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## Mineral Assessment Report Localized Prospecting

Located within the Ace and Lucky Claims, Hyland River  
NTS Map Sheet: 105H/8  
Latitude: 61°21'50'' N  
Longitude: 128°22'55'' W

Mining District: Watson Lake, Yukon  
Report Written by: Liard McMillan

Work Performed June 2007

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## Executive Summary

Work on the ACE / LUCKY claims were completed in June 2006. Assays indicated small anomalies for Silver, Lead and Zinc in rock and soil samples. Rock samples were collected from skarn which consisted of Upper Proterozoic to Lower Cambrian rocks of the Hyland Group consisting of thin to thick bedded, brown to pale green shale, fine to coarse grained quartz-rich sandstone, grit, and quartz-pebble conglomerate. Some samples assayed for greater than 10,000 ppm Pb/Zn and greater than 100ppm Ag however these assay concentrations were beyond the upper limits of the test and therefore were not counted.

## Location and Access

The Ace and Lucky claims are located approximately 100 km north of Watson Lake. Primary access to the property can be gained from traveling an old mine tote road, using an argo or four wheeler, heading west for approximately 5km off the Nahanni Range Road (Cantung mine road).

## Property Status and Ownership

The Ace / Lucky property is a group of 4 claims two post claims (grouping certificate number HC11808) staked in a southwest to northeast direction. The property is owned 100% by Bob McGeorge of Watson Lake. Table 1, below, outlines the grant numbers and expiry dates of all the claims referred to in this report.

*Table 1*

| Claim Name | Grant Number | Registered To | Renewal Period | Expiry Date    |
|------------|--------------|---------------|----------------|----------------|
| ACE        | YC31804      | Bob McGeorge  | 5 years        | July 14 2012 * |
| ACE        | YC31805      | Bob McGeorge  | 5 years        | July 14 2012 * |
| LUCKY1     | YC31851      | Mary Wolftail | 5 years        | July 14 2012 * |
| LUCKY2     | YC31852      | Mary Wolftail | 5 years        | July 14 2012 * |

\* -- Following the acceptance of this assessment report

## Physiography / Geology

The ACE / Lucky claims are situated in an area of moderate to rugged topographic relief with elevations ranging from 1500 to 2000 meters. Vegetation on the property is variable consisting of conifer trees, willows and alders in the valleys with minor scrub brush, abundant mosses, lichens and grasses on the hilltops. Outcroppings are best observed on the hilltops, the steeper slopes and in creek cuts on the property.

Regionally the ACE / Lucky claims are comprised of Upper Proterozoic to Lower Cambrian rocks of the Hyland Group consisting of thin to thick bedded, brown to pale green

shale, fine to coarse grained quartz-rich sandstone, grit, and quartz-pebble conglomerate; minor argillaceous limestone; phyllite, quartzofeldspathic and micaceous psammite, gritty psammite and minor marble (Yukon Geological Survey). The geology of the property is very much the same as what has been recognized regionally. The best outcrops on the property exist at elevation and on cutbanks near streambeds with the valley bottoms being covered with vegetation and overburden.

A drilled prospect, Black Jack, is located several kilometers to the south of the property containing a lead zinc skarn type deposit. Exploration detected disseminated to massive sphalerite, minor galena and a trace of scheelite occurring in epidote-rich bands in quartz-feldspar-biotite gneiss, cut by dykes and sills up to 3.0 m wide. Chip samples from the Black Jack property assayed at 8.7% Zn, 0.4% Pb, 0.14% Cd, and 41.14 g/t Ag and trace Au across a width of 2.4 m (Minfile: 105H 028).

## **Work Performed**

During June of 2006, field work was completed over a period of 3 days (six man days) in which a total of four rock samples and four soil samples were collected. The rock samples were collected along the cut bank of a stream which intersects the claim group (see figure 1). The soil samples were collected along four traverses (each approximately 500 meters in length) which intersect the claim group (see figure 1). All samples were collected in plastic bags and sent to Acme Analytical Laboratories Ltd in Vancouver for a ICP-MS assay. All assay results are attached as appendix 2.

## **Results**

Most of the soil and rock samples contained trace amounts of Silver, Copper, Lead, and Zinc. There were some samples that contained greater than 10,000 ppm Lead and Zinc, however these were samples in which the concentration exceeded the upper acceptable limits of the assay and therefore cannot be counted. Silver concentrations peaked at 2.77 oz / ton in the soil samples and about 0.76 oz / ton in the rock samples. Lead concentrations ranged from 0.025% to 0.061% in soils and 0.01% to 0.02% in rock samples. Zinc concentrations were about 0.04% at their upper limits in both soil and rock samples. Copper concentrations ranged from 0.002% to 0.029% in soils.

## Conclusion

The rock samples only indicated weak anomalies for Silver, Lead and Zinc. Soil sample number 2 had a higher anomalous reading for Silver of 2.77 oz/ton. Many samples assayed at greater than 10,000 ppm for Pb and Zn thereby exceeding the upper limits of the assay test. Therefore, it may be prudent to re-conduct an assay of the samples using a different assay test. It is also recommended that more sampling be conducted in the vicinity of soil sample #2 in order to better characterize the anomaly detected.

As much of the claim group was still covered under snow during the sampling period, it is recommended that additional sampling be completed during snow free period. Sampling should include regional soil and rock sampling both inside and outside the claim group in order to identify and characterize target areas for further investigation. Regional prospecting / sampling should focus on areas ranging south to south west for approximately 1.5 km in order to cover off the previously explored, drilled prospect, Black Jack.

## References

Yukon Geological Survey – Selwyn Basin Online Map

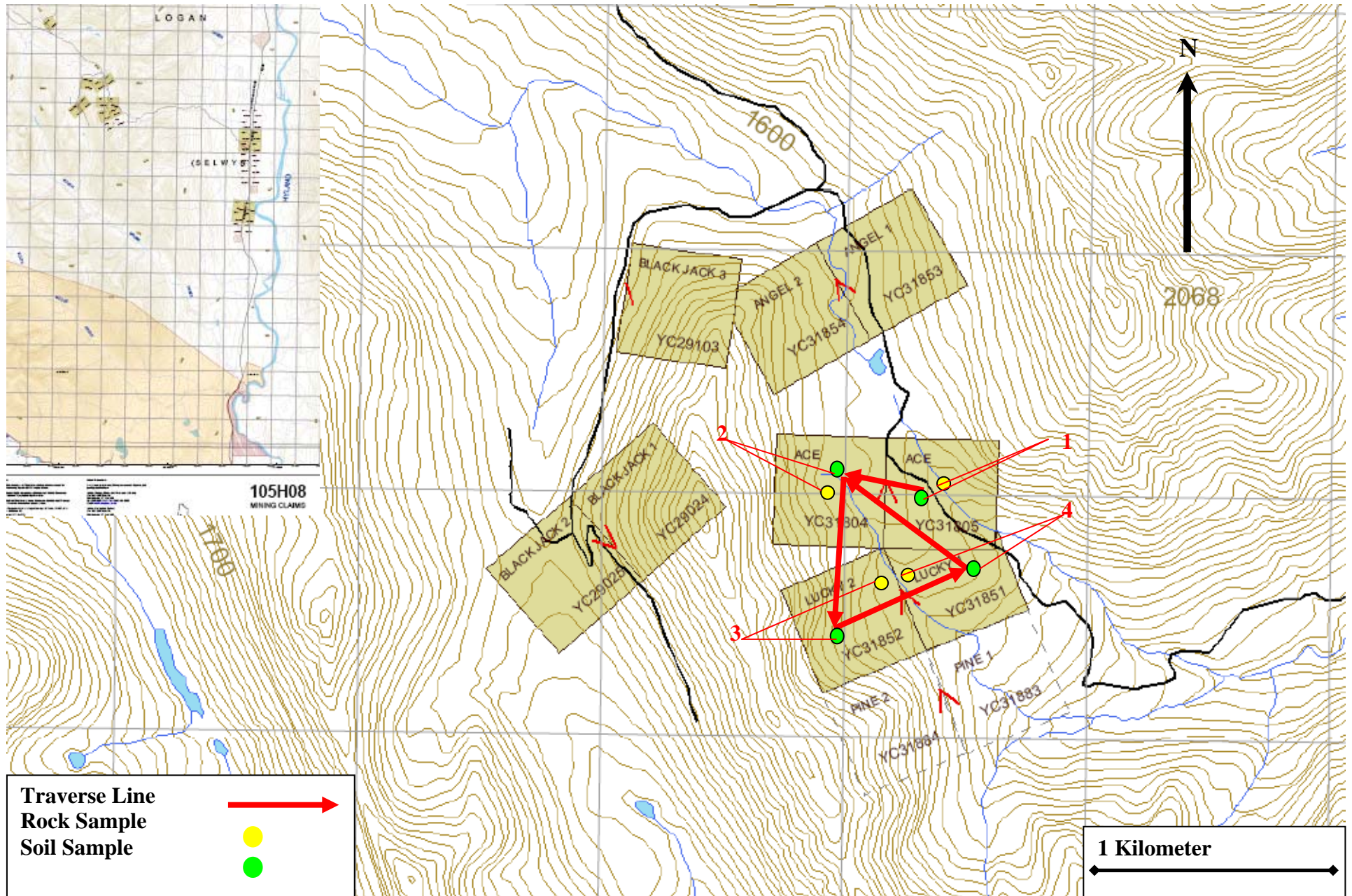
<http://www.mapsyukon.gov.yk.ca/webmaps/geoscience/selwynbasin/viewer.htm>

Yukon Minfile Online – R. Deklerk

<http://servlet.gov.yk.ca/ygsmin/index.do>

Figure 1

Figure 1



ACE / LUCKY CLAIMS – 105 H08

## Assay Results

GEOCHEMICAL ANALYSIS CERTIFICATE

Stewart, Daryl File # A705281

PO Box 137, Watson YT Y0A 1C0 Submitted by: Daryl Stewart

| SAMPLE #     | Mo   | Cu    | Pb     | Zn     | Ag   | Ni    | Co    | Mn     | Fe    | As   | U   | Mo    | Th  | Sr  | Cd    | Sb   | Rb    | V   | Ca   | P    | La  | Cr  | Hg   | Ba  | Ti   | H   | Al   | Mg   | K    | W   | Hg   | Sc  | Tl  | S    | Ga  | Se   |
|--------------|------|-------|--------|--------|------|-------|-------|--------|-------|------|-----|-------|-----|-----|-------|------|-------|-----|------|------|-----|-----|------|-----|------|-----|------|------|------|-----|------|-----|-----|------|-----|------|
|              | ppm  | ppm   | ppm    | ppm    | ppm  | ppm   | ppm   | ppm    | %     | ppm  | ppm | ppm   | ppm | ppm | ppm   | ppm  | ppm   | ppm | %    | %    | ppm | ppm | ppm  | ppm | ppm  | ppm | ppm  | ppm  | ppm  | ppm | ppm  | ppm | ppm | ppm  | ppm | ppm  |
| G 1          | .2   | 2.3   | 34.4   | 64     | <.1  | 7.7   | 5.5   | 637    | 2.19  | 4.0  | 2.2 | 1.8   | 4.2 | 83  | .1    | 22.7 | .2    | 46  | .59  | .084 | 10  | 32  | .73  | 240 | .142 | 2   | 1.70 | .076 | .56  | .1  | <.01 | 2.5 | .4  | <.05 | 5   | <.5  |
| 1            | 1.4  | 18.6  | >10000 | >10000 | >100 | 2.7   | 29.2  | 4558   | 3.07  | <.5  | 2.4 | 4.5   | .9  | 12  | 306.7 | 2.3  | 331.3 | <.1 | 46   | .024 | 1   | 6   | .07  | 31  | .009 | <.1 | 31   | .002 | .01  | .4  | .01  | .2  | .7  | 4.69 | 1   | 13.6 |
| 2            | 2.8  | 8.7   | >10000 | >10000 | 78.4 | .7    | 26.7  | 3481   | 2.46  | <.5  | 2.1 | <.5   | 1.0 | 17  | 319.8 | .7   | 234.4 | <.1 | 1.23 | .029 | 1   | 2   | .07  | 10  | .011 | <.1 | .06  | .001 | <.07 | .7  | .01  | .3  | .5  | 4.00 | <.1 | 11.1 |
| 3            | .3   | 16.6  | >10000 | >10000 | 2.3  | 12.6  | 114.1 | >10000 | 7.07  | 1.3  | .9  | 205.4 | 1.9 | 32  | 176.0 | 2.5  | 266.0 | 3   | .88  | .033 | 5   | 5   | .18  | 107 | .015 | 4   | 62   | .004 | .13  | .3  | .02  | 1.3 | .5  | 14   | 2   | 3.2  |
| 4            | .5   | 290.5 | 607    | 418    | 3.2  | 7.1   | 4.2   | 877    | 8.90  | <.5  | 3.9 | 2.6   | 9.7 | 121 | 2.1   | .2   | 21.3  | 47  | 1.77 | .059 | 26  | 52  | 1.44 | 24  | .070 | 1   | 3.35 | .197 | .09  | .7  | <.01 | 4.0 | .2  | 7.35 | 20  | 3.2  |
| ACE 1        | 1.4  | 42.9  | 101.9  | 1617   | .2   | 21.7  | 17.5  | 1767   | 6.21  | 11.4 | 1.1 | 13.4  | 6.4 | 13  | 5.6   | .9   | 11.3  | 42  | .70  | .057 | 23  | 48  | .84  | 179 | .066 | 1   | 2.36 | .016 | .44  | .1  | .01  | 5.1 | .2  | .09  | 10  | .8   |
| ACE 2        | 1.4  | 37.3  | >10000 | 6607   | 21.6 | 22.0  | 16.9  | 1742   | 5.99  | 7.1  | 2.3 | .6    | 6.7 | 17  | 32.2  | .3   | 64.7  | 51  | .76  | .055 | 13  | 51  | .85  | 167 | .116 | 2   | 2.46 | .022 | .65  | .2  | .01  | 7.0 | .5  | .66  | 9   | 2.6  |
| LUCKY 1      | .9   | 39.2  | 208    | >10000 | 1.7  | 19.2  | 137   | >10000 | 13.09 | 4.0  | 1.2 | 139.0 | 5.5 | 34  | 181.0 | .7   | 187.5 | 27  | 49   | .089 | 15  | 31  | .51  | 189 | .065 | 2   | 1.80 | .011 | .29  | 4.7 | .02  | 5.0 | 5   | .19  | 7   | 7.1  |
| LUCKY 2      | 1.1  | 19.8  | 112.6  | 233    | .2   | 106.1 | 20.4  | 474    | 4.42  | 3.8  | 1.3 | 2.2   | 5.0 | 16  | .8    | .2   | 1.6   | 48  | .20  | .064 | 22  | 41  | .65  | 176 | .153 | 1   | 2.10 | .045 | .55  | .1  | <.01 | 7.6 | .3  | .10  | 8   | .6   |
| STANDARD DS7 | 21.3 | 127.7 | 73.4   | 442    | .9   | 64.8  | 10.8  | 794    | 2.67  | 57.6 | 5.1 | 69.3  | 4.8 | 87  | 7.5   | 7.3  | 5.2   | 90  | 1.04 | .085 | 15  | 216 | 1.14 | 400 | 132  | 43  | 1.12 | .097 | .47  | 4.2 | .20  | 3.2 | 4   | .22  | 5   | 4.3  |

GROUP 10X - 15.0 GR SAMPLE LEACHED WITH 90 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 300 ML, ANALYSED BY ICP-MS.  
(>) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT A0 SOLUBILITY.  
- SAMPLE TYPE: ROCK R150

Data FA DATE RECEIVED: JUL 3 2007 DATE REPORT MAILED: AUG 23 2007



All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of the analysis only.

2008-01-21 15:47 FAX 867 536 7842 REP 40/14

## Appendix 1 – Schedule of Costs

|   |                              |   |                    |
|---|------------------------------|---|--------------------|
| Assay                                   | \$13.40 / sample x 8 samples | = | \$ 107.20          |
| Mileage                                 | \$ 0.45 / km x 120 km x 2    | = | \$ 108.00          |
| Argo                                    | \$ 80 / day x 3 days         | = | \$ 240.00          |
| Food                                    | \$ 35 / person / day x 2 x 6 | = | \$ 420.00          |
| Prospector                              | \$ 250 / day x 3 days        | = | \$ 750.00          |
| Assistant                               | \$ 150 / day x 3 days        | = | \$ 450.00          |
| Analysis / Report Writing               |                              |   | \$ 1000.00         |
| Total Costs Claimed for Assessment Work |                              | = | <b>\$ 3,075.20</b> |

## Statement of Qualifications

I, Liard McMillan feel that I am qualified to prospect, carry out assessment work and write a prospectors report on the ACE and LUCKY mineral claims because:

1. I have completed a B.Sc. from Simon Fraser University
2. I have a considerable amount of report writing experience
3. I have had 10 years prospecting experience in working for the following companies / individuals:
  - a. Alex McMillan
    - i. Assisted with the staking of claims, prospecting / ground search, geochemical sampling, and report writing, proposal preparation, recording of claims and preparation of statement of work.
  - b. Hudson Bay Mining and Exploration
    - i. Work included regional geochemical and till sampling
  - c. First Yukon Silver
    - i. Staking / Line cutting

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Liard McMillan  
Box 704 Watson Lake YT Y0A 1C0

**Statement of Qualifications Continued**

to whom it may concern

I Bob McGeorge been prospecting for some time on my own. did find some showing which I am working on.

In 1970-80 had some course with Pete Rasby with what the gov you put up.

Work for mining company doing some, linecutting soil samples, staking,

Bob McGeorge.