

Report on Exploration Activities

on the

Silver Lynx Property

(Silver Lynx I, 3, 5, 6, 8, 11, 12, 14, 16 – 21; Rover 7, 8)
Nelson Mining Division

N.T.S. 82F/6W
Latitude $49^{\circ} 25' \text{ N}$
Longitude $117^{\circ} 27' \text{ W}$

Prepared for:

Delta Exploration Inc.

#203 - 141 Victoria Street
Kamloops, B.C. V2C 1Z5

Christopher J. Wild, P.Eng.
Wildrock Resources Consulting & Drafting
Consulting Geological Engineer

Lorne M. Warner, P.Geo.
Consulting Geologist

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Item 3: Summary

The Silver Lynx Property covers two main showings of banded disseminated, semi-massive and massive sulphides, discovered in the fall of 2000 by prospector Bruce Doyle. This mineralization is interpreted to be a volcanogenic massive sulphide occurrence consisting of pyrrhotite, sphalerite, galena, and chalcopyrite. Mapping, prospecting, soil geochemistry, ground geophysical surveys and limited diamond drilling has shown the potential to host an economic high-grade polymetallic massive sulphide deposit.

The Silver Lynx Property covers approximately 850 hectares in the Rover Creek – Snowwater Creek drainage, 14 kilometres southwest of Nelson, B.C. The centre of the property sits at 49° 25'N and 117° 27'W, or UTM Zone 11U, 5474000mN and 467000mE (NAD 83). The property consists of one 20-unit modified grid mineral claim and 15 2-post mineral claims, all contiguous. In November 2000, Cassidy Gold Corp. acquired 100% of the Silver Lynx Property, subject to conditions of an option agreement with Bruce Doyle of Nelson, B.C. In August 2002, Delta Exploration Inc. acquired 50% of the property with an option to acquire an additional 10% of the property subject to certain conditions laid out in an option agreement consistent with the original agreement with Mr. Doyle.

The Rover Creek area is underlain by Ymir Group basinal sedimentary rocks, correlated as a distal equivalent of the Archibald Formation, the lowermost assemblage within the Rossland Group volcanics. Rossland Group rocks comprise the easternmost belt of Quesnel Terrane, accreted to North America in Middle Jurassic time (Hoy and Dunne, 1997).

Two significant showings are located near the top of a felsic volcanic unit, within 10-20 metres of the contact with an argillite unit. The Lower Lynx showing and associated rock dump consists of massive bands, lenses, disseminations, and minor crosscutting veins of fine to medium-grained pyrrhotite, sphalerite, galena, and chalcopyrite. The Upper Lynx is located 170 metres south and uphill from the Lower Lynx. Sporadic mineralization consisting of blebby and veinlet sphalerite and disseminated pyrrhotite is found in moderately altered ash and lapilli felsic tuff.

A grid consisting of an 1100-metre long baseline, a 600-metre tie line, an 800-metre tie line, and 18 wing-lines spaced 100 metres apart, was established over the showings area. A total of 14.0 line-kilometres of grid were flagged. Ground magnetics and VLF-EM were run over the entire grid, TEM was conducted over 4.9 kilometres on seven lines adjacent to the showings. An IP/Resistivity survey was conducted over a single 400 metre line along the road over the Lower Lynx Showing. IP and magnetics were useful in highlighting the apparent mineralized trend.

Soil samples were collected at 25-metre stations over the entire grid. Samples were analyzed for 37 elements using ICP-MS methods at Acme Analytical Laboratories of Vancouver. A strong polymetallic signature is evident extending to the northwest from the Lower Lynx Showing. A parallel but weaker trend is apparent over the Upper Lynx Showing.

Four diamond drillholes totaling 642.5 metres were completed through the two inferred sulphide horizons coincident with surface showings. Diamond drillholes SL-01-01 and 02 intersected a 3.9 to 4.5 metre thick zone hosting significant, low-grade zinc, lead, silver, and copper, with anomalous arsenic, cadmium, manganese, and molybdenum. One 60-centimetre sample of semi-massive sulphides in SL-01-02 assayed 6.87% zinc, 1.13% lead, and 42.5 grams per tonnes silver at 20.0 metres downhole. SL-01-04, collared a further 215 metres west, intersected two significant zones, correlated with the Upper and Lower Lynx horizons. The second sulphide rich zone includes 4.27% zinc over 0.75 metres at 211.05 metres, and 1.03% zinc and 3302 ppm lead over 0.55 metres at 212.5 metres downhole.

Given the success of the one line of IP in identifying the mineralized zone, an expanded program of IP is recommended on a proposed reoriented cut grid. The baseline will run parallel to the projected trend of the Lower Lynx horizon at an azimuth of 305 from a point 200 metres east of the Lower Lynx Showing to Rover Creek. Wing-lines would run perpendicular to the baseline. Further diamond drilling is also recommended along both the Lower and Upper Lynx horizons.

Item 4: Introduction and Terms of Reference

The authors were contracted by Cassidy Gold Corporation on behalf of Delta Exploration Inc. to compile a summary report regarding the Silver Lynx Property, conforming to National Instrument 43-101 Standards of Disclosure for Mineral Projects. The Silver Lynx is a new discovery and has had no work recorded for the property area prior to 2001. Christopher Wild, P.Eng. conducted most of the geological fieldwork described in this report, including geological mapping, and supervised the various geophysical and geochemical surveys described in this report. Lorne Warner, P.Geo., logged three of the four diamond drillholes although sections of the core were relogged and reinterpreted by the Mr. Wild.

Item 5: Disclaimer

The authors are responsible for all geological interpretations resulting from this fieldwork.

Item 6: Property Description and Location

The Silver Lynx Property covers approximately 850 hectares in the Rover Creek – Snowwater Creek drainage, 14 kilometres southwest of Nelson, B.C. (Figure 1). The centre of the property sits at 49° 25'N and 117° 27'W, and 5474000mN and 467500mE, UTM Zone 11U, (NAD 83).

The property consists of one 20-unit modified grid mineral claim and 15 2-post mineral claims, all contiguous (Figure 2). Table I contains information on the individual claims. The claims are 50% owned by Delta Exploration Inc. and 50% by Cassidy Gold Corp., subject to conditions of an option agreement with prospector Bruce Doyle of Nelson. No legal survey has been completed on the property.

Table 1
Silver Lynx Property Mineral Claims

Claim Name	Tenure No.	Units	Area (ha)	Expiry Date	NTS
<i>Silver Lynx 1</i>	386738	20	500	May 20, 2004	82F/6W
<i>Silver Lynx 3</i>	381521	1	25	Oct 19, 2003	82F/6W
<i>Silver Lynx 5</i>	381523	1	25	Oct 20, 2003	82F/6W
<i>Silver Lynx 6</i>	381524	1	25	Oct 23, 2003	82F/6W
<i>Silver Lynx 8</i>	381526	1	25	Oct 23, 2003	82F/6W
<i>Silver Lynx 11</i>	382908	1	25	Nov 14, 2003	82F/6W
<i>Silver Lynx 12</i>	382909	1	25	Nov 22, 2003	82F/6W
<i>Silver Lynx 14</i>	382911	1	25	Nov 22, 2003	82F/6W
<i>Silver Lynx 16</i>	382913	1	25	Nov 22, 2003	82F/6W
<i>Silver Lynx 17</i>	386739	1	25	May 20, 2004	82F/6W
<i>Silver Lynx 18</i>	386740	1	25	May 20, 2004	82F/6W
<i>Silver Lynx 19</i>	387595	1	25	Jun 16, 2004	82F/6W
<i>Silver Lynx 20</i>	387596	1	25	Jun 16, 2004	82F/6W
<i>Silver Lynx 21</i>	387597	1	25	Jun 16, 2004	82F/6W
<i>Rover 7</i>	380873	1	25	Sep 17, 2003	82F/6W
<i>Rover 8</i>	380874	1	25	Sep 17, 2003	82F/6W

Two recently discovered mineralized zones, the Upper Lynx and Main or Lower Lynx Showings, are located near UTM coordinates 5474000mN and 468000mE near the centre of the property (Figures 3 and 4). The showings consist of semi-massive to disseminated pyrrhotite, sphalerite, galena, and chalcopyrite. An old cut around 4 metres by 4 metres in size is located on the Upper Lynx Showing. A

small showing of pyrrhotite is located in Snowwater Creek, 200 metres north of the bridge (Figure 3). No resource inventories have been calculated for any mineralized zones on the property.

The option agreement between Cassidy Gold Corp. and Bruce Doyle, the vendor of the property, states that Cassidy pay the optionor the sum of \$10,000 and issue to him 50,000 shares upon approval from the TSX-CDY. To maintain and exercise the option, Cassidy was to expend not less than \$30,000 in the first year, issue a positive engineering report recommending a second program of work on the property, pay the optionor \$10,000, and issue a further 50,000 common shares prior to the first anniversary of approval from the exchange. Prior to the second anniversary of TSX approval, Cassidy must spend not less than \$70,000 generating another positive engineering report, pay the optionor \$15,000 and issue a further 50,000 shares. Prior to the third anniversary of TSX approval, Cassidy must spend not less than \$100,000 and generate a third positive engineering report, pay the optionor \$15,000 and issue a further 50,000 shares. To complete the option, Cassidy must spend not less than \$150,000, prior to the fourth anniversary of TSX approval. The agreement grants the optionor a royalty interest calculated at 2% of net smelter returns (NSR) upon the achievement of commercial production. The company then has the option to purchase and extinguish one-half of the optionor's NSR for \$1,000,000 following the commencement of commercial production (Cassidy Gold Corp. News Release, Nov.7, 2000).

On August 20, 2002, Delta Exploration Inc. entered into an option agreement with Cassidy Gold Corp. to acquire the option to earn 60% of Cassidy's interest in the Silver Lynx Property. In consideration of this option, Delta will issue 50,000 common shares in Delta and pay \$10,000 to Cassidy. To earn a 50% undivided interest in the property Delta is to spend at least \$50,000 on or before the first anniversary of the Approval Date, at least a further \$100,000 on or before the second anniversary of the Approval Date, and at least a further \$150,000 on or before the third anniversary of the Approval Date. Additionally, Delta will have a further option to earn an additional 10% undivided interest in the Silver Lynx Property by making expenditures in the further amount of \$200,000 on or before the fourth anniversary of the Approval Date.

The property falls within the Blewett Community Watershed and is subject to no known environmental liabilities.

Exploration work conducted by Cassidy Gold Corp. to the present has been conducted under Mineral Exploration and Reclamation Permit MX-5-502 issued by the Mines Branch office of the Ministry of Energy and Mines in Cranbrook, B.C., dated October 12, 2001. Further work will require approval from the Ministry.

Item 7: Accessibility, Climate, Local Resources, Infrastructure and Physiography

Silver Lynx Property covers the middle portions of Rover Creek and its tributary Snowwater Creek, both of which occupy moderately steep, glacial-carved, U-shaped valleys. Elevations range from 820 metres in Rover Creek in the northwest corner of the property to 1760 metres on the steep ridge between Rover and Snowwater Creeks in the southeast corner of the property. Vegetation consists mature stands of cedar, hemlock, balsam, and spruce with slide alder around the creeks. Approximately 10% of the property has been clear-cut logged.

Access to the property is excellent via the Rover Creek Forestry Road 12 kilometres from the community of Blewett. The Rover Creek road and its branches provide excellent four-wheel drive vehicle access to most of the property, subject to snow removal.

Vehicle access is easy from Nelson, 15 kilometres to the northeast; Castlegar, 22 kilometres to the southwest; and Trail, an additional 24 kilometres south of Castlegar. All three cities are major supply centres for the area.

Summers are generally warm and dry; winters are moderate with snow on the ground between late October to May. Annual precipitation averages 597.1 millimetres, including 116 centimetres of snow.

Temperatures range from a minimum of -22.5°C in January to a maximum of 38.5°C in July. Work on the property is possible year-round.

The project area lies only 11 kilometres from paved road, close to major supply centres as mentioned above, and less than 50 kilometres from Teck-Cominco's lead-zinc smelter complex at Trail. In addition, the project area is less than 20 kilometres from West Kootenay Power's hydroelectric power generation facilities on the Kootenay River. The West Kootenay region has a long history of mining activity, which makes attracting exploration and mining personnel simple. Sufficient water and room for potential waste disposal, tailings storage, and processing plant sites all exist in the general project area.

Figure 1 Property Location Map

Figure 2 Claim Map

Item 8: History

Prior to the discovery of zinc-lead-copper mineralization in Rover Creek in the fall of 2000, mineral exploration in the area was limited to prospecting. Although a number of claims have been staked over the area in the past, no Minfile occurrences are located on the property and no assessment reports cover work from the property area.

The Silver Lynx Property covers two showings of banded disseminated, semi-massive and massive sulphides, discovered by prospector Bruce Doyle in the fall of 2000. Grab samples from road cut material immediately below the showing assayed up to 24.59% zinc, 22.35% lead, 0.21% copper, and 556.4 grams per tonne silver. Soil samples collected from a small grid established over the Main or Lower Lynx and Upper Lynx Showings were successful in delineating a strongly anomalous zone over 800 metres long and around 125 metres wide. This mineralization is interpreted to be part of a volcanogenic massive sulphide occurrence consisting of pyrrhotite, sphalerite, galena, and chalcopyrite.

In May and June, 2001, the author conducted a program of geological mapping over 14.0 kilometres of grid flagged grid and along 20.1 kilometres of logging roads on and adjacent to the property. Concurrently, ground magnetic, VLF-EM surveys were also run over the grid, which had been expanded earlier in the spring. Soil geochemistry was extended to cover the grid. Transient EM, and Induced Polarization surveys were run over parts of the grid. In December 2001, four diamond drillholes totaling 642.5 metres, were completed on the Lower Lynx mineralized horizon.

Item 9: Geological Setting

Regional Geology

Rosslund Group rocks comprise the easternmost belt of Quesnel Terrane, accreted to North America in Middle Jurassic time (Hoy and Dunne, 1997). Slide Mountain Terrane, which separates Quesnellia from North America, is represented by tholeiitic basalts, serpentinite, siliceous argillite and volcanoclastic sediments of the Kaslo Group and the McHardy assemblage of the Milford Group. Kootenay Terrane rocks, including the Lardeau Group, Eagle Bay Assemblage, eastern assemblages of the Milford Group and portions of the Shuswap Metamorphic Complex overlie Paleozoic to Proterozoic North America.

The Rover Creek area is underlain by basinal sedimentary rocks of the Ymir Group, correlated as a distal equivalent of the Archibald Formation, the lowermost assemblage within the Rosslund Group volcanics. Southwest of Nelson, mafic volcanic rocks of the Elise Formation, the middle succession of the Rosslund Group, are in contact with Ymir rocks just east of Rover Creek in the vicinity of Bird Creek. Near the property, Rosslund Group rocks are intruded by Middle Jurassic quartz monzonite to granodiorite of the Bonnington Pluton. Early to middle Jurassic Silver King intrusions intrude to the east of the property, and Lower Jurassic Eagle Creek Complex mafic intrusions occur to the northeast of the property. In the centre of the property, Hoy and Andrew (1989), mapped a plug of the Eocene Coryell Intrusions.

Property Geology

The southeastern half of the Silver Lynx property is underlain by fine-grained, dark, pyritic argillite and interbedded turbiditic siltstones and minor limestone of the mid-Jurassic Ymir Group. These sediments overlie a package of banded to massive phyllitic felsic rocks, interpreted to be tuffaceous in character (Harris, 2001). Mineralization appears to be stratabound within 10 metres of the sediment-felsic volcanic contact.

A strong foliation is developed in all units with a consistent northwest strike and moderate to steep southwest dip. Bedding, where identified, is usually parallel to or indistinguishable from the principal foliation. This foliation is axial planar with a tight to isoclinal phase of folding. Bedding-cleavage angles are difficult to discern due to the massive nature of both the argillite and felsic tuff.

An upright, steep southeast-plunging antiform is apparent from the map pattern (see Figures 3 and 4). A mineralized horizon near the top of the felsic unit is exposed on the northeast limb (Lower Lynx showing) and repeated on the southwest limb (Upper Lynx showing). To the immediate west, a partner synform and paired synform-antiform are inferred from the outcrop distribution. Several stacked tight to isoclinal closures are evident near the Lower Lynx showing, separated by small faults. Locally, well-developed crenulation folds with vertical axial planar cleavage and moderately southeast plunging fold axes represents a second phase of folding within the argillite unit.

Large faults can be interpreted along Snowwater and Rover Creeks and some of their smaller tributaries. Fault breccias are found in exposures along the east side of Snowwater Creek, along a north flowing tributary near L20E, and near L22E on the grid. The direction and amount of displacement along these brittle structures is unknown.

Argillite

This unit is dark grey to black, generally fine-grained and massive with locally fissile mudstone interbedded with medium grey, fine to medium-grained siltstone. Massive argillite forms large cliff-forming outcrops in the steep central portion of the grid, particularly from L16E to L23E, south of the baseline 20+00N (Figure 4). Siltstone interbeds are commonly between 0.1 - 2 metres thick and may represent turbidite flows into the basin. Layers of strongly foliated argillite are frequently crenulated. Adjacent to large intrusive bodies, the unit is hornfelsed to a deep purple colour and is very hard and massive. Argillite commonly contains 5-10% pyrite.

Felsic Tuff

The felsic unit is well exposed along the Rover Creek Road, between 10.8 - 11.3 km, and in relatively small outcrops on the hill above the road, west of L15E. The unit is white to pale grey and cream-coloured, and fine-grained with sections of centimetre-size lapilli. Small quartz eyes and quartz eye fragments, up to 2mm diameter, are relatively uncommon. Petrographic analysis of three samples of felsic tuff from near the Main Showing showed two of the samples with 47% quartz and much of the rest as hornblende +/- biotite. The third sample was composed of plagioclase, lesser quartz and minor chlorite, with "the aspect of a bedded tuffite of dacitic composition" (Harris, 2001). The other two samples contain between 10-20% sulphides; one is described as "a metamorphically recrystallized chemical sediment (impure chert) of volcanic exhalative origin". Pyrrhotite is the most common sulphide, ranging from 1 - 5% of the rock.

The contact between the felsic tuff and argillite appears to be somewhat gradational over 10-20 metres. Sections of felsic tuff are found within the argillite, best seen on the main road just west of line 20E. Dark, muddy lenses or beds are also found within the tuff.

Limestone

Limestone occurs immediately west of L19E, south of TL 16+00N. The unit is pale greenish grey and fine-grained to massive, occurring as small outcrops with argillite and possible felsic tuff. A significant outcrop of limestone also occurs immediately south of the southwest corner of the property (Figure 3). Here, the limestone is recrystallized and coarse-grained though well-banded cream to grey in colour. The lack of exposure and its limited extent on the property, makes correlation of these carbonates difficult.

Quartz Monzonite to Quartz Diorite

A stock of leucocratic granitic rocks sits west of the grid, overlooking Snowwater Creek. The wide compositional range particularly along the contacts, suggests considerable crustal contamination and post-intrusion dyking. This suite ranges from potassium feldspar porphyritic quartz syenite to quartz monzonite to quartz diorite and even gabbro. Small granitic to diorite-gabbro plugs or dykes intrude both the argillite and felsic tuff. Weak foliation is present near the margins. These granitic rocks appear to belong to the mid-Jurassic Bonnington pluton.

Hornblende Porphyry

A few dykes of hornblende-biotite porphyry are found around the margins of the quartz monzonite to quartz diorite stocks and plugs. Phenocrysts include distinctive long tabular hornblende and hexagonal brown biotite in a fine-grained greenish-grey groundmass.

Gabbro

The southwest corner of the grid is underlain by a distinctive round-weathering gabbro plug oriented north to northwest, disappearing under the glacial till around Rover Creek. A second smaller plug lies at the south ends of L16E and L17E. The gabbro is dark green with coarse grains of pyroxene and lesser plagioclase. The relationship between gabbros and other intrusive rocks is uncertain.

Syenite

A large syenite stock forms much of the upper portions of the ridge between Rover and Snowwater Creeks, in the southeast corner of the property. Round syenite boulders are found scattered throughout the grid, having originated upslope. The syenite is very distinctive, strongly porphyritic, with large pink orthoclase megacrysts (>1 cm) and smaller quartz phenocrysts. It is weakly fractured, unoxidized, and of possible dimension stone quality. Its fresh, unaltered look suggests it may be part of the Eocene Coryell suite. A medium-grained dark grey-green diorite and possibly coarser-grained gabbro may constitute border phases of the stock.

Item 10: Deposit Types

Host lithology, mineralization and style of mineralization are typical of volcanogenic massive sulphide deposits. The apparent felsic volcanic host is more indicative of Kuroko-type VMS. Stratabound mineralization consisting of sphalerite, galena, pyrrhotite, and lesser chalcopyrite are also more indicative of a Kuroko-type massive sulphide deposit. The high degree of deformation and moderate metamorphic grade, together with a marine basinal setting evidenced by the relatively thick turbiditic sequence adjacent to mineralization suggest a back-arc environment, perhaps more conducive to the formation of Besshi-type massive sulphide deposits.

Item 11: Mineralization

Several small mineralized showings are aligned near the top of the felsic volcanic unit, within 10-20 metres of the argillite contact. The most significant is the Main or Lower Lynx Showing, exposed in a rock cut at 11.3 kilometres on the Rover Creek Forestry Road. A dump of mineralized boulders below the lower branch of the road was likely blasted and pushed from the Lower Lynx Showing. Many boulders host semi-massive to massive bands and lenses, disseminations, and minor crosscutting veins of fine to medium-grained pyrrhotite, sphalerite, galena, and chalcopyrite. Massive bands of sphalerite and galena range up to 2 centimeters thick. Pyrrhotite and chalcopyrite occur as patches, blebs and disseminations, and occasional wispy bands. Mineralization exposed in the road cut consists of disseminated to semi-massive pyrrhotite with lesser blebby sphalerite and minor galena and chalcopyrite. Mineralization appears to be stratiform.

The Upper Lynx is located 170 metres south and uphill from the Lower Lynx. Sporadic mineralization consisting of blebby and veinlet sphalerite and disseminated pyrrhotite is found in moderately altered ash and lapilli felsic tuff. The showing is well exposed in an old undocumented working. A very small showing, sometimes called the Western Lynx, consisting of blebby to veinlet sphalerite is found near the 11-kilometre mark on the road. A fourth showing, approximately 280 metres downstream from the bridge across Snowwater Creek, also has an old small working with minor pyrrhotite. Minor sphalerite is found just below the road in the drainage below the Upper Lynx and in a few locations in the argillite up to 750 metres to the southeast.

Item 12: Exploration

Soil Geochemistry

Following the discovery of mineralization at Silver Lynx in the fall of 2000, a limited grid consisting of an 800-metre east-west baseline and nine north-south wing-lines spaced every 100 metres and between 200 and 450 metres in length, was established for control. A total of 3.925 kilometres of grid was established in this initial phase. Stations were spaced at 25-metre intervals. A total of 134 soil samples were collected from the B Horizon at a depth of from 20-50 centimetres at each station on the wing lines. Generally, the B Horizon is quite well-developed over much of the grid. All soils samples were analyzed for 38 elements using ICP-MS technique.

The following spring, the baseline was extended to 1100 metres and two tie-lines 600 and 800 metres in length were cut 400 metres north and south of the baseline, skewing the overall coverage northwest and southeast (Figures 10-15). Total distance east-west is 1700 metres. Wing lines were flagged and brushed up to 400 metres further north and 300 metres further south. Grid extensions totaled 10.075 kilometres. A total of 364 samples were collected from the grid extensions.

A moderate intensity zinc-lead-copper-silver-arsenic-gold anomaly was defined extending to the northwest from the Lower Lynx Showing and a weaker parallel trend was identified northwest of the Upper Lynx Showing (Figures 10-15). A similar broad lead-zinc-copper-silver anomaly is located to the east in a thick package of dark mudstones and interbedded turbiditic siltstones.

Zinc and lead form a broad soil anomaly extending from southeast to northwest. The anomaly covering the southeast quadrant of the grid is coincident with outcropping mudstones. Sphalerite stringers are regularly observed in the mudstones and may reflect high original zinc content in the basinal sediments. In the vicinity of the Upper and Lower Lynx Showings, the anomaly is much narrower, reflecting a much more restricted bedrock source. In both areas, values greater than 1000 ppm zinc are common. Lead appears to be weaker to the northwest. Also, there appears to be a gap between the two anomalies corresponding to a plug of gabbro indicated in subsequent diamond drilling. Across the grid, zinc averages 590 ppm while lead averages 62.6 ppm.

Copper is, in part, coincident with lead and zinc, especially in the zone trending to the northwest. To the southeast, copper is only weakly anomalous partially overlapping the broad lead-zinc anomaly. A broad but weak zone of greater than 50 ppm copper in soils is located in the northwest corner of the grid, mostly north of Rover Creek. Significant till cover restricts interpretation of this anomaly. Over the entire grid, copper averages 29.9 ppm in soil.

Silver is also largely coincident with lead and zinc, although much more erratic to the southeast. Silver is strongest adjacent to the Lower Lynx Showing extending over 500 metres to the west-northwest as 2 –4 station anomalies. The highest value, 2435 ppm silver, was collected beside the sulphide “dump” immediately below the showing. In the mudstones, most of the anomalies over 1000 ppm, are located on line 23+00E. The average silver value from the grid is 498 ppm.

Arsenic is strongly anomalous over and to the northwest of the Upper and Lower Lynx showings. The highest value, 587 ppm, is adjacent to the Lower Lynx Showing. Only spot highs are present over the mudstone unit. Some elements such as cadmium, antimony and bismuth show a greater affinity for the sedimentary rocks. Others, such as manganese, mirror lead and zinc.

Geophysics

Discovery Geophysics Inc. was contracted to carry out ground magnetic, VLF-EM, induced polarization/resistivity and large-loop transient electromagnetic surveys on the Silver Lynx grid. The surveys were carried out between June 18 – 27, 2001.

Magnetics - A total of 15.5 kilometres of total field magnetics was run over the grid at 12.5 metre stations. (Some lines were extended, particularly to the north.) The magnetic and VLF-EM surveys were carried out simultaneously using an EDA Omni Plus magnetic/VLF-EM instrument with an EDA Omni Plus IV base station magnetometer to monitor magnetic diurnal variation. The base station was set up near grid coordinates 1600N and 700E (Woods, 2001).

Woods (2001) describes the survey procedure as follows:

The Omni Plus magnetometer digitally records the magnetic intensity readings from a proton precession sensor connected to a receiver console, along with the time from an internal quartz clock. Quartz clocks in the Omni Plus and Omni IV base station are synchronized at the start of each day's survey and the data are combined at the end of the day via an RS232C interface. Built-in microprocessors in the Omni Plus automatically correlate the base station readings to the survey data to allow correction of the diurnal variations in the survey data. The data are then dumped via the RS232C interface to a computer which writes the data to disk for storage and later processing.

The Omni Plus magnetic and VLF-EM data were processed by standard procedures. Data from each day's survey were reformatted from the EDA data-dump format to a standard XYZ data format (i.e. line #, station #, data...) and then concatenated into survey data files. Temporal variations of the base station magnetic readings are then subtracted from the Omni Plus magnetic sensor readings, to produce a diurnal corrected magnetic intensity value.

The final processed magnetic data are shown in a combined line profile, contour and colour image plot of the total magnetic intensity at 1:5000 scale on a topographic base map... (Figure 18). The profile amplitude scales and base levels are indicated on the plots. The total magnetic intensity colour image is generated by first gridding the corrected data to a regular, even interval. It is then contoured using equal area colour zoning (i.e. equal amounts of red, yellow, green and blue).

A 100-150 metre wide zone of moderately high magnetic signature marks the mineralized horizon. This magnetic trend does not appear to continue into the mudstones to the southeast. However, there is a north-trending zone of moderate magnetics along line 22+00E that likely reflects the presence of a gabbroic dyke in the area. Gabbro dykes are also responsible for north-trending highs along the south part of line 12+00E, and the south ends of lines 9+00E and 10+00E, and east-trending highs on lines 16+00E to 19+00E. A prominent linear magnetic low follows Rover Creek and continues to along a north-flowing tributary to the east. This low is likely due to a significant structure along Rover Creek and a syenitic intrusion underlying the southern tributary. North of Rover Creek is marked by relatively high magnetics. This high remains unexplained.

VLF-EM - The magnetic and VLF-EM surveys were carried out simultaneously using an EDA Omni Plus magnetic/VLF-EM instrument. The survey procedure, data processing and interpretation procedures are described by Woods (2001) as follows:

The VLF-EM portion of the EDA Omni Plus instrument utilizes Very Low Frequency (VLF) radio signals transmitted by a world-wide network of submarine navigation and communication stations operating in the 15 to 30 kHz frequency band. Planar electromagnetic waves generated by these stations propagate horizontally outward from the transmitters. Distortions of the horizontal primary fields are due to the secondary fields produced by electromagnetic induction in electrical conductors in the earth. The VLF receiver detects these distortions as inflections ("crossovers") in the vertical in-phase and quadrature components, and as total field intensity maxima.

For maximum electromagnetic coupling, a transmitter station should be selected which is in the same direction as the geological strike or the dominant structural trend of the survey area. VLF stations at Cutler, Maine (24.0 kHz), bearing 78.5° from the Silver Lynx Property and LaMoure, North Dakota (25.4 kHz), bearing 95.9° from the Silver Lynx area, were both used for the survey. The direction to these stations is very nearly parallel to the dominant structural trend in the survey area. Hence, they are ideally suited to imaging regional stratigraphic and sub-parallel structural conductors. However, they are not well suited to detecting cross structures.

The VLF-EM readings were band-pass filtered to remove long wavelength signal strength variation and short wavelength random noise. VLF-EM anomalies due to geologic conductors typically have wavelengths of order 30 to 500 metres. Therefore, a time-domain convolution operator (i.e. linear filter), given by Kanasewich (1981, pp 274-277), was applied to each component along every survey line to remove signals with wavelength less than 30 m or greater than 500 m. This operator is equivalent to a zero-phase, band-pass Butterworth filter with more than 48 db/octave attenuation roll-off.

The VLF-EM data are shown as a stacked profile plot at 1:5000 scale ... (Figures 19 and 20). There is a separate map for both Cutler (24.0 kHz) and LaMoure (25.4 kHz). Three separate profiles are shown on the plots: total field strength (red), in-phase amplitude of the vertical component (green), and quadrature phase amplitude of the vertical component (blue), each expressed in percent of the primary field amplitude. The profile amplitude scales are listed on the maps. VLF-EM conductors have been interpreted directly on these maps.

The VLF-EM data are interpreted by identifying anomalous responses from the line profiles (i.e. total field maxima, and in-phase and quadrature inflections), resolving the position of conductors on each survey line from these anomalies, and linking these conductor locations between lines based on the form of the anomalies. The most subjective part of this procedure is the line-to-line correlation of anomalies and the formation of conductor axes of specific orientation. Differences in the character of the anomalous responses, such as their amplitude and wavelength, or the relative amplitude of the quadrature and in-phase components, can be used to help correlate conductors between lines. However, there may be instances where alternative correlations are possible or even likely.

VLF-EM response over the interpreted mineralized horizon is weak and does not extend beyond line 16+00E. Other more prominent anomalies include one from 1900N on line 12+00E to 1825N on line 14+00E and 2100N on line 12+00E. Gabbro dykes underlie both anomalies. A strong conductor runs east-west from line 18+00E to line 23+00E. A few other sub-parallel conductors are found in the southeast part of the grid and most likely represent graphitic structures within the mudstone unit. A negative anomaly runs along Rover Creek and is strictly a topographic effect.

Transient EM – A transient EM survey was completed over lines 12+00E, 14+00E, 16+00E, 17+00E, 18+00E, 20+00E, and 22+00E, using two different loop locations; (line 16+00E was surveyed using both loops), for a total of 4.9 kilometres (Figure 21). The loops were laid out at the north end of the grid lines and measured 350 by 500 to 600 metres. The survey utilized an eight-channel, analogue 2000 Watt Crone DEEPEM transient EM system.

The survey procedure, data processing and interpretation procedure are as follows (Woods, 2001):

The vertical and horizontal components of the secondary field were measured along each survey line at 25 and 50 metre intervals, using the convention of vertical component positive downwards and horizontal component positive away from the transmitter loop. Secondary fields were measured with the receiver on maximum gain, except where the response was greater than 1000 units, in which the gain was decreased by one-half or one-quarter and the reading as then multiplied by the reciprocal factor. The primary field was also recorded at each station to allow the data to be primary field normalized. Time synchronization between the transmitter and receiver was obtained by UHF radio link.

The time derivative of the secondary EM response was sampled in eight windows on the transient decay curve. The eight channels range from 0.15 to 6.4 msec after primary field shut-off, and are equivalent to a spectrum of frequencies from approximately 6.7 kHz to 160 Hz. The 2000 Watt Crone DEEPEM transmitter delivered about 10 Amps of current into the transmitter loops.

The position and depth of the conductors are determined from the shape of the anomalous response after visual removal of the background half-space response and separation of multiple anomalous responses on the same line. The top of a conductor is located directly below the horizontal component amplitude maximum and the vertical component inflection maximum. The depth of the top of the conductor is calculated from the peak-to-peak separation of the vertical component side lobes. The dip of the

conductor is estimated from the asymmetry of the horizontal component profile and the relative sizes of the vertical component side lobes. The conductivity-thickness product (i.e. conductance) is determined from the rate of decay of the anomalous response versus channel time, after correcting for the relative response gains on each channel. The size of the conductor and/or the size of the transmitter loop must also be factored into the conductance calculation.

Large background responses, closely spaced multiple conductors, and broad anomalies from deep conductors often make interpretations difficult and imprecise. Generally the deeper the conductive source, the lower will be its spatial resolution.

Woods describes the results as "dominated by a broad background response that peaks near the transmitter loop and diminishes in amplitude to the south. This type of secondary TEM response could be caused by a large, regional conductor or by a broad zone of less resistive rocks near the front edge of the transmitter loops. Such a 6-channel conductor was interpreted at 2300N on line 2200E, but the regional conductor appears to be located to the north of the other surveyed lines.

In addition to this regional response, there appears to be other subtle anomalous responses centred at about 2100N to 2250N on lines 1200E to 1800E. These 3 to 5 channel anomalous responses have been interpreted to be due to a series of weak, perhaps questionable, conductors trending northwest to west. Some of these possible weak conductors may be shallow, such as at 2050N and 2200N on line 1600E, but most appear to be at significant depth (i.e. >200 m) from their broad responses. An alternative interpretation is that the broad anomalous responses are due to broad zones of less resistive rocks centred at about the location of the interpreted discrete conductors."

Induced Polarization – A single 400-metre line was surveyed over the Lower Lynx Showing along the logging road, at about 2100N, from 1600E to 1950E. An Iris ELREC-6 receiver and Phoenix IPT-1 transmitter with a MG-1 motor generator was utilized for the survey. Array configuration was dipole-dipole with $n = 1$ to 6 and dipole length of 25 metres. Stainless steel electrodes, spaced every 25 metres, were connected to the receiver with 16 gauge wires. Current electrodes were positioned 25 metres apart and 25 metres from the first receiver dipole. Current was usually set at between 0.1 and 0.2 Amps. The signal consisted of 2 s on, 2 s off, 2 s on, etc. The receiver recorded the primary, secondary and SP voltages from the six potential dipoles simultaneously. Details of the theory, data processing, and interpretation procedures will only be outlined here.

Data processing and presentation can be summarized from Woods (2001), as follows: *The ELREC-6 automatically records the following information with each reading: current electrode location, first potential dipole location, six primary voltages in millivolts, six SP voltages in millivolts, six sets of 10 secondary voltages normalized by the primary voltage in millivolts per volt (mV/V), six integrated normalized secondary voltages (i.e. chargeabilities) in milliseconds (ms), the transmitter current keyed in by the operator, the number of stacks, the standard deviation error of the stacks, and the time of the reading...*

The data processing procedure in the field is to simply reformat the dump files into standard "XYZ" data files; calculating the apparent resistivity in ohm-m from the primary voltage, the current, and the electrode locations using standard formulation, and then plot these data as pseudo-sections. More robust processing is carried out post-survey to reduce noise and improve the reliability of the data...

Final processed data are written to plot data files together with their corresponding measurement location defined as the midpoint between the current and potential dipoles, and the pseudo-depth defined as half the distance between the near current and potential electrodes. The pseudo-depth values are used to form standard Hall of pseudo-sections of the data at 1:2,500 scale... All pseudo-sections are plotted with the same colour scheme so that line-to-line and grid-to-grid comparisons can be easily made."

A chargeability high – resistivity low anomaly is located near line 1700E at 2100N, almost 50 metres west of the showing (Figures 16 and 17). Diamond drilling confirmed the presence of significant mineralization at this location. Interpretation of the complex geometry of chargeability highs and resistivity lows is hampered by the fact that the line is oriented close to the strike of the mineralized horizon. To avoid this

geometric distortion, a future survey will be oriented perpendicular to the strike. Increasing the dipole separation to 50 metres in addition to 25 metres is also recommended to gain greater coverage and depth.

Geological Mapping

In May and June, 2001, the author conducted a program of geological mapping over 14.0 kilometres of grid flagged grid and along 20.1 kilometres of logging roads on and adjacent to the property. The results of this work are presented in Item 9: Geological Setting.

Item 13: Drilling

Four diamond drillholes, totaling 642.5 metres, tested the two inferred mineralized trends. Three of the holes were drilled adjacent to the Lower Lynx Showing and a fourth hole tested the northwestern projection of the two mineralized trends. Two of the holes drilled adjacent to the Lower Lynx encountered significant zinc-lead mineralization on a couple of horizons, while the fourth hole intersected two strong mineralized trends on strike from both the Lower and Upper Lynx Showings.

Table 2
Drillhole Statistics

Hole No.	Date Collared	Date Completed	Northing	Easting	Elevation	Azimuth	Dip	Test	Dip	Length
			metres	metres	metres					metres
SL-01	10-Dec-01	11-Dec-01	21+08	16+47	1222	045	-65	124.00	-60	124.05
SL-02	11-Dec-01	12-Dec-01	21+07	16+48	1222	090	-45	90.52	-42	90.53
SL-03	12-Dec-01	13-Dec-01	21+17	17+60	1220	180	-45			194.16
SL-04	14-Dec-01	18-Dec-01	21+19	14+30	1212	035	-55	206.35	-50	233.78
										642.52

Felsic tuff, including crystal and lapilli tuffs and tuff breccia dominated all four diamond drillholes. This tuff package is interrupted by dark grey mudstone intervals, and cut by several distinctive dykes and sills. Though numerous, these dykes constitute a small percentage of the tuff-mudstone section. Quartz monzonite sills are relatively common ranging in thickness between a few centimetres to almost 9 metres. Two thick sills in SL-01-04 are weakly to moderately mineralized. Andesite and hornblende porphyry dykes are less numerous and clearly postdate mineralization and deformation. Augite porphyry and gabbro dykes are later still, related to Coryell gabbro and syenite stocks mapped nearby. In SL-01-03, the last 95.5 metres of the hole consist of gabbro.

Lead-zinc-copper mineralization occurs as layers, wisps, disseminations, and veinlets associated with pyrrhotite mainly in fine-grained felsic tuff layers. Thin bands of dark brown sphalerite occur scattered through the felsic package. Pyrrhotite and arsenopyrite bands are also relatively common, coincident and proximal to lead-zinc mineralization.

Structurally, drilling confirms a consistent moderately southwest dipping foliation, and largely parallel bedding which where folded suggests a large antiformal closure to the southwest. Bedding is best seen in silty interbeds within the mudstone intervals. Bedding is also visible in lapilli layers within the felsic tuff.

SL-01-01

SL-01-01 was collared 95-100 metres west of the Lower Lynx Showing and drilled at a dip of -65° to the northeast (Figure 5). The purpose of the hole was to test the Lower Lynx horizon along strike and at depth. Interestingly, the hole intersected significant sphalerite, galena, pyrrhotite, and minor chalcopyrite between 16.0-22.0 metres, with grades reaching up to 1.45% zinc and 4,430 ppm lead over a sample

length of 1 metre. Much of the mineralization is strongly disseminated to stockwork-style, with massive layers of mainly sphalerite and lesser galena up to 1.5 cm thick. The true thickness of the sulphide-rich section is 4.5 metres.

At least 6 other weak sulphide horizons consisting of mainly pyrrhotite, sphalerite, minor galena and chalcopryite were intersected. Correlation of any of the mineralized horizons with the Lower Lynx Showing is uncertain, although the interval from 16.0-22.0 metres is by far the most significant interval.

Table 3
Significant Diamond Drillhole Intersections

Hole	From	To	Length	Cu-ppm	Zn-ppm	Pb-ppm	Ag-ppm
SL-01-01	15.0	21.0	6.0	156	3,601	1,057	4.3
incl	16.0	17.0	1.0	223	1.45%	4,430	12.0
SL-01-02	6.00	6.95	0.95	77	4,089	1,058	5.2
	12.6	13.7	1.10	191	2,158	674	3.2
	18.0	23.0	5.00	808	10,103	1,811	10.6
incl	18.0	18.7	0.70	1,819	775	168	10.9
and	18.7	19.25	0.55	568	5,873	1,360	7.5
and	20.0	20.6	0.60	1,616	6.87%	1.13%	42.5
	50.5	51.0	0.50	680	7,992	3,814	21.1
SL-01-03	None						
SL-01-04	35.7	44.5	8.80	111	2,891	976	2.4
incl	37.0	38.5	1.50	89	5,760	2,348	3.8
and	38.5	40.0	1.50	124	4,899	1,428	3.2
and	44.0	44.5	0.50	319	5,734	2,192	6.2
	47.0	52.0	5.00	239	7,292	1,420	6.3
incl	48.0	49.5	1.50	352	1.57%	2,882	11.8
	199.0	201.0	2.00	154	4,410	1,372	4.6
	207.8	218.0	10.20	108	5,318	567	2.7
incl	211.05	211.8	0.75	76	4.27%	706	0.8
and	212.45	213.0	0.55	100	1.03%	3,302	8.0
and	215.5	217.0	1.50	128	4,497	380	5.6

SL-01-02

SL-01-02 was collared from the same set up as the first hole, to test strong IP chargeabilities measured to the east along the road. Drilled at a dip of -45° to the east, SL-01-02 intersected widespread pyrrhotite and sphalerite to a depth of 24.0 metres. A sulphide-rich horizon, approximately 3.9 metres thick, contains a 20-centimetre interval of massive to semi-massive sphalerite, galena, pyrrhotite, and chalcopryite that assayed 6.87% zinc, 1.13% lead, 42.5 grams per tonnes silver, and 1616 ppm copper over a 60-centimetre sample interval, at a depth of 20.0 metres (Figure 7). The sulphide zone correlates to that intersected near the top of SL-01-01.

A second mineralized horizon consisting of 50 centimetres of semi-massive pyrrhotite, sphalerite, galena, and very minor chalcopryite was intersected at 50.5 metres down hole. This horizon correlates spatially with the Lower Lynx Horizon much better than does the upper sulphide zone. Mineralization is present at this approximate stratigraphic level in SL-01-01. A mudstone interval near the bottom of SL-01-02 correlates well with a similar interval near the mid-point of SL-01-01.

SL-01-03

Collared in the footwall, approximately 25 metres northeast of the Lower Lynx Showing, SL-01-03 was drilled at a dip of -45° to catch-up with the mineralized horizon projected down-plunge at 90-100 metres down hole, assuming an overall dip of 60° . Unfortunately, at 98.7 metres the hole intersected a large body of biotite-rich gabbro over a distance of 95.5 metres. No significant mineralization was encountered in the structural footwall, although only approximately 25 metres of section were transected.

SL-01-04

SL-01-04 was collared over 300 metres west of the Lower Lynx Showing and drilled at a dip of -55° toward an azimuth of 035° to test the projected Upper and Lower Lynx horizons. The site is located 50 metres west of wispy sphalerite mineralization found in the road cut on strike from the Upper Lynx Showing (Figure 5). At a length of 233.78 metres, SL-01-04 cuts almost 200 metres of section, intersecting both mineralized horizons thus confirming the excellent continuity of these horizons.

Between 35.7 – and 52.0 metres, widespread low-grade lead-zinc mineralization is found in felsic tuff above 44.5 metres and foliated quartz monzonite below that point (Figure 9). Mineralization consists of sphalerite, pyrite, galena, very minor chalcopyrite, and magnetite concentrated around the intrusive contact associated with quartz flooding. In the felsic tuff, sphalerite occurs as wispy bands, with occasional vugs, indicating possible leaching of sulphides. Zinc values range up to 5760 ppm over 1.5 metres in felsic tuff and 1.57% over 1.5 metres in the quartz monzonite. A second mineralized quartz monzonite sill between 126.5 – 138.2 metres returned zinc values of up to 1220 ppm over 1 metre sample intervals.

A significant fault is located 154.7 – 158.0 metres. Felsic tuff layers in the footwall of the fault are highly contorted and drag folded with several narrow brittle fault breccias to 164.8 metres.

The second sulphide rich zone begins at 199.0 metres, strengthens at 207.8 metres, and continues to at least 218.0 metres. Grades include 4.27% zinc over 0.75 metres at 211.05 metres, and 1.03% zinc and 3302 ppm lead over 0.55 metres at 212.5 metres, in felsic lapilli tuff or breccia and mudstone, perhaps as a collapse or slump breccia. Anomalous zinc mineralization occurs to 226.6 metres. This mineralized zone bears a strong resemblance to the mineralized zones near the top of both SL-01-01 and 02 and the Lower Lynx Showing.

Item 14: Sampling Method and Approach

Soil Geochemistry

A total of 498 soil samples were collected in two phases from the Silver Lynx grid. Stations were spaced at 25 metres along 14.0 kilometres of grid-lines spaced 100 metres apart, covering an area of approximately 108 hectares (Figures 10-15). Samples were collected from the B Horizon at a depth of 20-50 centimetres at each station. Soil development is typical of mountainous glaciated terrain with generally well-developed B Horizon and local colluvial and alluvial soils in the steepest areas and surrounding Rover Creek and its tributaries, respectively. A list of samples with grid coordinates and results is found in Appendix 3.

Drill Core

Samples were selected and split from 3 of the 4 diamond drillholes. Mineralized sections consisting of greater than around 1-2% sulphides were marked and tagged across the entire section; the core was then split in half using a conventional core splitter with half the core bagged and shipped for analysis and the other half retained for future reference. Core recovery was close to 100% so samples are representative for the intervals designated. Sample intervals were typically 1.0 metres in length, ranging

from approximately 0.5 – 2.0 metres. Samples intervals were restricted by rock type, including felsic volcanics, mudstone, quartz monzonite, and sulphide zones. Sample numbers, intervals, and partial results are included in the drill logs (Appendix 1) and complete results by sample number are included in Appendix 2). Results for mineralized intervals were composited and are presented in Table 3. Core axis angles are steep; true widths are close to sample lengths.

Item 15: Sample Preparation, Analyses and Security

Core samples were marked, split, and bagged under the supervision of Christopher Wild, P.Eng. or Lorne Warner, P.Geo. The second set of soil samples were collected under the supervision of Christopher Wild, P.Eng. All samples were stored and organized for shipment in a locked garage owned by Bruce Doyle, in Nelson, B.C.

Soil Samples

The second set of soil samples were shipped to Acme Analytical Laboratories Ltd., 852 E. Hastings Street, Vancouver, B.C. Samples were dried at 60°C and sieved to –80 mesh. A 15 gram sample split is digested in aqua regia and analyzed in an ICP Mass Spectrometer. Results were then collected, faxed, and emailed to Cassidy. Geochemical Analysis Certificates were mailed to Cassidy Gold Corp.

Drill Core

All drill core samples were shipped to Eco-Tech Laboratories Ltd, 10041 Dallas Drive, Kamloops, B.C. The following list of procedures was supplied by Eco-Tech.

Sample Preparation

Samples are catalogued and dried. Soils are prepared by sieving through an 80 mesh screen to obtain a minus 80 mesh fraction. Samples unable to produce adequate minus 80 mesh material are screened at a coarser fraction. These samples are flagged with the relevant mesh. Rock samples are 2 stage crushed to minus 10 mesh and a 250 gram subsample is pulverized on a ring mill pulverizer to -140 mesh. The subsample is rolled, homogenized and bagged in a prenumbered bag.

Geochemical Gold Analysis

The sample is weighed to 30 grams and fused along with proper fluxing materials. The bead is digested in aqua regia and analyzed on an atomic absorption instrument. Over-range values for rocks are re-analyzed using gold assay methods.

Appropriate reference materials accompany the samples through the process allowing for quality control assessment. Results are entered and printed along with quality control data (repeats and standards). The data is faxed and/or mailed to the client.

Multi-Element ICP Analysis

A 0.5 gram sample is digested with 3ml of a 3:1:2 (HCl:HN03:H2O), which contains beryllium, which acts as an internal standard for 90 minutes in a water bath at 95°C. The sample is then diluted to 10ml with water. The sample is analyzed on a Jarrell Ash ICP unit.

Results are collated by computer and are printed along with accompanying quality control data (repeats and standards). Results are printed on a laser printer and are faxed and/or mailed to the client.

Base Metal Assays (Ag, Cu, Pb, Zn)

Samples are catalogued and dried. Rock samples are 2 stage crushed followed by pulverizing a 250 gram subsample. The subsample is rolled and homogenized and bagged in a prenumbered bag.

A suitable sample weight is digested with aqua regia. The sample is allowed to cool, bulked up to a suitable volume and analyzed by an atomic absorption instrument, to .01 % detection limit.

Appropriate certified reference materials accompany the samples through the process providing accurate quality control.

Result data is entered along with standards and repeat values and are faxed and/or mailed to the client.

In the author's opinion, sampling procedures, preparation, security and analytical procedures were adequate for the present stage of exploration of the property.

Item 16: Data Verification

The author verified soil sample locations. The analytical laboratories used standard reference materials and calibration solutions, repeat measurements and reassays of pulps in order to ensure quality control and data verification for the samples submitted for analysis. Certificates of Assay are appended in this report (Appendices 2 and 3).

Item 17: Adjacent Properties

Several Minfile occurrences are located in the Rover Creek area. To the west, Connor Creek hosts a couple of showings including the Hungry Man (Minfile No. 082FSW235), Root (082FSW303), and Debbie (082FSW356) which all appear to be related to Nelson Intrusions (Bonnington Pluton) in contact with Rossland Group volcanics and Ymir Group sediments. To the south, the Whitewater gold-bearing veins (082FSW222) are hosted mainly in granitic rocks of the Bonnington pluton near the headwaters of Snowwater Creek. To the southwest, the Aurous showing (082FSW358) consists of gold-silver-copper veins hosted in mafic tuffs intruded by Nelson Intrusions.

Item 18: Mineral Processing and Metallurgical Testing

No metallurgical testing or processing of any material from the Silver Lynx Property has been undertaken.

Item 19: Mineral Resource and Mineral Reserve Estimates

No estimates of a mineral inventory, either resource or reserve, on any mineralization on the Silver Lynx Property, has been undertaken.

Item 20: Other Relevant Data and Information

The information in this report is believed to be complete.

Item 21: Interpretation and Conclusions

1. The Silver Lynx volcanic-hosted bedded sulphide showings represent an exciting new VMS discovery. Mineralization includes layers of massive sphalerite and galena up to 2 centimetres thick and layers of wispy to semi-massive chalcopyrite with pyrrhotite. Overall, pyrrhotite and sphalerite appear to be the dominant sulphides. Grain size is medium to fine-grained.
2. Detailed geological mapping was completed over a grid established along the local geological trend. Reconnaissance mapping was completed on logging roads on and adjacent to the claims.
3. Mapping suggests that the mineralized horizon sits near the top of a tuffaceous felsic unit, within 10 metres of a thick argillite package. Tight to isoclinal folding is apparent in both units and in the map pattern and further suggests that the Upper Lynx Showing is a fold repetition of the Main or Lower Lynx Showing.
4. A program of soil sampling and ground geophysics, including magnetic and VLF-EM surveys, was subsequently completed over the entire grid. A TEM survey was conducted over the central part of the grid, including the showings, and a line of induced polarization (IP) was run along the road over the Lower Lynx Showing. Coincident magnetic, VLF, IP, and soil geochemical anomalies support the geological interpretation.
5. A program of 4 diamond drillholes totaling 642.5 metres tested both the Lower and Upper Lynx horizons. Drilling focused on locating high grade zinc-lead-copper-silver mineralization similar to blocks found below the lower road below the Lower Lynx Showing.
6. SL-01-01 and 02, collared 100 metres west of the Lower Lynx Showing, intersected a 3.9 to 4.5 metre thick zone of relatively low grade zinc, lead, silver, and copper, with anomalous arsenic, cadmium, manganese, and molybdenum. SL-01-03 was collared 25 metres north of the showing and drilled at -45° to the south to catch up with the mineralized horizon. However, the hole intersected a gabbro plug near the anticipated location of the horizon.
7. SL-01-04, collared 315 metres west of the Lower Lynx Showing, intersected two significant zones, correlated with the Upper and Lower Lynx horizons. The upper horizon is made up of felsic tuff and quartz monzonite where sphalerite occurs as wispy bands, with occasional vugs, indicating possible leaching of sulphides. Zinc values range up to 5760 ppm over 1.5 metres in felsic tuff and 1.57% over 1.5 metres in the quartz monzonite. The second sulphide rich zone includes grades 4.27% zinc over 0.75 metres at 211.05 metres, and 1.03% zinc and 3302 ppm lead over 0.55 metres at 212.5 metres, in felsic lapilli tuff or breccia and mudstone, perhaps as a collapse or slump breccia. Thicknesses are approximately true.
8. IP clearly identified an area of high chargeability under the road immediately west of the Lower Lynx Showing. SL-01-01 and 02 confirmed the presence of a broad zone of stratiform low-grade zinc mineralization in the area of highest chargeabilities. Given the success of the one line of IP in identifying the mineralized zone, an expanded program of IP is recommended on a proposed reoriented cut grid. The baseline should run parallel to the projected trend of the Lower Lynx horizon at an azimuth of 305 from 100 metres east of the Lower Lynx Showing to Rover Creek. Wing-lines would run perpendicular to the baseline for a distance of 500 metres.
9. Further diamond drilling is recommended along both the Lower and Upper Lynx horizons. One hole is proposed to track down the source of high-grade boulders immediately below the Lower Lynx Showing. A second hole would test that lower horizon between SL-01-01 and 04. A third hole is recommended near SL-01-04 to test the Upper Lynx horizon down dip and west of that intersection. A second phase of drilling would follow-up an IP targets.

Item 22: Recommendations

The following program of line-cutting, induced polarization (IP) geophysics and diamond drilling is proposed for the Silver Lynx Property.

The first step consists of the establishment of a cut grid with a 1.6-kilometre baseline running northwesterly (azimuth 305°) from east of the Lower Lynx Showing. Gridlines will be oriented at 35° to cut the strike of the host lithology at close to a right angle. An IP Survey would then be run over the new grid. Three diamond drillholes totaling 1,500 feet would test anomalies close to the road. One hole is proposed to track down the source of high-grade boulders immediately below the Lower Lynx Showing. A second hole would test that lower horizon between SL-01-01 and 04. A third hole is recommended near SL-01-04 to test the Upper Lynx horizon down dip and west of that intersection. An access trail would likely be built above the south side of Rover Creek to access sites further to the northwest. An additional 10 – 15 holes totaling 6,500 feet would target the northwest extension of the mineralized horizon. These holes would be contingent upon favourable results from the initial three holes.

Table 4
Proposed Exploration Program

Linecutting	11.8 line-kilometres @ \$ 500 per km	\$ 5,900
IP Survey	10.2 line-kilometres @ \$ 1500 per km	\$ 15,300
Excavator	40 hours @ \$150 per hour	\$ 6,000
Geologist	30 days @ \$ 350 per day	\$ 10,500
Report	Drafting, plotting	\$ 2,300
Diamond Drilling	8,000 feet @ \$20 per foot all-in	\$ 160,000
	TOTAL	\$ 200,000

Contingency (10%) \$ 20,000

Grand Total \$ 220,000

Respectfully submitted,

Christopher J. Wild

Christopher J. Wild, P.Eng.
Consulting Geological Engineer

August 25, 2003

Figure 22 Location of Proposed Work Program

Item 23: References

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Little, H.W., (1960): Nelson Map-area, West-half, British Columbia; Geological Survey of Canada, Memoir 308, 205 pages.

Little, H.W., (1962): Trail Map-area, British Columbia; Geological Survey of Canada, Paper 62-5.

Wild, C.J. and Warner L.M., (2002): Report on Exploration Activities on the Silver Lynx Property, Nelson Mining Division, unpublished report for Cassidy Gold Corp., 22 pages.

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Wild, C.J., (2001): Geological Mapping on the Silver Lynx Property, Cassidy Gold Corp.; B.C. Ministry of Energy and Mines Assessment Report, 10 pages.

Wild, C.J., (2001): Silver Lynx Drill Proposal, unpublished report for Cassidy Gold Corp., 6 pages.

Wild, C.J., (2000): Silver Lynx Property Examination, unpublished report for GWR Resources Inc, 4 pages.

Woods, D., (2001): Discussion of Magnetic, VLF-EM, Transient EM and IP/Resistivity Survey Results from the Silver Lynx Project, Nelson, B.C.; unpublished report, 4 pages.

Certificate of Qualified Persons:

I, Christopher J. Wild, P.Eng., am a Professional Engineer, of 2416 Abbeyglen Way in the City of Kamloops, in the Province of British Columbia.

- 1 I am Registered Member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia (1994), and am a member of the Canadian Institute of Mining and Metallurgy (CIM).
- 2 I am a graduate of the University of British Columbia, Geological Engineering, Mineral Exploration Option (1984), and I have practiced my profession continuously since 1985.
- 3 Since 2000, I have been involved in mineral exploration for copper, gold, zinc, lead and silver in British Columbia, Nunavut, and Guinea. Between 1997 and 2000, I was Chief Mine Geologist at Mount Polley Mine, Likely B.C.; and from 1995 to 1997, I was Project Geologist for Mansfield Minerals exploring for copper – gold in Salta Province, Argentina; and from 1991 to 1995, I was Chief Mine Geologist at Goldstream Mine, Revelstoke, B.C. Between 1985 and 1991, I worked as an exploration geologist for a number of mining companies, including Falconbridge Nickel Ltd., Noranda Inc., Minnova Inc., and Bethlehem Resources Corp.
- 4 As a result of my education, professional experience and professional qualifications, I am a qualified person as defined in National Instrument 43-101.
- 5 I am presently a Consulting Geological Engineer and have been so since January, 2000. I am also Vice-President, Exploration for Cassidy Gold Corporation.
- 6 I first visited the property on November 16, 2000. Subsequently, I have directed exploration programs described in this report between May 18 – 22, 2001; June 15 – 23, 2001; December 9 – 13, 2001; and January 8 – 10, 2002.
- 7 I prepared this report based on data collected during the exploration programs noted in section (6) and collaborated with Lorne M. Warner, P.Geo., on the sections of the report describing drilling (Item 13) and sampling methodology (Item 14).
- 8 In the disclosure of information relating to permitting, legal title, action, and related issues, I have relied on information from the Ministry of Sustainable Resource Management, Mineral Titles, Tenure Details. The author disclaims responsibility for such information. The information referred to is found under items 6(c), (d), (e), (g), and (h).
- 9 I am not aware of any material fact or material change with respect to the subject matter of this technical report that is not reflected in this report, the omission to disclose which would make this report misleading.
- 10 I am not independent of Delta Exploration Inc. in accordance with the application of Section 1.5 of National Instrument 43-101.
- 11 I have read National Instrument 43-101 and Form 43-101 F1 and this report has been prepared in compliance with NI 43-101 and Form 43-101 F1.

Dated at Kamloops, British Columbia, this 19th day of September, 2003.


Christopher J. Wild, P.Eng.
Consulting Geological Engineer



Certificate of Qualified Persons:

I, Lorne M. Warner of Kamloops B.C., do hereby certify that:

1. I am a Consulting Geologist currently residing at 2269 Ainslie Place, Kamloops, BC, V1S 1H3.
2. I am a graduate of the University of Alberta with B.Sc. Geology (1985).
3. I have worked continuously in mineral exploration on a fulltime basis since 1985 in the employ of Noranda Inc. (1985-1988) and Placer Dome Exploration Limited (1988-2000) with experience in North and South America.
4. I am a registered member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia, and am a qualified person for the purposes of National Instrument 43-101.
5. I personally supervised and logged the core for the December 2001 drill program for three of the four diamond drill holes carried out on the Silver Lynx property from December 14th to December 21st, 2001 and had previously visited the property on May 22, 2001.
6. I have co-authored this Report, dated August 6, 2002 and revised August 15, 2002, with Christopher J. Wild, P.Eng.
7. I have no interest in Delta Exploration Inc. (formerly Delta International Industries Corp.) and I do not anticipate to have any in the future.
8. I have read National Instrument 43-101 and Form 43-101 F1 and this report has been prepared in compliance with NI 43-101 and Form 43-101 F1.
9. I am independent of Delta Exploration Inc. in accordance with the application of Section 1.5 of NI 43-101.
10. I was responsible for all sections of the report.
11. I am not aware of any material fact or change that is not reflected in the report.
12. I consent to the use of this report in a prospectus or offering memorandum.

Lorne M. Warner

Lorne M. Warner, P.Geo.

August 26, 2003

Appendix 1
Drill Logs

Appendix 2

Analytical Results – Drill Core

Appendix 3

Analytical Results – Soil Samples

Appendix 4

Induced Polarization Survey – Apparent Resistivity and Chargeability
Induced Polarization Survey – Inverted Resistivity and Chargeability

Appendix 5

Statement of Costs for Silver Lynx Property, to August 15, 2002.

Assays	\$ 10,622
Board and Lodging	\$ 1,898
Core handling and splitting	\$ 2,600
Drilling	\$ 35,727
Equipment Rental	\$ 4,494
Geological	\$ 11,698
Geophysical Surveys	\$ 12,903
Grid and Line-cutting	\$ 3,113
Maps and Reports	\$ 10,843
Staking and Recording	\$ 1,320
Sundry	\$ 843
Surveying	\$ 250
Travel	\$ 607
Total	\$ 96,923

Source: Statements of Deferred Exploration Expenditures, Cassidy Gold Corp.
Note that expenditures have not been checked by the authors.