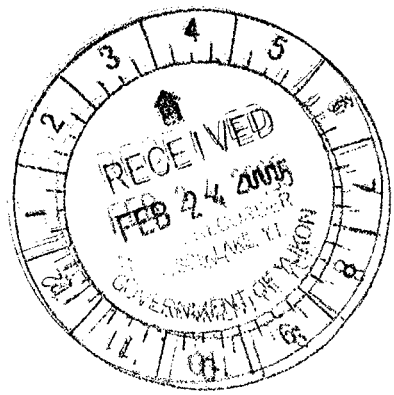

2003 – 2004 Assessment Report
Results of Prospecting and Geochemical Sampling

For the AL Property YC24049 – YC24076
60°56'5" N latitude and 129°55'0" W longitude
Registered to: Alex McMillan, Watson Lake Mining District
For Work performed between July 10th and August 30th 2003
105A/13, 105B/16

Prepared by Liard McMillan
December 21, 2004

Submitted to:
Watson Lake Mining Recorders Office
Department of Energy Mines and Resources
Yukon Government

Costs associated with this report have been approved in the amount of $ 7600.00 for assessment credit under Certificate of Work No. QL25695

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Mining Recorder
Watson Lake Mining District

Table of Contents

Project Location:

Name of area or property name

The AL property is made up of a block of the following claims held by Alex McMillan

AL1 – YC24049	AL19 – YC24059	AL39 – YC24069
AL2 – YC24050	AL20 – YC24060	AL40 – YC24070
AL3 – YC24051	AL21 – YC24061	AL41 – YC24071
AL4 – YC24052	AL22 – YC24062	AL42 – YC24072
AL5 – YC24053	AL23 – YC24063	AL43 – YC24073
AL6 – YC24054	AL24 – YC24064	AL44 – YC24074
AL7 – YC24055	AL25 – YC24065	AL45 – YC24075
AL8 – YC24056	AL26 – YC24066	AL46 – YC24076
AL9 – YC24057	AL37 – YC24067	
AL10 – YC24058	AL38 – YC24068	

Project location

The AL property is located approximately 5 km west of Hasselberg Lake at 60°56'5" N latitude and 129°55'0" W longitude on map sheets 105A13 and 105B16 in the Watson Lake mining district (see attached maps).

Access

The AL claims can be accessed via trail access from the Robert Campbell highway approximately 110 km north of Watson Lake Yukon. The trail is accessible by ATV, and the property is approximately 20 km west of the Campbell highway. The start of the trail is located approximately 0.5 km south of the Tuchitua road maintenance camp which is operated by the Yukon Government. Access can also be made via float plane onto Hasselberg Lake.

Work History:

The AL claims were staked by Alex McMillan in 2003 as a new prospect. Regionally work has been performed by S. Hearty and Cominco Ltd. The Howard property 4.5 km SE was first staked in 1980 by Alex Black. Jiyu Chen staked Chen cl (YB350009) a further 2km SE in 1992 and conducted trenching in 1993. S. Hearty staked Mayling surrounding the Chen claim in January 1993 and performed bulldozer trenching. Regional stream sediment geochemical data released in 1996 by the GSC is anomalous for Au and As in the creeks draining the high ground to the north. Prospecting in 1998, of the lower reaches of the main north tributary of Bourget Creek, uncovered steeply dipping, east-west striking quartz veins containing anomalous Au-As values (Minfile 2003). In July 1994 Cominco Ltd staked the Itch claims 11 km to the East to cover airborne geophysical targets identified during a regional geophysical program flown in 1994. The company also staked Sel claims 1-17 4.5km to the southwest (on the northwest end of Hasselberg Lake). The following month, the company carried out regional geological mapping, prospecting and limited silt sampling on the Itch claims and contour soil sampling on the Itch and Sel claims. Two minor Ag anomalies, one with supporting As values were detected on the Sel claims.

Ground geophysical surveys completed in 1996 and 1997 on the Itch and Sel claim blocks targeted conductors identified in the previously flown airborne geophysical survey. On the Sel claims the surveys identified several conductors and magnetic features, non of which were coincident (Minfile 2003). In 1996, Cominco Ltd staked the LJL claims 18 km SE. Geological mapping, prospecting, and soil sampling indicated peak values of 1282 ppm Cu, 862 ppm Pb, 891 ppm Zn, 4.4 ppm Ag from samples collected along the trend of the inferred contact between porphyritic, intermediate and felsic volcanic units in the area. 8 km northeast of the AL claims, Cominco Ltd staked the IC claims in 1997. The IC showing is described as a stratiform pyrite showing hosted within very siliceous felsic exhalite and argillite. It consists of rusty banded massive pyrite (1 to 15 cm bands) with trace sphalerite and galena. Grab samples collected from the showing returned values up to 0.8% pb and 0.2% Zn. Follow-up soil sampling carried out in the vicinity and up slope of the showing identified a 300m wide by 1000m long Pb-Zn-Ag anomaly that returned values up to 825 ppm Pb, 571 ppm Zn, and 5.9 ppm Ag.

Geology:

Regionally there are 3 major rock types identified the first type being those of the Carboniferous and Permian Era made up of light grey to buff weathering, limestone and minor dolomite. The second rock type consists mainly of serpentinite, orange weathering quartz carbonate rock with minor green chromian muscovite, talc-carbonate schist and carbonatized ultramafic rocks also of the Carboniferous and Permian Era. The third rock type consists mainly of massive, resistant., medium grey weathering, blocky, dark green protomylonite and mylonite derived from hornblende granodiorite to quartz diorite; granitic gneiss. (Gordey, S.P., Makepeace, A.J 2000).

Exploration Results / Data

Rock samples collected from the AL claims show anomalous readings of Nickel, 2113 ppm, and small amounts of chromium, 856 ppm, which is underlain by a package of rocks similar to the True North Gems Regal Ridge property, located approximately 40km to the North. Sample 1 (see map and photos) was taken from an outcrop containing mainly light grey to buff weathering, limestone and minor dolomite assayed at 2113 ppm Ni, and 380 ppm Cr. Sample # 4, taken from an area of serpentinized mafic and ultramafic metaplutonic rocks, assayed at 1140 ppm Ni, and 856 ppm Cr. Sample #5 taken from nearby consisted of 1340 ppm Ni and 389 ppm Cr.

Methodology

The work involved hand trenching, and rock sampling. Hand trenching was conducted on several outcrops located within the property. All samples were be placed in labeled plastic bags and shipped to Loring Laboratories Ltd. for a 30 element ICP analysis and Nickel specific assay.

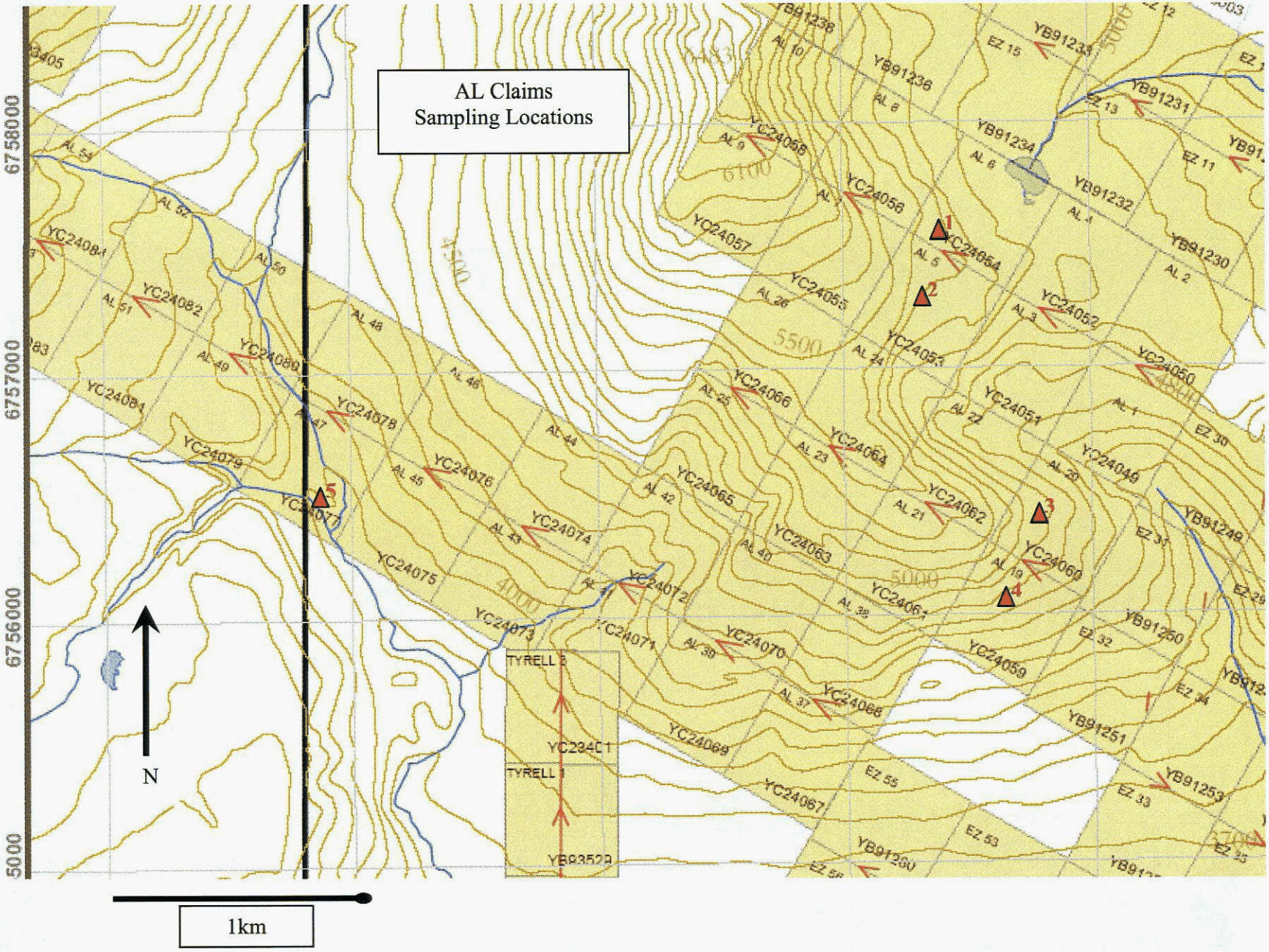
Conclusion:

The AL claims consist of favorable geology consisting of ultramafics, shists, pegmatites, quartz veining and tourlamine which defines an area that is highly favorable for emerald exploration. The quartz veins cut mica-rich layers in shallowly dipping mica schist similar to the Upper Devonian Fire Lake Mafic Metavolcanic unit. The Fire Lake unit is comprised of metabasalt of boninitic composition and overlies a thick, laterally tapering slab of variably serpentinized mafic and ultramafic metaplutonic rocks. Several

rock samples collected from the AL claims contained Ni and Cr which are indicators of emeralds. Additionally, both light green and dark green crystals have been observed in rock samples taken from the AL property. The Crystal Valley claims, held by Gemex Resources, have been shown to have similar rock types high in beryllium and chromium values. These findings justify further investigation and will help to further advance the potential of the Finlayson Lake area, Yukon as a significant gemstone district.

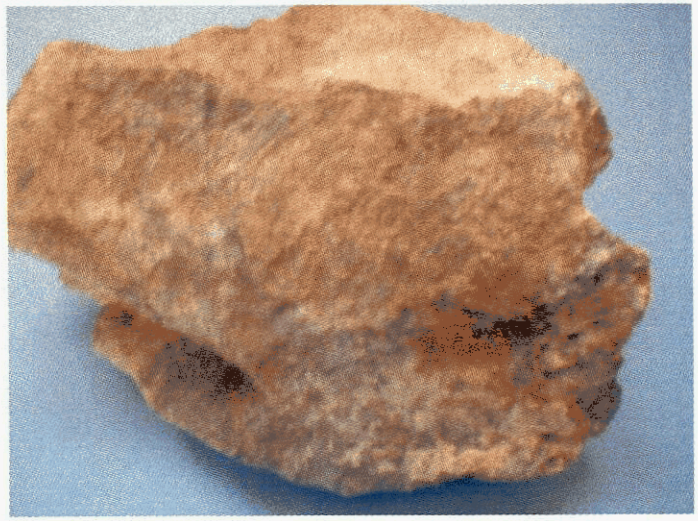
Verification

Alex McMillan


AL Claims
Sampling Locations
6758000
6757000
6756000
5000
N
1km
TYRELL 3
TYRELL 1
1
2
3
4
5

Sample Location 1 – Basalt / Limestone

Sample Location 2 – Basalt / Limestone



Sample Location 5 - Serpentine

Sample Location 1 (see map) – Basalt / Limestone

Sample Location 2 – Basalt / Limestone

Sample Location 5 - Serpentine

Al Property Assessment 2003 – 04

Labor		
	Prospector, Property Owner $250/day	$ 4,000
	Field Assistant $250/day (in kind)	$ 2,250
Food	$35/person/day	$ 1,015
Mileage		$ 310
Report (In Kind)		$ 1,300
Total		**$ 8,875.40**

Verification

Alex McMillan, Prospector

Alex McMillan, Statement of Qualifications:

I, Alex McMillan feel that I am qualified to prospect, carry out assessment work and write an assessment report on the AL mineral claims because:

1. For the past 45 years I have been involved in prospecting and mineral exploration work. During this time I have discovered numerous mineral properties in the Yukon and British Columbia. The most recent mineral option was to Hudson Bay Exploration and Development Ltd in the year 1999 for the **3 ACE claims.** These claims were held by Hudson Bay for a period of two years before they were transferred back to my name.

2. I have successfully completed the YMIP in 2001 (3 ACE YMIP-017; EDEN YMIP-018).

3. I have optioned a number of other properties in the Yukon Territory including:
   a. CANOL property (Wolverine Lakes area) to KRL resources in 1996.
   b. OOP property (Finlayson Lake area) to Min Focus International in 1996.

4. Completed a basic course in prospecting and mineral exploration organized and presented by the government and held at Caribou College in Kamloops British Columbia from October – December 1987.

5. I have completed my grade 10 education and my particular interests are geology and prospecting

6. I was employed by Watson Lake Construction in 1964, supervised by Bob Kirk to prospect, take samples, stake claims and do other assessment work on the claims situated in the four mile river area in the Cassiar Mountains (Bob Kirk staked what is now known as Cassiar Asbestos).

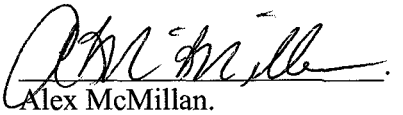
7. Employed by Tay River Mines in 1965 under geologist Hugh Naylor for five months prospecting, staking claims, assessment work, etc. in Yukon – Faro.

8. Employed by Nufort Resources in 1965 for four months prospecting, staking claims, assessment work, etc., in Quartz Lake area near Watson Lake Yukon.

9. Employed by Rakla River Mines in 1966 under Buster Groat for five months in Northern British Columbia and in the Yukon prospecting, staking claims, and assessment work.

10. From 1967 to present, employed by various companies to do prospecting, staking claims and assessment work on a part time basis in British Columbia and the Yukon

11. See next page for a list of telephone references.



Alex McMillan.

Liard McMillan, Statement of Qualifications

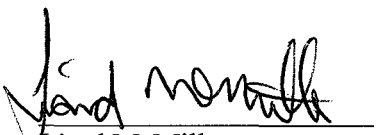
I, Liard McMillan feel that I am qualified to prospect, carry out assessment work and write an assessment report for the AL mineral claims because:

1. I have assisted Alex McMillan in successfully preparing a proposal for the Yukon Mining Incentives program and obtaining funds under the program to conduct work on the 3 ACE claims in 2001.

2. I have assisted Alex McMillan in conducting assessment work and successfully completing an assessment report on the 3ACE and EDEN claims in 2001.

3. I was employed by Hudson Bay Mining and Exploration Ltd in conducting a regional geochemical sampling program in the Yukon during 2000.

4. I have a Batchelor of Science degree from Simon Fraser University in 1999



Liard McMillan

Loring Laboratories Ltd.

629 Beaverdam Road N.E.,
Calgary Alberta T2K 4W7
Tel: 274-2777 Fax: 275-0541

TO:**ALEX MCMILLAN**
P.O. Box 704
Watson Lake, Yukon
Y0A 1C0

FILE: 45955

DATE: October 15, 2003

30 ELEMENT ICP ANALYSIS

Sample No.	Ag ppm	Al %	As ppm	B ppm	Ba ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	K %	La ppm	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P %	Pb ppm	Sb ppm	Sr ppm	Th ppm	Ti %	U ppm	V ppm	W ppm	Zn ppm
1	<0.5	0.48	<1	22	45	<1	0.02	10	103	856	13	10.18	0.01	5	0.17	<1	13	<0.01	1140	0.01	32	17	<1	<1	<0.01	<1	34	<1	17
2	<0.5	<0.01	<1	23	42	28	0.18	4	58	389	7	3.36	0.01	<1	11.19	347	<1	0.01	1340	<0.01	15	5	11	<1	<0.01	<1	14	<1	20

0.500 Gram sample is digested with Aqua Regia at 95 C for one hour and bulked to 10 ml with distilled water.
Partial dissolution for Al, B, Ba, Ca, Cr, Fe, K, La, Mg, Mn, Na, P, Sr, Ti, and W.

Certified by:

Loring Laboratories Ltd.

629 Beaverdam Road N.E.,
Calgary Alberta T2K 4W7
Tel: 274-2777 Fax: 275-0541

TO:**ALEX McMILLAN**
P.O. Box 704
Watson Lake, Yukon
Y0A 1C0

File No : 45955
Date : October 16, 2003
Samples : Rocks

Certificate of Assay

Sample No.	Ni %
1	0.11
2	0.13

I HEREBY CERTIFY that the above results are those assays made by me upon the herein described samples:

Assayer

Rejects and pulps are retained for one month unless specific arrangements are made in advance.

Assayers Canada
8282 Sherbrooke St., Vancouver, B.C., V5X 4R6
Tel: (604) 327-3436 Fax: (604) 327-3423

Stella Hearty
Attention: Stell Hearty
Project:
Sample: Rock

Report No : 3V0387 RJ
Date : Aug-06-03

MULTI-ELEMENT ICP ANALYSIS

Aqua Regia Digestion

Sample Number	Ag ppm	Al %	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	K %	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	Sb ppm	Sc ppm	Sn ppm	Sr ppm	Ti %	V ppm	W ppm	Y ppm	Zn ppm	Zr ppm
670712A	<0.2	0.13	<5	20	<0.5	<5	0.04	<1	84	380	18	4.57	<0.01	>15.00	760	<2	0.01	2113	50	6	10	5	<10	<1	<0.01	16	<10	<1	30	2
670712B	<0.2	2.52	<5	20	<0.5	<5	0.01	<1	12	8	<1	4.54	<0.01	6.31	125	<2	0.01	63	30	4	5	10	<10	<1	0.01	92	<10	<1	20	2
670712C	<0.2	1.18	<5	10	<0.5	<5	0.08	<1	7	43	<1	1.10	<0.01	4.95	195	<2	0.01	211	80	<2	5	4	<10	<1	<0.01	14	<10	<1	14	1

A .5 gm sample is digested with 5 ml 3:1 HCl/HNO3 at 95c for 2 hours and diluted to 25ml with D.I.H20.

Signed:

Assayers Canada
8282 Sherbrooke St.
Vancouver, B.C.
V5X 4R6
Tel: (604) 327-3436
Fax: (604) 327-3423

Quality Assaying for over 25 Years

Assay Certificate

3V-0387-RA1

Company: **Stella Hearty**
Project:
Attn: StellHearty

Aug-06-03

We *hereby certify* the following assay of 3 rock samples submitted Aug-06-03 by Assay.

Sample Name	Au g/tonne	Pt g/tonne	Pd g/tonne	
670712A	<0.01	<0.01	<0.01	
670712B	<0.01	<0.01	<0.01	
670712C	<0.01	<0.01	<0.01	
*DUP 670712A	<0.01	<0.01	<0.01	
*97-2	1.36	Not A sample		
*01-01		0.46	0.55	Not A Sample
*BLANK	<0.01	<0.01	<0.01	

Certified by _____