LORNE PROPERTY

Assessment Report
on
2007 Airborne Geophysical Survey

NTS 103I/088
54°50’ N latitude
128°35’ W longitude

Skeena Mining Division
British Columbia

December 15, 2007

Prepared for:

BCM Resources Corp.
1010 – 1030 Georgia Street West
Vancouver BC
V6E 2Y3

By:

Margaret Venable PhD
Consultant

and

Lindsay Bottomer P.Geo.
Consultant
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SUMMARY

An airborne geophysical survey was performed on the Lorne claims during July 2007. Using a helicopter, a high-resolution aeromagnetic survey was carried out over BCM Resources’ mineral claims. North-south primary survey lines were spaced at 100 metre intervals with an east-west tie-line spacing of 400 metres. Terrain clearance was approximately 100 metres.

A total of 326.7 line kilometres (203 line miles) of aeromagnetic data were acquired. Survey operations were completed on July 26, 2007. Processed survey data including a total magnetic intensity map were transmitted to BCM Resources on August 10, 2007.

The Lorne property is located in northwestern British Columbia, approximately 40 km north of Terrace, British Columbia. The property is composed of five claims, including Lorne, Lorne 2 and Lorne 3, and totals 98 cell units and covering 1,825 hectares owned by BCM Resources Corp. One of the claims (Lorne) is optioned from N C Carter.

The main historical work on the property was carried out by Newmont Exploration from 1979 to 1981 (MINFILE Reports 8059 and 10400). Newmont staked the ground following the release of a the results of a BCDM geochemical survey which included a silt sample from South Lorne Creek which returned values of 48 ppm Mo, 184 ppm Cu and 14 ppm W. The Newmont program consisted of gridding, geological mapping, soil and rock geochemistry, and diamond drilling. The work indicated the presence of widespread Mo and Cu mineralization in the contact zone between altered intrusive rocks and hornfelsed metasediments. Disseminated pyrite is widespread throughout the contact zone; weathering of this generates the prominent yellow-brown gossan visible on the south facing slope north of South Lorne Creek.

The objective of the geophysical survey was to define magnetic features which might be indicative of zones of hydrothermal alteration associated with magnetite destruction and structural features which might act as controls and/or conduits for mineralization.

The survey defined a number of areas of lower relative magnetic intensity, and several linear features trending NW and ENE. The former direction is associated with hydrothermal alteration and Mo mineralization on the Shan property located approx. 20 km to the southeast. Ground based geological mapping and geochemical sampling targeting these zones is recommended, to be followed by diamond drilling if the targets generated appear to be of sufficient merit.
INTRODUCTION AND TERMS OF REFERENCE

This report describes an airborne geophysical survey carried out on the Lorne claims. The Lorne property is located in northwestern British Columbia. Work was carried out on behalf of BCM Resources Corp. (BCM) of Vancouver, British Columbia. The survey boundary was extended 100 metres to compensate for the Reduced To Pole anomaly shift.

Survey Corner Coordinates - UTM Zone 9, WGS 84

1. 525900.00 6080600.00
2. 532200.00 6080600.00
3. 532200.00 6076600.00
4. 525900.00 6076600.00

Fieldwork was carried out in July 2007 with completion of the filed survey was July 26, 2007.

PROPERTY DESCRIPTION AND LOCATION

The Lorne property is located approximately 40 kilometres north of Terrace northwestern British Columbia (Figure 1). The project area is centered at approximately 54°50’ N latitude and 128°35’ W longitude.

The Lorne property (Figure 2) consists of 5 claims totaling 98 claim units as listed in Table 1 with an area of approximately 1,825 hectares. The core claim (Lorne #501222) was electronically staked under MTO (Mineral Titles Online) in January 2005. The Lorne claim is covered by an option agreement with N C Carter.

Table 1. Lorne Property Mineral Claims

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Total Area: 1825.032 ha
Figure 1 Lorne Location Map
ACCESS, CLIMATE, AND PHYSIOGRAPHY

The Lorne property is situated on South Lorne Creek, 10 km east of Kalum Lake and 40 km north of Terrace. Logging roads from the Nass Highway extend to within 10 km of the property. Access is by means of chartered helicopter from Terrace.

The property is located in the Coast Mountains in rugged terrain. The valleys and lower slopes are forested, but the crest of the main ridge is above treeline. Elevations range from approximately 1050 to 1720 metres above sea level. Outcrop exposure is limited except on steep cliff sections and in gullies, however scree material is abundant. Traversing is both difficult and dangerous.

The climate is severe, with short but hot, dry summers and cold, moist winters. Most of the property is snow-covered for more than 6 months of the year.

HISTORY

The geological framework of the area was first outlined in some detail from regional mapping by the GSC (Duffell and Souther, 1964). Part of the current property was staked by Amax Exploration in 1967, who carried out geological mapping and soil sampling (MEMPR, 1967). The results of this work are not known.

The property was restaked by Newmont in 1979 following the release of geochemical results from a regional survey carried out by the BC Department of Mines (included in Matysek and Jackaman, 1995). A silt sample taken from South Lorne Creek returned values of 48 ppm Mo, 184 ppm Cu and 14 ppm W. In 1980, Newmont carried out gridding, geological mapping, rock and soil geochemical surveys. The key conclusions of this work (Lalonde, 1980) are quoted below:

“Significant amounts of molybdenite mineralization has been observed within quartz veinlets cutting feldspar-hornblende porphyry and biotite hornfels on the SLC 2 claim. A large feldspar-hornblende porphyry stock with numerous peripheral dykes intrudes argillites of the Bowser Group sediments. Weathering of the disseminated pyrite in the porphyry and biotite hornfels has produced a large iron gossan zone on the south-facing slope. The quartz veins, injected during several stages, carry chalcopyrite and galena mineralization in addition to the molybdenite.

Soil sampling has defined a strong molybdenite anomaly over an area of 800 meters east-west by 1000 meters north-south. Copper and lead anomalies, of much smaller areal extent, were defined coincident within the area of the molybdenite anomaly.”

In 1981, Newmont returned and carried out a short diamond drilling program consisting of two holes totaling 664 metres (Visage, 1982). The hole locations are shown on Fig.
3. Both holes intersected biotite hornfels and variably altered intrusive rocks. Mineralization is present in both rock types, but both copper and molybdenum values are higher on average in the intrusive rocks.

Hole #1, drilled from the valley floor, returned a best interval of 12 m grading 0.032% Mo and a separate interval of 6 m grading 0.51% Cu. Hole #2, collared approx. 500 m NNE of Hole #1 and at approximately 200 m higher elevation returned long intervals of low grade Cu and Mo mineralization in altered granodiorite to quartz monzonite. Highest values over 3 m sample intervals were 666 ppm Cu and 518 ppm Mo.

No further work is recorded in MINFILE.

In 2006, BCM Resources Corp. carried out a limited program of geological reconnaissance and geochemical sampling. Results of this work are reported in Venable and Bottomer, 2007.

GEOLOGICAL SETTING

Regional Geology

Regionally, the area is underlain by Mid Jurassic to Lower Cretaceous clastic sediments of the Bowser Group. The Bowser Basin is flanked to the southwest by granitoid intrusions of the Cretaceous to Tertiary Coast Plutonic Complex which are shown by Duffell and Souther (1964) to outcrop 10 – 15 km to the south and southwest. Smaller bodies of similar material occur locally; these are assumed to be similar in age and genesis to the Coast Complex intrusives, but this has not been established.

Property Geology

Locally, the property is mainly underlain by argillites of the Bowser Basin, intruded by dykes and irregular masses of porphyritic quartz diorite/quartz monzonite/granodiorite. The dykes and argillite/intrusive contacts, where exposed, generally trend east-west, although due to the lack of continuous outcrop, the structural relationships between the two units are unclear. The argillites generally are metamorphosed to biotite hornfels facies mineral assemblages.

Mineralization

Molybdenite and chalcopyrite are present in quartz veins and veinlets in both of the main rock types, and pyrite is widespread throughout the contact zone. The Newmont drilling encountered long intervals of stockwork quartz vein development in altered
intrusive rocks with anomalous Cu and Mo values. The extent and strength of the Cu and Mo soil anomalies outlined by Newmont (Lalonde 1980) are impressive, and most of the strongest portion of the anomalies remain untested by drilling.
SURVEY METHOD AND APPROACH

Fieldwork was carried out by EDCON-PRJ, Inc. of Denver, Colorado. The area of focus for this survey was the entire claim block, in addition to a 100 meters margin to compensate for the Reduced To Pole anomaly shift. The survey corner coordinates are as follows:

Survey Corner Coordinates - UTM Zone 9, WGS 84

1. 525900.00 6080600.00
2. 532200.00 6080600.00
3. 532200.00 6076600.00
4. 525900.00 6076600.00

North-south primary survey lines were spaced at 100 metre intervals with an east-west tie-line spacing of 400 metres. Terrain clearance was approximately 100 metres.

A total of 203 line miles of aeromagnetic data were acquired. Survey operations were completed on July 26, 2007. Processed survey data including a total magnetic intensity map were transmitted to BCM Resources on August 10, 2007.

Figure 3 Location Map – Survey Outline
SURVEY DATA PROCESSING

A. Flight Path Recovery

The DGPS navigation vertical and horizontal coordinate outputs were recorded as latitude, longitude, and elevation using the WGS84 geographic coordinate system. Mapping parameters for processed digital and mapped data are the following:

- Projection: WGS 84
- Zone: 129 west
- Datum: NAD 83

A speed check on the location data was completed, and the line location with the derived aircraft speed information mapped for editing. After editing, the GPS data were accepted for the final flight path map production.

B. Magnetic Data

1. Data Received

Digital magnetic data from the airborne acquisition systems was received by FTP. The data were read and converted to a line location file.

2. Data Editing

a. Profile plots of the magnetic data for each line were inspected for noisy or missing data.

b. The data quality was considered good, and no filters were applied.

c. No Cultural noise was identified on the data set, and no deculturing of the data was attempted.

3. I.G.R.F.

The International Geomagnetic Reference Field, updated to the dates of the survey, was calculated and applied to the data set.

4. Diurnal Correction

The base magnetometer data were inspected and compared with the observed magnetic data trace.
The following diurnal correction, in addition to the removal of diurnal by the line adjustment procedures, was applied to the data set:

The observed diurnal, corrected for the I.G.R.F. values for the location of the base station, were hi-cut filtered to remove noise and subtracted from the observed magnetic data.

5. Leveling

Misties at line intersections were calculated and adjusted to minimize mistie errors. Initial leveling adjustments were completed using a DC level adjustment to compensate for long wavelength diurnal effects. The average intersection mistie before DC adjustment was 4.56 nT; after DC adjustment, the average mistie was 3.85 nT. Severe topography caused the drape to be offset between north bounding and south bounding lines. This caused the magnetics to be drastically different between lines. Conventional leveling was not adequate to compensate for this difference. Equivalent source gridding (see Appendix A) was used to compensate for the elevation differences. The equivalent source grid was then interpolated into the database using a linear interpolation method. The final mistie was 0.15 nT.

6. Reduction to the Pole

Reduction to the Pole calculates the field that would be observed if the survey area were located at the north magnetic pole. This transformation shifts the magnetic anomalies more nearly over the causative bodies. The Reduced to Pole grid was calculated using an inclination of 73.35 degrees and a declination of 21.0 degrees.

Survey Data and Results are detailed in Appendix A.
RESULTS AND INTERPRETATION

The survey results (Figure 4) identify a number of areas of low relative magnetic intensity which may be due to magnetite destruction caused by hydrothermal alteration. This association has been demonstrated to host Mo mineralization on the Shan property located approx. 20 km to the southeast. In addition, a number of linear magnetic trends possibly representing structural features which could act as controls and/or conduits for mineralization are evident, mainly oriented NW-SE and ENE-WSW. The former direction is associated with Mo mineralization on the Shan.

![Figure 4: Total Magnetic Intensity Map.](image)

Survey Data and Results are detailed in Appendix A.

CONCLUSIONS AND RECOMMENDATIONS

The results the airborne geophysical survey identified numerous features which may be associated with hydrothermal Mo mineralization, and should be checked by ground based geological mapping and geochemical sampling. If results are sufficiently encouraging, diamond drill testing of selected targets may be recommended as additional follow-up.
COST STATEMENT

Work Period – Airborne Geophysical Survey – July to August 2007

Airborne Geophysical Survey

326.7 line kilometers – all-inclusive cost including mobilization-demobilization, survey flying, data compilation and reporting

Total Expenditures $48,135.00
REFERENCES


Lalonde C M, 1980: Geological and geochemical survey on the SLC claims, Omenica Mining Division, BC. Assesment Report #8059, filed on MINFILE.


Venable M, and Bottomer L, 2007: Assessment report on geological reconnaissance and geochemical sampling, Lorne Property, Skeena Mining Division, BC. Prepared for BCM Resources Corp.

Visage D, 1982: Drilling report SLC claims, Omenica Mining Division, BC. Assessment Report #10400 filed on MINFILE.
CERTIFICATE OF AUTHOR

I, Margaret Venable, PhD, do hereby certify that:

1. I am currently employed as a consulting geologist by:
   BCM Resources Corp.
   1010-1030 West Georgia St.
   Vancouver, BC
   V6E 2Y3

2. I graduated with an M.Sc, degree from the Minex program at Queen’s University in Kingston, Ontario in 1988, and obtained a PhD degree in Economic Geology from the University of Arizona, Tucson, in 1994.

3. I am a member of the American Association of Professional Geologists (AIPG), the Society of Economic Geologists (SEG) and the GSA ( Geological Society of America).

4. I have worked as an exploration geologist for approximately 14 years in total.

5. I was on site at the Lorne Property on June 23, August 28 and 29, 2006. During this time I personally performed reconnaissance geological mapping, rock geochemical sampling and biogeochemical sampling.

Dated this _____ day of December 2007.

________________________
Margaret Venable  PhD
CERTIFICATE OF AUTHOR

I, Lindsay Richard Bottomer, P.Geo. do hereby certify that:

1. I am a consulting geologist with an office address of:
   698 Wellington Place
   North Vancouver BC
   V7K 3A1


3. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC) and a Fellow of the Australian Institute of Mining and Metallurgy (AIMM).

4. I have worked as an exploration geologist for more than 35 years.

5. I visited the Lorne Property on September 16, 2006.

Dated this _____ day of December, 2007

_______________________
Lindsay Bottomer  P.Geo.
APPENDIX A

Geophysical Survey Report

Acquisition and Processing
of a Detailed Aeromagnetic Survey
Lorne Project

for

BCM Resources
1040 Georgia Street, Suite 550
Vancouver, British Columbia V6C 2G8

EDCON-PRJ

EDCON-PRJ, Inc.
171 S. Van Gordon St – Ste E
Denver, Colorado 80228
303-980-6556
www.edcon-prj.com
July 2007
Summary

Using an helicopter, a high-resolution aeromagnetic survey was carried out over BCM Resources’ area of interest. The survey boundary was extended 100 meters to compensate for the Reduced To Pole anomaly shift.

Survey Corner Coordinates - UTM Zone 9, WGS 84

5.  525900.00 6080600.00
6.  532200.00 6080600.00
7.  532200.00 6076600.00
8.  525900.00 6076600.00

Location Map – Survey Outline

North-south primary survey lines were spaced at 100 meter intervals with an east-west tie-line spacing of 400 meters. Terrain clearance was approximately 100 meters.

A total of 203 line miles of aeromagnetic data were acquired. Survey operations were completed on July 26, 2007. Processed survey data including a total magnetic intensity map were transmitted to BCM Resources on August 10, 2007.
Survey Equipment

Equipment
- Geometrics 823A Magnetometer (Primary magnetic sensor)
  - Recording interval: 0.1 sec
  - Sensitivity: 0.01 nT
  - Maximum accepted noise level: 0.25 nT peak-to-peak
- Applied Physics Fluxgate Magnetometer (Compensation magnetic sensor)
- Bendix – King Radar Altimeter
  - Recording interval: 0.1 sec
  - Digital recording resolution, 0.25 ft
- Trimble AgGPS 150 Guidance System
  - Recording interval: 0.2 sec
- Laptop computer with digital data acquisition system

Ground Base Station
- Geometrics 856AX Magnetometer (Base Station)
  - Recording interval: 0.2 seconds
  - Time synchronized to airborne system
  - Recording resolution: 0.1 nT
Production Summary

The Shannon Creek Survey, consisting of 203 line miles, was flown on July 26, 2007. One sortie was flown.

Weather was clear throughout the survey operations. The sorties were flown late afternoon to minimize data fluctuations due to thermal turbulence. The base station magnetometer monitored diurnal electromagnetic fluctuations during all flights. Space weather during the survey was minor.
DATA PROCESSING

A. Flight Path Recovery

The DGPS navigation vertical and horizontal coordinate outputs were recorded as latitude, longitude, and elevation using the WGS84 geographic coordinate system. Mapping parameters for processed digital and mapped data are the following:

- Projection: WGS 84
- Zone: 129 west
- Datum: NAD 83

A speed check on the location data was completed, and the line location with the derived aircraft speed information mapped for editing. After editing, the GPS data were accepted for the final flight path map production.

B. Magnetic Data

1. Data Received

Digital magnetic data from the airborne acquisition systems was received by FTP. The data were read and converted to a line location file.

2. Data Editing

   a. Profile plots of the magnetic data for each line were inspected for noisy or missing data.

   b. The data quality was considered good, and no filters were applied.

   c. No Cultural noise was identified on the data set, and no deculturing of the data was attempted.

3. I.G.R.F.

The International Geomagnetic Reference Field, updated to the dates of the survey, was calculated and applied to the data set.

4. Diurnal Correction

The base magnetometer data were inspected and compared with the observed magnetic data trace.

The following diurnal correction, in addition to the removal of diurnal by the line adjustment procedures, was applied to the data set:
The observed diurnal, corrected for the I.G.R.F. values for the location of the base station, were hi-cut filtered to remove noise and subtracted from the observed magnetic data.

5. **Leveling**

Misties at line intersections were calculated and adjusted to minimize mistie errors. Initial leveling adjustments were completed using a DC level adjustment to compensate for long wavelength diurnal effects. The average intersection mistie before DC adjustment was 4.56 nT; after DC adjustment, the average mistie was 3.85 nT. Severe topography caused the drape to be offset between north bounding and south bounding lines. This caused the magnetics to be drastically different between lines. Conventional leveling was not adequate to compensate for this difference. Equivalent source gridding (see Appendix A) was used to compensate for the elevation differences. The equivalent source grid was then interpolated into the database using a linear interpolation method. The final mistie was 0.15 nT.

6. **Reduction to the Pole**

Reduction to the Pole calculates the field that would be observed if the survey area were located at the north magnetic pole. This transformation shifts the magnetic anomalies more nearly over the causative bodies. The Reduced to Pole grid was calculated using an inclination of 73.35 degrees and a declination of 21.0 degrees.

**III. DELIVERABLES**

The following were delivered as part of the project:

**A. Maps – Scale 1: 10,000, on paper**

1. Total Magnetic Intensity (TMI) with Flight Line Locations – black and white
2. Total Magnetic Intensity Reduced to Pole (RTP) – color contours

**B. Maps as PDF on CD ROM**

1. Lorne_tmi.pdf
2. Lorne_rtp.pdf
3.C. Digital Data

- Lorne_tmi.xyz: Total Magnetic Intensity Grid in XYZ Grid Format
- Lorne_rtp.xyz: Reduced To Pole (TMI) Grid in XYZ Grid Format
- Lorne.dat: Survey line data in ASCII Format

Survey Line Data Format

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Figure 1: Total Magnetic Intensity Map.
IV. Appendices

Appendix A: Equivalent Source Gridding

Basically, the method computes a magnetic layer below the data which reproduces the data almost exactly. Once this is done, new values can be calculated using the equivalent layer at any desired location and elevation. In particular, a survey can be brought to either a perfect constant barometric elevation or to a perfect drape. This completely eliminates line anomalies that are associated with elevation deviations. In addition, the field can be re-computed at any desired inclination and declination; reduction to the pole is thus a straightforward matter once the equivalent layer is defined.

Because the equivalent layer is saved after the initial run, any number of maps at different elevations can be computed quickly and easily. The equivalent layer thus forms the basis for a whole suite of interpretive tools, avoiding some of the artifacts associated with Fourier transform interpretation processing.
APPENDIX B

Daily Survey Operations

Thursday, July 26, 2007

K index = 2

Flight # SH8

We completed the Lorne Survey

All data was reviewed and OK’d for quality.

Today’s line mileage: 230 line km (100% of survey)