Diamond Drilling Report
On the
Waterloo Claim,
Gold Hill Group

Greenwood Mining Division
British Columbia, Canada

NTS 82E/3E

BCGS Map Sheet 082E015

Latitude 49° 07' 02" N    Longitude 119° 10' 26" W

Claim Worked On: Waterloo, Tenure No. 374123

Owner: Christopher D. Whatley, FMC No. 1287192
        P.O. Box 197
        Okanagan Falls, British Columbia
        V0H1R0

Operators: B. Sherman
            269 Conklin Ave.
            Penticton, British Columbia
            V2A2T1
            &
            D. W. Herbison
            Site 15, Comp. 4
            RR1
            Cawston, British Columbia
            V0X1C0

Report by:
William J. Wilkinson, B. Sc., P. Geo.
126 Nagle Place
Penticton, British Columbia
V2A7B5

September 15, 2006
Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Summary, Claims and Ownership</td>
<td>1</td>
</tr>
<tr>
<td>Location, Physiography, Access</td>
<td>1</td>
</tr>
<tr>
<td>History</td>
<td>1</td>
</tr>
<tr>
<td>Economic Assessment</td>
<td>2</td>
</tr>
<tr>
<td>Geological Setting</td>
<td>2</td>
</tr>
<tr>
<td>Regional and Local Geology</td>
<td>2</td>
</tr>
<tr>
<td>Property Mineralization</td>
<td>2</td>
</tr>
<tr>
<td>Claim Information</td>
<td>3</td>
</tr>
<tr>
<td>Technical Data and Interpretation</td>
<td>3</td>
</tr>
<tr>
<td>Purpose of the Work</td>
<td>3</td>
</tr>
<tr>
<td>Fieldwork Done</td>
<td>3</td>
</tr>
<tr>
<td>Analysis</td>
<td>3</td>
</tr>
<tr>
<td>Results</td>
<td>3</td>
</tr>
<tr>
<td>Interpretation and Conclusions</td>
<td>4</td>
</tr>
<tr>
<td>References</td>
<td>5</td>
</tr>
<tr>
<td>Statement of Qualifications</td>
<td>6</td>
</tr>
</tbody>
</table>

Table: Waterloo Claim Information

List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1:</td>
<td>Location Map, Camp McKinney</td>
<td>1</td>
</tr>
<tr>
<td>Figure 2:</td>
<td>Index Map, Waterloo Claim, Gold Hill Group, 1:250,000</td>
<td>1</td>
</tr>
<tr>
<td>Figure 3:</td>
<td>Claim Map, (showing DDH WAT-7), 1:25,000</td>
<td>3</td>
</tr>
<tr>
<td>Figure 4:</td>
<td>DDH WAT-7; Waterloo Claim, (Plan), 1:2,500</td>
<td>3</td>
</tr>
<tr>
<td>Figure 5:</td>
<td>Section along DDH WAT-7, Waterloo Claim, 1:500</td>
<td>3</td>
</tr>
</tbody>
</table>

List of Appendices

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix 1:</td>
<td>Expenditures Statement</td>
<td>7</td>
</tr>
<tr>
<td>Appendix 2:</td>
<td>WAT-7 Drill Core Log, by W.J. Wilkinson, P.Geo.</td>
<td>8</td>
</tr>
<tr>
<td>Appendix 3:</td>
<td>Assay Certificates</td>
<td>9</td>
</tr>
</tbody>
</table>
Introduction

Summary

This report was prepared for submission to the British Columbia Ministry of Energy and Mines as an Assessment Report, in support of a Statement of Work filed on the Gold Hill Group, which consists of the Lou, Chico-On, 97Bev, Waterloo, and Slip #1 to Slip #4, a total of eight Mineral Claims containing 55 units, and situated in the Greenwood Mining Division. The costs being claimed for assessment credit relate to a diamond-drilling program completed in June of 2006 on the Waterloo Claim, on behalf of C.D. Whatley, FMC No. 128719, of Okanagan Falls, B.C., who is owner of record for all claims in the Gold Hill Group. Fieldwork consisted of one inclined NQ diamond drill hole, drilled to a depth of 59.1 metres. The drilling was conducted under Work Permit MX-S-503; Operators were B. Sherman, of Penticton, B.C., and D.W. Herbison, of Cawston, B.C.

Location, Physiography, Access

The Gold Hill Group is located within Camp McKinney, (see Figure 1), and is situated on the south slope of Mt. Baldy, at about 1300 to 1400 metres elevation. It is partly forested with coniferous trees. The Group is about 27 kilometres east-southeast of Oliver, and 13 kilometres north of the U.S. border in the southern interior of B.C. (Figure 1). The Waterloo Claim is centered at 49° 7' 02" north latitude, and 119° 10' 26" west longitude (see Index Map, Figure 2).

The property may be accessed from Oliver, B.C. via a good two-lane gravel road, which also provides access for logging, for local residents, and for the Mt. Baldy ski area. This road continues 12 km to the southeast, where it links to Highway 3 at the Rock Creek Canyon Bridge.

History

Camp McKinney is a well-known old gold mining camp. Placer gold was mined nearby, from Rock Creek and its tributaries, as early as 1860. Lode gold was found on upper Jolly Creek in 1884, and the Cariboo Vein was discovered three years later. Successful underground gold-silver mining operations were conducted intermittently on the Cariboo-Amelia vein system between 1894 and 1962. Because of complex faulting throughout the camp, gold bearing ore shoots were very hard to follow.

The Waterloo Mine, on the Waterloo Consolidated Fraction, Lot 2814, was developed between 1897(?) and 1903, on what may be an offset extension of the Cariboo-Amelia vein system. The No. 1 Shaft was sunk to a depth of 50', and the main shaft, No. 2, (340' to the east), was sunk to a depth of 260'. Drifting from the No. 2 shaft established Levels at depths of 50', 150', and 250'. Stoping was done from the 60', 150', and (presumably?) the 250' Levels. A five-stamp mill was established on the claim in 1899, but both mill and mine operated only intermittently in 1899 and 1900. Waterloo ore may have been processed at the nearby Cariboo-Amelia mill in the period 1899-1903. However, no records of production from the Waterloo Mine are available. Other than two attempts to dewater the workings, no work was done on the Waterloo between 1903 and 2001.

The Waterloo Claim, tenure number 374123, is a two-post located claim, acquired by the SWG Sherman Whatley Group (SWG) in January 2000. It covers the former (reverted) Crown Grant of the same name, Lot 2814. In 2001, SWG rehabilitated the No. 2 Shaft area, and installed an I-Beam structure over the shaft collar, from which a pump was lowered which dewatered the shaft to a depth of about 200'. All areas accessible from the 60' and 150' Levels were mapped, and some sampling was done on the 60' Level. In 2002, 388 metres (1280') in four NQ holes were diamond drilled on surface near the mine workings, guided by the information obtained from the 2001 underground program. This drilling did not intersect the sulphide zone seen in the
workings. Present plans are to diamond drill in an area to the west of the previous drilling, beneath where the target vein outcrops, and an assay of 0.25 oz./ton Au was obtained.

In June 2006, one inclined NQ diamond drill hole, WAT-7, was completed to a depth of 58.8 metres (194 feet).

The writer was asked, as a ‘Qualified Person’, to log the drill core, and to prepare this report with the assistance of C. Whatley, who provided drawings and much of the information here presented. Other than to log the drill core, the writer was not involved with any fieldwork, and did not visit the drill site.

Economic Assessment

The Gold Hill Group occupies ground that was first explored in the late 19th Century. On the Waterloo Claim, high-grade ore was mined from stopes on two (perhaps three) levels, over a vertical distance of up to 250'. High gold assays have been obtained from selected samples taken from the No. 2 Shaft dump, apparently consisting of shaft and level development muck.

The Waterloo vein may be an eastward extension of the ‘Cariboo-Amelia’ vein system on which very substantial and successful underground gold mining was conducted intermittently from 1894 to 1962. It thus has potential for an underground gold mining operation, although no economic quantities of ore are presently known.

Geological Setting

Regional and Local Geology

Camp McKinney lies within a relatively small (roughly 14 km by 5 km) window of metamorphosed sedimentary and volcanic Paleozoic rocks of the Anarchist Group, which is bounded to the south, west, north and northeast by very extensive Jurassic intrusives, and to the east by Eocene volcanics.

Gold occurs in quartz veins, associated predominantly with iron pyrite, but free gold has been reported. Sulphide mineralization is sparse; a little sphalerite and galena, with traces of chalcopyrite, (tetrahedrite, pyrrhotite) occur with the pyrite. The veins occur within argillic quartzites and andesitic volcanics.

In the Cariboo-Amelia Mine, the vein was described as a near-vertical fissure vein oriented nearly east-west, essentially perpendicular to the strike of the wallrocks. Good ore shoots tended to occur where the vein traversed the volcanic rocks, which provided more competent boundaries, presumably facilitating the concentration of gold deposition within the main fissure (“The Camp McKinney Gold Mine”, by H.L. Hill and L.P. Starck).

Property Mineralization

...from Minfile:

“Mineralization is confined to a vein zone striking east-southeast, dipping 85 degrees north and having a width of 1.22 metres. It consists of a number of bluish quartz stringers occurring in sheared greenstone. Free gold is reported from this zone. Stripping and opencutting in greenstone near the shaft exposed 30.5 metres of vein striking east-southeast and dipping 85 degrees north. The vein is 50 to 76 centimetres wide and largely barren.”

Based on his observations of the accessible underground levels and stopes, C.S. Whatley reported that the stopes (and the vein zone) are nearly vertical, and vary in width from 1.2 metres (4 feet) to 3.3 metres (10 feet). He also mentions that samples of “blue-grey quartz banded with sulphides streaked with galena” taken from the shaft dump yielded assays “ranging from a few ounces to 17 oz/t Au, 15 oz/t Ag, 0.3% Cu, 5.0% Pb and 3% Zn.”
Claim Information
The Waterloo Mineral Claim is a one-unit two-post claim. The locations for the Waterloo Claim, the Gold Hill Group, and the 2006 diamond drill hole, WAT-7, are shown on the Claim Map, Figure 3. The claim expiry date shown below is pending acceptance of this Report.

<table>
<thead>
<tr>
<th>Claim Name</th>
<th>Tenure No.</th>
<th>Type</th>
<th>No. of Units</th>
<th>Expiry Date</th>
<th>Registered Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waterloo</td>
<td>374123</td>
<td>2 Post</td>
<td>1</td>
<td>2017/Jan./06</td>
<td>Christopher D. Whatley</td>
</tr>
</tbody>
</table>

Technical Data and Interpretation

Purpose of the Work
The purpose of the 2006 drilling was to test the Waterloo vein down-dip from its surface expression, 137 metres (450') west of the No. 2 Shaft, where an assay of 0.25 oz./ton Au was obtained from the vein at surface, in an area to the west of previous diamond drilling.

Fieldwork Done
The NQ diamond drill hole WAT-7 was completed between June 10 and June 15, 2006. It was oriented at an azimuth of 026° with an inclination of -55°, and was taken to a depth of 58.8 metres (194 feet). The position of this hole is shown on Figure 4. Figure 5 is a section along the drill hole, showing the surface profile, and the drill hole with geological and assay intervals labeled.

The drill core is stored in a shed on the property of G.H. Whatley, at 5150 14th Avenue, Okanagan Falls, B.C. The writer logged the core at this location, on June 22, 2006.

Analysis
The eight samples taken were split using a mechanical splitter, and submitted to Acme Analytical Laboratories Ltd., Vancouver, B.C. (Acme). At the Acme lab, 0.5 gm samples were leached with 3 ml of 2-2-2 HCl-HNO3-H2O at 95 degrees C. for one hour, diluted to 10 ml, and then analyzed for 36 elements by ICP-MS. One Assay-Ton Fire Assays of the eight samples were also done, with analysis by ICP-ES.

Results
The Wat-7 drill core consists predominantly of a dirty, well-banded quartzite, generally marked by thin dark chloritic and talcose (also graphitic?) seams; short intervals display swirled and contorted banding. The interval from 17.83 metres to 35.35 metres consists of interbedded andesitic tuffs and a black to dark grey argillitic quartzite. Some of the tuffaceous intervals appear to conform to the quartzite banding, while others show an unconformable contact. The dark argillitic intervals show evidence of hydrothermal quartz deposition, and small patches of sulphides, as pyrite and pyrrhotite. The sulphide-bearing intervals are frequently fairly magnetic. Samples taken within these sulphide-bearing argillitic rocks yielded low gold assays. Iron content was not significantly different than that found in the vein quartz, however.

A strong quartz vein was intersected from 44.35 metres to 51.66 metres, and is bounded on both footwall and hanging wall by the impure quartzite. The upper contact is at 45 degrees to the core axis, and clearly cuts across the quartzite banding, which is here well defined, (and is aligned parallel to the core axis). The vein consists of hard, fresh, dark grey, chert-like quartz, containing...
Greenwood Mining Division
Gold Hill Group, Camp McKinney
Lou, 214867
Chico-On, 319186
97 BEV, 359678
Slip 1 - 4, 367750-367753
Waterloo, 374123

Figure: Yotei Drawing is reduced from drawing Waterloo claim prepared by C. Whatley

Gold Hill Group, Camp McKinney
Claim Map
Showing Location of the Waterloo Claim and DDH WAT-7
(Partial Copy of M082E014 & M082E015)

Scale 1:25000 September, 2006 W.J. Wilkinson Figure 3
Legend

- Overburden
- Impure Quartzite
- Argillitic Quartzite
- Tuff
- Crystal Tuff
- Dacite Dyke
- Quartz Vein

Waterloo Claim, Gold Hill Group
Diamond Drill Hole WAT-7

Section Along DDH WAT-7 With Geology,
Sampled Intervals (Gold by Fire Assay, gm/nt)

* : Elevation reference approximated
Azimuth of Section : 026 degrees (Looking East)
Note: Surface profile, hole and claim location provided by C. Whatley

Scale 1:5000  Sept., 2006  Drawn: W.J. Wilkinson  Figure 5
small pyrite grains, and other aphanitic, dark (sulphide?) grains. The highest assay (103.0 ppb Au) was obtained from the interval from 47.85m to 49.38m (162'-170').

**Interpretation and Conclusions**

The vein intersection fits well with the trenched surface vein exposure (Figure 5), and the vein location agrees with the Waterloo Vein attitude, approximately east-west with 85 degree north dip. The indicated true vein width of +/-3 metres is consistent with the stope dimensions observed by C. Whatley in the Waterloo Mine underground workings, about 150m to the east.

No values approaching a potential ore grade were found in this drill hole, a result that reflects the extreme difficulty of locating and following ore shoots in the gold-bearing quartz vein(s) in the McKinney Camp.

Respectfully submitted,

William J. Wilkinson, B. Sc., P. Geo.

September 15, 2006
References

Annual Report of the Minister of Mines, Province of British Columbia, (for) 1894, page 754
Annual Report of the Minister of Mines, Province of British Columbia, (for) 1897, pages 603-607
Annual Report of the Minister of Mines, Province of British Columbia, (for) 1898, page 1118
Annual Report of the Minister of Mines, Province of British Columbia, (for) 1901, page 1152
Statement of Qualifications

I, William John Wilkinson, of the City of Penticton, in the Province of British Columbia, hereby certify the following:

1. I am an independent geologist with a residence at 126 Nagle Place, Penticton, British Columbia.
2. I am currently self-employed.
3. I am a graduate of the University of British Columbia (B. Sc., 1966), and in 1967 completed an additional year of geological studies at U.B.C.
4. I have practiced my profession continuously since 1967, and I had previously worked at several mines, and on mining exploration field projects, since 1955. My experience includes prospecting, geological fieldwork and field program management, underground mine geological supervision, mapping and exploration, open pit mine exploration, development and production supervision.
5. I am a Fellow of the Geological Association of Canada.
6. I am registered with The Association of Professional Engineers and Geoscientists of British Columbia as a Professional Geoscientist (P.Geo.).
7. I am familiar with the general vicinity of Camp McKinney.
8. I have no direct or indirect interest in the property described herein.

Appendix 1

EXPENDITURES STATEMENT

Waterloo Claim Diamond Drilling, June 2006

GOLD HILL GROUP,
Camp McKinney,
BRITISH COLUMBIA

Provided By Mr. C.D. Whatley
Expenditures Statement

Waterloo Claim, Gold Hill Group

June, 2006

(Drilling Costs Provided by C.D. Whatley)

Diamond drilling, one NQ hole, 59.13 metres (194 feet),
drilled from June 10 to June 15, 2006: 194' @ $35.00/foot $6,790.00

Two 4 wheel drive pickups, each 5 days @ $50.00/day $500.00

D-2 Caterpillar, 5 days @ $100.00 per day $500.00

Travel Expenses, 20% of Cost of Work Done $1,358.00

Invoice for Logging Core, Diamond Drilling Report by W.J. Wilkinson, P.Geo. $1,000.00

Total of Expenditures $10,148.00

W.J. Wilkinson, B.Sc., P.Geo.

September 15, 2006
Appendix 2

DIAMOND DRILL LOG

Hole WAT-7

DRILLED IN JUNE 2006, ON WATERLOO CLAIM

Tenure No. 214867

Owned by: C.D. Whatley

GOLD HILL GROUP, CAMP McKINNEY, BRITISH COLUMBIA

CoreLogged By

William J. Wilkinson, P.Geo.

June 22, 2006
<table>
<thead>
<tr>
<th>Metres</th>
<th>Feet</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>0</td>
<td>Casing-Overburden, reamed</td>
</tr>
<tr>
<td>2.74</td>
<td>9.0</td>
<td>Impure Quartzite: moderately hard, light grey to grey-brown, finely color-banded, generally at 45 degrees to core axis (c.a.), but locally at 10 to 20 degrees to c.a. Thin calcite seams along banding and on fractures, up to 10% to 20% of rock, especially from 9' to 23'. Rock is strongly chloritized and talcose from 23' to 58.5' (9-13': weathered, decomposed bedrock)</td>
</tr>
<tr>
<td>17.83</td>
<td>58.5</td>
<td>Andesitic Crystal Tuff?: light grey, non-banded rock with 'salt and pepper' texture due to fine white and dark crystals showing foliation at 30 to 45 degrees to c.a. At 64', contact is at 45 degrees to c.a.</td>
</tr>
<tr>
<td>19.05</td>
<td>64.0</td>
<td>Argillitic Quartzite: Very hard, dark grey to black rock with spotty large quartz patches and seams.</td>
</tr>
<tr>
<td>25.75</td>
<td>84.5</td>
<td>Tuff?: Moderately hard, olive-tan, aphanitic to very fine-grained rock; well pyritized (1/2%), on fractures. 84.5': contact at 45 degrees; 87.5': contact at 30 degrees to c.a.</td>
</tr>
<tr>
<td>26.67</td>
<td>87.5</td>
<td>Argillitic Quartzite: Same as (64' - 84.5')</td>
</tr>
<tr>
<td>28.90</td>
<td>94.8</td>
<td>Dyke: Hard, olive-tan rock, with abundant altered (aphanitic, rounded, brown) mafic grains (biotite?). Well fractured, with abundant black chlorite (and graphite?) on fractures.</td>
</tr>
<tr>
<td>30.02</td>
<td>98.5</td>
<td>Argillitic Quartzite: Hard light to dark grey, grey-black and black, locally well-banded rock; banding varies from 0 degrees to 30 degrees to c.a.; abundant pyrite and pyrrhotite (rock noticeably magnetic) in black argillite interval from 102' to 104.3'.</td>
</tr>
<tr>
<td>31.79</td>
<td>104.3</td>
<td>Wavy contact at 45 degrees to c.a. cuts across argillitic banding (at 0 degrees to c.a.)</td>
</tr>
<tr>
<td>31.79</td>
<td>104.3</td>
<td>Tuff: As 84.5 - 87.5, light olive to olive-tan, with fine banding; thin quartz seams parallel to banding; very magnetic interval; 5% pyrite and pyrrhotite.</td>
</tr>
<tr>
<td>33.22</td>
<td>109.0</td>
<td></td>
</tr>
</tbody>
</table>
## Diamond Drill Log

### Waterloo Claim, Camp McKinney

**Core Logged by:**
W.J. Wilkinson, P. Geo., June 22, 2006

**Location:** Waterloo

**Hole No.:** WAT-7

### Core Interval

<table>
<thead>
<tr>
<th>Meets</th>
<th>Feet</th>
<th>From To From To</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.22-35.35</td>
<td>109.0-116.0</td>
<td></td>
<td>Argillitic quartzite, with short tuffaceous intervals; dark rock with 5% pyrite and pyrrhotite; magnetic.</td>
</tr>
<tr>
<td>35.36-44.35</td>
<td>116.0-145.5</td>
<td></td>
<td>Quartzite: highly variable; bedding varies from 'swirled' at +/- 0 degrees to c.a., to finely banded at 45 degrees to c.a., variable, weak to strong quartz flooding.</td>
</tr>
<tr>
<td>44.35-50.60</td>
<td>145.5-166.0</td>
<td></td>
<td>Contact at 45 degrees to c.a., cuts across quartzite (banding at 0 degrees to c.a.)</td>
</tr>
<tr>
<td>50.60-58.8</td>
<td>166.0-188.8</td>
<td></td>
<td>Quartz Vein: dark grey, hard, fresh, chert-like quartz, containing small grains of pyrite, plus aphanitic dark (sulphide?) grains. Abundant chloritized fractures.</td>
</tr>
<tr>
<td>58.8-66.0</td>
<td>188.8-194.0</td>
<td></td>
<td>Quartzite with swirled banding; tuff intervals. Banding at 30 degrees to c.a.; graphitic horizons.</td>
</tr>
</tbody>
</table>

**Sample No. | From To From To | Length | Assays | Recovery (Ft) |
-------------|-----------------|--------|--------|---------------|
N.S.         | 30.78 44.20     | 13.42  | -----  | 114-124 0.0   |
WAT7-145     | 44.20 45.41     | 1.21   | 0.9    | 139-149 0.0   |
WAT7-149     | 45.41 46.63     | 1.22   | 19.8   | 149-156 0.0   |
WAT7-163     | 46.63 47.85     | 1.22   | 3.6    | 156-162 0.0   |
WAT7-157     | 47.85 49.38     | 1.53   | 103.0  | 162-170 0.0   |
WAT7-162     | 49.38 50.60     | 1.22   | 7.4    | 170-174 0.0   |
WAT7-166     | 50.60 52.43     | 1.83   | 34.3   |               |
N.S.         | 52.43 59.13     | 6.70   | -----  | 188-194 0.0   |

---

59.13m (194'): End of Hole

58.6m (194'): End of Hole
Appendix 3

ASSAY CERTIFICATES

DIAMOND DRILL CORE

ACME ANALYTICAL LABORATORIES LTD.
## GEOCHEMICAL ANALYSIS CERTIFICATE

**Whatley, G.R. File # A603416**

**Box 197, Okanagan Falls BC V0H 1R0 Submitted by: G.R. Whatley**

| SAMPLE# | Mo | Cu | Zn | Ag | Ni | Co | Mn | Fe | As | U | Th | Sr | Cd | Sb | Bi | V | Ca | P | La | Cr | Mg | Ba | Ti | B | Al | Na | K | W | Hg | Sc | Tl | S | Ga | Se Sample |
|---------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|
| G-1     | .2 | 3.4| 3.1| 45 | .3 | 3.9| 3.9| 525| 1.86| <.5| 2.9| <.5| 4.2| 74 | <.1| .1 | 34 | .57 | .081| 9 | 10 | .59 | 211| .123| 1 | 1.01 | .093| 49 | .2 <.01 | 2.1| <.05 | 5 | <.5 | .1 |
| WAT-7-90| 2.1| 55.9| 3.8 | 43 | .1 | 96.6| 14.9| 469| 2.64| 1.7| .4 | 6.3 | 3.6 | 69 | .1 | <.1| .1 | 55 | 1.9 | .055| 6 | 240 | 1.86 | 311| .116| <.1 | 1.7 | .042| .26 | <.01 | 4.8 | <.1 | 11 | 6 | <.5 | 1.7 |
| WAT-7-98.5| 3.6| 77.3| 4.3 | 75 | .3 | 81.1| 13.1| 631| 3.93| <.5| .3 | 2.6 | 2.6 | 151| .7 | <.1| .2 | 34 | 3.59 | .075| 18 | 136 | 1.68 | 65| .047| <.1 | 1.4 | .055| .09 | <.1 | 0.3 | <.1 | 1.13 | 8 | 1.9 | 1.7 |
| WAT-7-145| 1.7| 22.9| 1.3 | 58 | .1 | 32.4| 16.8| 1012| 3.78| 25.0| .1 | 9 | 8.2 | 31 | .1 | <.1| .1 | 62 | 3.88 | .101| 6 | 53 | 1.55 | 76 | .034| 1 | 1.75 | .021| .39 | <.1 | 1.0 | 4.0 | <.1 | 0.9 | 6 | <.5 | 2.0 |
| WAT-7-149| .1| 13.5| 1.1 | 41 | <.1| 16.0| 12.0| 804| 3.15| 13.2| <.1| 19.8| 8 | 325| <.1| <.1| 27 | 3.59 | .096| 5 | 25 | 1.22 | 59 | .012| 2 | 1.26 | .020| .34 | <.1 | 1.9 | <.1 | 0.8 | 3 | <.5 | 2.5 |
| WAT-7-153| .1| 16.8| 3.1 | 94 | .2 | 17.3| 12.9| 859| 3.35| 18.6| .1 | 3.6 | 8.2 | 54 | .1 | <.1| .1 | 30 | 3.50 | .095| 6 | 281 | 1.43 | 61 | .007| 3 | 1.35 | .022| .29 | <.1 | 2.2 | <.1 | 0.5 | 4 | <.5 | 2.4 |
| WAT-7-157| .1| 54.7| 6.4 | 67 | .6 | 15.8| 11.9| 878| 2.82| 28.0| .1 | 103.0| .6 | 277| .6 | <.1 | 12 | 3.41 | .052| 3 | 14 | 1.08 | 73 | .004| 2 | .58 | .012| .33 | <.1 | 1.0 | 1.5 | <.1 | 0.3 | <.5 | 1.5 |
| WAT-7-162| .3| 31.4| 2.3 | 42 | .3 | 45.2| 16.5| 857| 3.20| 51.4| .1 | 7.4 | .7 | 349| .1 | <.1| .2 | 23 | 3.41 | .055| 5 | 58 | 1.47 | 92 | .005| 3 | 1.00 | .023| .28 | <.1 | 2.5 | <.1 | 0.9 | 3 | <.5 | 2.3 |
| WAT-7-156| 1.6| 75.9| 120.6| 369| 1.2 | 111.4| 23.1| 985| 4.33| 282.3| .1 | 34.3| 1.0 | 481| 5.5 | 1.6 | .1 | 27 | 4.61 | .110| 5 | 101 | 2.37 | 69 | .003| 3 | .88 | .022| .16 | <.1 | 0.1 | 1.1 | <.1 | 0.3 | 2 | .6 | 3.6 |
| STANDARD DS7| 19.9| 101.6| 65.5| 413| .8 | 53.5| 8.2 | 612| 2.31| 49.8| 4.8 | 40 | 0.4 | 4.2 | 73 | 5.7 | 7.4 | 4.4 | 76 | .92 | 0.078| 12 | 154 | 1.03 | 356| .114| 42 | .96 | .079| 41.3 | 3.5 | <.1 | 18.2 | 4.1 | <.5 |

**GROUP 7DX - 0.50 GM SAMPLE LEACHED WITH 3 ML 2-2-2 HCL-HNO3-HZO AT 95 DEG. C FOR ONE HOUR, DILUTED TO 10 ML, ANALYSED BY ICP-MS.**

(*) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT Au SOLUBILITY.

SAMPLE TYPE: Drill Core R150

Date FA ___ DATE RECEIVED: Jul 7 2006 DATE REPORT MAILED: 2006-07-20 P04:23

All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of the analysis only.
<table>
<thead>
<tr>
<th>SAMPLE#</th>
<th>Au** gm/mt</th>
</tr>
</thead>
<tbody>
<tr>
<td>G-1</td>
<td>&lt;.01</td>
</tr>
<tr>
<td>WAT-7-90</td>
<td>&lt;.01</td>
</tr>
<tr>
<td>WAT-7-98.5</td>
<td>.02</td>
</tr>
<tr>
<td>WAT-7-145</td>
<td>&lt;.01</td>
</tr>
<tr>
<td>WAT-7-149</td>
<td>.01</td>
</tr>
<tr>
<td>WAT-7-153</td>
<td>&lt;.01</td>
</tr>
<tr>
<td>WAT-7-157</td>
<td>.19</td>
</tr>
<tr>
<td>WAT-7-162</td>
<td>.02</td>
</tr>
<tr>
<td>WAT-7-166</td>
<td>.06</td>
</tr>
<tr>
<td>STANDARD OxL34</td>
<td>5.75</td>
</tr>
</tbody>
</table>

GROUP 6 - PRECIOUS METALS BY FIRE ASSAY FROM 1 A.T. SAMPLE, ANALYSIS BY ICP-ES.
SAMPLE TYPE: Drill Core R150

Data_ FA_ DATE RECEIVED: JUL 7 2006 DATE REPORT MAILED: ..................
<table>
<thead>
<tr>
<th>QTY</th>
<th>ASSAY</th>
<th>PRICE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>ASSAY3 @</td>
<td>21.80</td>
<td>174.40</td>
</tr>
<tr>
<td>8</td>
<td>R150 - CORE @</td>
<td>5.65</td>
<td>45.20</td>
</tr>
</tbody>
</table>

RXCR - 11.10 kg @ $0.95/kg  
PXPR - 17100 gm @ $1.60/250 gm  
SURCHARGE FOR UNDER 20 SAMPLES PER BATCH

GST Taxable  
6.00% GST

RECEIVED CHEQUE #141 - THANK YOU.

CAD $  

-265.00  
386.47  
364.59  
21.88  
121.47

Samples submitted by G.R. Whatley

Please pay last amount shown. Return one copy of this invoice with payment.

TERMS: Net two weeks. 1.5% per month charged on overdue accounts.
NOTE: I DON'T HAVE A P.A.C. ACCOUNT
AND I WAS ADVISED TO ATTACH A NOTE
REQUESTING AN ACCOUNT BE SET UP IN MY
NAME — CHRISTOPHER DREW WHATLEY
FMC # 128719
Box 197
OKANAGAN FALLS B.C.
V0H 1RO
250-497-5762

THANK YOU

Chris Whatley