

ASSESSMENT

of

RYAN MINERAL CLAIMS

by

David W PHILIP

for

Larry R W Sostad

June 2010

A quick current assessment of the Ryan mineral claims based upon information provided by Mr Sostad. The gold mineralization on the claims has, from time to time, been explored, mined, and milled there since the mid to late 1800s.

INTRODUCTION

The writer was requested by Mr. Sostad on June 7, 2010 to review the available information and prepare document assigning a current value to the Ryan property.

SUMMARY

The Ryan property consists of three BC mineral claims currently owned by Mr. Sostad and partner. It is located in the Clinton and Lillooet mining divisions on the banks of the Fraser River 40 kilometers north of the town of Lillooet and 24 kilometers southwest of town of Clinton. The immediate area has been explored and mined from the mid to late 1800s. A mill was built and operated at various times. The area has narrow veins containing very high gold grades.

The writer prepared two cases to show the investment and profit from 1) locating and mining the reserves identified in the Leriche report 2) mining initial new reserves identified in ongoing exploration. The writers estimated values are 1) \$ 1,727,000 for the 7,700 tons of reserves identified in a 1989 report prepared by Peter D Leriche, BSc FGAC and 2) \$ 11,248,000 for an exploration target, yet to be identified, of 125,000 tons to start an ongoing mine.

Evidence of high grade gold in veins on the property encourages ongoing exploration that may extend the mine life.

THE RYAN PROPERTY

The Ryan Mineral Property consists of the three (3) following British Columbia, Canada registered mineral claims.

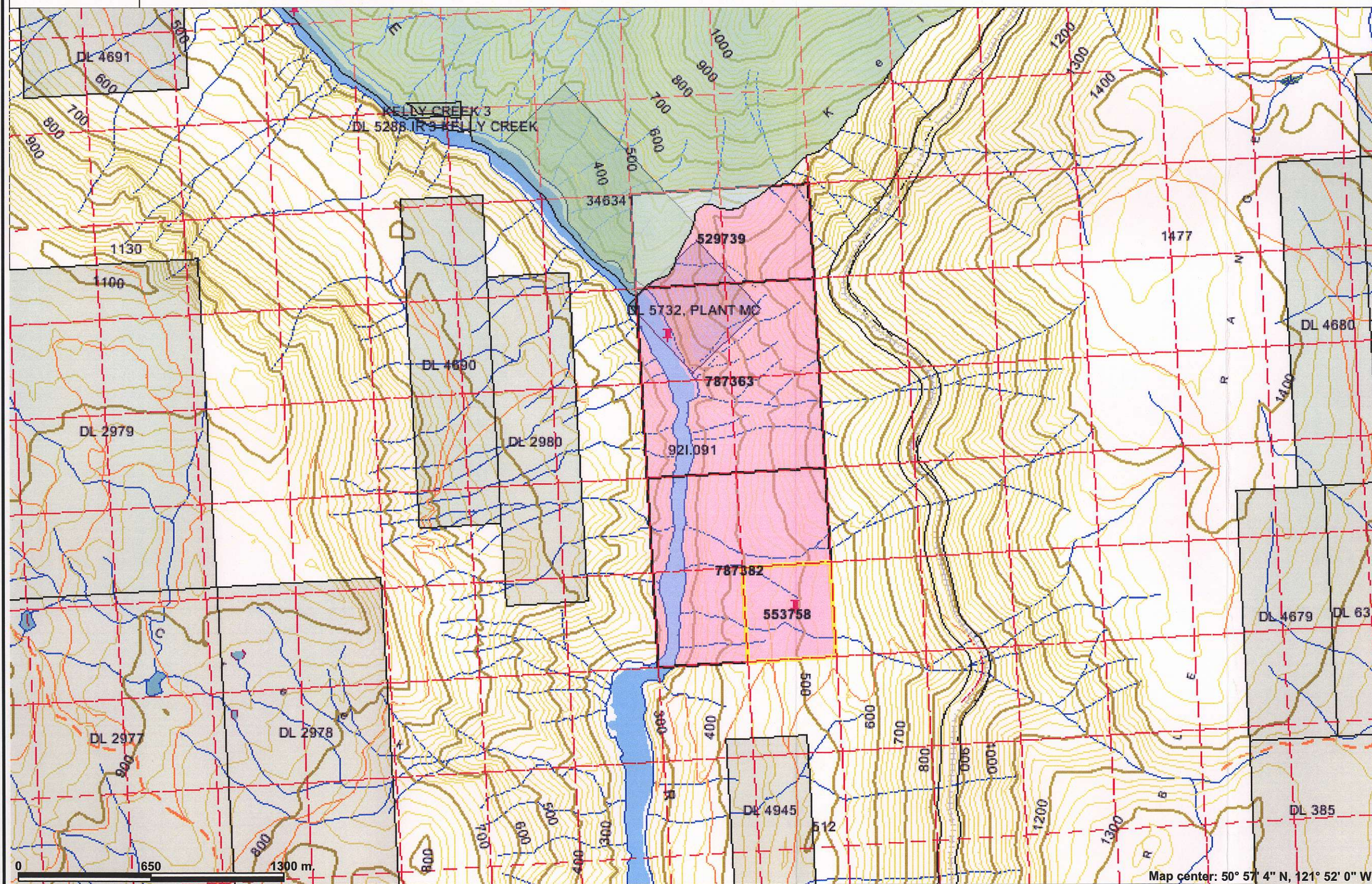
Tenure Number	Claim Name	Owner	Tenure Type	Tenure Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)
529739	RYAN 3	130503 (100%)	Mineral	Claim	092I	2006/mar/07	2010/jul/07	GOOD	40.7107
787363	RYAN	130503 (100%)	Mineral	Claim	092I	2010/jun/06	2011/jun/06	GOOD	81.4324
787382	RYAN2	130503 (100%)	Mineral	Claim	092I	2010/jun/06	2011/jun/06	GOOD	61.0845

See Claim Map on next page.

ECONOMIC MINERALIZATION

To date the economic mineralization identified and exploited as gold ore has been in narrow veins. Structures when accessed through underground workings reduce surface environmental concerns.

Internet Mapping Framework



Legend

- MINFILE Status**
- Producer
 - Past Producer
 - Developed Prospect
 - All others
- Indian Reserves**
- Indian Reserves
 - National Parks
 - Conservancy Areas
 - Parks
 - MTO Grid (MTO)
- Blocked by MEM**
- Other
- Mineral Tenure (current)**
- Mineral Claim
 - Mineral Lease
- Mineral Reserves (current)**
- Placer Claim Designation
 - Placer Lease Designation
 - No Staking Reserve
 - Conditional Reserve
 - Release Required Reserve
 - Surface Restriction
 - Recreation Area
 - Others
- Integrated Cadastral Fabric**
- Survey Parcels
 - BCGS Grid
- Contours (TRIM)**
- Contour - Index
 - Contour - Index.Indefinite
 - Contour - Index.Depression
 - Contour - Index.Depression Indefinite
 - Contour - Intermediate
 - Contour - Intermediate.Indefinite
 - Contour - Intermediate.Depression
 - Contour - Intermediate.Depression Indefinite
- Area of Exclusion**
- Area of Indefinite Contours
- Annotation (1:20K)**
- Transportation - Points (TRIM)**
- Helipad
- Transportation - Lines (TRIM)**
- Airfield
 - Airport
 - Airstrip
 - Airport.Abandoned
 - Ferry Route
 - Road (Gravel Undivided) - 1 Lane
 - Road (Gravel Undivided) - 2 Lanes
 - Road (Gravel Undivided) - U/C - 1 Lane
 - Road (Gravel Undivided) - U/C - 2 Lanes
 - Road (Paved Divided) - Not Elevated
- Scale: 1:19,018

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

A GEOCHEMICAL REPORT ON THE PAVILION PROPERTY by Peter D Leriche dated January 30, 1989 describes recent work in which three adits were located and two were resampled resulting in the following:

Location	Vein Width	Gold
Adit #1	3.5 metres	0.959 oz/ton
Adit #2	0.7metres	0.141 oz/ton
8 grabs		0.035 to 0.605 oz/ton
Qtz vein	0.1metres	0.439 to 0.797 oz/ton

MINING

It is obvious, from the description of the mineralization in place, that good geologic control, mining methods and an excellent mining workforce will be required. This will result in high cost mining and produce a very high grade ore.

PROCESSING

Processing high grade ore at low production rates should result in high gold recovery rates and a higher cost. The possibility of locating a market for the mine run ore or an off site custom milling alternative should be investigated.

MARKETING

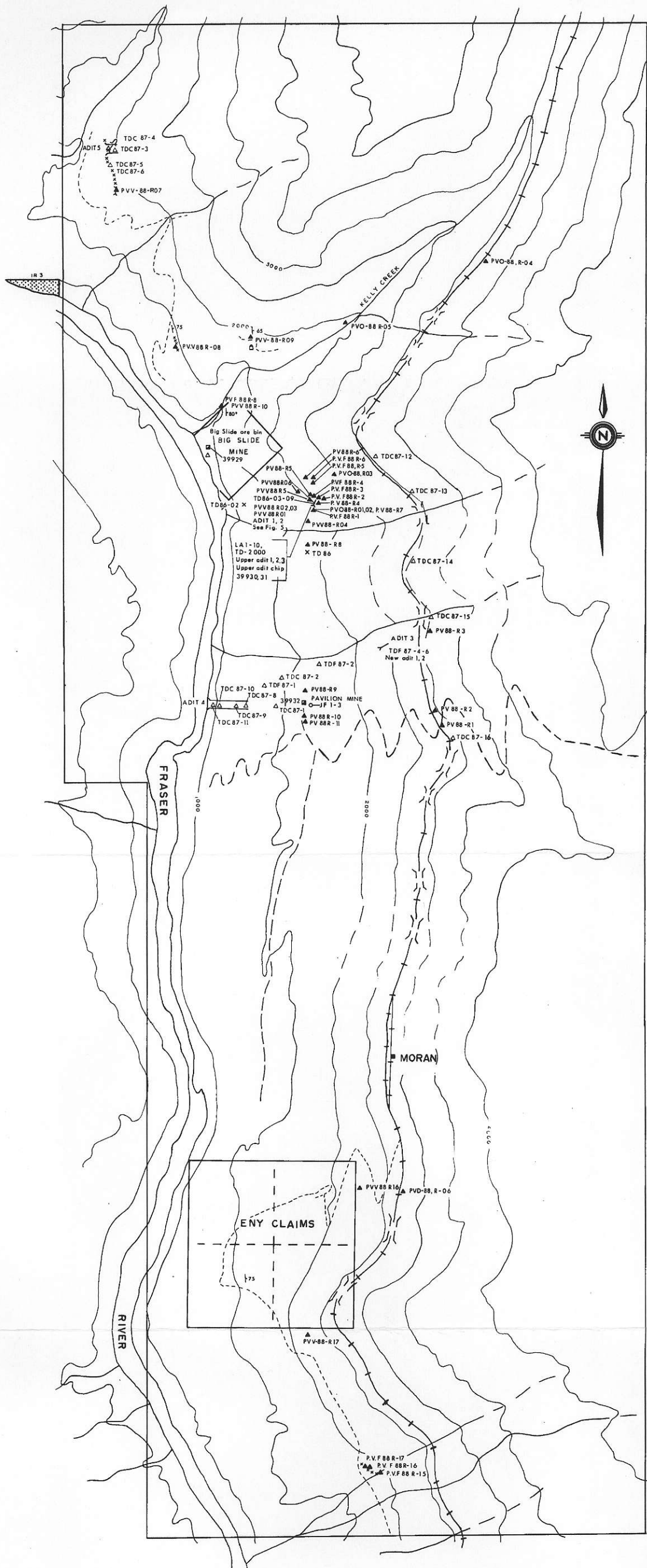
The world economic environment has brought about a search for a security as a basis for world exchange. Gold has been historically the base on which to value and exchange goods and services needed or desired. Attempts to substitute this with paper or electronic money have only been of limited success. The value of gold has risen to new high values. In this document the writer has used US\$ 1 000.00 per ounce or US\$ 32 per gram for gold.

ENVIRONMENTAL MANAGEMENT

The Ryan Mineral Claims are located on the banks of the Fraser River, one of the major water ways of British Columbia. Recognizing and addressing site related environmental concerns in all stages of planning and operations will minimize negative impacts and can improve the environment at a lower cost.

COMMUNITY RELATIONS

All projects that alter communities and environments can effect local, regional and national communities with benefits or losses. Management of any exploration and or



ANALYTICAL RESULTS						
SAMPLE NO.	Cu,ppm	Pb,ppm	Zn,ppm	As,ppm	Ag,ppm	Au,ppb
1986-1987						
TD86-01	35	91	190	---	1.2	200
TD86-02	259	37	89	---	26.3	12000
TD86-03	120	10	195	---	5.4	3360
TD86-04	372	65	90	---	3.8	20740
TD86-05	146	20	112	---	1.1	90
TD86-06	187	26	1350	---	3.0	7518
TD86-07	910	56	12500	---	10.6	2748
TD86-08	55	55	382	---	1.0	105
TD86-09	40	45	285	---	7.0	10900
JF-1	5700	10	10	---	6.6	1230
JF-2	4600	16	25	---	3.4	70
JF-3	3210	4	14	---	2.1	80
LA-1	81	15	64	---	.3	10
LA-2	97	21	188	---	.6	10
LA-3	120	16	115	---	.2	10
LA-4	111	20	225	---	.2	10
LA-5	86	19	130	---	.2	60
LA-6	105	20	375	---	.7	340
LA-7	79	21	145	---	2.8	4520
LA-8	71	16	1890	---	2.9	2670
LA-9	87	19	113	---	.8	55
LA-10	215	8	55	---	.4	150
New Adit #1	51	21	85	---	10	10
New Adit #2	21	31	60	---	.5	5
TD-2000	10	10	9	---	.4	10
Upper Adit Grab 1	275	25	45	---	9.2	3280
Upper Adit Grab 2	180	10	43	---	4.4	9300
Upper Adit Grab 3	46	3	21	---	1.2	1200
Upper Adit 3.5 m Chip	362	10	850	---	2.3	5690
TDC87-1	8	7	28	5	.1	nd
TDC87-2	20	177	193	4	1.0	nd
TDC87-3	48	7	86	5	.1	nd
TDC87-4	35	3	84	2	.1	nd
TDC87-5	48	5	52	1	nd	nd
TDC87-6	88	7	55	2	.1	nd
TDC87-7	1004	2	20	2393	11.2	4
TDC87-8	68	2	17	2	.1	nd
TDC87-9	110	12	41	2	1.2	nd
TDC87-10	24	3	29	7	.1	nd
TDC87-11	68	6	30	3	.1	nd
TDC87-12	73	43	45	113	1.1	nd
TDC87-13	104	7	36	6	.1	nd
TDC87-14	102	7	36	6	.1	nd
TDC87-15	14	5	20	8	1.0	nd
TDC87-16	58	10	181	22	.4	nd
TD87-1	110	5	48	6	.6	nd
TD87-2	351	3	19	2	.2	nd
TD87-4	14	2	17	2	.1	nd
TD87-5	6	7	1	2	.1	nd
TD87-6	26	3	63	5	.1	nd
1988						
PV88-R1	66	8	67	nd	.6	nd
PV88-R2	62	6	56	nd	.5	5
PV88-R3	67	12	219	34	1.0	10
PV88-R4	109	4	253	775	1.0	290
PV88-R5	46	4	61	623	.1	180
PV88-R6	65	10	68	284	.7	30
PV88-R7	74	9	465	2632	1.1	2260
oz/ton						
PV88-R8	25	5	36	212	.3	15
PV88-R9	2388	6	22	28	2.3	180
PV88-R10	11815	13	59	18	15.1	210
PV88-R11	6509	25	44	22	9.3	225
oz/ton						
Big Slide Ore Bin	1115	13	53	2273	6.5	3800
oz/ton						
039929	211	2	14	4	.6	35
039928	98	2	14	2	1.9	3267
039931	22	2	14	2	.1	1
039932	7944	2	96	187	10.0	2024
oz/ton						
PV88-R01	115	2	90	980	3.3	.022
PV88-R02	256	7	409	2323	2.4	.059
PV88-R03	26	3	34	61	.1	.001
PV88-R04	73	7	43	168	.8	.001
PV88-R05	10	2	31	10	.1	.001
PV88-R06	279	2	15	18	.7	.001
PV88-R07	59	3	264	8241	.5	.024
PV88-R08	104	2	341	466	.2	.053
PV88-R09	43	2	56	11335	.3	.026
PV88-R10	56	2	63	1095	.2	.004
PV88-R11	99	7	73	421	1.5	.012
PV88-R12	40	7	53	5	.3	.001
PV88-R13	54	7	50	12	.1	.001
PV88-R14	90	10	252	7	.3	.001
PV88-R15	124	22	142	17	.7	.001
PV88-R16	20	7	14	10	.1	.001
PV88-R17	65	4	21	26	.1	.001
PV88-R18	49	5178	41	211	20.3	.032
PV88-R19	768	19	60431	4027	7.6	.092
PV88-R20	127	10	721	312	.2	.001
PV88-R21	31	6	75	424	.5	.001
PV88-R22	33	10	152	78	.6	.001
PV88-R23	59	11	77	21	.4	.001
PV88-R24	45	4	52	75	2.1	.001
PV88-R25	35	14	88	258	.4	.001
PV88-R26	36	3	29	6	.1	.001
PV88-R27	62	10	124	20	.4	.001
PV88-R28	63	7	62	2	.4	.001

GEOLOGICAL BRANCH
ASSESSMENT REPORT

18,366

LEGEND

- X, O, Δ, ▲ PV 88-R-2
- X Field visit 1 (Nov., 1986)
- O Field visit 2 (Dec., 1986)
- Δ Field visit 4 (Oct., 1987)
- ▲ Field visit 5 and 6 (April-Nov., 1988)
- Minesite
- Shallow pit
- Trench
- Adit
- Rusty pyritized zone
- Property boundary
- Road (approx.), old track
- Railway
- Tunnel
- Creek
- 2000 Topographic contour (500' interval)



SCALE 1:10,000
0 100 200 400 500 800 METRES
N.T.S. 92 1/13

PAVILION PROPERTY
CLINTON-LILLOET M.D.
SAMPLE LOCATIONS AND GEOCHEMISTRY

Scale: 1:10,000 By: _____ Dn: _____
Date: NOV. 1988. Fig. 4

Ashworth Explorations Limited

mining operation will benefit from an early experienced professional introduction and the establishment of proper communication channels in the required communities. Maintaining an ongoing experienced professional dialogue from startup to abandonment is a must.

FIRST NATIONS

The First Nations communities at initial meetings are usually welcoming of visitors who come to their territories. They have deep roots in these territories and within their groups a great knowledge of the land they live on. They have a status that is different from other communities and can be very helpful to any project on their traditional territorial land. First Nations communities can become defensive, aggressive and warrior like at any time if they feel that it is needed. Good personal relationships with the members of the community are always positive but all project related business must be kept to the communities appointed representatives.

LOCAL, PROVINCIAL, NATIONAL AND INTERNATIONAL COMMUNITIES

There are many other local, provincial, national and international communities that may have a regulatory role and/or other influence on exploration or mining. These communities may come from many backgrounds and have differing requirements.

PERMITTING

Many technical/operational and/or environmental permits for exploration and mining are required by the local, provincial and federal governments. The governments after reviewing merits of any submission look to the possibly affected communities for support or nonsupport of a project. This must be a high priority as many years can be lost by lack of attention.

OTHER

Good managers and/or support contract/consultant managers working as a team is a must for a good project.

ASSESSED VALUE

This assessed value of the Ryan Mineral Claims is a quick estimate made by the writer to assist the initial planning and decision making required to 1) finance and 2) execute the necessary near term a) ownership, b) exploration activities, and c) the long term mine development activities. As any project proceeds additional information should be collected, reviewed against the estimate and a document to update this document should be prepared when necessary.

Mineral exploration is a risk venture step required to sustain the minerals production industry in the world economy. When a mineral occurrence is first identified the probability of a mine being developed at the site can be 2 000 to 5 000 to 1. As the factors necessary for mine development are investigated and identified as positive the risk is reduced. Some factors are major and others may be minor.

The Ryan Mineral Claims have an excellent location and history of small underground mining. No evidence has been reported that the mineral rights held by the claims have been completely explored for gold deposits. Previous surface geological mapping reported was upon rechecking was found to be accurate by Leriche. Three adits were located and resampled. Modern geophysical and geochemical exploration tools should be used to spot drill holes.

The economics for the gold mining industry are currently better than in the past. It is a good time to be reexamining gold deposits. Results of modern geophysical and geochemical exploration methods should be reviewed with the historical information and used to spot drill holes. The probability of success of developing a profitable gold mine has been greatly increased.

Individuals and organizations active in mineral exploration and mine development often directly and indirectly pay over \$ 10 000.00 to find projects like the Ryan Mineral Claims. Professional exploration and development along with opportune economics and luck often determine which projects make good mines.

Peter Lariche in his GEOCHEMICAL REPORT ON THE PAVILION PROPERTY – dated January 30, 1989 - Gauld (1935) blocked out reserves of 12,000 tons grading 0.60 oz/ton gold, after dilution. Of this 4,300 tons were processed prior to mill shutdown in 1935. At that time, development work had taken place on seven levels. The width and grade of the veins was improving at lower levels (Allen, 1980). Flooding contributed to the mine shutdown. The property lay idle until 1982 when Grange Gold Corporation drilled 1,872 feet of core in two holes, to explore the down dip continuity of the Big Slide veins. Three quartz-sulfide veins containing varying amounts of gold and silver were intersected. No further work has been reported at the Big Slide Mine. This would indicate that there is 7,700 tons of reserves grading 0.60 oz/ton gold in the mine workings.

The economic assessment of the Ryan claim Group is in two parts:

1) The 7,700 ton reserve identified in the Leriche report.

ASSUMPTIONS

Quantity	7,700 tons
Grade	0.60 oz/ton
Operating Cost	US\$ 500/oz Au sold

ASSESSMENT – RYAN MINERAL CLAIMS

Revenue	US\$ 1,000/oz Au sold
Processing Recovery	90%
Gold Fineness	800

COST

Locating the ore	CAD\$ 50,000
Mining	\$ 550,000
Processing	\$ 550,000
Marketing	\$ 160,000
Other	\$ 160,000
	=====
Total	\$ 1,470,000

REVENUE \$ 3,197,000

=====

PROFIT **\$ 1,727,000**

The maximum investment over the three year life of the operation is \$ 170,000 and the profit is \$ 1,727,000.

2) A minimum additional exploration target required to for an ongoing mine.

ASSUMPTIONS

Quantity	125,000 tons
Grade	0.50 oz/ton
Density	2.5 kg/tonne
Operating Cost	US\$ 500/oz Au sold
Revenue	US\$ 1,000/oz Au sold
Processing Recovery	90%
Gold Fineness	800

COST

Exploration	\$ 2,150,000
Preproduction	\$ 4,600,000
Mining	\$ 24,000,000
Processing	\$ 12,750,000
Marketing	\$ 2,750,000
Other	\$ 2,502,000

ASSESSMENT – RYAN MINERAL CLAIMS

Total	===== \$ 48,752,000
<u>REVENUE</u>	\$ 60,000,000 =====
<u>PROFIT</u>	\$ 11,248,000

The maximum investment required over the four years of preproduction and five years operation is \$ 6,750,000 by startup and the profit is \$ 11,248,000.

Respectfully submitted,



David W PHILIP

INFORMATION SOURCES

- 1) Geochemical Report on the Pavilion Property – by Peter D Leriche, BSc, F.G.A.C. – January 30, 1989
- 2) British Columbia MINFILE Production Detail Report – MINFILE Number 0921NW036 – Big Slide
- 3) British Columbia MINFILE Inventory Detail Report – MINFILE Number 0921NW036 – Big Slide
- 4) FMC Number 130503

THE WRITER

David W PHILIP – Entrepreneur

Entrepreneur – Any person or group of persons who assume the risks of a business enterprise.

David W PHILIP is semi retired with over 40 years of experience in resource industries including consulting, operations and corporate management in small ventures and large projects. Now he enjoys investment, management and providing services to the resource industries.

5) EXPERIENCE

1955 to 1962 Seven years of work in the west coast high lead logging industry as a **whistle punk, chokerman, rigging slinger, hook tender, and a union secretary** while returning to finish high school.

1963 to 1965 Three years of **detailed mechanical/piping design** in the world's largest pulp and paper evaluation, design and construction management firm.

1965 to 1972 Seven years as a **draftsman, technologist, mining engineer** working for a geological, mining and metallurgical consulting firm. Office projects were from around the world. Field projects were in Canada and USA. While remaining a full time employee, he completed the mining technology at the British Columbia Institute of Technology and mining engineering at the Colorado School of Mines.

1972 to 1975 Two years as **chief engineer** at a 10 000 ton per day surface mine in the central Yukon. The project had a difficult start up and at first poor metal prices. In 1972 the company started to improve the mine and expanded the mill from 8 000 to 10 000 tpd. In addition to the mine, he was responsible for mill and town site engineering.

1975 to 1977 Two years as **chief engineer** at a 1 200 ton per day surface mine in northwestern Ontario. After a rushed startup and limited capital investment the small high grade operation with good management and revisions became extremely profitable.

1977 to 1979 Two years as the **mining specialist in the corporate planning** department of a Canadian subsidiary of an international oil and gas giant. The giant was attempting to expand its role into other energy resources. The department shared roles in oil, gas, mining, other projects also senior corporation planning. They developed a resource base of industry information and built computer modeling tools.

1979 to 1987 Seven years as the **oil sands mining specialist** in a small department of a large Canadian energy company. The department managed the company investments in operations, project evaluations and mineral claim holdings. The one operation was a CAD\$8 billion oil sands mine with a 5 000 direct and indirect

workforce processing 300 000 tons per day of sands producing 150 000 barrels per day of light sweet crude oil. The feasibility study projects were of similar sizes.

1982 to 1989 Seven years working with partners **exploring and evaluating mining ventures** for entrepreneurial involvement. He was **secretary and treasurer** of a startup mining company that eventually went public on the Calgary stock exchange. He initiated the investigation and acquisition of a BC industrial minerals exploration project that became a mine. With a partner experienced in stock markets and raising money they started company where he was **director, president and mining engineer**. This second company acquired a gold deposit in Ontario and became listed on the Calgary stock exchange.

1989 to 1991 Three years as a **senior mining engineer** in a respected mining consulting and construction management firm in Vancouver. He managed client relations, job proposals, studies, recommendations, progress and evaluations (scoping, prefeasibility and feasibility) supported by project teams selected from a large group of mining professionals.

1991 to 2003 Twelve years as an **independent mining professional**, working with mining firms with projects in the exploration and/or evaluation stages, a **computer industry entrepreneur** and in **contract and movie security**.

2004 to 2006 Three years as **project manager** of an advanced evaluation and startup of large surface mine that had been, more than once, taken to feasibility stage and once permitted but not started because of marginal metal prices and difficult political and social environment. The historical information was excellent but was 20 to 40 years old. The historical work proved an excellent guide to a complete revision of the planning and scope using new tools with new community and regulatory incentives.

2006 to 2007 Two years self employed providing **mining services to junior companies** in western North America. He established a company for personal services and a corporate shell for mining projects.

2007 to 2009 Two years as **entrepreneur** investigating and preparing to take advantage of mining opportunities in Vietnam. He was invited to join a respected biological/environmental consultant and a well connected Vietnamese entrepreneur to become involved in a gold mining opportunity. Several other groups with gold, iron, copper and silver projects were investigated and are temporarily on hold or have been terminated. He prepared a Canadian company with banking, auditing and corporate structures to meet the Vietnamese legal requirements as a foreign investor to work with Vietnamese partners in resource ventures.

EDUCATION

EDUCATION

to 1961 Nanaimo Senior High School
1963 Vancouver Vocational Institute – Mechanical Piping Design
1966 to 1968 British Columbia Institute of Technology – Mining Technology
1968 to 1971 Colorado School of Mines – Mining Engineering
1977 to 1979 University of Calgary – Master of Economics Studies
1950 to Now A life time of studies, courses and learning.

ORGANIZATIONS

1958 to 1963 Harewood Volunteer Fire Department - Member
1964 to 1966 Vancouver Curling Club – Member
1963 to now Vancouver Mineral Exploration Group – Lifetime Member
1966 to 1968 BCIT Woodward Club – Secretary Treasurer
1967 to now Canadian Institute of Mining and Metallurgy – at most times a member.
1972 to 2008 BC Professional Engineers - Member
1972 to 1974 Faro, Yukon Ski Club – President
1976 to 1968 Ignace, Ontario, Parks and Recreation Commission – Chairman
1979 to 1986 Calgary Northwest Conservative Association – Director
1989 to 2003 BCIT Industrial Advisory Committee – Member and then Chairman
2004 to 2008 Rotary Club of North Vancouver - Member