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TECHNICAL REPORT

on the

PROSPERITY – PORTER IDAHO – SILVERADO SILVER PROPERTY

Stewart Area
Skeena Mining Division
British Columbia

Latitude: 55°54.8' North
Longitude: 129°56.3' West
NTS Map-Area: 103P/13W

440900E
6197180N
NAD 83 UTM Zone 9

Prepared for

RAIMOUNT ENERGY INC.

By

N.C. CARTER, Ph.D. P.Eng.
March 10, 2008

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SUMMARY

Raimount Energy Inc. owns a 100% interest in the Prosperity – Porter Idaho – Silverado silver property which consists of 46 Crown granted mineral claims covering an area of 500 hectares immediately southeast of Stewart in northwestern British Columbia. Stewart, t the head of Portland Canal, is the most northerly ice free port in Canada and is also accessible by Provincial highway. The mineral property, situated on Mt. Rainey, is currently accessible by helicopter from Stewart. .

Since the initial discovery of silver mineralization on Mt. Rainey in the early 1900s, various areas of the property have been investigated more than 6000 metres of underground workings. Principal workings are in two areas of the property which include tho Silverado on the west-facing slope of Mt. Rainey above Stewart and the Prosperity – Porter Idaho workings on the southeast slope, a little more than 2 kilometres southeast of Silverado. Much of the exploration and development work to date, including drilling programs in the 1980s, has been directed to the Prosperity – Porter Idaho silver-bearing vein structures which are hosted by six subparallel north to northwest trending, moderately west-dipping shear zones developed in Jurassic volcanic rocks. Direct shipping of high grade material from two vein structures in this part of the property ending in early 1931 amounted to 27000 tonnes with recovered grades of 2542 grams/tonne silver, 0.96 gram/tonne gold and 4.08% lead.

Current resource estimates for these two structures include an Indicated Mineral Resource of 394000 tonnes grading 868 grams/tonne silver, 3.37% lead and 1.41% zinc and an Inferred Minerat Resource totaling 88900 tonnes averaging 595 grams/tonne silver.

Little modern day exploration has been conducted on the Silverado veins but the character and structural setting of these is similar to the Prosperity – Porter Idaho structures and there is good evidence that the two areas may be parts of the same system. The intervening area between the two is obscured by the Silverado Glacier and a proposal for a +2 kilometre tunnel between the two has been proposed at various times over the past number of years not only as a means of access but also to provide an underground heading to explore this prospective ground.

Prior to embarking on such an ambitious program, the currently identified resources require further definition and expansion. A two phase program is recommended to first consist of additional surface investigation of the Silverado and surface drilling of the D Vein strike extension at Prosperity – Porter Idaho. Estimated costs of this first phase program are $951,450.00.

A second phase program, which is not contingent on results of first phase work, would consist of underground drilling at Prosperity – Porter Idaho to assess the down-dip potential of D Vein at an estimated cost of $1,039,850.00.

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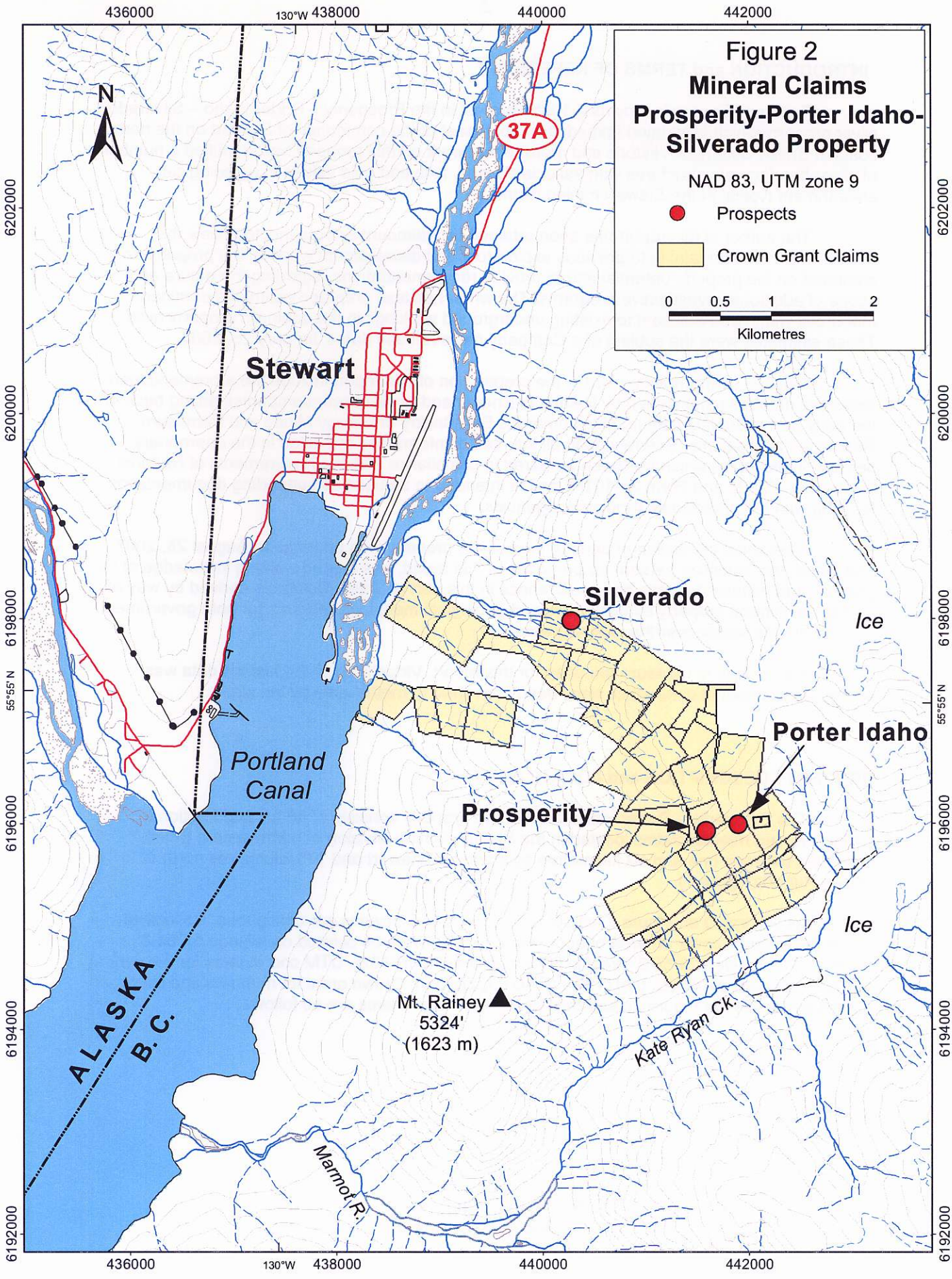

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INTRODUCTION and TERMS OF REFERENCE

Raimount Energy Inc. owns a 100% interest in the Prosperity – Porter Idaho – Silverado silver property which is situated immediately southeast of the community of Stewart on the north coast of British Columbia. Historic and more recent work on this property has identified a number of silver-bearing vein structures with associated lead, zinc and gold values in a geological environment typical of the Stewart mining district.

The author of this report has been retained by Raimount Energy Inc. to review the extensive records pertaining to previous exploratory and development work on the property, to comment on the property potential and to provide recommendations regarding the nature and scope of additional investigative programs. The writer has also prepared estimates of mineral resources within and adjacent to existing underground workings in the southern property area. These estimates were the subject of a Company news release dated January 28, 2008.

Sources of information used in the preparation of this report include the aforementioned extensive database maintained by Raimount Energy and predecessor companies dating back to the early part of the last century plus numerous BC Ministry of Energy Mines and Petroleum Resources publications. References to all sources of information are listed in the appropriate section of this report which has been prepared in compliance with the requirements of National Instrument 43-101 and Form 43-101F1 and is intended to be used as supporting documentation for filing with the appropriate regulatory agencies.

A personal inspection of parts of the subject property was undertaken August 28, 2007. The writer, the "qualified person" for purposes of this report, has a good working knowledge of the geology and mineral deposits and occurrences in this part of British Columbia derived by way of numerous mineral property examinations and geological mapping programs for both government and the private sector over the past 44 years.

Metric units of measure are used for this report. Virtually all of the historic data was expressed in Imperial units which have been converted to metric units by the writer.

PROPERTY DESCRIPTION and LOCATION

The Prosperity – Porter Idaho – Silverado property consists of 46 full and fractional Crown granted mineral claims located in the Skeena Mining Division of northwestern British Columbia between one and six kilometres southeast of Stewart and 175 kilometres north of Prince Rupert (Figure 1).

As illustrated on Figure 2, all but four of the mineral claims are contiguous. Collectively, the mineral claims cover an area of approximately 500 hectares centred on latitude 55°54.8' North and longitude 129°56.3' West in NTS map-area 103P/13W. UTM coordinates for the central property area are 440900E, 6197180N (NAD 83, Zone 9). Crown grant lot numbers and claim names are shown on Figure 2a and details of the mineral claims are as follows:

Table 1: Prosperity – Porter Idaho – Silverado Crown granted Mineral Claims

Claim Name	Lot Number
Red Reef 2	1406
Red Reef 3	1407
Tea Pot Dome	1857
Prosperity	1858
Prosperity Fr.	1859
Honest John	1860
Copper King	1864
Copper Queen	1865
Gargoyle Fr.	1866
Iron Hill	4508
Gleneam	4510
Fortune	4512
Silver Bow 3 Fr.	4514
Glacier Fr.	4515
Silver Bow 1	4518
Silverado 3	4520
Silverado 4	4521
Silverado 4 Fr.	4523
Canyon	4524
Melvin 3 Fr.	4727
Slide	4728
Lucille	4729
Nettie L.	4730
Sunday	4731
Eureka	4732
Never Sweat	4733
Prickly heat	4734
Gem of the Mountains	4735
Gem of the Mountains Fr.	4736
Prickly Heat Fr.	4737
Never Sweat Fr.	4738
Triumph	4739
Victoria	4740
Silver key Fr.	5103
Silver key 1	5104
P.G. 1 Fr.	5105
P.G. 2 Fr.	5106
Key Fr.	5113
Silver Key 3	5114
Silver Key 4	5115
Silver Key 5	5116
Silver Key 6	5117
Silver Key 7	5118
Cambria	5119
Guard	5120
Silver Key 2	5122

As noted, all of the foregoing mineral claims are owned outright by Raimount Energy Inc. All of the mineral claims and fractions were legally surveyed prior to being Crown granted in the late 1920s. Crown grant status means that assessment work requirements do not apply and the claims are renewed annually by payment of taxes to the Province of British Columbia.

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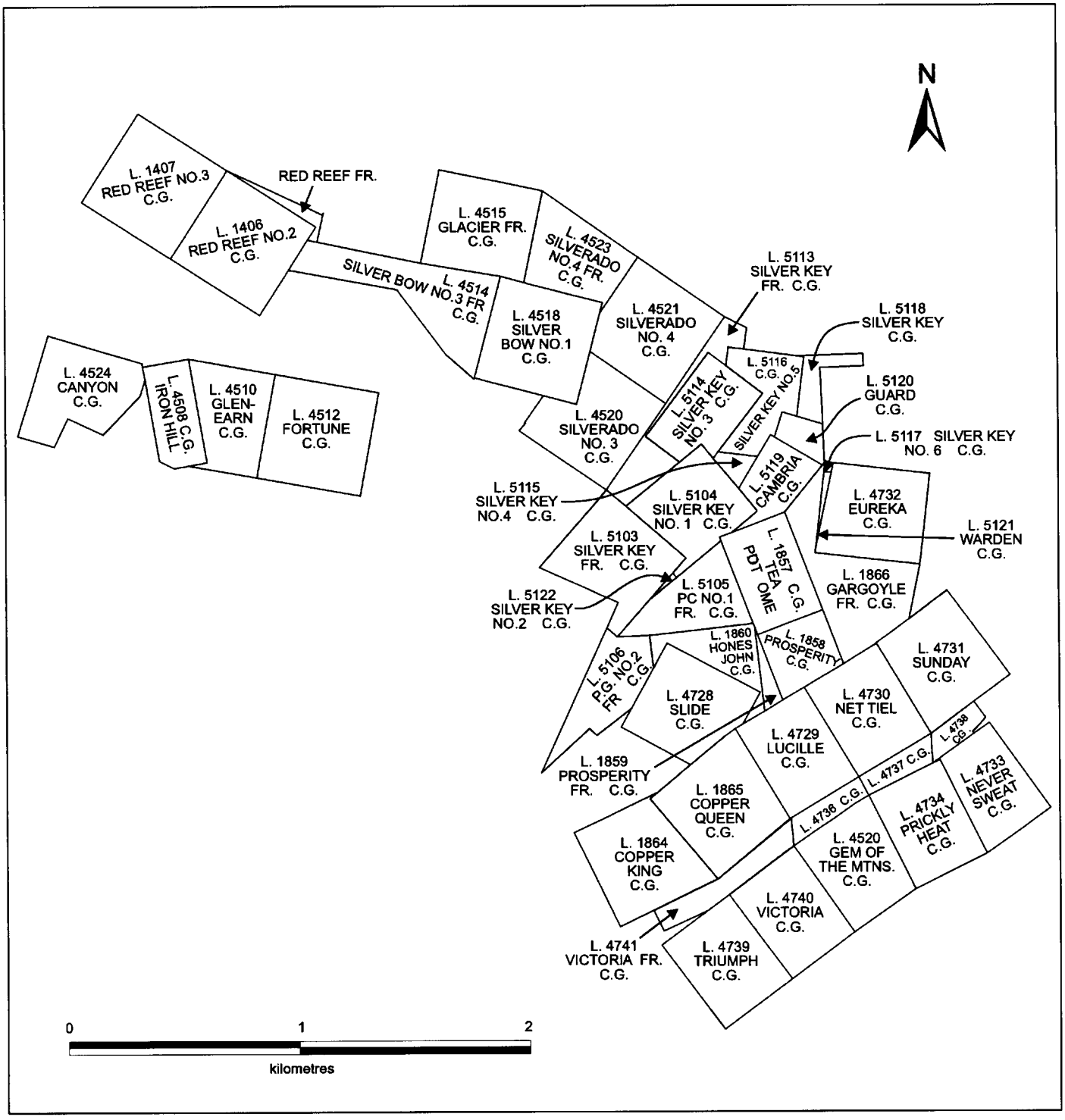

Figure 2a - Crown Granted Mineral Claims - Lot Numbers and Names

Exploration work involving surface disturbance on mineral properties in British Columbia, regardless of status, requires the filing of A Notice of Work and Reclamation with the Ministry of Energy Mines and Petroleum Resources. The issuance of a permit facilitating such work may involve the posting of a reclamation bond.

The writer is not aware of any specific environmental liabilities to which the various mineral claims are subject. The subject mineral property is within the Nass Wildlife Area as described in the Nisga'a Final Agreement as extending from south of the Nass River north to the headwaters of American Creek, 40 kilometres north of Stewart, and west from Portland Canal to east of Nass River. Pursuant to the Agreement, Nisga'a citizens have the rights to harvest wildlife within this area, subject to specified conditions.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE and PHYSIOGRAPHY

The Prosperity - Porter Idaho – Silverado property is situated on the north coast of British Columbia near the community of Stewart (Figures 2 and 3). The mineral claims comprising the property extend southeasterly from the head of Portland Canal and across Mt. Rainey to just above Kate Ryan Creek, a tributary of Marmot River which empties into Portland Canal 6 kilometres south of Stewart (Figure 2). Stewart, at the head of Portland Canal and adjacent to the boundary between Alaska and British Columbia, is accessible by provincial highway 37A which connects with highway 37 at Meziadin Junction. Highway 37 (the Stewart – Cassiar highway) extends north from highway 16 at Kitwanga which is situated approximately halfway between Smithers and Terrace. Highway distance between Stewart and each of these communities is about 320 kilometres and driving time is approximately 4 hours. All parts of the subject mineral property are accessible by helicopter from the airstrip in Stewart (Figure 2).

Stewart, a community of 500, offers only limited supplies and services. Most supplies and services are readily available in either Smithers or Terrace and both of these communities have daily scheduled airline service from Vancouver. Stewart is Canada's most northerly ice free port and a loading facility on the west side of Portland Canal, 2 kilometres south of town (Figure 2), is currently being used to export mineral concentrates from both the Huckleberry copper-molybdenum mine south of Smithers and the Eskay Creek gold-silver mine situated 80 kilometres north of Stewart.

The Prosperity – Porter Idaho – Silverado property is situated in the Boundary Ranges of the northern Coast Mountains. Elevations within the property area range from sea level along Portland Canal to a maximum of slightly less than 2000 metres (1987.7m) at the edge of an icefield on the highest parts of Mt. Rainey. (Note that this point is considerably higher than the official Mt. Rainey, southwest of the subject mineral claims (Figure 2), which is shown as being 1623 metres above sea level). The principal workings on the property range from 900 to 1100 metres at Silverado on the northwest slope of Mt. Rainey above Portland Canal to between 1290 and 1750 metres at Prosperity and Porter Idaho on the southeastern side of the mountain. The intervening area is in large part covered by the Silverado Glacier.

The climate is typical of the north coast of British Columbia with relatively mild winters and an annual precipitation of about 100 centimetres resulting in snowfall accumulations of up to several hundred centimeters during the winter months. Temperatures between the months of May and September average between 12 and 16 degrees Celsius; mean January temperatures are several degrees below freezing. Because of the locally extreme snowfall accumulations, field work at higher elevations is restricted to the summer months.

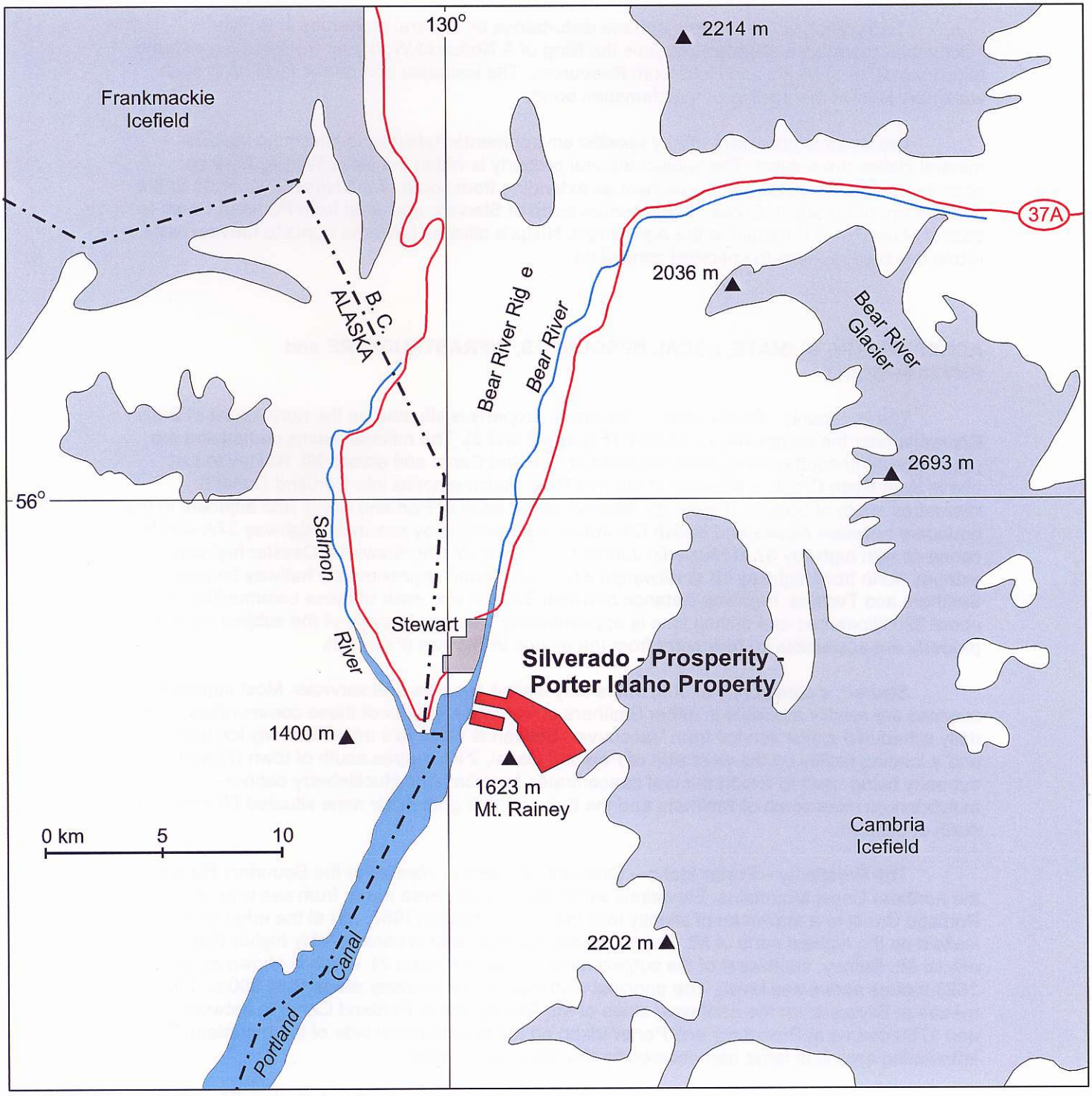

Figure 3 - Silverado - Prosperity - Porter Idaho Property - Location and Access

HISTORY

Stewart is a mining town with a varied history dating back to an unsuccessful search for placer gold north of Portland canal in 1898. Prior to this, natives from the Nass River hunted in the area and the U.S. Army Corps of Engineers arrived at the head of Portland Canal as part of the Alaska – British Columbia boundary survey which took place over a 10 year span beginning in 1896.

A few of the participants of the ill-fated placer gold scheme remained in the area to prospect and initial lode mineral claims were staked on tributaries of Bear River between 1899 and 1903. The townsite was incorporated in 1907 and prospecting along Salmon River on both sides of the Salmon River resulted in the discovery of mineralization that was later to become the Big Missouri property. Limited production from this deposit and two others along Bear River began in 1910. A discovery east of Salmon River in 1916 developsd into the Premier mine which operated for forty years and was one of the most significant gold and silver producers in British Columbia.

More than 150 mineral deposits and occurrences are known within the area shown on Figures 3 and 4. Of these, more than 50 recorded at least some production through 1970.

Original claims were located in the lower reaches of Silverado Creek within the current Silverado – Prosperity – Porter Idaho property in 1904 (Grove, 1971) but the principal Silverado mineral structures, higher up the northwest side of Mt. Rainey, were not exposed until the toe of the Silverado glacier gave way in 1911 (Alldrick, 1993). Original claims were relocated in 1920 and the following year, Silverado Mining Company undertook investigation of high grade copper-silver contained in a flat vein south of the toe of the glacier.

Initial showings on the Porter Idaho property were discovered on the southeast slope of Mt. Rainey in 1922 and the Porter Idaho Mining Co, Ltd. was formed in 1924 to continue underground development of D Vein. A 13 kilometre pack trail between the mouth of Marmot River on Portland Canal (Figure 2) and the property was completed in 1925 and 160 tonnes of high grade material was shipped. Continued work at Silverado included the driving of a crosscut tunnel beneath the four mineralized veins exposed below the glacier.

Additional high grade shipments were being made from the Porter Idaho property and four vein structures were being investigated the following year when a new discovery was made on the adjacent Prosperity claims. Premier Gold Mining Company struck a deal for the Prosperity and in 1928 acquired control of Silverado Consolidated Mines Ltd. and assumed management of the Porter Idaho property. With both the Prosperity and Porter Idaho under the same management, construction began on an 8 kilometre long aerial tramline to provide access to the properties from Portland Canal. The tramline, completed in the fall of 1929, consisted of 25 metre high towers and an initial 3 kilometres length between the mouth of Marmot River and an angle tower. From the angle tower, the final 5 kilometres stretch to the property included a towerless span of 1.3 kilometres across a glacier in the Kate Ryan Creek valley (Figure 2). A power line was also erected between the mine workings and the mouth of Marmot River and a smaller tramline provided access between the Porter Idaho D Vein working and the main tram terminus near the crosscut accessing the Prosperity Vein. Continued underground development on both the Prosperity and D Veins continued through 1929 and high grade shipments were made from the Prosperity Vein.

Work was also proceeding on the Silverado property in 1929 with further advancement the No.3 level crosscut (with reported disappointing results) and raising between No. 3 and No. 2 levels. Premier assigned the property to leasers the following year.

Production from Prosperity and Porter Idaho continued through 1930 but when silver prices went below $0.30 per ounce in early 1931, operations were suspended in April. Total production amounted to slightly more than 27,000 tonnes and the various vein structures had been explored and developed by more than 4600 metres of underground workings. Some 1200 metres of drifting, crosscutting and raising had been completed at Silverado and leasing operations on an upper tunnel immediately below the Silverado glacier the following year resulted in approximately 100 tons of high grade material being shipped from the property. Premier Gold Mining Company retained the Prosperity – Porter Idaho property on a care and maintenance basis through 1943 when it relinquished its interests.

Big Four Silver Mines Ltd. subsequently acquired the rights to the Silverado, Prosperity and Porter Idaho properties and in 1946 undertook some limited underground work and completed several underground and surface diamond drill holes on the Silverado property. Prospecting was also undertaken along the edge of Silverado glacier between the Silverado and Prosperity – Porter Idaho properties in response to an earlier assumption that the vein structures on both sides of Mt. Rainey had similar characteristics. Sporadic work through 1950 included some limited shipments of high grade material left behind by previous operations. Horses were used for access in view of considerable damage to the aerial tramline by snow slides over the previous 15 years.

Cassiar Consolidated Mines Limited acquired the various properties in 1952 and undertook some limited diamond drilling and rehabilitation of some of the underground workings on the Prosperity – Porter Idaho property. Consolidated Mining and Smelting personnel reportedly carried out some underground sampling as part of a property examination that same year. Intermittent work by this company through 1975 included rehabilitation of D tunnel and new drifting on I Level at Prosperity – Porter Idaho and 635 metres of underground diamond drilling. . Some investigation of the Silverado property included detailed sampling and mapping of the flat vein structure south of the main workings

Pacific Cassiar Limited, a successor company to Cassiar Consolidated, began a thorough investigation of the property in 1980. Over the following four years, various underground workings accessing both the Prosperity and D Veins were rehabilitated, and both these and Blind Vein were tested by 1290 metres of percussion drilling in 170 short (5 – 12 metres), 5 cm diameter test holes drilled in both the hangingwall and footwall of the structures at approximately 15 metres intervals. Six surface diamond drill holes, recovering 323 metres of NQ-size core, tested D Vein below the main adit level. Results of this work are detailed in technical reports by Clark (1981), Kenyon (1982-1984) and several others.

Teck Explorations Limited entered into an agreement with Pacific Cassiar Limited for the purposes of undertaking a major exploratory program on the Prosperity – Porter Idaho section of the property in 1985. The $1.2 million program (Folk, 1986a) included camp construction, underground rehabilitation and the slashing out of two underground drill stations from which 3320 metres of diamond drilling was completed in 17 holes. NQ-size core was recovered. Surface drilling consisted of 16 inclined holes for a total of 2147 metres; HQ-size core was recovered from five of the holes while NQ core was recovered from the remaining holes. 255 metres of short, testhole percussion drilling was completed in 40 holes at various underground locations. Several alternatives were proposed for further investigation of the property in 1986 (Folk, 1986b) but Teck elected to withdraw from the project.

Pacific Cassiar Limited subsequently commissioned Archer Cathro & Associates Limited to undertake a review of work completed between 1980 and 1985 and to make recommendations for further development of the property (Eaton, 1987). Teck Explorations Limited approached Pacific Cassiar in early 1987 with a proposal to undertake additional work on the property with a joint venture partner but no agreement was concluded.

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Consulting Geologist

No further work was undertaken by Pacific Cassiar Limited and the successor company, Raimount Energy Inc., until 2007 when the author of this report was retained to review the results of historic work and to comment on the potential of the property. An in-depth study of potential access routes to the property was also coordinated by John Abernethy, P.Eng. This study, which is ongoing, has also included the construction of a detailed topographic map and orthophoto coverage of the property area.

GEOLOGICAL SETTING

Regional Setting

The regional setting of the Stewart area (and the Prosperity – Porter Idaho – Silverado property) is shown on Figure 4. The general Stewart area is situated along the boundary between the Intermontane and Coast tectonic belts, both of which extend in a northwest- southeast direction throughout British Columbia.

Much of the Intermontane tectonic belt east of the Coast belt is comprised of Stikine terrane which consists of a collage of Jurassic, Cretaceous and Tertiary magmatic arcs and related successor basins throughout central and northern British Columbia. Stikine terrane in the immediate vicinity of Stewart includes late Triassic through mid Jurassic sequence of volcanic and lesser sedimentary rocks, typical of the Hazelton group which is widespread throughout west-central British Columbia.

In the Stewart area, the Hazelton Group has been subdivided by Alldrick (1993) into four formations including the basal (Upper Triassic – Lower Jurassic), predominantly volcanic, Unuk River Formation and the slightly younger Betty Creek Formation which consists of coarse volcaniclastics and lesser sediments. Overlying these are the Mt. Dilworth Formation, a felsic volcanic sequence, and the sedimentary Salmon River Formation, both of Middle Jurassic age.

Overlying Hazelton group rocks immediately east of the area shown on Figure 4 are Middle to Upper Jurassic Bowser Lake Group clastic sedimentary rocks occupying the western margin of the of the Bowser basin.

The Coast tectonic belt in this part of northwestern British Columbia is made up of Coast Plutonic Complex granitic rocks, here mainly represented by equigranular, medium-grained granodiorites and quartz monzonites of the Hyder plutonic suite of Tertiary (Eocene) age. Older granitic rocks of the Texas Creek plutonic suite are exposed in two areas north and east of Stewart (Figure 4).These are mainly coarse-grained granodiorites and are comagmatic with the Early Jurassic volcanic rocks of the lower part of the Hazelton Group.

Hazelton group layered rocks are folded about northwest-trending axes. Numerous regional and local faults include north-trending subvertical shear zones which are cut by northeast and northwest cross faults.

Stewart is a well mineralized district and more than 150 mineral deposits and occurrences are known in the area illustrated in Figure 4. Alldrick (1993) states that these deposits and occurrences were formed during two mineralizing events, the first being related to Texas Creek intrusions in early Jurassic time with the second associated with Eocene intrusions of the Hyder plutonic suite.

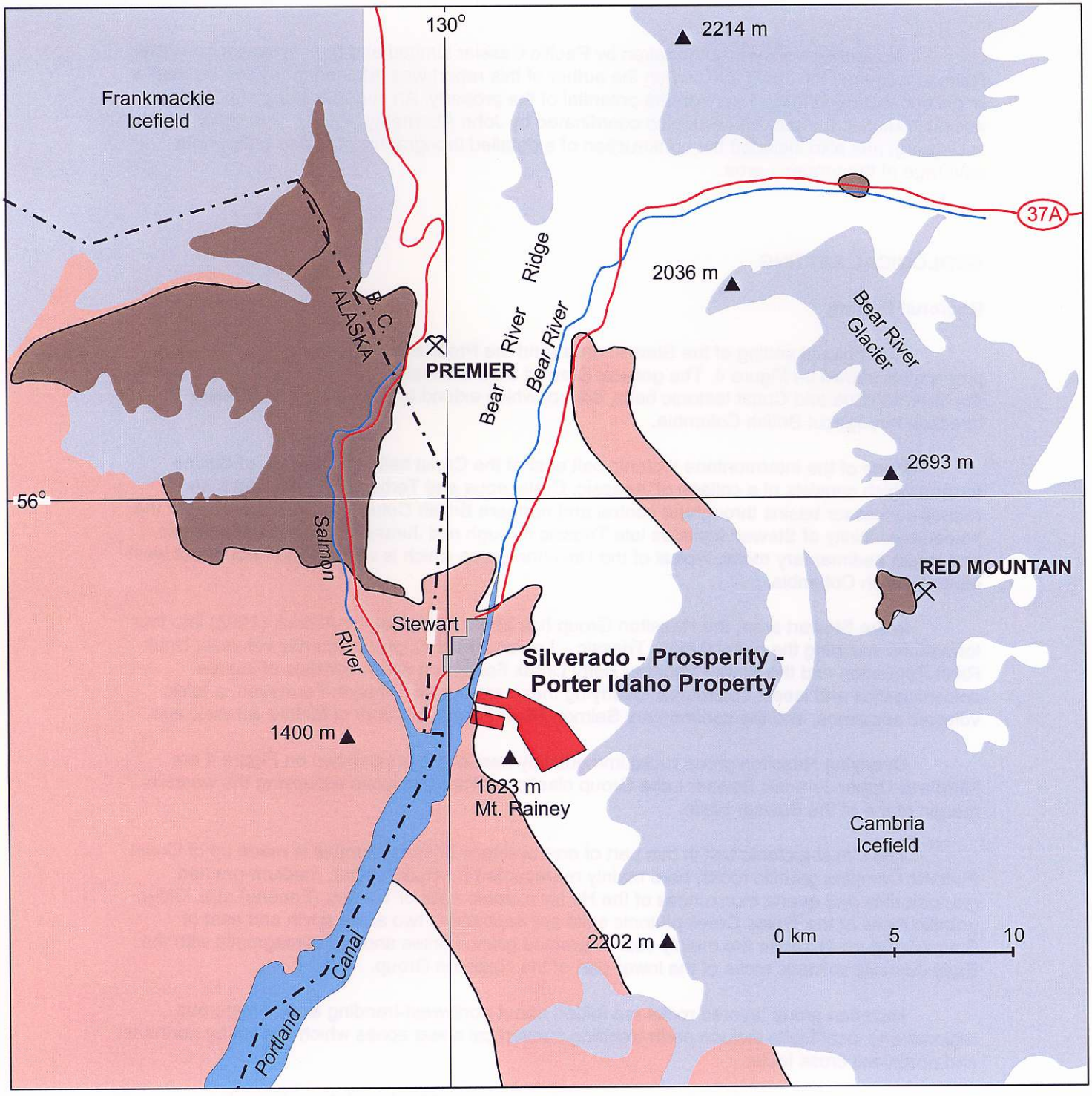

Figure 4 - Silverado - Prosperity - Porter Idaho Property - Geological setting (After Grove, 1986; Alldrick, 1993)

Tertiary

Hyder Plutonic Suite - granodiorite, quartz monzonite

Jurassic

Texas Creek Plutonic Suite - granodiorite

Hazelton Group

Volcanic and Sedimentary Rocks

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The older mineral deposits and occurrences include gold-pyrrhotite veins, stratabound pyritic dacites and epithermal precious and base metal veins. The best example of the latter type is the prolific Premier mine (Figure 4) where some 4.3 million tonnes treated between 1918 and 1968 yielded recovered grades of 13.27 grams/tonne gold (1.82 million ounces), 300 grams/tonne silver (41.1 million ounces) plus lead, zinc and copper credits. Renewed mining and milling in the early 1990s was not as successful as earlier operations.

Gold mineralization associated with a smaller Texas Creek intrusion was discovered on Red Mountain some 20 kilometres east of Stewart in 1989. Extensive diamond drilling and underground development indicated that zones of better mineralization were developed at the contact between the early to mid-Jurassic intrusion and enclosing Hazelton group volcanic and sedimentary rocks. NI 43-101 compliant resource estimates for Red Mountain were reported (Seabridge Gold Inc. February 17, 2005 news release) as being a Measured and Indicated 1.63 million tones grading 7.8 grams/tonne gold and an Inferred 2.1 million tones grading1.09 grams/tonne. All estimates employed a 1.0 gram/tonne gold cutoff grade.

The Tertiary (Eocene) mineral deposits and occurrences in the Stewart area are mainly silver-rich lead-zinc veins which are distributed throughout the district and include the Silverado, Prosperity and Porter Idaho deposits on Mt. Rainey.

Property Geology

The geological setting of the subject property is shown on Figure 5. As described by Alldrick (1984, 1993), THE Prosperity, Porter Idaho and Silverado silver deposits are hosted by a northerly-striking, moderate to steeply west-dipping andesite to dacite sequence of the Hazelton Group. The oldest, and most widespread of these, is an andesitic cearse ash tuff of the Unuk River Formation which is overlain by dacite and felsic tuff plus intercalated sedimentary units thought to be part of the younger Betty Creek and Mount Dilworth Formations of probable Middle Jurassic age.

As indicated on Figure 5, the Hazelton group layered rocks on Mt. Rainey are intruded by granitic rocks of the Hyder plutonic suite which forms the eastern margin of the Coast Plutonic Complex in this area. According to Alldrick (1993), there is no appreciable alteration of the Hazelton Group volcanic rocks marginal to the Hyder granodiorites and quartz monzonites.

A notable structural feature of the property area is the Silverado Fault (Figure 5, Alldrick, 1993) which extends in a northwesterly direction throughout the subject mineral claims and is terminated on the northwest by the Bear River Fault and on the southeast by the Big Rig Fault. Significantly, the principal mineral deposits of the property are marginal to the Silverado Fault.

DEPOSIT TYPES

The Prosperity, Porter Idaho and Silverado silver deposits are typical of the Tertiary (Eocene) vein deposits of the Stewart area. As described by Alldrick (1993), this deposit type can occur in a variety of host rock types and of differing ages ranging from Early Jurassic volcanic rocks to Tertiary igneous rocks,

The deposits and prospects are developed in brittle faults and/or fractures; most trend northwest and economic silver concentrations are coincident with more brittle lithologic units. There appears to also be a close spatial relationship between Eocene deposits and occurrences and Jurassic turbidite sediments which reportedly (Alldrick, 1993) contain high background silver contents and may have been the source rocks for these deposit types.

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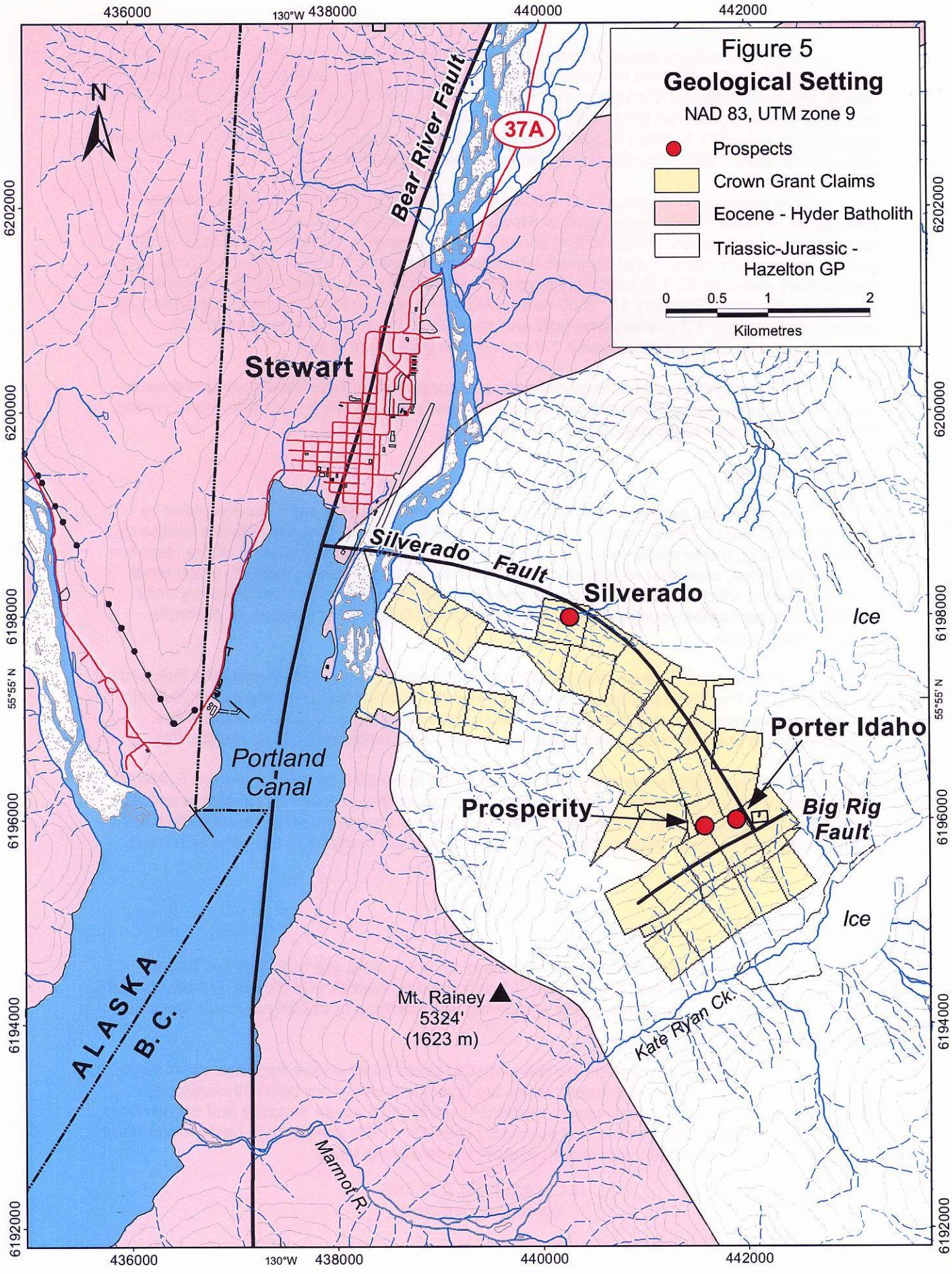

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MINERALIZATION

The distribution of the silver-bearing veins at the Prosperity – Porter Idaho properties on the southeast facing slope of Mt. Rainey relative to the Silverado veins on the northwest side of the mountain is shown on Figure 6. All known veins strike north to northwest and although the more than 2 kilometre interval between the two areas of the preperty is obscured by ice and snow of the Silverado Glacier, the apparent structural continuity between the two areas was noted during initial work in the 1920s and further advanced by subsequent investigations between 1946 and 1985. Alldrick's (1995) definition of the Silverado Fault lends further credence to this hypothesis.

As indicated in part on Figure 6, host rocks at Prosperity – Porter Idaho are predominantly dacitic crystal, lapilli and welded tuffs. The known vein structures clearly crosscut layering in the host volcanic rocks and the northeast-striking, moderately northwest-dipping Big Rig Fault marks the southern limits of the vein structures.

The silver mineralization at Prosperity – Porter Idaho is contained within quartz veins developed within six broader, subparallel shear zones spaced 150 to 200 metres apart (Figure 7). These have been partly investigated and developed by more than 4500 metres of underground drifts, crosscuts, raises and stopes over a vertical interval of 460 metres between elevations of 1290 and 1750 metres. Widths of the shear zones hosting the six known vein structures range from several metres to up to 15 metres. The shear zones strike north to north-northwest and dip moderately to steeply west. As noted, the shears and contained veins are terminated (or offset?) by the Big Rig Fault to the south but are thought to be persistent to depth and along strike to the northwest.

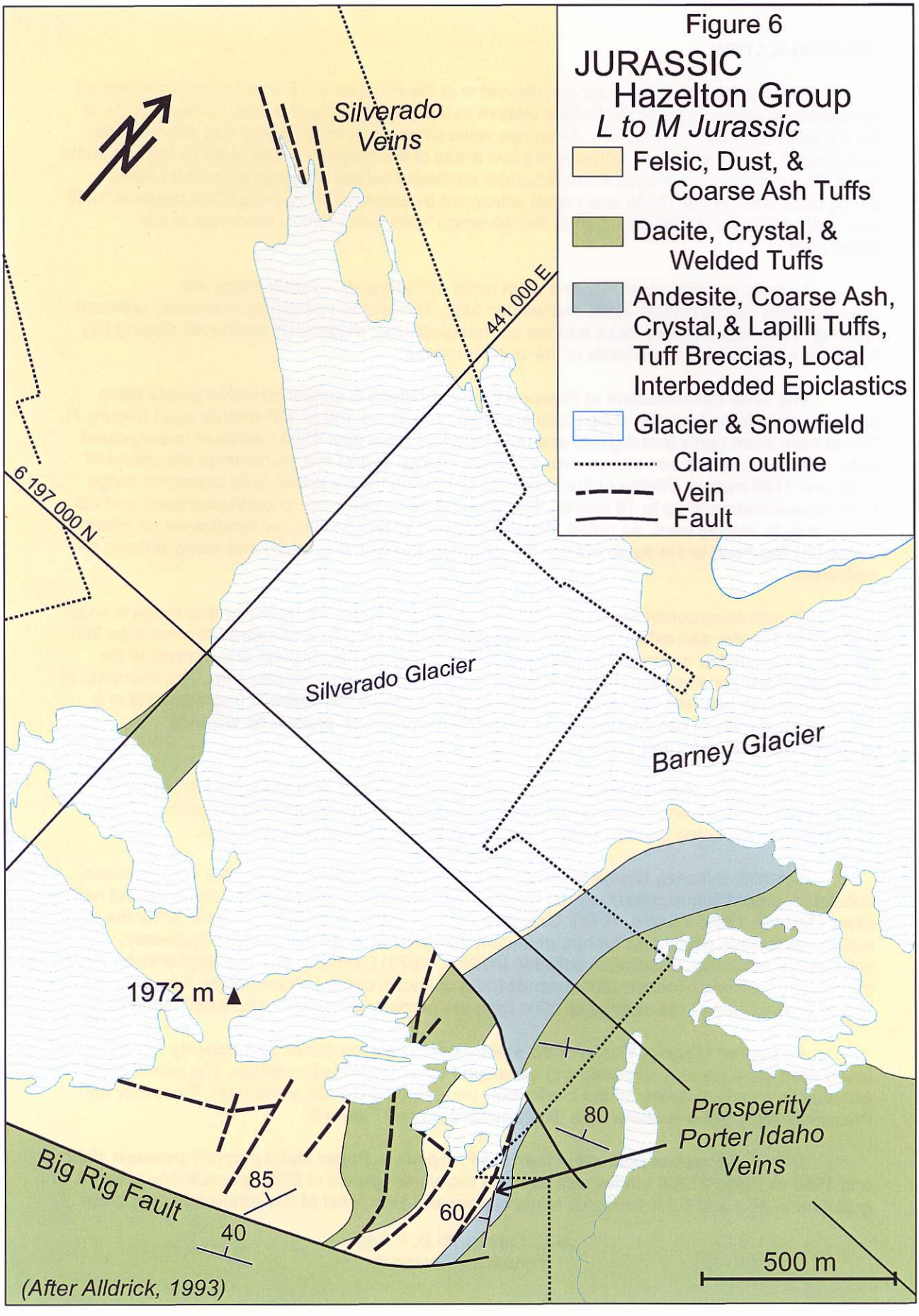
Quartz veins containing some of the better silver grades are lenticular and range in width from 0.3 to 1 metre and extend over strike lengths ranging from tens of metres to more than 200 metres. These higher grade shoots are best developed in the hangingwall and footwall of the individual shear zones and to a lesser degree in the central part of the structure. The character of the shear zones between the quartz-sulphide lenses is marked by wallrock fragments set in a clay-rich gouge which can contain low to moderate silver values present as sulphide disseminations, streaks and veinlets.

The six silver-bearing shear zones are not well exposed on surface and information regarding their nature and character are based on observations reported by previous investigators who noted that the shear zones have sharp contacts with wallrocks.

Sulphide minerals hosted in quartz lenses include, in approximate order of abundance, sphalerite, argentiferous galena, pyrite, tetrahedrite - tennantite, pyrargyrite, polybasite and native silver (Alldrick, 1993; Visagie, 1976). Oxidation of the sulphide minerals is evident in the few surface exposures which also feature abundant manganese oxide plus traces of powdery, yellowish greenockite, a cadmium sulphide (Alldrick, 1973).Oxidation and resultant enrichment of the primary sulphide mineralization extends to an unknown depth below surface. It is likely that an appreciable portion of the early production from the property consisted of enriched material.

All but two (Angelo, Wake) of the shear-hosted vein structures at Prosperity –Porter Idaho have been partially explored and developed by underground workings. The extent of these workings in a vertical sense on the moderately west-dipping D Vein, Blind Vein, Prosperity and Prosperity West Veins is shown in a diagrammatic way on Figure 8.

BC Minfile reports production from the Prosperity – Porter Idaho property between 1922 and 1950 as being 27268 tonnes with average recovered grades of 2692 grams/tonne silver, 0.99 gram/tonne gold and 5.1% lead plus minor copper and zinc. Most of this production took place



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over an 18 month period between late 1929 and early 1931 and precise details are provided by Kidd (1948) who had access to Premier Gold Mining Company records. These data show that between 1924 and 1939, a total of 27123 tonnes were shipped of which 82% was from the Prosperity workings. Details are as follows:

		Recovered Grades		
Source of Ore	Tonnes	Silver (g/t)	Gold (g/t)	Lead (%)
Prosperity	20103	2552	0.82	4.36
Porter Idaho	4767	3502	1.78	4.61
Beach dump*	2253	418	0.45	0.40
	27123	2542	0.96	4.08

* Shipped between 1936 and 1939, several years after cessation of mining operations; obviously of lower grade than and probably initially hand sorted from the direct shipping material.

Most of the production attributed to the Porter Idaho was from D Vein with a minor portion derived from Blind Vein. As indicated on Figure 10, the limited production from D Vein was mined from stopes off a raise above D tunnel or level. Workings on the Prosperity Vein were more extensive and included three levels and a number of raises (Figure 11).

The backs of the principal workings on both the D and Prosperity veins were channel sampled at 1.5 metre intervals by Premier Gold mining Company in order to provide grade control for the selective mining of higher grade silver-bearing shoots. As indicated in the foregoing production statistics, direct shipping material, which was transported by aerial tram to tidewater at the mouth of Marmot River and from there by ship to the Tacoma smelter, necessarily consisted of silver grades in excess of 2400 grams/tonne.

Records of Premier's detailed underground sampling are available and provide useful information regarding the distribution of higher grade shoots within the Prosperity and D veins. An analysis of these data was compiled by Kenyon (1983) and was more recently reviewed by the writer. Summary details of this detailed sampling are as follows:

Structure	Location (mine grid)	Silver (g/t)	Width (m)	Length (m)
D Vein	D tunnel			
	13300 – 13420 N	713	0.33	37.5
	13600 – 14250 N	559	7.01	182.9*

* after Kenyon – width derived from original Premier data and combined with detailed sampling of several crosscuts driven east and west off the main level

Blind Vein	No. 3 level, 304 N drift			
	13990 – 14110 N	1536	0.76	37.5
Prosperity Vein	No.3 level – 305 drift N&S			
	13480 – 13580 N	1940	0.70	30.5
	13675 – 13775 N	1066	0.67	33.5
	13875 – 13930 N	987	0.55	15.8
	14190 – 14210 N	621	0.73	7.01
	14315 – 14440 N	4025	0.79	24.7

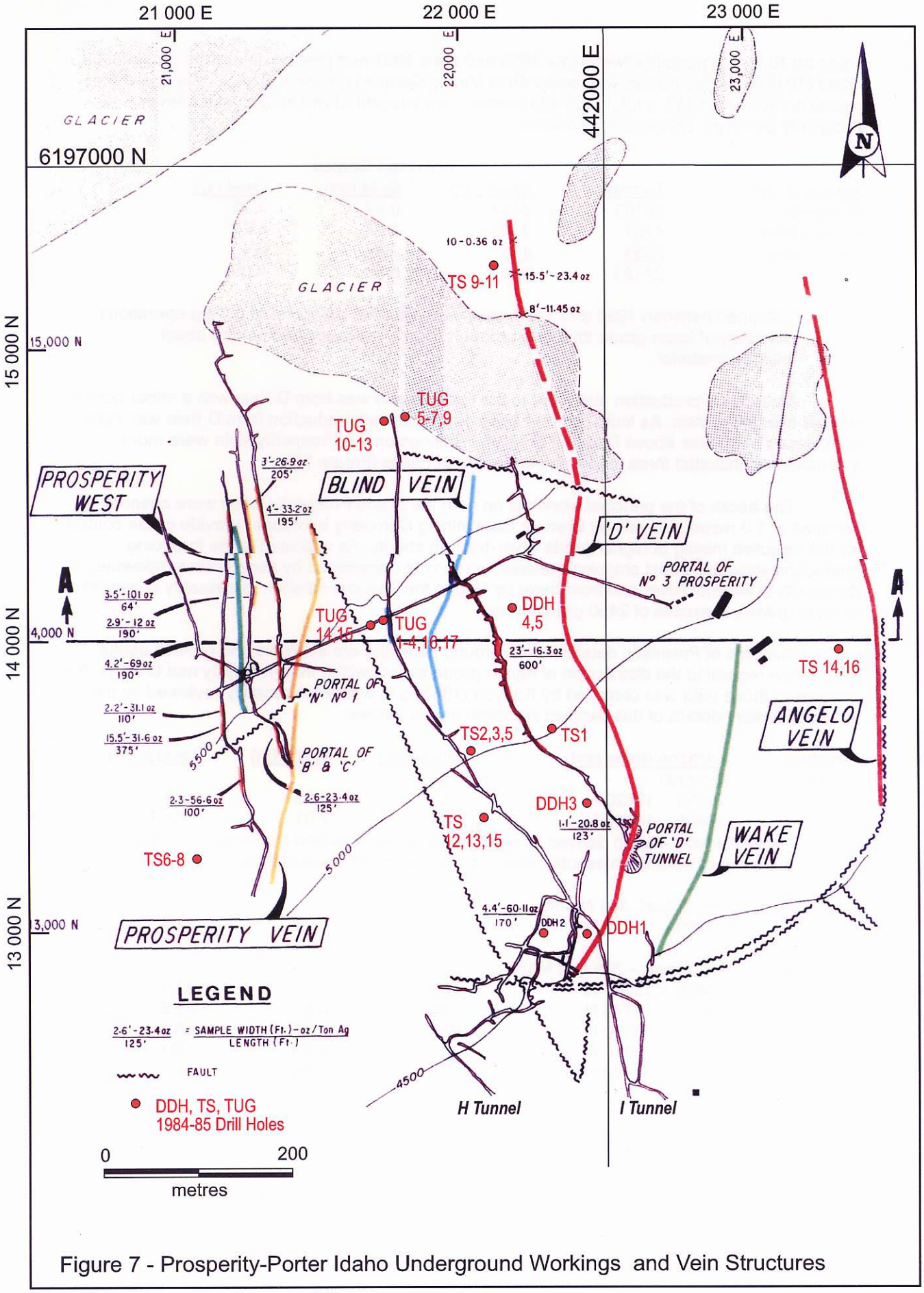

Figure 7 - Prosperity-Porter Idaho Underground Workings and Vein Structures

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Consulting Geologist

Structure	Location (mine grid)	Silver (g/t)	Width (m)	Length (m)
Prosperity Vein	201 drift N&S			
	13610 – 13700 N	802	0.79	38.1
	14110 – 14190 N	411	0.88	27.4
	14280 – 14480 N	922	0.91	62.5
	101 drift N			
	13800 – 14000 N	2366	1.28	57.9
	14140 – 14200 N	3463	1.07	19.5
	14325 – 14350 N	1138	1.22	59.4

An indication of the orientation of the higher shoots in a vertical sense is provided by a contouring of silver grade times thickness values derived from original Premier sampling (Folk, 1986). These show a vertical to steeply south-dipping orientation for the higher grade shoots within both the Prosperity and D Vein structures.

The northwesterly strike extensions of the various shear/vein structures at Prosperity – Porter Idaho remain to be determined. A surface exposure 300 metres north of the known limits of D Vein confirms the on strike continuation of this structure. Three samples, collected over an apparent strike length of 80 metres returned an average grade of 660 grams/tonne silver over an average width of 3.7 metres (Figure 10).

The Silverado silver-bearing veins are situated a little more than 2 kilometres northwest of the six shear/vein structures on the Prosperity – Porter Idaho part of the property (Figure 6). The veins here are hosted by coarse andesitic fragmental rocks in contrast to the fine grained tuffaceous host rocks at the Prosperity – Porter Idaho. Five principal vein structures (Figure 9) have been investigated by more than 1500 metres of underground workings over a vertical interval of 380 metres between elevations of 900 to 1280 metres.

Earliest work at Silverado was directed to the Flat vein , a northerly striking, shallowly east-dipping (5 degrees or less), 30 to 60 centimetres wide structure consisting of quartz and tetrahedrite. Very high silver grades (10000 grams/tonne) plus copper were reportedly (Grove, 1971) encountered during work in the early 1920s. More recent sampling (Murton, 1969) consisted of 27 samples which returned silver values of between trace and 3700 grams/tonne; copper values ranged from trace to 1.22%.

Production from the Silverado property was reported by Grove (1971) as being 96 tonnes averaging 7130 grams/tonne silver 9.8 grams/tonne gold, 16.4% lead and 1.1% copper. According to Bacon and Tompson (1973), all production came from two higher grade shoots in the No.1 Vein which were described by Skerl (1961) as containing 0.68 gram/tonne gold, 648 grams/tonne silver 1% lead, 2% zinc over an average width of 1.15 metre and a length of 14 metres in the first shoot and 1400 grams/tonne silver over a 0.64 metre width and a 24 metres length for the second shoot.

Surface sampling of No.4 vein (Figure 9) by Premier Gold Mining Company, Limited at 1.5 metre intervals over a strike length of 243 metres identified five zones of higher silver grades. From northwest to southeast, these include 1875 grams/tonne over 0.6 metre width and a length of 9.0 metres, 737 grams/tonne over 0.4 metre and a length of 26.0 metres, 446 grams/tonne over 1 metre and a length of 8.0 metres, 1882 grams/tonne over 0.3 metres and a length of 6.0 metres and 854 grams/tonne over 0.2 metre and a length of 7.0 metres.

Twelve samples collected by White (1946) from a number of locations between the crosscut adit and higher underground workings averaged 0.48 gram/tonne gold and 2438 grams/tonne silver over widths of between 5 centimetres and 1.5 metres.

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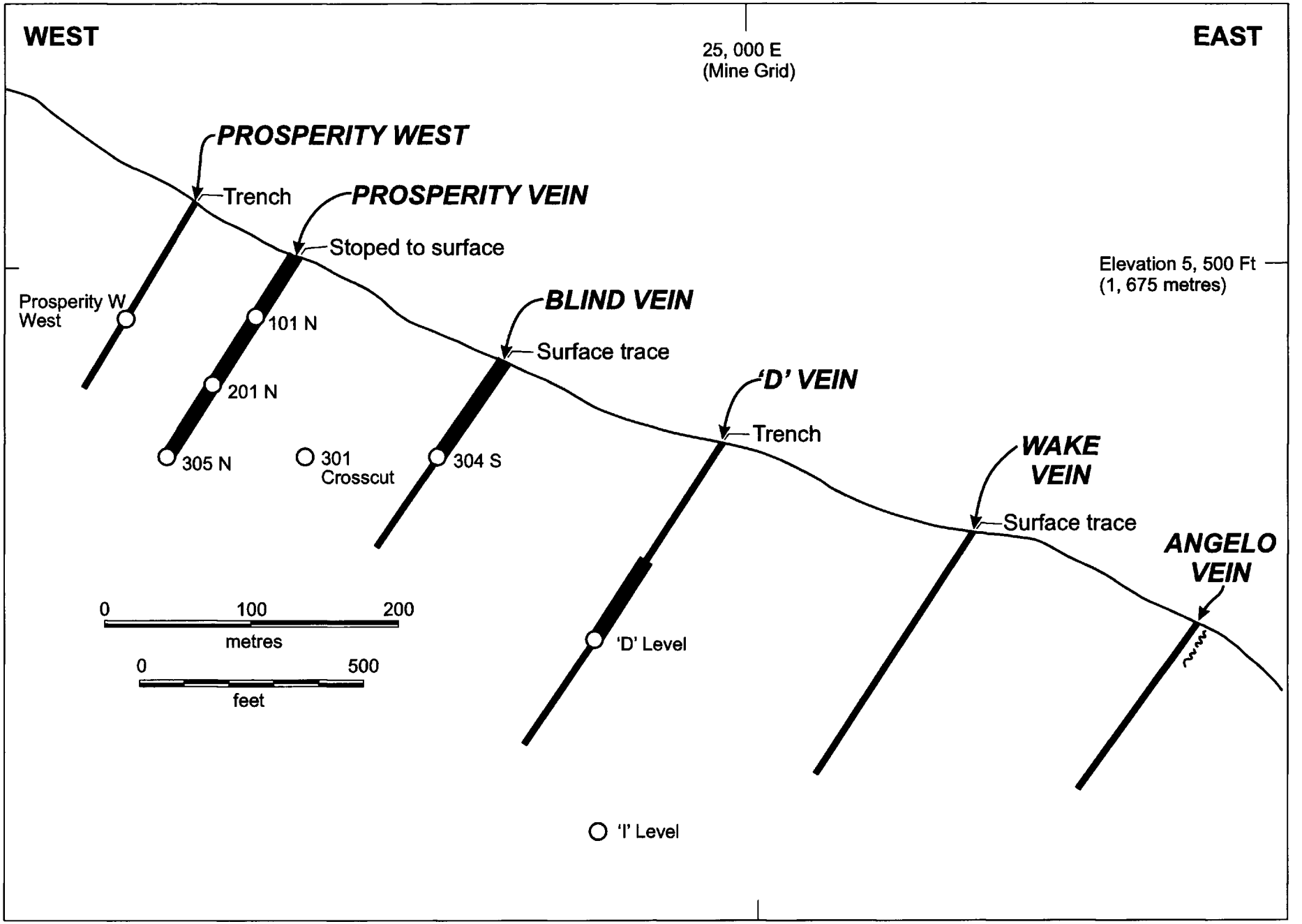

Figure 8 - Cross-Section Through Prosperity/Porter Idaho Mine Workings, Section A-A'

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DRILLING

The Prosperity and Porter Idaho vein systems were tested by 6501.7 metres of diamond drilling between 1975 and 1985. Most of the twenty-two surface holes (2547.2 metres) completed were inclined holes designed to test the D Vein structure, and to a lesser extent, the Blind and Prosperity Veins. Hole locations are shown on Figure 7. NQ-size (4.76 centimetres diameter) core was found to provide much better recoveries than the smaller AQ or BQ-size (2.70 – 3.64 centimetres diameter) core.

Underground drilling in 1975 (3 inclined holes – 634.9 metres) is thought to have recovered BQ-size core, which explains some of the poor recoveries, while the 17 hole (3319.6 metres) program in 1985 used a thin-wall system which recovered a core size midway between NQ and BQ-size core (Folk, 1986). The three 1975 inclined holes were drilled from an underground station about 300 metres west of the portal of No.3 crosscut level (Figure 6) on easterly azimuths to test D Vein. Also intersected were Blind Vein and what was referred to as an intermediate vein midway between Blind and D Veins (Seraphim, 1975). Six of Teck Explorations' 1985 underground inclined holes were drilled from this same station, again on easterly azimuths to test D Vein while two holes were drilled in a westerly direction in an attempt to intersect the Prosperity Vein. The remaining nine underground holes were drilled on east and west azimuths from the north end of 304 drift North (Figure 6) to test northerly strike extensions of both the D and Prosperity Veins

Surface and underground drill hole locations are listed in Appendix I which also provides details of results obtained from individual holes. More significant results, which incorporate a silver cutoff grade of 170 grams/tonne (5 ounces per ton) and a minimum sample length of 1.22 metres (4 feet) ate tabulated below.

1984-85 Surface Holes

Hole No.	Vein	Interval (m)	Length (m)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
84-3	D	44.04-46.48	2.44	408	NA	0.64	0.34
84-4	D	53.64-55.47	1.83	328	NA	0.86	1.99
84-5	D	69.25-72.33	2.98	246	NA	1.29	3.69
TS-2	D	185.01-188.37	3.36	235	0.30	0.44	1.27
TS-3	D	160.93-163.68	2.75	311	NA	NA	NA
TS-5	D	17.22-18.51	1.29	171	0.62	NA	NA
TS-8	D	15.85-17.37	1.52	195	0.11	NA	NA
TS-14	Angelo	87.78-90.53	2.75	245	0.37	NA	NA

1985 Underground Holes

Hole No.	Vein	Interval (m)	Length (m)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
TUG-1	D	196.81-200.25	3.44	3492	0.91	5.62	5.48
TUG-2	Blind	11.43-13.11	1.68	827	0.86	3.85	1.38
TUG-4	D	182.88-186.84	3.96	1696	1.00	1.80	1.40
TUG-16	Int	93.42-95.10	1.68	271	0.48	NA	NA
TUG-17	D	170.01-171.30	1.29	325	0.58	NA	NA

The D and Prosperity Veins were also tested underground by more than 1500 metres of test hole (percussion) drilling in 210 short (5-12 metres) holes drilled with an underground jackleg drill. These sampling programs, undertaken between 1980 and 1985, involved drilling holes into both east and west drift walls to test the hangingwall and footwall portions of the individual vein structures. Holes were collared at spacings of between 4.5 and 12 metres along D and Prosperity drift tunnels and were drilled slightly upwards to allow the collection of sludge (rock cuttings) samples for each 1.22 metres of hole using a fiberglass trough and a plastic pail. Entire contents from each 1.22 metres of hole length were submitted for assay (Kenyon, 1984).

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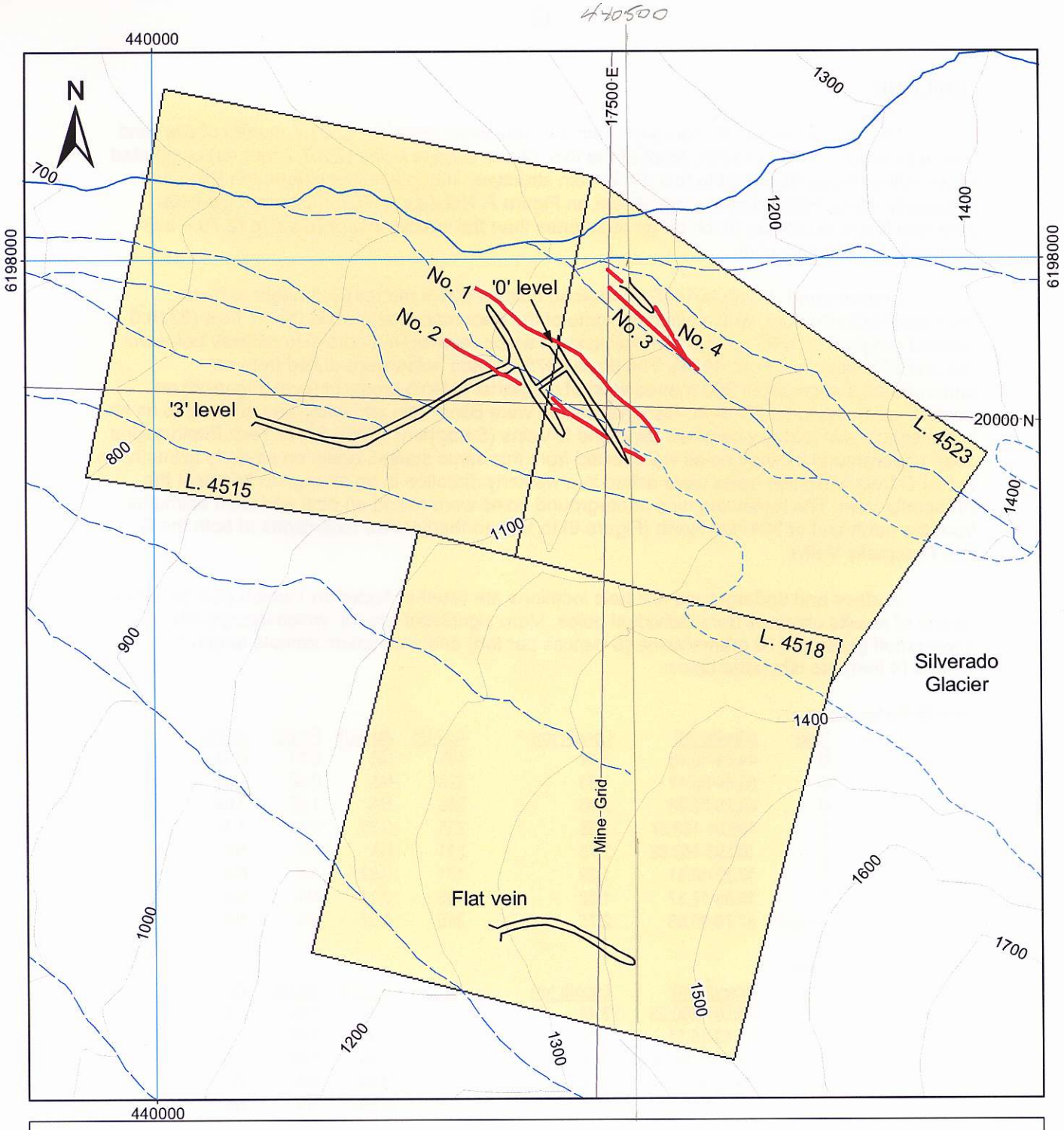

Vein / Shear Structures

Underground workings

Mine grid

Crown Grant Claims

100 m contour interval

Figure 9

Silverado Veins and Underground Workings

NAD 83, UTM zone 9

0 50 100 200 300

Metres

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Significant results for test holes drilled in 1980 and 1981 to test the hanging- and footwalls of both D and Prosperity Veins are listed below. These results only include those holes with silver values of 170 grams/tonne or more and over minimum hole lengths of greater than 1.22 metres. Hole locations are relative to mine grid.

D Vein Test Holes

Hole No.	Location	Length (m)	Ag (g/t)	Pb (%)	Zn (%)
TH 1	13800N 22177E	4.88	418	1.66	1.55
TH 2	13808N 22820E	3.05	274	0.57	1.25
TH 5	13864N 22172E	1.22	230	0.44	2.39
TH 8	13912N 22165E	7.92	876	1.70	2.47
TH 10	13941N 22150E	3.66	1604	4.18	1.98
TH 11	13970N 22138E	1.22	425	0.40	0.44
TH 14	14640N 22123E	3.66	455	1.05	1.10
TH 16	14860N 22105E	4.88	1940	5.32	3.96
TH 29	13717N 22234E	3.66	301	0.94	0.72
TH 32	13689N 22240E	3.66	737	1.07	2.62
TH 33	13656N 22267E	3.66	271	0.51	1.11

Prosperity Vein Test Holes

Hole No.	Location	Length (m)	Ag (g/t)	Pb (%)	Zn (%)
TH 1	13592N 21235E	1.22	206	0.93	0.90
TH 2	13590N 21240E	2.44	2321	7.17	0.65
TH 3	13577N 21235E	1.22	432	2.30	0.67
TH 4	13575N 21242E	1.22	693	6.65	0.66
TH 5	13540N 21241E	4.88	1717	9.33	1.36
TH 6	13512N 21248E	9.14	1235	3.21	0.35
TH 7	13480N 21246E	1.22	3669	8.12	3.95
TH 8	13480N 21252	1.22	2709	7.98	0.92
TH 9	13620N 21211E	2.44	3753	14.70	0.87
TH 10	13638N 21198E	1.22	1203	5.63	0.62
TH 11	13676N 21185E	4.88	261	0.68	1.67
TH 12	13671N 21178E	2.44	1094	2.25	0.68
TH 13	13719N 21184E	1.22	213	0.98	1.18
TH 14	13723N 21177E	1.83	1039	4.83	1.25
TH 15	13760N 21174E	2.44	439	0.81	0.57

Note that a number of similar test holes were drilled by Teck Explorations in 1985 to confirm results of earlier holes, particularly those drilled to test the {Prosperity Vein (Folk, 1986). Results from these were not always in agreement with earlier holes and in some cases returned silver values of 30% of the initially reported grade. The 1980 and 1981 sampling procedures are described in detail in earlier reports (Clarke, 1981; Kenyon, 1982) while only a few details are available for the later test hole drilling. For this reason, results for only the early 1980s holes are reported here.

SAMPLING METHODS AND ANALYSES

Various reports indicate that drill cores recovered between 1975 and 1985 were sampled over intervals of about 1 metre or less and samples were halved using a core splitter with one-half submitted to the laboratory and one-half being retained on site as a rock record. The current condition of the drill cores on site is not known. As noted in the previous section, all sludges or

rock cuttings recovered from the numerous test or percussion holes drilled between 1980 and 1984 were submitted for assay.

Details pertaining to drilling programs completed between 1975 and 1985 are available in a number of reports listed in the References section of this report and the writer is of the opinion that core logging and sampling was carried out by qualified personnel involved in past programs. Only a few details are available regarding analytical procedures but it is apparent that most samples were subjected to traditional assay procedures. The two laboratories used for most of analytical work included Chemex Labs Ltd., where most of the 1980s analytical work was carried out, and TSL Laboratories Ltd. where 1970s drill core samples were analyzed. Some the earlier rock sample analyses were undertaken at Coast Eldridge. All of the foregoing were well recognized laboratory facilities at the time.

Samples collected by Premier Gold Mining Company, Limited during the extensive and detailed underground sampling program of the Prosperity and Porter Idaho workings in the late 1920s and early 1930s were analyzed at an on site assay office operated by Premier.

DATA VERIFICATION

Some of the historical information used in the preparation of this report is on public record in the form of property descriptions in BC Minister of Mines Annual Reports and other BC Ministry of Energy Mines and Petroleum Resources publications including Bulletins, as assessment reports filed with the provincial ministry and as miscellaneous maps and other data contained in the Property File which is maintained by the same agency.

As noted previously, much of the technical information used in the preparation of this report was provided from the extensive files maintained by Raimount Energy Inc. The writer has no reason to doubt the quality or veracity of these data nor the analytical results as presented. The writer is of the opinion that the development work undertaken between the late 1920s through the early 1950s, and the exploration work completed between 1975 and 1985 was supervised and reported on by competent, qualified persons including R.H. Seraphim, P.Eng., W.E. Clarke, P.Eng., J.M. Kenyon. P.Geol., and P.G. Folk. P.Eng.

The writer did not collect any samples for analyses during the examination of the property in late August of 2007. As noted in a previous section of this report, surface exposures of vein material are limited and the various underground workings are currently barred from entry. Results of historic and more recent sampling of the Prosperity – Porter Idaho – Silverado property provide a reasonable assessment of average grades and, in the view of the writer, the collection of a few surface samples for analyses would not have provided any meaningful results.

MINERAL PROCESSING AND METALLURGICAL TESTING

Several kilograms of mineralized material from the property was submitted to Kamloops Research & Assay Laboratory Ltd. and Met Engineers Ltd. in early 1982 for preliminary metallurgical test work. Testing of several 1 kilogram samples showed that the material was amenable to standard flotation methods at a relatively fine grind and it was recommended that further testing be undertaken to improve silver recoveries (Lafeniere and Brown, 1982).

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Background

Results of 1975 through 1985 diamond drilling and test hole drilling, coupled with the results of detailed underground sampling by Premier Gold Mining Company, Limited in the 1930s have been used by the writer to prepare a current estimate of Mineral Resources for two of the vein structures on the Prosperity – Porter Idaho property.

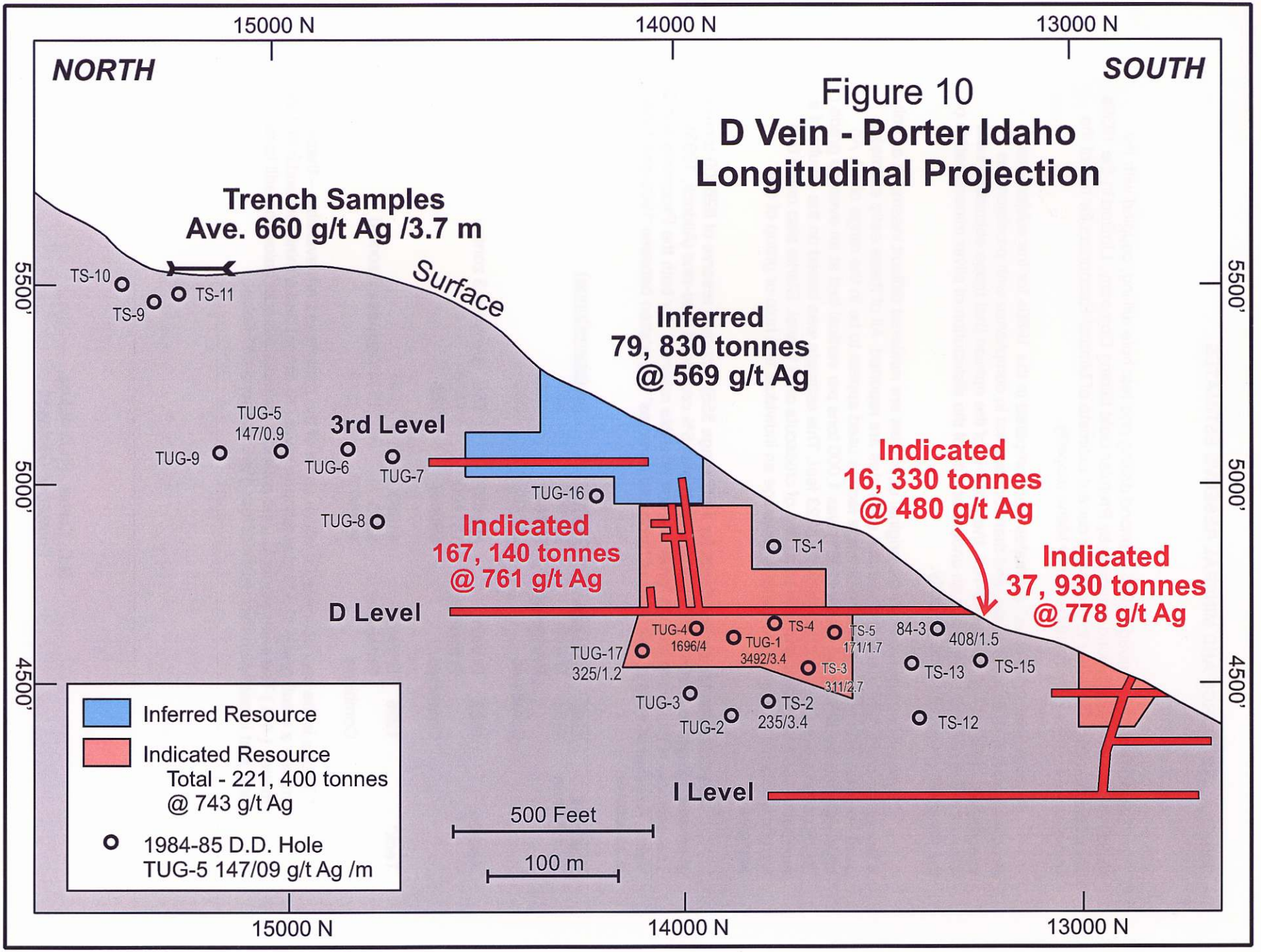
Severel historic "reserve" estimates were prepared in the 1980s for the subject vein structures and while these predate, and therefore are not in compliance with provisions as specified by National Instrument 43-101, the writer is of the opinion that these estimates were relevant in the context of providing an understanding of the distribution of silver mineralization on the Prosperity – Porter Idaho property.

Comparisons with some of the original estimates are rendered difficult inasmuch as only a few parameters used in arriving at these estimates are reported. All of these early estimates used Imperial units of measure and tonnage fectors used appear to be in the range of 12. An initial estimate for D Vein by Clarke (1981) was 1,000 tons per vertical foot at an average grade of 16.26 oz/ton silver over an average width of 23 feet. This estimate was based on the results of a number of 1981 test holes and chip sampling of crosscuts on D tunnel. Clarke also noted that "erratic high silver assays were cut to an average an individual test hole or group of chip samples".

The Canadian Mines Handbook for 1989 (page 355) reports a reserve of 826400 tonnes at an average grade of 668.5 grams/tonne silver plus 5% combined lead-zinc (Alldrick, 1993). This estimate is thought to include "probable and possible reserves" for both the Prosperity and D Veins. A review of various estimates of "probable reserves" undertaken between 1983 and 1986 is as follows:

Estimator	Year	Structure	Tonnes	Ag (grams/tonne)
Zimmerman	1983	D Vein	272000	559
		Prosperity	90700	1063
	Combined		248462	685
Kenyon	1983	D Vein	409057	565 (includes 3 zones)
		Prosperity	181400	1030
	Combined		590457	708
Teck*	1986	D Vein	41083	1587
		Prosperity	8275	1334 (includes 2 zones)
	Combined		49358	1544

* Teck's is the only estimate for which some of the parameters are available – these include a cutoff grade of 343 grams/tonne silver (10 oz/ton) and a minimum width of 1.22 metres (4 ft.) The estimate for D Vein estimate includes material below the adit level only and is based on the results of four 1985 diamond drill holes.



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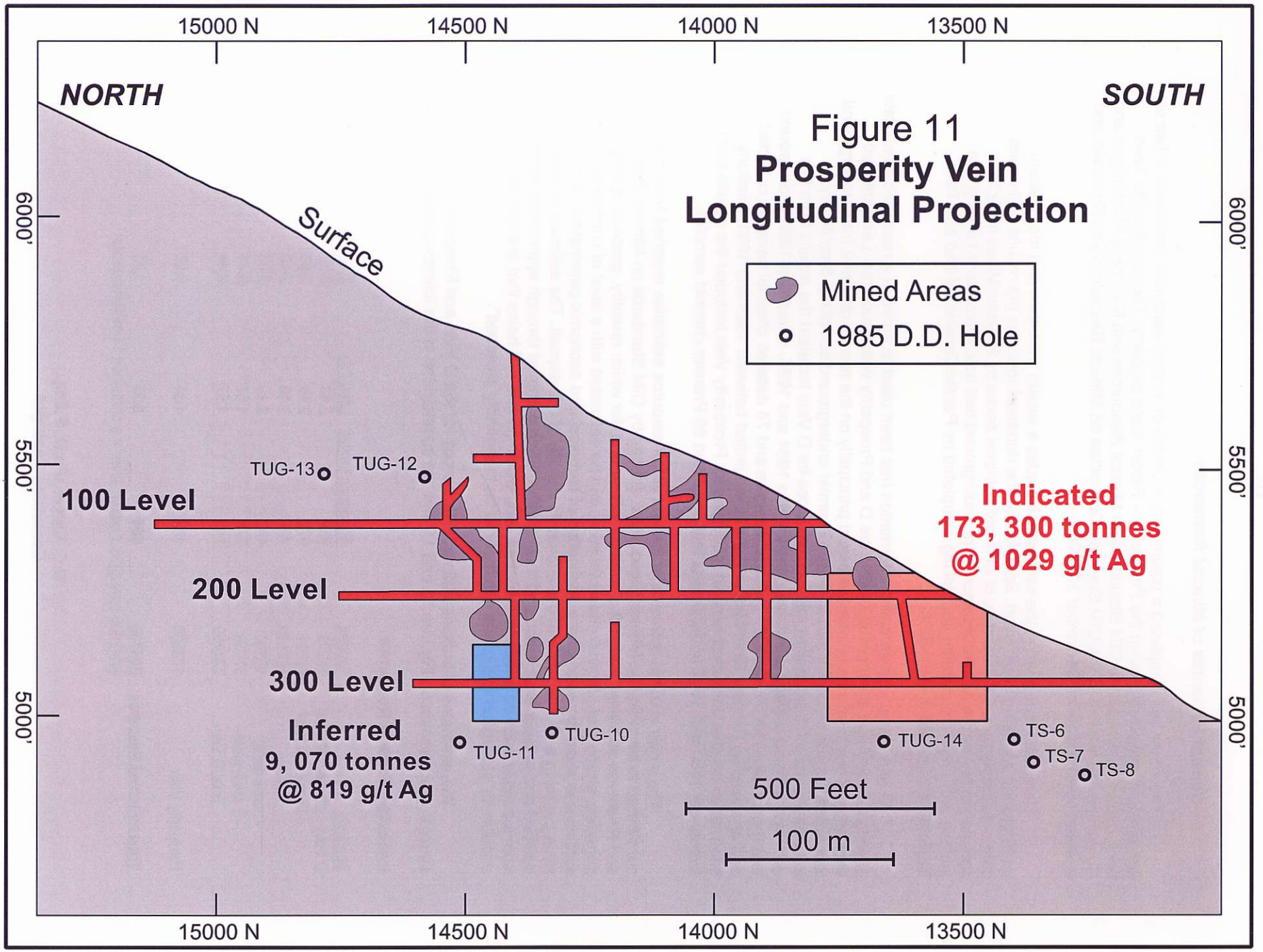

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Current Estimates of Mineral Resources

The writer has completed a preliminary estimate of mineral resources contained in two of the principal vein structures on the Prosperity – Porter Idaho property. These estimates have been prepared pursuant to CIM Standards on Mineral Resources and Reserves – Definitions and Guidelines, developed by the CIM Standing Committee on Mineral Resources and Reserves and adopted by CIM Council December 11, 2005.

Data used in preparing the estimates includes a wealth of historic and more recent underground sampling information. Specifically, the database includes the results of detailed channel sampling, at 5 ft. intervals, of drift and sublevel backs by Premier Mines in 1930, complemented by the results obtained from underground test hole (percussion) drilling and surface and underground diamond drilling completed by Pacific Cassiar Limited and Teck Explorations Limited in the 1980s.

All of the available sampling information has been used to arrive at a reasonable estimate of weighted average silver grades within the D and Prosperity vein structures. Less detailed estimates of lead and zinc values are based principally on the results obtained from underground test holes, supplemented in part by 1930s Premier underground sampling. Specifically, information used for estimating mineral resources for D Vein included the results from five underground and surface drill holes completed in 1984 and 1985, seventeen 1980 underground test (percussion) holes, six 1980 crosscut samples and 78 detailed channel samples collected and analyzed by Premier Gold Mining Company, Limited between 1929 and 1931. Similarly information used in estimated mineral resources for Prosperity Vein included the results from twenty-six 1980 and 1985 underground test holes and 36 Premier channel samples.

The writer is of the opinion that the first set of resource estimates reported here may be considered to be Indicated Mineral Resources, defined by CIM Standards on Mineral Resources and Reserves as being "that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed".

The estimates of Indicated Mineral Resources for the D Vein and Prosperity Vein structures are shown on Figures 10 and 11 and are summarized in the following table.

Indicated Mineral Resource

Structure	Tonnes	Ag (grams/tonne)	Lead (%)	Zinc (%)
D Vein – above adit level	84239	552	2.40	2.03
- below adit level	82901	976	2.40	2.03
Subtotal	167140	761	2.40	2.40
- portal dump	16330	480	2.40	2.03
- E shaft tunnel	37930	778	1.57	0.44
Total D Vein	221400	743	1.57	0.44
Prosperity Vein	173300	1029	4.81	0.97
Total Indicated Resource	**394700**	**868**	**3.37**	**1.41**

(435,000 tons @25.2 oz/ton silver = a contained 11 million ounces)

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Note that D Vein portal dump estimates are from Kenyon (1984).

Estimates of Inferred Mineral Resources were also prepared for both D and Prosperity Veins. An Inferred Mineral Resource, is defined (CIM Standards on Mineral Resources and Reserves Definitions and Guidelines) as being "that part of a Mineral Resource for which the quantity and grade or quality oan be estimated on the basis of geologioal evidence and limitad sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes."

The distribution of Inferred Mineral Resources for D Vein and Prosperity Vein are shown on Figures 10 and 11 respectively. Note that the inferred resources for D Vein are immediately above the indicated resource above D Level while the prosperity Vein inferred resource is contained in an isolated block neat the north end of the 300 Level. Inferred Mineral Resources are summarized in the following table.

Inferred Mineral Resource

Structure	Tonnes	Ag (grams/tonne)
D Vein	79830	569
Prosperity Vein	9070	819
Total Inferred Resource	88900	595
	(97,970 tons @ 17.3 oz/ton silver = a contained 1.7 million ounces)	

Note that both the Indicated and Inferred categories are mineral resources and do not have demonstrated economic viability.

The foregoing Indicated and Inferred Mineral Resources were calculated for each vein structure by the construction and measurement of polygons on plans and longitudinal projections. All of the historic data used were in Imperial units of measurement, consequently the initial resource estimates were prepared using such units and subsequently converted to metric units. Note that insufficient data were available to estimate average lead and zinc values for the Inferred Mineral Resources.

Parameters used in calculating the resource estimates included:

Cutoff grade – 170 grams/tonne silver (5.0 oz/ton). Considered to be appropriate at current prices of between US$18 and $20 per ounce.

Minimum sample length – 1.22 metres (4 feet)

Assumed specific gravity or density – 2.85 (equals tonnage factor of about 11 cubic feet per short ton.

Widths of the D Vein range from 2.3 to 6.0 metres with an overall average of 4.5 metres. Prosperity Vein widths are in the order of 7 to 8 metres. Both structures are open both alohg strike to the north and northwest and to depth.

INTERPRETATION AND CONCLUSIONS

The Prosperity – Porter Idaho – Silverado property includes ten known silver-bearing vein structures which have been partially explored and developed by more than 6000 metres of underground workings and various drilling programs over the past 90 years. Limited production of high grade, direct shipping ore was undertaken between 1929 and 1931. This early development work, coupled with exploratory work between 1980 and 1985, has provided sufficient detailed information to permit an estimate of indicated and inferred mineral resources for two of the Prosperity – Porter Idaho vein structures. Good grades of silver mineralization are present over reasonably good widths and both structures are open down-dip and along strike to the north.

The Silverado veins have not been investigated to any great degree since the late 1940s. The character and structural setting of the four known veins are similar to the Prosperity – Porter Idaho veins and the possible structurel continuity between the two vein systems has been the subject of speculation since the 1930s.

Figures 12 and 13 are diagrams which illustrate this point. As stated previously, much of the intervening +2 kilometres area between Silverado and Prosperity – Porter Idaho is obscured by the Silverado Glacier, greatly hindering surface exploration. One of the other difficulties in conducting additional work on both parts of the property is the lack of conventional access. Figure 13 shows an alternative option for access between the Silverado and the Prosperity - Porter Idaho that was originally proposed in the 1940s. A proposed 2.5 kilometres long tunnel would connect the lowest underground workings in both parts of the property and would not only provide an access route, but also a possible heading for underground exploration of the apparent prospective ground between the two areas of known mineralization. This proposal does not address a means of access to the lowest Silverado workings on the steep west-facing slope above Stewart.

Such a major undertaking would be worth considering after the completion of detailed confirmation and significant expansion of the existing resource base at Prosperity – Porter Idaho. The potential for achieving this is considered to be good. Available records of previous production from the property include the 1930 annual report of the operator, Premier Gold Mining Company, Limited. This report states that notwithstanding the 1930 average silver price of $0.38/ounce, the property, in its first (and only) full year of production, made an operating profit of $202,000 which was applied against pre-production exploration and development costs. These costs were estimated by Kidd (1948) and McDougall (1950) as being in the order of $500,000 of which $175,000 was spent constructing the aerial tramway.

Recommended work programs are the subject of the next section of this report.

RECOMMENDATIONS

The writer is of the opinion that the Prosperity – Porter Idaho – Silverado property is of sufficient merit to warrant further investigation and a two-phase work program is recommended.

A first phase program is recommended to include surface prospecting, geological mapping and sampling in the area of the Silverado veins. The toe of the glacier above the existing workings has retreated substantially since the last work was done in this part of the property and possible extensions to known veins plus possible new structures may be exposed.

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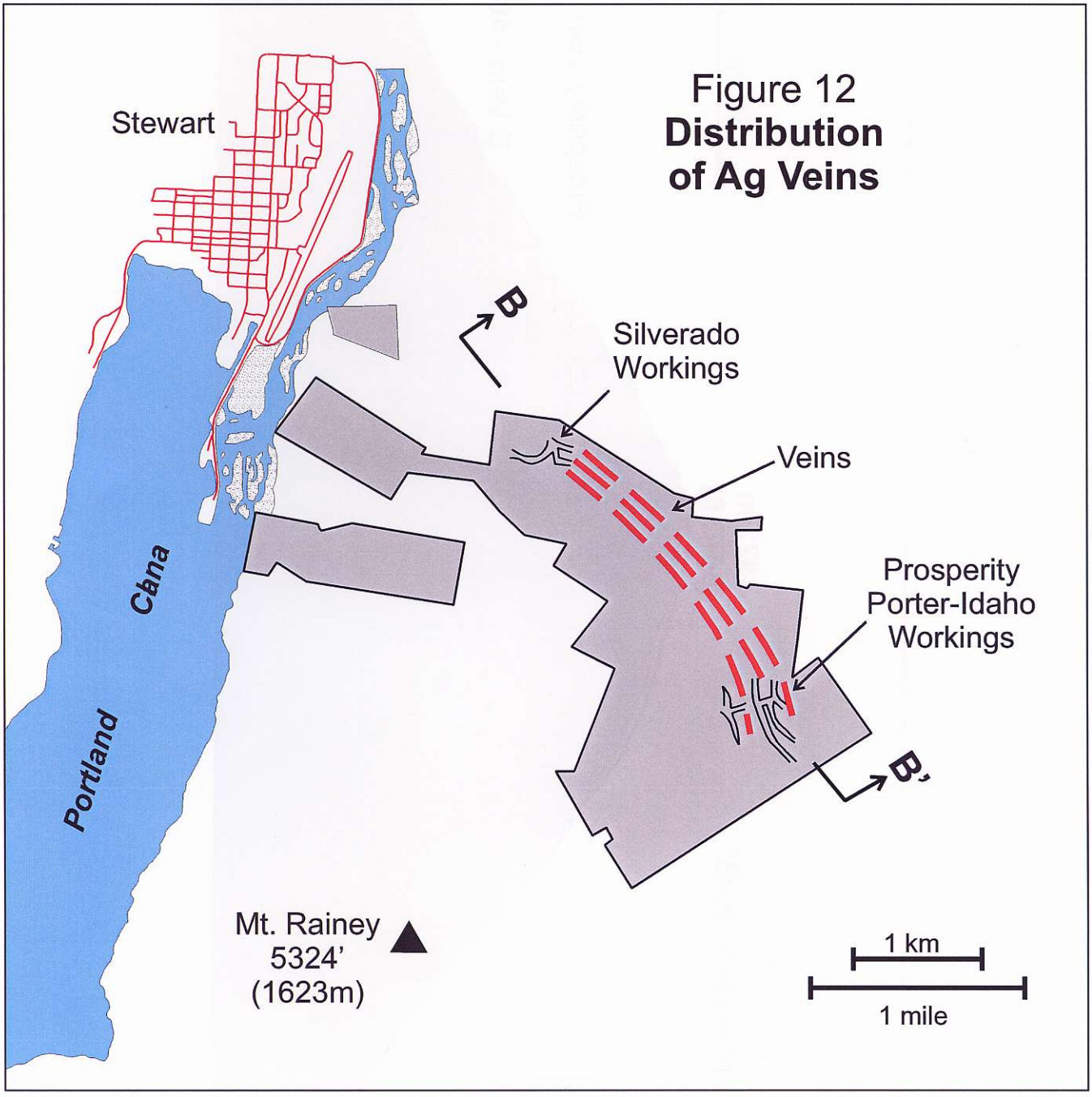
Figure 12
Distribution
of Ag Veins
Stewart
B
Silverado
Workings
Veins
Prosperity
Porter-Idaho
Workings
B'
China
Portland
Mt. Rainey
5324'
(1623m)
1 km
1 mile

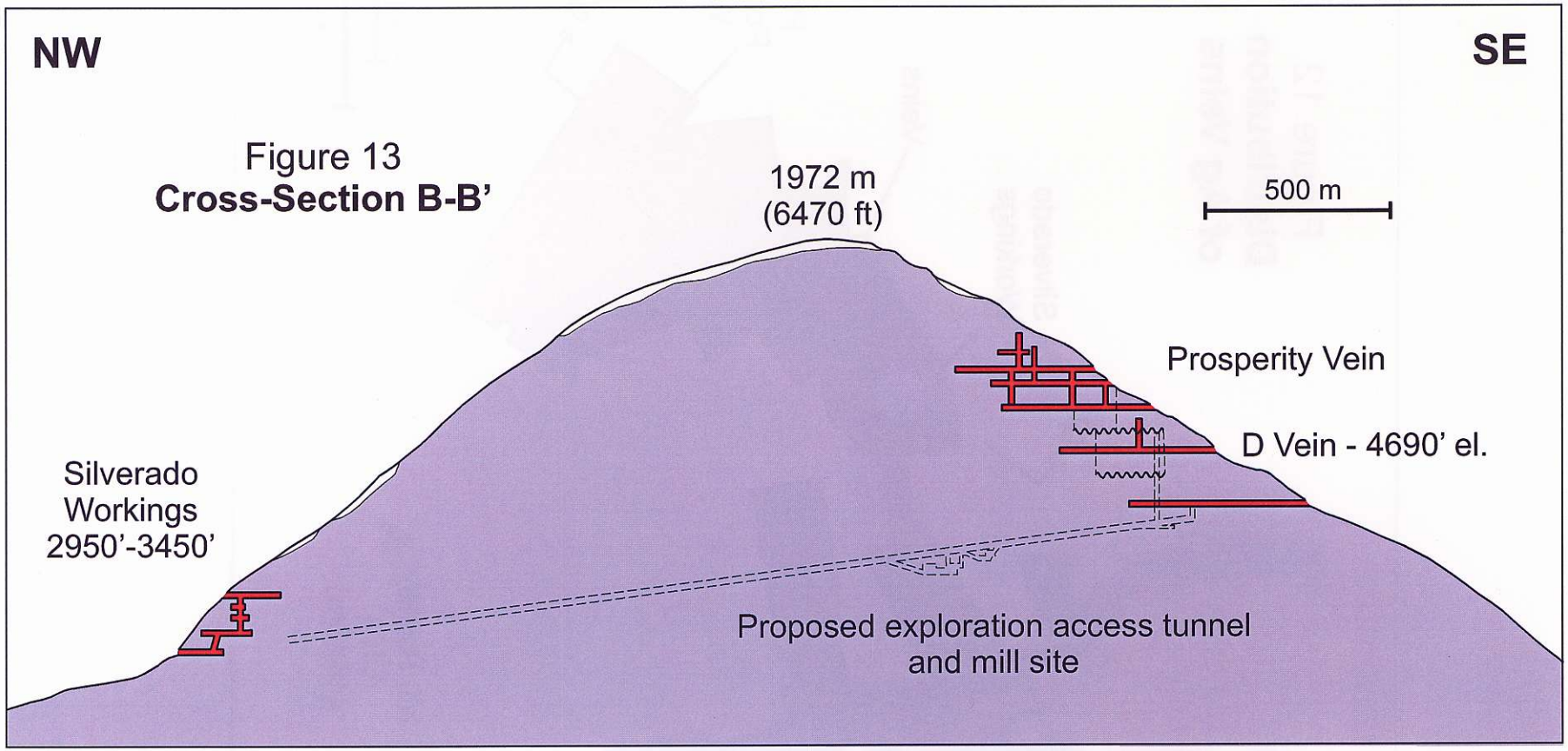

Figure 13
Cross-Section B-B'

First phase work is also recommended to include 2050 metres of surface drilling to test the strike extension of D Vein north between the northern limits of underground workings and the trenched area to the north. This program is roughly patterned after that proposed by Folk (1986b) but proposes two drill setups between 300 and 600 metres north of the portal of No.3 tunnel. Three inclined holes at westerly azimuths are proposed for each setup; hole lengths will be in the order of 300 to 350 metres.

The proposed first phase program will involve a number of startup costs including camp rentals and mobilization-demobilization. Many of these costs will have to be borne a second time to undertake the proposed second phase program which is recommended to include underground drill-testing of the down-dip potential of D Vein which is thought to lie above I level which is 140 metres below the elevation of D tunnel. Rehabilitation of I level will no doubt be necessary prior to the slashing out of ten drill stations at 30 metres intervals from which at least two holes will be drilled at +45 degrees and horizontal to test for the continuation of D Vein.

COST ESTIMATE

Phase I

Silverado Property -		
Geologist and assistant – 10 days @ $800/day		$8,000.00
Camp costs		$1,000.00
Miscellaneous travel costs		$2,500.00
Analytical costs – 50 samples @ $35/sample		$1,750.00
Helicopter access – 1.5 hours @ $1,400/hour		$2,100.00
Contingencies @ 15%		$2,300.00
	Subtotal	$17,650.00
Prosperity – Porter Idaho –		
Mobilization – demobilization – personnel and equipment		$40,000.00
Surface Diamond drilling – 2050 metres @ $250/metre		$512, 500.00
Analytical costs – 250 samples @ $35/sample		$8,750.00
Camp and equipment rentals		$75,000.00
Camp costs – 8 persons @ $100/day/person x 45 days		$36,000.00
Supervision – 45 days @ $750/day		$33, 750.00
Geologist plus assistant – 45 days @$800/day		$36,000.00
Helicopter transport – 50 hours @ $1,400/hour		$70,000.00
Contingencies @ 15%		121,800.00
	Subtotal	$933,800.00
	Total, Phase I	**$951,450.00**

Phase II

Prosperity – Porter Idaho	
Mobilization – demobilization – personnel and equipment	$40,000.00
Underground Rehabilitation – I tunnel	
– 550 metres @ $165/metre	$90,750.00
Underground Diamond drilling – 2000 metres @ $250/metre	$500.000.00
Analytical costs – 250 samples @ $35/sample	$8,750.00
Camp and equipment rentals	$75,000.00
Camp costs – 8 persons @ $100/day/person x 45 days	$36,000.00
Supervision – 45 days @ $750/day	$33, 750.00
Geologist plus assistant – 45 days @$800/day	$36,000.00
Helicopter transport – 60 hours @ $1,400/hour	$84,000.00
Contingencies @ 15%	$135,600.00
Total, Phase II	**$1,039,850.00**

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CERTIFICATE of AUTHOR

I, NICHOLAS C. CARTER, Ph.D., P.Eng., do hereby certify that:

1. I am a Consulting Geologist, with residence and business address at 1410 Wende Road, Victoria, British Columbia.

2. I graduated with a B.Sc. degree in geology from the University of New Brunswick in 1960. In addition, I obtained a M.S. degree in geology from Michigan Technological University in 1962 and a Ph.D. degree in geology from the University of British Columbia in 1974.

3. I have been registered with the Association of Professional Engineers and Geoscientists of British Columbia since 1966. I am a Fellow of both the Canadian Institute of Mining, Metallurgy and Petroleum and the Geological Association of Canada and am a past director of The Prospectors and Developers Association of Canada and a past president of the British Columbia and Yukon Chamber of Mines.

4. I have practiced my profession as a geologist, both within government and the private sector, in eastern and western Canada and in parts of the United States, Mexico and Latin America for more than 40 years. Work has included detailed geological investigations of mineral districts, examination and reporting on a broad spectrum of mineral prospects and producing mines, supervision of mineral exploration projects and comprehensive mineral property evaluations.

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 in NI 43-101) and past relevant work experience, I fulfill the requirement to be a "qualified person" for the purposes of NI 43-101.

6. I am responsible for the preparation of all sections of the technical report titled Technical Report on the Prosperity – Porter Idaho – Silverado Silver Property, Stewart Area, Skeena Mining Division, British Columbia, dated March 10, 2008. I personally inspected the subject mineral property on August 28, 2007.

7. I have not had prior involvement with the property that is the subject of the Technical Report.

8. 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.

N.C. Carter, Ph.D. P.Eng.
Consulting Geologist

9. I am independent of the issuer.

10. 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.

11. I consent to the filing of the Technical Report with any stock exchange and 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 10th day of March, 2008

"Signed " and "Sealed"

N.C. Carter, Ph.D. P.Eng.

APPENDIX I

Prosperity – Porter Idaho Diamond Drilling Information

LOCATIONS OF SURFACE AND UNDERGROUND DIAMOND DRILL HOLES (Relative to Mine Grid)

Sea forth Mines – Pacific Cassiar 1875 Underground Holes

Hole No.	Location	Azimuth (°)	Inclination (°)	Total Depth (m)
75-1	14075N 21730E	067	-67	207.0
75-2	14075N 21730E	103	-64	203.3
75-3	14075N 21730E	085	-78	224.6
				634.9

Pacific Cassiar 1984 Surface Holes

Hole No.	Location	Azimuth (°)	Inclination (°)	Total Depth (m)
DDH 1	12995N 22420E	086	-50	27.4
DDH 1A	12995N 22420E	NA	-90	48.5
DDH 2	13000N 22295E	166	-75	52.7
DDH 3	13375N 22495E	NA	-90	52.1
DDH 4	14095N 22215E	070	-55	60.4
DDH 5	14095N 22215E	070	-75	82.0
				323.1

Teck 1985 Surface Holes

Hole No.	Location	Azimuth (°)	Inclination (°)	Total Depth (m)
TS-1	13675N 22310E	330	-57	74.7
TS-2	13605N 22020E	355	-74	206.3
TS-3	13605N 22020E	355	-86	206.3
TS-4	13605N 22020E	045	-58	178.9
TS-5	13605N 22020E	090	-75	168.9
TS-6	13245N 21065E	010	-60	175.9
TS-7	13245N 21065E	035	-63	138.4
TS-8	13245N 21065E	050	-79	114.3
TS-9	15315N 22010E	125	-78	67.7
TS-10	15315N 22010E	010	-54	53.3
TS-11	15315N 22010E	155	-55	76.8
TS-12	13415N 23015E	070	-85	182.0
TS-13	13415N 23015E	050	-59	157.6
TS-14	13995N 23015E	050	-50	94.8
TS-15	13415N 23015E	110	-64	147.5
TS-16	13995N 23315E	130	-55	103.9
				2224.1

Teck 1985 Underground Holes

Hole No.	Location	Azimuth (°)	Inclination (°)	Total Depth (m)
TUG-1	14075N 21730E	120	-51	214.3
TUG-2	14075N 21730E	120	-64	243.2
TUG-3	14075N 21730E	100	-66	272.2
TUG-4	14075N 21730E	105	-53	192.9
TUG-5	14770N 21760E	030	+3	158.8
TUG-6	14770N 21760E	070	+2.5	106.4
TUG-7	14770N 21760E	100	+1	118.3
TUG-8	14770N 21760E	100	-54	91.1

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Hole No.	Location	Azimuth (°)	Inclination (°)	Total Depth (m)
TUG-9	14770N 21760E	010	-0.5	164.3
TUG-10	14760N 21745E	235	-15	267.9
TUG-11	14760N 21745E	245	-18	234.7
TUG-12	14760N 21745E	240	+44	208.5
TUG-13	14760N 21745E	270	+44	220.7
TUG-14	14075N 21720E	230	-20	270.7
TUG-15	14075N 21720E	225	-20	228.9
TUG-16	14075N 21730E	075	-17	178.9
TUG-17	14075N 21730E	075	-69	197.8
				3319.6

DIAMOND DRILLING RESULTS

1975 – Seaforth Mines – Pacific Cassiar

Hole No.	Vein	Interval (m)	Length (m)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
75-1	Blind	11.73-12.19	0.46	3053	NA	NA	NA
	D	164.59-165.51	0.92	7	NA	NA	NA
75-2	Blind	7.62-7.92	0.30	130	NA	NA	NA
	Int.	101.35-102.11	0.76	299	NA	NA	NA
	D	179.83-182.58	2.75	80	NA	NA	NA
75-3	Blind	14.33-16.00	1.67	95	NA	NA	NA
	Int.	102.26-102.72	0.46	220	NA	NA	NA
	D	152.40-153.00	0.60	42	NA	NA	NA

1984 – Pacific Cassiar

Hole No.	Vein	Interval (m)	Length (m)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
84-1	D	No Significant Values					
84-1A	D	No Significant Values					
84-2	D	11.89-13.11	1.22	33	NA	0.24	0.30
		41.61-43.13	1.52	27	NA	0.16	0.32
84-3	D	44.04-46.48	2.44	408	NA	0.64	0.34
84-4	D	53.64-55.47	1.83	328	NA	0.86	1.99
84-5	D	69.25-72.33	2.98	246	NA	1.29	3.69

1985 – Teck Underground Holes

Hole No.	Vein	Interval (m)	Length (m)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
TUG-1	D	196.81-200.25	3.44	3492	0.91	5.62	5.48
TUG-2	Blind	11.43-13.11	1.68	827	0.86	3.85	1.38
	D	217.26-218.24	0.98	51	0.14	NA	NA
TUG-3	Blind	11.58-12.34	0.76	281	0.62	NA	NA
	D	196.60-196.90	0.30	58	0.48	NA	NA
TUG-4	Blind	8.23-9.91	1.68	51	0.21	NA	NA
	D	182.88-186.84	3.96	1696	1.00	1.80	1.40
TUG-5	D	70.71-71.63	0.92	147	0.41	NA	NA
TUG-6	D	No Significant Values					
TUG-7	D	No Significant Values					
TUG-8	D	No Significant Values					
TUG-9	D	No Significant Values					
TUG-10	Prosp	No Significant Values					
TUG-11	Prosp	No Significant Values					

Hole No.	Vein	Interval (m)	Length (m)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
TUG-12	Prosp	185.78-186.84	1.06	86	NA	NA	NA
TUG-13	Prosp	No Significant Values					
TUG-14	Prosp	255.42-256.34	0.92	89	0.21	NA	NA
TUG-15	Abandoned						
TUG-16	Blind	6.40-7.01	0.61	521	0.48	NA	NA
	Int	93.42-95.10	1.68	271	0.48	NA	NA
	D	No Significant Values					
TUG-17	Blind	10.97-12.04	1.07	1663	0.41	NA	NA
	D	170.01-171.30	1.29	325	0.58	NA	NA

Prosp = Prosperity Vein
Int = Intermediate Vein

1985 – Teck Surface Holes

Hole No.	Vein	Interval (m)	Length (m)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
TS-1	D	63.70-64.31	0.61	48	0.34	NA	NA
TS-2	D	185.01-188.37	3.36	235	0.30	0.44	1.27
TS-3	D	160.93-163.68	2.75	311	NA	NA	NA
TS-4	Blind	10.58-11.16	0.58	2513	0.41	NA	NA
TS-5	D	17.22-18.51	1.29	171	0.62	NA	NA
TS-6	D	68.12-68.73	0.61	213	tr.	NA	NA
TS-7	D	17.22-18.51	1.29	147	tr.	NA	NA
TS-8	D	15.85-17.37	1.52	195	0.11	NA	NA
TS-9	D	No Significant Values					
TS-10	D	No Significant Values					
TS-11	D	64.00-94.92	0.92	58	0.21	NA	NA
TS-12	D	No Significant Values					
TS-13	D	99.06-103.63	4.57	43	NA	NA	NA
TS-14	Angelo	87.78-90.53	2.75	245	0.37	NA	NA
TS-15	D	109.12-110.33	1.22	137	0.27	NA	NA
TS-16	Angelo	69.65-72.24	2.59	40	0.27	NA	NA