NTS: 092I.056
Lat. 50º 33’ 22” N
Long. 120º 52’ 35”W
UTM: 10: 5602618 N, 650430 E

**PROSPECTING REPORT**

**KERRISDALE 1 PROPERTY**

**LOGAN LAKE, B.C.**

Kamloops Mining Division

Mineral Tenure Number
550556
Event Number
_____

Owner:

**Crestwell Resources Inc.**
FMC # 257868

#804-750 West Pender Street,
Vancouver B.C. V6C 2T7

By:

**Alan Brent Hemingway** **B.Sc FGAC**

**Geologist**

#50-1640-162nd Street,
Surrey, B.C. V4A 6Y9

November 5, 2012

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## Summary

The Kerrisdale1 Property is located in the south-central area of British Columbia. The property is approximately 42 km west-southwest of Kamloops, B.C. The nearest community offering lodging facilities with some limited services is Logan Lake at a distance of 10 road km to the south-southeast. The Property covers an area of ≈369 ha and is owned by Crestwell Resources Inc., of Vancouver B.C.

The geology of the Kerrisdale1 property area is underlain by the outer husk of the Guichon Creek Batholith, a multi-phased Late Triassic-Mid Jurassic intrusive consisting of four known identified phases: - Highland Valley, Bethlehem, Bethsaida and the Hybrid-Border. Fracturing and shearing occurs predominately in the diorite and quartz diorite of the Border-Hybrid phase but less so in the granodiorite main phase of the Batholith. One of the salient centers of the Batholith is host to Canada's major copper deposits at Highland Valley, a distance of 12.0 kms to the southwest of the Kerrisdale property boundary. The geological environment of the Kerrisdale1 property is possibly more analogous to the Craigmont area some 40 kms to the south thereof rather than to the nearby Highland Valley Porphyry deposits. One of the major hindrances to mineral exploration of the Guichon Batholith region is the ubiquitous cover of Pleistocene glacial deposits which leaves only about 3% of the Batholith outcropping. In some areas in the region the glacial till can attain depths of greater than 25m.

The current work consisted of prospecting and a preliminary magnetometer test of the Kerrisdale1 property and the immediate area. The purpose of the current work was to locate the RM mineral occurrence (Minfile092INE111) or any other such mineral occurrence, general prospecting for outcrops on the property and a preliminary magnetometer test by conducting 1.15 kms line of readings at 25 metre stations with an overall object to target areas worthy of further exploration. A total of 98 magnetometer readings were catalogued and the average at each station plotted on a hand drawn map of the traverse line. The magnetometer survey was influenced by a set of power lines near the traverse road however some useful data was obtained and did outline one gulley with a magnetic variance.

The prospecting did uncover some angular float in the northwest area of the property and is very similar to the RM mineral occurrence description. The source of the angular float is nearby; one grab sample from the float had specks of chalcopyrite, pyrrhotite and other unidentifiable sulphides.

The primary intention of the current work is to discover areas worthy of future exploration and a preliminary magnetometer test of a selected traverse. The current work is an ongoing phase of an overall "work-in-progress" programme on the Kerrisdale1.

This technical report details the findings from the current work on the Kerrisdale1 property and is submitted for assessment work credits. The magnetometer work was recommended by William R. Bergey P. Eng., in his NI 43-101 report dated October 30 2011 on the Kerrisdale Property.

## Introduction and Terms of Reference

The Kerrisdale 1 claim consists of one block covering an area of ≈369 hectares located northwest of Logan Lake BC and is owned by Crestwell Resources Inc of Vancouver BC. Mr. John Morita retained the author to locate and prospect for any mineral occurrences on the Kerrisdale 1 claim block area by conducting a preliminary phase of a magnetometer test and a general survey for any rock outcroppings. The survey was performed for the purpose of determining any prospective mineralized areas worthy of future exploration programs on the claim. The regional area surrounding the Kerrisdale 1 claim has had much historical development and is host to British Columbia's major copper producer and past producers. The geology of the region is very conducive to the location of structurally controlled economic mineral zones.

This report details the findings from the current work program, history of exploration, geology, and mineral potential. The author relies upon data published by the Governments of Canada and British Columbia which forms an essential part of this report. The current survey on October 8$^{th}$ & 9$^{th}$, 2012 is an ongoing phase of a "work-in-progress" programme and submitted for assessment work credits.

## Property Location, Access, and Description

The Kerrisdale1 Property is located in south central British Columbia about 200 km northeast of Vancouver BC and approximately 40 km southwest from the City of Kamloops; the Village of Logan Lake provides the infrastructure for the Highland Valley mines and is the nearest community situated 10 road km southeast of the property.

Access to the property from Vancouver BC is via Coquihalla highway to the Logan Lake turnoff south of Kamloops BC. From the Village of Logan Lake take Hwy 97C to the turnoff at Tunkwa Lk road, go north 5.9 km then via loose surface roads for another 7 km that leads to the western portion of the Kerrisdale1 Claim. Road access within the property boundaries is through a set of hydro power line trails and logging road spurs. Figure 1 shows the boundaries of the property area together with a map inset showing the general location, Figure 2 displays the location of the property within the region. The Property consists of one claim block identified as Mineral Tenure Number 550556 named Kerrisdale1. The claim, located within the Map Sheet NTS 92I.056, covers a surface area of 369.5354 ha and is geographically centered at Lat, 50º 33' 22" N; Long, 120º 52' 35"W (UTM: 10: 5602618 N, 650430 E) in the Kamloops Mining Division. The following information provided by the Mineral Titles Office shows the legal record of title:-

| Tenure Number | Type | Claim Name | Good Until | Area (ha) |
|---|---|---|---|---|
| 550556 | Mineral | KERRISDALE1 | 2012/11/0 7 * | 369.5374 |
| | | | | Total Area: 369.5374 ha |

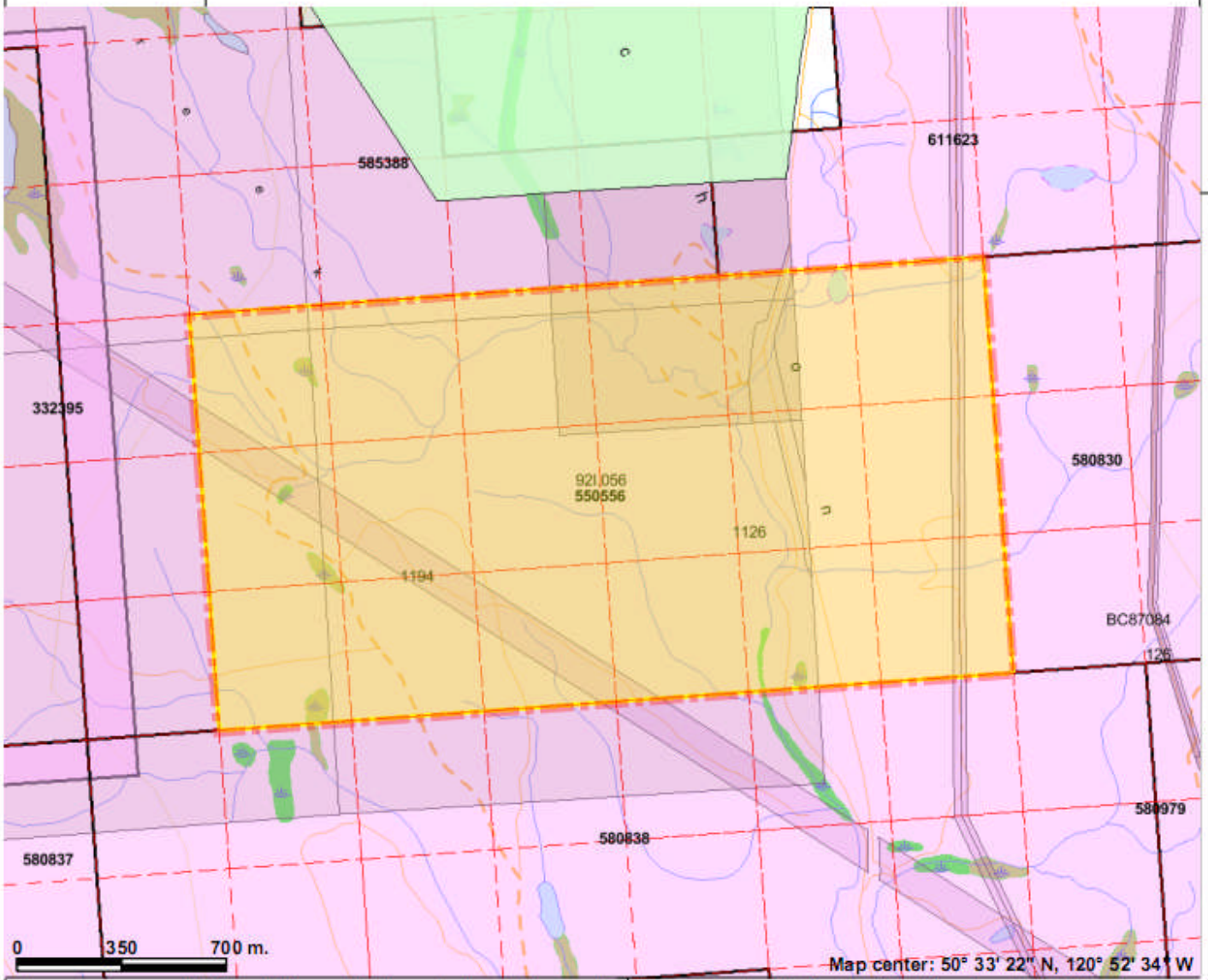
*[Assessment work has been completed and a notice has been filed, which will extend the due date to November 7$^{th}$ 2013]

Below is the legal description of the surface rights holders covering the Property depicted in Figure 3.

| | |
|---|---|
| **Coordinate Position** | |
| BC Albers: 1360933, 628603 | |
| Geographic: 50° 33’ 20” N, 120° 53’ 57” W | |
| UTM 10N: 648804, 5602505 | |
| **Tantalis Surface Ownership** | |
| Parcel SID: | 4766170 |
| Primary Parcel SID: | 4766170 |
| Crown Indicator: | Y |
| Ownership Confidence: | High |
| Shape Confidence: | 0/0 0 I 0 (P) |
| Legal Description: | SECTION 25, TOWNSHIP 18, RANGE 22, WEST OF THE 6$^{TH}$ MERIDIAN, KDYD |
| AREA: | 2625363.06286 |
| LEN: | 6481.42870709209 |
| **Coordinate Position** | |
| BC Albers: 1362150, 628533 | |
| Geographic: 50° 33’ 15” N, 120° 52’ 56” W | |
| UTM 10N: 650017, 5602381 | |
| **Tantalis Surface Ownership** | |
| Parcel SID: | 3383270 |
| Primary Parcel SID: | 3383270 |
| Crown Indicator: | Y |
| Ownership Confidence: | High |
| Shape Confidence: | ½ 0 I 1 (P) |
| Legal Description: | SECTION 30, TOWNSHIP 18, RANGE 21, WEST OF THE 6$^{TH}$ MERIDIAN, KDYD |
| AREA: | 2301549.995133 |
| LEN: | 6486.68647773417 |
| **Coordinate Position** | |
| BC Albers: 1362714, 629203 | |
| Geographic: 50° 33’ 35” N, 120° 52’ 25” W | |
| UTM 10N: 650611, 5603026 | |
| **Tantalis Surface Ownership** | |
| Parcel SID: | 2836991 |
| Primary Parcel SID: | 3383270 |
| Crown Indicator: | N |
| Ownership Confidence: | Medium |
| Legal Description: | N1/2 OF NE1/4, SECTION 30, TOWNSHIP 18, RANGE 21, WEST OF THE 6$^{TH}$ MERIDIAN, KDYD |
| Primary Indicator: | N |
| OWNERSHIP_EFFECTIVE_DATE: | Dec 31, 1906 |
| AREA: | 328275.3324555 |
| LEN: | 2431.98188 |

Figure 1

# Kerrisdale1





## Legend

- Indian Reserves
- National Parks
- Conservancy Areas
- Parks

MTO Grid (MTO)

- Blocked by MEM
- Other

Mineral Tenure (current)

- Mineral Claim
- Mineral Lease

Mineral Reserves (current)

- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others
- Integrated Cadastral Fabric
- Survey Parcel Right of Ways
- Survey Parcels
- BCGS Grid

Contours (1:250K)

- Contour - Index
- Contour - Intermediate
- Areaof Exclusion
- Areaof Indefinite Contours

Annotation (1:20K)

Transportation - Points (TRIM)

- Helipad

Transportation - Lines (TRIM)

Scale: 1:20,000

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

Notes: boundaries of the Kerrisdale Mineral Property are highlighted in yellow-red dashed lines

**Figure 2 Regional Claim Map**

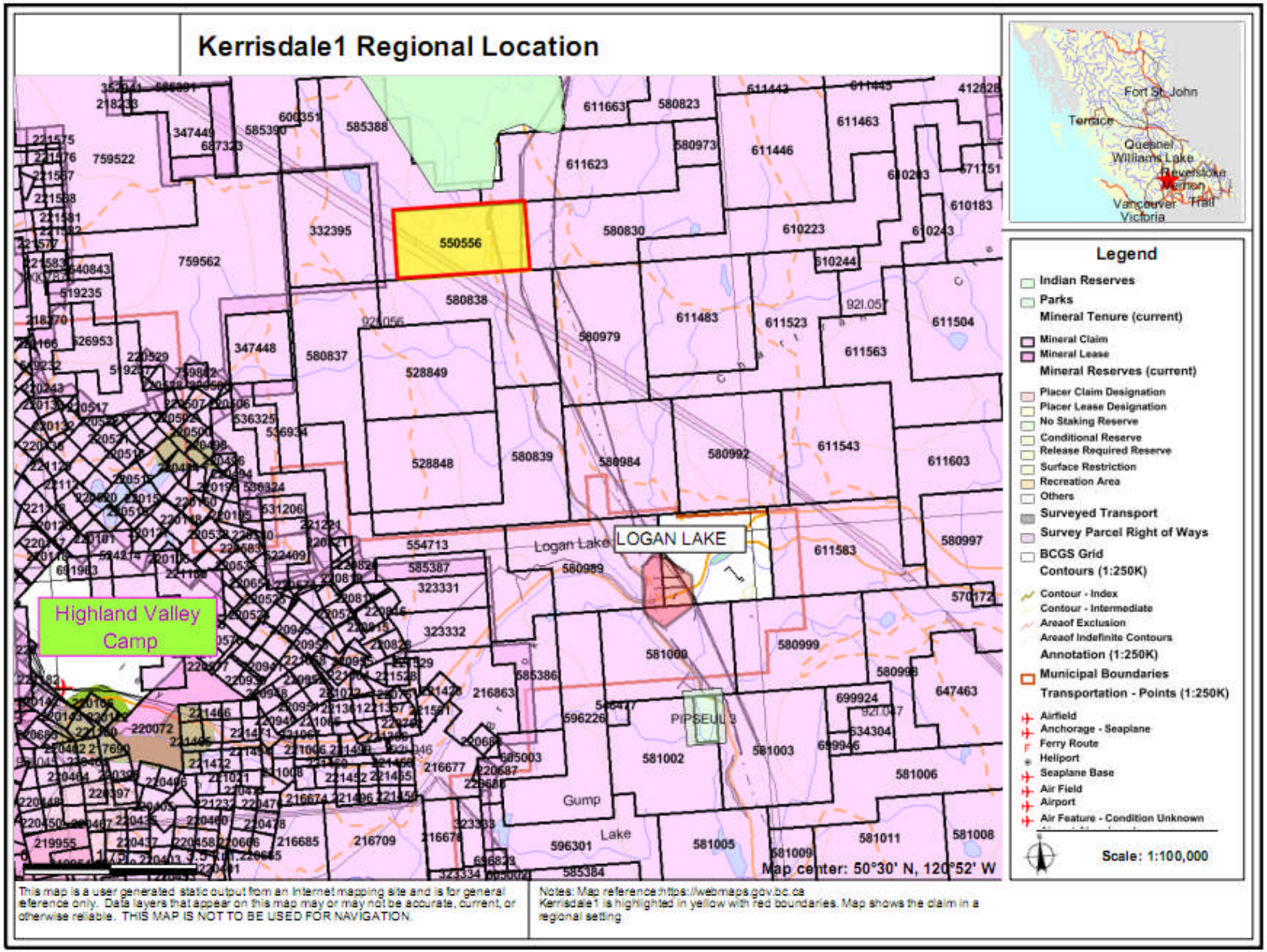
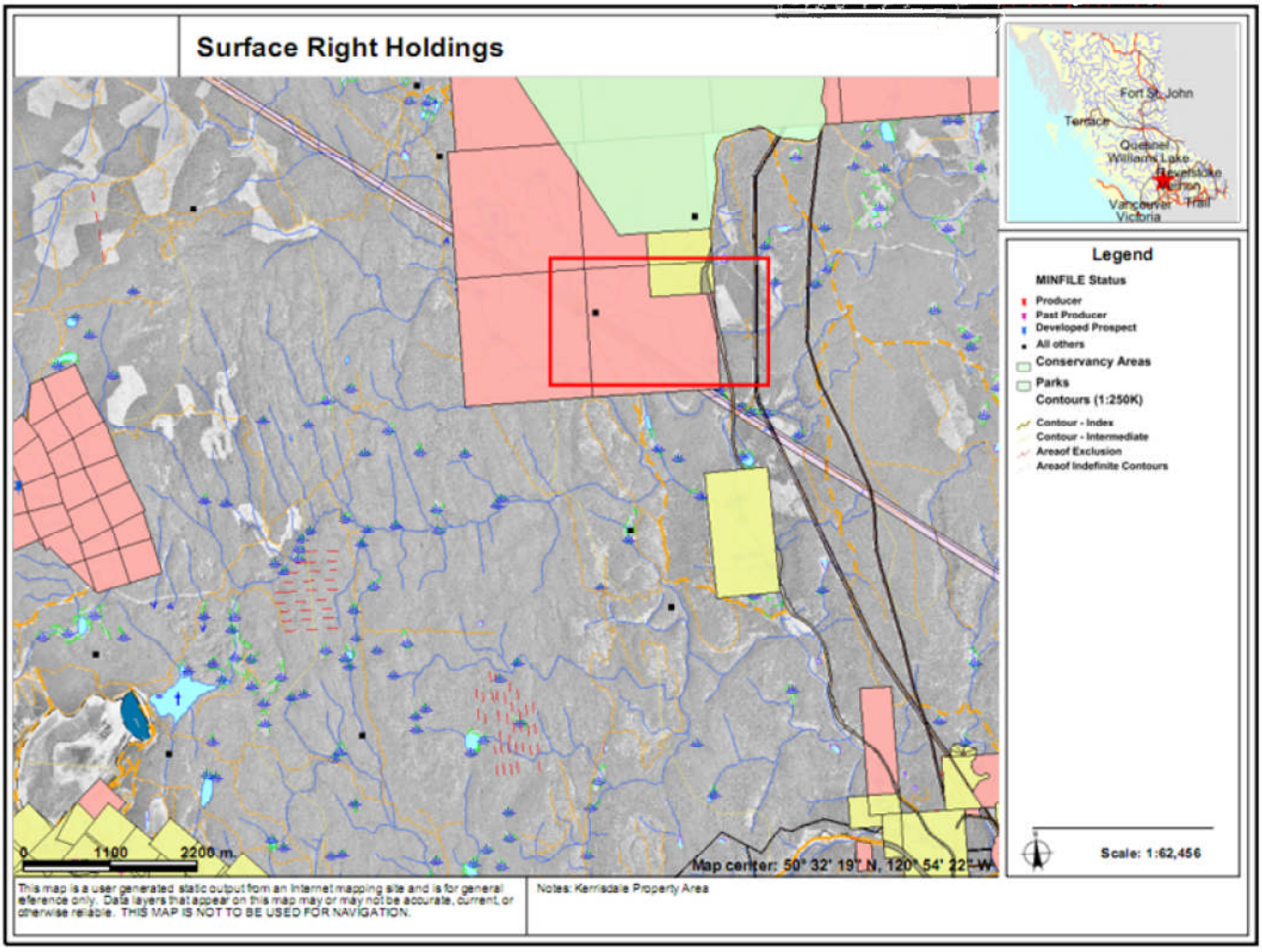


**Figure 3 Surface Right Holdings**




Note: The outline of the Kerrisdale Claim block marked in red shows the relationship of the surface rights affecting the area.

The names of the surface rights holders are unknown to the author at the present time; the surface rights are restricted to rights of occupancy that is only applied to surface and not to mineral rights. There are two BC Hydro power transmission lines traversing the property of which the power line maintenance roads provide further access to the property. The First Nations Band governing the area is not known to the writer.

Water for all phases of future exploration programs is available from the various streams, marshes, ponds and lakes within the boundaries of the property.

## Physiography and Climate

The Property occupies an area characterized by the subdued topography reminiscent of gentle rolling hills of the Thompson Plateau with an elevation of 1150 metres on average. The area is generally in the BC dry belt within the Southern Interior Ecoprovince. Table 1 displays the average weather over a 30 year reporting period. Vegetation consists of Douglas fir, Pine, Sage-brush and grass meadows or range land used for livestock grazing.

**Table 1 Weather Statistics**

**Weather Statistics**

- **Station:** Highland Valley Lornex, BC, Canada
- **Latitude:** 50.5° **Longitude:** -121.0° **Altitude:** 1268 m

The weather statistics displayed here represent the value of each meteorological parameter for each month of the year. The sampling period for this data covers 30 years. Record maximums and minimums are updated annually.

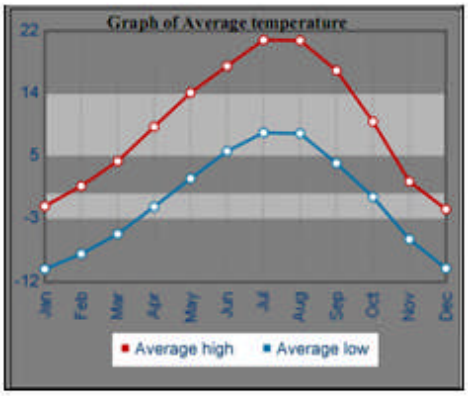
| **Temperature (°C)** | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Average high | -1.7 | 1 | 4.4 | 9 | 13.6 | 17.3 | 20.8 | 20.7 | 16.7 | 9.7 | 1.6 | -2.1 |
| Average low | -10.2 | -8.2 | -5.5 | -1.8 | 2 | 5.7 | 8.2 | 8.1 | 4.1 | -0.5 | -6.2 | -10.2 |
| Average | -6 | -3.6 | -0.6 | 3.6 | 7.9 | 11.5 | 14.5 | 14.4 | 10.4 | 4.6 | -2.3 | -6.2 |

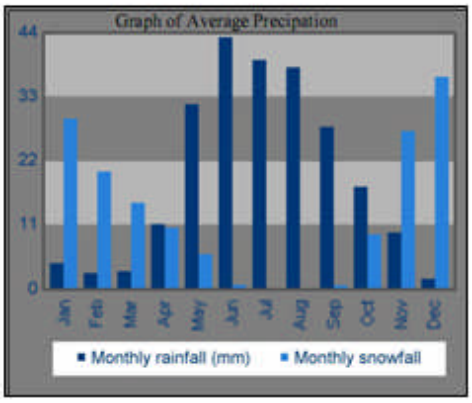
| **Precipitation** | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Monthly rainfall (mm) | 5 | 3 | 3 | 11 | 32 | 43 | 39 | 38 | 28 | 18 | 10 | 2 |
| Monthly snowfall (cm) | 29 | 20 | 15 | 11 | 6 | 1 | 0 | 0 | 1 | 9 | 27 | 36 |
| Mean daily snow depth (cm) | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 27 |
| Mean monthly end snow depth cm | 26 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 23 |

| **Rainfall** | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Above 0.2 mm | 1 | 1 | 1 | 3 | 9 | 9 | 8 | 8 | 8 | 6 | 3 | 1 |
| Above 5 mm | 0 | 0 | 0 | 1 | 2 | 3 | 3 | 2 | 2 | 1 | 1 | 0 |
| Above 10 mm | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 |

| **Snowfall** | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Above 0.2 cm | 8 | 6 | 5 | 3 | 1 | 0 | 0 | 0 | 0 | 3 | 7 | 9 |
| Above 5 cm | 2 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 2 | 3 |
| Above 10 cm | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

| **Snow depth** | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mean daily snow depth (cm) | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 27 |
| Median daily Snow depth (cm) | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 28 |
| Extreme daily Snow depth (cm) | 90 | 47 | 37 | 7 | 0 | 0 | 0 | 0 | 1 | 13 | 29 | 60 |
| Mean monthly end snow depth cm | 26 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 23 |




Reference: http://www.theweathernetwork.com/statistics/precipitation/cll123469

## History-Regional

The Guichon Batholith hosts the largest open pit copper-molybdenum mine in Canada namely the Valley Copper Mine; as well the Batholith has other significant past producers such as Lornex, Bethlehem, and Highmont. The discovery of copper mineralization in the Highland Valley Camp was first documented in 1899, but it was not until 1954 that Spud Huestis and his associates staked a significant amount of claims that became Bethlehem Copper Corporation which together with Sumitomo performed a substantial exploration effort that lead to development and later in 1962 production from the Bethlehem mine. The camp was very active in 1954 lead by another explorer, Egil Lorntzsen, who discovered the Lornex porphyry deposit that was later developed and placed into production in 1972 by Rio Algom. Additional major porphyry deposits were discovered which gave a reputation of the Highland Valley as one of the largest and most prolific copper molybdenum producing areas in the world.

With the exploration activities heating up in the Highland Valley Camp in 1954 other exploration programs were spurred on throughout the region; on the south-eastern border of the Guichon Batholith diamond drilling in 1957/58 on the Craigmont property lead to later development and production in 1962. The Craigmont mine is the largest copper-iron skarn mine in Western Canada, the mining innovations credited to the development are: the first open pit mine in British Columbia, a pioneer in using underground sub-level block caving techniques, and the innovator of trackless mining equipment/machinery.

### -Property

There has been very little direct exploration on the Kerrisdale1 property, however within the area there has been some exploration with only three direct work reports. The following information is from the reports on the Kerrisdale1:-

- **2007 ARIS 29416** Geological and Geochemical Report on the Kerrisdale Property for J. Morita by J. Pardy P.Geo.

  This survey was very limited in scope by focusing on a small area of the property. The number of soil samples collected was an insufficient quantity to form any meaningful conclusions; the program was of a reconnaissance nature to locate the RM occurrence (MinFile # 092INE111). The report also states in the conclusions and interpretations “Exploration will be hindered by the extent and thickness of glacial cover observed during the 2007 work”.
- **2010 ARIS 31626** Topographical Lineament Analysis on the Kerrisdale 1 Property for J. Morita by B. Hemingway B.Sc FGAC. This survey was to locate via airborne topographic mapping any potential areas worthy of exploration and an analysis of surface linears to determine the best “fit” grid orientation for any surface programs.

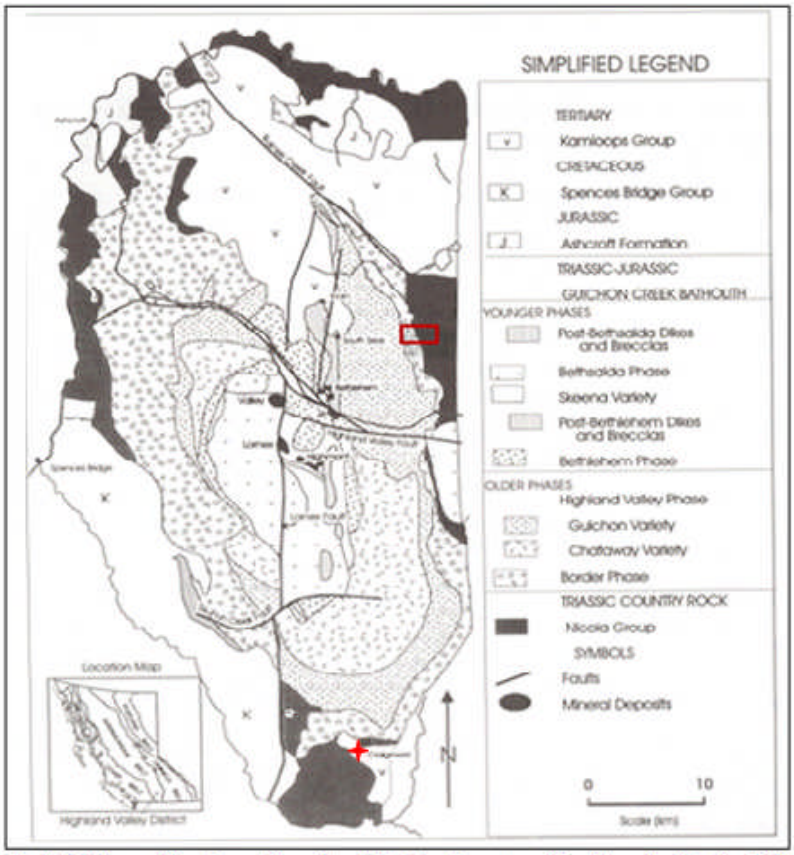
- **2011 NI43-101 Technical Report** for Crestwell Resources Inc., by W. Bergey P.Eng. This report detailed future recommendations for exploration on the Kerrisdale 1 Property. The report outline the amount of geochemistry MMI, geophysics IP, Resistivity, and magnetometer work to be conducted on the property contingent on those results for a 150metre drill program.

## Geological Setting

The Property is regional situated in the Quesnel Trough, a 30 to 60 km wide belt of Lower Mesozoic volcanic and sedimentary strata which has been intruded by numerous, economically significant batholiths together with their accompanying satellite intrusions. There are few distinct intrusive plugs within the belt that have no known affiliation with any of the main batholiths that hosts major porphyry deposits (MinFile# 092ISE160; Rey Lake deposit 46+ million tonnes at 0.17% Cu and 0.018% Mo).

The most important geological feature of the Kerrisdale property region is the Guichon Creek Batholith and its relationship with the Nicola volcaniclastic belt. The southern part of the Quesnel Trough contains the Nicola belt that stretches from the U.S. border north-westwards for 200+ kms. The Nicola contact almost envelopes the Guichon Creek Batholith (Figure 4).

**Figure 4 General Geology of the Guichon Cr. Batholith**
(Showing major Highland Valley porphyry Cu-Mo deposits.)

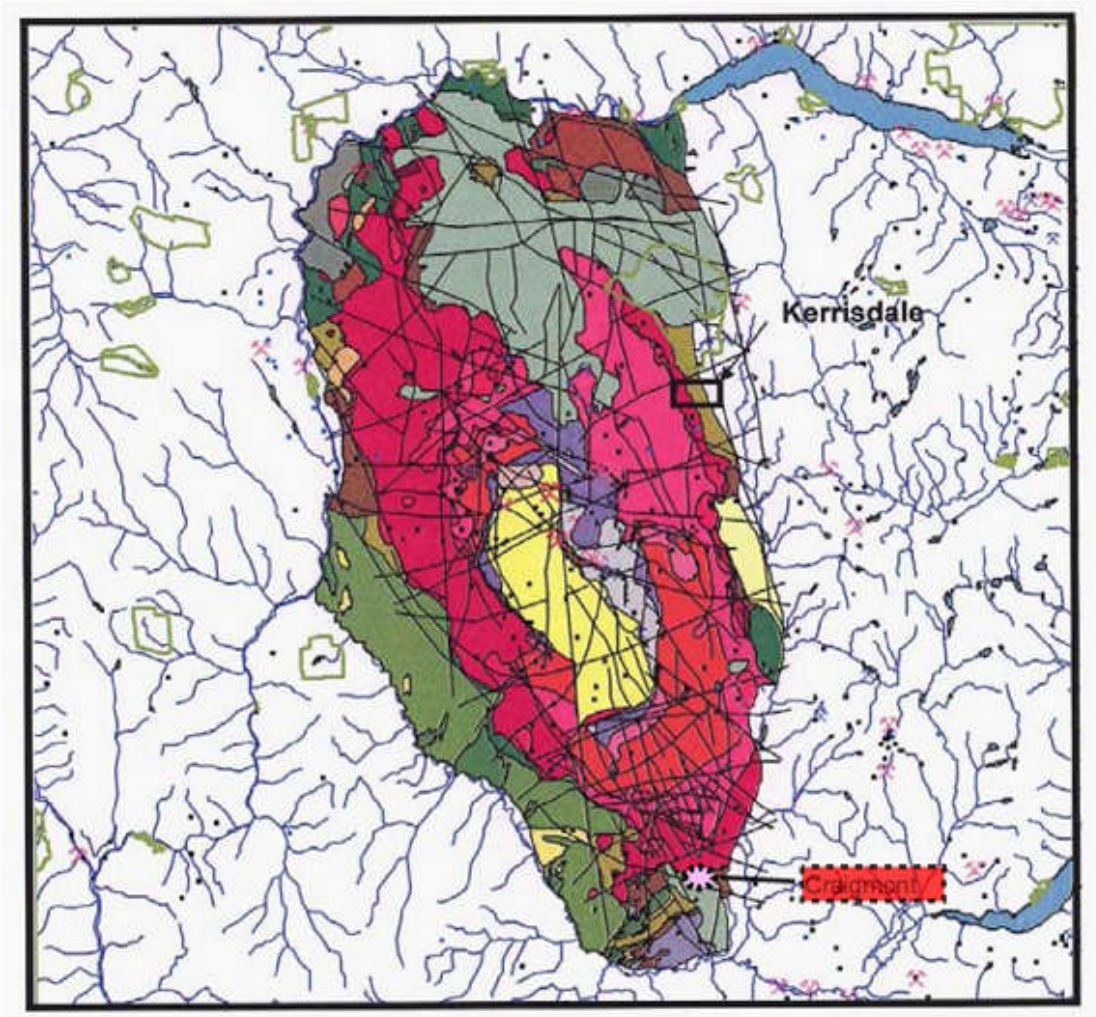



The approximate positioning of the Kerrisdale property is highlighted in red.

The Craigmont skarn property at the lower right side of the Guichon Batholith is marked with red star.

The Guichon Creek Batholith contains most of the past and presently producing mines of the region albeit the Craigmont deposit. The Batholith is a multi-phased intrusive complex consisting of at least seven distinct lithologies; the ore-bodies of the past and present mines are not restricted to any particular phase. Each ore-body appears to be distinct and hosted within a unique and entirely separate intrusive phase to each other. The main mechanism for ore placement appears not to be the intrusive phases but of structural confinement along several major fault zones. Faulting has developed the conditions necessary for the fracturing of the intrusive plutons and the later emplacement of the ore zones (Figure 5). The faults prepare the host rocks by providing conduits for the placement and deposition of the mineral and igneous stocks. The controlling faults for mineral emplacement occurred simultaneously and alternatively in the last stages of the intrusion of the Guichon Batholith.

**Figure 5 Guichon Creek Batholith** (showing structural lineaments)




The above diagram shows the location of the mineral occurrences in the area, dark linears are the various fault zones. The coloured areas represent the major intrusive phases within the Batholith; the Kerrisdale property and Craigmont mine are in the Border Phase which consists of quartz diorite, granodiorite and a mixture of Nicola Fm lithologies.

The JA deposit occurs in a quartz plagioclase stock which has intruded into the Guichon and Bethlehem phases. The Lornex mine appears to be a faulted offset from Valley Copper mine (VC) which occurs entirely in the quartz monzonite of the Bethsaida phase. The Lornex and VC ore-deposits located in the Highland Valley occur at the low side of an airborne magnetic high, the magnetic high traces the major fault systems occurring throughout the area. The magnetic low is caused by the destruction of magnetite due to supergene and thermodynamic processes (AR 29164 Sookochoff).

Economically, the Highland Valley Camp hosts the major porphyry deposits situated about 12 km to the southwest of the Kerrisdale Property, these deposits appear trending to the northeast and towards the Kerrisdale1 area. The deposits generally range in size from less than 50mil tonnes to greater than 900mil tonnes grading 0.2 to 1.5% copper, 0.04% molybdenum and minor precious metals, the Camp as a whole has mined 1.15 billion tonnes of ore over its production life.

**Regional Geology of the Property Area**

The geology of the region surrounding the Kerrisdale1 property is problematical due to the sparse amount of outcroppings as with the Guichon Batholith where Pleistocene glacial material mantle the region leaving less than 3% of the surface exposed. The ubiquitous blank of glacial material throughout the region has been an impediment to mineral exploration. At Kerrisdale1 Property, determination of the geology can be vectored in with other nearby exploration programs that have conducted trenching, drilling, and surface geophysical programs.

Several mineral occurrences are located both to the south and northwest of the Property; the Dab at 2.5 kms to the south has reported intersections in drill core of low copper mineralization occurring in a mafic intrusive rock. The Dansey claim is about 3.5 kms south of the Property which has had a recent diamond drilling program however; past trenching on the claim block has exposed low grade mineralization in quartz diorite of the Guichon Batholith's Border Phase. The recent diamond drilling program has had intersections of low grade copper mineralization over significant widths. The mineralization at the Dansey claim is described in MinFile Capsule Geology quoted below (MinFile # 092INE034):

> "Trenching has exposed disseminations and blebs of chalcopyrite, pyrite, bornite, hematite, magnetite and molybdenite mineralization in and adjacent to several northeast faults and shear zones in quartz diorite. The faults and shears mostly dip northwest at moderate to high angles. The shears are characterized by intensely chloritized and sericitized quartz diorite and vary from 1.5 to 9 metres wide. Near the shears are random fractured zones with pyrite and minor chalcopyrite on fracture planes."

About 4 kms to the northwest of the Kerrisdale, two other mineral occurrences have obtained different rock types. The WDR property (MinFile #092INE135) had an extensive program by Valley Copper Mines in

1963 which included geological mapping, road construction, and bulldozer trenching at number of areas stretching over a distance of 6 kms in a north to north-westerly direction. The trenching exposed the gradational contact of unaltered Nicola volcanics on the east through to hornfelsed Nicola then into a medium grained diorite that becomes increasingly lighter coloured and coarser grained towards the Guichon intrusive contact. The width of the contact zone of transitional, hybrid rocks fluctuates from 300 to 1200m wide. Trenching on the property exposed a steeply dipping mineralized fault trending 050° and is parallel to the jointing within the adjacent quartz diorite. At the Pod occurrence, a small prospect pit exposes two quartz veinlets bearing chalcopyrite (MinFile #092INE117).

**Geology of the Kerrisdale1 Property**

The bedrock exposure is rare to non-existent on the Kerrisdale1 due to the pervasive cover of the Pleistocene glacial till deposits. Exploration programs conducted on nearby mineral occurrences can infer that the Kerrisdale1 property lies at the cusp of the Guichon Creek Batholith.

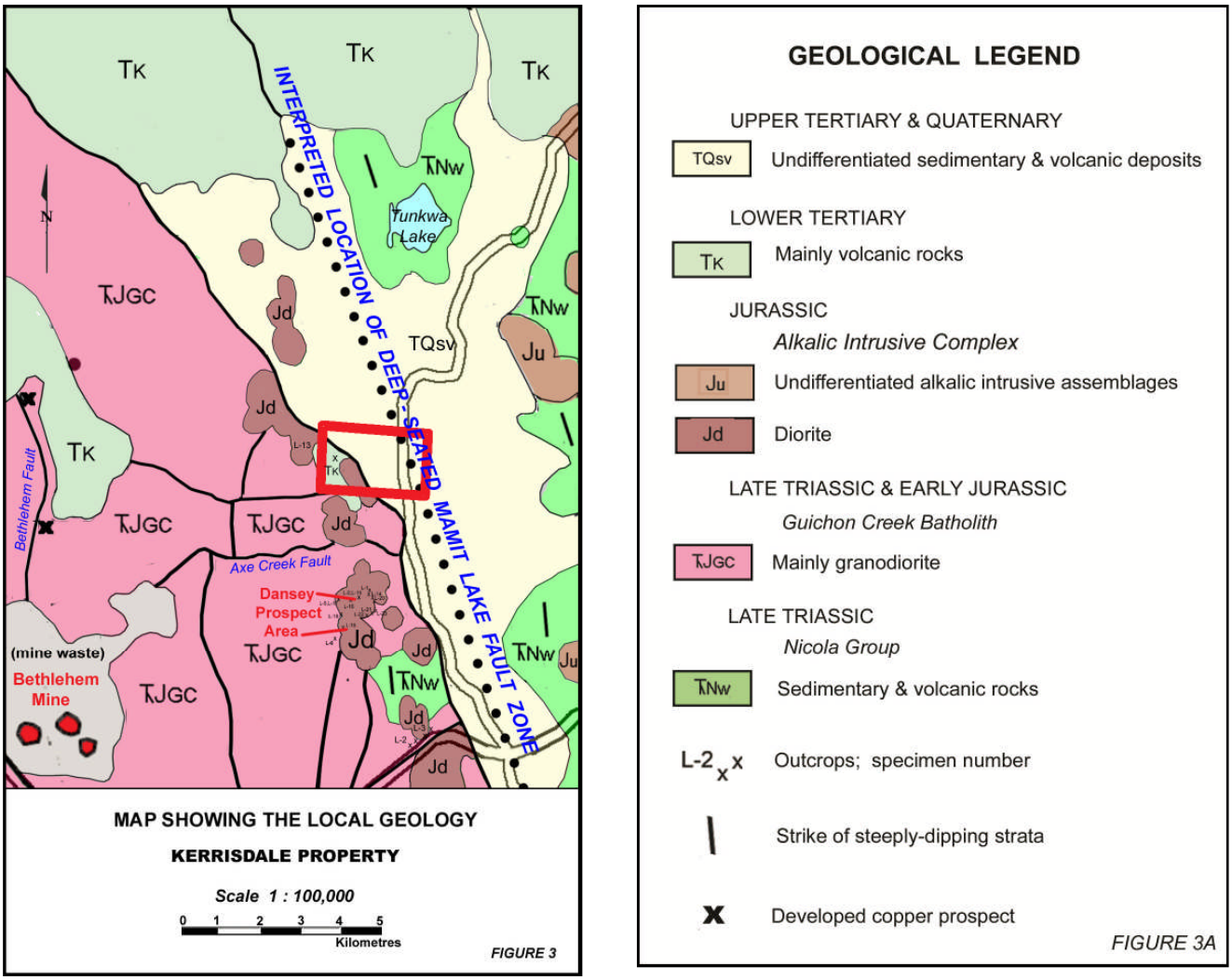
In ARIS 31626 (Hemingway 2010) topographical analysis of the air photos clearly show a major north northwest trending set of linears on the far west side of the property. To the immediate west of the Property, an earlier ground geophysics program on the nearby Ella Claim Group revealed a set of north northwest trending anomalies on the extreme west of that property which were interpreted as the main Guichon Creek Batholith contact zone (ARIS #2077).

In NI 43-101 Report (W. Bergey 2011) for Crestwell Resources confirmed a similar geological environment from his unpublished regional mapping and photo geological interpretation substantiated by additional field work. An excerpt from his report describes the geology in the immediate area of the Kerrisdale 1 Property:-

> "The oldest rocks in the area are volcanic and sedimentary rocks of the Nicola Group of Late Triassic age. Figure 2 shows a highly generalized outline of the outcrop area of this unit. Alkaline intrusive rocks that intrude the Nicola rocks were recognized many years ago. More than 40 years ago it was proposed that these intrusions were coeval with the Nicola volcanic rocks, and this opinion has become traditional wisdom among local geologists. I have not seen any real evidence in print -- or in the field -- to substantiate this assumption. My recent field work and library research clearly indicate that the alkaline intrusions, which include a high proportion of intrusive breccias, are much younger than the Nicola rocks and that they are chemically distinct from them. This distinction is vital to the evaluation of mineral prospects in the region.
>
> "The Property lies along the western margin of the Guichon Creek batholith, the host for the giant copper deposits of the Highland Valley. The batholith is a very large intrusive body, measuring about 50 kilometres north-south by 25 kilometres east-west. The intrusion is composed of crudely concentric rings of granitic rocks, with the oldest phase at the margin and the youngest at the core. Government reports assert that the Border Phase, a particularly magnetic rock, is made up in part of 'hybrid" diorite that resulted from the assimilation of volcanic rock of the Nicola Group." My photo-geological interpretation indicates that, within the present map-area, these magnetic rocks were

intruded as pipe-shaped bodies of unaltered diorite. Evidence of hybridization is uncommon. However, the pipes may contain abundant "stoped" blocks of country rock close to their margins. This feature was observed particularly clearly at the south margin of the small pipe near the southeast corner of the map close to Specimen L-3."

**Figure 6 Geology of the Kerrisdale 1 Property and Vicinity** (by W Bergey 2011)




Note: Kerrisdale 1 Property boundaries outlined in red.

### Economic Geology

The relationship of the all the economic mines in the district have one common mode of emplacement that occur along structural conduits. The Highland valley deposits are controlled by a system of cross faults entirely encompassed within the various igneous phases. The Craigmont Mine was the only producer outside the Highland Valley Camp and hosted at the Border Phase of the Guichon Batholith. The Craigmont may have a comparable geological similarity to the Kerrisdale1 Property. Craigmont is located immediately north of Merritt and 40 kms south of the Kerrisdale1. It has been a major producer of copper totalling almost a

billion pounds throughout its life; the mine was recently in production as a leading supplier of magnetite to the coal industry.
Craigmont was BC's largest Copper-Iron skarn deposit occurs adjacent to the southern margin of the lower Jurassic Guichon Creek Batholith. In the area of the Craigmont mine occur various compositions of quartz diorite and granodiorite of the Border phase of the Guichon Creek Batholith similar to the geological scenario proposed at the Kerrisdale 1 property to the north. These granitic aphophyses intrude the Nicola Group at the Craigmont and periodically along the Guichon Batholith Border phase northwards. The contact is irregular and difficult to distinguish as the result of the similarity of rock types between the Border phase quartz diorite and the metamorphosed sandstone of the Clastic Sediment unit. The mineralization occurs in calcareous tuffs, greywackes, and argillites of the Nicola Gp. The structural attitudes of the greywackes in contact with the Batholith's Border phase are parallel to the contact; as well these rocks have been altered to a quartzofeldspathic hornfels. Alteration mineralogy has a thermal distribution; within the hornfelsed facies, the greywackes contain hydrothermal biotite and actinolite whereas limestone within the zone is altered to marble. Directly to the south of the area is a massive actinolite skarn that has further altered to epidote and garnet in places. The contact aureole from the Guichon Border Phase is at least 1500 feet wide in the Mine Block area.

The controlling structural feature of ore emplacement is a large anticline that contains drag folds of ore bearing minerals which occur on the north limb. The folds are frequently occupied by diorite dykes and the system plunges 60° to 70° eastward. These minor structures could be the result of plug emplacement. Faults within the mine area have two developed sets: one striking 080° with a steep south dip and the other at 280° with a near vertical dip, both are parallel to the Guichon Batholith margin and to bedding and foliation within the Nicola. The anticline is cut by two regional faults; on the Westside by a northwest trending fault and on the south by an east trending fault. The ore bearing fluids were confined within a block that was bounded by these regional faults and the Guichon intrusive hence a mineralizing trap area developed as a result thereof.

The ore is semi-continuous and occurs as massive pods, lenses and disseminations extending throughout the horizon that extends out for 900 m and to a vertical depth of 600 m. Grades of copper ore is up to 4%; magnetite, hematite and various other skarn minerals comprised up to a further 20% of the ore by weight. The observable controls on ore deposition are chemically favourable host rocks of calcitic nature, folding and brecciation caused by faulting and proximity to the Guichon Batholith.

## Survey Description

### Exploration Methodology

Over the recent years, exploration for porphyry deposits at the regional scale has targeted geological provinces that contain producing mines. In regards to the Kerrisdale1 property it would more appropriate to focus on those types of geological environments where past exploration efforts have been successful, i.e. the Craigmont mine north of Merritt BC. Area selection for an exploration program should be based upon recognizable controls that include the presence of regional structures together with major intrusive centres.

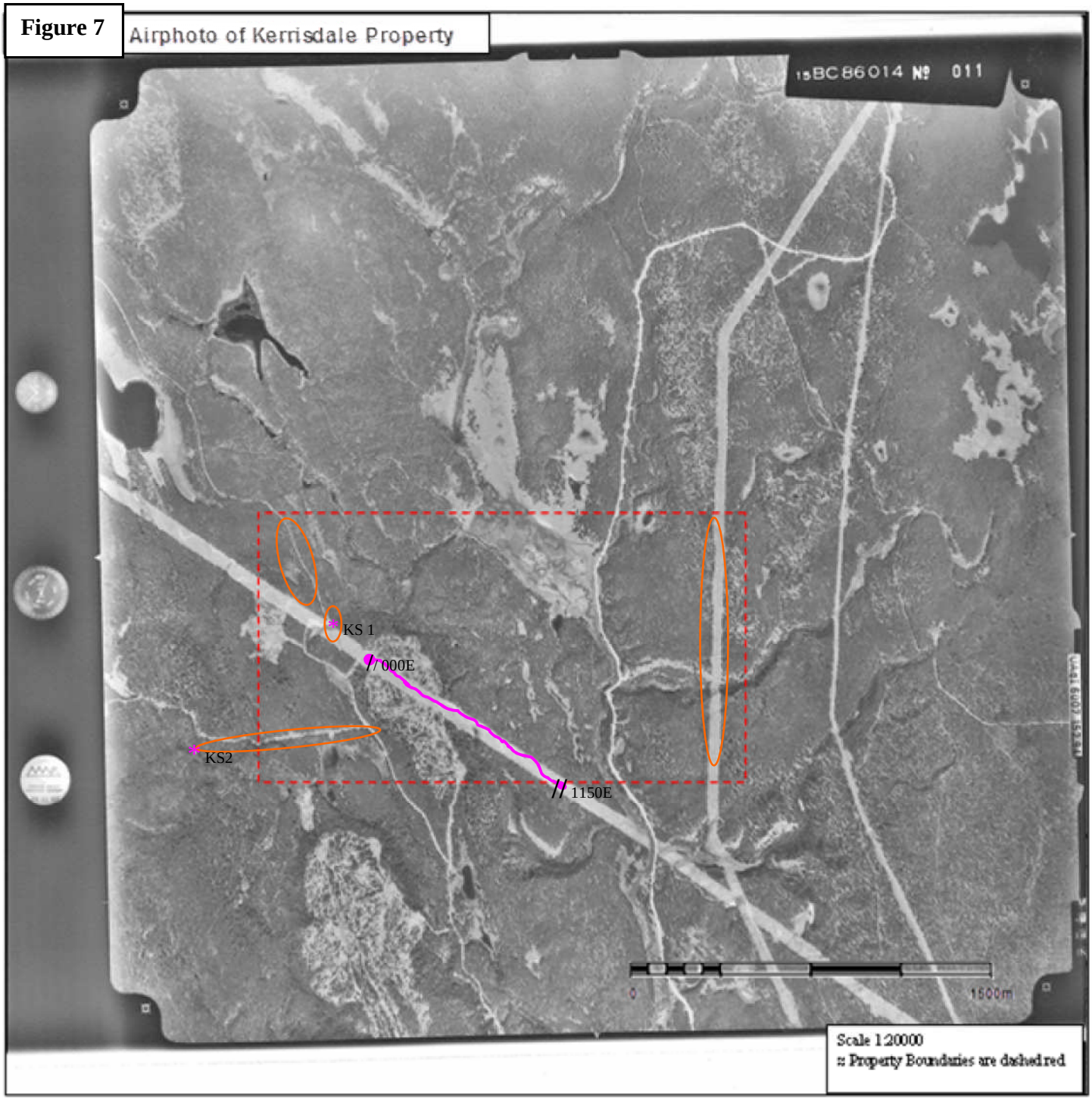
The targeting of a certain area for the current exploration program was based upon two previous reports; W. Bergey who suggested a magnetometer survey should be undertaken on the Kerrisdale 1 property and ARIS report 31626 (Hemingway 2010) determined the direction of the traverse line based upon the average bearing the surficial airphoto linears occurring near and on the property. The magnetometer survey was a test to determine if any variances in the data could map differences in the bedrock below the thick glacial overburden which covers the majority of the property. Government reports stress that the Border Phase of the Guichon Creek Batholith is made up in part of a hybrid diorite which is particularly magnetic. As well, a limited general reconnaissance of the property area for rock outcroppings was also conducted and based upon the topographical analysis of the air photos in ARIS 31626.

### Prospecting and Magnetometer Survey

The current work was carried out on October 17$^{th}$ and 18$^{th}$ 2012 with an assistant, and consisted of 98 magnetometer readings on a traverse line which followed the path of a power-line access road that cuts across the property and has a bearing of approximate 300° N. Figure 7 shows the areas prospected and examined as well the location of the traverse line for the magnetometer stations during this survey. The magnetometer instrument used was a Geometrics Model G 816 Portable Proton magnetic measuring machine. The magnetometer readings were recorded at each station with 25 metre intervals along the traverse line; two consistent readings were logged at each station and the average of which were plotted on Figure 8 and profiled on Figure 9. Also noted was the distance to the over head power lines and the accompanying towers at each station. A total of 1150 metres was traversed with readings taken at 47 stations with a control loop (diurnal time correction reading) at the end of the survey at station 000e. Data from the survey is tabulated in Table 2 and plotted on Figure 8.

The primary purpose of the prospecting survey was in search of rock outcroppings and any mineralization either in situ or of glacial float origin. Two rock samples were collected for further study. Photos were taken

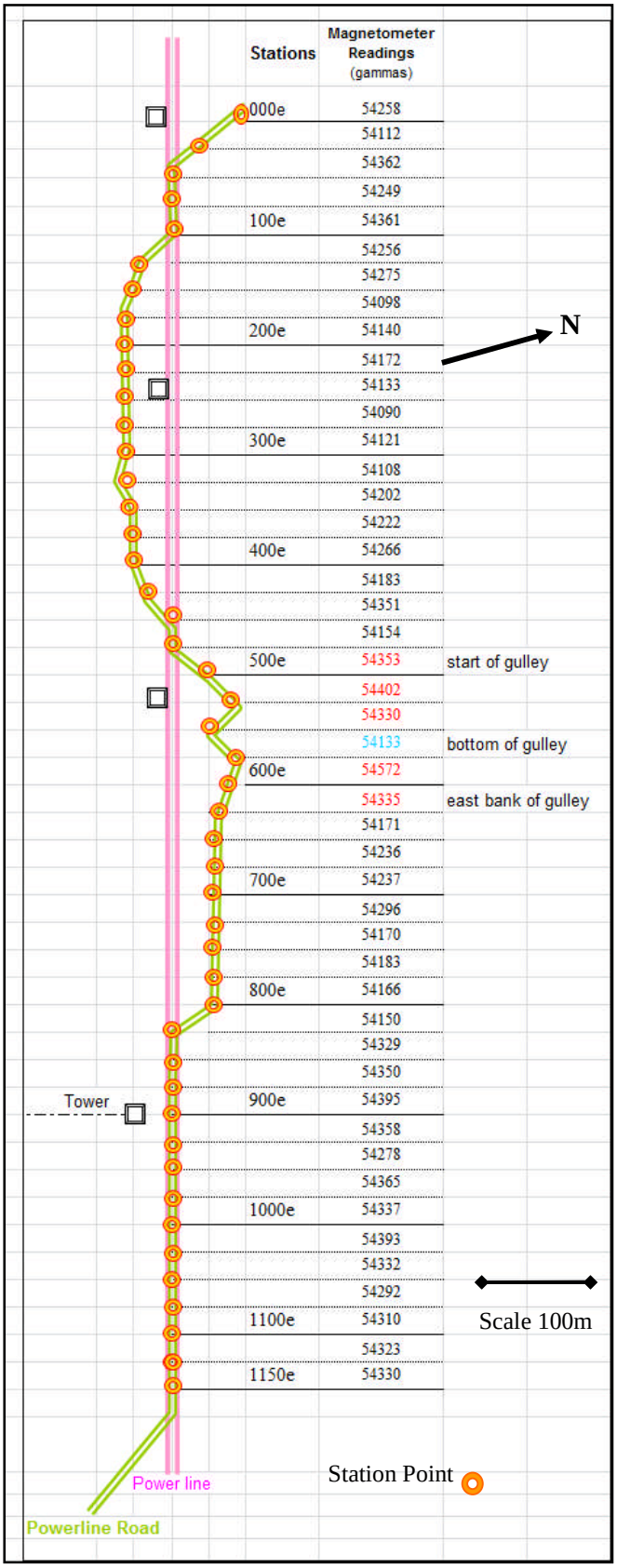
**Figure 7** Airphoto of Kerrisdale Property

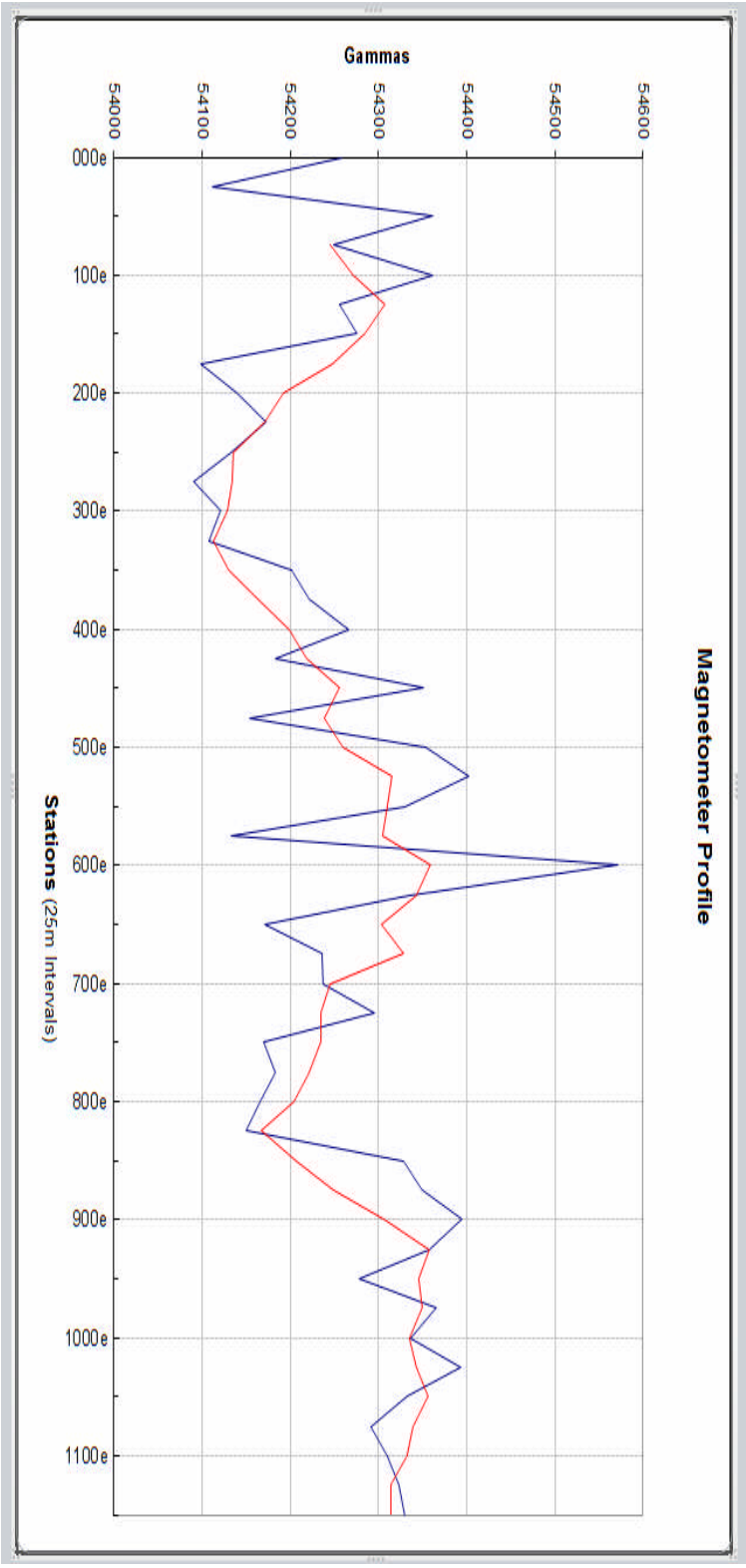



at each locale showing the general surface conditions as well of other noted surface features that may aid in future exploration of the property. Each photo is accompanied with descriptive notes later in this section. Notes: - Property boundaries are approximate and outlined in red dash line, prospected areas shown in orange ovals, and magnetometer work area is a line in bright purple. KS 1 and 2 are locations where rock samples were collected.

| **Table 2 Magnetometer Data** | | | | | |
|---|---|---|---|---|---|
| **Station** | **1st reading** (in Gammas) | **2nd reading** (in Gammas) | **Average** (in Gammas) | **Distance to Tower**(m) | **Distance to power line** (m) |
| 000e @1030 am | 54296 | 54220 | 54258 | 50S | 50S |
| | 54152 | 54072 | 54112 | 50SW | 25S |
| | 54458 | 54266 | 54362 | 50W | ^ |
| | 54130 | 54368 | 54249 | 75W | ^ |
| 100e | 54333 | 54390 | 54361 | 100W | ^ |
| | 54399 | 54114 | 54256 | 100+W | 25N |
| | 54278 | 54272 | 54275 | 100+W | 30N |
| | 53998 | 54194 | 54098 | 100+W | 30N |
| 200e | 54097 | 54183 | 54140 | 75E | 30N |
| | 54176 | 54169 | 54172 | 75ENE | 30N |
| | 54070 | 54196 | 54133 | 30NE | 30N |
| | 54097 | 54083 | 54090 | 30N | 30N |
| 300e | 54151 | 54092 | 54121 | 35N | 35N |
| | 54125 | 54090 | 54108 | 50NW | 25N |
| | 54177 | 54228 | 54202 | 75NW | 25N |
| | 54171 | 54274 | 54222 | 100+ | 25N |
| 400e | 54258 | 54275 | 54266 | 100E | 20N |
| | 54209 | 54158 | 54183 | 75E | ^ |
| | 54402 | 54300 | 54351 | 50E | ^ |
| | 54145 | 54163 | 54154 | 50SE | 25S |
| 500e | 54310 | 54396 | 54353 | 40S | 40S |
| | 54411 | 54394 | 54402 | 30S | 25S |
| | 54372 | 54289 | 54330 | 75SW | 40S |
| | 54130 | 54135 | 54133 | 100W | 40S |
| 600e | 54619 | 54525 | 54572 | 100+ | 40+S |
| | 54343 | 54327 | 54335 | 100+ | 30S |
| | 54191 | 54152 | 54171 | 100+ | 30S |
| | 54245 | 54227 | 54236 | 100+ | 30S |
| 700e | 54206 | 54268 | 54237 | 100+ | 30S |
| | 54297 | 54295 | 54296 | 100+ | 30S |
| | 54193 | 54147 | 54170 | 100+ | 30S |
| | 54189 | 54178 | 54183 | 100+ | 30S |
| 800e | 54180 | 54151 | 54166 | 100+ | 30S |
| | 54131 | 54169 | 54150 | 75ESE | ^ |
| | 54329 | 54329 | 54329 | 50SE | ^ |
| | 54306 | 54395 | 54350 | 40SE | ^ |
| 900e | 54378 | 54411 | 54395 | 25S | ^ |
| | 54311 | 54406 | 54358 | 25S | ^ |
| | 54322 | 54234 | 54278 | 40SW | ^ |
| | 54363 | 54366 | 54365 | 60WSW | ^ |
| 1000e | 54388 | 54287 | 54337 | 100+ | ^ |
| | 54392 | 54393 | 54393 | 100+ | ^ |
| | 54227 | 54337 | 54332 | 100+ | ^ |
| | 54273 | 54310 | 54292 | 100+ | ^ |
| 1100e | 54427 | 54194 | 54310 | 100+ | ^ |
| | 54352 | 54294 | 54323 | 100+ | ^ |
| 1150e | 54367 | 54293 | 54330 | 100+ | ^ |
| Loop 000e @ 1230pm | 54341/54249 | 54175/54225 | 54248 | 50S | 50S |

**Figure 8 Map of Traverse line with Magnetometer data with Profile**

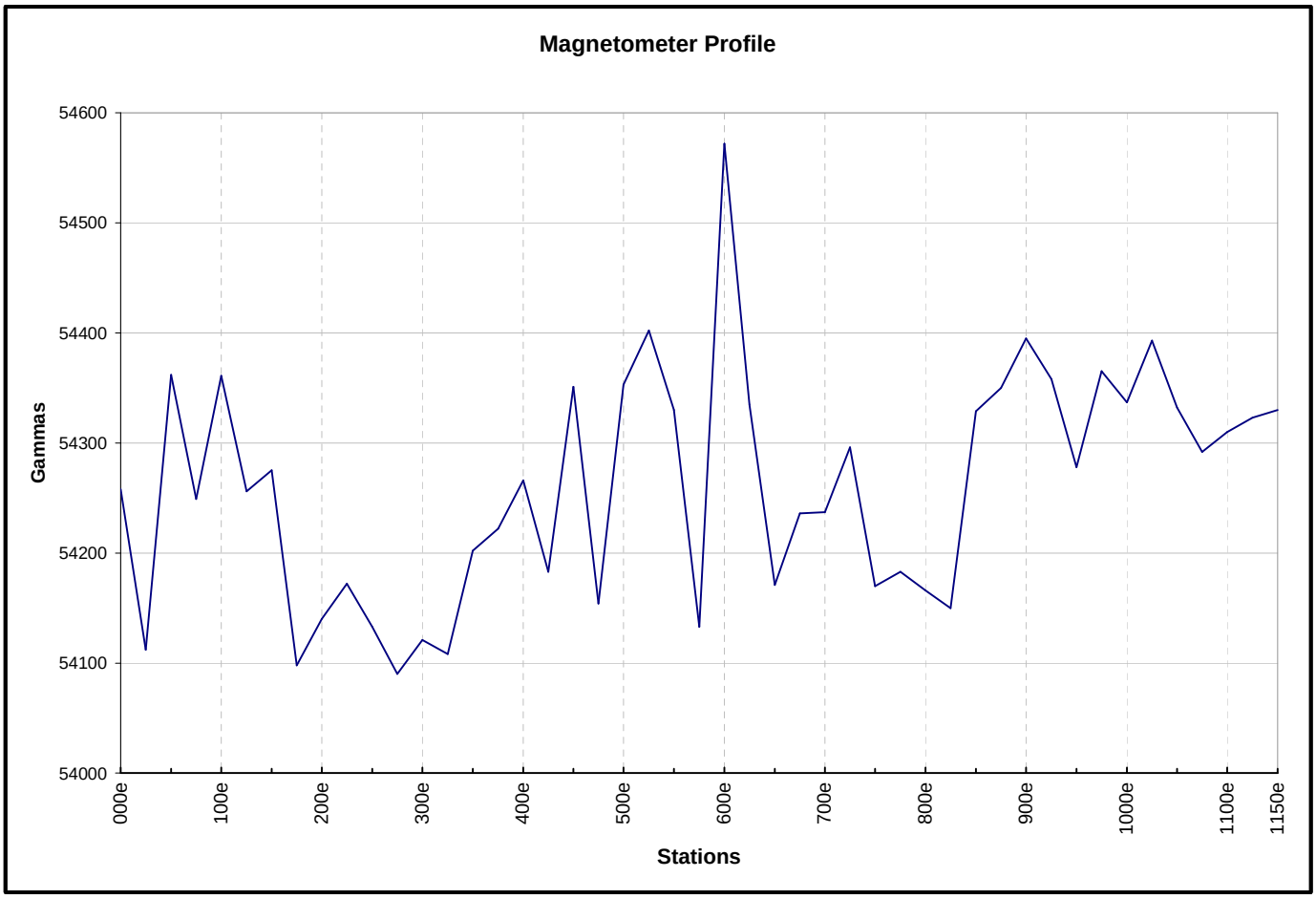



Red line on the Magnetometer profile is moving average of 4 data points

Magnetometer data plot on map is the average of two readings of each station (as per data sheet table 2).

**Figure 9** **Profile of Magnetometer Data** (Gamma reading verses Station)




## Prospecting

The prospecting consisted of four separate areas being surveyed for rock outcroppings and mineralization. Previous workers have attempted to locate the RM showing (Minfile occurrence 092INE111) but without success (AR 29416). The current work of investigating each area was an attempt to narrow down or to vector in the location of the mineral occurrence. The only outcrop found during this survey was in a gulley area at KS 2 about 200m to the west of the property in the lower southwest corner (Figure 7). At KS 1, angular float of granodiorite origin exposed in a road cut indicated the source is in close proximity and of the same rock type as KS 2.

The following is a series of photos with descriptions displays the surface conditions at each prospected site:-

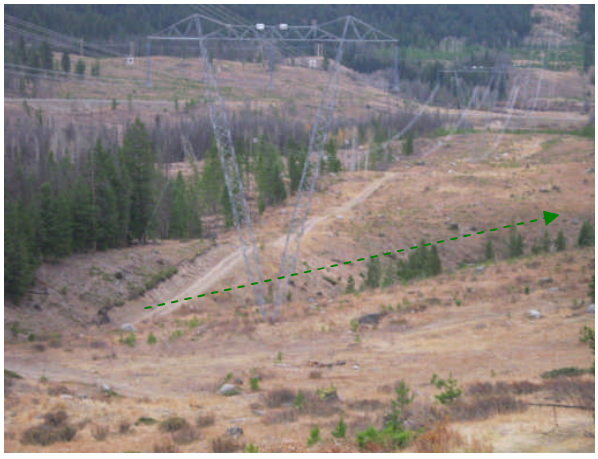
Photo 1

On the east side of the property, the east bank of the Tunkwa Lake Road exposes poorly sorted glacial till. View is looking towards the south.

Photo 2

Photo taken from the same location as Photo 1, the view is to the west and towards the Kerrisdale I Property; note the power line in the middle of the picture cuts across the middle of the property. At the road edge shows the glacial overburden and the hummock nature. No outcrop was found at this location.

Photo 3



View of photo is towards the east and taken near station 400e of the magnetometer traverse line, note the gulley in the mid ground trends →160° and the Tunkwa Lk Road in the upper left hand corner where Photos 1 and 2 where taken.

Photo 4

The view is towards the northwest along the traverse powerline road and at the end of the magnetometer survey line at station 1150e. Note the extensive glacial cover with many rounded boulders of mixed lithologies.

Photo 5

The rounded boulder of a dark grey andesite-basalt shows surface linear and parallel scratch marks due to possible glacial processes. Location is between the stations 250e-275e metre mark on power line traverse road. Direction of the glacial striae is →175°. Boulder size is ≈75 x 120cm.

Photo 6

Location is at KS 1, this photo shows angular blocks and boulders of granodiorite-diorite in an auxiliary road cut just north of the power line on the west side of the property. Note some boulders appear to have inclusions of dark grey-green volcanic andesite. View is towards the south-east.

Photo 7

This photo is taken on a logging road in the northwest corner of the property and typically shows the terrane of the area. View is towards the north-north west.

Photo 8 KS 1 grab sample

Rock sample KS 1 taken at the location of Photo 6 marked on the map (Figure 7). The float appears to be quartz-diorite containing a visual estimate of 30-40% quartz as interstitial masses with some minor hornblende but the majority of the mafic minerals appear to be augite with an estimate of 40% of the total mass. Minor amounts of bornite as specks throughout occur with the quartz. Pyrrhotite is also present and is brassy coloured but very sparse, occurs as specks and in minute masses. As well minor amount of pyrite occur as specks and appear to be associate with the mafics. The veining consists of three 1.0mm wide, parallel veinlets consisting of a soft mineral (calcite); an alteration selvage (1.5cm wide) is associated with the vein.

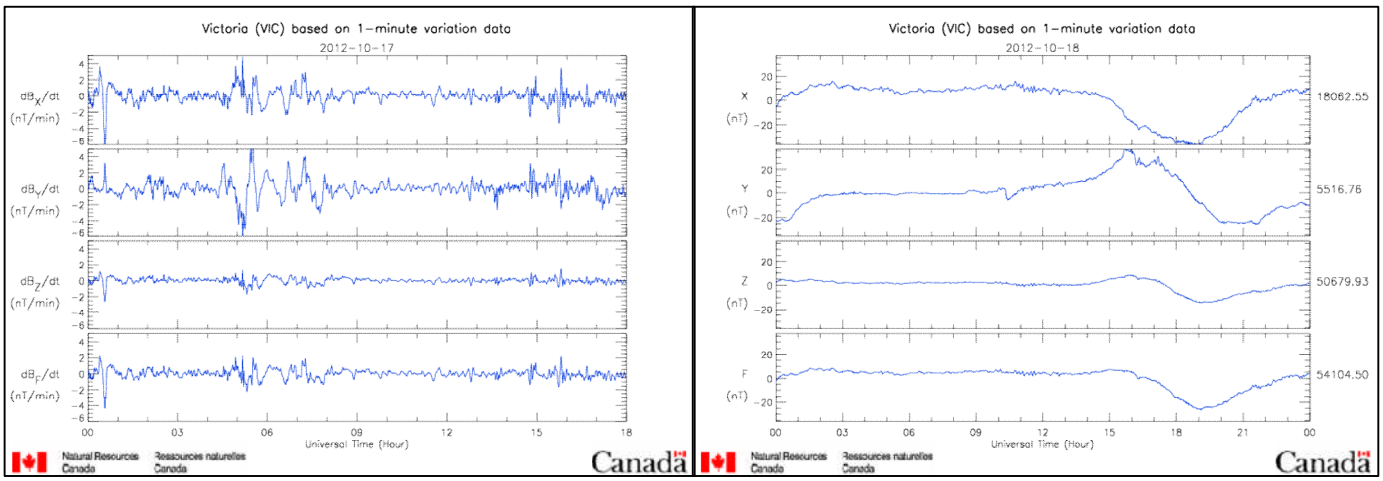
Photo 9 KS 2 grab sample

Rock sample KS 2 was obtained from bedrock exposure in a gulley cut about 300m west of the property as shown on Figure 7. The sample is also a quartz-diorite but with much more hornblende than KS 1, the sulphide content is very rare with an occasional un-identified speck. There appears to be some rare black magnetite specks occurring with augite/hornblende. In both samples the quartz has a greyish colouration while the majority of the mafics appear to have a greenish-black hue (diopside with chlorite alteration?).

## Discussion of Survey Results

The magnetometer survey was a test to see if significant and meaningful data could be obtained by this exploration tool. The magnetometer survey was partially successful in delineating a variance in the data from station 500e through to 625e coincident with a gulley cut. The influence of the power line is noticeable with a flattening or consistency in the results but elevated by at least 150-200 gammas, the towers had a limited affect on the magnetometer readings. Note every time the readings were recorded under the power line a spike occurred (see Figure 8), however the readings leading up to and within the gulley were away from the power line and may be more reflective of the bedrock below the overburden. Diurnal corrections were not needed as the minerals sought for would carry a much larger variation and the diurnal correction at the end of traverse was a difference of only 10 γ. The following data (Figure 10) is from NRC Canada and displays the magnetic variance in the Earth's field at the time of the survey.

**Figure 10 Geomagnetic Data Kerrisdale Project**




Given in light that the float found at KS 1 contains pyrrhotite, a magnetometer survey in that locale may pin point the source area.

The prospecting survey for rock outcrops and mineralization was unable to find the RM mineral occurrence but did narrow the search area. In the vicinity of RS 1, the grab sample found as float is very similar to the literature description of the type of rock hosting the mineralization at the RM occurrence. Other areas were prospected for rock outcroppings that contained a similar lithologic signature as RS 1 in order to compare the samples, but with limited time for the program only one area examined at locale RS 2 had similar characteristics as to RS 1 (Figure 7).

## Conclusions

The results from a previous survey (AR 31626 Hemingway 2010) of the topographical and lineament features occurring near and on the Kerrisdale1 Property have indicated a dominant structural zone trending at 340° conforming to the regional strike of the Guichon Creek Batholith, this major set appears to be associated with the known geophysical and geochemical anomalies discovered by previous operators working in the area. The current work has verified a dominant surface gulley cut trending 160° (or 340°) in the center of the property near Station 600e which also has a magnetic variance signature over the background values. Although limited magnetometer data was recorded during this survey the results did yield a variance which may reflect the bedrock characteristics below the extensive glacial overburden. It is a viable exploration tool in outlining magnetic bearing rocks such as the pyrrhotite bearing granodiorite float found at KS 1. No rock outcroppings were located on the property but a short distance away to the west from the extreme southwest corner of the property. Angular granitic boulders were located at KS 1 in a road bank indicate a nearby source; one grab sample contained specks of bornite, chalcopyrite and pyrrhotite.

The current report documents the second phase of a “work-in-progress” programme where each work phase is dependant on the prior work programmes. Definite conclusions and recommendations cannot be deduced but only inferences are ascertained at this time until further information is available from any future work programs.

## Recommendations

Any future work programs should orientate the sampling lines at 300°N in order to effectively cross the major set of linears occurring on the Kerrisdale1 Property. The induced polarization anomaly on the west side of the Kerrisdale1 Property, as outlined in AR#2077, is of interest and should be investigated further. A magnetometer survey as recommended by W. Bergey P.Eng (NI-43-101) in his report is suggested for the western half of the property for the next “work-in-progress” phase.

## Cost of Current Survey

Non-Technical Costs:

| | | | |
|---|---|---|---|
| Motel | | | $ 78.60 |
| Food | | | $ 48.98 |
| Travel | 4 x4 vehicle | 856.2 kms @ 0.52/km | $445.22 |
| **Total Non-technical Costs** | | | **$572.80** |

Technical Costs (Report and Survey):

Wages:

B. Hemingway B.Sc FGAC

October 17th & 18th 2012, field survey

| | | |
|---|---|---|
| Prospecting | 0.5 days @ $400/day | $ 200.00 |
| Magnetometer Survey | 1.15 kms @ $300/km | $ 345.00 |

L. Wilmot (7160 Tunkwa Lk Road)

| | | |
|---|---|---|
| Guide/helper | 0.5days @ $100/day | $ 50.00 |

Report and Equipment Rental:

| | |
|---|---|
| Magnetometer rental (SJ Geophysics Delta) | $ 100.00 |
| Report Writing | |
| B. Hemingway B.Sc FGAC 0.5 day@ $400/day | $ 200.00 |
| Misc. (office, printing, field supplies, maps, sundries, etc., est.) | $ 40.00 |

**Total technical costs of Survey** **$935.00**

**Total Survey Costs** **$1507.80**

## References used in Kerrisdale Report 2012


1. BC Government
    a. Mineral Titles Online BC: www.mtoline.gov.bc.ca
    b. MapPlace Internet File Search and Downloads: www.em.gov.bc.ca/Mining/Geolsurv/MapPlace
    c. MinFiles #: www.em.gov.bc.ca/Mining/Geolsurv/MinFile
        i. 092INE111 RM; http://aris.empr.gov.bc.ca
    d. ARIS #:
        i. 29164 Sookochoff, L. (2007): Geological Assessment Report (Lineament Array Analysis) on the Dansey Claim; Sookochoff
        ii. 29416 Pardy, J. (2007): Geological and Geochemical Report on the Kerrisdale Property; Morita, J.
        iii. 31626 Hemingway, B. (2010): Topographical Lineament Analysis on the Kerrisdale Property for Morita, J.
        iv. NI 43-101 Report Bergey, W. (2011): Geological & Photo-Geological Report on the Kerrisdale Property for Crestwell Resources Inc.
        v. 2077 Baird, J. (1969) Report on Induced Polarization Survey, Ella Claim Group; Highland Valley Mines Ltd.
2. University of British Columbia Dept of Geography Remote Sensing Library for air photos
3. The Weather Network http://www.theweathernetwork.com/statistics/precipitation/c11 123469

## Statement of Qualifications

I, Brent Hemingway of the City of Surrey, British Columbia; certify hereby:

1. I am a Geologist residing at #50-1640-162nd Street Surrey BC., V4A 6Y9

2. I am a graduate of UBC with a Bachelor of Science in Geology in 1978

3. I am a Fellow of the Geological Association of Canada

4. I have engaged in the study of Geology after graduation for four years with several major and junior exploration companies in Western Canada and thereafter for eighteen years as a free agent.

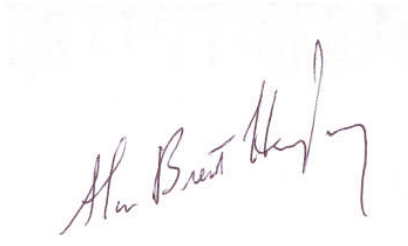
5. I personally carried out the current work on the Kerrisdale1 mineral tenure on October 17th and 18th, 2012; the findings are described within this report

6. This report is reliant on the records from previous operators on the Kerrisdale1 Property area, data in the literature from the British Columbia Ministry of Mines and data from the Canadian Federal Government.

7. I am the author of this report, the composition thereof, and with the planning of the current survey.

8. I have a no interest in the Kerrisdale1 mineral tenure or any other interest in surrounding tenures, and know of no other claim on the property, nor do I have any interest in Crestwell Resources Inc.

**Dated this _5 day of November, 2012**



Alan Brent Hemingway, B.Sc FGAC

Surrey, B.C.