested using metal element ratio plots from Ray and Webster, 1997 (their figure 7). The samples fall in both gold skarn and other skarn fields (Figure 10).

TABLE 2 – METAL ELEMENT RATIO DATA FROM AWSUM PROSPECT

SAMPLE NUMBER (see bullets below)	SAMPLE LABEL ON FIGURE 9	CU PPM	ZN PPM	AG PPM	AU PPM	CU/AU	CU/AG	ZN/AU	AG/AU
AWC-01	AWC-01	358	<2	0.4	6.63	54.00	895.00	0.30	0.06
AWC-02	AWC-02	488	6	0.8	7.94	61.46	610.00	0.76	0.10
A1	A1	736	15	<0.2	0.025	29440.00	3680.00	600.00	8.00
A2	A2	1027	36	<0.2	0.02	51350.00	5135.00	1800.00	10.00
A3	A3	664	30	<0.2	0.025	26560.00	3320.00	1200.00	8.00
A4	A4	1607	84	<0.2	0.045	35711.11	8035.00	1866.67	4.44
24668	TR-1	129	35	0.4	1.43	90.21	322.50	24.48	0.28
24617	TR-3	54	12	<0.2	1.27	42.52	270.00	9.45	0.16
23277	TR-5	8	33	<0.2	1.68	4.76	40.00	19.64	0.12
79737	TR-11	87	10	0.2	0.18	483.33	435.00	55.56	1.11
23091	TR-14	112	61	0.6	0.455	246.15	186.67	134.07	1.32
KDAW-06-01	KDAW-01	82	29	<0.2	0.01	8200.00	410.00	2900.00	20.00
KDAW-06-02	KDAW-02	76	35	0.7	0.005	15200.00	108.57	7000.00	140.00
KDAW-06-03	KDAW-03	15600	177	38.3	0.235	66382.98	407.31	753.19	162.98
KDAW-06-04	KDAW-04	12900	112	10.1	0.025	516000.00	1277.23	4480.00	404.00
KDAW-06-05	KDAW-05	702	52	<0.2	1.02	688.24	3510.00	50.98	0.20
KDAW-06-06	KDAW-06	303	70	<0.2	4.19	72.32	1515.00	16.71	0.05
KDAW-06-07	KDAW-07	879	14	<0.2	0.02	43950.00	4395.00	700.00	10.00

- *Samples AWC series from Lindinger, 2001, Appendix IV*
- *Samples A series from Lindinger, 2004, Appendix IV*
- *Samples 5 digit number from Miller, 1989*
- *Samples KDAW series, this report, Appendix III""*

Charlotte relinquished the Option in 2007 and the property was returned back to Lindinger. Prior to the 2011 work program no exploration work was completed on the property which was restaked by Lindinger several times in the interim.

GEOLOGICAL SETTING

Regional Geology

The following is excerpted from Schiarizza and Preto, 1987, p. 13 (refer to Figures 3 and 4).

…"The Adams Plateau-Clearwater-Vavenby map area is underlain mainly by Paleozoic rocks of the Eagle Bay Assemblage and Fennell Formation. The Eagle Bay Assemblage comprises Early Cambrian to Mississippian metasedimentary and metavolcanic rocks that are locally intruded by Devonian orthogneiss."…

…"The Fennell and Eagle Bay successions are cut by mid-Cretaceous granitic rocks of the Raft and Baldy batholiths and by Early Tertiary quartz feldspar porphyry, basalt and lamprophyre dykes."…

…"Paleozoic rocks in the study area occur in four structural slices separated by southwesterly directed thrust faults"...

The Steep property lies within the first and lowest fault slice. Schiarizza and Preto, 1987, continue on p. 13;

…"The first and lowest fault slice comprises a succession of Eagle Bay rocks structurally overlain by rocks of the Fennell Formation. The base of the Eagle Bay succession is a heterogeneous assemblage of phyllitic sandstone and grit, intercalated with carbonate and mafic to felsic volcanic and volcaniclastic rocks. The age of these rocks is unknown; they are assigned to Unit EBS and correlated with lithologically similar rocks which locally lie above Unit EBQ in the third fault slice. Within the first fault slice, Unit EBS is overlain by Devono-Mississippian rocks of Units EBA, EBF and EBP, but is locally separated from them by either limestone, calc-silicate schist and skarn of Units EBL and EBK, or by mafic metavolcanic rocks of Unit EBM."…

The following is excerpted from Miller et al., 1988;

…" the Steep property is underlain by the Eagle Bay Formation comprising rocks of Devono-Mississippian age or older. On the basis of more detailed mapping in the area by Discovery Consultants and previous workers the sedimentary units south of the main skarn zone are thought to belong to the Sicamous Formation of Paleozoic or Upper Triassic age, with the skarn zone occurring in the transitional contact from Eagle Bay to Sicamous.

The Eagle Bay Formation hosts a number of volcanogenic mineral occurrences including the recently discovered Samatosum silver-gold-base metal deposit and the nearby Rea Gold- Hilton gold deposit. These discoveries have resulted in considerable exploration activity within the area.

The Eagle Bay Formation consists of volcanic and volcaniclastic rocks, clastic sediments and limestones which have been regionally metamorphosed to greenschist facies rocks, including mainly greenstones, quartzites, phyllites, schists and marbles. Some sill-shaped foliated, felsic intrusive bodies are present within Eagle Bay rocks and one such intrusion is located just north of the Steep property.

Eagle Bay rock-units have a regional northwesterly strike and dip mainly northeastward. Foliation attitudes are nearly parallel to bedding attitudes. A number of tight isoclinal anticlinal and synclinal structures with northeasterly dipping limbs and accompanied by related southwesterly directed thrust faults have been interpreted on the regional map to account for certain structural features. In general, the direction of bedding tops is unknown. A simplified regional geological map is shown on Figure 4.

With respect to the Steep property, unit EBK of Preliminary Map 56 is of special significance. This unit includes skarn mineral assemblages over a strike length of 12 km, thickness of 350 m and a dip extent of at least 1250m."…

The following is excerpted from Schiarizza and Preto, 1987, pp.46-47;

…"Orthogneiss assigned to Unit Dgn also occurs within the lowest structural slice in the area, where it intrudes Unit EBA and underlying rocks of Unit EBK along both sides of Adams Lake. These intrusive rocks range from massive, medium-grained granitic rocks through crudely foliated gneisses comprising lenses and augen of quartzofeldspathic rock that are enclosed by schistose seams of chlorite and sericite, to well foliated sericite, chlorite schists containing "eyes" of quartz and feldspar."…

…"Although contacts between the intrusive rocks and adjacent volcanic components of Unit EBA are often indistinct, the intrusives appear to comprise a number of sill-like bodies within the central and lower parts of Unit EBA and underlying rocks of Unit EBK."…

…"The orthogneiss intrudes but is presumed to be genetically related to compositionally similar volcanic and volcaniclastic rocks of Unit EBA."…

Figure 3 – Regional Geology
From Schiarizza and Preto, 1987, p. 12

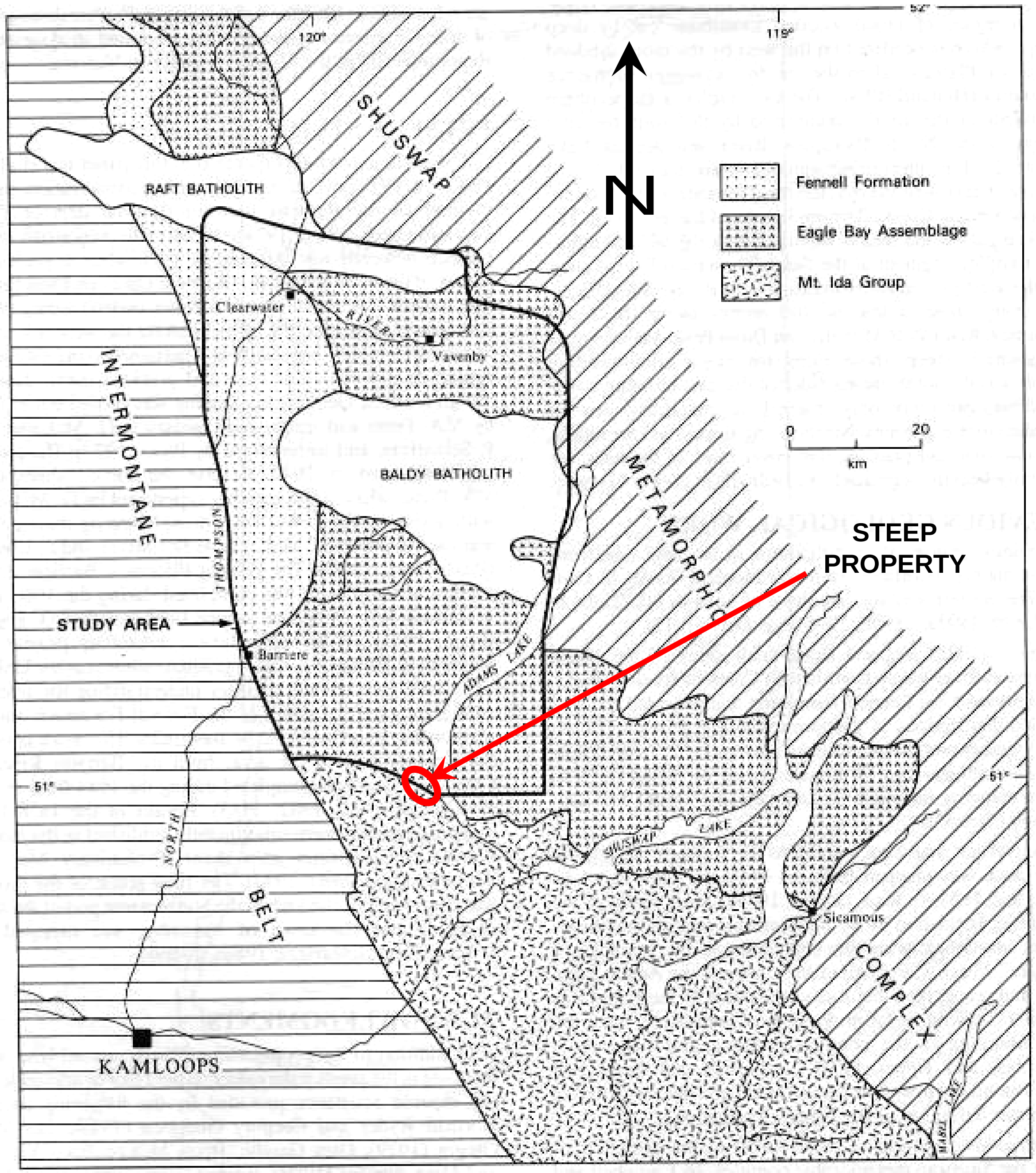


Figure 3. Geologic setting of the Adams Plateau – Clearwater – Vavenby area, modified after Okulitch and Cameron (1976). Not shown are Tertiai 'olcanics and numerous granitic plutons of Mesozoic and Paleozoic age. Potentially correlative rocks north of the Raft batholith are included within tl Eagle Bay Assemblage.

Figure 4 - Structural History of the Adams Plateau
From Schiarizza and Preto, 1987, page 52.

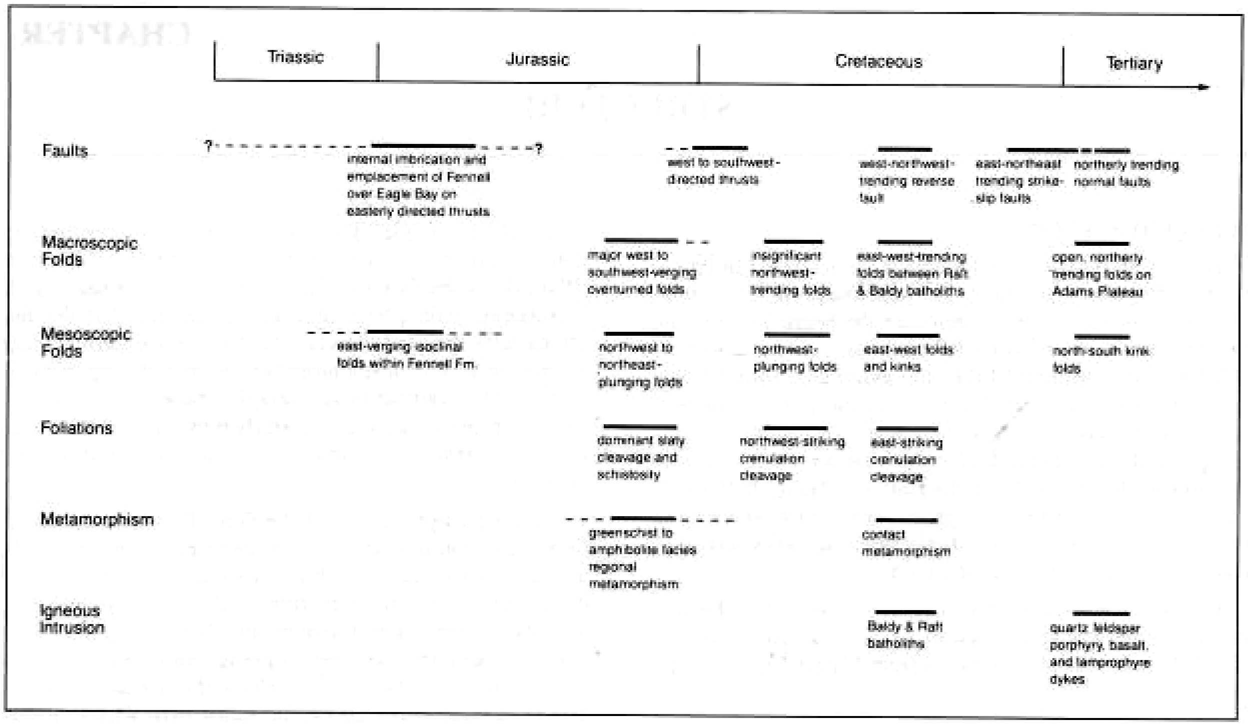


Figure 14. Mesozoic-Tertiary structural history of the Adams Plateau – Clearwater – Vavenby area. Not shown is an early metamorphic foliation of Mesozoic and/or Paleozoic age.

Schiarizza and Preto, 1987; page 46, and Miller et al.,1988; interpret the unit Dgn (Figure 5) as a northwest trending dyke-sill complex (now deformed) that intruded and metamorphosed unit EBA to EBAgn. Unit EBK hosting the Steep (Steep) prospect is interpreted to underlie this dyke-sill complex. Miller et al., 1988 speculates that thermal metamorphism and later mineralizing fluids flowed into unit EBK followed by extensive regional deformation which resulted in the overall lithological form and skarn patterns partially outlined today. Miller et al., 1988 also interpret the package hosting the skarn as an overturned limb of a subregional antiform between the Haggard and Cicero Creek thrust faults. However the overall stratigraphy according to the map of figure 4 (from Schiarizza and Preto, 1987) is younging to the northeast (Figure 5).

Property Geology

The following geological description is excerpted from Miller et al., 1988.

…"The Steep property is underlain by a northwesterly striking assemblage of rocks including garnet skarn, calc-silicate rocks, phyllitic argillaceous limestone and quartz-sericite phyllites (Figure 5). These strata dip fairly uniformly northeastward at an average of approximately 50°. A number of factors indicate that these beds are structurally inverted, including regional

relationships, reversed graded bedding and the distribution and intensity of skarn mineralization. The entire sequence has been offset by a late northerly-trending normal fault.

Strata underlying the property can be subdivided into the following units: (LETTER CODE ADDED BY AUTHOR

Unit 5- Phvllitic Argillaceous Limestone (EBL=Sicamous Ls)
This unit comprises recrystallized limestone with thin but numerous intercalations of black shale, which are locally graphitic, and carries less than 1/2% pyrite as fine to coarse grained blebs drawn out parallel to the foliation, and as cubes. This unit corresponds to unit EBL on Preliminary Map 56 referred to in the preceding section, but is believed by the writer to be part of the Sicamous Formation, not the Eagle Bay Formation. The unit is at least 400 m thick and grades into the structurally overlying calc-silicate phyllite unit.

Unit 4 Calc-Silicate Phyllite (EBK)
Unit 4 consists of the altered equivalent of Unit 5 preceding. Calcareous bands have been partly to entirely replaced by actinolite, pyroxene, chlorite, epidote, quartz, sphene and minor garnet. Abundant shaley intercalations are relatively unaltered or altered to sericite and quartz. This unit carries about 4% sulphides mainly as pyrrhotite with lesser pyrite, minor chalcopyrite and occasional reddish-brown sphalerite. Gold mineralization is present in this unit near the contact with Unit 5 limestone. Drilling indicates that this unit is 140-220 m thick.

Unit 3 Main Garnet Skarn (EBK)
This unit consists of massive garnet skarn along with calcite and epidote and minor quartz, amphibole, plagioclase, potassium feldspar, chlorite, apatite, pyrrhotite, pyrite, chalcopyrite and sphalerite. The garnet is pale brown to slightly reddish and occurs as anhedral masses. The average sulphide content is about 5% mainly as pyrrhotite with lesser pyrite, minor chalcopyrite and traces of sphalerite. At one location magnetite was observed in the skarn.

Unit 2 Calc-Silicate Rock (EBK)
This unit consists of green to greyish banded to massive rocks composed mainly of fine-grained amphibole, plagioclase and epidote along with lesser garnet, biotite, sphene, quartz, chlorite, carbonate, potassium feldspar and sericite. There is less than 1/2% sulphides present mainly as fine grained pyrrhotite and pyrite. Rare galena, sphalerite and chalcopyrite mineralization occurs. This unit is approximately 80 m thick and contains some garnet-actinolite skarn lenses. The rock is thought to have been derived from a calcic tuff with thin limestone interbeds.

Unit 1 Quartz-Mica Phyllite (EBA)
This unit is pale grey green and is composed of sericite, quartz, biotite, plagioclase and calcite. It is not well exposed on the property but is thought to be about 70 m thick and to structurally underlie Preto's EBAi Unit. It contains less than 1/4% fine pyrite-pyrrhotite where observed."…

The following geological description is excerpted from Miller, 1989, page 4.

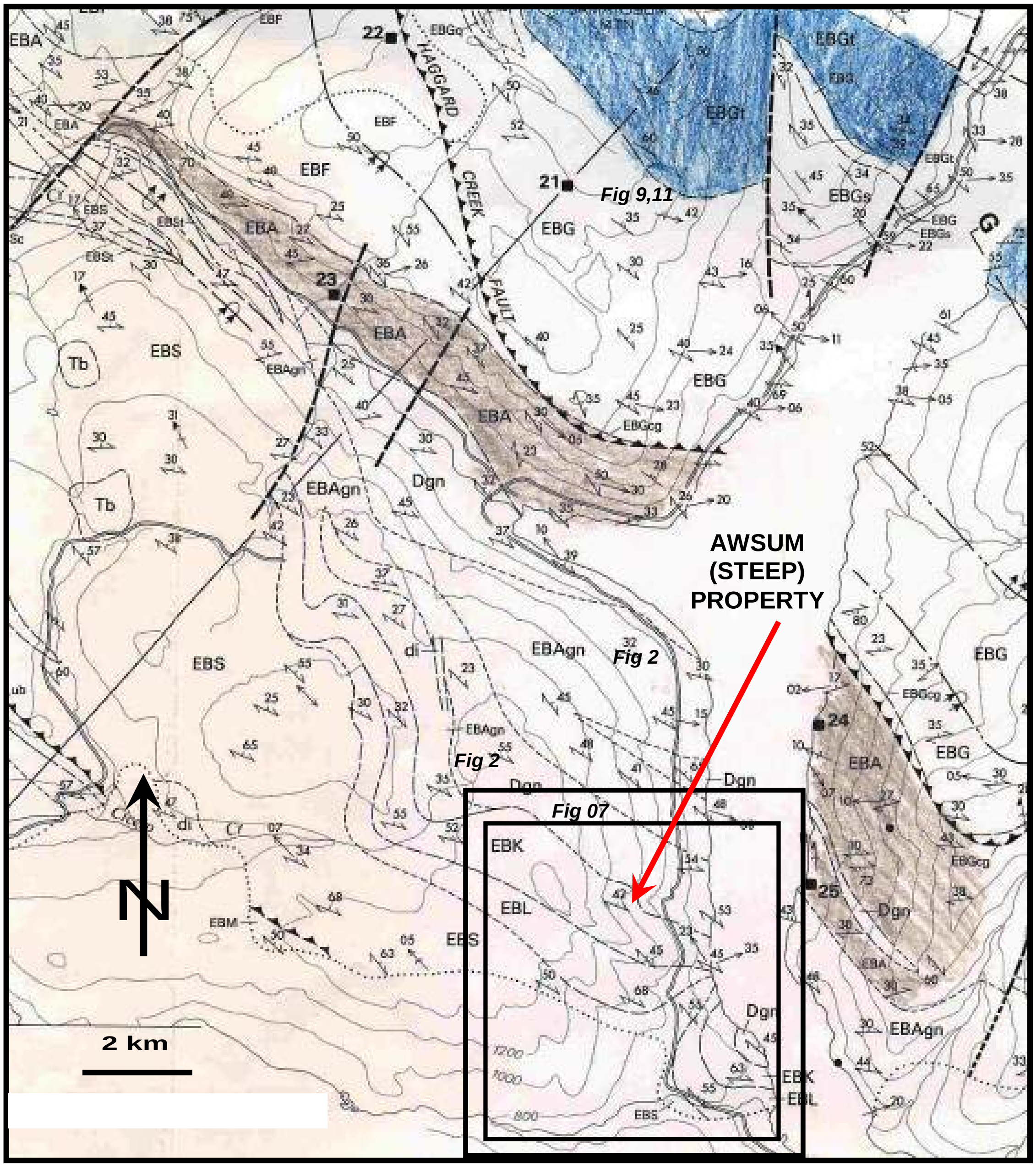
…"The Steep property is underlain by phyllitic, argillaceous limestone, phyllitic calc-silicate skarn, garnet skarn, banded to massive calc-silicate rocks and quartz-sericite phyllite. On the lower grid these rocks have been intruded by late quartz-feldspar porphyry dykes."…

Miller, 1989, continues on page 6.

…"Unit 6 – Quartz and/or Quartz-Feldspar Porphyry Dykes

These late dykes crop out at several locations on the lower grid. They are well jointed and do not appear to be related to skarn development. However, they do appear to be related to some precious and base metal mineralization on the lower grid."…

Figure 5 – Local Geology
From Schiarizza and Preto, 1987, their figure 4; and Index Maps to Historical Exploration



DEPOSIT TYPES

The Steep Property is prospective for the following deposit types:

(1) Au-(Cu) pyrrhotite skarns.
(2) Zn-Au-Cu-Pb-Ag comprising massive, sphalerite-rich replacements, veins, tabular bodies and mantos.
(3) Magnetite (Fe) skarn.
(4) Quartz-carbonate veins containing Au-Ag-Pb-Zn-Cu-bearing sulphides.
(5) Gold quartz veins – Au (Ag, W, As, Sb, Cu, Ni, Co, Bi, Te)
(6) Syngenetic base and precious metal volcanogenic massive sulphide (VMS)
(7) Polymetallic sulphide veins
(8) Ultramafic asbestos.

The occurrence of the first three and possibly four deposit types can be considered part of the gradation seen in carbonate replacement deposit-skarn systems (see below).

Carbonate Replacement Deposits (CRD's)

The following information describes the carbonate replacement deposit (CRD) model as excerpted from Megaw, 2001;

…"CRD INTRODUCTION, EXPLORATION CONCEPTS AND RATIONALE

There is much confusion associated with CRD terminology, so it seems worthwhile to re-familiarize the reader with the terminology as used throughout this report. At the outset it is important to emphasize that: 1) "massive sulphides" is used here as a descriptive term with no genetic connotation (Do not confuse this with Volcanogenic Massive Sulphide [VMS] which is a genetic term); 2) "manto and chimney" are descriptive terms referring to the geometry of the mineralized body with no compositional implications; 3) replacement" is used in reference to an interpreted depositional mechanism of mineralization, regardless of the composition of the resulting mineralization…either sulphides or calc-silicates. "

The following is excerpted from Megaw (1998).

"Carbonate Replacement Deposits (CRDs), are epigenetic, intrusion-related, high-temperature sulphide-dominant Pb-Zn-Ag-Cu-Au-rich deposits that typically grade from lenticular or podiform bodies developed along stock, dike, or sill contacts to elongate-tubular to elongate-tabular bodies referred to as chimneys and/or mantos depending on their orientation. Limestone, dolomite and dolomitized limestones are the major host rocks. Ores grade outward from sulphide-rich skarns associated with unmineralized or porphyry-type intrusive bodies to essentially 100% polymetallic massive sulphide bodies. Both sulphide and skarn contacts with carbonate host rocks may be razor sharp and evidence for replacement greatly outweighs evidence for open-space filling or syngenetic deposition (Titley & Megaw 1985). In reduced,

high to low-temperature systems, proximal to distal metal zoning generally follows: Cu (Au, W, Mo), Cu-Zn (Ag), Zn-Pb-Ag, Pb-Ag, Mn-Ag, Mn, and Hg. This zoning may be very subtle and large scale (Prescott 1916; Morris 1968; Megaw 1990) or tightly telescoped and smaller scale (Graf 1997).

CRD mineralization is associated with polyphase intrusions that evolve from early intermediate phases towards late, highly evolved felsic intrusions and related extrusive phases. The intrusions most closely related to mineralization are usually the most evolved phases and these are not exposed in many districts. However, they are often encountered when the system is explored to depth.

CRD exploration is difficult enough that considerable care in selecting a target district/deposit prior to high-cost detailed exploration. However, several features make CRDs highly desirable mining targets including, ***1) Size****-CRDs average 10-13 million tons of ore and the largest range up to >50 million tons,* ***2) Grade****-ores are typically polymetallic with metal contents ranging from 2-12% Pb; 2-18% Zn, 60-600 g/T Ag, Tr2% Cu and Tr-6 g/T Au. Many have by-product credits for Cd, W, In, Ga, Ge, Bi, and S,* ***3) Deposit morphology****-orebodies are continuous and average 0.5 to 2 million tons in size, with some up to 20 million tons,* ***4) Extraction and Beneficiation****- CRDs are typically metallurgically docile, amenable to low-cost mining methods and the environmental footprint is minimal.*

Many features of CRDs tend to be well zoned at district, deposit and hand-sample scales. The most important zonations are: 1)- Ore and gangue mineralogy and metal contents, 2)-Orebody geometry, 3)- Intrusive geometry and composition, 4)- Structural controls on mineralization, 5)- Alteration and, 6)- Isotopic characteristics of wallrocks. In general, the largest systems show the best-developed zoning and repetition of zoning and paragenisis. Zoning tends to be most extensive in the elongate manto and chimney systems where individual zones may extend over kilometres vertically and laterally (Megaw, 1990, 1998). Zoning in large stock-contact skarn systems is typically more compressed because of telescoping and repeated overprinting (Graf 1997). In all cases, multi-phase mineralization is a reliable indicator of large systems.

The evolution of CRD-skarn systems in time and space, and the gradations seen in single orebodies or districts suggests that the various manifestations of the deposit type can be considered part of a spectrum (Einaudi et al. 1982; Megaw et al. 1988; Titley 1993; Megaw et al. 1998) (Figs. 3 and 4) ranging from:

A. Stock-contact skarns: formed against either barren or productive (i.e. porphyry Copper or Molybdenum stocks
B. Dike and sill contact skarns
C. Dike and sill contact massive sulphide deposits
D. Massive sulphide chimneys
E. Massive sulphide mantos
F. Epithermal veins (in some cases)

This conceptual framework allows examination of the mineralization, alteration, intrusion types, host rock and other characteristics of a given deposit and determining where it lies within the *spectrum. Examination of the composition, geometry and controls on intrusion emplacement, if possible, is essential to determining district zoning and level of exposure. Perhaps most importantly, understanding the host rock tectono-stratigraphy allows rapid determination of the potential for more mineralization in the host section at depth or laterally in the known favourable beds, or in previously unconsidered host units.*

Structural fabrics are the dominant control on CRD mineralization, as they control intrusion emplacement and channel ore fluids into favourable host strata. Many CRD's lie in fold-thrust belts on major structural domes, arches, anticlines, synclines or homoclines, and most districts have structural grains controlled by faulting and fracturing related to regional deformation (Megaw et al. 1988). Orebodies are often elongate and parallel district-wide structural trends, but may not be restricted to a given structure over great lengths.

Intrusive stocks commonly occur beneath or adjacent to the most proximal portions of CRD systems, although in many cases they do not crop out. Where intrusions are exposed, they are generally less than 5 km^2 in areal extent. These stocks are generally polyphase with compositions grading from early diorite to late granite. Texturally, these intrusions range from equigranular to porphyritic and massive to highly fractured with time and proximity to paleosurface. The central stocks may be barren, contain porphyry copper or molybdenum systems, or have marginal zones with porphyry copper or molybdenum affinities (Megaw, 1998) (Figs. 3, 5). In many systems, the early phases of the intrusion have associated skarnoid or barren skarn, whereas skarn and ore mineralization are related to later, more highly differentiated phases (Meinert, 1995 and 1999; Graf, 1997; Megaw and others, 1998).

Dikes and sills characterize the intermediate reaches of CRDs and there is often evidence for multiple dike/sill emplacement events (Megaw 1990). These intrusions may be compositionally homogeneous (Megaw 1990) or there may be compositional evolution between dike/sill phases (Graf 1997). Textures range from porphyritic to aphanitic, locally with narrow gradations between textural domains (Megaw 1990). Chimney and replacement veins are the most common orebody types associated with these intrusions, although mantos locally occur along sill contacts.

The distal zones of CRDs are characterized by massive sulphide bodies lacking an associated intrusion. These commonly have the form of high angle to vertical slab-like replacement veins or elongate pipe-like chimneys or low angle to horizontal tabular or elongate tongue-shaped mantos, generally crudely stratabound. Mantos may be developed entirely within selected beds or groups of carbonate beds, or may occur with one or more non-reactive, relatively impermeable sedimentary or intrusive rock contacts.

Development of carbonate rock alteration in CRDs, like the mineralization, is highly variable in type and in scale. The major alteration types are:

***Skarnoid or hornfels**: These are typically very fine-grained, mineralogically simple, calc-silicate and silicate assemblages formed through thermal metamorphism without significant addition of outside components. Skarnoid typically forms from a limestone or shaley limestone precursor, whereas hornfels forms from shale or limy shale precursors. Hornfels and skarnoid* *commonly develop in the thermal aureole around the largest volume (often early) intrusive phase and may aid in ground preparation for later metasomatic events. Hornfels mineralogy may be zoned with respect to the thermal center, commonly with pyroxenes proximal and biotite more distal. Skarnoid and hornfels often contain abundant fine-grained pyrite or pyrrhotite, but seldom significant amounts of ore-metal sulphides unless it has been overprinted by subsequent hydrothermal events.*

***Skarn**: Skarns are fine to very coarse-grained, often mineralogically complex, calc-silicate or calcic-iron silicate assemblages formed through metasomatism with significant addition of outside components. **Endoskarn** is skarn formed at the expense of intrusive rock, **exoskarn** is skarn formed at the expense of wallrocks to the intrusion... most commonly carbonates. Skarn commonly develops around lesser volume, more fluid-rich intrusive phases and may overprint hornfels or skarnoid to varying degrees. Anhydrous calc-silicate minerals (dominantly pyroxenes and garnets) characterize the early "**prograde**" skarn phase generated during rising temperatures related to magma emplacement. Hydrous calc-silicate minerals (dominantly amphiboles, chlorites, and clays) formed at the expense of predecessor prograde minerals characterize the later "**retrograde**" skarn assemblage. Retrograding occurs as temperatures drop and variable amounts of magmatic fluids and groundwater invade the skarn zone. Skarns are said to be mineralized when they contain sulphide minerals of economic interest. Said sulphides may be co-deposited with the calc-silicates, but more commonly are introduced along structures that cut the skarn, replacing skarn minerals and un-skarned wallrocks. Complex mineralized skarn systems typically show multiple intrusive phases and a repetition of sulphides replacing calc-silicates silicates…presumably reflecting successive intrusive and hydrothermal events. In some systems, different compositions of skarn and sulphides characterize each phase (Megaw and others, 1998).*

***Marbleisation and Recrystallization**: These are present in virtually all CRD systems and range from narrow zones around mineralization to zones 100s of meters wide (Titley & Megaw 1985; Megaw et al. 1988).*

***Silicification or Jasperoid development**: These consist of fine-grained silica replacements of carbonate rocks, with or without appreciable amounts of metals, and are very common in the peripheries of some CRD systems (Titley & Megaw 1985; Megaw et al. 1988; Megaw 1990).”…*

Figure 8 from Ray and Webster, 1997 (their figure 1) shows the schematic evolution of a calcic skarn deposit from intrusion of magma through to waning and cooling of the hydrothermal system. Figure 8D with simple D1 deformation may be a simplified model for the Steep prospect as suggested by Lindinger, 2006.

“Gold quartz veins - Au (Ag, W, As, Sb, Cu, Ni, Co, Bi, Te)

Miller et al., 1988, describes late stage though sometimes deformed weakly polysulphide mineralized quartz veins within skarn associated with some intervals of anomalous gold and *silver in drill core. The association between quartz veining and precious metals is unknown at the Steep property.*

Brittle-ductile shear-zone related mesothermal gold deposits with arsenopyrite, pyrrhotite, pyrite, chalcopyrite, native Bi, bismuthinite, sphalerite, galena and magnetite are hosted in Proterozoic to Devonian metasediments at Salsigne, France and closely associated with Middle Carboniferous tectonic and metamorphic evolution (LODE database, 2006, FRA-00001).

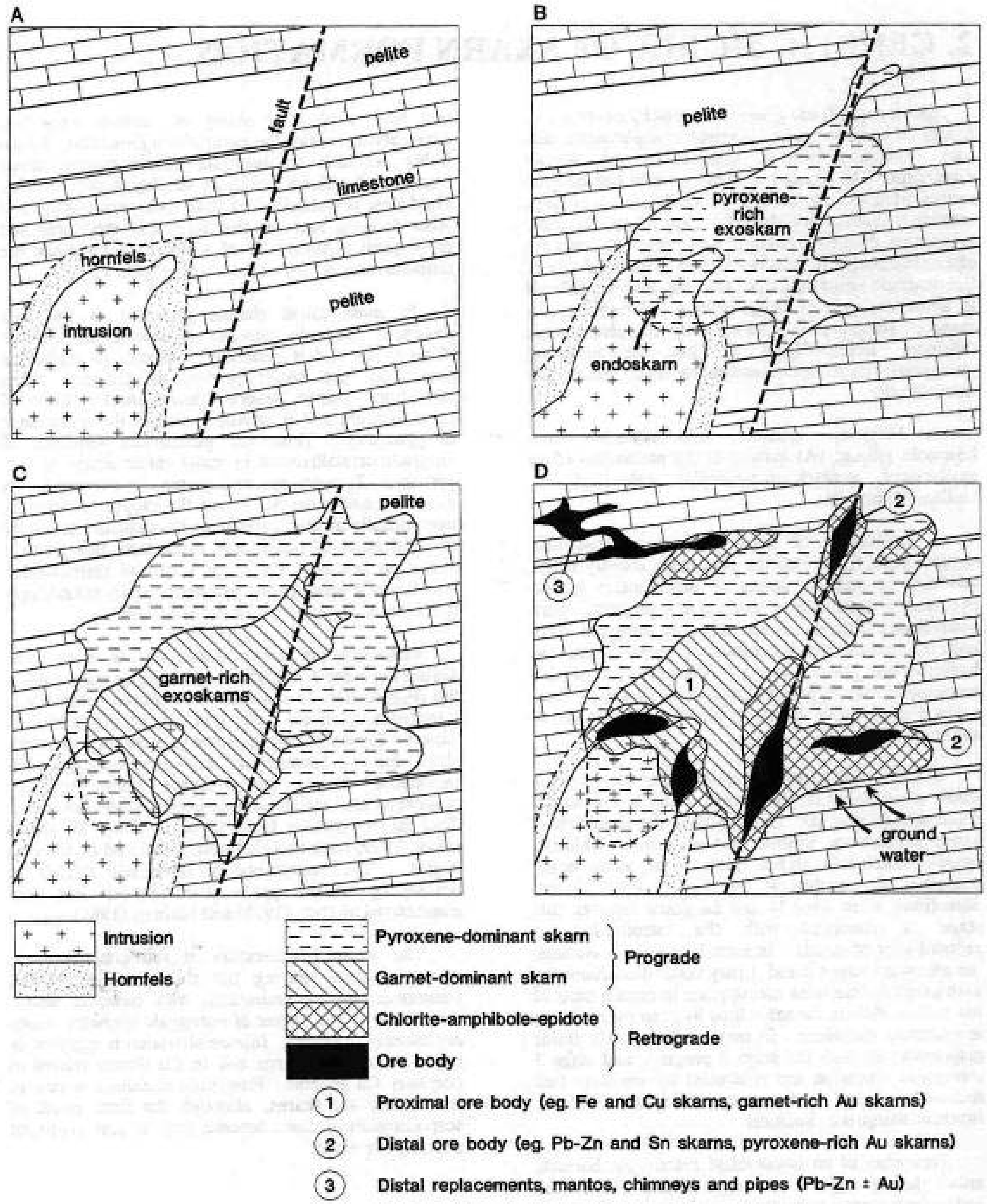
Syngenetic Volcanogenic Massive Sulphide Deposits

The Steep prospect area is very prospective for this deposit type however most of the known occurrences to the north (BC Minfile: 082M05 Homestake, 082M191 Rea, and 082M244 Samatosum) are within a different stratigraphic package (units EBF and EBA of Schiarizza and Preto, 1987). The Pine sulphide occurrence 5 km northwest of the AWSUM Property, BC Minfile 082M120, and the Serpent showing approximately 1.5km west of the property, BC Minfile 82LNW051, have been interpreted to be syngenetic sulphide occurrences (BC Minfile reports).

Polymetallic Sulphide Veins

This deposit type is characterized by sulphide-rich veins emplaced along faults and fractures in sedimentary basins dominated by clastic rocks that have been deformed, metamorphosed and intruded by igneous rocks. The veins postdate deformation and metamorphism. In the Steep prospect model, sulphides veins are preferentially deposited in brittle and reactive calc-silicate rocks adjacent to Tertiary intrusions. The geochemical signature of this type of deposit is elevated values of Zn, Pb, Ag, ± Au, Mn, Cu, Ba and As."

Figure 6 – Schematic Evolution of a Calcic Skarn Deposit
From Ray & Webster, 1997, page 8



Text for Figure 6

Schematic evolution of a calcic skarn deposit.

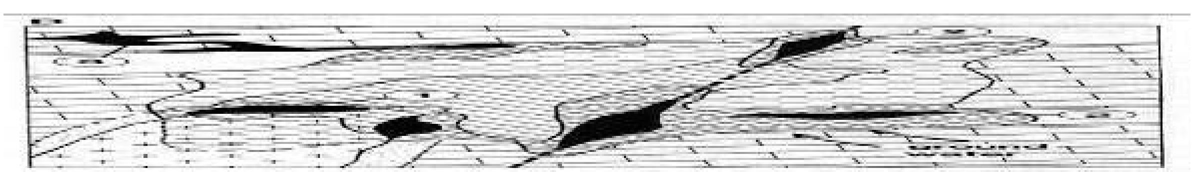
A. Intrusion of magma into faulted, carbonate-pelite sequence and formation of a contact hornfels or skarnoid.

B. Infiltration of hydrothermal fluids to produce endoskarn and pyroxene-dominant exoskarn.

C. Continued infiltration of fluids, with progressive expansion of exoskarn envelope. At its full prograde development, the exoskarn envelope may comprise a zone of coarse grained garnet-rich skarn proximal to the pluton and an outer halo of finer grained pyroxene-dominant skarn. Skarn development is controlled partly by factors such as rock porosity and permeability, bedding planes, fractures and rock lithologies. Some disseminated mineralization may form late in this stage.

D. The hydrothermal system wanes and cools, leading to retrograde overprinting. During this stage orebodies may form either by the scavenging and redeposition of disseminated metals laid down in the prograde stage or more commonly by the introduction of new metals. The structural/lithological controls and influence of meteoric water may result in irregularly distributed orebodies that are notoriously difficult to delineate in skarn. In the exoskarn envelope, ore bodies may form proximally (as with some Cu, Fe and garnet-rich Au skarns) or more distally (as with pyroxene-rich Au skarns, Sn skarns and Pb-Zn skarns). Some mineralizing fluids may also travel beyond the skarn envelope to form sulphide-rich replacement mantos, chimneys and pipes or sulphide-lean Carlin-type Au deposits.

Figure 6B - with simple D1 deformation as a simplified model for STEEP CRD.
From Lindinger, 2006, page 25



MINERALIZATION

The following is excerpted from Miller et al. 1988, discussing the sulphide skarn mineralization. Please note the drilling highlights are summarized in the History section of this report.

…"Sulphide mineralization is mainly associated with units 3 and 4 and appears to be directly related to metasomatic alteration. In these units the dominant sulphide is pyrrhotite which occurs mainly as blebs and laminae, drawn out parallel to foliation. Local layers of massive pyrrhotite and magnetite occur. Pyrite, chalcopyrite and occasional rare sphalerite occur as fine intergrowths with pyrrhotite. Pyrite also occurs as separate blebs, cubes, veinlets associated with quartz and calcite and as fine coatings on late fractures. Some pyrrhotite is also associated with fine quartz-calcite veinlets commonly 1-2 mm thick, but which may range up to 0.5 m thick.

Gold mineralization within the skarn/sulphide zone on surface is known only from the soil geochemical survey, which showed several high gold zones. Diamond drill testing of these soil anomalies returned significant gold intersections in six holes (4, 7, 8, 9, 11, 12) as summarized below."…

The gold association in deep intersections between arsenic and bismuth varies widely as seen in holes 4 and 11 (Figure 7). The intersection in hole 11 is at least 50 meters southeast of and below the intersection in hole 4. Hole 11's intersection reports a strong arsenic-gold, moderate bismuth-gold association and hole 4, a moderate bismuth gold association with negligible arsenic.

The following is excerpted from Miller, 1989 discussing the trenching results:

…"In general, sample results for gold were lower in bedrock samples than in soils except for sections of trenches 1, 3 and 5. The best results from these trenches are summarized as follows:

TRENCH NO.	*SAMPLE NO.*	*WIDTH (m)*	*GOLD g/t*
1	*24668*	*1.0*	*1.43*
3	*24617*	*1.0*	*1.27*
5	*23277*	*1.0*	*1.68*

Sample 24668, trench 1, was taken from a grey-green, siliceous, banded calc-silicate skarn containing about 2% pyrite and pyrrhotite and was similar to adjacent samples. It was associated with elevated values in silver, boron, iron, bismuth, cobalt, copper, manganese and antimony. Three adjacent 1 m samples ranged from 30 to 145 ppb gold. One of these carried elevated lead and zinc values.

Sample 24617, trench 3, occurs at the south end of a 16 m gold anomaly with other values, ranging up to 170 ppb gold. Associated high values include arsenic, bismuth and cobalt. The anomaly occurs in rocks similar to those near sample 24668.

Sample 23277, trench 5, and adjacent sample 23278 (115 ppb gold) are flanked by several lower values (5 or less than 5 ppb gold). They fall within a broad section of elevated arsenic and bismuth values. The anomaly occurs within rocks similar to those near sample 24668.

Other gold values greater than 50 ppb include sample 23231, trench 4, sample 79547, trench 10, sample 79720 and samples 79735-37, trench 11, and samples 23091 and 24675, trench 14.

Sample 23231, trench 4 is a single high 1 m sample contains 220 ppb gold. It is associated with higher arsenic and bismuth values. Sample 79547, trench 10, contains 80 ppb gold and is associated with high silver, arsenic, cadmium, lead and zinc (greater than 1% lead). Adjacent samples run 10 ppb gold. Sample 79720, trench 11, contains 90 ppb gold and adjacent samples run 5 to 15 ppb gold. It is associated with high copper and iron values. Samples 19735-37, trench 11, range from 70 to 180 ppb gold with no associated high values in other elements. Sample 19230, trench 14, contains 455 ppb gold. Adjacent samples run less than 5 and 10 ppb gold. This sample is located within a quartz porphyry dyke and has associated high silver and titanium. Sample 24675, of trench 14 is just north of the same dyke and runs 55 ppb gold with high associated silver, titanium and zinc. Also in this area sample 23099 contains high silver (4.6 ppm), copper, (694 ppm), titanium (.24 ppm) and zinc (400 ppm) and is located at the north edge of the same dyke. Another sample of interest in trench 14 is 23068 which lies in massive skarn just north of a second quartz porphyry dyke. It runs 256 ppm lead and 935 ppm zinc."…

Preliminary observations by Miller et al. (1988) and Miller (1989) are that the best gold mineralization occurs in zones of strong metasomatic alteration near rapid changes in lithology and/or skarn alteration fronts (Figure 9). The erratic location of high gold values within the skarn mass and the differing levels of bismuth and arsenic association remain to be explained. Whether these rapid changes are at least in part fault contacts is unknown.

2011 WORK PROGRAM

On June 15, 2011 the author-owner accompanied by geotechnician Adam Lyons and field assistant Francois Gerrardy. Completed a limited rock and soil sampling program in the central part of the grid.

SAMPLING METHOD AND APPROACH

Historic Sampling

The sampling methods used during the late 1980's exploration were in the opinion of the author, at or exceeding industry standards for the time.

The following is excerpted from Lindinger, 2006; regarding the sampling method and approach used by Lindinger for his limited core sampling in 2001 (Photos 11 and 12) and surface rock sampling in 2004:

…"These samples were taken to confirm the results of earlier sampling. The selected samples of core containing high amounts of pyrrhotite were removed from hole 87-07 were ¼ split and ¼ sent to ALS Chemex for gold and 34 element induced coupled plasma analysis.

The 2004 rock sampling was a continuous south to north chip with 4 samples over 14 meters across the structural fabric of the sulphidic sheared rock mass. The sampling was completed at least 50 meters north of where in 1999 Trench 13 was completed. Samples were separated into different rock types varying from hard pelitic to soft gougy shale. The samples were continuous chips with every effort made to be representative across the sample width. All rocks displayed varying intensities of hydrothermal clay alteration, carbonate with minor quartz stockwork and minor amounts <4% erratically disseminated sulphides. Due to surface weathering, the sulphide species could not be identified, however they were not magnetic. The samples were placed into individually labelled bags sealed with zap straps and delivered directly to Eco-tech Analytical Laboratories Ltd. for gold and 28 element ICP analyses. The sample label was attached to the beginning of the sample interval in the road cut."…

Also in 2006 K. P. E. Dunne, P.Geo. collected a total of 7 surface rock and drill core samples for limited check sampling.

Grab samples were collected from exposed veins or sulphidic layers. It should be noted that these were not channel samples and that no resource data can be implied from the grab sample data.

Chip samples at surface outcrops were taken as continuous chips of rock across 3m lengths of outcrop surface faces. Every effort was made to be representative across the sample widths.

Core sample pieces were ¼ split using a circular saw and one of the ¼ splits was sent for gold and ICP geochemical analysis. The remaining ¼ split is sealed in a plastic bag with pink candy strip ribbon.

2011 Soil and Rock Sampling Program

On June 15, 2011 the author accompanied by geotechnician Adam Lyons and field assistant Francois Gerrardy visited the property. The program was to confirm historic anomalous gold in soil results reported on grid lines 3W to 5W near the baseline. And to determine if the historic trenches could still be located and if possible 'improved' upon by sampling the intervening material missed in the 1990 work.

After locating the old historic grid the soil samples were located using a hip chain from known stations on the old grid. The portions of grids 3W, 4W and 5W that returned historically anomalous gold in soils were resampled at 10 metre spacing. A B or combination of B and C horizon soil samples were taken. Sufficient material was taken to fill the pre numbered kraft paper sample bag to weigh at least 350 grams. As much oversize material as practical was removed from the sample.

Rock samples of obviously sulphide bearing (with the exception of AW11-01 which was of altered intrusive rock were sampled. Most were from the west side of the central ridge between 2+50 W and 5+00 W.

In addition to the resampling of the historic soil lines and mineralized float a effort to relocate and re-examine the historic hand trenches was made.

2011 RESULTS

1989 grid

The 0.0 baseline was in fairly good shape in thicker vegetation and the picketed baseline stations and also grid line stations were readily relocated. The historic detailed trench maps assisted greatly in the relocation effort.

Hand Trenches

Most of the historic hand trenches on line 3W to 5 W were relocated including many or the actual sample numbers which were painted on the bedrock with orange loggers paint.

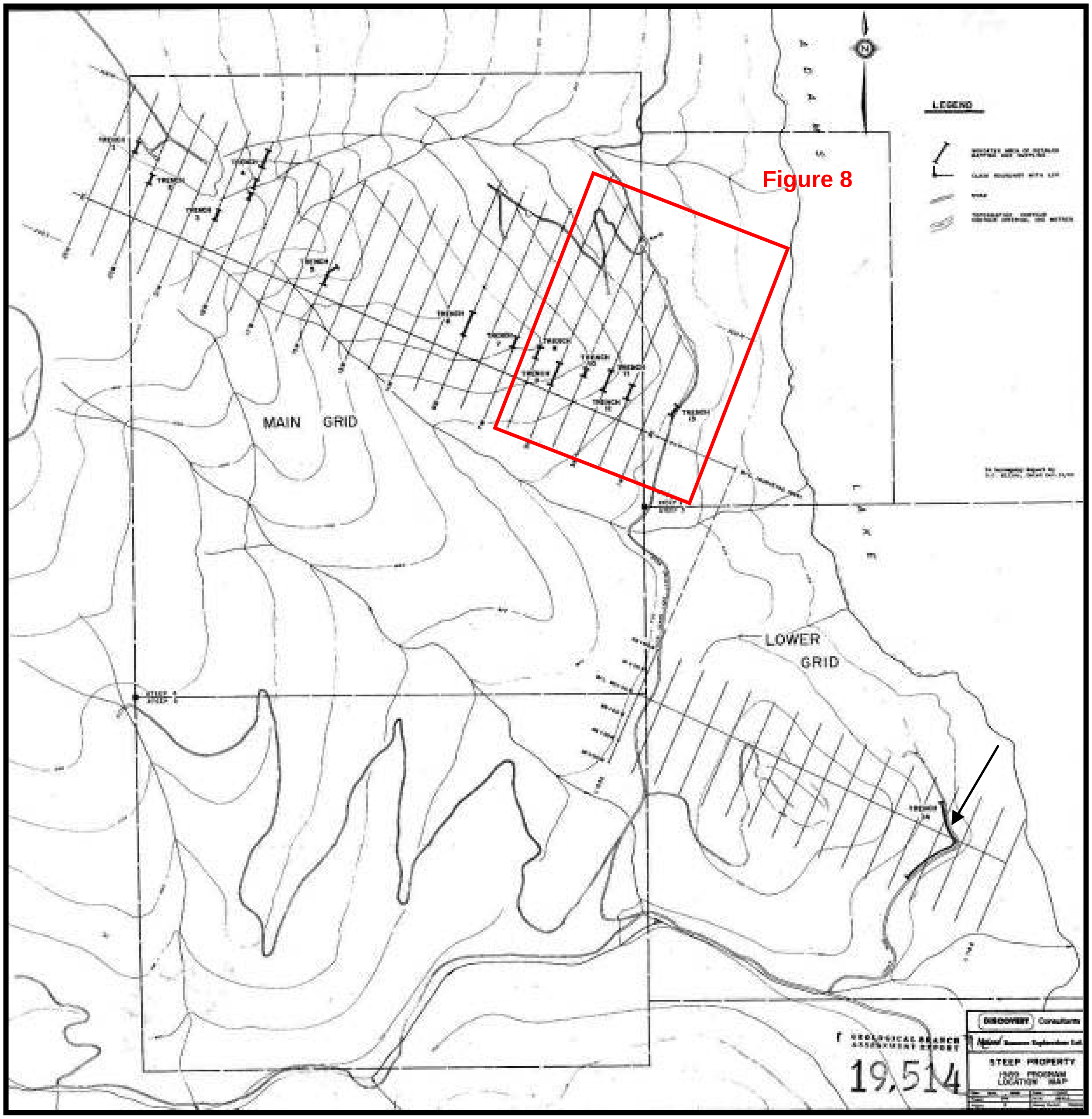
2011 Soil Sample Results (Appendix I)

The soil results produced some surprises. The samples on Line 3W produced very similar to greater anomalous results than the historic results (Figure 8). The results of line 4W were similar to slightly lower than expected. The results of line 5W were much lower than expected. The best soil results co-coincided with deep ochre soil associated with weathered sulphidic subcrop.

Rock Samples (Appendix I and II)

None of the rock samples with the exception of AW10-03 returned anomalous gold (25 ppb), silver (3.8 ppm) and lead (324 ppm) results however samples AW-02 and AW11-0404 returned anomalous copper, iron and sulphur. These three rocks also returned above trace bismuth. They were anomalously low in zinc, strontium and barium. Samples 2 and 4 were of retrograde chlorite sulphide after garnet? Skarn. The pyrrhotite-pyrite-chalcopyrite sulphides were usually within post skarn fractures and as earlier disseminations. Sample 2 was from a NE trending sheared zone with ‘obvious’ post shear brittle fracturing. The subparrallel lensoid and stockwork fractures were oxidized carbonate +/- sulphide material.

Figure 7 – Index Plan (Modified from Miller 1989)



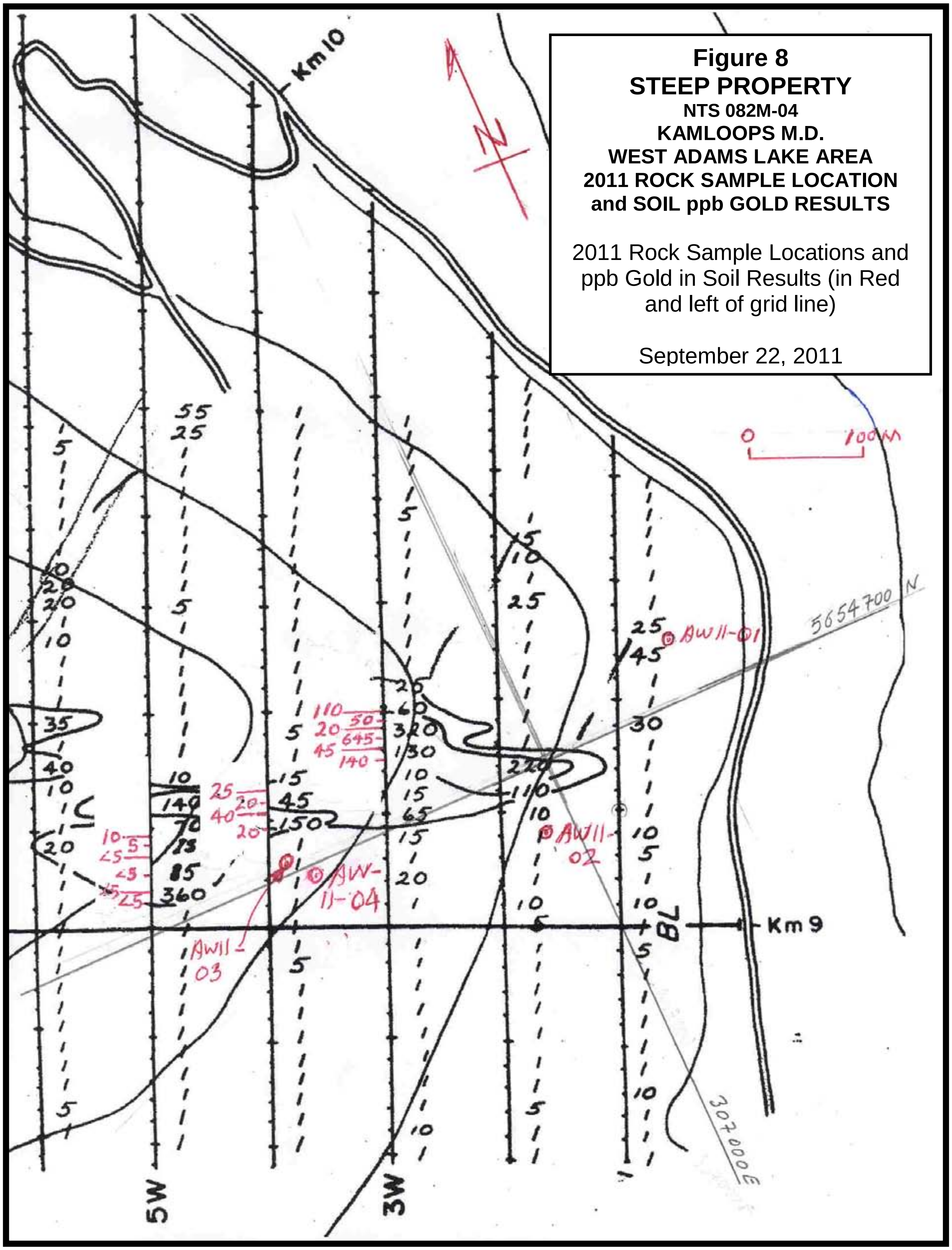


Figure 8
STEEP PROPERTY
NTS 082M-04
KAMLOOPS M.D.
WEST ADAMS LAKE AREA
2011 ROCK SAMPLE LOCATION and SOIL ppb GOLD RESULTS

2011 Rock Sample Locations and ppb Gold in Soil Results (in Red and left of grid line)

September 22, 2011

SAMPLE PREPARATION, ANALYSES AND SECURITY

The sample preparation methods and quality control measures for the 2011 samples collected by Lyons are described above. No aspect of the 2011 sample preparation was conducted by the owner.

The sample preparation, analyses and security for the 2011 samples were by a B.C. Certified Assayers facility Eco-Tech Laboratory Ltd. in Kamloops (now a part of ALS-Chemex group of laboratories) . Eco-Tech Laboratory Ltd. has ISO 9001 registration which is the industry quality standard and a gauge of quality control management.

The 2011 samples were collected by Adam Lyons and Francois Gerrardy, employees of Renaissance Geoscience Services Inc. a private company owned by the owner. The samples were delivered directly to Eco-Tech Laboratory Ltd. in Kamloops for gold fire assay for the soils and . Samples were prepared according the analytical methods below. Thirty grams of prepared sample was used for the gold fire assay and atomic absorption finish which has a 5 ppb Au detection limit. Also for the rock samples a 0.5 gram prepared sample was used for the ICP multi-element analyses. Details on assaying and analytical procedures used at Eco-Tech Laboratory Ltd. are below.

Assaying and Analytical Procedures used at Eco-Tech Laboratory Ltd.)

GOLD ASSAY ANALYTICAL METHOD

Samples are sorted and dried (if necessary). A sub sample is pulverized in a ring & puck pulverizer to 95% - 140 mesh. The sample is rolled to homogenize. Concentrates will be processed in our concentrate sample prep area.

A 10 to 30g sample run in triplicates are fire assayed using appropriate fluxes. Concentrate will be fused in a dedicated furnace to ensure no cross contamination. The resultant dore bead is parted and then digested with aqua regia and then analyzed on an AA instrument.

MULTI ELEMENT ICP ANALYSIS

A 0.5 gram sample is digested with 3ml of a 3:1:2 (HCl:HN03:H20) which contains beryllium which acts as an internal standard for 90 minutes in a water bath at 95°C. The sample is then diluted to 10ml with water. The sample is analyzed on a Jarrell Ash ICP unit.

Results are collated by computer and are printed along with accompanying quality control data (repeats and standards). Results are printed on a laser printer and are faxed and/or mailed to the client.

	Detection Limit			Detection Limit	
Low	Upper		Low	Upper	
Ag	0.2ppm	30.0ppm	Fe	0.01%	10.00%
Al	0.01%	10.0%	La	10ppm	10,000ppm
As	5ppm	10,000ppm	Mg	0.01%	10.00%
Ba	5ppm	10,000ppm	Mn	1ppm	10,000ppm
Bi	5ppm	10,000ppm	Mo	1ppm	10,000ppm
Ca	0.01%	10,00%	Na	0.01%	10.00%
Cd	1ppm	10,000ppm	Ni	1ppm	10,000ppm
Co	1ppm	10,000ppm	P	10ppm	10,000ppm
Cr	1ppm	10,000ppm	Pb	2ppm	10,000ppm
Cu	1ppm	10,000ppm	Sb	5ppm	10,000ppm
Sn	20ppm	10,000ppm	Sr	1ppm	10,000ppm
Ti	0.01%	10.00%	U	10ppm	10,000ppm
V	1ppm	10,000ppm	Y	1ppm	10,000ppm
Zn	1ppm	10,000ppm			

Appropriate standards (Quality Control Components) accompany the samples on the data sheet.

DATA VERIFICATION

Data verification was completed by Eco-Tech Laboratory Ltd. which took a resplit of the first rock sample with good correlation for all metals tested.

2011 Data Verification

The soil results on lines 4W and 5W were much lower than the historical results. The results on lines 3W were similar to higher than the historical results.

INTERPRETATION AND CONCLUSIONS

The Steep property consists of mineral titles that protect the STEEP gold skarn occurrence. boundary. The claims are interpreted to partially cover intrusive rocks (unit Dgn) inferred to be the source of heat and possibly the mineralizing fluids. The evidence to date indicates that the property is most prospective for pyrrhotite-hosted gold-(copper) and galena-sphalerite hosted lead-zinc-silver carbonate replacement (skarn) mineralization hosted within a northwest striking, moderately northeast dipping overturned sequence of skarned and calc-silicate altered metavolcanics and limey metasediments of the Paleozoic Eagle Bay Assemblage. The skarn is interpreted to have been formed by heat and hydrothermal fluids derived from a now deformed felsic intrusive sill complex (unit Dgn) that may now structurally overly the skarn. However the general stratigraphy is younging to the northeast.

The skarn displays, over 4 kilometres, one or more apparently subparrallel gold with copper anomalies. The anomalies are largely confined to the southeastern most (distal) side of the skarn zone. The gold is moderately to weakly coincident with bismuth, cobalt, silver and most other base metals especially cobalt, copper, iron and nickel. Gold coincident with arsenic appears more prevalent over bismuth to the east and possibly to the north. Several lead-zinc silver bearing calc-silicate replacement zones occur near the northeast intrusive contact. The zone has only been tested by 18 widely spaced drill holes. Semi massive pyrrhotite zones hosting highly anomalous to subeconomic gold concentrations have been intersected in 5 holes with multiple intersections common. To date good gold values cannot be traced between drill holes, although most holes are separated by over 150 meters. The holes had no down hole testing completed and due to most being over 300 meters long are suspected to have wandered significantly. This can be seen somewhat by the geology observed in the drill holes drilled at different angles. Gold at surface also occurs within sulphidic shears and quartz veins and stockworks. The best gold results in trenches and drilling tended to directly underlie the strongest gold in soil anomalies.

Other deposit types that have potential on the property are magnetite skarn, volcanogenic base metal massive sulphide deposits, and gold quartz-carbonate veins.

TABLE 3 – 2011 EXPENSES

EXPENSE ITEM	RATE AND QUANTITY	COST
Lindinger, P.Geo. - geologist	3/4 day @ $800 per day	$600.00
Adam Lyons - Geotech	3/4 day @ $350 per day	$262.50
Francois Gerrardy - field assistant	3/4 day at 200/day	$150.00
4x4 vehicle	320 km @ $1.00 per km	$320.00
analyses	as per receipt	$630.08
consumable supplies		$20.00
report		$1,000.00
TOTAL		$2,982.58

RECOMMENDATIONS

A $100,000 preliminary surface exploration program is proposed.

Miller, 1989 recommended

> …"A) UPPER GRID:
> Detailed soil sampling on a 12.5 by 25 m grid is recommended to cover the area of best gold values between trenches 1 and 3. If results are encouraging the best values should be trenched with a backhoe and sampled on a 1 m spacing.
>
> B) LOWER GRID
> Detailed soil sampling as preceding and hand trenching is recommended to locate the source of the high gold value at the baseline on line 119E.
>
> The other gold anomalies on the lower grid are generally weak and considering the results of the current program on the upper grid are not worth further work."…

First, access trails will need rehabilitation to access the upper part of the upper grid area of Miller, 1989. A 3-D digital database will need to be created for existing and new data.

In addition to the above, the following surface exploration program is proposed. The author recommends a new property wide grid with detailed multielement soil sampling over the core skarn area plus a wider spaced grid to the northeast over the intrusive contact area. Due to the steep terrain it is recommended that a more adaptive zone oriented hand trenching program be completed to attempt to sample the recessive mineralized zones. This grid would also serve as control for mapping, geophysical surveys, trenching and drilling.

Also recommended is a detailed geological mapping program to determine protolith, skarn characteristics, and very importantly structure and alteration zoning to attempt to vector mineralizing trends. Additional studies such as petrographic work and/or whole rock and other lithogeochemical studies are recommended to assist with interpretation of alteration zoning and characterization of mineralization.

Based on exploration success a $200,000 program of additional mapping soil and rock geochemistry, trenching and diamond drilling of developing target areas would be recommended.

TABLE 4 – PRELIMINARY BUDGET

	AWSUM BUDGET (PRELIMINARY)	$
DATABASE SET UP	CREATION OF A 3D DIGITAL DATABASE	3,500
ACCESS TRAIL REHABILITATION		1,500
REFERENCE GRID	15 KM BASELINE AND TIE LINE @$500 PER KM	7,500
GEOLOGICAL MAPPING	15 DAYS @750 PER DAY	11,250
SOIL GEOCHEMISTRY	BASAL TILL OR RESIDUAL SOIL SAMPLING 70 mandays @225 per manday	15,750
SOIL GEOCHEMISTRY	2000 SAMPLES @$20 PER SAMPLE	40,000
ROCK GEOCHEMISTRY	250 SAMPLES @$30 PER SAMPLE	7,500
ADDITIONAL STUDIES	PETROGRAPHIC AND/OR WHOLE ROCK/OTHER LITHOGEOCHEMICAL STUDIES	2,000
SUBTOTAL		89,000
REPORT		6,000
CONTINGENCY 5%		5,000
TOTAL STAGE 1 BUDGET		**100,000**

REFERENCES

Dunne, K.P.E., 2006: Technical Report On Geology, Mineralization And Exploration Activities At The Steep (Steep) Property, for Charlotte Resources Ltd. 50 pages plus attachments.

Lindinger J.E.L. 2006: Technical Report on Exploration Activities on the Awsum (Steep) Minfile # 082M/118 Gold Skarn Property, West Adams Lake Area, NTS 082L13E/082M04E, 119°46' West and 51°2' North, Kamloops Mining Division, Unpublished report for Charlotte Resources Ltd., June 1, 2006, 37 pages plus attachments.

LODE, 2006: Largest Ore Deposits in Europe, database supported by GEODE Initiative; website: http://www.gl.rhbnc.ac.uk/geode/dbase.html, LODE # FRA-00001; GEODE ID: Variscides 10.

Megaw P.K.M. 2001: Report on 2001 Drilling and Geological Study of the Lustdust Property, Omineca Mining Division. British Columbia, Canada. 50 pages plus attachments. Ministry of Energy, Mines and Petroleum Resources Assessment Report No. 26725.

Miller, D.C., Wynne, F.L. and Daughtry K.L. 1988: Report on Geology and Mineralogy of the Steep Gold-Skarn Property, Kamloops Mining Division, BC, Unpublished report for National Resource Explorations Ltd., May 10, 1988, 13 pages plus attachments.

Miller D.C. 1989: Geological and Geochemical Report, Steep 1, 3, 4 and 5 Claims, Kamloops Mining Division. Owner: National Resource Explorations Ltd. 14 pages plus attachments. Ministry of Energy, Mines and Petroleum Resources Assessment Report No. 19514.

Ray and Webster, 1997: Skarn in British Columbia. Ministry of Employment and Investment, Energy and Minerals Division. Bulletin 101. 132 pages plus attachments

Schiarizza P., and Preto, V.A. 1987: Geology of the Adams Plateau-Clearwater-Vavenby Area, 88 pages plus attachments. Ministry of Energy, Mines and Petroleum Resources Paper 1987-2.

Vollo, N.B. 1978: Geochemical Report, CI-1, CI-2, Kamloops Mining Division. Owner: Craigmont Mines Limited. 3 pages plus attachments. Ministry of Energy, Mines and Petroleum Resources Assessment Report No. 06890.

Wynne F. L. 1987: Diamond Drilling, Geochemical and Geophysical report on the Bruhn, Adam, Bush, Cicero, Shrub and Steep Properties Kamloops Mining Division. 26 pages plus attachments. Ministry of Energy Mines and Petroleum Resources Assessment report No. 16651.

CERTIFICATE

I, Leopold (Leo) Joseph Lindinger, P.Geo.
of 680 Dairy Road, Kamloops, B.C. V2B-8N5
Tel. 250-579-9680
Fax 250-570-9628
Email joslind@telus.net

HEREBY DO CERTIFY THAT:

1. I currently own the British Columbia Mineral Claims called the "Steep Property" which are now under option by Charlotte Resources Inc.

2. I graduated in 1980 from the University of Waterloo, Ontario with a Bachelor of Sciences (BSc) in Honours Earth Sciences.

3. I am a member in good standing as a Professional Geoscientist (#19155) with the Association of Professional Engineers and Geoscientists of the Province of British Columbia since 1992.

4. I have worked continuously as a geoscientist since graduating in 1980.

5. I am responsible for presenting the exploration results in the "**Geochemical Assessment Report Steep Property"** and dated 25 September, 2011

Dated this 25 September, 2011

'Leopold J. Lindinger'

____
Signature of Leo J.. Lindinger, P.Geo.

APPENDIX I 2011 ANALYTICAL RESULTS

Eco Tech Laboratory Ltd.
10041 Dallas Drive
Kamloops, BC
V2C 6T4 Canada
Tel + 250 573 5700
Fax + 250 573 4557
Toll Free + 1 877 573 5755
www.stewartgroupglobal.com

StewartGroup
Geochemical & Assay

CERTIFICATE OF ANALYSIS AK 2011-0793

5-Jul-11

Leo Lindinger
680 Dairy Road
Kamloops, B.C.
V2B 8N5

No. of samples received: 4
Sample Type: Rock
Project: AWSUM
Shipment #: 11-01
Submitted by: Tricia Sullivan

ET #.	Tag #	Au (ppb)
1	AW11-01	<5
2	AW11-02	<5
3	AW11-03	25
4	AW11-04	15

QC DATA:

Repeat:

1	AW11-01	<5

Resplit:

3	AW11-03	25

Standard:

OXE86	610

FA Geochem/AA Finish

ECO TECH LABORATORY LTD.
Norman Monteith
B.C. Certified Assayer

NM/cr/el
XLS/11

4-Jul-11

Stewart Group
ECO TECH LABORATORY LTD.
10041 Dallas Drive
KAMLOOPS, B.C.
V2C 6T4
www.stewartgroupglobal.com

Phone: 250-573-5700
Fax : 250-573-4557

ICP CERTIFICATE OF ANALYSIS AK 2011-0793

Leo Lindinger
680 Dairy Road
Kamloops, B.C.
V2B 8N5

No. of samples received: 4
Sample Type: Rock
Project: AWSUM
Shipment #: 11-01
Submitted by: Tricia Sullivan

Values in ppm unless otherwise reported

Et #.	Tag #	Ag	Al%	As	Ba	Be	Bi	Ca%	Cd	Co	Cr	Cu	Fe%	Hg	K%	La	Li	Mg%	Mn	Mo	Na%	Ni	P	Pb	S%	Sb	Sc	Se	Sn	Sr	Ti%	U	V	W	Y	Zn
1	AW11-01	<0.2	0.21	<5	28	<1	<5	2.41	<1	7	108	12	0.67	<5	0.05	6	<2	0.03	1050	1	0.17	23	350	12	<0.01	<5	<1	<10	<5	222	<0.01	<5	<2	<5	7	12
2	AW11-02	0.6	0.85	<5	<2	<1	10	2.94	<1	105	104	1272	9.67	<5	<0.01	24	<2	0.06	505	2	0.04	104	820	15	4.50	<5	1	<10	<5	76	0.15	<5	20	<5	5	18
3	AW11-03	3.8	0.62	<5	<2	<1	20	5.43	<1	23	48	634	8.80	<5	0.07	16	2	0.16	780	3	0.05	25	1140	324	4.30	<5	1	<10	<5	76	0.10	<5	20	<5	3	12
4	AW11-04	0.8	0.60	<5	2	<1	10	9.14	<1	67	40	2398	5.80	<5	<0.01	6	<2	0.07	1135	1	0.03	102	870	6	3.11	<5	1	<10	<5	34	0.08	<5	12	<5	3	72
QC DATA:																																				
Repeat:																																				
3	AW11-03	3.8	0.66	5	<2	<1	20	5.50	<1	24	46	640	8.69	<5	0.08	16	2	0.18	780	3	0.05	27	1150	327	4.28	<5	1	<10	<5	78	0.10	<5	20	<5	3	12
Resplit:																																				
3	AW11-03	4.2	0.66	5	<2	<1	20	5.30	<1	22	44	650	8.47	<5	0.06	16	2	0.17	820	2	0.05	25	1120	336	4.16	<5	1	<10	<5	78	0.10	<5	20	<5	3	10
Standard:																																				
Pb129a		11.6	0.83	<5	70	<1	<5	0.47	56	6	12	1424	1.54	<5	0.10	4	<2	0.67	345	2	0.04	6	410	6243	0.79	15	<1	<10	<5	32	0.05	<5	20	<5	2	9968

ICP: Aqua Regia Digest / ICP- AES Finish.

NM/cr/el
df/1_805S
XLS/11

ECO TECH LABORATORY LTD.
Norman Monteith
B.C. Certified Assayer

Eco Tech Laboratory Ltd.
10041 Dallas Drive
Kamloops, BC
V2C 6T4 Canada
Tel + 250 573 5700
Fax + 250 573 4557
Toll Free + 1 877 573 5755
www.stewartgroupglobal.com

StewartGroup
Geochemical & Assay

CERTIFICATE OF ANALYSIS AK 2011-0792

Leo Lindinger
680 Dairy Road
Kamloops, B.C.
V2B 8N5

7-Jul-11

No. of samples received: 19
Sample Type: Soil
Project: AWSUM
Submitted by: Tricia Sullivan

ET #.	Tag #	Au (ppb)
1	3W 1+50N	140
2	3W 1+60N	45
3	3W 1+70N	645
4	3W 1+80N	20
5	3W 1+90N	50
6	3W 2+00N	110
7	4W 80N	20
8	4W 90N	20
9	4W 1+00N	20
10	4W 1+10N	40
11	4W 1+20N	20
12	4W 1+30N	25
13	5W 20N	<5
14	5W 30N	<5
15	5W 40N	<5
16	5W 50N	<5
17	5W 60N	5
18	5W 70N	10
19	AW11-04S	10

QC DATA:
Standard:

OXG84	930

FA Geochem/AA Finish

ECO TECH LABORATORY LTD.
Norman Monteith
B.C. Certified Assayer

NM/cr/el
XLS/11

V

29-Jun-11

Stewart Group
ECO TECH LABORATORY LTD.
10041 Dallas Drive
KAMLOOPS, B.C.
V2C 6T4
www.stewartgroupglobal.com

Phone: 250-573-5700
Fax : 250-573-4557

ICP CERTIFICATE OF ANALYSIS AK 2011-0792

Leo Lindinger
680 Dairy Road
Kamloops, B.C.
V2B 8N5

No. of samples received: 19
Sample Type: Soil
Project: AWSUM
Submitted by: Tricia Sullivan

Values in ppm unless otherwise reported

Et #.	Tag #	Ag	Al%	As	Ba	Be	Bi	Ca%	Cd	Co	Cr	Cu	Fe%	Hg	K%	La	Li	Mg%	Mn	Mo	Na%	Ni	P	Pb	S%	Sb	Sc	Se	Sn	Sr	Ti%	U	V	W	Y	Zn
1	3W 1+50N	<0.2	1.57	65	72	<1	15	1.49	<1	108	26	644	>10	<5	0.49	22	14	1.02	2040	3	0.05	163	1820	30	0.39	5	5	<10	<5	62	0.09	<5	44	<5	7	66
2	3W 1+60N	<0.2	2.23	35	28	<1	10	4.27	<1	81	32	460	>10	<5	0.18	22	20	1.34	2105	2	0.04	112	1470	27	0.16	<5	6	<10	<5	52	0.05	<5	52	<5	10	66
3	3W 1+70N	<0.2	1.91	85	24	<1	25	1.98	<1	135	24	864	>10	<5	0.14	20	22	0.98	2225	2	0.06	267	1820	24	0.35	5	5	<10	<5	64	0.06	<5	46	<5	10	50
4	3W 1+80N	<0.2	1.68	30	34	<1	15	1.18	<1	97	22	746	>10	<5	0.14	18	16	0.73	2110	1	0.05	244	1800	24	0.09	5	5	<10	<5	46	0.09	<5	46	<5	10	48
5	3W 1+90N	<0.2	1.66	30	36	<1	15	0.81	<1	78	20	686	>10	<5	0.13	14	16	0.53	1395	2	0.06	225	1190	27	0.05	5	4	<10	<5	32	0.10	<5	44	<5	8	44
6	3W 2+00N	<0.2	1.53	25	56	<1	15	0.78	<1	72	20	470	>10	<5	0.17	14	14	0.45	1360	1	0.05	208	1640	24	0.03	5	3	<10	<5	30	0.11	<5	42	<5	6	62
7	4W 80N	<0.2	2.03	50	38	<1	10	1.12	<1	93	28	684	>10	<5	0.16	20	22	0.90	2840	2	0.05	151	1160	45	0.06	5	6	<10	<5	40	0.07	<5	48	<5	14	136
8	4W 90N	<0.2	2.10	80	42	<1	10	0.98	<1	100	28	652	>10	<5	0.11	26	24	0.87	2085	4	0.05	150	840	30	0.04	5	5	<10	<5	42	0.09	<5	46	<5	12	132
9	4W 1+00N	<0.2	1.39	65	36	<1	15	1.13	<1	108	16	810	>10	<5	0.11	20	10	0.38	2030	3	0.06	118	1210	21	0.08	5	4	<10	<5	56	0.09	<5	34	<5	8	68
10	4W 1+10N	<0.2	2.13	130	34	<1	10	1.20	<1	86	26	592	>10	<5	0.09	24	26	0.95	1675	3	0.05	130	950	27	0.07	5	6	<10	<5	56	0.07	<5	46	<5	15	76
11	4W 1+20N	<0.2	2.23	105	40	<1	10	0.79	<1	91	34	512	>10	<5	0.24	20	30	1.30	1875	4	0.05	125	860	24	0.05	5	6	<10	<5	48	0.09	<5	52	<5	11	70
12	4W 1+30N	<0.2	2.41	105	48	1	15	0.88	<1	95	74	524	>10	<5	0.26	20	34	1.58	1885	3	0.05	125	1040	30	0.13	5	10	<10	<5	36	0.07	<5	62	<5	12	74
13	5W 20N	<0.2	1.79	45	70	<1	<5	0.58	<1	44	20	168	7.85	<5	0.14	30	14	0.92	1040	3	0.03	80	520	30	0.03	<5	4	<10	<5	68	0.10	<5	30	<5	12	50
14	5W 30N	<0.2	1.70	55	74	<1	5	0.66	<1	46	18	188	8.40	<5	0.21	32	16	0.83	1820	3	0.04	88	660	42	0.06	<5	4	<10	<5	76	0.08	<5	30	<5	14	62
15	5W 40N	<0.2	1.73	100	48	<1	5	0.71	<1	45	22	186	7.83	<5	0.16	64	26	1.06	1415	3	0.03	101	840	33	0.03	<5	5	<10	<5	72	0.04	<5	28	<5	20	56
16	5W 50N	<0.2	0.99	40	20	<1	<5	2.82	<1	33	14	142	5.30	<5	0.06	40	16	0.78	1355	3	0.02	50	910	21	0.13	<5	3	<10	<5	110	0.01	<5	14	<5	9	42
17	5W 60N	<0.2	1.88	110	64	<1	5	0.64	<1	93	26	566	>10	<5	0.22	44	20	0.95	2455	5	0.05	152	1200	45	0.17	5	5	<10	<5	76	0.15	<5	38	<5	16	104
18	5W 70N	<0.2	1.90	170	62	<1	10	1.46	<1	141	26	832	>10	<5	0.39	52	14	0.88	2450	3	0.05	199	1280	36	0.42	5	4	<10	<5	86	0.15	<5	30	<5	9	78
19	AW11-04S	<0.2	1.97	30	38	<1	5	0.78	<1	82	22	456	>10	<5	0.12	14	14	0.60	1525	2	0.06	167	980	21	0.04	<5	4	<10	<5	26	0.09	<5	50	<5	9	146
QC DATA:																																				
Repeat:																																				
1	3W 1+50N	<0.2	1.57	70	70	<1	15	1.46	<1	110	26	626	>10	<5	0.48	22	14	1.01	2055	3	0.05	166	1790	30	0.37	5	5	<10	<5	62	0.09	<5	44	<5	7	66
10	4W 1+10N	<0.2	2.07	125	34	<1	10	1.10	<1	84	24	582	>10	<5	0.09	24	26	0.91	1655	3	0.05	128	940	24	0.06	5	6	<10	<5	54	0.07	<5	44	<5	14	76
Standard:																																				
TILL3		1.4	1.00	80	38	<1	<5	0.65	<1	13	68	24	2.06	<5	0.10	16	18	0.62	315	1	0.04	33	450	18	0.02	<5	4	<10	<5	20	0.10	<5	38	<5	7	38

ICP: Aqua Regia Digest / ICP- AES Finish.
NM/cr/el
dl/2_792S
XLS/11

ECO TECH LABORATORY LTD.
Norman Monteith
B.C. Certified Assayer

Page 1 of 1

APPENDIX II - Rock Sample IMAGES, UTM locations and Sample Descriptions of 2011 Samples Submitted for Gold and multielement ICP Geochemical Analyses

ROCK AW11-01 – 307165 E 5654632 N Float Feldspathic endoskarn. 75% feldspar, 10% quartz remainder green chloritized mafic. Located northeast of 1W 0N old steep grid. 10M ON SCALE =1 CM

AW11-02 UTM 306972E 5654
654N Float 75 m SE of soil anomaly on grid line 2W
Possible garnet skarn with retrograde stockwork chlorite. Chlorite hosts 5% pyrite with strong trace chalcopyrite. 10M ON SCALE =1 CM

AW11-03 306740 E 5654800N 30 cm chip of highly altered gougy sheared rock on line 4w. shear striking NE and steeply dipping. Shear crosscut by brittle pale quartz-carbonate veining that hosts highly oxidized sulphides. 10m on scale =1 cm

AW11-04 306785 E 5654689 N FLOAT SCREE BELOW CLIFS NEAR 2W MASSIVE MICROCRYSTALLINE GARNET SKEAR WITH RETROGRADE CHLORTE ZONE. CROSS CUT BY LATE PALE FELDSPATHIC VEINS AND EVEN LATER BRITTLE PYRRHOTITE-PYRITE CHALOCPYRITE STOCKWORK. ~7% SULPHIDES IN TOTAL. 10M ON SCALE =1 CM