Assessment Report on the

2010 MCKAY HILL

Field Reconnaissance Program

SNOOSE 1 -20 (YC56719 to YC56737)

SNOOSE 21-90 (YD11201 to YD11270)

MK 1-54 (YD34989 to YD34936)

NTS 106D/6

Latitude 64° 20’ 57” Longitude 135° 21’ 9”

Mayo Mining District

Work performed
July 25th and August 20th, 2010.

For
Monster Mining Corp.
750-580 Hornby Street
Vancouver, British Columbia
V6C 3B6

By:
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January 16, 2012

1 Executive Summary

Monster Mining Corp.'s 2010 field program comprised two days' familiarization and prospecting conducted on July 25th and August 20th, 2010 by prospector Matthias Bindig and geologists Lauren Blackburn (Keno Hill Exploration Corp.) and Venessa Bennett (Yukon Geological Survey). The purpose of the field visits was to provide a property overview to new management and to determine the McKay Hill exploration program for the 2010 field season. Due to budget constraints, weather restrictions and the lack of available geological staff the decision was made not to conduct any further work on the property in 2010.

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2 Introduction

Monster Mining Corp. conducted two days of field reconnaissance on July 25th and August 20th 2010 for the purposes of familiarizing new company management with the property and determining the plans for further exploration for 2010. Due to budget and timing constraints, poor weather and the lack of available geological staff to conduct a field program no further work was conducted during the field season.

3 Participating Personnel

The purpose of the 2010 McKay Hill field visits was to familiarize new management with the property and determine the field program for 2010. Familiarization tours were conducted by property vendor and local prospector Mr. Matthias Bindig and geologist Ms. Lauren Blackburn for Dr. Art Ettlinger on July 25th and Yukon Geological Survey geologist Dr. Venessa Bennett for Dr. Joanna Ettlinger on August 20th 2010. Helicopter services were provided by Fireweed Helicopters of Whitehorse, Yukon and Oceanview Helicopters of Powell River, British Columbia.

4 Property Description and Location

4.1 Location, Access and Local Resources

The McKay Hill (NTS map sheet 106D/6) Ag-Pb-Zn±Au±Cu project is located on the south slopes of McKay and Horseshoe Hills within the Ogilvie Mountains in central Yukon. The property is situated approximately 50 km by air north of Keno City, which is 465 km by road from Whitehorse, Yukon, in the Mayo mining district at latitude 64° 20’ north and longitude 135° 22’ east (Figure 1).

The project is currently only accessible by helicopter from Mayo airport, 95 km south of the property. There is also road access to within 20 km of the property via Hansen Lake Road to McQuesten Lake then the Wind River Trail, a 1950’s-era winter road that follows McQuesten Lake, Scrougale Creek and Beaver River to its junction with Beaver Creek (Pautler, 2009). Blackburn (2010a) also indicated that the original access route, which followed the South McQuesten River from Elsa across a low divide to the East McQuesten River and Beaver River, could be reevaluated in the event that the McKay Hill target has development potential.

Logistical support is offered from both Mayo and Keno City. Keno City has a population of approximately 25 with a snack bar, cabins for rent, a small mining oriented labour force and some local heavy equipment availability. Mayo, 56 km by road southwest of Keno City, is the main service and supply center for the region. The town of Mayo has a population of approximately 400 and has a gravel airstrip suitable for medium sized aircraft (DC-3, etc.) and a

helicopter base. Facilities include a police station, nursing station, grocery store, hotels, restaurant and fuel supply. Some heavy equipment is available for contract mining work.

4.2 Land Tenure

The project covers approximately 415 hectares and comprises 144 unsurveyed Yukon Quartz claims; Snoose 1-20 (YC56719 – YC56737), Snoose 21-90 (YD11201 – YD11270) and MK 1-54 (YD34989 to YD34936)) (Table 1, Figure 2). Expiration dates shown in table 1 are subject to the acceptance of this report. The claims were staked in tranches between 2007 and 2010 and with the exception of the Snoose 1-20 claims, which are 60 % owned by Mr. Matthias Bindig and 40 % owned by Mr. Bill Harris, the claims are 100 % held by Monster Mining Corp. Monster Mining Corp. has an option to earn 100% in the Snoose 1-20 claims via a series of staged payments and issuance of shares to Mr. Bindig, Mr. Harris and Ms. Susan Craig, subject to a 2 % net smelter royalty, of which 1 % can be purchased for $300,000 and the remaining 1 % for $1.2 million.

Table 1 McKay Hill claim data

Claim Name	Grant No.	Claim Owner	Recording Date	Expiry Date	Status
Snoose 1-20	YC56719-738	Matthias Bindig - 100%	7/19/2007	7/19/2017	Active
Snoose 21-38	YD11201-218	Monster Mining Corp. - 100%	8/12/2009	12/1/2013	Active
Snoose 39-72	YD11219-252	Monster Mining Corp. - 100%	8/4/2009	12/1/2013	Active
Snoose 73-90	YD11253-270	Monster Mining Corp. - 100%	8/12/2009	12/1/2013	Active
MK 1-54	YD34936-989	Monster Mining Corp. - 100%	7/21/2010	7/21/2012	Application Pending

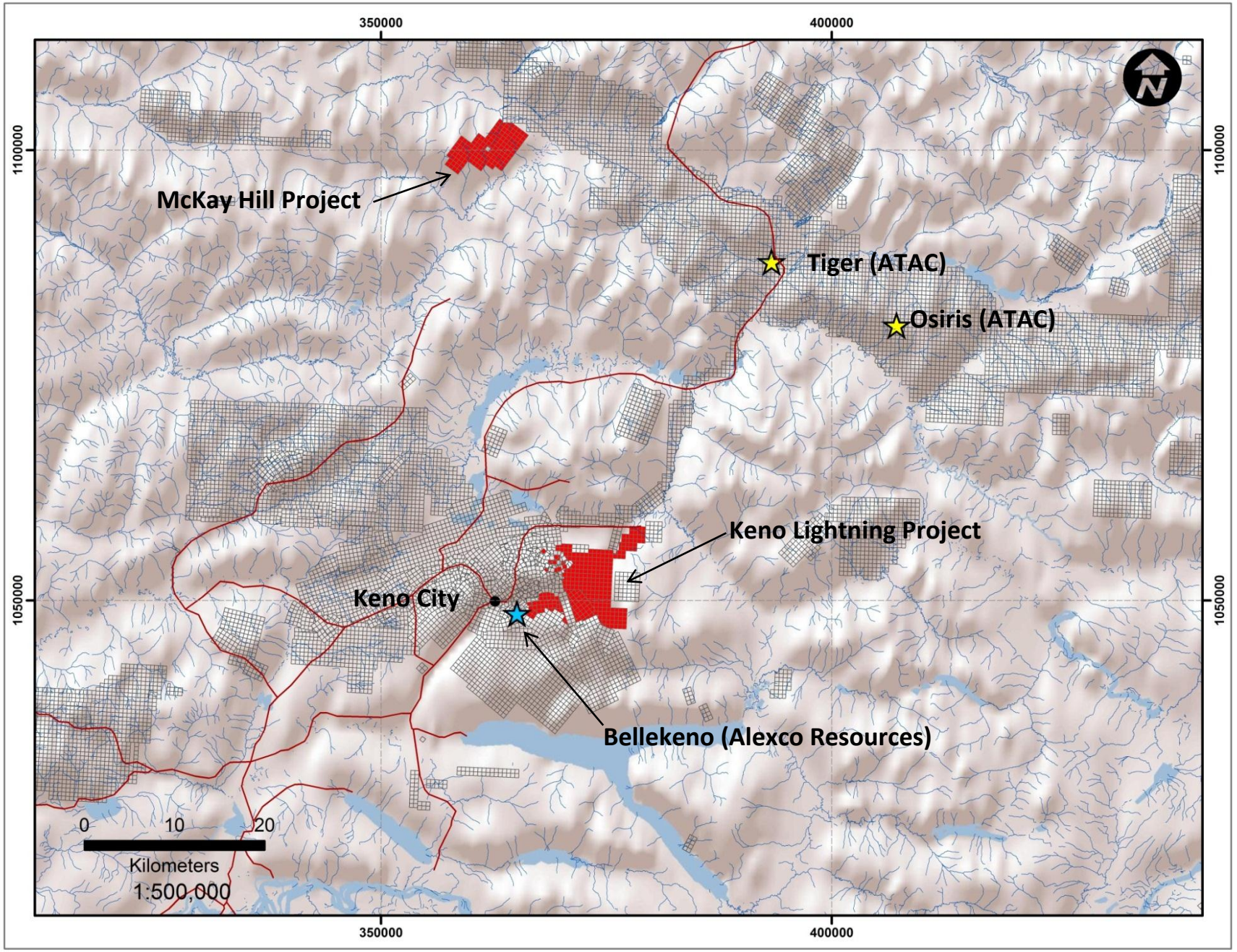

Figure 1. (previous page) Location of the McKay Hill property, and key adjacent mineral projects

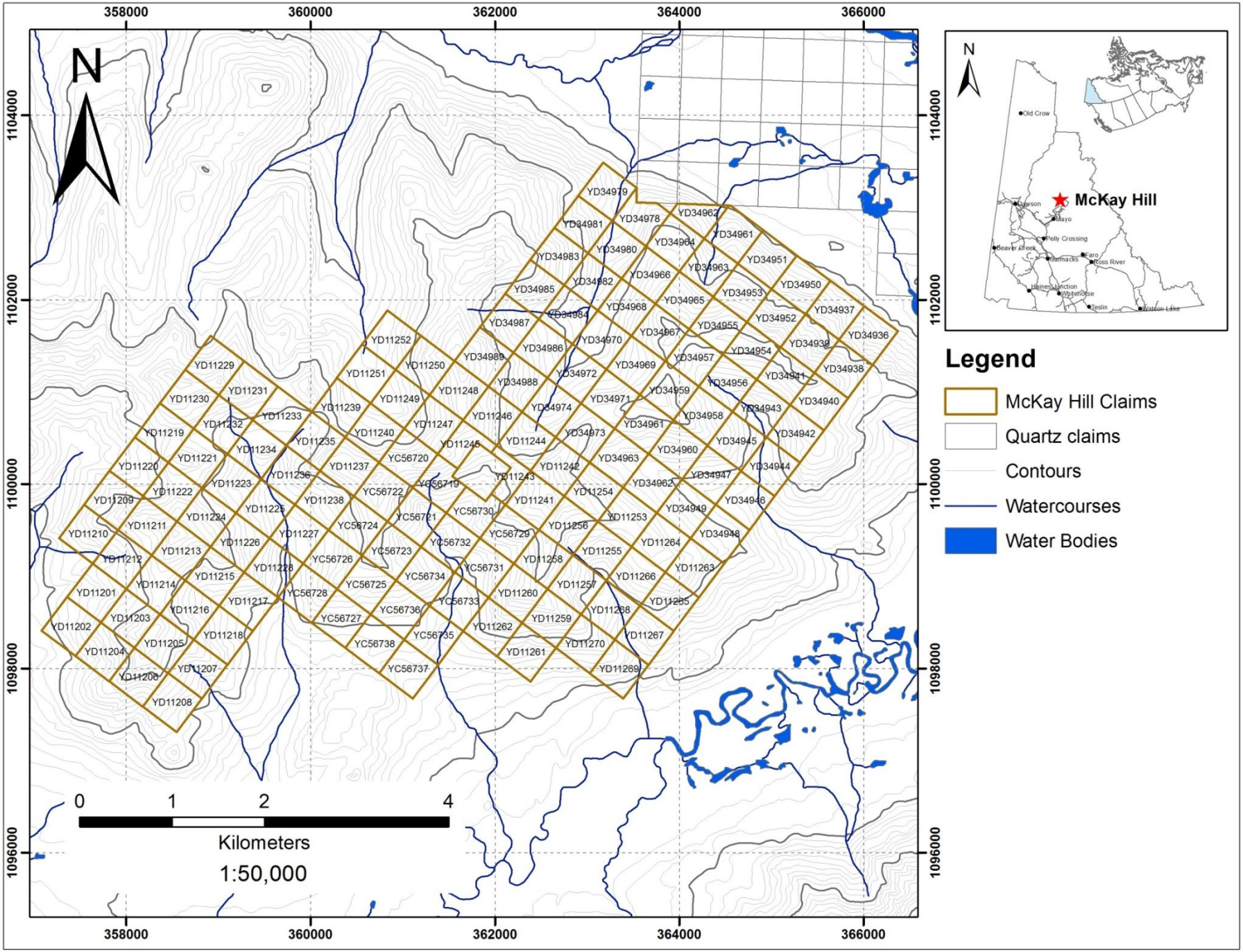

Figure 2. McKay Hill claim block

5 Physiography and Climate

McKay Hill is located in the Ogilvie Mountains on the southern flank of Horseshoe Hill. The terrain is mountainous, with sharp narrow ridge tops. Northern slopes are very steep; southern slopes less so. Elevations on the property range between 1050 m and 1750 m above sea level (ASL). Water is available from Red Gulch and Falls Creek, which flow southerly into the Beaver River. Most of the property is above the tree line, which is at approximately 1200 m. Vegetation comprises primarily alpine tundra and moss, with poorly developed soil. Minor outcrop can be found on ridge tops and steep northern slopes however much of the geological information on the south slopes is determined from frost heaved float rock. Permafrost extends down to 46 m below surface (Cominco, 1929). The area experiences warm summers, long cold winters and light precipitation, with average summer temperatures of 9 °C (night) and 15 °C (day) and winter temperatures between -20 °C (day) and-31 °C (night). The field season lasts between June and September.

6 History

The McKay Hill claims cover Minfile occurrences 106D 037 and 038 and have been subject to episodic exploration since 1922. The following sections summarise the historical (pre-2007) exploration on the occurrences with a more detailed description of exploration by Monster Mining Corp. from 2007 onwards.

6.1 Historical Exploration and Mining

6.1.1 106D 038 – McKay Hill

June 1922	Originally staked as a group of 25 claims, the most significant of which were Carrie (L.B. Erickson), Blackhawk and Snowdrift (W. McKay) and Margaret (N. Marquis).
1926-1929	Consolidated Mining & Smelting Co. Ltd. optioned Carrie claim in 1926 and drilled 832.0 m in 1929 before dropping option. W. McKay drove an 18 m adit on the Carrie claim. Margaret claim surveyed in 1927 and converted to lease in 1930
1945-1946	Carrie claim restaked as Rit claim in 1945 by Yukon Northwest Exploration Ltd then sold to Hoyle Mining Company Ltd. in 1946
1948-1959	Margaret lease held by Yukon Lodes Ltd. in 1948. East Bay Gold explored Rit claims in 1948 and shipped 143 tonnes of ore in 1949. Transferred to Beaver

River Silver Lead Mines Ltd. in 1952 and to Ventures Claims Ltd. in 1959. Rit group of claims converted to leases in 1953

1951-1981 Claims staked around leases include: Mac (1951, M. McCallion) who sunk a 3.7 m shaft in 1952; Pat claim #2 (1966, P. Callison); Law claim #1 (1966, L. Brown); Sam claims 1-8 (1969, P. Versluce); McCal 1-10 (1974, C.A.Lindstrom); and Beaver 1-8 claims (1980, Grant Oil Inc., transferred to Jamto Resources Ltd. in 1981)

The main showing area was evaluated by Consolidated Mining and Smelting Co. Ltd ("Consolidated Mining"), the precursor company to Cominco, in 1925, which identified nine veins, primarily as lines of float, on the White Rock, Snowdrift, Carrie and Black Hawk claims (Cram, 1925). Consolidated Mining optioned the White Rock and Carrie claims along with five other claims in 1926 and carried out trenching on the No. 6 vein in 1927 and 1928. Trenching across the No. 6 (Carrie?) vein in 1927 returned average grades of 182 g/t Ag, 29.0 % Pb and 4.9 % Zn across an average width of 1.7 m (Pautler, 2009) and was followed up in 1929 by 832 m of drilling on the same vein. Results were reportedly disappointing with only trace galena identified (Erickson and Bussey, 1944), although it is likely that the veins were not adequately tested (Pautler, 2009) as the drill mast had a limited dip range and several drill holes appear to have missed their targets due to fault offsets in the veins. Tetrahedrite showings in the area returned best results of 1302.8 g/t Ag, 4.58 % Pb, and 8.84 % Cu, and 2129.1 g/t Ag, 9.27 % Pb and 15.04 % Cu (Green, 1972). East Bay Mining Ltd. shipped 143 tonnes of ore from the No. 6 vein with an average grade of 390.9 g/t Ag and 74.1 % Pb (Green, 1972).

6.1.2 106D 037 – White Hill

White Hill was first staked as a single claim (Crystal) in 1924 by F.E. Endvoldsen. Additional single claims were staked in 1925 including Selma (E. Anderson), Seline (C. Williamson) and Northstar (L.B. Erickson). Only a minor amount of prospecting was conducted on each claim. The occurrence comprises a single narrow quartz-galena-chalcopyrite-sphalerite vein at the margins of a small greenstone sill that intrudes Hyland Group quartzites and schist.

6.2 Monster Mining Corp.

In July 2007 Mr. Matthias Bindig restaked the 106D 038 showing and surrounds as the Snoose 1-20 claims and optioned them to Monster Mining Corp. In both 2007 and 2008 Ms. Jean Pautler of Carmacks, Yukon, conducted and supervised prospecting programs to locate the veins, trenches and drill holes reported by Consolidated Mining between 1926 and 1929 (Pautler, 2009). Forty two rock samples were collected from outcrop and float during the course of the 2007 and 2008 programs, the results of which verified grades reported by Consolidated Mining. Best results from these programs were obtained from the Snowdrift and No. 8 veins. A grab sample from the Snowdrift vein returned 15.6 g/t Au, 668 g/t Ag, 2.40 % Pb, 0.94 % Zn and 3.9 % Cu; a 1.5 m wide chip sample from the same vein returned 1.37 g/t Au, 57.2 g/t Ag, 1.51 % Pb, 4.70 % Zn and 0.63 % Cu. A grab sample from the No. 8 vein returned 16.8 g/t Au, 646 g/t Ag,

27.0% Pb, 0.14% Zn and 0.64% Cu. Other significant results included: 0.83 g/t Au, 683 g/t Ag, 40.5% Pb across 1.1m (No. 6 Vein); 1.84 g/t Au, 372 g/t Ag 22.7% Pb, 7.0% Zn and 2.0% Cu (North Vein); 0.90 g/t Au, 484 g/t Ag 54.6% Pb, 8.3% Zn (Blackhawk Vein); 0.765 g/t Au, 502 g/t Ag 46.4% Pb and 2.4% Cu (No. 1 West Vein); 0.59 g/t Au, 366 g/t Ag, 25.0% Pb, 6.9% Zn and 2.2% Cu (No. 9 Vein) and 0.22 g/t Au, 608 g/t Ag, 35.2% Pb, 3.5% Zn and 3.2% Cu (No. 2 Vein). During the 2007 and 2008 programs, Pautler (2009) successfully located 17 veins and confirmed grades reported from these veins in the 1920's. Of these veins, 14 were sampled and 10 returned significant gold±silver analyses.

In 2009 Monster Mining Corp. staked an additional 70 claims to cover known vein extensions and the White Hill showing (Minfile occurrence 106D 037), and conducted a YMIP-funded exploration program to: (a) map the central claims on the property; (b) to evaluate and ascertain mineralization styles; (c) locate and verify the White Hill showing; and (d) collect soil geochemical samples for analysis. The 2009 program successfully located and delineated the White Hill showing and highlighted a 450 m x 300 m zone of geochemical anomalism over the Snoose 5-8 and Snoose 16 claims (Figure 9-13), and a detailed mapping program was conducted over a 700 m^2 (see Figure 7) area covering the central claims (Snoose 5-8). As a result of the 2009 mapping and prospecting program, Blackburn (2010a; 2010b) suggested that the stratigraphic sequence at McKay Hill may not be Hyland Group, as previously described (Cockfield, 1924), and that McKay hill may represent an example of high-sulfidation epithermal mineralization, and not Keno Hill-type mineralization as previously interpreted (e.g. Pautler, 2009). In 2010 Monster Mining Corp. staked an additional 54 claims, extending the claim block to the western edge of Atac Resources Ltd.'s Rau property.

7 Geology

7.1 Regional Geology

McKay Hill is located within Neoproterozoic to late Paleozoic slope-to-basin facies strata of the epicratonic Selwyn Basin (Ross, 1991, Figure 3). Selwyn Basin strata are characterized by off-shelf deep water clastic (shale, chert, basinal limestone) rocks, and are bound by the Mackenzie Platform, to the northeast and truncated by the Tintina fault to the southwest (Pigage, 2006). Total residual field and first vertical derivative aeromagnetic datasets illustrate a prominent ESE trending magnetic high aligned parallel to sub parallel to the regional interpreted surface trace of the Dawson Thrust occurring to the north of the McKay Hill claims (Figures 4 and 5). A subordinate less prominent magnetic high runs through the Mackay Hill claims.

The basin was subject to northeast directed compression during the Jurassic and early Cretaceous, caused by plate convergence and accretion of pericratonic terranes onto ancient North America. This resulted in thrust faulting, the development of open to tight similar folds within relatively incompetent Selwyn Basin strata (compared to the bounding carbonate platforms), and greenschist facies metamorphism. Widespread granitic magmatism during the

early to mid-Cretaceous led to the formation of at least five main intrusive suites between 112 and 90 Ma and a younger suite at 65 Ma. Strike-slip faulting along the Tintina Fault zone during the late Cretaceous and early Tertiary displaced the western margin of the Selwyn Basin at least 450 km into what is now Alaska.

The region surrounding McKay Hill was last mapped in 1961 by the Geological Survey of Canada ((Green and Roddick, 1961) and has never been mapped at 1:50,000 scale. McKay Hill sits within the Dawson Thrust sheet, which is bound by the Dawson Thrust to the northeast and the Tombstone Thrust to the southwest. The current geological interpretation is that McKay Hill is underlain by upper Proterozoic to lower Cambrian Hyland Group rocks, comprising a thick sequence of medium- to coarse-grained quartzose sandstone and grit to quartz-pebble conglomerate, with interbedded shale and siltstone (Yusezyu Formation) and maroon to dark-blue, grey, brown, buff and green weathering shale and siltstone, interbedded with fine-grained quartzose sandstone and minor limestone (Narchilla Formation).

7.2 Property Geology

McKay Hill is underlain by black slates, banded red and green slates, conglomerate, limestone and mafic to intermediate volcanic rocks intruded by diorite and gabbro sills (Cockfield, 1925, Figure 6). The sedimentary units comprise slate, polymictic matrix-supported conglomerate and sandstone grit (Blackburn, 2010b, Figure 7). Volcanic rocks comprise amygdaloidal, pillowed and vesicular basalts, andesite, volcanic tuff and their brecciated equivalents (Blackburn, 2010b), which have generally been metamorphosed to greenstone (Pautler, 2009). Minor diorite and gabbro sills (also metamorphosed to greenschist facies) have been identified on the property and are considered favorable host rocks for mineralized veins (Pautler, 2009).

Currently, the area underlying McKay Hill is mapped as Yusezyu Formation, however, Blackburn (2010b) considered that the diamictic conglomerates observed at McKay Hill were not consistent with conglomerates described from the Yusezyu formation of the Hyland group. She also proposed that the hypabyssal volcanic rocks at McKay Hill may correlate to Cambrian (?) to early Ordovician (?) volcanic rocks mapped further to the south by Abbott (1997), informally named “Dempster Volcanics” by Goodfellow et al. (1995).

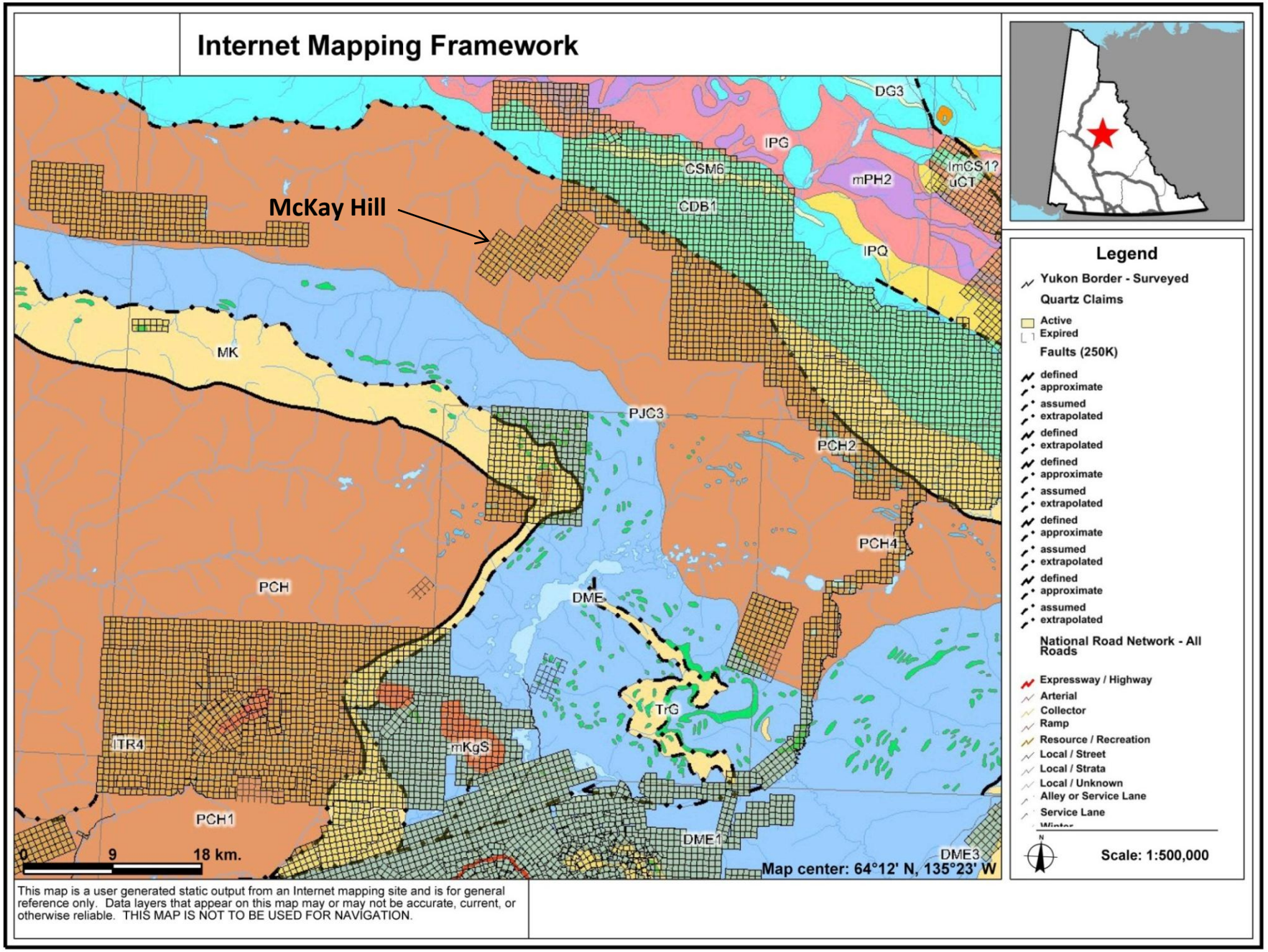

Figure 3 Regional geology of the McKay Hill property and surrounds

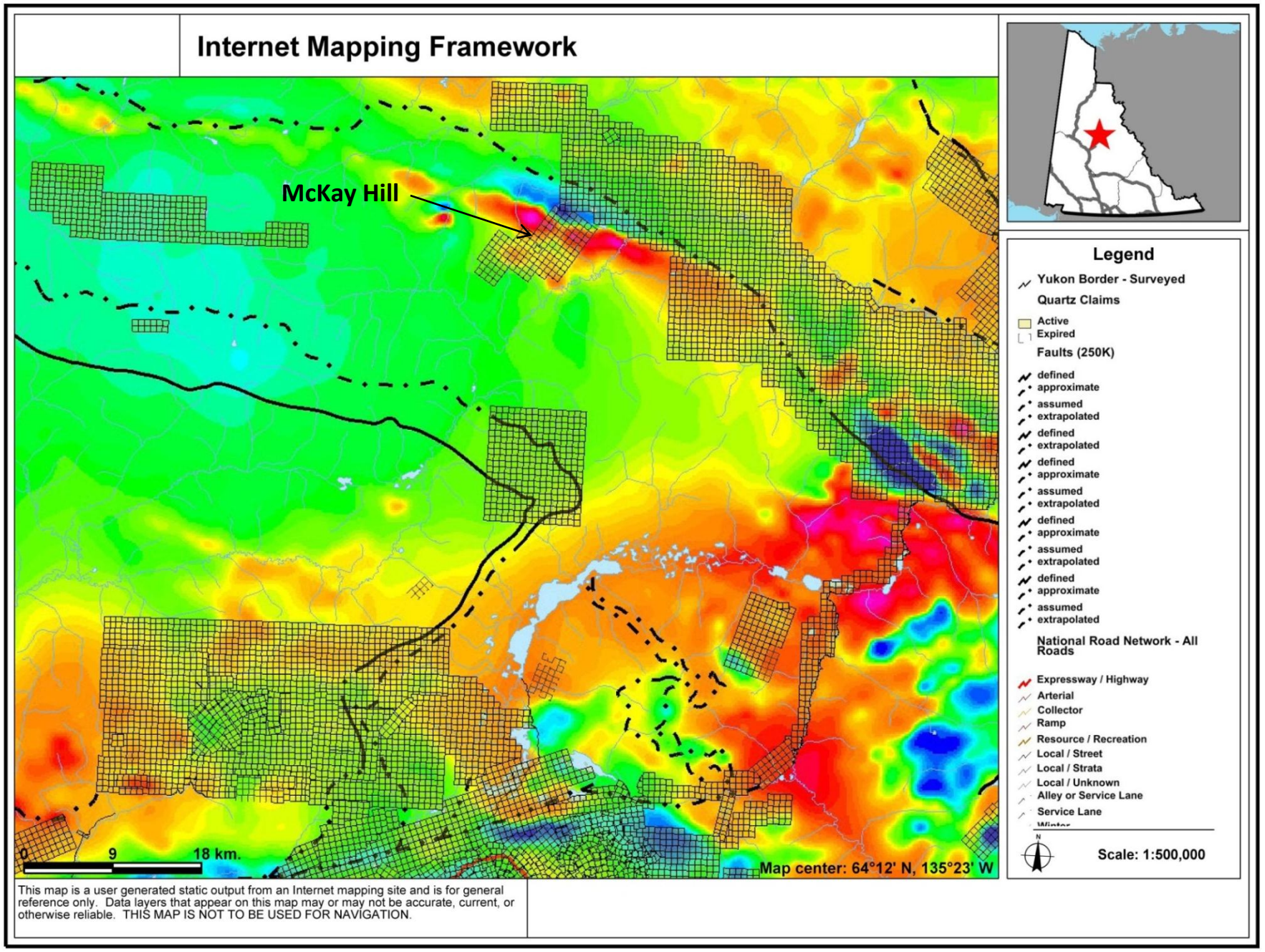

Figure 4. Total Residual Field map, McKay Hill and region

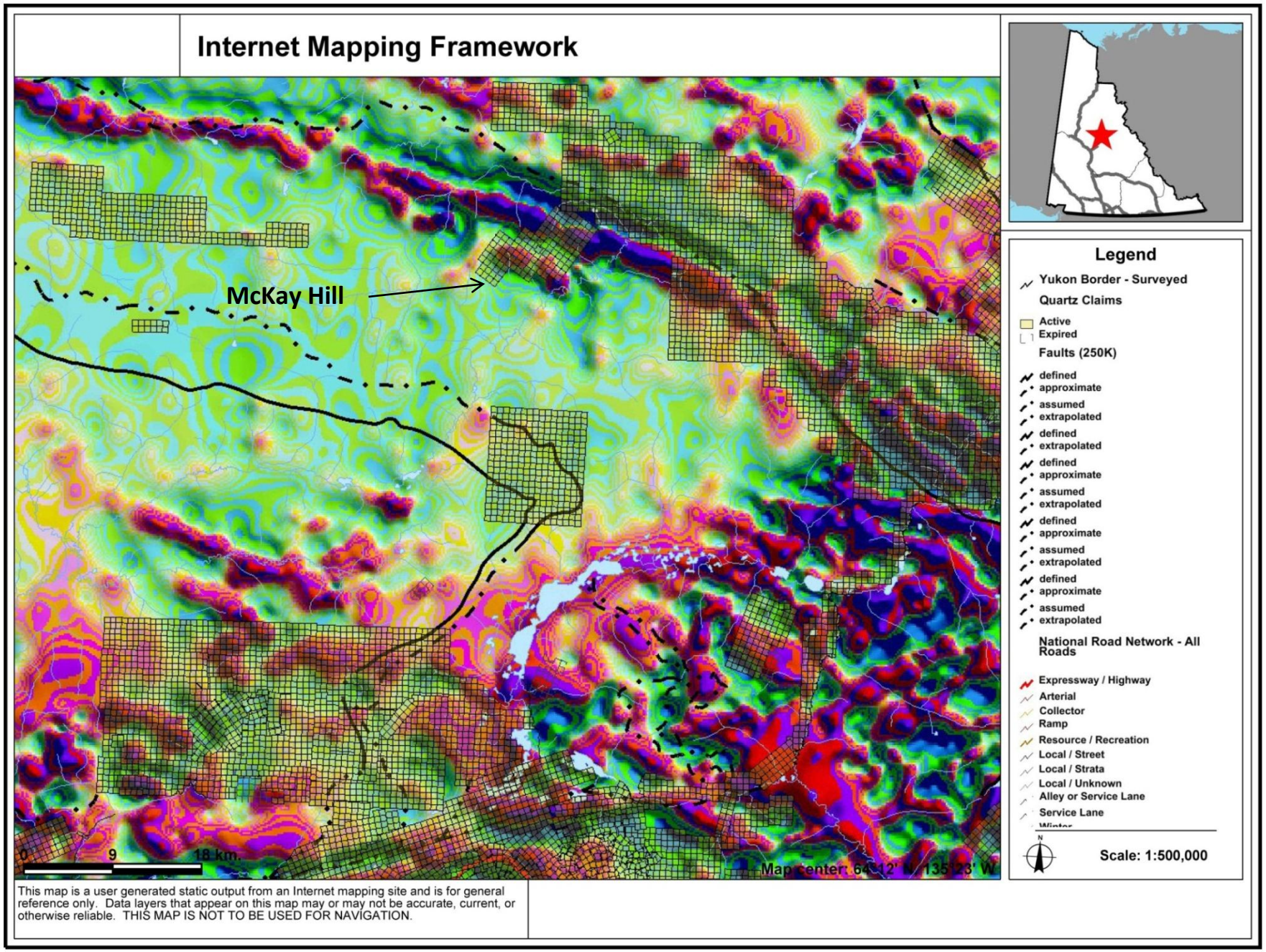

Figure 5. First Vertical Derivative, McKay Hill and region

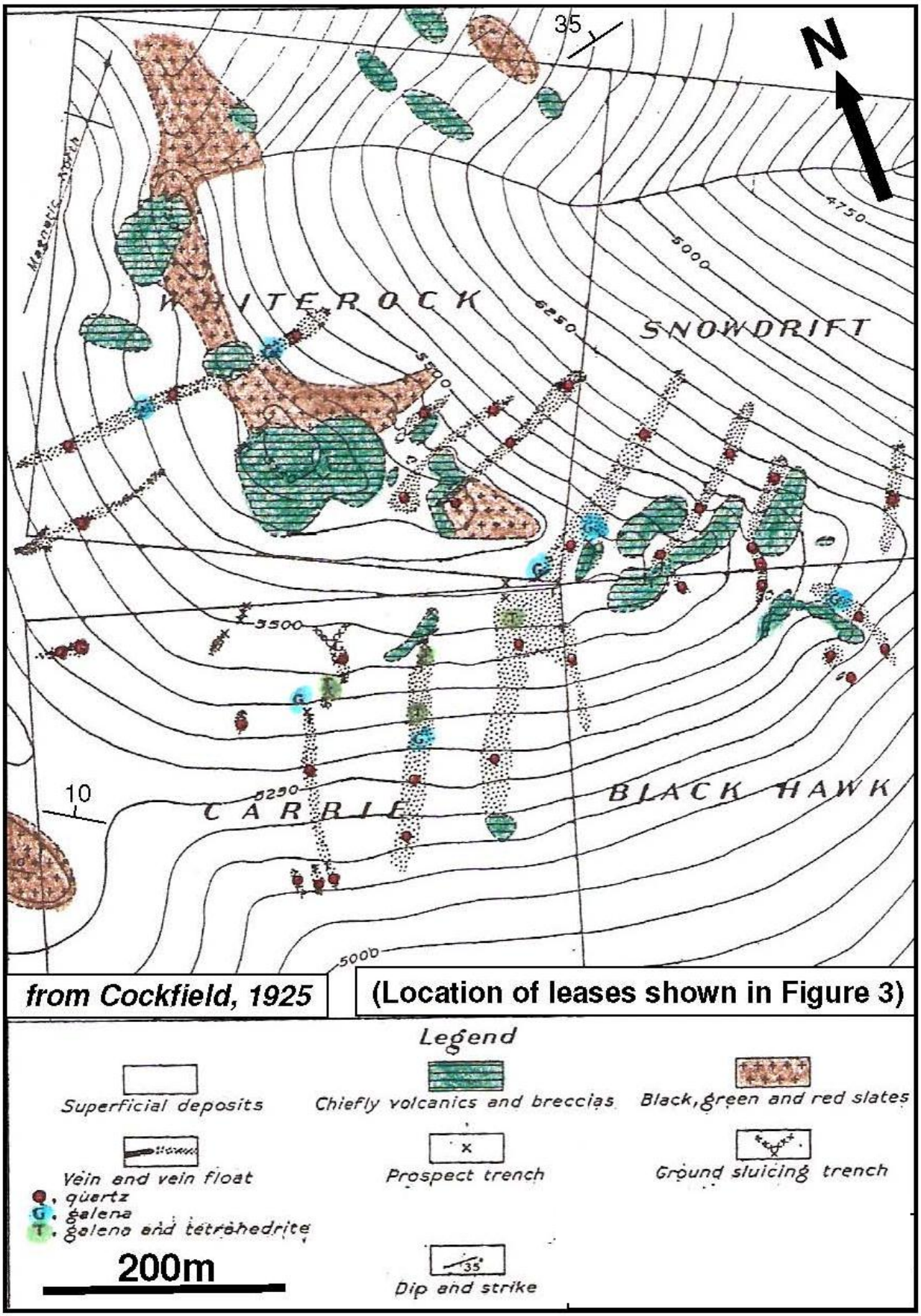

Figure 6. Geology of the central claims area, from Cockfield, 1925. Taken from Pautler, 2009

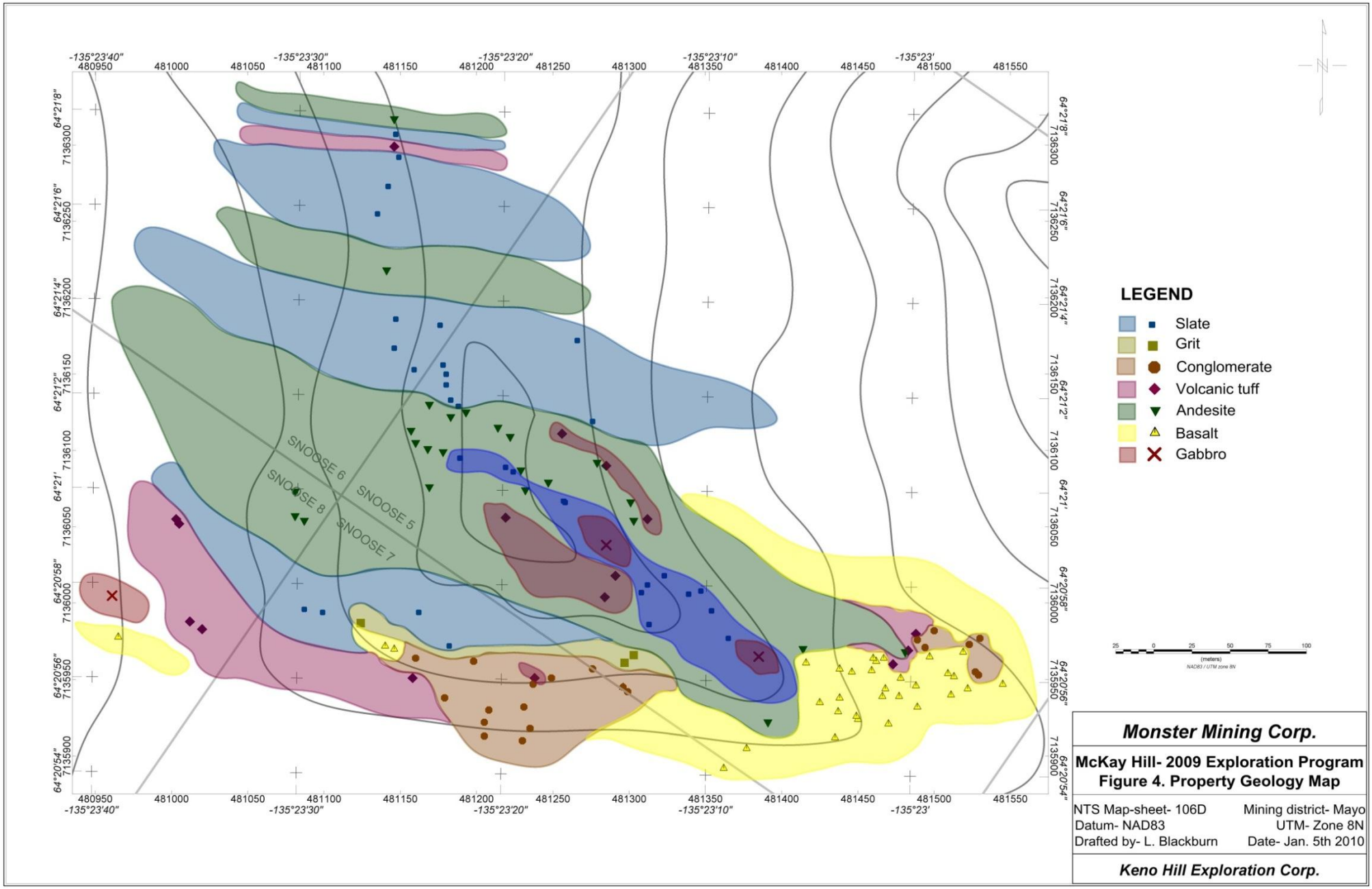

Figure 7 Geology of the central claims area, from Blackburn, 2010

7.3 Deposit Type and Mineralization

McKay Hill encompasses Minfile occurrences 106D 037 (White Hill) and 038 (McKay Hill) and has historically been explored for Keno Hill-style polymetallic Ag-Pb-Zn veins. The White Hill occurrence comprises a single narrow quartz vein containing galena, chalcopyrite and sphalerite with minor limonite hosted along the margins of a small greenstone sill intruding Hyland Group quartzite and schist. The McKay Hill occurrence comprises numerous quartz-galena-freibergite-sphalerite veins hosted at the margins of greenstone sills (Cockfield, 1925) intruding Hyland group slates, quartzite, conglomerate and limestone (Yukon Geological Survey Minfile Database).

Pautler (2009) located and identified 17 veins during the 2007 and 2008 programs (Figure 8), predominantly within the central claim area. She described the samples collected for assay as predominantly white quartz±carbonate with galena and freibergite, and minor sphalerite, stibnite, malachite and azurite and considered the mineralization typical of clastic metasedimentary rock-hosted Ag-Pb-Zn veins such as those exposed at Keno Hill. Samples collected during the 2007 and 2008 field programs were analysed for a much broader suite of elements than the historical samples, including Au and Cu, and returned grades up to 16.8 g/t Au (grab sample no. MK002) and 4.1 % Cu (grab sample no. 526243).

In 2009, Lauren Blackburn and Venessa Bennett (Memo: August 6th 2009 Visit to McKay Hill, Appendix 1) conducted a one-day reconnaissance visit to evaluate the geology, nature of mineralization and first-order controls on vein geometry. Based on work done during the 2009 YMIP program, and discussions with Dr. Bennett, Blackburn (2010b) differentiated the mineralization into: (a) upper-level quartz-carbonate-Au; (b) basal galena-hosted Pb-rich; and (c) transitional zones and described them as follows:

a) Upper level mineralization is exposed on ridge tops and is represented by milky quartz-malachite-azurite veins. The veins preferentially develop along early structures or at lithological contacts and are locally surrounded by a bright orange propylitic alteration halo. Assays from these veins returned best values of up to 16.8 g/t Au, 668 g/t Ag and 3.9 % Cu (Blackburn, 2010b).
b) Basal mineralization is exposed on hill sides as massive galena veins, with or without associated malachite, azurite and scorodite. The mineralization style varies across the property and is dependent on host rock characteristics. Mineralization is present as vein breccias, banded galena replacing the matrix in diamictic conglomerates or whole-rock replacement of vesicular basalts, and has returned best values of up to 2.5 g/t Au, 550 g/t Ag and 2.2 % Cu(Blackburn, 2010b)
c) The Snowdrift and No. 6 veins show a transition from upper to lower level mineralization, with the transition between the two represented by malachite and azurite±scorodite (Blackburn, 2010b)

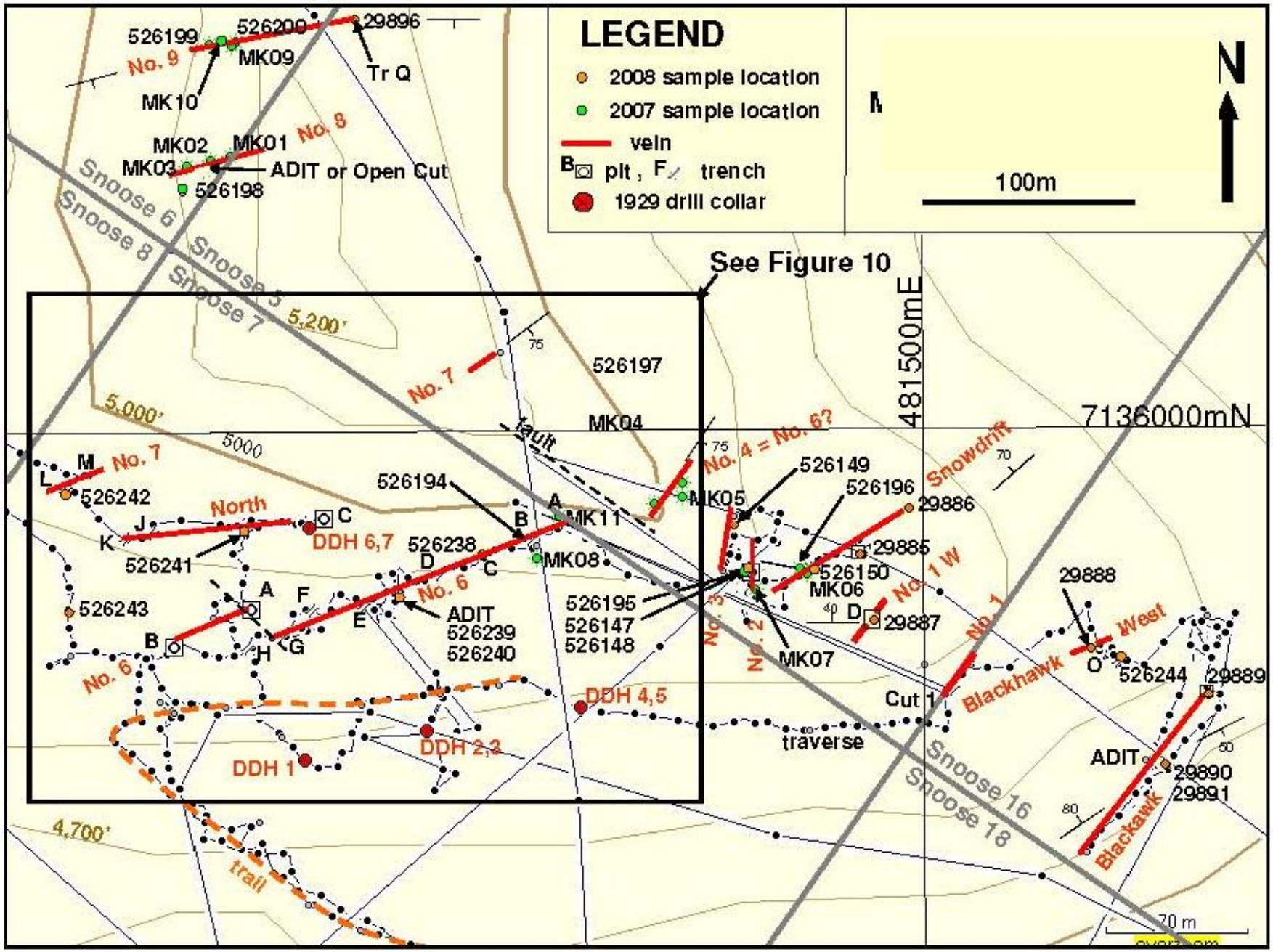

Figure 8. Detail plan of the central claims area illustrating the new and historic veins identified by Pautler (2009) during the 2007 and 2008 field seasons. From Pautler (2009)

Mineralization on the property is characterized by distinctive bright orange Fe-carbonate alteration immediately adjacent to mineralized veins, which grades out into widespread propylitic alteration characterized by proximal illite, calcite and chlorite and distal pyrite and epidote. Alteration is most readily observed in permeable matrix-supported diamictic breccias (Blackburn, 2010b).

Blackburn's (2010a; 2010b) work has highlighted significant geochemical and structural differences between mineralized veins at McKay Hill and the Keno district (Table 2), most notably that the McKay Hill veins lacked the distinctive siderite gangue characteristic of Keno Hill-style mineralization, and that quartz veins were associated with Fe-carbonate alteration that graded into an extensive propylitic alteration halo. These characteristics are manifestly different to those of typical Keno Hill district mineralization and suggest that the McKay Hill veins may be of a different genetic or hydrothermal origin to the Keno district.

Table 2. Comparison between mineralization styles and host stratigraphy at the Keno Hill camp and McKay Hill property

Keno Hill camp	**McKay Hill Property**
Polymetallic Ag-Pb-An ± Au-style mineralization	High-level Au-Cu and deeper-level Ag-Pb ± Cu mineralization
Vein faults	Veins episodically brecciate and heal
Siderite ± quartz gangue	Quartz gangue
Mineralization present only as veins	Mineralization: vein breccias, veins, partial to whole rock replacement
Large-scale lateral mineral zonation	Local vertical mineral zonation
Little to no alteration	Extensive propyllitic alteration
Keno Hill Quartzite and Carbonaceous Phyllite country rock (Devonian Earn Group)	Siliciclastic sediments and hypabyssal volcanic rocks (Upper Proterozoic to Lower Cambrian)
Country rocks are intensely folded	Country rocks consistently trend NNW, dip nearly vertical

8 Summary

The two orientation visits in July and August were the only work completed in 2010. Monster staff spent two days traversing outcrops at McKay Hill familiarizing themselves with the location of outcropping veins, mineralization styles and mineralogy local stratigraphy. There were no reportables for either field trip. Due to budget and timing constraints, poor weather and the lack of available geological staff to conduct a field program no further work was conducted during the field season. Monster plans a more extensive field program in 2011.

9 Statements of Qualifications

I, Joanna Lynette Ettlinger, do hereby declare that;

1. I am currently employed as Vice President Exploration by Monster Mining Corp. of 750-580 Hornby Street Vancouver, British Columbia V6B 3B6.
2. I graduated with a Bachelor of Science degree from the University of Auckland in 1995, a Master of Science degree with First Class Honours from the University of Auckland in 1997 and a PhD in geology from the in 2011.
3. I have twelve years of mineral exploration experience in New Zealand, Australia and Canada, and have worked in the Yukon on gold, silver and base-metal projects since 2007. Relevant experience includes previous work on the Keno-Lightning project, and a background in hydrothermal geochemistry research, during the course of my Masters' and doctoral degrees.
4. I am a Professional Geoscientist registered with the Association of Professional Engineers and Geoscientists of British Columbia (licence number 36703) and a Chartered Professional (Geology) member of the Australasian Institute of Mining and Metallurgy (Membership No. 305534) and as such am considered a "Qualified Person" as defined by National Instrument 43-101.
5. This report is based upon a site visit to the property in August 2010, the author's personal knowledge of the area, consultation with Ms. Lauren Blackburn, who has spent several field seasons working on the McKay Hill property, Dr. Venessa Bennett, formerly Mineral Assessment Geologist and Metallogenist with the Yukon Geological Survey, and recommendations of Ms. Jean Pautler, P.Geo, who authored an internal report on the geology and geochemistry of the McKay Hill property.
6. It is my professional opinion that the McKay Hill property is of merit and further exploration is justified.

Dated at Vancouver, British Columbia this 16th day of January, 2012

Joanna Lynette Ettlinger, PhD, P. Geo, MAusIMM(CP)
Vice President Exploration
Monster Mining Corp.

10 Cost Statement

Geology	**Days**	**Rate/Day**	
Art Ettlinger (Senior Geologist)	1	$800.00	$800.00
Joanna Ettlinger (Senior Geologist)	1	$600.00	$600.00
Lauren Blackburn (Geologist)	1	$450.00	$450.00
Matthias Bindig (Prospector)	1	$350.00	$350.00
Field Costs	**Person Days**	**Rate/Day**	
	4	$80.00	$320.00
Helicopter	**Hours**	**Rate/Hour**	
Fireweed	1.5	$1,100.00	$1,650.00
Oceanview	0.8	$1,150.00	$920.00
Fuel	**Litres**	**Rate**	
Fireweed	151	$1.70	$256.50
Oceanview Helicopters	104	$1.73	$179.92
TOTAL			**$5,526.42**

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Appendix 1

Memo: August 6, 2009 Visit to McKay Hill

Venessa Bennett

Memo:
August 6, 2009 Visit to McKay Hill

Venessa Bennett,

Mineral Assessment Geologist/ Metallogenist
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Introduction

A one day reconnaissance visit to the McKay Hill quartz claims was conducted on August 6, 2009 with Matthias Bindig and Lauren Blackburn. The purpose of visit was to (i) gain an preliminary understaning of the geology of the property, (ii) examine the nature of the mineralization of the vein system exposed within the claims and (iii) determine some first order controls on vein geometry. Additionally, the visit doubled as a YMIP project visit. Several important mineral occurrence occur regionally within the district including, VictoriaGold Corp.'s Eagle Zone (sheeted quartz vein Au deposit), the Historic Keno Hill Pb-Zn-Ag vein system and the newly discover Rau occurrence of ATAC Resources Ltd.

The McKay Hill property is located approximately 50km NNW of Keno City (Figure 1). The property lies in the hanging wall of the Dawson thrust and is underlain by polydeformed and undivided Upper Proterozoic to Cambrian strata (Figure 2). Total residual field and first vertical derivative aeromagnetic datasets illustrate a prominent ESE trending magnetic high aligned parallel to subparallel to the regional interpreted surface trace of the Dawson Thrust occurring to the north of the McKay Hill claims (Figures 3 and 4). A subordinate less prominent magnetic high runs through the Mackay Hill claims.

McKay Hill Property Geology

A traverse was conducted across several of the main veins occuring within the property. A detailed examination of five of the main veins was completed during the course of the day. Host rocks to the vein system include an intercalated package of shale, conglomerate and massive and pillow basalt. Veins geometry is predominantly NE trending with a subordinate NNW set. Host rock regional grain is generally NW trending, where observed.

Vein propagation appears to be primarily controlled by competency contrasts between (i) different lithologies, with variable brecciation occurring adjacent to vein wall (Figure 5), and (ii) between different mafic volcanic units where clear competency contrasts occur (e.g foliated vs massive subunits; Figure 6). Additionally, a third, matrix replacement style of mineralization occurred within the polymictic conglomerate unit (Figure 7). Where vein faults propagate through the conglomerate unit they occur as NE trending steeply south dipping structures with SW trending, low angle slickensides preserved on the fault surfaces (Figure 7). A key feature of the vein system at McKay hill is the presence of a significant orange - coloured alteration vein halo, which may be Fe carbonate. All host lithologies are altered adjacent to veins. The polymictic conglomerate has much wider alteration halo which is associated with progressive destruction of the conglomerate and polyphase mineralization with the main ore zones (Figure 8A-C).

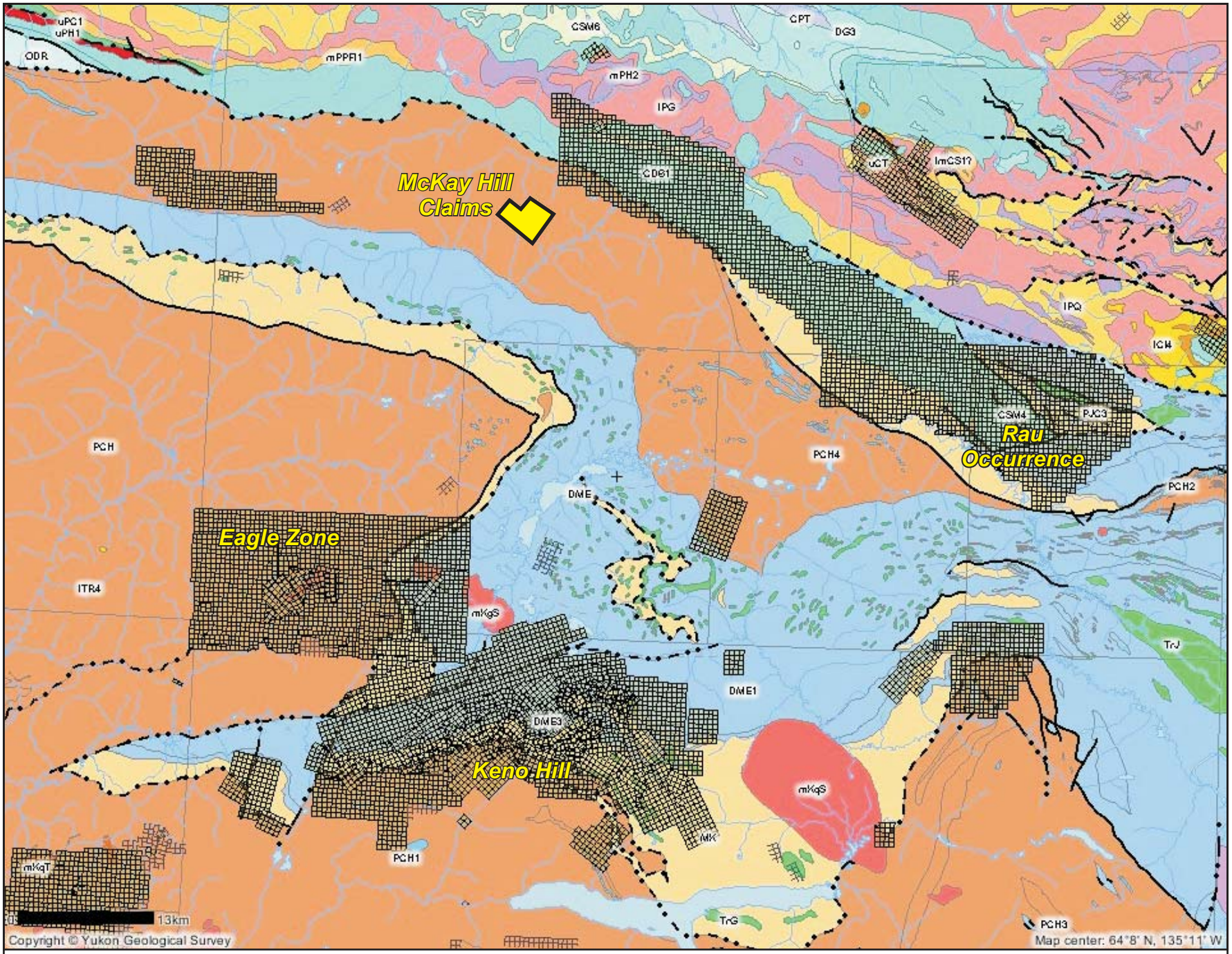

***Figure 1**: Current Quartz Claim Disposition Map, Keno Hill District*

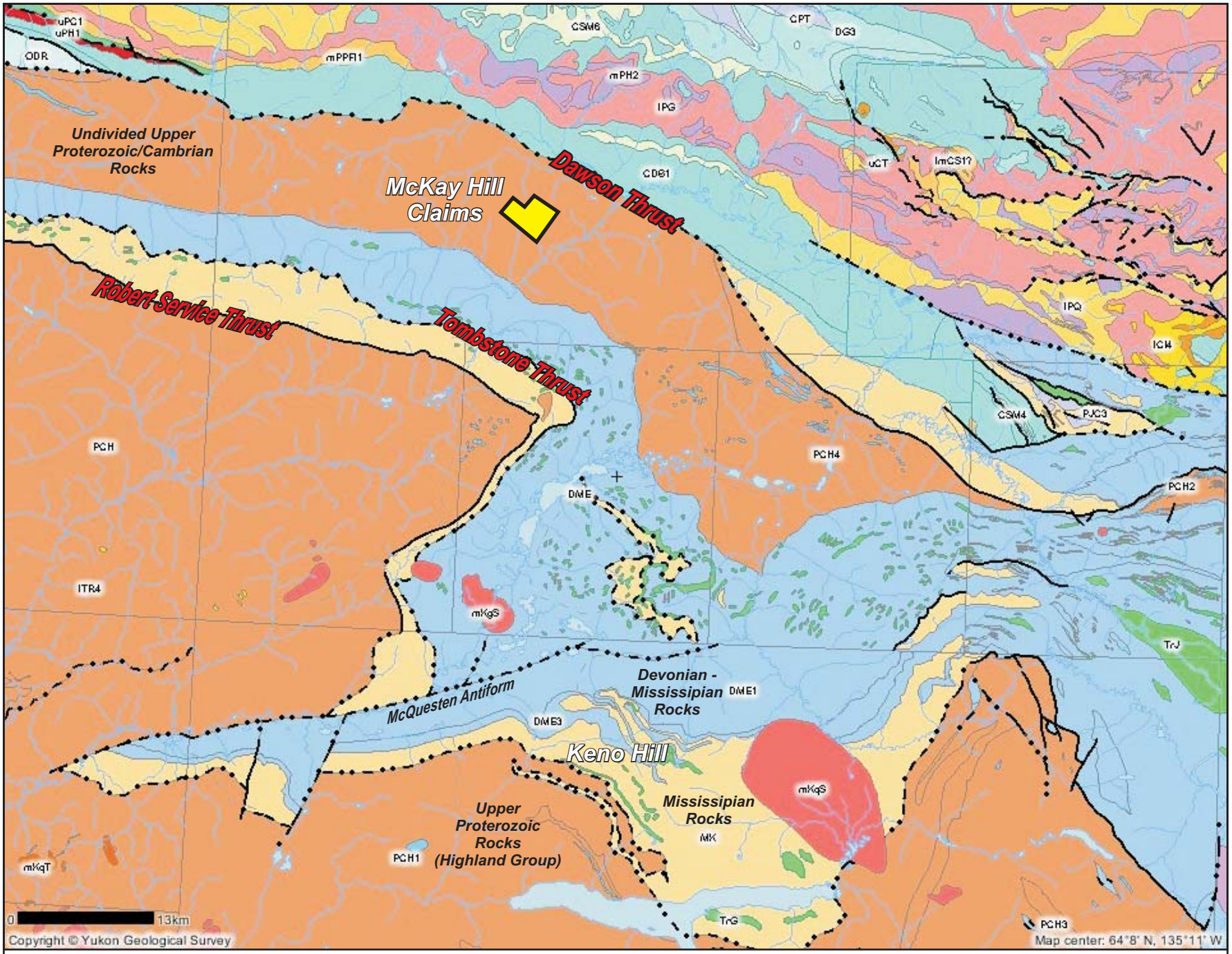

***Figure 2**: Simplified regional geological map, Keno Hill District*

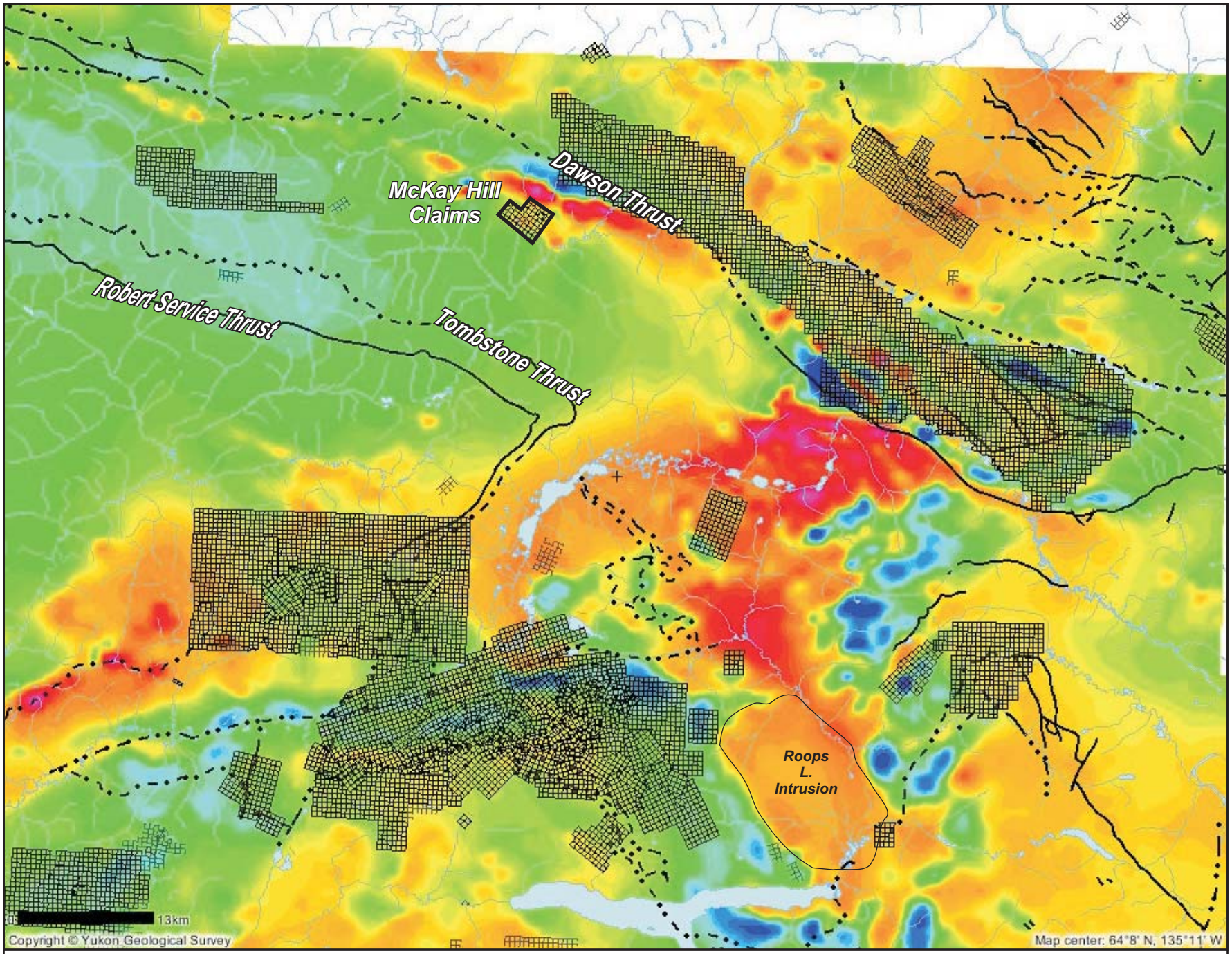

***Figure 3**: Total Residual Field, Keno Hill District*

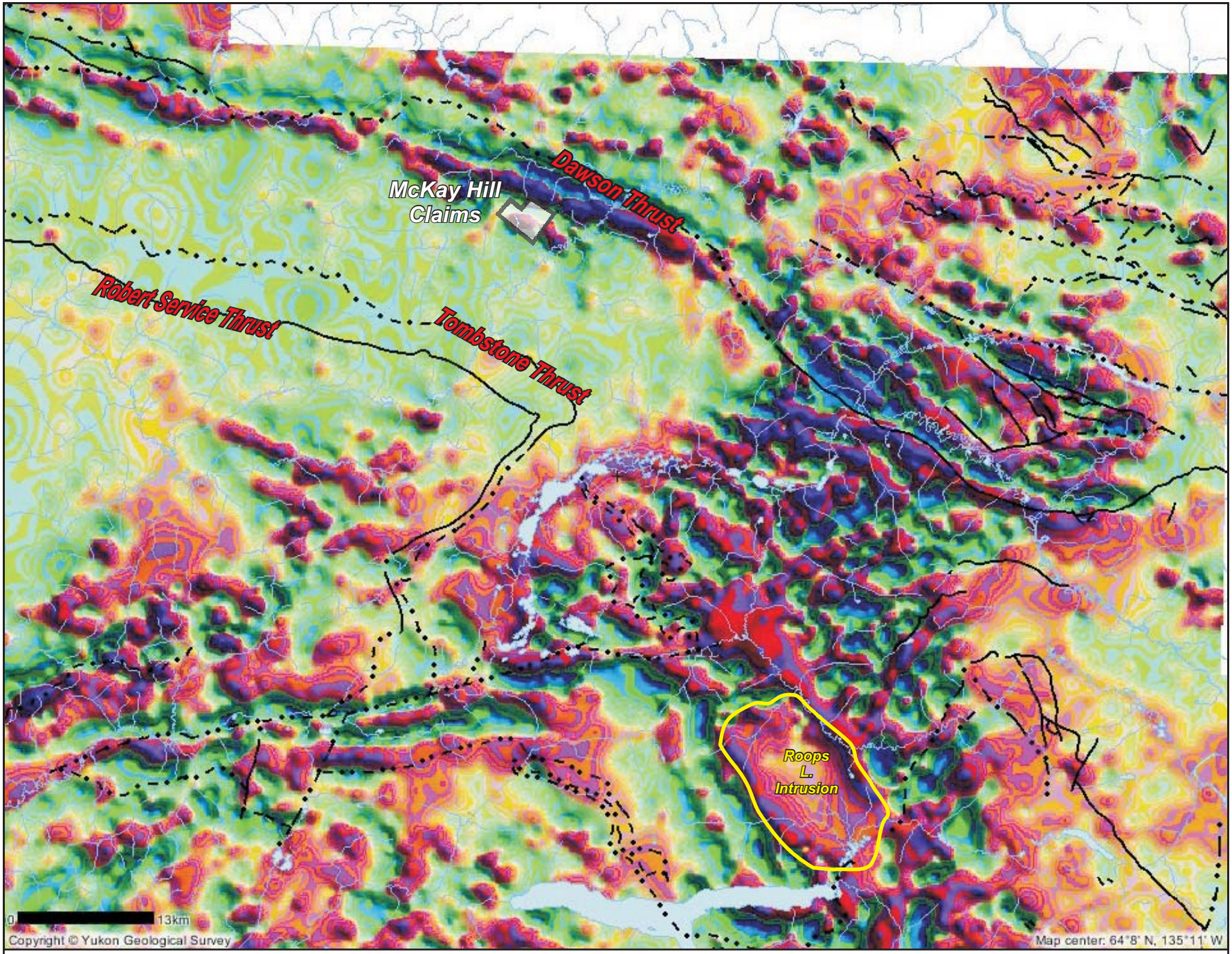

***Figure 4**: First Vertical Derivative, Keno Hill District*

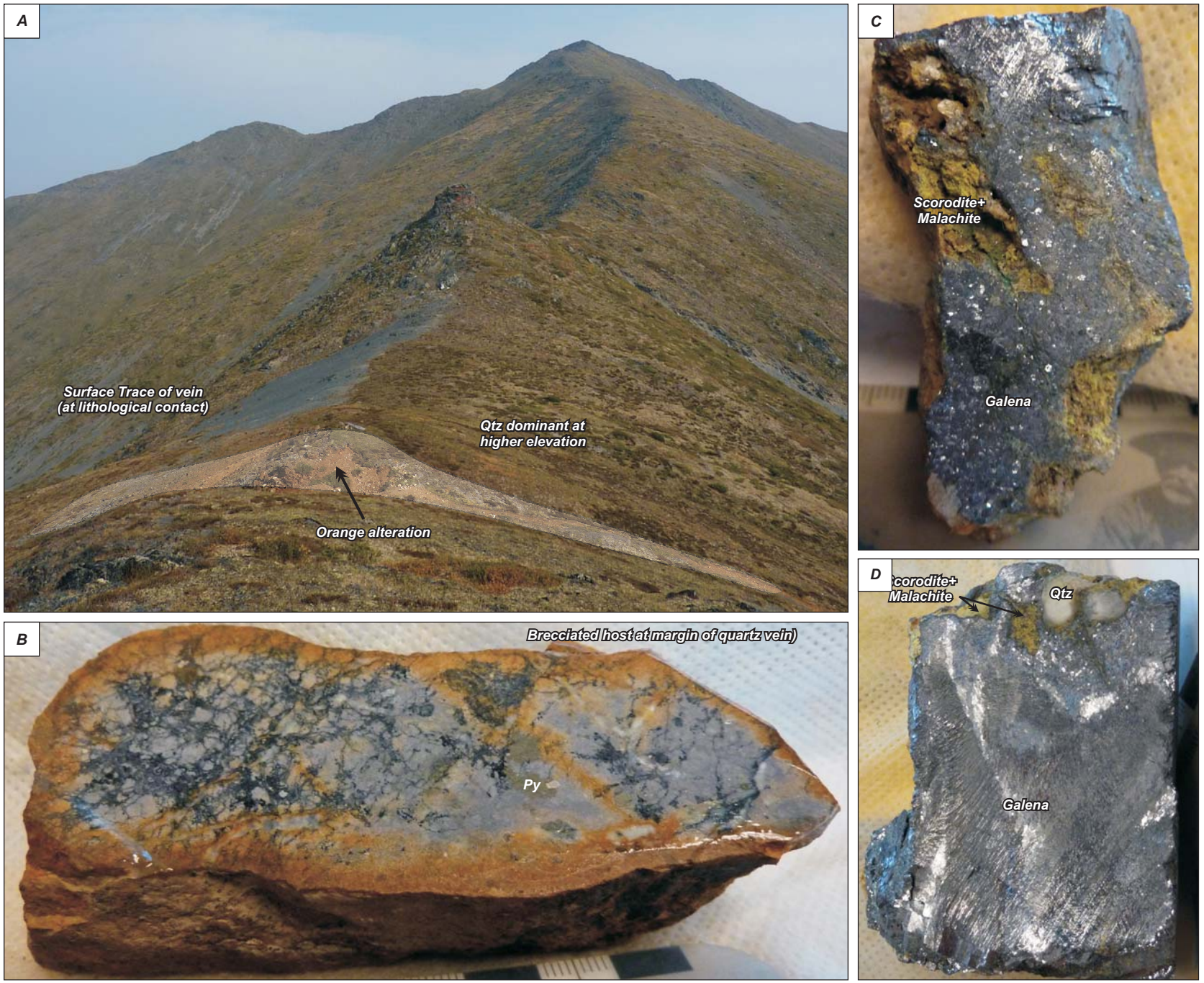

Figure 5: *(a) Surface trace of quartz vein located at lithological contact (shale and mafic volcanic?). (b) Brecciation of host (mafic volcanic protlith(?) adjacent to quartz vein boundary. (c) and (d) Late stage galena crosscutting early scorodite+ malachite and Scorodite +Qtz (lower elevations).*

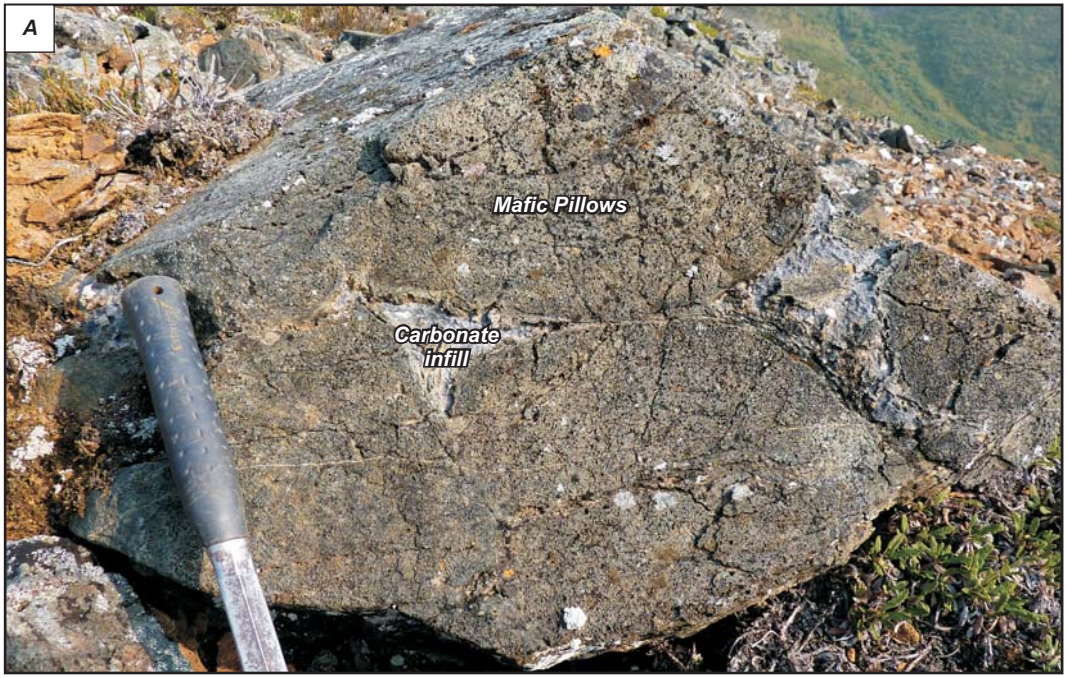

Figure 6: *(a) Mafic pillows with inter-pillow carbonate infill. (b) NE trending quartz vein fault crosscutting mafic volcanics.Note probable Fe-carbonate alteration halo associated with vein.(c) Narrow alteration halo associated with quartz vein with malachite+azurite staining at surface.*

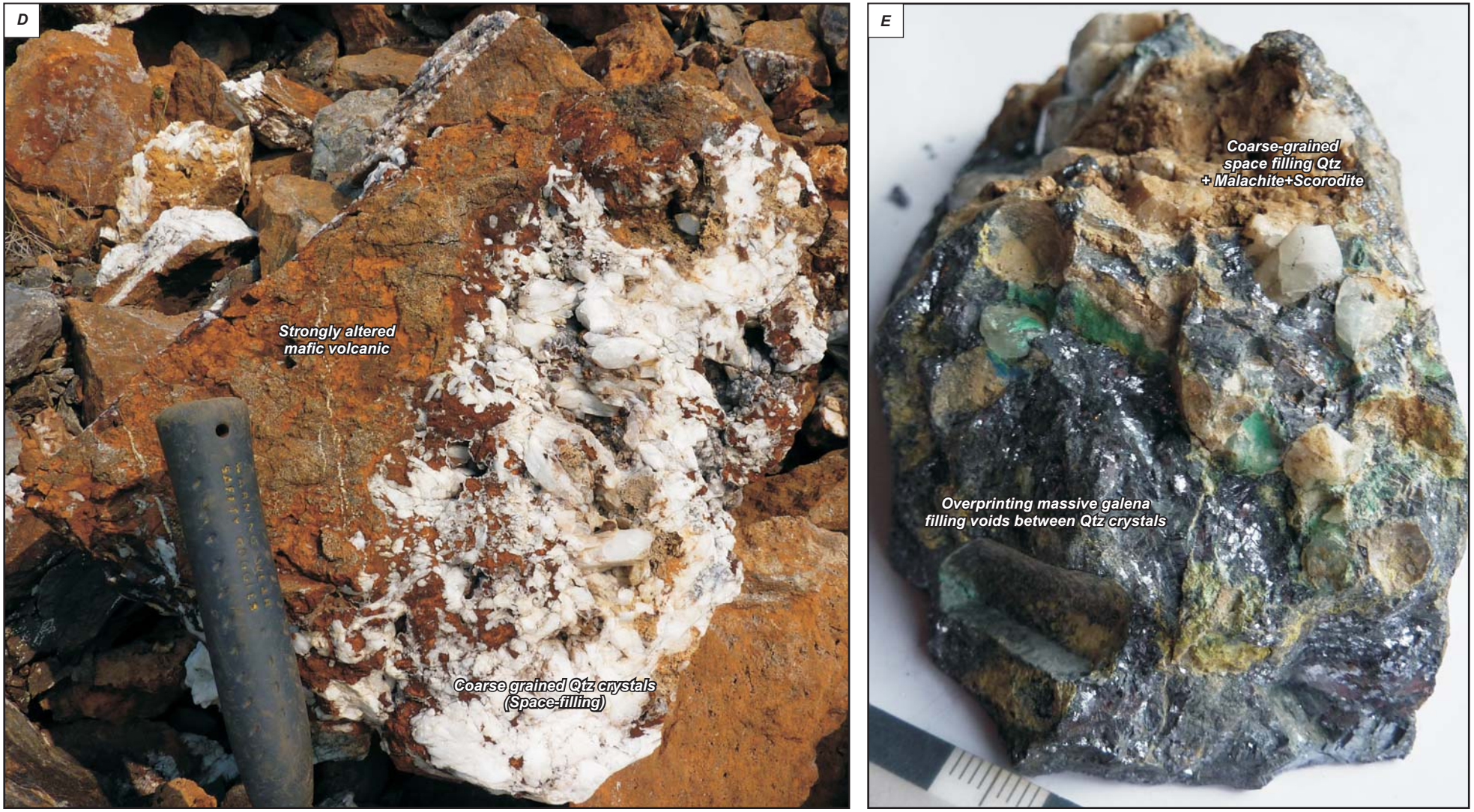

Figure 6: *(d) Margin of quartz vein crosscutting mafic volcanic sequence. Coarse grained space filling quartz crystal growth. (e) Coarse grained space filling Qtz+Malachite+Scorodite overprinted by massive Galena.*

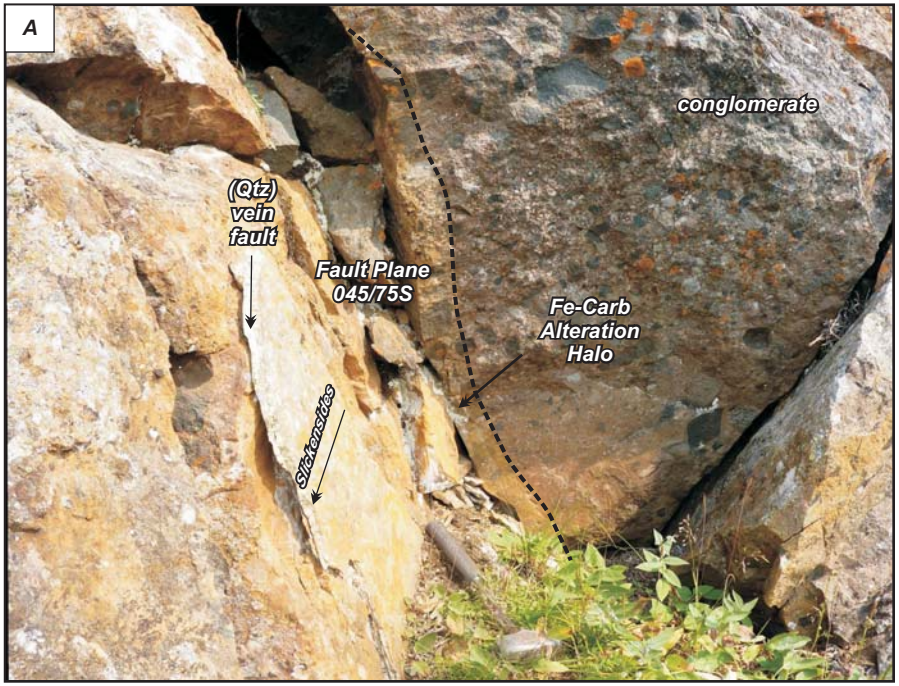

Figure 7: *(a) NE trending quartz vein fault crosscutting conglomerate unit. Note Fe-carbonate alteration halo associated with vein fault. (b) Shallow plunging SW trending slickensides along vein fault plane.(c) Late stage galena crosscutting quartz vein (+ early arsenopyrite --> scorodite) and replacing matrix of conglomerate.*

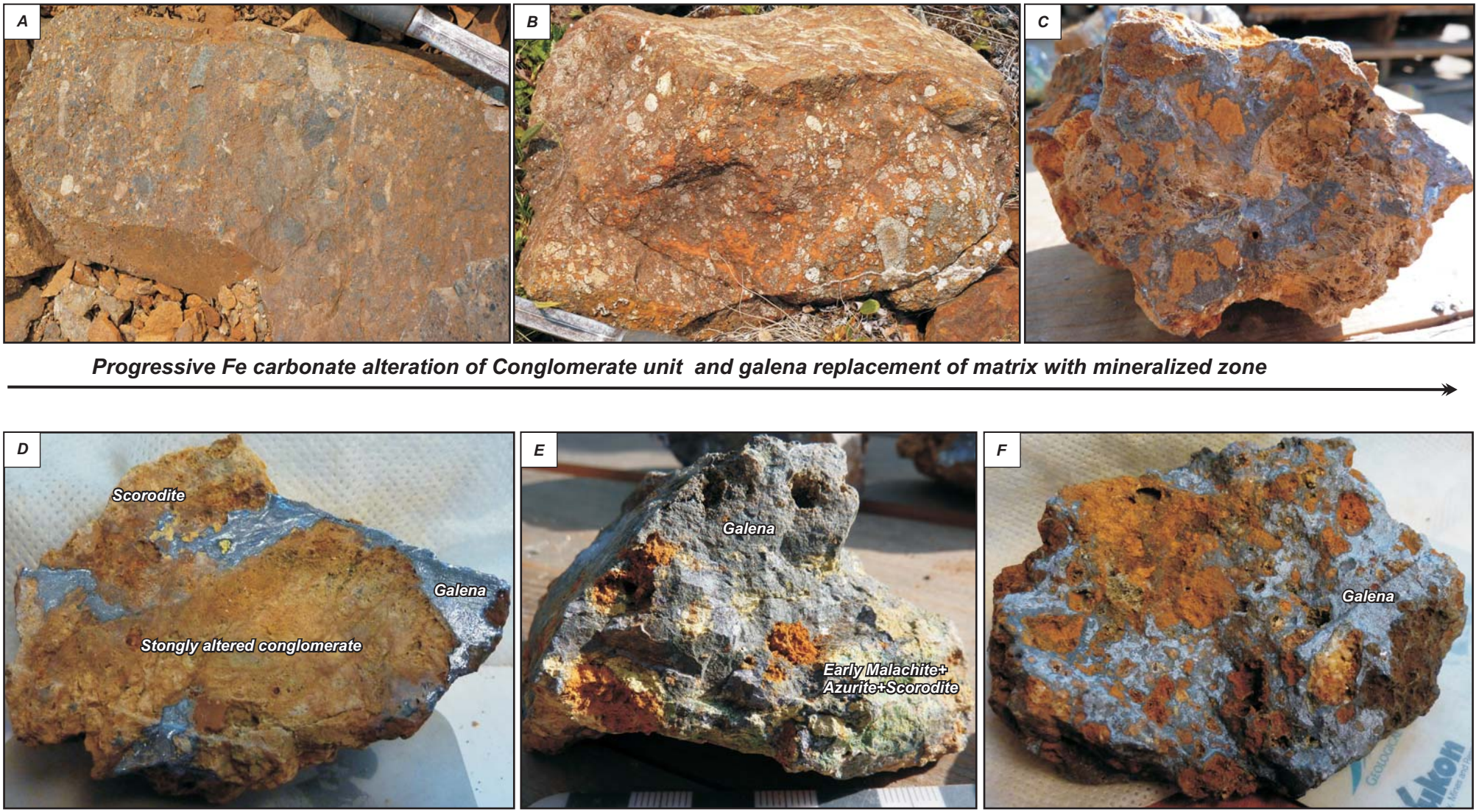

Figure 8: *(a) - (c) Progressive alteration and destruction of conglomerate and late stage replacement of matrix by massive galena. (d) Secondary galena replacing conglomerate matrix and overprinting (now) scorodite. (e) Early phase malachite+azurite+scorodite overprinted by galena. (e) Matrix replacement of conglomerate by Galena.*

McKay Hill Vein Mineralization

Vein ore mineralogy appears to have both spatial and temporal controls. A vertical zonation occurs within the vein system such that a quartz-rich (silica dominant), high level system evolves to Qtz – Cu –As+/- Au (Figures 5A, 6B, C and D and 7A-C) with increasing depth. This Qtz-rich system in turn evolves to massive galena at the lowermost exposed levels of the veins observed (Figures 5C and D, 6D and E).

Clear overprinting relationships occur at the transition zone between silica rich and galena rich zones that indicate an evolution in fluid chemistry during vein formation. Galena is a late stage mineral that overprints early phase Cu-Au mineralization in the vein system (Figures 5C and D, 7C and 8D-F).

Summary

The density of richly mineralized veins within the McKay Hill occurrence makes the property an attractive early-stage prospect. The geometry and style of polymetallic mineralization is unique to the area and warrants follow up work to determine the economic potential of the vein system.

Detailed (1:2000 to 1: 5000) geological mapping of the host rocks and an understanding of the major and minor structures that occur will be critical to determine the both the orientation and continuity of individual veins (both laterally and vertically). Additionally, further exploration work will depend in part of the metals of interest (i.e. high level Au-Cu vs deeper level Pb-Ag) as depth is a major control on the extent of the mineralized ore shoots.