REPORT ON 2006 CORE DRILLING PROGRAM

CDH-1 CLAIMS GROUP
WHITE CRYSTALLINE LIMESTONE DEPOSIT
VANCOUVER ISLAND, BRITISH COLUMBIA

NTS 92L/7W
NANAIMO MINING DIVISION
BRITISH COLUMBIA

LATITUDE 50° 20' 40" NORTH
LONGITUDE 126° 51' 17" WEST

FOR OMYA CANADA INC. (Client #145298)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Performed By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permitting and Layout</td>
<td>June – August, 2006</td>
<td>Joel Blumenthal (Geologist)</td>
</tr>
<tr>
<td>Contract Drilling</td>
<td>September, 2006</td>
<td>Neill's Mining Ltd</td>
</tr>
<tr>
<td>Core Ship to Vermont</td>
<td>September, 2006</td>
<td>FedEx Freight</td>
</tr>
<tr>
<td>Core Layout, Log &amp; Photo</td>
<td>September, 2006</td>
<td>Joel Blumenthal (Geologist)</td>
</tr>
</tbody>
</table>

Date Submitted: November 15, 2006

Author: Joel Blumenthal (Geologist)
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INTRODUCTION

Initial core drilling exploration was completed on the CDH-1 Claim Group in 2006.

The claim group is located in the Kinman Creek Area east of Nimpkish Lake on the north end of Vancouver Island, British Columbia. The claims are held by Omya Canada Inc. and contain white, high-calcium crystalline limestone.

The core drilling program follows the 2000 and 2005 geologic mapping and surface sampling programs in an ongoing effort to characterize this deposit area of white crystalline limestone associated with the Triassic Lower Quatsino Formation in terms of potential ore quality and quantity for possible future development.

Omya Canada Inc. is based in Perth, Ontario. It is the largest producer of white, finely ground, high-calcium carbonate products in Canada. Its powder and slurry products are consumed throughout the paper, plastic, paint, pharmaceutical, and building industries.

PROPERTY STATUS

The CDH-1 Claim Group (Tenure #380973) currently consists of sixteen (16) claims covering a 400 Hectare area as shown in Figures 1 and 2. The Claim Group is presently registered in the name of Omya Canada Inc.

LOCATION AND ACCESS

The CDH-1 Claim Group covers part of a mountainous area near the headwaters of Kinman Creek and is approximately 5 km east of Nimpkish Township which is located on the east shore of Nimpkish Lake. Port McNeill, the closest town is about 43 km (by road) to the northwest. Access from the Port McNeill BC Highway 19 turnoff is south for 27 km to the Noomas River Bridge then via logging roads to the east for 16.2 km. The CDH-1 Claim Group is located in Western Forest Products Tree Farm License Area No. 37.

PREVIOUS ASSESSMENT REPORTS

Previous CDH-1 Claim Group assessment reports by Howard Brown have described Physiography and Climate, Uses and Specifications of High Brightness, High-Purity Limestone, Regional Geology, Local Geology, Formation of the Limestone Deposit, and Deposit Description including prior geologic mapping and assays.

SUMMARY OF 2006 CORE DRILLING

Omya Canada Inc. submitted a core drilling project permit application to the British Columbia Ministry of Energy, Mines & Petroleum on June 12, 2006 and received approval on August 31, 2006. As a condition of the Kinman Creek (CDH-1 Tenure
Claims Mineral and Coal Notice of Work and Reclamation Program a $3,500 security deposit was posted prior to commencement of the surface work. Core layouts along an existing road in a previously logged area (no new disturbance) and other preparations were completed in a July, 2006 field review. Operations personnel from Western Forest Products were contacted prior to drilling and conducted a safety meeting with the drilling contractor, Neill’s Mining Ltd., prior to site mobilization.

Two (2) vertical BQ Cores (BC-KC-06-1 and 2) were drilled in August, 2006 on the CDH-1 Claim Group as shown in Figure 2. The cores were collared along the edge of an existing logging road in the central and southeastern portion of the claim group in an effort to intercept the white crystalline limestone layers associated with the Triassic Lower Quatsino Formation.

This program completed a total 182.5 M (599’) of core drilling equally divided between Core BC-KC-06-1 to 91.4 M (300’) depth and BC-KC-06-2 to 91.1 M (299’) depth.

Collar Coordinates as follows:

<table>
<thead>
<tr>
<th>Core</th>
<th>East UTM</th>
<th>North UTM</th>
<th>Longitude</th>
<th>Latitude</th>
<th>Elevation</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC-KC-06-1</td>
<td>09 642925E</td>
<td>5589317N</td>
<td>50°20'46&quot;N</td>
<td>126°51'02&quot;W</td>
<td>~2700'</td>
</tr>
<tr>
<td>BC-KC-06-2</td>
<td>09 642541E</td>
<td>5589421N</td>
<td>50°20'56&quot;N</td>
<td>126°51'48&quot;W</td>
<td>~2700'</td>
</tr>
</tbody>
</table>

Note – UTM Coordinate NAD83 by Garmin Geko 301 GPS with TatukGIS conversion to Long/Lat and approximate elevation from NTS.

Core lithologies are documented in Figures 4 and 5 and logged in Tables 1 and 2.

Note - Cores were marked and initially logged in imperial units and later converted to metric units. All thickness figures reported are drilled thickness. Potential ore layers were identified by their visual color (white to off-white and light grey) indicating their initial potential for white finely ground, high-calcium carbonate products.

BC-KC-06-1 was collared near the hanging wall contact and intersected 20.5 M (67’) of dominantly dark grey crystalline dolomitic limestone overlying the 45.5 M (150’) thick potential ore layers. These potential ore layers are comprised of three (3) 12.5 M (41’) thick white to very light grey crystalline limestone layers. They are separated by two (2) 2.7-4.8 M (9-16’) thick variable light and dark grey crystalline dolomitic limestone beds. Below these layers and extending to the end of the core is an alternating sequence of predominantly light and medium grey crystalline dolomitic limestone with white to very light grey crystalline limestone layers. This includes the partial thickness of white to light grey crystalline limestone in which the core was terminated.

BC-KC-06-2 was collared directly into white to very light grey crystalline limestone layers. It initially intersected two (2) 12.5-15.1 M (41-49’) thick white to very light grey crystalline limestone layers. These potential ore layers are divided by a 1.19 M (4’) thick
white to very light grey crystalline dolomitic limestone bed above a narrow steep fault. It is unclear if the two layers are repeated by the fault. Below these layers is a 36.6 M (120') thick relatively massive white to very light grey crystalline dolomitic limestone with another small steep fault towards the top. Further below is a 15.4 M thick (50.5') thick white to very light grey crystalline limestone (another potential ore layer) underlain by another white to light grey crystalline dolomitic limestone which has been intruded by a mafic dike/sill. The core was terminated in the mafic dike/sill.

This was the first core drilling by Omya Canada Inc. on the CDH-1 Claim Group. The two cores are 400 M (1300') apart along an approximate strike line oriented ENE x WNW. With this information it appears that a portion of potential ore layers in BC-KC-06-1 can be correlated with the upper potential ore layers in BC-KC-06-2 assuming the upper fault had very minor displacement and the individual layer thickness over the distance between cores is consistent.

The cores are in Omya Industries Inc. Geology Department storage in Proctor, Vermont.

RECOMMENDATIONS

The work detailed in this report was carried out to evaluate the quality of potential ore and detailed stratigraphy on the property. Continued evaluation will consist of ongoing core drilling (including possible deepening of BC-KC-06-1 and 2) with analyses and geologic mapping with sampling as the access is improved by ongoing logging in the area. It will be important to determine the geologic controls (i.e. structure and stratigraphy) on the thickness and distribution of the potential ore layers.

REFERENCES

Brown, Howard; Preliminary Evaluation Omya Kinman Creek CDH-1 Claims Group, White Calcite Marble Deposit; Vancouver Island, British Columbia; Omya St. Armand Ltd. Submitted October 29, 2000.

## EXPENDITURE

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<th>Quantity</th>
<th>Unit</th>
<th>Cost</th>
<th>Subtotal</th>
</tr>
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<tr>
<td>Core Drilling</td>
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<td></td>
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<tr>
<td>Core Drilling (BC-KC-06-1 &amp; 2)</td>
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<td>598'</td>
<td>$25.00</td>
<td>$14,950.00</td>
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<td>Time - Moves Drill and Waterline</td>
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<td>$16.00</td>
<td>$544.00</td>
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<td>1</td>
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<td>$2,000.00</td>
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<td>GST</td>
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<td>$976.44</td>
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<td>Subtotal</td>
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<td>Lodging and Meals</td>
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<td>RT Airfare Vancouver-Port McNeill</td>
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<td>Markout Supplies</td>
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<td>Program Coordination and Permit/Bond</td>
<td></td>
<td>2</td>
<td>$425.00</td>
<td>$850.00</td>
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<tr>
<td>Core Logging, Synthesis &amp; Photography</td>
<td></td>
<td>1.5</td>
<td>$425.00</td>
<td>$637.50</td>
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<td>Subtotal</td>
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<td>$2,337.50</td>
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<td>Subtotal (all)</td>
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<td>+10% Overhead (less GST)</td>
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<td></td>
<td></td>
<td>$2,348.23</td>
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<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>$26,806.99</td>
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</table>
QUALIFICATIONS

Joel Blumenthal

Omya Industries Inc.
61 Main St
Proctor, Vermont 05765

Senior Geologist December, 1995-Present

Assistant to Chief Geologist – Department of Geology, Quarries, and Land Management. Servicing companies and affiliates in the Omya group primarily regarding ground calcium carbonate deposits. Responsibilities include planning and implementation of deposit exploration and modeling; and quarry permitting, development, production and reclamation.

Pluess-Staufer Industries, Inc.
(now Omya Industries, Inc.)

Geologist, April, 1990 – December, 1995

Contract Geologist, September, 1987 – April, 1990

Education

B.S., Geology; University of Wisconsin – Madison, May, 1986
FIGURES
FIGURE 1 1:50,000

CDH-1 CLAIM GROUP INDEX MAP - DMYA CANADA INC. VANCOUVER ISLAND, BRITISH COLUMBIA
MAP OF PORTION OF CDH-1 CLAIM GROUP - OMYA CANADA INC.
SHOWING 2006 CORE LOCATIONS WITH 2005 OUTCROP SAMPLING
AND GEOLOGY PREVIOUSLY REPORTED ON CANFOR MAP BASE.
VANCOUVER ISLAND, BRITISH COLUMBIA.
DOLOMITIC DARK GREY
LIGHT GREY
DOLOMITIC LIGHT-DARK GREY
WHITE-VERY LIGHT GREY
DOLOMITIC MEDIUM GREY
WHITE-VERY LIGHT GREY
DOLOMITIC LIGHT GREY
WHITE-VERY LIGHT GREY
DOLOMITIC LIGHT GREY
WHITE-VERY LIGHT GREY
DOLOMITIC MEDIUM GREY
WHITE-VERY LIGHT GREY
DOLOMITIC LIGHT AND MEDIUM GREY
WHITE-LIGHT GREY

91.44 M

NOTE
ALL LITHOLOGIES AS WHITE TO LIGHT GREY CRYSTALLINE
COARSE GRAIN LIMESTONE UNLESS INDICATED & ALL
DOLOMITIC AS FINE-MEDIUM GRAIN.

FIGURE 4 DDH BC-KC-06-1 LITHOLOGY SECTION 1:600
NOTE
ALL LITHOLOGIES AS WHITE TO LIGHT GREY CRYSTALLINE COARSE GRAIN LIMESTONE UNLESS INDICATED & ALL DOLOMITIC AS FINE-MEDIUM GRAIN.

FIGURE 5 DDH BC-KC-06-2 LITHOLOGY SECTION 1:600
TABLES
### Core Log BC-KC-06-1

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<thead>
<tr>
<th>FR (M)</th>
<th>TO (M)</th>
<th>INT (M)</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>0.00</td>
<td>5.94</td>
<td>19.50</td>
<td>Dolomitic Dark Grey; massive fg and banded with minor medium grey.</td>
</tr>
<tr>
<td>5.94</td>
<td>10.21</td>
<td>4.27</td>
<td>Light Grey</td>
</tr>
<tr>
<td>10.21</td>
<td>20.48</td>
<td>10.27</td>
<td>Dolomitic; light-dark grey</td>
</tr>
<tr>
<td>20.48</td>
<td>33.01</td>
<td>12.53</td>
<td>White - Very Light Grey</td>
</tr>
<tr>
<td>33.16</td>
<td>36.00</td>
<td>2.83</td>
<td>Dolomitic Medium Grey</td>
</tr>
<tr>
<td>36.00</td>
<td>48.77</td>
<td>12.77</td>
<td>White - Very Light Grey</td>
</tr>
<tr>
<td>48.77</td>
<td>53.73</td>
<td>4.97</td>
<td>Dolomitic; light grey</td>
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<tr>
<td>53.73</td>
<td>65.99</td>
<td>12.25</td>
<td>White - Very Light Grey</td>
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<tr>
<td>65.99</td>
<td>72.57</td>
<td>6.56</td>
<td>Dolomitic; light grey</td>
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<tr>
<td>72.57</td>
<td>77.54</td>
<td>4.97</td>
<td>White - Very Light Grey</td>
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<td>77.54</td>
<td>87.53</td>
<td>10.00</td>
<td>Dolomitic; light and medium grey</td>
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<td>87.69</td>
<td>91.44</td>
<td>3.75</td>
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<td>EOC</td>
<td>91.44 M</td>
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**Note:** All lithologies as White to Light Grey Crystalline Coarse Grain Limestone unless indicated & all Dolomitic as Fine-Medium Grain.

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**Table 1 Core Log BC-KC-06-1**
### Core Log BC-KC-06-2

#### DESCRIPTION

*Note - All lithologies as White to Light Grey Crystalline Coarse Grain Limestone unless indicated & all Dolomitic as Fine-Medium Grain.*

<table>
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<tr>
<th>FR (M)</th>
<th>TO (M)</th>
<th>INT (M)</th>
<th>Note</th>
<th>Description</th>
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<tr>
<td>0.00</td>
<td>12.56</td>
<td>12.56</td>
<td></td>
<td>White - Light Grey&lt;br&gt;(Disc'd to 35')</td>
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<td>12.56</td>
<td>13.75</td>
<td>1.19</td>
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<td>Dolomitic: white - very light grey</td>
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<tr>
<td>13.75</td>
<td>13.87</td>
<td>0.12</td>
<td></td>
<td>Fault with minor gouge (Steep to Core ~80D)</td>
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<tr>
<td>13.87</td>
<td>29.03</td>
<td>15.16</td>
<td></td>
<td>Dominantly White - Light Grey</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21.09 22.22 1.13 Medium - Dark Grey</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22.22 27.06 4.85 Light Grey</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>27.06 29.03 1.97 White - Very Light Grey</td>
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<td>29.03</td>
<td>32.89</td>
<td>3.86</td>
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<td>Dolomitic: white - very light grey</td>
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<td>32.89</td>
<td>33.53</td>
<td>0.64</td>
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<td>Fault with gouge (Steep to Core ~80D)</td>
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<tr>
<td>33.53</td>
<td>65.62</td>
<td>32.09</td>
<td></td>
<td>Dolomitic: white - very light grey</td>
</tr>
<tr>
<td></td>
<td>65.62</td>
<td></td>
<td></td>
<td>33.91 34.26 0.35 White - Very Light Grey</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>41.33 41.76 0.43 White</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td>49.68 53.95 4.27 Minor mafic clots and streaks</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>61.66 63.64 1.98 Dolomitic; medium grey</td>
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<tr>
<td>65.62</td>
<td>81.01</td>
<td>15.39</td>
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<td>White - Very Light Grey</td>
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<td>81.01</td>
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<td></td>
<td>67.97 68.36 0.40 Dolomitic; white - very light grey</td>
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<td></td>
<td></td>
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<td></td>
<td>70.88 71.49 0.61 Dolomitic; white</td>
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<tr>
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<td></td>
<td></td>
<td>71.78 72.26 0.49 Dolomitic; white</td>
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<td></td>
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<td></td>
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<td>73.76 76.65 2.90 Disc'd</td>
</tr>
<tr>
<td>80.07</td>
<td>80.31</td>
<td></td>
<td></td>
<td>75.28 76.81 1.52 Minor dk mafic clots/streaks; Hvy 251-252</td>
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<td></td>
<td></td>
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<td>80.07 80.31 0.24 Dolomitic; white</td>
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<tr>
<td></td>
<td>85.49</td>
<td>4.48</td>
<td></td>
<td>Dolomitic: white to light grey toward base&lt;br&gt;(Base contact ~90D to core)</td>
</tr>
<tr>
<td>85.49</td>
<td>86.62</td>
<td>1.13</td>
<td></td>
<td>Mafic; dike/sill; fine grain green with skarn mineralization,</td>
</tr>
<tr>
<td>86.62</td>
<td>87.29</td>
<td>0.67</td>
<td></td>
<td>Dolomitic: white with skarn mineralization near contacts</td>
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<tr>
<td>87.29</td>
<td>91.13</td>
<td>3.84</td>
<td></td>
<td>Mafic; dike/sill; fine grain green.</td>
</tr>
<tr>
<td>EOC</td>
<td>91.13</td>
<td>M</td>
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</table>

Table 2 Core Log BC-KC-06-2
APPENDIX
Dear Mr. Blumenthal,

Re: Mines Act Permit MX-0-240, Approval # 06-1810340-0331, Property: Kinman Creek

Please find enclosed your Mines Act permit which authorizes exploration activities as detailed in the Notice of Work and Reclamation Program dated June 12, 2006. The Notice of Work and Reclamation Program forms part of the permit and you are reminded that you may not depart from the permitted program without written authorization.

Please ensure that you and all persons who are carrying out activities in accordance with this permit comply with all terms and conditions of the permit and are familiar with the permitted work program.

This permit applies only to the requirements under the Mines Act and Health, Safety and Reclamation Code for Mines in British Columbia (Code). Other legislation may be applicable to the operation and you (the Permittee) may be required to obtain approvals or permits under that legislation. A referral response from the Ministry of Forests and Range was e-mailed to you August 1, 2006 and a copy is included. Please ensure that you acquire all necessary permits. Please be aware that your activities fall within the asserted traditional territory of Namgis First Nation. They have indicated that they do not want this activity to occur, however, a letter has been sent to them informing that a permit has been issued considering there will be no new physical site disturbance. You are encouraged to meet and consult with Namgis First Nation.

The amount of your security deposit may be adjusted on the basis of reclamation performance, field inspections by this Ministry, and on reports which may be requested. Please provide me with written notice at least 7 days prior to ceasing work on the program.

An Annual Summary of Activities form is enclosed for your convenience. Until this permit is closed, you must file this information by March 31 of each year. Failure to comply with the Code may impact your ability to obtain future permits and work authorizations.

Sincerely,

[Signature]

Ian Webster P. Geo.
Inspector of Mines

Encl. Mines Act permit, Notice of Work, Annual Summary of Activities, referral response
Mineral & Coal Exploration
Activities & Reclamation Permit
(Issued pursuant to Section 10 of the Mines Act R.S.B.C. 1996, c 293)

Permit Number: MX-8-240

Permittee: Omya Industries Inc.
61 Main Street
Proctor VT A1A 1A1

Business Phone: (802) 770 7155
Fax: (802) 770 7272

Name of Property: Kinman Creek

Reclamation security amount: $3,500

For exploration and reclamation activities at the following mineral/coal tenures: 380973

as described in the attached Notice of Work and Reclamation and schedules:

Check completed schedules

X- Schedule A - Maps & Sections
X- Schedule F - Surface Drilling/
Settling Ponds/Sumps

X- Schedule B - Reclamation Security
X- Schedule G - Exploration Access
Construction/Modification

Schedule C - Exploration Grids, Camp
Location, Helicopter Pads

Schedule D - Mechanical Trenching/
Test Pits

Schedule E - Blasting

Schedule H - Application for Timber
Cutting Authorization

Schedule I - Bulk Sample

Schedule J - Underground Exploration

Schedule K - Off Tenure Access

Date of Issuance: August 31, 2006

Date of Amendment:

F.W. Hermann, P. Eng.
Chief Inspector of Mines

The information on this form and any supporting documents are subject to the Freedom of Information and Protection of Privacy Act. The information requested on this form is collected and used for the purpose of administering the Mineral Exploration and Reclamation Permit. The Mines Act of British Columbia also authorizes the collection of the requested information on this form. The completed form is routinely available to the public. Questions about how the Freedom of Information and Protection of Privacy Act applies to this information collected on this form can be directed to the Mines Branch, phone (250)952-0462, fax (250)952-0491 or write to: PO Box 9320, Saanich Govt, Victoria, British Columbia, V8Z 9N3.
Permit Conditions

- **Compliance with Mines Act and Code:**
  All exploration activities must be conducted in a manner that complies with the *Mines Act* and the Health, Safety and Reclamation Code for Mines in British Columbia.

- **Start of Exploration Activities Notification:**
  Verbal or written notification to the District Inspector is required prior to the start date of exploration activity.

- **Uranium and Thorium:**
  Exploration for uranium or thorium is not approved under this permit.

- **Changes to the Permitted Activities:**
  The District Inspector must be notified if the Permittee wishes to materially alter the exploration activities approved herein. Approval must be received from the District Inspector prior to commencement of an amended program of exploration activities when described in a Schedule.

- **Annual Notice of Completion of Work:**
  An Annual Notice of Completion of Work for Exploration Activities shall be submitted to the District Inspector before the end of January. Reclamation and other exploration activities undertaken in the previous year shall be summarized.

- **Notice of Mine Closure:**
  A Notice of Mine Closure must be submitted to the District Inspector when exploration by a Permittee at a permitted site is permanently discontinued.
June 12, 2006

Ian Webster  
BC Ministry of Energy, Mines & Petroleum Resources  
7th Floor, 1675 Douglas St  
Victoria, British Columbia V8W 9N3  
Canada

Re: Kinman Creek (CDH-1 Tenure 380973) Claims Mineral and Coal Notice of Work and Reclamation Program

Dear Mr. Webster:

Omya St-Armand is planning to complete a small core drilling project (2-4 BX cores x 100m depth) on its Kinman Creek (CDH-1 Tenure 380973) Claims east of Nimpkish Lake on North Vancouver Island this coming August/September. The drilling will be completed using a portable diamond core drill (ie. Hydracore Prospector) transported by pickup along an existing logging road in a previously logged area.

It is my understanding Omya St-Armand will need to complete a Namgis First Nation consultation prior to Program approval. Please review the enclosed Notice of Work and confirm (joel.blumenthal@omya.com) when a copy has been forwarded to the Namgis First Nation so we can initiate the consultation.

Thanks for the help.

Sincerely,

Joel Blumenthal, Geologist  
Omya Industries Inc.  
Agent for Omya St-Armand.

Enc.: Mineral and Coal Notice of Work and Reclamation Program with Schedules A, B, and F
Ministry of Energy and Mines

Mineral & Coal Notice of Work and Reclamation Program

Mime #: ________ ________ ________ ________ ________ ________

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X Owner (title holder) Omya-St Armand Ltd 1255-2020 University Ave. Montreal, Quebec H3A 2A5 450-248-2421 Fax

X Agent/Operator (person or company authorized to make application on behalf of the title holder - attach letter of authorization where required)

☐ Manager (person appointed in writing by the owner or agent as manager pursuant to Section 21 of the Mines Act) (Attach letter of appointment)

Name: Joel Blumenthal Company: Omya Industries Inc.

Address: 61 Main Street

City: Proctor Province: Vermont / USA Postal Code: 05765

Bus. Phone: 802-770-7155 Fax: 802-770-7272

Name of Field Supervisor: Joel Blumenthal

Site/Contact Phone/Fax (if available): 

Name of Property: Kinman Creek Claims Project Name: Kinman Creek 2006-2007 Drilling

Describe Site Access: Area is located along north side of Kinman Creek and is accessed from Port McNeil by Hwy 19 south for 15 km and the Western Forest Products Noomas Main / Kinman Main logging haul road southeast for about 8 km. The Noomas main and several branches which have been constructed provide access to most of the claims area.

Mineral/Coal Titles where exploration activities will take place

Claim or Lease Name(s): CDH-1 Tenure Number(s): 380973

Crown Granted Mineral Claims: N/A Lot Number(s): N/A

B.C. Geographic System Map Sheet Number(s) (eg TRIM 092L 006): NIMPKISH LAKE 92L07

Nortthing: 5579800 (NAD 83): Easting: 652500 (NAD 83): UTM Zone: 2

or if UTM not available

NTS Map Sheet #s) Latitude: 126°51'12" Longitude: 50°21'/2"

Are proposed activities on private land? NO; if yes, attach written copy of notice served to land owner.

Proposed start date (y/m/d): 07/01/2006** Proposed completion date (y/m/d): 07/01/2007(1 Year)

Every Permittee shall give written or verbal notice to the district inspector prior to commencement of approved exploration activities in each calendar year that the proposed program of approved activities is underway.

Water Supply: Describe source: Unnamed stream and/or old road base quarry filled with water within 1 KM of drill sites along main Main logging road.

Estimated quantity of water to be used (cubic feet/second or cubic metre/second): 1500 Gallons/Day - 20 Work Days

Cultural Heritage Resources: Are you aware of any cultural heritage resource(s) or protected heritage property as defined under the Mineral Tenure Act, within the bounds of the tenure(s) where exploration work is proposed?

☐ Yes (Note locations on maps under Schedule A) X No

Should cultural heritage resources or protected heritage property be encountered while undertaking exploration activities you are required to report them to: The Archaeological Planning and Assessment Unit, Ministry of Sustainable Resource Management, PO Box 9816, Stn Prov Govt, Victoria, BC V8W 9M5
Occupational First Aid: - Minimum first aid requirements on an exploration site are established in the Workers' Compensation Board of B.C. Occupational First Aid regulations. All members of an exploration drill crew must have a valid Workers' Compensation Board or "Standard" first aid equivalent unless the drill site is accessible in all weather conditions within five minutes of the main camp or other facility where there is a qualified first aid attendant.

Describe the means of communication on the exploration site:

**Cell phone on site at drilling area.**

Location of nearest hospital: **Port McNeill 25 km**

Travel time to hospital by ground: **40 min air**

Number of persons on site (include contractors) 2 (min) - 4 (max)

Types of transportation available: **4 WD Pickup(s)**

First Aid Equipment on Site: **First Aid Kit. Drillers do not work alone. Cell Phone & Vehicle at Site**

First Aid Certificate held by attendant (if required):

Description of Exploration Program (give a brief overview of location, nature and extent of proposed activities):

Drill 2-4 cores down to 100 m depth using Portable Diamond Core Drill (i.e., Hydracore Prospector). All drilling along existing logging roads and trails. There will be no new disturbance, no road/trail building, and/or no tree cutting.

Water for drilling pumped from unnamed stream and/or old water filled road base quarry within 1 km. Drill water will be recirculated as much as possible to minimize consumption and discharge. Sediment laden drill circulation water will not enter any watercourses and will be contained in below grade sumps adjacent to the core holes. Potential for fractured rock with no water return - stock tank available for return water if necessary. Drill and pump will be in good working order with no leaking fuel or oil and operated and maintained by experienced crew. All waste material will be collected and disposed of off-site.

Mineral Exploration Activities to be Undertaken (Indicate schedules submitted with this application)

- **Schedule A** - Maps & Sections (Compulsory)
- **Schedule B** - Reclamation Security (Compulsory)
- **Schedule C** - Exploration Grids, Camp Location, Helicopter Pads
- **Schedule D** - Mechanical Trenching/Test Pits
- **Schedule E** - Blasting
- **Schedule F** - Surface Drilling/Settling Ponds/Sump
- **Schedule G** - Exploration Access Construction/Modification
- **Schedule H** - Application for Timber Cutting Authorization
- **Schedule I** - Bulk Sample
- **Schedule J** - Underground Exploration
- **Schedule K** - Off Tenure Access Special Use Permit and Licence to Cut

I, **Joel Blumenthal**, hereby make application to undertake the exploration activities described in this notice, and in accordance with the **Miners Act** and the **Health, Safety and Reclamation Code for Mines in British Columbia**.

Applicant Signature

Date
Appropriate maps are required to be submitted to allow for proper evaluation of the proposed exploration program by the District Inspector. Please indicate which Schedule A maps are included with this application.

Schedule A1 - Mineral/Coal Tenure Map(s) - Include a map which shows the boundaries of the tenure(s) in relation to the proposed exploration activities.

Schedule A2 - Map of Proposed Work (1:20,000 scale or less) - TRIM map, Forest Cover map or adequate equivalent - Map should show topography, watercourses, existing access, a centre line of proposed new or upgraded access, the location of proposed exploration activities, known MINFILE occurrences, known location of previous surface workings, and known locations of cultural heritage resource or protected heritage property. Identify on map where a proposed activity may take place within riparian (stream, wetland or lake) setback distances specified in Table 9.1 of the Code.

Schedule A3 - Land Title Map - Include when exploration activities are proposed on private land not owned by the mineral/coal tenure holder.

Schedule A4 - Terrain maps where required by Part 9.7.1 of the Code.

Schedule A5 - Underground Exploration - Include plan and section drawings for underground exploration work as described in Schedule I and as required by Part 6 of the Code.

Schedule A6 - Other maps required by the District Inspector

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**Schedule B**

Mineral & Coal Reclamation Security

Transfer applicable information from Schedule C through Schedule J as appropriate

<table>
<thead>
<tr>
<th>Exploration Activity</th>
<th>Surface Disturbance (ha)</th>
<th>Estimated Cost of Reclamation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 ha = 10,000 m²</td>
<td>Applicant</td>
</tr>
<tr>
<td>Schedule C: Exploration Grid(s), Camp Locations, Helicopter Pads</td>
<td>0</td>
<td>$</td>
</tr>
<tr>
<td>Schedule D: Mechanical Trenching/Test Pits</td>
<td>0</td>
<td>$</td>
</tr>
<tr>
<td>Schedule F: Surface Drilling/Settling Ponds/ Sumps</td>
<td>.03 HA (Sites on existing roads with Portable Drill)</td>
<td>$</td>
</tr>
<tr>
<td>Schedule G: Exploration Access Construction/ Modification/Reclamation</td>
<td>0 (Existing Logging Roads)</td>
<td>$</td>
</tr>
<tr>
<td>Schedule I: Bulk Sample (Overburden/Waste Dumps)</td>
<td>0</td>
<td>$</td>
</tr>
<tr>
<td>Schedule J: Underground Exploration Work (Portal Sites Ore / Waste Dumps)</td>
<td>0</td>
<td>$</td>
</tr>
<tr>
<td>Totals</td>
<td>.03 HA</td>
<td>$</td>
</tr>
<tr>
<td>Add disturbance from previous years</td>
<td>+0</td>
<td>$ +</td>
</tr>
<tr>
<td>Subtract disturbance reclaimed by applicant.</td>
<td>-.03 HA</td>
<td>$ -</td>
</tr>
<tr>
<td>Balance of unreclaimed disturbance</td>
<td>=0</td>
<td>$ =</td>
</tr>
</tbody>
</table>

**Applicant Signature**

**Date**

**TO BE COMPLETED BY DISTRICT INSPECTOR**

☐ New Permit

☐ Permit amendment

☐ MX General

Total Reclamation Security Required $underline
Exploration Activity

1. Mark the locations of proposed blast sites and magazines on the Schedule A2 map(s).

2. Has a B.C. Explosive Storage and Use Permit for mining purpose been issued?
   - Yes ☐
   - No ☐

   If yes, give current permit #: ______________________
   Date of expiry: ______________________

   If needed, complete a permit application from the Inspector of Mines and attach it to this schedule.

3. Provide details of:
   - the type of explosive(s) to be used: ______________________
   - detonation method: ______________________

4. Name of Blaster: ______________________
   Blaster's Certificate #: ______________________

Schedule F

Mineral & Coal Surface Drilling/Settling Ponds/Sumps

1. Mark the location of proposed surface drilling/settling ponds/sumps on the Schedule A2 map(s).

2. List the equipment to be used in the drilling/sump construction program: **Portable BX Size Core Drill, 1000 Gallon Water Truck, 250 Gallon Stock Tank, 4WD Pickup Truck(s), Water Line, Pump, Fuel, and Tools.** No sumps or settling ponds to be constructed.

3. Show the distance of activity from known streams, wetlands or lakes on the Schedule A2 map(s).

4. Complete the applicable sections of the following table:

<table>
<thead>
<tr>
<th>Exploration Activity</th>
<th>Number of Sites</th>
<th>Disturbed Area (ha)</th>
<th>Timber Volume (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drilling</td>
<td>3-4</td>
<td>.03 HA</td>
<td>0</td>
</tr>
<tr>
<td>Settling ponds/sumps</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>.03 HA All Prior Existing Disturbance</td>
<td></td>
</tr>
</tbody>
</table>

5. Total number of drill holes: 3-4
6. Total drilling: Max 500m

Reclamation Program: Describe proposed reclamation and timing of reclamation work:
- surface drilling/settling ponds/sump: All drilling along existing logging roads and trails. There will be no new disturbance, no road/trail building, and/or no tree cutting. All holes to be plugged and waste material to be collected after each hole. All equipment, fuel, waste, and core to be removed from site. Disturbed areas will be restored to a state that resembles existing local conditions.

- core storage (location, method, term): **Covered wooden boxes to be removed daily from site by drillers**

Estimated cost of reclamation of activities described above: **$300.00 to be completed when drilling is completed.**

Applicant Signature: ______________________
Date: 12 June 2006
PROPOSED CORE DRILLING LOCATIONS

SCALE 1: 20,000 25 M CONTOUR INTERVAL

KINMAN CREEK 2006-2007 CORE DRILLING
CDH-I CLAIMS (TENURE NO. 580973) OMYA ST-ARMAND
TOPOGRAPHIC BASE MAP (NAD 83) FROM SHEET 5 OF
CANFOR TREE FARM LICENSE 37 FOREST DEVELOPMENT
PLAN 1999-2003 (1995 1:15,000 AERIAL PHOTOGRAPHY
BASE)