

094910



HINTERLAND METALS INC.

A REPORT OF PROSPECTING AND GEOPHYSICAL SURVEYS

HELEN AND GLEAM PROPERTIES

GLEAM 1-42, YB94107-94148 & GLEAM 43-50, YC 24194-24201

HELEN 1-4, YC 24190-193 & HELEN 5-14, YC 24260-24373

61°22' N. LAT. AND 130°56' W. LONG.,
N.T.S. 105 G/07

WATSON LAKE MINING DISTRICT OF YUKON

JUNE TO SEPTEMBER 2004

YMIP # 04-068

MARK FEKETE, P.GEO.

JANUARY 31, 2005



HINTERLAND METALS INC.

A REPORT OF PROSPECTING AND GEOPHYSICAL SURVEYS

HELEN AND GLEAM PROPERTIES

GLEAM 1-12, YB94107-94148 & GLEAM 43-20, YC 24194-24201

HELEN 1-4, YC 24190-193 & HELEN 2-14, YC 24260-24273

61°22' N. LAT. AND 130°26' W. LONG.

N.T.S. 1:60,000

WATSON LAKE MINING DISTRICT OF YUKON

Costs associated with this report have been approved in the amount of \$ 6500.00 for assessment credit under Certificate of Work No. 6625737.

Mining Recorder
Watson Lake Mining District

094910

This report has been examined by
the Geological Evaluation Unit
under Section 53 (4) Yukon Quartz
Mining Act and is allowed as
representation work in the amount
of \$ 6500.00.



Regional Manager, Exploration and
Geological Services for Commissioner
of Yukon Territory.



SUMMARY

The 50-claim (2582-acre) Gleam and 18-claim (930-acre) Helen properties are situated within the Watson Lake Mining Division and located in the Finlayson Lake Area of southeastern Yukon approximately 225 kilometres east-northeast of the capital city of Whitehorse. Based on the results of the exploration program completed in 2004 and a review of relevant reports and maps obtained from various sources, an evaluation of the exploration potential of the properties is presented and an exploration program is proposed.

Hinterland Metals Inc. may earn 100% of the property mineral rights from True North Gems Inc. subject to an agreement signed by the parties on December 11, 2002 with respect to the Gleam property. Both properties are subject to an underlying 3% royalty on all gemstone and metal production in favour of Glacier Gems Inc. The Helen claims were staked in September 2003 within an area of influence and are subject to the terms and conditions of the Gleam agreement.

Access to the properties is limited by the lack of roads into the area. The closest road to the properties ends at Teck-Cominco's Kudz Ze Kayah camp some 15 km to the northeast. At present, the most practical access to the properties is provided by floatplane to West Grass Lake which is suitable for the establishment of a base camp and then by helicopter from the base camp to the properties on a daily or fly-camp basis. Both properties are in steep, rugged terrain where snow conditions and short daylight hours in winter mean that the best period for exploration is from mid-June to mid-September.

The Finlayson Lake Area lies within the northern Canadian Cordillera in a region underlain primarily by several fault- and unconformity-bound meta-sedimentary and meta-volcanic successions and affiliated meta-plutonic rocks of the Yukon-Tanana Terrane. The region is bound to the south by the Tintina Fault and to the north by rocks of the North American Miogeocline. The properties lie in the southwestern part of the region along the footwall to the Money Creek thrust. Meta-sediments and meta-volcanics of the Grass Lake succession and coeval granitic and monzonitic rocks of the Grass Lakes Plutonic Suite underlie the properties. These Late Devonian to Early Mississippian rocks were deformed and imbricated prior to the emplacement of a mid-Cretaceous suite of peraluminous granitic rocks. The properties cover the eastern margin of one such pluton in contact with sub-horizontal layers of the lowermost section of the Grass Lake succession which has been variably displaced by normal and thrust faults.

The Finlayson Lake Area is best known for the Fyre Lake, Wolverine, Kudz Ze Kayah, Ice and GP4F volcanic massive sulphide-type deposits and more recently for the emerald mineralization found on the Regal Ridge Property. Recent geological mapping surveys of the area on a regional scale and several technical studies on a property scale have contributed greatly to the overall understanding of the mineral potential of the area. Similar to Regal Ridge, the Dazzle, Gleam and Helen properties lie adjacent to a mid-Cretaceous granitic intrusion that may have generated quartz veins or pegmatite dykes to cut neighboring schistose meta-sediments and meta-volcanics. This juxtaposition of Be-rich rocks against Cr-rich rocks may, under certain conditions, produce emeralds.



The Helen Gold Zone was discovered by Hinterland in 2003. A series of six chip samples across the showing returned a weighted average of 3.86 g/t Au and 48.1 g/t Ag over a width of 5.0 m. The zone is a vertical hydrothermal arsenopyrite-quartz vein of uncertain origin. A gold bearing rusty quartz vein was found by prospecting in 2004. The vein is in place on YC 24360 some 540 m north of the Helen Showing and suggests that the Helen Gold Zone is not the only mineralized structure on the property.

The 2004 sampling and geophysical results clearly demonstrate that the Helen Gold Zone continues for at least a 300 m strike length. The zone is a weakly conductive structure that appears to dip gradually to the southwest. There is little more surface work that can be done to evaluate the zone. The results justify further sub-surface exploration of the zone by diamond drilling. A 500 m drill program is recommended at an estimated cost of \$197,800.



CERTIFICATE OF QUALIFICATIONS

I, **Mark Fekete**, having my place of residence at 178 Dennison Boulevard in Val d'Or in the Province of Quebec do hereby certify that:

1. I obtained a Bachelor of Science Degree in Geology from the University of British Columbia in 1986, I have been engaged as a Geologist continuously since 1986, I am a Member in good standing of the Order of Geologists of Quebec (# 553) and I am a "qualified person" as defined in Section 1.2 in and for the purposes of National Instrument 43-101;
2. I have visited the Helen and Gleam properties (the "Properties") most recently in August 2004;
3. I wrote and am solely responsible for the contents of this technical report entitled "A Report of Prospecting and Geophysical Surveys, Helen and Gleam Properties, YMIP # 04-068" based on my professional experience, a review of relevant reports and maps and my own work on the Properties;
4. I am not aware of any material fact or material change with respect to the subject matter of the report that is not disclosed in the report which, by its omission, makes the report misleading;
5. I am an officer and director and I beneficially hold a number of shares in Hinterland Metals Inc.;
6. I hold no direct interest in either of the Properties as a result of any prior involvement in the Properties;
7. I have read, and this report has been prepared in compliance with, National Instrument 43-101 and Form 43-101; and
8. I hereby give consent to Hinterland Metals Inc. to use or reproduce this report in whole or in part for the purposes of exploring and developing the Properties (including the raising of funds) provided that no portion of the report is used in such a manner that conveys any misrepresentation of the information contained in the report.

Respectfully submitted this 31st day of January, 2005,

"Mark Fekete"

Mark Fekete, P.Geol.



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Certificate of Qualifications

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1. Introduction and Terms of Reference

Breakaway Exploration Management Inc. (“Breakaway”) was retained by Hinterland Metals Inc. (“Hinterland”) to complete a program of prospecting, geochemical and geophysical surveying on the Helen and Gleam properties located in the Finlayson Lake Area of southeastern Yukon. This work is a continuation of work initiated on the properties in 2003. The purpose of this report is to describe the details of the work program, to provide an opinion of the exploration potential of the properties and to recommend a program for further exploration of the properties.

This report was prepared as part of continuous disclosure on the part of Hinterland. It was also prepared as a requirement of the Yukon Mining Incentive Program in order to complete the application for \$20,000 of funds under YMIP # 04-068. Finally this report will be filed to complete assessment work requirements of the *Yukon Quartz Mining Act*. The report is based on the results of the exploration program as well as information obtained from a review of relevant reports and maps available from various sources cited throughout the report. Mark Fekete, P. Geo. is the sole author of the report. In his capacity as President of Hinterland, Mr. Fekete also accepts responsibility as the qualified person for the Company.

The metric system is used for all units of measure mentioned in this report and all dollar amounts are in Canadian funds unless otherwise stated. All maps presented in this report are plotted in map projection UTM NAD 83, Zone 9 unless otherwise stated.

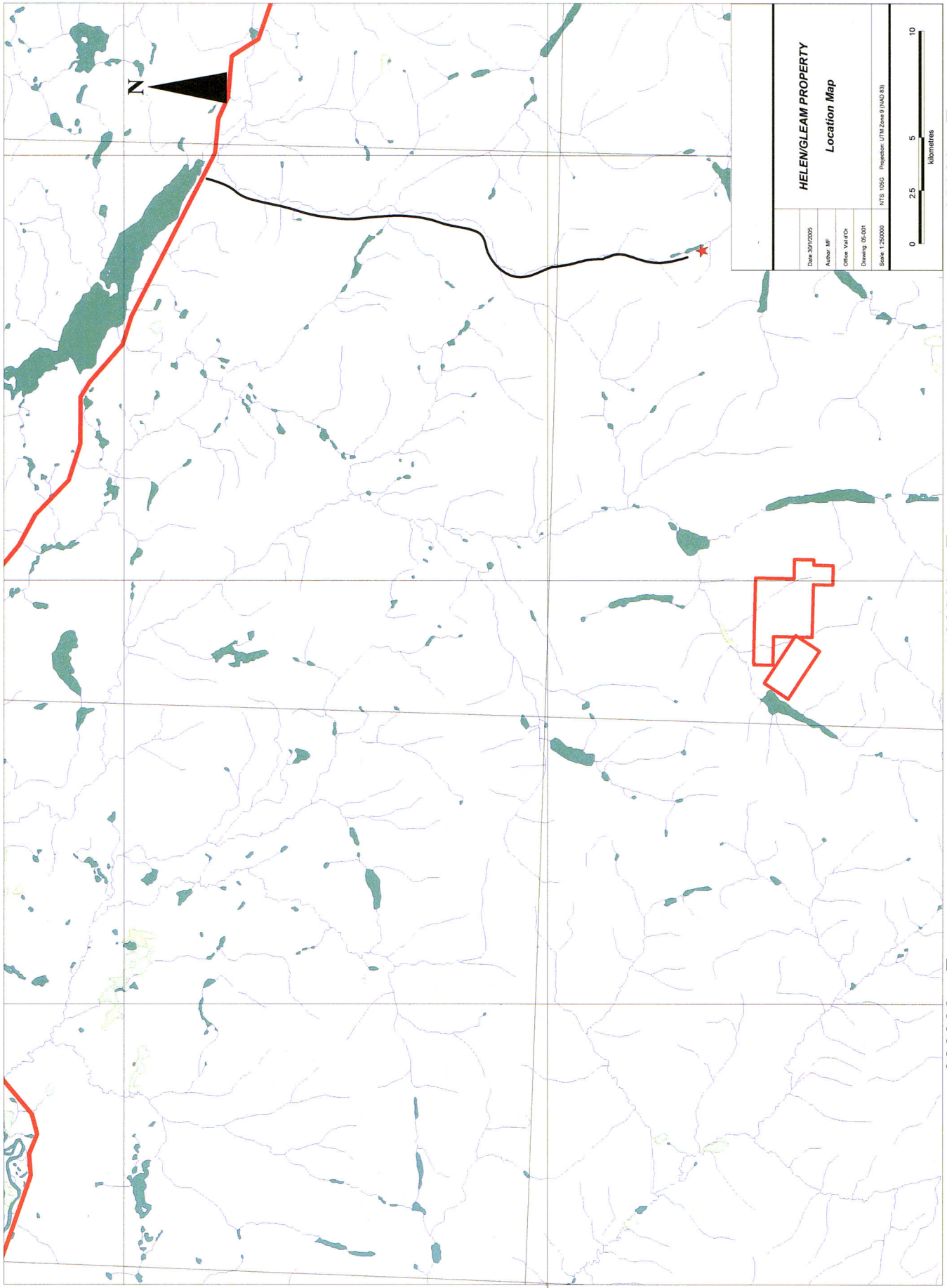
2. Disclaimer

The author has relied on the technical data and interpretation found in various sources cited throughout the report. The author has not verified this information and takes no responsibility for its accuracy or completeness. The author does not offer any opinion concerning legal, title, environmental, political or other non-technical issues that may be relevant to the technical report.

3. Location and Property Description

The Helen and Gleam properties are located in the Finlayson Lake Area of southeastern Yukon approximately 225 kilometres east-northeast of the capital city of Whitehorse (Figure 1). The properties are situated within the Watson Lake Mining Division and lie on N.T.S. map sheet 105 G/07 at an approximate geographic centre of 61° 22' North Latitude and 130° 56' West Longitude. The most notable topographic features near these properties is West Grass Lake which touches the west boundary of the Helen Property.

The surface rights for the area of the properties are held by the Crown. The mineral rights (Figures 2) are held under the statutes of the *Yukon Quartz Mining Act* and are listed as follows:



684000 mN

682000 mN

380000 mE

400000 mE

420000 mE

HELENGLEAM PROPERTY

Location Map

Date: 30/1/2005

Author: MF

Office: Val d'O

Drawing: 02-001

Scale: 1:20000

NTS: 1050 Projection: UTM, Zone 9 (NAD 83)

