

**TECHNICAL REPORT ON THE SAN LUCAS SILVER
PROPERTY**

**DIEZ de OCTUBRE (SAN LUCAS de OCAMPO),
DURANGO STATE, MEXICO**

LOCATION

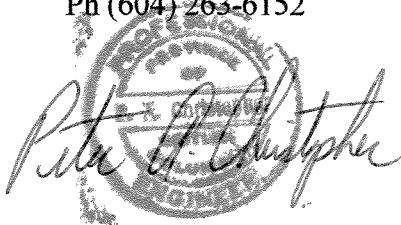
Latitude 24°43'N (UTM 2734100mN)
Longitude 104°38'W (UTM 0536675mE)
MAP 1:250,000 Durango G-13-11

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3.0 SUMMARY

3.1 Property Description and Location

The San Lucas Silver Property, consisting of 11 claims covering about 925 hectares, is situated near the village of Diez de Octubre (San Lucas de Ocampo), State of Durango, Mexico about 80 km north of the city of Durango. The property has easy two-wheel drive access via paved highway 45 for 56 km to the village of Guadalupe Aguilera and then about 34 km to the village of San Lucas de Ocampo. The property is centered near latitudes 24°43'N and longitudes 104°38'W. The Veta Grande zone, the main exploration target, has less than 50 m of relief. Highway 45 passes through the property and dirt roads and two-wheel drive tracks provide drill access to the Veta Grande zone.

3.2 Property Ownership

Minera Montana S. de R.L. de C.V. ("Minera Montana") presently controls the San Lucas Property through agreements with Senora Bertha Jarvis G. (the "Optionor") of Durango, Mexico. Minera Montana is required to make payments to the Optionor and to maintain the claims in good standing. Blackhorn Gold Mines Ltd. ("Blackhorn"), subject to regulatory approval, is presently acquiring the assets of Minera Montana that includes the San Lucas Property.

3.3 Property Geology, Mineralization and Exploration

The geology and mineralization of the region is typical of the Llanuras Altas physiographic subprovince at the eastern edge of the Sierra Madre Occidental. To the southwest, the San Lucas Property is mainly underlain by Cretaceous schists and limestone. A central area consists mainly of Eocene andesite and dacite flows and ignimbrite that is enveloped by Oligocene to Miocene rhyolitic rocks. A 2 km long, northeast-trending zone of alteration, shattering and mineralization transects the San Lucas property. The mineralized zone varies from over 100 m wide near the metasediment/quartz monzonite contact to 50m wide in the northern part of the property. Two parallel, northeast-trending (N55°E) silver-bearing structures, called the Veta Grande (also called Veta El Tiro) and Veta Realez (also Veta El Relis) quartz veins, dominated the Veta Grande zone. The veins are spaced from 30 metres to 50 m apart, vary in width from 0.5 to 1.5 m, and extend for about 2 km. The northern most, Veta Realez vein dips about 55°SE and should intersect the near vertical Veta Grande structure about 50 m below the surface.

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Vein type mineral deposits in volcanic rocks of the Sierra Madre Occidental are of the low or moderate sulfidation epithermal type. Vein zone generally occur in Eocene Lower Volcanic Complex rocks (LVC) that are windows in rhyolitic rocks of the Upper Volcanic Complex (UVC). Solutions follow and mineralize structures but strong tectonic activity may cause expansion of the mineralized zones into the hanging and footwall of the feeder structures. Quartz stockwork is found within dacitic wallrock between the Veta Grande and Veta Realez structures). Higher-grade mineralization, an underground sample by Luismin assayed 256.0 g/t Au and 391 g/t Ag over 0.55m, generally occurs in a temperature sensitive zone related to boiling of mineralizing solutions. The presence of limestone near an intrusive contact also allows for skarn type precious metal enhanced base metal deposits.

3.4 Status of Past Exploration

Gambusinos (informal miners) started small-scale workings in the San Lucas area in 1880s. The Veta Grande was worked at the end of the 19th century and was equipped with a small concentrator. Mining activity was suspended as a result of the Mexican revolution in 1910. The Consejo de Recursos Minerales (1980), Luismin (now part of Wheaton River Minerals) (1991), Echo Bay (1995), and Kobex Resources Ltd. (1997) conducted geological examinations and sampling programs. Kobex terminated its activities in Mexico in early 2000. The San Lucas Property was acquired by Minera Montana as part of a six- property package.

Minera Montana acquired the Jarvis option on part of the San Lucas Property in 2000 and staked additional claims in 2001 and 2002 to protect extensions of known vein zones. Minera Montana surface mapped the Veta Grande structural zone and mapped and sampled the Noche Buena adit. In March 2003, Blackhorn agreed to acquire the assets of Montana. On March 31, 2003 the writer collected 6 rock chip samples from the Noche Buena area.

3.5 Conclusions and Recommendations

The San Lucas Silver Property has parallel northeasterly trending veins that form a mineralized and altered zone over 50 m wide and a kilometer long. The zone has easy access and represents a low cost drill target. .

The writer recommends a two-stage program of reverse circulation (RC) or down-hole hammer (DHH) drilling with an initial 400 m, Stage 1 program, estimated to cost \$70,000CDN. Contingent on the success of the Stage 1 program, a Stage 2-2,000 m drill program is estimated to cost \$260,000CDN. In the opinion of the writer exploration of the San Lucas Property is sufficient merit to justify the recommended program.

3.6 Opinion of Merit

The writer is of the opinion that the recommended Phase 1 program is warranted, and has sufficient merit to justify the investment by the company.

4.0 INTRODUCTION AND TERMS OF REFERENCE

4.1 Terms of Reference and Purpose

This Technical Report, requested by Blackhorn Gold Mines Ltd., is to propose an exploration program to further define resources on the San Lucas Silver Property in Durango State, Mexico. The report has been prepared in compliance with the requirements of National Instrument 43-101 and Form 43-101F1, and is for supporting documentation to be filed with the British Columbia Securities Commission and the TSX Venture Exchange.

4.2 Source of Information and Data

The majority of the information for this report came from reports and documents listed under the References and Sources of Information section of this report. The data, collected by personnel employed by Consejo de Recursos Minerales (CRM), Luismin, Echo Bay, Kobex Resources and Minera Montana is generally in agreement and suggests that a altered and stockwork veined zone occurs around the main Veta Grande structure on the San Lucas Property. The writer believes that competent personnel were used for fieldwork and sampling. Most of the analytical results were obtained from Mexican laboratories and reporting of analytical procedures is generally not to NI 43-101 standards.

The writer personally examined the geological setting of the San Lucas Property with Dale E. Scholz of Minera Montana. The writer has made several other property examinations in the State of Durango and participated in a recent tour of the Tayoltita Mine that provided the writer insights into geological and structural controls of mineralization in the region.

4.3 Field Involvement of the Qualified Person (Author)

The author of this report spent from 6:30AM to 1:30PM on March 31, 2003 traveling from city of Durango and examining the San Lucas Property. A return trip from

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the city of Durango requires about 2 hours with about 5 hours spent on examination of the mineralized settings and obtaining 6 check samples from the Noche Buena workings. The Noche Buena is the only zone with accessible workings that expose part of the mineralized zone. Minera Montana prepared a good sampling plan of the Noche Buena adit that allowed comparison of sample results. Monuments that establish the location of claims were viewed and located by GPS, however claim locations in Mexico are established by registered mineral claim surveyors, and the writer has relied on his documentation.

5.0 DISCLAIMER

The writer is required by NI 43-101 to include description of the property title and terms of legal agreements that are presented in the following section. The writer reviewed property agreements and title documents in order to provide summaries of title and ownership. Property agreements and title documents are legal matters and should be reviewed by Blackhorn's legal counsel. The claim plot has been provided by a registered Mexican mineral claim surveyor and should be a legal survey of the property area and provide a legal ownership opinion.

A summary plan of the Noche Buena sampling by Minera Montana and a geological plan of the San Lucas property, supplied to the writer by Dale E. Scholz of Minera Montana were checked and validated by the writer.

6.0 PROPERTY DESCRIPTION AND LOCATION

6.1 Property Location and Area (FIGURES 6.1; 6.2)

The San Lucas Silver Property, consisting of 11 expedientes, covering about 925 hectares, is situated near the village of Diez de Octubre (San Lucas de Ocampo, State of Durango, Mexico). The property is centered near latitude 24°43'N and longitudes 104°38'W on the 1:250,000 scale Durango map G-13-11. The general property location is presented on Figure 6.1, and the mineral surveyors legal plot of the property is shown on Figure 6.2.

6.2 Claim Title and Legal Survey (FIGURE 6.2; TABLE 6.1)

The 925 hectares of claims that form the San Lucas Property are summarized in Table 6.1 with claim locations, as defined by the registered Mexican surveyor, shown on Figure 6.2. A minimum annual investment in exploration work of about \$6,000cdn is required to retain the claims that constitute the San Lucas Property. Annual government fees and duties, payable in July and January, total about \$3,000cdn.

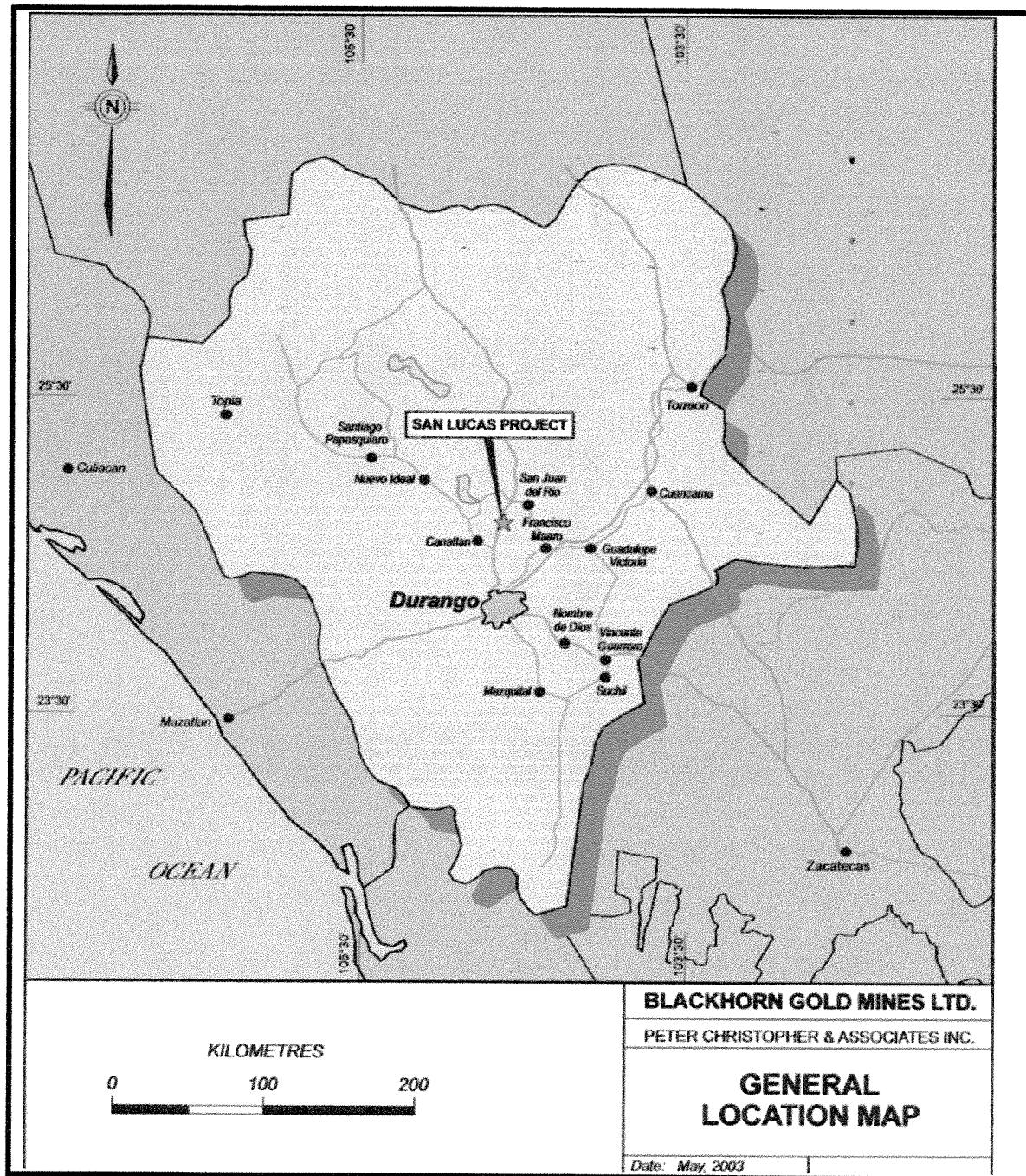


Figure 6.1 Property Location Map for San Lucas Silver Property, Durango State Mexico.

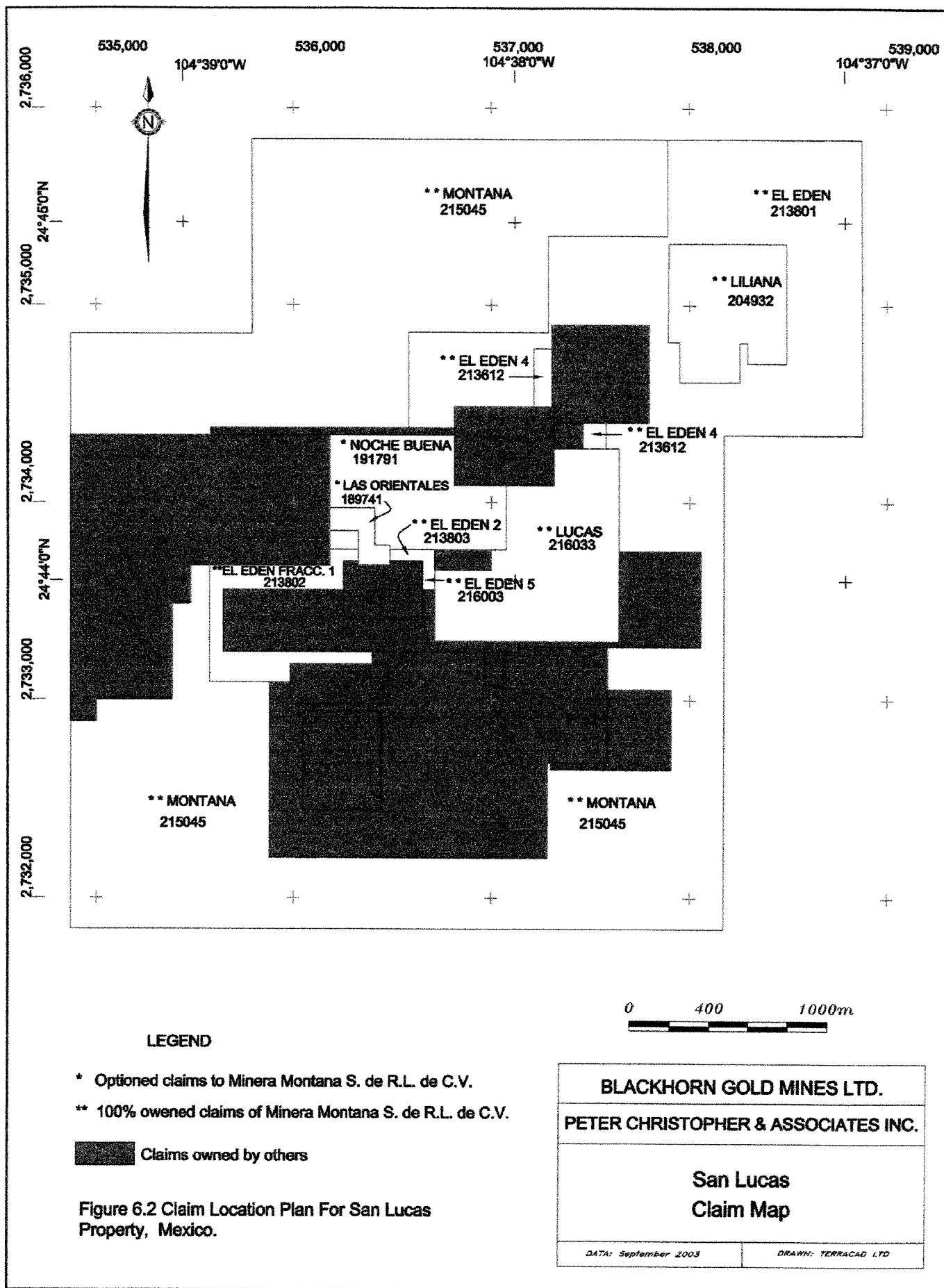


Table 6.1 Claim Data for San Lucas Silver Property.

NAME	TITLE #	HECTARES	EXPIRY DATE	Ownership
Noche Buena	191791	48.0229	18 Dec 2041	Jarvis
Las Orientales	189741	4.6690	05 Dec 2040	Jarvis
Liliana	204932	38.0434	28 May 2003	M. Montana
El Eden	213801	208.8813	14 June 2007	M. Montana
El Eden Frac. 1	213802	22.3250	14 June 2007	M. Montana
El Eden Frac. 2	213803	1.2941	14 June 2007	M. Montana
El Eden 4	213612	2.5559	04 June 2007	M. Montana
El Eden 4 Frac. 1	213613	1.6067	04 June 2007	M. Montana
El Eden 5	213603	0.7293	17 May 2007	M. Montana
Lucas	216033	67.1990	01 Apr. 2008	M. Montana
Montana	215045	529.9935	06 Feb. 2008	M. Montana

The claim title are held in the names of Mrs. Brenda Jarvis G. (Jarvis) and Minera Montana S. de R.L. de C.V. ("M. Montana" in table) with Minera Montana holding an option to purchase the Jarvis interests. The claims, located by a registered Mineral Surveyor, are located on a claim plan prepared by the Mineral Surveyor (Figure 6.2), a legal plan of the claim location.

6.3 Location of Mineralization and Workings

The property contains the Noche Buena workings that are located on the geological and sampling plans (Figures 9.1 and 9.2).

6.4 Terms of Agreements

The Tejamen property, presently being acquired by Blackhorn Gold Mines Ltd., is part of the assets of Minera Montana S. de C.V. (Minera Montana). Minera Montana has optioned (Jarvis option) the Tejamen property and consolidated the Tejamen property by staking 8 additional claims listed in Table 6.1 and Figure 6.2. Minera Montana, a Mexican company controlled by Dale E. Scholz, is required by the Jarvis option to maintain the Jarvis claims by paying mineral land taxes, making minimum annual exploration expenditures and make option payments to Jarvis. The Jarvis option also includes the Tejamen, La Parrilla, Mezquetal, El Sol and Chalchihuites properties.

Through an amended agreement dated for reference February 28, 2003, Blackhorn has an option to acquire those properties presently held by Minera Montana for payment

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of the sum of \$3,500, and upon completion of payment of the amounts payable to Senora Jarvis, Minera Montana has agreed to assign all of its mineral property interests to a Mexican to a Mexican subsidiary to be formed and wholly-owned by Blackhorn. The Agreement was made on an arms-length basis with Mr. Scholz subsequently elected to the board of directors of Blackstone.

Minera Montana agreed to acquire San Lucas Property and certain other mineral exploration concessions under an agreement with Senora Bertha Gamiz Viuda de Jarvis ("Jarvis"), dated July 20, 2000, as amended (the "Jarvis Agreement"). Under the terms of the Jarvis Agreement, Minera Montana has agreed to acquire such concessions from Jarvis by completing the following payment obligations, on a tax-free basis, to Jarvis:

July 20, 2000	US\$10,000(paid by Minera Montana)
July 20, 2001	US\$50,000(paid by Minera Montana)
July 20, 2002	US\$75,000(paid Minera Montana)
July 20, 2003	US\$100,000(paid by Blackhorn)
January 20, 2004	US\$100,000
July 20, 2004	US\$100,000
January 20, 2005	US\$100,000
July 20, 2005	US\$150,000
January 20, 2006	US\$200,000
July 20, 2006	<u>US\$1,115,000</u>
Total	US\$2,000,000 *

- Payment on a "tax free basis" obligates Minera Montana to pay the Mexican IVA tax (15%) upon completion of the payments due under the Jarvis Assignment.

7.0 ACCESSIBILITY, CLIMATE, INFRASTRUCTURE AND PHYSIOGRAPHY

7.1 Topography, Elevation and Vegetation

The San Lucas Property is located near the easterly edge of the Sierra Madre Occidental physiographic province in the Llanuras Altas (High Plains) physiographic subprovince. Elevations on the property average about 1,900 m and range from about 1860m in Arroyo Ojo Caliente to about 2,150 m in the southeast part of the property. Basin and range structures of the area generally trend NNW.

The arid climate produces abundant cactus, napal and agave. Irrigation allows farming of beans, corn and fruit and nut orchards.

7.2 Access to the Property

The property is located 80 km north of the city of Durango in the state of Durango, Mexico (Figures 6.1 and 6.2). The property has easy two-wheel drive access via paved highway 45 for 56 km to the village of Guadalupe Aguilera and then about 34 km to the village of San Lucas de Ocampo. The property is centered near latitudes 24°43'N and longitudes 104°38'W. The Veta Grande zone, the main exploration target, has less than 50 m of relief. Highway 45 passes through the property and dirt roads and two-wheel drive tracks provide drill access to the Veta Grande zone.

7.3 Relevant Climate and Length of Operating Season

The region is semi-arid. The area has hot, dry spring and summer climate with moderate winter temperatures that rarely result in freezing. A rain season may occur between July and October. The area consists mainly of open ranch land with farming and orchards restricted to valleys with sources of water. The Arroyo Ojo Caliente, the principal drainage, has at least a small flow of water throughout the year.

7.4 Surface Rights, Power, Water, and Mining Personnel

Mineral exploration and exploitation has been an activity in the San Lucas area since about 1885. An area of tailings is present in a valley just south of the property. Moving a few San Lucas village homes may be necessary for bulk mining.

San Lucas de Ocampo, a village with a population estimated at about 1,000, has main highway No. 45, a power grid, telephone service, stores, accommodation and a restaurant. The population provides a labor pool for exploration with equipment, skilled miners and drilling companies available in Durango and Hermosillo.

7.5 Potential Areas for Tailings Disposal, Heap Leach Pads and Plant Sites

Areas necessary for the extraction of silver have not been examined for this report. However, extensive flat lands, some with past mining activity, occur within 10 km from the property.

8.0 HISTORY

8.1 Type and Results of Exploration and Development

Gambusinos (informal miners) started small-scale workings in the San Lucas area in 1880s. The Veta Grande was worked at the end of the 19th century and was equipped with a small concentrator. Mining activity was suspended as a result of the Mexican revolution in 1910. CRM (1993) reported that in the 1980s small shipments were made from the Veta Grande, Noche Buena, and El Refugio mines. The Consejo de Recursos Minerales (1980), Luismin (now part of Wheaton River Minerals), Echo Bay (1995), and Kobex Resources Ltd. (1997) conducted geological examinations and sampling programs. Kobex terminated its activities in Mexico in early 2000. The San Lucas Property was acquired by Minera Montana as part of a six-property package. The majority of material mined from the Veta Grande structure was mined from the Grande Mine that is not part of the San Lucas property. No production records are available but the size of the working at the Grande Mine suggest that 30,000 to 50,000 tonnes were removed but the grade of the material is not known.

Minera Montana acquired the Jarvis option on part of the San Lucas Property in 2000 and staked additional claims in 2001 and 2002 to protect extensions of known vein zones. Minera Montana surface mapped the Veta Grande structural zone and mapped and sampled the Noche Buena in March 2003. Blackhorn agreed to acquire the assets of Montana. On March 31, 2003 the writer collected 6 rock chip samples from the Noche Buena area.

8.2 Historical Mineral Resources and Reserves

The San Lucas Silver Property is an exploration stage property with sampling plans for some of the working. The writer's and previous sampling provides justification for additional exploration but does not justify resource calculations.

9.0 GEOLOGICAL SETTING

9.1 Regional Geological Setting (Figure 9.1)

The San Lucas Silver Property is located in the Sierra Madre Occidental physiographic and geological province in an extensive volcanic plateau that has been affected by horst and graben structures with bounding normal faults. Fault structures generally have northerly or north-northwesterly trends. Caldera structures have been recognized north and south of Durango but have not been recognized in the San Lucas area. Tensional tectonic activity has resulting in numerous cross structures that may contain silver bearing veins with commercial values (Eg. Tayoltita).

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The eastern Sierra Madre Occidental is made up of two volcanic sequences separated by a period of no igneous activity. An Upper Volcanic Complex (UVC) is composed of gently dipping rhyolitic ignimbrites and rhyodacite that range in age from 27 to 34 million years. The UVC is part of the largest known ignimbrite cover. An unconformity separates the UVC from intermediate composition volcanic rocks of the Lower Volcanic Complex (LVC). The contact between the UVC and LVC is an irregular surface with local strong relief. The LVC occurs as erosional windows in the UVC. The LVC is formed of andesite flows and pyroclastic units with more siliceous interlayered ignimbrites. The LVC is weakly deformed, altered and intensely faulted, and it is the primary host rock for mineralization. Pleistocene olivine basalts cap some area. Quaternary alluvial and colluvial deposits cover the volcanic complex in some low-lying areas.

9.2 Property and Local Geology (Figure 9.2)

The San Lucas Property geology has been mapped by the Consejo de Recursos Minerales (1980 and 1993), a Mexican government organization and augmented by company geologists working for Luismin, Echo Bay, Kobex Resources and Minera Montana with a simplified property geology map presented as Figure 9.2 (modified from King and Sobara, 1997). The rocks that outcrop on the San Lucas Property are Tertiary volcanic rocks of the eastern Sierra Madre Occidental. The area has low to moderate relief that results in large areas of Quaternary alluvial cover.

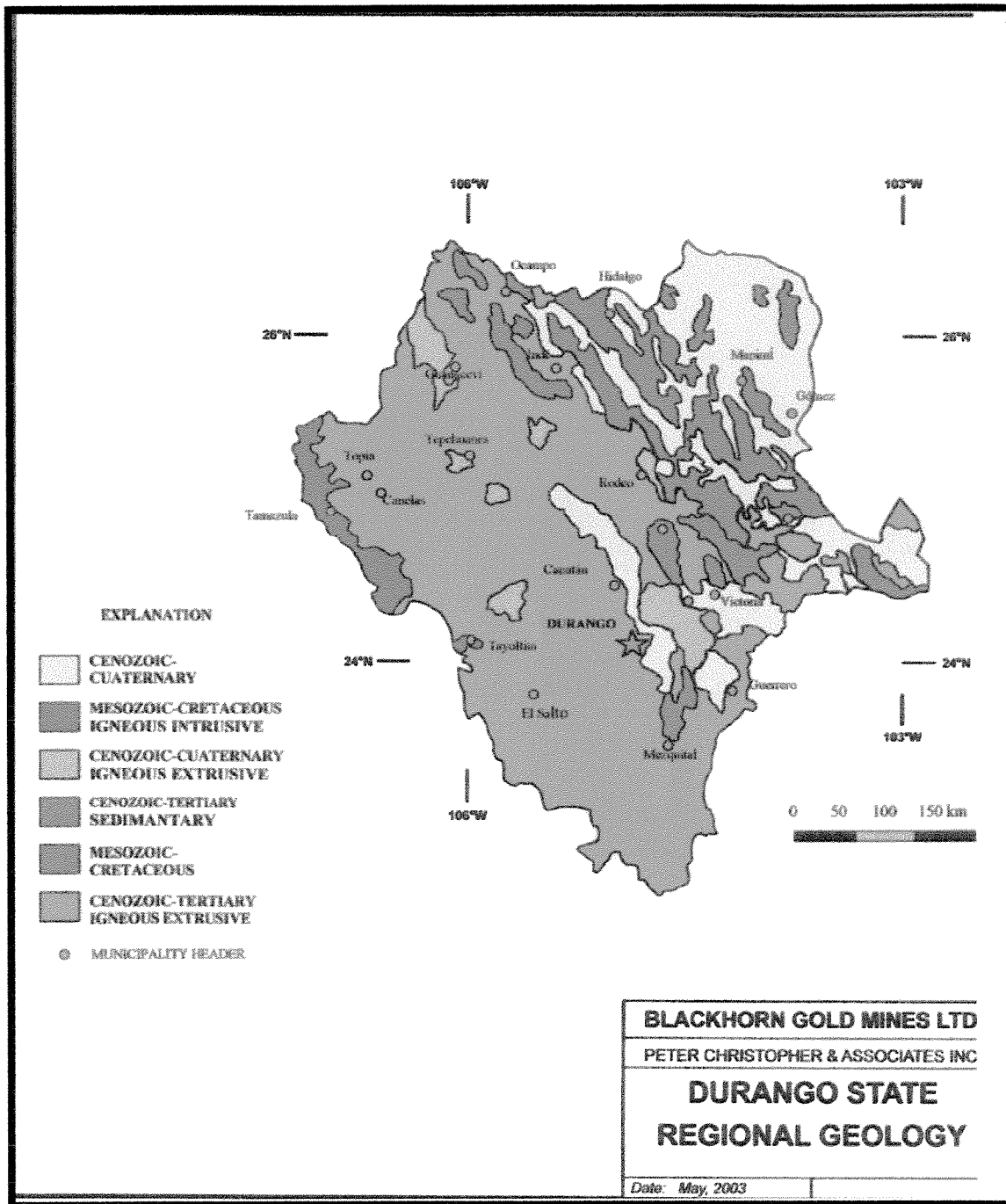


Figure 9.1 Regional Geology of the State of Durango.

Peter Christopher & Associates Inc., April 2003

9.2 Lithology

Lithology is described from oldest to youngest below. Surface geology is shown on Figures 9.1 and 9.2 (after geological mapping by CRM (1980), Kobex (King, 1998) and Minera Montana (Scholz, 2002)). The local geology can be described in terms of Quaternary colluvial and alluvial cover, extensive UVC acidic ignimbrites, and the LVC, the main host of mineralization throughout the Sierra Nevada Occidental. The LVC has been divided into two units that are described below. Mapping of quartz monzonite intrusive cutting limestone and schistose metasedimentary rocks is mainly based on the presence of float.

Limestone and Metasedimentary Rocks

Cretaceous age limestone and schistose metasedimentary rocks are indicated on compilation maps prepared for Kobex and Minera Montana. The presence of this unit is mainly indicated by float. The unit is reported by Scholz (2003) to be intruded by a dyke like body of quartz monzonite, but detailed mapping is needed to define the distribution of these units. A contact of the limestone with the quartz monzonite represents a possible target for precious metal enhanced skarn deposits.

Andesite Porphyry

The oldest Tertiary unit on the property is Eocene andesite porphyry of the LVC. The unit is divided by CRM into an older anthopholite-biotite, andesitic porphyry and younger or upper hornblende andesitic porphyry. This unit occupies most of the central part of the property and is the main host for vein mineralization. The unit has been reported to contain tuffaceous layers and areas of dacitic composition.

Rhyolite Tuff, Porphyritic Rhyolite and Ignimbrite

The rhyolite is part of the Miocene to Oligocene UVC of the Sierra Madre Occidental. The unit covers the area SW of San Lucas and forms Cerros Quinones and La Cantera, and east of the LVC andesites from San Pablo in the north to Mesa San Lucas in the south (CRM, 1980). The lower part of the unit is mapped as mainly tuff and the upper part of the unit as porphyritic rhyolite and ignimbrite.

Basalt

This unit is a late flat lying olivine basalt that forms the Mesas Portrero de Murga and San Agustin. Mesa San Agustin covers the NE trend of the favorable LVC.

9.4 Structure

Tensional structures formed after deposition of the LVC, but do appear to have strongly affected UVC rhyolitic ignimbrites or olivine plateau basalts that are mainly flat lying. The main mineralized fault structures on the property trend NE (Veta Grande-Noche Buena system) and N-S (El Refugio, Adelita, Rosita etc) and are control for the main veins. Fault structures with moderate to high angles have NW trends and are post-mineral.

10.0 DEPOSIT TYPES

10.1 Mineral Deposit type/Model for the Property

Vein type mineral deposits in volcanic rocks of the Sierra Madre Occidental are of the low or moderate sulfidation epithermal type. Higher-grade mineralization generally occurs in a temperature sensitive zone related to boiling of mineralizing solutions. Solutions follow and mineralize structures but strong tectonic activity may cause expansion of the mineralized zones into the hanging and footwall of the feeder structures.

11.0 MINERALIZATION (Figures 11.0, 11.1; & 11.2)

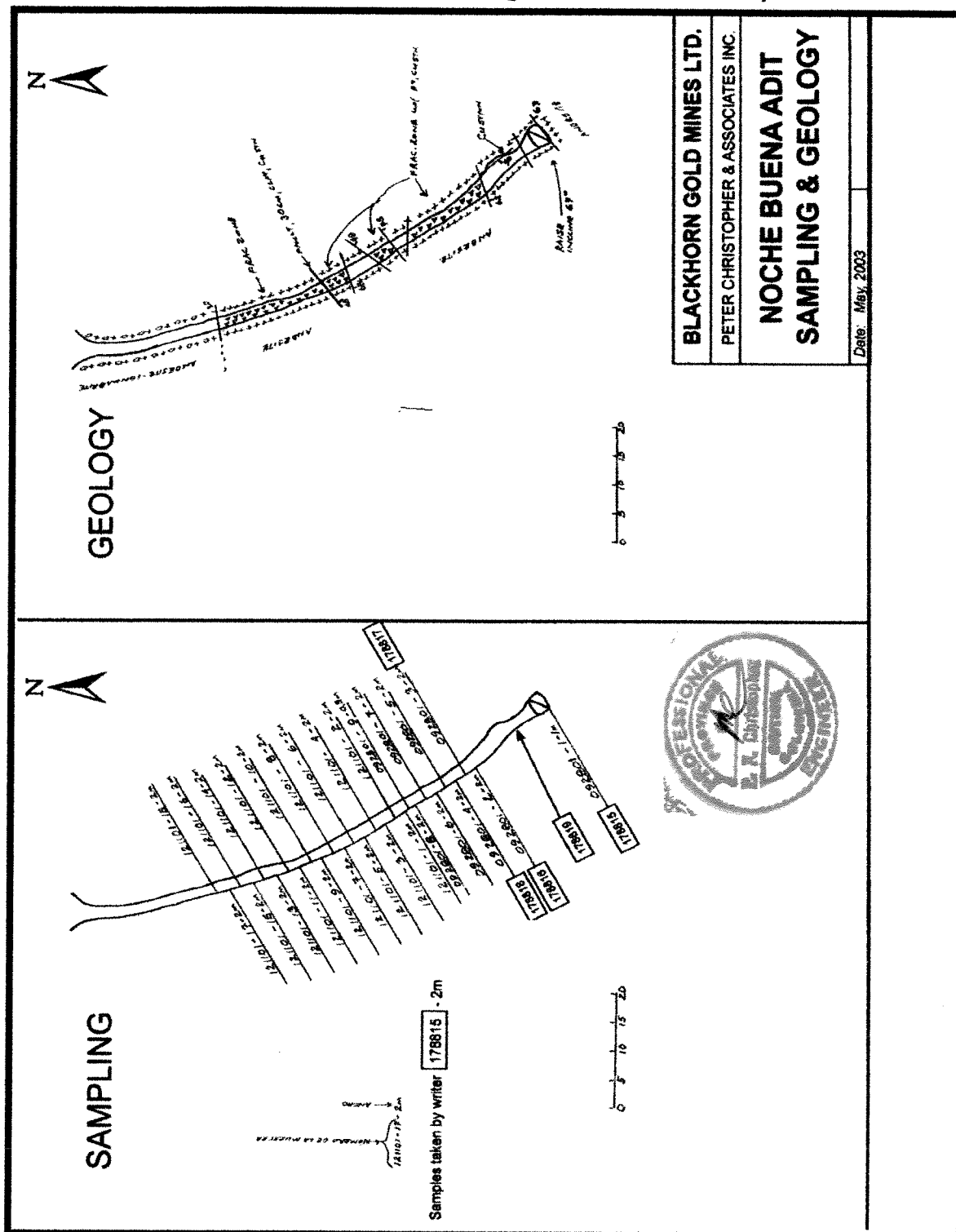
The San Lucas Silver property hosts quartz and in some cases quartz and calcite veins that contain disseminated pyrite, free gold, argentite, argentiferous galena, and sphalerite with occasional malachite and azurite after chalcopyrite (CRM, 1980). The Kobex (King and Sobara, 1997) data indicates two main veins separated by 30 m to 50 m that strike N55°E for about 800m across the Noche Buena and Orientales claim. The mineralized zone varies from over 100 m wide near the metasediment/quartz monzonite contact to 50 m wide in the northern part of the property. Two parallel, northeast-trending (N55°E), silver-bearing structural zones contained the Veta Grande (also called Veta El Tiro) and Veta Realez (also Veta El Relis) quartz veins. The veins are spaced from 30 metres to 50 m apart, vary in width from 0.5 to 1.5 m, and extend for a total length of about 2 km. The northernmost, Veta Realez vein dips about 55°SE and should intersect the near vertical Veta Grande (King, 1997) structure about 50 m below the surface.

The CRM (1980) sampled the Noche Buena area by collected 82 samples over a 167 m length of the Veta Grande (El Trio) vein that averaged 1.22 m wide and 2.9 g/t Au, 106.61 g/t Au, 0.94% Pb, and 0.18% Zn, and 29 samples over a 95 m length of the El Relis vein that averaged 0.83 m wide and 13.77 g/t Au, 67.05 g/t Ag, 0.72% Pb and 0.28% Zn. The CRM (1980) sampled the extension of the Veta Grande vein on the adjacent Mina Grande claim by collected 141 over a 610m length pf the Veta Grande that averaged 0.90 m wide and 5.6 g/t Au, 248.2 g/t Ag, 1.8% Pb and 0.2% Zn.

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The Noche Buena area was sampled by Luismin and Echo Bay with their findings summarized in a technical report for Kobex (King and Sobara, 1997) and in the Kobex June 1998 Prospectus that summarizes sampling of the Veta Grande and Veta Realez as follows: "Surface sampling of the veins and wall rocks by Luismin returned values of 1.35 g/t Au and 73 g/t Ag over 1.5 m to 15.3 g/t Au and 51 g/t Ag over 0.7 m. An underground sample by Luismin assayed 256.0 g/t Au and 391 g/t Ag over 0.75 m. Vuggy quartz stockwork, found between the two major quartz veins, was sampled by Echo Bay and by the Issuer. The Issuer's rock chip sampling returned weighted averages of 0.87 g/t Au and 39.9 g/t Ag over 30.5 m. Echo Bay sampling returned values of 0.88 g/t Au and 31.4 g/t Ag over 30 m on one line immediately to the southwest of the Issuer's sampling and 0.44 g/t Au and 31.2 g/t Ag over 30 m on a second line immediately to the northeast of the Issuer's sample line. These samples were assayed by Bondar Clegg." A 10-m chip sample, collected by the writer about 15 m northeast of the Noche Buena shaft, contained 71.9 g/t Ag and 2.49 g/t Au. The writer obtained weighted averages for 3 m and 6 m chip samples of 41.3 g/t Ag and 0.15 g/t Au and 89.5 g/t Ag and 0.73 g/t Au, respectively. The writer's samples validate underground sampling results obtained by Minera Montana (see Figures 11.0 (Appendix A), 11.1 and 11.2; Table 15.1).

Figure 11.1 Sampling Plan (after King and Sobara, 1997)



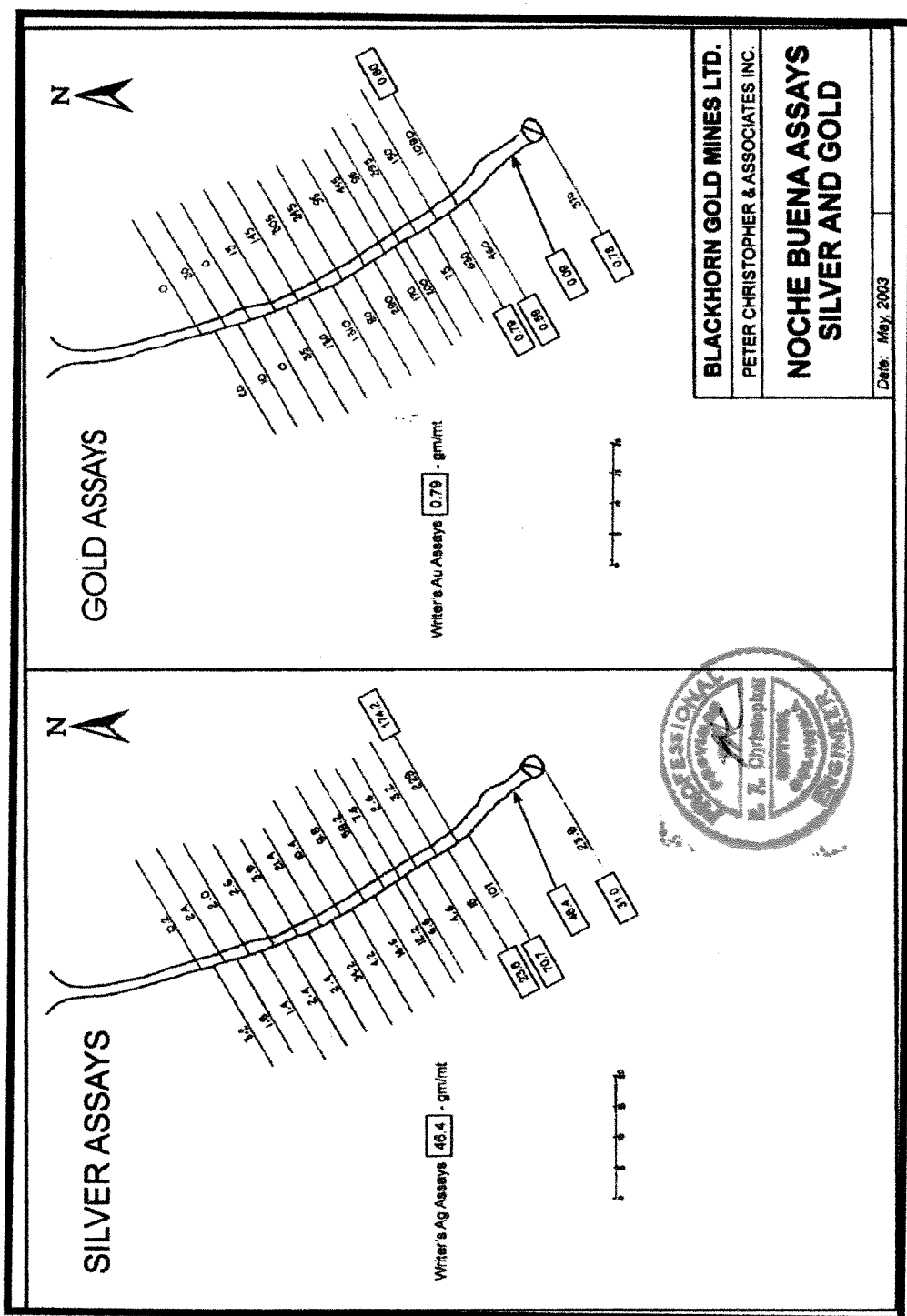


Figure 11.2 Noche Buena Adit Geology and Sampling (after Minera Montana, 2002). Minera Montana values are in ppm for Ag and ppb for Au.

12.0 MINERAL PROCESSING AND METALLURGICAL TESTING

No mineral processing or metallurgical test results are available for the San Lucas property. CRM (1993) reported that material from the El Refugio, Buena Noche, and Veta Grande was shipped to Parrilla for custom milling. The material was probably hand sorted and a mix of the three mines, and recovery information from the Parrilla mill, if available, would be difficult to interpret.

The writer is not aware of metallurgical studies on the San Lucas mineralization. ICP analyses on the writer's samples show elevated contents of Mn, Cu, Pb, Zn and As that may affect the precious metal recovery and leach characteristics.

13.0 PREVIOUS DRILLING

The writer is not aware of previous drill programs on the San Lucas property.

14.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

The writer has reviewed exploration reports completed for Echo Bay (1995) and for Kobex (King, 1997). The Echo Bay and Luismin (1991) reports, prepared before NI43-101 recommended standards, contained no discussion of sample preparation, analyses and security. The Kobex report, prepared after introduction of NI43-101, describes sample preparation, analyses and security. Kobex samples were secured by a qualified geologist (Mr. H.L. King) and shipped to Bondar Clegg in Hermosillo. Minera Montana samples were analyzed at Chemex Laboratory in Hermosillo, Sonora. Echo Bay and Luismin results were reviewed as sample plans with no discussion of analytical methods, sample security or method of analysis. CRM (1980) samples were analyzed for gold, silver, lead and zinc at the CRM laboratory in Hermosillo, Sonora. The CRM analytical methods were not described.

15.0 DATA VERIFICATION

The writer collected 6 check samples at sites previously sampled by Echo Bay, Luismin and/or Minera Montana (Figure 15.1) with a sample comparison shown in Table 15.1 and on Figure 15.1. The writer's samples were chip samples taken along previous sample sites. The writer's chip samples, averaging about 2 kg, may not be as reliable as larger channel samples.

The writer samples confirm the presence of significant values in envelopes of stockwork quartz veining around previously mined segments of the Veta Grande system. The writer did not have access to underground areas sampled by Luismin and could not check their bonanza grade gold value. The writer checked the four highest values

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obtained by Minera Montana from the Noche Buena Adit. The writer's samples that checked Minera Montana samples averaged 74.9 g/t Ag and 0.62 g/t Au and Minera Montana's samples averaged 93.7 g/t Ag and 0.64 g/t Au. The writer's samples contained 80% and 97% of the Ag and Au values in the Minera Montana samples, respectively. The writer's samples validate Minera Montana results obtained from the Noche Buena adit. The writer's sample 178819 was collected from apparently unmineralized dacite in the Noche Buena adit, but contained 46.4 g/t Ag and 0.09 g/t Au. The writer's chip sample 178814 taken near the Noche Buena shaft, gave values of 71.9 g/t Ag and 2.49 g/t Au. Ten, 3m chip samples collected by Echo Bay, along two 30 m lines in the Noche Buena adit area, averaged 0.88 g/t Au and 31.4 g/t Ag and 0.44 g/t Au and 31.2 g/t Ag. Kobex sampled a 30.5 m line between the Echo Bay sample lines that averaged 0.87 g/t Au and 39.9 g/t Au.

Table 15.1 Writer's Check Samples for Noche Buena Area.

Writer's Sample	UTM	Type	Width	Ag g/t	Au g/t	@ #	Ag g/t	Au g/t
178814	0536663E 2734090N	Chip	10.0m	71.9	2.49			
NOCHE BUENA ADIT								
178815	0536675E 2734130N	Chip	1.0m	31.0	0.28	801 #1*	23.8	0.37
178816		Chip	2.0m	70.7	0.59	801 #2*	107.0	0.46
178817		Chip	2.0m	174.2	0.80	801 #3*	229	1.08
178818		Chip	2.0m	23.6	0.79	801 #4*	15.0	0.63
178819	0536673E 2734130N	Chip	2.0m	46.4	0.09	na	na	na

* Minera Montana Samples (2002)

16.0 ADJACENT PROPERTIES

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The San Lucas district is not entirely covered by claims controlled by Blackhorn and some of the main old workings occur on extensions of vein system that are on adjacent properties. Quaternary covers blankets the favorable LVC rocks to the south of San Lucas and could conceal blind deposits. UVC rocks cover the favorable horizon to the SW and in the eastern part of the trend. The Veta Grande structure trends under olivine plateau basalt cover to the NE.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

The San Lucas Silver Property is at an early exploration stage with previous sampling by CRM, Luismin, Echo Bay, Kobex Resources, and Minera Montana indicating sufficient values to justify an initial drilling program. The property has no resource or reserve estimates.

18.0 OTHER RELEVANT DATA AND INFORMATION

The writer is not aware of any information that is available on the San Lucas property that would change the conclusions and recommendations in this report. The writer believes that the report summarized all available data on the San Lucas Property.

The writer observed a number of northwest hand trenches that probably represent channel samples taken across the Veta Grande structure. The writer has been unable to find sample results for this program. The writer suspects that several companies have conducted brief sampling programs on the San Lucas Property, but believes that published reports by CRM and documents filed by Kobex provide the best available source of information on the property.

19.0 INTERPRETATION AND CONCLUSION

Previous exploration conducted on the San Lucas Silver Property by CRM (1980), Luismin, Echo Bay (1995), Kobex Resources (1997-2000) and Minera Montana (2000-2003) has concentrated on the Veta Grande structural zone. Limited previous mining and milling occurred on the Veta Grande zone prior to 1910 and in the 1980s small shipments were made to the Parrilla mill from the Noche Buena and El Refugio mines and the Veta Grande dumps. The previous miners concentrated on and removed only the highest-grade portions of narrow veins. Recent exploration has demonstrated that the higher-grade veins are enveloped by alteration zones and stockwork vein zones that contain significant silver and in some cases gold and base metal values over wider intervals. Higher-grade mineralization, an underground sample by Luismin assayed 256.0 g/t Au and 391 g/t Ag over 0.55 m (values not checked by the writer), generally occurs in a temperature sensitive zone related to boiling of mineralizing solutions.

The writer collected six chip samples from the stockwork veined and altered zone around the Veta Grande structure. The writer's samples have an average value of 97 g/t Ag and support the presence of a significant mineralized zone that warrants further work.

20.0 WORK RECOMMENDATION

20.1 Summary Recommendation of Two Phases of Work

The writer recommends a two-phase program of reverse circulation (RC) or down-hole hammer (DHH) drilling with an initial 400 m, Phase 1 program, estimated to cost \$70,000CDN. Contingent on the success of the Phase 1 program, a Phase 2,000 m drill program and metallurgical testing is estimated to cost \$260,000CDN. The writer is of the opinion that the recommended Phase 1 program is warranted, and has sufficient merit to justify the investment by the company.

The initial phase should consist of 2 or 3 holes with one hole used to test at the Noche Buena workings and other holes spaced at 150 m to 200 m to the SW along the Veta Grande structure.

20.2 Cost of Recommended Phase One Work

Table 20.1 is a cost summary for the recommended first phase drilling program.

Table 20.1 Estimated cost of First Phase Drilling.

Drill Holes	Description	Total Length	Estimated Cost
First Phase Down-hole hammer	2-3 holes	400 m	\$36,000*
Permitting, Claim Fees, Legal			10,000
Underground & Surface Sampling			10,000
Contingency			14,000
First Phase Total in Canadian Dollars			\$70,000

*Direct drilling US \$30/m plus mobilization with balance for assaying and supervision.

20.3 Recommendation of Phase Two Work

A second phase of drilling is contingent upon the success in the first phase drilling. The objective will be to define significant mineralization identified in the first phase program. Table 21.2 presents an estimate of the costs of a contingent 2,000 m Phase 2 drill program and sampling for metallurgical testing.

Table 20.2 Estimated Cost of Contingent Second Phase Drilling.

Drill Holes	Description	Total Length	Estimated Cost
First Phase Down-hole hammer	10 holes	2,000 m	\$180,000*
Permitting, Claim Fees, Legal			15,000
Sampling & Metallurgical Test			25,000
Contingency			40,000
Second Phase Total in Canadian Dollars			\$260,000

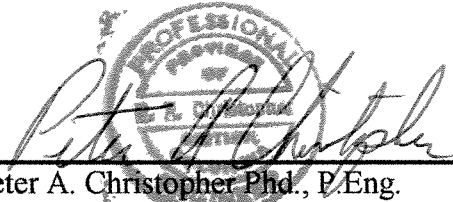
*Direct drilling US \$30/m plus mobilization with balance for assaying and supervision.

21.0 REFERENCES AND SOURCES OF INFORMATION

- Cardenas Vargas, J., Carrasco Centeno, M., Saenz Reyes, R., and Macedo Palencia, R., 1993. Monografia Geologico-Minera del Estado de Durango. for Consejo de Recursos Minerales, Publication M-10e, pp. 132-139.
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- King, H.L. and Sobara, J.P., 1997. Valuation of Mineral Properties Held by Kobex Resources Ltd. in the States of Durango, Sinaloa and Zacatecas, Mexico. Technical Report prepared for Kobex Resources Ltd.
- Kobex Resources Ltd. Prospectus., dated June 10, 1998. and News Releases .Dated: October, 6, 1998; October 30, 1998; December 1, 1998; March 11, 1999; February 24, 2000.
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- Santiago C., C., 1994. Informe de Evaluacion Geologica Project Tejamen, Durango. for Ing. Francisco Crespo H, dated May 1994.
- Scholz, D.E., 2003. San Lucas, Durango, Executive Summary. For Minera Montana S. de R.L. de C.V., dated March 2003 (includes property mapping by Scholz dated Enero 2002.)

22.0 SIGNATURE, STAMP AND DATE

Signed and stamped at Vancouver, B.C. this 1st day of October 2003



The image shows a handwritten signature in cursive script, which appears to read 'Peter A. Christopher'. Overlaid on the signature is a circular professional seal. The seal contains the text 'PROFESSIONAL' at the top, 'PETER A. CHRISTOPHER' in the center, and 'P.Eng.' at the bottom.

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Ph. (604) 263-6152
Email peter.ch@shaw.ca

23.0 CERTIFICATE

I, Peter A. Christopher, with business address at 3707 West 34th Avenue, Vancouver, British Columbia, do hereby certify that:

1. I am a Consulting Geological Engineer registered (#10,474) with the Association of Professional Engineers and Geoscientists of British Columbia since 1976.
2. I am a Fellow of the Geological Association of Canada.
3. I hold a B.Sc. (1966) from the State University of New York at Fredonia, a M.A. (1968) from Dartmouth College and a Ph.D. (1973) from the University of British Columbia.
4. I have been practicing my profession as a Geologist for over 35 years and as a Consulting Geological Engineer since June 1981. I have authorized over 200 qualifying engineering and exploration reports, and over 20 professional publications. I have work experience in most areas of the United States, Canada, Mexico and several other Latin American countries. As a result of my experience and qualification, I am a qualified person as defined in National Instrument 43-101.
5. I have no direct or indirect, nor do I expect to receive any interest directly or indirectly in the properties or securities of Blackhorn Gold Mines Ltd. I am independent of Blackhorn Gold Mines Ltd. in accordance with the application of Section 1.5 of National Instrument 43-101.
6. I have based this report on previous exploration experience in the Durango area, on a review of reports listed in the references and sources of data section and on a personal examination of the San Lucas Property on March 31, 2003.
7. I am not aware of any material fact or material change with respect to the subject matter of this technical report which is not reflected in this report, of which the omission to disclose would make this report misleading.
8. I have read National Instrument 43-101, Form 43-101F1 and believe my report is in compliance with National Instrument 43-101.
9. I consent to the use of this report by Blackhorn Gold Mines Ltd. for any Filing Statement, Statement of Material Facts, Prospectus or Annual Information Form issued by Blackhorn Gold Mines Ltd.

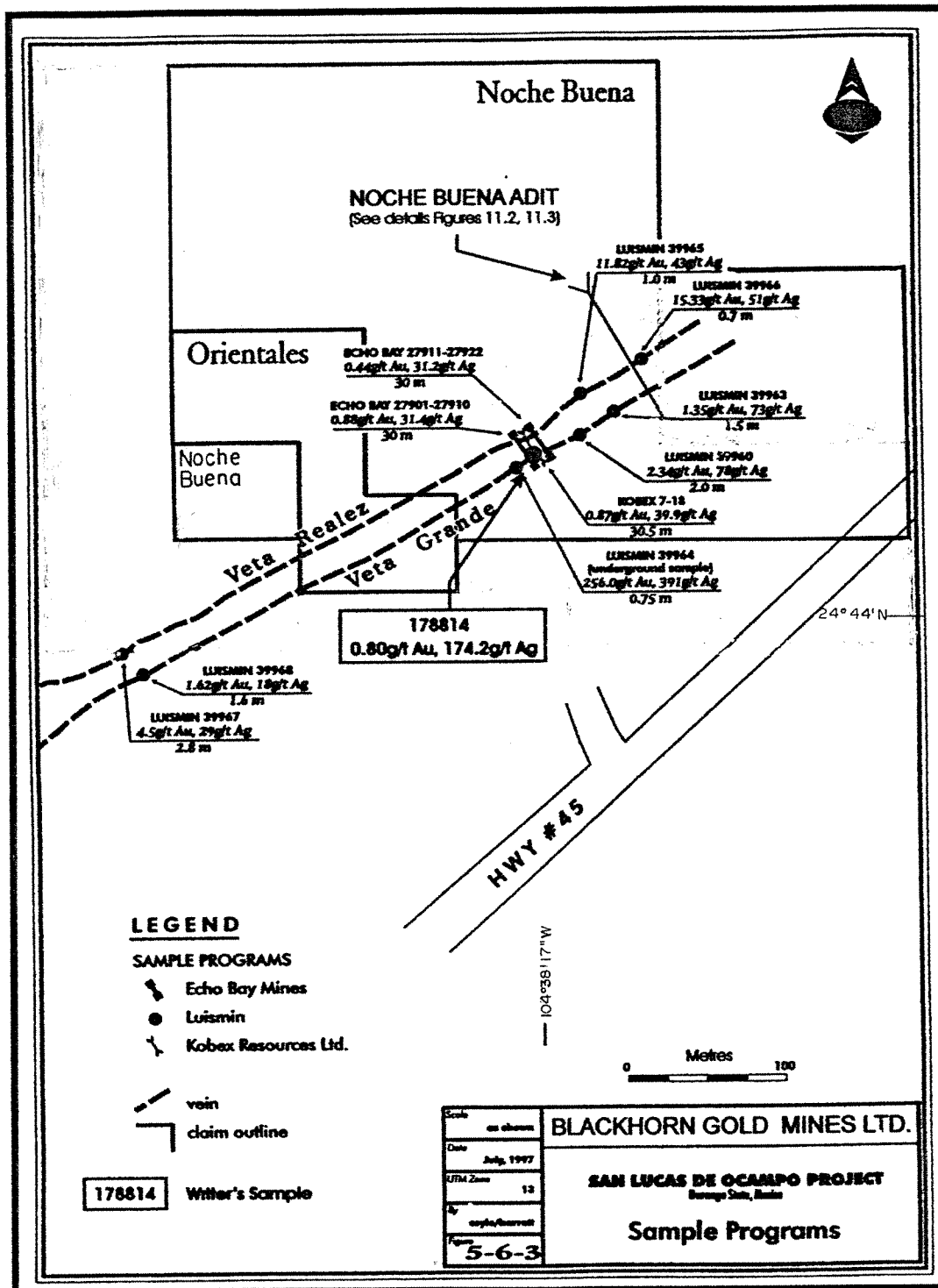
Dated at Vancouver, British Columbia, the 1st day of October 2003


Peter A. Christopher, Ph.D., P.Eng.

April 30, 2003

Revised September 22, 2003

Revised October 1, 2003



Appendix A. Figure 11.0 Noche Buena Surface Sampling (After King & Sobara).