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)]: GEOPHYSICAL ASSESSMENT (GRAVITY SURVEY) **TOTAL COST:** $9,902.50

AUTHOR(S): Edward (Ted) Sanders **SIGNATURE(S):** Edward Sanders

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): SOW (5155836) / December 19, 2011 **YEAR OF WORK:** 2011

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

PROPERTY NAME: BOOTLEG MOUNTAIN

CLAIM NAME(S) (on which the work was done): Toady, Toady-2, Toady-3

COMMODITIES SOUGHT: Base and Precious Metals

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN:

MINING DIVISION: Ft. Steele **NTS/BCGS:** 082F09

LATITUDE: 49 ° 39 ' 23 " **LONGITUDE:** 116 ° 10 ' 19 " **(at centre of work)**

OWNER(S):
1) Edward Sanders 2)

MAILING ADDRESS:
P.O. Box 154, Fernie, BC V0B 1M0

OPERATOR(S) [who paid for the work]:
1) Edward Sanders 2)

MAILING ADDRESS:
P.O. Box 154, Fernie, BC V0B 1M0

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):
Lower Aldridge, Middle Aldridge, rusty weathering, quartz wacke, quartzitic wacke, siltstone, quartzite, upper siltites
Lower Middle Contact, LMC, Footwall Quartzite, gabbro

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS:

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 Gravity Survey (40 stations)		Toady, Toady-2, Toady-3	$6,902.50
Airborne			
GEOCHEMICAL (number of samples analysed for...)			
Soil			
Silt			
Rock			
Other			
DRILLING (total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying			
Petrographic			
Mineralographic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY / PHYSICAL			
Line/grid (kilometres)			
Topographic/Photogrammetric (scale, area)			
Legal surveys (scale, area)			
Road, local access (kilometres)/trail			
Trench (metres)			
Underground dev. (metres)			
Other Assessment Report Preparation			$3,000.00
		TOTAL COST:	$9,902.50

BOOTLEG MOUNTAIN GEOPHYSICAL ASSESSMENT AND GRAVITY SURVEY

TABLE OF CONTENTS **Page**

BOOTLEG MOUNTAIN GEOPHYSICAL ASSESSMENT AND GRAVITY SURVEY

LIST OF ILLUSTRATIONS Page

1.0 INTRODUCTION

In 1997, a regional ground gravity survey by Abitibi Mining Corp. identified an anomalous gravity high at Bootleg Mountain in the Purcell Range of the East Kootenays. Isolated magnetic anomalies are also present in the same area, as identified on the 1995 East Kootenay High Resolution Aeromagnetic Survey. Based on the available geophysical information, three claim blocks (the Toady claims) were staked in December, 2010.

The Toady claims are located on extremely rugged topography at Bootleg Mountain and are only accessible on foot or by helicopter. A short (36 minute) helicopter scouting mission on September 26 (by the claim holder) helped to define areas where a two-man crew could be safely dropped off and picked up to conduct gravity survey traverses on foot.

On October 26 and 27th, 2011, a ground station gravity survey was conducted on Bootleg Mountain and neighbouring roads and trails. The objective of the survey was to acquire new gravity data to test for a possible correlation between the gravity anomaly indicated by the 1997 survey, and the magnetic anomalies identified in the 1995 East Kootenay Aeromag survey.

The first day of the gravity survey consisted of acquiring gravity data on nearby roads and trails. The second day's work utilized helicopter assisted transport on and adjacent to the claims. Each of the 40 new gravity stations consisted of a gravimeter reading (drift-corrected and tied to the National Gravity Network during post-processing), an accurate GPS station location coordinate, and a 50 metre Inner Terrain Correction calculation.

2.0 LOCATION AND ACCESS

The Toady claims are located approximately 15 kilometres southwest of Kimberley, BC. The claims (see **Figure 1**) are located five kilometres north of St. Mary Lake in the Ft. Steele Mining District, centered near Latitude 49^{O} 39' 23"N, Longitude 116^{O} 10' 19" W.

Local access is achieved by travelling 20 kilometres west along the partially paved St. Mary Lake Road which intersects Hwy. 95A, north of Marysville. Less than one kilometre west of St. Mary Lake, the Alki Creek Logging Road intersects the St. Mary Lake Road. The logging road winds north and uphill along the west flank of Bootleg Mountain, climbing over 700 metres in elevation over its 6 kilometre length. The logging road terminates in steep, rocky and forested terrain, 500 metres west and 200 metres lower in elevation than the southwest corner of the Toady claims.

Access to the northern limits of the claims can be accessed via the Matthew Creek Forestry Service Road which intersects the St. Mary Lake Road east of Bootleg Mountain and extends 10 kilometres northwest around the northeast flank of Bootleg Mountain. Here, the Bridge Creek/Bootleg trail intersects the Matthew Creek FSR and extends 4 kilometres south into the cirque north of Bootleg Peak to within 500 metres of the northeast corner of the Toady-3 claim. This trail was not accessed during the 2011 gravity survey and its present condition is unknown.

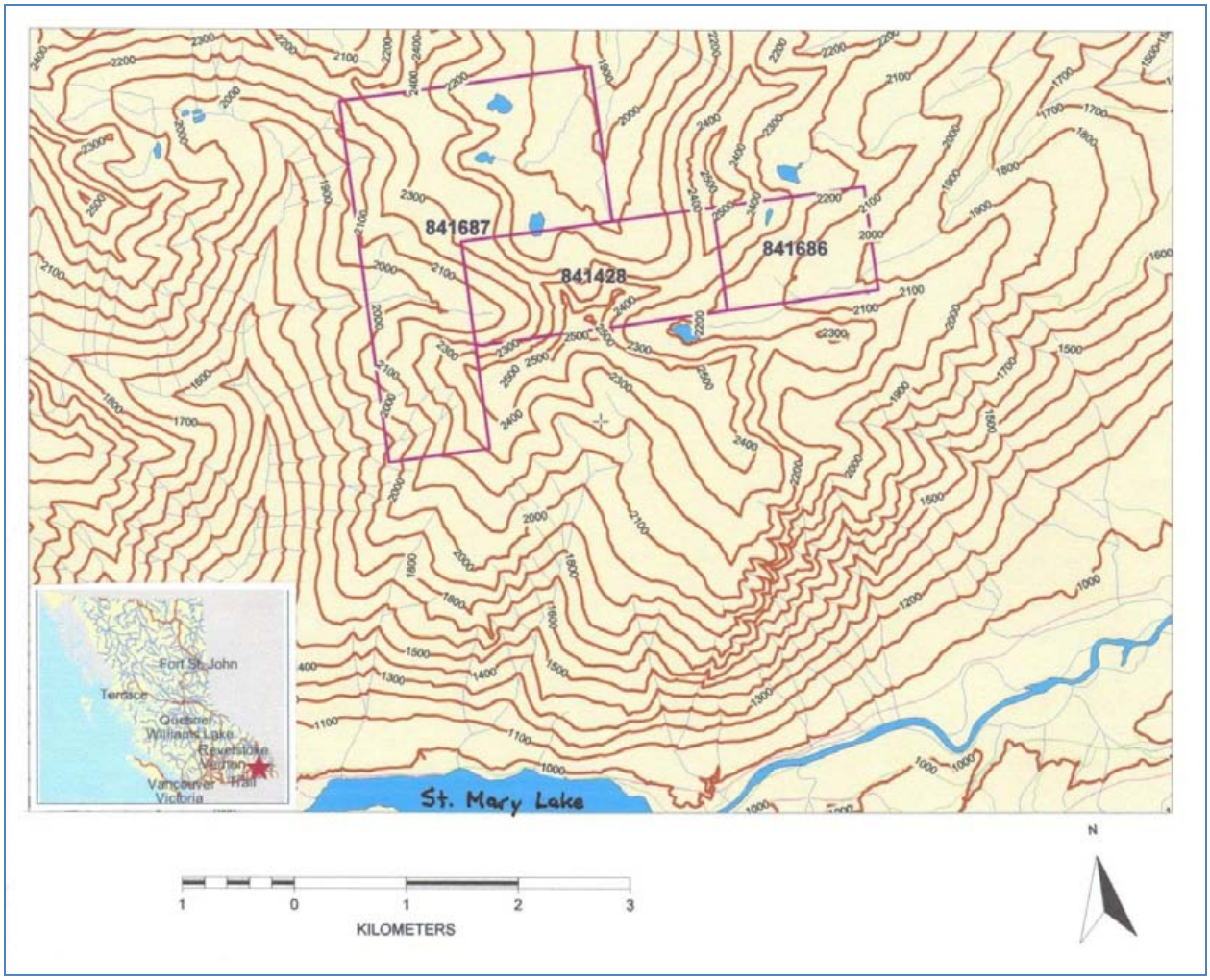


Figure 1 – Toady Mineral Claims (and St. Mary Lake)

3.0 PROPERTY

The Toady mineral claims are within NTS map sheet 082F09 and are a block of three contiguous claims having total area 815.64 hectares and owned by Edward (Ted) Sanders of Fernie, B.C. A listing of the individual claims, tenure numbers, size and registration dates, is given below:

CLAIM NAME	TENURE NUMBER	AREA (Hectares)	DATE of REGISTRY
Toady	841428	209.1392	December 21, 2010
Toady-2	841686	125.4319	December 23, 2010
Toady-3	841687	481.0713	December 23, 2010

4.0 HISTORY

The area is within 15 kilometres of the world class Sullivan mine (closed in 2001) at Kimberley, BC. The Bootleg Mountain area has been prospected and examined by numerous individuals and companies for over 120 years. To date, the Sullivan and the (much smaller) Kootenay King ore bodies are the only sedimentary exhalative (SEDEX) deposits that have been discovered in the region. There are some mineral occurrences nearby (discovered decades ago) but no mines or known prospects are in the area at present.

5.0 PHYSICAL GEOGRAPHY

The property is situated within the Purcell Mountains west of the Rocky Mountain Trench and north of the St. Mary River valley. The terrain includes rocky cirques with talus slopes flanking the higher ridges. Elevations range from 2000 metres in the lower elevations of the north cirque to 2609 metres at Bootleg Peak. There are two high but relatively flat ridges extending three kilometres northeast and northwest from Bootleg Peak, approximately 100-200 metres below the elevation of the peak. Two more ridges extend more than one kilometre southwest and southeast before sloping steeply down towards St. Mary Lake and the river valley. All four ridges contain sections of rugged, narrow and steep razorbacks within one kilometre of Bootleg Peak.

Vegetation consists mainly of a thick cover of mature coniferous trees and undergrowth in the lower bowls (elevation 2000-2200 metres) which rapidly thin out on the talus slopes up to the higher ridges. The higher ridges (elevation 2400-2500 metres) are limited to hearty, smaller evergreens and undergrowth while Bootleg Peak (2609 metres) is above the alpine tree-line. There was approximately 30cm of snow at the higher (helicopter accessed) elevations at the time of the gravity survey. All roads and trails were free of snow cover during the survey.

6.0 REGIONAL GEOLOGY

The Bootleg Mountain region is located within the Purcell Anticlinorium, a broad, gently north-plunging structure with dominantly east-verging faulting and folding. The Purcell Anticlinorium is cored by the Proterozoic Purcell Supergroup, a siliciclastic (and lesser) carbonate sequence over 12 kilometres thick deposited in an intracratonic rift basin. This basin straddles the 49th parallel and is known as the Belt Basin to the south and Purcell Basin to the north, and collectively as the Belt-Purcell Basin. It is over 750km long and 550km wide, extending from southeastern British Columbia southwards into eastern Washington, Idaho and western Montana in the U.S.A.

The Aldridge Formation (Pa) is the lowermost division of the Purcell Supergroup. The Aldridge is divided into Lower (Pa1), Middle (Pa2) and Upper (Pa3) units. The Lower Aldridge is typically thin bedded, rusty weathering, fine-grained quartzitic wackes, siltstones and argillite. The top of the Lower Aldridge is characterized by a package of laminated siltstones and mudstones, known as the “Sullivan Horizon”. The

massive sulphide ore body of the Sullivan deposit is hosted in this package. Various geological sources refer to the contact between the Lower and Middle Aldridge as the “LMC”. The Middle Aldridge (Pa2) is typically thin, medium to thick bedded grey weathering quartz wackes, quartzitic wackes, wackes and siltstone interbedded with argillite and silty argillite. The Middle Aldridge contains about 15 marker units between 0.1 to 10 metres thick that have distinctive thin, alternating patterns of light and dark siltstone laminae. Each marker unit has unique thickness and can be correlated over several hundred kilometres.

Both the Lower and Middle divisions of the Aldridge Formation are intruded by Middle Proterozoic (dioritic to gabbroic) sills called the Moyie sills. These sills (and rarely, dikes) can vary in thickness from a few to several hundred metres, and their cumulative thickness constitutes up to 30% of the Lower and up to 15% of the Middle Aldridge successions. Contact relationships between sills and Aldridge rocks indicate that some were extruded at very shallow depths into unconsolidated, water-saturated sediments. Others, with fine-grained chilled margins, have contact metamorphosed the country rocks.

The Upper Aldridge Formation (Pa3) consists of rusty weathering and dark grey, very thin-bedded to laminated siltstone and argillite. The contact with the overlying Creston Formation is relatively abrupt, and is placed where green tinged siltite layers first appear. The Creston Formation is composed of grey, green and maroon quartz wacke and siltstone with minor white quartz arenite. Above the Creston Formation is the Kitchener Formation, largely consisting of dolomitic siltstone and dolomitic quartzite.

Rocks of the Purcell Supergroup have undergone several separate phases of deformation dating from Middle Proterozoic through to Paleocene. Purcell sedimentation may have ended with the onset of the East Kootenay Orogeny (1300-1350 Ma), a metamorphic and extensional event. This event was associated with folding, local development of cleavage, and granitic intrusions.

The extensional Goat River Orogeny (800-900 Ma) resulted in rifting, large-scale block faulting, and erosion of up to 4 kilometres of Purcell strata. It is interpreted to have occurred during initiation of the Cordilleran miogeocline.

By early Paleozoic time, continental separation had occurred as platformal and miogeoclinal sediments were deposited on a western continental margin. The Columbia Orogeny (150-160 Ma) during Middle Jurassic was characterized by the pasting of island arc terranes onto western North America with deformation, metamorphism and plutonism. The Laramide Orogeny (70-100 Ma) resulted in the horizontal, northeast directed compression of Proterozoic strata and the overlying Paleozoic miogeoclinal prism onto the western margin of North America. Easterly verging thrust faults and folds developed with normal faults and westerly verging back thrusts and normal faults, resulting in a complex structural pattern.

Major changes in facies of the Aldridge Formation appear to be related to E-W and to N-S structural trends that were probably growth faults during sedimentation. Two major east trending transverse faults, the Moyie and St. Mary Faults, have had a significant role in the structural history of the area, controlling facies and thickness changes in Proterozoic and Paleozoic strata. In addition, a major change in facies during deposition of the Aldridge Formation is recognized along a north trending zone along the

western side of the Rocky Mountains now marked by the Rocky Mountain Trench Fault. Most recent movement on that fault was west side down normal faulting during late Tertiary. At depth the Rocky Mountain Trench fault flattens, that is it is a listric normal fault, and has a dip-slip separation of between 5 and 10 kilometres. West-side-down normal faults are common over several tens of kilometers west of the Rocky Mountain Trench Fault. Strike-slip separation of the Rocky Mountain Trench fault is interpreted to be minimal, based on stratigraphic correlations across the trench.

7.0 LOCAL GEOLOGY (includes input from Paul Ransom, P. Geo.)

The Toady claims and the Sullivan ore body both are about 10 kilometres north of the St. Mary fault. The claims are near the crest of the Purcell Anticlinorium whereas the Sullivan ore body is on the eastern limb of this structure. To the west of the claims is the west-dipping Alki Thrust Fault (see **Figure 2**). Three other north trending faults located close to the Alki Thrust appear to have minor normal offsets. The north-dipping Bootleg Fault along the northern claim boundary is a normal fault that places Middle Aldridge strata against Lower Aldridge to the south. The Bootleg Fault trace does not extend east to the Matthew Creek Thrust, but swings into the north trending fault, northeast of the claims, as shown by the Bootleg Fault label on Figure 2.

In the Bootleg Mountain area, the Lower Aldridge rocks are subdivided into a lower (Pa1l) and upper unit (Pa1u). They consist of thin bedded, rusty weathering, fine-grained quartzitic wackes, lower siltites and argillite that flank the Footwall Quartzites (Pa1q), a white to grey weathering, medium to thick bedded wacke, quartz wacke and quartz arenite marker unit approximately 150 to 350 metres below the stratigraphic top of the Lower Aldridge. Siltites, argillite and minor quartzites of Pa1u dominate the central and western portions of the mineral claims. Thick Moyie sills intrude both Pa1 and Pa2 metasediments in the Bootleg Mountain area.

The upper 20 metres of Lower Aldridge is a package of laminated siltstones and mudstones, known as the “Sullivan Horizon”, directly below the Lower Middle Contact (LMC). A geology map by Rio Algom (ARIS 26362) shows rock outcrops interpreted as “LMC” and overlying Middle Aldridge (Pa2) on the upper elevations of the ridge in the northwest corner of the Toady claims. This small region (approximately 1 square kilometre) differs from Hoy’s St. Mary Geology Map which shows it as Pa1u. Middle Aldridge (Pa2) metasediments include grey weathering, thick, medium to thin-bedded quartz wackes, quartzitic wackes, wackes interbedded with silty argillite.

Magnetic susceptibility of local rock units is associated with the amount of disseminated pyrrhotite they contain. In general, during deposition, each bed received roughly an equal small amount of iron, generally near its base. Therefore thin bedded intervals tend to have higher amounts of pyrrhotite (hence a higher magnetic susceptibility) than medium to thick bedded intervals. As a result, in general, the rusty weathering Lower and Upper Aldridge tend to have higher magnetic susceptibilities than the Footwall Quartzites and parts of the Middle Aldridge where medium to thick beds dominate the stratigraphy.

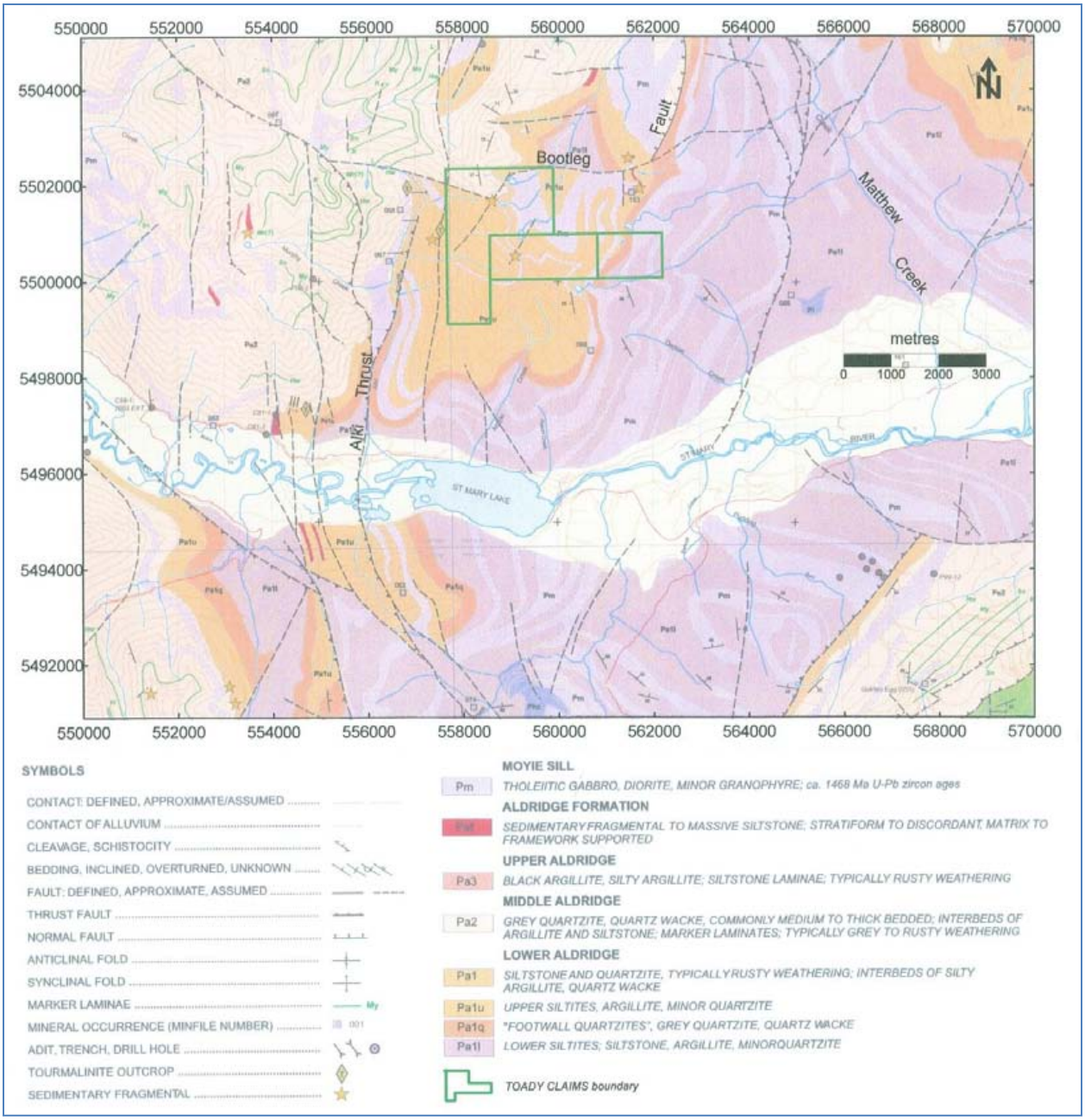


Figure 2 – Hoy's Surface Geology of St. Mary Lake Region

8.0 AVAILABLE GEOPHYSICAL DATA

8.1 AEROMAG DATA

In 1995 a consortium of the BC Ministry of Employment and Investment (Energy and Minerals Division), the BC Geological Survey Branch, and the GSC funded a High-Resolution Aeromag Survey in the East Kootenays. The Aeromag Survey identified many positive magnetic anomalies in the area, including

three anomalies within the Toady claims. **Figure 3** shows a part of Hoy's St. Mary Geology map with higher amplitude positive anomalies from the East Kootenay (Reduced-to-Pole) Aeromag map overlaid.

The Aeromag survey was flown over the rugged terrain at mean elevation 60 metres above topography. Flight line altimetry data revealed that the helicopter had to ascend and descend several hundred metres over short distances in this area, and experienced large deviations from the mean height over topography. It is therefore difficult to determine the full significance of the Mag anomalies. Although the Mag anomaly on the east side of the claims had the greatest amplitude, the anomaly on the west side appeared smoother, possibly from a deeper source. In addition, the west anomaly is fault bounded and located where Rio Algom noted the "LMC" and Middle Aldridge at surface.

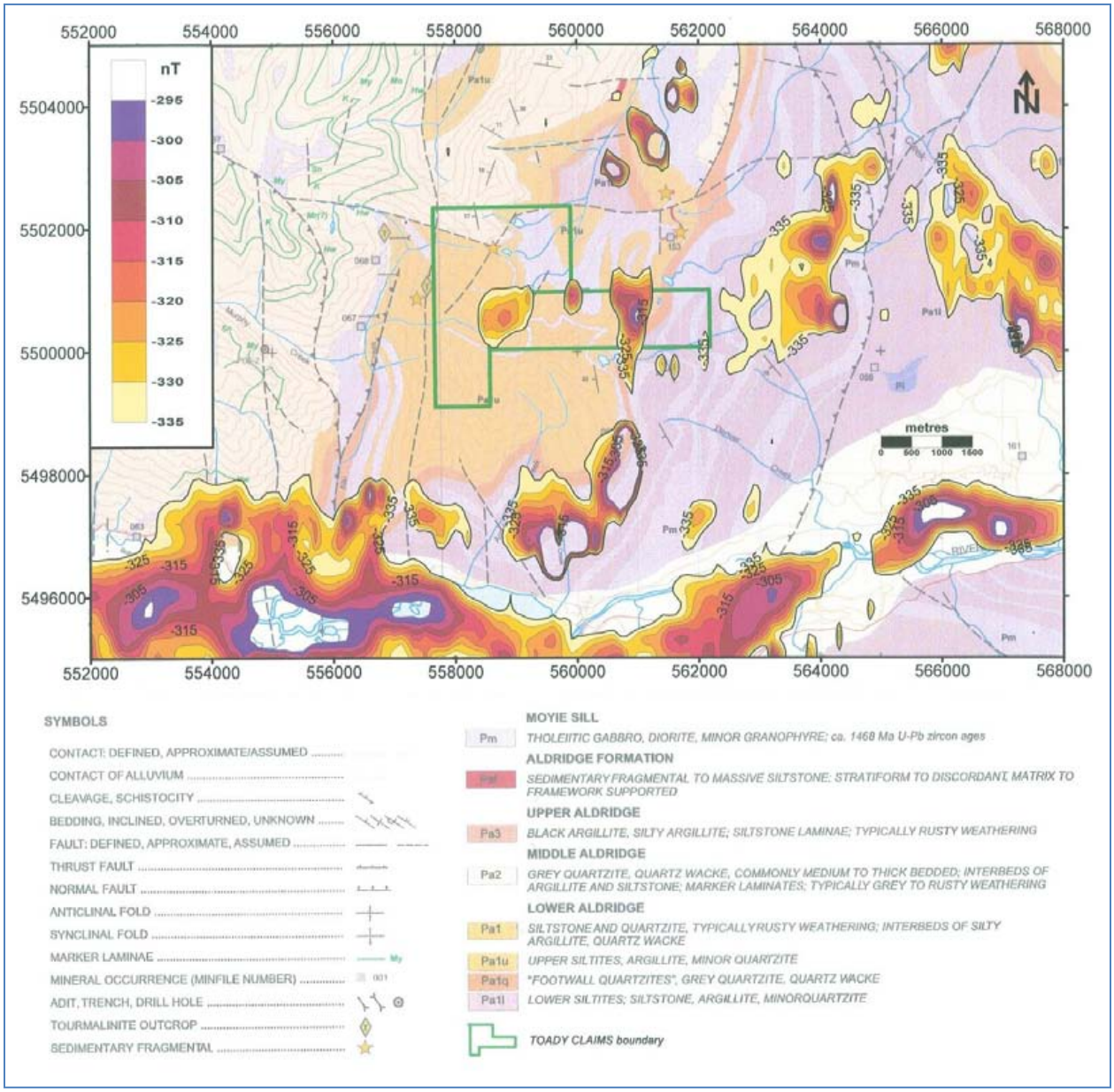


Figure 3 – Hoy's St. Mary Geology with Positive Aeromag Anomalies

8.2 GRAVITY DATA

In 1997, Abitibi Mining Corp. and Sedex Mining Corp. conducted gravity surveys in the Bootleg Mountain/Matthew Creek area (reported in ARIS 25217; 25326; 25590). The raw gravity data from the ARIS listings were converted to digital format, reprocessed and assessed. Outer Terrain Corrections (required for interpretation of gravity data in mountainous terrain) were calculated to radius 30 kilometres for each gravity station. Data from the three gravity surveys were merged with GSC regional gravity data, and reprocessed at density 2.75 gm/cc. A constant of 200 mGals was added to all processed Bouguer Anomaly values to make all values positive and the Bouguer Anomaly data was gridded and contoured.

Figure 4 is a Bouguer Anomaly contour map overlaid on the GSC St. Mary Geology Map (6308). This Geology map clearly shows outcropping Moyie sills which have a higher specific gravity than the clastics of the Aldridge and overlying Creston and Kitchener formations. The legend of the Geology map has been simplified to show different lithologies and a range of rock densities for each. There are some significant observations to be made of the Bouguer Anomaly map.

Figure 4 shows a significant gravity high at Bootleg Mountain, centered at the Toady claims. This is in the same general area as three Mag anomalies seen on the Aeromag map (Figure 3). In ARIS #25326, the anomalous gravity high was attributed to the presence of thick gabbro sills in the subsurface below Bootleg Mountain. This is a valid argument since the cumulative thickness of the outcropping and west-dipping gabbro exceeds 600 metres on the southeastern flanks of Bootleg Mountain. However, this single observation should not rule out the potential for mineralization in the area. The Sullivan ore body is also underlain and flanked by thick gabbro sills.

In the Matthew Creek drainage (east of Bootleg Mountain) there is a gravity low which extends well north of the St. Mary River channel and encompasses the Matthew Creek Stock and Metamorphic Zone (outlined by the blue dashed line on Figure 4). Low density alluvial sediments and glacial till in the St. Mary River channel contribute to the Matthew Creek gravity low but cannot account for the gravity low north of the river valley. Two possible explanations for this anomalous low have been theorized and modeled however, this region lies beyond the scope and exploration interests of the Toady claims and this report.

In the 1997 Abitibi regional gravity survey, no gravity stations were acquired between Bootleg Peak and the St. Mary Lake Road, four kilometres to the south. Based on the wide station spacing and the large gap without data, the 1997 gravity data is insufficient to determine whether the gravity anomaly at Bootleg Mountain might be linked, in any way, to the Aeromag anomalies. The mapped location of the anomalous gravity high may simply be the result of standard data gridding software which tends to create anomalies over actual random data points and can only interpolate across areas lacking data. To determine a more accurately defined anomaly, and improve definition of gravity gradients in the area, would require additional gravity data to be acquired on, and adjacent to, the Toady claims.

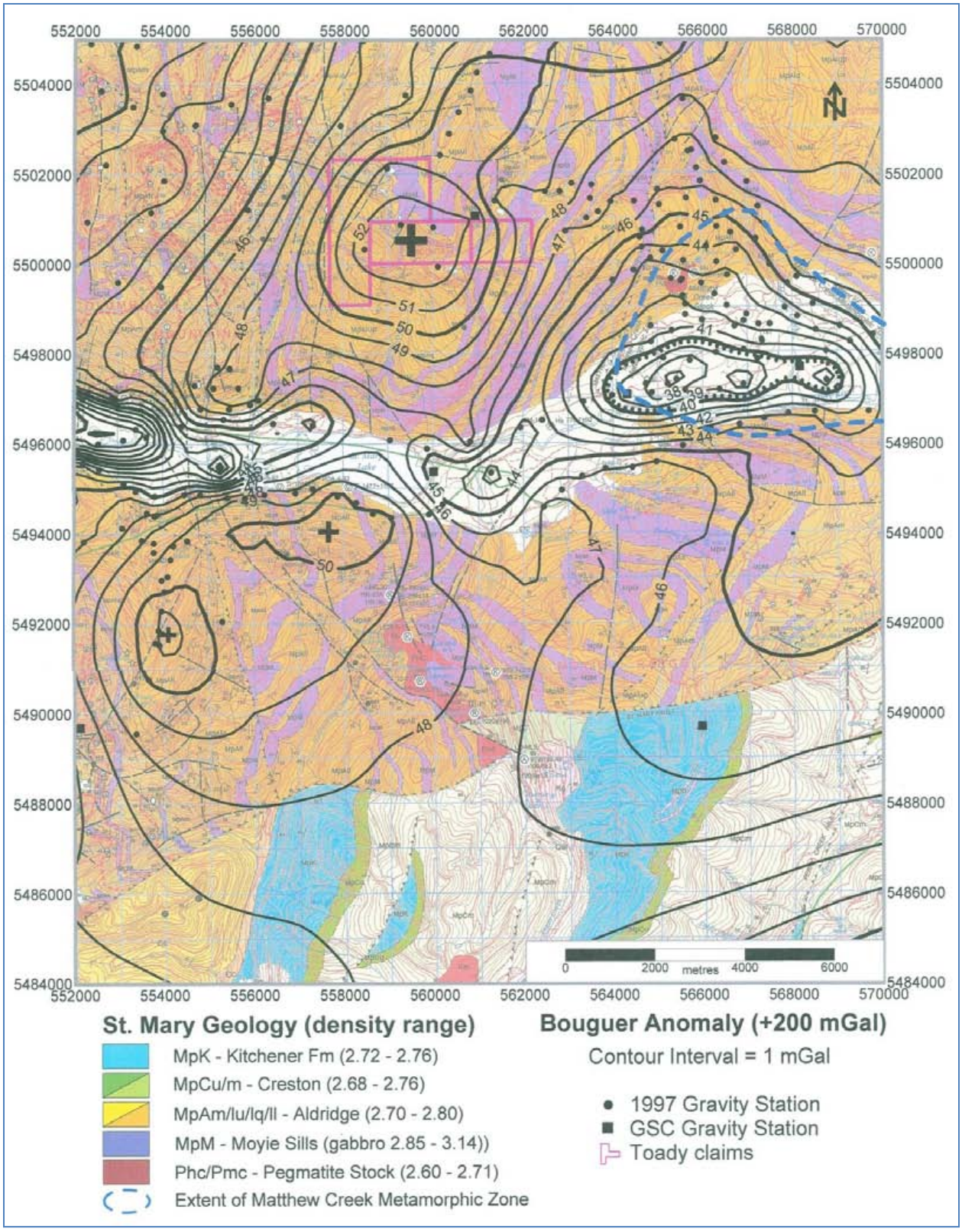


Figure 4 – GSC St. Mary Geology with Bouguer Anomaly Map Overlay

9.0 2011 GRAVITY SURVEY

9.1 SURVEY OBJECTIVES

Based on the available geophysical data, it was determined that a ground gravity survey would provide valuable information to satisfy three objectives. Firstly, additional data immediately south of Bootleg Peak would help determine if the anomalous gravity high remained in the same location as the Aeromag anomalies. Secondly, the 1997 gravity surveys acquired a minimal amount of gravity stations south of the St. Mary Road. It was decided that a few stations (at two kilometre spacing) in the river valley and further to the south would help as regional background for north-south gravity profile modeling. Thirdly, a series of gravity stations (250 metre spacing) along the ridges northwest and northeast of Bootleg Peak might identify possible sulphide mineralization (with higher relative density than surrounding rocks) associated with the magnetic anomalies on the claims. New stations on the northeast ridge would include a repeat station near a pair of older GSC gravity stations that had questionable Terrain Corrections, calculated from topography maps by hand in the 1960's and 1970's.

9.2 AREA RECONNAISSANCE

On September 20, 2011 the claim owner drove to St. Mary Lake/ Bootleg Mountain to inspect the lower elevations for the gravity survey. Geodetic Control marker 543249 beside the St. Mary Lake Road east of Matthew Creek was found, and in good condition. The logged clearings used for positioning GPS base stations in the 1997 gravity surveys were also assessed. Although there was young tree growth in the clearings, they were deemed useable for placement of GPS base stations. The Alki Creek Logging Road was traversed on foot. Half way up the logging road the Alki Trailhead begins with the Alki trail extending northward parallel to Alki Creek. This trail (formerly a pack-horse trail to mineral claims further north) was assessed for GPS work but deemed to have tree cover too dense for accurate GPS reception.

On September 26, 2011 the claim owner went on a short helicopter reconnaissance mission to assess the high alpine area at Bootleg Mountain and the Toady claims for accessibility. Locations were inspected for potential landing sites on the four high ridges extending NW, NE, SE, and SW from Bootleg Peak. Upon close inspection it was discovered that all four ridges had sections (within one kilometre of Bootleg Peak) with extremely rugged, narrow and steep razorbacks. As a result, none of the four ridges could be completely traversed on foot in a safe manner. Only partial traverses were possible.

On October 26 and 27, 2011 a gravity survey was conducted by employees Garrett and Conrad Jones of Excel Geophysics Inc., High River, Alberta. The claim holder was on site to provide backup ground support and monitor the GPS base stations while the survey work was being done.

9.3 EQUIPMENT AND PROCEDURES

Each of the two crewmembers came equipped with a 4x4 truck, two-way radios, emergency first-aid kits (and first-aid certificates) and appropriate outdoor wear. The gravity crew used two Lacoste and Romberg gravimeters (G-472 & G-645) to acquire gravity readings. All gravity readings for the Bootleg 2011 Gravity Survey were tied to a secondary gravity base station #423 4231 (see **Figure 5**) located at the rear of the Super 8 Motel in Cranbrook, BC. This base was established in 2010 by Excel Geophysics, and is tied to National Gravity Net Base 9025-1980, located at the Cranbrook Post Office. A gravity reading was taken at base #423 4231 (with each meter) at the beginning and end of each day to determine meter drift.

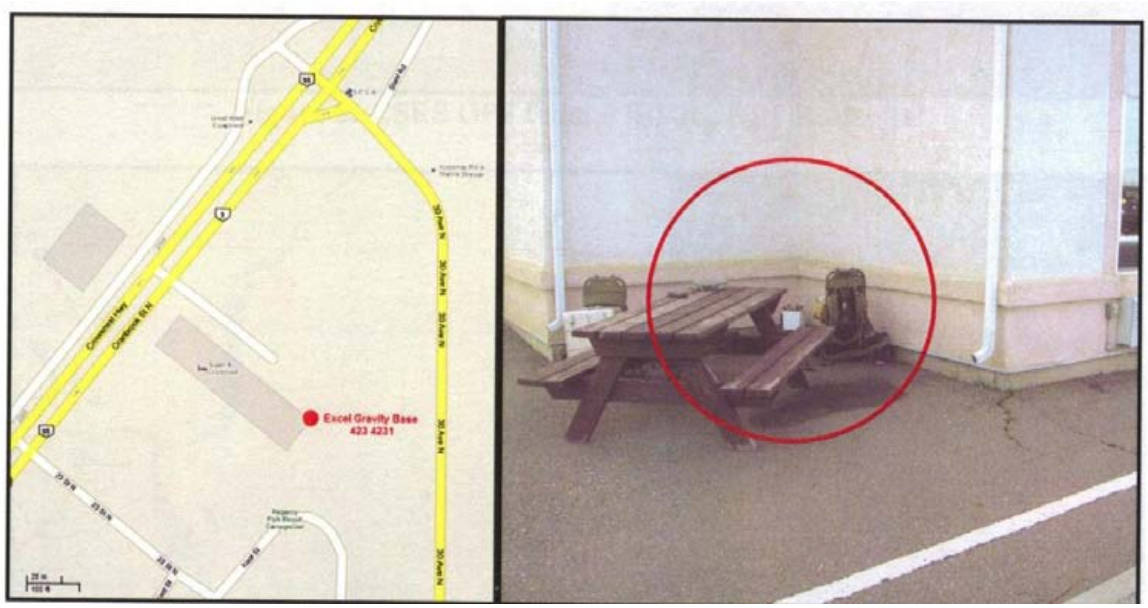


Figure 5 – Excel Geophysics Gravity Base 423 4231 (980700.65)

The crew used Leica 1200 and VIVA series GPS units for the positional survey. On the first day, a stationary GPS base receiver was set up on Canadian Geodetic Control Marker No. 543249 (with a brass tablet marked 897050), located on the south side of the St. Mary Lake Road approximately 50 metres east of the bridge over Matthew Creek. The marker has a coordinate NAD83 Northing 5497859.405, Easting 568123.346, CVD28 Elevation 957.988 metres. In addition, two GPS receivers were set up as temporary GPS bases in clearings close to the survey site. One of the temporary GPS bases was located in a clearing two kilometres southeast of St. Mary Lake near the location of a GPS base used for the 1997 Abitibi survey. The second temporary base was located in a clearing on the north side of the St. Mary Lake Road, two kilometres west of the Alki Creek Logging road turn-off. This site was adjacent to a larger clearing used as helicopter staging for work on the second day.

9.4 GRAVITY DATA ACQUISTION

The two-man crew (with two 4x4 trucks) arrived in Cranbrook, discussed details of the survey with the claim owner, and recorded gravimeter readings at the gravity base at the Super 8 Motel. After driving to the gravity survey area and setting up the three GPS base stations, gravimeter readings were acquired on logging roads south of St. Mary Lake and on the Alki Creek Logging Road. After three hours of data acquisition the crew reconvened and removed the GPS base stations for the day. Post-processing of the first day's GPS data established accurate locations for the two temporary GPS bases.

On the second day, the two temporary GPS bases were set up for GPS control. The two-man crew then flew to the survey site by helicopter (from Cranbrook) and began surveying. Most of the stations were accessed by traversing on foot using a series of helicopter drop-offs and pick-ups. In the afternoon, a gravimeter malfunction (loss of battery power and heat) forced the crew to return to staging to switch gravimeters. At staging, the failed meter's power was re-established, subsequently enabling a good tie-off meter reading. However, the incident used up the budgeted helicopter time and the crew was unable to acquire stations on the eastern portion of the claims and the ridge northeast of Bootleg Peak.

9.5 DATA PROCESSING

The 2011 Gravity Survey data (see listing, Page 19) and the 1997 Gravity Survey data were reprocessed using the following formulae for calculating Bouguer Anomaly values at density = 2.75 :

BOUG+200 = OBSGRAV – LATC + FAC + BOUGC + 2.75/2.67 * (50mITC + 30kmOTC) + 200, where:

OBSGRAV = Observed Gravity value, tied to National Gravity Net Base 9025-1980 (980699.79) using Base #423 4231 (980700.65) at the rear of the Super 8 Motel, Cranbrook.

LATC = Latitude Correction (WGS84) = $978032.67714 * \frac{(1+0.00193185138639*\sin^2(Lat))}{(1-0.00669437999013*\sin^2(Lat))^{0.5}}$

FAC = Free-Air Correction = Elevation * 0.3086

BOUGC = Bouguer Correction = Elevation * 2.75(rock density) * -0.04192

50mITC, 30kmOTC = 50 metre Inner, and 30 kilometre Outer, Terrain Corrections (density 2.67)

9.6 STATION LOCATIONS AND RAW NOTES

Figure 6 is a basemap showing shaded relief with 2011 Gravity Survey station locations, and 1997 Abitibi and GSC station locations in the immediate area. **Figures 7 and 8** are copies of the raw gravity notes for October 26 and October 27, respectively.

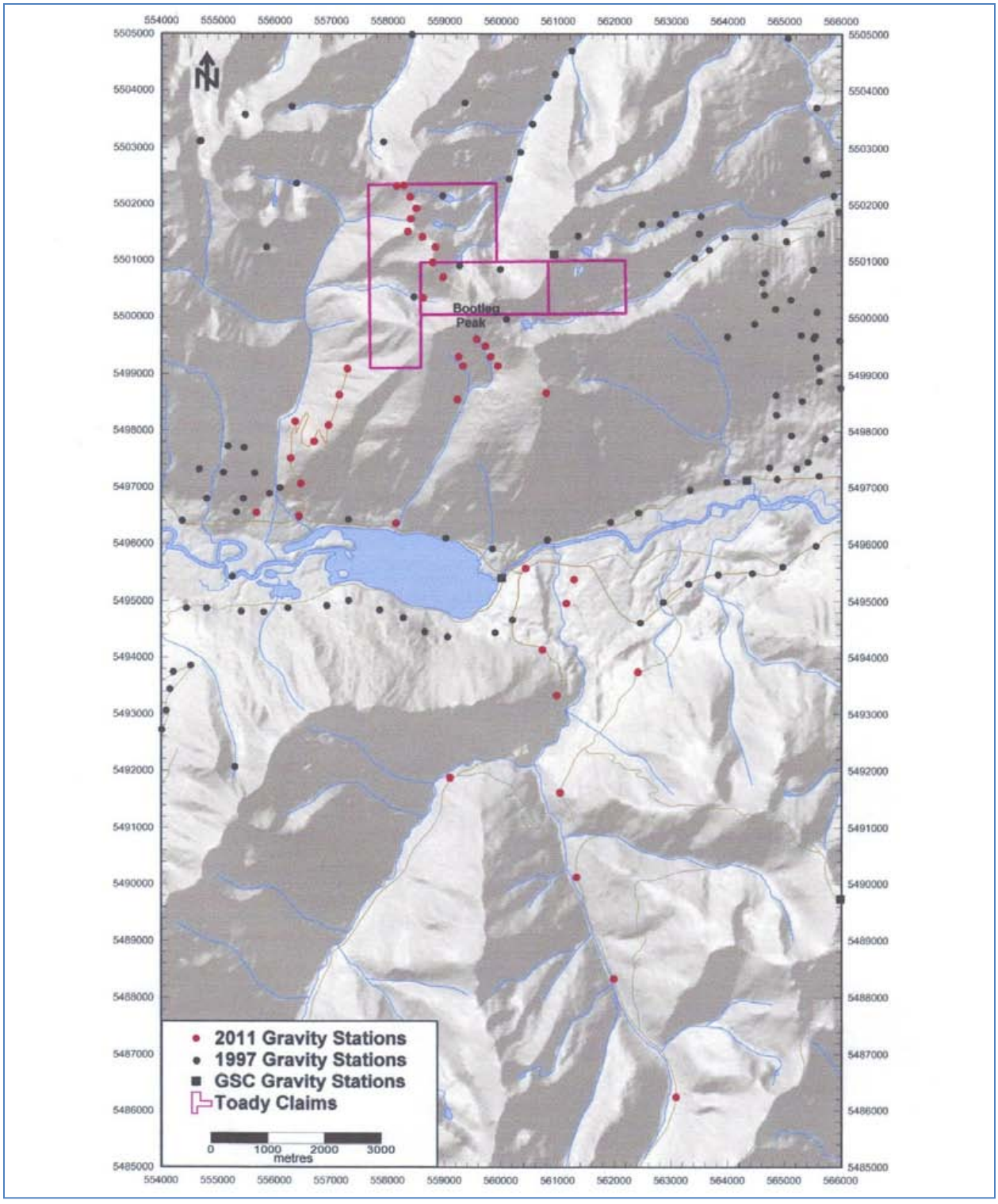
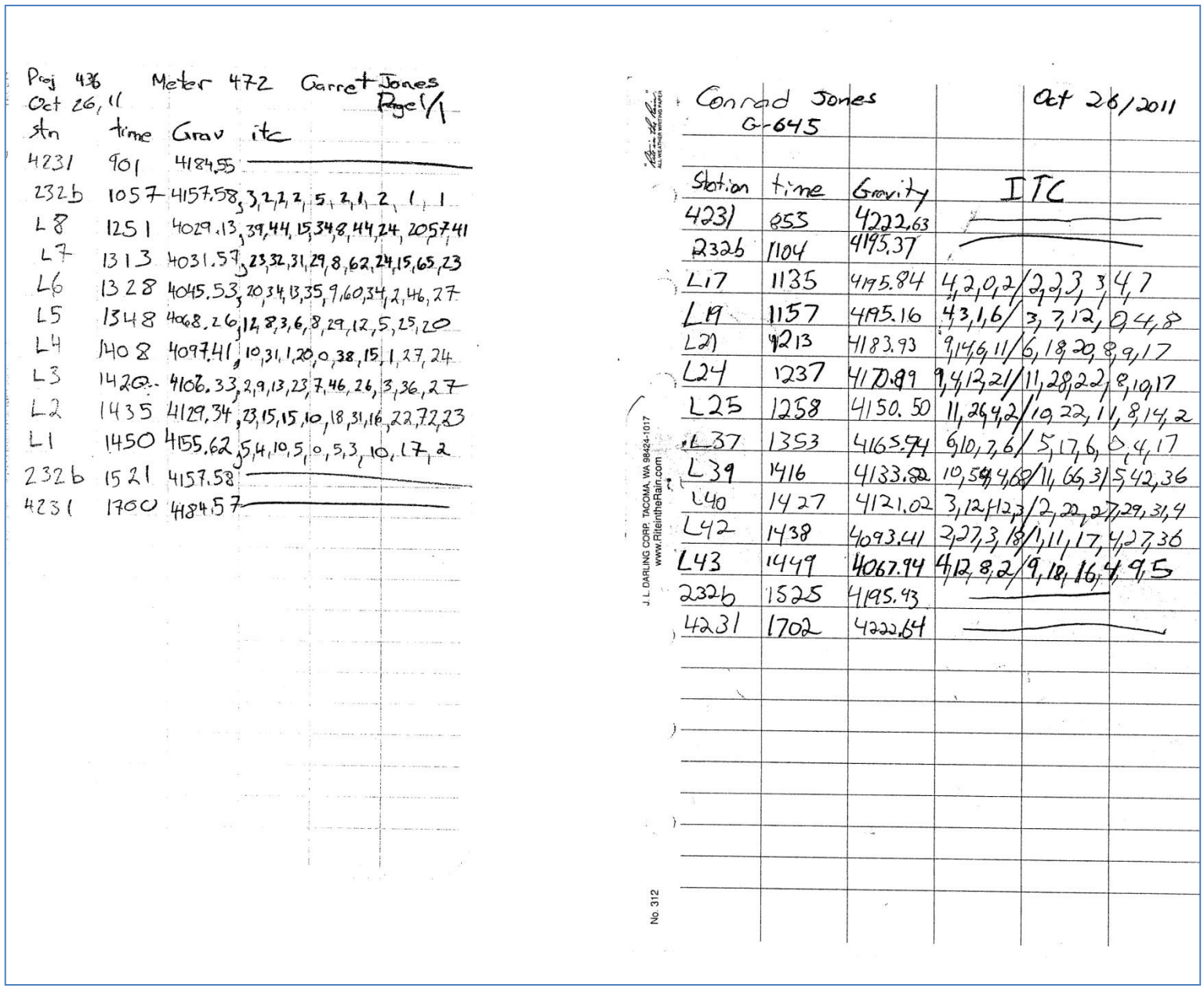


Figure 6 – Shaded Relief Map with Gravity Station Locations



Proj 436 Meter 472 Garret Jones
Oct 26, 11 Page 1/1

Stn	time	Grav	itc
4231	901	4184.55	
2326	1057	4157.58	3,2,2,2,5,2,1,2,1,1
L8	1251	4029.13	39,44,15,34,8,44,24,20,5,41
L7	1313	4031.57	23,32,31,29,8,62,24,15,65,23
L6	1328	4045.53	20,34,13,35,9,60,34,2,46,27
L5	1348	4068.26	12,8,3,6,8,29,12,5,25,20
L4	1408	4097.41	10,31,1,20,0,38,15,1,27,24
L3	1420	4106.33	2,9,13,23,7,46,26,3,36,27
L2	1435	4129.34	23,15,15,10,18,31,16,22,72,23
L1	1450	4155.62	5,4,10,5,0,5,3,10,17,2
2326	1521	4157.58	
4231	1700	4184.57	

Conrad Jones Oct 26/2011
G-645

Station	time	Gravity	ITC
4231	853	4222.63	
2326	1104	4195.37	
L17	1135	4195.84	4,2,0,2/2,2,3,3,4,7
L19	1157	4195.16	4,3,1,6/3,7,12,0,4,8
L21	1213	4183.93	9,14,6,11/6,18,20,8,9,17
L24	1237	4170.89	9,4,12,21/11,28,22,8,10,17
L25	1258	4150.50	11,26,4,2/10,22,14,8,14,2
L37	1353	4165.74	6,10,7,6/5,17,6,0,4,17
L39	1416	4133.82	10,5,4,6/11,66,3/5,42,36
L40	1427	4121.02	3,12,12,3/2,22,27,29,31,4
L42	1438	4093.41	2,27,3,18/1,11,17,4,27,36
L43	1449	4067.94	4,12,8,2/9,18,16,4,9,5
2326	1525	4195.43	
4231	1702	4222.64	

J.L. DARLING CORP. TACOMA, WA 98424-1017
www.RiteintheRain.com
No. 312

Figure 7 – Survey Notes for Day 1

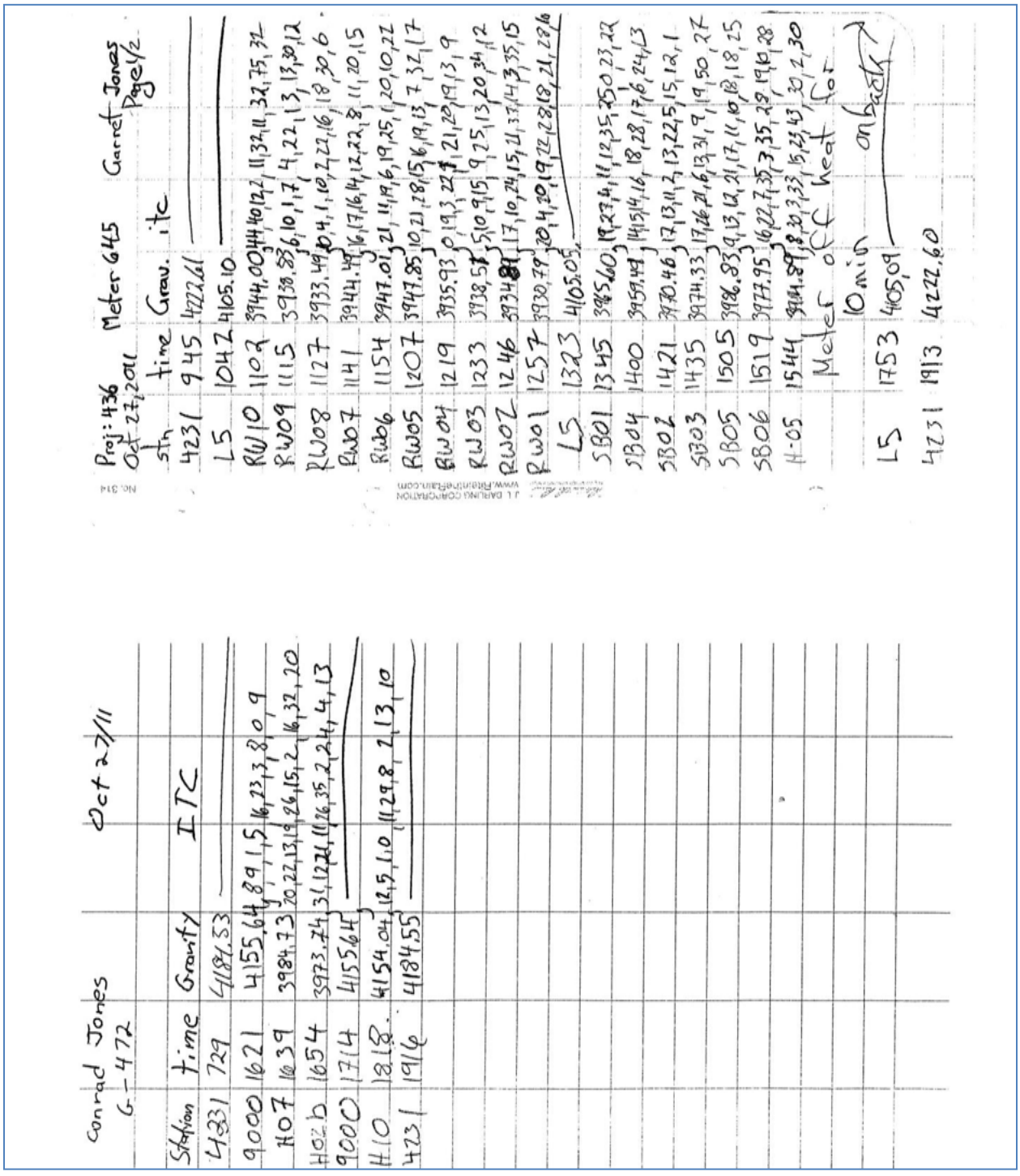


Figure 8 – Survey Notes for Day 2

9.7 2011 GRAVITY DATA LISTING (next page)

LINE	STATION	UTMX	UTMY	LAT(N83)	LONG(N83)	ELEV	OBSGRAV	50mITC d=2.67	30kmOTC d=2.67	BOUG+200 d=2.75
436	2321	561279	5495381	49.60789	-116.15182	995.1	980672.88	0.00	11.07	41.33
1026	101	556422	5496480	49.61825	-116.21889	999.2	980670.86	0.03	15.15	43.40
1026	102	556459	5497054	49.62341	-116.21830	1156.2	980643.78	0.31	16.53	47.92
1026	103	556282	5497504	49.62747	-116.22067	1287.4	980620.07	0.23	15.29	47.84
1026	104	556358	5498156	49.63333	-116.21953	1340.0	980610.88	0.19	15.67	48.65
1026	105	556691	5497803	49.63012	-116.21497	1502.8	980580.89	0.11	13.35	47.96
1026	106	556945	5498091	49.63268	-116.21141	1621.0	980557.41	0.39	14.50	48.55
1026	107	557135	5498629	49.63751	-116.20870	1694.5	980543.02	0.44	15.56	49.08
1026	108	557278	5499089	49.64163	-116.20665	1715.7	980540.51	0.45	14.79	49.53
1026	117	561142	5494964	49.60415	-116.15378	1005.0	980673.38	0.00	10.32	43.30
1026	119	560423	5495578	49.60975	-116.16364	990.8	980672.70	0.01	13.16	42.30
1026	121	560721	5494139	49.59678	-116.15974	1085.7	980661.25	0.08	10.06	47.24
1026	124	560973	5493332	49.58949	-116.15637	1151.0	980647.97	0.11	10.21	47.42
1026	125	559093	5491882	49.57664	-116.18260	1222.1	980627.19	0.08	13.30	44.69
1026	137	562408	5493746	49.59307	-116.13645	1183.3	980642.92	0.04	9.91	47.90
1026	139	561031	5491624	49.57412	-116.15584	1330.7	980610.18	0.47	10.76	46.69
1026	140	561322	5490122	49.56058	-116.15205	1370.2	980597.14	0.19	12.70	44.19
1026	142	561978	5488323	49.54434	-116.14326	1505.2	980569.00	0.15	11.05	41.87
1026	143	563079	5486240	49.52550	-116.12838	1655.5	980543.04	0.05	8.54	43.96
1027	202	558612	5500329	49.65265	-116.18799	2038.2	980483.39	0.17	12.82	51.45
1027	205	560781	5498672	49.63754	-116.15820	2415.2	980387.11	0.25	31.48	48.70
1027	207	559220	5498552	49.63661	-116.17985	1963.0	980494.72	0.17	14.90	51.83
1027	210	558138	5496354	49.61695	-116.19515	998.8	980669.20	0.07	18.21	44.98
1027	301	558268	5502323	49.67063	-116.19247	2404.4	980403.31	0.17	17.65	45.54
1027	302	558145	5502317	49.67058	-116.19416	2385.5	980407.49	0.20	17.01	45.44
1027	303	558383	5502124	49.66882	-116.19089	2379.5	980411.17	0.13	15.29	46.27
1027	304	558490	5501921	49.66698	-116.18945	2387.4	980408.54	0.11	16.71	46.78
1027	305	558393	5501731	49.66529	-116.19082	2343.7	980420.68	0.16	13.63	47.50
1027	306	558343	5501504	49.66325	-116.19155	2344.4	980419.82	0.13	14.41	47.73
1027	307	558597	5501417	49.66244	-116.18804	2356.2	980417.25	0.11	14.83	47.92
1027	308	558826	5501235	49.66078	-116.18489	2390.7	980406.04	0.09	19.30	48.12
1027	309	558778	5500959	49.65830	-116.18561	2371.1	980411.48	0.09	17.93	48.58
1027	310	558963	5500702	49.65598	-116.18308	2344.3	980416.74	0.41	18.01	49.27
1027	401	559710	5499488	49.64499	-116.17291	2249.0	980438.79	0.17	14.91	50.45
1027	402	559802	5499311	49.64339	-116.17166	2224.9	980443.74	0.08	14.72	50.59
1027	403	559928	5499147	49.64189	-116.16995	2202.9	980447.68	0.25	15.46	51.35
1027	404	559555	5499611	49.64611	-116.17504	2279.9	980432.56	0.13	15.42	50.57
1027	405	559315	5499142	49.64191	-116.17843	2142.2	980460.41	0.12	14.75	51.48
1027	406	559237	5499304	49.64337	-116.17950	2190.3	980451.36	0.21	15.26	52.22
1027	9000	555675	5496538	49.61884	-116.22922	1012.7	980670.86	0.05	14.53	45.33

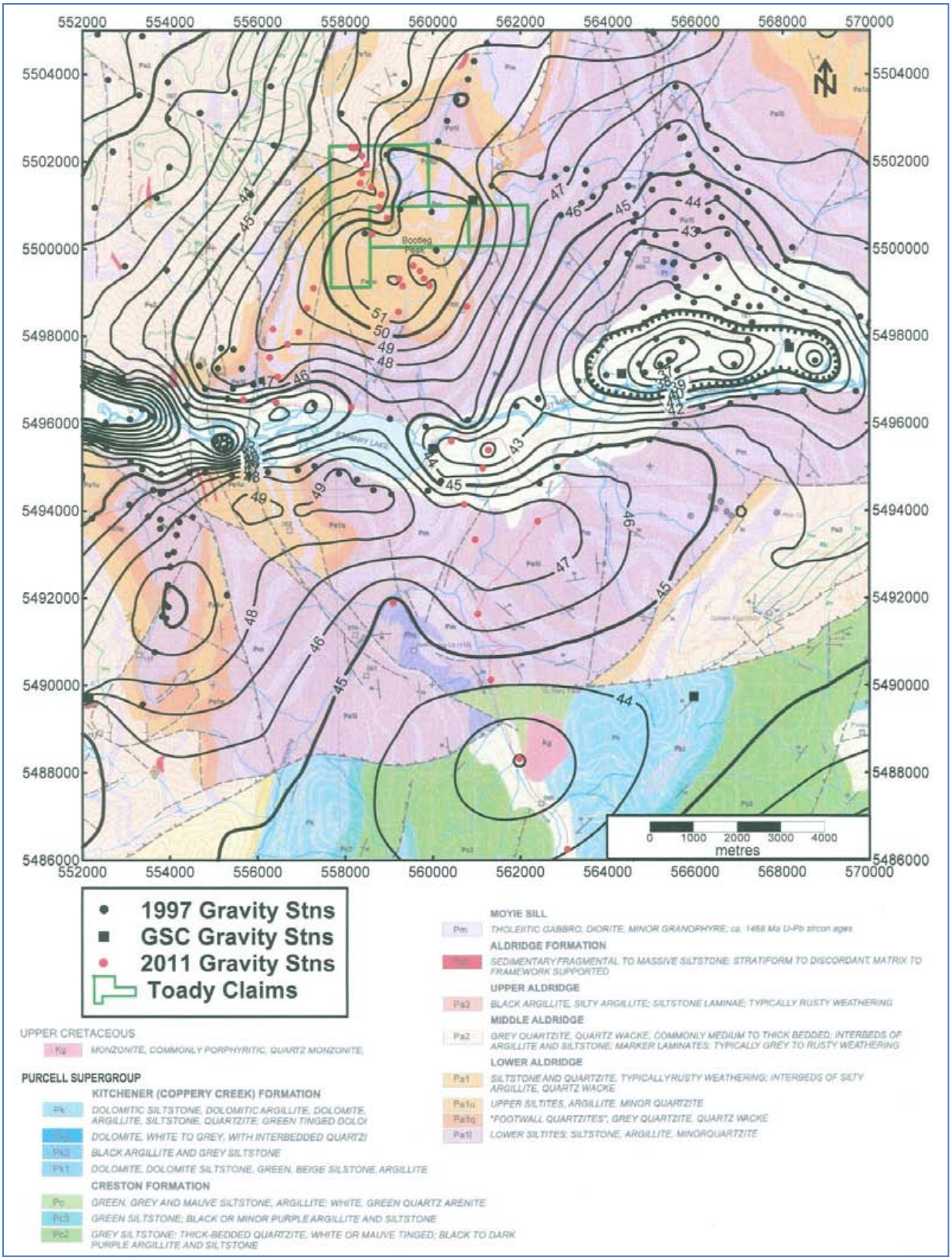


Figure 9 – Bouguer Anomaly Map incorporating 2011 Gravity Data (Contour Interval = 1 mGal)

10.0 DATA MAPPING AND INTERPRETATION

The processed 2011 data was added to the existing 1997 and GSC data, and the combined Bouguer Anomaly data was gridded and contoured. **Figure 9** shows the new Bouguer Anomaly map overlaid on Hoy's St. Mary Geology Map. A non-linear grid operator was run on the new Bouguer Anomaly grid to filter the data into Regional and Residual components. This process removes the majority of the longer wavelength information (coming from deeper sources) to simplify profile modeling. **Figure 10** is a Residual Anomaly map, where: Residual = Bouguer – Regional.

The new Bouguer and Residual Anomaly maps reveal that the centre of the anomalous gravity high is at least 1000 -1500 metres south of where the 1997 data indicated. The new string of gravity stations along the ridge northwest of Bootleg Peak showed no indications of a high-density (mineralized) source at the westernmost Aeromag anomaly on the claims. However, these stations do not rule out the possibility of mineralization related to either of the other two Mag anomalies to the east. This will require more data.

Using the Residual Gravity map grid, two gravity profiles (see **Figure 10**) were modeled, using "2.5D in-house" gravity modeling software provided by the gravity contractor (Excel Geophysics, High River, Alberta). In three-space, with X in the direction of the profile, and Z as depth, a finite strike length of 6000 metres (from Y = -3000 to Y = 3000 metres) was arbitrarily chosen for the rock bodies used in the models. The goals of gravity modeling were to make estimates of the total thickness of gabbro and the depth to top of the gabbro near Bootleg Peak.

The surface geology at Bootleg Mountain infers that gabbro sills are interbedded with west-dipping beds of the Lower Aldridge, often cross-cutting the Lower Aldridge stratigraphy. To further simplify the models, gabbro is primarily shown as a single bed. Most sources of rock density information suggest that Lower and Middle Aldridge rocks have similar ranges of densities. A mean density of 2.75 gm/cc was chosen for all Aldridge rock (the same density the gravity data was processed at). Mean density for gabbro was chosen at 3.00 gm/cc. Other densities used were Pegmatite (2.65), Creston (2.73), and Quaternary (glacial till (2.15)).

Figure 11 is a gravity model of Profile A-A' and required a total thickness of approximately 650 to 700 metres of gabbro at the Residual Gravity high. For comparison, a similar model (not shown) using density 3.05 for gabbro (instead of 3.00) only required 550 metres of gabbro. Another finding of this model suggests that gabbro may be less than 100 metres from the surface at the Residual Gravity high southwest of Bootleg Peak. The four kilometre wide Residual Gravity low east of Bootleg Mountain (X=12,000-16,000 on Figure 11) has been modeled using less near-surface gabbro. Three smaller gravity lows, superimposed on this gravity low near the Matthew Creek Stock and Matthew Creek Fault, were attributed to lower density (subsurface) Pegmatite but this remains speculative.

Figure 12 is the gravity model of Profile B-B' and required a total thickness of gabbro of approximately 550 metres at the intersection with section A-A' (1000 metres east of the Residual Gravity high). The residual gravity profile decreases at the south end of this model but cannot be modeled using Creston Formation rock densities (2.72-2.74) alone. It is suspected that the Cretaceous monzanite intrusive body

(south of B') may be a major source of the lower gravity field here, as well as the change in lithology south of the St. Mary Fault which lacks gabbro near the surface.

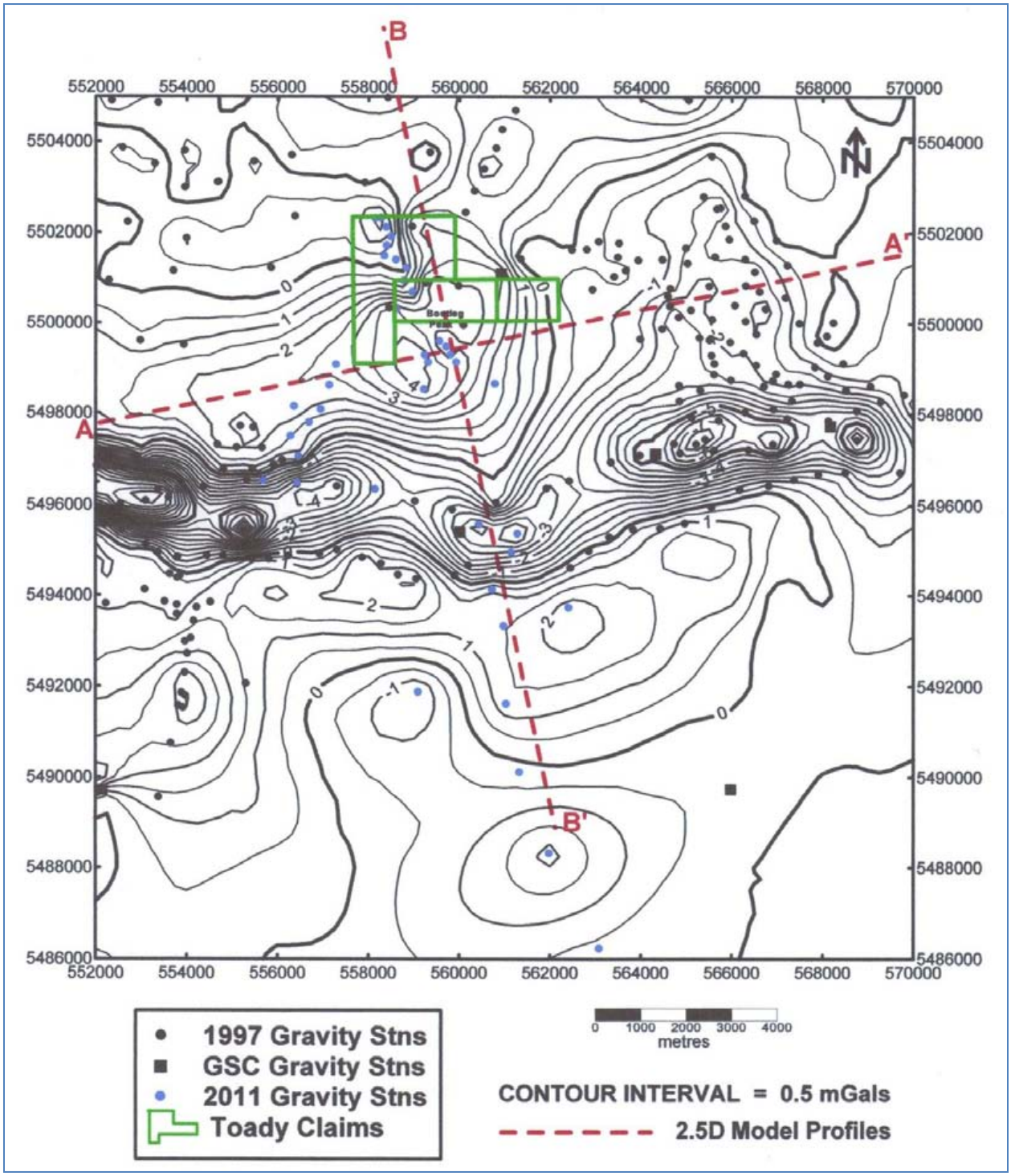


Figure 10 – Residual Anomaly Map with Gravity Model Profile Locations

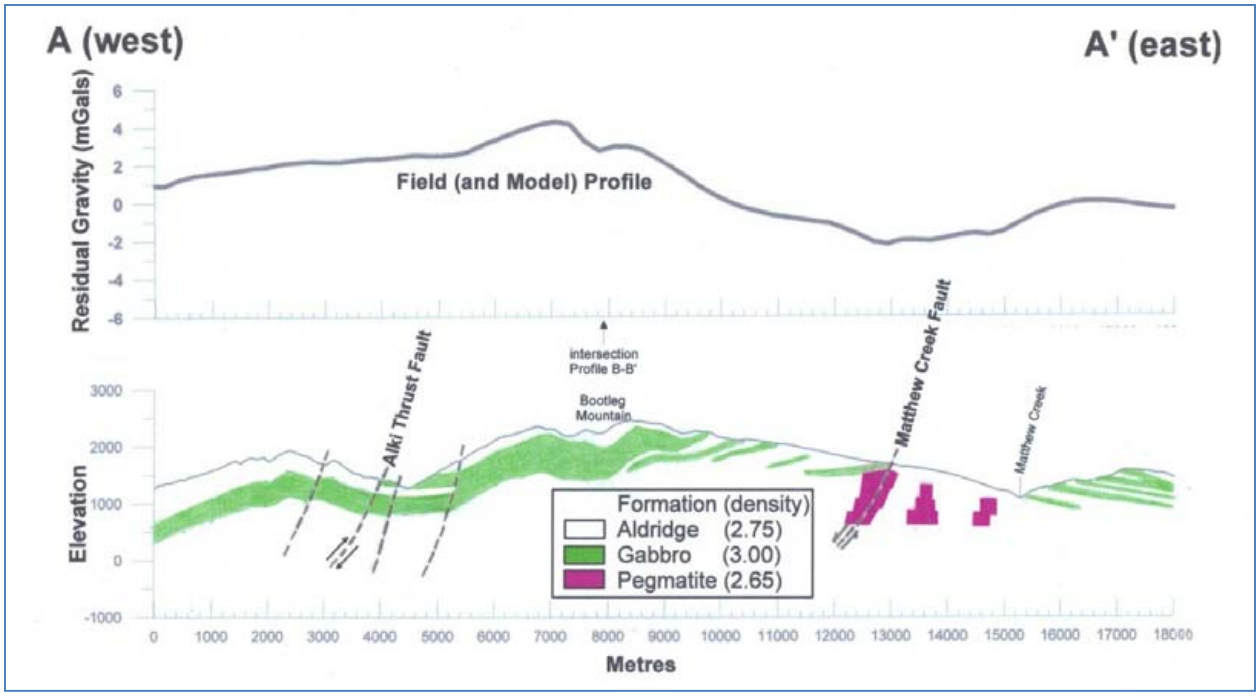


Figure 11 – Gravity Model and Profile A – A'

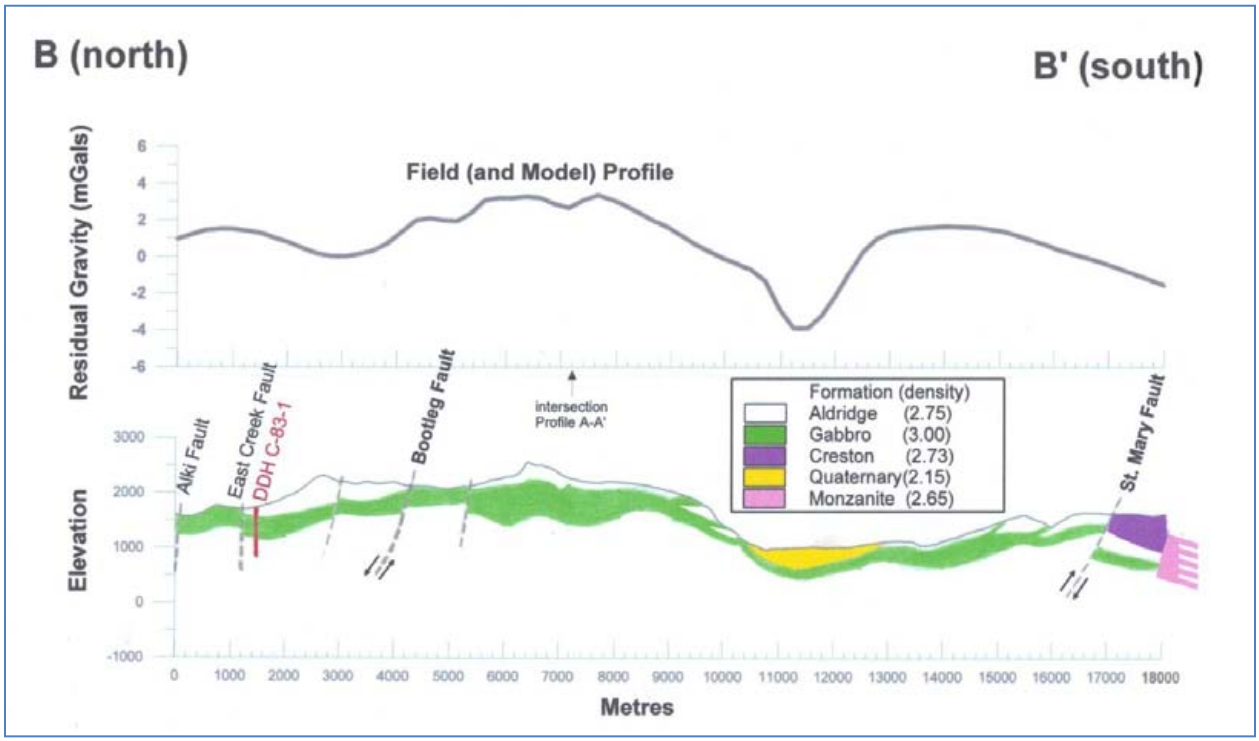


Figure 12 – Gravity Model and Profile B – B'

11.0 SUMMARY AND RECOMMENDATIONS

In 1997, a regional ground gravity survey by Abitibi Mining Corp. identified an anomalous gravity high at Bootleg Mountain in the Purcell Range of the East Kootenays. Three magnetic anomalies are also present in the same general location, as identified on the 1995 East Kootenay High Resolution Aeromagnetic Survey. Based on this information the Toady claims were staked in December 2010.

All available gravity data was reprocessed, gridded and mapped. As well, map grids of the 1995 East Kootenay Aeromag Survey were acquired from the GSC and assessed. Based on the available geophysical data it was determined that a ground Gravity Survey would provide valuable information to:

1) Determine if the anomalous gravity high at Bootleg Mountain remained in the same location as the Aeromag anomalies after the addition of new gravity data near, and to the south of, Bootleg Peak.
2) Provide regional background data for gravity profile modeling.
3) Investigate for anomalous gravity gradients which might indicate subsurface sulphide mineralization on the claims.

On October 26 and 27th, 2011, a ground station gravity survey was conducted on, and adjacent to, the Toady claims on Bootleg Mountain. Forty new gravity stations were acquired.

The new gravity data was added to the existing 1997 and GSC data, and the combined data was gridded and mapped. A non-linear filter was applied to the Bouguer grid to separate it into Regional and Residual components. The new Bouguer and Residual Anomaly maps revealed that the centre of the anomalous high is at least 1000 -1500 metres south of where previous data indicated. 2.5D modeling estimations (using the mean densities 2.75 and 3.00 for Aldridge and gabbro, respectively) indicated that gabbro may have total thickness of 650-700 metres and be less than 100 metres from the surface southwest of Bootleg Peak. New gravity stations acquired along the ridge northwest of Bootleg Peak showed no indications of a high-density (mineralized) source at the westernmost Mag anomaly on the Toady claims.

Two of the three magnetic anomalies on the claims remain untested for a possible correlation with anomalous gravity gradients. It is recommended that additional gravity stations (using 250 metre spacing) be acquired on the northeast ridge and in the lower elevations of the cirques north and east of Bootleg Peak. In addition, a ground Magnetic Survey could be conducted in conjunction with the Gravity Survey. This would confirm the locations, relative intensities and gradients, of the magnetic anomalies identified from the 1995 High-Resolution Aeromagnetic Survey. The condition of the Bridge Creek Trail should be inspected for vehicular access to the cirque north of Bootleg Peak. The ridge and cirque to the east of Bootleg Peak can also be accessed by a combination of ATV on logging roads west of Matthew Creek and on foot at the higher elevations.

12.0 COST STATEMENT

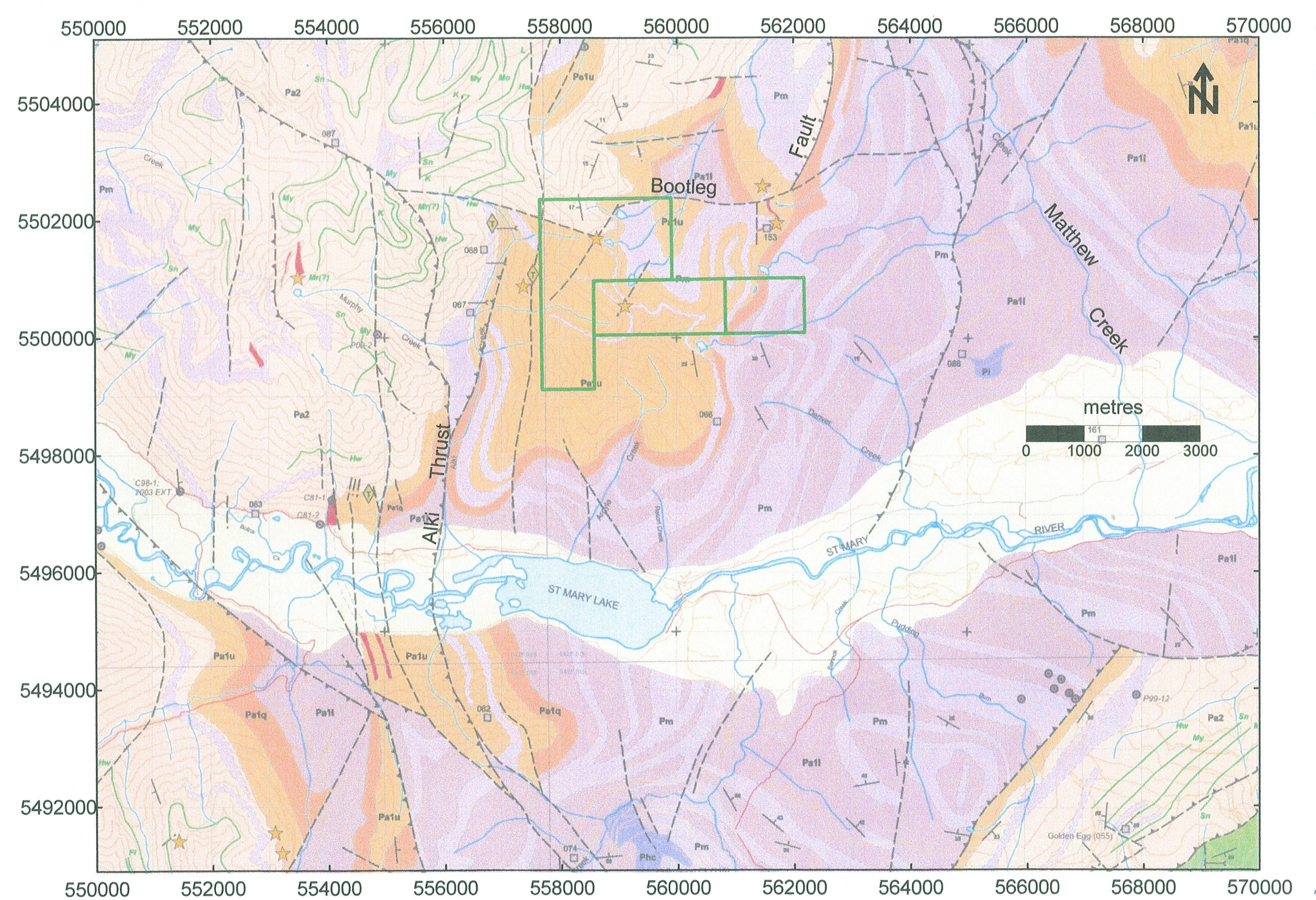
Exploration Work type	Comment	Days			Totals
Personnel (Name)* / Position	**Field Days (list actual days)**	**Days**	**Rate**	**Subtotal***	
Edward Sanders / Claim Holder	Sep 20, Sep 26, Oct 26 - Oct 28	5.0	$0.00	$0.00	
Garrett Jones / Gravity Surveyor	Oct 26 - Oct 27	2.0	$0.00	$0.00	
Conrad Jones / Gravity Surveyor	Oct 26 - Oct 27	2.0	$0.00	$0.00	
			$0.00	$0.00	
			$0.00	$0.00	
			$0.00	$0.00	
				$0.00	**$0.00**
Office Studies	**List Personnel (note - Office only, do not include field days**				
Literature search			$0.00	$0.00	
Database compilation			$0.00	$0.00	
Computer modelling	Ted Sanders Consulting	2.0	$300.00	$600.00	
Reprocessing of data	Ted Sanders Consulting	2.0	$300.00	$600.00	
General research	Ted Sanders Consulting	1.0	$300.00	$300.00	
Report preparation	Ted Sanders Consulting	5.0	$300.00	$1,500.00	
Other (specify)					
				$3,000.00	**$3,000.00**
Airborne Exploration Surveys	**Line Kilometres / Enter total invoiced amount**				
Aeromagnetics			$0.00	$0.00	
Radiometrics			$0.00	$0.00	
Electromagnetics			$0.00	$0.00	
Gravity			$0.00	$0.00	
Digital terrain modelling			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Remote Sensing	**Area in Hectares / Enter total invoiced amount or list personnel**				
Aerial photography			$0.00	$0.00	
LANDSAT			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Ground Exploration Surveys	**Area in Hectares/List Personnel**				
Geological mapping					
Regional					
Reconnaissance					
Prospect					
Underground	Define by length and width				
Trenches	Define by length and width			$0.00	**$0.00**
Ground geophysics	**Line Kilometres / Enter total amount invoiced list personnel**				
Radiometrics					
Magnetics					
Gravity	40 stations	2.0		$2,400.00	
Digital terrain modelling					
Electromagnetics	*note: expenditures for your crew in the field*				
SP/AP/EP	*should be captured above in Personnel*				
IP	*field expenditures above*				
AMT/CSAMT					
Resistivity					
Complex resistivity					
Seismic reflection					
Seismic refraction					
Well logging	Define by total length				
Geophysical interpretation					
Petrophysics					
Other (specify)	HST			$288.00	
				$2,688.00	**$2,688.00**
Geochemical Surveying	**Number of Samples**	**No.**	**Rate**	**Subtotal**	

Drill (cuttings, core, etc.)			$0.00	$0.00	
Stream sediment			$0.00	$0.00	
Soil	*note: This is for assays or*		$0.00	$0.00	
Rock	*laboratory costs*		$0.00	$0.00	
Water			$0.00	$0.00	
Biogeochemistry			$0.00	$0.00	
Whole rock			$0.00	$0.00	
Petrology			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Drilling	**No. of Holes, Size of Core and Metres**	**No.**	**Rate**	**Subtotal**	
Diamond			$0.00	$0.00	
Reverse circulation (RC)			$0.00	$0.00	
Rotary air blast (RAB)			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Other Operations	**Clarify**	**No.**	**Rate**	**Subtotal**	
Trenching			$0.00	$0.00	
Bulk sampling			$0.00	$0.00	
Underground development			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Reclamation	**Clarify**	**No.**	**Rate**	**Subtotal**	
After drilling			$0.00	$0.00	
Monitoring			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
Transportation		**No.**	**Rate**	**Subtotal**	
Airfare			$0.00	$0.00	
Taxi			$0.00	$0.00	
truck rental			$0.00	$0.00	
kilometers			$0.00	$0.00	
ATV			$0.00	$0.00	
fuel + use of personal vehicle	E. Sanders (5 days)	5.00	$75.00	$375.00	
Helicopter (hours)	Sep 26 (0.6 hrs) + Oct 27 (2.5 hrs)	3.1	$950.00	$2,945.00	
Fuel (litres/hour)	Sep 26 (66 lt) + Oct 27 (275 lt)	341.00	$1.30	$443.30	
Other	HST			$406.60	
				$4,169.90	**$4,169.90**
Accommodation & Food	**Rates per day**				
Hotel			$0.00	$0.00	
Camp			$0.00	$0.00	
Meals	Oct 28 (breakfast for crew)		$44.60	$44.60	
				$44.60	**$44.60**
Miscellaneous					
Telephone			$0.00	$0.00	
Other (Specify)					
				$0.00	**$0.00**
Equipment Rentals					
Field Gear (Specify)			$0.00	$0.00	
Other (Specify)					
				$0.00	**$0.00**
Freight, rock samples					
			$0.00	$0.00	
			$0.00	$0.00	
				$0.00	**$0.00**
TOTAL Expenditures					**$9,902.50**

13.0 STATEMENT OF QUALIFICATIONS

I, Edward (Ted) Sanders, certify that:

1) I am an independent prospector, presently residing in Fernie, British Columbia.
2) I have been actively prospecting for minerals in British Columbia for two years.
3) I was formerly employed as a Geophysical Technician for an Oil & Gas Company (Potential Fields Dept.) for seven years and was a Geophysical Consultant for an additional twelve years.
4) I am a graduate of Waterloo University with a degree of Bachelor of Mathematics.
5) I own and maintain mineral claims in British Columbia.



SYMBOLS

- CONTACT: DEFINED, APPROXIMATE/ASSUMED
- CONTACT OF ALLUVIUM
- CLEAVAGE, SCHISTOCITY
- BEDDING, INCLINED, OVERTURNED, UNKNOWN
- FAULT: DEFINED, APPROXIMATE, ASSUMED
- THRUST FAULT
- NORMAL FAULT
- ANTICLINAL FOLD
- SYNCLINAL FOLD
- MARKER LAMINAE — My
- MINERAL OCCURRENCE (MINFILE NUMBER) — 001
- ADIT, TRENCH, DRILL HOLE
- TOURMALINITE OUTCROP
- SEDIMENTARY FRAGMENTAL

MOYIE SILL

Pm — *THOLEIITIC GABBRO, DIORITE, MINOR GRANOPHYRE; ca. 1468 Ma U-Pb zircon ages*

ALDRIDGE FORMATION

Paf — *SEDIMENTARY FRAGMENTAL TO MASSIVE SILTSTONE; STRATIFORM TO DISCORDANT, MATRIX TO FRAMEWORK SUPPORTED*

UPPER ALDRIDGE

Pa3 — *BLACK ARGILLITE, SILTY ARGILLITE; SILTSTONE LAMINAE; TYPICALLY RUSTY WEATHERING*

MIDDLE ALDRIDGE

Pa2 — *GREY QUARTZITE, QUARTZ WACKE, COMMONLY MEDIUM TO THICK BEDDED; INTERBEDS OF ARGILLITE AND SILTSTONE; MARKER LAMINATES; TYPICALLY GREY TO RUSTY WEATHERING*

LOWER ALDRIDGE

Pa1 — *SILTSTONE AND QUARTZITE, TYPICALLY RUSTY WEATHERING; INTERBEDS OF SILTY ARGILLITE, QUARTZ WACKE*

Pa1u — *UPPER SILTITES, ARGILLITE, MINOR QUARTZITE*

Pa1q — *"FOOTWALL QUARTZITES", GREY QUARTZITE, QUARTZ WACKE*

Pa1l — *LOWER SILTITES; SILTSTONE, ARGILLITE, MINORQUARTZITE*

TOADY CLAIMS boundary