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COQUEIS PROPERTY

TENURE #504062

QUATSINO SOUND AREA

VANCOUVER ISLAND. B.C.

NTS: 092L/05E

EXECUTIVE SUMMARY

ABSTRACT

The Coqueis Property area was identified as being highly anomalous in gold and zinc from regional geochemical silt surveys in 1988. More detailed follow-up silt surveys in the Coqueis area confirmed that highly anomalous values originate near the top of Mount Wolfenden and particularly in the Coqueis Creek drainage.

The area was staked in late with 55 claim units in late 1988. Initial ground geochemical and geophysical surveys were conducted on the southwest slope of Mount Wolfenden with generally disappointing results and the claims were permitted to lapse. More recent work investigated the Coqueis Creek drainage area north of Mount Wolfenden with more positive results and several highly anomalous rock outcrop areas were located. One location, the Coqueis Showing, was sampled in detail.

The area is underlain predominantly by Lower Jurassic Bonanza Group volcanics intruded by dykes and small stocks related to Island Plutonic Suite rocks. The more mineralized volcanics are lower beds of the Bonanza volcanics overlying Upper Triassic to Lower Jurassic sediments.

The property is located 6 kilometres west of Port Alice and 3 kilometres south of the past producing Yreka Mine. A new logging road gives access to within one kilometer of the property. Alternate access is by helicopter from Port Hardy, a distance of 30 kilometers.

Stream silt samples from the property range to 950 ppb Au and 796 ppm Zn. The Coqueis Showing averages 0.86 g/t Au, 9.6 g/t Ag and 2.78% Zn from an exposed 65 metres by >5 meters, including 3.55 g/t Au, 32 g/t Ag and 9.1% Zn. Other indicated showings remain to be properly sampled.

COQUEIS MINERAL PROPERTY **(Gold-Silver-Zinc Prospect)**

PROPERTY

The Coqueis property is comprised of 12 cell-units for a total area of just over 247 hectares. The property covers the Coqueis Creek valley and extends to the Mount Wolfenden ridge, west of Port Alice, Northern Vancouver Island, B.C. The property originally was discovered as a geochemically anomalous area in 1988 by a regional stream sediment survey south of Quatsino Sound. Follow-up detailed stream silt sampling confirmed the area as highly anomalous in gold and zinc and mineral claims were staked to cover Mount Wolfenden. These claims have since lapsed when recorded assessment work expired. After the initial exploration work was recorded the area has been investigated in more detail over several years by the current owner and the existing property was claimed in early 2005.

The prospective area hosts gold-silver-zinc mineralization in volcanics as vein, breccia and disseminated zones. The property has received only cursory exploration and the possibility of discovering economic grade and tonnage Au-Ag-Zn zones with more thorough exploration remains high.

LOCATION AND ACCESS

The property is located 6 kilometres west of the community of Rumble Beach at the deep water port of Port Alice and 3 kilometers south of the past producing Cu-Ag-Au Yreka Mine in Northern Vancouver Island, B.C. Access from Port Alice is by main line logging roads to the Yreka Road branch. The Yreka Road has very recently been extended to the Yreka Mine area with spur roads to within one kilometer of the property. The alternate access to Coqueis Creek, as used in the past, is by helicopter from Port Hardy, a distance of 30 kilometers.

PROPERTY STATUS

The COQUEIS Property, tenure #504062, is comprised of 12 cell-units which cover just over 247 hectares. The tenure was acquired on January 17, 2005 and is in good standing for one year. The property is owned 100% by A.I. Betmanis. There are no environmental or other encumbrances in the property area.

PROPERTY HISTORY

Teck Corporation discovered the property in 1988 during a regional geochemical stream silt sampling program for copper-gold porphyry deposits south of Quatsino Sound. Highly anomalous gold and zinc values were found in streams draining Mount Wolfenden and 55 claim-units were staked later in 1988 after follow-up confirmation of the anomalous area. A review of Minister of Mines records showed that the property area had not been staked and probably had not been prospected previously. Most work in the area had concentrated on the past-producing Yreka Mine to the north and the Teeta Creek prospects to the southeast.

Initial work in 1988 consisted of confirming the stream silt anomalies by higher density of sampling and a few reconnaissance soil sampling lines on the southwest slope of Mount Wolfenden where rock sampling had returned up to 1,150 ppb Au and 12,194 ppm Zn. A small grid was surveyed in the area. The grid covers part of the southwest corner of the Coqueis claim.

Biogeochemical sampling and magnetometer and VLF-EM surveying was conducted on the grid. Results were inconclusive. The work was recorded for assessment to keep the property in good standing until 1993. After recording additional prospecting was done of stream bed outcrops and several mineralized showings discovered, particularly in the Coqueis Creek drainage. The latter work was not recorded and the claims were permitted to lapse on the due date.

The current owner re-evaluated the area over several years and the existing property was acquired.

GEOLOGICAL SETTING AND AREA PROSPECTS

Northern Vancouver Island is part of the "Wrangellia" terrain. In the property area a thick sequence of Lower Jurassic Bonanza Group volcanics overlies earlier intercalated Upper Triassic to Lower Jurassic volcanoclastic and limy sediments, previously included with the Parsons Bay Formation but recently recognized as a separate "unnamed" unit. Petrographic studies from the Coqueis Creek area show trachite/latite, andesite flows and epiclastic rocks. The area has been intruded by Early to Middle Jurassic Island Plutonic Suite small stocks and dykes. The Bonanza Group volcanics in the Coqueis Creek drainage are believed to be lower units of the Bonanza volcanics.

Published geological maps show two predominant fault directions through and in the vicinity of the property. An east-northeasterly fault follows the Coqueis Creek valley closely, and for property purposes here is referred to as the Coqueis Fault. A northeast fault is shown on MapPlace geological maps and passes diagonally through the property. From aerial photograph and topographical interpretations

the latter fault offsets the Coqueis Fault by about 200 meters. Other northeast to east-northeast faults are shown on the property and other similar faults can be interpreted from aerial photographs and topographical linears. Another northeast fault can be interpreted. Other similar faults could be interpreted but here are not shown. The fault system partly defines geochemically anomalous areas and possibly localization of known mineral showings.

A detailed study has not been made of mineralization. Predominant macroscopic observations of the showings show pyrite and sphalerite with some surface oxidation. The showings are emplaced in silicified andesite with various degrees of brecciation. Geochemically the showings are anomalous in gold, silver and zinc. Lead and copper values are insignificant.

Mineralization of the Yreka Mine, located 3 kilometers to the north, is silver, gold and copper with some lead values. Pyrrhotite is strongly associated with the ore zones. Past milled production was 13,976 tonnes with recovered 33 g/t Ag, 0.36 g/t Au and 2.78% Cu.

Several prospects have been explored near Teeta Creek 6 kilometers to the southeast of Coqueis. The prospects include gold-silver-copper, lead-zinc silver, and copper-molybdenum. The prospects are vein, massive sulphide, calc-alkalic porphyry, and otherwise disseminated.

Neither the Yreka Mine nor the Teeta Creek prospects have the same mineral assemblage as Coqueis.

SOIL AND BIOGEOCHEMICAL SAMPLING

The 1988 reconnaissance soil sampling and biogeochemical grid sampling were not encouraging although bedrock and float sampling in the same areas gave highly anomalous gold and zinc values.

GEOPHYSICAL MAGNETIC AND VLF-EM GRID SURVEYS

Both geophysical surveys resulted in geophysical signatures. Their interpretation is dependant on field follow-up and geological mapping, neither of which were performed at that time. Later evaluation of the area indicates that the grid was not located in a favorably anomalous area.

GEOCHEMICAL SILT SURVEYS

An analysis was made recently of silt surveys from the original Quatsino Regional survey area (188 samples) and the Mount Wolfenden – Coqueis Creek anomalous area (80 samples) with particular reference to gold and zinc. The regional survey (including anomalous area) gave mean values of 4.4 ppb Au and 122 ppm Zn. The anomalous property area gave mean values of 110 ppb Au and 223 ppm Zn. By cumulative percentage and standard deviation calculations the following parameters for the anomalous area were determined:

ppb Au		ppm Zn	
0 - 30	Background	0 - 95	Diluted
31 - 400	Anomalous	96 - 180	Background
401 - 580	Highly Anomalous	181 - 350	Anomalous
> 580	Extremely Anomalous	351 - 530	Highly Anomalous
		> 530	Extremely Anomalous

The actual geochemical silt values are shown on the attached gold and zinc silt geochemistry maps.

For purposes of interpretation an approximate "gold equivalent" value was calculated for each sample using current metal prices and similar statistical calculations of anomalies were made. The consistent anomalous areas are defined by an "equivalent" >180 ppb Au and are shown on the compilation map.

MINERALIZED SHOWINGS

Four mineralized showings in outcrop have been identified. Other mineralized float locations are known but their source has not been traced. Apart from the *Coqueis Showing*, none of the showings have been mapped or sampled in detail due to initial sampling having been done during initial silt sampling or reconnaissance traverses. Locations of the showings are marked on the compilation map.

Four poorly exposed showings occur in a creek southwest of Mount Wolfenden, the western tributary of Coqueis Creek before the headwater tributaries, and a central tributary of Coqueis Creek. The showing in the western tributary could not be sampled due to location high in a cliff of the creek canyon. All of these showings are highly anomalous in gold, silver and zinc. They have insignificant copper or lead values.

Coqueis Showing: This is the only currently known showing that has reasonable exposure and has been sampled in moderate detail. The showing is exposed intermittently for 65 metres and the exposure width is about 5 metres as limited

by canyon walls and overburden. The showing is exposed where a northerly flowing tributary of Coqueis Creek locally is diverted to a northeast direction. This is the direction of most frequent faults on the property. The exposed canyon walls are silicified altered andesite. Seven continuous chip samples were collected across the presumed strike of the showing where bedrock was exposed. Assay results are detailed on the Coqueis Showing map and average 0.86 g/t Au, 9.6 g/t Ag and 2.78% Zn. Included in the showing is one sample that assays 3.55 g/t Au, 32.0 g/t Ag and 9.10% Zn.

AEROMAGNETIC SURVEY

The stream sediment anomalous areas and the mineral showings occur within a limb of an aeromagnetic high between a range of 3500 and 3750 gammas and generally on the northern side of the magnetic high. The reason for the magnetic high is not known at this time but may possibly be caused by a buried intrusion. Ground grid magnetometer surveying of the southwestern slope of Mount Wolfenden shows the same general trend but with more pronounced northeasterly linear highs and lows.

LANDSAT IMAGERY

There is a northwesterly Landsat imagery signature that trends through the property and includes most of the main showings. The Landsat trend appears to have been offset by east-northeasterly faults (?) and can be traced to the Teeta Creek prospects. Selective filtering of Landsat band widths may be required to do a proper interpretation of the feature.

INTERPRETATION OF RESULTS

The Coqueis Creek showings are located south of the Coqueis Fault and where northeasterly faults or structures occur. The showing southwest of Mount Wolfenden occurs close to a prominent northeasterly fault and may be structurally restricted. The stream silt anomalous areas outlined occur in areas where northeasterly trending faults abut against the Coqueis Fault and fracturing and brecciation is more common.

There has been insufficient geological mapping of the area to define lithological units of the Bonanza volcanics that may be more favorable to mineralization. The only mineralized zone that was examined in any detail was the *Coqueis Showing*. The showing country rocks are silicified andesite. Petrographic studies of the showing area indicate andesite and trachite/latite with various degrees of silicification, some sericite, fine quartz veining, and brecciation. The other showing areas have not been examined in any detail partly due to

moderately rugged topography and difficulty of access to the Coqueis Creek drainage at the time of the previous exploration stages.

Strongly anomalous areas of the Coqueis Creek drainage tributaries cover about 0.36 square kilometers. Most of the anomalous creeks are adjacent. The Coqueis Creek headwater tributaries are highly anomalous. These tributaries have not been prospected or examined in detail. One creek southwest of Mount Wolfenden is very highly anomalous in gold (to 1015 ppb Au) and strongly anomalous in zinc. This drainage has been inspected in some detail but only minor small mineralized outcrops and several mineralized float samples were located. It is presumed that narrow high grade fault related veins intersect or partly follow the creek bed.

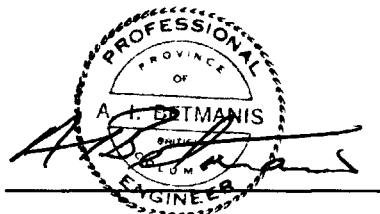
The coincidence of aeromagnetic signature and LandSat imagery with the silt anomalous areas and mineralized showings has not been adequately explained. Geological mapping and LandSat band width analysis and filtering may possibly direct further exploration of the property.

EXPLORATION POTENTIAL

The property can be considered as only in preliminary stages of exploration. The initial stage in 1988 was the identification of probable area limits of interest and the verification of the anomalous area. The following stage in 1989 was to locate the source of highly anomalous silt values on the southwest slope of Mount Wolfenden by grid surveys. The grid surveying was of limited value with unexplained geophysical results. It is now suspected that the southwest Wolfenden anomalous source is limited to high grade structural veining. In late 1989 limited additional prospecting and sampling was done with more emphasis on the Coqueis Creek drainage area resulting in more consistent anomalous zones. This work was not formally reported due to anticipation of exploration in the next field season. Due to other commitments at the time, the expected work was not done and the claims lapsed. Further exploration work should be done in the Coqueis Creek drainage to determine the source of the anomalies, preferably by detailed mapping, prospecting and rock sampling. Silt anomalous drainages south of Mount Wolfenden warrant further investigation.

Evaluation of area properties, i.e. Yreka Mine and the Teeta Creek prospects, indicates either skarn or buried porphyry mineralization at Yreka, and porphyry related vein and disseminated deposits and possible massive sulphides at Teeta Creek. Mineral assemblages from these prospects differ from the gold-silver-zinc mineralization with negligible copper and lead assemblage at Coqueis. The Coqueis assemblage is not common in coastal regions of southwestern British Columbia. It is presumed that the Coqueis mineralization is distinct from surrounding area mineralization.

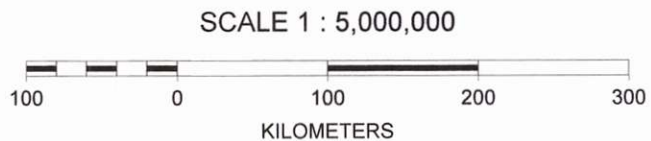
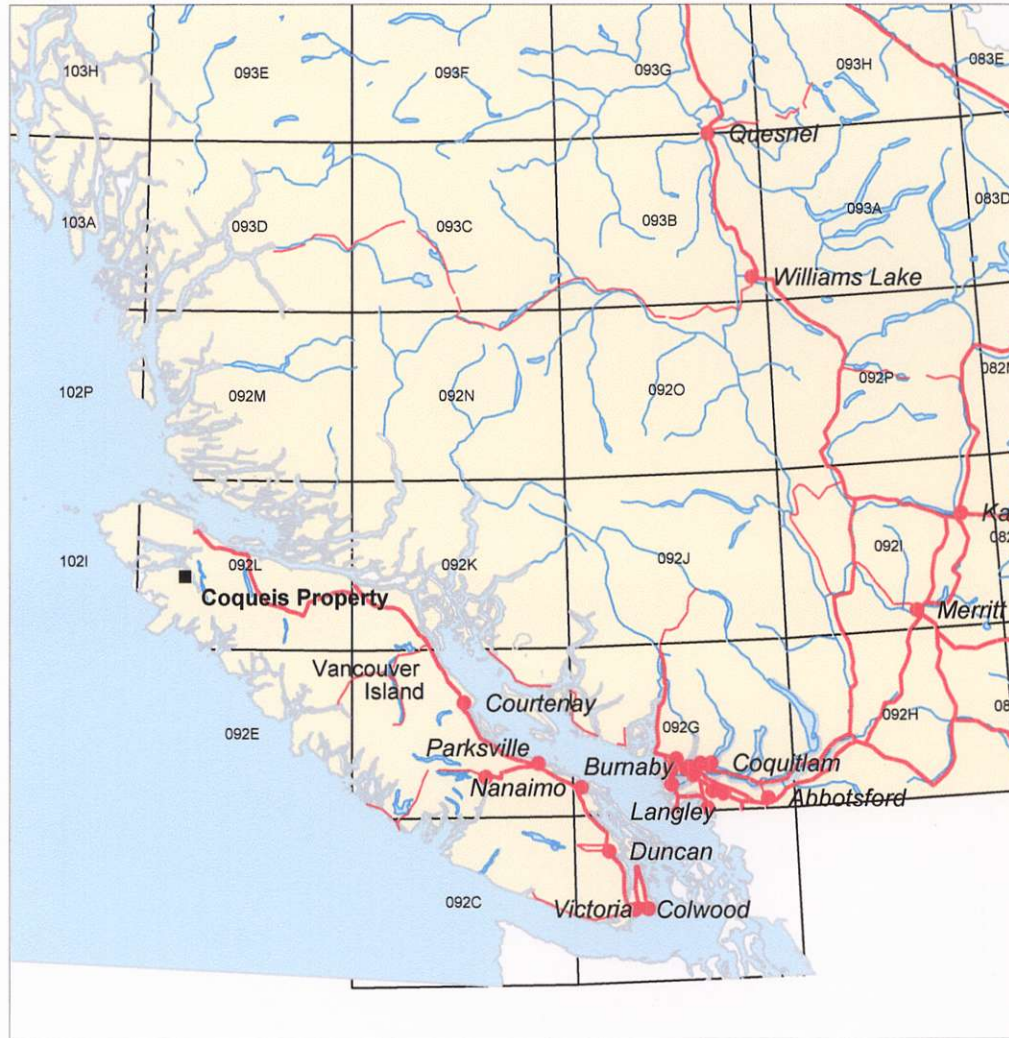
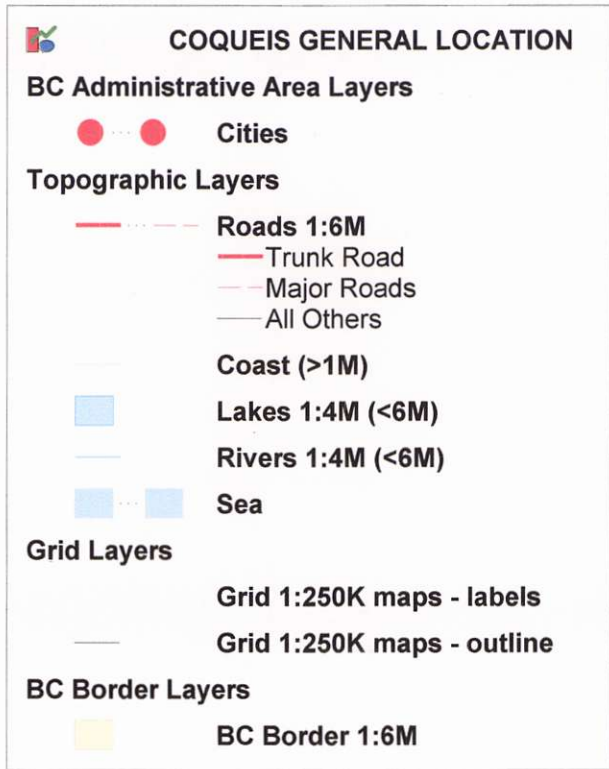
It is known that mineralization on the property is associated with structure, some brecciation, occasionally quartz veinlets, and is emplaced in altered and silicified intermediate volcanics. Of particular interest are areas bounded by the Coqueis Fault and intersecting northeasterly trending faults. It is suspected that the mineralized lithologies are lower units of Bonanza Group volcanics. Because of the mineral assemblage, the possibility of the mineralization being peripheral veins of a buried porphyry deposit is slight. Other possibilities, such as structural remobilization of massive sulphides or disseminated stratabound mineralization in addition to emplaced hydrothermal mineralization, have to be considered. Geological mapping in conjunction with continued exploration of the Coqueis Creek drainages should be of a high priority in the next exploration phase.




A.I. Betmanis, P. Eng.

February 28, 2005

Gabriola, B.C.




COQUEIS PROPERTY
 NORTHERN VANCOUVER ISLAND, B.C.
 NTS 092/L05E
GENERAL LOCATION MAP


 **COQUEIS SPECIFIC LOCATION**

BC Administrative Area Layers


BC Municipality labels


Mineral Titles Layers


 Mineral titles outline (<1M)


 All Others

Topographic Layers


 Roads 1:250K (<2M)

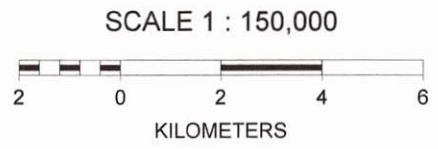
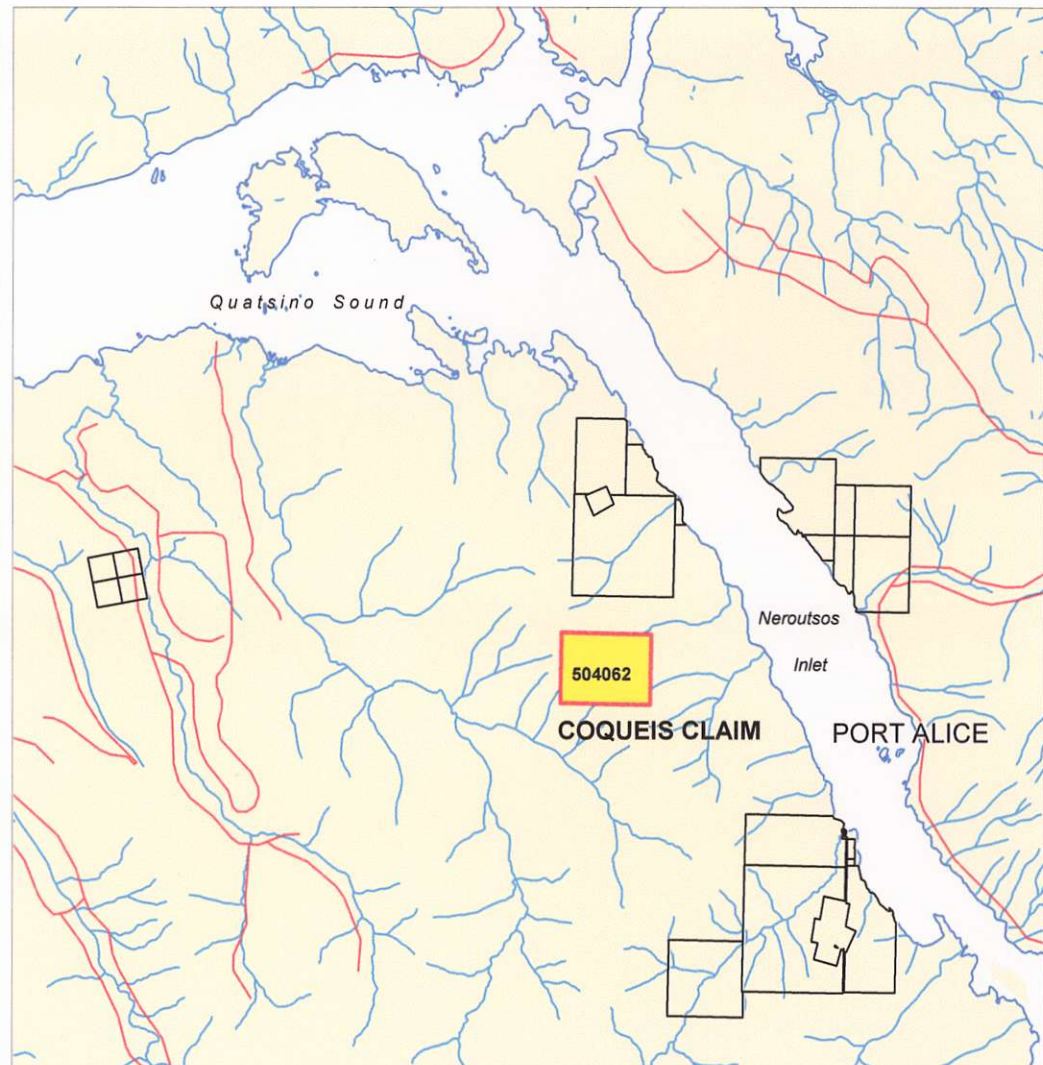
 Islands

 Coast 1:20K (<1M)


 Rivers 1:50K (<300K)

BC Border Layers

 BC Border 1:50K (<200K)



COQUEIS PROPERTY
 NORTHERN VANCOUVER ISLAND, B.C.
 NTS 092L/05E
SPECIFIC LOCATION MAP



COQUEIS CLAIM MAP

Mineral Titles Layers

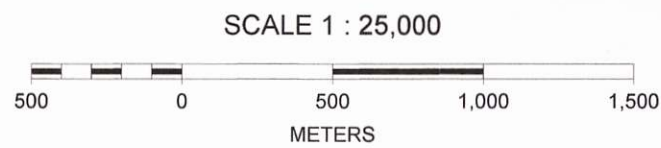
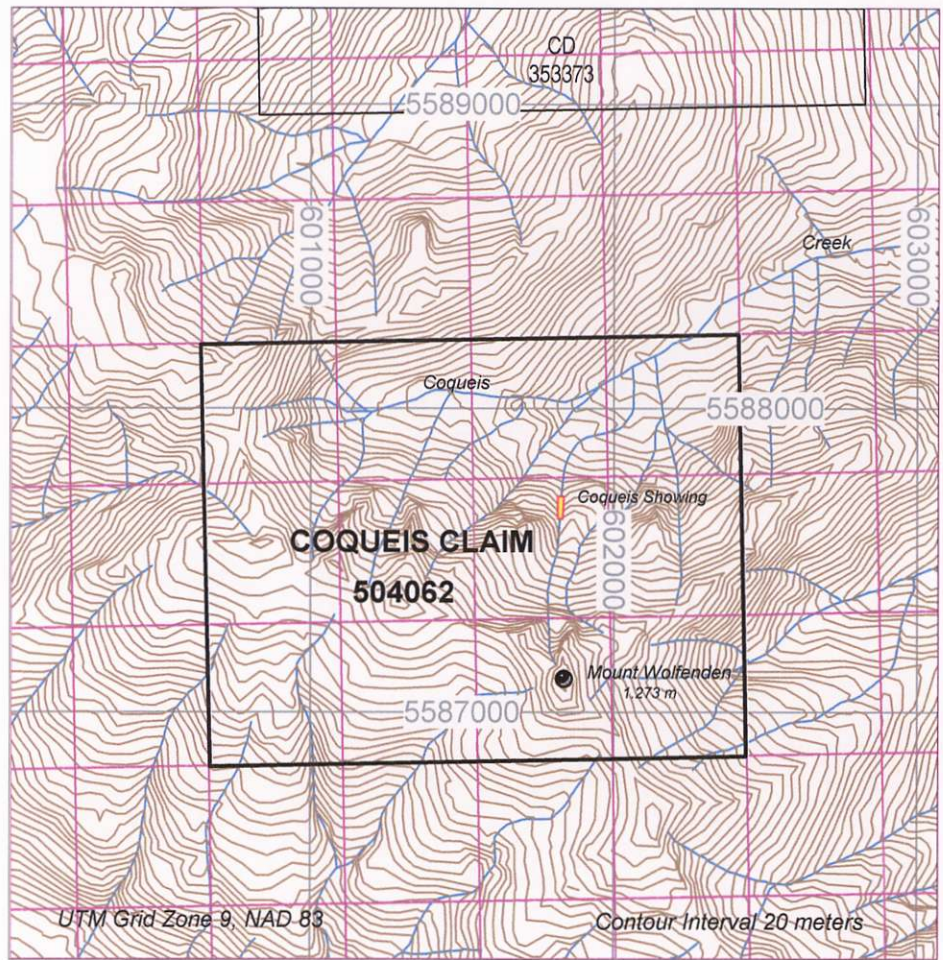
- Mineral titles Claim Names (<100K)
- All Others
- Mineral Titles Online Grid

Topographic Layers

- Contours west 1:20K (<100K)
- Rivers 1:20K (<100K)

Grid Layers

- UTM Grid Labels (<100K)



COQUEIS PROPERTY
 NORTHERN VANCOUVER ISLAND, B.C.
 NTS 092L/05E
COQUEIS CLAIM MAP

COQUEIS AREA GEOLOGY

Topographic Layers

- Coast 1:20K (<1M)
- Rivers 1:50K (<300K)

LEGEND

Lower Jurassic

IJB **Bonanza Group**
Continental to submarine volcanics

Upper Triassic to Lower Jurassic

TJ **Unnamed Unit**
Interbedded sediments and volcanics

Upper Triassic

uTQ **Quatsino Formation**
Bedded limestones

Early to Middle Jurassic (or later?)

Jl **Island Plutonic Suite**
Medium grained intrusive rocks

--- Geological Contact
- - - Fault

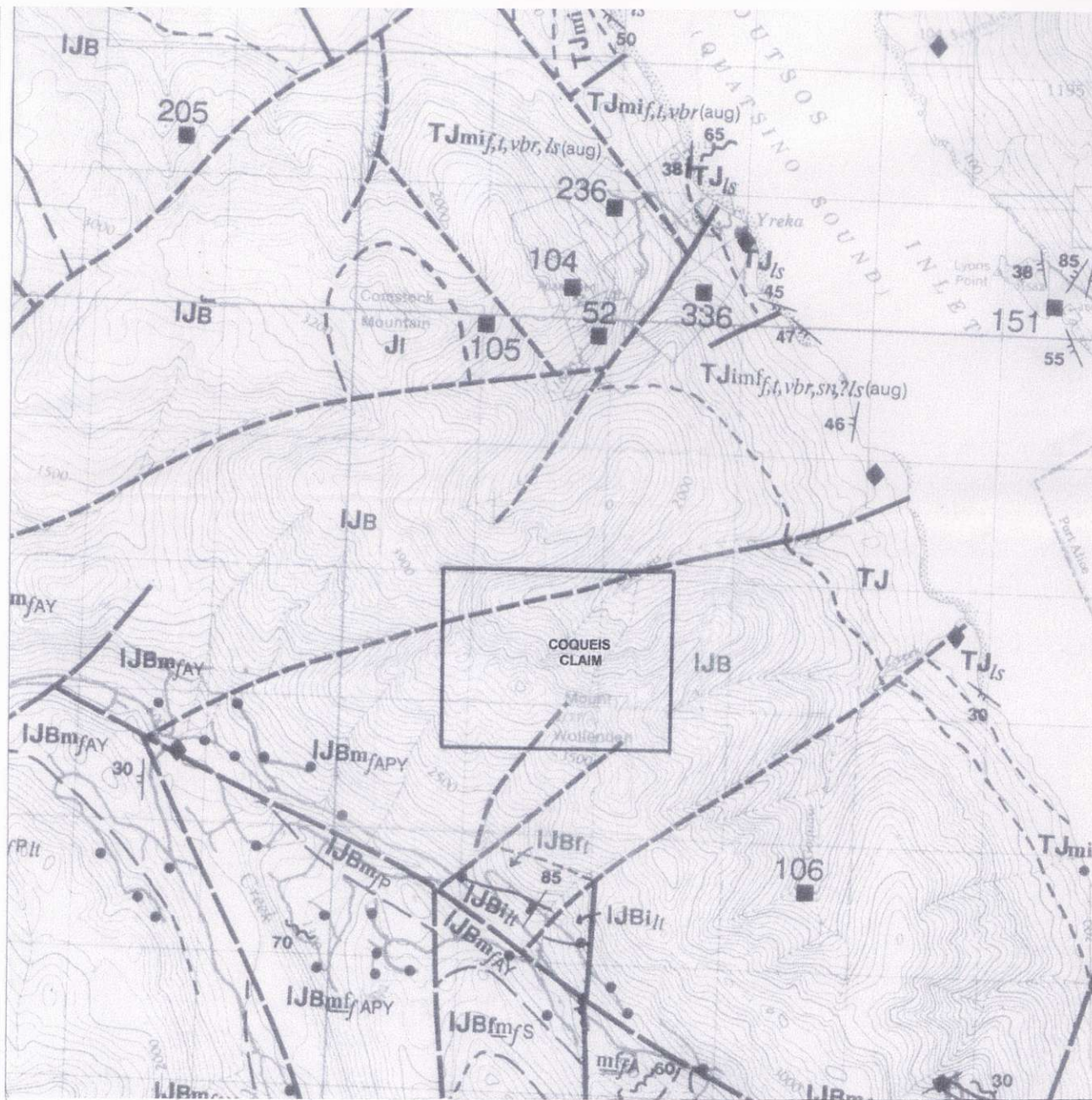
- m mafic
- i intermediate
- f felsic
- br breccia
- cg conglomerate
- sn sandstone
- ls limestone
- vbr vitric breccia
- t tuff
- lt lapilli tuff
- f lavas (and flow breccias)
- (aug) coarse augite-phyric rocks

Geology based on:

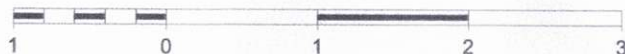
Preliminary Geology of the
Mahatta Creek Area,
Northern Vancouver Island
(NTS 92L/5)

by G.T. Nixon *et al.*

BCGSB O.F. 1993-10

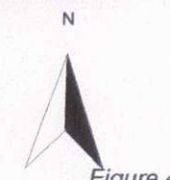


SCALE 1 : 50,000



KILOMETERS

COQUEIS PROPERTY
NORTHERN VANCOUVER ISLAND, B.C.
NTS 092L/05E
COQUEIS AREA GEOLOGY





COQUEIS AREA MAGNETICS

Topographic Layers

- Coast 1:20K (<1M)
- Rivers 1:20K (<100K)

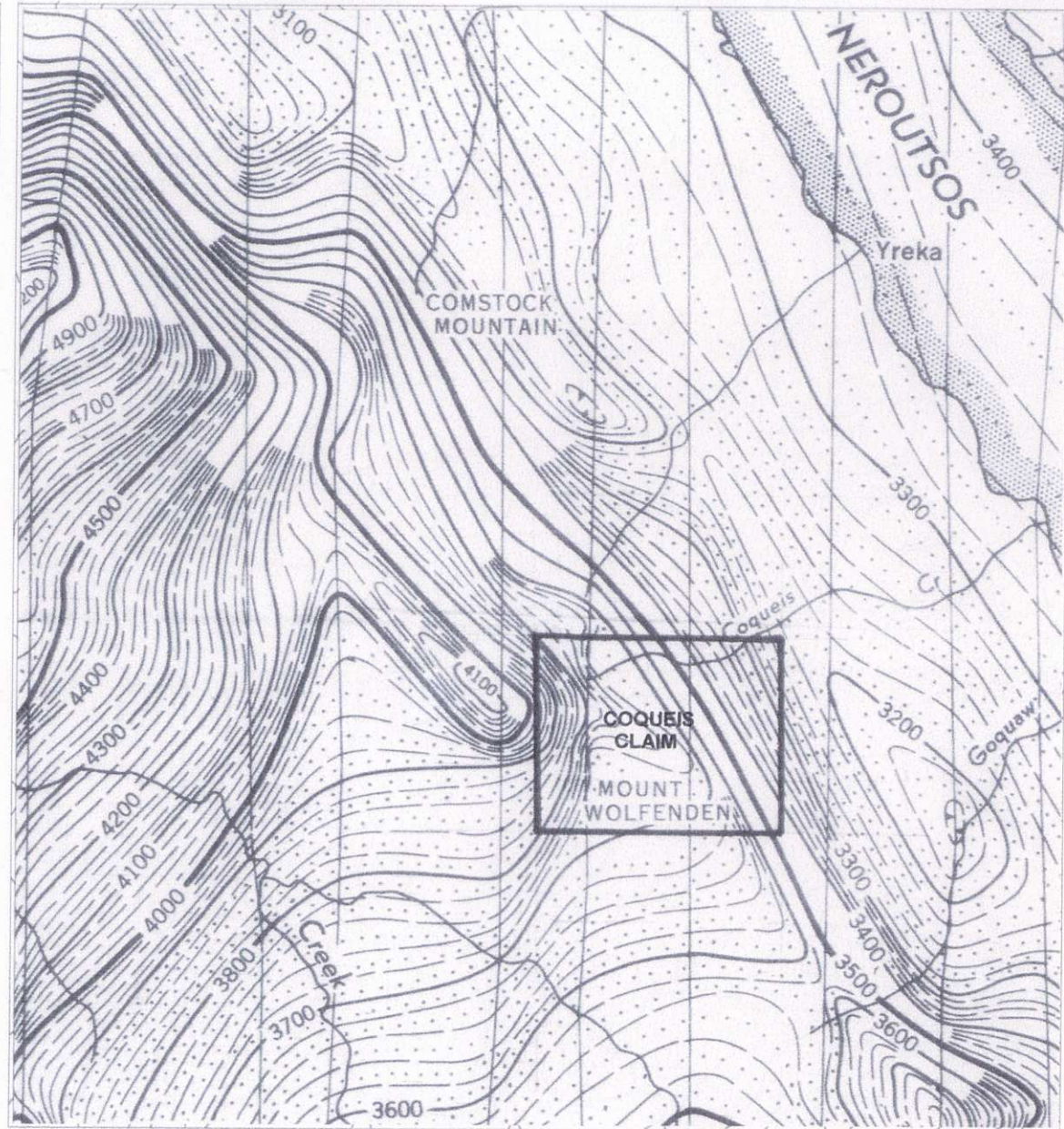
Magnetic contour lines in gammas
in Total Field less 53,071 gammas

Aeromagnetics measure from
nominal 300 metres above ground

Magnetic survey flown Jul-Sep, 1962
by Geological Survey of Canada

Base map taken from:
Department of Lands and Forests
Government of British Columbia

Aeromagnetics taken from:
Geophysical Paper 1733G
Neurotsos Inlet
Vancouver Island, B.C.



SCALE 1 : 50,000






COQUEIS PROPERTY
NORTHERN VANCOUVER ISLAND, B.C.
NTS 092L/05E
AEROMAGNETIC MAP




COQUEIS AREA LANDSAT


Mineral Titles Layers

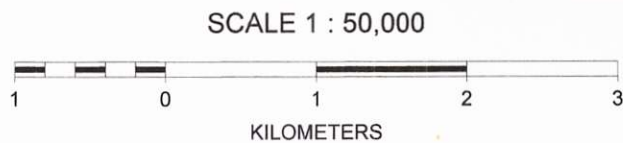
-   **MTO Mineral Titles Online Polygons**
-  Placer
-  Mineral

Topographic Layers

-  **Rivers 1:20K (<100K)**

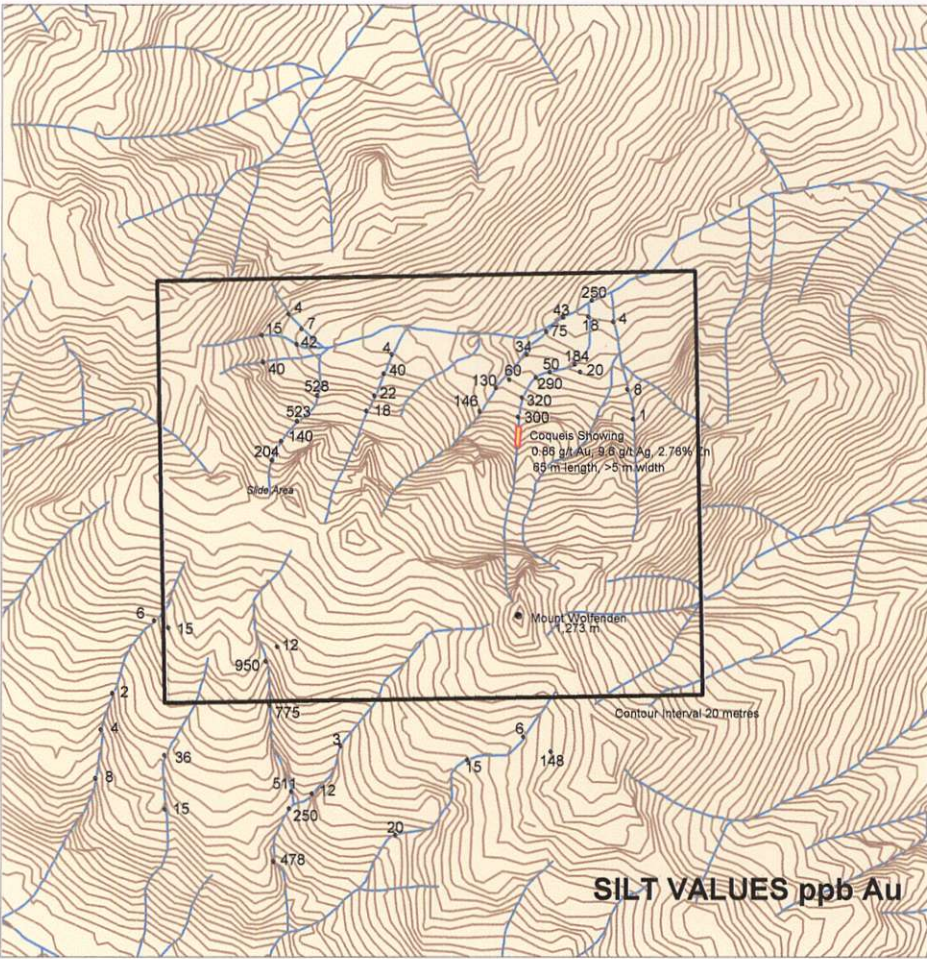
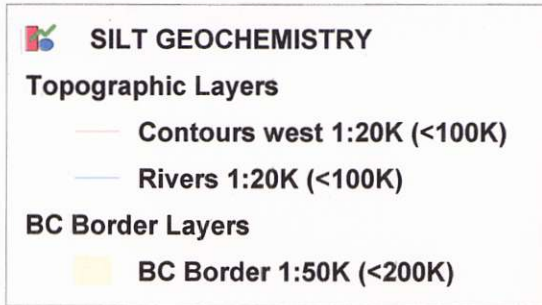
Raster Layers

-  **NASA Landsat circa 1990**



COQUEIS PROPERTY
 NORTHERN VANCOUVER ISLAND, B.C.
 NTS 092L/05E
COQUEIS AREA LANDSAT IMAGERY

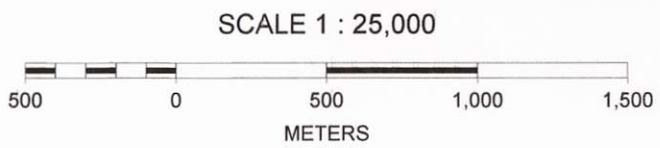




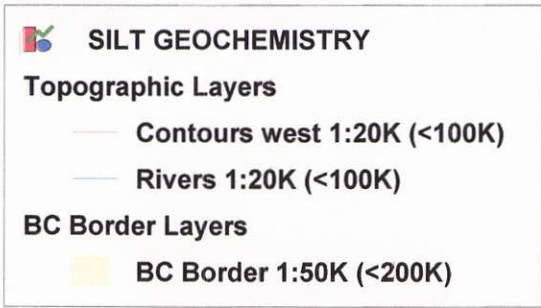
ppb Au Values

0 - 30	Background
31 - 400	Anomalous
401 - 580	Highly Anomalous
>580	Extremely Anomalous

Note: Value ranges are based on all silt values calculated statistically from an 8 km² area in the Coqueis - Mt. Wolfenden area.



COQUEIS PROPERTY
 NORTHERN VANCOUVER ISLAND, B.C.
 NTS 092L/05E
SILT GEOCHEMISTRY - ppb Au

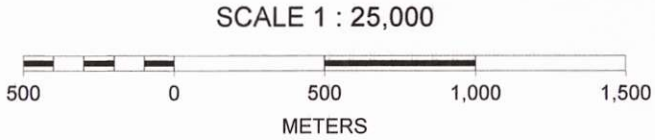
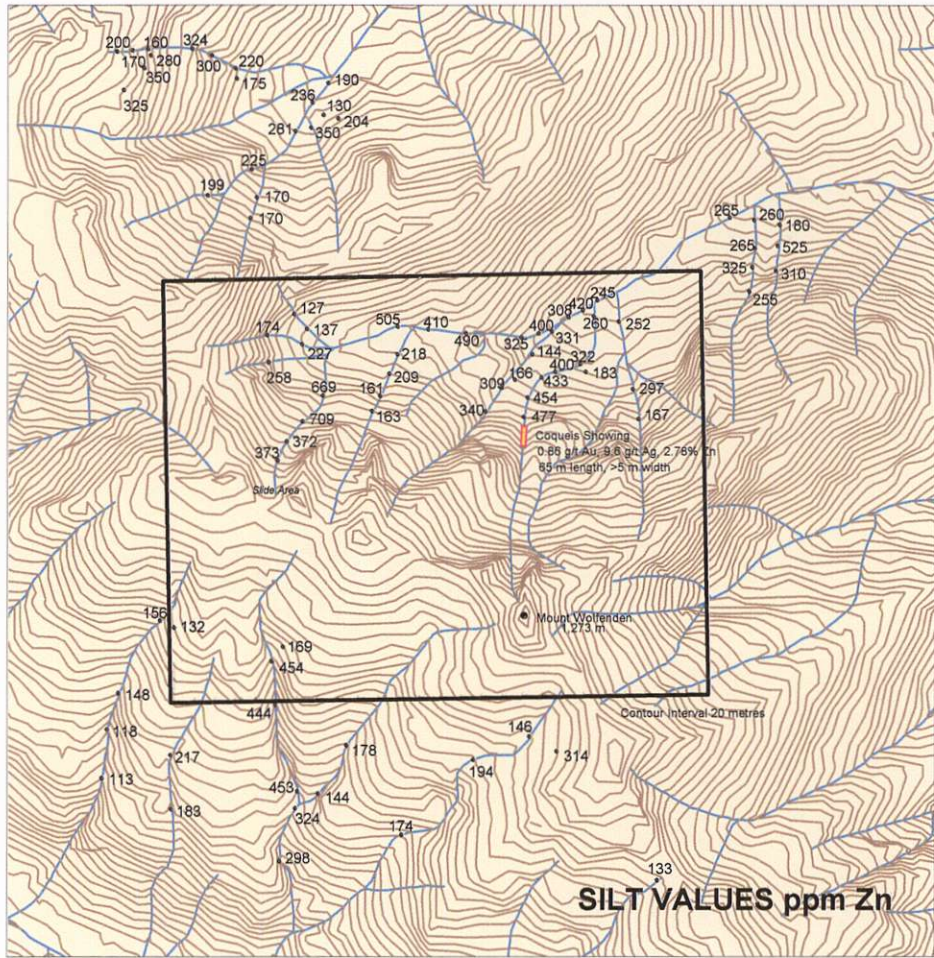


N.B. Zinc sample locations and values without corresponding gold value locations are based on a sampling program by ISO Explorations Ltd. performed in early 1970's.

ppm Zn Values

0 - 180	Background
181 - 350	Anomalous
351 - 530	Highly Anomalous
>530	Extremely Anomalous

Note: Value ranges are based on all silt values calculated statistically from an 8 km² area in the Coqueis - Mt. Wolfenden area.



COQUEIS PROPERTY
 NORTHERN VANCOUVER ISLAND, B.C.
 NTS 092L/05E
SILT GEOCHEMISTRY - ppm Zn

COQUEIS SHOWING

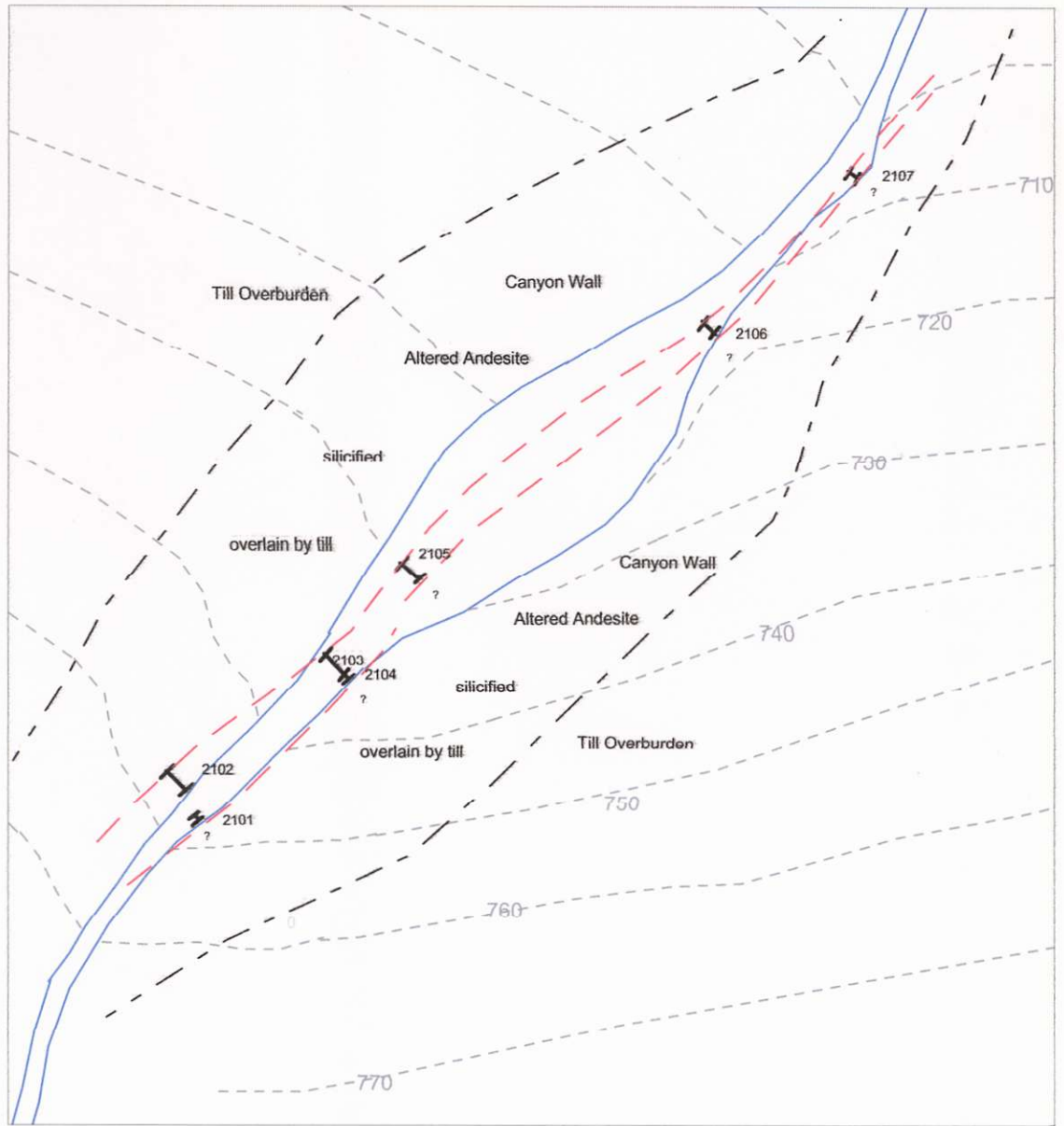
Assay analyses by Min-En Laboratories, North Vancouver B.C.

20104 Sample number and width.

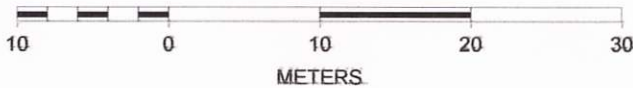
Sampling restricted by canyon walls, stream debris and water flow.

Showing is mineralized with pyrite and sphalerite and emplaced in silicified andesite.

Showing mapped and sampled by G. Lovang 1989.




SCALE 1 : 500



SAMPLE	WIDTH (m)	g/t Au	g/t Ag	% Zn	% Cu	% Pb
20101	0.25	0.21	6.2	0.91	0.007	0.12
20102	2.00	0.47	3.6	0.58	0.63	0.01
20103	2.00	0.26	5.5	1.62	0.004	0.01
20104	0.40	3.55	3.2	9.10	0.302	0.11
20105	1.80	0.42	6.1	1.51	0.008	0.01
20106	1.00	0.14	1.9	0.37	0.002	0.01
20107	0.50	0.97	11.8	5.35	0.029	0.02

COQUEIS PROPERTY
 NORTHERN VANCOUVER ISLAND, B.C.
 NTS 092L/05E
COQUEIS SHOWING

 **COMPILATION MAP**
Topographic Layers
 — Rivers 1:20K (<100K)

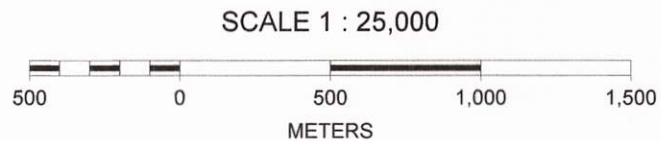
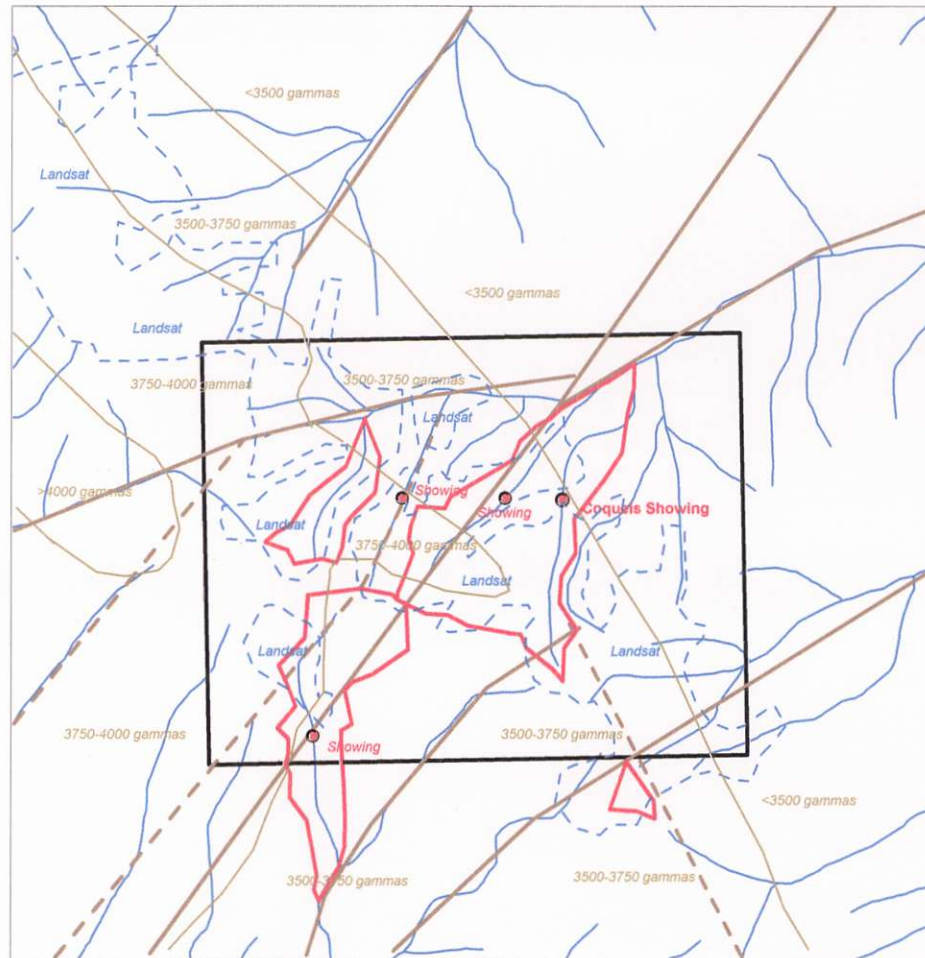
Geochemical Silt Anomalous Areas
 Outlined in red by streams and topography
 Defined by >180 ppb Au

Faults (heavy brown)
 Continuous: based on published geological maps
 Dashed: pronounced linears; topographic and photo

Landsat Imagery (dashed blue)
 Outline of Landsat imagery feature through property

Aeromagnetic Contours (olive green)
 Spaced at 325 gammas from main NW-SE magnetic high

Showings (red ball symbol)
 Mineralized outcrop locations (see text)



COQUEIS PROPERTY
 NORTHERN VANCOUVER ISLAND, B.C.
 NTS 092L/05E
COMPILATION MAP