

**REPORT ON LINE CUTTING
ON THE
WHITE PROPERTY**

Dawson Mining District

WORK COMPLETED BETWEEN MAY 15-JULY 7, 2005

CLAIMS: White 29-46 YC27168 - YC27285

LOCATION: 1. 90 kilometres south of Dawson City, Yukon
2. NTS Map Areas 1150/3&4
3. Latitude: 63°11'N by Longitude: 139°33'W

FOR: Madalena Ventures Inc.
4460 Atlee Ave.
Burnaby, B.C.
V5G 3R6

**Registered
Owner:** Shawn Ryan
Box 213
Dawson City, YT
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January9, 2006

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1. SUMMARY

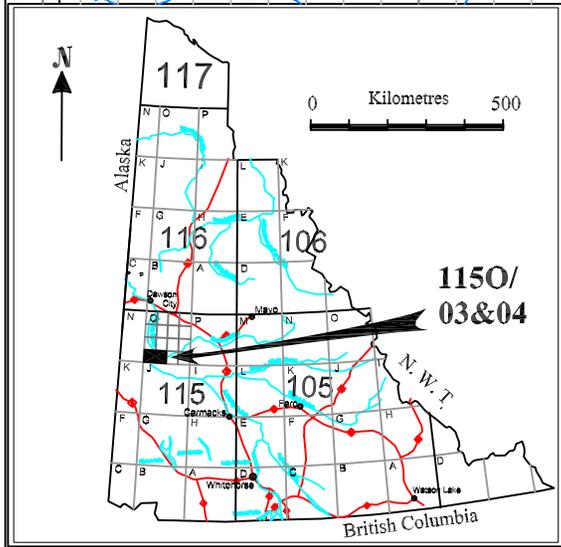
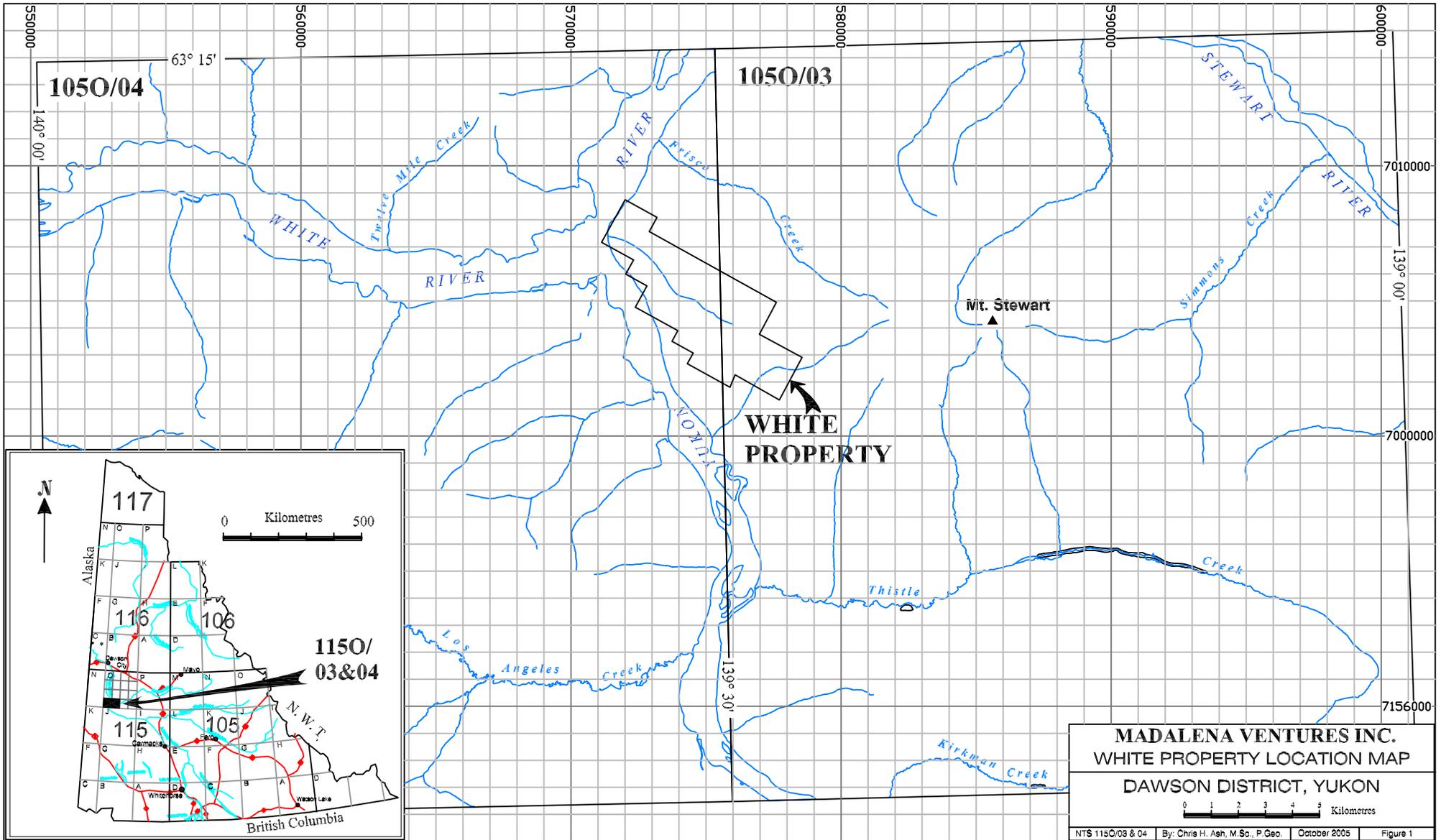
The White property is located in west-central Yukon Territory, 95 kilometres south of Dawson City (Figure 1), along the eastern banks of the Yukon River, directly across from the mouth of the White River entering from the west. The property includes 106 unsurveyed continuous claims covering an area of approximately 2,120 hectares, staked by Shawn Ryan, of Dawson City in 2003.

The geology of the White property comprises a relatively flat-lying, structurally imbricated succession of Late Paleozoic(?) oceanic crustal (ophiolitic) ultramafics, gabbros and amphibolites which structurally overly Late Paleozoic, or older metamorphosed siliciclastic rocks. This imbricated succession is intruded by a suite of Middle Jurassic(?) granite/felsic dikes that often parallel fault zones bounding the major lithological units. The geology of the property contains features characteristic of gold-quartz vein camps, which were some of the most prolific gold producers in the Canadian-US Cordillera (e.g. Cassiar, Bralorne, Grass Valley, Alleghany). Closer to home, the geology shows many parallels to that of the Klondike gold fields to the immediate north of the property area.

In 2004, work consisted of geological mapping, established a cut grid (73 line-kilometres) and completed soil sampling at 50-meter intervals, with a total of 1429 samples being collected and analyzed (ACME Analytical Laboratories Ltd. of Vancouver, BC). Preliminary evaluation of the soil data indicates a coincident Au-As-Sb anomaly forming a relatively continuous horseshoe-shaped belt over the extent of the sample area.

Between May 15 to July 7th 2005, Madalena Ventures Inc. completed 35 line kilometers of additional cut grid lines to facilitate geochemical soil sampling and a magnetometer survey. A Certificate of Work was filed in July 15 to renew the White 29-46 for four years and to common date the renewal date to 12/03/2014.

Subsequent to the grid cutting in the early part of the summer the new grid was soil sampled at 50 m spaced stations and a magnetometer survey was completed In September and October of 2005. This data will be reviewed and reported in a subsequent Assessment Report.



2. INTRODUCTION AND TERMS OF REFERENCE

This report was prepared to satisfy the reporting requirements for acceptance of a Certificate of Work filed on July 15, 2005. The Certificate of Work was filed for the White 29-46 (YC27168-YC27185) claims. Work included 35 line kilometers of cut grid lines \$32,300.00

3. PROPERTY DESCRIPTION AND LOCATION

The White property is an elongate, northwest-trending claim group, roughly 9.5 kilometres long by up to 3.5 kilometres wide, covering an area of approximately 2,125 hectares, with its northwestern boundary on lapping the Yukon River. It is located in west-central Yukon Territory, 95 kilometres south of Dawson City (Figure 1), within the Dawson Mining District. It overlaps the west-central portion of 1150/3 (1:50 000 NTS) and the east-central portion map sheet 1150/4 and is situated on the east side of the Yukon River, directly across from the mouth of the White River. The center of the property, at UTM-NAD83, Zone 7 - Easting 574630 by Northing 7004995, is roughly 10.5 kilometres due east from the summit of Mt. Stewart.

The property consists of 106 unsurveyed continuous claims staked by Shaw Ryan of Dawson City, Yukon, who is the current registered claim owner. The property is currently operated, under option to Madalena Ventures Inc. of Burnaby, B.C. The following table illustrates pertinent status of the White 29-46 Claims the subject of this Assessment Report.

TABLE 1. WHITE PROPERTY CLAIM STATUS

Claim Name	Claim Numbers	Grant/Record Number.	Operation Recording Date	Claim Expiry Date
White	29-46	YC27168 - YC27185	07-09-2003	12-03-2014

Above information obtained from the Yukon Government, Department of Energy Mines and Resources web site.

4. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSOGRAPHY

The most immediate and direct access to the White Property is via helicopter from Dawson City. The area can all be accessed via boat/barge along the Yukon River, which is currently the operative means of supplying heavy equipment and fuel from Dawson City to the more remote placer camps, such as those on Frisco Creek to the north and Thistle Creek to the south of the property. Additionally, the Thistle Creek placer operation, 7.5 kilometres

to the south of the White property, maintains a dirt airstrip during late spring, summer and early fall.

During the 2005 grid cutting work, a helicopter-based camp was established on the property

The White claims overlie an area of tree-covered hills on the Yukon Plateau. Elevations on the property range between approximately 1200 feet (365m) at its low on the Yukon River, to a high of 3150 feet (960m). Vegetation includes trees, bramble bush and moss. Except for a steep cliff face exposure along the Yukon River exposure over the remainder of the property is poor to spotty at best (<5%) with many areas characterized by thick bush compounded by extensive deadfall/windfall.

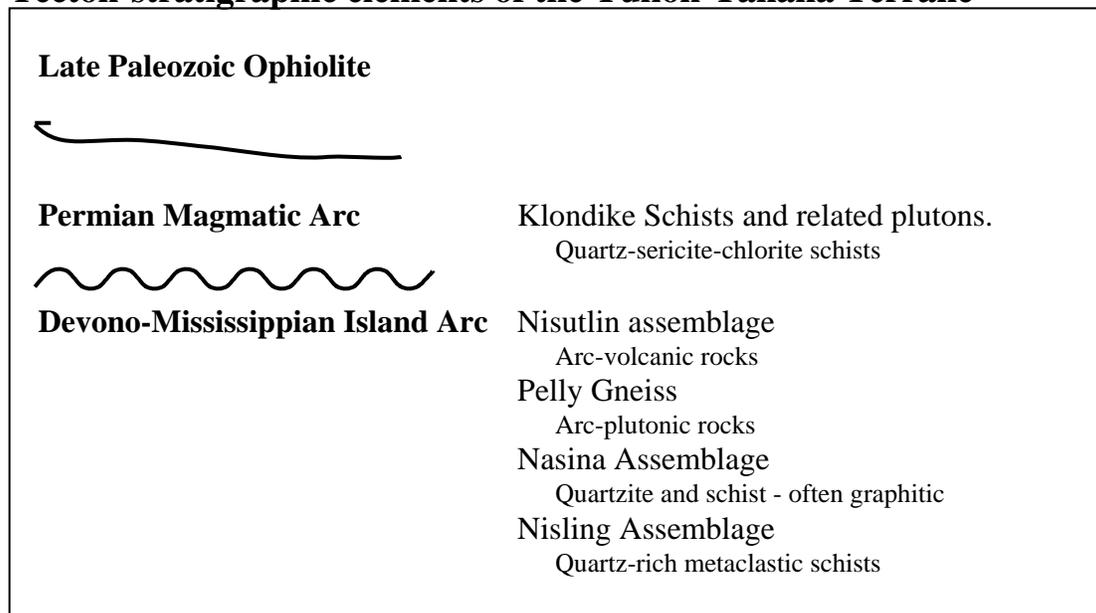
5. GEOLOGICAL SETTING

5.1 Regional Geology

The White Property is located in the south-central portion of the Stewart River map area 115 O. Rocks underlying this region are part of the more extensive Yukon-Tanana terrane. Yukon-Tanana terrane is dominated by schists and gneisses that are considered the deformed and metamorphosed remnants of a Middle to Late Paleozoic sedimentary, volcanic and arc plutonic complexes.

Within the Stewart River map area a regional tectono-stratigraphy has been established in which amphibolite of intermediate to mafic composition is interdigitated with or lies structurally above quartz-rich metaclastic rocks.

Tecton-stratigraphic elements of the Yukon-Tanana Terrane



Ryan et al. (2003) suggested that associations of ultramafic and metagabbroic rocks along major high-strain shear zones throughout the Stewart River map area may be ophiolitic in nature. We would expand that suggestion to include distinct assemblages of ultramafics, gabbros, amphibolites and metacherts as being more likely an ophiolitic assemblage.

Recognition of these probable ophiolitic rocks on the property area suggests that rocks similar to these which are an integral part of the Klondike gold camp to the north, are likely more prevalent than previously recognized in the Stewart map area. Such rocks are an integral feature for most of the significant producing gold-quartz mines in the Canadian-US

Cordillera (Ash, 2001; e.g. Cassiar & Bralorne in BC; Grass Valley & Alleghany in California).

Property Geology

The geology of the White property comprises a relatively flat-lying, structurally imbricated succession of Late Paleozoic(?) oceanic crustal (ophiolitic) ultramafics, gabbros and amphibolites which structurally overlie Late Paleozoic, or older metamorphosed siliclastic rocks. As a result of the higher structural level of the ophiolitic rocks they dominate the highground throughout property.

Ultramafic rock types are dominated by ultramafic cumulates, most likely wehrlites. They range in character from variably serpentinized varieties, with a well-preserved primary

cumulate textures; to typical fish-scale serpentinites lacking preserved relict textures. In addition, carbonate alteration has produced changes to the above units and ranges from moderately talc-altered, to quartz-carbonate-mariposite (Cr-mica) altered varieties. Two of the larger ultramafic bodies show variation in alteration character, with increased development of secondary talc +/- carbonate towards their bounding faulted contacts. The small body ultramafic indicated on the shore of the Yukon is pervasively altered to an assemblage of carbonate-quartz-mariposite. This is the only occurrence of mariposite noted on the property to date. The smaller ultramafic body west of the Ryan showing where exposed at the start of a steep slope above the Yukon River is serpentinite.

Gabbros display a wide textural and composition range. They vary from medium to coarse grained and may locally display well preserved relict primary textures. They range from very feldspar-rich, leucocratic varieties to phases containing just above 10 % plagioclase feldspar. More commonly these gabbro rocks are strongly deformed and recrystallized and form banded and often folded amphibolite schists to varieties with alternating felsic and mafic bands giving the unit a gneissic appearance. Along structurally hydrated zones conversion to chlorite-sericite schists is common.

Sedimentary rocks, which dominate the low-lying portions of the property comprise metamorphosed and deformed fine-grained siliceous sediments. Detailed mapping has enabled a two-fold subdivision of these siliceous sediments into with distinctive tectono-stratigraphic associations. The youngest (Late Paleozoic?) and most recognized unit is a metachert-argillite with occasional limestone lenses which, is correlated with the oceanic crustal rocks and interpreted to represent the remnant sedimentary cover of a typical ophiolite suite.

The second and less dominant unit comprises metamorphosed siliclastic rocks, occurring as fine- to medium-grained quartz-sericite schists. These are considered as part of the regionally extensive Devonian-Mississippian metasiliclastic succession (Ryan et al., 2003, 2004) and show similarities to rocks forming the basement to ophiolitic gold-quartz vein host rocks in the Klondike area to the north.

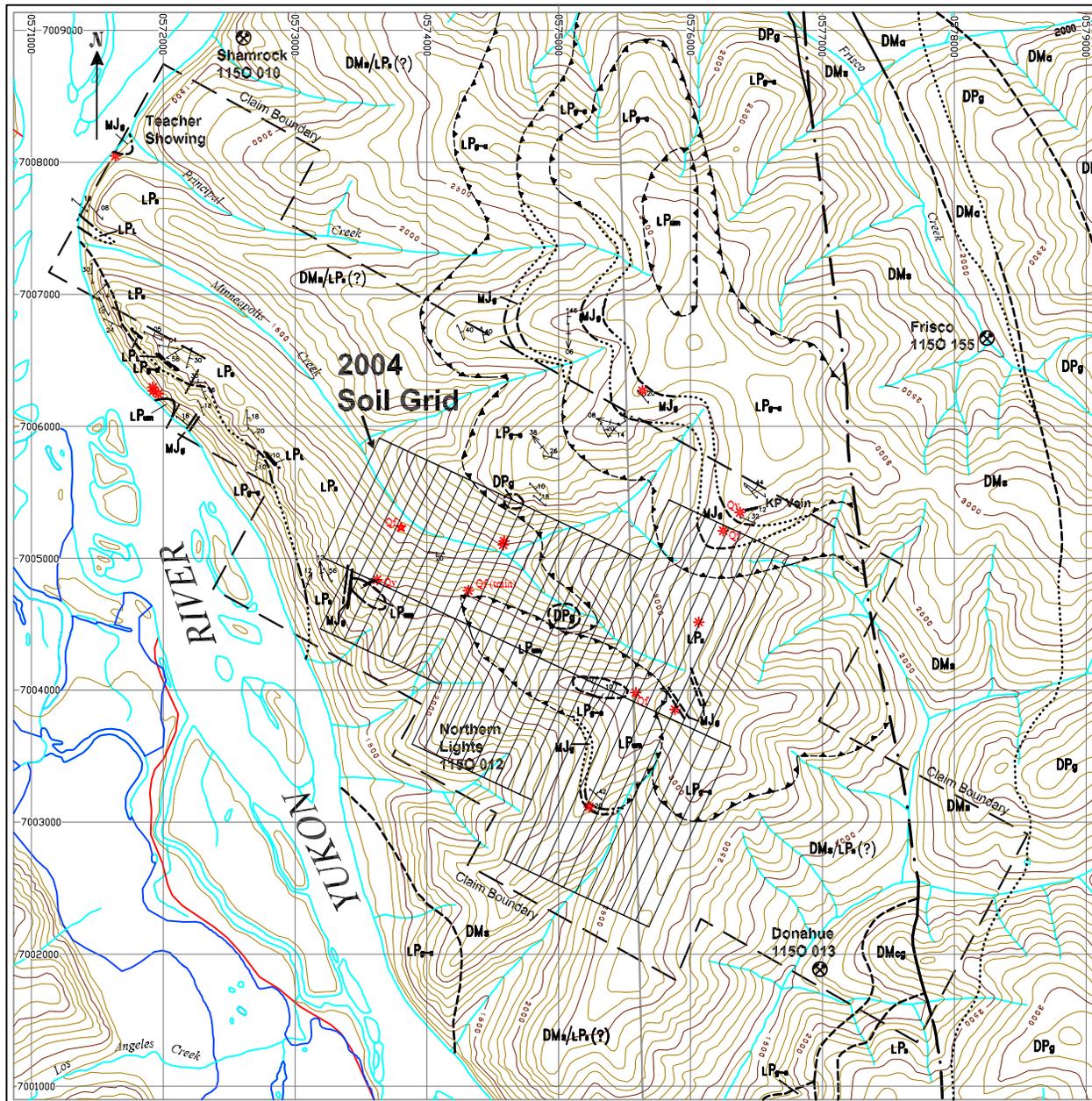
Intrusive Rocks

Two texturally distinct types of granitic intrusions are identified on the property. Fine to medium-grained equigranular to locally K-feldspar porphyritic felsite is the dominant intrusive phase recognized. The second and less dominant type of intrusion is megacrystic feldspar porphyritic granite, which is recognized in several relatively restricted outcrop areas.

The felsite unit weathers a tan pink to tan-brown to rusty-brown depending on the degree of weak to moderate carbonate alteration which is also often associated with the development of disseminated pyrite ranging from trace to several percent. These intrusions form flat-lying, sheet-like bodies that often occur within or closely parallel to flat lying fault zones. The textural character of these dikes is also highly varied and ranges from equigranular varieties to highly schistose varieties with abundant secondary sericite, depending on their relative position within the bounding flat-lying fault zones that they often occupy.

The age of these dikes is currently taken as Middle Jurassic and correlated with a *ca.* 172 Ma U-Pb age obtained for a similar dike across the Yukon River to the west of the property (Ryan, personal communication, 2005).

This megacrystic feldspar porphyritic granite is dull pink with 15 to 20 %, 1 to 3 centimetre, pale-beige K-feldspar phenocrysts usually displaying a well-developed flattening fabric so that phenocrysts are augen shaped. Two small bodies are recognized in the central portion of the map sheet; however, poor exposure limits any certainty regarding size or contact relationship. These may be small stocks, or alternatively, and possibly more consistent with their interpreted age, they are tectonic blocks entrained along bounding thrust faults.



LEGEND

LATE PALEOZOIC (?)

OCEANIC ROCKS

OPHIOLITIC ASSEMBLAGE

- LP_l Limestone, dolostone: pale grey to buff white
- LP_c Meta chert-argillite
- LP_g Metagabbro - Amphibolite: dark-green to grey-green
- LP_m Ultramafic rocks: wehrlite/serpentinite; variably talc-carbonate altered

MIDDLE PALEOZOIC(?)

- DM_{cg} Metaconglomerate: pebble to cobble rounded white quartz and minor tonalite clasts.
- DM_a Amphibolite, amphibolite schist and gneiss
- DM_s Quartz sericite schist - light grey, fine- to medium-grained

INTRUSIVE ROCKS

MIDDLE JURASSIC ?

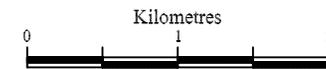
- MJ_o Felsite: pink to buff orange weathering, fine- to medium-grained

MIDDLE PALEOZOIC(?)

- DP_g Megacrystic K-feldspar granite

SYMBOLS

- Contact (defined, approximate, inferred).....
- Fault (defined, approximate, inferred).....
- Contact (defined, approximate, inferred).....
- Foliation (inclined, vertical).....
- Minor fold hinge line (inclined).....
- Sheeted quartz veins (inclined, vertical).....
- Mineral occurrence (MINFILE).....
- 2004 rock assay sample.....



CARTOGRAPHIC INFORMATION

North American Datum 1983, UTM Zone 7; Transverse Mercator Projection.
Contour interval in feet.

MADALENA VENTURES INC.

White Property Geology
Dawson District, Yukon

6. LINE CUTTING

During the period May 15-July 7th, 35 line kilometers of cut grid were established and picketed. Grid lines were spaced at 100 meters and picketed every 50 meters. Grid lines were located using GPS receivers to locate the start of each grid line.

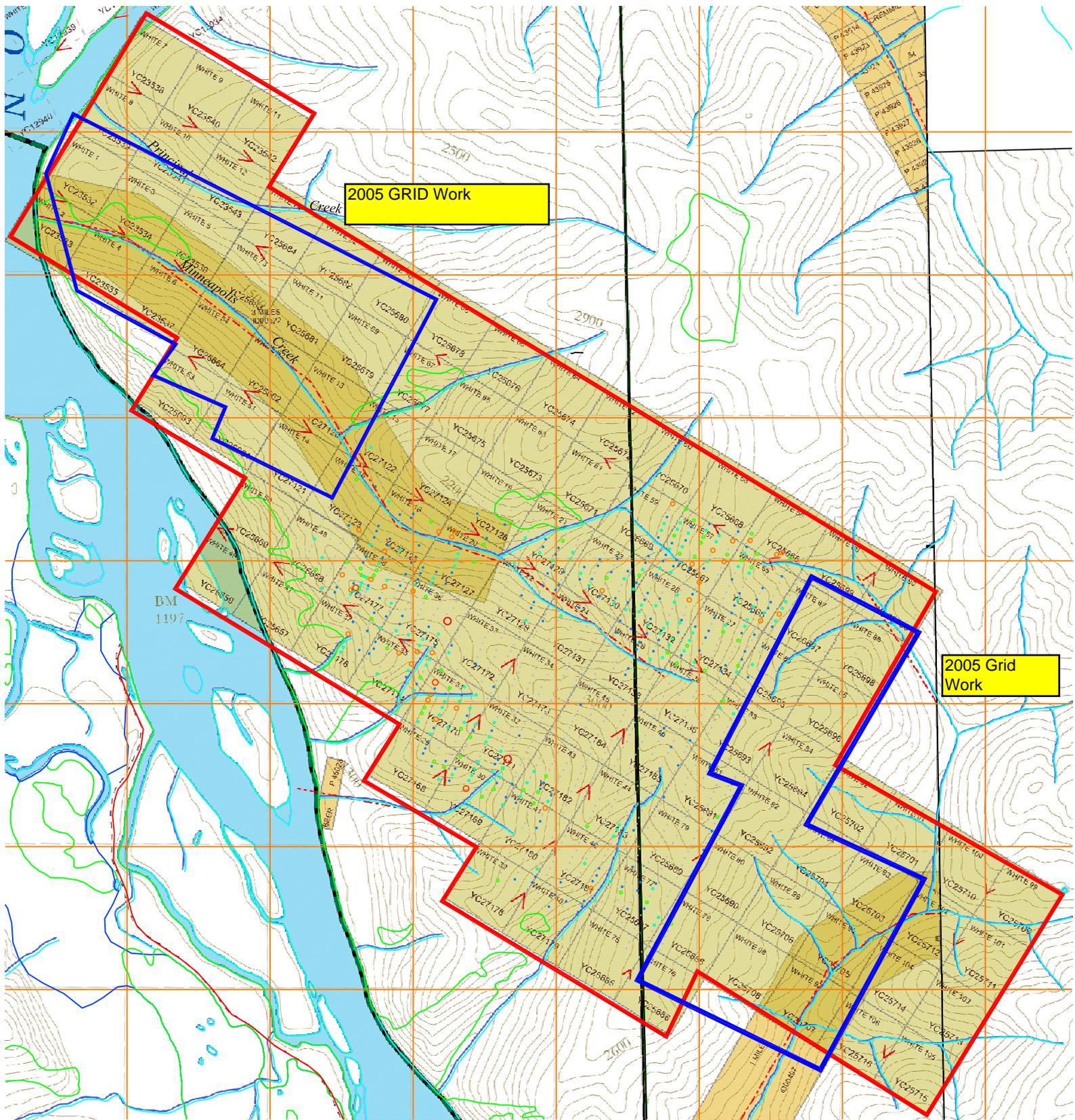


Figure 3. Areas of Line Cutting 2005

7. CERTIFICATES OF QUALIFICATIONS

I, R. Allan Doherty, hereby certify that:

I am a consulting mineral exploration geologist with AURUM GEOLOGICAL CONSULTANTS INC., 106A Granite Road, Whitehorse, Yukon, Y1A 2V9.

I am a graduate of the University of New Brunswick, with a degree in geology (Honours B.Sc., 1977). I attended graduate school at Memorial University of Newfoundland, 1978/80. I have been involved in geological mapping and mineral exploration primarily in the Yukon continuously since 1980.

I am a “Qualified Person” as defined in Sec 1.2 of National Instrument 43-101.

I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia, Registration No. 20564, and have been registered as a Professional Geologist since 1993.

I authored this report on the White property.

I am not aware of any material fact or material change with respect to the subject matter of this technical report, which is not reflected in the technical report, the omission to disclose makes the technical report misleading.

I am independent of the Issuer and have no direct or indirect interest in the properties or securities of Madalena Ventures Inc., or affiliated companies, nor do I expect to receive any.

I have had direct involvement with the exploration programs conducted on the White property for Madalena Ventures Inc.

R. Allan Doherty, P.Geo.
January 9, 2006

8. STATEMENT OF COSTS

A Certificate of Work was filed on July 15th requesting 4 renewal years on the White 29-46 Claims. The required value of work is \$7,2000.00. Work was completed between May 15-July7, 2005. Work consisted of mobilization and demobilization, camp and provisions and 35 line kilometres of cut grid on 100 m centres.

Mobilization and Demobilization

11/05/05	Trans North Helicopters # 36207	\$1,913.18	
14/05/05	Trans North Helicopters # 36211	\$ 787.78	
18/05/05	Trans North Helicopters # 36217	\$ 675.24	
24/05/05	Trans North Helicopters # 36226	\$2,363.34	
27/05/05	Trans North Helicopters # 35420	\$ 675.24	
31/05/05	Trans North Helicopters # 36236	\$1,463.02	
	GST	\$ 551.45	
	Total Mobilization, Demobilization		\$ 8,429.25
	35 Line Kilometers of cut grid @\$650/km	\$22,750.00	
	GST	\$ 1,592.50	
	Total Line Cutting		\$24,342.50
	Total Value for Assessment		\$32,771.75

R. Allan Doherty, P. Geo
January 9, 2006