COMPILATION AND GEOPHYSICAL INTERPRETATION

ON THE B PROPERTY

(B 14-15,20-23,25,27-30, 47: YB81306-7, 312-15,17, 319-22)
(B 47, 49-62, 75-99: YB81331, 333 - YB81371)
(B 103-119: YC02750 - YC02763, YC39579-81)

NTS: 105M/14

Latitude: 63º59'N Longitude: 135º15'W

Mayo Mining Division

Work performed between August 8 and August 10, 2006

Owner/Operator
Richard E. Fischer
2616 - 126 Ave SW
Calgary, Alberta
T2W 3V6

By Jean Pautler, P. Geo.
JP Exploration Services Inc.
103-108 Elliott St.
Whitehorse, Yukon
Y1A 6C4

December 31, 2006

SUMMARY:

The 1350 ha B property, NTS map sheet 105M/14, is located 7 km north-northeast of Keno City, approximately 360 km north of Whitehorse, Yukon Territory. The property is situated in the Mayo Mining Division with a latitude and longitude of 63º59'N, 135º15'W. Road access exists to the property, although all-terrain vehicle use is recommended past Wernecke. Richard E. Fischer of Calgary Alberta is the primary owner and funded the 2006 program on the B property.

The B property lies just north of Keno Hill which produced 4,872,423 tonnes averaging 1,389 g/t Ag, 5.6% Pb and 3.1% Zn, from 1921 to 1988. Gold and silver bearing quartz veins occur peripheral to the silver-lead-zinc deposits at Keno Hill. The Moon mineral occurrence, located near the centre of the B property on adjacent ground, hosts a longitudinal fissure vein containing 3.65% Pb, 2.17% Zn, 292.0 g/t Ag and 1.19 g/t Au over 0.4m with values up to 7.99% Pb, 7.89% Zn, 586.0 g/t Ag and 5.18 g/t Au from the aplite host.

The property is primarily underlain by phyllitic metasedimentary rocks of the Devono-Mississippian Earn Group possibly cut by narrow sills and dykes of Earn Group felsic metavolcanic schist and intruded by Triassic greenstone and Cretaceous porphyritic aplite dykes and sills. Two northeasterly trending faults, which are the orientation of the structures hosting Keno Hill type silver-lead-zinc mineralization, were mapped on the property.

Previous exploration has included many old pits, hand and excavator trenches and a few drill sites, which have been located on the B property but no documentation of this work has been uncovered to date. Recent work, from 2001 to 2005, has included geological mapping, with concurrent geochemical sampling and prospecting, with the collection of 74 rock, 8 soil and 48 stream sediment samples. Two VLF-EM geophysical surveys, totalling 23 line km, were implemented in 2002 and 2005 to trace mineralization from the past producing Sadie-Friendship and Ladue mines and the Moon and Lake occurrences on to the B property.

Work in 2006 consisted of the integration, compilation and interpretation of 23 line km of the two previous very low frequency electromagnetic (VLF-EM) geophysical surveys by a qualified geophysicist, Dr. Dave Hildes, Ph.D., P.Geo. of Aurora Geosciences, Whitehorse, Yukon Territory.

The eastern-most fault (Moon Fault) is exposed at the Moon Adit where it occurs as a longitudinal fissure vein mineralized with galena, sphalerite and pyrite. Maximum values from the adit are 8.0% Pb, 7.9% Zn, 586 g/t Ag and 5.2 g/t Au. Anomalous stream sediment geochemistry in Faro Gulch suggests that the mineralization continues on to the B property and extends for at least another 400m. A significant northeast trending conductor was outlined by the VLF-EM geophysical survey on trend with the Moon Adit, suggesting continuity for over 2.5 km with significant intersections identified. The highest conductivity occurs at L3200E/5275N near Trench 2, an old trench with anomalous

values of 418 ppm Pb, 607 ppm Zn and 6.0 ppm Ag from pyritic phyllite with minor quartz.

A second fault structure is postulated to the west of Trench 2, based on the presence of smaller subsidiary drag folds, observed in outcrop and conductors identified by the 2002 and 2005 VLF-EM surveys. The structure may represent the continuation of the Sadie-Ladue structure. The best conductive zones along this trend occur at L30E/5575N and L32-34E/54-5450N possibly L40E/5675N.

A third structure, which trends approximately 30º and dips steep southeast is exposed on the B 90 claim and may continue through near the bend in Gambler Gulch. Elevated base metal, arsenic and minor precious metal values up to 6,860 ppm Zn, 418 ppm Pb, 2,675 ppm As, 6.0 ppm Ag and 245 ppb Au, occur in rock samples proximal to the fault. The fault projects through an exposure of aplite on the B 51, 49 and 47 claims.

The VLF-EM survey results are difficult to interpret due to the poor reception of appropriate stations to pick up the northeasterly trending Keno Hill type structures and associated vein faults. A horizontal loop electromagnetic survey (HLEM) at 50m line spacings may be more qualitative and could be run over the Sun Grid to more accurately delineate the conductors and to delineate the cross-structures. The grid and survey could also be extended to the east to cover the extension of the Stone and possibly the Nabob No. 2 structures on to the B property. Both of the latter veins project into an area underlain by greenstone, a favourable host for Keno Hill type mineralization.

The 050º trending Stone vein may represent the northeastern extent of the Lucky Queen mine which produced 123,000 tons averaging 97.8 oz/ton Ag and 8.7% Pb prior to 1965. The projection of this vein fault would trend across the B 20, 21, 107 and 109 claims and beyond, near the contact between the phyllite and greenstone. The Nabob No. 2 structure would trend across the B 15 and 22 claims, and possibly further to the northeast.

The extension of the more readily accessible Moon fissure vein and Lake structures could be tested by overburden drilling, particularly if a drill is available in Elsa. The location of the extension of the Sadie-Ladue structure is more remote and may be difficult to access due to the presence of swamps.

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1.0 LOCATION AND ACCESS (Figure 1)

The B property, NTS map sheet 105M/14, is located 7 km north-northeast of Keno City, approximately 360 km north of Whitehorse, Yukon Territory, in the Mayo Mining Division. It is situated on the northwestern slope of Keno Hill, approximately 1-2 km south of Gambler Lake. Latitude and longitude of the property are 63º59'N, 135º15'W.

Access is via the Gambler Gulch road/trail, which passes through Wernecke and crosses Gambler Gulch and Faro Gulch. The trail heads south at Faro Gulch and transects the B property. The trail is road accessible to just beyond the old mining camp at Wernecke (approximately 6 km from Keno City). All-terrain vehicle (ATV) use for the remaining 5 km to the property centre is recommended beyond this point.

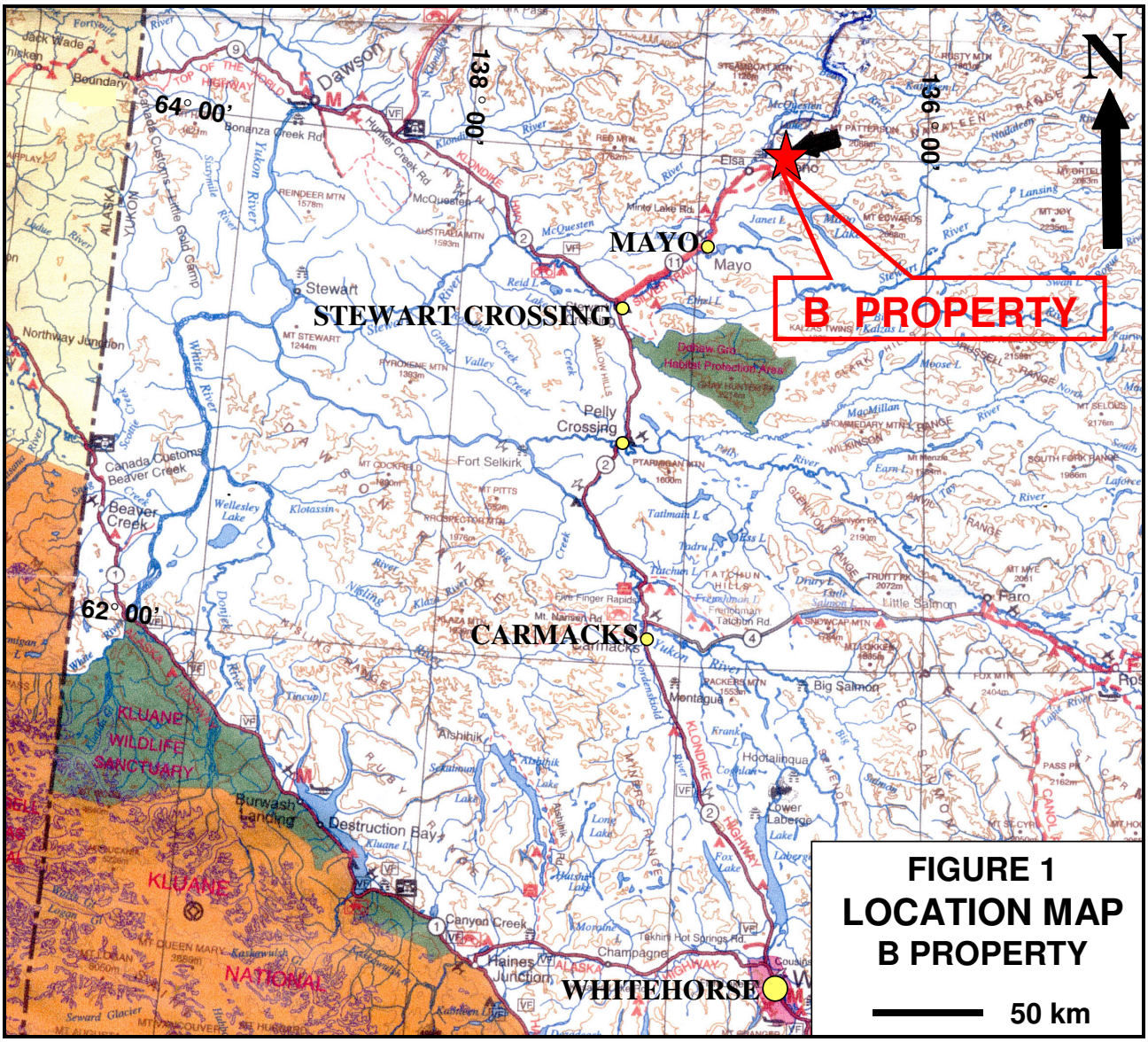


FIGURE 1
LOCATION MAP
B PROPERTY

2.0 LEGAL DESCRIPTION (Figure 2)

The B Claim Group consists of 68 contiguous claims covering an area of approximately 1350 hectares. The B property is primarily owned by Richard Fischer of Calgary, Alberta but Tom Scott of Calgary, Alberta is the registered owner of the B 75 and B 76 claims. The current program was funded by Richard E. Fischer. A table showing pertinent claim data follows:

TABLE 1: Summary of claims

Claim Name	Record No.	Units	Expiry Date
B 14-15,20-23,25,27-30	YB81306-7, 312-15,17, 319-22	11	Aug. 22, 2007
B 47, 49, 51-56,	YB81331, 33, 335-340	8	Aug. 22, 2008
B 50, 57-62	YB81334, 341-346	7	Aug. 22, 2007
B 75 - 86	YB81347 – 81358	12	Aug. 22, 2007
B 87 - 90, 92, 94	YB81359-81362, 364, 366	6	Aug. 22, 2008
B 91	YB81363	1	Aug. 22, 2008
B 93, 95-99	YB81365, 367-371	6	Aug. 22, 2007
B 103 - 116	YC02750 - 02763	14	June 6, 2008
B 117 - 119	YC39579-81	3	August 11, 2008*

* Note: New expiry date based on acceptance of this report.

3.0 PHYSIOGRAPHY

The B property is situated within the Stewart Plateau, characterized by individual and isolated small ranges separated by broad deep valleys. The lower slopes have been glaciated with westerly trending ice flow directions. The claims cover the northwestern tree covered slope of Keno Hill. Muskeg and sparse black spruce cover the lower half of the claim group. Exposure is extremely poor but does exist along some of the creeks, as cliff exposures above Gambler Lake and at the higher elevations on Keno Hill, such as on the B 14 and B 15 claims. Elevations on the property range from 2350' (716m) to 4720' (1439m). Vegetation includes spruce, alder, willow and muskeg.

4.0 HISTORY (Figure 3)

The B property lies approximately 1 km north of the old mine workings at Wernecke, an active mining camp from 1921 to 1933, with production principally from the Sadie-Ladue (24-25) and Lucky Queen (34) veins. Production figures from 1921 to 1941, which include some production from the Galena Hill area, are 588,503.4 tonnes of 2,605 g/t Ag and 7.5% Pb. Recent work in the Wernecke area includes high-grading of the Sadie-Ladue,

Shamrock and Lucky Queen veins in the 1980's to 1990. Production figures include 999.5 tonnes of 8,588.6 g/t Ag, 221 tonnes of 7,153.8 g/t Ag and 100 tonnes (including average grades of over 13,713 g/t Ag from the Lucky Queen) in addition to lead *(Deklerk and Traynor, 2004)*. The B property also adjoins lots on the northern slope of Keno Hill with significant silver-lead-zinc veins such as the Nabob No. 2 (51), Lake (35) and Stone occurrences (41). *(Refer to Figure 3.)*

The Moon mineral occurrence (105M 046) is located near the centre of the B property. The main showing, which consists of an adit, occurs on the adjoining Try Again and Todd claims, owned by Walter Malicky of Whitehorse, Yukon. Trenching extends on to the B property. The Moon showing was first staked in 1921 and later explored by a 30m long adit. Several periods of hand and excavator trenching were undertaken from the 1960's to 1990's and 3 holes (27.4m) were drilled by Colonial Mines Limited in 1965 *(Deklerk and Traynor, 2004)*. A longitudinal fissure vein, traced for 30.5m *(Deklerk and Traynor, 2004)*, and a possible transverse vein are exposed at the mouth of the adit.

Many of the old pits, hand and excavator trenches and drill sites have been located on the B property but no documentation of this work has been uncovered to date.

In 2001 to 2002 and in 2005 geological mapping, with concurrent geochemical sampling and prospecting, and a 23 line km VLF-EM geophysical survey were undertaken on the B property to trace the structures hosting mineralization at the Moon, Lake and Sadie-Ladue on to the B property.

5.0 2006 WORK

Two separate but adjoining very low frequency electromagnetic (VLF-EM) geophysical surveys conducted on the property in 2002 and 2005 were integrated and compiled by a qualified geophysicist, Dr. Dave Hildes, Ph.D., P.Geo. of Aurora Geosciences, Whitehorse, Yukon Territory.

The surveys utilized two different stations in 2002 and 2005 due to a lack of reception on the Hawaii station in 2002, the optimum station to pick up the northeasterly trending Keno Hill type structures and associated vein faults. Consequently, the Cutler, Maine station was utilized in 2002 and the Hawaii station in 2005.

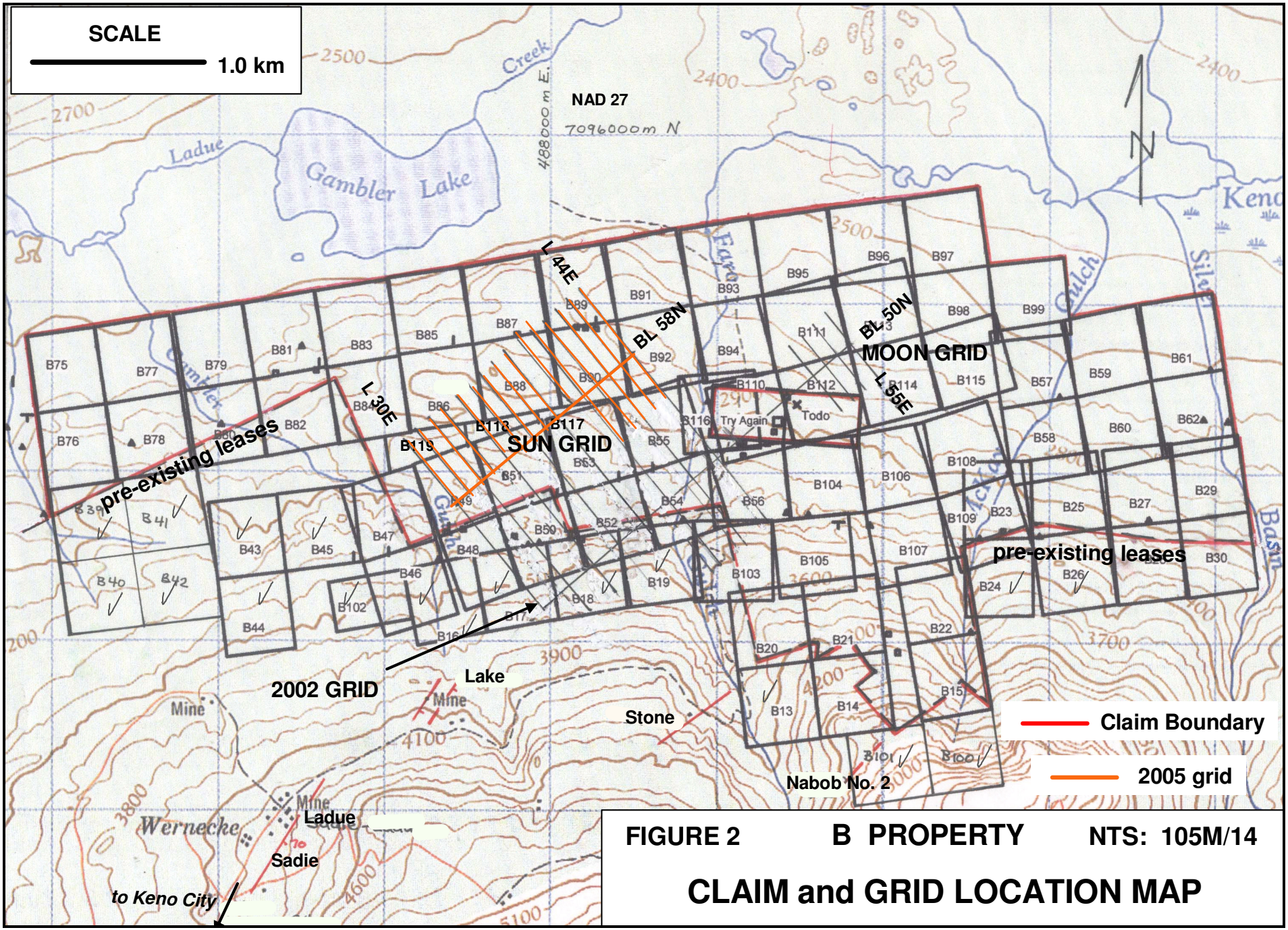
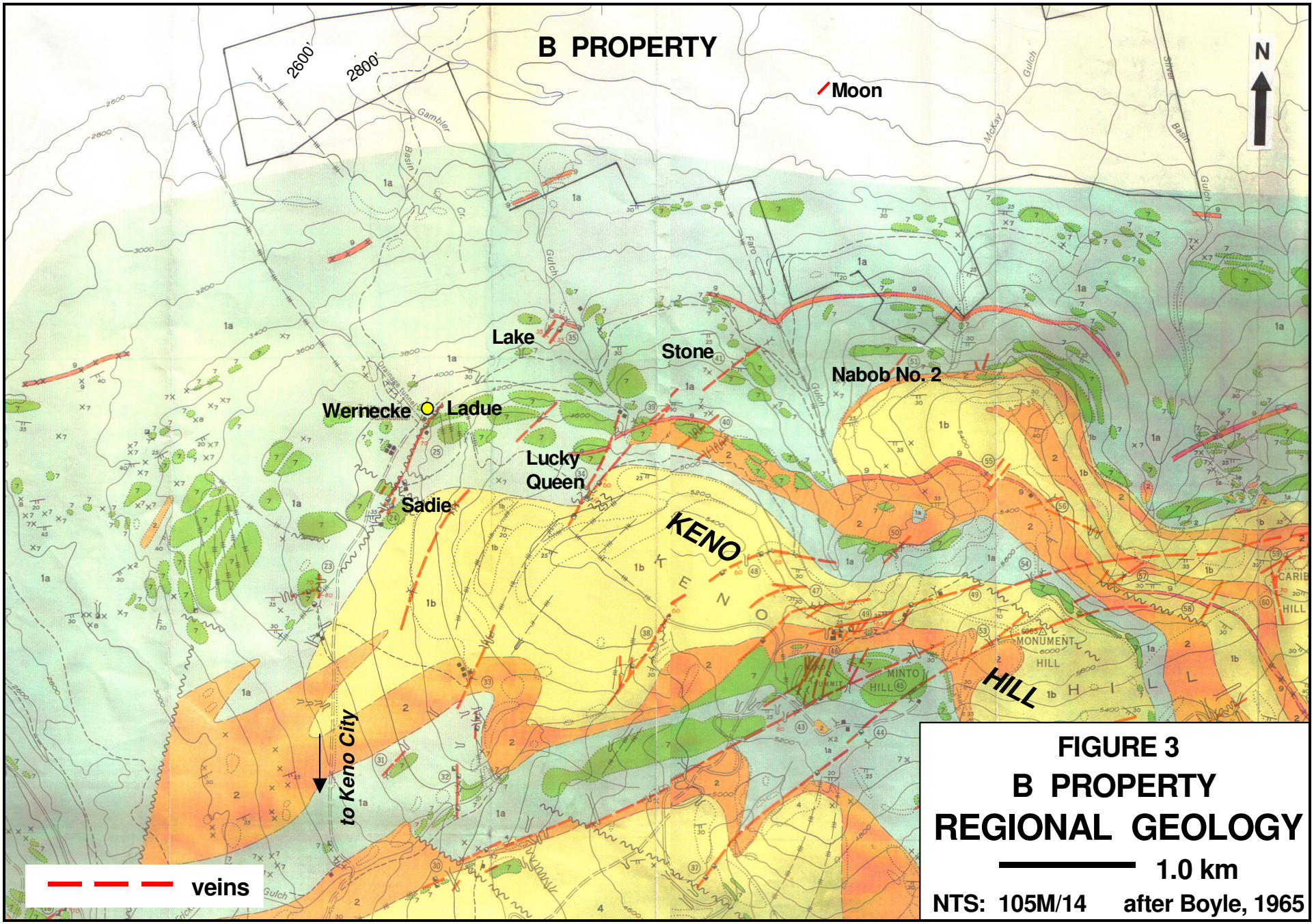
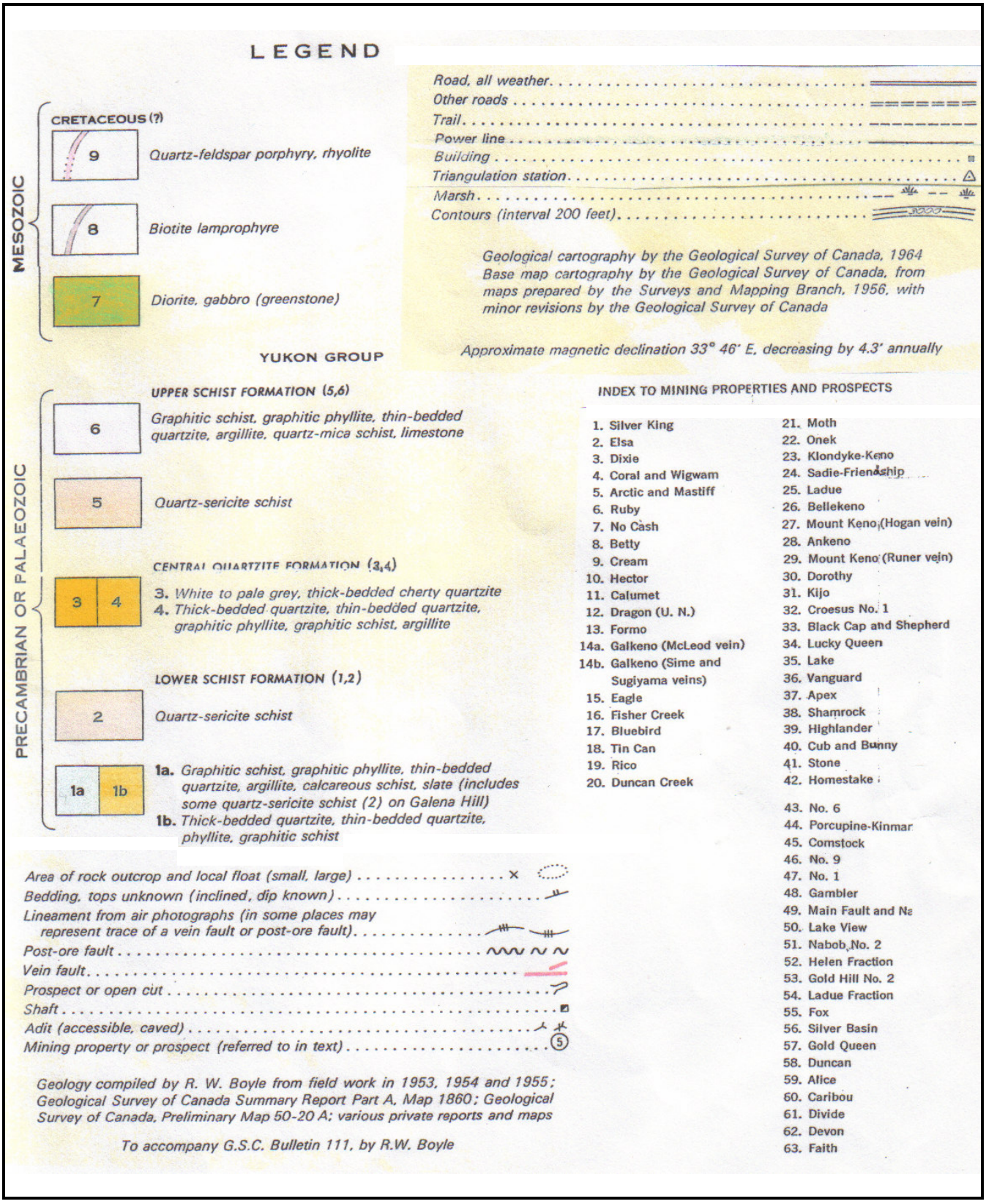


FIGURE 2 **B PROPERTY** **NTS: 105M/14**

CLAIM and GRID LOCATION MAP


B PROPERTY
Moon
2600'
2800'
N
Lake
Stone
Nabob No. 2
Wernecke
Ladue
Lucky
Queen
Sadie
KENO
HILL
MONUMENT
HILL
MINTO
HILL
to Keno City
veins
FIGURE 3
B PROPERTY
REGIONAL GEOLOGY
1.0 km
NTS: 105M/14
after Boyle, 1965


LEGEND
MESOZOIC
CRETACEOUS (?)
9
Quartz-feldspar porphyry, rhyolite
8
Biotite lamprophyre
7
Diorite, gabbro (greenstone)
YUKON GROUP
PRECAMBRIAN OR PALAEOZOIC
UPPER SCHIST FORMATION (5,6)
6
Graphitic schist, graphitic phyllite, thin-bedded quartzite, argillite, quartz-mica schist, limestone
5
Quartz-sericite schist
CENTRAL QUARTZITE FORMATION (3,4)
3 4
3. White to pale grey, thick-bedded cherty quartzite
4. Thick-bedded quartzite, thin-bedded quartzite, graphitic phyllite, graphitic schist, argillite
LOWER SCHIST FORMATION (1,2)
2
Quartz-sericite schist
1a 1b
1a. Graphitic schist, graphitic phyllite, thin-bedded quartzite, argillite, calcareous schist, slate (includes some quartz-sericite schist (2) on Galena Hill)
1b. Thick-bedded quartzite, thin-bedded quartzite, phyllite, graphitic schist
Road, all weather
Other roads
Trail
Power line
Building
Triangulation station
Marsh
Contours (interval 200 feet)
Geological cartography by the Geological Survey of Canada, 1964
Base map cartography by the Geological Survey of Canada, from maps prepared by the Surveys and Mapping Branch, 1956, with minor revisions by the Geological Survey of Canada
Approximate magnetic declination 33° 46' E, decreasing by 4.3' annually
Area of rock outcrop and local float (small, large)
Bedding, tops unknown (inclined, dip known)
Lineament from air photographs (in some places may represent trace of a vein fault or post-ore fault)
Post-ore fault
Vein fault
Prospect or open cut
Shaft
Adit (accessible, caved)
Mining property or prospect (referred to in text)
5
Geology compiled by R. W. Boyle from field work in 1953, 1954 and 1955; Geological Survey of Canada Summary Report Part A, Map 1860; Geological Survey of Canada, Preliminary Map 50-20 A; various private reports and maps
To accompany G.S.C. Bulletin 111, by R.W. Boyle
INDEX TO MINING PROPERTIES AND PROSPECTS
1. Silver King
2. Elsa
3. Dixie
4. Coral and Wigwam
5. Arctic and Mastiff
6. Ruby
7. No Cash
8. Betty
9. Cream
10. Hector
11. Calumet
12. Dragon (U. N.)
13. Formo
14a. Galkeno (McLeod vein)
14b. Galkeno (Sime and Sugiyama veins)
15. Eagle
16. Fisher Creek
17. Bluebird
18. Tin Can
19. Rico
20. Duncan Creek
21. Moth
22. Onek
23. Klondyke-Keno
24. Sadie-Friendship
25. Ladue
26. Bellekeno
27. Mount Keno (Hogan vein)
28. Ankeno
29. Mount Keno (Runer vein)
30. Dorothy
31. Kijo
32. Croesus No. 1
33. Black Cap and Shepherd
34. Lucky Queen
35. Lake
36. Vanguard
37. Apex
38. Shamrock
39. Highlander
40. Cub and Bunny
41. Stone
42. Homestake
43. No. 6
44. Porcupine-Kinmar
45. Comstock
46. No. 9
47. No. 1
48. Gambler
49. Main Fault and Na
50. Lake View
51. Nabob No. 2
52. Helen Fraction
53. Gold Hill No. 2
54. Ladue Fraction
55. Fox
56. Silver Basin
57. Gold Queen
58. Duncan
59. Alice
60. Caribou
61. Divide
62. Devon
63. Faith

6.0 GEOLOGY

6.1 Regional (Figure 3)

The regional geology of the B property is represented on the Keno Hill (105 M/14) Map Sheet, Murphy and Roots, 1992. The area is underlain by highly deformed rocks of the Devono-Mississippian Earn Group (a metavolcano-sedimentary package), the Keno Hill Quartzite and Triassic diorite to greenstone, which occur within the easterly trending, southerly dipping Tombstone Thrust Sheet. The deformation, characterized by intense foliations and lineations, appears to be related to displacement along the Tombstone Thrust. The foliations and lineations were later deformed by north to northwest trending open folds. All of the above lithological units are intruded by Cretaceous aged aplite and granite dykes and sills. North to northeast and northwest trending faults are evident through the area, with Keno Hill type mineralization associated with the former faults. The mineralized vein faults have been K/Ar dated at 90 Ma.

Keno Hill is known for silver veins. More than 65 deposits and occurrences have been identified with all of the mineable silver veins occurring in a 26 km by 1 to 6.4 km wide area. Production from 1921 to 1988 totalled 4,872,423 tonnes averaging 1,389 g/t Ag, 5.6% Pb and 3.1% Zn. Mineralization primarily consists of galena, sphalerite and freibergite in a gangue of siderite ±quartz and is commonly associated with northeast trending, southeast dipping fault fissures. Most of the deposits occur within the Keno Hill Quartzite. Gold and silver bearing quartz veins occur peripheral to the silver-lead-zinc deposits at Keno Hill.

6.2 Property (Figures 4 - 5)

The B property is primarily underlain by phyllitic metasedimentary rocks of the Devono-Mississippian Earn Group intruded by Triassic greenstone and Cretaceous porphyritic aplite dykes and sills. Two northeasterly trending faults, which are the orientation of the structures hosting Keno Hill type silver-lead-zinc mineralization, were mapped on the property.

The phyllitic metasedimentary rocks comprise the oldest unit on the property (Unit 1) and consist of carbonaceous or graphitic (gf) phyllite that can be calcareous (calc). They generally consist of metamorphosed shales, mudstones and marls. Some of the phyllitic rocks exhibit a variation in grain size and composition, so have been subdivided into rocks that were originally siltstones (ss), arenites (ar) and greywackes (gw). Grey to black limestone (lst), commonly grading to graphitic calcareous phyllite and thought to be related to Unit 1, is exposed on B 49, B 87 and to the west of the property at Trench 5 (See Figure 5). Unit 1 represents the Lower Schist Unit at Keno Hill, which has been known to host Keno Hill type silver veins.

Numerous foliation-parallel boudins of Triassic greenstone (Unit 4) to meta-diorite (Unit 4d) and meta-gabbro (Unit 4g) thought to represent deformed sills and/or dykes are contained within the phyllitic metasedimentary unit. Unit 4, a favourable host for mineralized fissure veins in the Keno Hill Camp, predominates in the northwestern and southeastern property areas and as more isolated exposures in the central property area, covered by the Sun Grid.

Quartzite (Unit 3), the main host for mineralized fissure veins in the Keno Hill Camp, occurs in the vicinity of Trench 6 on B 105 with float identified on B 56. This area lies just west of the projection of the fault that hosts the vein at the Stone occurrence to the southwest.

Cretaceous porphyritic aplite dykes and sills cut Unit 1 in several locations across the property. A porphyritic aplite sill (Unit 5) intrudes Unit 1 at the Moon Adit and a similar dyke occurs just to the southwest. A similar sill to that at the Moon Adit is exposed on the B 87 claim. A large sill has been traced across Gambler Gulch on the B 47 and 49 claims. This sill may be offset to the north, where it appears on the B 51 claim on the Sun Grid. Another sill is exposed just south of the southeastern corner of the B property.

Two northeasterly trending faults, which are the orientation of the structures hosting Keno Hill type mineralization, were mapped on the property. One of the faults was mapped on the B 90 claim and another mapped at the adit. Trench 2 occurs proximal to the postulated intersection between the Lake and Moon fissure vein faults, a favourable environment for ore shoots in the Keno Hill Mining Camp. Minor north to northwesterly trending drag folds were also mapped on B 90 and B 50, with the former fold showing vergence to the northeast. The lithological units on the B property appear to form the southern limb of an anticline.

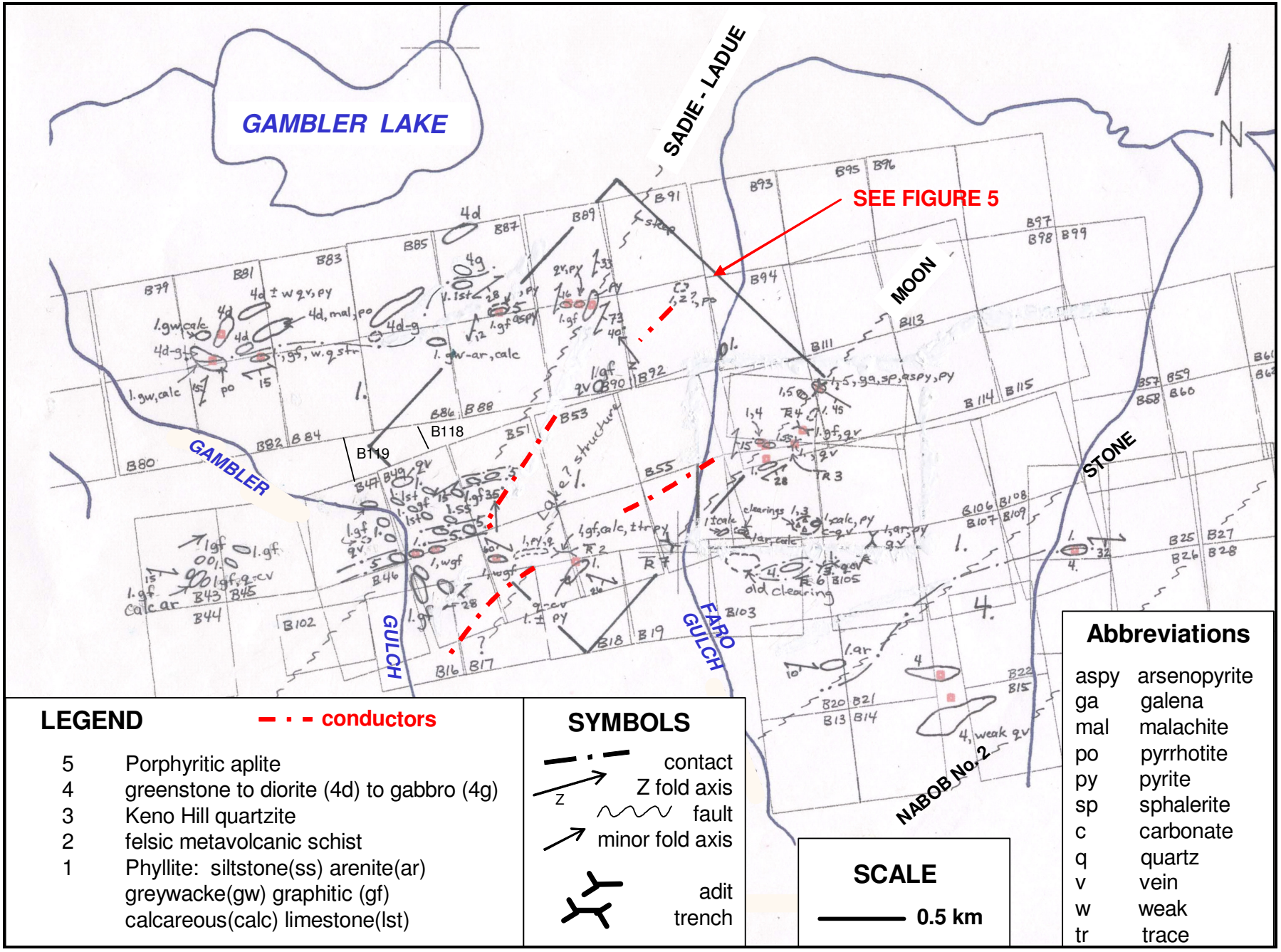


FIGURE 4: PROPERTY GEOLOGY

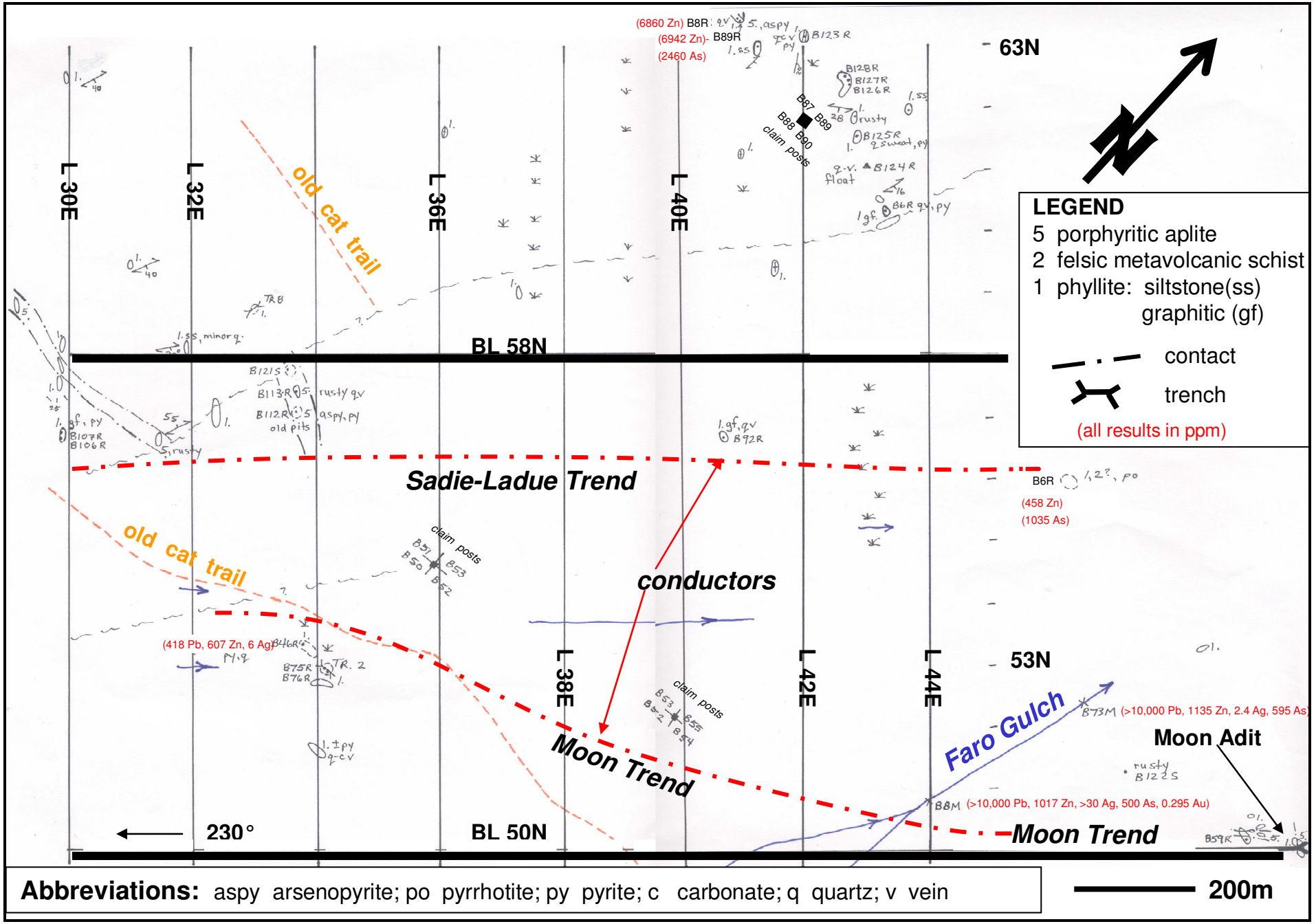


FIGURE 5: SUN GRID – GEOLOGY AND GEOCHEMISTRY

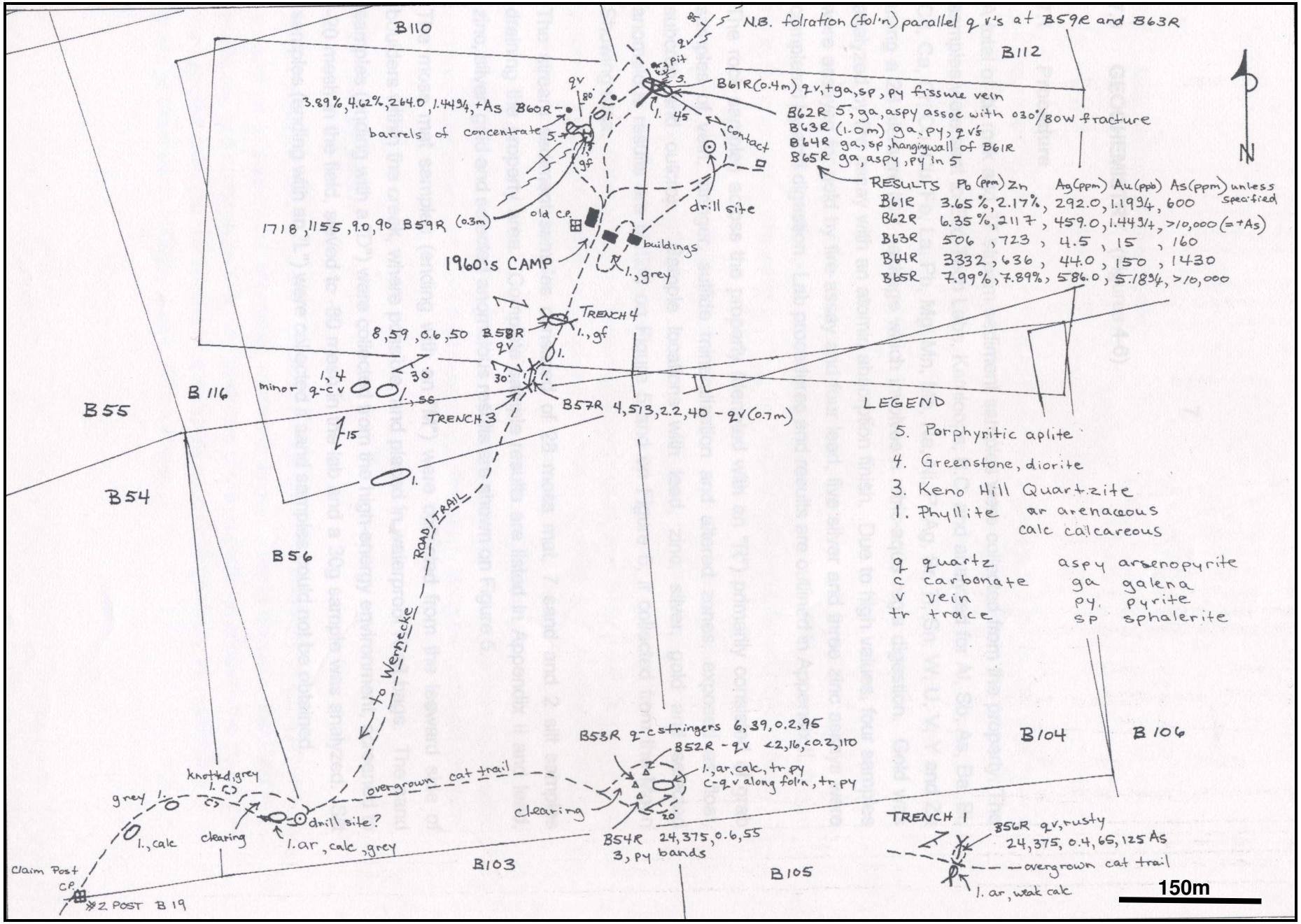


FIGURE 6: MOON SHOWING – GEOLOGY AND GEOCHEMISTRY

6.3 Mineralization (Figures 2-5)

Significant mineralized structures that lie proximal to and have potential to extend on to the B property include, from west to east, the highly productive Sadie-Ladue, the Lake, the Moon, Stone and Nabob No. 2 *(see Figure 3)*.

Three caved adits were located at the Stone occurrence, one caved adit on the Lake occurrence and one caved adit at the Moon occurrence. UTM coordinates were recorded by GPS using Nad 83 projection, Zone 8 and are shown in Table 2, below.

TABLE 2: Location of adits

Name	Easting (mE)	Northing(mN)	Elevation (m)
Moon	489364	7094591	871
Stone 1	488816	7092624	1190
Stone 2	488719	7092555	1250
Stone 3	488662	7092512	1290
Lake	487381	7092835	1155

The Sadie-Ladue vein system consists of at least two longitudinal veins trending 030 to 040°, dipping to the southeast and hosted by greenstone, thin bedded quartzite, phyllite and interbedded schist. The veins are offset dextrally by northwest trending cross-faults. Prior to 1965 the Ladue mine produced 200,000 tons of 54.5 oz/ton Ag, 12.6% Pb and the Sadie-Friendship mine, 113,000 tons of 55.3 oz/ton Ag, 7.8% Pb *(Boyle, 1965)*.

Two parallel veins exposed at the Lake occurrence by open cuts and an adit may represent the northern extension of the Sadie – Ladue system. The northeast trending, southeast dipping veins range from 0.9 to 2.4m wide *(Boyle, 1965)*.

A 050° trending, southeast dipping 3m wide vein, explored by three adits and several open cuts and pits, is documented at the Stone occurrence (Jersey Silver Mine), which may represent the northeastern extent of the Lucky Queen system. The Lucky Queen mine produced 123,000 tons averaging 97.8 oz/ton Ag and 8.7% Pb prior to 1965 *(Boyle, 1965).* The mineralized part of the Stone vein fault is hosted by greenstone below a schist capping *(Boyle, 1965).* Vein mineralization from the dumps of the three caved Stone adits, primarily from the lower adit (Stone 1) returned anomalous results of 456 g/t Ag, 0.64% Pb, 0.26% Zn with 0.25 g/t Au. The silver values are high compared to the Pb suggestive of high silver content in the galena. The projection of this vein fault would trend across the B 20, 21, 107 and 109 claims and beyond, near the contact between the phyllite and greenstone *(Figure 4)*.

The Nabob No. 2 vein, explored by at least three shafts, trends 050º and is hosted by graphitic schist, quartzite, phyllite and greenstone. However, there is no record of any ore shoots *(Boyle, 1965)*, suggestive of low potential for the continuation of this vein fault on the B property to host significant mineralization. The extension of this structure projects on to the B 25, 27, 60 and 62 claims.

Most of the mineralization on the B property is associated with the Cretaceous aplite sills, a competent host rock with potential to host Keno Hill type veins. No significant mineralization has been located within the greenstone-diorite unit, another favourable competent host rock, on the property.

At the Moon Adit (located within the central B property but not part of the property holdings) a Keno Hill type longitudinal fissure vein, trending 045º/85ºW, and a transverse vein (030º/80ºW) are exposed at the contact between the phyllite and a porphyritic aplite sill. The longitudinal vein is mineralized with galena, sphalerite, pyrite and pyrrhotite. Transverse structures are mineralized with quartz, arsenopyrite, galena and sphalerite, and galena, arsenopyrite and pyrite. Results from the Moon showing include 3.65% Pb, 2.17% Zn, 292.0 g/t Ag and 1.19 g/t Au with 600 ppm As over 0.4m from the longitudinal fissure vein and values up to 7.99% Pb, 7.89% Zn, 586.0 g/t Ag and 5.18 g/t Au with >10,000 ppm As from the mineralized aplite. The occurrence is discussed in more detail in Pautler, 2001 and 2002.

Another aplite sill, exposed on the Sun Grid at L30E/5750N, 400m northwest of Trench 2 and 1.8 km westerly from the Moon Adit, was previously explored by two old pits and is mineralized with pyrite and arsenopyrite. The exposure lies 1.8 km along trend to the northeast of the Sadie-Ladue fissure vein, a significant past producer. A similar mineralized aplite sill is exposed 300m to the northeast at 3375E/5750N along the projection of the same structure. There is very limited exposure in the area.

An arsenopyrite-bearing mineralized aplite and phyllite occurs on the B 87 claim at approximately L43E/6350N, with results of 125 ppb Au, 1040 ppm As and 6,942 ppm Zn. This mineralized zone lies within 400m of a northeast trending fault, which may represent the strike extent of the fault that hosts the productive Sadie-Ladue Vein, approximately 1.2 km along trend to the northeast of the aplite sill at L30E/5750N.

Mineralized aplite (arsenopyrite and pyrite-bearing) occurs southeast of the property, on the eastern bank of Silver Basin Gulch, with values of 5.73 g/t Au, 9.2 g/t Ag over 0.6m from arsenopyrite-bearing quartz veins with pyrite and minor sphalerite and galena.

Additional quartz and quartz-carbonate veins, hosted by the phyllite and altered phyllite occur across the property.

It is possible that both the Lake and Moon vein faults represent the northern extension of the Sadie-Ladue system, dextrally offset by northwest trending cross-faults.

7.0 RECENT EXPLORATION (Figures 5 and 6)

7.1 GEOCHEMISTRY

7.1.1 Procedure

A total of 74 rock samples, 8 soil samples and 48 stream sediment samples were collected from the property area from 2001 to 2005.

All samples were sent to Eco Tech Laboratory, Kamloops, British Columbia and analyzed for Al, Sb, As, Ba, Bi, Cd, Ca, Cr, Co, Cu, Fe, La, Pb, Mg, Mn, Mo, Na, Ni, P, Ag, Sr, Ti, Sn, W, U, V, Y and Zn using a 28 element ICP package which involves a nitric-aqua regia digestion. Gold was analyzed by fire assay with an atomic absorption finish. Over limit values were assayed for gold by fire assay and lead, silver and zinc assays were completed by acid digestion.

The rock samples across the property (denoted with an "R") primarily consisted of grab samples of vein mineralization and altered wallrock, exposed as float and outcrop.

The soil samples (denoted with an "S"), generally not useful in this environment due to thick overburden and permafrost, were collected from areas of old workings, generally with poor exposure, in order to evaluate the significance of the workings.

The moss mat samples (ending with an "M") were collected from the leeward side of boulders within the creek, where possible, and placed in waterproof Kraft bags. The sand samples (ending with a "D") were collected from the high-energy environment, screened to -20 mesh in the field, sieved to -80 mesh in the lab and a 30g sample was analyzed. Silt samples (ending with an "L") were collected if sand samples could not be obtained.

7.1.2 Results

7.1.2.1 Rock

The best results from rock sampling on the property are 125 ppb Au, 1040 ppm As and 6,942 ppm Zn from quartz bearing aplite and phyllite at L43E/6350N proximal to the projection of the Sadie-Ladue structure, approximately 3 km along trend to the northeast of the past producer.

7.1.2.2 Soil

The best results were obtained from a sample collected from the vicinity of Trench 6, which returned an anomalous 90 ppm Pb and 30 ppb Au (B119S) with elevated Zn (161 ppm). Low anomalous silver (0.9 g/t), lead (32 ppm) and zinc (153 ppm) were obtained from the Trench 7 area (B78S). Low anomalous silver (0.9 g/t) and gold (20ppb) are associated with a northwest trending fault (Sadie-Ladue structure?) on B 90 (B84S).

7.1.2.3 Stream sediment

Stream sediment geochemistry in Faro Gulch, with values up to >10,000 ppm Pb, 1,260 ppm Zn, >30 ppm Ag, 730 ppb Au and 925 ppm As from sample B55M, suggests that mineralization associated with the Moon fissure vein continues on to the B property and extends for at least another 400m.

Anomalous gold in stream sediment values, up to 760 ppb Au, were obtained from the eastern property area in the Silver Basin Gulch area and the Nero Showing, with quartz veins with minor galena, is reported in this area approximately 1 km southeast of the B property.

7.2 GEOPHYSICS

7.2.1 Procedure

VLF - EM surveys were carried out in 2002 and 2005 over 23.0 line kilometres of grid. The 23 line km grid consists of a 230º trending, 2.5 km long baseline (BL 50N) with eight 1.0 km lines spaced 200m apart, southwest of the Moon Adit (Sun Grid) and four 500m long lines spaced 100m apart, northeast of the Moon Adit (Moon Grid) and a 1.5 km long baseline on the west side of the Sun Grid (BL 58N) with ten 0.5 km lines and five 0.8 km long lines, spaced 100m apart. The locations of the grids are shown on Figure 2.

The surveys utilized a Geonics EM-16 unit using the Cutler station in 2002 and the Hawaii station in 2005 for the northeast trending structures and the Jim Creek, Washington (Seattle) station for the cross-structures. Readings were taken at 25m intervals on lines spaced 100m and 200m apart. The null for the Hawaii station was obtained at 020º with readings taken at 290º. The null for the Cutler station was obtained at 080º with readings taken at 350º. The null for the Jim Creek station was obtained at 150º with readings taken at 060º. Both in phase and quadrature readings were measured in degrees.

It should be noted that no reception was obtained on the Hawaii station in 2002, the optimum station to pick up the northeasterly trending Keno Hill type structures and associated vein faults, with poor reception in 2005 for the duration of the survey. Consequently, the Cutler, Maine station was utilized in 2002. There appears to be a fair bit of noise on both the Cutler and Hawaii channels in both surveys, particularly making dip directions difficult to determine. The results were Fraser filtered to more accurately define the conductors.

8.0 2006 GEOPHYSICAL INTERPRETATION Dr. Dave Hildes, Ph.D., P.Geo.

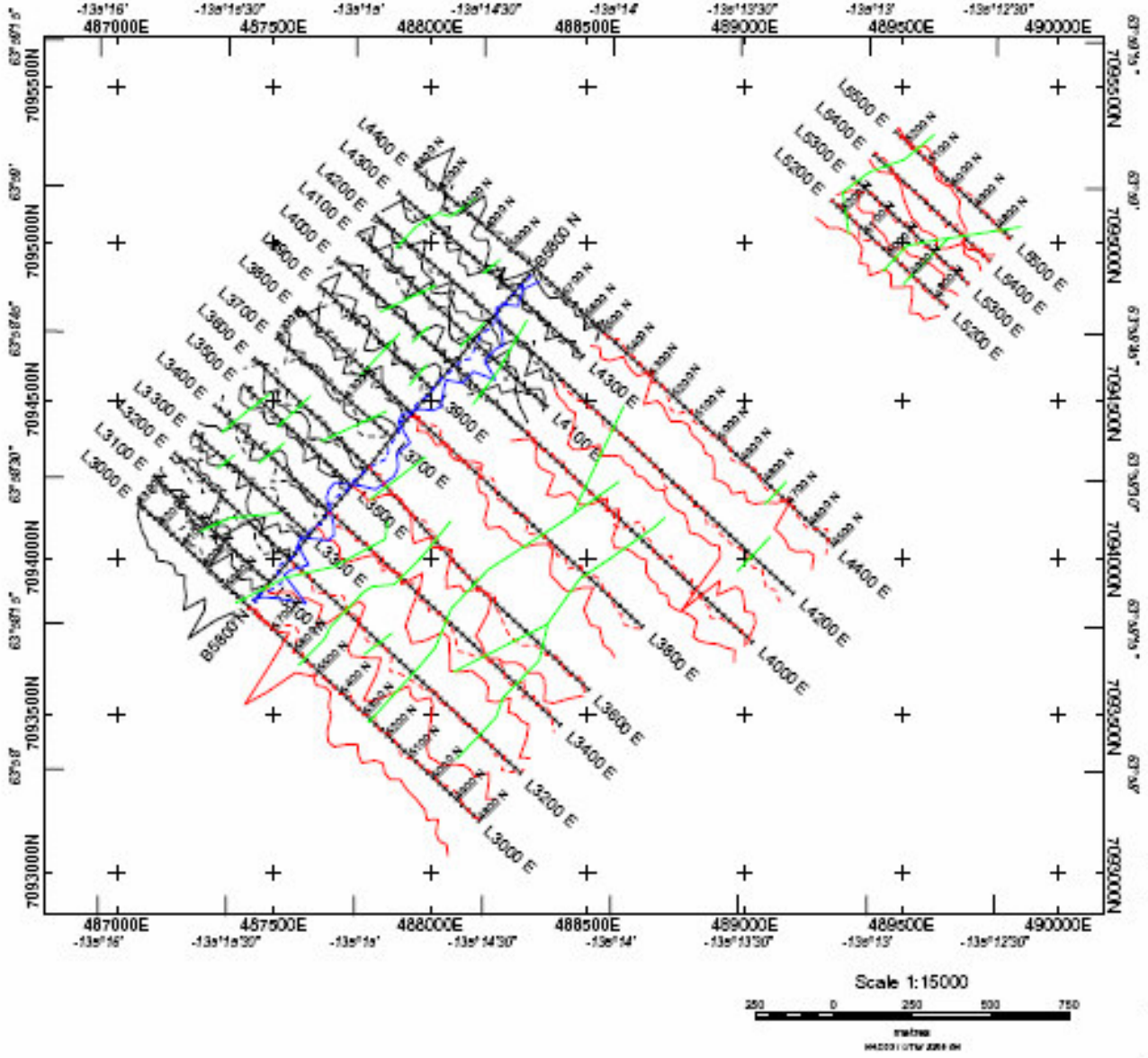
A very low-frequency electromagnetic (VLF-EM) survey was conducted on the B property in 2002 and 2005 totaling 20.3 line-km on a grid with SE-NW wing lines and a NE-SW base line on lines spaced 100 and 200 m apart. The surveys used a Geonics EM-16 which measures the tilt angle of the long axis of the polarization ellipsoid (inphase) and the short axis of the polarization ellipsoid (quadrature).

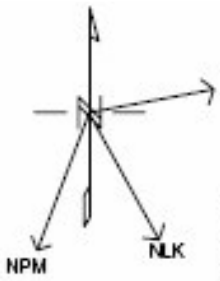
In 2002 the wing lines were surveyed using the NAA Cutler Maine (24.0 kHz) and the NLK Jim Creek Washington (24.8 kHz) stations; NPM Hawaii was off the air during the survey. The null direction for the Cutler station was obtained at 080 and readings were taken facing 350. The null for the Jim Creek station was obtained at 150 with readings taken facing 060. The NLK station is almost in the same direction as the wing lines, and therefore these data are of limited value and were not used in subsequent processing or interpretation. In 2005, the wing lines and the base line were surveyed using the NPM Hawaii station and the NLK Jim Creek station. The null for NPM was obtained at 020 with readings taken facing 290 and the null for the NLK station was at 150 with the facing direction 060. Only the NPM data were used for the wing lines and only the NLK data were used for the baseline because the direction of the stations is close to perpendicular to the survey direction.

The station spacing for the VLF-EM surveys was 25m. As the targets for the survey are narrow with respect to the station spacing, no de-spiking or filtering was performed on the data. The signal to noise ratio during the surveys were quite poor, making dip directions difficult to determine.

The stacked section *(Figure 7)* shows the inphase and quadrature profiles with a 0% datum at a scale of 1cm = 40% for the Cutler (NAA) and Hawaii (NPM) data on the wing lines and the Jim Creek (NLK) data on the baseline. The inphase is plotted as a solid line, the quadrature as a dashed line. A 5 point convolution (Fraser) filter with coefficients 0.5, 1, 0, -1, -0.5 was applied to the inphase data on Cutler and Hawaii station data on the wing lines and Jim Creek data on the baseline. All data was ordered from south to north, consistent with the facing directions (350 for Cutler, 290 for Hawaii and 060 for Jim Creek). The Fraser filtered data was gridded with a bidirectional gridding algorithm using a preferred trend of 050 and displayed with a colour scheme only showing the positive Fraser filtered results *(Figure 8)*. The traces of the conductors from the Fraser filtered map are shown in green on the stacked profiles *(Figure 7)*.

In general the quadrature response is very subdued, indicating that the conductivity-thickness of the identified conductors is low (1S if the host rock resistivity was below 250 Ohm-m, 0.2 S if the host rock resistivity was 2500 Ohm-m). Several conductors that may be indicative of the Sadie-Ladue and Lake structures are identified by the VLF-EM survey. The conductors appear to be discontinuous in the eastern part of the Sun grid where the line spacing was 100m. Although the conductors appear more continuous on the western part of the grid, this may be an artifact caused by under sampling (200 m spaced lines) and some caution must be exercised.

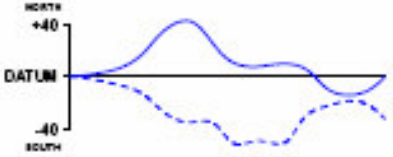




LEGEND

STACKED VLF-EM PROFILES

VLF STATION : NPM Lualualei Hawaii, 21.4 kHz
VLF STATION : NAA Cutler Maine, 24.0 kHz
VLF STATION : NLK Jim Creek Washington, 24.8 kHz
INSTRUMENT : GEONICS EM-16
PROFILE SCALE : 1 cm = 40%
IN PHASE (NPM) :
QUADRATURE (NPM) :
IN PHASE (NAA) :
QUADRATURE (NAA) :
IN PHASE (NLK) :
QUADRATURE (NLK) :



IN-PHASE DATUM : 0%
QUADRATURE DATUM : 0%
DATA FILE : B Property VLF 2002 & 2006.XYZ
STATION SEPARATION : 25 m
LINE-KM SURVEYED THIS SHEET : 20.3 km
DATES SURVEYED : May 31 - Jun 12 2002; Jul 31 - Aug 12 2006
FACING DIRECTION (NPM) : 290
FACING DIRECTION (NAA) : 360
FACING DIRECTION (NLK) : 060

: Fraser Filter trace

FIGURE 7

B PROPERTY VLF-EM SURVEY STACKED INPHASE AND QUADRATURE PROFILES

Mining District: Mayo, Yukon Territory
Proj: UTM Zone 8N
Date: August 08, 2006

NTS: 105M/14
Datum: NAD83
Drawn by: DH

AURORA GEOSCIENCES LTD.

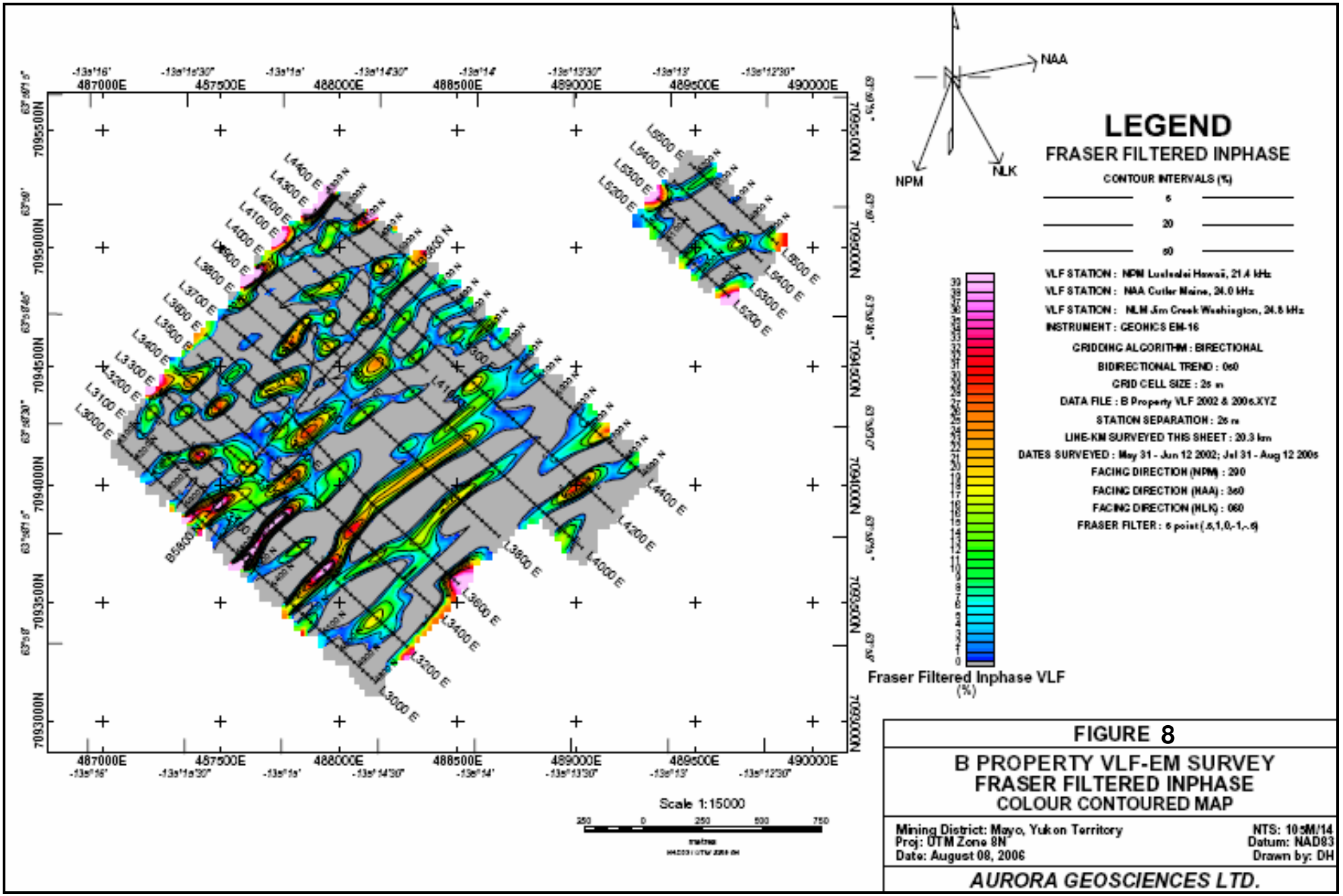


FIGURE 8

B PROPERTY VLF-EM SURVEY
FRASER FILTERED INPHASE
COLOUR CONTOURED MAP

Mining District: Mayo, Yukon Territory
Proj: UTM Zone 8N
Date: August 08, 2006

NTS: 105M/14
Datum: NAD83
Drawn by: DH

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9.0 INTERPRETATION (Figures 5, 7 and 8)

The interpretation and compilation of the 2002 and 2005 VLF-EM geophysical surveys shows a strong continuous conductor southeast of the 5800N baseline that may correspond to the Sadie-Ladue structure. The structure appears to offset aplite dykes near L3200E/5700N and continue through to just northeast of the grid at approximately 4500E/5600N where pyrrhotite bearing phyllite and felsic schist returned anomalous values of 458 ppm Zn and 1035 ppm As. *(Refer to Figure 5).*

Another continuous conductor (although line spacing is fairly coarse at 200m) extends just northwest of the 5000N baseline that may correspond to the Moon structure. The highest conductivity occurs at L3200E/5275N near Trench 2, an old trench with anomalous values of 418 ppm Pb, 607 ppm Zn and 6.0 ppm Ag from pyritic phyllite with minor quartz. *(Refer to Figure 5).*

10.0 CONCLUSIONS AND RECOMMENDATIONS

There is potential for five northeast trending Keno Hill type vein systems to transect the B property, the highly productive Sadie-Ladue structure, two veins on the Lake leases, the Moon, the Stone and the Nabob No. 2 veins. Two prospective northeast trending structures have been delineated on the B property, one of which hosts a fissure vein at the adjacent Moon occurrence in the central property area.

The 045º/85ºW trending fissure vein at the Moon Adit, contains maximum values of 8.0% Pb, 7.9% Zn, 586 g/t Ag and 5.2 g/t Au. Mineralization appears to be associated with an aplite sill at the contact with overlying schists. Economic mineralization in the Keno Hill Mining Camp is primarily hosted within more competent rocks than the Lower Schist Unit, primarily the Keno Hill Quartzite, but also within the Greenstone Unit. The aplite represents a competent host rock within the Lower Schist Unit. Keno Hill type mineralization is also localized at fault intersections and at the junction of a competent host rock and overlying schists. The latter case is the environment observed at the Moon Adit.

Significant northeast trending conductors were outlined by VLF-EM on trend with the Moon Adit, suggesting continuity over the 2.5 km extent of the baseline, with significant intersections identified along their extent. The highest conductivity occurs at L3200E/5275N near Trench 2, an old trench with anomalous values of 418 ppm Pb, 607 ppm Zn and 6.0 ppm Ag from pyritic phyllite with minor quartz. The presence of mineralization within the structure was also suggested by stream sediment geochemistry in Faro Gulch, with values up to >10,000 ppm Pb, 1,260 ppm Zn, >30 ppm Ag, 730 ppb Au and 925 ppm As (sample B55M). The mineralization at the Moon Adit appears to continue to the southwest on to the B property, extending for at least another 400m.

A second fault structure is postulated to the west of Trench 2, based on the presence of smaller subsidiary drag folds, observed in outcrop and conductors identified by the 2002 and 2005 VLF-EM surveys. The structure may represent the continuation of the Sadie-Ladue structure. The best conductive zones along this trend occur at L30E/5575N and L32-34E/54-5450N possibly L40E/5675N.

A third structure, which trends approximately 30º and dips steep southeast is exposed on the B 90 claim and may continue through near the bend in Gambler Gulch. Elevated base metal, arsenic and minor precious metal values up to 6,860 ppm Zn, 418 ppm Pb, 2,675 ppm As, 6.0 ppm Ag and 245 ppb Au, occur in rock samples proximal to the fault. The fault projects through an exposure of aplite on the B 51, 49 and 47 claims.

The VLF-EM survey results are difficult to interpret due to the poor reception of appropriate stations to pick up the northeasterly trending Keno Hill type structures and associated vein faults. A horizontal loop electromagnetic survey (HLEM) at 50m line spacings may be more qualitative and could be run over the Sun Grid to more accurately delineate the conductors and to delineate the cross-structures. The grid and survey could also be extended to the east to cover the extension of the Stone and possibly the Nabob No. 2 structures on to the B property. Both of the latter veins project into an area underlain by greenstone, a favourable host for Keno Hill type mineralization.

The 050º trending Stone vein may represent the northeastern extent of the Lucky Queen mine which produced 123,000 tons averaging 97.8 oz/ton Ag and 8.7% Pb prior to 1965. The projection of this vein fault would trend across the B 20, 21, 107 and 109 claims and beyond, near the contact between the phyllite and greenstone. The Nabob No. 2 structure would trend across the B 15 and 22 claims, and possibly further to the northeast.

The extension of the more readily accessible Moon fissure vein and Lake structures could be tested by overburden drilling, particularly if a drill is available in Elsa. The location of the extension of the Sadie-Ladue structure is more remote and may be difficult to access due to the presence of swamps.

APPENDIX I

Selected References

Bostock, H.S. (1947): Mayo, YT; Geological Survey of Canada Map 890A, scale 1:253,440.

Boyle, R. W. (1965): Geology, geochemistry and origin of the lead-zinc-silver deposits of the Keno Hill - Galena Hill area, YT; Geological Survey of Canada Bulletin 111 (includes Map 1147A).

Deklerk, R. and Traynor, S. (compilers), 2004. Yukon MINFILE 2004 - A database of mineral occurrences. Yukon Geological Survey, CD-ROM.

Kindle, E. D. (1962): Geology of the Mayo map area, YT; Geological Survey of Canada, Map, scale 1:253,440

Murphy D. C. and Roots C. M. (1992): Geology of Keno Hill Map Area, YT (105 M/14); Geological Survey of Canada Open File 1992-3, scale 1:50,000.

Pautler, J.M. (2006): 2005 geological, geochemical and geophysical report on the B property; Yukon Geological Survey, assessment report.

(2002): 2002 geological and geochemical report on the B property; Yukon Geological Survey, assessment report.

(2001): 2001 geological geochemical and geophysical report on the B property; Yukon Geological Survey, assessment report.

Roots C. M. and Murphy D. C. (1992): Geology of Mayo Map Area (105 M); Geological Survey of Canada Open File 2483, scale 1:250,000.

B property

APPENDIX II - Statement of Expenditures

Geophysical Compilation and Interpretation:	Dr. Dave Hildes Aurora Geosciences Ltd. Whitehorse, Yukon	**750.00**
Report & Drafting:	Jean Pautler, P.Geo. JP Exploration Services Inc. Carcross, Yukon	**600.00**
GRAND TOTAL:		**$ 1,350.00**
Total Amount Applied for Assessment		**$ 600.00**

APPENDIX III

STATEMENT OF QUALIFICATION

I, Jean Marie Pautler, do hereby certify that:

I am a geologist with more than twenty-five years of experience in the North American Cordillera.

I am a graduate of Laurentian University, Sudbury, Ontario with an Honours B.Sc. degree in geology (May, 1980).

I am a Professional Geoscientist, registered in the province of British Columbia, Registration No 19804.

I supervised and implemented previous exploration programs on the B property from 2001 to 2005 and reviewed and integrated the 2006 geophysical compilation and interpretation.

I have no direct or indirect interest in the B property, which is the subject of this report.

_____

Jean Pautler, P.Geo.

JP Exploration Services Inc.

APPENDIX IV

STATEMENT OF QUALIFICATION

I, Dave Hildes, P. Geo., certify that:

1) I reside at 33 Couch Road, Whitehorse, Yukon Territory, Y1A 5W5

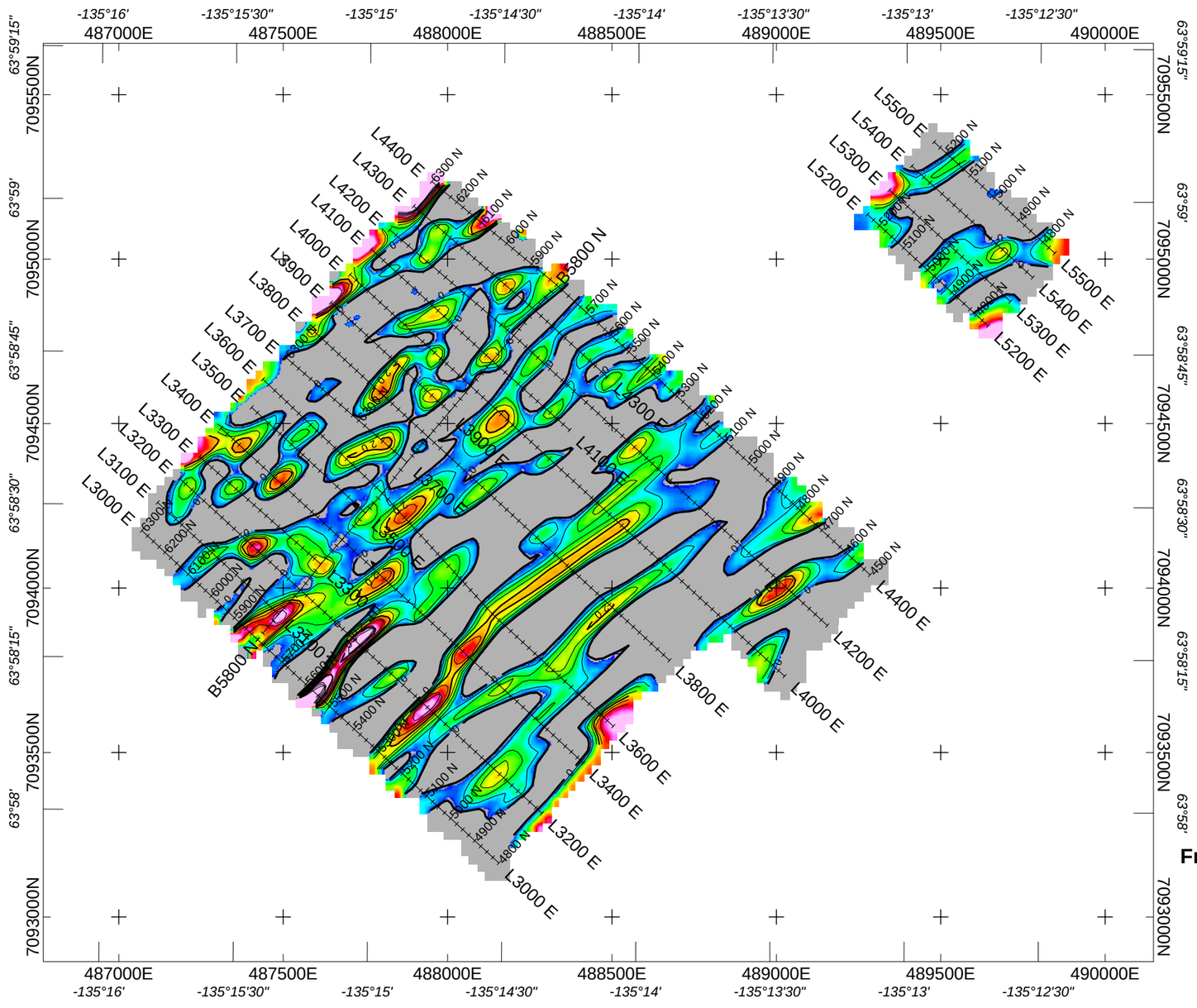
2) I am a geophysicist employed by Aurora Geosciences Ltd. of Whitehorse, Yukon Territory.

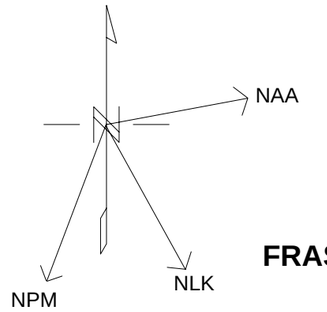
3) I graduated from the University of British Columbia with a Ph. D. in geophysics in 2001 and have worked as a geophysicist since that time.

4) I am a member of the Association of Professional Engineers and Geoscientists of British Columbia, Registration No 29887.

_____

Dave Hildes, P.Geo.





LEGEND

FRASER FILTERED INPHASE

CONTOUR INTERVALS (%)

5

20

50

VLF STATION : NPM Lualualei Hawaii, 21.4 kHz

VLF STATION : NAA Cutler Maine, 24.0 kHz

VLF STATION : NLM Jim Creek Washington, 24.8 kHz

INSTRUMENT : GEONICS EM-16

GRIDDING ALGORITHM : BIRECTIONAL

BIDIRECTIONAL TREND : 050

GRID CELL SIZE : 25 m

DATA FILE : B Property VLF 2002 & 2005.XYZ

STATION SEPARATION : 25 m

LINE-KM SURVEYED THIS SHEET : 20.3 km

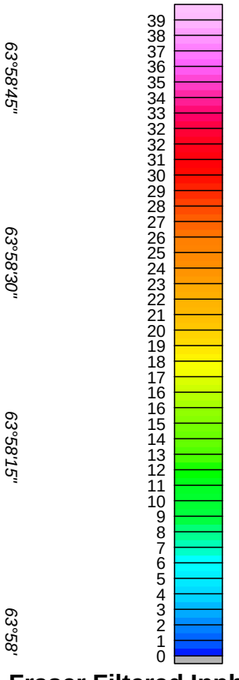
DATES SURVEYED : May 31 - Jun 12 2002; Jul 31 - Aug 12 2005

FACING DIRECTION (NPM) : 290

FACING DIRECTION (NAA) : 350

FACING DIRECTION (NLK) : 060

FRASER FILTER : 5 point (.5,1,0,-1,-.5)



Fraser Filtered Inphase VLF (%)

Scale 1:15000

250 0 250 500 750

metres

NAD83 / UTM zone 8N

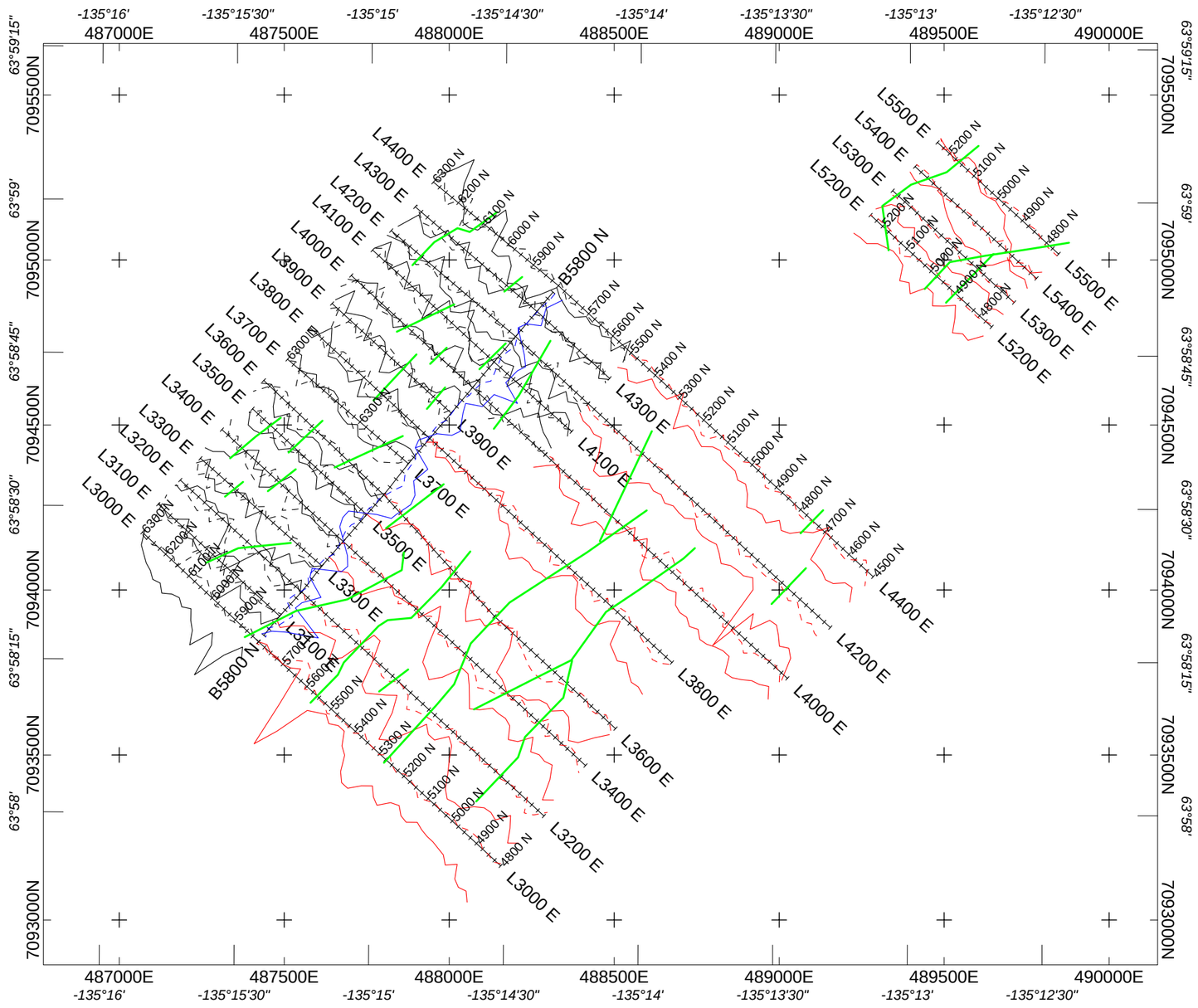
FIGURE

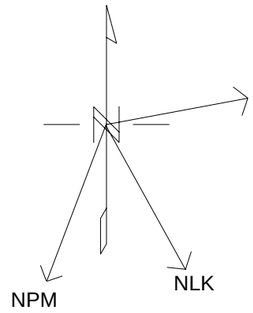
B PROPERTY VLF-EM SURVEY
FRASER FILTERED INPHASE
COLOUR CONTOURED MAP

Mining District: Mayo, Yukon Territory
Proj: UTM Zone 8N
Date: August 08, 2006

NTS: 105M/14
Datum: NAD83
Drawn by: DH

AURORA GEOSCIENCES LTD.





LEGEND

STACKED VLF-EM PROFILES

VLF STATION : NPM Lualualei Hawaii, 21.4 kHz

VLF STATION : NAA Cutler Maine, 24.0 kHz

VLF STATION :NLM Jim Creek Washington, 24.8 kHz

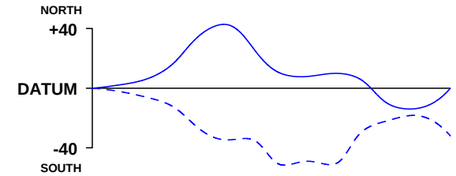
INSTRUMENT : GEONICS EM-16

PROFILE SCALE : 1 cm = 40%

IN PHASE (NPM) :
QUADRATURE (NPM) :

IN PHASE (NAA) :
QUADRATURE (NAA) :

IN PHASE (NLK) :
QUADRATURE (NLK) :



IN-PHASE DATUM : 0%

QUADRATURE DATUM : 0%

DATA FILE : B Property VLF 2002 & 2005.XYZ

STATION SEPARATION : 25 m

LINE-KM SURVEYED THIS SHEET : 20.3 km

DATES SURVEYED : May 31 - Jun 12 2002; Jul 31 - Aug 12 2005

FACING DIRECTION (NPM) : 290

FACING DIRECTION (NAA) : 350

FACING DIRECTION (NLK) : 060

: Fraser Filter trace

Scale 1:15000

250 0 250 500 750

metres

NAD83 / UTM zone 8N

FIGURE

B PROPERTY VLF-EM SURVEY STACKED INPHASE AND QUADRATURE PROFILES

Mining District: Mayo, Yukon Territory
Proj: UTM Zone 8N
Date: August 08, 2006

NTS: 105M/14
Datum: NAD83
Drawn by: DH

AURORA GEOSCIENCES LTD.