

520215
93J/14
Mackenzie
Property

**SUPPLEMENTARY GEOCHEMICAL AND GEOPHYSICAL
REPORT ON THE MACKENZIE BASE AND PRECIOUS
METAL PROPERTY, CARIBOO MINING DIVISION,
NORTH-CENTRAL BRITISH COLUMBIA**

Map Sheet: NTS 93J/14

Centered Near
Latitude 54°57'00" N
Longitude 123°11'30" W
and
Nad 27 Zone 10
6089382N
487299E

for
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by

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April 7, 2002

SUMMARY:

The Mackenzie Property consisting of 98 mineral claim units, totaling approximately 1,881 hectares, is located in the Cariboo Mining Division of the Province of British Columbia. These mineral claims are in good standing from year 2004 up to year 2011.

A Summary Report dated November 16, 2001, written by D.J. Bridge, P.Geo and reviewed by Colin I. Godwin, Ph.D., P.Eng, P.Geo, was submitted to the Canadian Venture Exchange. The Canadian Venture Exchange did not consider the Mackenzie Property of sufficient merit. A Supplementary Report was prepared as a result of additional work done during year 2002 and re-evaluation of exploration data.

During past years, rock sampling, soil sampling, airborne and ground geophysical, geological and geochemical surveys worth more than \$500,000. was recorded up to year 2001. The work done in the end of year 2001 and beginning of 2002 was not recorded. This work resulted in obtaining valuable, essential mineral exploration data which makes the property ready for advanced exploration. Previous exploration work was supervised and organized under various professional engineers and professional geologists. Assays and geophysical surveys were conducted by qualified professionals. Almost all geologists have recommended to continue further development of the Mackenzie Property. To date, all exploration work has resulted in locating four targets areas.

Four exploration target areas were identified during years 2000 to 2002 after the discovery of platinum - palladium - copper - nickel - rhodium mineralization on the Mackenzie Property. These areas are identified based upon overlapping geochemical and geophysical anomalies and mineralization as is in target area 'I'. These targets are exploring for tholeiitic copper - nickel - platinum - palladium - rhodium mineralization related to ultramafic rocks. Target area 'I' is being given priority over others because of mineralized rock in a 8.5 meter trench and a soil anomaly in and around the mineralized trench.

A two stage exploration program is recommended for this property. The first stage program, costing \$200,000, consists of further exploration of already identified nickel-copper-platinum-palladium-rhodium mineral showings in target area 'I' where six meters grading 0.248% nickel, 0.246% copper, 423 ppb platinum, 497 ppb palladium and 12 ppb rhodium occurs in Trench #3. In target area 'I' an induced polarization survey is recommended with geological and geochemical surveys followed by trenching and/or drilling; subsequently areas 'II', 'III' and 'IV' will be explored. Based upon the exploration results of the first stage program, a further program, costing \$250,000, on the property could be considered.

TABLE OF CONTENTS

| | | |
|--------------|---|----|
| Item 3: | Summary | ii |
| Item 4: | Introduction and Terms of Reference | 1 |
| Item 5: | Disclaimer | 1 |
| Item 6: | Property Description and Location | 1 |
| Item 7: | Accessibility, Climate, Local Resources, Infrastructure and Physiography | 1 |
| Item 8: | History | 1 |
| Item 9: | Geological Setting | 4 |
| Item 10: | Deposit Type | 4 |
| Item 11: | Mineralization | 4 |
| Item 12: | Description of Target Areas 'I', 'II', 'III' and 'IV' on the Property | 4 |
| Item 12.1 | Target Area 'I' | 5 |
| Item 12.1.1 | Geochemical Soil Sampling | 5 |
| Item 12.1.1a | Copper Soil Anomalies | 8 |
| Item 12.1.1b | Nickel Soil Anomalies | 8 |
| Item 12.1.1c | Cobalt Soil Anomalies | 8 |
| Item 12.1.1d | Platinum Soil Anomalies | 9 |
| Item 12.1.1e | Gold Soil Anomalies | 9 |
| Item 12.1.2 | Trench #3 Mineralization | 9 |
| Item 12.1.3 | Airborne Geophysics | 11 |
| Item 12.2 | Target Area 'II' | 11 |
| Item 12.2.1 | Geochemical Soil Sampling | 11 |
| Item 12.2.2 | Airborne Geophysics | 11 |
| Item 12.3 | Target Area 'III' | 21 |
| Item 12.3.1 | Geochemical Soil Sampling | 21 |
| Item 12.3.2 | Geophysics | 21 |
| Item 12.4 | Target Area 'IV' | 21 |
| Item 12.4.1 | Geochemical Soil Sampling | 24 |
| Item 12.4.2 | Geophysics | 24 |
| Item 12.5 | Areas with Gold and Silver Anomalies and Rock Assays in the Mackenzie Property | 24 |
| Item 14: | Sampling Method and Approach | 25 |
| Item 15: | Sample Preparation and Security | 25 |
| Item 21: | Interpretation and Conclusions | 26 |
| Item 22: | Recommendations | 27 |
| Item 23: | References | 28 |
| Item 24: | Certificate of David J. Bridge | 29 |

List of Figures:

| | | |
|-------------|--|----|
| Figure 1. | Location Map of the Mackenzie Property. | 2 |
| Figure 2. | Claim Map of the Mackenzie Property. | 3 |
| Figure S3. | Location map showing target areas I, II, III and IV on the Mackenzie Property. | 6 |
| Figure S4. | Map showing location of Trench #3, soil samples, rock and soil assays and platinum, nickel, copper and cobalt soil anomalies in target area I. | 7 |
| Figure S5. | Map showing Trench #3, geology, sample locations and assays. | 10 |
| Figure S6. | Map showing total field magnetic contours of airborne survey in target areas I, II, III and IV. Modified from de Carle (1987). | 12 |
| Figure S7. | Map showing total field VLF - EM contours of airborne survey in target areas I, II, III and IV. Modified from de Carle (1987). | 13 |
| Figure S8. | Map showing apparent resistivity contours of airborne survey in target areas I, II, III and IV. Modified from de Carle (1987). | 14 |
| Figure S9. | Map showing total field magnetic contours of airborne survey in target area I. Modified from de Carle (1987). | 15 |
| Figure S10. | Map showing total field VLF - EM contours of airborne survey in target area I. Modified from de Carle (1987). | 16 |
| Figure S11. | Map showing apparent resistivity contours of airborne survey in target area I. Modified from de Carle (1987). | 17 |
| Figure S12. | Map showing total field magnetic contours of airborne survey in target area II. Modified from de Carle (1987). | 18 |
| Figure S13. | Map showing total field VLF - EM contours of airborne survey in target area II. Modified from de Carle (1987). | 19 |
| Figure S14. | Map showing apparent resistivity contours of airborne survey in target area II. Modified from de Carle (1987). | 20 |

Figure S15. Map showing total field magnetic contours in target areas III and IV.
Modified from Walcott (1990). 22

Figure S16. Map showing Fraser Filtered VLF - EM data in target areas III and IV.
Modified from Walcott (1990). 23

List of Tables:

| | | |
|----------|--|----|
| Table 1: | Results of +80 and -80 splits of selected soil samples | 5 |
| Table 2: | Chip - channel samples in Trench #3 on Snow mineral claims | 9 |
| Table 3: | Anomalous soil samples in target area 'II' | 11 |
| Table 4: | Anomalous soil samples in target area 'III' | 21 |
| Table 5: | Assays from Trench #1 on Chain #1 mineral claim | 24 |
| Table 6: | Assays from Trench #2 on Chain #1 mineral claim | 24 |

Item 4: INTRODUCTION AND TERMS OF REFERENCE

This geochemical and geophysical report is a supplement to the "Summary Report on the Mackenzie Base and Precious Metal Property, Cariboo Mining Division, North-Central British Columbia" dated November 16, 2001, and was prepared after geochemical soil anomalies were identified in and around the Trench #3 area on the Snow mineral claims. This supplementary geochemical and geophysical report should be read in conjunction with the Summary Report dated November 16, 2001.

During year 2000, mineralization was discovered within a 6 meter long trench on the Property which assayed an average 0.248% nickel, 0.246% copper, 113 ppm cobalt, 423 ppb platinum, 497 ppb palladium and 12 ppb rhodium. To further explore the trench area, soil samples in the immediate vicinity of the mineralized trench were taken during year 2001 and were assayed during January and February 2002. These samples were assayed to determine if the area around the mineralized trench was anomalous. Sixteen soil samples were assayed along the hypothetical strike of the mineralization in the trench (based upon the geology of the area) of which four were processed such that the minus and plus 80 mesh were assayed separately to determine the distribution of metals within the finer and coarser parts of the soil sample.

Item 5: DISCLAIMER

Please refer to Summary Report dated November 16, 2001.

Item 6: PROPERTY DESCRIPTION AND LOCATION

Please refer to Summary Report dated November 16, 2001 and figures 1 and 2 of Supplementary Report.

Item 7: ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Please refer to Summary Report dated November 16, 2001.

Item 8: HISTORY

Please refer to Summary Report dated November 16, 2001.

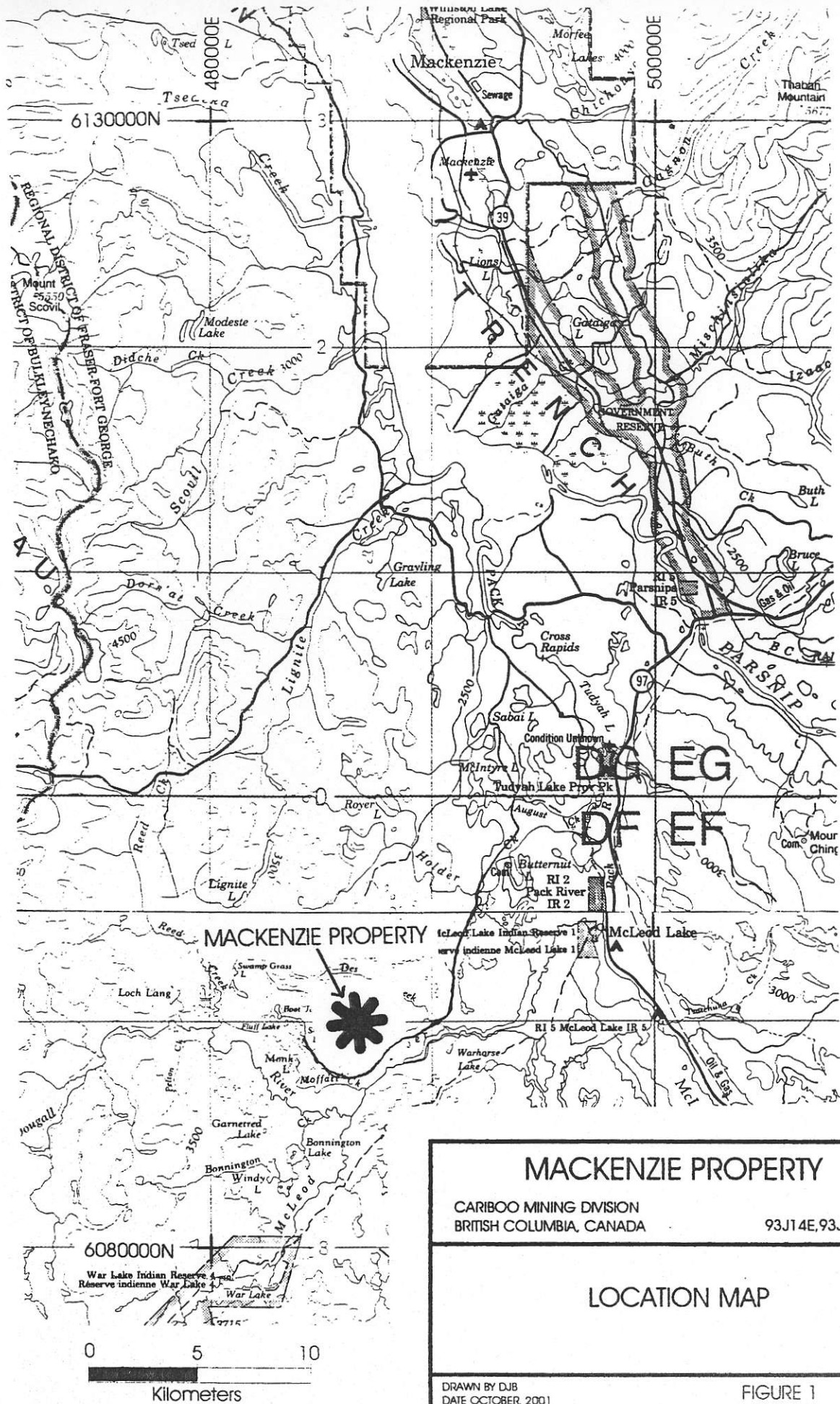


Figure 1. Location Map of the Mackenzie Property.

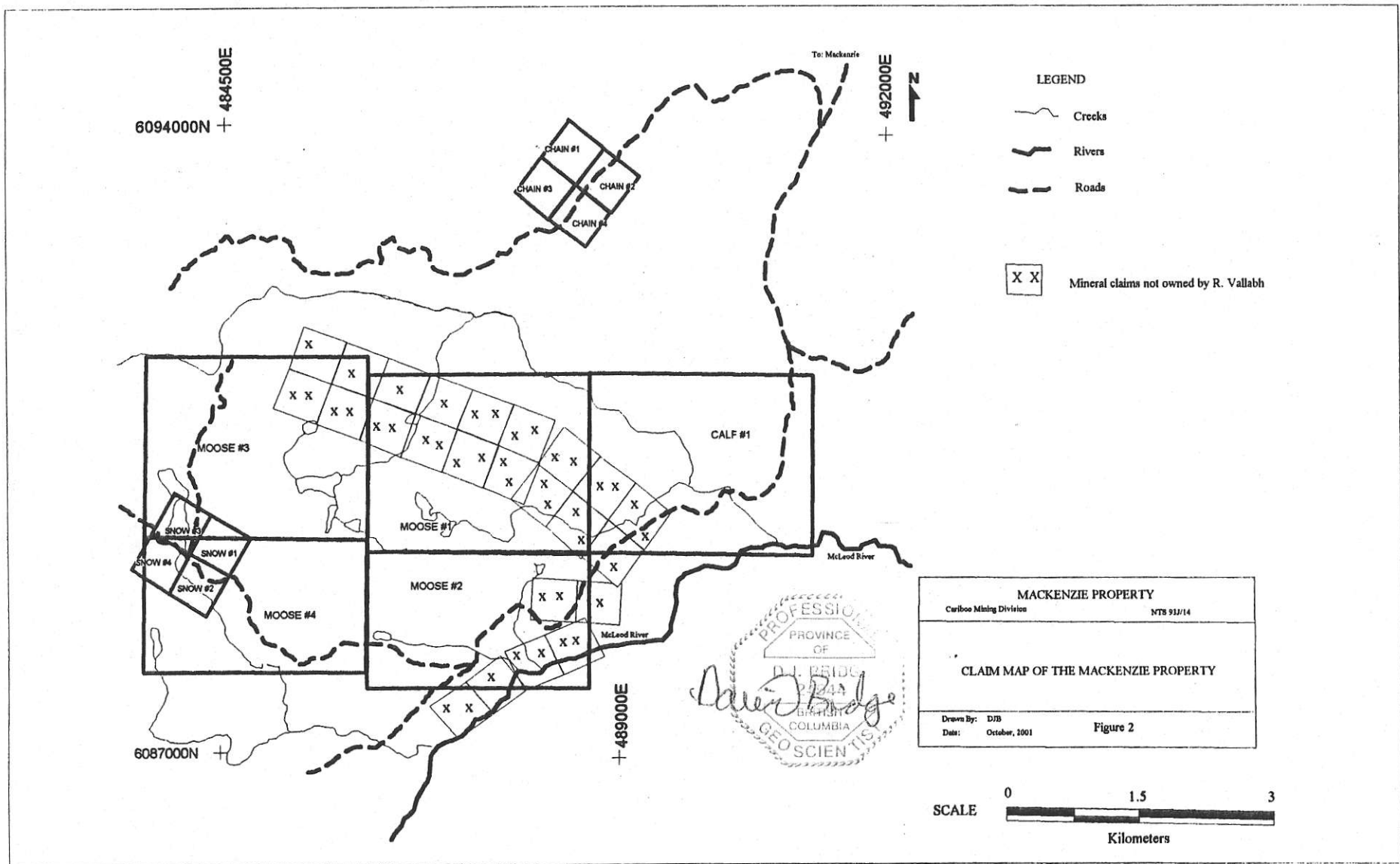


Figure 2. Claim Map of the Mackenzie Property.

Item 9: GEOLOGICAL SETTING

The Mackenzie Property is within Takla Group rocks (Struik, 1994). Ultramafic intrusions of the Mackenzie Property are hosted by hornfelsed Middle to Upper Triassic Takla Group sediments. These sediments comprise the base of the Quesnel Terrane and consist of a package of slate, argillite, phyllite, fine grained and minor coarse grained greywacke and lesser amounts of tuff, tuffaceous siltite and argillite, limestone and limy greywacke.

Takla Group sediments are stratigraphically overlain by the Takla Group mafic volcanics. Feeding these volcanics are ultramafic intrusions that trend east - southeasterly across the Mackenzie Property. Two belts of ultramafic bodies trend across the Mackenzie Property have been interpreted with evidence from rock outcrops. The host sediments are sulphidic and the intrusions are composed of pyroxenite and gabbro.

The Quesnel Terrane, which included the Takla Group, has been thrust eastward onto the Slide Mountain Terrane, that consists of Carboniferous and Permian mafic volcanics and metamorphosed sediments.

The region is cut by prominent northwesterly and lesser northeasterly faults that relate to crustal extension caused by development of the Wolverine metamorphic core complex in the Carp Lake area, 20 km southwest of the Mackenzie Property.

Item 10: DEPOSIT TYPE

Please refer to Summary Report dated November 16, 2001.

Item 11: MINERALIZATION

Please refer to Summary Report dated November 16, 2001.

Item 12: DESCRIPTION OF TARGET AREAS 'I', 'II', 'III' AND 'IV' ON THE PROPERTY

After detecting platinum, palladium, copper, nickel, cobalt and gold anomalies in soil in and around the vicinity of Trench #3 where six meters averaged 0.246% copper, 0.248% nickel, 113 ppm cobalt, 423 ppb platinum, 497 ppb palladium and 12 ppb rhodium and observing coinciding airborne magnetic, VLF - EM and apparent resistivity anomalies, it was concluded that this area needs further exploration.

All available exploration data was closely reevaluated which resulted in the recognition of three other areas with coinciding geochemical and geophysical anomalies. These targets occur on the Moose #1 to #2 and Snow #1 to #4 mineral claims (Figure S3).

Item 12.1 TARGET AREA 'I' (Figures S3, S4, S5, S6, S7, S8, S9, S10 and S11)

Target area 'I' is located in the southwestern part of the Property on the Snow mineral claims. The area is underlain by an ultramafic intrusion which is partially, intensely altered to ankerite carbonate. Unaltered portions of the intrusion consist of gray - green pyroxenite and dark green hornblendite. More primitive portions of the intrusion have been altered to ankerite carbonate.

Item 12.1.1 GEOCHEMICAL SOIL SURVEY - TARGET AREA 'I'

Sixteen 'B' horizon soil samples were collected from a grid with lines spaced 100 meters apart with soils collected on lines 0E and 1E at 20 meter intervals except for samples 1+80 S and 2+40 S on line 1E and at 25 meter intervals on lines 2E and 3E (Figure S4). The soil samples returned copper values of 11 to 234 ppm, nickel of 35 to 1583 ppm, cobalt 10 to 117 ppm, gold <2 to 92 ppb, platinum <2 to 450 ppb and palladium <2 to 85 ppb. These samples were not assayed for rhodium. These samples were collected in the vicinity of known mineralization (Trench #3) to determine the direction and extent of mineralized rock in Trench #3. The soil was identified in the field as a glacial till possibly derived from local ankerite carbonate altered ultramafic rock. The soil is bright rusty red in colour with rounded to angular fragments of ankerite carbonate altered ultramafic rock. It is estimated that the thickness of the overburden is approximately 0.5 meters.

Four samples in the vicinity of the trench (Figure S4) were processed such that the plus 80 mesh and the minus 80 mesh were assayed separately. This action was taken so that the suitable fraction of the soil was analyzed in the geochemical survey. The results are tabulated in table 1.

Table 1. Results of +80 and -80 splits of selected soil samples

| Mesh | Sample Number | Copper (ppm) | Nickel (ppm) | Cobalt (ppm) | Gold (ppb) | Platinum (ppb) | Palladium (ppb) |
|----------|---------------|--------------|--------------|--------------|------------|----------------|-----------------|
| minus 80 | 0E 0+80S | 192 | 139 | 83 | 5 | 8 | 6 |
| plus 80 | 0E 0+80S | 185 | 157 | 115 | 14 | 7 | 2 |
| minus 80 | 0E 1+00S | 58 | 507 | 82 | 5 | 22 | 20 |
| plus 80 | 0E 1+00S | 42 | 453 | 99 | 3 | 21 | 16 |
| minus 80 | 1E 0+70S | 20 | 47 | 15 | <2 | 12 | 3 |
| plus 80 | 1E 0+70S | 16 | 39 | 24 | <2 | 6 | 4 |
| minus 80 | 1E 0+90S | 55 | 225 | 40 | 2 | 11 | 5 |
| plus 80 | 1E 0+90S | 60 | 336 | 82 | <2 | 9 | 7 |

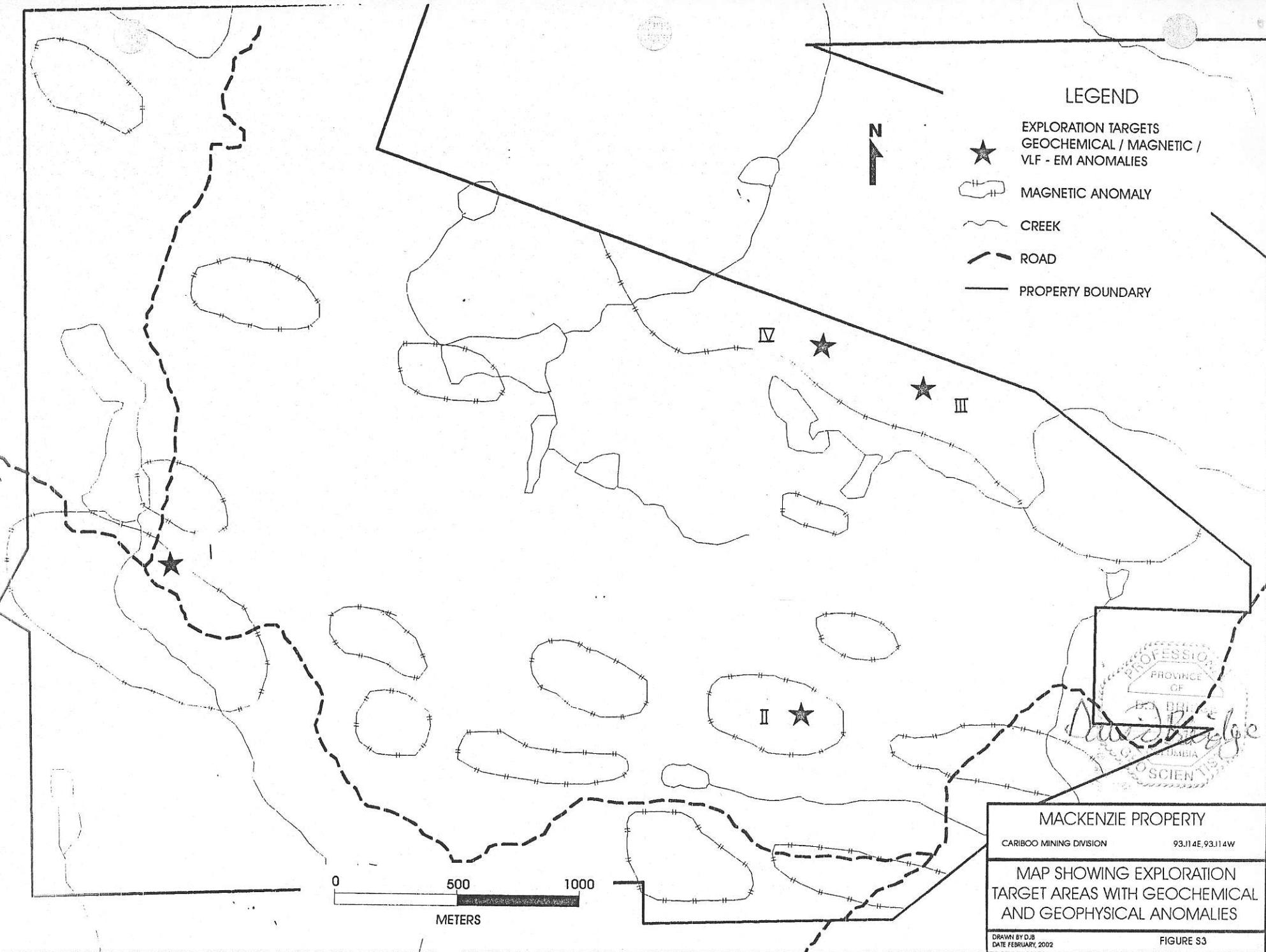
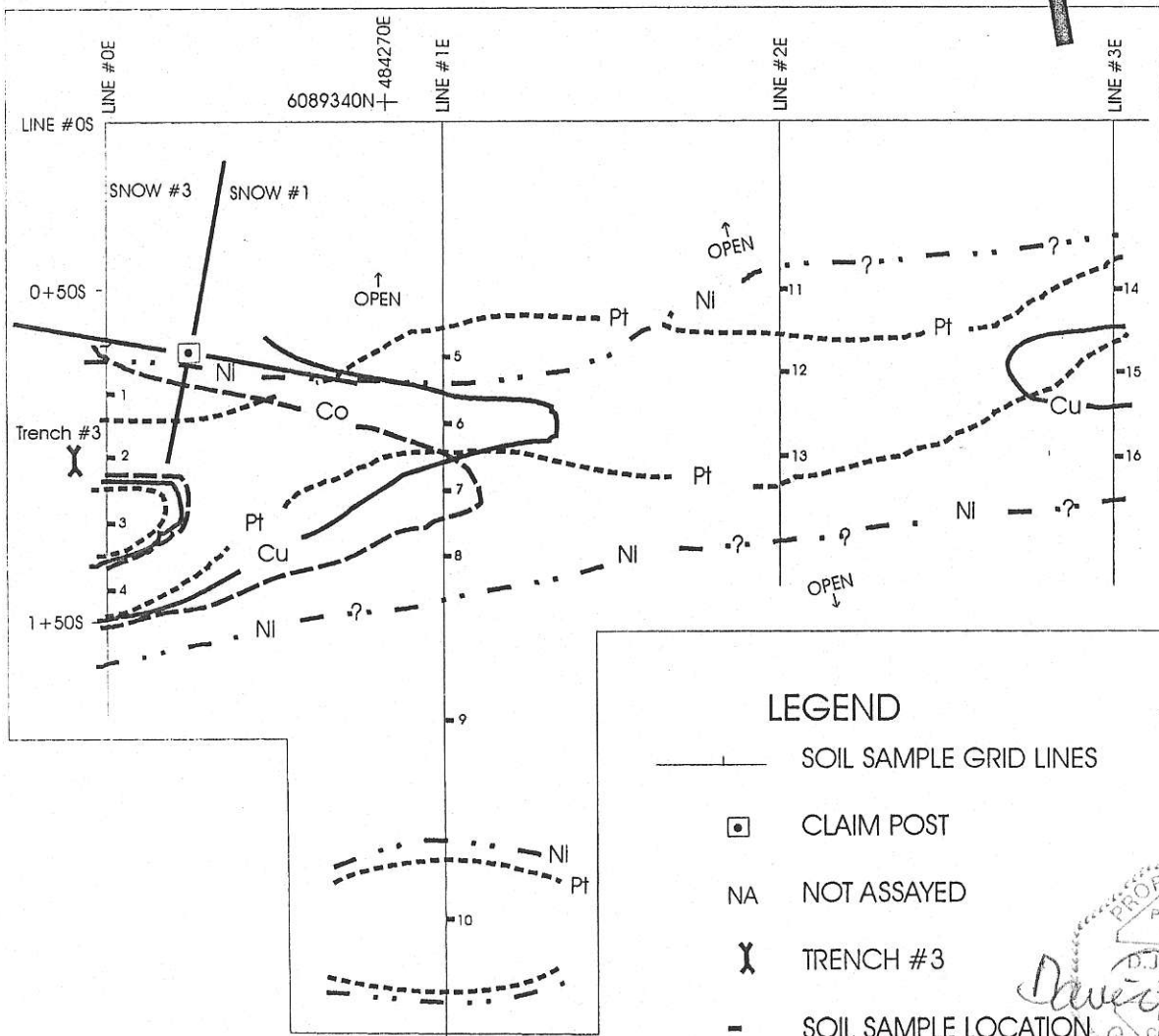


Figure S3. Location map showing target areas I, II, III and IV on the Mackenzie Property.

TARGET AREA I



LEGEND

- SOIL SAMPLE GRID LINES
- CLAIM POST
- NA NOT ASSAYED
- X TRENCH #3
- SOIL SAMPLE LOCATION

ASSAY RESULTS

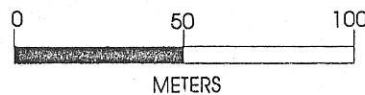
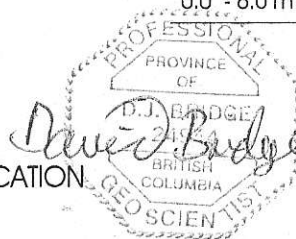
| SOIL SAMPLE NUMBER | Cu ppm | Ni ppm | Co ppm | Au ppb | Pt ppb | Pd ppb | Rh ppb |
|--------------------|--------|--------|--------|--------|--------|--------|--------|
| 1 | 192 | 139 | 83 | 5 | 8 | 6 | NA |
| 2 | 58 | 507 | 82 | 5 | 22 | 20 | NA |
| 3 | 22 | 323 | 44 | 92 | 9 | <2 | NA |
| 4 | 234 | 1583 | 117 | 4 | 450 | 85 | NA |
| 5 | 20 | 47 | 15 | <2 | 12 | 3 | NA |
| 6 | 55 | 225 | 40 | 5 | 11 | 5 | NA |
| 7 | 43 | 1125 | 100 | <2 | <2 | 8 | NA |
| 8 | 14 | 214 | 40 | 7 | <2 | 2 | NA |
| 9 | 32 | 35 | 10 | <2 | 9 | <2 | NA |
| 10 | 24 | 131 | 26 | 4 | 12 | 9 | NA |
| 11 | 42 | 72 | 14 | 7 | 2 | 3 | NA |
| 12 | 30 | 280 | 32 | <2 | 11 | 3 | NA |
| 13 | 15 | 158 | 23 | <2 | 12 | 3 | NA |
| 14 | 32 | 116 | 33 | <2 | 18 | <2 | NA |
| 15 | 70 | 117 | 34 | 2 | 2 | 6 | NA |
| 16 | 11 | 232 | 33 | 2 | 5 | 2 | NA |
| AVERAGE | 56 | 332 | 45 | 8 | 36 | 10 | NA |

TRENCH #3 CHIP-CHANNEL SAMPLES

| | | | | | | | |
|-------------|------|------|-----|----|-----|-----|----|
| 0.0 - 1.0 m | 1055 | 2127 | 98 | 27 | 491 | 740 | 6 |
| 1.0 - 2.0 m | 4197 | 3357 | 152 | 35 | 555 | 699 | <5 |
| 2.0 - 3.0 m | 4750 | 5210 | 188 | 50 | 625 | 586 | 27 |
| 3.0 - 4.0 m | 2150 | 2200 | 113 | 30 | 445 | 480 | 10 |
| 4.0 - 5.0 m | 1890 | 1230 | 78 | 30 | 265 | 312 | 20 |
| 5.0 - 6.0 m | 745 | 745 | 47 | 20 | 155 | 164 | 11 |

AVERAGE

| | | | | | | | |
|-------------|------|------|-----|----|-----|-----|----|
| 0.0 - 6.0 m | 2460 | 2480 | 113 | 32 | 423 | 497 | 12 |
|-------------|------|------|-----|----|-----|-----|----|



| | |
|--|----------------|
| MACKENZIE PROPERTY | |
| CARIBOO MINING DIVISION | 93J1 4E,93J14W |
| TARGET AREA I MAP SHOWING LOCATION OF TRENCH #3, SOIL SAMPLES, ROCK AND SOIL ASSAYS AND PLATINUM, NICKEL, COPPER AND COBALT SOIL ANOMALIES | |
| DRAWN BY DJB DATE FEBRUARY, 2002 | FIGURE S4 |

Figure S4. Map showing location of Trench #3, soil samples, rock and soil assays and platinum, nickel, copper and cobalt soil anomalies in target area I.

The copper and platinum assays from the minus 80 mesh verses plus 80 mesh were slightly higher in three of the samples. Two of the assays for nickel and gold were higher for the minus 80 mesh assays and two were lower. Therefore, the author concludes that the minus 80 mesh split is more suitable for detecting subtle platinum, and copper anomalies in the soil.

Due to the limited sample population of the soil sampling results, no statistical treatment of the data was performed; however, sample populations was determined by using published geochemical surveys previously conducted on the Property by Professional Geologists and Engineers.

Item 12.1.1a COPPER SOIL ANOMALIES - TARGET AREA 'I'

Within the Mackenzie Property, Noel (1974) determined 50 to 75 ppm copper as possibly anomalous in 'B' horizon soil, 75 to 125 ppm probably anomalous and greater than 125 ppm definitely anomalous. In the 2002 survey, over 50 ppm copper has been taken as possibly anomalous and this geochemical anomaly is outlined on Figure S4. Anomalous copper in soils is prominent in the western portion of the survey area in the vicinity of the mineralized Trench #3 (Figure S4). This anomaly is open to the north and west.

Item 12.1.1b NICKEL SOIL ANOMALIES - TARGET AREA 'I'

Noel (1974) determined 50 to 75 ppm nickel as possibly anomalous in 'B' horizon soil, 75 to 125 ppm probably anomalous and greater than 125 ppm definitely anomalous. In the 2002 survey, over 50 ppm nickel has been taken as possibly anomalous and the geochemical anomaly is outlined on Figure S4.

The anomalous nickel soil area extends from line 0E to 3E for roughly 300 meters and is approximately 50 meters wide. The true extent of the nickel anomaly is not known and is open in all directions.

Item 12.1.1c COBALT SOIL ANOMALIES - TARGET AREA 'I'

Cobalt was not assayed for in Noel's 1974 survey, however, in considering over 50 ppm copper and nickel as anomalous, it was determined to use 50 ppm cobalt as the value separating non-anomalous and anomalous values. Cobalt is anomalous in three samples on line 0E in the vicinity of the trench #3 and one sample on line 1E (Figure S4). This anomaly is open to the west.

Item 12.1.1d **PLATINUM SOIL ANOMALIES - TARGET AREA 'I'**

Platinum greater than 10 ppb was determined to be anomalous because this is twice the background value in an average rock (Rose et al., 1979) and it is five times the value of the detection limit of the analytical method. A weak anomaly extended from line 0E to 3E for approximately 300 meters with one very high sample at 0E 1+40S. This anomaly is open in two directions. The anomaly is open to the east and west.

Item 12.1.1e **GOLD SOIL ANOMALIES - TARGET AREA 'I'**

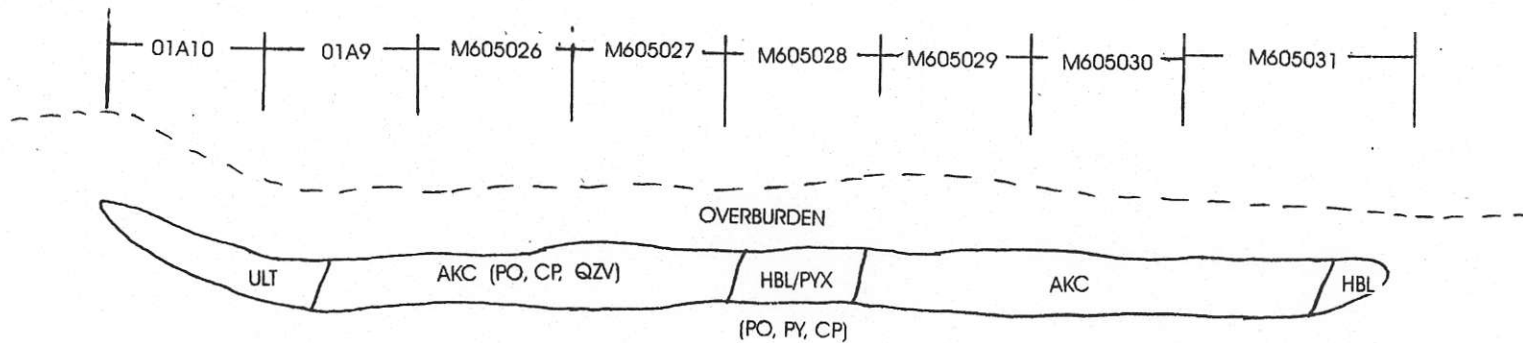
One soil sample, 0E 1+20S, is anomalous for gold in the vicinity of the mineralized trench #3.

Item 12.1.2 **TRENCH #3 MINERALIZATION**

A 6.5 meter long trench (Trench #3) on the Snow #4 mineral claim was dug during year 2000, and it was extended 2 meters in 2001 (Figure S5). Chip-channel samples were collected from this trench by chipping and breaking the rock with a hammer and chisel to collect equal sized pieces of rock in an approximately straight line along the trench. The following samples were collected by D. Bridge and M. McDonald in 2000 and 2001 (Table 2).

Table 2. Chip-channel samples in Trench #3 on Snow mineral claims

| Sample Number | Interval | Copper (ppm) | Nickel (ppm) | Cobalt (ppm) | Gold (ppb) | Platinum (ppb) | Palladium (ppb) | Rhodium (ppb) |
|---------------|-----------|--------------|--------------|--------------|------------|----------------|-----------------|---------------|
| 01A10 | 0.0 - 1.0 | 1055 | 2127 | 98 | 27 | 491 | 740 | 6 |
| 01A9 | 1.0 - 2.0 | 4197 | 3357 | 152 | 35 | 555 | 699 | <5 |
| M605026 | 2.0 - 3.0 | 4750 | 5210 | 188 | 50 | 625 | 586 | 27 |
| M605027 | 3.0 - 4.0 | 2150 | 2200 | 113 | 30 | 445 | 480 | 10 |
| M605028 | 4.0 - 5.0 | 1890 | 1230 | 78 | 30 | 265 | 312 | 20 |
| M605029 | 5.0 - 6.0 | 745 | 745 | 47 | 20 | 155 | 164 | 11 |
| M605030 | 6.0 - 7.0 | 91 | 290 | 29 | <5 | NA | NA | NA |
| M605031 | 7.0 - 8.5 | 67 | 506 | 53 | <5 | NA | NA | NA |
| Average | 0.0 - 6.0 | 2460 | 2480 | 113 | 32 | 423 | 497 | 12 |
| Average | 6.0 - 8.5 | 77 | 420 | 43 | <5 | NA | NA | NA |



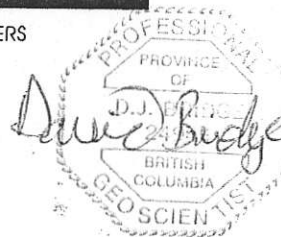
LEGEND

| | |
|-----|--|
| AKC | Ankerite carbonate altered ultramafic rock |
| HBL | Hornblendite |
| PYX | Pyroxenite |
| ULT | Ultramafic rock |
| CP | Chalcopyrite |
| PO | Pyrrhotite |
| PY | Pyrite |
| QZV | Quartz veins |

- Edge of trench
- Geological contact

Chip - Channel Samples in Trench #3

| Sample Number | Interval (m) | Copper (ppm) | Nickel (ppm) | Cobalt (ppm) | Platinum (ppb) | Palladium (ppb) | Rhodium (ppb) |
|---------------|--------------|--------------|--------------|--------------|----------------|-----------------|---------------|
| 01A10 | 0.0 - 1.0 | 1055 | 2127 | 98 | 491 | 740 | 6 |
| 01A9 | 1.0 - 2.0 | 4197 | 3357 | 152 | 555 | 699 | <5 |
| M605026 | 2.0 - 3.0 | 4750 | 5210 | 188 | 625 | 586 | 27 |
| M605027 | 3.0 - 4.0 | 2150 | 2200 | 113 | 445 | 480 | 10 |
| M605028 | 4.0 - 5.0 | 1890 | 1230 | 78 | 265 | 312 | 20 |
| M605029 | 5.0 - 6.0 | 745 | 745 | 47 | 155 | 164 | 11 |
| M605030 | 6.0 - 7.0 | 91 | 290 | 29 | NA | NA | NA |
| M605031 | 7.0 - 8.0 | 67 | 506 | 53 | NA | NA | NA |
| Average | 0.0 - 6.0 | 2460 | 2480 | 113 | 423 | 497 | 12 |



| | |
|--|----------------|
| MACKENZIE PROPERTY | |
| CARIBOO MINING DIVISION | 93J14E, 93J14W |
| TRENCH #3, GEOLOGY, SAMPLE LOCATIONS AND CHIP - CHANNEL ASSAYS | |
| DRAWN BY D.B. DATE FEBRUARY, 2002 | FIGURE S5 |

Figure S5. Map showing Trench #3, geology, sample locations and assays.

Item 12.1.3 AIRBORNE GEOPHYSICS - TARGET AREA 'I'

An airborne magnetic geophysical survey by de Carle (1987) shows that the soil survey grid in target area 'I' covers an area which is on the flank of a large magnetic high (Figure S6 and S9). Airborne total field VLF-EM contours in the area of the platinum, copper, nickel, cobalt and palladium soil anomalies indicate a weak anomaly which may indicate the presence of a conductor in the vicinity of the mineralized Trench #3 (Figure S7 and S10). A map of apparent resistivity from the airborne data shows that the region has moderate resistivity (Figure S11).

Item 12.2 TARGET AREA 'II' (Figures S3, S6, S7, S8, S12, S13, S14)

Target Area 'II' is located approximately 450 meters northeast of a small lake on the Moose #2 mineral claim. Along a geochemical soil line, soil samples were taken and assayed for platinum, palladium, gold, copper, nickel and cobalt (Dandy, 1989). Airborne geophysical surveys by de Carle (1987) indicate geophysical anomalies in this area.

Item 12.2.1 GEOCHEMICAL SOIL SURVEY - TARGET AREA 'II'

Soil sampling reported in the assessment report by Dandy (1989) revealed an intermittent copper, cobalt, nickel and platinum soil anomaly over 125 meters on a geochemical survey line on Moose #2 mineral claim. The soils were collected at 25 meter intervals on a northeast trending one kilometer line. The following table lists the anomalous samples (Table 3).

Table 3: Anomalous soil samples in target area 'II'

| Sample Number | Copper (ppm) | Nickel (ppm) | Cobalt (ppm) | Gold (ppb) | Platinum (ppb) | Palladium (ppb) |
|----------------|-----------------|-----------------|-----------------|---------------|-------------------|--------------------|
| 36+00NW 16+25N | 198 | 152 | 25 | 4 | <5 | <2 |
| 36+00NW 16+50N | 20 | 29 | 8 | <2 | 80 | <2 |
| 36+00NW 17+00N | 83 | 60 | 15 | <4 | 40 | <4 |
| 36+00NW 17+50N | 71 | 25 | 12 | 4 | 10 | <2 |

Item 12.2.2 AIRBORNE GEOPHYSICS - TARGET AREA 'II'

The anomalous soil samples are located in the vicinity of a airborne geophysical magnetic high (Figures S6 and S12) which indicates the presence of ultramafic rocks. The area has moderate resistivity similar to target area 'I' (Figures S8, S11 and S14), and it is on the flank of a moderately deep total field VLF - EM low which trends northwesterly (Figure S13).

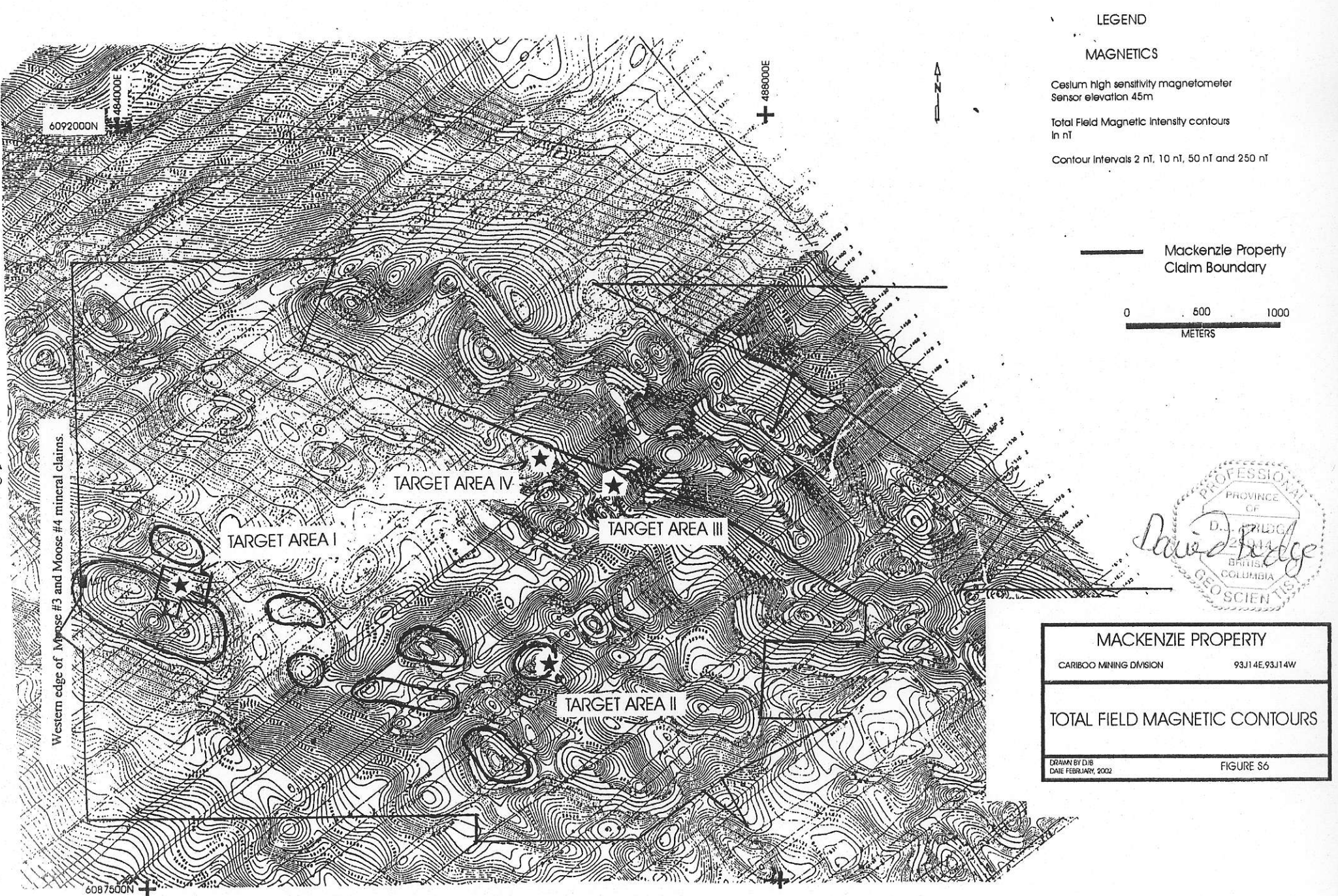


Figure S6. Map showing total field magnetic contours of airborne survey in target areas I, II, III and IV. Modified from de Carle (1987).

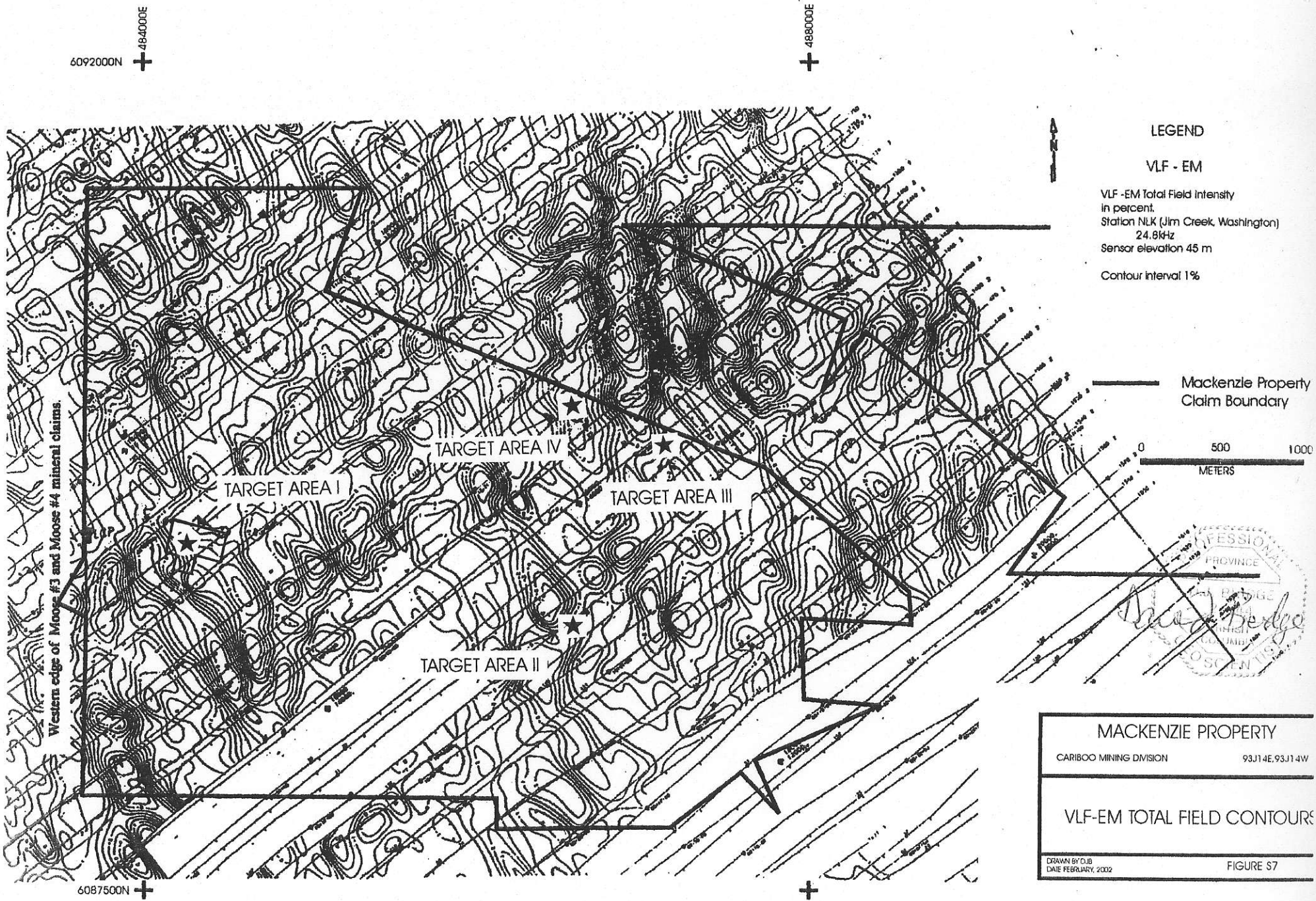


Figure S7. Map showing total field VLF - EM contours of airborne survey in target areas I, II, III and IV. Modified from de Carle (1987).

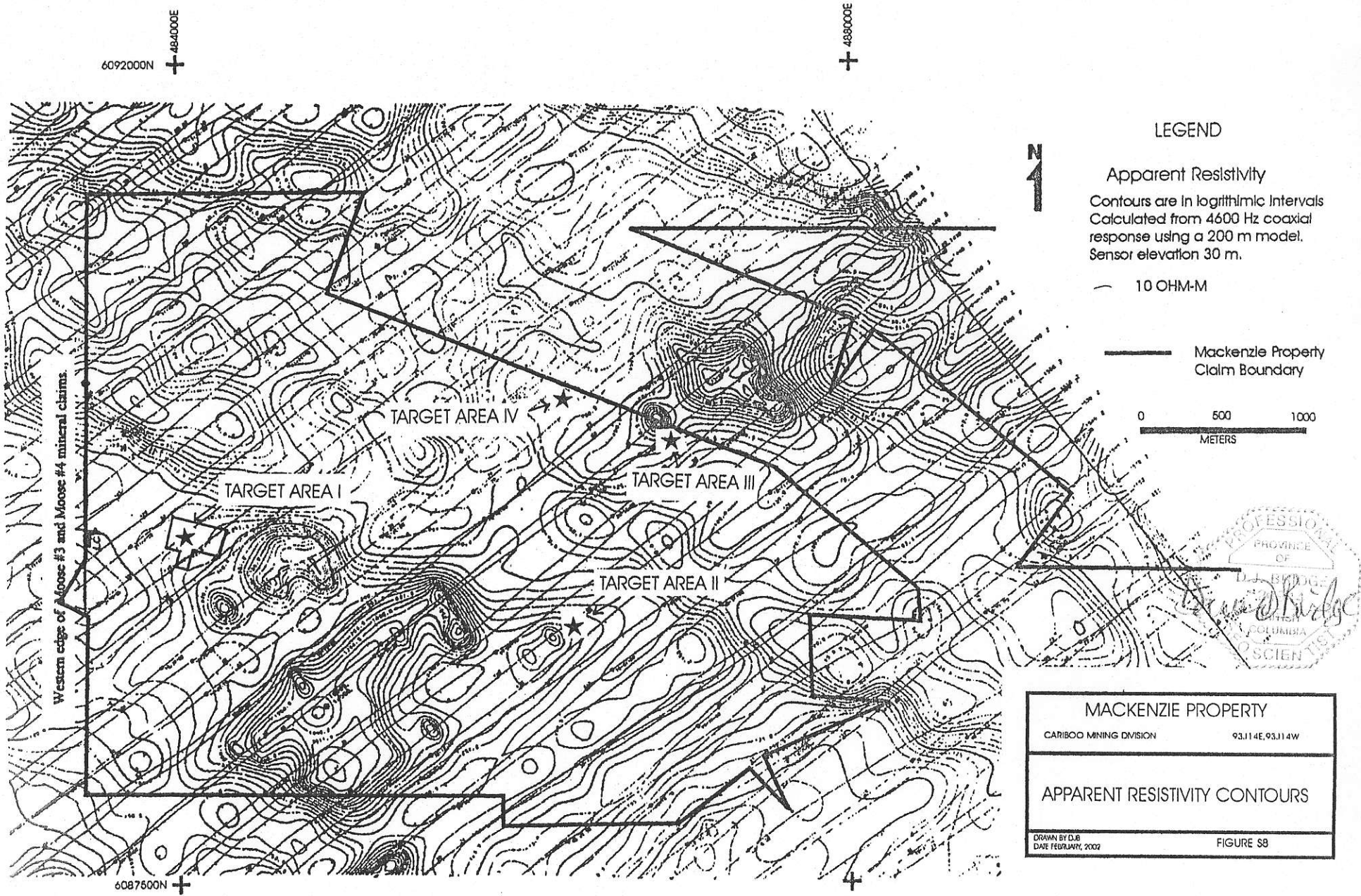


Figure S8. Map showing apparent resistivity contours of airborne survey in target areas I, II, III and IV. Modified from de Carle (1987). Contours are in ohm - meters.

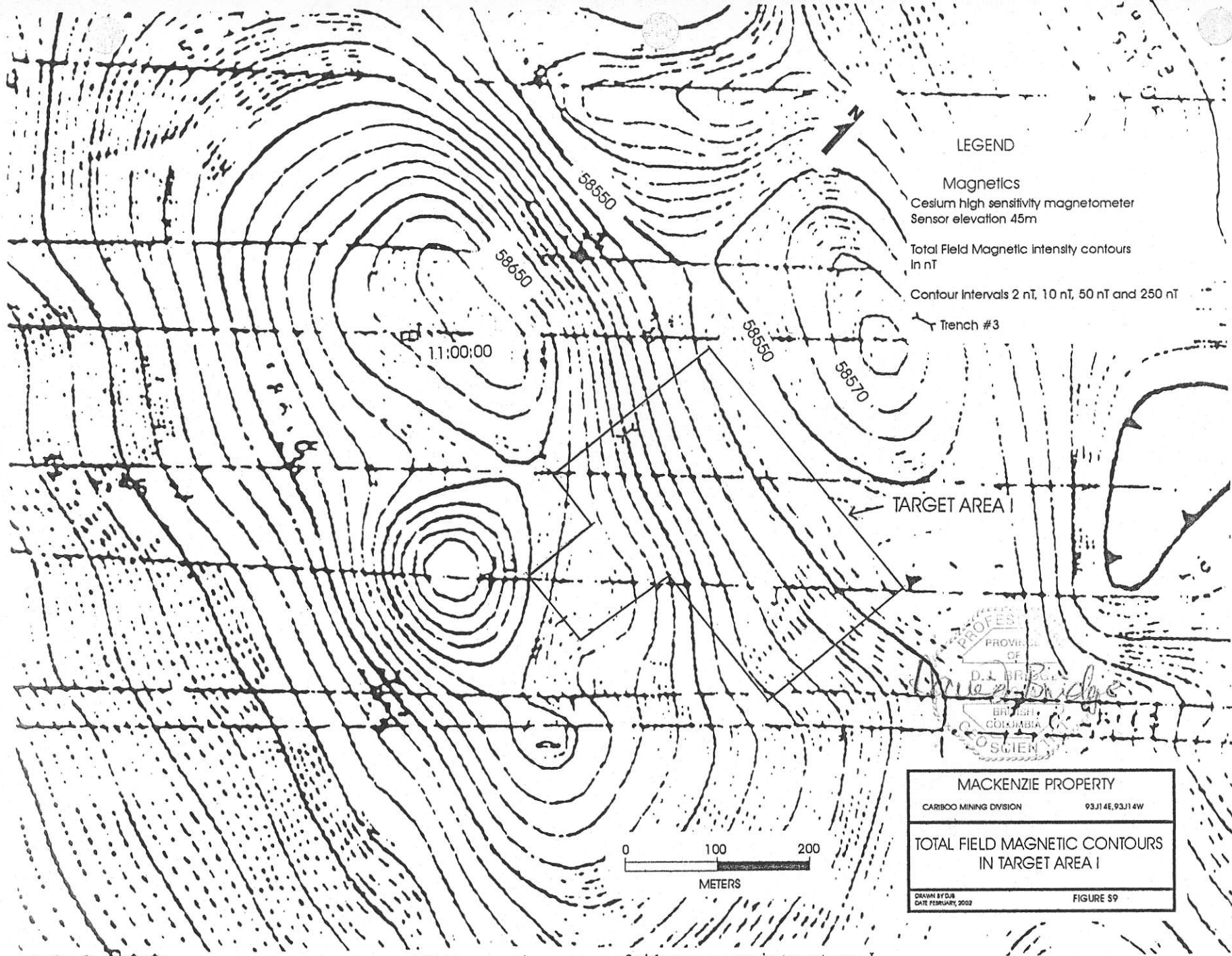


Figure S9. Map showing total field magnetic contours of airborne survey in target area I. Modified from de Carle (1987).

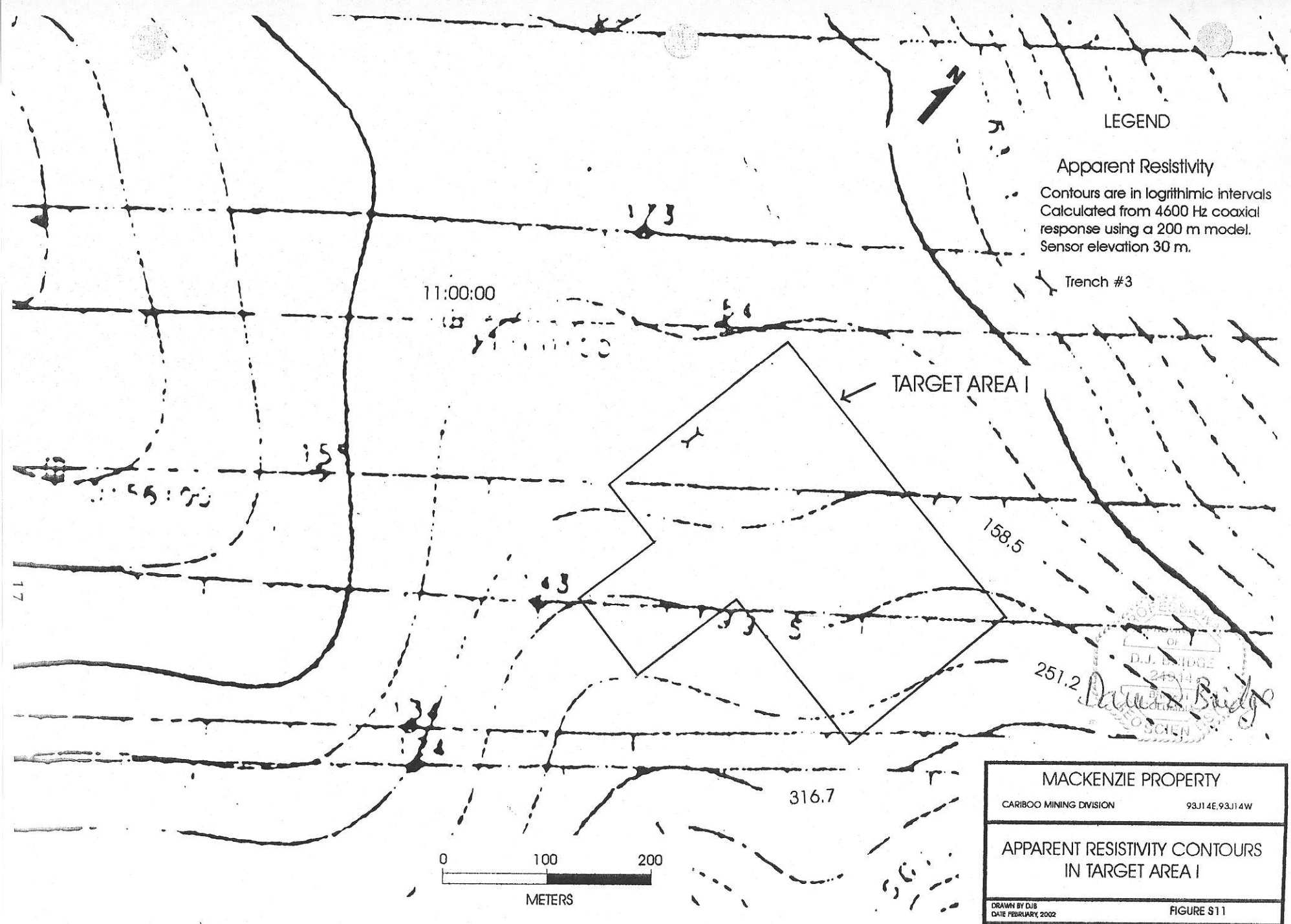
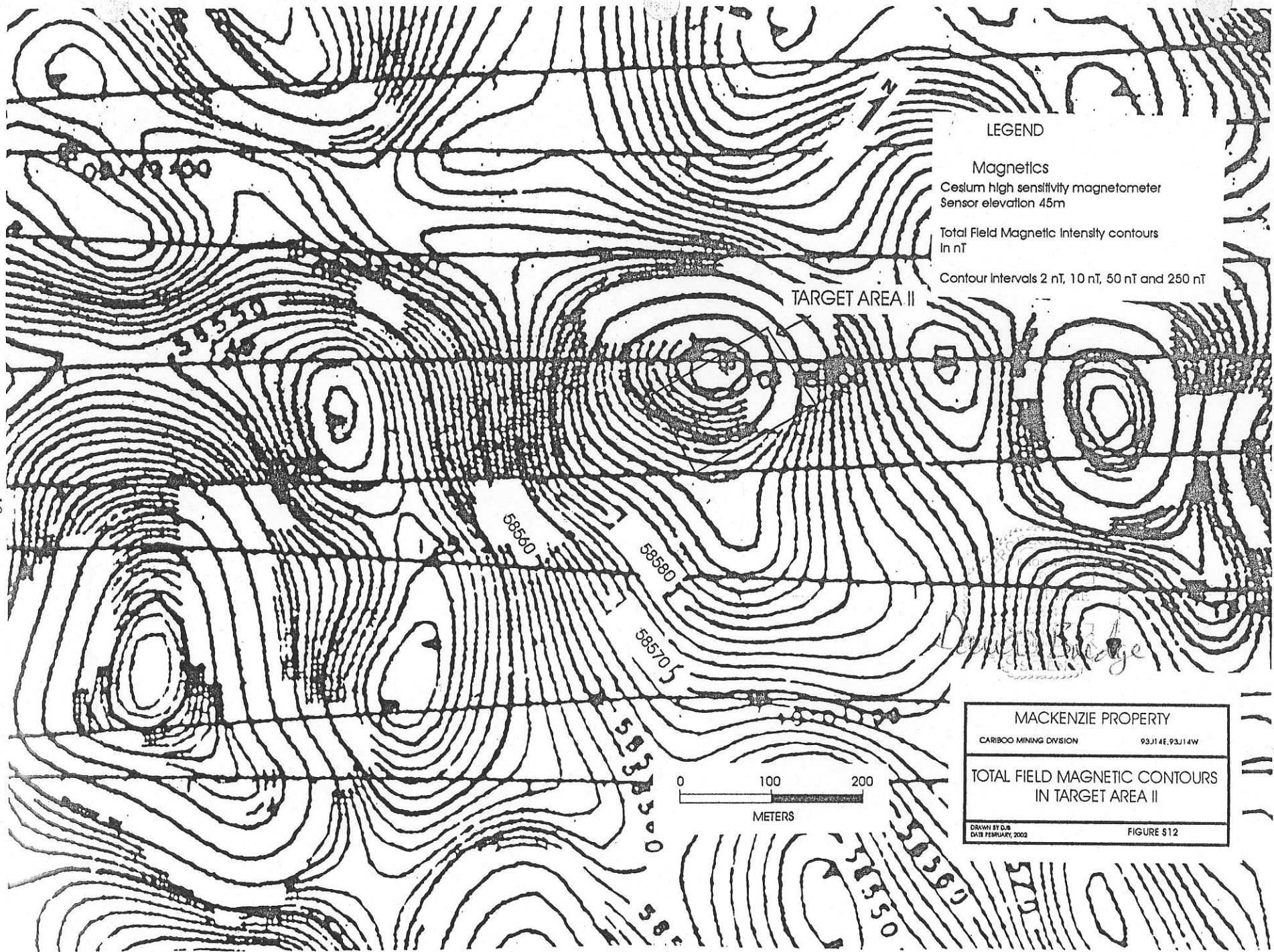


Figure S11. Map showing apparent resistivity contours of airborne survey in target area I. Modified from de Carle (1987). Contours are in ohm - meters.

18



LEGEND

Magnetics
 Cesium high sensitivity magnetometer
 Sensor elevation 45m
 Total Field Magnetic Intensity contours
 in nT
 Contour Intervals 2 nT, 10 nT, 50 nT and 250 nT

TARGET AREA II

| | |
|--|----------------|
| MACKENZIE PROPERTY | |
| CARIBOO MINING DIVISION | 93J14E, 93J14W |
| TOTAL FIELD MAGNETIC CONTOURS IN TARGET AREA II | |
| DRAWN BY D.M. DATE FEBRUARY, 2002 | FIGURE S12 |

Figure S12. Map showing total field magnetic contours of airborne survey in target area II. Modified from de Carle (1987).

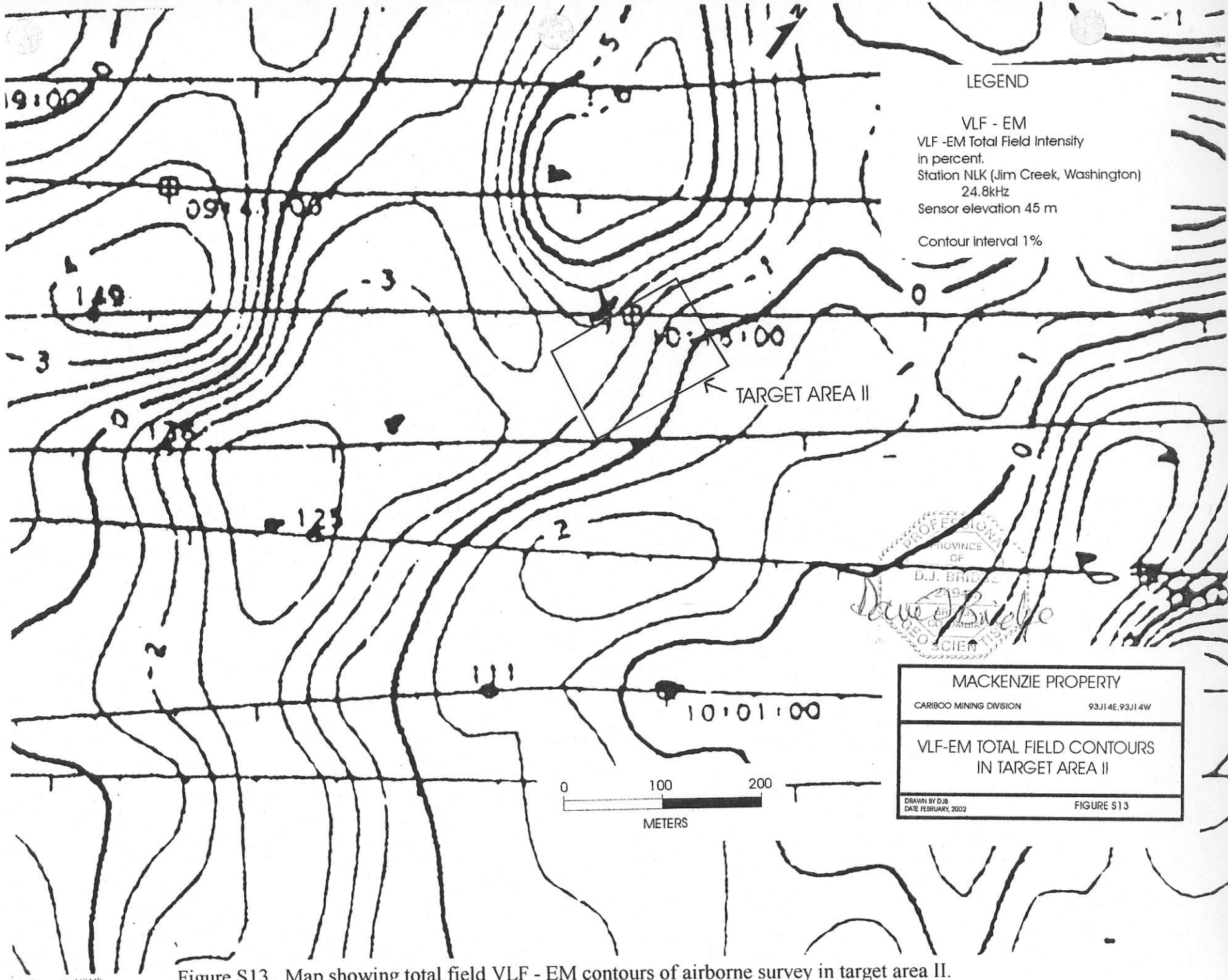


Figure S13. Map showing total field VLF - EM contours of airborne survey in target area II.
 Modified from de Carle (1987).

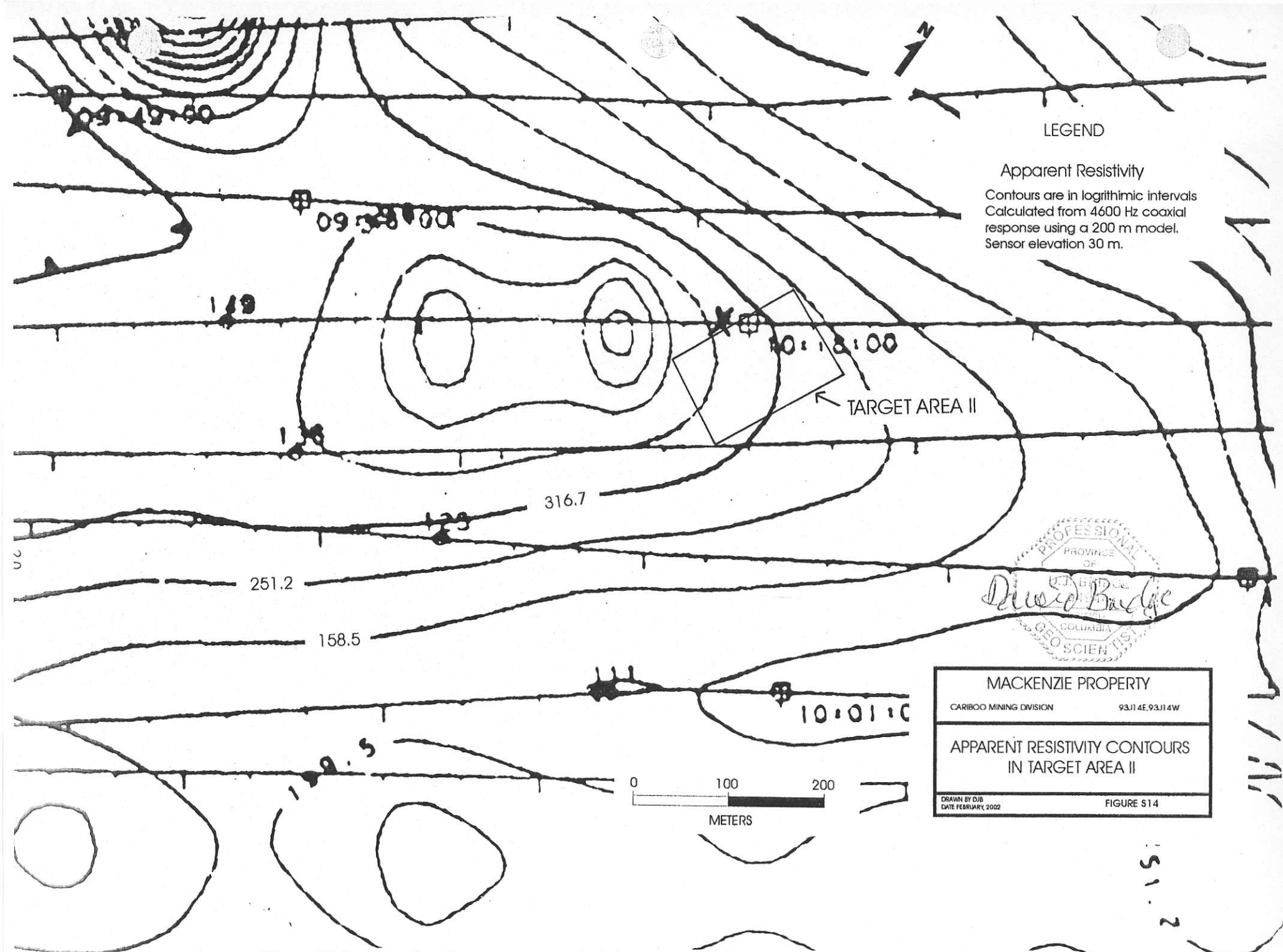


Figure S14. Map showing apparent resistivity contours of airborne survey in target area II. Modified from de Carle (1987). Contours are in ohm - meters.

Item 12.3 TARGET AREA 'III' (Figures S3, S15, S16)

Target area 'III' is located approximately 450 meters east - northeast of Beaverhouse lake (Figure S3) on Moose #1 mineral claim. This area appears to be on the flank of a east - southeasterly trending ultramafic intrusion which is composed of gabbro and pyroxenite.

Item 12.3.1 GEOCHEMICAL SOIL SURVEY - TARGET AREA 'III'

Soil sampling reported in an assessment report by Dandy (1989) revealed a 50 meter long soil anomaly on Moose #1 mineral claim with one sample 250 meter to the west - northwest very anomalous in platinum. The soils were collected on lines 50 meters apart with samples every 25 meters. The following anomalous samples were taken (Table 4). Area west of platinum high on line 39+00NW may be further explored.

Table 4. Anomalous soil sample assays in target area 'III'

| Sample Number | Copper (ppm) | Nickel (ppm) | Cobalt (ppm) | Gold (ppb) | Platinum (ppb) | Palladium (ppb) |
|----------------------|-------------------------|-------------------------|-------------------------|-----------------------|---------------------------|----------------------------|
| 36+50NW 29+00NE | 106 | 40 | 17 | 10 | 10 | 4 |
| 36+50NW 29+25NE | 362 | 133 | 15 | 15 | 5 | 24 |
| 36+50NW 29+50NE | 323 | 152 | 21 | <5 | 12 | <10 |
| 39+00NW 29+00NE | 22 | 12 | 6 | <2 | 200 | 4 |

Item 12.3.2 GEOPHYSICS - TARGET AREA 'III'

The anomalous soil samples are in an area on the edge of a magnetic high which is interpreted to be due to an ultramafic intrusion (Figure S15)(Walcott, 1990). Ground VLF-EM data contoured using a Fraser Filter indicates that the spotty soils are on the flanks of a 300 meter long conductor which may be due to sulphide rich ultramafic rock or argillite (Figure S16).

Item 12.4 TARGET AREA 'IV' (Figures S3, S15, S16)

Target Area 'IV' is located approximately 180 meters northeast of Beaverhouse Lake (Figure S3) within the Moose #1 mineral claim where ultramafic dykes are hosted by hornfels argillite.

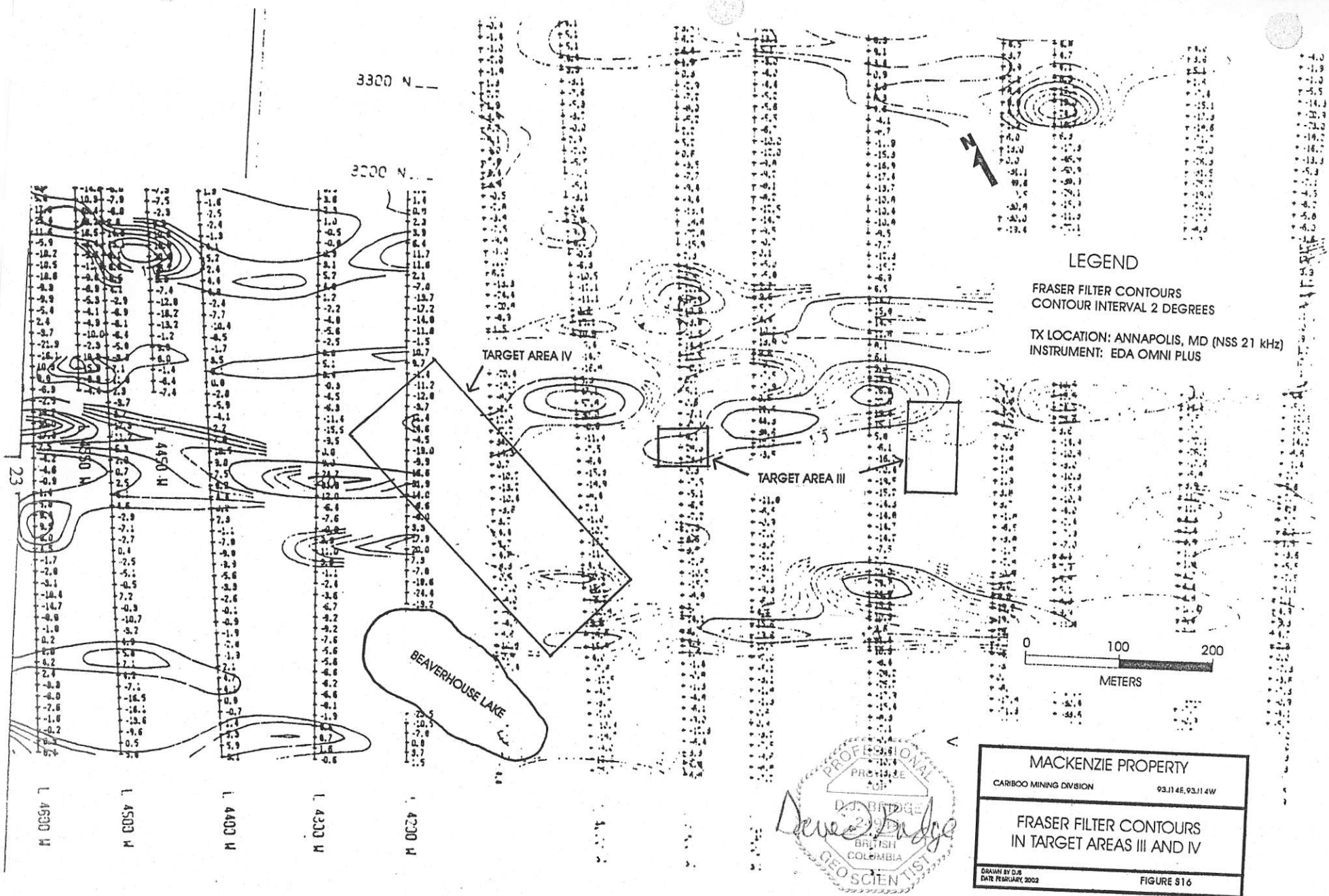


Figure S16. Map showing Fraser Filtered VLF - EM data in target areas III and IV. Modified from Walcott (1990).

Item 12.4.1 GEOCHEMICAL SOIL SURVEY - TARGET AREA 'IV'

Soil sampling reported in an assessment report by Noel (1974) revealed a 240 by 60 meter wide copper anomaly approximately 180 meters northeast of Beaverhouse lake. The copper anomaly has spot nickel highs. Noel (1974) stated that this indicative of a ultramafic dyke.

Item 12.4.2 GEOPHYSICS - TARGET AREA 'IV'

Ground geophysics by Walcott (1990) indicates that this area is in between two magnetic highs which are interpreted to be due to ultramafic dykes (Figure S15). Fraser filtered VLF-EM data shows an anomaly trending northwest through the area (Figure S16).

Item 12.5 AREAS WITH GOLD AND SILVER ANOMALIES AND ROCK ASSAYS IN THE MACKENZIE PROPERTY

Gold and silver mineralization was discovered on the Chain mineral claims (Figure 2) in year 2000. Chip - channel samples in two hand dug trenches returned the following assays (Table 5 and Table 6). Please see pages 25 to 28 of the Summary Report for more details.

Table 5. Assays from Trench #1 on Chain #1 mineral claim

| Sample Number | Interval (m) | Gold (ppb) | Silver (ppm) |
|----------------------|---------------------|-------------------|---------------------|
| M605010 | 0.0 - 1.0 | 175 | 3.8 |
| M605011 | 1.0 - 2.0 | 160 | 1.6 |
| M605012 | 2.0 - 3.0 | 75 | 1.4 |
| M605013 | 3.0 - 4.0 | 90 | 2.0 |
| M605014 | 4.0 - 5.0 | 475 | 85.0 |
| M605015 | 5.0 - 6.0 | 10 | 3.4 |

Table 6. Assays from Trench #2 on Chain #1 mineral claim

| Sample Number | Interval (m) | Gold (ppb) | Silver (ppm) |
|----------------------|---------------------|-------------------|---------------------|
| M605019 | 0.0 - 2.0 | 85 | 0.2 |
| M605021 | 2.0 - 4.0 | 90 | <0.2 |
| M605023 | 4.0 - 5.1 | 90 | 0.2 |
| M605024 | 5.1 - 5.6 | 1340 | 3.4 |

A float sample collected in year 2000 near Trench #1 returned 610 g/t silver and 3340 ppb gold.

Soil sampling by Dandy (1998) on Calf #1 mineral claim (Figure 2) outlined an approximately 400 meter long by 25 meters wide gold soil anomaly in the vicinity of mineralized bedrock (see Figure 15 of the Summary Report for more details). Grab samples of mineralized bedrock returned 150 to 5230 ppb gold and 2.0 to 23.2 ppm silver (see pages 19 and 20 of the Summary Report for more details).

Item 14: SAMPLING METHOD AND APPROACH - TARGET AREA 'I'

Soil samples collected from the Snow #1 to #2 and Snow #4 mineral claims on the Mackenzie Property and subject of this report were taken by D. Bridge, P.Geo. The 'B' horizon soil was sampled by digging a 10 to 30 centimeter deep hole with a mattock and scooping the soil with the tool and placing it in numbered kraft paper bags. The samples were collected from a soil sample grid lines spaced 100 meters apart with samples collected on lines 0E and 1E at 20 meter intervals and lines 2E and 3E at 25 meter intervals (Figure S4).

Item 15: SAMPLE PREPARATION AND SECURITY - TARGET AREA 'I'

All soil samples were assayed at Acme Analytical Laboratories Ltd. of Vancouver, British Columbia. Acme Analytical Laboratories Ltd. is an ISO 9002 registered company. The soils were first sieved and the minus 80 mesh fraction was assayed for 30 elements by ICP-ES and the gold, platinum and palladium by fire assay with analysis by ICP-ES. The method used by the assay lab to analyze the 30 elements by ICP-ES is as follows. A 0.5 gram sample is leached with 3 milliliters of 2-2-2 HCl-HNO₃-H₂O at 95 degrees for one hour and then diluted to 10 milliliters. the solution is analyzed in a inductively coupled plasma emission spectrometer. For the fire assay procedure, a 30 gram split is fused at 1000 degrees Celsius for one hour with fire-assay fluxes containing a PbO litharge and Ag inquart which liberates all gold, platinum and palladium. After cooling, the lead buttons are recovered and cupelled at 950 degrees Celsius to render Ag +/- Au +/- Pt +/- Pd dore beads. Beads are weighed then leached in 1 milliliter of concentrated HNO₃ at >95 degrees Celsius to dissolve Ag leaving Au sponges. Large sponges are weighed, otherwise concentrated HCl is added to dissolve the sponges. Au, Pt and Pd are analyzed from the sample solution by ICP-ES.

All samples were stored in a secure place until they were hand delivered to Acme Analytical Laboratories Ltd for analysis.

Item 21: INTERPRETATION AND CONCLUSIONS

As a result of soil assay results obtained during years 2001 to 2002 and detailed study of previous geochemical, airborne geophysical magnetic, VLF-EM and resistivity surveys; target areas have been identified on the Mackenzie Property. All have coinciding geochemical and geophysical anomalies with favourable geology for copper - nickel - platinum - palladium - rhodium mineralization.

Soil sampling in target area 'I' on Snow mineral claims was successful in locating a 300 by 50 meter nickel soil anomaly with coincident highs of copper, cobalt and platinum in the vicinity of a mineralized trench. Soil sampling in target area 'II' on Moose #2 mineral claim has located a 125 meter long soil anomaly directly on top of a magnetic anomaly. Target area 'III' has a coincident copper - nickel soil anomaly on the margin of a magnetic high with a coincident VLF-EM anomaly. Target area 'IV' has a large 240 by 60 meter copper anomaly with nickel spot highs in the vicinity of ultramafic dykes hosted by argillite hornfels.

Please see the report titled "Summary Report on the Mackenzie Base and Precious Metal Property, Cariboo Mining Division, North-Central British Columbia" for additional interpretations and conclusions of the Mackenzie Property.

Item 22: RECOMMENDATIONS

Based on geological, geochemical, geophysical surveys target areas 'I', 'II', 'III' and 'IV' have been outlined. These areas appear to be favourable locations to host nickel - copper - platinum - palladium - rhodium mineralization in the Mackenzie Property. A program of geophysics and trenching and/or diamond drilling with requisite geological mapping and sampling is recommended as a Stage 1. Stage 1 would give priority to target area 'I'. Stage 2 would be contingent on the success of Stage 1. Exploration priorities and the exploration program may be modified as the exploration results are obtained and analyzed.

Estimated Costs of Stage 1 of Exploration on the Mackenzie property

| | |
|--|-------------------------|
| Prospect and map the geology immediately around the Snow showing | \$5,000 |
| Ground magnetic and VLF-EM survey on the Snow showing | \$5,000 |
| IP survey on the Snow showing | \$20,000 |
| Project preparation | \$5,000 |
| Personal, room and board for Project Geologist and Assistant(s) | \$40,000 |
| Trenching and/or diamond drilling on the Snow showing | \$70,000 |
| Transport, vehicle rentals | \$5,000 |
| Sample analyses | \$10,000 |
| Management, office | \$10,000 |
| Engineering and reporting | \$10,000 |
| Contingency, GST, bonding | \$20,000 |
| Total Stage 1 | <u>\$200,000</u> |

Estimated Costs of Stage 2 (Contingent upon the success of Stage 1)

IP and magnetometer survey, geological mapping, soil sampling, trenching and/or diamond drilling. \$250,000

Total of Stage 1 and Stage 2

\$450,000



Item 23: REFERENCES

- de Carle, B.J., 1987. Report on Combined Helicopter Borne Electromagnetic, Magnetic and VLF - EM Survey, G-North and Plasway Properties, Cariboo Mining Division, McLeod River Area, British Columbia; Assessment Report 16,269, 31p.
- Dandy, L., 1989. Geological, Geochemical and Geophysical Report on the G North and Plasway Properties, Cariboo Mining Division, NTS 93J/14; Assessment Report 19,329, 142p.
- Dandy, L., 1998. Geological and Geochemical Report on the MAC 9 - 14 Claims, Cariboo Mining Division, BC. 93J/14E; Assessment Report 25,622, 22p.
- Noel, G.A., 1974. Geological - Geochemical Report on the Bruce Claim Group; Assessment Report 4,999, 20p.
- Rose, A.W., Hawkes, H.E., and Webb, J.S., 1979. Geochemistry in Mineral Exploration; Academic Press, London, 657p.
- Struik, L.C., 1994. Geology of the McLeod Lake map area (93J), British Columbia; Geological Survey of Canada, Open File 2439, 18p.
- Walcott, P.E., 1990. A Geophysical Report on Magnetic and Electromagnetic Surveying; Assessment Report 19,930, 23p.