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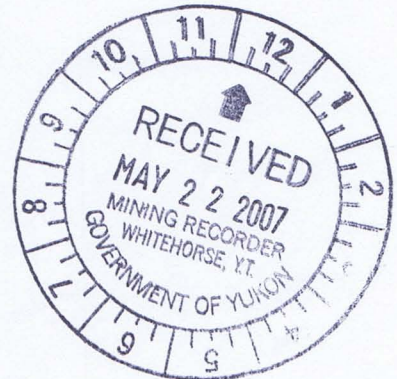
2006 EXPLORATION REPORT

MOUNT NANSEN PROPERTY : VIC PROJECT

**28 ZONE - 2650 ZONE - H TRENCH - T TRENCH
GOLD ZONES**

YUKON TERRITORY

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January 2007**



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Summary

Aurchem Resources Limited ("Aurchem") has a 100% interest in 389 quartz mineral claims and 7 mineral leases covering approximately 7,343 hectares (18,150 acres) in the Yukon Territories, 65 km west of the town of Carmacks. The Mount Nansen Property is in the southern portion of the Tintina Gold Belt which extends from Donlin Creek in Alaska, through the Fairbanks District, the Pogo Deposit and across the Yukon border where it incorporates such deposits as the past producing Brewery Creek Mine and Dublin Gulch. The Mount Nansen Property is internally divided into the VIC project area (fault related gold deposits) located in the northern portion of the property, and the Discovery Creek project area (Cu porphyry & related deposits) located in the central portion of the property.

Aurchem's VIC (Au) project contains the 28 Zone (Au) deposit which is located 18km south of the Mount Freegold - Tinta Hill Zone (reported resource of ~204,000 ounces Au), and 10km north of the Brown-McDade deposit which produced approximately 37,500 ounces of gold and 142,000 ounces of silver between 1996 and 1999.

Mineralization at VIC is in the form of a series of sub-parallel, east-west striking quartz veins located within a syenite host. The three main zones located to date include the 28 zone, 2650 zone and the 25 zone. The 28 zone has been drilled by Aurchem during the 2004 & 2005 field seasons (29 ddh / 2,755m) allowing for a preliminary ore resource estimate of 23,720 tonnes at 12.63 g/t. The highgrade nature of the mineralization is evident in such drill intersection as 2.44m @ 48 g/t Au (ddh VC05-07). Trenching in 2006 produced a sample of mineralized float grading 45.4 g/t Au, located on strike, 180m east of the resource.

The thin overburden at the 25 zone, 400m southwest of the 28 zone, has allowed for extensive trenching over the vein. Saw cuts of the quartz vein have produced channel samples of up to 115 g/t Au over 40cm. Drilling at the 25 zone (7 ddh/154m, 5RC/111m) has demonstrated the potential of the zone to extend to depth. In 2005, RC-10 intersected 1.52m grading 18.3 g/t Au at a depth of ~10m. The vein has been uncovered along a strike of 40m in an area also referred to as the H Trench.

Midpoint between the 28 and 25 zones lies the 2650 zone. Drilling in 2005 produced an intersection of 1.52m grading 18.35 g/t Au which was followed up by trenching in 2006 which resulted in a 30cm channel sample of nearby subcropping vein returning 51.8 g/t Au.

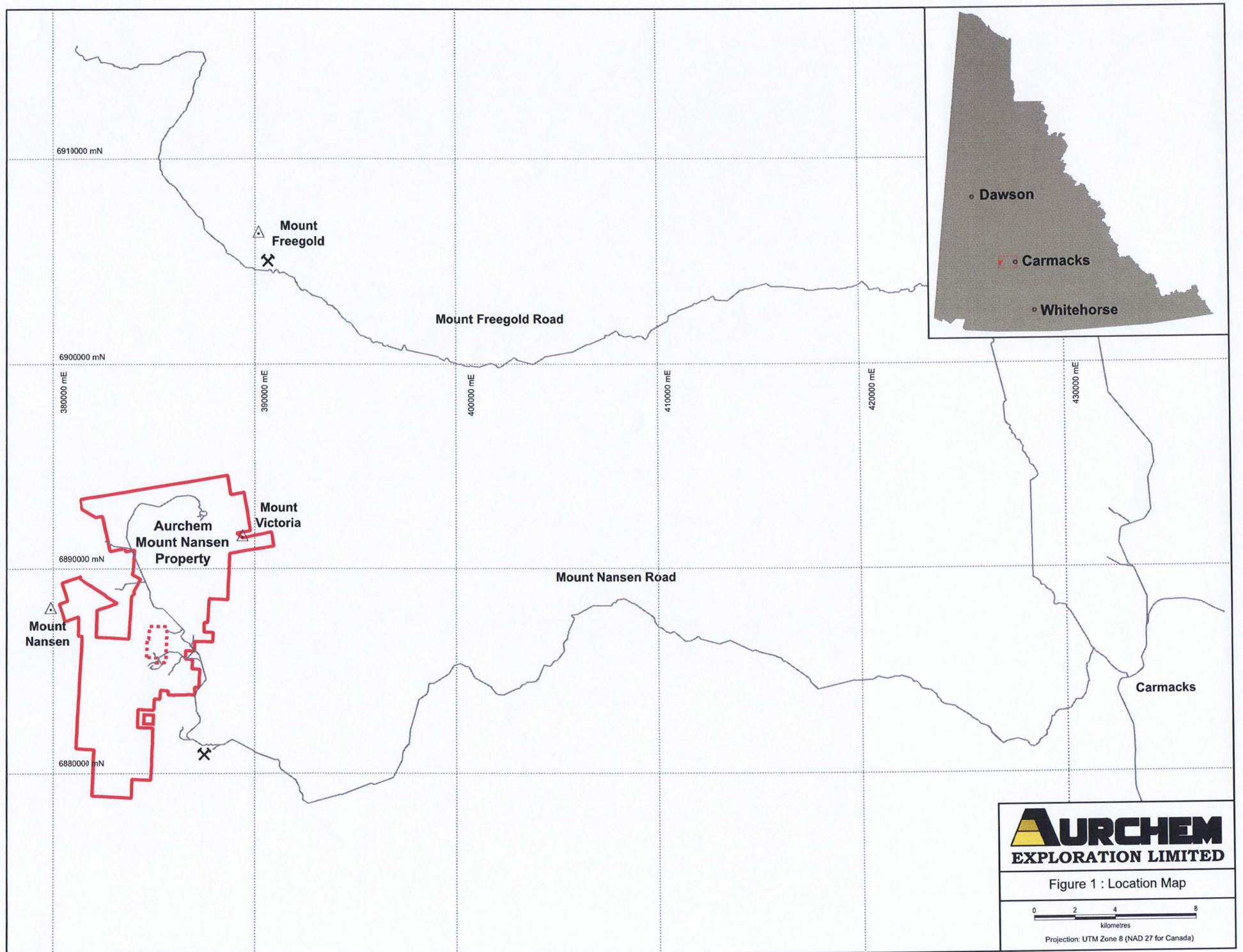
These three zones all require additional exploration in the form of drilling and trenching. The 28 zone, in light of both the proven continuity and highgrade nature of the gold mineralization, and the potential indicated by mineralized float along strike, warrants a geophysical survey (IP) followed by a major drill campaign. Geophysics is also warranted at the 25 and 2650 zones.

Soil geochemistry completed by Kerr Addison (1985) at VIC was an effective first pass tool that has shown, in time, to have predicted the potential that has now been realized at the aforementioned mineralized zones. That soil survey also suggests that the exploration potential of the VIC project has yet to be fully realized. Numerous gold-in-soil targets remain untested and additional work is recommended to explore that potential.

Introduction and Terms of Reference

The Mount Nansen Property is located in the Yukon Territories, approximately 65 km west of Carmacks.

The purpose of this report is to provide an independent technical report on mineral claims owned or optioned by Aurchem in the Mount Nansen area of Yukon Territories collectively referred to by Aurchem as the Mount Nansen Property / VIC Project (lode gold deposits). The Discovery Creek Project, also on the Mount Nansen property, is focused on Cu porphyry and related targets and is detailed under a separate report. The author has been involved in a technical capacity on the VIC Project since 2003. The author directed the drill projects in 2004 and 2005 and spent a week at the project site in 2006.



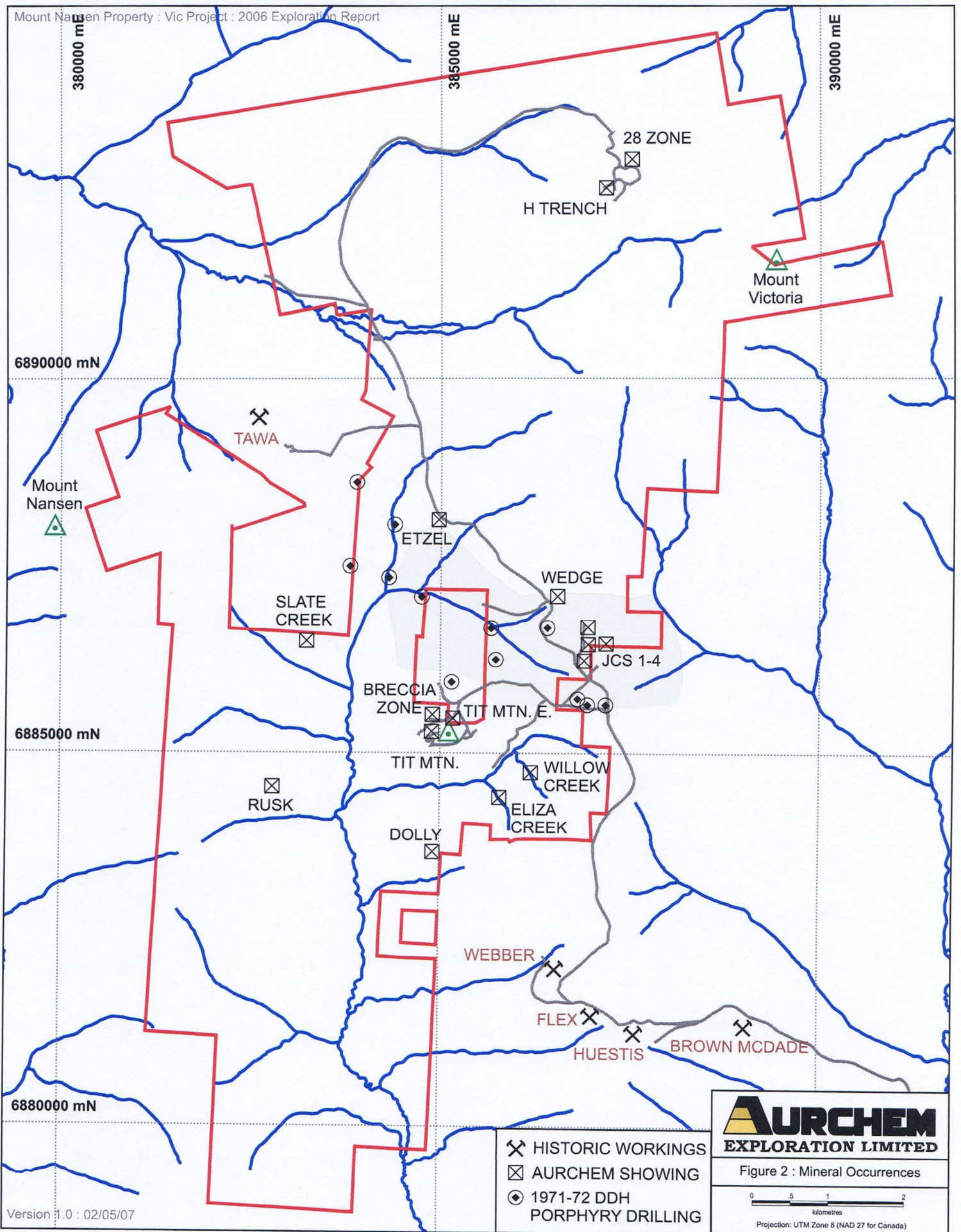


Figure 2 : Mineral Occurrences

Disclaimer

All descriptions of mineral resources cited in this report are not meant to be interpreted as current estimates as defined in section 1.2 and 1.3 of NI 43-101, however, the resource estimates have been calculated by the author using the guidelines and definitions as laid out in NI 43-101 and utilizing the "CIM Standards". Also in the case of the 28 zone an independent mining engineer also provided a resource estimate.

Property Description, Accessibility, and Location

The Mount Nansen property (Latitude: 62° 07' N, Longitude: 137° 08' W) is located approximately 65 kilometers west of Carmacks in South Central Yukon Territory (Figure 1). The property is accessible by a gravel road from Carmacks and within the property a network of roads and trails provides access to all of the workings and showings on the claims (Figure 2).

The property consists of 389 quartz mineral claims and 7 mineral leases. The outline of the property is shown in Figure 2 that includes the locations of the targets described in this report. The detailed listing of claims and expiry dates are included in Appendix 1. The claims and leases can be viewed online at;

<http://www.yukonminingrecorder.ca/PDFs/115I/115I03.pdf>.

Exploration History

Previous exploration of the VIC area was completed by Skyline Exploration in the mid-70's, Kerr Addison (1985-86), and Chesbar Resources (1987-88). Skyline conducted surface sampling, Kerr Addison completed trenching, diamond drilling, float and soil geochem and a ground magnetic survey. Chesbar followed up on the Kerr Addison drill results with further drilling. Although the results were spotty, the drilling by Kerr Addison / Chesbar in 1986-88 had produced a few good gold intersections [i.e. 1.6m @ 15.1 g/t (86-19), 0.55m @ 33.1 g/t (86-17) and 2.08m @ 10.83 g/t (including 0.48m @ 24.93 g/t) (88-01a)] that indicated the presence of a highgrade mineralized system at what has since come to be called the 28 zone.

28 Zone

In 2004 Aurchem undertook the systematic drilling of the 28 zone in order to a) provide information as to the nature and orientation of the gold mineralization at the 28 zone and b) to form the basis for an initial ore resource estimation of the 28 zone. To that end twenty-six (26) diamond drillholes (2,535m) were completed along 175m of strike on 25m sections in July and August, 2004.

The drilling was successful in delineating 100m along strike of a mineralized quartz vein averaging a width of 1.29m and at a grade of 20.14 g/t. This mineralized quartz vein occurs between sections 7450E and 7550E. The strike of the vein is east-west and the vein dips south at 75-80°. The vein is open to the east and has not been cut-off at depth.

The drilling provided the basis for a resource estimate of 23,720 tonnes at 12.63 g/t, the block model (assuming certain mining parameters) returned 22,161 tonnes at 10.8 g/t.

In 2005, additional drilling was completed on the 28 zone (3 ddh / 220m, 3 RC / 108m) with the intent of infilling the ore body defined in the 2004 diamond drill grid on 12.5m sections (2005 ddh's in red, Figure 1). The sections infilled in 2005 were 7463E (ddh-08), 7487E (ddh-07), and 7513E (ddh-06, RC-18,-20). Table 1 below shows the results of the 2004 mineralized intersections (black) and the 2005 infill (red).

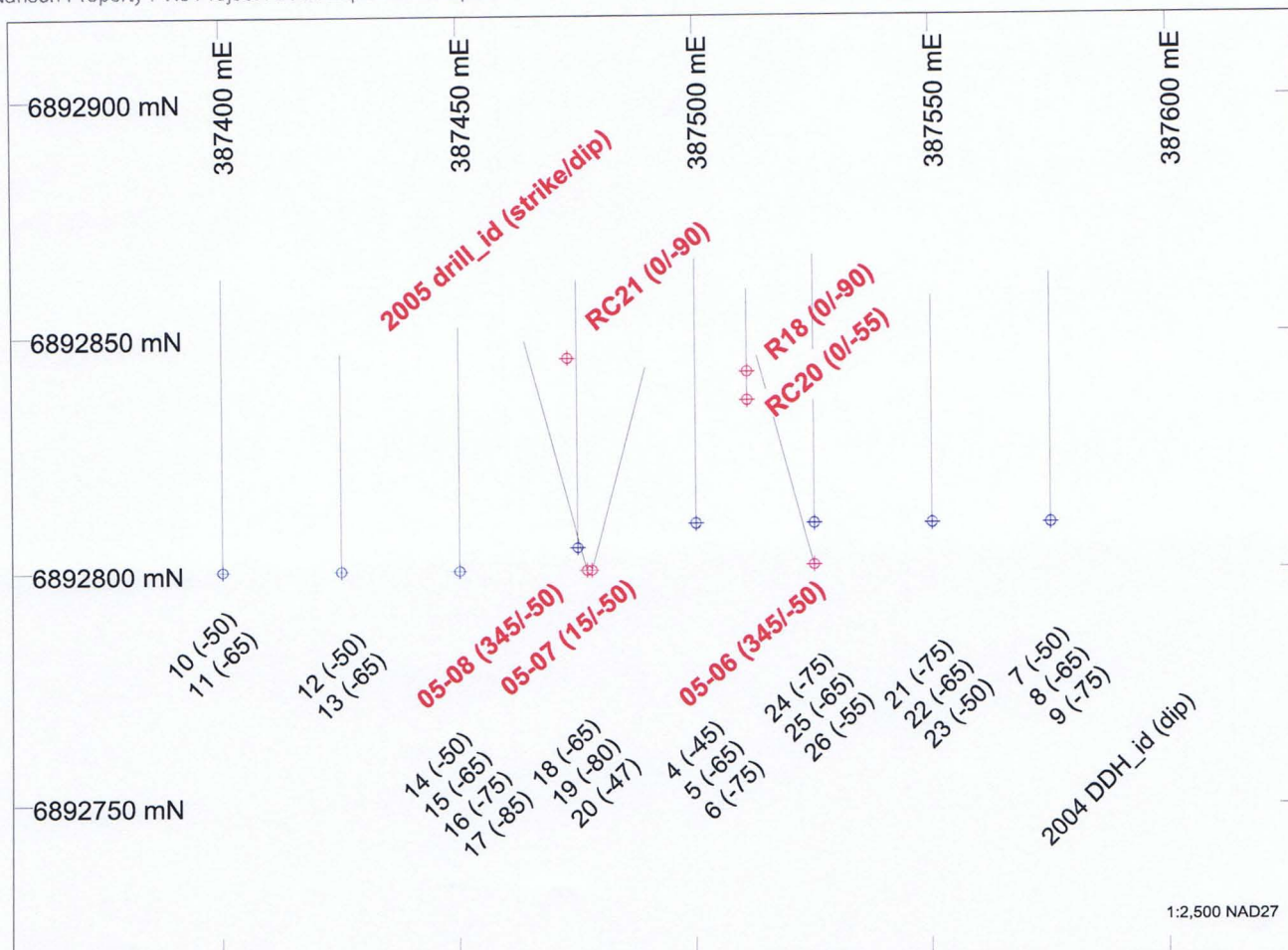


Figure 3 - 28 Zone Drilling : 2005 Drillhole Location (red) with adjacent 2004 Drilling (blue)

DDH	Section	Azi/Dip	Intersection	From (m)	To (m)	Width (m)
VC0415	7450E	0/-65	2.59m @ 12.15 g/t	78.18	80.77	2.59
VC0416	7450E	0/-75	3.51m @ 27 g/t	88.54	92.05	3.51
VC0508	7463E	345/-50	no values > 1 g/t			
VC0420	7475E	0/-47	1.34m @ 40.02 g/t	57.91	59.25	1.34
RC0521	7475E	0/-90	6.1m @ 4.3 g/t	25.91	32	6.09
VC0507	7487E	015/-50	2.44m @ 48 g/t	63.4	65.84	2.44
VC0404	7500E	0/-45	1.22m @ 12.68 g/t	47.85	49.07	1.22
VC0506	7513E	345/-50	0.4m @ 1.72 g/t	67.82	68.21	0.39
RC0518	7511E	0/-90	no values > 1 g/t			
RC0520	7511E	0/-55	1.5m @ 11.6 g/t	35.05	36.58	1.52
RC0520	7511E	0/-55	1.5m @ 3.8 g/t	38.1	39.62	1.52
VC0424	7525E	0/-75	0.3m @ 9.2 g/t	86.87	87.17	0.3
VC0425	7525E	0/-65	0.3m @ 9.74 g/t	73.15	73.76	0.61
VC0426	7525E	0/-55	0.45m @ 8.29 g/t	63.19	63.64	0.46
VC0423	7525E	0/-50	0.3m @ 10.95 g/t	67.67	67.97	0.3

Table 1 - 28 Zone Drill Results

25 Zone

Outside of the 28 zone, 400m to the south-southwest lies the 25 zone which had been discovered by Kerr Addison. Sampling by Kerr (1985) returned grab samples of 18.9 g/t and 8.4 g/t and trenching by Aurchem in 2002 (in the area of the 25 zone called the "H" trench) produced channel samples of 3m @ 2.13 g/t, 6.6m @ 1.13 g/t and 5.4m @ 2.55 g/t (including 1.1m @ 8.53 g/t Au). Aurchem followed up on that program in 2004 with further sampling and prospecting in and around the H-trench (25 zone). This program indicated that the H-trench was central to a 100m long trend of bedrock and float samples that grade greater than 10 g/t Au. A saw cut of a quartz vein in the H trench returned 115 g/t Au over 40cm.

In 2005 Aurchem drilled at the H trench in order to better understand the geometry and extent of the mineralized system. Seven diamond drillholes (154m) and five RC holes (111m) were completed at the H trench on the 25 zone. The highgrade nature of the surface mineralization was confirmed in ddh 05-02 that cut 1.83m (not true width) grading 43.8 g/t Au near the surface. Deeper intersections such as RC-10, which intersected 1.52m @ 18.35 g/t Au at a depth of 10m, indicated the potential to expand the zone to depth.

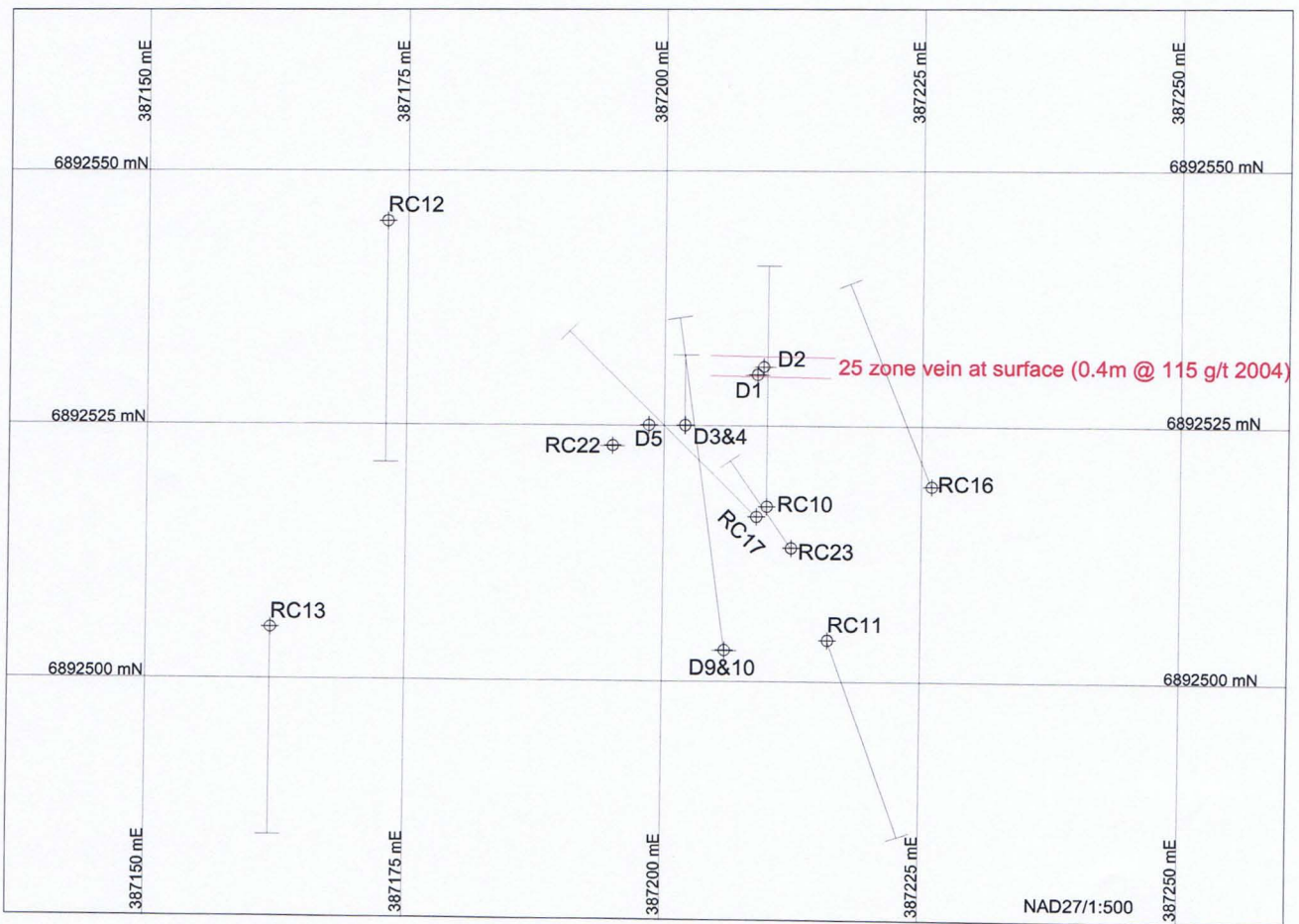


Figure 4 - Location of 2005 drilling at the 25 Zone

2650 Zone

At the midpoint between the 28 zone and the 25 zone lies the 2650 zone. In 2005 Aurchem completed 8 RC holes (231m) along an east-west trend of gold-in float. Gold was intersected in the two westerly most holes. RC-2 intersected 1.52m @ 3.6 g/t Au and west of that RC-19 intersected 1.5m grading at 15.6 g/t Au.

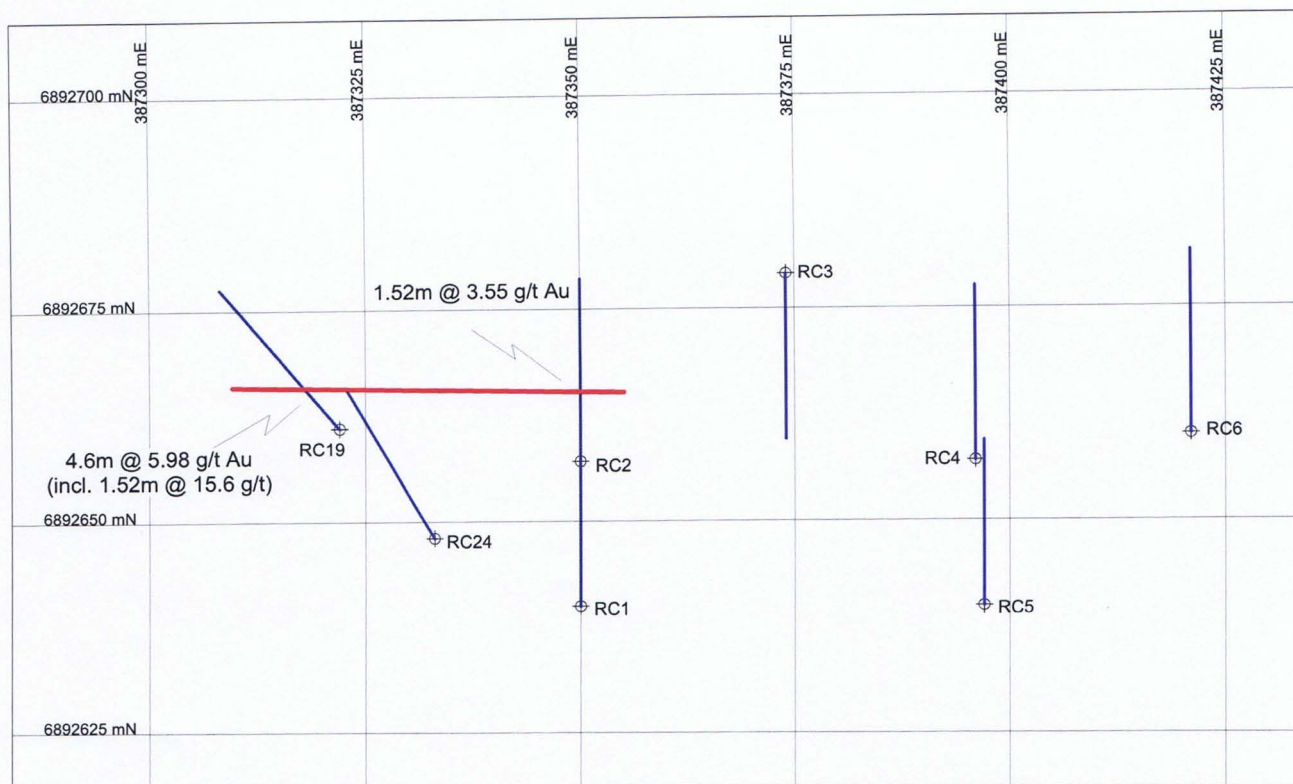


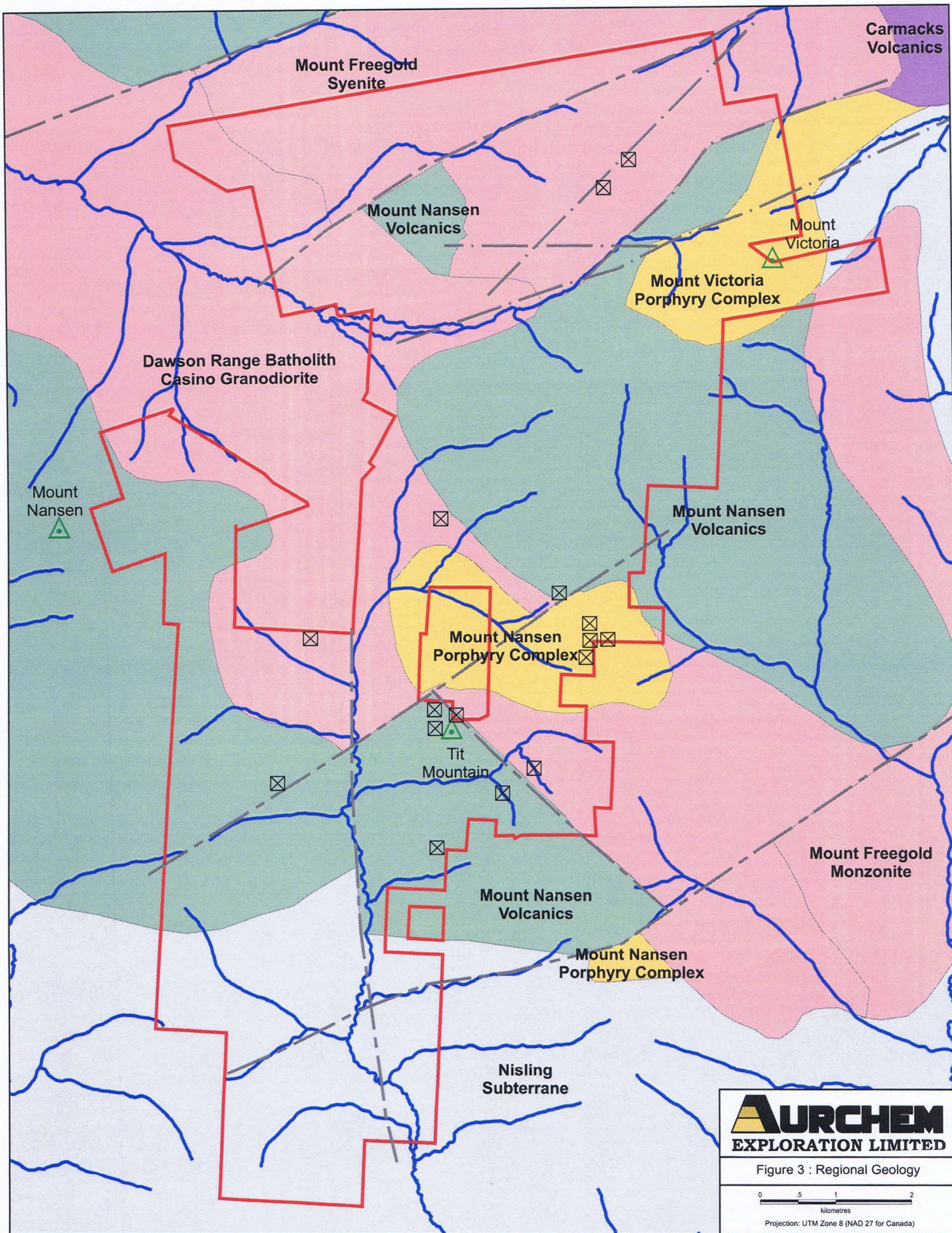
Figure 5 - Location of 2005 drilling at the 2650 Zone

Geological Setting

The Mount Nansen property is located in the Dawson Range of the Yukon Tanana Terrane (Figure 6). The Dawson Range is underlain by Early Mississippian metamorphic rocks intruded by several plutonic suites (Carlson, 1987).

The metamorphic rocks are separated into two suites, meta-sedimentary and meta-igneous. Micaceous quartz-feldspar gneiss, schist, and quartzite of the Nasina assemblage form the meta-sedimentary rock suite. The meta-igneous package includes biotite-hornblende feldspar gneiss and coarse-grained granodiorite orthogneiss with lesser amphibolite.

The metamorphic rocks are intruded by Mid Cretaceous felsic plutonic rocks of the Coffee Creek Plutonic Suite and capped by the coeval mafic to intermediate volcanic flow and tuff rocks of the Mount Nansen Volcanic suite (Johnston and Mortensen, 1994). Genetically related sub-volcanic feldspar porphyry dikes and plugs intrude all rock types (Sawyer and Dickinson, 1976).



The Late Cretaceous Carmacks Volcanic Suite, although lacking in the immediate Mount Nansen area is voluminous in the region where relatively flat lying pyroclastic tuffs and flow units form prominent ridges capping the basement rocks (Carlson, 1987). The Carmacks Volcanic Suite is genetically related to the Prospector Mountain Plutonic Suite (Johnston and Mortensen, 1994).

Mineralized structures on the Discovery Creek property consist of fault-shear-hosted veins and associated clay-rich and bleached alteration zones in felsic hypabyssal rocks. The vein zones range from narrow, simple quartz veins to complex, anastomosing and braided systems or breccia pipe-like structures that crosscut all rock types. The veins and associated felsic dykes or faults trend in a variety of directions and are steeply dipping. The structures are interpreted as a dilational fracture systems peripheral to the Middle Cretaceous intrusive bodies.

There are distinctive mineralogical assemblages associated with the various vein orientations. The most prominent and longest recognized veins are composed of dark grey, very fine grained quartz-sphalerite-galena-pyrite-stibnite veins. The quartz-sulfide veins generally trend northwesterly and are closely associated with fine grained buff weathering feldspar porphyry dykes. The veins yield high-grade gold and proportionately higher silver grades. Gold-rich light grey quartz veins trending east-northeasterly contain only incidental fine grained disseminated pyrite. Silver and base metal values are low. Quartz-pyrite rich breccia zones form irregular pipe-like bodies.

Central to the Mount Nansen mineral camp is a central porphyry system referred to as the Mount Nansen Porphyry Complex. The complex is exposed within an uplifted block or an erosional remnant that resulted from post depositional faulting. The faulting has produced an apparent northwest trend for the mineralization referred to as the Mount Nansen Trend.

A large area of copper-molybdenum porphyry style mineralization occurs with the Mount Nansen Porphyry Complex. The mineralization consists of low-grade copper and molybdenum in altered granodiorite and porphyritic rocks within the Summit Creek and Upper Nansen Creek drainages.

Geochronological studies indicate that the U-Pb dating gives a time of 109 Ma for porphyry intrusive bodies that are interpreted as coinciding with the main mineralizing event in the district. (V. Meyers, B.Sc. thesis).

The Mount Nansen area was beyond the limit of the most recent continental glaciation although earlier incursions moved up the valley bottoms. Weathering extends to depths of up to 75 meters below surface which is accompanied by leaching and oxidation in the mineralized zones, and sulfides are commonly altering to limonite or other oxides.

The epithermal veins on the property occur in all rock types. The mineralized veins are associated with strike-slip shear zones and porphyry bodies. The emplacement of the porphyry dykes and veins occur within dilational (extensional) zones flanking doming structures related to the emplacement of the larger porphyry stocks. Other potentially favorable sites for vein/dyke emplacement are along intrusive contacts.

Hydrothermal breccias explored to date occur with the porphyry intrusions or dykes and contain fragments of the host porphyry dykes and stocks and locally fragments of enclosing intrusive rocks. No large scale breccia zones have been discovered in the metamorphic rocks. The matrix of the breccias is generally quartz-rich with silicification of the breccia fragments. Locally dark quartz-tourmaline forms the matrix of bodies and occurrences with sulfides (pyrite, arsenopyrite, sphalerite, galena and sulfosalts) contain economic gold-silver mineralization.

Mineralization

Gold mineralization at the VIC Project area is hosted by Mount Freegold syenites (EJp). The mineralization is bound at depth by E-W trending structures that dip steeply to the south. The three main areas of veining discovered to date are equidistant apart (~175m) and appear to increase in grade and width as they intersect NE oriented faults, suggesting perhaps that the NE faults are key to fluid transport, while E-W fracture zones were more dilational and thus more favourable for gold deposition.

The mineralized area is central to a 2.3km wide corridor bound to the north and south by 0650-0700 regional faults. Prominent magnetic linears at 0450 and 0900 (the latter trend hosting the VIC mineralization) seem to conform to P shears and extensional veins of an idealized Riedel model. Air photo interpretation also indicates the presence within this corridor of a prominent set of 3100 (R') linears.

The mineralized quartz veins are grey to white and have variable widths (cm to 2m) with pinch and swell characteristics. The veins generally strike east-west and dip steeply to the south. Alteration of the host rocks in the mineralized zones consists of mainly silicic alteration and is characterized by intense silicification and quartz veins or stringer stockwork. There is noticeable magnetic depletion in the wallrock adjacent to the veins.

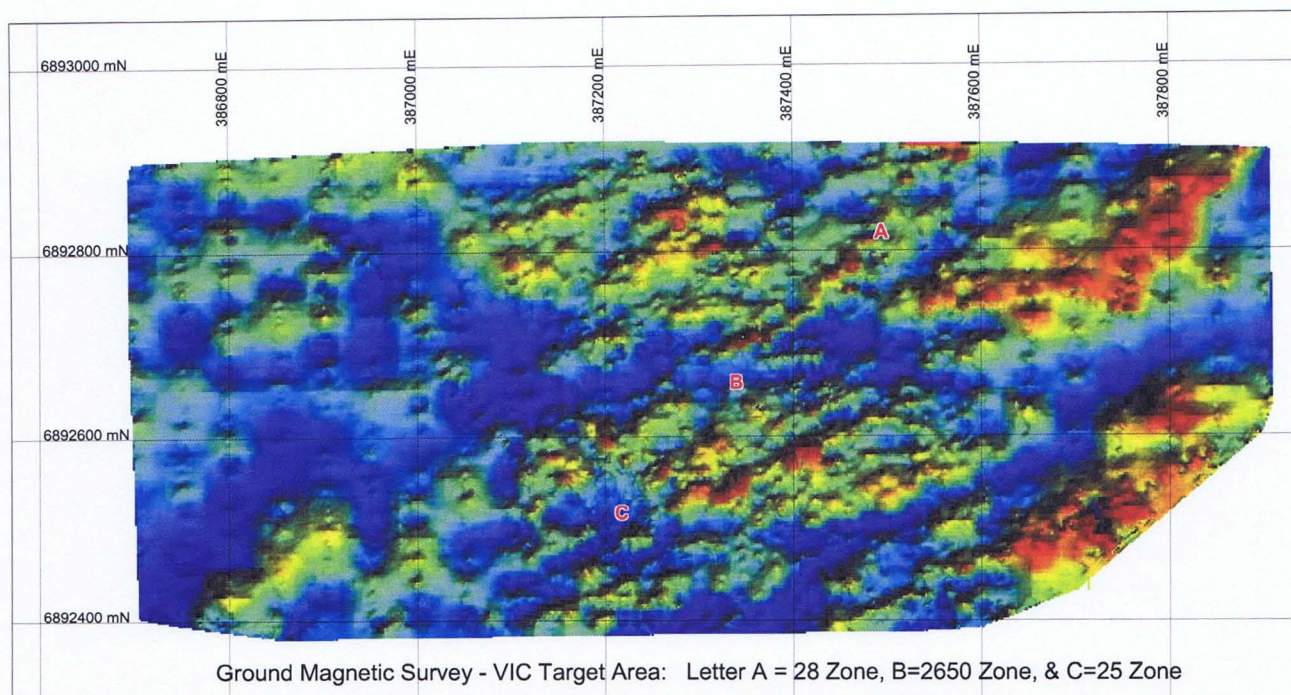


Figure 7 - Location of 28, 2650, & 25 Zone on ground magnetic basemap

2006 Exploration Program

The focus of the 2006 field season at the VIC project was the trenching of the three zones in order to; a) in the case of the 28 zone determine the location of the subcropping orebody and follow it along strike, b) in the case of the 2650 zone locate the westward extension of mineralization intersected in the 2005 drill program, and c) in the case of the 25 zone extend the H-Trench to the east and west to determine the extent and nature of the highgrade gold mineralization located previously. In all regards the program was successful in fulfilling these goals.

28 Zone

Trenching at the 28 zone located the subcropping orebody in a number of areas. Owing to the nature of the permafrost and the thaw-unstable weathered bedrock, in-situ quartz vein was discontinuous along the trend of the mineralized zone. Where the quartz vein was located, however, its nature and appearance was similar to that of vein material observed in the drillcore at depth. The vein is generally massive white to grey quartz with numerous hairline fractures that appear to be coated with a limonitic stain giving the vein what in-house is referred to as a “spider web” appearance (spider vein). Sulphides are not visible in the subcropping veins (and were very rare in the drillcore).

Excavation of old, and in light of the depth of overburden, shallow trenches originally dug in the 1980's - resulted in the discovery of quartz float in an area approximately 180m east of the drilled resource at the 28 zone. This quartz float material is on strike with the subcropping veins and is similarly highgrade with respect to gold. One sample of float returned an assay of 45.4 g/t Au.

The likeliness of being able to extend the 28 zone deposit to the east has certainly been enhanced by the discovery of this mineralized material and drilling to the east of the 28 zone is highly recommended.

2650 Zone

Trenching along strike and to the west of the drill intersections from the 2005 program resulted in the discovery of a subcropping quartz vein. The vein was trenched along a strike of Xm. Channel samples of the vein resulted in a 40cm channel sample returning an assay of 51.8 g/t Au.

25 Zone

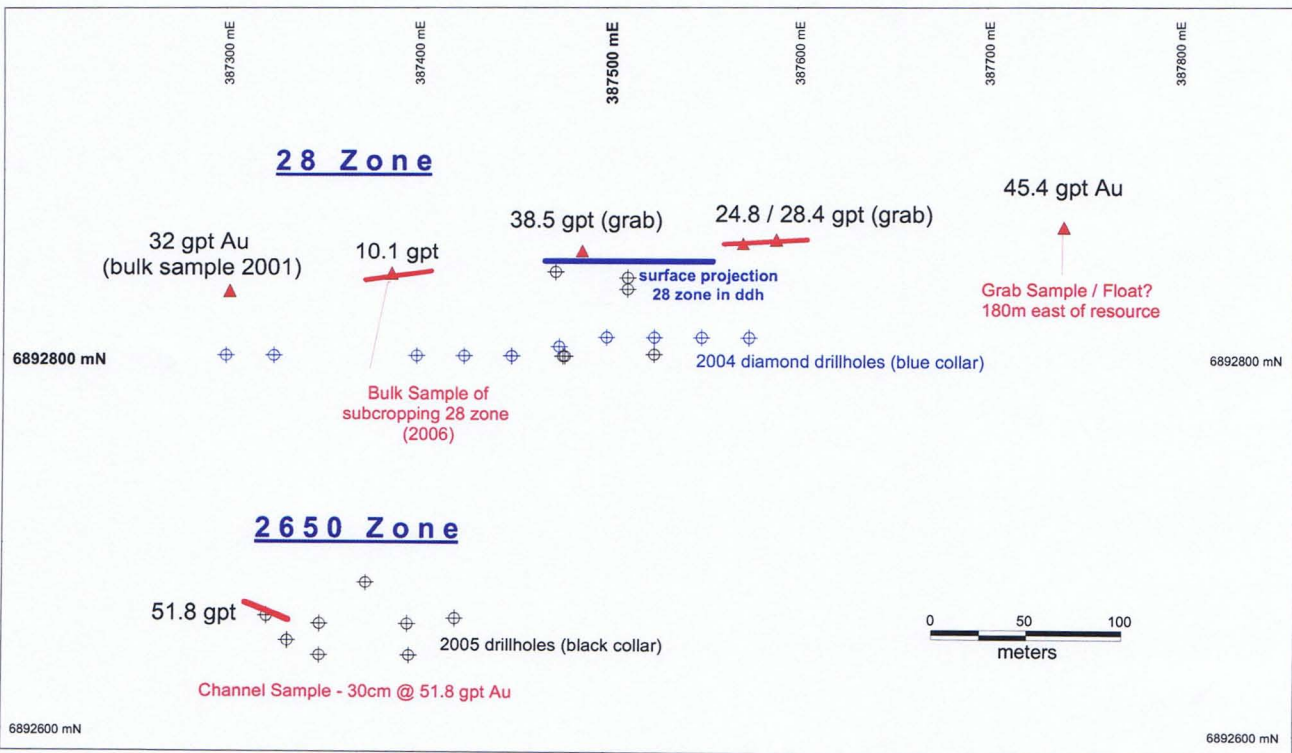


Figure 8 - Diagram of 28 and 2650

Trenching at the 25 Zone was successful in both expanding the strike length of the mineralized zone as well as expanding our knowledge of the mineralized system. Unlike the 28 zone which appears to be a rather continuous massive vein of (semi-) consistent width, the 25 zone vein at the H-Trench has been sheared and boudinaged. The boudins vary in size from basketball to VW beetle. Shearing at the H-trench has also been brittle in nature with numerous sympathetic and antithetic fractures (most heavily stained with hematite) in evidence in the wall-rock (and cross cutting the vein/shear in some cases). Widespread weak to moderate argillic alteration of the syentite host is also present.

The mineralized vein material was stripped over a strike length of 50m. Sampling of the vein was completed using sawcut channels. Six channels, for a total of 52.9m, were cut across the boudins along 40m of the shear zone. The vein material averaged a width of 2.27m at a grade of 14.2 g/t Au along that strike length.

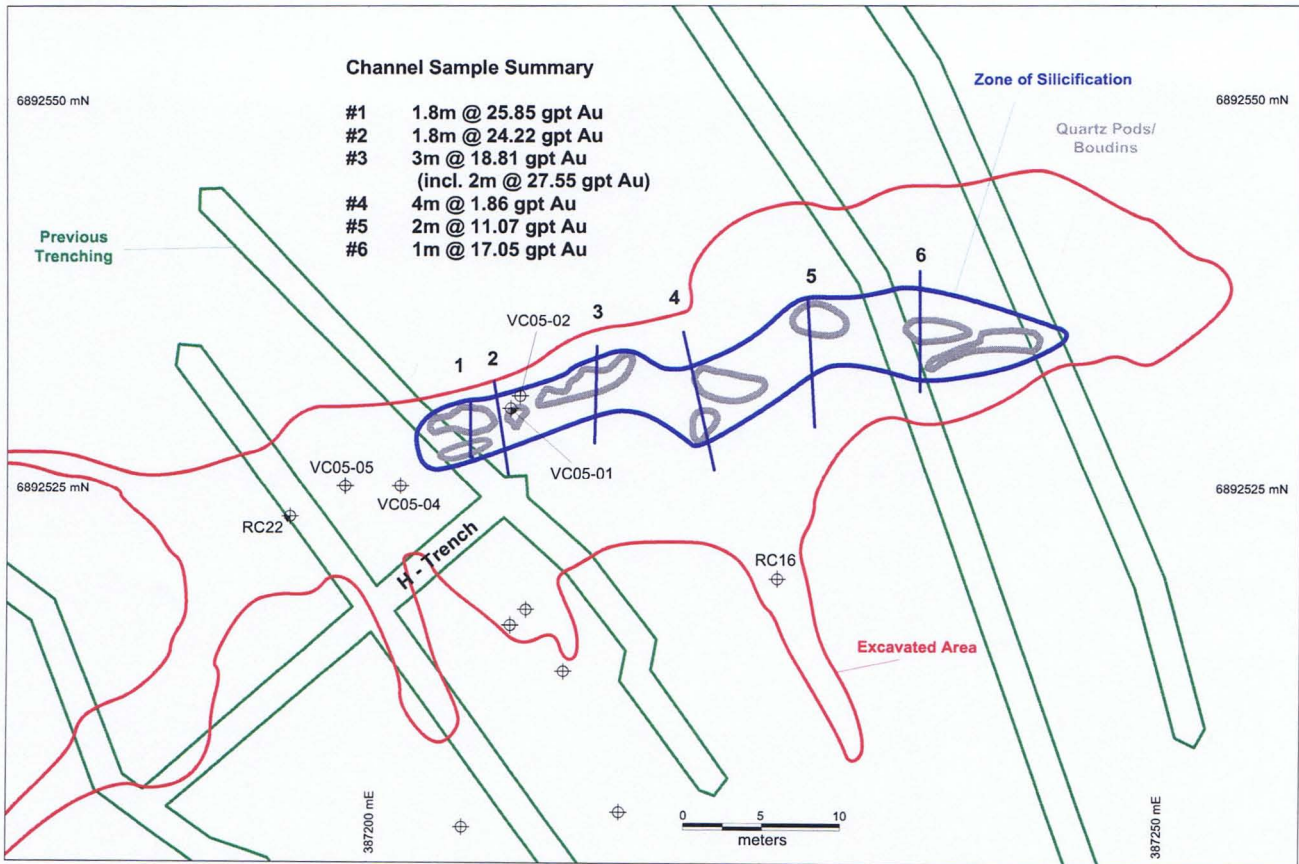


Figure 9 - Diagram of 25 Zone

Future Exploration Recommendations

Exploration to date on the VIC project area has produced clear indications of the potential for an economic bonanza gold vein (28 zone) with further indications of en echelon structures that may too be economically viable (25 zones, 2650 zone).

The possibility suggested by the presence of mineralized float on strike with the 28 zone that the ore body extends considerably to the east is significant and needs to be investigated. The potential for undiscovered mineralized structures to exist - considering the en echelon nature of the known zones, and especially in light of soil geochem data from the Kerr Addison program, is high and should be followed-up on.

A gradient array IP (induced polarization) survey is recommended over the known mineralized zones, including the 28 zone to the NE and the 25 zone to the SW. An area from line 70E (38700mE) to 80E and from 2300N (6892300mN) to 3000N should be investigated. The survey would include 21 lines (run north-south) with 50m line spacing. Lines would be 700m long for a total survey of 14.7 line km. The quartz veins and silicified wall-rocks should present a significant resistivity target in contrast to the unaltered syenites.

Diamond drilling should be completed at the 28 zone, extending the mineralized zone east from line 7600E towards the mineralized float found on line 7740E. If 200m of strike was drilled on 25m section there would be 9 sections / 300m drilling per section – a total of 2,700m of drilling. This would cover lines 7600E to 7800E and allow for three drillholes on each section.

In addition to this drilling at the 28 zone, RC drilling should be completed on resistivity targets located during the IP survey. If this initial drill testing was completed prior to the diamond drill program then the best mineralized zones could be further investigated by diamond drill at the completion of the 28 zone program.

An estimate of the budget required for the program outlined above would be in the order of CAN \$425,000.

2006 Season - Summary of Expenditures

Field mapping / sampling	Kris Schneider (80 days @ 150/day)	\$12,000.00
Assays	ALS Chemex	\$7,458.34
Sample Shipping	Byers / UPS	\$372.15
Excavator - MOB	Glacier Drilling	\$1,805.00
Excavator - Rental	Inland Kenworth	\$60,000.00
Excavator - DeMOB	Inland Kenworth	\$2,000.00
Mini Excavator - Rental	MacPherson Rental	\$2,200.00
Camp equipment	MacPherson Rental	\$13,200.00
Fuel	North 60	\$14,595.86
Management Expenses	Rob Schneider (14 weeks @ 1000/week)	\$14,000.00
Professional Expenses	Marc Ellemers (MSc)	\$4,553.24
Professional Expenses	Robert Stroschien (P.Eng)	\$8,336.65
		\$140,521.24

Statement of Qualifications

Marc Ellemers, M.Sc.

I, Marc R. Ellemers of the City of Kingston, Province of Ontario, hereby certify that:

- 1)I graduated from the University of Regina, Sask. with a B. Sc. (Geology) in 1990.
- 2)I graduated from Queen's University, Ontario with a M.Sc (MinEx) in 1995.
- 3)I have been constantly employed as an Exploration Geologist since 1990.
- 4)I have planned, supervised and reported on the exploration on the Discovery Creek Project owned by Aurchem Exploration Ltd. during 2006.
- 5)My business address is:

35 Johnson Street
Kingston, ON
K7L 1X5

Signed:



Marc R. Ellemers, M.Sc.

April 26th, 2007