

**Schroeter, Tom EMPR:EX**

883768

→ Harper Cr

**From:** Schroeter, Tom EMPR:EX  
**Sent:** Thu, January 25, 2007 4:41 PM  
**To:** 'Chris Naas'  
**Subject:** RE: Yellowhead Mining Inc - Harper Creek Project

Thanks, Chris.

**Tom**

Tom Schroeter, P.Eng./P.Geo.  
Senior Regional Geologist  
Geological Survey Branch  
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HARPER CR. Dec. 20/05  
TS talked with Greg  
Hawkins (Yellowhead Mining)  
- just finishing dealing with  
core on site - plan big  
program in '06 (Volc. m.s.)

**From:** Chris Naas [mailto:cnaas@shawcable.com]  
**Sent:** Thu, January 25, 2007 4:37 PM  
**To:** Schroeter, Tom EMPR:EX  
**Subject:** Yellowhead Mining Inc - Harper Creek Project

Tom,

I thought I sent this to you earlier, but I can't find it in my SENT box, so here it is "again".

We completed two phases of work at Harper Creek in 2006. Phase I (summer) included 7 NQ2 diamond drill holes totaling 2,324.4 metres. Other work included 1000 line-km of airborne geophysics, soil sampling, prospecting and resampling historical drill core.

In August the land position was increased to ~38,000 ha.

Phase II was undertaken in the fall and included 5 NQ2 drill holes totaling 2,105.27 metres.

I have attached a summary of Phase I, plus results for holes 1 to 10. Holes 11 and 12 should be ready next week.

Also included are location maps.

Kindest Regards  
Chris

## **HARPER CREEK PROJECT PHASE I SUMMARY**

Yellowhead Mining Inc. (Yellowhead) is a private British Columbia company, which was established to explore and develop the Harper Creek deposit.

The Harper Creek property is located in south central British Columbia, Canada, 90 kilometres north-northeast of the city of Kamloops. It consists of 21 MTO cell claims (8,383.706 hectares) and 34 legacy claims (850 hectares).

The deposit model is a polymetallic volcanogenic sulphide deposit and includes a number of massive to semi-massive magnetite-sulphide or sulphide lenses. The largest mineralized zone has a continuous strike-length of more than 1,800 metres, a thickness that locally exceeds 100 metres and persists down-dip for at least 1,000 metres. Copper mineralization is tabular, striking east-west and dipping about 15° - 25° to the north with a copper grade which seemingly increases progressively with depth.

The Phase I exploration program consisted of regional and detailed exploration including an airborne magnetics and electro-magnetics survey, soil and rock sampling, road construction and improvement, core salvage, relogging and resampling, and diamond drilling.

Regional exploration on the Property was guided by the airborne survey that was successful in locating numerous prospective targets outside of the Harper Creek deposit. Three new soil grids were established over the higher priority targets. Soil sampling has returned several promising geochemical anomalies from all sample grids/lines. Historical drill core resampling continues to show excellent correlation with historically reported copper grades.

Diamond drilling has continued to assist in refining the geological model of the deposit as well as confirm historical grades and mineralized widths. Drilling has confirmed the presence of multiple sulphide rich zones containing broad lower grade copper mineralization (>0.3%) with higher grade copper cores (>9% Cu). All drill holes intersected significant zones of copper mineralization. Examples of these broad lower-grade zones include 63.02 metres of 0.51% Cu (HC06-02), 219.65 metres of 0.35% Cu (HC06-03), 283.30 metres of 0.31% Cu (HC06-04) and 68.54 metres of 0.49% Cu (HC06-07). High-grade massive sulphide mineralization was encountered in hole HC06-06 with 3.34% Cu over 2.90 metres which could be traced approximately 105 metres to drill hole HC06-07 (1.25% Cu over 4.52 metres).

The proposed work program of geological mapping, rock sampling, soil sampling, geophysical surveying and interpretations, diamond drilling, environment baseline studies, metallurgical studies and resource estimation is estimated at \$10,000,000.00.

## Harper Creek Project

### *Phase I Significant Drill Hole Intersections*

Hole	Interval (m)			Grades			
	From	To	Length	Cu (%)	Ag (ppm)	Au (ppb)	Zn (ppm)
<b>HC06-01</b>							
	39.05	108.51	69.46	0.31	2.2	49	255
<i>incl</i>	40.35	41.05	0.70	2.15	12.4	240	924
<i>incl</i>	46.60	47.05	0.45	2.47	11.7	340	608
<i>incl</i>	59.30	60.12	0.82	1.38	9.5	70	615
<i>incl</i>	79.20	79.74	0.54	0.81	5.3	75	194
<i>incl</i>	101.72	103.50	1.78	1.34	11.0	145	1052
<i>incl</i>	107.55	108.51	0.96	1.46	12.5	215	315
<b>HC06-02</b>							
	7.53	70.55	63.02	0.51	1.9	117	349
<i>incl</i>	7.53	49.00	41.47	0.67	2.5	153	391
	96.20	99.85	3.65	0.32	1.9	74	273
	105.20	105.50	0.30	0.13	0.6	90	274
	108.25	108.51	0.26	0.17	1.2	145	1248
	112.60	113.75	1.15	0.16	1.7	140	8879
	164.60	167.60	3.00	0.16	0.6	15	445
	217.50	219.95	2.45	0.23	2.1	20	210
	227.00	239.00	12.00	0.29	1.3	23	153
<b>HC06-03</b>							
	3.05	222.70	219.65	0.35	1.2	42	106
<i>incl</i>	10.85	11.25	0.40	1.06	3.3	140	201
<i>incl</i>	96.75	110.20	13.45	0.63	1.8	102	195
<i>incl</i>	125.05	131.05	6.00	0.81	2.2	53	125
<i>incl</i>	162.40	163.50	1.10	0.60	2.5	25	205
<i>incl</i>	186.70	190.60	3.90	0.91	3.4	68	237
	235.80	253.80	18.00	0.32	1.1	28	109
	262.80	272.10	9.30	0.39	2.1	18	81
<i>incl</i>	270.70	272.10	1.40	0.77	5.5	30	89
	280.20	304.30	24.10	0.13	0.8	18	102
	312.55	315.55	3.00	0.10	0.9	10	169
	367.50	368.70	1.20	0.15	1.1	30	61
<b>HC06-04</b>							
	12.55	295.85	283.30	0.31	1.1	42	126
<i>incl</i>	12.55	12.95	0.40	1.22	4.1	135	296
<i>incl</i>	71.05	74.05	3.00	0.62	1.4	60	176
<i>incl</i>	80.05	82.95	2.90	0.62	1.6	90	252
<i>incl</i>	92.75	101.75	9.00	0.67	1.9	117	170
<i>incl</i>	109.25	111.80	2.55	0.88	3.0	129	208
<i>incl</i>	119.80	120.70	0.90	1.11	3.0	60	57
<i>incl</i>	137.75	140.20	2.45	0.83	3.2	80	32

## Harper Creek Project

Phase I Significant Drill Hole Intersections, *cont'd*

Hole	Interval (m)			Grades			
	From	To	Length	Cu (%)	Ag (ppm)	Au (ppb)	Zn (ppm)
<b>HC06-04</b>							
<i>incl</i>	160.30	163.70	3.40	1.21	5.0	106	100
<i>incl</i>	181.15	187.15	6.00	0.67	2.6	70	186
<i>incl</i>	221.45	224.45	3.00	0.62	1.2	45	190
<i>incl</i>	243.70	244.10	0.40	0.62	2.9	100	132
	318.40	321.00	2.60	0.11	1.0	13	75
	374.45	376.95	2.50	0.66	5.2	60	1003
	390.75	395.65	4.90	0.56	3.3	37	445
<i>incl</i>	390.75	393.40	2.65	0.76	4.7	43	495
	398.30	399.55	1.25	0.10	0.3	10	2193
	430.85	432.50	1.65	0.11	0.5	15	166
	436.75	436.98	0.23	1.38	6.3	40	466
<b>HC06-05</b>							
	21.10	198.40	177.30	0.28	0.9	33	91
<i>incl</i>	41.98	42.20	0.22	0.70	1.7	100	101
<i>incl</i>	100.45	102.05	1.60	0.65	2.3	70	101
<i>incl</i>	132.25	148.25	16.00	0.66	1.9	86	117
<i>incl</i>	182.80	182.95	0.15	2.52	12.5	50	127
<i>incl</i>	194.70	195.38	0.68	0.65	3.0	15	44
	231.85	235.60	3.75	0.17	1.2	24	124
	244.60	266.90	22.30	0.13	0.9	22	92
	275.24	278.50	3.25	0.28	2.1	66	291
<i>incl</i>	275.24	275.50	0.26	2.37	19.5	560	1441
	309.00	316.00	7.00	0.29	1.8	15	181
<i>incl</i>	313.10	316.00	2.90	0.53	3.5	15	297
	377.50	379.15	1.65	0.22	1.2	20	143
	417.75	419.07	1.32	0.19	1.2	10	219
	427.50	428.60	1.10	0.12	0.3	5	134
	436.90	444.60	7.70	0.12	0.9	14	1325
<b>HC06-06</b>							
	0.00	78.18	78.18	0.32	1.3	40	228
<i>incl</i>	8.23	30.17	21.94	0.76	2.9	111	367
	86.84	89.87	3.03	0.14	1.1	24	626
	102.27	114.74	12.47	0.15	1.0	19	287
	136.10	143.95	7.85	1.31	5.6	69	1117
<i>incl</i>	141.05	143.95	2.90	3.34	13.9	145	1121
	151.70	159.35	7.65	0.14	0.7	10	147
	168.02	217.44	49.42	0.36	2.4	55	296
<i>incl</i>	189.33	193.34	4.01	1.81	11.8	234	1272
	236.67	239.67	3.00	0.15	1.1	10	95
<b>HC06-07</b>							
	9.00	12.00	3.00	0.19	0.9	35	303
	34.15	102.69	68.54	0.49	2.2	73	219
<i>incl</i>	60.50	100.02	39.52	0.61	3.0	105	309

## Harper Creek Project

### Phase I Significant Drill Hole Intersections, *cont'd*

Hole	Interval (m)			Grades			
	From	To	Length	Cu (%)	Ag (ppm)	Au (ppb)	Zn (ppm)
<b>HC06-07</b>							
	113.33	116.33	3.00	0.14	1.0	45	197
	127.50	143.87	16.37	0.23	1.7	41	356
<i>incl</i>	130.40	131.67	1.27	0.64	7.4	290	616
	166.02	169.02	3.00	0.14	1.0	10	649
	184.42	185.19	0.77	0.22	0.4	65	198
	192.38	192.66	0.28	0.25	1.7	75	70
	232.57	243.99	11.42	0.72	2.9	43	226
<i>incl</i>	232.57	237.09	4.52	1.25	4.2	40	380
<i>incl</i>	241.61	243.99	2.38	0.73	4.2	80	164
	252.00	255.00	3.00	0.16	1.0	15	101
	261.21	279.50	18.29	0.33	3.4	54	1197
<i>incl</i>	264.00	267.92	3.92	0.62	8.3	95	4619
	303.03	303.77	0.74	0.13	0.8	5	112
	309.45	309.68	0.23	0.13	1.0	15	128

### Phase I Significant Drill Hole Intersections, Zinc

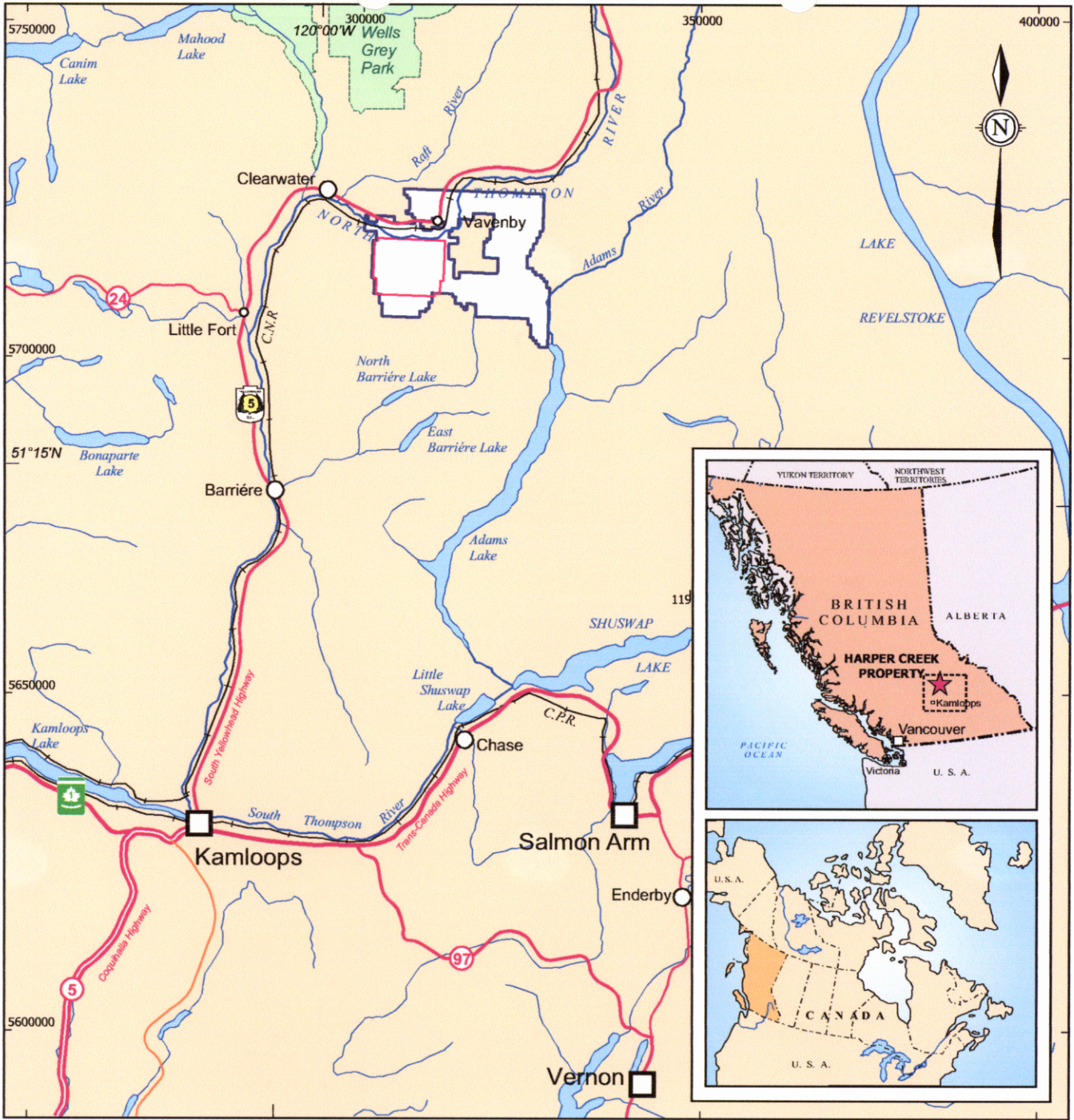
Hole	Interval (m)			Grade
	From	To	Length	Zn (%)
<b>HC06-04</b>				
	405.10	408.80	3.70	0.78
	417.80	424.85	7.05	0.41

## Harper Creek Project

### *Phase II Significant Drill Hole Intersections*

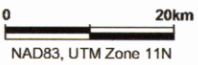
Hole	Interval (m)			Results			
	From	To	Length	Cu (%)	Ag (ppm)	Au (ppb)	Zn (ppm)
HC06-08	20.00	84.40	64.40	0.42	1.6	67	285
incl	58.89	75.86	16.97	0.70	2.5	148	407
HC06-08	239.25	251.67	12.42	0.37	2.7	69	258
incl	250.58	251.67	1.09	2.34	14.4	175	735
HC06-08	273.91	330.50	56.59	0.36	2.4	27	260
incl	282.36	285.29	2.93	1.49	8.6	76	818
and	316.89	324.62	7.73	0.76	6.4	20	579
HC06-09	6.10	91.13	85.03	0.38	1.5	66	252
incl	12.73	18.09	5.36	0.79	3.6	59	324
incl	46.63	54.70	8.07	0.72	2.7	251	308
HC06-09	206.10	224.51	18.41	0.34	2.4	74	385
incl	206.10	208.52	2.42	1.04	8.7	147	1647
incl	212.65	214.43	1.78	1.02	4.7	155	142
HC06-09	252.60	258.70	6.10	0.53	3.1	67	208
incl	252.60	255.12	2.52	1.00	6.0	119	396
HC06-09	279.25	283.54	4.29	0.18	1.2	10	116
HC06-09	346.25	352.16	5.91	0.19	1.1	8	296
HC06-10	23.90	27.83	3.93	0.22	1.5	35	504
HC06-10	34.71	47.49	12.78	0.15	0.7	10	181
HC06-10	53.30	56.23	2.93	0.11	0.7	17	803
HC06-10	88.37	93.52	5.15	0.20	1.1	27	83
HC06-10	122.10	137.76	15.66	0.72	5.4	74	264
incl	128.93	136.70	7.77	1.06	8.2	108	344
HC06-10	142.17	145.17	3.00	0.22	0.7	76	46
HC06-10	183.88	197.05	13.17	0.24	1.8	10	153
incl	190.48	191.44	0.96	1.14	8.1	45	528

Results from DDH's HC06-11 and 12 are pending. We expect to release these results during the RoundUp.

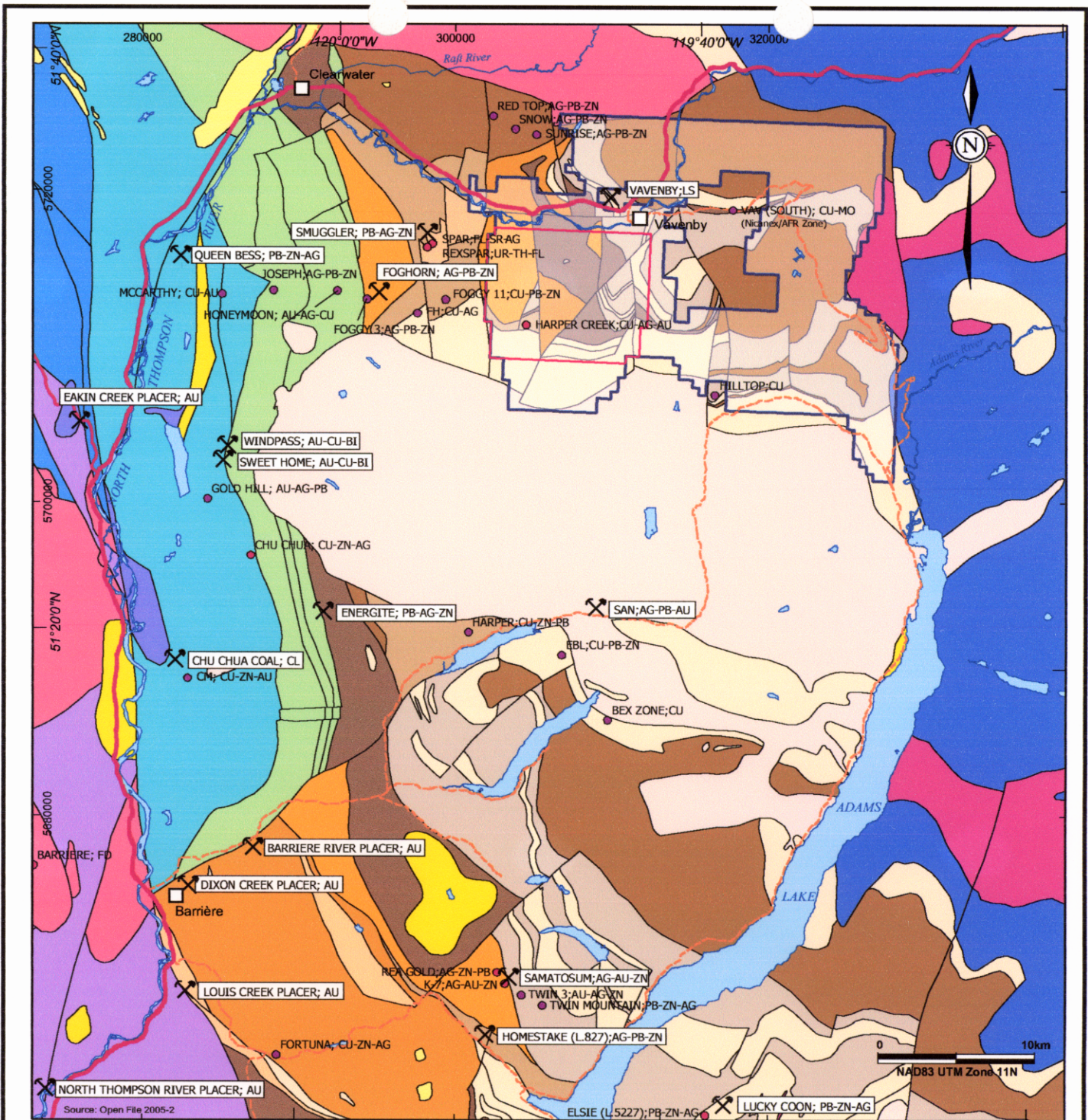


**LEGEND**

- Yellowhead Mining's Eagle Bay claim group (as of August 25, 2006)
- Harper Creek Property



<b>YELLOWHEAD MINING INC.</b>			
<b>LOCATION MAP</b>			
Harper Creek Project Kamloops M.D., British Columbia, Canada			
Project No:	P62	By:	TV
Scale:	1:850,000	Drawn:	TV
Figure:	1	Date:	November 2006



Source: Open File 2005-2

**LEGEND**

- Quaternary**
  - Basaltic volcanics
- Tertiary**
  - Kamloops Group: undifferentiated volcanics
- Tertiary-Mesozoic**
  - Granite, quartz porphyry
- Mesozoic**
  - Baldy Batholith: quartz monzonite
  - Granodiorite
  - Nicola Group: sediments
- Mesozoic-Paleozoic**
  - Harper Ranch and(?) Nicola Groups: seds
- Paleozoic**
  - Fennell Assemblage: Upper/Lower Structural Division basaltic volcanic/marine sediments, volcanics
  - Mount Ida Assemblage: metamorphics (calcisilicates)

**Proterozoic-Paleozoic**

- Shuswap Assemblage
- Eagle Bay Assemblage: undifferentiated
  - Dixon Ridge Unit
  - Foghorn Mountain Unit
  - Forest Lake Unit
  - Graffunder Lakes Unit
  - Johnson Lake Unit
  - Rexspar Unit
  - Skwaam Bay Unit
  - Slate Creek Unit

**Mineral Occurrences (BC Minfile)**

- Past Producer
- Developed Prospect
- Prospect

**YELLOWHEAD MINING INC.**

**REGIONAL GEOLOGY AND ECONOMIC SETTING**  
**Harper Creek Deposit**

Harper Creek Project  
 Kamloops M.D., British Columbia, Canada

Project No:	P62	By:	TV
Scale:	1:350,000	Drawn:	TV
Figure:	3	Date:	November 2006

