TECHNICAL REPORT
ON THE

INDI CLAIMS AT THE SILVER COIN PROPERTY

Stewart, British Columbia

Latitude 56° 06' N
Longitude 130° 02' E,

Canadian (NTS) Maps 104B010 and 104B020

Qualified Person

David M.R. Stone, P.Eng.

September 28, 2007

MINEFILL SERVICES, INC.
Suite 200, 595 Howe Street, Vancouver, BC, V6C 2T5
Telephone: (604) 683-3855 Fax: (604) 683-3865

TABLE OF CONTENTS

3 EXECUTIVE SUMMARY ... 1
3.1 Project Description and Location ... 1
3.2 Property History and Ownership ... 1
3.3 Geological Setting ... 2
3.4 Mineralization ... 3
3.5 Deposit Types ... 3
3.6 Exploration ... 4
3.7 Mineral Processing and Metallurgical Testing ... 4
3.8 Mineral Resource and Reserve Estimates ... 5
4 INTRODUCTION ... 8
5 RELIANCE ON OTHER EXPERTS ... 8
5.1 DISCLAIMER ... 8
6 PROPERTY DESCRIPTION AND LOCATION ... 10
6.1 Property Location ... 10
6.2 Mineral Rights ... 11
6.2.1 Tenajon Resources Corporation ... 13
6.2.2 Mountain Boy Minerals Ltd ... 13
6.2.3 New Cantech Ventures Ltd ... 14
7 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY ... 14
7.1 Accessibility and Infrastructure ... 14
7.2 Climate ... 14
7.3 Local Resources ... 14
7.4 Infrastructure ... 15
7.5 Physiography and Topography ... 15
8 HISTORY ... 17
8.1 Early Years (1904 to 1939) ... 18
8.1.1 Former Terminus Claim ... 18
8.1.2 Former Silver Coin Property ... 18
8.1.3 Former SB Property ... 18
8.2 Recent Work (1967 to 2006) ... 20
8.2.1 Former Terminus Claim ... 20
8.2.2 Former Silver Coin Property ... 20
8.2.3 Former SB Property ... 20
8.3 Production ... 23
9 GEOLOGICAL SETTING ... 23
9.1 Regional Geology ... 23

9.1.1 Stuhini Group ... 24
9.1.2 Hazelton Group ... 24
9.1.3 Bowser Lake Group ... 25
9.1.4 Intrusives ... 25
9.2 Local Geology ... 26
9.3 Structure ... 28

10 DEPOSIT TYPES ... 29

11 MINERALIZATION ... 30

11.1 General ... 30
11.2 Types of Mineralization ... 32
11.2.1 Type 1 Mineralization ... 32
11.2.2 Type 2 Mineralization ... 33
11.2.3 Type 3 Mineralization ... 33
11.2.4 Type 4 Mineralization ... 33
11.2.5 Type 5 Mineralization ... 33
11.2.6 Type 6 Mineralization ... 34
11.2.7 Type 7 Mineralization ... 34
11.2.8 Type 8 Mineralization ... 34
11.2.9 Type 9 Mineralization ... 34
11.3 Descriptions of the Mineralized Zones ... 35
11.3.1 Perseverance Zone ... 35
11.3.2 Facecut and 35 Zones ... 35
11.3.3 Storm Zone ... 36
11.3.4 Kansas and West Kansas Zones ... 37
11.3.5 Snowball Zone ... 38
11.3.6 13/19 Zone ... 38
11.3.7 Anomaly Creek Zone ... 38
11.3.8 21 Zone ... 39
11.3.9 28 Zone ... 39
11.3.10 Dauntless Hill Zone ... 39
11.3.11 Dauntless Vein Zone ... 39
11.3.12 Terminus Zone ... 40
11.3.13 No Name Zone ... 40
11.3.14 West No Name Zone ... 40
11.3.15 Dan Zone ... 41
11.3.16 Silver Coin Zone ... 41
11.3.17 Idaho Zone ... 41
11.3.18 Road Zone ... 42
11.3.19 Root Zone ... 42
11.3.20 Extreme Showing ... 42

12 EXPLORATION ... 42

12.1 Introduction ... 42
12.2 Underground Exploration ... 43

12.3 Trenching and Sampling 44
12.3.1 Early Trenching Programs 45
12.3.2 MBM's 2003 Program 46
12.3.3 Pinnacle/MBM's 2004 Program 46
12.3.4 Pinnacle/MBM's 2005 Program 48
12.3.5 Pinnacle/MBM's 2006 Program 51
12.4 Soil Sampling 51
12.4.1 Early Sampling Programs 51
12.4.2 Pinnacle/MBM's 2005 Program 52
12.4.3 Pinnacle/MBM's 2006 Program 53
12.5 Geochemical Sampling 53
12.5.1 Pinnacle/MBM's 2005 Program 53
12.5.2 Pinnacle/MBM's 2006 Program 55
12.6 Bulk Sampling 55
12.7 Geophysics 55
12.8 Petrographic Studies 57

13 DRILLING 57

14 SAMPLING METHOD AND APPROACH 59

14.1 Drill Hole Surveying 60
14.2 Core Handling 60
14.3 Core Logging 61
14.4 Data 61

15 SAMPLE PREPARATION, ANALYSIS AND SECURITY 62

15.1 Chain-of-Custody 62
15.2 Assay Method 63
15.3 Assay Validation 64
15.4 Independent Laboratory Checks 64
15.5 Specific Gravity Data 64
15.6 Assay Results 65
15.7 Factors Affecting Reliability of Results 65

16 DATA VERIFICATION 65

17 ADJACENT PROPERTIES 66

18 MINERAL PROCESSING AND METALLURGICAL TESTING 67

18.1 Westmin Tests 67
18.2 Pinnacle Tests 67

19 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES 68

19.1 Overview 68
19.2 Assay Statistics 68
19.1.1 Gold Statistics 69
19.1.2 Silver Statistics 71
19.1.3 Copper Statistics 72

19.1.4 Zinc Statistics ... 73
19.2 Grade Domain Boundaries ... 74
19.3 Variogram Modelling ... 76
19.3.1 Gold Variography ... 77
19.3.2 Silver Variography ... 77
19.3.3 Copper Variography ... 78
19.3.4 Zinc Variography ... 79
19.4 Block Models ... 79
19.4.1 Gold Block Model ... 80
19.4.2 Silver Block Model ... 82
19.4.3 Copper Block Model ... 83
19.4.4 Zinc Block Model ... 84
19.5 Specific Gravity ... 86
19.6 Resource Estimates ... 86
19.7 Resource Classification ... 87

20 OTHER RELAVENT DATA AND INFORMATION ... 88

21 INTERPRETATIONS AND CONCLUSIONS ... 88

22 RECOMMENDATIONS ... 89

23 REFERENCES ... 90

24 DATE AND SIGNATURE PAGE ... 92

LIST of TABLES

Table 3.1 Summary of the 2007 Mineral Resource Estimate for Silver Coin
Table 3.2 Summary of the 2007 Mineral Resource Estimate on the Indi 9 Claim
Table 3.3 Summary of the Mineral Resource Estimate by Resource Category
Table 3.4 Summary of the 2007 Mineral Resource Estimate by Resource Category (Indi 9 Claim)
Table 6.1 Claim information for the Silver Coin property
Table 12.1 Summary of Mountain Boy Minerals 2003 Trench Assay Results
Table 12.2 Summary of Significant 2004 Trench Assay Results
Table 12.3 Summary of Significant 2005 Trench Assay Results
Table 16.1 Summary of MineFill's Data Verification
Table 19.1 Statistics for 3.0 m Gold Composites
Table 19.2 Natural Log Transformation Statistics for Gold
Table 19.3 Statistics for 3.0 m Silver Composites
Table 19.4 Natural Log Transformation Statistics for Silver
Table 19.5 Statistics for 3.0 m Copper Composites
Table 19.6 Natural Log Transformation Statistics for Copper
Table 19.7 Statistics for 3.0 m Zinc Composites
Table 19.8 Natural Log Transformation Statistics for Zinc
Table 19.9 Gold Variogram Model Parameters
Table 19.10 Silver Variogram Model Parameters
Table 19.11 Copper Variogram Model Parameters
Table 19.12 Zinc Variogram Model Parameters
Table 19.13 Block Model Parameters
Table 19.14 Gold Search Parameters
Table 19.15 Comparison of Cut, Uncut and Composite Populations
Table 19.16 Natural Log Transformed Gold Blocks
Table 19.17 Silver Search Parameters

Table 19.18 Comparison of Cut, Uncut and Composite Populations

Table 19.19 Natural Log Transformed Silver Blocks

Table 19.20 Comparison of Untransformed Copper Block and Composite Statistics

Table 19.21 Zinc Search Parameters

Table 19.22 Comparison of Untransformed Zinc Block and Composite Statistics

Table 19.23 Summary of MineFill's December 2006 Mineral Resource Estimate for the Silver Coin Project

Table 19.24 Summary of MineFill's December 2006 Mineral Resource Estimate for the Indi 9 Claim

Table 19.25 Summary of MineFill's December 2006 Mineral Resource Estimates, by Resource Category, for the Silver Coin Project

Table 19.26 Summary of 2007 Mineral Resource by Resource Category on the Indi 9 Claim, Above a Cut-Off Grade of 0.75 g/t Au-Equivalent

Table 20.1 In-Pit Mineral Resource by Resource Category, above 0.75 g/t Au-Equivalent

LIST of FIGURES

Figure 6.1 Silver Coin Property Location Map

Figure 6.2 Silver Coin Claim Map, in UTM Co-ordinates

Figure 7.1 A View of the Silver Coin Deposit from 810 Adit Portal

Figure 7.2 A General View of the Silver Coin Project Area, from the Granduc Road

Figure 7.3 Drill Pad Preparation on a Steep Hillside above Salmon Glacier

Figure 7.4 No Name Lake (adjacent to the potential site for a mill and tailings pond)

Figure 8.1 The Silver Coin Mineralized Zones

Figure 9.1 A Regional Geology Map

Figure 9.2 Local Geology Plan (detailing the mineralized graben of the former SB property)

Figure 12.1 Summary Map Showing the Positions of 2004 and 2005 Drilling and Trenching Programs in The Target Open Pit Area

Figure 12.2 Summary Map Showing the Positions of 2005 and 2006 Drilling and Trenching Programs in The Target Open Pit Area

Figure 12.3 Map Showing the Locations of the Trenches Cut in 2004

Figure 12.4 Map Showing the Locations of the Trenches Cut in 2005

Figure 12.5 Map Showing the Locations of the Soil Sampling Grids

Figure 12.6 Map Showing the Locations of the Geochemical Samples in the Main Exploration Target Area

Figure 13.1 Plan View of All the Assay-Verified Surface Drill Holes, Showing Surface Contours and the Surface Outline of the Planned Open Pit

Figure 13.2 Plan View of All Drill Collars at Silver Coin Relative to the Indi 9 Claim

Figure 14.1 Pinnacle's Secure Offices and Core Storage Facility at Stewart

Figure 15.1 Pinnacle's Core Splitting Facility

Figure 15.2 Drillcore Sample Bags Being Readied for Shipment to Vancouver

Figure 15.3 Gold Assay Values, Samples Versus Duplicates, 2006 Drilling Campaign

Figure 19.1 Untransformed 3.0 m Gold Composite Histogram Plot

Figure 19.2 3.0 m Au Composite Histogram Plot (above 0.011 g/t, with natural log transformation)

Figure 19.3 Untransformed 3.0 m Silver Composite Histogram Plot

Figure 19.4 Natural Log Transformation of 3.0 m Silver Composite Data

Figure 19.5 LEAPFROG 3D Silicification Digital Model

Figure 19.6 LEAPFROG 3D 0.4g/t Au Grade Shell Model

Figure 19.7 Comparison of LEAPFROG 0.4 g/t Au Grade Shell and Silicification Model

NOMENCLATURE AND ABBREVIATIONS

Abbreviation	**Unit or Description**
Ag	silver
amsl	above mean sea level
Au	gold
C$	Canadian dollars
Cu	copper
E	east
g	gram
hr	hour
IP	induced polarity (geophysical survey)
IRR	internal rate of return
kg	kilogram
kW	kilo Watts
m	metre
m^3	cubic metres
N	north
NPV	net present value
Pb	lead
ppb	parts per billion
ppm	parts per million
S	south
SG	specific gravity
t	tonne
tpd	tonnes per day
tpa	tonnes per annum
US$	United States Dollars
W	west
Zn	Zinc

3 EXECUTIVE SUMMARY

This document presents an executive summary of New Cantech Ventures, Inc. (New Cantech's) Indi claims at the Silver Coin deposit located 24 km north of Stewart, British Columbia. This document fulfills New Cantech's requirements for filing of a technical report outlining the results of a resource estimate completed on the Silver Coin Project, which includes a fraction of the Indi 9 claim held by New Cantech.

This document is largely extracted from a recently filed technical report filed on SEDAR entitled "Updated Technical Report and Preliminary Economic Assessment on the Silver Coin Deposit, Stewart, British Columbia" dated April 27, 2007 and filed by Pinnacle Mines Ltd. Where necessary, references have been made to highlight information specific to the Indi claims, otherwise the document is largely un-modified. Most of this document references "Pinnacle" (or Pinnacle Mines Ltd.) as the key stakeholder because they commissioned the April 2007 report and they hold the majority interest in Silver Coin.

3.1 Project Description and Location

The Silver Coin property is centered along the Big Missouri Ridge, about 24 kilometers north of Stewart, British Columbia,. The Silver Coin claim block of 24 contiguous claims encompasses the Salmon River, Cascade River and the Big Missouri Ridge. The claim area is located at 56º 06' N Latitude and 130º 02' W Longitude on NTS sheet 104 B/1.

Two short spur roads off the Granduc Road, which crosses the property, provide access to the claims. From the property, it is 13km to the Premier Gold Mill via the Granduc Road. An alternative access is from the Big Missouri Road to Hog Lake and then along a 4x4 road to the top of the Big Missouri Ridge.

Heavy snowfalls limit road access beyond the Premier mill/tailings pond to the period between June and October unless snow clearing is done on the non-maintained portions of these roads.

3.2 Property History and Ownership

The Silver Coin property consists of 1 Crown Granted claim, 9 Reverted Crown Granted claims, 10 - 2-post units and 70 units in 6 modified grid claims. Due to overlap over existing Crown Granted and Reverted Crown Granted claims, the 2-post and modified grid claims only contain approximately 60% of the area claimed.

All the claims are situated in the Skeena Mining Division in the Province of British Columbia. Due to overlap, the claims cover only an area of 1500 hectares, which is 60 % of the area claimed.

Randy Kasum holds the reverted crown granted claims; namely the Storm, Storm Fraction, Dan Fraction, Silver Coin, Silver Coin Fraction, Idaho, Idaho Fraction, Fair and Petite Fraction and the 2-posted claims namely; Silver Coin 2-8, Big Missouri, Winer and Packers and the modified grid claims; namely; Silver Coin 9 and 10 in trust for Mountain Boy Minerals Ltd. New Cantech Ventures Ltd is the registered owner of the Indi 9-12 claims. Tenajon Resources Corp owns the Kansas Claim.

Mountain Boy Minerals Ltd has earned a 55% interest in the Indi claims as per the agreement dated March 26, 2004 between Mountain Boy and New Cantech Ventures Ltd. Mountain Boy had to make an option payment of $8,000.00 and carry out sufficient exploration or development work to keep the claims in good standing for a period of 1 year from the date of the agreement. Both terms have been met and Mountain Boy Minerals has notified New Cantech that the assessment work has been completed with subsequent filing and acceptance the Gold Commissioner's office.

Through an agreement dated August 4, 2004, Pinnacle Mines Ltd. has entered into a joint venture with Mountain Boy Minerals Ltd. whereby Pinnacle can earn up to 51 % of Mountain Boy's interest in its 100% owned Silver Coin and 55% owned Dauntless projects by spending $1.75 million on exploration over a 3 year period. In addition, Pinnacle has the right to earn an additional 9% in the projects by bringing the Silver Coin project to production.

Subsequent to the agreement with Mountain Boy, Pinnacle entered into an agreement with Tenajon Resources Corp. on October 20, 2004, to earn a 60 % interest in the Kansas claim. The agreement calls for Pinnacle to pay $50,000.00, issue 77,000 Pinnacle shares and perform $1,000,000.00 of exploration and/or development work within a 4-year period. Pinnacle may earn a further 10 % in the project by bringing the Kansas claim to production.

3.3 Geological Setting

The Silver Coin property lies in the Stewart area, east of the Coast Crystalline Complex and within the western boundary of the Bowser Basin. Rocks in the area belong to the Mesozoic Stuhini Group, Hazelton Group and Bowser Lake Group that have been intruded by plugs of both Cenozoic and Mesozoic age. A regional geology map is attached in the Appendices.

According to C.F. Greig, in G.S.C. Open File 2931, portions of the general Stewart area are underlain by Triassic age Stuhini Group. The Stuhini Group rocks are either underlying or in fault contact with the Hazelton Group. These Triassic age rocks consist of dark gray, laminated to thickly bedded silty mudstone, and fine to medium grained and locally coarse-grained sandstone. Local heterolitic pebble to cobble conglomerate, massive tuffaceous mudstone and thick-bedded sedimentary breccia and conglomerate also form part of the Stuhini Group.

D. Alldrick's work to the north of Stewart has shown several volcanic centers in the surveyed area. Lower Jurassic volcanic centers in the Unuk River Formation are located in the Big Missouri Premier area and in the Brucejack Lake area. Volcanic centers within the Lower Jurassic Betty Creek Formation are in the Mitchell Glacier and Knipple Glacier areas. Alldrick has identified a stratovolcano located on Mount Dilworth, located 5 kilometers north of the project area. In the project area, he has mapped the Premier Porphyry Member, a flow volcanic unit, which marks the top of the Unuk River Formation in this area. Intrusive phases of the Premier Porphyry form dykes that cut all the underlying rocks to the Premier Porphyry Member including the Early Jurassic-age Texas Creek Batholith. Alldrick's work suggests that all gold deposits in and around the Silbak Premier and Big Missouri mines lie stratigraphically below this member.

There are various intrusives in the area. The granodiorites of the Coast Plutonic Complex largely engulf the Mesozoic volcanic terrain to the west. East of these smaller intrusive plugs range from quartz monzonite to granite to highly felsic. Some are likely related to the late phase offshoots of the Coast plutonism, others are synvolcanic and tertiary. Double plunging, northwesterly -

trending synclinal folds of the Salmon River and underlying Betty Creek Formations dominate the structural setting of the area. These folds are locally disrupted by small east-over thrusts on strikes parallel to the major fold axis, cross-axis steep wrench faults which locally turn beds, selective tectonization of tuff units and major northwest faults which turn beds.

3.4 Mineralization

Based on observations in thin section work, in drill core logging, within trenches, as well as historical data, there appear to be ten different types of potentially economic mineral associations outlined within a total of 14 main zones in the project area. A map showing the locations of the mineralized zones is attached in the Appendices.

Gold is generally associated with strong silicification and locally base metal mineralization. Sulphides include pyrite, sphalerite, galena, chalcopyrite and rarely tetrahedrite. On the Indi 9 and 10 claim, the Extreme copper showing is located in brecciated granodiorite.

The most significant zone is the Main Breccia one that has been traced over a potential strike length of 2.5 kilometers, a vertical height of 700 meters and widths varying from 20 to 100 meters. It appears that the mineralized zone consists of fractured andesite tuff with quartz veinlets containing sphalerite, galena, pyrite, local chalcopyrite and occasionally fine native gold, silicified tuff and intensely brecciated and silicified stockwork zones. The Main Breccia zone appears to be defined by the greater than 0.2 g/t gold values compared to a background value of less than 0.1 g/t gold.

3.5 Deposit Types

Depth persistence mesothermal to epithermal gold and silver mineralization represents the largest and most economically important class of deposits. A spatial and temporal association for gold mineralization exists with Early Jurassic quartz-rich alkaline to calc-alkaline intrusions and volcanic centres in the Stewart area. Mineralization is structurally controlled, generally with strong potassic and phyllic wall rock alteration. Secondary enrichment is not a significant component.

The Silbak Premier Mine (epithermal deposit) has been the most important in the district and between 1918 and 1979, 4.2 million tonnes of ore were mined at a recovered grade of 13.4 g/t Au, 301 g/t Ag, 2.3% Cu, 0.6% Pb and 0.2% Zn (BCEMPR production statistics).

The two main types of mineralization on the Sibak-Premier property are as follows:

1. High-sulphide, base metal rich gold mineralization
2. Low-sulphide, gold rich mineralization

These types of mineralization are consistent with that located on the Silver Coin project. The gold-silver-sulfide breccias and veins on the Silver Coin project are of epithermal origin related to the nearby Mount Dilworth volcanic center. These breccias and veins formed from mineralizing fluids being deposited in shallow sub-volcanic faults and shears as well as along trachyte dyke contacts. Alldrick, in his study of the Big Missouri-Premier region, reports that both low sulphide and high sulphide veins and breccias have a sequence from sulphides to sulphosalts to native metal. He reports that low sulphide mineralization is earlier than the high sulphide mineralization. This relationship has been confirmed by the 2004 thin section work on the Silver Coin drill core.

3.6 Exploration

Mountain Boy Minerals and Pinnacle Mines have conducted an exploration program that includes, trenching, diamond drilling, geochemical sampling, trail building and soil sampling.

A total of 2,000 meters of trenching have been carried out in 67 trenches using an excavator and in some cases a compressor and rock drill in order to obtain bedrock samples for assaying. In many of the trenches deep overburden prevented sampling the full width of the excavations or prevented reaching bedrock.

A total of approximately 55,000 meters of NQ, BTW and ATW size core have been drilled in 599 diamond drill holes on the Silver Coin property. Of this, some 26 holes totaling 6,832.44 m were located on the Indi 9 claim.

Rock geochemical sampling has been successful in outlining further areas for exploration; primarily further trenching and diamond drilling. Soil sampling has also indicated anomalous gold and silver values with associated base metal values.

In addition, a total of approximately 8.6 kilometers of trail building was completed including building drill access roads, fixing old access trails and creating new roads for further exploration.

3.7 Mineral Processing and Metallurgical Testing

Two composite samples, of roughly 900 kg each, were submitted to Process Research Associates in Richmond, B.C. for metallurgical testing in January of 2007. The results are summarized as follows:

- Grindability tests show a Bond Mill work index of 18.6 kW-hr/tonne
- Cyanide leach tests at a target grind of P_{80} = 150 microns showed recoveries of 78% for Au and 55% for Ag after 72 hrs at a reagent consumption of 1.64 kg/tonne for NaCN, and 0.10 kg/tonne for lime.
- Cyanide leach tests at a target grind of P_{80} = 75 microns showed recoveries of 80% for Au and 60% for Ag after 72 hrs at a reagent consumption of 3.4 kg/tonne for NaCN, and 0.10 kg/tonne for lime.
- Carbon-in-leach (CIL) recoveries were 79% for Au and 23% for Ag after 24 hrs for composite A, and 86% for Au and 19% for Ag for composite B. Reagent consumption varied from 0.32 to 1.22 kg/tonne for cyanide, and 0.15 kg/tonne for lime.
- Three flotation trials were undertaken at 3 target grind sizes varying from a P_{80} of 45 microns to 150 microns. The results show slightly better recoveries with the finer grind sizes, varying from 94 to 98% recovery for Au, and 92 to 95% recovery for Ag. The total mass pull was 38% at the finer grind, and 22% at the coarser grind.

- Two gravity recovery tests were also performed with a Falcon pre-concentrator prior to flotation.

The preliminary metallurgical results show good gold recoveries with either intense cyanidation or carbon-in-leach (CIL) processes, whereas silver recoveries were less promising. Excellent recoveries were measured for both gold and silver in flotation trials.

The preliminary metallurgical testwork has focused on recovery of the precious metals only, and no base metals testing has been undertaken to date.

3.8 Mineral Resource and Reserve Estimates

An updated mineral resource encompassing the results of all diamond drilling up to the end of 2006, is summarized herein. The resources have been estimated in accordance with the Canadian Institute of Mining and Metallurgy and Petroleum's "Standards on Mineral Resources and Mineral Reserves" adopted by the CIM Council on November 14, 2000 (CIMM 2000). The resource calculation procedure included the following tasks:

- verification of entered assay data in an Excel database, from original assay certificates;
- importation of the assay data into SURPAC; and
- calculation of a mineral resource using a block modeling technique.

The resource calculations for the Silver Coin property relied on historical assay data collected by previous operators, as well as drilling conducted by Pinnacle in 2005 and 2006. The historical assay data was verified by a program of verification against the original assay certificates. Only the assays that were deemed verified were used in the calculation of resources.

The verified assay data and silicification zones were imported into LEAPFROG to model mineralization and model grade shell boundaries. LEAPFROG is a proprietary 3D geological modeling package that allows rapid construction of geological and grade-shell wireframes directly from scattered drill hole data. LEAPFROG uses recently developed rapid 3D interpolation methods that were refined and modified to suit geological modeling problems. Three dimensional silicified zone model is presented in Figure 9.1.

Mineral resource above different "Au-equivalent" cut-off grades have been estimated and summarized below in Table 3.1 and Table 3.2.

Table 3.1

Summary of the 2007 Mineral Resource Estimate for the Silver Coin Project (includes Inferred Resources)

Cut-off Grade Au-Eq (g/t)	Tonnes	Au-Eq (all metals) g/t	Au g/t	Ag g/t	Zn %	Au (oz)	Au-Eq (oz) (Au, Ag only)
0.25	76,599,380	1.076	0.717	3.781	0.155	1,765,689	1,943,044
0.5	41,636,771	1.662	1.161	5.540	0.217	1,554,100	1,695,353
0.75	**25,655,126**	**2.317**	**1.662**	**7.492**	**0.285**	**1,370,803**	**1,488,505**
1	16,760,494	3.089	2.259	9.629	0.363	1,217,231	1,316,059
1.25	11,426,111	4.009	2.982	12.059	0.451	1,095,408	1,179,784
1.5	8,245,680	5.029	3.809	14.919	0.535	1,009,735	1,085,067

* Au-eq values calculated from $525/oz for Au, $10/oz for Ag, $2.4/lb for Cu, and $2/lb for Zn

Table 3.2

Summary of the 2007 Mineral Resource Estimate on the Indi 9 Claim (includes Inferred Resources)

Cut-off Grade Au-Eq (g/t)	Tonnes	Au-Eq (all metals) g/t	Au g/t	Ag g/t	Zn %	Au (oz)	Au-Eq (oz) (Au, Ag only)
0.25	5,521,409	0.532	0.257	3.158	0.113	45,620	56,297
0.5	2,001,464	0.860	0.446	5.123	0.170	28,698	34,977
0.75	**923,423**	**1.151**	**0.577**	**7.999**	**0.228**	**17,130**	**21,653**
1	396,825	1.552	0.640	14.668	0.339	8,165	11,729
1.25	247,569	1.805	0.678	17.728	0.420	5,396	8,084
1.5	156,585	2.059	0.809	17.481	0.486	4,073	5,749

* Au-eq values calculated from $525/oz for Au, $10/oz for Ag, $2.4/lb for Cu, and $2/lb for Zn

The resources in Table 3.2 are a subset of the resources in Table 3.1. These were not kriged independent of the main resources reported in Table 3.1. It should be noted that the Indi subset of the Silver Coin resource is not considered an economic resource in its own right, and it is considered unlikely to hold any future prospect of being an economic resource.

The resource has been classified as Measured, Indicated and Inferred according to CIMM (2000) resource classification standards. The Measured resource was calculated based on the holes spaced closer than 11m, while the Indicated resource was calculated for holes spaced between 11m and 20m, and Inferred resources were calculated for holes spaced greater than 20m.

Mineral resources above a 0.75 g/t Au-equivalent cutoff grade are presented in Table 3.3 below.

Table 3.3

Summary of the 2007 Mineral Resource by Resource Category for Silver Coin
(Above a Cutoff Grade of 0.75 g/t Au-Equivalent.)

Class	Tonnes	Au-Eq (all metals) g/t	Au g/t	Ag g/t	Zn %	Au (oz)	Au-Eq (oz) (Au, Ag only)
Measured	1,073,891	4.487	3.481	14.191	0.432	120,181	129,513
Indicated	8,633,606	1.832	1.091	10.567	0.288	302,822	358,689
M+I	**9,707,497**	**2.126**	**1.355**	**10.968**	**0.304**	**423,002**	**488,202**
Inferred	15,947,629	2.433	1.849	5.377	0.273	947,988	1,000,499

Table 3.4

Summary of 2007 Mineral Resource by Resource Category (Indi 9 Claim)
(Above a Cutoff Grade of 0.75 g/t Au-Equivalent.)

Class	Tonnes	Au-Eq (all metals) g/t	Au g/t	Ag g/t	Zn %	Au (oz)	Au-Eq (oz) (Au, Ag only)
Measured	54,161	1.522	0.664	6.473	0.384	1,156	1,371
Indicated	279,744	1.236	0.491	16.854	0.231	4,416	7,303
M+ I	**333,905**	**1.282**	**0.519**	**15.170**	**0.256**	**5,572**	**8,674**
Inferred	589,518	1.076	0.609	3.937	0.212	11,542	12,963

4 INTRODUCTION

New Cantech Ventures, Inc. (New Cantech) is a TSX Venture Exchange listed (NCV) junior mining exploration company based in Edmonton, Alberta. A key asset held by New Cantech is a 45 percent joint venture interest in the Indi 9, 10, 11 and 12 mineral claims that comprise a portion of the Silver Coin deposit ("Silver Coin") located some 24 km north Stewart, British Columbia. The Silver Coin property comprises some 2,250 ha in 90 mineral claims, of which the Indi claims comprise 750 ha in 4 modified claim blocks.

This report is entitled "Technical Report on the Indi Claims at the Silver Coin Property, Stewart, British Columbia". The purpose of this document is to provide NI 43-101 compliant resource estimate for the Indi claim specific portions of the Silver Coin Project, based on the results of drilling and exploration carried out by the joint venture partners up to the end of the 2006 field season.

This document is largely extracted from a recently filed technical report filed on SEDAR entitled "Updated Technical Report and Preliminary Economic Assessment on the Silver Coin Deposit, Stewart, British Columbia" dated April 27, 2007 and filed by Pinnacle Mines Ltd. Where necessary, references have been made to highlight information specific to the Indi claims, otherwise the document is largely un-modified. Most of this document references "Pinnacle" (or Pinnacle Mines Ltd.) as the key stakeholder because they commissioned the April 2007 report and they hold the majority interest in Silver Coin.

The Qualified Person for this report is:

- Dr. David Stone, P.Eng. of MineFill Services, Inc., Vancouver, British Columbia. Dr. Stone is responsible for the resource estimate and provided technical oversight during the preparation of the report. Dr. Stone visited the property in July of 2006.

5 RELIANCE ON OTHER EXPERTS

This document is based solely on information provided by New Cantech and their joint venture partners: Mountain Boy Minerals, and Pinnacle Mines Ltd. The key documents referenced herein include:

- Exploration summary reports prepared by Mountain Boy Minerals for the 2004, 2005 and 2006 field exploration seasons.
- Various company press releases filed on SEDAR

5.1 DISCLAIMER

MineFill Services Inc. ("MineFill") has relied almost entirely on data and information derived from work completed by Pinnacle, and reports prepared by others. Although MineFill has reviewed most of the available data and has made a site visit, these tasks only validate a portion of the entire data set. MineFill therefore has made judgments about the general reliability of the underlying data. Underlying this assessment on data quality is a high level of confidence instilled in the project data and work completed, because of the methodology and standards used by Pinnacle.

Much of the background information on the Silver Coin property, such as the history, past exploration, drilling, sampling and assaying has been reported by others in previous Technical Reports filed on SEDAR. This past information has been updated only when it was relevant to do so or when it is clear that additional information was required.

MineFill has made no attempt to verify the legal ownership or title to the Silver Coin property and the authors are not qualified to assess the validity of mineral claims in British Columbia. The authors are not qualified to assess environmental issues. MineFill can report on observations made at the site visit only, as well as issues made aware to MineFill by Pinnacle, but this should not be considered a comprehensive overview of the environmental issues.

It should be emphasized that the known resources at Silver Coin cover only a small portion of the Indi 9 claim. This document is limited to those resources encompassed within the known Silver Coin deposit as outlined herein. The Indi claims (Indi 9, 10, 11 and 12) cover a large land area that extends well outside the boundaries of the known resources at Silver Coin. While other mineral showings are known to exist elsewhere on the Indi claims, this document does not address their mineral potential. Hence it must be emphasized that this document is not intended to address the full mineral potential of the New Cantech Indi claims.

6 PROPERTY DESCRIPTION AND LOCATION

6.1 Property Location

The Silver Coin property is about 24 kilometres north of Stewart in British Columbia, Canada (Figure 6.1 and National Topographic System [“NTS”] sheets 104B010 and 104B020). The claim block is centred on latitude 56° 06’ north and longitude 130° 02’ east.

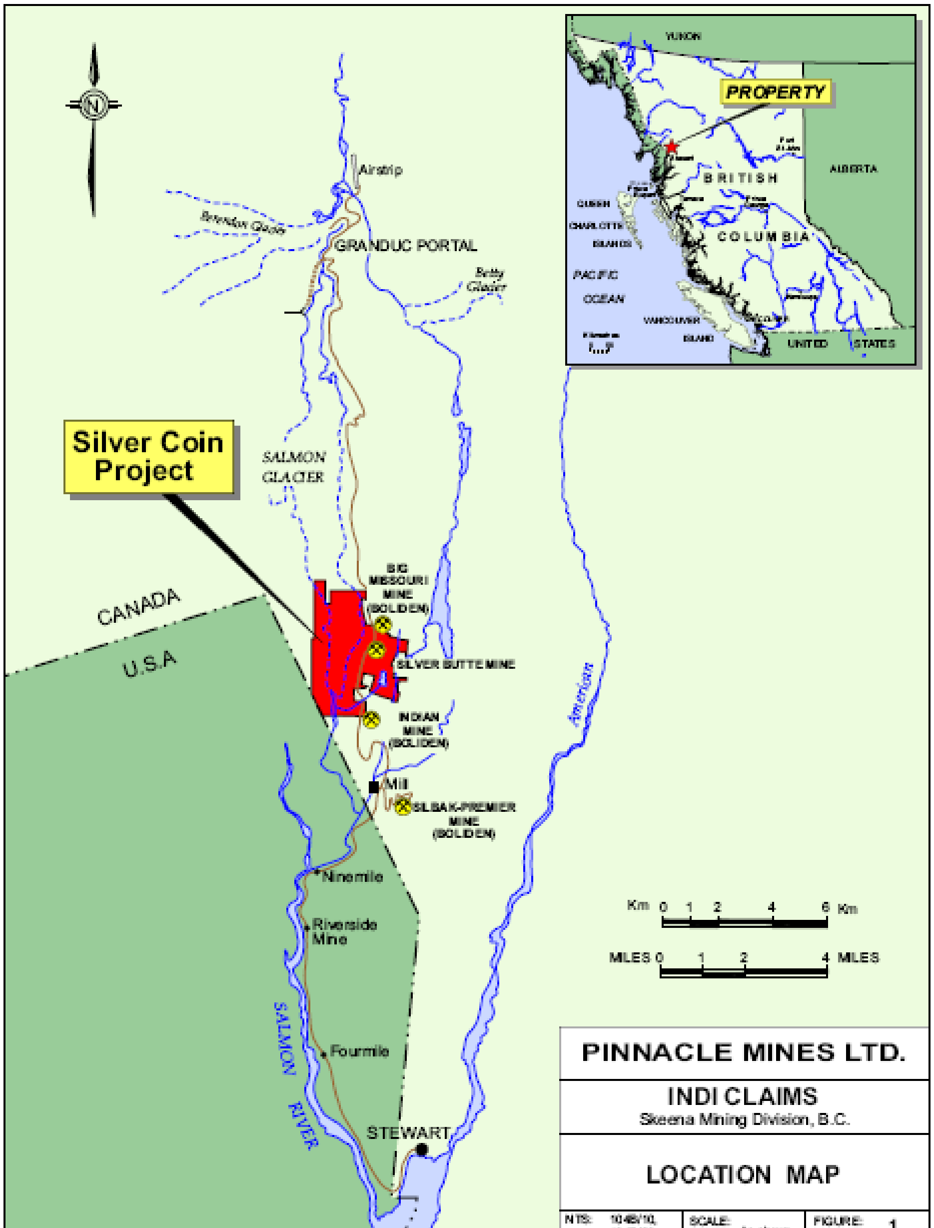


Figure 6.1 – Silver Coin Property Location Map

6.2 Mineral Rights

The Silver Coin property consists of the following contiguous claims: one Crown Granted claim (Kansas), nine Reverted Crown Granted claims (Storm, Storm Fraction, Dan Fraction, Silver Coin, Silver Coin Fraction, Idaho, Idaho Fraction, Fair and Petite Fraction), ten 2-post units (Silver Coin 2 to Silver Coin 8, inclusive, Big Missouri, Winer and Packers) and 70 units in six modified grid claims (Silver Coin 9 and 10, and INDI 9 to INDI 12, inclusive). Due to overlap, the sometimes irregularly shaped claims cover a total area of 1,500 hectares, which is 66.8 percent of the area claimed (2,244.5 hectares). Relevant claim information is summarized on Table 6.1. The claims are geographically concentrated along Big Missouri Ridge. The claim block encompasses Salmon River, Cascade River and Big Missouri Ridge.

Table 6.1

Claim Information for the Silver Coin Property

Claim Name	Tenure No.	Units	Area	Company	Expiry Date
Kansas	3218 C.G.	1	19.5	Tenajon Resources Corp.	July 01, 2007
Storm Fraction	404871	1	25.0	Pinnacle 51%, MBM 49%	July 21, 2007
Dan Fraction	404872	1	25.0	Pinnacle 51%, MBM 49%	July 21, 2007
Storm	404867	1	25.0	Pinnacle 51%, MBM 49%	July 21, 2007
Silver Coin	404866	1	25.0	Pinnacle 51%, MBM 49%	July 21, 2007
Idaho	404865	1	25.0	Pinnacle 51%, MBM 49%	July 21, 2007
Fair	404864	1	25.0	Pinnacle 51%, MBM 49%	July 21, 2007
Silver Coin Fraction	404868	1	25.0	Pinnacle 51%, MBM 49%	July 21, 2007
Idaho Fraction	404869	1	25.0	Pinnacle 51%, MBM 49%	July 21, 2007
Petite Fraction	404870	1	25.0	Pinnacle 51%, MBM 49%	July 21, 2007
Silver Coin 2	405601	1	25.0	Pinnacle 51%, MBM 49%	Oct. 3, 2007
Silver Coin 3	405602	1	25.0	Pinnacle 51%, MBM 49%	Oct. 3, 2007
Silver Coin 4	405603	1	25.0	Pinnacle 51%, MBM 49%	Oct. 4, 2007
Silver Coin 5	405604	1	25.0	Pinnacle 51%, MBM 49%	Oct. 4, 2007
Silver Coin 6	405902	1	25.0	Pinnacle 51%, MBM 49%	Oct. 8, 2007
Silver Coin 7	405903	1	25.0	Pinnacle 51%, MBM 49%	Oct. 8, 2007
Silver Coin 8	405904	1	25.0	Pinnacle 51%, MBM 49%	Oct. 9, 2007
Big Missouri	405872	1	25.0	Pinnacle 51%, MBM 49%	Oct. 11, 2007
Winer	405873	1	25.0	Pinnacle 51%, MBM 49%	Oct. 10, 2007
Packers	405874	1	25.0	Pinnacle 51%, MBM 49%	Oct. 10, 2007
Silver Coin 9	406223	20	500.0	Pinnacle 51%, MBM 49%	Oct. 28, 2007
Silver Coin 10	412700	20	500.0	Pinnacle 51%, MBM 49%	July 29, 2007
INDI 9	406212	9	225.0	NCV 100%	Oct. 27, 2007
INDI 10	406213	6	225.0	NCV 100%	Oct. 27, 2007
INDI 11	406214	6	150.0	NCV 100%	Oct. 27, 2007
INDI 12	406215	9	150.0	NCV 100%	Oct. 27, 2007
Totals	-	***90***	***2,244.5***	-	-

Sources: www.mtonline.gov.bc.ca; www.webmap.em.gov.bc.ca; srmapps.gov.bc.ca

Key: Pinnacle = Pinnacle Mines Ltd, MBM = Mountain Boy Minerals Ltd, NCV = New Cantech Ventures Ltd

Notes: The Silver Coin 3 and Silver Coin 4 claims together used to be called the Terminus claim

The Silver Coin 10 claim was previously known as the Sarah claim.

All the claims are situated in the Skeena mining division of the Province of British Columbia. The locations of the claims are illustrated in Figure 6.2, copied after available NTS maps. All the claims are in good standing. The exact locations of the Crown Grant and Reverted Crown Grants have been verified by legal survey; their accurate locations may be ascertained from the Department of Mines Records.

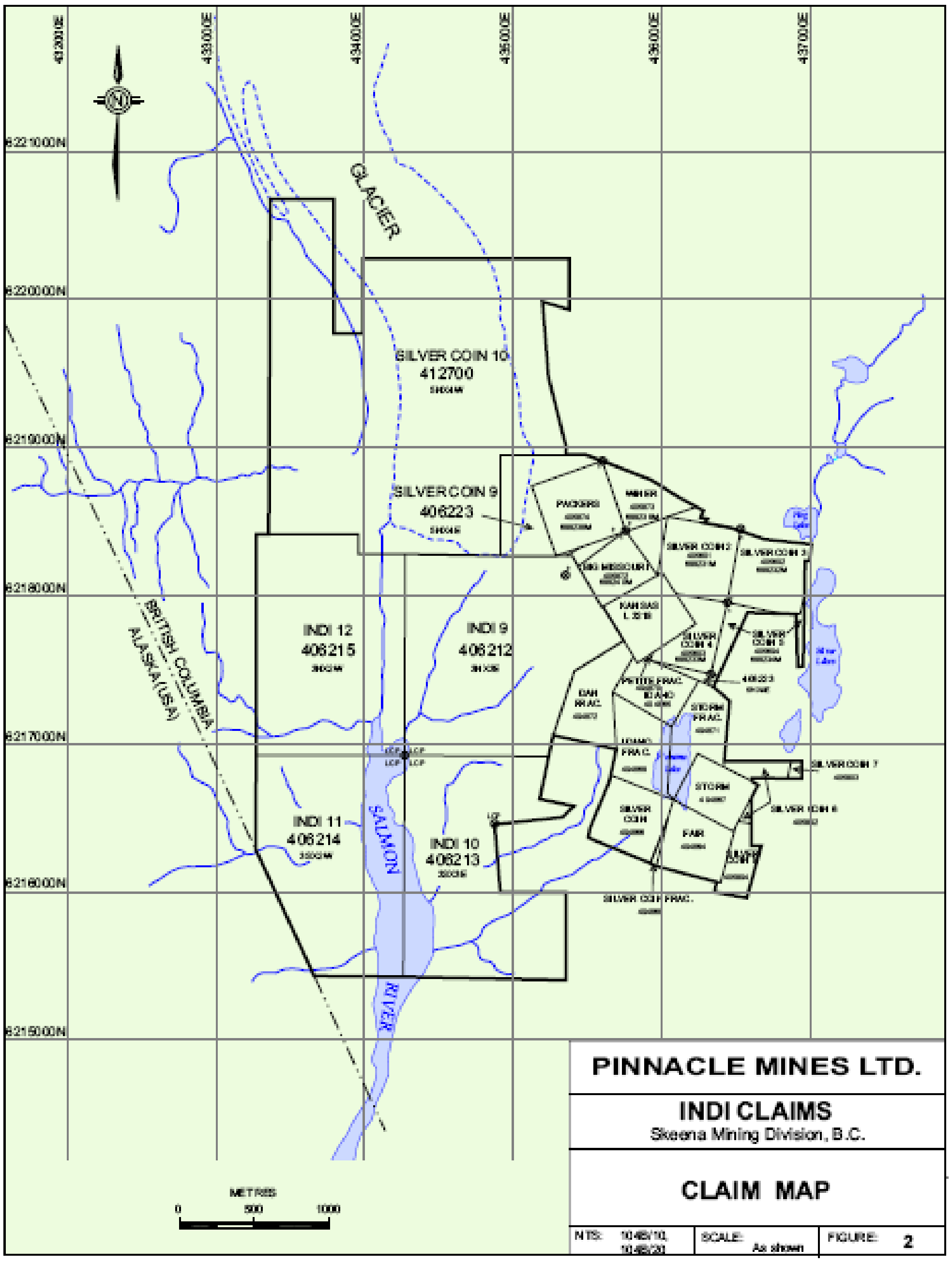


Figure 6.2 – Silver Coin Claim Map, in UTM Co-ordinates

6.2.1 Tenajon Resources Corporation

Tenajon Resources Corporation ("Tenajon", formerly known as Tenajon Silver) owns the only Crown Granted claim (Kansas). Pinnacle Mines Ltd ("Pinnacle") entered into an option and joint venture agreement with Tenajon on October 20, 2004, whereby Pinnacle could earn a 60 percent interest in the Kansas claim by:

- paying Tenajon C$50,000.00 (which amount has been paid);
- issuing 77,000 common shares of Pinnacle (which issue has been made); and
- incur an aggregate of C$1,000,000 in option costs on the property, as follows -
    - at least C$100,000 on or before October 13, 2005,
    - a cumulative amount of at least C$300,000 on or before October 13, 2006,
    - a cumulative amount of at least C$600,000 on or before October 13, 2007 and
    - a cumulative amount of at least C$1,000,000 on or before October 13, 2008.

The cumulative amounts of option costs to October 13, 2006 have been met or exceeded. Pinnacle could earn a further 10 percent (thereby a total of 70 percent) of the Kansas claim by bringing the claim through a positive feasibility study.

6.2.2 Mountain Boy Minerals Ltd

Randy Kasum used to hold all nine of the Reverted Crown Granted claims, all 10 of the two-posted claims and 40 of the units in two modified grid claims (Silver Coin 9 and 10) in trust for Mountain Boy Minerals Ltd ("MBM"). All the held-in-trust claims reverted to MBM in accordance with an option and joint venture agreement with Pinnacle, dated July 29, 2004. The agreement:

- enables Pinnacle to earn up to 51 percent of MBM's interest in its 100 percent owned Silver Coin holdings (defined above) and its 55 percent owned INDI 9 to INDI 12 claims held by New Cantech Ventures Ltd; but
- requires Pinnacle to spend C$1.75 million on exploration over a three year period, in order to secure the joint venture agreement outlined; and
- allows Pinnacle to earn an additional nine percent in MBM's SIlver Coin interests by arranging and paying for the costs of bringing the joint venture property into commercial production.

In a letter dated March 01 2006 (a copy has been seen by MineFill), it was agreed between Pinnacle and MBM that the C$1.75 million hurdle was achieved and exceeded during 2005 and that the 51 percent : 49 percent joint venture agreement was therefore in force. In the same letter, Pinnacle and MBM agreed that the exploration program should be kept on-going, with the costs split in accordance with the joint venture agreement.

6.2.3 New Cantech Ventures Ltd

New Cantech Ventures Ltd ("New Cantech") is the registered owner of the modified grid claims INDI 9 to INDI 12, inclusive. MBM has earned a 55 percent interest in these claims, following an agreement dated March 26, 2004 between MBM and New Cantech. The agreement required MBM to make an option payment of C$8,000.00 and carry out sufficient exploration and/or development work to keep the claims in good standing for a period of one year from the date of the agreement. The agreement terms have been met; MBM notified New Cantech that the assessment work was completed, with subsequent filing at and acceptance of the Gold Commissioner's office.

7 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

7.1 Accessibility and Infrastructure

Paved roads connect Stewart with Smithers and Terrace, which are the major supply centres in the Silver Coin area of British Columbia. A 24 kilometre long stretch of a good dirt road (Granduc road) links Stewart with the Silver Coin property. A section of the Granduc road from Stewart to the Silbak-Premier mine (11 kilometres, see Figure 6.1) is maintained year-round. Heavy snowfalls limit road access beyond the Silbak-Premier mine to between June and October, unless snow clearing is carried out on the unmaintained road portion. A short spur road off the Granduc road provides access to the Silver Coin property. An alternative access is from the Big Missouri road to Hog Lake, along a rough dirt track to the top of Big Missouri Ridge.

7.2 Climate

Climate in the area can be severe: heavy snowfalls in the winter and rain and fog in the summer are typical of the Stewart area. Snowfall of up to 30 metres has been experienced at the higher elevations, which snow can remain in gullies until July. Field work is generally restricted to between May and November, due to the mountainous terrain and the weather conditions. However, once property development starts, year-round drilling and underground work can proceed, as has been the case on many properties in the general area of the Silver Coin property.

7.3 Local Resources

Labor resources are available in Stewart although the town is currently experiencing a boom in mineral exploration.

7.4 Infrastructure

The Stewart area features a mill located on the Silbak-Premier mine property, as well as the year-round seaport at Stewart. Grid power is available from the old Premiere mine. There does not appear to be an issue with water supply for mining and processing. The site of No Name Lake appears to be an excellent place to locate a mill and the ancillary facilities such as a tailings pond.

7.5 Physiography and Topography

The area of the Silver Coin property encompasses steep mountain slopes that are typical of the Coast Range region of British Columbia, of which Big Missouri Ridge is a local segment (Figures 7.1 and 7.2). The western property edge (defined by the INDI 9 to INDI 12 and Silver Coin 10 claims) is located in the Salmon River valley bottom, as well as the southern portion of Salmon Glacier (Figures 7.2 and 7.3). The claims extend east from the Salmon River valley, over Big Missouri Ridge to Cascade River. No Name Lake, measuring 300 metres in length and 200 metres in width (Figure 7.4), occupies gently rolling topography in the southeast portion of the Silver Coin property.

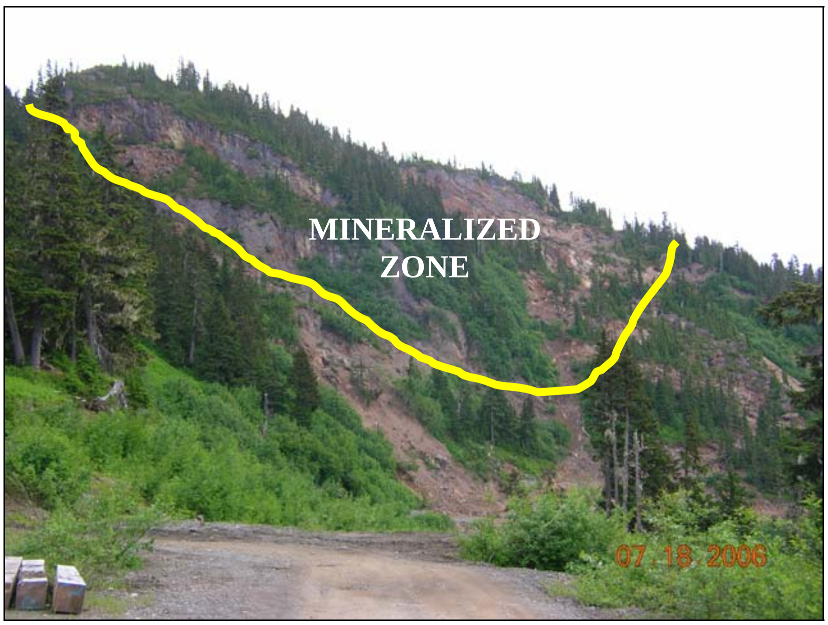


Figure 7.1 – A View of the Silver Coin Deposit from 810 Adit Portal

Figure 7.2 – A General View of the Silver Coin Project Area, from the Granduc Road

Figure 7.3 – Drill Pad Preparation on a Steep Hillside above Salmon Glacier

Figure 7.4 – No Name Lake (adjacent to the potential site for a mill and tailings pond)

The Salmon River valley is bordered by steep and extensively bluffed slopes that are generally covered by glacial moraine and locally covered with thick alder and willow underbrush. Sparse stands of hemlock and minor spruce are present above the Granduc road, to the top of Big Missouri Ridge. Along the south side of the Big Missouri claim an avalanche chute, that is locally called Slippery Jim, is covered with talus and landslide rubble and heavy alder brush.

Elevations on the Silver Coin property range from 500 metres in the Salmon River valley to 1,000 metres on the top of Big Missouri Ridge. Along the ridges, small tarns (less than 100 metres in length) occupy topographic depressions. Thick glacial moraine is primarily restricted to lower elevations and valley floors, with good rock exposure along the ridge tops and creek beds.

8 HISTORY

Since the Silver Coin property includes many different claims and claim blocks from previous periods, the following sections covering past work (early years and recent work) have been separated into three different parts covering the former Terminus claim, the former Silver Coin property and former SB property:

- most work has taken place on the former SB property (that covered the northeast portion of the present Silver Coin property and included the Big Missouri, Kansas, Packers fraction, Winer, Winer fraction and Silver Coin 10 claims);
- lesser amounts of work have been carried out on the former Terminus claim (that comprised what are now known as the Silver Coin 3 and 4 claims) and the former Silver Coin property

that comprised the Storm, Storm Fraction, Dan Fraction, Silver Coin, Silver Coin Fraction, Idaho, Idaho Fraction, Fair and Petite Fraction claims).

A total of 20 different mineralized zones ("mineralized zones" or "zones") exist on the Silver Coin property (Figure 8.1). Each of the zones is described in Section 11, some of the zones are mentioned in the following text. The Facecut and 35 zones are structurally one zone that is sometimes referred to as the Facecut/35 zone.

8.1 Early Years (1904 to 1939)

Work started on the property in 1904 and continued to 1939, following which there was a hiatus until 1967 when the recent phase of work, described in Section 8.2, started.

8.1.1 Former Terminus Claim

According to the British Columbia Minister of Mines, mineralization was found on the former Terminus property in 1911. In 1916, the claim over this discovery was Crown Granted. During the 1930s a short adit was driven on some massive galena veins. Work on the former Terminus property continued intermittently from 1911, but little documentation exists.

8.1.2 Former Silver Coin Property

In 1904, the former Silver Coin property was located along Big Missouri Ridge. The property was purchased in the early 1930s by the Noble family, who held it until 2003. In the early 1930s a short adit was completed on the Dan mineralized zone. A number of pits were excavated over mineralized showings, two of which became known as the Silver Coin and Idaho mineralized zones.

8.1.3 Former SB Property

1904 The Big Missouri claim was staked over a large mineral showing on steep bluffs overlooking Salmon River.

1911 An 18.3 metre long crosscut was driven towards a large surface showing on the Big Missouri claim.

1914 A sample, taken across a 13.72 metre long cut, returned grades of 3.42 g/t Au and 205.68 g/t Ag.

1915 The crosscut tunnel was extended by 6.09 metres.

1916 Samples were taken from 120 boulders on the large slide on the Big Missouri claim, which yielded average grades of 4.45 g/t Au and 16 g/t Ag.

1930 Buena Vista Mining ("Buena Vista") completed limited trenching on the Big Missouri claim.

1939 Buena Vista conducted a surface sampling program on the Big Missouri claim. A series of surface samples from the west corner of the Big Missouri claim returned grades averaging 14.39 g/t Au and 11.65 g/t Ag, across a width of 16.0 metres.

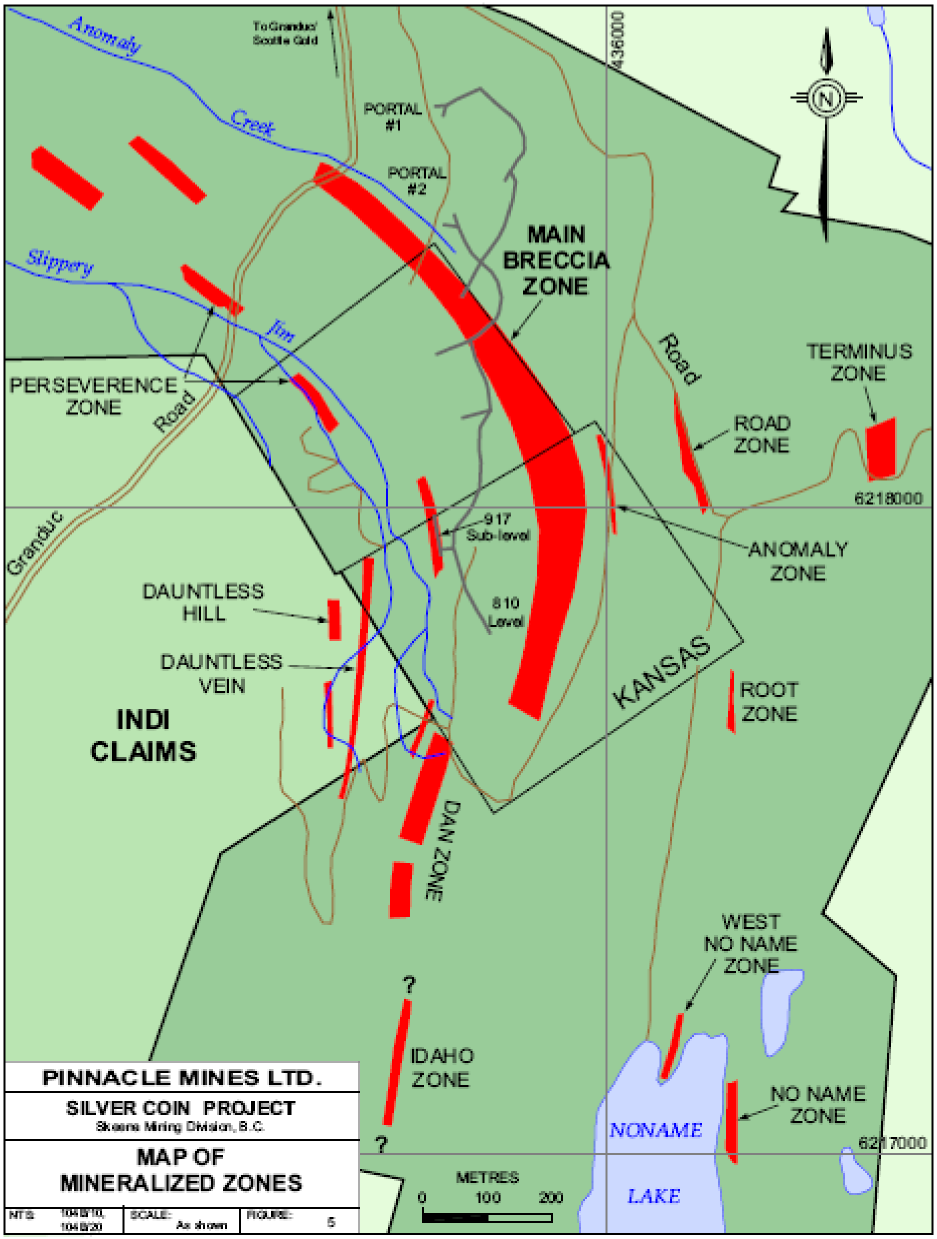


Figure 8.1 - The Silver Coin Mineralized Zones

8.2 Recent Work (1967 to 2006)

8.2.1 Former Terminus Claim

In the early 1980s, the Terminus claim (now known as the Silver Coin 3 and 4 claims) was purchased by Tournigan Mining, who subsequently sold it to Westmin Resources Ltd ("Westmin") during 1983/84. A total of three vertical holes totalling 100 metres were completed in the early 1980s. Subsequent to this, soil sampling and airborne surveys, including K-count radiometric surveys, were completed as part of a larger exploration program that included the Big Missouri claim held by Westmin. The radiometric survey indicated that sericite alteration extended across the Terminus claim, south towards No Name Lake. In addition, soil sampling indicated anomalous silver values south of the present workings. The Terminus claim was dropped by Westmin in 2004, but was soon re-staked (in 2004) by MBM.

8.2.2 Former Silver Coin Property

1967 Prospecting by Granduc Mines located the area of the Dan zone. The now caved-in adit, driven in the early 1930s by the Noble family, was cleared and sampling and trenching on the surface expression of the Dan zone was completed.

1981 E.W. Grove prepared a geological report on the property, based on a 1967 visit.

8.2.3 Former SB Property

1969 Lockwood Survey Corporation conducted an airborne electro-magnetic ("EM") survey and a magnetometer survey of Salmon River.

1971 El Paso Mining and Milling Company conducted a soil geochemical survey over the area of the Winer claim.

1975 Canex Placer Limited prospected the former SB property area.

1978 Consolidated Silver Butte Mines Ltd. prospected and trenched on the property. Two previously undiscovered mineralized outcrops were found.

1979 Consolidated Silver Butte Mines Ltd. conducted a widespread Induced Polarity ("IP") geophysical survey.

1980 In the fall of 1980, Esso Resources Canada Limited ("Esso") entered into an agreement to explore the former SB property and completed a soil survey in that year over portions of the Big Missouri, Packers Fraction and Winer claims. Soil samples were taken at 25 metre intervals, except in the area overlying a geophysical anomaly, inside a 400 by 500 metre grid and along east-west lines spaced 100 metres apart. For 50 metre on either side of the grid area, samples were taken at 10 metre intervals.

1981 During the fall of 1981, Esso continued the surface work consisting of geological mapping and surface sampling.

1982 Esso drilled 22 diamond drill holes (1,375 metres) and excavated 17 trenches. A test IP survey and a geochemical soil sampling program were also carried out.

1983 A total of 14 diamond drill holes were drilled (1,680 metres), a total of 210 metres of trenching was completed, two kilometres of IP lines were geophysically surveyed and additional surface geological mapping was carried out.

1985 Esso purchased the Kansas Crown Granted claim. Tenajon subsequently entered into an option agreement with Esso whereby Tenajon could earn a 50 percent interest in the claim by spending C$1,200,000.00 over a four year period.

1986 Tenajon drilled four surface diamond drill holes (996 metres). Later in 1986, an adit was collared and driven 20 metres in overburden. The adit was later abandoned.

1987 Tenajon conducted a surface diamond drill program totaling 3,809.9 metres in 23 holes. An adit was collared in October of 1987 and 90 metres of drifting was completed before year-end.

1988 The 1988 work program extended from January through to early November. Work consisted of underground drifting and diamond drilling, as well as surface work consisting of road building, diamond drilling, geological mapping and surveying. This included 773 metres of drifting on 810 Level, 63.5 metres of crosscutting and 17 metres of sub-drifting in the Facecut zone, and 39.7 metres of crosscutting in the 35 zone. A total of 3,063.8 metres of underground drilling was completed in 36 holes, as well as 4,443.0 metres of surface drilling in 23 holes. 2.9 Kilometres of road were also constructed.

1989 Tenajon completed 2,826.5 metres of drilling in 15 surface holes, 1,510.4 metres of drilling in 17 underground holes and extensions in two of the underground holes drilled in 1988.

1990 Tenajon completed 2,544.9 metres of drilling in 16 surface holes and 899.4 metres in 16 underground holes. Westmin subsequently entered into a farm-out agreement with Tenajon and completed 1,833.7 metres of surface drilling in 13 holes and 643.3 metres in four underground holes, as well as extensions to three previous holes.

1991 No work was carried out.

1992 No work was carried out.

1993 The exploration program included: a 19 metres extension of 810 Level; construction of an Alimak chamber and a 130 metres long Alimak raise at 50 degrees; 63 metres of sub-level drifting and crosscutting at 895 metres elevation; and 70 metres of sub-level drifting and crosscutting at 917 metres elevation. Development from the upper part of the Alimak raise, and initial rounds of the sub-levels taken from the Alimak deck, comprised the first bulk sample of 1,107 dry tonnes. The second bulk sample comprised 1,540 dry tonnes of development, much from the combined sub-levels. Once mining was completed, two electric gopher drills, one on each sub-level, drilled 85 AQTK (30.4 mm diameter core) diamond drill holes totalling 1,967 metres.

1994 Exploration work included a major program of underground development, including 168 metres of development drifting on 895 Sub-Level at the south end of the drift developed in 1993. Development muck (1,481 tonnes) from the sub-level was stockpiled at the portal and then milled at Silbak-Premier mine’s mill later in the year. Once mining was completed, 3,507 metres of drilling in 62 underground holes was completed in the new drift.

1995 Westmin initiated various ore reserve studies on the West Kansas and Kansas zones.

1996 Due to the closure of the Silbak-Premier mine in April 1996, all activity ceased on the former SB property.

1997 to 2002 No work was carried out.

2003 In October 2003, Uniterre Resources Ltd, who were the registered owners of the Big Missouri, Winer and Packers Reverted Crown Grants, allowed them to expire without Tenajon's knowledge. MBM subsequently staked the claims and carried out prospecting and trenching (in September and October 2003). Two trenches were excavated at No Name Lake and three trenches were excavated on the Terminus claim.

2004 During 2004, Pinnacle and MBM conducted an exploration program that included trenching, diamond drilling, geochemical sampling and thin section studies of drill core and surface samples:

- 13 trenches were cut (288 metres) using an excavator and, in some cases, a compressor and rock drill to obtain bedrock samples for assaying (in many of the trenches deep overburden prevented sampling the full width of the excavations or prevented reaching bedrock);
- a total of 3133.68 metres of BTW diameter core (42 mm) was drilled in 38 surface holes, with drilling focused in four main areas;
- geochemical sampling (chip sampling and grab samples) of mineralized outcrops outlined further areas for exploration, primarily by means of trenching during 2005; and
- petrographic studies were carried out, the results of which indicated that mineralization and silicification on the Silver Coin property are related to trachyte intrusive rocks.

2005 Between April and November 2005, Pinnacle and MBM completed an exploration program that included trenching, diamond drilling, geochemical sampling, soil sampling and trail building:

- a total of 750 metres of trenching were carried out in 47 trenches using an excavator and, in some cases, a compressor and rock drill to obtain bedrock samples for assaying (in many of the trenches deep overburden prevented sampling the full width of the excavations or prevented reaching bedrock);
- a total of 8041.61 metres in 67 surface diamond drill holes were completed (2,622 metres of NQ diameter core [47.6 mm] in 19 holes, 4,890 metres of BTW diameter core [42 mm] in 33 holes and 524 metres of ATW diameter core [30.3 mm] in 14 holes (the main area tested was the Main Breccia zone; the area of drill hole 87-16, the 22 zone, the Perseverance zone and a granodiorite dike with a quartz stockwork carrying stringers of sulfides on the INDI 12 claim were also drilled);
- rock geochemical sampling outlined further areas for exploration during 2006;

- soil sampling indicated anomalous gold and silver values with associated base metal values in the No Name Lake (368 ppb Au) and Dan Fraction areas (242 ppb Au); and
- a total of approximately 8.6 kilometres of trail building was completed, including the building of drill access roads, the fixing of old access trails and the development of new roads for further exploration.

Based on all drilling to the end of 2005, Minefill estimated a total inferred resource for the Silver Coin property of 11.3 million tonnes grading 1.60 g/t Au, 6.64 g/t Ag, 0.06% Cu, 0.19% Pb, and 0.41% Zn and containing an estimated 500,000 ounces of gold and 2.11 million ounces of silver.

8.3 Production

There was no production from any of the former properties until 1991, when the Facecut and 35 zones were mined from crosscuts developed by Tenajon during 1989. 102,539 Tonnes of ore were produced at an average grade of 8.9 g/t Au and 27.3 g/t Ag. The sulfide rich, low-grade gold portions of the mineralized breccia, found in the walls of the gold-rich portions, were not mined. The tonnage mined from the sulfide-rich portion is unknown.

Sampling carried out in 2004 by MBM and Pinnacle indicated that the tailings from the 102,539 tonnes of processed material averaged 0.72 g/t Au, 31.2 g/t Ag, 0.38% Cu, 0.48% Pb and 3.61% Zn (two samples).

9 GEOLOGICAL SETTING

9.1 Regional Geology

The Silver Coin property lies in the Stewart area, east of the Coast Crystalline Complex and within the western boundary of Bowser Basin. The rocks in the area belong to the Mesozoic Stuhini, Hazelton and Bowser Lake Groups that have been intruded by plutons of both Cenozoic and Mesozoic age. Figure 9.1 shows the general geology of the property area, as mapped by Alldrick in BCEMPR Bulletin 85 (1987).

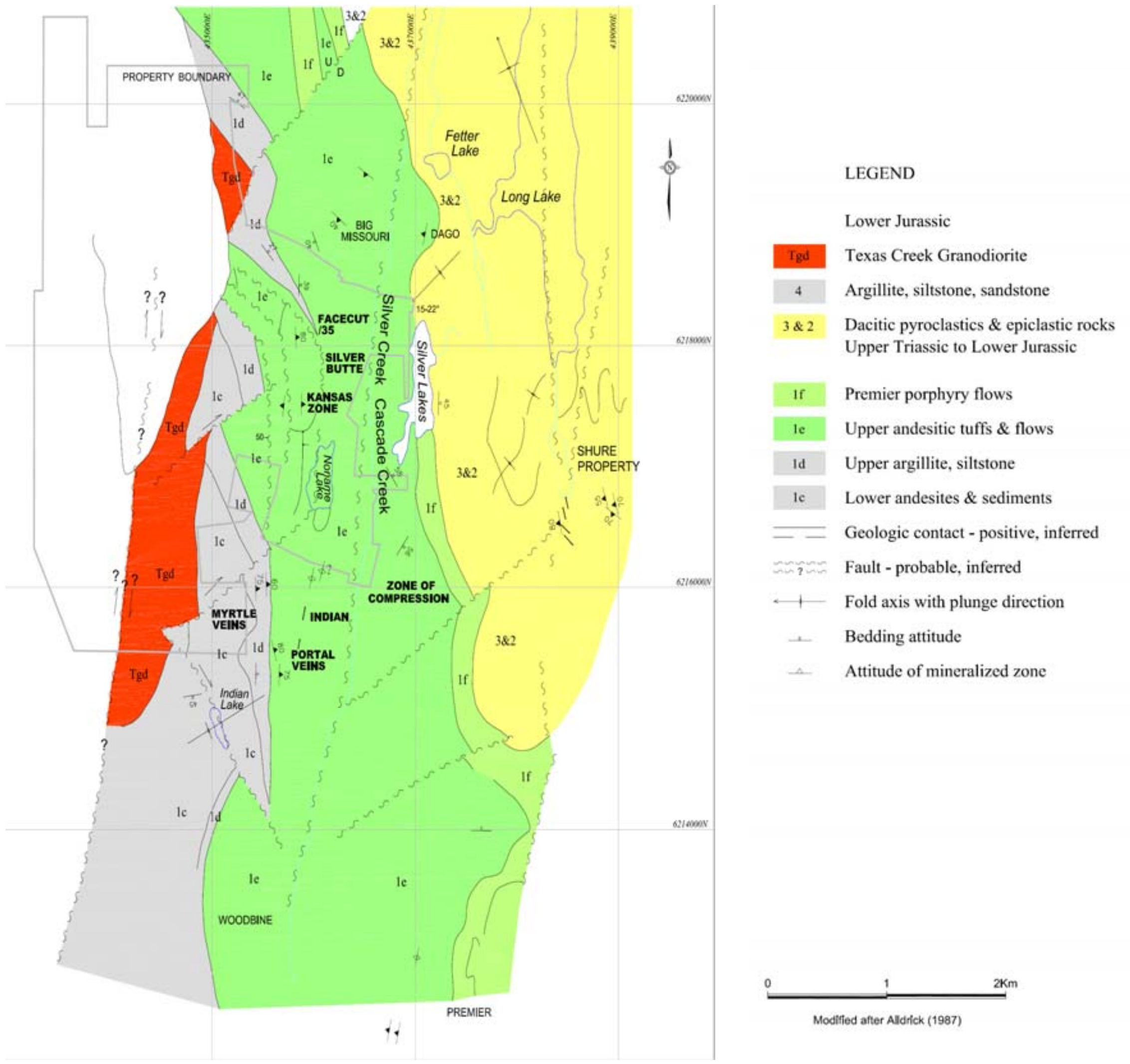


Figure 9.1 - A Regional Geology Map

9.1.1 Stuhini Group

According to C.F. Greig in G.S.C. Open File 2931, portions of the general Stewart area are underlain by Stuhini Group rocks that either underlie or are in fault contact with Hazelton Group rocks. These Triassic age rocks consist of dark grey, laminated to thickly bedded silty mudstones and fine- to medium-grained and locally coarse grained sandstone. Local heterolitic pebble to cobble conglomerate, massive tuffaceous mudstones and thickly bedded sedimentary breccias and conglomerates also form part of the Stuhini Group.

9.1.2 Hazelton Group

A large exposure of Hazelton Group rocks, on the west side of Bowser Basin, has been named the Stewart Complex, which forms a north-northwest trending belt extending from Alice Arm to Iskut

River. At the base of the Hazelton Group is the lower Jurassic marine (submergent) and non-marine (emergent) volcaniclastic Unuk River Formation. This is unconformably overlain, at steep discordant angles, by a second, lithologically similar, middle Lower Jurassic volcanic package called the Betty Creek Formation. The Betty Creek Formation is in turn overlain by an upper Lower Jurassic thin felsic tuff (the Mount Dilworth Formation). Middle Jurassic non-marine sediments with minor volcanics of Salmon River Formation unconformably overlie the volcaniclastic sequence outlined.

The Unuk River Formation is at least 4,500 metres thick. It is a monotonous package of green andesitic rocks that include ash and crystal tuff, lapilli tuff, pyroclastic breccia and lava flows. The Betty Creek Formation represents another cycle of trough filling, with a sequence of distinctively red to green-colored epiclastic rocks and interbedded tuffs and flows that range in composition from andesite to dacite. The lower Jurassic, Mount Dilworth Formation consists of 20 metres to 120 metres thick sequence of variably welded dacite tuffs. The hard, resistant and often pyritic rocks of the Mount Dilworth Formation often form gossaneous cliffs; the rocks together form an important stratigraphic marker in the Stewart area. The middle Jurassic, Salmon River Formation is a thick package of complex-folded sedimentary rocks that include banded, predominantly dark colored siltstone, greywacke and sandstone with intercalated calcarenite rocks, minor limestone, argillite, conglomerate, littoral deposits, volcanic sediments and minor flows.

According to E.W. Grove (1986), the majority of the Hazelton Group rocks were derived from the erosion of andesitic volcanoes, with the sediments subsequently being deposited as overlapping lenticular beds that vary laterally from breccia to siltstone. D. Alldrick's (1988) work to the north of Stewart has shown several volcanic centers of lower Jurassic age in the surveyed area. Volcanic centers within the Unuk River Formation are located in the Big Missouri/Silbak-Premier mine area and in the Brucejack Lake area. Volcanic centers within the (lower Jurassic) Betty Creek Formation are present in the Mitchell Glacier and Knipple Glacier areas. Alldrick (1993) has identified a strato-volcano located on Mount Dilworth, located five kilometres north of the Silver Coin project area. In the project area, he has mapped flows of the Premier Porphyry, a unit that locally marks the top of the Unuk River Formation. Intrusives of the Premier Porphyry phase form dikes that cut all the rocks underlying Premier Porphyry, including the early Jurassic, Texas Creek batholith. Alldrick's work suggests that all precious metals deposits in and around the Silbak-Premier and Big Missouri mines lie stratigraphically below this member.

9.1.3 Bowser Lake Group

Overlying the Hazleton Group sequence are the upper Jurassic, Bowser Lake Group of rocks. They are exposed along the western edge of Bowser Basin, as remnants on mountain tops in the Stewart area. They consist of dark grey to black clastics, including silty mudstone and thick beds of massive, dark green to dark grey, fine to medium grained arkosic sandstone.

9.1.4 Intrusives

Various intrusives exist in the general area of the Silver Coin property; they formed during the early Jurassic and Tertiary periods. The granodiorites of the Coast Plutonic Complex largely engulf the Mesozoic volcanic terrain to the west. To the east, there are numerous smaller intrusions that range in composition from monzonite to granite. Some of them probably represent late-phase offshoots of the Coast plutonism, others are synvolcanic.

9.2 Local Geology

North-south faulting has divided the geology of the Silver Coin property into three different areas:

- an area to the east of the claim group that is bounded by the Cascade Creek fault zone;
- an area located between the Cascade Creek fault zone and the next north-south oriented fault (located about one kilometre to the west) that is dominated by andesitic volcanic rocks with minor trachyte; and
- the central portion of the claim block where northwest-trending faults have created a grauben that hosts mineralized zones of former SB property (Figure 9.2, after Britten [1988]).

The geology of the three areas is complicated, especially within the mineralized zones of the grauben area. The massive nature of most of the units, the intensity of alteration, the lack of reliable stratigraphic and structural marker horizons and extensive faulting have each made it difficult to develop a clear picture of the property's geology. The fact that the available data is from several different operators has created additional problems (when matching the different sets of data). However, it is clear that the rocks of the northwest portion of the mineralized grauben form three northwest-trending, fault-bounded blocks:

- the northeast block is bounded by the Anomaly Creek fault and consists of east-dipping rocks of the Upper Siltstone Member (Alldrick, 1993) that include argillite, black siltstone, black dacite, lapilli tuff and interbedded grey, black and green dacite tuff;
- the Upper Siltstone Member rocks are overlain by a sequence of fine-grained rocks that include green to grey andesite and dacite lapilli tuffs, minor andesite flows, flow breccias, and tuff breccias;
- the central block, situated between the Anomaly Creek and North Gully faults, includes the abundant outcrops found along Big Missouri Ridge - it comprises medium- to coarse-grained, feldspar-hornblende porphyritic andesite that represents flows, flow breccias, tuffs, lapilli tuffs, and agglomerates (elsewhere in the Salmon River valley, the unit has been mapped by D. Alldrick as Premier Porphyry flows that are believed to be Premier Porphyry extrusive equivalent);
- a unit composed of fine-grained andesite underlies the unit of porphyritic andesite; and
- the southwestern block lies between the Gully and the North Gully faults and is underlined by fine-grained andesite.

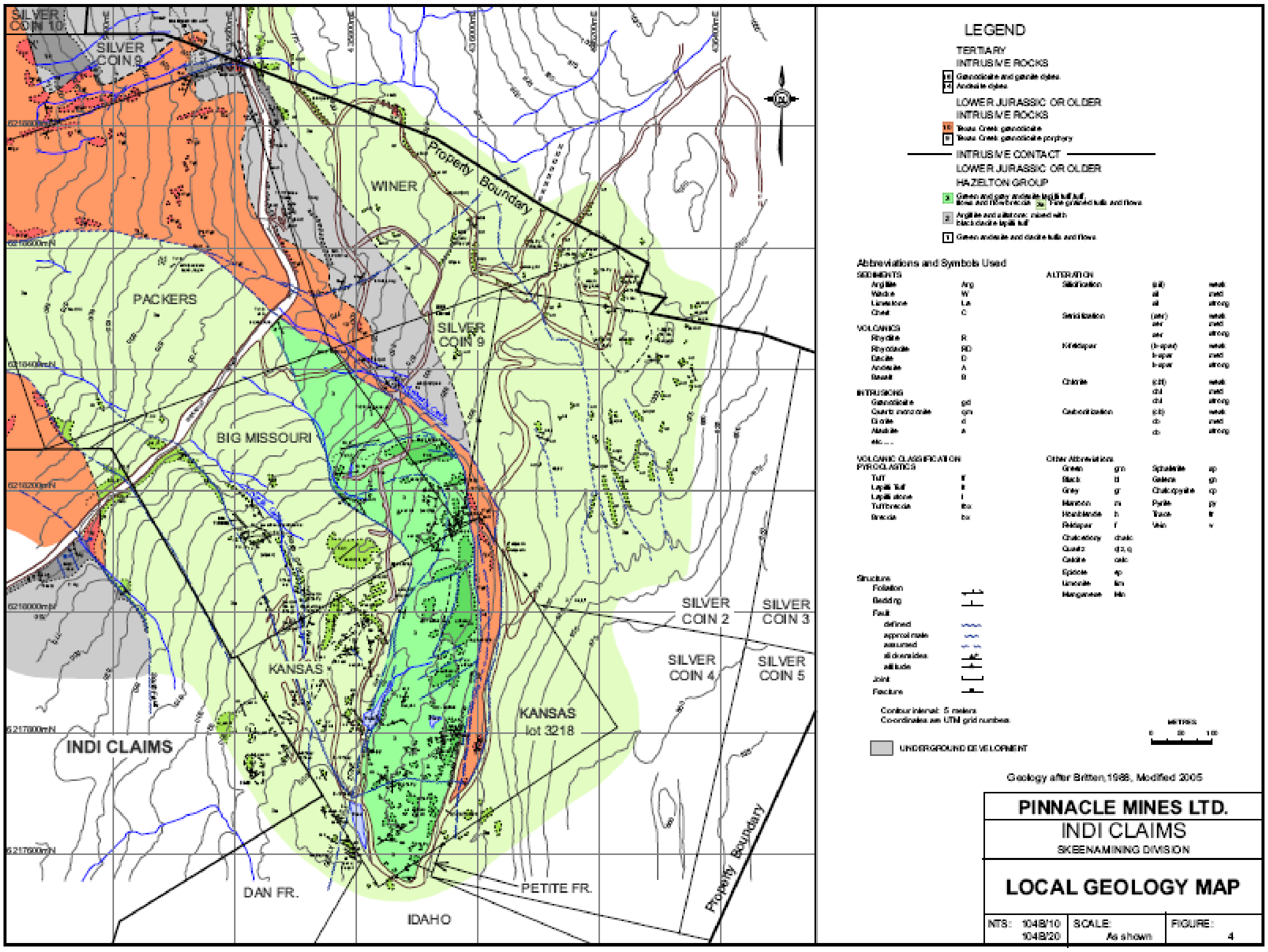


Figure 9.2 - Local Geology Plan (detailing the mineralized graben of the former SB property)

Along with other rocks from the Stewart area, the volcano-sedimentary rocks of the Silver Coin property underwent a period of regional, lower greenschist facies metamorphism characterized by the presence of sericite, chlorite, carbonate and pyrite. In the field, rocks that underwent regional metamorphism tend to have green color - in contrast to altered rocks that tend to be light grey and yellow. Despite this, distinguishing between mineral assemblages formed during regional metamorphism and alteration is difficult, not least because the two assemblages often occur together. It is probably for these reasons that previous authors working on the Silver Coin property did not differentiate between regional metamorphic and alteration mineral assemblages. They instead used the term alteration in a broad sense, which includes minerals formed both as a result of rock exposure to mineralizing solutions and as a result of regional metamorphism.

The last rock-forming episode in the Silver Coin project area was formation of a narrow band of Texas Creek granodiorite, which intruded the package of metamorphosed volcano-sedimentary rocks along the Anomaly Creek fault. The granodiorite contains phenocrysts of sanidine, plagioclase and hornblende. A petrographic study revealed the widespread presence of trachyte within the Perseverance zone. Trachyte is composed chiefly of subhedral to euhedral, often mutually intergrown K-feldspar and some plagioclase crystals displaying a holocrystalline, seriate texture. Kruchkowski (2005, 2006) is of the opinion that trachyte intruded the area along the North Gully and Anomaly Creek faults and that it was a source of mineralization present in all mineralized zones located in the grauben area. In previous reports, trachyte was mis-interpreted as K-feldspar alteration reported in all mineralized zones from the project area. For example, Payne (1988), in his petrographic report for Esso, stated:

"The K-feldspar phenocrysts and K-feldspar in the groundmass are interpreted to have formed by potassic alteration of the original plagioclase. However, because no relic plagioclase textures are present in the phenocrysts, an alternate hypothesis is that the K-feldspar is original, and the rocks are alkali trachyte".

The description of the K-feldspar bearing rocks given in this report strongly suggests the latter hypothesis.

To the south of the grauben, Texas Creek granodiorite and andesitic pyroclastics outcrop on the former Silver Coin Crown Granted claims. Foliated andesite is the most common rock type, with only a few outcrops of sheared limey argillite. The main features in the Silver Coin project area are lineaments, striking north and northwest, which lineaments influence strongly the topography: over most parts of the former Silver Coin property they create a diamond-shaped pattern of rock knolls formed by the intersecting N020°W and N025°E trending lineaments. The lineaments are interpreted as zones of intense fracturing, probably with shearing on the N020°W set and possibly on the N025°E set.

The main rocks present on the former Silver Coin claim group are foliated light green pyritic andesites that are very similar to those of the Silbak-Premier mine area. They consist mostly of sericite and chlorite. Impressive looking, pyrite-bearing gossans developed on schistose andesite outcrops; the Big Missouri properties contain minor to significant amounts of sulfides.

The eastern portion of the Silver Coin property, immediately to the west of the Cascade Creek fault, contains silicified and mineralized cataclasite zone that is up to 75 metres wide and is hosted within andesitic volcanic rocks that contain three to five percent disseminated euhedral pyrite. The mineralized zones occur along a regional deformation zone extending from the former Big Missouri mine through the Silver Coin 3 and 4 claims and south towards No Name Lake. This regional structure is made up of fractured country rock that is intricately laced with unevenly spaced quartz-calcite veinlets and stringers, with or without sulfides.

The western portion of the claim block is underlain by Texas Creek granodiorite that intrudes the volcano-sedimentary rocks to the east.

9.3 Structure

Double plunging, northwest trending folds of the Salmon River and Betty Creek Formations dominate the structural setting of the Silver Coin property area. The folds are locally disrupted by small east-over thrusts with trends that parallel to the major fold axis, cross-axis steep wrench faults which locally turn beds, selective tectonization of tuff units and major northwest faults.

General overall strike of the mineralized zones appears to be primarily in a northwest direction, with variable dips both to the east and to the west. Faulting appears to disrupt the zones, but the displacements appear to be minor.

The mineralized zones of the Kansas and Big Missouri claims are part of a major mineral trend that strikes north-south and hosts the Big Missouri and Indian mines (Figure 6.1). In the area of the Perseverance, Kansas, Facecut and 35 mineralized zones, the (major) structure is joined by three large, sub-parallel and northwest striking faults that have moderate dips to the west (the Anomaly Creek, Gully and North Gully faults identified on Figure 9.2). The major faults, along with numerous smaller ones, form a fault zone that is approximately 300 metres wide and that hosts mineralized zones of the Kansas and Big Missouri claims.

Melnyk and Britten (1989) described the major faults as post-mineral. Kruchkowski (2005, 2006) favors an interpretation put forward by Alldrick (1993):

"*these structures probably originated as ductile, contractional reverse faults, and were reactivated as brittle fractures during later extensional episodes*".

Their origin as pre-mineral faults is proven by the fact that granodiorite, as well trachyte (that hosts the mineralization), were selectively intruded along the fault planes.

The Anomaly Creek fault is probably has a right-lateral, oblique-slip displacement (magnitude unknown). The Gully fault is probably a reverse fault, the displacement of which is probably not large (the alteration zones on both sides of the fault do not appear to be significantly offset). The nature of movement on the North Gully fault is not well understood since little work has been done across the areas in which the structure is developed. Reverse movement for this fault was implied (but not proven) by Melnyk and Britten (1989).

Several other fault trends also exist across the Silver Coin property, which trends are best exposed in the underground workings. Trend-related structural features are not common and they appear to have minimal displacements. The timing of movement on these faults is uncertain.

There are two prominent sets of foliations in the Silver Coin property area. One set strikes east-southeast to east-northeast and is steeply dipping. A second, more widespread set trends north-south and dips moderately to the west.

Bedding orientations are mostly restricted to the argillites and siltstones occurring in two main areas; those exposed in the North Gully Creek fault near the Granduc road and those exposed in road cuts and in underground workings in the footwall of the Anomaly Creek fault. A change with depth from the top of Big Missouri Ridge, from coarse- to fine-grained volcanics, is a less certain indicator of stratigraphic attitudes.

10 DEPOSIT TYPES

The Silver Coin property shares many characteristics with the nearby Silbak-Premier mine property that is located five kilometres to the south of the Silver Coin property (Figure 6.1). The

Silback-Premier mine has been the most important operation in the district; between 1918 and 1979 4.2 million tonnes of ore were mined at a recovered grade of 13.4 g/t Au, 301 g/t Ag, 2.3% Cu, 0.6% Pb and 0.2% Zn (BCEMPR production statistics).

The mineralized zones at both locations are comprised of epithermal, gold-silver-sulfide bearing siliceous breccias, stockworks and veins. Mineralization is most likely related to the nearby Mount Dilworth volcanic centre. Base and precious metals precipitated from mineralizing fluids within sub-volcanic faults and shears as well as along dike contacts. The two main types of mineralization on the Sibak-Premier mine property are:

- high-sulfide (>20% sulfide), base metal-rich gold mineralization; and
- low-sulfide (<5% sulfide), gold-rich mineralization.

Alldrick (1993), in his study of the Big Missouri/Silbak-Premier mine area, reports that both low-sulfide and high-sulfide veins and breccias have a sequence from sulfides to sulfosalts to native metal. He reports that low-sulfide mineralization is earlier than the high-sulfide mineralization. The same relationship was established during a 2004 microscopic study of drill core samples from the Silver Coin property.

Mesothermal to epithermal gold and silver mineralization represents the largest and most economically important class of deposits. A spatial and temporal association for gold mineralization exists with early Jurassic, quartz-rich alkaline to calc-alkaline intrusions and volcanic centers in the Stewart area. Mineralization is structurally controlled, generally with strong potassic and phyllic wall rock alteration. Secondary enrichment is not a significant factor.

11 MINERALIZATION

11.1 General

Mineralization across the Silver Coin property is contained within the 20 different zones identified on Figure 8.1:

- starting from the northwest portion of the property, they include the Perseverance, 13/19, 21, 28, Facecut, 35 and Storm zones;
- immediately further south, along Big Missouri ridge, the West Kansas, Kansas, Snowball, Dan, Dauntless Vein, Dauntless Hill, Silver Coin and Idaho zones are developed;
- in the central portion of the Silver Coin property, the Anomaly Creek, Road, Root and West No Name zones are developed; and
- in the eastern portion of the property, exploration has identified the Terminus and No Name mineralized zones.

The mineralized zones are hosted within broader alteration zones of quartz-sericite-pyrite ± K-feldspar(?) ± chlorite ± clays. They contain pyrite, sphalerite with lesser amounts of galena and chalcopyrite, as well as rare tetrahedrite, native gold and electrum. Mineralization is closely associated with quartz-carbonate stockwork and veinlets, as well as zones of pervasive silicification:

- four different quartz-carbonate vein types have been identified -
  - prior to mineralization, narrow barren carbonate, lesser quartz veinlets, so-called sweats and stringers formed within the andesitic rocks, probably as part of the regional metamorphism, which features can occupy from less than one to five percent of the rock, subsequent to which
  - several generations of gold-bearing, quartz-calcite veins were formed,
  - emplacement of grey calcite that locally carries coarse native gold, and
  - post mineral, barren white quartz-carbonate and/or quartz-chlorite veins up to 0.5 metres wide and up to 20 metres long are present throughout the property area (which features occupy en-echelon tension gashes and/or conjugate fracture fillings and have a north-south strike and dip gently to the east);
- native gold and electrum occur as grains ranging in size from 0.05 mm to a few millimetres across;
- sulfide content is generally from two percent to five percent of the rock, but locally can reach 25 percent to 30 percent;
- semi-massive to massive sulfides form lenses, replacements zones, blebs, small veins and cement within breccia zones, areas of quartz-carbonate stockwork and pervasive silicification; and
- generally, there is a poor correlation between gold tenor and sulfide content.

The northeast portion of the Silver Coin property (i.e. the former SB property) features a <300 metres wide of faulting and shearing with accompanying alteration and mineralization that has been traced along Big Missouri Ridge for 1.6 kilometre. The alteration zone associated with the faulting and shearing forms a prominent gossan that extends from the Packers claim, south to the Idaho Fraction claim on the west side of No Name Lake. A total of 14 out of 20 mineralized zones of the Silver Coin property are located within this deformation zone. Mineralization is complex, it appears to have included several mineralizing phases and the introduction of most of the sulfides seems to post-date the main phase of gold precipitation. Thin section studies in 2004, as well as in 1988 (Payne, 1988) indicate that the gold/sulfide mineralization is closely associated with trachyte intrusions.

On the eastern portions of the Silver Coin property, pyrite stringers, with lesser chalcopyrite, sphalerite and minor galena, together with gold and silver values, are closely associated with quartz-carbonate stockwork and pervasive silicification. Locally semi-massive galena and sphalerite with minor chalcopyrite form lenses within quartz-calcite stockwork. Minor tetrahedrite with rare argentite and native silver has been noted in drilling on the Terminus zone.

11.2 Types of Mineralization

Nine different types of potentially economic mineral associations have been identified within the 20 mineralized zones located across the Silver Coin property, based on observations made in the field during drill core logging and thin section studies, as well as various historical data:

1 grey, silicified breccia zones with visible gold that generally report grades of less than 30 g/t Au;

2 white to grey quartz-carbonate veins and stringers with visible gold giving high assay values that can be greater than 30 g/t Au;

3 late-phase, grey calcite veins locally containing abundant visible gold;

4 massive sulfide-silver mineralization with either low gold values that are generally less than 1 g/t Au or high gold values in the one to 60 g/t Au range (two mineralization types);

5 black, carbonaceous-rich quartz with minor sphalerite and local coarse visible gold;

6 narrow electrum veinlets that yield spectacular gold values over narrow intervals;

7 discontinuous, en-echelon zones of brecciated and silicified rocks with quartz-calcite veinlets carrying sparse galena and sphalerite; and

8 trachyte-hosted, weakly silicified zones of disseminated pyrite with minor sphalerite and galena.

The first seven mineralization types occur within the mineralized zones in the grauben portion of the Silver Coin property. The last two are found in the eastern portion of the Silver Coin property, immediately to the west of the Cascade Creek fault zone. A series of mineral showings on the INDI claims in the western portion of the claim block have not been examined.

11.2.1 Type 1 Mineralization

The first mineralization type (grey, silicified breccia zones) has been reported from the Anomaly Creek, West Kansas, Snowball, Kansas, Dauntless Hill, Silver Coin, 28 and Idaho zones, as well as the southern parts of the Perseverance zone. It is associated with a mottled grey siliceous breccia that contains approximately 40 to 50 percent of grey, silicified andesite fragments and a grey siliceous-carbonate matrix. The breccia zones are cut by one to two millimetre wide barren quartz veinlets. Sulfides (fine pyrite, minor amounts of galena and dark brown sphalerite) generally comprise less than two to three percent of the rock. Occasionally, very fine-grained native gold is present within this mineralization type.

11.2.2 Type 2 Mineralization

The second type of mineralization (white to grey quartz-carbonate veins and stringers) has been reported in the West Kansas, Snowball and Kansas zones, as well as in the southern parts of the Perseverance zone. It comprises native gold in grey to white quartz-carbonate stringers and veins that often form stockworks with intersected widths of up to 10 metres. The quartz-carbonate veins and stringers have irregular sinuous outlines. The wall rocks of the veins, as well as fragments of wall rock contained within the veins, are unaltered or weakly to moderately silicified.

Quartz and carbonate veining forms up to 30 percent of the mineralized zones; individual stingers are up to 0.5 metres in width. This type of mineralization contains a coarsely crystalline, zoned sphalerite with brown colored cores and yellow to honey colored rims that can form up to five percent of the rock. This type of sphalerite is often closely associated with the native gold; it has also been described in the high-grade gold intersections from drilling on the Facecut zone. Galena and chalcopyrite occur in minor amounts within Type 2 mineralization.

11.2.3 Type 3 Mineralization

The third type of mineralization (late-phase, grey calcite veins) was mentioned in the 1991 exploration program. The intersected widths and associated sulfides are unknown. The gold-bearing calcite has been reported for the West Kansas zone and might represent the last stage of quartz-calcite veining.

11.2.4 Type 4 Mineralization

The fourth type of mineralization (massive sulfide-silver mineralization with low gold values) has been reported from the Dan, Dauntless Vein, Facecut, 35, 21, Root and Road zones, the northern part of the 13/19 zone and the central part of the Perseverance zone. Trench 11, drill hole 2004-34 and drill hole 2004-36 also show this type of massive sulfide mineralization.

Type 4 mineralization comprises semi-massive to massive sulfide comprising pyrite, sphalerite with lesser galena and minor chalcopyrite, the latter with occasional minor tetrahedrite. The matrix to the massive sulfide is mostly a coarse crystalline carbonate. The mineralization is generally coarse-grained with black sphalerite and pyrite usually forming 90 percent of the massive sulfide sections. It can form zones of up to 25 metres in width. Gold values are usually less than 1 g/t while silver values are elevated relative to the silicified zones, with assays in the 150 g/t range.

11.2.5 Type 5 Mineralization

The fifth type of mineralization (massive sulfide-silver mineralization with high gold values) has been reported in the Facecut and 35 zones, the southern part of the 13/19 and Kansas zones and the southern portion of the Perseverance zone. Trench 12, boulders north of Trench 12 and below the Granduc road (found in 1981 by Esso geologists in the area of Trench 19), also contain examples of Type 5 mineralization.

Type 5 mineralization comprises semi-massive to massive suphide consisting of predominantly sphalerite with lesser pyrite, galena and minor chalcopyrite. The sulfide has crude banding that is generally parallel to the strike of individual sulfide veins. The mineralization is generally fine-grained with black sphalerite and minor pyrite, which usually forms about 90 percent of the massive sulfide sections. It can form zones up to one to two metres in width, along silicified gold-bearing zones. Gold values up to 72 g/t have been obtained in grab samples; silver values are generally in the 150 g/t range.

11.2.6 Type 6 Mineralization

The sixth type of mineralization (black, carbonaceous-rich quartz) was described following the 1990 to 1994 drilling campaigns. It appears to be restricted to the Storm zone and it comprises a black siliceous breccia with abundant carbonaceous material, minor pyrite and less than one percent sphalerite. Locally coarse, visible gold is also present. The gold mineralization is located in a zone that averages about four metres in width. Type 6 mineralization appears to be more siliceous with fewer sulfides than the other silica-rich mineralization types found on the Silver Coin property.

11.2.7 Type 7 Mineralization

The seventh type of mineralization (narrow electrum veinlets) is possibly related to the northern extension of the Anomaly Creek zone; in drill hole 87-16 on the southern portion of the Winer claim it comprises several millimetres of coarse electrum. Previous reports describe it as an electrum veinlet occurring in chloritic, weakly quartz-calcite veined, fine grained andesite. The andesite is weakly pyritic with traces of galena and sphalerite near the electrum.

11.2.8 Type 8 Mineralization

The eighth type of mineralization (discontinuous, en-echelon zones of brecciated and silicified rocks with quartz-calcite veinlets) is developed on the east side of the Silver Coin property, in the Terminus and No Name mineralized zones. It comprises variably silicified and brecciated andesite along a major cataclasite zone. Discontinuous, en-echelon stockworks of quartz-calcite form up to 30 percent of the rock and are variably mineralized with sphalerite, galena, chalcopyrite and locally tetrahedrite, argentite and native silver. The sulfides can form between two and 10 percent of individual stockwork lenses. Individual stockwork zones can be 20 metres wide and 20 metres thick; they appear to have shallow dips to the south along the overall north-south cataclasite zone.

11.2.9 Type 9 Mineralization

The ninth and final mineralization type is developed in the West No Name mineralized zone. It comprises a grey, medium-grained trachyte porphyry that contains approximately five to seven percent disseminated euhedral pyrite grains. Narrow (one to two millimetre) barren quartz-calcite veinlets form about five percent of the rock, with minor sphalerite and galena forming less than half of one percent of the rock.

11.3 Descriptions of the Mineralized Zones

11.3.1 Perseverance Zone

The Perseverance zone is a complex zone of silicified breccias and quartz-carbonate veins with associated concentrations of semi-massive to massive sulfide developed within altered andesite. It differs from the other zones in that it strikes northwest at 320 degrees, rather than north-south. One to three generations of quartz-calcite-sulfide matrices heal the breccias. Massive sulfide lenses that are five to 10 metres wide are often found in the wall rocks of the silicified breccias. The lenses consist of pyrite, sphalerite, galena and chalcopyrite. Gold within the Perseverance zone occurs as free gold that forms grains which range in size from 0.05 mm to a few millimetres across. They have an intense yellow color, which indicates a low silver content.

At the south end of the zone, in the area of drill holes 2004-29 to 2004-38, inclusive, the zone occurs approximately 80 metres below surface. According to the drill logs, the zone is at least 20 to 25 metres wide and has a depth extent of at least 100 metres. It has been traced over a strike length of 500 metres and is open both to the north and south along strike. The zone appears to be related to a trachyte dike, which raises the possibility that it might be of considerable length. At the north end, below the Granduc road, the zone is 11 to 13 metres wide with a strong quartz-calcite stockwork in silicified and chloritized trachyte. Coarse euhedral pyrite forms three to seven percent of the trachyte. Stringers of sphalerite, galena and chalcopyrite locally cut the zone at oblique angles.

In the middle of the zone there are several strongly faulted, massive sulfide lenses. This portion of the zone has been called the BM zone that was tested by Esso in the 1980s. Strike of the massive sulfide lenses is 320 degrees, which is the same as orientation as the trachyte dike located 200 metres down the hill. Massive sphalerite, pyrite, galena and chalcopyrite form 25 percent of the BM zone.

In 1981, approximately 200 metres south of BM zone, towards the 2004 drilling area, Esso sampled a poorly exposed outcrop of silicified rocks that contains sulfides. The zone carried gold values associated with a quartz-calcite stockwork with trace of galena and chalcopyrite and greater than one percent sphalerite. Another 100 metres to the south, drilling in 2004 indicated that the Perseverance zone consists of silicified breccias with sparse sulfide, quartz-calcite stringers with sulfides and visible gold and massive sulfide lenses.

11.3.2 Facecut and 35 Zones

The Facecut and 35 zones appear to form one, slightly dis-associated zone that is sometimes referred to as the Facecut/35 zone. It consists of silicified breccias and veins developed within altered andesites. Veins and replacement patches are dominated by quartz, calcite and sulfides. One to three generations of quartz-calcite-sulfide matrices heal the breccias. Massive sulfide lenses consisting of pyrite, sphalerite, galena and chalcopyrite are found in the wall rock of the silicified breccias.

The following description is excerpted from a report by Melnyk and Britten (1989):

"Sulfides in the Facecut-35 zone consist of pyrite, sphalerite, galena and chalcopyrite. Pyrite is the most abundant sulfide and commonly forms coarse aggregates, seams, and patches. Inclusions of sulfides are common, mainly galena and chalcopyrite in interstitial seams between pyrite grains and in fractures in pyrite".

"Sphalerite is the second most abundant sulfide present on the Silver Butte property. Petrographic work indicates that sphalerite commonly contains exsolution blebs and lenses of chalcopyrite, and lesser inclusions of galena and pyrite. Sphalerite is invariably coarse-grained, brown in colour, and occurs as massive bands, lenses and seams in the Facecut/35 zone. Sphalerite is also a common component in quartz-calcite veins in the footwall to the massive sulfide zone".

"Chalcopyrite is a minor constituent in the massive sulfide mineralization. Chalcopyrite is commonly associated with pyrite and forms patches and seams from mm size up to 1 metre".

"Visible electrum has not been observed in the Facecut/35 zone. Petrographic work indicates that native gold is most abundant in samples rich in sphalerite and galena. Gold occurs as intergrowths with these sulfides in grains averaging 0.01 to 0.05mm in size, with a few grains up to 0.1mm across. Gold occurs to a lesser degree as inclusions in pyrite or along pyrite grain borders. Gold also occurs as scattered grains in quartz and calcite. Electrum occurs in similar environments as native gold and occasionally both minerals are present in the same zone. Electrum is distinguished by its paler colour".

Trench 13 was excavated on the strike of the Facecut/35 zone, approximately 150 metres north of previous exploration sites. The trench was slightly east of the Anomaly Creek fault and near the portal of the south adit. A zone width of at least 6.5 metres was exposed in the trench. The zone was in a black chloritic trachyte with five to seven percent euhedral pyrite and five to 10 percent quartz-calcite stockwork, the latter containing two to three percent sphalerite and galena.

11.3.3 Storm Zone

Mineralization in the Storm zone has been intersected in six drill holes; it is comprised of strongly silicified and brecciated rocks with disseminations, patches and veinlets of sulfides. The zone averages about four metres in thickness; it dips at an average of 70 degrees to the east. On the hangingwall side (to the east) the zone grades into a narrow zone of silicification with sulfides and then into silicified porphyritic andesite. On the footwall side (to the west) the silicified breccia zone grades rapidly into a weakly altered andesite that contains well-mineralized stringers and veinlets of quartz-calcite-pyrite-sphalerite and galena.

Sulfides within the zone comprise on average of about five to 10 percent of the rock and consist of pyrite-sphalerite and galena (stated in order of decreasing abundance). Visible gold and electrum were noted in two of the 1993 diamond drill holes. The Storm zone is more siliceous and contains less sulfide than most of the Facecut/35 zone mineralized material.

11.3.4 Kansas and West Kansas Zones

The Kansas and West Kansas zones are either two separate zones or they constitute different parts of the same zone, as outlined in a report from the early 1990s (Lhotka, 1991 and 1994). One or both are blind mineralized zones that have been explored by diamond drilling, underground drifting and sampling.

The Kansas zone apparently occurs 150 metres to the south of the Facecut/35 zone. It has been reported to be 200 metres long with widths varying between 1.5 and 13.25 metres. The zone/s has a known down dip extension of 100 metres. Previous reports concluded that the zone/s has a good strike potential to both the north and to the south. According to Melnyk and Britten (1989), the Kansas zone has a shallow (20 to 30 degrees) dip to the east. However, in a report by Lhotka et. al. (1991), the dips of the Kansas and West Kansas zones were interpreted as being sub-vertical. This latest interpretation is preferred Kruchkowski (2005).

M. L. Malott in Exploration in British Columbia (1988) has described mineralization of the Kansas zone as follows:

"Minor sphalerite and galena, less than 1 % of total sulfides, occur in quartz-carbonate veinlets and breccia carrying gold and silver. The fine -grained andesite host exhibits intense silicification and potassium feldspar-alteration".

In the same paper, the West Kansas zone is described as follows:

"Five drill holes west of the Gully fault have outlined a zone 170 metres long striking north with a 60 degree west dip. Two drill holes have intersected discrete veins with quartz, carbonate, sphalerite and galena. The gold and silver values are locally spectacular, for example an intersection with centimetre-size aggregates of visible gold returning assays of 93.9 grams per tonne (uncut) and 50.5 grams silver over an apparent true thickness of 5.5 m".

In a 1991 report titled Kansas/West Kansas Geological Inventory by R. Johnston, mineralization of the Kansas/West Kansas zone/s is described as follows: *"Gold occurs in at least four different geologic settings at KWK"*. Following are brief descriptions of each type.

1. <u>Stringer Zone</u>

Gold occurs in quartz-carbonate-sulfide stringers in weakly altered andesite, above an intensely silica and k-feldspar altered zone. These zones are generally sub-vertical to moderately dipping (to the west). Near the top of the zone, furthest from the alteration zone, stringer-related gold mineralization usually becomes more erratic.

2. <u>Massive Sulfide Lenses</u>

Gold- and silver-bearing zinc +/- lead +/- copper-rich, narrow semi-massive sulfide lenses occur just above the alteration zone, near or coincident with gold-bearing, stringer-type mineralization.

3. <u>Alteration Zone</u>

Gold occurs at or near the top of a sub-horizontal, brecciated and intensely k-spar- and silica-altered zone.

4. <u>VMCX</u>

Gold occurs in a narrow, sub-horizontal vein-like structure that is brecciated, silicified and carbonaceous to graphitic. Mineralization in this setting appears to be different (possibly later) than mineralization in the other three settings.

Gold and electrum occur in all of the above settings, and in concentrations ranging from moderate to high-grade with abundant, coarse free gold.

11.3.5 Snowball Zone

This is a blind mineralized zone that was recognized in 1990 while underground drilling on the West Kansas zone. It appears to parallel the West Kansas zone and it might have similar mineralization.

11.3.6 13/19 Zone

The 13/19 mineralized zone was outlined by Esso during work carried out in the early 1980s. Grab sampling in Trench 13 along the Granduc road indicated 10 metres of gold-bearing mineralization with trace base metal values. Follow-up drilling encountered the zone with semi-massive sulfide at a shallow depth beneath the trench. The sulfides included strong sphalerite, galena and chalcopyrite with gold and silver values. A deeper drill hole, which was terminated immediately below the trench, did not hit the zone (it may have been stopped too soon). Several hundred metres to the northwest, numerous sulfide-gold rich boulders were located. The source of the boulder field was tested in hand-dug Trench 19 that failed to reach bedrock.

11.3.7 Anomaly Creek Zone

The Anomaly Creek zone is located along the east side of the Kansas claim, at the east side of the Anomaly Creek Fault. M. L. Malott in Exploration in British Columbia (1988) described the Anomaly Creek zone as follows:

"Three holes intersected mineralization in a zone 70 metres long, with a steep easterly dip. Quartz, carbonate and sulfides occur in a distinctly veined zone over a two metre true thickness. Assay values ran up to 16.9 grams per tonne gold and 7.5 grams per tonne silver over a two metre true thickness."

11.3.8 21 Zone

The 21 zone extends from the cliffs of Anomaly creek on the Winer claim, south to the Kansas claim. It has been described as a zone of sericite altered andesite flows that are irregularly veined with quartz-chalcedony-dolomite-sulfide veinlets that are one to 10 millimetres wide. In the sericite-altered rocks, evenly disseminated pyrite (up to five percent) with trace galena and sphalerite are present. Within the veinlets, minor coarse sphalerite and galena are present.

The best trench results (from 1982) indicated a zone with a four metre interval averaging 9.7 g/t Au and 33.7 g/t Ag, with the remainder of the trench (a 48 metre interval) averaging 0.54 g/t Au and 7.3 g/t Ag. Further trenching and drilling in 1982 failed to indicate any additional precious metal mineralization, even though the zone extends for over 500 metres.

11.3.9 28 Zone

The 28 zone has been intersected in drill hole SB-28 (drilled in 1982). It is in an overburden-covered area to the west of the outlined Facecut/35 + Kansas zone. It has been described as a stockwork breccia that is moderately silicified, chlorite altered and quartz-carbonate veined. It contains up to five percent pyrite with minor sphalerite and galena. The hole intersected three metres of 3.2 g/t Au and 5.8 g/t Ag in the stockwork.

11.3.10 Dauntless Hill Zone

The Dauntless Hill zone consists of north-south trending steep cliffs of intense quartz-sericite-pyrite alteration cut by abundant quartz veins and random quartz stockworks. In the middle of a prominent hill, galena is present within the quartz stockwork over a width of three metres. Several hundred metres to the south, outcrops of intensely sericite-pyrite-quartz altered rocks are extensions of the Dauntless Hill zone.

The strike length of the zone appears to be over 500 metres. Its overall width may be 20 to 25 metres in the south. It feathers-out to the north. To the north and along strike, the zone may be represented by en-echelon stringers of quartz-pyrite-sphalerite that are several metres in width.

11.3.11 Dauntless Vein Zone

The Dauntless Vein zone consists of a narrow, quartz-carbonate-sulfide vein that is approximately 40 metres east of the Dauntless Hill zone and that has been traced over a strike length of 500 metres. The vein is one to two metres wide. It contains approximately 10 percent sulfides comprising strong pyrite, sphalerite and galena with minor chalcopyrite. The vein strikes approximately north-south and dips between 70 and 80 degrees to the west.

11.3.12 Terminus Zone

The Terminus zone consists of discontinuous, en-echelon zones of brecciated and silicified rocks with quartz-calcite veinlets that generally carry sparse galena and sphalerite with minor chalcopyrite. Rare argentite, tetrahedrite and native silver have been identified in drill core. Locally, semi-massive galena, pyrite, sphalerite and chalcopyrite may form zones that are one to two metres wide and up to 20 metres in length. Overall, sulfides may comprise two to five percent of the zone.

The silicified zones appear to have envelops of strongly sericite-altered andesite that extend for several metres into the walls rocks of the silicified rocks. The silicified zones, which appear to have an oblique strike to the overall trend of the zone, may be up to five to 10 metres thick, 15 to 20 metres wide and 25 to 50 metres long. They appear to dip gently to the south.

The silicified zones occur over a width of about 70 metres; they have been traced over a strike length of 100 metres. They occur along a regional cataclasite zone extending from the Big Missouri mine through the Silver Coin 3 and Silver Coin 4 claims, south towards No Name Lake. Grove (1981) described silicified Zone A as follows:

"The A zone in which the oreshoots localized consists of an area about 200 feet wide trending north-northwest, made up of fractured country rock intricately laced with unevenly spaced quartz-calcite veinlets and stringers with or without sulfides. Gold was associated with the area of most intense veining and silicification which in turn appear to be best developed in area where abundant kakirite lenses occur within the schists."

11.3.13 No Name Zone

The No Name zone consists of a strong, generally vertical quartz-sulfide stockwork zone, at an oblique angle to the overall strike of the mineral zone, in highly sericite and chlorite altered rocks. It is only 100 metres east of the West No Name zone (see below) and may be related to it.

Galena, sphalerite, pyrite and minor chalcopyrite are associated with silicification over a width of four to five metres and an exposed length of 10 metres. Strike extensions are obscured by No Name Lake to the north and by moss covered outcrops and overburden to the south. Flat-lying, quartz-massive pyrite veinlets, up to one centimeter in width, have also been noted in trenches. A late-stage, post mineral, narrow and barren quartz veins are present within the mineralized zone.

Two types of mineralization types have been identified. One consists of small stringers and pockets of sulfides (galena-sphalerite in sericitie-chlorite altered rocks) the second type comprises quartz with pyrite, galena, sphalerite and minor chalcopyrite.

11.3.14 West No Name Zone

The West No Name zone consists of weak disseminated sphalerite and galena with strong disseminated pyrite, accompanied by weak silicification in a porphyritic trachyte. The mineralized intrusive has been traced over a strike length of 200 metres and appears to be up to 25 metres wide. A weak, barren quartz-calcite stockwork forms up to five percent of the rock, with sulfides comprising another five percent of the rock. Sphalerite and galena generally constitute less than half of one percent of the rock. Late-stage, barren quartz-calcite veins, that are up to 0.15 metres in width, may represent up to 10 percent of the rock.

Contact areas to the intrusive may contain weakly- to strongly-silicified rocks in six to seven metre wide wall rock zones in which locally strong pyrite-sphalerite and galena is present, along with minor chalcopyrite.

11.3.15 Dan Zone

The Dan zone consists of quartz vein with varying amounts of sulfide hosted in silicified and pyritized andesitic volcanics that are 40 to 50 metres wide. The vein strikes N029°E and appears to have a vertical dip. It has been traced over a strike length of 40 metres at the top of a high hill.

Mineralization consists of semi-massive pyrite streaks, mixed galena and sphalerite and minor chalcopyrite, as well as narrow quartz stringers mineralized with minor sulfides. At the south end of the zone the vein is four metres wide, with semi-massive sulfide and pyritic, chloritic rocks in the southwall and sericitic rocks with 10 percent pyrite and minor sphalerite associated with schistosity in the northwall. Greenockite staining is common in the southern sulfide portion of the zone. This semi-massive sulfide vein appears to have a strike length of 10 metres. The north end of the exposed vein is two metres wide, with approximately 10 to 15 percent sphalerite and pyrite with minor galena and chalcopyrite.

11.3.16 Silver Coin Zone

The Silver Coin zone has not been located by the present explorers. A brief description of the zone may be found on the Minfile (minfile.gov.bc.ca) for the former SB property:

"The showing is exposed on the crest of the Big Missouri ridge as a well defined siliceous zone in bleached, silicified and foliated tuffs. The main silicified zone, 3 to 7 metres wide, consists of quartz stockworks, veins and stringers. Quartz lenses connected by veins and stringers to the main zone in en echelon arrangement extend the width of the zone. This north striking zone can be traced along strike for 150 m, both to the north and south where it disperses as a series of quartz veins, stringers, and/or offset lenses. Sparsely mineralized quartz containing sphalerite, galena, chalcopyrite and pyrite is exposed on outcrop. The host rock has undergone propylitization".

11.3.17 Idaho Zone

The Idaho zone has not been located by the present explorers, despite attempts to locate it. A brief description of the zone may be found on the Minfile (minfile.gov.bc.ca) for the former SB property:

"Mineralization was broken into and exposed for about 3.3 metres and estimated to be from 7.6 to 10.6 metres wide. Country rock in the area have been silicified, pyritized and sheared. A sample of the mineralization assayed 17.14 g/tonne Au (Grove, 1981)."

11.3.18 Road Zone

The road zone has been exposed in a newly built road that connects the area of the Terminus zone with the showing located on the west side of Big Missouri Ridge, on the Big Missouri and Dan claims. It consists of en-echelon, quartz-calcite-barite-sulfide stockworks along a north trending zone of sheared andesitic rocks. The strike of the zone is north-south; it appears to dip gently to the west. The mineralized zone is slightly west of the major regional, north-south striking Union Fault on D. Alldrick's 1993 map (Figure 9.2).

The quartz-calcite-sulfide stockworks form lenses that are up to 20 metre in length and three to four metres thick, with unknown dimensions down dip. The zone has been exposed along 100 metres of length. The zone differs from the other zones in that coarse red-brown sphalerite occurs within barite-rich portions of the zone. Pyrite, sphalerite and trace galena form about five to six percent of the mineralized quartz-calcite-barite. Greenockite staining is common in the sulfide portion of the zone.

11.3.19 Root Zone

The Root zone is located in an overburden covered area at the base of an up-rooted tree. It is slightly east of the regional Union fault. The zone is poorly exposed with forest cover, both to the north and south of the zone. A grab sample of mineralized subcrop indicated that sheared andesite contains weak quartz-calcite veining with five percent pyrite, one to two percent sphalerite and minor galena.

11.3.20 Extreme Showing

Approximately one kilometre east of the Dauntless Hill zone is the Extreme Showing. This zone is believed to be a copper-silver bearing dyke. In 2004 and 2005 float sampling in the area of the dyke yielded results as high as 1.49 g/t Au, 1,302 g/t Ag, 8.91% Cu, 0.45% Pb, and 1.51% Zn. In 2005 selected grab samples form this zone yielded up to 1.16 g/t Au, 1,102 g/t Ag, 3.44% Cu, 5.74% Pb, and 11.7% Zn.

12 EXPLORATION

12.1 Introduction

A number of different exploration programs were carried out on the Silver Coin property between 1979 and the end of 2006. Underground exploration has been carried out on the former SB property and there has been extensive trenching and sampling over several different parts of the property. Drilling has been concentrated mainly in the northwest portion of the grauben structure (on the former SB property); trenching and drilling during 2004, 2005 and 2006 concentrated on the Kansas claim, Big Missouri claim and contiguous areas, to facilitate the definition of a resource suitable for open pit mining (Figures 12.1 and 12.2). Pinnacle has much of the available data for this exploration work, but does not have the complete exploration results (for example, past assaying did not include analysis for copper, lead or zinc). Further exploration is planned for 2007.

12.2 Underground Exploration

Between 1986 and 1994, different operators completed intermittent underground programs on the former SB property. Previous underground work has mainly been concentrated on the Facecut/35, Kansas and West Kansas zones. Approximately 1,220 metres of drifting was completed on three levels along with 103.2 metres of crosscutting and 130 metres of Alimak raising:

- in 1986, Tenajon collared an adit and drove it 20 metres in overburden before abandoning it;
- in October 1987, Tenajon collared a second adit, following which 90 metres of drifting was completed before the year-end;
- during 1988 the drift was extended by 773 metres on 810 Level and 63.5 metres of crosscut was completed to the Facecut zone, 39.7 metres of crosscut was completed to the 35 zone and 17 metres of sub-drift was completed to the Facecut zone;
- in 1991, Westmin mined the Facecut/35 zone producing a tonnage of 102,539 tonnes at an average grade of 8.9 g/t Au and 27.3 g/t Ag;

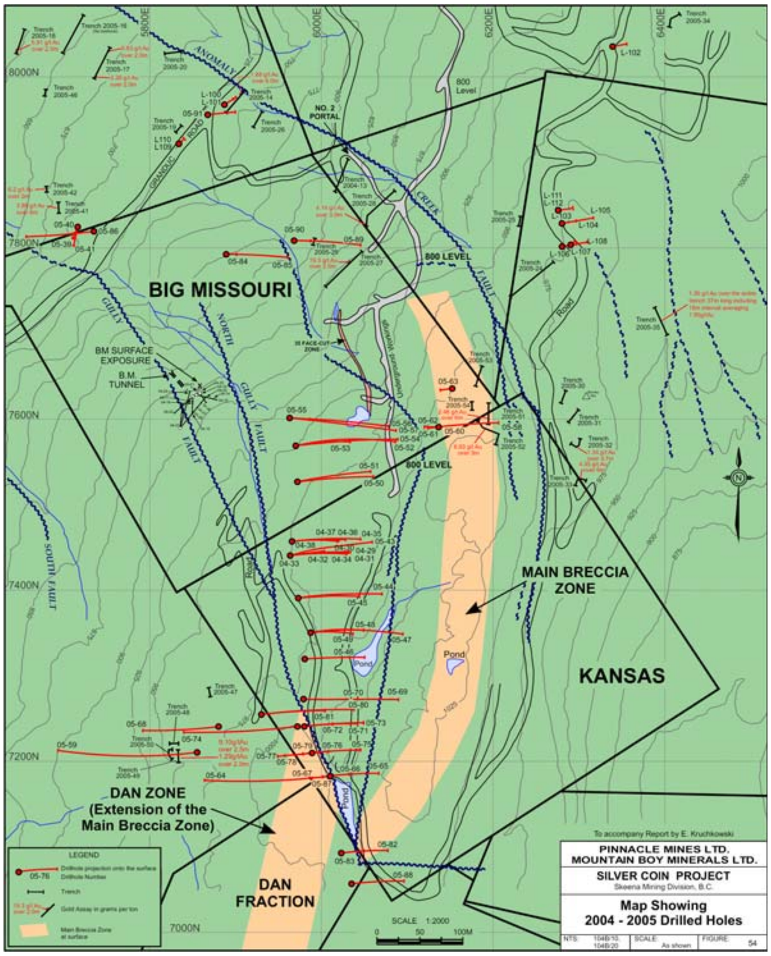


Figure 12.1 Summary Map Showing the Positions of 2004 and 2005 Drilling and Trenching Programs in The Target Open Pit Area

- in 1993 a 19 metre extension of 810 Level was completed, an Alimak chamber was constructed, a 130 metre long Alimak raise was developed at 50 degrees, 63 metres of sub-level drifting and crosscutting was completed at 895 metres elevation, along with and 70 metres of sub-level drifting and crosscutting at 917 metres elevation; and
- in 1994 underground development work included 168 metres of development drifting on 895 metres sub-level, at the south end of the drift developed in 1993.

12.3 Trenching and Sampling

Trenching on the property was carried out in 1982, 1983, 2003, 2004, 2005 and 2006; trenches were also cut in 1967 and 1978, but no records survive. The 1982 and 1983 trenches were excavated using a Cobra rock drill, dynamite and hand tools. The 2003 to 2006 trenches were cut using an excavator and, in some cases, a compressor and rock drill to obtain bedrock samples for assaying. In many of the trenches deep overburden prevented sampling the full width of the excavations or prevented reaching bedrock.

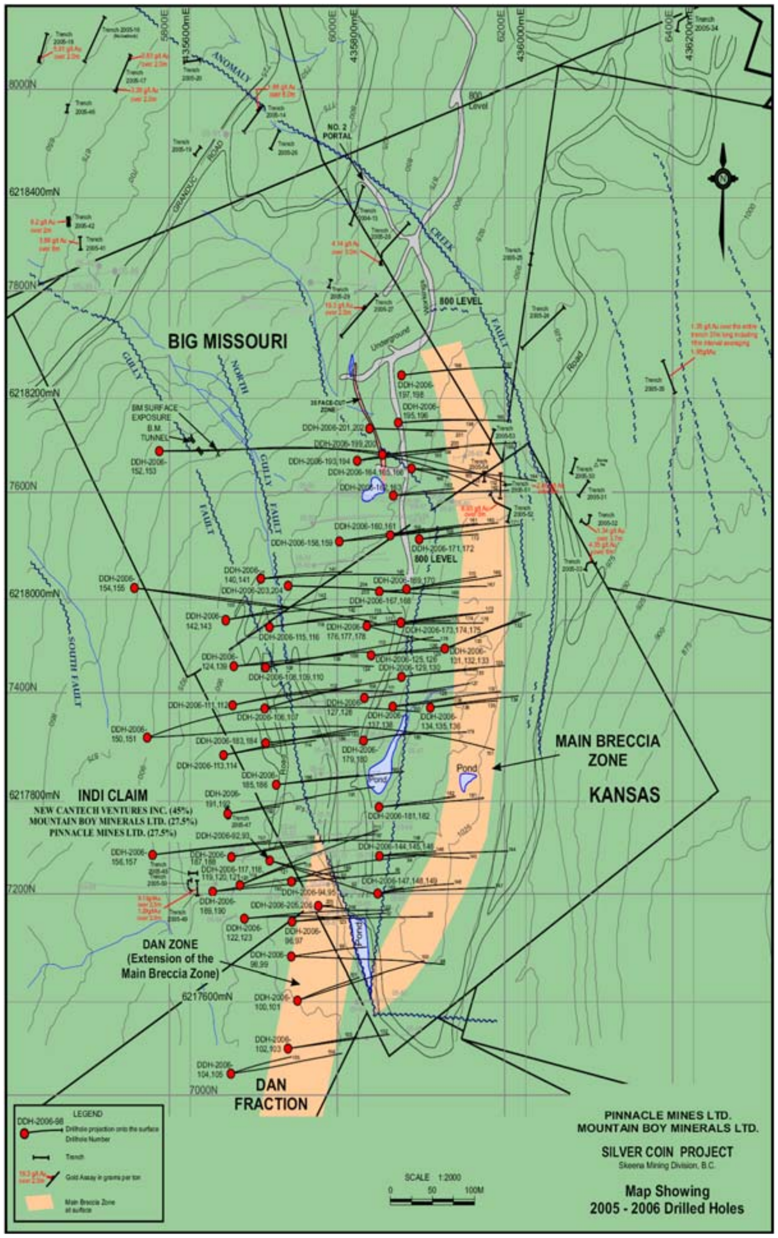


Figure 12.2 Summary Map Showing the Positions of 2005 and 2006 Drilling and Trenching Programs in The Target Open Pit Area

12.3.1 Early Trenching Programs

During 1982, a total of 17 trenches were cut. The total length of the excavations is unknown and the assay results are not available. A total of 210 metres were cut in five different trenches in 1983, most of which was carried out on the 21 mineralized zone, the assay results for which are not available.

12.3.2 MBM's 2003 Program

In 2003, MBM cut and assayed two trenches at No Name Lake and three trenches on the Terminus claim. The assay results are summarized on Table 12.1.

Table 12.1
Summary of MBM's 2003 Trench Assay Results

Trench	Sample No.	Width (m)	Grades				
			Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
No Name Lake							
Trench 1	NNS 1-4	4.0	0.33	29.75	0.04	0.40	0.70
East Wall	NNS 5-8	4.0	0.05	1.75	0.004	0.05	0.03
Trench 2	NNS 9-13	5.0	1.04	8.70	0.028	0.43	0.67
Terminus Claim							
Trench 1	TS-2	1.98	2.36	130.0	0.387	2.04	1.98
Trench 2	TS-3 to -13	11.0	3.67	33.49	0.05	0.34	0.78
Trench 3	TS-14 to -19	6.0	2.37	12.03	0.06	0.37	0.83

12.3.3 Pinnacle/MBM's 2004 Program

A total of 288 metres of trenching in 13 trenches (Nos. 1 to 13, inclusive) was carried out using an excavator and, in some cases, a compressor and a rock drill to obtain bedrock samples for assaying. In many of the trenches deep overburden prevented sampling the full width of the excavations. Samples were collected using a rock hammer to obtain a continuous chip line sample across the strike and dip of the mineralization. Sample intervals were dependent on intensity of mineralization and/or rock lithology; most intervals were 1.5 metres in sample length. The following details apply; Figure 12.3 summarises the locations of the trenches and Table 12.2 summarises the significant assay results:

- four trenches (Trenches 1 to 4) were blasted over the Terminus zone and two trenches (Trenches 5 and 6) were blasted and excavated along the West No Name zone at the northwest end of No Name Lake (Trench 5 tested the west mineralized contact area to a weakly mineralized trachyte dyke, Trench 6 was blasted within the dyke);
- during construction of a connector road from the Terminus claim to the Granduc road, a zone of mineralization was outlined in the roadbed (sampling was conducted along strike of the silicified zones, with grab samples taken of select higher-grade material);
- three trenches (Trenches 8 to 10) were excavated over the Dan zone, near the northwest corner post of the Dan Fraction with the Kansas claim;
- a long 30 metre long trench (Trench 11) was excavated over a massive sulphide showing during construction of a drill access road;

- Trench 12 was located over a postulated mineralized boulder, below the Granduc road (excavator trenching established that this was not a boulder by exposing wall zones to the mineralization); and
- Trench 13 was located in an area that had a mineralized silicified rock protruding from the road, near the south portal (trenching established that this rock was part of a mineralized zone outcrop).

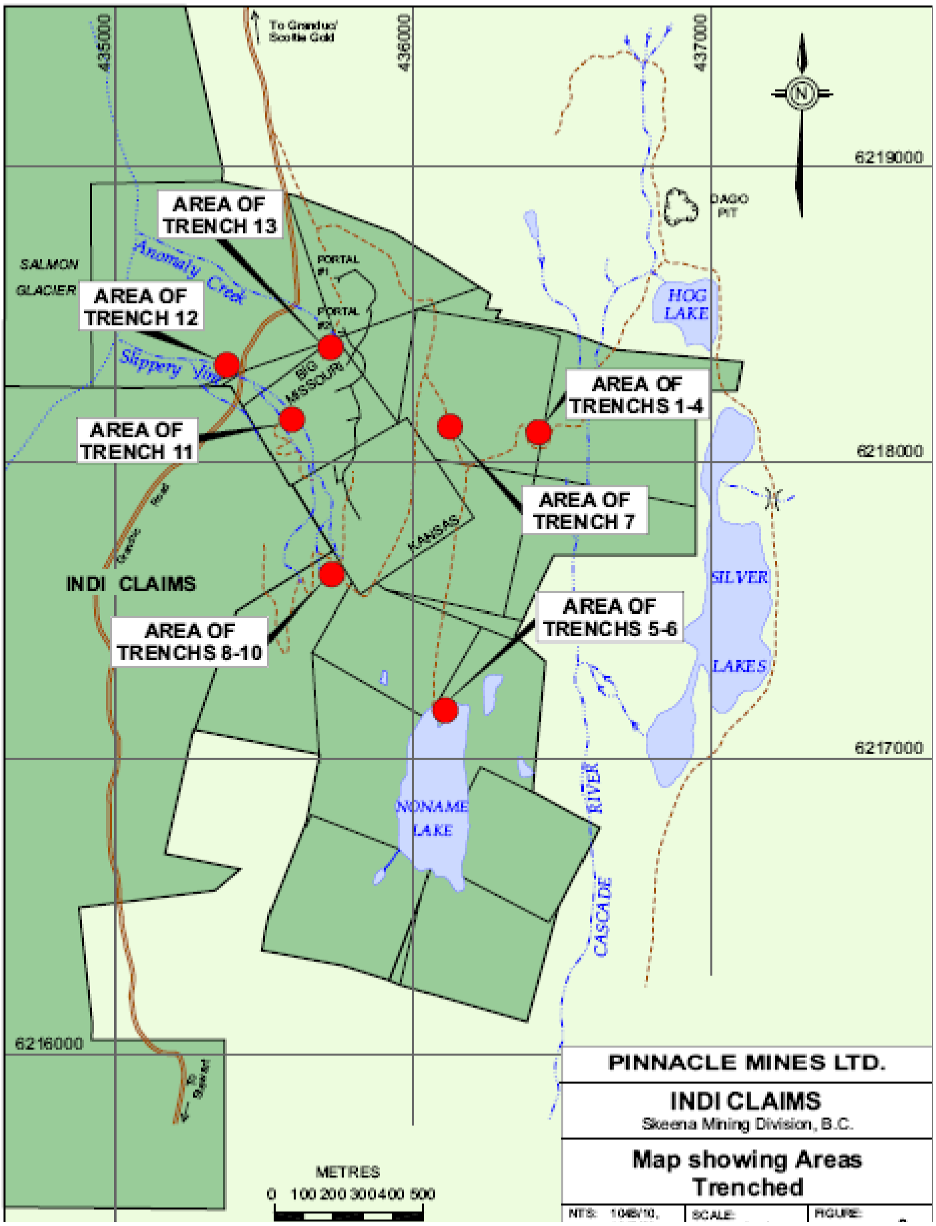


Figure 12.3 - Map Showing the Locations of the Trenches Cut in 2004

Table 12.2
Summary of Significant 2004 Trench Assay Results

Trench	Width (m)	Grades				
		Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
1	39.4	1.66	46.50	0.32	1.54	1.13
and	12.1	8.40	23.90	0.03	0.37	1.20
Terminus Adit	14.9	0.53	15.16	0.06	0.27	0.35
2	14.0	1.12	6.30	0.02	0.19	0.37
3	4.3	1.21	14.90	0.10	0.28	1.24
and	7.2	0.64	45.90	0.04	0.24	0.56
and	3.3	2.27	42.30	0.18	0.35	2.82
8	4.0	2.44	80.40	0.24	2.43	2.04
9	4.0	1.02	52.03	0.15	1.73	1.88
0	2.0	2.37	36.40	0.11	1.09	1.67
and	46.0	0.43	4.91	0.005	0.70	0.17
11	5.6	0.70	156.70	1.46	1.13	12.19
and	11.6	0.72	105.20	0.79	1.82	4.31
12	10.0	1.84	14.36	0.09	0.09	1.01
and	9.0	3.84	17.02	0.10	0.07	1.44
13	6.5	5.27	40.50	0.06	0.49	1.01

12.3.4 Pinnacle/MBM's 2005 Program

Between April and November 2005, a total of 750 metres in 45 trenches (No. 13 cut in 2003 and extended in 2004, plus Nos. 14 to 56, inclusive), some of which were cut in areas of mineralization discovered in 2005, while others were cut to better clarify previously discovered mineralization. The trenches were cut using an excavator and, in some cases, a compressor and a rock drill to obtain bedrock samples for assaying. In many of the trenches deep overburden prevented sampling the full width of the excavations. Samples were collected using a rock hammer to obtain a continuous chip line sample across the strike and dip of the mineralization. Sample intervals were dependent on intensity of mineralization and/or rock lithology; most intervals were two to three metres in sample length. The following details apply; Figure 12.4 summarises the locations of the trenches and Table 12.3 summarizes the significant assay grade results:

- Trench 13 (first cut in 2004) was extended to the south;
- Trenches 14 and 16 to 20, inclusive, tested the northwest portion of the Main Breccia zone below the Granduc Road;
- Trench 15 tested a two to four metre wide mineralized quartz stringer zone along the Granduc road;
- Trenches 21, 22 and 23, inclusive, tested an area of anomalous silver in soils outlined in 2004;
- Trenches 24 to 25 tested some weakly mineralized zones just west of drill hole 86-17;

- Trench 26 was excavated to expose the mineralization in the Main Breccia zone between Trenches 13 and 14;
- Trenches 27, 28 and 29 tested the surface exposure of the Main Breccia zone just south of Trench 2004-13 and the south portal;
- Trenches 30 to 33, inclusive, tested the Anomaly Creek zone;
- Trench 34 tested the 22 zone in the northeast corner of Winer claim;
- Trench 35 was cut along a zone of mineralization outlined in the roadbed connector road, from the Terminus claim to the Granduc road;
- Trench 36 was cut along the Perseverance zone near the Salmon Glacier;
- Trenches 37 to 40 were cut along several mineralized zones along the northwest side of the Kansas and Big Missouri claims;
- Trenches 41 and 42 were cut along the Perseverance zone, slightly below Trench 2004-12 (that was cut in 2004);
- Trench 43 was to the east of Trench 2005-36 in an attempt to expose any extensions of the Perseverance zone;
- Trench 44 was cut 50 metres north of the Perseverance zone, to test a parallel mineralized structure;
- Trench 45 was located several hundred metres west of Trench 36, in an area of large mineralized boulders;
- Trench 46 was located on a weakly mineralized zone just south of Trench 17;
- Trenches 47 to 50 were located to test mineralization on Dauntless Hill;
- Trenches 51 to 54 were located slightly north of the northeast corner of the Kansas claim, to test the Main Breccia zone;
- Trenches 55 and 56 were on the Kansas claim, at the northeast end of the Dan zone; and
- Trench 57 was located along the Dan zone, approximately 300 metres south of Trenches 55 and 56.

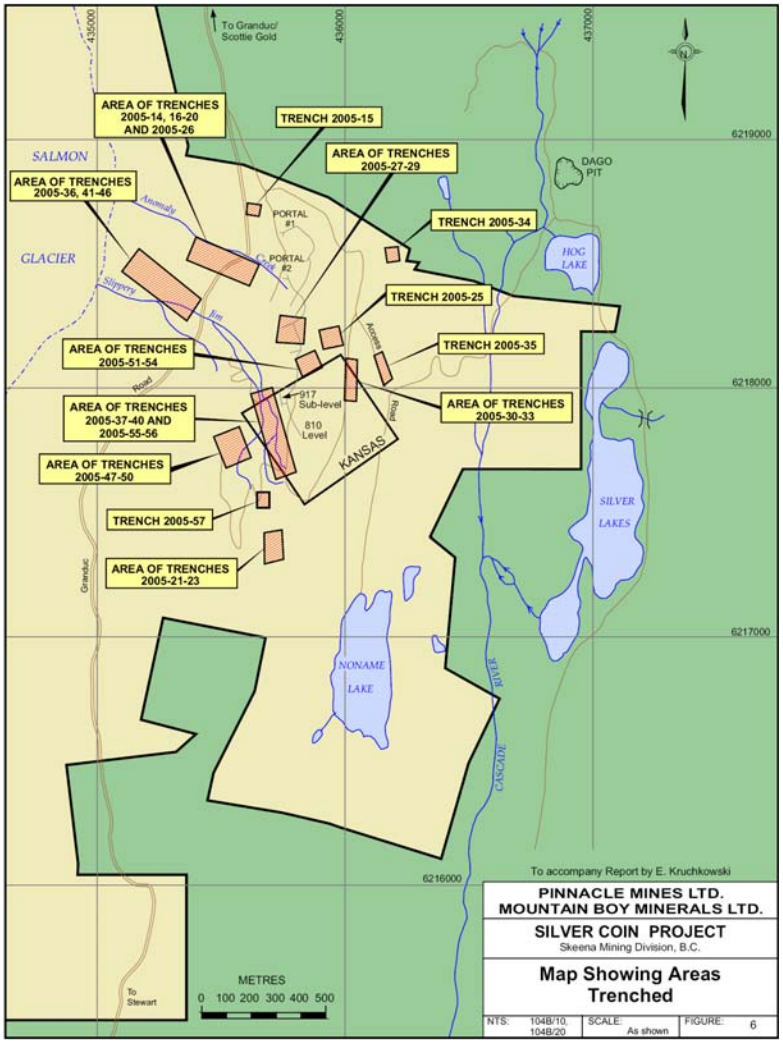


Figure 12.4 - Map Showing the Locations of the Trenches Cut in 2005

Table 12.3
Significant Trench Assay Results – 2005 Trenching Program

Trench	Width (m)	Grades				
		Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
14	18.0	2.07	23.43	0.116	0.24	0.93
17	7.0	1.36	12.21	0.010	0.23	0.14
18	4.0	3.53	3.95	0.001	0.03	0.01
and	2.0	2.24	2.45	0.001	0.01	0.04
28	17.8	2.85	12.80	0.060	0.08	0.45
and	3.0	1.14	11.40	0.037	0.24	0.49
29	3.0	4.14	8.50	0.020	0.06	0.12
32	8.7	1.49	15.44	0.015	0.18	0.23
33	6.0	4.35	14.05	0.029	0.46	0.76
35	18.0	1.94	5.42	0.070	0.09	0.17
38	8.0	2.38	29.08	0.040	1.14	0.75
39	2.5	2.96	3.34	0.001	0.02	0.05
40	1.0	2.84	18.70	0.086	0.06	4.14
42	2.0	6.29	23.30	0.005	0.02	0.02
43	2.0	1.39	7.10	0.030	0.15	0.43
49	2.5	9.10	56.70	0.016	0.54	1.24
and	2.0	1.29	29.80	0.007	0.40	1.06
51	1.5	1.46	13.02	0.007	0.08	0.24
52	3.0	6.93	9.00	0.004	0.06	0.11
53	3.0	1.51	47.20	0.004	0.15	0.29
55	2.0	1.79	8.40	0.011	0.54	0.86
56	8.0	1.41	14.20	0.020	0.36	0.40

12.3.5 Pinnacle/MBM's 2006 Program

Details on the 2006 field program were not available at the time of writing this report.

12.4 Soil Sampling

Soil sampling programs were carried out in 1971, 1980, 1982, 2005 and 2006. The following comments and results apply.

12.4.1 Early Sampling Programs

A soil sampling program was carried out in during 1971, by El Paso Mining and Milling on the former SB property (Winer claim). The assay results for this program are unknown. Esso carried out a soil sampling program in 1980, in the same general area as the 1971 program, within a grid area measuring 400 by 500 metres. Soil samples were collected along east-west lines spaced 100 metres apart. The samples were taken at 25 metres intervals except in the area overlying a geophysical anomaly. Samples were also taken at 10 metre intervals for 50 metres either side of the grid sampling area. The samples were taken, where possible, from the top of the B surface weathering horizon, and otherwise they were taken from the C surface weathering horizon. The assay results were erratically anomalous, insofar as they outlined no single area or trend but reported ranges of five to 2600 ppb Au, 1.1 to 27.2 ppm Ag, 13 to 4320 ppm Pb and 27 to 2380 ppm Zn, with averages of 287 ppb Au, 4.6 ppm Ag, 254 ppm Pb and 284 ppm Zn. Esso extended its soil survey area in 1982. The combined (1980 + 1982) surveys contained approximately 1,720 samples, the full results for which are unknown.

12.4.2 Pinnacle/MBM's 2005 Program

Several small grids were established over several areas within the Dan Fraction claim and the Storm claim, in the vicinity of No Name Lake (Figure 12.5). On the Dan Fraction, sampling tested an area of quartz with anomalous silver that was found during 2004 surveys. On the Storm claim, sampling was aimed at checking an overburden-covered area between the Terminus and No Name zones. A total of 30 and 31 samples were taken on the Dan Fraction and No Name Lake grids, respectively.

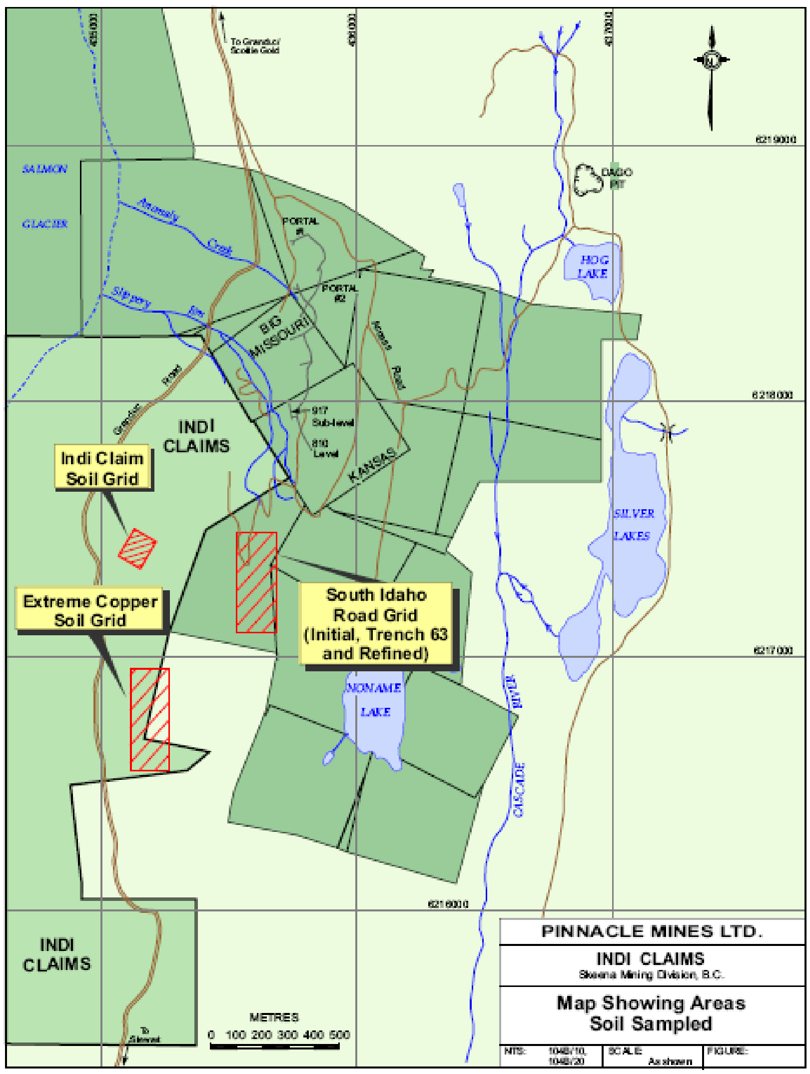


Figure 12.5 - Map Showing the Locations of the Soil Sampling Grids

No statistical analysis of soil sample data was undertaken due to the small number of samples collected. However, based on MBM's previous surveys in the general Stewart area, the following thresholds for anomalous values were assumed: >100 ppb Au, >2.6 ppm Ag, >120 ppm Cu, >80 ppm Pb and > 360 ppm Zn.

Numerous samples with anomalous gold, silver, lead and zinc assays, as well as one anomalous copper value, were outlined on the Dan Fraction claim. The values varied from 13 to 242 ppb Au, <0.2 to 6 ppm Ag, six to 139 ppm Cu, 18 to 620 ppm Pb and 10 to 1665 ppm Zn. Samples with anomalous gold, silver, lead and were outlined on the No Name sampling grid on the Storm claim. Values varied from 17 to 274 ppb Au, <0.2 to 20.2 ppm Ag, <1.0 to 33 ppm Cu, 6.0 to 636 ppm Pb and 6.0 to 594 ppm Zn.

12.4.3 Pinnacle/MBM's 2006 Program

Details on the 2006 field program were not available at the time of writing this report.

12.5 Geochemical Sampling

Rock sampling programs were undertaken by Pinnacle/MBM in 2005 and 2006. The following comments and results apply.

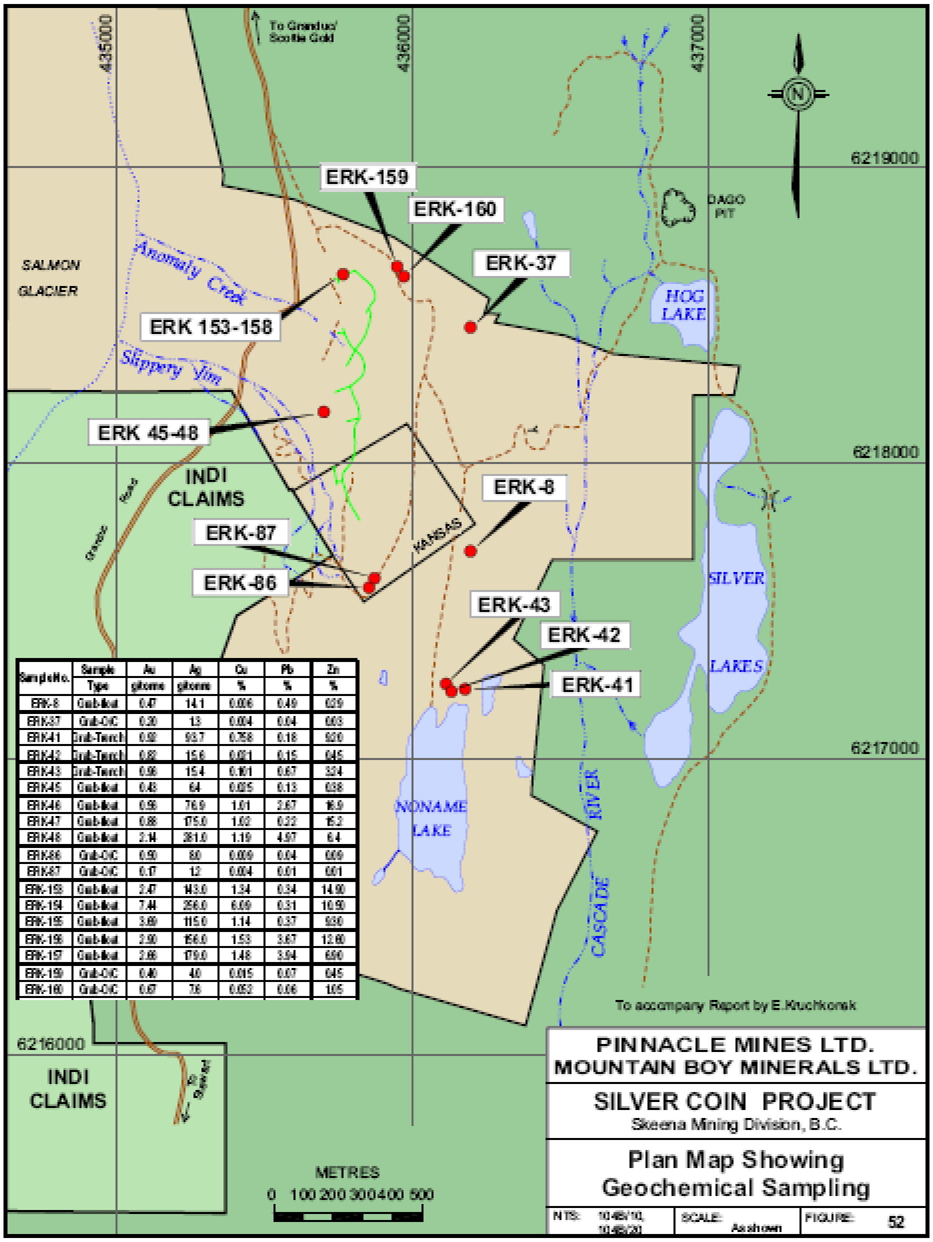
12.5.1 Pinnacle/MBM's 2005 Program

During 2005, rock samples were taken from mineralized outcrops and float boulders to evaluate the gold, silver and base metal potential of the Silver Coin property. In some cases, continuous chip samples were taken while in other cases grab samples of the best mineralization were taken. Figure 12.6 summarises the positions of the samples taken in the main exploration target area, the following additional details apply:

- samples RSC 2005-6, -007 and -008 were taken along the Granduc road, across a heavily pyritic zone (Sample RSC-2005-8 yielded 1.48 g/t Au, 109 g/t Ag, 0.078% Cu, 0.03% Pb and 0.68% Zn across 0.5 metres);
- samples RSC 2005-85, -86 and -87 were grab samples from a silicified outcrop, on the Idaho claim, that contains minor galena and sphalerite, , immediately west of No Name Lake (the zone forms a ridge that is up to 10 metres wide, the assay results reported grades of up to 0.76 g/t Au, 233.0 g/t Ag, 0.132% Cu, 0.12% Pb and 1.10% Zn);
- samples RSC 2005-126 to 129, inclusive, were grab samples from a silicified outcrop on the Silver Coin 10 claim, approximately 300 metres west of Trench 36 (the area contains narrow sulfide filled shears with minor galena and sphalerite, the assay results reported grades of up to 0.95 g/t Au, 133.0 g/t Ag, 0.138% Cu, 0.20% Pb and 4.60% Zn);
- samples RSC 2005-130 to 134, inclusive, were grab samples from a silicified outcrop on the Silver Coin 9 claim, immediately to the west of the Granduc road (the area contains narrow quartz-sulfide filled shears with minor pyrite, galena and sphalerite in pyritic, carbonate-

altered granodiorite, the assay results reported grades of up to 3.29 g/t Au, 307.0 g/t Ag, 0.387% Cu, 4.19% Pb and 2.25% Zn); and

- samples RSC 2005-141 to 144, inclusive, were grab samples from silicified outcrops on the Big Missouri claim, to the west of the 2004/2005 drilling area (the area contains narrow quartz-sulfide filled shears with minor pyrite, galena and sphalerite along a narrow creek bed, the assay results reported grades of up to 2.14 g/t Au, 110.0 g/t Ag, 0.89% Cu, 2.76% Pb and 11.0% Zn).



Sample No.	Sample Type	Au g/tonne	Ag g/tonne	Cu %	Pb %	Zn %
ERK-8	Grab-float	0.47	14.1	0.006	0.49	0.29
ERK37	Grab-O/C	0.20	1.3	0.004	0.04	0.03
ERK41	Grab-Trench	0.92	93.7	0.758	0.18	9.20
ERK42	Grab-Trench	0.82	15.6	0.021	0.15	0.45
ERK43	Grab-Trench	0.96	15.4	0.101	0.67	3.24
ERK45	Grab-float	0.43	6.4	0.025	0.13	0.38
ERK46	Grab-float	0.96	76.9	1.01	2.67	16.9
ERK47	Grab-float	0.88	175.0	1.02	0.22	15.2
ERK48	Grab-float	2.14	281.0	1.19	4.97	6.4
ERK86	Grab-O/C	0.90	8.0	0.009	0.04	0.09
ERK87	Grab-O/C	0.17	1.2	0.004	0.01	0.01
ERK-153	Grab-float	2.47	143.0	1.34	0.34	14.90
ERK-154	Grab-float	7.44	256.0	6.09	0.31	10.90
ERK-155	Grab-float	3.69	115.0	1.14	0.37	9.30
ERK-156	Grab-float	2.90	156.0	1.53	3.67	12.60
ERK-157	Grab-float	2.66	179.0	1.48	3.94	6.90
ERK-159	Grab-O/C	0.40	4.0	0.015	0.07	0.45
ERK-160	Grab-O/C	0.67	7.6	0.052	0.06	1.05

Figure 12.6 - Map Showing the Locations of the Geochemical Samples in the Main Exploration Target Area

Sampling was successful in outlining further areas for exploration (primarily for trenching during the 2006 field season). One area that was identified as requiring further work was the mineralized granodiorite dike on the INDI 9 and INDI 10 claim:

- sampling on the quartz-chalcopyrite vein indicated low gold values with high copper-silver values and minor lead-zinc values;
- the best value obtained was from a float sample from immediately below the outcrop on the INDI 9 claim during 2004 sampling;
- sample ERK 2004-51 yielded 1.49 g/t Au, 1,302 g/t Ag, 8.91% Cu, 0.45% Pb and 1.51% Zn; and
- samples RSC 2005-1 to -5 were grab samples that reported grades of up to 1.16 g/t Au, 1,012 g/t Ag, 3.44% Cu, 5.74% Pb and 11.7% Zn.

12.5.2 Pinnacle/MBM's 2006 Program

Details on the 2006 field program were not available at the time of writing this report.

12.6 Bulk Sampling

Two different periods of bulk sampling have been completed: two samples were processed from the 1993 underground work and one sample was processed from the 1995 work:

- in 1993, development muck from the upper part of the Alimak raise, as well as the initial rounds of the sub-levels taken from the Alimak deck, comprised the first bulk sample of 1,107 dry tonnes, the second 1993 bulk sample comprised 1,540 dry tonnes of development muck from the combined sublevels;
- the head-grade of the first 1,107 tonnes sample averaged 3.342 g/t Au and 9.7 g/t Ag, while the average head-grade of the second 1,540 tonnes sample averaged 3.190 g/t Au (silver assay results are unavailable); and
- in 1994, 1,481 tonnes of development muck from the 895 level drift was stockpiled at the portal and subsequently processed in Silbak-Premier mine's mill, the assay grade for which are unknown.

12.7 Geophysics

Geophysical surveys were carried out across the Silver Coin property in 1979, 1982 and 1983:

- in 1979, Consolidated Silver Butte Mines Ltd. conducted a widespread IP geophysical survey, the results of which are unknown;

- in 1982, the GENIE system was used to conduct an electromagnetic survey over the soil sampling grid area, but no anomalous responses were found;
- in 1982, Lloyd Wilson, an Esso geophysist, ran an IP survey over the Winer claim –
  - a total of two kilometres of lines were surveyed,
  - IP and self-potential surveys were conducted on a test basis on the property (the IP survey was in time-domain and used a dipole-dipole array),
  - a chargeability anomaly was measured over the heavy mineralization in the Facecut No. 2 Trench area, near diamond drill holes SB-15 and SB-16
  - the responses north of the Anomaly Creek were considered due to graphitic argillites and black argillaceous dacite tuffs,
  - an anomaly south of the North Gully, on the Road line, was over pyritic andesites, and
  - the fault block between the North Gully and Anomaly Creek reported relatively low in chargeability, but
  - high apparent resistivities were commonly present at the first separation;

- in 1983, Lloyd Wilson conducted an IP survey over the Anomaly Creek – North Gully fault block –
  - the Scintrex time domain IP system was used, consisting of an IPC8\250 watt IP and DC resistivity transmitter and IPR IOA digital time domain IP receiver,
  - current and potential electrodes were set up in a dipole-dipole array, with n = 20m,
  - significantly, the 250 watt transmitter allowed some readings up to n = 5, compared with the 1982 test survey that read to n = 3 only, and
  - the 1982 anomalies at n = 2 and n = 3, near the Granduc road, were confirmed in the 1983 survey, although
  - the anomalies were found to decrease rapidly with depth (n = 4, 5),
  - over the Facecut/35 zones, the silicified and K-feldspar altered rocks had high apparent resistivity and moderate to high chargeability,
  - sericite-altered rocks in the hangingwall of the Gully fault had low to moderate resistivity and moderate chargeability, and
  - the mineralized stockwork of the Facecut/35 zone was not detected separately from its alteration envelope, except at the Facecut No. 2 Trench.

Downhole resistivity was also tested in several open holes from the 1982 drill program (drill holes SB-15, -16, -20, -21 and -22). Drill hole SB-15 was not probed, due to its shallow dip (-30 degrees). Hole SB-16 was mostly dry, which precluded good electrical contact. The remaining holes showed a poor downhole resistivity contrast. The possibility of a successful charged potential survey over the Facecut/35 zone was, therefore, considered small

12.8 Petrographic Studies

In 1983 and 1988, thin sections studies, potassium feldspar staining, ICP-R and XRD analysis were carried out to establish the alteration suites in the rocks of former Silver Butte property.

In 2004 a thin sections study was carried out on 12 core and two surface samples collected from the Perseverance zone. The study revealed the widespread presence of trachyte within the Perseverance zone. Trachyte was identified in five of the examined samples. Identification of primary rocks in the remaining samples was not possible because they were too altered. Trachyte is composed mainly of relatively large, often mutually intergrown k-feldspar and some plagioclase crystals displaying holocrystalline, seriate texture. This kind of texture suggests the rock constituted a hypabyssal intrusive(s).

Most gold in the examined samples is associated with an early alteration-mineralization stage dominated by quartz with lesser sericite and minor pyrite; sporadically there is also minor sphalerite, galena and chalcopyrite, as well as traces of native gold. The quartz that formed during this stage is very fine grained (in drill logs it is often referred to as a chalcedonic quartz), gray in color and semi-translucent in appearance. Under the microscope it often occurs as randomly oriented, lath-shaped, mutually intergrown crystals that are 0.05 to 0.4 mm in size. It mostly pervades the brecciated and strongly fractured rocks to various degrees, often forming zones of intense silicification. At places it also forms narrow veins.

Part of the gold is associated with a late alteration-mineralization stage characterized by coarser grained nature of its constituents, more abundant sulfides, milky white quartz and different mode of occurrence compare to the previous stage. The late alteration mineralization stage produced mostly quartz and calcite with lesser pyrite, sphalerite, galena and chalcopyrite, minor sericite, chlorite and carbonaceous opaque, and trace tetrahedrite and native gold. These minerals mostly form variably oriented veins that are up to 0.5 metres wide, lesser stockworks, replacement zones and cement in breccia zones.

Gold occurs as free gold that forms grains which range in size from 0.05 to a few millimetres across. They have intense yellow color, thereby indicating a low silver content. Most gold seems to be associated with the early alteration mineralization assemblage containing lath shaped, randomly oriented and often intergrown quartz crystals. This unusual secondary quartz texture is present in half of the examined samples; it might represent a ghost texture after mutually intergrown K-feldspar and plagioclase crystals observed in trachyte. This in turn implies that trachyte intrusive (most likely a dike) was the main host rock and probably also the source of mineralization in the Perseverance zone.

13 DRILLING

Surface and underground diamond drilling programs during 1982 to the end of 2006 have resulted in a total of 54,890 metres of core from 349 surface holes (24,206 metres in 115 holes during 2006) and 11,727.6 metres of core from 214 underground holes. Figure 13.1 is a plan view of the collar positions and drill hole traces of all the surface holes drilled to date, for which the assay data has been verified by MineFill. Figure 13.2 is a plan view of the collar positions and drill hole traces of all the underground holes drilled to date, for which the assay data has been verified by MineFill. Much of the underground drilling was ATQW size (30.4 millimetre diameter core) while surface drilling was mostly BTQW size (40.7 millimetre diameter core).

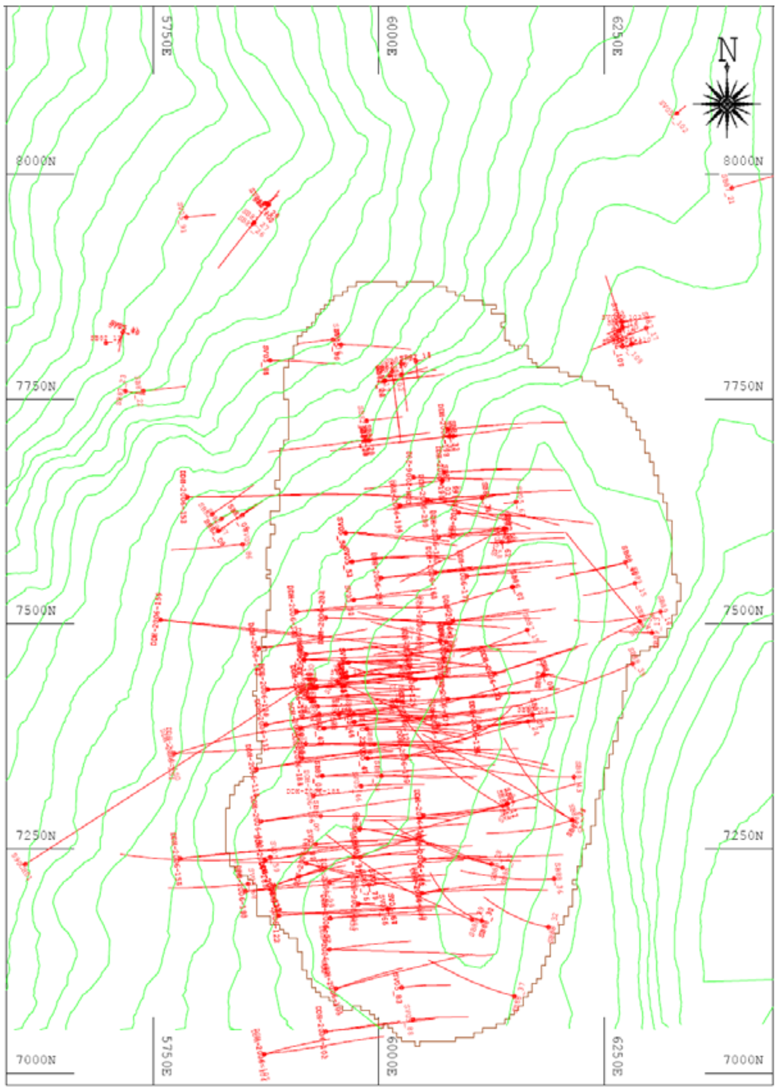


Figure 13.1 - Plan View of All the Assay-Verified Surface Drill Holes, Showing Surface Contours and the Surface Outline of the Planned Open Pit

Drilling to date on the Indi 9 claim comprises 26 holes totaling 6,832.44 m. A map showing the collar locations of the diamond drill holes on the Indi 9 claim is shown on Figure 13.2.

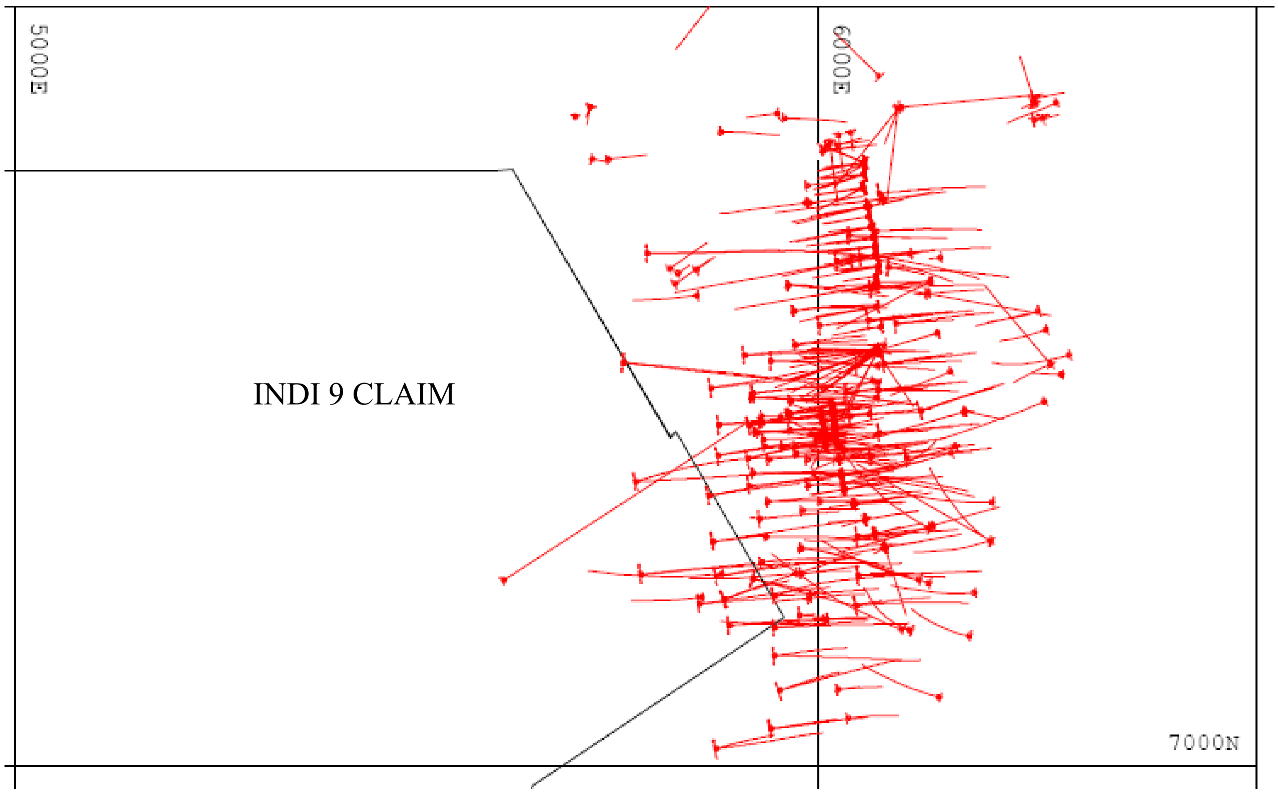


Figure 13.2 - Plan View of All Drill Collars at Silver Coin relative to the Indi 9 Claim

14 SAMPLING METHOD AND APPROACH

To date there has been a semi-systematic sampling of outcrops at the Silver Coin property. A number of trenches have also been cut across the various mineralized zones. Grab samples and trench locations are recorded via handheld GPS and are recorded in a field book with dip and any other comments. Samples from trenches are collected as continuous chip samples, in accordance with standard industry practices. Samples are brought back to Pinnacle's secure core logging and sampling compound at Stewart (Figure 14.1), where most of the older core is stored and where new core is logged, split and stored and the samples are prepared for shipment to the assay laboratory. Soil samples routines are taken on grids that are set up using handheld GPS units.

Information obtained from surface sampling has been of limited use in grade determination due to the complex nature of the geology. However, the sampling programs have added to the understanding of the distribution and persistence of the mineralized zones.

Grade determinations for purposes of resource estimations have instead relied on the sampling and assaying of drill cores. The sampling and analytical procedures utilized by Pinnacle and MBM at the Silver Coin property are described in the following sections. The quality of samples collected by Esso, Tenajon or Westmin during the exploration programs conducted from 1980 to 1994 is unknown. There is, however, information available to indicate that the samples taken were representative, the sampling procedures were based on standard industry practice and the interval lengths, types of sample and mineralization observed were recorded in field notes.

14.1 Drill Hole Surveying

Drilling locations are initially established using handheld GPS nits; they are later surveyed more accurately by a third party surveying company, once drilling has commenced. Reflex surveys (that record the depth, azimuth, inclination, roll and temperature at each survey point) are performed by drillers. Survey shots are taken about every 50 metres down hole, as well as at the end of each hole. The results are hand recorded on loose paper; the records are later entered into summary Excel worksheets for later copying into the master database. The summary worksheets record individual hole numbers, the northings and eastings and elevations of their collars, as well as the bearings, inclinations and inclinations of the Reflex survey points.

14.2 Core Handling

Drill core is laid in labelled wooden core boxes at the drilling site, with each core box secured with a nailed lid to avoid spillage. The core boxes are loaded onto the driller’s truck for delivery, at the end of the driller’s shift, to Pinnacle’s secure core logging and sampling compound at Stewart. Someone is always present at the compound, while it is open during working hours. Core boxes are stored in covered core racks, according to hole number and interval, until they can be split for assaying. The boxes are color-coded to identify the core-relevant hole and to prevent errors.

Figure 14.1 – Pinnacle's Secure Offices and Core Storage Facility at Stewart

14.3 Core Logging

Junior geologists are trained in the procedures utilized for core logging; a senior geologist remains on hand during the core logging process. The geologists mark any geological contacts on the core to be logged. Sequentially numbered assay tags are placed at the end of each run and at any lithological contacts to ensure that assay splits are made for each drill run and each intersected rock unit. The various marker intervals are recorded on a sheet. The positions of the markers are visually estimated, not measured. Greater accuracy may be obtained by utilizing a measuring tape to identify intervals, but this would greatly increase the time required to log each run.

After each set of six core boxes has been logged, the geologist checks the first and last assay tags and that paper logs are correct, not least to avoid any discrepancies. Core recoveries are not recorded because they are believed to be greater then 98% in all cases.

14.4 Data

The paper logs are transferred into an Excel spreadsheet format for copying into the central database. The paper logs (including the historical drill hole logs) are kept on site indefinitely. Error checking is performed while data is entered. No procedures are, however, in place and no checking of manually entered data is routinely carried out. Missing or overlapping intervals are checked with the responsible geologists, when such errors are spotted. Hand-drawn sections are drawn by geologists, depicting the recorded geological information. The sections are faxed to Geodrafting Services Ltd., where they are digitized.

15 SAMPLE PREPARATION, ANALYSIS AND SECURITY

15.1 Chain-of-Custody

Core boxes are retrieved from the storage racks, as required. They are carried by members of the core splitting team to a dedicated core splitting facility (Figure 15.1) where three, water lubricated diamond abrasion saw stations are set up. The splitter records the depth the box ended and cross-checks this number with the following core box, so as to preclude discrepancies. The core is then broken with a hammer before splitting, at the logged and identified lithological boundaries. Cutters and loggers are rotated so that the same individuals are not always in contact with core.

Figure 15.1 – Pinnacle's Core Splitting Facility

Individual cores are split into two halves, with the sample fractions being placed in clear, zap-tagged plastic bags, along with assay sample tags that are labelled to correspond to the sample-relevant intervals (clear bags are used to allow either Pinnacle/MBM staff or laboratory staff to recognize if the samples had been tampered with). The remaining split core halves are returned to their relevant positions in their original core boxes for storage in the covered core racks. The entire lengths of individual drill cores are split for assaying, thereby ensuring non-selectivity in assay returns and that representative, all-core analyses are obtained.

Although practices outlined appear reliable, it might be beneficial to ensure that the plastic sample bags are taken from a secure source each morning to preclude the chance of cross-contamination (which exists if the sample bags are left at the diamond sawing station). It might also be beneficial to insert cleaning sands after any sample which the responsible geologist believes to be high grade, to prevent any residual grade values in adjacent samples. Photographs should also be taken prior to core splitting, to allow basic geotechnical information to be retained.

Individual core sample bags are placed in zap-strapped rice bags that are labelled using Assayers Canada tags (Figure 15.2). Prepared bags are transported daily from Pinnacle's facility (pick-up at about 9 a.m.), on Sea Port Limousine buses to Terrace where they are loaded onto pallets for shipping to Vancouver by Canadian Freightways.

Figure 15.2 – Drillcore Sample Bags Being Readied for Shipment to Vancouver

15.2 Assay Method

All core samples are sent to Assayers Canada (ISO/IEC 17025 accredited) for preparation (drying, weighing and crushing) and analysis. Assays are carried out to determine gold, silver, copper, lead, silver and zinc grades. The following are Assayers Canada's explanations of the assay procedures.

Silver and Base Metal Assay Analysis: *"A 1.000 gram sub-sample is weighed from the pulp bag for analysis. Each batch of 30 assays has, three duplicates, two natural standards and a reagent blank included. The samples are digested with HNO3, HBr and HCl. After digestion is complete, extra HCl is added to the flask to bring the concentration of HCl to 25 percent in solution. This is to prevent precipitation of lead and silver chloride. The resulting solutions are analyzed on atomic absorption spectrometer (AAS), using appropriate calibration standard sets.*

The natural standard(s) digested along with this set must be within two standard deviations of the known or the whole set is re-assayed. If any of the samples assay over the concentration range of the calibration curve, the sample is re-assayed using a smaller sample weight. At least 10 percent of the samples are assayed in duplicate.

Detection Limits: 0.1g/tonne for Ag; 0.001% for Cu and 0.01% for Pb and Zn"

Gold Assay Analysis: *"The samples are fluxed, silver is added and mixed. The assays are fused in batches of 24 assays along with a natural standard and a blank. This batch of 26 assays is carried through the whole procedure as a set. After cupellation the precious metal beads are transferred into new glassware, dissolved with aqua regia solution, diluted to volume and mixed.*

These resulting solutions are analyzed on an atomic absorption spectrometer using a suitable standard set. The natural standard fused along with this set must be within two standard deviations of its known or the whole set is re-assayed. A minimum of 10% of all assays are rechecked, then reported in grams per metric ton (g/tonne).

Detection Limit: 0.01 g/tonne"

15.3 Assay Validation

Assayers Canada employ natural standards and blanks in their assay method. In 2006 Pinnacle/MBM introduced a duplicate sample program; a total of 1,258 duplicates were introduced into the analytical sample stream that totalled 9,983 samples (duplicate sample ratio of about 1:8). Figure 15.3 summarizes the samples versus duplicates assay results.

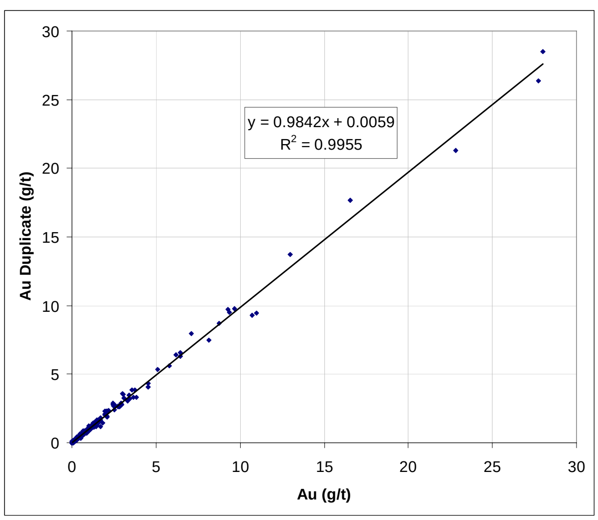


Figure 15.3 – Gold Assay Values, Samples Versus Duplicates, 2006 Drilling Campaign

15.4 Independent Laboratory Checks

No independent laboratory checks are currently being carried out.

15.5 Specific Gravity Data

Pinnacle/MBM introduced a specific gravity measuring program during 2006. At the time of writing (April 2007), details of Pinnacle/MBM's standard for measuring specific gravity were not available. However, it appears that standard industry methods and procedures were used, based on

Archimedes Principle. SG calculations were done on site using the weights obtained. No check SG measurements were performed.

The 2006 database contains 290 measurement results, which have an average specific gravity of 2.86. An average density of 2.86 t/m^3 was used for purposes of resource estimation.

15.6 Assay Results

Assay results are e-mailed from Assayers Canada; the results are copied into the master database and successive assay files are stored on a computer hard drive. The assay results sometimes need to be edited (for format, not values) so some error checking is done, but no formal data checking procedure is in place.

15.7 Factors Affecting Reliability of Results

There are no known factors affecting the reliability of sampling. The samples are reported to be fresh with little or no secondary minerals on the surfaces that would enhance metal values (Walus, 2005). This has been confirmed during a MineFill site visit made during spring 2006.

16 DATA VERIFICATION

There is no knowledge of the nature and extent of all quality control measures employed by Esso, Tenajon and Westmin in their exploration programs. It is expected that the companies used standard industry practices in collecting their samples. Also, there is no knowledge of the nature and extent of all quality control measures employed in the analytical and testing procedures utilized by the laboratories.

Minefill conducted rigorous data verification on all available assay data from 1982 to 2006, with the intention of ensuring that only verified assay data would be used for purposes of mineral resources estimations. Assay data was deemed verified if the original assay certificate was present and the database reflected the assay certificate values accordingly. Table 16.1 summarizes the MineFill's results, which reflects the results for a total of 115 drill holes. The following verification procedure was employed:

- using the sample number from the original assay certificate or photocopy of the same, the corresponding data was located in the computer database;
- one person called out the assay values for gold, silver, copper, lead and zinc detailed on the assay certificates while a second person verified the data from the database displayed on a computer screen; and
- if the data was incorrect or missing in the database the sample would be either flagged or corrected.

Table 16.1
Summary of MineFill's Data Verification

Year	No. of Assays	Verified (%)
1982	296	0.0
1983	170	0.0
1986	161	0.0
1987	803	0.0
1988	2,626	71.0
1989	1,615	88.0
1990	5,673	2.0
1993	1,374	100.0
1994	2,413	99.5
2004	657	99.5
2005	3,123	98.5
2006	9,983	99.7
Totals	***28,894***	***72.1***

Of the 9,983 samples available from the 2006 drilling program, certificate values for 29 samples were not available for verification. No differences between the assay grades recorded on the assay certificates and in the assay grade database were found, which resulted in 9,954 verified results (9,983 minus 29), hence the 99.7 percent verification rate reflected on Table 16.1. Similar results were realized for samples from the 2004 and 2005 drilling programs.

17 ADJACENT PROPERTIES

The Silver Coin property is located along Big Missouri Ridge with former mines to both the north and south:

- between 1938 and 1942, the Big Missouri mine to the north produced 768,943 tonnes at an average grade of 2.37 g/t Au and 2.13 g/t Ag;
- the Indian Mine to the south produced 12,870 tonnes averaging 3.40 g/t Au, 119.7 g/t Ag, 4.40% Pb and 5.50% Zn; and
- the Silver Coin property is contiguous with the large Silbak-Premier mine property –
  - between 1918 and 1979, the mine produced 4.2 million tonnes of ore at a recovered grade of 13.4 g/t Au, 301 g/t Ag, 2.3% Cu, 0.6% Pb and 0.2% Zn (BCEMPR production statistics), and
  - between 1988 and 1995, the reported reserves of 6,500,000 tonnes of 2.16 g/t Au and 80.23 g/t Ag (including 300,000 tonnes grading 8.0 g/t gold) were mined by Westmin.

18 MINERAL PROCESSING AND METALLURGICAL TESTING

18.1 Westmin Tests

Prior to bulk testing in 1993, Westmin carried out metallurgical laboratory tests on representative material at Silbak-Premier mine's mill. The results of cyanide leach tests indicated that even though coarse gold was present, it leached quickly. A sample was run through a Knelson Concentrator and showed seven percent of the sample contained 81 percent of the gold after concentration.

Tests were also conducted to determine if the material is cyanide robbing; the results showed that the ore could be considered cyanide robbing. It was also determined that if graphitic material was present it would absorb the precious metals at an early stage of leaching. The level of activated carbon to be added to the isolated carbon-in-leach ("CIL") tank was to be higher than normal to create a more competitive environment to counter the natural graphitic material.

The result of not grinding in cyanide is that the natural graphitic material would have less time to absorb precious metals. The pump boxes cyclone underflows would be cleaned prior to the run and then cleaned and tested after the run to capture any coarse gold, which may have escaped the leach tank. The mass balance from the leaching would determine the grade.

18.2 Pinnacle Tests

Preliminary metallurgical tests were carried out in January 2007, by Process Research Associates in Richmond, B.C. Pinnacle submitted two composite samples (Composite Samples A and B), weighing approximately 900 kilograms each, for testing. The testwork focused on recovery of precious metals only; no base metals testing has been undertaken to date.

A copy of Process Research Associates' report is available at Pinnacle's Vancouver office. The results show good gold recoveries (78 to 86 percent) with either an intense cyanidation or a CIL process, whereas silver recoveries were less promising (19 to 60 percent). Excellent recoveries were measured for both gold (94 to 98 percent) and silver (92 to 95 percent) in flotation trials. The tests and results may be summarized as follows:

- Composite Sample A reported average assay grades of 0.62 g/t Au and 3.7 g/t Ag;
- Composite Sample B reported average assay grades of 1.62 g/t Au and 5.1 g/t Ag;
- grindability tests show a Bond Mill work index of 18.6 kW-hr/tonne;
- cyanide leach tests at a target grind of P_{80} = 149 microns showed recoveries of 78 percent for gold and 55 percent for silver after 72 hours, at a reagent consumption of 1.64 kg/t for sodium cyanide and 0.10 kg/t for lime;
- cyanide leach tests at a target grind of P_{80} = 74 microns showed recoveries of 80 percent for gold and 60 percent for silver after 72 hours, at a reagent consumption of 3.4 kg/t for sodium cyanide and 0.10 kg/t for lime;

- CIL recoveries were 79 percent for gold and 23 percent for silver after 24 hours for Composite A and 86 percent for gold and 19 percent for silver for Composite B (reagent consumption varied from 0.32 to 1.22 kg/t for cyanide and 0.15 kg/t for lime); and
- three flotation trials were undertaken at three target grind sizes, varying from P_{80} = 44 microns to P_{80} = 152 microns –
  - the results show slightly better recoveries with the finer grind sizes, varying from 94 to 98 percent recovery for gold, and 92 to 95 percent recovery for silver, and
  - the total mass pull was 38 percent at the finer grind and 22 percent at the coarser grind.

19 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

19.1 Overview

Minefill calculated resources of the Silver Coin property using a significant amount of historical data, as well as the results of drilling carried out by Pinnacle and MBM during 2004, 2005 and 2006. The historical assay data was verified by a rigorous program of verification by using the original assay certificates. Only the assays that were deemed to be verified were used in the calculation of resources.

Details of MineFill's December 2006 resource estimate are presented in the following sections. The resources have been estimated in accordance to the definitions stated in the Canadian Institute of Mining and Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council on November 14, 2000 (CIMM 2000). The resource calculation procedure included the following tasks:

- verification of entered assay data in an Excel database, from original assay certificates;
- importation of the assay data into SURPAC; and
- calculation of the mineral resource using a block modelling technique.

The Mineral Resources reported in this section are for the entire Silver Coin property of which only a small fraction occurs on the New Cantech Indi claims.

19.2 Assay Statistics

Three metre downhole composites for gold, silver, copper and zinc were created and used for estimation. Intervals of less than 1.5 metres were ignored in the estimation. Due to the complexity of the mineral deposit, no geological model exists and no attempt was made to select composites from within rock types. The extent of silicification was, however, considered in terms of its distribution versus the distribution of base metal and precious metal grades, but the results were inconclusive (see Section 19.2). Lead was not considered within the scope of the grade domain analyses and block model, due to the generally very low assay values. Copper grades were considered for purposes of kriging, but not within the scope of the resource estimates, again due to the generally low assay values.

19.1.1 Gold Statistics

Statistics for the 3.0 metre gold composites are summarized on Table 19.1; Figure 19.1 is a histogram plot that displays graphically the same results.

Table 19.1
Statistics for 3.0 metre Gold Composites

Variable	Value
Lower cut	0.011
Number of samples	13,182
Minimum value	0.011
Maximum value	186.222
25.0 Percentile	0.059
50.0 Percentile (median)	0.183
75.0 Percentile	0.557
97.5 Percentile	4.701
Mean	0.736
Variance	9.797
Standard Deviation	3.13
Coefficient of Variation	4.253
Skewness	28.598
Kurtosis	1,288.137
Trimean	0.245
Biweight	0.222
MAD	0.18
Alpha	-0.004
Sichel-t	279.257

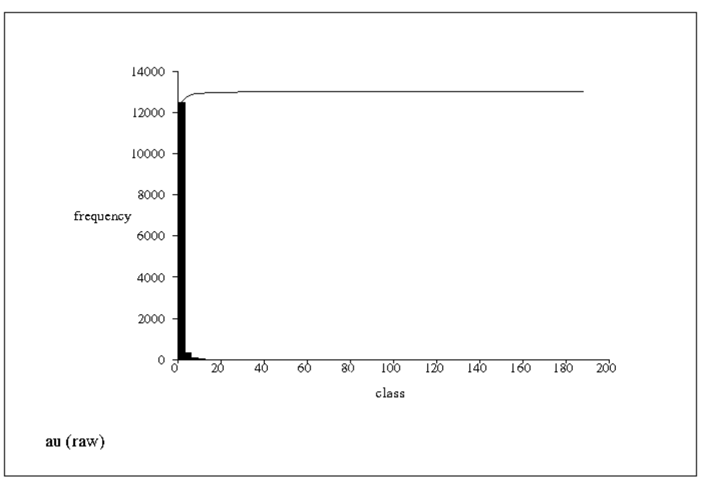


Figure 19.1 Untransformed 3.0 m Gold Composite Histogram Plot

Due to the log normal nature of the gold distribution, the median (0.183 g/t) is a better indicator of the actual average grade than the arithmetic mean (0.736 g/t). As a result of minimum assay detection limits, gold grades below 0.01 g/t Au were assigned a value of 0.01 g/t Au in the database. This created an unusually high number of values in the 0.01 g/t Au grade category.

Using a natural log transform creates a very nearly normal population, with the exception of a spike representing the artificially large number of 0.01 g/t Au grade values, caused by the low-grade detection limit. Excluding grade values of less than 0.011 g/t Au resulted in the data summarized on Table 19.2 and Figure 19.2.

Table 19.2
Natural Log Transformation Statistics for Gold

	Transformation	
Variable	**ln**	**exp(x)**
Lower cut	0.01	-
Number of samples	12,999	-
Minimum value	-4.605	0.01
Maximum value	5.227	186.23
25.0 Percentile	-2.994	0.05
50.0 Percentile (median)	-1.77	0.17
75.0 Percentile	-0.618	0.54
97.5 Percentile	1.537	4.65
Mean	-1.746	0.17
Variance	2.608	13.57
Standard Deviation	1.615	5.03
Coefficient of Variation	-0.923	0.40
Skewness	0.273	1.31
Kurtosis	2.628	13.85

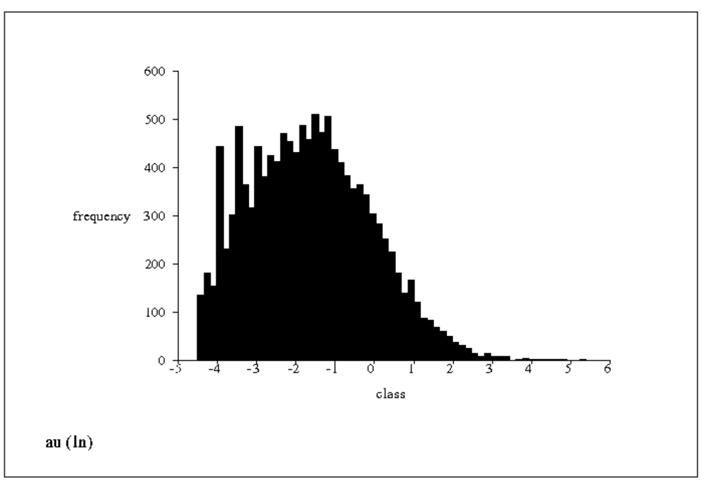


Figure 19.2   3.0 m Au Composite Histogram Plot (above 0.011 g/t, with natural log transformation)

It may be seen from the results presented on Table 19.2 that a natural log transformation results in both a mean and median value of 0.17 g/t.

19.1.2 Silver Statistics

Statistics for the 3.0 metre silver composites are summarized on Table 19.3 and Figure 19.3. The distribution is highly lognormal and so the arithmetic mean identified in Table 19.3 will tend to overstate the true average. The median value of 2.34 g/t Ag is a more representative of the resource average.

Table 19.3

Statistics for 3.0 m Silver Composites

Variable	Value
Lower cut	0.083
Number of samples	11,880
Minimum value	0.083
Maximum value	1,262.709
25.0 Percentile	1.257
50.0 Percentile (median)	2.333
75.0 Percentile	4.166
97.5 Percentile	20.103
Mean	4.358
Variance	229.075
Standard Deviation	15.135
Coefficient of Variation	3.473
Skewness	52.846
Kurtosis	4,100.584

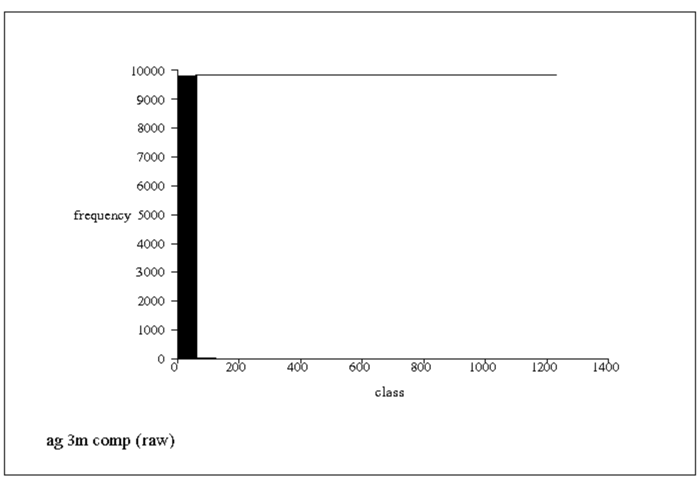


Figure 19.3   Untransformed 3.0 m Silver Composite Histogram Plot

As an alternative to using the median to determine the resource average silver grade, a natural log transformation can be used to normalize the data. The results of the natural log transformation are summarized on Table 19.4 and Figure 19.4, respectively.

Table 19.4

Natural Log Transformation Statistics for Silver

	Transformation	
Variable	**ln**	**exp(x)**
Number of samples	11,880	-
Minimum value	-2.489	0.083
Maximum value	7.141	1,262.690
25.0 Percentile	0.229	1.257
50.0 Percentile (median)	0.847	2.333
75.0 Percentile	1.427	4.166
97.5 Percentile	3.001	20.106
Mean	0.84	2.316
Variance	1.062	2.892
Standard Deviation	1.031	2.804
Coefficient of Variation	1.227	3.411
Skewness	0.144	1.155
Kurtosis	4.041	56.883

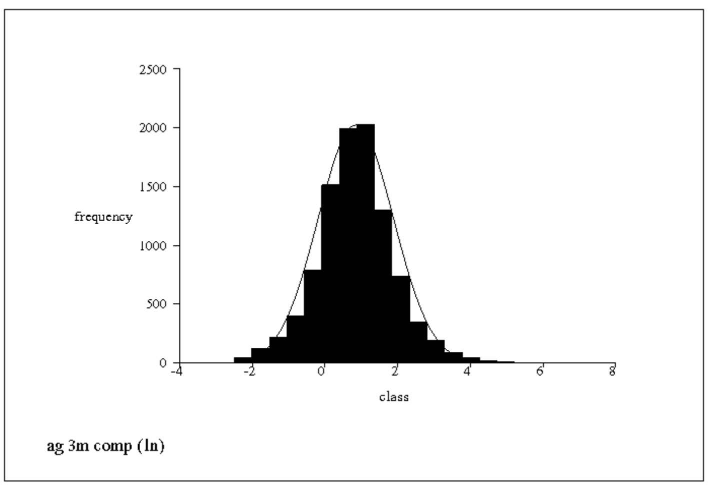


Figure 19.4 Natural Log Transformation of 3.0 m Silver Composite Data

Anti logs of the median and mean of the (natural log) transformed silver data indicate an average resource value of 2.32 g/t Ag.

19.1.3 Copper Statistics

The statistics for 3.0 m copper composites are summarized on Table 19.5.

Table 19.5

Statistics for 3.0 m Copper Composites

Variable	Value
Number of samples	10,514
Minimum value	0.001
Maximum value	1.974
25.0 Percentile	0.002
50.0 Percentile (median)	0.004
75.0 Percentile	0.006
97.5 Percentile	0.046
Mean	0.009
Variance	0.002
Standard Deviation	0.039
Coefficient of Variation	4.445
Skewness	25.568
Kurtosis	938.036

As an alternative to using the median to determine the average resource copper grade, a natural log transformation may be used to normalize the data. The results of the transformation are summarized on Table 19.6.

Table 19.6

Natural Log Transformation Statistics for Copper

Variable	Transformation	
	ln	exp(x)
Number of samples	10,514	-
Minimum value	-6.908	0.001
Maximum value	0.68	1.974
25.0 Percentile	-6.166	0.002
50.0 Percentile (median)	-5.655	0.003
75.0 Percentile	-5.116	0.006
97.5 Percentile	-3.082	0.046
Mean	-5.512	0.004
Variance	0.864	2.373
Standard Deviation	0.929	2.532
Coefficient of Variation	-0.169	0.845

19.1.4 Zinc Statistics

Statistics of 3.0 m zinc composites are summarized in Table 19.7. The distribution is highly log normal, so the arithmetic mean will tend to overstate the true average. The median value of 0.03% is a more representative of the resource average.

Table 19.7
Statistics for 3.0 m Zinc Composites

Variable	Value
Number of samples	10,463
Minimum value	0.008
Maximum value	85
25.0 Percentile	0.014
50.0 Percentile (median)	0.031
75.0 Percentile	0.1
97.5 Percentile	0.81
Mean	0.143
Variance	1.533
Standard Deviation	1.238
Coefficient of Variation	8.667
Skewness	61.929
Kurtosis	4,222.027

As an alternative to using the median to determine the resource average zinc grade, a natural log transformation can be used to normalize the data. The results of the transformation are summarized on Table 19.8.

Table 19.8
Natural Log Transformation Data for Zinc

	Transformation	
Variable	ln	exp(x)
Lower cut	0.008	
Number of samples	10,463	-
Minimum value	-4.828	0.008
Maximum value	4.443	85.030
25.0 Percentile	-4.305	0.014
50.0 Percentile (median)	-3.464	0.031
75.0 Percentile	-2.306	0.100
97.5 Percentile	-0.211	0.810
Mean	-3.169	0.042
Variance	1.677	0.187
Standard Deviation	1.295	3.651
Coefficient of Variation	-0.409	0.664

19.2 Grade Domain Boundaries

The verified assay data and silicification zones were imported into LEAPFROG to model mineralization and grade shell boundaries. LEAPFROG is a proprietary three-dimensional ("3D") geological modeling package that allows rapid construction of geological and grade-shell wireframes directly from scattered drill hole data. LEAPFROG uses recently developed rapid 3D interpolation methods that were refined and modified to suit geological modeling problems. A snapshot of the 3-D silicified zone model is presented as Figure 19.5.

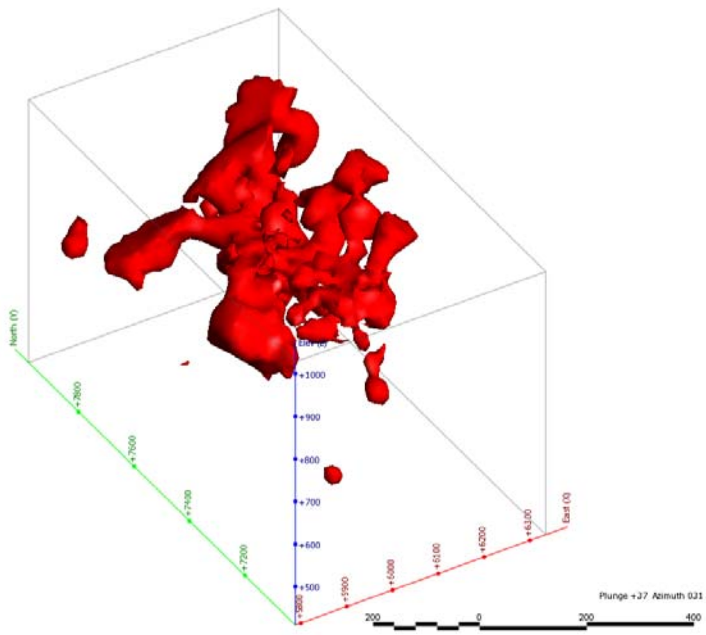


Figure 19.5 LEAPFROG 3D Silicification Digital Model

To compare the silicification zone and grade shell models, a 0.4 g/t gold grade shell was modeled. A snapshot of the model is presented as (Figure 19.6).

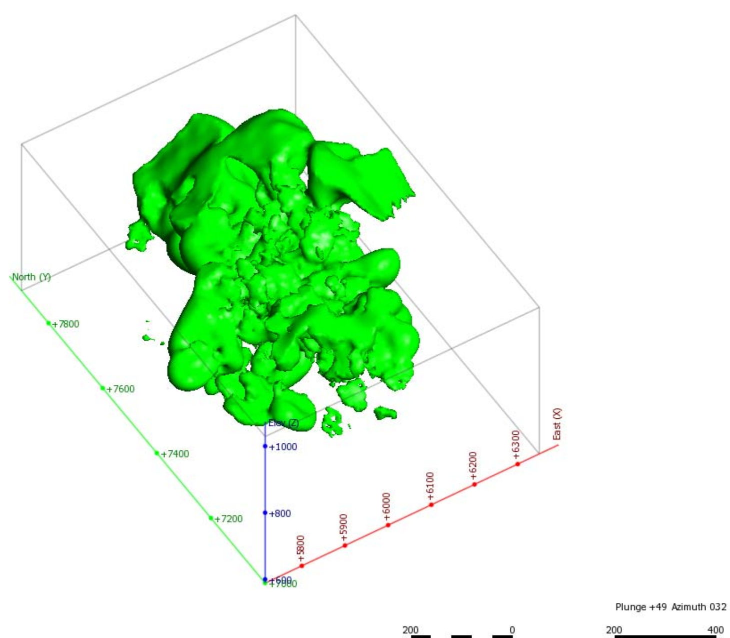


Figure 19.6 LEAPFROG 3D 0.4g/t Au Grade Shell Model

It may be seen on Figure 19.7 that the mineralization (highlighted in **GREEN**) extends beyond the silicification boundary (highlighted in **RED**). This is likely due to the complex nature of the mineralization. Whatever the case, it was decided to not constrain the block model to silicification boundary.

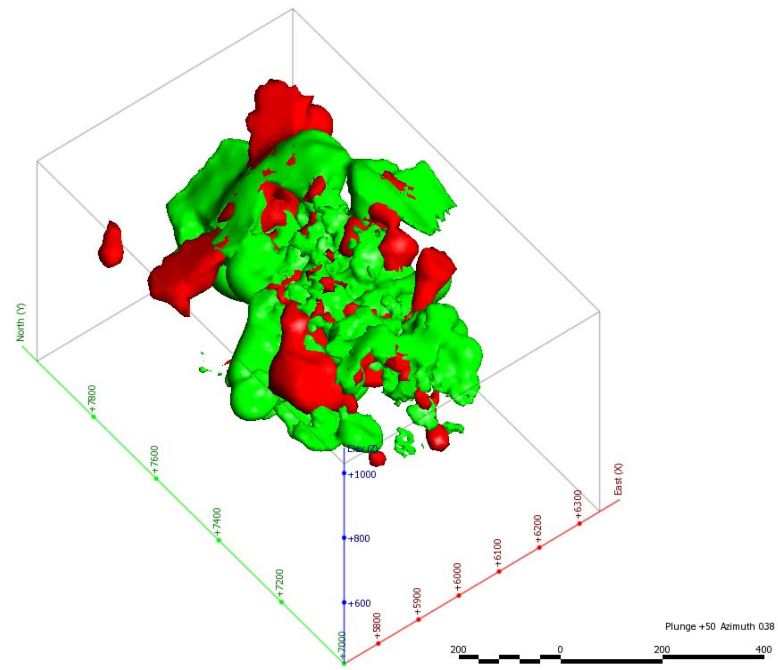


Figure 19.7 Comparison of LEAPFROG 0.4 g/t Au Grade Shell and Silicification Model

19.3 Variogram Modelling

The variogram characterizes the spatial continuity or roughness of a data set. Variogram analysis consists of the experimental variogram calculated from the data and the variogram model fitted to the data. The experimental variogram is calculated by averaging one half the difference squared of the values over all pairs of observations with the specified separation distance and direction. It is plotted as a two-dimensional graph. The gamma symbol (γ) is a standard symbol for a variogram. Variogram value for distance "h" is given by:

$$\gamma(h) = \frac{\text{sum of (sample value – value of sample A at distance h)}^2}{\text{2(number of pairs collected for the distance h)}}$$

The first step in variogram modeling is to model the nugget effect, which:

- describes the expected difference between samples when the separation distance is almost negligible; and
- encompasses both the inherent small scale variability and the errors due to measuring the sample values (human error and measurement system error).

The sill in variogram modeling represents the total variability inherent in the data. The last parameter of a variogram is the range, which is the separation distance at which the variability between pairs is equivalent to the overall data variability. When samples are separated by distances beyond the range of influence they have no spatial correlation.

19.3.1 Gold Variography

A series of variograms were calculated for gold. An omni-directional, spherical variogram was calculated as well as directional variograms to determine if there exists any preferred direction of continuity. The parameters used in analysis are summarized in Table 19.9.

Table 19.9

Gold Variogram Model Parameters

<table>
<tr><th>Model Type</th><th colspan="2">Exponential</th></tr>
<tr><td>Nugget</td><td colspan="2">5.238858</td></tr>
<tr><th>Structure</th><th>Sill</th><th>Range</th></tr>
<tr><td>1</td><td>0.59</td><td>67</td></tr>
<tr><th colspan="3">Anisotrophy Ellipse Parameters</th></tr>
<tr><td>Surpac Orientation</td><td colspan="2">ZXY LRL</td></tr>
<tr><td>Parameter
Bearing
Plunge
Dip</td><td colspan="2">Angle
90°
-45°
-45°</td></tr>
<tr><th colspan="3">Anisotrophy Factors</th></tr>
<tr><td>Parameter</td><td colspan="2">Value</td></tr>
<tr><td>Major / semi-major
Major / minor</td><td colspan="2">1.13
1.70</td></tr>
</table>

19.3.2 Silver Variography

A series of variograms were calculated for silver. An omni-directional spherical variogram was calculated as well as directional variograms to determine if there exists any preferred direction of continuity. The model parameters are summarized in Table 19.10.

Table 19.10
Silver Variogram Model Parameters

Model Type	**Exponential**	
Nugget	2.764014	
Structure	**Sill**	**Range**
1	10.22	59
Anisotrophy Ellipse Parameters		
Surpac Orientation	ZXY LRL	
Parameter	Value	
Bearing	90°	
Plunge	-45°	
Dip	-18°	
Anisotrophy Factors		
Parameter	Value	
Major / semi-major	1.40	
Major / minor	4.24	

19.3.3 Copper Variography

A series of variograms were calculated for copper. An omni-directional spherical variogram was calculated, as well as directional variograms, to determine if there exists any preferred direction of continuity. The model parameters are summarized on Table 19.11.

Table 19.11
Copper Variogram Model Parameters

Model Type	**Exponential**	
Nugget	0.00001	
Structure	**Sill**	**Range**
1	0.000031	54
Anisotrophy Ellipse Parameters		
Surpac Orientation	ZXY LRL	
Parameter	Value	
Bearing	225°	
Plunge	55°	
Dip	44°	
Anisotrophy Factors		
Parameter	Value	
Major / semi-major	1.63	
Major / minor	1.28	

19.3.4 Zinc Variography

A series of variograms were calculated for zinc. An omni-directional spherical variogram was calculated, as well as directional variograms, to determine if there exists any preferred direction of continuity. The model parameters are summarized on Table 19.12.

Table 19.12
Zinc Variogram Model Parameters

Model Type	**Exponential**	
Nugget	0.00001	
Structure	**Sill**	**Range**
1	0.015299	74
Anisotrophy Ellipse Parameters		
Surpac Orientation	ZXY LRL	
Parameter	Value	
Bearing	270°	
Plunge	40°	
Dip	-90°	
Anisotrophy Factors		
Parameter	Value	
Major / semi-major	2.54	
Major / minor	1.83	

19.4 Block Models

A single block model, including all the mineralized zones, was created in SURPAC. Block assay values were computed by the ordinary kriging method with one pass each for gold, silver, copper, and zinc. Table 19.13 summarizes the block model parameters that were applied in analysis. It should be noted that the block model did not include any geological, lithological or structural controls, owing to a lack of detailed information. This is not a significant constraint, due to the nature of the deposit.

Table 19.13
Block Model Parameters

Type	**y**	**x**	**z**
Minimum co-ordinates	6,900	5,400	200
Maximum co-ordinates	8,200	6,600	1,200
User block size	10	10	5
Min. block size	5	5	2.5
Rotation	0	0	0
Total Blocks	552,939		

Appendix 9 contains block model sections showing the distribution of equivalent gold grades along the following section lines: longitude 436,000 E, 436,050 E and 436,100 E, looking west; and latitude 6,217,100 N to 6,217,800 N at 50 m intervals (15 sections), looking north. The first figure in the sequence identifies the positions of the section lines, as well as the surface outline of the open pit discussed in Section 20.

19.4.1 Gold Block Model

Gold block model values were estimated using ordinary kriging, the parameters used for purposes of analysis are summarized on Table 19.14.

Table 19.14
Gold Search Parameters

Surpac Rotation Convention	ZXY LRL
Parameter	**Angle**
First Axis	90°
Second Axis	-45°
Third Axis	-90°
Anisotrophy Factors	
Semi Major Axis	1.13
Minor axis	1.70
Other Interpolation Parameters	
Max. Search Distance of Major Axis	35
Max. Vertical Search Distance	15
Maximum Number of Informing Samples	15
Minimum Number of Informing Samples	2
Kriging Type	ordinary kriging
Variogram Model	exponential
Cumulative Sill	0.591744
Nugget Effect	0.214570
Model	1
C value	0.377174
Range	67
Azimuth	90°
Plunge	-45°
Dip	-90°
Semi Major Ratio	1.13
Minor Ratio	1.70

It is important that block populations reflect fairly the composite population used in the grade estimation. A comparison of the populations of the untransformed and kriged cut-gold blocks, kriged uncut-gold blocks and composite data is summarized on Table 19.15.

Table 19.15

Comparison of Cut, Uncut and Composite Populations

Variable	Au (uncut)	Au (cut)	Composite
Number of samples	82,529	82,529	13,182
Minimum value	0.01	0.01	0.011
Maximum value	64.263	10	186.222
25.0 Percentile	0.059	0.059	0.059
50.0 Percentile (median)	0.172	0.172	0.183
75.0 Percentile	0.431	0.431	0.557
97.5 Percentile	1.628	1.628	4.701
Mean	0.505	0.45	0.736
Variance	3.588	1.418	9.797
Standard Deviation	1.894	1.191	3.13
Coefficient of variation	3.754	2.649	4.253
Skewness	13.992	6.429	28.598
Kurtosis	304.48	46.77	1288.137

As Table 19.15 demonstrates, the cut- and uncut-gold blocks reflect the composite population in terms of grade at the various percentiles. The effect of the 10 gram top cut-off is barely apparent.

Antilogs of the transformed data for both cut- and uncut-gold blocks (Table 19.16) show a slightly lower overall mean grade for the resource than the corresponding value for the composite data (it is, however, still within 10 percent of the composite results). The median transformed values for the cut- and uncut-gold blocks, as well as the values for the lower percentile data, remain identical, whereas the 75.0 and over percentiles yield slightly lower values.

Table 19.16

Natural Log Transformed Gold Blocks

Variable	Au cut		Au uncut	
Transformation	ln	exp(x)	ln	exp(x)
Number of samples	82,529	-	82,529	-
Minimum value	-4.605	0.010	-4.605	0.010
Maximum value	2.303	10.004	4.163	64.264
25.0 Percentile	-2.83	0.059	-2.83	0.059
50.0 Percentile (median)	-1.760	0.172	-1.760	0.172
75.0 Percentile	-0.842	0.431	-0.842	0.431
97.5 Percentile	0.487	1.627	0.487	1.627
Mean	-1.816	0.163	-1.813	0.163
Variance	1.817	6.153	1.848	6.347
Standard Deviation	1.348	3.850	1.359	3.892
Coefficient of Variation	-0.742	0.476	-0.750	0.472

19.4.2 Silver Block Model

The silver block model values were estimated using ordinary kriging. The parameters used for purposes of analysis are summarized on Table 19.17.

Table 19.17

Silver Search Parameters

Surpac Rotation Convention	ZXY LRL
Parameter	**Angle**
First Axis	90°
Second Axis	-45°
Third Axis	-18°
Semi Major Axis	1.40
Minor axis	4.24
Max. Search Distance of Major Axis	35
Max. Vertical Search Distance	12
Maximum Number of Informing Samples	15
Minimum Number of Informing Samples	2
Kriging Type	ordinary kriging
Variogram Model	exponential
Cumulative Sill	10.224366
Nugget Effect	2.764014
Model	1
C value	7.460352
Range	59
Azimuth	90
Plunge	-45
Dip	-18
Semi Major Ratio	1.34
Minor Ratio	4.24

A comparison of the populations of the untransformed and kriged silver blocks and composite data is summarized on Table 19.18.

Table 19.18

Comparison of Untransformed Silver Block and Composite Statistics

Variable	Silver Blocks	Silver Composites
Number of samples	49,181	11,880
Minimum value	0.118	0.083
Maximum value	310.875	1262.709
25.0 Percentile	1.659	1.257
50.0 Percentile (median)	2.74	2.333
75.0 Percentile	4.309	4.166
97.5 Percentile	30.598	20.103
Mean	4.854	4.358
Variance	155.176	229.075
Standard Deviation	12.457	15.135
Coefficient of Variation	2.566	3.473

19.4.3 Copper Block Model

The copper block model values were estimated using ordinary kriging. The parameters used for purposes of analysis are summarized on Table 19.19.

Table 19.19

Copper Search Parameters

Surpac Rotation Convention	ZXY LRL
Parameter	**Angle**
First Axis	225°
Second Axis	55°
Third Axis	44°
Semi Major Axis	1.63
Minor axis	1.27
Max. Search Distance of Major Axis	35
Max. Vertical Search Distance	30
Maximum Number of Informing Samples	15
Minimum Number of Informing Samples	4
Kriging Type	ordinary kriging
Variogram Model	exponential
Cumulative Sill	0.000031
Nugget Effect	0.00001
Model	1
C value	0.000021
Range	65
Azimuth	225
Plunge	55
Dip	44
Semi Major Ratio	1.63
Minor Ratio	1.28

A comparison of the populations of untransformed kriged copper blocks and copper composite data is summarized on Table 19.20.

Table 19.20
Comparison of Untransformed Copper Block and Composite Statistics

Variable	**Copper Blocks**	**Copper Composites**
Number of samples	80,948	10,514
Minimum value	0.001	0.001
Maximum value	1.2	1.974
25.0 Percentile	0.003	0.002
50.0 Percentile (median)	0.004	0.004
75.0 Percentile	0.007	0.006
97.5 Percentile	0.047	0.046
Mean	0.010	0.009
Variance	0.002	0.002
Standard Deviation	0.039	0.039
Coefficient of Variation	3.891	4.445

19.4.4 Zinc Block Model

The zinc block model values were estimated using ordinary kriging. The parameters used for purposes of analysis are summarized on Table 19.21.

Table 19.21
Zinc Search Parameters

Surpac Rotation Convention	ZXY LRL
Parameter	**Angle**
First Axis	270°
Second Axis	40°
Third Axis	-90°
Semi Major Axis	2.54
Minor axis	1.83
Max. Search Distance of Major Axis	35
Max. Vertical Search Distance	20
Maximum Number of Informing Samples	15
Minimum Number of Informing Samples	4
Kriging Type	ordinary kriging
Variogram Model	exponential
Cumulative Sill	0.015299
Nugget Effect	0.008067
Model	1
C value	0.007232
Range	74
Azimuth	270
Plunge	40
Dip	-90
Semi Major Ratio	2.54
Minor Ratio	1.83

A comparison of the populations of untransformed kriged Zn blocks and Zn composite data can be seen below in Table 19.22.

Table 19.22
Comparison of Untransformed Zinc Block and Composite Statistics

Variable	Zinc Blocks	Zinc Composites
Number of samples	93,729	10,463
Minimum value	0.01	0.008
Maximum value	4.411	85.0
25.0 Percentile	0.026	0.014
50.0 Percentile (median)	0.057	0.031
75.0 Percentile	0.115	0.100
97.5 Percentile	0.597	0.810
Mean	0.11	0.143
Variance	0.036	1.533
Standard Deviation	0.191	1.238
Coefficient of Variation	1.741	8.667
Skewness	6.115	61.929
Kurtosis	57.541	4222.027

19.5 Specific Gravity

An average density of 2.86 t/m^3 was used in modeling.

19.6 Resource Estimates

MineFill estimated the total mineral resources for the Silver Coin property at December 31, 2006, above different gold-equivalent cut-off grades. The results are summarized on Tables 19.23 and 19.24. Table 19.24 summarizes the mineral resources, at different gold-equivalent cut-off grades, for the Indi claims only. The published resources (Pinnacle's March 14, 2007 press release, and New Cantech's press release on May 31, 2007) are highlighted with an asterisk.

Table 19.23

Summary of MineFill's December 2006 Mineral Resource Estimate for the Silver Coin Project (includes Inferred Resources)

Cut-Off Grade (Au-equiv., g/t)	Tonnes	Au-Equiv. (all-metal, g/t)	Au (g/t)	Ag (g/t)	Zn (%)	Au (oz)	Au-Eq (oz) (Au, Ag only)
0.25	76,599,380	1.076	0.717	3.781	0.155	1,765,689	1,943,044
0.50	41,636,771	1.662	1.161	5.540	0.217	1,554,100	1,695,353
0.75 **	25,655,126	2.317	1.662	7.492	0.285	1,370,803	1,488,505
1.00	16,760,494	3.089	2.259	9.629	0.363	1,217,231	1,316,059
1.25	11,426,111	4.009	2.982	12.059	0.451	1,095,408	1,179,784
1.50	8,245,680	5.029	3.809	14.919	0.535	1,009,735	1,085,067

Notes: the cut-off grades are all-metal, gold-equivalent grade

the all-metal, gold-equivalent values were calculated assuming $525/oz for gold, $10/oz for silver, $2.4/lb for copper and $2/lb for zinc.

Table 19.24

Summary of MineFill's December 2006 Mineral Resource Estimate for the Indi 9 Claim (includes Inferred Resources)

Cut-off Grade (Au-Equiv.)	Tonnes	Au-Equiv. (all-metal, g/t)	Au (g/t)	Ag (g/t)	Zn (%)	Au (oz)	Au-Eq (oz) (Au, Ag only)
0.25	5,521,409	0.532	0.257	3.158	0.113	45,620	56,297
0.5	2,001,464	0.860	0.446	5.123	0.170	28,698	34,977
0.75 **	923,423	1.151	0.577	7.999	0.228	17,130	21,653
1	396,825	1.552	0.640	14.668	0.339	8,165	11,729
1.25	**247,569**	**1.805**	**0.678**	**17.728**	**0.420**	**5,396**	**8,084**
1.5	156,585	2.059	0.809	17.481	0.486	4,073	5,749

Notes: the cut-off grades are all-metal, gold-equivalent grade

the all-metal, gold-equivalent values were calculated assuming $525/oz for gold, $10/oz for silver, $2.4/lb for copper and $2/lb for zinc.

The resources in Table 19.24 are a subset of the resources reported in Table 19.23. These resources were not kriged or estimated independent of the main Silver Coin block model. The subset was generated at the claim boundaries. It should be emphasized that the Indi subset of the Silver Coin resource does not constitute an economically recoverable mineral resource in its own right and it is unlikely to have any future prospect of economic extraction.

19.7 Resource Classification

The total resource estimates have been classified as Measured, Indicated and Inferred according to CIMM (2000) resource classification standards. The Measured resource calculations were based on all holes spaced closer than 11 metres, the Indicated resources were calculated for holes spaced between 11 and 20 metres and Inferred resources were calculated for holes spaced greater than 20 metres. Mineral resources above a 0.75% Au Equivalent cut-off grade are presented on Tables 19.25 and 19.26, which results were published in New Cantech's May 31, 2007 press release.

Table 19.25

Summary of MineFill's December 2006 Mineral Resource Estimates, by Resource Category, Above a Cut-Off Grade of 0.75 g/t Au-Equivalent for the Silver Coin Project

Class	Tonnes	Au-Equiv. (all-metal, g/t)	Au g/t	Ag g/t	Zn %	Au (oz)	Au-Eq (oz) (Au, Ag only)
Measured	1,073,891	4.487	3.481	14.191	0.432	120,181	129,513
Indicated	8,633,606	1.832	1.091	10.567	0.288	302,822	358,689
Meas.+ Ind.	*9,707,497*	*2.126*	*1.355*	*10.968*	*0.304*	*423,002*	*488,202*
Inferred	15,947,629	2.433	1.849	5.377	0.273	947,988	1,000,499

Note: the all-metal, gold-equivalent values were calculated assuming $525/oz for gold, $10/oz for silver, $2.4/lb for copper and $2/lb for zinc.

Table 19.26

Summary of 2007 Mineral Resource by Resource Category on the Indi 9 Claim, Above a Cut-Off Grade of 0.75 g/t Au-Equivalent

Class	Tonnes	Au-Equiv. (all-metal, g/t)	Au g/t	Ag g/t	Zn %	Au (oz)	Au-Eq (oz) (Au, Ag only)
Measured	54,161	1.522	0.664	6.473	0.384	1,156	1,371
Indicated	279,744	1.236	0.491	16.854	0.231	4,416	7,303
Meas.+ Ind.	*333,905*	*1.282*	*0.519*	*15.170*	*0.256*	*5,572*	*8,674*
Inferred	589,518	1.076	0.609	3.937	0.212	11,542	12,963

Note: the all-metal, gold-equivalent values were calculated assuming $525/oz for gold, $10/oz for silver, $2.4/lb for copper and $2/lb for zinc.

Again, the resources in Table 19.26 are a subset of the resources in Table 19.25 and have not been estimated independently. It should be noted that the Indi subset of the Silver Coin resource does not constitute an economically recoverable mineral resource in its own right and it is unlikely to have any future prospect of economic extraction.

20 OTHER RELAVENT DATA AND INFORMATION

MineFill's April 27, 2007 report on the Silver Coin project included a preliminary economic evaluation of an open pit. While this economic evaluation is not relevant to the resources on the Indi 9 claim, because they represent a very small fraction of the open pit resources, the results are reported herein for completeness.

The economic and technical assumptions used to generate the open pit resources are documented in the Preliminary Economic Assessment report filed on SEDAR for Pinnacle Mines Ltd.

The in-pit mineral resource estimates were classified as Measured, Indicated and Inferred according to CIMM (2000) resource classification standards. The Measured resource calculations were based on all holes spaced closer than 11 metres, the Indicated resources were calculated for holes spaced between 11 and 20 metres and Inferred resources were calculated for holes spaced greater than 20 metres. The in-pit mineral resources by resource category, above a 0.75 g/t gold-equivalent grade, are presented on Table 20.1.

Table 20.1

In-Pit Mineral Resource by Resource Category, above 0.75 g/t Au-Equivalent for the Indi 9 Claim

Class	**Tonnes**	**Au (g/t)**	**Ag (g/t)**	**Zn (%)**	**Au (oz)**	**Au-Eq (oz) (Au, Ag only)**
Measured	41,110	0.74	7.78	0.44	970	2,290
Indicated	78,830	0.66	9.41	0.36	1680	3,860
Meas. + Ind.	*119,940*	*0.69*	*8.85*	*0.39*	*2,650*	*6,150*
Inferred	168,380	0.62	4.75	0.37	3,350	7,680

Note: the all-metal, gold-equivalent values were calculated assuming $525/oz for gold, $10/oz for silver, $2.4/lb for copper and $2/lb for zinc.

The in-pit mineral resource on the Indi 9 claim represents less than 1 percent of the total in-pit resource at Silver Coin.

It should be emphasized that the Indi subset of the Silver Coin in-pit resource does not constitute an economically recoverable mineral resource in its own right. No financial evaluations have been conducted to evaluate the economic viability of the Indi subset as a stand-alone project.

It should also be emphasized that the resources in Table 20.1 are a subset of the in-pit resources calculated for the entire Silver Coin project. The resources in Table 20.1 are dependant on excavation of the larger Silver Coin project pit, hence as a stand-alone project, these resources would not exist.

21 INTERPRETATIONS AND CONCLUSIONS

The Silver Coin deposit is host to a significant resource of gold, silver and zinc, and minor copper mineralization. The property covers an area of altered, Lower Jurassic-age, Hazelton pyroclastic volcanic rocks that are related to a mapped stratovolcano in the area, cut by a variety of intrusive rocks of both Early Jurassic and Eocene age.

Detailed geologic mapping at the property has revealed a wide zone of faulting and shearing with subsequent alteration and mineralization that has been traced along the Big Missouri Ridge. The alteration zone associated with the faulting and shearing forms a prominent gossan extending from the Silver Coin claims south to the Idaho Fraction claim on the west side of Noname Lake, a distance of at least 3 kilometers.

Numerous parallel, generally north trending sulphide and precious metal mineralized zones, on the property within the above cataclasite zone, are closely associated with zones of intense quartz-K-feldspar-calcite-pyrite-chlorite alteration as well as trachyte intrusive rocks. Sulphides include pyrite, sphalerite, galena and chalcopyrite with minor tetrahedrite as well as associated fine electrum and visible gold.

Exploration to date has outlined 10 potentially economic mineral associations within 14 distinct mineralized zones on the property. The work to date has only targeted a portion of these zones hence Pinnacle, and their joint venture partners, are confident that the known resources can be expanded.

The potential of the Silver Coin property is highlighted by its close proximity to a number of former operations such as the Silbak-Premier mine to the south and the Big Missouri mine to the north which are hosted in similar geological environments.

The mineral potential of the Indi claims is evident in the presence of numerous mineralized showings such as the Extreme Copper zone, the Dauntless Vein and the Dauntless Hill showings. These showings, and others, have not been systematically explored.

22 RECOMMENDATIONS

The Silver Coin deposit continues to show favourable results from the exploration to date, hence continued exploration efforts are warranted. New Cantech's joint venture partners plan to spend an additional C$2,000,000 on drilling and trenching at Silver Coin, in order to expand the known resources (which includes portions of the Indi 9 claims).

The remaining portions of the Indi claims have received very little attention to date, despite several promising showings. Additional exploration is warranted, given the proximity to the growing Silver Coin deposit and its increasing development potential.

The proposed exploration program for the Indi claims (outside of the Silver Coin deposit) includes:

- Compilation of the known mineral occurrences onto maps and sections
- Systematic geochemical sampling, rock chip sampling, and float sampling on a grid
- Plotting of sampling results and an evaluation of targets for further exploration by trenching and/or drilling

The total estimated cost for the above outlined program is C$250,000.

23 REFERENCES

Alldrick D.J. (1993): Geology and Metallogeny of the Stewart Mining Camp; B.C. Ministry of Energy, Mines and Petroleum Resources, Mineral Resources Division, Geological Survey Branch Bulletin 85.

Alldrick D.J (1988): Volcanic centers in the Stewart complex, in geological fieldwork 1988, B.C. MEMPR. Paper 1989-1.

Anyox Area; B.C. MEMPR, Geological Survey Branch Bulletin 63, 152 pages.

BCMEMPR: Minfile on Dan, Terminus, Silver Coin and Idaho showings.

BCMEMPR: Annual Reports for 1911, 1913, 1914, 1915, 1917, 1920, 1930 and 1939.

Beaulne M., (1988): Underground Map of Silver Butte Property

Britten R.M., (1988): Surface geology map of SB property

Cochrane, D. (1979): Induced Polarization Survey on Portions of the Big Missouri, Winer and Packer Fraction Claims. BCMEMPR Assessment Report 7686.

Dawson, G. and McGuigan, P.J. (1982): Progress Report on Silver Butte Project, Skeena Mining Division.

Dunn, D and McGuigan, P.J. (1982): Progress Report (1980) on Winer (Silver Butte) Project Skeena Mining Division, Company Report

Galley, Alan G. (1981): Volcanic Stratigraphy and Gold-Silver Occurrences on the Big Missouri Claim Group, Stewart, B.C., University of Western Ontario.

Goodwin R., Lhotka P., McLeod B., and Reipas K., (1995): Kansas-West Kansas Bulk Mining Economic Evaluation.

Greig C.J., Anderson R.G., Daubeny P.H., Bull K.F. and Hinderman T.K. (1994): Geology of the Cambria Icefield: regional setting for Red Mountain gold Deposit, northern British Columbia: in Current Research 1994-A: Geological Survey of Canada, p. 45-56.

Grove E.W. (1971): Geology and Mineral Deposits of the Stewart Area; British Columbia: B.C. Department of Mines and Petroleum Resources Bulletin 58, 229 pages.

Grove E.W. (1981): Geological report on The Silver Coin Group-Salmon River District.

Grove E.W. (1986): Geology and Mineral Deposits of the Unuk River – Salmon River.

Kruchkowski; E.R. (2005): 2004 Exploration Summary on Silver Coin Property.

Kruchkowski; E.R. (2006): 2005 Exploration Summary on Silver Coin Property.

Kruchkowski; E.R. (2007): 2006 Exploration Summary on Silver Coin Property.

Lhotka P.G., Gregoire D., and Reipas K., (1994): The Kansas/West Kansas Bulk Mining Economic Evaluation.

Lhotka P. G., Johnston R., and Rockingham C. J., (1991): Kansas/West Kansas Geological Inventory.

Lhotka et.al., (1994): Kansas/West Kansas Bulk Mining Economic Evaluation.

Malott M. L., (1988): BCMEMPR-Exploration in British Columbia, pages B145 – B152.

MacLeod, J.W. (1986): Report on Silver Butte Property (104 B/1E), Tenajon Silver Corp.

McGuigan, P.J. (1981): Geochemical Report on a Soil Survey over Portions of the Big Missouri, Winer and Packers Fraction Claims.

McGuigan, P.J. and Dawson, G. (1983): 1982 Summary Report on the Silver Butte Project, Skeena Mining Division.

McGuigan, P.J. and Davidson, G.L. (1982 and 1983): Silver Butte Project 1982 and Silver Butte Project 1983 Melnyk W. and Britten R. M., 1989, Silver Butte Project, 1988 Summary Report.

Ostensoe E. A., (1967): Silver Coin Property- Salmon River District. The Northern Miner (86): Vol. 72 No. 35, p.p. 1-2.

Payne J., (1988) Petrographic study of thin sections from SB property.

Ryback-Hardy,V. (1978): Reports on the Physical work and Prospecting Conducted on the Big Missouri, Winer and Packers Fractional Claims, BCMEMPR Assessment Report 6940.

Saxton P., (2004): Kansas/West Mineral Inventory-Private Report

Untitled (1991): Westmin Resources Ltd. – Kansas Re-Evaluation.

Walus A. (2004): Silver Coin Private Reports.

Walus A. (2005): Report on the Silver Coin Property.

24 DATE AND SIGNATURE PAGE

This report is dated September 28, 2007.

\\ David M. Stone \\

____

Dr. David M. R. Stone, P.Eng.

MINEFILL SERVICES, INC.

David M. Stone, P.Eng.
Minefill Services, Inc.
Bothell, Washington, USA
Telephone: (425) 486-0992
Facsimile: (425) 486-0882
E-Mail: dave@minefill.com

I, David M. Stone, P.Eng., do hereby certify that:

1. I am currently employed as a Mining Consultant and President of Minefill Services, Inc., PO Box 725, Bothell, Washington, USA 98041.
2. I graduated from the University of British Columbia with a Bachelors of Applied Science in Geological Engineering in 1980. In addition I have a Ph.D. in Civil Engineering from Queen's University (1985) and an MBA from Queen's University (2002).
3. I am a licensed Professional Engineer (P.Eng.) in British Columbia (Reg # 15025) as well as numerous other Canadian and US jurisdictions.
4. I have worked as a consulting mining engineer for the past 25 years, since graduation from university.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined by NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I am responsible for the technical report entitled "Technical Report on the Indi Claims at the Silver Coin Property, Stewart, B.C." dated September 28, 2007, (the "Technical Report") relating to the Silver Coin property.
7. I have considerable experience related to the preparation of engineering and financial studies for base metal and precious mines, including Preliminary Assessment reports, pre-feasibility and feasibility studies.
8. I visited the Silver Coin property on one occasion in July, 2006.
9. My previous involvement in Silver Coin includes authoring a previous Technical Report and resource update on the Silver Coin property filed on SEDAR in April 2007.
10. I am independent of the issuer, New Cantech Ventures, Inc., applying all of the tests in Section 1.5 of National Instrument 43-101.
11. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
12. As of the date of the certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
13. I consent to the filing of the Technical Report with any stock exchange and any other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated this 28th day of September, 2007.

// David Stone //

David M Stone, P.Eng.