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FINAL VALUATION REPORT ON THE WESTERN COPPER AND BEAR CROWN GRANTS, WESTERN COPPER PROPERTY, SKEENA MINING DIVISION, BRITISH COLUMBIA, CANADA

Authors:

William E. Roscoe, Ph.D., P.Eng.

Paul Chamois, M.Sc.(A), P.Geo.

February 18, 2014



Report Control Form

Document Title

Final Valuation Report on the Western Copper and Bear
Crown Grants, Western Copper Property,
Skeena Mining Division, British Columbia, Canada

Client Name & Address

BC Ministry of Energy & Mines

Document Reference

Project #2234

Status & Issue No.

FINAL
Version

Issue Date

February 18, 2014

Lead Author

William E. Roscoe
Paul Chamois

(Signed)
(Signed)

Peer Reviewer

Deborah McCombe

(Signed)

Project Manager Approval

William E. Roscoe

(Signed)

Project Director Approval

Deborah McCombe

(Signed)

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Roscoe Postle Associates Inc.
55 University Avenue, Suite 501
Toronto, ON M5J 2H7
Canada
Tel: +1 416 947 0907
Fax: +1 416 947 0395
mining@rpacan.com

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1 SUMMARY

Roscoe Postle Associates Inc. (RPA) has been retained by the Ministry of Energy and Mines of the Province of British Columbia (the Ministry) to carry out an independent valuation and prepare a Final Valuation Report on the Western Copper and Bear Crown Grants (the Claims), part of the Western Copper property (the Property) located east of Princess Royal Island in the Skeena Mining Division of west central British Columbia. On July 14, 2006, the Government of British Columbia eliminated the right of the titleholders, Moira Movanna and Bill Bell (the Titleholders), to carry out exploration on the Claims, effectively expropriating them.

This Final Valuation Report is required to assist the Ministry in determining compensation to the Titleholders of the expropriated Claims. The effective valuation date is July 14, 2006, the date of expropriation. This Final Valuation Report is prepared in accordance with the terms of Section 17.1 of the Mineral Tenure Act and the Mining Rights Compensation Regulation. RPA did not carry out a site visit to the Property.

For this report, RPA has relied on technical data contained in results of past exploration work, on information supplied by the Ministry and on information available in the public domain. William E. Roscoe, Ph.D., P.Eng., RPA Chairman Emeritus and Principal Geologist, and Paul Chamois, M.Sc. (A), P.Geo., RPA Senior Geologist, carried out this valuation. Metric units as well as imperial units are used in this report and the sources of information are listed at the end of this report.

The Claims cover an area of approximately 16.1 hectares (ha) situated approximately 100 km south of Kitimat, east of Princess Royal Island, west central BC. Access to the Property is easiest by helicopter. The main showings are situated between 550 m and 825 m elevation above sea level (ASL).

The Canadian Cordillera comprises five morpho-geological belts that record Mesozoic accretion of the allochthonous Insular and Intermontane superterrane to North America. From west to east these are the Insular, Coastal, Intermontane, Omineca, and Foreland belts. The accretion of the Insular and Intermontane superterrane was accompanied by metamorphism, plutonism (the Coastal Belt), and major crustal thickening and uplift. The

Coastal Belt records widespread, dominantly Mesozoic and early Cenozoic continental arc magmatism that developed along the suture between the Insular and Intermontane superterrane during and following accretion.

The regional geology is typical of the Tertiary-Jurassic Coast Plutonic Complex. The Property is underlain by a granodioritic phase of the Coast Range Batholith, which is intruded by numerous aplite and pegmatite dykes of various compositions.

At least three veins are known, but the focus of almost all the previous work on the Property is a quartz-feldspar vein of up to 2 m in width, which strikes east-northeastly and dips shallowly to the south. It has been traced for at least 1,200 m on either side of North Star Canyon. Mineralization occurs as isolated lenses of massive to disseminated pyrite, chalcopyrite, chalcocite and covellite within the vein. Minor production from 1928 to 1929 totalled 215 tonnes, which yielded 5,319 grams of gold, 45,193 grams of silver and 30,812 kilograms of copper.

The exploration target for the Property is epigenetic, gold-copper bearing quartz veins. The majority of the historical work on the Property has been completed on claims other than the Western Copper and Bear Crown Grants. The Bear Crown Grant is located north of the main vein and may host other veins but is not expected to host the main vein. The Western Copper Crown Grant lies down dip from the surface expression of the main vein and it is reasonable to expect that, if it persists down dip, the main vein would cross onto the Western Copper Crown Grant at depth. Unfortunately, the Western Copper Crown Grant is a very small, pie-shaped claim which cannot be expected to host much tonnage.

Work on the Property prior to 1915 consisted mainly of a series of open cuts and short adits or tunnels at various points on the vein and totalling about 55 m. Work was started on a narrow gauge railway from tide water up the Khutze River valley and 5.3 tonnes of hand-cobbed ore were shipped to a smelter. This shipment is reported to have averaged 1.45 oz/ton Au, 1.85 oz/ton Ag and 2.75% Cu. From 1925 to 1932, the railway was upgraded and an approximately 900 m long aerial tramline was installed from the canyon floor to the workings. Underground workings included an inclined shaft, drifts, crosscuts and raises for a total of about 600 m of development. In 1928 and 1929, hand-cobbed ore totalling 215 tonnes, which averaged 0.72 oz/t Au, 6.14 oz/t Ag and 14.33% Cu, was shipped to smelters. In the mid-1960s, work was done to convert the old railway bed to a truck road, but no

significant exploration or development work was completed. In 1988, work by a consortium of junior companies included camp construction, extensive sampling of surface and underground exposures, and diamond drilling of ten holes for a total of 786.6 m from two drill sites.

Malcolm (1966) indicated that the Property hosted a “reserve” of 2,257 tonnes averaging 1.18 oz/ton Au, 8.05 oz/ton Ag and 8.7% Cu. This estimate has not been confirmed by RPA and no data are available to support it.

In 1988, a group headed by Freemont Gold Corporation carried out surface and underground sampling and drilled 10 short holes. The location of the drill holes is not documented, but the results indicate narrow, irregularly distributed quartz vein gold mineralization that appears to be consistent with the mineralization that was the target of the past underground mining.

No work appears to have been completed on the Property in the 18 years preceding the expropriation of the Claims. In RPA's view, narrow quartz veins such as those on the Property do not represent targets with significant economic potential. No further work is warranted on the Claims, in RPA's opinion.

RPA has valued the Property using the Comparable Transactions Method which uses the market transaction price of comparable mineral properties to establish a value for the subject property. RPA has compiled information on transactions by TSX Venture Exchange companies which took place on mineral properties in BC from early 2004 to early 2007. Four transactions were identified for mineral properties with attributes somewhat similar to the Property. RPA has estimated the value of each property by analyzing the cash, stock and work commitment components of each transaction. Based on market comparable transaction values, RPA considers that the Market Value of the Claims as of July 14, 2006, is \$3,000.

2 INTRODUCTION

Roscoe Postle Associates Inc. (RPA) has been retained by the Ministry of Energy and Mines of the Province of British Columbia (the Ministry) to carry out an independent valuation and prepare a Final Valuation Report on the Western Copper and Bear Crown Granted Claims (the Claims), part of the Western Copper property (the Property). The Claims are situated within the K'ootz/Khutze Conservancy (the Park) in the Skeena Mining Division of west central British Columbia. On July 14, 2006, the Government of British Columbia created the Park and eliminated the right of the Titleholders, Moira Movanna and Bill Bell (the Titleholders), to carry out exploration on the Claims, effectively expropriating them. The Claims cover an area of approximately 16.1 hectares (ha), and are situated entirely inside the Park.

This Final Valuation Report is required to assist the Ministry in determining compensation to the Titleholders of the expropriated Claims. The effective valuation date is July 14, 2006, the date of expropriation.

This Final Valuation Report is prepared in accordance with the terms of Section 17.1 of the Mineral Tenure Act, and the Mining Rights Compensation Regulation. RPA did not carry out a site visit to the Property.

William E. Roscoe, Ph.D., P.Eng., RPA Chairman Emeritus and Principal Geologist, and Paul Chamois, M.Sc. (A), P.Geo., RPA Senior Geologist, carried out this valuation.

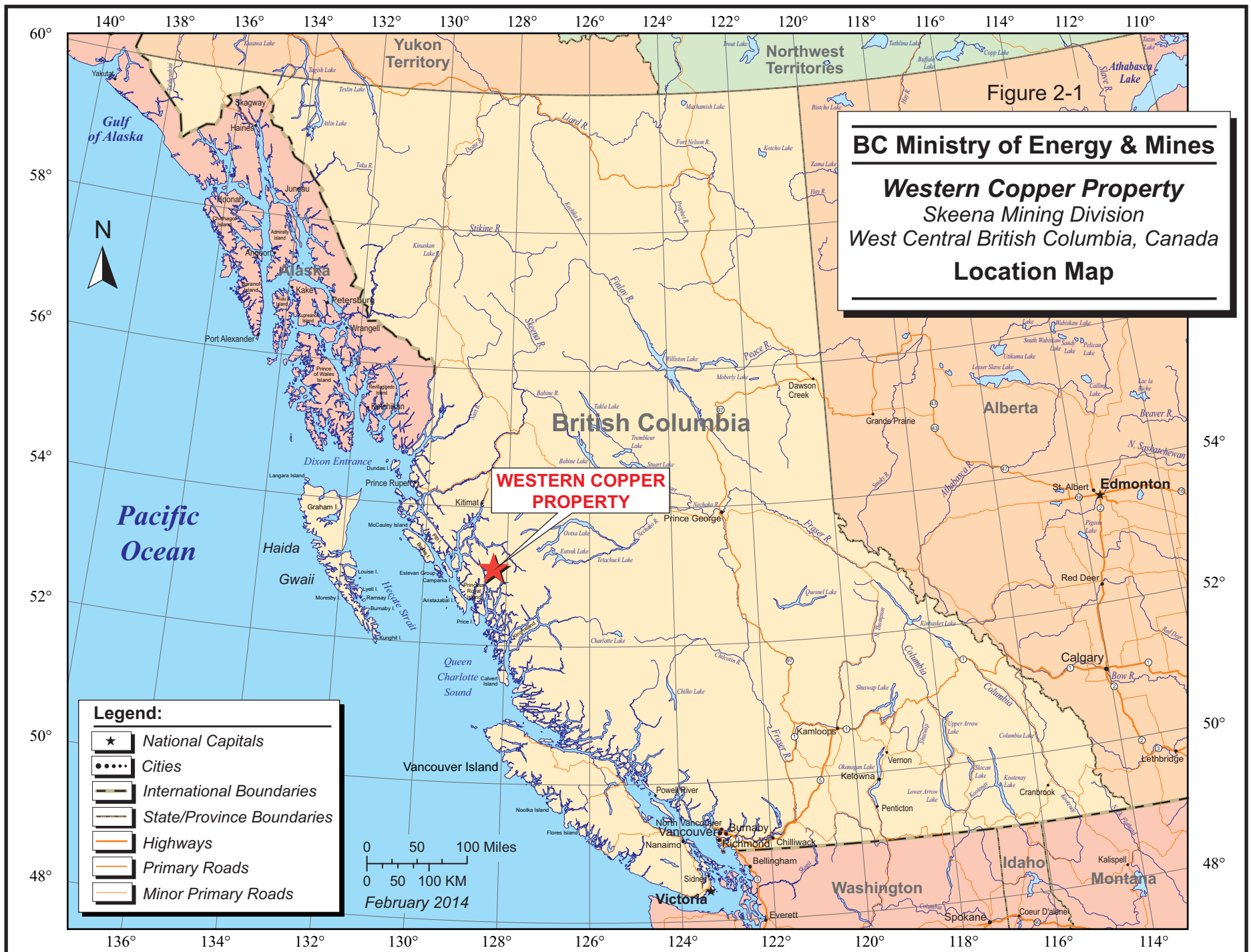
Value as used in this report refers to Market Value, which is defined in the BC Mineral Rights Compensation Regulation as follows:

"The value of an expropriated mineral title must be determined by estimating the value that would have been paid to the holder of the expropriated mineral title if the title had been sold on the date of expropriation, in an open and unrestricted market between informed and prudent parties acting at arm's length."

This report summarizes the technical aspects of the Property and discusses the details of the valuation methods that are utilized to arrive at the Market Value for this exploration property.

Unless otherwise stated, Canadian dollars are used, and metric units as well as imperial units are used in this report.

For this valuation, RPA did not carry out any independent sampling on the Property, nor did we carry out a title search. RPA has relied on technical data and title documents supplied by the Ministry, as listed at the end of this report, in the Sources of Information section. To complete the Geology and Mineralization section as well as the Valuation section of this report, RPA has relied on additional information available in the public domain, such as The George Cross News Letter, The Northern Miner and Canada Stockwatch from January 2004 to March 2007, and publications of the Ministry.



3 DISCLAIMER

This Final Valuation Report has been prepared by RPA at the request of Ministry of Energy and Mines of the Province of British Columbia (the Client). Conditions and limitations of use apply to this report. The report may be used by the Client in connection with its review of the Western Copper and Bear Crown Grants of the Western Copper Property and shall not be used nor relied upon by any other party, nor for any other purpose, without the written consent of RPA. RPA accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions based on this report.

The information, conclusions, opinions, and estimates contained herein are based on:

1. information available to RPA at the time of preparation of this report,
2. assumptions, conditions, and qualifications as set forth in this report, and
3. data, reports, and opinions supplied by the Client and other third party sources.

While it is believed that the information contained herein is reliable under the conditions and subject to the limitations set forth herein, this report is based in part on information not within the control of RPA and RPA does not guarantee the validity or accuracy of conclusions or recommendations based upon that information. While RPA has taken all reasonable care in producing this report, it may still contain inaccuracies, omissions, or typographical errors.

The report is intended to be read as a whole and sections should not be read or relied upon out of context.

The information contained in this report may not be modified or reproduced in any form, electronic or otherwise except for the Client's own use unless the Client has obtained RPA's express permission.

4 VALUATION APPROACH AND METHODS

GENERAL

The objective of this Final Valuation Report is to estimate a range of Market Values for the Western Copper and Bear Crown Grants. There are two main categories of mineral properties, which require different approaches to valuation. These are exploration properties and development properties. This subdivision is based on technical information rather than on the type of mineral tenure.

Development properties are those on which an economically viable mineral deposit has been demonstrated to exist. Such properties are at a sufficiently advanced stage that enough reliable information exists to value the property by discounted cash flow analysis, with a reasonable degree of confidence. In general, such information includes reasonably assured Mineral Reserves, workable mining plan and production rate, metallurgical test results and process recoveries, capital and operating cost estimates, environmental and reclamation cost estimates, and commodity price projections or sales contracts.

The value of a development property is the net present value of a stream of estimated cash flows, discounted at an appropriate rate to properly reflect the risk of the mining project. Development properties include producing mines as well as properties on which development of an economically viable operation is planned.

Exploration properties are those on which an economically viable mineral deposit has **not** yet been demonstrated to exist. The real value of an exploration property lies in its potential for the existence and discovery of an economically viable deposit. Only a very small number of exploration properties will ultimately become mining properties, but they have value until such time as exploration work has been sufficient and justified to test the potential. In the mineral industry, exploration properties are optioned, joint ventured, bought, sold and traded on the basis of perceived exploration potential.

Dividing mineral properties into exploration and development properties is straightforward for the most part. There are some properties, however, which fall into a grey area between the two groups. These marginal properties contain well-defined mineral resources, which would

become economically viable at higher commodity prices or lower production costs, and have enough reliable data to show that the economics are marginal at prevailing commodity prices at the time of valuation.

The Property is at an early stage of exploration and, as noted above, its value lies in the potential for the existence and discovery of an economically viable mineral deposit within the area of the Property.

The three generally accepted valuation approaches are Market, Income, and Cost. For valuation of the Property, RPA has used the Comparable Transactions Method (a Market Approach). The comparable transaction values from January 2004 to March 2007 are used to estimate a range of Market Values for the Property. RPA has not used the Income Approach since it is not appropriate for such an early stage exploration property. The Appraised Value Method (a Cost Approach) is not considered to be applicable to the Property because no recent work has been carried out and no further work is considered to be warranted to test the gold-copper mineralization on the Property.

APPRAISED VALUE METHOD

In the valuation of the Property, RPA considered but rejected the Appraised Value Method, which is based on meaningful past exploration expenditures plus warranted future costs. This method is described in articles by W. E. Roscoe (2002 and 2003).

An important aspect of the Appraised Value Method is that only those past expenditures which are considered meaningful and productive are retained as value. Productive means that the results of the work give sufficient encouragement to warrant further work by identifying potential for the existence and discovery of an economic mineral deposit. Warranted future costs comprise a reasonable exploration budget to test the identified potential, which can be in the form of geophysical or geochemical anomalies, or promising mineralization, plus property holding costs such as option payments and claim fees. If past expenditures downgrade the mineral potential of a property, they are not retained as value or they are only partly retained.

The Appraised Value Method provides reasonably consistent results, if it is applied by experienced, knowledgeable exploration geologists possessing a good understanding of the

principles of valuation. This valuation methodology has been generally accepted and is widely used for establishing relative values of exploration properties. RPA has an extensive database of properties valued over the past nineteen years, which is used for internal consistency by comparing values of exploration properties at the same stage of exploration with similar perceived potential.

The Appraised Value of the Property is considered to represent exploration property value to a “going concern” entity, which would have been actively pursuing mineral exploration in the area during the time of expropriation. The value is not necessarily the same as cash value that the property could have been sold for. In fact, exploration properties generally trade on an option rather than a cash sale basis. To determine a Market Value, RPA applies its independent judgement to determine the potential and marketability of the property.

COMPARABLE TRANSACTIONS METHOD

The Comparable Transactions Method uses the transaction price of a comparable mineral property to establish a value for the subject property. RPA has compiled information on transactions by VSE (now TSX Venture Exchange) companies, which took place from early 2004 to late 2007 involving mineral properties in British Columbia. RPA identified four such transactions reported in The George Cross News Letter, The Northern Miner, and Canada Stockwatch and compiled data on the properties.

RPA has estimated the value of each property from published information, using the cash, issuing of the companies’ stock and work commitment components of each transaction. Where agreement terms are not specified in the public record, RPA has assumed that the transaction – including cash, shares and/or work commitments - would have been an option agreement covering a three-year period from the date of the agreement. RPA notes that a three to four-year option period is common for mineral property transactions in Canada. Transactions on properties which may be comparable to the Property are described in a later section.

A difficulty of the Comparable Transactions Method in the mining industry is that there are no true comparable transactions, unlike real estate or oil and gas, since each mineral property is unique with regard to key factors such as geology, mineralization, costs, exploration stage, location and infrastructure. In addition, there are relatively few transactions for mineral

properties compared to the frequency of real estate transactions in general. When transactions do occur, they rarely involve strictly cash, leaving the valuator the task of converting blocks of shares, royalties or option terms into monetary equivalent. Nonetheless, transaction prices of similar properties can indicate a range of values for a particular mineral property.

Exploration property transactions also give an indication of how active the market may be at any given time. As in the case for most valuations of real estate properties, the reliability of the valuation depends on an active market in comparable properties. Mineral properties differ from real estate properties in several ways. There are no true comparable transactions in the valuation of mineral properties, since each property is considered unique, as noted above. Mineral properties, which are at different stages of exploration or development, and have different geological and related attributes, may have considerably different values. This is due to the potential for cash flow from an identified mineral deposit, or the potential for discovery of a deposit. Another reason for the large differences in mineral property values is that there is a small volume in mineral property transactions compared to the real estate market.

Finally, as with real estate properties, the location of a mineral property may have a large impact on its value. Exploration properties in established mining areas often have a premium value because of the higher perceived potential for discovery of a mineral deposit, and because of developed infrastructure. On the other hand, mineral properties remote from areas of infrastructure often have lower values.

5 QUALIFICATIONS OF RPA

RPA is a group of technical professionals who have provided advice to the mining industry for nearly 30 years. During this time, RPA has grown into a highly respected organization regarded as *the specialty firm of choice for resource and reserve work*. RPA provides services to the mining industry at all stages of project development from exploration and resource evaluation through scoping, prefeasibility and feasibility studies, financing, permitting, construction, operation, closure and rehabilitation. Our portfolio of customers includes clients in banking (both debt and equity), institutional investors, government, major mining companies, exploration and development firms, law firms, individual investors, and private equity ventures.

RPA offices are located in Canada, the United States, and the United Kingdom. Our professionals work globally, visiting mines and projects on six continents. Our home office is located in Toronto, Ontario, and the company is 100% owned by its employees.

Our mission is to apply our broad and deep experience to provide objective, independent advice. Our vision is to enable mining industry operators and investors to make the right decisions for business success. Clients return to RPA repeatedly because of the accurate, credible technical reports and advice we deliver, reports that are accepted and relied on time and time again, among financial institutions and major regulatory bodies worldwide.

At RPA, we:

- Deliver what we promise
- Provide unsurpassed quality
- Communicate effectively with clients and other stakeholders

All of these characteristics are embodied in our motto: Rock solid resources. Proven advice.

RPA has carried out independent valuations of more than a thousand mineral exploration properties across Canada and in other countries, usually in conjunction with financial transactions involving mining companies in general.

RPA monitors the exploration and mining markets and maintains an extensive database of mineral property transactions worldwide. This allows us to derive a range of values of comparable transactions of mineral properties which are situated in similar geologic environments and are bought, sold or optioned off during certain periods of the economic cycle. RPA also subscribes to proprietary databases which compile information on market transactions on mineral properties.

William E. Roscoe, Ph.D., P. Eng., had been President and a Principal Geologist with RPA since founding of the company in 1985 until 2011 when he became Chairman (Chairman Emeritus since 2012) and a Principal Geologist. Among the services he provides are mineral resource work, valuation of mineral properties and exploration projects. Dr. Roscoe is Co-Chairman of the Special Committee of the Canadian Institute of Mining, Metallurgy and Petroleum on Valuation of Mineral Properties (CIMVal), which set out the Standards and Guidelines for Valuation of Mineral Properties.

Dr. Roscoe is a qualified valuator because he:

- Is registered as a Professional Engineer in Ontario (Reg. #39633011), has published on valuation of mineral properties, and has been involved in many of RPA's exploration property valuations.
- Has more than twenty years' experience relevant to the valuation of mineral properties.

Mr. Paul Chamois is a Senior Geologist with RPA. He has extensive experience in mineral exploration in a wide variety of geological environments in Canada and abroad, as well as valuation of mineral properties.

Mr. Chamois is a Qualified Person because he:

- Is a member of several professional associations, including the Association of Professional Geoscientists of Ontario (Reg. #0771), the Association of Professional Engineers and Geoscientists of Saskatchewan (Reg. #03480), and the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador (Reg. #14155), and has been involved in several of RPA's exploration property valuations.
- Has more than twenty years' experience relevant to geological evaluation of mineral properties.

6 PROPERTY LOCATION, ACCESS AND INFRASTRUCTURE

The Property consists of eight contiguous Crown Granted Claims, of which the Western Copper and Bear Crown Granted Claims (the Claims) are a part. The Claims are situated approximately 100 km south of Kitimat, in west central British Columbia (Figure 6-1). The Property is centred at approximately 544 528mE, 5 883 262mN (NAD 83, Zone 09). The geographic coordinates are 53°05'49"N and 128°20'06"W. It is located within the K'ootz/Khutze Conservancy (the Park). Access to the Property is easiest by helicopter. The Property is located immediately south of the east branch of the Khutze River, which flows into Khutze Inlet on the east side of Princess Royal Channel approximately 7 km to the west.

The Property straddles the steep northern slopes of an east-west mountain ridge, south of the east branch of the Khutze River. The Property is cut by the north trending, V-shaped North Star Canyon, the walls of which consist of very steep to locally vertical cliffs. The elevations range from 80 m in the valley floor to greater than 1,250 m on adjacent peaks.

Vegetation is restricted to spruce, cedar and hemlock on ledges, but elsewhere snow slides prevent tree growth, except in the main valley where timber is abundant.

The Kitimat weather station reports average monthly temperature ranges of -3°C to 16.2°C, with rainfall averaging 1,767 mm and snowfall averaging 424 cm per year. The Claims cover a total area of approximately 16.1 ha (Table 6-1). The relative position of the Property and the Claims with respect to the Park is shown in Figure 6-1, and the property map is provided in Figure 6-2.

On July 14, 2006, the Province of British Columbia effectively expropriated the Claims when it created the Park and eliminated the right of the Titleholders of the Claims to carry out exploration. At the time of the taking, the Western Copper and Bear Claims were held by Moira Movanna and Bill Bell.

TABLE 6-1 LIST OF CLAIMS
Western Copper Property, Skeena Mining Division, British Columbia

Claim	Lot No.	Area (ha)
Western Copper	380	1.016
Bear	385	15.095
Total		16.111

Source: BC Surveyor General Division, 2008.

In addition to the Western Copper and Bear Claims, the Property also includes another six Crown Granted Claims, which are not the subject of this report. The six claims are: Anna (Lot no. 173, 19.5 ha), Joanna (Lot no. 180, 20.9 ha), North Star (Lot no. 376, 18.8 ha), Empire (Lot no. 378, 10.4 ha), Argentile (Lot no. 379, 18.8 ha), and Ida (Lot no. 384, 18.2 ha).

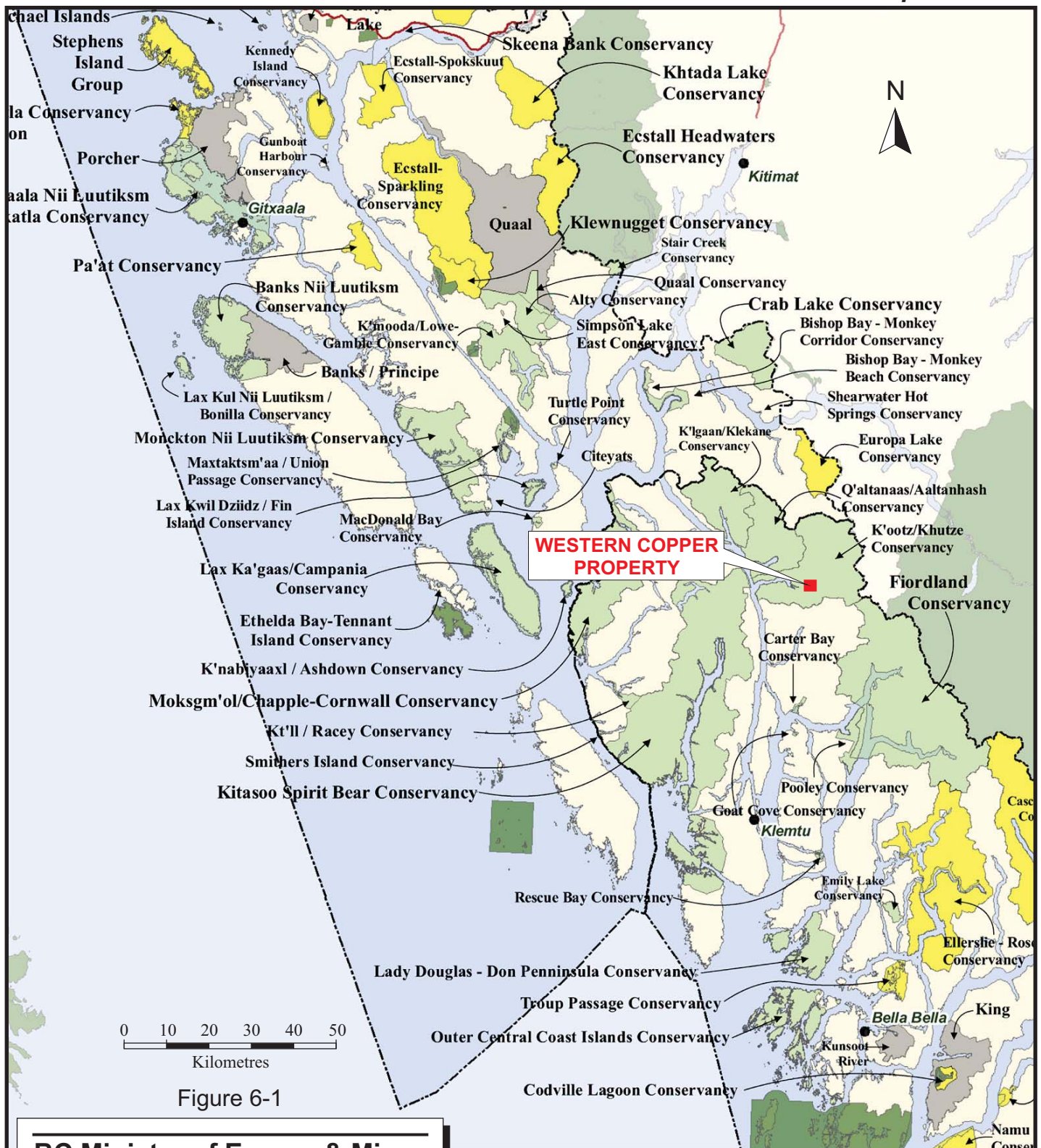


Figure 6-1

BC Ministry of Energy & Mines

Western Copper Property

Skeena Mining Division

West Central British Columbia, Canada

Property Location Within

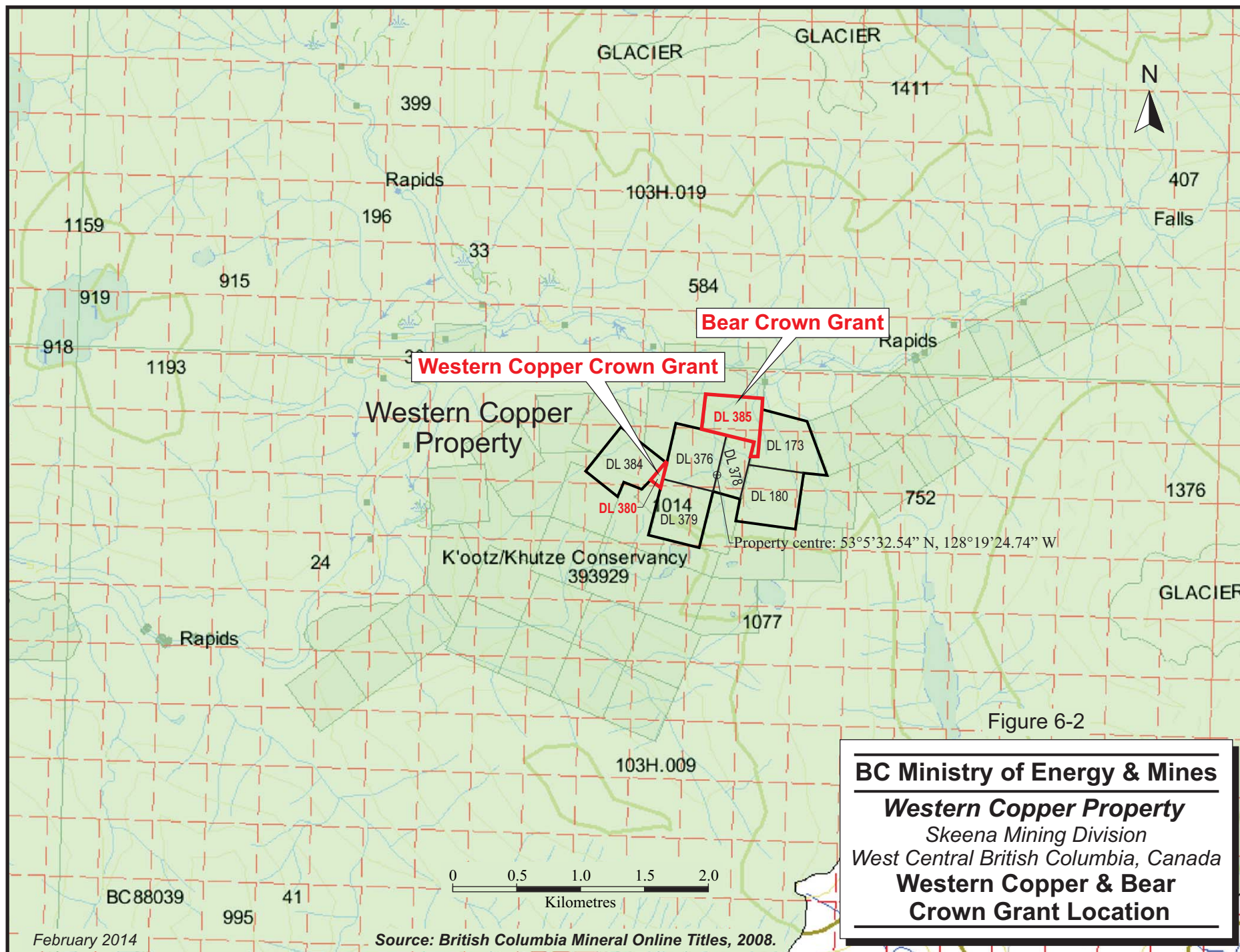
K'ootz/Khutze Conservancy

Source: Little Earth GIS Consulting Inc., 2008.

Status Classification

- Existing Protected Areas
- Conservancies Designated 2006 & 2007
- Pending Conservancies
- Biodiversity Areas
- Highway
- LRMP Boundary

February 2014



7 HISTORY OF PREVIOUS WORK AND RESULTS

The history of previous work in this section relates to work on the Western Copper and Bear Claims and on other adjacent Crown Granted Claims, collectively referred to as the Property. The bulk of the historical exploration and development work has taken place on claims other than the Western Copper and Bear Crown Grants.

The initial claims were staked in late 1904 by C.W. Meldrum and A. McLeod and were acquired by Vancouver mining brokers Martin, Shannon and Mathers in 1905. Early work consisted of a series of open cuts and short adits or tunnels on either side of North Star Canyon totalling about 55 m of development. In 1909, a 5.3 tonne shipment of hand-cobbed ore was sent to a smelter in Ladysmith, BC. This shipment is reported to have averaged 1.45 oz/ton Au, 1.85 oz/ton Ag and 2.75% Cu. The Claims were Crown Granted ca. 1910. The construction of a light railroad from the mud flats at the mouth of Khutze Inlet up the Khutze River valley was initiated in 1911 but was completed only over a distance of about 4 km. Work on the Property was suspended after the 1914 season.

In 1925, the Property was optioned by Martin, Shannon and Mathers to E.W. Scully who turned it over in bond to Khutze River Mines, Limited. Work consisted of rehabilitating the camps and trail as well as minor amount of development work on the showings. The claims reverted to the owners but were optioned by the Revenue Mining Company (Revenue) in the spring of 1926. By 1927, the Detroit Western Syndicate had acquired the Property from Revenue and concentrated its early efforts on the completion of a narrow gauge railway with heavier rails from tidewater to the camp. A 900 m long aerial tramway with a capacity of 500 tons per 24 hours was completed from the camp at 80 m ASL to the portal at 475 m ASL. By the end of the 1929 season, mining equipment including a power plant, hoist and compressors was installed and about 600 m of underground development was completed. Three shipments of hand-cobbed ore were sent to smelters at Tacoma, WA and Anyox, BC from 1928 to 1929. These shipments totalled 215 tonnes and are reported to have averaged 0.72 oz/ton Au, 6.14 oz/ton Ag and 14.33% Cu. Operations ceased in November 1929 and the Detroit Western Syndicate terminated its option.

In 1931, some work was completed by Revenue including rehabilitating the camps and equipment, dewatering the inclined shaft, deepening it by about 5 m, and driving approximately 47 m of crosscuts and drifts. The Property then reverted to Martin, Shannon and Mathers. All salvageable equipment, including rails, was removed from the Property by 1938.

The Claims were transferred/deeded to Amy C. Armytage-Moore in 1945.

Malcolm (1966) indicated that the Property hosted a “reserve” of 2,257 tonnes averaging 1.18 oz/ton Au, 8.05 oz/ton Ag and 8.7% Cu. This estimate has not been confirmed by Scott Wilson RPA and no data are available to support it.

In early 1967, Khutze Mines Ltd. (Khutze) acquired the Property and subsequently began work to reopen the road into the Property. Later that year, Khutze entered into a partnership with Commercial Oil & Gas Ltd. to develop the Property, but little, if any, development work appears to have taken place.

In February 1988, the Property was optioned by a consortium consisting of Freemont Gold Corporation (Freemont) (50%), Alcove Gold Corporation (Alcove) and Maret Resources Ltd. (Maret) (25%). Soon afterwards, Maret assigned its interest to Marum Resources Inc. In 1988, work by the consortium included camp construction, extensive sampling of surface and underground exposures and culminated in diamond drilling ten short holes for a total of 786.6 m from two drill sites. The option was terminated in October 1990 and the Claims reverted to the owners.

The locations of the two drill sites used by Freemont in 1988 are not documented and it is not known if they are on the Claims. Six short holes were fanned in various directions from Site 1 and four returned gold values in quartz vein material at shallow depths. Hole 1 returned 2.8 g/t Au over 0.6 m; Hole 2 returned 218 g/t Au over 0.24 m; Hole 3 returned 6.7 g/t Au over 0.49 m; and Hole 4 returned 6.6 g/t Au over 1.5 m. All of these holes intersected the quartz vein at an angle so that true vein widths are less than the intersection widths, particularly Hole 4. Hole 5, located between Holes 2 and 3, returned negligible gold and Hole 6 returned negligible gold also. Two of the four holes fanned from Site 2 (Holes 7 and 10) appear to have intersected quartz vein material and all four holes returned negligible gold values

The results of the Freemont 1988 drilling, although the location of the holes is unknown, indicate narrow, irregularly distributed gold mineralization in a shallowly dipping quartz vein. This appears to be consistent with the mineralization that was the target of the past underground mining, which produced small tonnages of hand-cobbed material.

Work on the Property from 1905 to 1988 is summarized in Table 7-1.

TABLE 7-1 SUMMARY OF EXPLORATION WORK - 1905-1988
Western Copper Property, Skeena Mining Division, British Columbia

Date	Company	Description
1905-1914	Martin, Shannon & Mathers	Camp construction Several open cuts and short adits totalling 55 m. Shipped 5.3 tonnes of hand-cobbed ore to smelter in Ladysmith Started construction of light railway
1925	Khutze River Mining Limited	Rehabilitated camps and trail Minor work on showings
1927-1929	Detroit Western Syndicate	New camps, rail line and aerial tramway Installed mining equipment Underground development (600 m) Shipped 215 tonnes of hand-cobbed ore to smelters in Tacoma and Anyox
1931	Revenue Mining Company	Rehabilitated camps and equipment Dewatered inclined shaft Underground development (51 m)
1988	Freemont, Alcove & Marum Resources	Camp construction Surface and underground sampling Diamond drilling (10 ddh/786.6 m)

8 GEOLOGY AND MINERALIZATION

REGIONAL GEOLOGY

The Canadian Cordillera comprises five morpho-geological belts that record Mesozoic accretion of the allochthonous Insular and Intermontane superterrane to North America (Figure 8-1). From west to east these are the Insular, Coastal, Intermontane, Omineca, and Foreland belts. The accretion of the Insular and Intermontane superterrane was accompanied by metamorphism, plutonism (the Coastal Belt), and major crustal thickening and uplift. The Coastal Belt records widespread, dominantly Mesozoic and early Cenozoic continental arc magmatism that developed along the suture between the Insular and Intermontane superterrane during and following accretion.

The Coastal Belt includes the Coast and Cascade Mountains and extends from south of the British Columbia – Washington State border, approximately 1,500 km northward up to the southern border of the Yukon Territory and beyond. The Coastal Belt consists mostly of 185 Ma to 50 Ma old granitic rocks, plus scattered remnants of older, deformed sedimentary and volcanic rock into which the granitic bodies have intruded. The last 40 million years, however, have been shaped by magmatism related to the development of the Cascade Magmatic Arc, formed by subduction of the Juan de Fuca Plate beneath the North American Plate (Monger and Journeay, 1994).

Post-accretionary plutonism in southwest British Columbia can be divided into an early and a late phase, with the late phase being the current focus of economic interest. During Late Cretaceous through Middle Eocene, there was extensive plutonism related to subduction of the Farallon Plate beneath North America. Plutons were emplaced along active, crustal-scale, strike-slip structures along the length of the northwest Cordillera, dominantly along the eastern margin of the Coastal Belt overprinting the Intermontane Superterrane.

Late Eocene through Pliocene (and present) plutonism of the Cascade Magmatic Arc is related to subduction of broken remnants of the Farallon Plate, including the Juan de Fuca Plate, beneath North America. Cascade plutons were emplaced along the older, crustal scale Eocene structures and in particular at the intersection of these with much younger arrays of steep northeast trending cross-structures.

The Cascade magmatic arc is best understood from its exposure in the Cascade Mountains of Washington State where it intrudes volcanic and sedimentary rocks and is easier to identify than where it intrudes similar older (Cretaceous) crystalline rocks in the Coastal Mountains of British Columbia.

LOCAL GEOLOGY

The regional geology is typical of the core region of the Coast Mountains. The area is underlain by plutonic rocks and by remnants of deformed and metamorphosed volcanic and sedimentary rocks (Figure 8-2).

Supracrustal rocks occur in two northwesterly trending belts. One narrow belt, located along the east side of Graham Reach, comprises thinly laminated micaceous quartzite, crystalline limestone, skarn, and greenstone and schist of possible Paleozoic age. The other belt, located east of the Property and well exposed in the mountains at the head of the Khutze River, is a broad zone of granitoid gneiss including gneissic quartz diorite, rusty fine-grained gneiss and schist.

The plutonic rocks in the area include a gneissic and migmatitic complex located near the mouth of Khutze Inlet and northwesterly trending zones of hornblende biotite-rich quartz diorite, biotite hornblende-rich granodiorite and both biotite quartz-rich and leucocratic quartz monzonite. Contact relationships suggest the early formation of a central belt of quartz diorite followed by later intrusions of quartz monzonite. Most of the plutonic rocks to the southwest of the granitoid gneiss unit are reported to be Middle Cretaceous in age while those to the northeast may be Tertiary in age.

Regionally, rock units display a broad northwesterly trend and the western contact of the granitoid gneiss appears to be defined by a northwesterly trending fault. Lineaments and contact relationships suggest that several north to northeasterly trending faults may occur in the area (Pinsent, 2000).

PROPERTY GEOLOGY

No detailed geological map of the Property appears to exist. The Property is underlain by a biotite, hornblende granodioritic phase of the Coast Range Batholith, which is intruded by numerous aplite and pegmatite dykes of various composition.

MINERALIZATION

A number of sulphide-bearing, quartz-feldspar veins have been identified, the most significant of which, referred to as the No. 2 vein by Shannon (1910), has been the focus of the majority of the exploration and development work that has taken place on the Property. This vein strikes at 070° and dips at 20° to 30° to the south. It has been traced for at least 1,200 m along strike. Mandy (1932) indicates that it pinches and swells and locally attains a maximum width of approximately 2.0 m, although historical records indicate that it may reach widths of about 6.0 m locally (Campbell-Johnston, 1909).

The vein occupies a fissure, or a narrow shear, in the otherwise massive host granodiorite. The wall rock exhibits a minor amount of quartz and sericite alteration.

Mineralization consists of pyrite and chalcopyrite with lesser chalcocite, covellite and bornite. Phendler (1981) reports the presence of enargite. Discrete zones of massive sulphides occur which grade outward into zones of increasingly more sparsely disseminated mineralization. These zones are separated by sections of barren quartz with narrow intermittent streaks of high grade (Pinsent, 2000). Soux (1988) reports that the gold is present primarily as electrum. Typically, fractures in pyrite are filled with chalcopyrite and electrum. The occurrence of native gold is restricted to inclusions in pyrite.

Shipments of hand-cobbed vein material totalling 215 tonnes sent to smelters in Tacoma, WA and Anyox, BC from 1928 to 1929 yielded 5,319 grams of Au, 45,193 grams of Ag and 30,812 kilograms of copper.

Malcolm (1966) estimated a “reserve” of 2,257 tonnes grading 1.18 oz/t Au, 8.05 g/t Ag and 8.7% Cu. This estimate has not been confirmed by Scott Wilson RPA and no data are available to support it. The estimate predates the drilling carried out in 1988 by Freemont.

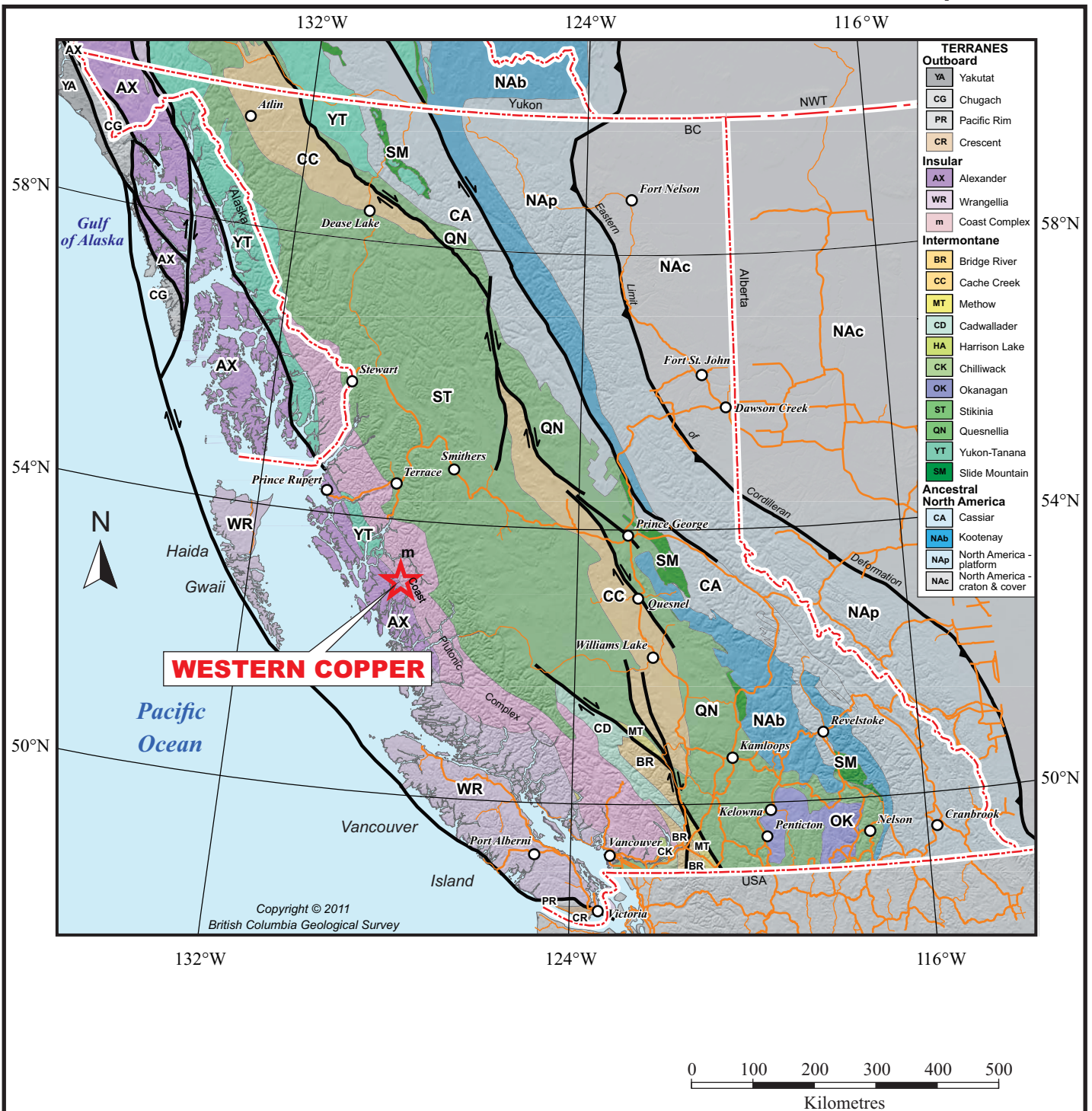
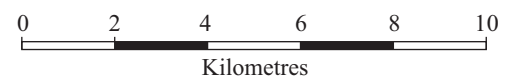
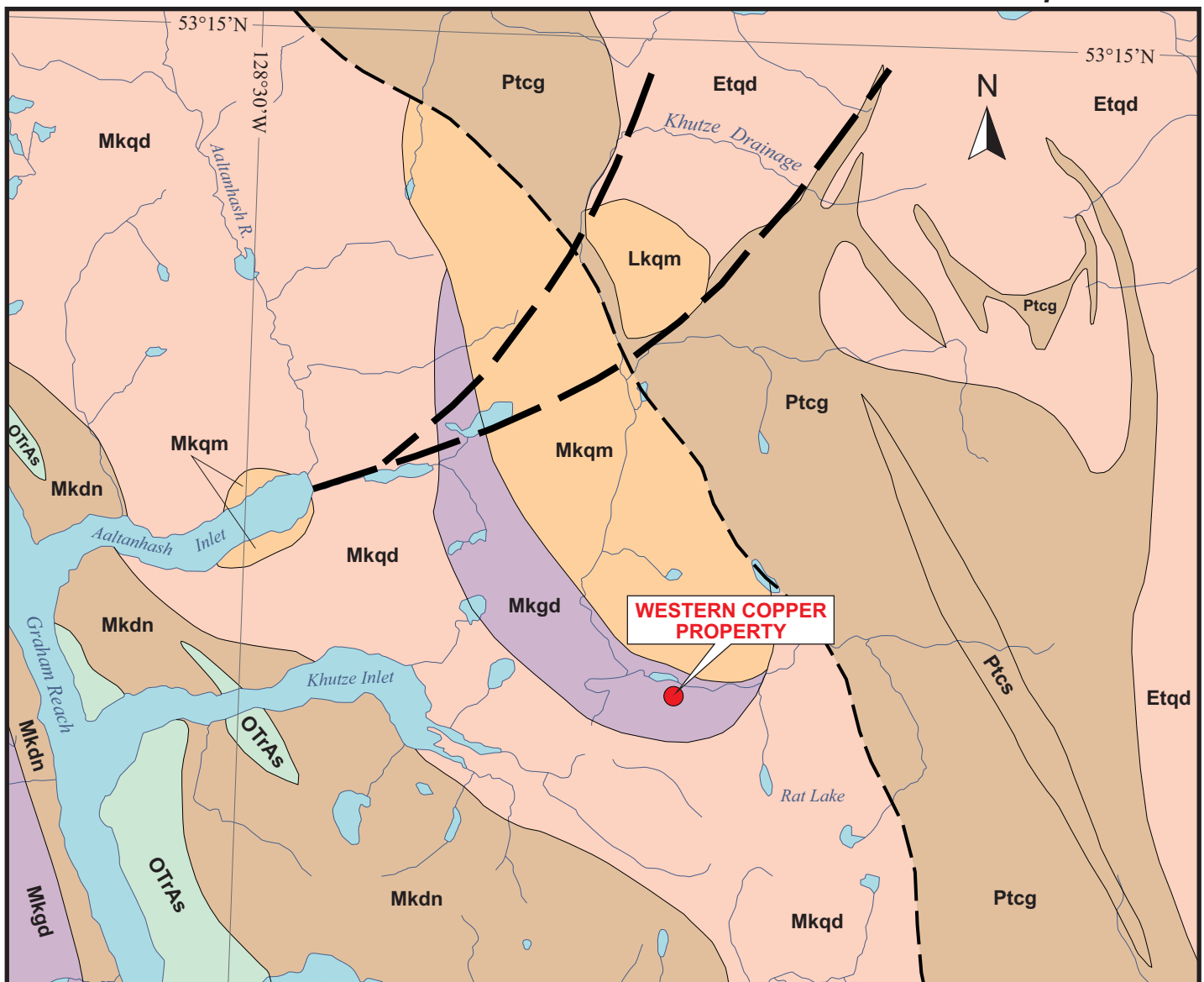


Figure 8-1

BC Ministry of Energy & Mines

Western Copper Property
Skeena Mining Division
West Central British Columbia, Canada
Regional Geology Map



Legend:

- OTrAs Greenstone and Schist
- Mkdn/Ptcg /Ptcg Diorite Migmatite and Granitoid Gneiss
- Mkqm /Lkqm Quartz Monzonite
- Mkgd Granodiorite
- Mkqd /Etqd Quartz Diorite
- Mineral Occurrence
- Faults and Postulated Faults

Figure 8-2

BC Ministry of Energy & Mines

Western Copper Property
 Skeena Mining Division
 West Central British Columbia, Canada
Local Geology Map

9 EXPLORATION

No exploration work appears to have been done on the Property since 1988. No detailed geological map of the Property appears to exist. No geophysical surveys appear to have been completed on the Property. Past geochemical surveys and drilling on the Property are described in previous sections.

10 EXPLORATION POTENTIAL

The Property contains a number of quartz-feldspar veins situated inside the Park. These veins are narrow (generally less than two metres wide). The veins are hosted by narrow shears or fissures within an otherwise massive biotite, hornblende granodioritic intrusion within the Coastal Range Plutonic Complex. Where these veins contain disseminated to massive pyrite-chalcopyrite mineralization, gold and copper grades are moderate to high, but quartz veining without sulphides is typically devoid of gold-copper values. Based on our review of past exploration results, RPA is of the opinion that:

- The targets and style of mineralization within the Western Copper property are characteristic of small uneconomic vein deposits in other parts of west central BC.
- Work to date has not located any attractive exploration targets.
- The higher grades reported on the Property are very local and not representative of the overall quartz veining.
- Despite the reported moderate to high grades, the mineral showings have limited exploration potential for economic gold-copper deposits.
- The bulk of the historical exploration and development work has taken place on claims other than the Western Copper and Bear Crown Grants.
- The Bear Crown Grant is located north of the No. 2 vein and, although it may host other veins, it is not expected to host any part of the No. 2 vein, which dips to the south.
- The No. 2 vein does not appear to outcrop on the Western Copper Crown Grant, but may cross onto it at depth if it persists down dip.
- The Western Copper Crown Grant is a very small claim and cannot be expected to host a significant tonnage if the No. 2 vein is mineralized below the surface of the Western Copper Crown Grant.

A geochemical orientation survey completed by Noranda Exploration Company, Limited (Noranda) on claims down dip from the Property did not produce a significant geochemical anomaly (Maxwell, 1987). Noranda subsequently dropped its claims. Drilling in 1988 by Freemont, albeit from a limited number of drill set-ups, produced disappointing results. No significant work on the Property has taken place since Freemont's drilling.

RPA considers that no further work is warranted on the Property.

11 VALUATION

RPA has valued the Property using the Comparable Transactions Method. The Appraised Value Method is not considered to be applicable to the Property because no recent work has been carried out and no further work is considered to be warranted to test for gold-copper mineralization on the Claims.

COMPARABLE TRANSACTIONS ANALYSIS

RPA has carried out a survey of transactions on mineral properties in BC from 30 months prior to and 12 months after the effective valuation date of July 14, 2006, for the Property. As noted previously, exploration property values change with time. Four transactions were identified during this period for mineral properties with attributes which are somewhat similar to the Property in terms of exploration stage, geologic environment and style of mineralization. Details on these comparable properties and the analysis performed to estimate a transaction value are in the Appendix. Table 11-1 summarizes the four property transactions, the total property values and the values per unit area.

TABLE 11-1 COMPARABLE TRANSACTIONS SUMMARY
Western Copper Property, Skeena Mining Division, British Columbia

Property Name	Location	Transaction Date	Size (ha)	Property Value (C\$)	Unit Value (C\$/ha)
Aaron	Lytton area	Jan 21/04	80	21,000	263
Bradshaw Hill	Hedley area	Jan 27/04	1,000	70,000	70
Meridian	Revelstoke area	Oct 11/05	675	65,000	96
Sunrise	Rossland area	Mar 5/07	1,175	251,000	214
All Transactions				Mean	161
				Median	155

Source: Company press releases, January 2004 to March 2007.

The four property transactions range in value from \$21,000 to \$251,000. The property areas range from 80 ha to 1,875 ha compared to the 16.11 ha area of the Western Copper and Bear Crown Granted Claims. Because of the range in sizes, and since there appears to be somewhat of a relationship between property size and value, Scott Wilson RPA considers it

appropriate to use the unit area value (\$/ha) as the basis for valuation of the Western Copper and Bear Crown Grants.

On a value per unit area basis, the mean of the four transactions is \$161/ha and the median is \$155/ha.

For the high end of the value range, RPA has taken the mean value plus 10% to obtain a value of \$177/ha, rounded to \$180/ha. When applied to the 16.11 ha Western Copper and Bear Crown Grants, the result is \$2,900, rounded to \$3,000.

For the low end of the value range, RPA has taken the median value less 10% to obtain a value of \$139/ha, rounded to \$140/ha. When applied to the 16.11 ha Western Copper and Bear Crown Grants, the result is \$2,255, rounded to \$2,500.

In the opinion of RPA, a reasonable range for the Market Value of the Western Copper and Bear Crown Grants is \$2,500 to \$3,000 as of the valuation date of July 14, 2006. As a single value, RPA recommends \$3,000, the high end of this range.

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13 CERTIFICATE OF QUALIFIED PERSON

WILLIAM E. ROSCOE

As an author of this report entitled "Final Valuation Report on the Western Copper and Bear Crown Grants, Skeena Mining Division, British Columbia" prepared for the BC Ministry of Energy and Mines, I hereby make the following statements:

- A. My name is William E. Roscoe and I am Principal Consulting Geologist and President of Scott Wilson Roscoe Postle Associates Inc. My office address is Suite 501, 55 University Avenue, Toronto, Ontario, M5J 2H7.
- B. I have received the following degrees in Geological Sciences:
 - B.Sc. (Eng.), Geological Sciences, Queen's University, 1966.
 - M.Sc., Geological Sciences: McGill University, 1969.
 - Ph.D. Geological Sciences, McGill University, 1973.
- C. I am a member of Professional Engineers Ontario and the Association of Professional Engineers and Geoscientists of BC.
- D. The Valuation Report is based on my personal review of technical reports and other data provided by the BC Ministry of Energy and Mines, and on information available from technical publications.
- E. I have been practising as a professional geologist for over forty years.
- F. I have not visited the Property.
- G. I am independent of the property holders and have no interest in the subject property.

(Signed & Sealed) "William E. Roscoe"

Dated at Toronto, Ontario
February 18, 2014

William E Roscoe, Ph.D., P.Eng.
Principal Geologist

PAUL CHAMOIS

As an author of this report entitled “Final Valuation Report on the Western Copper and Bear Crown Grants, Skeena Mining Division, British Columbia” prepared for the BC Ministry of Energy and Mines, I hereby make the following statements:

- A. My name is Paul Chamois and I am Senior Consulting Geologist with Scott Wilson Roscoe Postle Associates Inc. My office address is Suite 501, 55 University Avenue, Toronto, Ontario, M5J 2H7.
- B. I have received the following degrees in Geological Sciences:
B.Sc. (Honours), Geology, Carleton University, 1977.
M.Sc. (A), Mineral Exploration, McGill University, 1979.
- C. I am a member of the Association of Professional Geoscientists of Ontario, the Association of Professional Engineers and Geoscientists of Saskatchewan and the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador. I am also:
A Fellow of the Society of Economic Geology (SEG)
A Fellow of the Geological Association of Canada (GAC), and
A Member of the Prospectors and Developers Association of Canada (PDAC)
- D. This Valuation Report is based on my personal review of technical reports and other data provided by the BC Ministry of Energy and Mines, and on information available from technical publications.
- E. I have been practising as a professional geologist for over twenty-five years.
- F. I have not visited the Property.
- G. I am independent of the property holders and have no interest in the subject property.

(Signed & Sealed) “Paul Chamois”

Dated at Toronto, Ontario
February 18, 2014

Paul Chamois, M.Sc. (A), P.Geo.
Senior Geologist

14 APPENDIX – COMPARABLE TRANSACTIONS DETAILS

SUNRISE PROPERTY TRANSACTION

Kootenay Gold Inc. entered into an option agreement with a Private Vendor reported on March 5, 2007, to earn a 100% interest in the 1,175 ha Sunrise property in the Rossland area, by issuing a total of 100,000 shares and making exploration expenditures totalling \$400,000 over 3 years.

The Sunrise property is reported to contain high level epithermal veins in three separate structures traced for 2 km. Gold in grab samples ranges up to 3 g/t.

Based on the transaction terms, the total property value was estimated at \$251,000 with a unit value of \$214/ha. A summary of the valuation is presented in Table 14-1.

TABLE 14-1 SUNRISE PROPERTY - ANALYSIS OF TRANSACTION VALUE
Rossland Mining District, BC, March 5, 2007
Property Size: 1,175 ha

Type of Commitment	Year	No. of Shares (000)	Nature of Commitment	Unit Value (\$)	Amount (\$)	Probability of Realization	Value Component (\$)
Work	1		Firm		50,000	100%	50,000
	2		Optional		100,000	60%	60,000
	3		Optional		250,000	30%	75,000
Subtotal work							185,000
Shares	1	25	Firm	1.20	30,000	100%	30,000
	2	25	Optional	1.20	30,000	60%	18,000
	3	50	Optional	1.20	60,000	30%	18,000
Subtotal work							66,000
Total							251,000
Earn-in: 100%							251,000
Estimated unit value \$/ ha							214

Source: Kootenay Gold Press Release, March 5, 2007

BRADSHAW HILL PROPERTY TRANSACTION

Firestone Ventures entered into an option agreement with a Private Vendor reported on January 26, 2004, to earn a 100% interest in the 1,000 ha Bradshaw Hill property in the Hedley area, subject to a retained 2% NSR royalty, by issuing 475,000 shares and making option payments totalling \$84,000 and issuing 400,000 shares over 4 years,

The Bradshaw Hill property (formerly Yuniman property) was initially explored as a gold vein since discovery in the early 1900s and the last significant exploration was in the mid-1980s. Several surface and underground vein samples returned values greater than 31 g/t Au and a 1986 drill hole returned 95 g/t over 0.3 m true width.

Based on the transaction terms, the total property value was estimated at \$70,000 with a unit value of \$70/ha. A summary of the valuation is presented in Table 14-2.

TABLE 14-2 BRADSHAW HILL PROPERTY - ANALYSIS OF TRANSACTION VALUE
Hedley Mining District, BC, January 26, 2004
Property Size: 1,000 ha

Type of Commitment	Year	No. of Shares (000)	Nature of Commitment	Unit Value (\$)	Amount (\$)	Probability of Realization	Value Component (\$)
Cash	1		Firm		4,000	100%	4,000
	2		Optional		10,000	50%	5,000
	3		Optional		20,000	25%	5,000
	4		Optional		50,000	10%	5,000
Subtotal cash							19,000
Stock	1	100	Firm	0.27	27,000	100%	27,000
	2	100	Optional	0.27	27,000	50%	13,500
	3	100	Optional	0.27	27,000	25%	6,750
	4	100	Optional	0.27	27,000	10%	2,700
Subtotal stock							49,950
Total							68,600
Earn-in: 100%							68,950
Net of NSR Royalty @2.0%							70,329
Estimated total value of Property - rounded							70,000
Estimated unit value \$/ ha							70

Source: Firestone Ventures Press Release, January 26, 2004

MERIDIAN PROPERTY TRANSACTION

Manson Creek Resources entered into an option agreement with a Private Vendor reported on October 11, 2005, to earn a 100% interest in the 675 ha Meridian property in the Revelstoke area, subject to a retained 2% NSR royalty, by issuing 475,000 shares and making option payments totalling \$87,500 over 4 years.

The claim group is reported to host five past mines which had intermittent production from 1900 to 1943. Samples taken by Manson Creek Resources returned values from 0.5 g/t to 91 g/t Au from dump material and 47 g/t Au from a quartz vein in an adit.

Based on the transaction terms, the total property value was estimated at \$65,000 with a unit value of \$96/ha. A summary of the valuation is presented in Table 14-3.

TABLE 14-3 MERIDIAN PROPERTY - ANALYSIS OF TRANSACTION VALUE
 Revelstoke Mining District, BC, October 11, 2005
 Property Size: 675 ha

Type of Commitment	Year	No. of Shares (000)	Nature of Commitment	Unit Value (\$)	Amount (\$)	Probability of Realization	Value Component (\$)
Cash	1		Paid		7,500	100%	7,500
	2		Optional		10,000	75%	7,500
	3		Optional		20,000	50%	10,000
	4		Optional		50,000	25%	12,500
Subtotal cash							37,500
Stock	1	25	Paid	0.125	3,125	100%	3,125
	2	75	Optional	0.125	9,375	75%	7,031
	3	125	Optional	0.125	15,625	50%	7,812
	4	250	Optional	0.125	31,250	25%	7,812
Subtotal stock							25,780
Total							63,280
Earn-in: 100%							63,280
Net of NSR Royalty @2.0%							64,546
Estimated total value of Property - rounded							65,000
Estimated unit value \$/ ha							96

Source: Manson Creek Press Release, October 11, 2005

AARON PROPERTY TRANSACTION

Curlew Lake Resources entered into an option agreement with a Private Vendor reported on January 21, 2004, to earn a 100% interest in the 80 ha Aaron property in the Lytton area, subject to a retained 10% production royalty, by issuing 200,000 shares and making option payments totalling \$6,000.

Curlew Lake Resources stated that the property covers an area of interesting mineralization with potential for commercial gold and silver values.

Based on the transaction terms, the total property value was estimated at \$21,000 with a unit value of \$263/ha. A summary of the valuation is presented in Table 14-4.

TABLE 14-4 AARON PROPERTY - ANALYSIS OF TRANSACTION VALUE
 Lytton Mining District, BC, January 21, 2004
 Property Size: 80 ha

Type of Commitment	Year	No. of Shares (000)	Nature of Commitment	Unit Value (\$)	Amount (\$)	Probability of Realization	Value Component (\$)
Cash	1		Firm		1,000	100%	1,000
	2		Optional		5,000	50%	2,500
Subtotal cash							3,500
Stock	1	200	Firm	0.08	16,000	100%	16,000
Subtotal stock							16,000
Total							19,500
Earn-in: 100%							19,500
Net of Production Royalty @10.0%							21,450
Estimated total value of Property - rounded							21,000
Estimated unit value \$/ ha							263

Source: Curlew Lake Press Release, January 21, 2004