

2007 EXPLORATION AND GEOLOGICAL REPORT

for the

KALUM PROPERTY

Terrace B.C. Skeena MD
128°54'W / 54°45' N
TRIM Map sheets 103I066, 075, 076, 077, 085, 086, 087

Prepared for

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SUMMARY

The Kalum Property, located about 35 kilometers northwest of Terrace British Columbia, is comprised of 20762 hectares of contiguous claim units. It is 100% owned by Eagle Plains Resources Ltd., subject to a 1% NSR.

The Property is centered upon a Cretaceous-age granodioritic stock of the Coast Crystalline Complex that has intruded Jurassic to Cretaceous-age sedimentary rocks of the Bowser Lake Group. A number of high-grade, vein-type gold occurrences are associated with the contact zone and magnetic signature of the intrusive stock. These occurrences have been explored by various operators and to various degrees over the past 80 years. All previous exploration efforts have been directed toward the discovery of high-grade stand-alone mineralization. The current Eagle Plains tenure represents the first time the gold occurrences have been consolidated by a single company.

Eagle Plains Resources Ltd. initiated property acquisition in the Kalum area in 2003 and completed significant exploration programs on the property in 2003 and 2004. The programs included a VTEM airborne survey, extensive geochemical programs, geologic mapping, and a 19 hole diamond drill program. In addition, many of the historical showings on the property were located, sampled and surveyed. The program was very successful in consolidating and evaluating all historic showings, discovering new high-grade Au-Ag occurrences, and developing new exploration models to help focus exploration in new directions. This work confirmed that the Kalum property is highly prospective for economically viable, Au-Ag epithermal vein-type deposits. Drilling resulted in high-grade Au intersections at all targets, including hole KRC04001, drilled at the Rico showing (discovered by Eagle Plains personnel in late 2003), which returned **35g/t Au over 2.5m** from 101.8m to 104.3m; **including a 0.5m interval that assayed 107g/t Au.**

Analysis of data collected from the previous two field seasons identified the Hat area of the Kalum property as the most likely area to host high-grade Au-Ag veins and bulk-tonnage, low-grade Au mineralization. Fieldwork continued on the property in 2005, with a fly camp established near the Hat showing area. Geological work included geochemical sampling with 319 soil samples, 82 silt samples, 70 vein samples and 55 rock samples collected. Concurrent with this work, a comprehensive 1:5000 geological mapping program was undertaken for the surrounding area and a modest 3 hole, 568.75m, diamond drill program was completed to test the nature of the Hat vein mineralization.

Exploration in the Hat area lead to the discovery of 3 new high-grade Au-Ag showings;

- the BABIT (**6.0m @ 7.3 g/T Au-Channel**),
- the Upper Hat (**9.9 g/T Au + 1500 g/T Ag-Grab**);
- the TTT (**12.2 g/T Au-Grab**).

Mineralization in the Hat area can be classified into two main styles:

- i. a series of stacked NW-dipping, shear-hosted, high-grade Au-Ag $\pm$ Zn $\pm$ Pb quartz veins which strike up to 350 meters in length, range in thickness from 15cm to 2.5 meters, and are additionally associated with Fe-Carbonate alteration halos up to 4 meters in thickness. Fieldwork in 2005 has shown that these alteration zones have the potential to host disseminated and fracture controlled arsenopyrite and Au grading up to 0.5 g/T Au.
- ii. massive arsenopyrite veins, grading up to 20 g/T Au (grab from float).

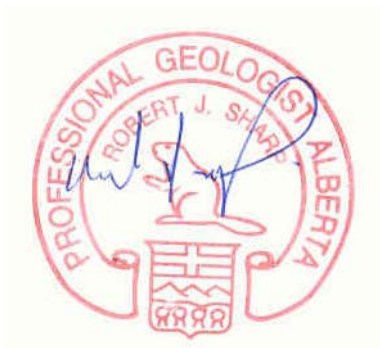
Geologic mapping has shown that these flat lying shear zones form an anastomosing / ramp – flat structure that sets the stage for structurally repeated mineralized zones. It has been interpreted that the majority of showings in the area, known as the Hat Structural Zone, are structurally linked and represent a single large-scale mineralized system over 1 km² in size. The area is attractive because these zones are structurally repeated on a scale of 50m, over a thickness of 300m, making it an excellent target for a bulk-tonnage, low-grade, open pit operation.

The results from the 2005 program continue to support the potential for the Kalum Property to host both high-grade Au - Ag deposits and lower-grade bulk-tonnage type Au mineralization. This report includes recommendations for future work on the project, which include continued grass roots exploration within previously unexplored structural zones. It is estimated that the exploration program will take two months to complete and cost \$250,000.

The total expenditure on the property by Eagle Plains Resources in 2005 was C\$327,086.87, bringing the total expenditures on the property since acquisition to C\$1,495,551.87.



Peter M. Daignault, P.Geo
Qualified Person



Robert J. Sharp, P.Geo
Qualified Person

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INTRODUCTION AND TERMS OF REFERENCE

The writers were retained by the directors of Mountain Capital Inc. to author a geological report on the Kalum Property. This report is based on the synthesis of existing geological data and on data and observations generated during the 2005 exploration program conducted by Eagle Plains Resources Ltd. Sources of information included all available published sources, including government and industry assessment reports on the Property and on the area and from other reports that were made available to the authors by the Company. The authors have relied on the truth and accuracy of the aforementioned public data in the preparation of part of this technical report. The writers have no reason to believe that the past exploration and sampling was not done accurately and in a professional manner. All work conducted by Eagle Plains Resources and Bootleg Resources on the Kalum property was under the direction of a qualified person. Both of the authors have worked on the Kalum property.

This report follows the layout and format for technical reports as described in Form 43-101F of National Instrument 43-101. Headings follow those as suggested in the Form, and no disclosure is provided for inapplicable items.

Mountain Capital Inc. (MCI) is junior capital pool company registered in British Columbia. It trades on the TSX-V under the symbol MCIP. As of October 26 2007, the company had had 6,000,000 shares outstanding.

RELIANCE ON OTHER EXPERTS

The writers have read National Instrument 43-101 and its forms and regulations and this report has been prepared in compliance with the provisions of NI 43-101. Peter Daignault, P.Geo. logged the core from the 2005 diamond drilling program at the Kalum and has spent approximately 90 field days on the project including property visits. Robert Sharp, P.Geo. has visited the property, inspected the drill core and reviewed this report prepared by Peter Daignault, P.Geo. Mineral title has been verified by reference to the Mineral Titles Branch on-line claim registry. The writers have no reason to believe that the past exploration and sampling was not done accurately and in a professional manner.

PROPERTY DESCRIPTION AND LOCATION

The Kalum property consists of 20,762 hectares centered at UTM 6069000 N / 504550 E on NTS mapsheets 103I066, 075, 076, 077, 085, 086 and 087. The claim block is located 30km northwest of Terrace, near the central coast of British Columbia. The claims were acquired to cover numerous high-grade gold occurrences associated with a Cretaceous-aged intrusive stock that has intruded sedimentary and volcanic rocks of the Jurassic to Cretaceous aged Bowser Group. A detailed description of each mineral occurrence is presented in the section, History of the Property, and the locations of the mineral occurrences with respect to the Property boundaries are shown in Figure 7. Eagle Plains Resources Ltd. owns a 100% unencumbered interest in the Property, and holds a 1% Net Smelter Return in trust for Bernard Kreft.

All claims are in the Skeena Mining Division and 100% equity is owned by Eagle Plains Resources Ltd., subject to the above noted Net Smelter Royalty. Claims are a combination of legacy 2-post, 4-post claims and MTO grid cells. In order to maintain the mineral claims the holder must either record the exploration and development work carried out on that claim during the current anniversary year or pay cash in lieu. Under the new MTO system, the cash in lieu amount is \$4 / Hectare (with an additional \$10 per unit recording fee) during the first three years of a claims existence, and increases to \$8 / Hectare after the third year. Work performed must equal or exceed the minimum specified value per unit; excess value of work in one year can be applied to cover work requirements on the claim for additional years. As noted in the following table, all of the claims are in good standing until at least November 30, 2008.

Certain types of exploration activity require a Land Use Permit, issued by the British Columbia Government, prior to conducting the work on a mineral property. The current or future operations of Mountain Capital Inc., including exploration, development and commencement of production activities on this property require such permits. Other permits governed by laws and regulations pertaining to development, mining, production, taxes, labor standards, occupational

health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters, may be required as the project progresses.

There are, to the best knowledge of the writers, no liens or encumbrances on the claims. The title was researched using the Mineral Titles Division on - line database.

OPTION AGREEMENT

On October 09, 2007 Mountain Capital Inc. and Eagle Plains Resources Ltd. signed a letter of intent pursuant to an option agreement on the Kalum Property. Under the terms of the option agreement MCI can earn a 60% interest in the Kalum Property, commencing on the date of signing of a formal Agreement by both parties, by making make cash payments to Eagle Plains totalling \$500,000, carrying out \$4,000,000 in exploration expenditures on the Property and issuing an aggregate of 500,000 common shares of MCI.

Figure 1 – Property Location

Figure 2 - Tenure

TABLE 1 – Tenure Data: Kalum Property

<i>Tenure #</i>	<i>Ownership</i>	<i>NSR %</i>	<i>Claim Name</i>	<i>Expiry Date (YYYY/MM/DD)</i>	<i>Mining Division</i>	<i>Area (Hectares)</i>	<i>Tag #</i>
504249	100% EPL	1	HAT 3	2008/11/30	19 Skeena	410.472	
516145	100% EPL	1	KALUM SOUTH	2008/11/30	19 Skeena	448.508	
516150	100% EPL	1	KALUM SOUTH 1	2008/11/30	19 Skeena	186.830	
516152	100% EPL	1	KALUM SOUTH 2	2008/11/30	19 Skeena	224.290	
516155	100% EPL	1	KALUM NORTH	2008/11/30	19 Skeena	446.786	
516157	100% EPL	1	KALUM NORTH 1	2008/11/30	19 Skeena	446.856	
516160	100% EPL	1	KALUM NORTH 2	2008/11/30	19 Skeena	446.942	
516168	100% EPL	1	KALUM NORTH 3	2008/11/30	19 Skeena	447.058	
516171	100% EPL	1	KALUM NORTH 4	2008/11/30	19 Skeena	446.976	
516172	100% EPL	1	KALUM NORTH 5	2008/11/30	19 Skeena	409.637	
516409	100% EPL	1	Conv Cat 1&2	2008/11/30	19 Skeena	1173.527	
404554	100% EPL	1	DREAM 19	2008/11/30	19 Skeena	100.000	630698
516404	100% EPL	1	Conv CY 1&2, Kal 1-3	2008/11/30	19 Skeena	205.309	
399634	100% EPL	1	YCC 1	2008/11/30	19 Skeena	500.000	240111
399747	100% EPL	1	YCC 10	2008/11/30	19 Skeena	500.000	240120
399748	100% EPL	1	YCC 11	2008/11/30	19 Skeena	400.000	240121
399749	100% EPL	1	YCC 12	2008/11/30	19 Skeena	400.000	240122
399750	100% EPL	1	YCC 13	2008/11/30	19 Skeena	500.000	240123
516372	100% EPL	1	Conv YCC 14 & 15	2008/11/30	19 Skeena	522.197	
516379	100% EPL	1	Conv YCC 16 & 17	2008/11/30	19 Skeena	933.075	
399755	100% EPL	1	YCC 18	2008/11/30	19 Skeena	350.000	240128
399756	100% EPL	1	YCC 19	2008/11/30	19 Skeena	450.000	240129
399635	100% EPL	1	YCC 2	2008/11/30	19 Skeena	500.000	240112
399757	100% EPL	1	YCC 20	2008/11/30	19 Skeena	450.000	240130
516412	100% EPL	1	Conv YCC 21 & 24	2008/11/30	19 Skeena	857.126	
399759	100% EPL	1	YCC 22	2008/11/30	19 Skeena	450.000	216721
399760	100% EPL	1	YCC 23	2008/11/30	19 Skeena	300.000	216728
399762	100% EPL	1	YCC 25	2008/11/30	19 Skeena	500.000	216725
399763	100% EPL	1	YCC 26	2008/11/30	19 Skeena	300.000	216726
399764	100% EPL	1	YCC 27	2008/11/30	19 Skeena	375.000	216727
516401	100% EPL	1	Conv YCC 28, Dream 1-18	2008/11/30	19 Skeena	1046.106	
516381	100% EPL	1	Conv YCC 3	2008/11/30	19 Skeena	671.300	
399741	100% EPL	1	YCC 4	2008/11/30	19 Skeena	500.000	240114
516382	100% EPL	1	Conv YCC 5	2008/11/30	19 Skeena	671.764	
516405	100% EPL	1	Conv YCC 50-59	2008/11/30	19 Skeena	391.424	
399743	100% EPL	1	YCC 6	2008/11/30	19 Skeena	500.000	240116
516411	100% EPL	1	Conv YCC 60-63	2008/11/30	19 Skeena	223.579	

399766	100% EPL	1	YCC 64	2008/11/30	19 Skeena	25.000	630664M
399767	100% EPL	1	YCC 65	2008/11/30	19 Skeena	25.000	630665M
399744	100% EPL	1	YCC 7	2008/11/30	19 Skeena	500.000	240117
399745	100% EPL	1	YCC 8	2008/11/30	19 Skeena	500.000	240118
399746	100% EPL	1	YCC 9	2008/11/30	19 Skeena	500.000	240119
408826	100% EPL	1	KLM 1	2008/11/30	19 Skeena	300.000	242809
408827	100% EPL	1	KLM 2	2008/11/30	19 Skeena	500.000	242808
516215	100% EPL	1	Conv. Blood 1-4	2008/11/30	19 Skeena	168.195	
516374	100% EPL	1	Conv Hat 1 & 2	2009/02/07	19 Skeena	559.201	

ACCESSABILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The project area is situated 35 kilometers (km) northwest of the city of Terrace, B.C., approximately 600 km north of Vancouver (Figure 1). The Kalum property consists of 20,762 hectares centered at UTM 6069000 N / 504550 E on NTS mapsheets 103I066, 075, 076, 077, 085, 086 and 087. Terrace is located along the Yellowhead Highway, approximately 100km east of the major port of Prince Rupert, and 60km north of the port of Kitimat. Rail service is provided in Terrace, and direct air service is provided twice-daily from Vancouver. The project area is accessed by a network of B.C. Forest Service and private logging roads which cover most of the project area. Review of existing (year 2000) 5-year logging plans provided by Skeena Cellulose indicate that extensive roadwork and logging activities are planned for the project area, with some of the proposed activity now underway. A hydroelectric powerline runs north-south along the eastern boundary of the project area.

The Property is located within the Kitimat Range of the Coast Mountains in the area of Mount Allard (1,505 meters above sea level). Elevation varies from 300 to 1,500 meters above sea level and topography is steep to moderate. Outcrop is present within numerous drainages and along ridges and escarpments but is sparse on timbered slopes. Much of the Property has a thin to moderate veneer of glacial till; total outcrop exposure is estimated at 10 to 20 percent. The eastern part of the claim block borders Kitsumkalum Lake and the Nelson River drainage is located directly north of the southern claim boundary. A number of small creeks and several Alpine lakes are also found on the claims. Tributary streams to the main drainages are deeply incised where they enter the larger U-shaped valleys.

The weather is typically coastal with wet summers and heavy snowfall in the winters. Large snow-drifts cover parts of the property until mid-June, with minor areas of permanent snow found only at the highest elevations and in sheltered areas. Vegetation varies from heather, blueberry and huckleberry on the upper slopes to Douglas fir, hemlock, alder and devil's club on the lower slopes below tree line.

HISTORY OF THE PROPERTY

Previous exploration on the Property was directed at evaluating a number of separate mineral showings now located within the Kalum Property boundaries. Prior to Eagle Plains involvement in the project, each showing area had been worked at various times by various owners and operators; the current Eagle Plains land position represents the first time the mineral showings have been consolidated and evaluated as a whole by a single owner. The locations of the Minfile Showings with respect to the Property boundaries are shown in Figure 7.

KALUM LAKE AND BURN OCCURRENCES

MINFILE NAME **KALUM LAKE**; OTHER NAMES PORTLAND, BAV, GOLD BAR, BURN

MINFILE NUMBER **103I 019**

and

MINFILE NAME **BURN**; OTHER NAMES KALUM LAKE, PORTLAND

MINFILE NUMBER 103I 211

The earliest recorded activity on the Kalum Lake and Burn showing area is 1919 when C.A. Smith of Terrace staked the original Lakeside claims. The Portland and West Portland claims were staked in 1922. Between 1923 and 1925 the newly-formed Kalum Mines Ltd. conducted considerable work on the Property which consisted of shaft-sinking and drift-development along the main (Portland - #1) vein discovered in 1919. Two shafts were sunk with the east shaft reaching 9.1 meters (m) (30 feet) depth and the main or west shaft developed to 18.2 meters (60 feet) with 64 meters (210 feet) of drifting westerly along the vein. A selected grab sample collected in 1930 assayed 21.3 grams per tonne (g/t) (0.62 ounces per ton (oz/t)) gold and 75.4 g/t (2.2 oz/t) silver. Approximately 90 meters (295 feet) southeast of the main vein, Kalum Mines Ltd. put in a 26-meter (85 foot) adit along a second vein (#2 Vein). Assay values from samples of this vein collected in 1937 contained only minor amounts of gold and silver.

In 1972 the original claims were restaked as the Bav 1 - 4 by J. Apolczer of Terrace, B.C. One drill hole 114 m (374 feet) in length was drilled in an attempt to intersect the main vein and a zone of silicification lying adjacent to the known mineralized structure and workings. Drill records indicate that the main vein was not located but granodiorite with areas of quartz veining and weak alteration were intersected. Gold and silver values ranged from 0.07 to 0.38 g/t (0.002 - 0.011 oz/t) and 2.7 g/t to 0.68 g/t (0.08 - 0.02 oz/t) respectively. It is believed that this hole was drilled almost parallel to the strike of the main vein (Cavey and Chapman, 1987). The total cost of the 1972 program was \$9408.07.

In November of 1983 the property owner was Bradner Resources. Kalum Lake Mining Group was formed at this time and they trenched and sampled along the Main and #2 veins. Values up to 251 grams per tonne (g/t) (7.32 oz/t) gold and 225.6 g/t (6.58 oz/t) silver were obtained in a few grab samples collected from the #2 vein. Five trenches were dug using a tracked hoe accompanied by blasting and hand trenching. Several of the trenches did not reach bedrock and were abandoned due to slope stability concerns. This work was not filed for assessment and no record of the costs have been located.

In 1984 OreQuest Consultants was retained by Bradner Resources to complete a soil geochemical survey over the southwestern portion of the claim block (Burn Showing area). A total of 576 soil samples and 17 rock samples were collected. A four-kilometer cut base line was used for control. Results from the survey indicated a coincident gold - silver - arsenic anomaly in the area of a granodiorite knob (Cavey and Howe, 1984). The highest gold value returned from the soil geochemical survey was 9400 ppb. The total cost of the 1984 program was \$18,540.62.

In 1987 a 395-meter (1300 foot) NQ diamond drilling program was undertaken on the Kalum property under the supervision of OreQuest Consultants Ltd. At the time the claims were owned by Terracamp Development Limited through an option with the Kalum Lake Mining Group. The objective of the program was to test the known gold bearing quartz veins and to locate additional mineralized zones. Two holes were drilled from one setup, with a third hole collared approximately 60 meters southeast. The continuity of the vein systems and mineralization was established to a depth of 120 meters and 65 meters for the #1 and #2 veins respectively. Strike extensions of 150 meters on the #1 vein and 60 meters on the #2 vein were also proven. Visible gold was encountered in the #2 vein in holes DDH-TR-87-1 and 87-2, and was also present at surface in the #1 vein. Assay values of up to 63.22 gm/t (1.86 oz/t) gold and 170 gm/t (4.9 oz/t) silver were returned from drill intersections which were comparable with high grade surface samples of up to 250.3 gm/t (7.3 oz/t) gold and 476.6 gm/t (13.9 oz/t) silver. Anomalous gold values were also recorded for up to 5 meters on either side of the #2 vein (Cavey and Chapman, 1987). Drillcore from the 1987 program was stored at the drillsites but was not found during the recent property visit.

A 52.4 kilogram bulk sample taken from these veins assayed 11.86 grams per tonne gold and 15.43 grams per tonne silver. Inferred reserves reported for the two main veins are estimated at 9434 tonnes grading 16.1 grams per tonne gold to a depth of 45 meters (Collins and Arnold, 1987). The authors of this report do not believe that this inferred reserve estimate is in accordance with sections 1.3 and 1.4 of the Instrument. Further diamond drilling was recommended to test the vertical and lateral extensions of the vein systems. Additional mapping, sampling and trenching with follow up diamond drilling was also recommended for the south (Burn) showing area. Reconnaissance sampling of historical trenches in the area of the Burn showing returned values of up to 16.8 gm/t (0.49 oz/t) gold, 242.1 gm/t (7.06 oz/t) silver and 0.5% copper. The total cost of the 1987 program was \$65,780.48.

In 1987, Terracamp Developments Ltd. retained Guillermo Salazar, P.Eng. to evaluate the potential grade and tonnage

available in the Main (#1) and #2 veins on the Kalum Lake property. The Salazar report relied on data generated by past work programs, mainly that by OREQUEST Consultants Ltd. (Cavey and Howe, 1984; Cavey and Chapman, 1987).

The 1987 Salazar report recommended a multi-stage revenue-producing program designed to confirm the resources on the Kalum Lake property. Stage One recommendations included preparation of a topographic contour map from 1:20,000 scale air photos, re-opening of the trench between the high grade pit and hole TR-87-3 in the #2 vein and drilling into the Main and #2 veins. Salazar suggested the material extracted from the trench be processed and the gold thus recovered sold. Stage Two recommendations included re-opening of the 1923 adit after confirmation that it followed the #2 vein and/or trenching to the northeast from the high-grade pit. Stage Three recommendations included driving an adit into the upper fifteen meters of the #2 vein. Stage Three work was dependant on results from the first two stages. The total cost estimated for completion of Stage One, Two and Three was approximately \$300,000.00. (Salazar, 1987).

The last work recorded on the Kalum Lake property was in 1988. Terracamp Developments Ltd. retained Richard E. Arndt, P.Eng., P.Geol., to carry out an underground exploration program. The purpose of this work was to obtain a bulk sample of material from a quartz vein exposed at the surface by trenching, and to determine the lateral and "at depth" size and grade of the #2 Vein. The planned work consisted of driving a crosscut to the vein from the north and then drifting along the vein to collect a sample of "ore grade" material. A small underground diamond drilling program was also anticipated.

McElhanney Associates of Terrace was retained to prepare a detailed topographic map of the site surrounding the proposed mining activity and to be involved in surveying of the portal and underground workings. The map was done at a scale of 1:500 with 2 m contour intervals. Based on the results from this work, an underground program of approximately 100 meters was anticipated, consisting of an initial 2.45 m by 2.45 m (8 ft by 8 ft) crosscut and a 2.13 m by 2.13 m (7 ft by 7 ft) drift. The design also included three diamond drill stations. The mine design was for a tracked crosscut with a timbered trestle at the portal to dump muck cars. Northward Mining Contractors was mobilized to the site on September 6, 1988 and the portal was collared on September 9. On October 11th, the #2 Vein was intersected at 91.6 m from the portal mouth and the crosscut was terminated at 94.18 m. This face is also approximately the south wall of the 1920's drift, with the back of the 1920's drift one meter below the floor of the 1988 crosscut. A bulkhead was placed in front of the break into the old drift and a slash was started to turn on the #2 Vein.

On October 12, 1988, due to budget considerations, work was halted on the slash and Northward started demobilization of their equipment and crew. After the mining contractor left the site, OreQuest Consultants Ltd. surveyed, mapped and sampled the crosscut and sampled the old drift. However, the area where the crosscut broke into the old drift was very unstable, with bad ground on the back of the drift. Therefore, no detailed mapping or sampling program was attempted.

Recommendations from the program included surface diamond drilling to test the #2 Vein carefully along its strike length and down-dip extension to better establish control for further underground exploration drifting. There was no statement of costs included with the 1988 report.

QUARTZ – SILVER AND ALLARD OCCURRENCES

MINFILE NAME **QUARTZ – SILVER**; OTHER NAMES QS1 - 6

MINFILE NUMBER **103I 018**

and

MINFILE NAME **ALLARD**

MINFILE NUMBER **103I 151**

The original discovery was made by Mr. John Apolczer in 1968 who exposed a well mineralized quartz-sulfide vein during road building for logging operations. The Quartz - Silver claims were located by Mr. Apolczer and a Mr. Bates to cover this showing. Subsequently trenching and blasting were undertaken to increase exposure of the discovery showing and several other zones were identified. The first record of work on the Quartz - Silver claims was carried out by W.M. Sharp for Atlantis Mines in 1969. This consisted of preliminary geological mapping and sampling, primarily along the road cut. In 1970 Mr. Apolczer and Mr. Bates had the property returned to them and completed two pack-sack diamond drill holes in the vicinity of the quartz-sulfide vein. Recovery was poor, however sludge samples were collected and assayed. No record of the results was found.

In 1985 Imperial Metals acquired an option on the property and conducted geological mapping and soil sampling (EMPR ASS RPT 13455). The bulk of this work was carried out in the vicinity of the main showing. A 3.5 kilometer grid was established and approximately 112 hectares was mapped on a scale of 1:5000. A total of 132 soil samples were collected and analyzed by multi element I.C.P. with gold analyzed by atomic absorption. Some weak coincident gold - lead soil anomalies were reported from this work; however no follow up was implemented. A 60 centimeter chip sample across the main sulphide vein returned values of 0.34 g/t (0.01 oz/t) gold, 78.9 g/t (2.3 oz/t) silver, 7.74% lead and 15.38% zinc. The total cost of the 1985 program was \$7025.00.

The last recorded work on the Quartz - Silver MinFile showing was in 1987, at which time the ground was held by Mount Allard Resources through an option agreement with the Kalum Mining Group. The work was carried out by OreQuest Consultants Limited (EMPR ASS RPT 16411), and the program included geological mapping, soil and rock geochemistry, prospecting, VLF and magnetometer surveying. Cut lines were established over two zones on the property for survey control. A total of 828 soil samples, 90 silt samples, 8 rock chip samples, and 14 rock samples were collected. Soil and silt geochemical surveys outlined a number of weak to moderate gold - silver - lead - zinc - copper anomalies. Results of the VLF and magnetometer surveys were largely inconclusive, with a weak east - west trend identified by the magnetometer on the northern grid. Mapping was limited to creek beds and road cuts due to overburden cover over most of the property. A number of felsic dykes, as well as minor quartz - sulphide veins were noted. A program of additional geochemical sampling and trenching was recommended. The cost of the program was not included in the assessment report.

MISTY OCCURRENCE

MINFILE NAME **MISTY**; OTHER NAMES MOSS, CREEK

MINFILE NUMBER **1031 213**

The Misty Claim was staked by C.C.H. Resources Ltd. during 1979 on the basis of a stream sediment anomaly indicated by a B.C. Ministry of Mines regional silt sampling program. Geological mapping, prospecting, silt sampling and reconnaissance soil sampling were carried out during 1979 and 1980. The soil geochemistry indicated widespread anomalous gold and arsenic values to the east of the Misty Claim and led to the staking of the Misty I Claim during 1981. The total costs of the programs were \$2193.98 and \$8210.99 respectively.

In August 1980, the Misty claim was sold to C.C.H. Resources Ltd.'s parent company, Campbell Chibougamu Mines Ltd. which later changed its name to Campbell Resources Inc. The claims were then sold to another wholly owned subsidiary, C.C.H. Minerals Ltd. on April 6th 1981 with Campbell Resources remaining as operator. Campbell Resources completed geological mapping and soil sampling in 1981 (EMPR ASS RPT 10128). A total of 303 soil samples and 6 rock samples were collected and analyzed for Au, Ag, and As. The soil geochemistry indicated a large area with anomalous gold values. The total cost of the 1981 program was \$17,959.75.

An extensive program was carried out by Campbell Resources during 1982 to investigate the gold anomalies (EMPR ASS RPT 10827). This included staking the Misty II Claim and hand-trenching and rock geochemistry over the soil geochemical anomalies. A total of 40 soil samples and 113 rock chip samples were collected and a total of 102 meters of trenching and 270.21 meters of NQ diamond drilling was completed. A system of auriferous quartz veins and veinlets in a fracture zone was found in the soil geochemical anomaly on the Misty I Claim. Assays of up to 77.30 gms per tonne (2.25 oz/ton) gold were obtained from the narrow veinlets. Chip sampling in the trenches returned values of up to 21.6 g/t Au over 60 centimeters and 4.9 g/t over 1.1 meters. The geochemical results indicated good correlation between bedrock gold sources and anomalous soil samples. Five diamond drill holes tested the fracture zone and gold soil geochemical anomaly in the area of the "Wishbone" anomaly trenches. Core recoveries were very poor and led to inconclusive results. Further work was recommended including detailed mapping, soil geochemistry, trenching and diamond drilling. The total cost of the 1982 program was \$68,825.56.

Mascot Gold Mines Ltd. purchased the claims in 1984. In 1986, Mascot Gold carried out prospecting and soil geochemical and geophysical surveys (EMPR ASS RPT 15455). A total of 336 soil samples, 3 silt samples and 87 rock samples were collected. The results extended existing soil geochemical anomalies and located additional gold soil anomalies. A total of 8.725 line kilometers of VLF and 7.8 kilometers of total field magnetics were run. The magnetic survey was successful in

locating the contact between sedimentary and intrusive rocks. The results from the VLF survey were largely inconclusive. The total cost of the 1986 program was \$36,532.00.

1987 work by Mascot consisted of linecutting, prospecting and soil and rock geochemical sampling (EMPR ASS RPT 16302). Several gold geochemical anomalies with coincidental arsenic, lead and zinc anomalies were found. The Creek and Moss Veins were also located during this time, and the Misty 3 and 4 Claims were staked. Further work was recommended including geological mapping, trenching, soil sampling and diamond drilling. The total cost of the 1987 program was \$50,879.77.

In 1988, the property was acquired by Corona Corporation with the 1988 field program on the Misty claims funded by Goldways Resources Ltd. The 1988 program concentrated on investigating the gold geochemical anomalies and quartz veins on the Misty 4 and Misty Claims (EMPR ASS RPT 17952). Soil sampling, magnetometer and VLF EM surveying, geological mapping and prospecting was carried out. A total of 110 rock samples and 560 soil samples were collected and analysed for 31 element ICP plus gold by fire assay.

No broad gold soil geochemical anomalies were located by the 1988 program. A number of quartz bedrock and float samples located on the property gave anomalous values in gold and silver. Prospecting of the previously-located soil anomalies indicated that trenching would be required to determine the causes of the anomalies. A total of 20.5 kilometers of VLF Electromagnetic and 20.8 kilometers of Total Field Magnetic ground surveying were completed. The magnetic survey appeared to be partially successful in distinguishing contacts between intrusive and sedimentary rocks. The VLF EM survey indicated four main northwest-trending conductor systems. A limited program of trenching was carried out on the Creek and Moss veins. Recommendations for further work included:

- 1) Completing the magnetometer and VLF EM surveys on the 1987 and 1988 grids.
- 2) Completing the geological mapping and prospecting over the remaining parts of the property.
- 3) Investigating the VLF EM conductor systems by prospecting and/or trenching to test their association with shearing and possibly quartz veining and precious metal mineralization.
- 4) Investigating the 1987 gold and arsenic soil geochemical anomalies by hand trenching.
- 5) Completing the trenching and sampling on the Creek and Moss veins to fully evaluate them.

The total cost of the 1988 program was \$55,000.00. The 1988 program is the last work recorded on the Misty Property and Misty showing area.

CHRIS OCCURRENCE

MINFILE NAME **CHRIS**; OTHER NAMES ORO, IKE, BEAVER, MAYOU, LAURA

MINFILE NUMBER **1031 174**

The Chris vein showing was first staked in 1945 by S.R. Ling and W. Jorgenson. Minimal work was done by the original stakers. The first physical work, in the form of a number of trenches, was done in 1950 by Lake Expanse Gold Mines Ltd. No further work was done until 1959 when Conwest Exploration Co. Ltd. located a number of new trenches and put in a good walking trail to the property from the existing logging road system. Samples from their trenching averaged 0.5 oz/ton Au and 2.8 oz/ton Ag, with assays up to 4.96 oz/ton Au and 173 oz/ton Ag. Conwest dropped their option on the property and nothing was done on it until 1962 when Kootenay Base Metals drove a 57.1m (202') adit into the vein structure.

No other significant work was done on the Property until Prism Resources Limited staked the Chris claims in September 1979. Prism's 1980 work consisted of clearing the portal, cleaning and mapping the adit. (EMPR ASS RPT 8393). The 1980 report concluded that the 1962 adit was in sound shape, but appeared to have missed the major shear vein system exposed on surface in the area of the portal. Recommendations included detailed sampling of veins, surface prospecting and geophysics to determine the presence of parallel structures to the main vein system, and underground diamond drilling. The total cost of the 1980 program was \$7179.82.

1981 work by Prism Resources included: 122.7m (402.5') of IAX drilling in five holes; geological mapping at a scale of 1:1000 over a grid 300m x 200m; cleaning, blasting and sampling of 23 old and new trenches; installing a geochemical grid 400m x 250m with a 50m line spacing and a 25m sample spacing; collecting a total of 99 samples and conducting a topographic survey of the two previously mentioned grids.

The results from the 1981 program indicated that gold and silver values were relatively consistent throughout the 300m length of the main vein system: the average value of chip samples collected along the entire 300 meter length of the vein was 11.25 g/t Au, 80.57 g/t Ag and 1.4% Pb. The greatest widths of the vein are at the east and west ends; the west end is cut off by cliffs but the east end is still open to further exploration. Sampling of another vein 40 meters to the south of the Main vein returned an average value of 2.09 g/t Au, 8.23 g/t Ag and 0.1 % Pb over approximately 35 meters of strike length. Soil geochemical results indicate the presence of a possible mineralized structure along strike to the east of the known Main vein and continuing for another 300m.

Five IAX-size drill holes, three from surface (107.0m) and two underground (15.5m), with an aggregate length of 122.7m (402.5') of IAX-size core were drilled to test for surface and underground extensions of the Main vein. Core recoveries were very poor and although mineralized quartz veins were intersected, the size and grade of the veins could not be evaluated (Cavey, 1981). The drill contract was terminated because the drill was not getting the recoveries necessary to properly evaluate the property.

Recommendations included in the 1981 report were for further diamond drilling using a larger drill to improve core recovery. The report also concluded that consideration must be given to road access to the property from the existing system of logging roads. The total cost of the 1981 program was \$48,591.87.

MARTIN OCCURRENCE

MINFILE NAME **MARTIN**; OTHER NAMES NOBLE, REX, GLEN NO.1
MINFILE NUMBER **1031 020**

No assessment work has been recorded on the MARTIN showing area. The MARTIN mineralization consists of gold-bearing quartz veins near the contact between sediments and granodiorite. A 30.0 centimeter sample collected from the main vein assayed 8.2 grams per tonne gold, 137 grams per tonne silver and 4.0 per cent lead (Minister of Mines Annual Report 1928). A second parallel vein, 50 meters from the main vein assayed 6.8 grams per tonne gold and 12.3 grams per tonne silver over 0.18 meters (Geological Survey of Canada Memoir 205).

HAT OCCURRENCE

MINFILE NAME **HAT**; OTHER NAMES DRUM, KIT
MINFILE NUMBER **1031 173**

Don Young and Peter Ogryzlo staked the KM and Drum claims in 1979 to follow up a reconnaissance geochemical survey sponsored by the B.C. Dept. of Mines and Petroleum Resources which indicated that the Mayo Creek ridge was anomalous in arsenic and silver. Reconnaissance prospecting and following float and stream sediment dispersion trains led to the discovery and acquisition of the Hat and Flare claims in 1980. The first recorded assessment work on the HAT showing area is 1981(EMPR ASS RPT 10045). The property owners undertook stream sediment sampling, prospecting, and geological mapping. Detailed sampling was conducted on the projection of the CHRIS vein mineralization onto the KM9 claim, and on the DRUM arsenopyrite showing. A total of 40 stream sediment samples, fifteen soil samples and ten rock chip samples were collected and analyzed for Au, Ag, Hg, Cu, Pb, Zn, As and Co. The report concluded that precious metal values appeared to be associated with quartz-arsenopyrite veins, which in turn appear to be associated with a diorite intrusion. Further work including detailed soil geochemistry, trenching and diamond drilling was recommended. The total cost of the 1980 - 81 work was \$7682.00.

The last-recorded work on the property was conducted by the owners during the 1982 field season (EMPR ASS RPT 10821). The goal of the project was to map and sample veins on the Property. Geological mapping was included in the sampling program, and float prospecting was used to search for other veins. Geochemical rock analyses were performed to clarify trace element associations with the precious metals. A total of 16 float samples, 19 grab samples, 11 chip samples and one stream sediment sample were collected. The samples were analysed using a thirty-element ICP package. A number of quartz veins with arsenopyrite, galena, sphalerite and pyrite were noted, generally associated with a later diorite intrusive. The best geochemical values returned were 41.10 g/t Au and 9587.8 g/t Ag from a chip sample of vein material. The total cost of the 1982 work was \$5890.00.

The Full and Moon claims were staked in 1986 by Don Young and Peter Ogryzlo to cover mineralized quartz veins discovered approximately 3 kilometers southwest of the CHRIS showing. The veins were discovered by following up stream-sediment geochemical anomalies and quartz float dispersion trains. No previous reference to these veins is known, and therefore the largest vein may have been exposed by retreating snow and ice shortly before the discovery.

The object of the 1987 program was to chip sample and map the most highly-mineralized veins discovered during the initial exploration, to sample the mineralized stockwork zones, and to extend the area of mapping and prospecting (EMPR ASS RPT 17890). Geological mapping located a number of precious-metal-bearing quartz veins clustered in and around a younger composite multiphase stock of predominately diorite composition. A total of 7 soil and 26 rock samples were collected and analysed by induced coupled plasma (ICP) for Cu, Pb, Ag and AS, with all samples analysed for Au using AA.

Over thirty veins were noted associated with the diorite stock, fifteen of which had significant precious metal values. The 5000 vein returned values of 6.1 g/t Au and 17.3 g/t Ag from a 100-cm chip sample, the 4700 vein returned values of 7.3 g/t Au and 1077 g/t Ag from a 45-centimeter chip, and the PICK vein returned 4.8 g/t Au and 380 g/t Ag over a 70-cm chip. Samples from veins discovered during the 1987 program also returned precious metal values of up to 5.7 g/t Au and 429.6 g/t Ag from a 30-centimeter chip. Also significant was a grab sample of ankeritic vein material collected from a talus field which returned a value of 50.4 g/t Ag. Further work was recommended for the Full and Moon claims including more detailed sampling at depth of the 5000, 4700 and PICK veins to determine potential for economic tonnage and grade, as well as more detailed sampling on the veins discovered during 1987. The report also recommended further exploration of ankeritic alteration zones. The total cost of the 1987 program was \$4824.95. Work by Eagle Plains Resources in 2003 indicated that the Full / Moon showing is likely the same structure referred to as the Hat.

2003 EXPLORATION BY EAGLEPLAINS RESOURCES LTD.

Eagle Plains Resources Ltd. completed a significant exploration program on the Kalum Au-Ag property between June and August 2003. The program included geological mapping and prospecting, rock grab and channel sampling, and stream sediment and soil sampling. The program was very successful and defined numerous new, high-grade zones of Au-Ag mineralization. These included four new showings: Bling/Rico, Tuppie, Tojo and Nelson Creek. In addition, many of the historical showings on the property were located, sampled and surveyed. This work confirmed that the Kalum property is highly prospective for economically viable, Au-Ag epithermal vein-type deposits.

The 2003 exploration program consisted of silt sampling, soil sampling, geological mapping, and prospecting. A total of 1225 soil samples, 408 rock samples and 341 silt samples were collected with 1:10000 scale geological mapping traverses over approximately 100 square kilometers. For a detailed account of the 2003 exploration program and results, please refer to Downie and Mosher, 2003 and Downie and Stephens, 2003. Total expenditures for the 2003 exploration program were C\$258,745.60.

2004 EXPLORATION BY EAGLEPLAINS RESOURCES LTD.

2004 work by Eagle Plains followed up on recommendations generated by the 2003 work. This consisted of a three-phase program that included a 1512.3 km winter VTEM airborne geophysical survey and a very extensive geochemical program that included 1578 soil samples, 158 rock samples, 152 vein samples and 7 silt samples. A two week, 5-person fly camp was also established just below the Tuppie showing. This program also included a 19 hole diamond drill program which intersected high-grade Au mineralization at every showing tested. For a detailed account of the 2004 exploration program and its results, please refer to Downie and Gallagher, 2004. Total expenditures for the 2004 exploration program were C\$909,719.

2005 EXPLORATION BY EAGLEPLAINS RESOURCES LTD.

Analytic results derived from the 2003 - 2004 geologic, geophysical, and geochemical dataset is consistent with the Hat area of the Kalum property possessing the best potential to host high-grade and bulk-tonnage Au mineralization. Eagle Plains Resources Ltd. developed an exploration program to test this new theory. It consisted of a two week, 10 person fly camp in the Hat area, from which surficial geology and geochemistry exploration programs were based. A modest diamond drilling program, consisting of 3 holes from one pad totaling 568.75m was also based from this camp. Although the limited drill

program did not intersect ore grade Au-Ag mineralization, results from the surface programs were very encouraging, resulting in the discovery of three new high-grade polymetallic Au – Ag showings. Total 2005 exploration expenditures by Eagle Plains Resources Ltd. on the Kalum property was \$327,086.87.

GEOLOGICAL SETTING

REGIONAL GEOLOGY

The geology in the Terrace area is dominated by a broadly anticlinal structure that trends NNE from Kitimat, has core of Paleozoic carbonate rocks and is flanked to the east and west by Mesozoic volcanics. This axis is the locus of hot springs and two stockwork-molybdenum deposits at Nicholson (Shannon) and Fiddler Creeks (Figure 3a). Evidence of rifting and extensional tectonics is seen in the Kitsumkalum valley, where Mesozoic volcanics are exposed in the valley adjacent to Paleozoic carbonates on the valley slopes. The Tseaux lava field, some 40 km north of the property, is the site of recent (400 year) volcanic activity.

The Kalum Property lies within the Kitimat Range of the Coast Mountains physiographic subdivision, 10 km west of the boundary with the Nass Range section of the Hazelton Mountains physiographic subdivision. The Coast Mountains are comprised of Jurassic-age and older sedimentary and volcanic rocks that have been intruded by the Cretaceous Coast Crystalline Complex. This belt of granitic rocks stretches from Vancouver into the Yukon, and is comprised chiefly of granodiorite, quartz diorite and diorite.

LOCAL GEOLOGY

The Kalum Property is located on the northeast-trending contact between dioritic intrusions of the Cretaceous-age Coast Crystalline Complex, and the fine-grained sedimentary and volcanic sequence of the Upper Jurassic to Lower Cretaceous-age Bowser (Lake) Group. The Bowser Lake Group consists mainly of marine and freshwater shale, arenite, greywacke, conglomerate, argillite, and minor tuff. Intrusions range in composition from quartz monzonite to granodiorite and diorite and vary in size from small stocks to large batholiths. Contacts between the intrusions and sedimentary rocks are generally irregular. Hypabyssal rocks, in the form of porphyritic, aplitic, and basaltic dikes and sills, intrude both the sediments and Coast granitoids. On the northern part of the Property, in the area of the Chris occurrence, cross cutting rhyolite dykes have also been reported (Young and Ogryzlo, 1988).

PROPERTY GEOLOGY

The Kalum Property is centered on an irregularly shaped granodioritic pluton of the Coast Crystalline Complex that has surface dimensions of approximately 8 by 12 km. This pluton and many associated smaller intrusions were emplaced into Upper Jurassic to Lower Cretaceous Bowser Lake Group sedimentary rocks.

The Bowser Lake Group

Bowser Lake Group rocks on the property comprise a monotonous package of arenite, greywacke, siltstone and mudstone, with lesser carbonaceous mudstone and conglomerate. Bedding is generally upright with variable strike, although all dips are generally shallow and mostly under 40°. Three broad, stratigraphic units were identified during the 2003 field season. The lower greywacke unit that comprises mostly greywacke, with lesser conglomerate, siltstone and mudstone, dominates the southern portion of the property. The central mudstone unit dominates the central portion of the property and consists of mudstone with lesser greywacke, siltstone and carbonaceous mudstone. The upper greywacke unit that consists of massive greywacke, with some interbedded mudstone and minor carbonaceous mudstone, dominates the northern part of the property. Bowser Lake Group rocks south of Nelson Creek locally have a penetrative foliation. The more pelitic units contain muscovite and chlorite, and indicate pre-Coast Plutonic Complex metamorphism of sub- to lower greenschist facies.

Hand sample rock descriptions were done on three of the types of Bowser units, the greywacke, the feldspathic arenite and the mudstone/shale were done during the geological mapping around the Hat showing in 2005. The sedimentary units, especially the sandstones, are very difficult to distinguish and have highly irregular contacts, and so are mapped for the most part as undifferentiated Bowser sediments.

The greywacke is dark grey in colour and for the most part massive. It is moderately well sorted, with fine to medium-grained quartz grains that are difficult to distinguish with the naked eye. The rock is comprised roughly of 70% grains,

most of which are quartz and 30% calcite matrix. Calcite is also very commonly seen on fractured surfaces.

The feldspathic arenite is usually green-grey in colour and poorly sorted. The rock is comprised mostly (50%) of medium to coarse-grained sub-angular feldspar grains. The rest of the rock is comprised of medium to coarse-grained calcite (25%), some kind of medium-grained dark grain (10%) and medium to coarse-grained quartz (5%). The matrix is comprised of calcite and quartz and represents 5-10% of the rock. Calcite veinlets of up to 2cm wide are common throughout. The rock can also occur with a more silica rich matrix but still has the same rock classification.

The shale/mudstone unit is dark black and very fine grained. The rock is usually very fissile and fractured and has a common rusty surface, evidence of some sort of low metamorphism. There is little to no mineralization, other than the rare patch of disseminated euhedral pyrite.

Figure 3a – Regional Geology

Figure 3b – Regional Geology Legend

Intrusive Suites

The Coast Plutonic Complex and associated hypabyssal intrusions on the property have a large range in composition and texture. Two main intrusive suites, the Allard Pluton, and Hat quartz diorite – diorite have been mapped in detail (Figure 7).

The main pluton, here named the Allard Pluton, has an irregular, east-west elongate shape, with a large embayment of Bowser Lake Group sedimentary rocks on the western side (Figure 7). The outcrop pattern along the northern margin indicates that the contact here is likely to be steeply dipping, perhaps to the north. Exposed contacts and outcrop patterns across the central and southern portions of the property indicate an irregular, shallowly dipping, partially bedding-controlled sill-like geometry for the main pluton in this area. The eastern portion of the pluton is cut by a NNW-striking, steep fault that may have experienced normal movement.

The Allard pluton is dominated by coarse-grained hornblende-porphyritic tonalite (locally poikilitic) and medium-grained hornblende-biotite granodiorite. The cupola of the pluton is exposed at the Tuppie Zone (Figure 7). Dykes and sills of similar lithologic composition are common and display a strong foliation and / or carbonate alteration. A K/Ar cooling age of 100.2 ± 6.8 Ma was derived from the pluton (Godwin, unpublished in Breitsprecher and Mortensen, 2004).

The Hat Quartz Diorite – Diorite is an east – west trending elongate body north of Mayo Creek (Figure 7). It occurs as a weakly to strongly folded and foliated hornblende – pyroxene quartz diorite or diorite. Pyroxene remains fresh, while hornblende is altered to chlorite and pompellyite (Mihalynuk and Friedman, 2004). Mihalynuk and Friedman, 2004 obtained a U-Pb crystallization age of 93.8 ± 0.5 Ma for this intrusive.

Many sills, dykes and plugs of variable composition and texture intrude Bowser Lake Group rocks around the margins of the main plutons, in particular in the embayment region on the pluton's western side and to a much lesser extent the Allard pluton itself. The embayment of sedimentary rocks on the pluton's western side hosts numerous sills of medium and coarse-grained granodiorite that range in thickness from 300 metres to less than 1 m. Numerous other, generally thin (0.5 to 10 m), sills and dykes of granodiorite to diorite generally are fine- to medium-grained and have plagioclase as the main phenocryst phase. A sill of pyroxene-porphyritic diorite with unknown width intrudes the Allard pluton near its northern margin. A fine- to medium-grained lamprophyre sill crops out north of the northern margin of the Allard pluton. At least two small intrusions of garnet-plagioclase-muscovite granite crop out north of the main pluton. Plagioclase-porphyritic granite (rhyolite) sills and/or dykes crop out near the Chris adit (Young and Ogrzylo, 1988) and in the western embayment area. A small plug or sill of medium-grained quartz-syenite crops out NW of the Misty Moss Creek showing. Aplitic and pegmatitic dykes, and vein-dykes are also common around the main pluton boundaries, but have highest densities in the western embayment area.

Metamorphism

A weak contact metamorphic and metasomatic aureole exists around the main Allard stock and is normally 100 to 300 m in width. In most areas it is defined by limonitic fractures, weak silica alteration and disseminated pyrite, chalcopyrite and arsenopyrite. Rocks within the aureole, particularly the mudstones, have a distinctive rusty appearance. In general, no metamorphic minerals could be identified in hand sample in the contact aureole. However, a number of country rock roof pendants have contact metamorphic andalusite and biotite. This indicates low-pressure greenschist facies metamorphism in these areas.

Alteration

A number of different alteration assemblages associated with Au-Ag mineralization were observed in different areas across the property. These assemblages are summarized as follows:

1. Propylitic alteration (chlorite-epidote) associated with vein-dykes and aplite dykes (e.g. Moly zone), as pervasive alteration in more mafic portions of the stock (e.g. east of Hat vein) and associated with mineralized veins on the eastern side of the property (e.g. Kalum veins);
2. Ankeritic/silicic/pyritic alteration associated with mineralized veins hosted in granodiorite and diorite (e.g. Tojo, Hat);
3. Argillic/silicic/pyritic alteration around and distal to mineralized veins (e.g. Kalum, Burn and north Kalum);
4. Silicic and pyritic (lesser chalcopyrite and arsenopyrite) alteration as a pervasive phase in the contact aureole of the main stock;

5. Meter-scale carbonate alteration envelopes are commonly associated with polymetallic Au-Ag veins; particularly at the Tuppie and Hat zones (the most promising zones on the property).

Carbonate alteration is also associated with magnetite destruction and may be responsible for the magnetic low along the eastern margin of the Allard pluton (Figure 7).

Paragenesis

The 2003 field-mapping program by Stephens led to the recognition of the following broad, generalized magmatic-hydrothermal sequence (from oldest to youngest);

1. Granodiorite and diorite plutonism, contact metamorphism and metasomatism
2. Hypabyssal dykes and sills, mostly granodiorite to diorite in composition
3. Hypabyssal dykes and sills, more fractionated phases including plagioclase porphyritic granite (rhyolite), quartz-rich granite
4. Aplite dykelets with associated propylitic alteration
5. Vein-dykes of varying composition
6. Smoky quartz veins, some with feldspar selvages
7. Molybdenite-bearing veins with K-feldspar selvages hosted in main pluton
8. Main stage of Au-Ag bearing veins

It should be noted that many of these stages are transitional and overlap in both time and space. For example, many sills and dykes would be forming at the same time the main pluton was crystallizing, and aplite dykelets, vein-dykes and molybdenite-bearing veins are all closely associated with each other.

Structural Geology

The structural architecture of the rocks on the Kalum property can be described in terms of five main structural elements. These are: bedding, intrusive bodies (sills/dykes and pluton contacts), mineralized veins, faults and joints.

Bedding

Bedding in the Bowser Lake Group sedimentary rocks on the property has variable strikes and shallow to moderate dips. Cross-bedding in the greywacke units indicates that bedding is upright across the entire property. Stereonets show that the maximum density of bedding is at 240°/36° NW, with other sub-maxima at 236°/18° NW, 308°/30° NE, 020°/33° SE and 126°/36° SW. These data and field observations indicate broad warping of the bedding across a SSW-trending axis.

Intrusive bodies

Coast Plutonic Complex intrusive rocks on the property occur in the major pluton and as sills and dykes. In general, sills are more abundant than dykes. The sills and dykes are mostly granodiorite to diorite in composition (c.f. Property Geology section). Sills are mostly bedding parallel, and thus have variable orientations across the property. The stereonet maximum density for the sills is 162°/30° W and for the dykes is 129°/90°.

Faults

The faults measured in the field are dominated by a NNE-striking set with moderate to vertical dips and have a stereonet maxima at 026°/84° E. These faults cut all other geological features on the property and have a normal movement sense. The largest displacement observed was about 2 m (Fig lamprophyre photo offset). A minor set of NW-striking, steeply dipping faults, parallel to mineralized veins is also apparent.

The predominance of variably dipping, NNE-striking normal faults is consistent with a late extensional event that had a vertically plunging σ_1 and horizontally plunging, ESE-directed σ_3 .

Joints

Joints measured on the property fall into three major sets that have stereonet maxima at 139°/66° SW, 352°/72° E and 236°/72° NW. The first two sets have NW strikes and thus are likely to be related to the NW-striking set of shear veins. The minor NE-striking joint set corresponds with the NW-striking set of vein-dykes.

Figure 4 – Property Geology

MINERALIZATION

Mineralization on the property is dominantly high-grade Au-Ag, epithermal to mesothermal vein-style. Most of the best prospects occur near the margins of the Allard Pluton. Table 2 summarizes high grade mineralization at the Kalum property; additionally 2003-2005 discoveries and the historical showings are discussed in detail below.

TABLE 2 – Showing Highlights: Kalum Property

<i>Showing</i>	<i>Sample Number</i>	<i>Sample Type</i>	<i>Au (g/T)</i>	<i>Ag (g/T)</i>	<i>Zn (%)</i>	<i>Pb (%)</i>
Tuppie Zone	CGKMOV044	Grab; North Extension of Tuppie System	18.0	1088	-	5.9
Tuppie Zone	JCKMV014	Grab	10.6	12109	-	0.23
Hat Area	JCKMV017	100 cm Channel sample	28.5	24	0.85	-
Hat Area	JCKMV019	Grab from 100 cm wide vein	34.5	1384	3.32	3.95
Chris Vein	CGKMOV020	Grab from 75 cm wide vein	26.6	23.8	-	-
Chris Vein	CGKMOV021	Grab from 40 cm wide vein	45.1	50.1	-	0.52
Misty	PWKMOV065	Grab from 275 cm wide shear zone	14.0	180.0	0.2	2.19
Misty	PWKMOV064	Grab from 275 cm wide shear zone	8.9	36.5	1.0	0.76
Tojo	JSK03R31	Grab Sample	58.1	439.9	-	-
Kalum	KALPOR-12	Grab Sample from Waste Dump	811.1	-	-	-
Martin	CDK03R84	Grab Sample	25.0	260.9	-	-

HISTORICAL OCCURRENCES

Kalum Lake and Burn Occurrences

Mineralization at the Kalum Lake occurrence (Minfile103I 019) is of the epigenetic-vein type typically consisting of a quartz gangue with pyrite, chalcopyrite, tetrahedrite and galena and with associated values of gold and silver.

Mineralization is predominantly associated with the stronger propylitic alteration although minor pyrite is associated with many of the argillic sections. The two known veins on the property are good examples of this style of mineralization and occur in a small dioritic intrusion on the lake shore.

The #1 Vein, which was the focus of work in 1922 –23, is about 30 centimeters true width as exposed in the two shafts, strikes 037° and dips 45° southwest. Mineralization consists of pyrite, chalcopyrite, tetrahedrite, galena and visible gold in a quartz gangue. Selected samples collected from the dump between 1978 and 1984 have assay values ranging from trace to 193g/t gold and 0.34 – 477.3 g/t silver (Cavey and Chapman, 1987).

The #2 Vein, which is believed to be the vein followed by the adit in 1923, has been trenched for approximately 30 meters along strike to the west of the lake shore. This vein is similar in mineralogy to the #1 Vein, strikes 037° and dips 65° southeast. Vein width varies between 15 and 60 centimeters true width. The vein was intersected by DDH-TR-87-1 and generated values of 63.98 g/t gold and 168 g/t silver. Selected assay samples taken from the adit in 1937 indicate only a minor amount of gold and silver. Surface trench samples taken from the same vein in 1983 - 1984 have yielded values up to 251 g/t gold and 225.6 g/t silver. Diamond drilling results from the 1987 program indicate that both the #1 and #2 Veins steepen to subvertical at depth. (Cavey and Chapman, 1987).

A second area of interest, the Burn occurrence (Minfile 103I211) is located on a small granodiorite knob approximately

2.25 kilometers southwest of the main showing. The granodiorite at this location is similar to the main showing but shows a greater degree of alteration caused by a higher density of quartz veining and shearing. Pyrite and chalcopyrite have been observed and selected grab samples from reconnaissance trenching yielded values up to 16.8 g/t gold and 242.1 g/t silver (Cavey and Chapman, 1987).

Quartz-Silver Occurrence

The majority of the quartz-sulphide occurrences noted in the area of the Quartz-Silver Minfile showing are associated with felsic dykes that cut argillite and sandstone of the Bowser Lake Group. Felsite-argillite contact zones are commonly altered to clay, sericite and silica and have associated sulphide bearing quartz veins. The quartz veins strike approximately 155° and dip 70 ° west, and carry galena, sphalerite and chalcopyrite. A 60 centimeter chip sample of one of these veins returned values of 7.74% lead, 15.38% Zn, 78.9 g/t silver and 0.34 g/t gold (BCEMPR Assessment Report 13455). Pyrite, arsenopyrite, galena, sphalerite and bornite are also present in minor amounts as veinlets and disseminations within the felsic dykes. Arsenopyrite veins up to 5 centimeters wide have also been noted cross cutting the felsic dykes (Morton, 1985).

Allard Occurrence

Mineralization at the Allard occurrence consists of quartz veins carrying pyrite, chalcopyrite and molybdenite which cut granodiorite of the Tertiary Coast Complex.

Misty Occurrence

Gold and lesser silver mineralization in the area of the Misty occurrence occurs in quartz veins and veinlets within fracture zones and shear zones. Most of the quartz veins and veinlets have a northwesterly strike with widely varying dips to the northeast and southwest. A second, much less prominent strike direction is northeast. Pyrite is the main sulphide mineral present, with lesser galena and sphalerite. Arsenopyrite, chalcopyrite and molybdenite have also been found on the property. Sulphide content is generally in the 1-2% range, with local concentrations ranging up to 25%.

The majority of quartz veinlets found either in float or in place are less than 25 centimeters wide. Samples of quartz stockwork collected by Goldways Resources in 1988 returned values from individual veins including 2.1 g/t Au and 947.9 g/t Ag and 1.8 g/t Au and 325.3 g/t Ag (Crooker, 1988).

The Creek and Moss veins are the most significant showings found to date in the area of the Misty occurrence. The Creek vein is a north-northwesterly trending structure exposed in two segments and occurring within a narrow creek. The northern segment is exposed for approximately 110 meters, the southern segment is exposed for approximately 45 meters. The Creek vein strikes from 335° to 350° and dips steeply easterly. The vein occupies a shear zone from one to 2.5 meters wide, with the vein itself varying from 0.5 to 1.5 meters in width. The character of the vein varies from massive white quartz, to sheared quartz, quartz stockwork and quartz breccia. Along the southern segment of the vein several 12 to 20-centimeter wide veins occur as branches off the main structure or parallel structures.

Mineralization within the vein consists of pyrite, with lesser amounts of galena, sphalerite, arsenopyrite and chalcopyrite. The most strongly-mineralized portion of the structure is a 2 to 5-centimeter wide zone along the footwall shear, containing massive sulphides and quartz. A select sample of this material returned 4.2 g/t Au and 205.7 g/t Ag. Chip sampling along the vein returned anomalous samples of up to 2.1 g/t Au and 60.5 g/t Ag over 0.65 meters. (Crooker, 1988).

The Moss vein is a northwesterly-trending structure that has been exposed by historical trenching over a strike length of approximately 110 meters, and appears to occur within a shear zone. The vein varies from 0.22 to 1.2 meters in width and strikes 305° to 310° with moderate dips to the northeast. The character of the vein varies from massive quartz to crushed quartz and quartz breccia with wallrock fragments. Mineralization is generally sparse within the vein, with 1% pyrite and minor galena and arsenopyrite. 1988 sampling returned values of up to 1.2 g/t Au and 11.5 g/t Ag.

The Cliff showing is a poorly exposed shear zone approximately one meter wide with 10-20 centimeter wide quartz veinlets within the shear. The zone strikes 305° and dips 57°NW. From 1-5% galena was observed within the quartz. Gold and silver values were anomalous, with up to 610 ppb Au and 25.6 ppm Ag.

Chris and Martin Occurrences

Mineralization in the Chris area occurs along the contact between Bowser Group sedimentary rocks and the Coast Intrusive

Complex. A gold-bearing quartz vein, known as the Main vein crosscuts the sedimentary rocks. Several other veins exist on the property, including the South, Rex and the Oro.

The Main vein has been exposed by trenching for 300m and ranges in width from 0.30m up to 1.34m with the average width of 0.59m. As part of the 1981 work program by Prism Resources, twenty trenches were blasted, hand-dug and chip-sampled over the entire 300m length. The average gold assay was 11.25 g/t Au with values ranging from 3.42 to 22.01 g/t; the average silver assay was 80.57 g/t with values ranging from 16.11 to 547.2 g/t and the average lead assay was 1.4% with values from 0.04 to 12.9% (In calculating the average assay, the high and low analysis were eliminated from the calculation).

Observed mineralization consisted of 90% massive arsenopyrite with 10% cubic galena distributed randomly throughout. This mineralogy was relatively consistent over the entire length of the vein system, except in one trench where the percentages were reversed; that is, 90% steel galena and 10% arsenopyrite. The Ag/Au ratio and the Ag/Pb ratio had a substantial range in values, the former being 2:1 to 20:1 and the latter being 1:1 to 3:1. Although the ratios are variable, a number of trends were observed: Whenever there was an increase in the lead assays, silver values increased as well, suggesting that the silver is carried in the galena. The other important point noted by Prism was that the gold assays were totally independent of the lead and the silver values; they neither increased or decreased consistently with changes in the lead or silver values, suggesting that gold is carried in arsenopyrite alone.

The vein occurs in two styles, as semi-solid quartz with layers of massive mineralization, or as highly oxidized vein detritus. Very poor assays were obtained from the vein detritus: gold averaged 0.79 g/t, silver averaged 10.63 g/t and Pb averaged 1.1%. The material sampled was a dark-orange to dark-red limonite soil, occasionally containing quartz rubble. This material was presumed to be the remnants of the main vein because of its proximity to the trend of the vein. The widths of the limonite average slightly greater than the true vein, 0.77m versus 0.59m.

The semi-solid quartz carries all the good values for gold, silver and lead. The vein consists of alternating layers of grey-white quartz, grey host-siltstone layers, massive mineralized layers, yellow leached boxwork horizons and orange stained boxwork structures with massive arsenopyrite. The vein is coated with a green arsenic stain, scorodite, covering both the mineralized sections and the bull quartz. The vein is not solid; the layers of yellow-stained leached boxwork create a plane of weakness that causes the vein to be friable at surface. The deepest sampling from surface was 3 meters (10 feet) and the vein is still friable at that depth, but not as seriously as near the surface. The main vein was only sampled once at this depth, but as a very tentative correlation, the gold, silver and lead values increased 40-45% from the surface (Cavey 1981).

The vein is relatively consistent in strike and dip: the average is 75°/75° N, and varies from 70°-80° in strike and 65°-85° in dip. The only inconsistency is in the width. Over the 300m length the main vein pinches to 0.30m and swells to 1.34m, although the mean value and the average are close to 0.6m. At the east end of the vein the dip is to the south, possibly as a result of the vein rolling over or of slumping. A hanging wall gouge zone and hanging wall veins are associated with the vein. The hanging wall gouge is commonly 5m wide, black, composed of ground-up siltstone, and lacking visible sulphides. The hanging wall veins are composed of rusty bull quartz, with minor crystalline pyrite filling vugs and along fracture surfaces. These veins were sampled twice in 1981 and averaged 0.45 g/t Au, 4.8 g/t Ag and 0.29% Pb over widths of 0.13m to 0.53m. One other hanging wall vein returned values of 0.45 g/t Au, 0.14% Pb and 211.2 g/t Ag over 0.28m.

A second vein, known as the South vein, is located 40m south of the main vein. This vein outcrops for 35m and, where sampled, ranges in width from 0.16m to 0.52m. The vein is identical in mineralogy and geology, complete with the scorodite weathering, but does not carry metal values as high as the main vein: it averages 2.09 g/t Au, 8.23 g/t Ag and 0.1% Pb.

A number of other veins exist in the area of the Chris occurrence. These veins are referred to on the Mineral Inventory Maps as 103120-the Martin and Rex veins, and 103174-the Oro, Beaver and Ike veins. In actuality, all veins belong to the same system: the Main vein on the Chris property is part of the Oro, Beaver and Ike group, as are the Rex and Martin veins. The entire system consists of nine mineralized veins, with the Main Chris vein also referred to as #7 vein. It is not known how the South vein relates to this nomenclature.

The other eight veins were sampled by Prism Resources during the 1981 season. Veins 3,4,5,6, 8 and 9 are white quartz veins with crystalline pyrite occurring as vug-fillings and on fracture faces. These veins returned values up to 1.7 g/t Au, 1.7 g/t Ag and 0.01% Pb. Veins 1 and 2 are narrow quartz veins with sections of 100% massive arsenopyrite. The average grade from 1981 sampling of the #2 vein was 2.98 g/t Au, 3.42 g/t Ag, 0.20% Pb and 0.05% Cu. It is not known how many samples were collected or the widths of the sample intervals.

At the Martin showing, the main vein follows a shear zone in granodiorite for 100 meters, strikes 015° and dips 55° north-west and is up to 0.5 meters wide. Mineralization consists of pyrrhotite, arsenopyrite, galena, pyrite, sphalerite and chalcopyrite. A 30.0-centimeter sample assayed 8.2 grams per ton gold, 137 grams per ton silver and 4.0 % lead (Minister of Mines Annual Report 1928). A second, parallel vein, 50 meters from the main vein and occurring in greywacke consists largely of massive arsenopyrite and assayed 6.8 grams per ton gold and 12.3 g/t silver over 0.18 meters (Geological Survey of Canada Memoir 205).

2003 soil sampling over an east-west oriented grid between the Chris and Martin prospects shows coherent, east-striking anomalies. The best anomaly has peak values of 640 and 602 ppb Au. Results to date show that these anomalies have a greater than 4 km strike length and are open to the west of the Chris vein.

Hat Occurrence

In the HAT showing area, sediments consist of a northeast striking, southeast dipping sequence of banded siltstone, shale, argillite and minor conglomerate, sandstone and tuff. The sediments are intruded by granodiorite and diorite. Quartz veins within the diorite carry arsenopyrite, galena, chalcopyrite, sphalerite and pyrite. A vein exposed for 30 meters and up to 0.5 meters in width, assayed up to 41.1 grams per ton gold and 9587.8 grams per ton silver. The vein strikes 120° and dips 45° northeast. Other groups of mineralized quartz veins occur 450 meters to the east-southeast and 1,000 meters to the northeast of the main Hat vein. The veins carry arsenopyrite and galena, and have associated ankerite – limonite envelopes with quartz stringers. These veins returned values from 6.8 to 27.4 g/t Au and 27.4 to 1371 g/t Ag from grab samples of vein material. (Assessment Report 10821). Quartz-scheelite veins were also noted in the HAT showing area (EMPR ASS RPT 10821).

Another area of significant mineralization referred to in historical reports is the FULL / MOON occurrence. Work by Eagle Plains Resources in 2003 indicated that the FULL / MOON occurrence is likely the same structure and mineralization referred to as the HAT.

Mineralization in the FULL/MOON showing area is associated with a multiphase stock of predominantly diorite composition. A number of precious-metal bearing quartz veins are clustered in and around this stock. The stock is primarily a fine to medium-grained diorite with hornblende diorite and occasional coarse gabbro. Rhyolite dykes cut the stock as well. Surrounding the stock is a contact aureole that extends for several hundred meters and is characterized by limonite staining of the sediments.

The 4700 vein is located at the 1430 meter elevation, is well exposed for about thirty meters, strikes N60° W, dips 70° NE, and is from 30 to 100 cm wide. The vein is entirely within the diorite and appears to pinch off to the north and south. The vein reappears about 100 meters to the north but is largely obscured by talus. To the south, the vein is represented by a shear zone, but another vein appears 100 meters higher and 200 meters to the southeast along this trend. This vein was discovered during the 1987 field season (Young and Ogryzlo, 1988) and is almost completely obscured by overburden and vegetation. It was not sampled.

The 4700 vein is a polymetallic epithermal gold system. Gold is primarily associated with arsenopyrite and silver is primarily associated with galena. Gangue minerals are quartz and ankerite, which together make up 80% of the vein with the remaining 20% being sulphides and xenoliths of wallrock. The sulphides are sphalerite, chalcopyrite and occasional bornite. Quartz is milky-white to grey and is commonly stained with iron oxide and green arsenic stain. The vein is in part banded with alternating quartz and arsenopyrite layers alternating with included wallrock. The other sulphides appear to occur as more irregular masses or lenses. A 45-centimeter chip sample of the sulphide material taken by Young and Ogryzlo in 1987 returned a value of 7.3 g/t Au and 1077 g/t Ag.

Wallrocks are medium-grained diorite which has been pervasively altered by carbonate and pyrite for several meters on either side of the vein. The alteration zone has a distinct reddish tinge due to the presence of ankerite, which is the dominant carbonate, and represents up to 10% of the host rock. Pyrite makes up to 1% to 5% of the rock. These altered wallrocks appear to carry precious metals. Silver seems to occur more commonly than gold, and is almost always present. The footwall appears to carry higher values than the hangingwall. The zone is silicified with quartz occurring as both pervasive disseminations and small veinlets. Occasionally the vein boundaries become indistinct where the vein horsetails into a number of smaller veinlets, the entire zone being well mineralized. The vein splits at the southern end with a branch leaving the main trend in a westerly direction.

A much larger silicified anchoritic stockwork zone several tens of meters in extent lies to the north and below the 4700 vein. Mineralogy is similar to the mineralized alteration envelope around the 4700 vein but is not as intense. A grab sample of ankeritic material found in talus returned a value of 50.4 g/t Ag. Chip samples across the ankeritic zone returned values as high as 30.5 g/t Ag over 10 meters (Young and Ogryzlo, 1988). It is not clear if this zone exists independently. It is possible that it may be an envelope around a blind vein that does not outcrop, or that is buried under talus or snow. Similar zones exist elsewhere on the property but have not been evaluated.

Above and to the south of the 4700 vein the 5000 vein occurs at an elevation of 1525 meters in a col or saddle. The vein was trenched by hand as part of the 1987 program. The vein strikes N10°W, dips 50° W and is up to 175 cm wide, and occurs along the contact between granodiorite and siltstone, with the siltstone forming the footwall. The vein is deeply-weathered and limonite staining and replacement overprint sulphide mineralogy. A 100-centimeter chip sample returned values of 6.1 g/t Au and 17.3 g/t Ag (Young and Ogryzlo, 1988).

The Pick vein outcrops at an elevation of 1490 meters and strikes N80°W with a vertical dip. Further along strike the vein occupies a shear zone with the same attitude. The vein is entirely within the diorite intrusion and does not exhibit the strong wall rock alteration seen in the 5000 and 4700 veins. A single soil sample in the ravine below the vein yielded 12.7 g/t Au. A 70-centimeter chip sample taken by Young and Ogryzlo in 1987 returned a value of 4.8 g/t Au and 380 g/t Ag.

Four other veins were discovered during the 1987 field program. Widths range from 25 to 50 centimeters and grab samples of vein material returned values ranging from 0.7 g/t Au and 345.3 g/t Ag to 5.7 g/t Au and 429.6 g/t Ag. No descriptions of vein mineralogy or orientation were included with the 1988 report.

2003 EPL DISCOVERIES

Bling – Rico Showing

The Bling-Rico area is on the western margin of the main Allard Stock, just north of Mayo Creek. Numerous quartz veins are hosted in greywacke along a N- to NNW-striking structural corridor (Figure 4). Mineralized boulders along the Bling creek initially led the exploration team to conduct soil sampling and prospecting toward the headwaters.

The Bling vein was discovered first. This is a coarse-grained, massive quartz vein up to 20cm thick with significant pyrite and lesser galena. Grab sampling of the Bling vein yielded best assays of 6.1 g/t Au and 6.8 g/t Au with very low Ag values. Further prospecting led to the discovery of the Rico vein. This is a mostly massive, coarsely crystalline vein with surrounding quartz stringer and breccia zones, with a total width of approximately 2.5m. Grab and channel sampling across the Rico vein yielded very encouraging, high-grade gold values. Best results are 2.5 m @ 12.0 g/t Au including 1 m @ 27.0 g/t Au, 0.8 m @ 14.0 g/t Au and a grab sample of 30.0 g/t Au. Ag values are very low, mostly less than 15 g/t. Alteration around the veins is cryptic, but appears to be weakly phyllic with minor carbonate.

Soil sampling over the Bling-Rico area resulted in the definition of a high-grade, coherent, NNW-striking soil anomaly. A peak soil value of 4948 ppb Au was obtained from near the Rico vein. A greater than 100 ppb Au soil anomaly has a strike length in excess of 400 m and a maximum width of approximately 130 m and is open to the north. An outer zone of greater than 25 ppb Au has a strike length of about 1 km and a maximum width of approximately 300 m.

More veins and mineralized faults are present in this area but could not be reached for sampling. The Bling, Rico and other veins exist in an apparently en-echelon array associated with mineralized faults oriented ~165/72 (RHR). In general, the veins are more shallowly dipping (e.g. Rico 150/42) than the faults and show significantly less deformation.

The coincidence of the en-echelon vein array, mineralized faults and Au soil anomaly indicates that this area has significant potential to host high-grade, economic gold mineralization.

Tuppie Showing

The Tuppie zone occurs on the western flank of Mt Allard in the south-west part of the property. Prospecting in an area that has been recently exposed by the retreating snow pack led to the discovery of this area of Au-Ag mineralization. The numerous mineralized zones that occur in this area are termed the Tuppie (upper and lower), East Tuppie and Cirque zones. The area occurs to the west of a small granodiorite pluton and is dominated by greywacke and siltstone with numerous dioritic and granodioritic sills.

The lower Tuppie zone is mostly rubble to subcrop and consists of an area at least 100 x 40 m, with numerous laminated veins up to 0.7 m wide and other stockwork and hydrothermal breccia zones. Some areas have highly vuggy, box-work quartz, with other zones of colloform and weakly crustiform quartz textures. Some samples are heavy and contain >30% massive sulphide (and/or limonite after sulphide). Galena and arsenopyrite were identified where the quartz was relatively unoxidized. The best result from the lower Tuppie area includes a grab sample with 1.42 g/t Au and 235.4 g/t Ag.

The upper Tuppie zone is concentrated around two main veins up to 1 m thick that are surrounded by stockwork and hydrothermal breccia. Significant limonitic, vuggy zones occur in the quartz. Colloform-crustiform quartz textures are present. Significant galena (up to 5%) occurs, with lesser arsenopyrite, pyrite and chalcopyrite. These veins have a minimum of 200 m strike length. Best grab results include 2.33 g/t Au and 872.3 g/t Ag, 3.11 g/t Au and 666.5 g/t Ag, 2.82 g/t Au and 975.2 g/t Ag. The major veins and breccia zones in the Tuppie area strike about 320° and have dips to the NE of between 50 and 80°.

The east Tuppie is a breccia vein and stockwork zone up to 0.5 m wide, with a strike length that is oriented 342°/48°. It is moderately limonitic and has a best historical assay result of 5.0 g/t Au for a grab sample.

The Cirque zone has a number of breccia veins and stockwork zones up to 0.5 m wide, in addition to a significant number of vein dykes. The best grab sample result was 10.1 g/t Au and 14.2 g/t Ag. The mineralized veins have more massive textures than those in the Tuppie zone, with coarser-grained quartz. The vein-dykes in this area strike between 080 and 090° have near-vertical dips and widths between 0.1 and 1m. They have varying compositions, but are mostly granodioritic near their margins, become progressively more felsic inwards and have coarse quartz dominating the centres (see Fig. 5). Some have pegmatitic textures with coarse-grained biotite. The vein-dykes are cut by the NW-striking, NE-dipping mineralized veins. The Cirque zone is along strike from the Tuppie zone and thus it is likely that these two zones link up.

Further previously discovered zones of mineralization occur to the south of the Tuppie zone at the Cliff showing (historical grab 0.6 g/t Au and 25.6 g/t Ag; Crooker 1998) and south-west of the Tuppie zone at the Creek (historical grab sample 4.2 g/t Au and 205.7 g/t Ag; 2.1 g/t Au and 60.5 g/t Ag over 0.65m; Crooker 1998) and Moss veins (historical grab 1.2 g/t Au and 11.5 g/t Ag; Crooker 1998).

The spread of significant mineralization over a large area indicates a large hydrothermal system was present in this area. There is significant potential for discovery of economic gold-silver mineralization in the Tuppie area.

Tojo Showing

The Tojo zone was discovered by prospecting along the northern side of a ridge that was recently exposed by a retreating snowdrift. It is an area of sheeted quartz veins, with high Au-Ag grades, hosted in strongly ankerite-altered granodiorite south-west of the Chris vein. Rubble and subcrop of mineralized veins occur over an area of at least 20 x 80 m. The veins are generally 1 to 20 cm thick and have densities of between 2 and 10 per linear meter. The veins show weak to moderate limonite after sulphide. Comb quartz is the most common vein texture. The best grab sample results include 73.1 g/t Au and 495.4 g/t Ag, 6.8 g/t Au and 65.8 g/t Ag, 4.0 g/t Au and 850.1 g/t Ag.

The Tojo zone highlights the sheeted vein, intrusion-hosted, bulk-tonnage Au-Ag potential of the Kalum property.

Nelson Creek

The Nelson Creek area has a number of new showings discovered by prospecting and stream sediment sampling. The

Sunny vein occurs on the northern side of Nelson Creek where it is exposed in a road cut. The vein is up to 0.7 m wide, laminated and brecciated and contains a moderate amount of arsenopyrite. It is hosted in interbedded greywacke and mudstone. The best grab sample results include 8.3 g/t Au and 3.8 g/t Ag, 2.1 g/t Au and 61.8 g/t Ag.

At Silver Creek there is a zone of shear and stockwork veining in interbedded greywacke, mudstone and conglomerate. A strongly limonitic and gossanous shear vein up to 0.4 m wide follows a bedding contact oriented 334°/47° NE. The best grab sample result from this zone was 0.2 g/t Au and 204.4 g/t Ag.

2005 EPL DISCOVERIES

TTT Showing

This showing is located just north of the HAT showing (Figure 4) at around the same elevation. It was discovered by tracing float, discovered in 2004, upslope to a 0.5m wide, poorly exposed subcrop massive arsenopyrite vein. The vein is up to 30cm true thickness and is comprised almost entirely of massive, cm-scale arsenopyrite crystals. Minor coarse-grained quartz and fine-grained chalcopyrite along fractures and grain boundaries is also noted. Due to the poor exposure at the showing little is known about the relationship of this style of mineralization with intrusion or deformation in the area. Grab samples from this showing returned Au values up to 12.2 g/t. An ~20 cm true-thickness massive arsenopyrite vein was also intersected at the bottom of hole KM05001 and is thought to be the subsurface expression of this vein.

Hat Structural Zone (Gatekeeper and BABIT)

These showings were located by mapping flat lying shear-zones of the Hat Structural Zone (Figures 4 and 7), which commonly host high-grade polymetallic Au-Ag veins and well developed, locally mineralized (Aspy + Au), meter-scale carbonate alteration envelopes. The showings consist of a 20 meter thick zones hosting a series of 5 to 40 cm thick mineralized quartz-carbonate veins and associated moderate carbonate alteration; where veining is intense, carbonate alteration is pervasive. Visible mineralization included galena, sphalerite, pyrite and arsenopyrite. Channel sampling at the BABIT showing included mineralized veins and altered host rocks and returned 6.0m @ 7.3 g/T Au. These showings are thought to represent the southern extension of the Hat Structural Zone and will be the focus of exploration work in 2006.

MINERALIZED VEINS

Mineralized veins show a large range in orientation across the property. However, there is a strong group of NW-striking veins that have a maximum stereonet density at 330°/48° NE (e.g. Rico vein, Tuppie veins) and other sub-maxima at 327°/78° NE (e.g. Creek vein, mineralized faults adjacent to Rico vein) and 282°/41° N (e.g. veins in the Tojo and Hat areas). Other stereonet density sub-maxima occur at 258°/82° N (e.g. Chris and Martin veins), 206°/78° NW and 063°/43° SE (non- or weakly mineralized vein-dykes in the Tuppie and Cirque areas).

A general observation across the property is that the more steeply dipping mineralized structures show a greater degree of shearing, and commonly multiple laminations. This indicates that the steeply dipping mineralized structures (maxima at 327°/78° NE and 258°/82° N) are compressional to extensional-shear veins (c.f. Sibson 1998, Stephens 2003, Stephens et al. in press) that have experienced multiple periods of failure and fluid flow. The more shallowly dipping veins (maxima at 330°/48° NE and 282°/41° N) generally are much less deformed, non-laminated or weakly laminated and show comb quartz textures with crystals commonly growing perpendicular to the vein walls. This indicates that these veins can mostly be classified as purely extensional veins that have generally experienced one main period of fluid flow. In addition, some steeply-dipping veins with strike directions between 258° and 327°, such as those in the Bobby area, also show purely extensional characteristics.

Shallow slickenlines on the shear veins, the orientation of the steeply dipping extensional veins and angular relationship between the two main shear vein sets (~68°) indicate that these are conjugate structures. The shear vein set with a maximum at 327°/78° has experienced low magnitude sinistral displacement, while the set with a maximum at 258°/82° has likely experienced low magnitude dextral displacement. Thus these veins are likely to have developed in a low magnitude contractional stress regime with sub-horizontal σ_1 (maximum principle stress) directed about 112° (292°). The dominance of moderately NW-dipping extension veins indicates the σ_3 (minimum principle stress) direction is likely to have been moderately plunging to the SW, roughly orthogonal to the major extension-vein sets.

DEPOSIT TYPES

In terms of a deposit model, mineralization on the Kalum property most closely represents deep-level epithermal to shallow mesothermal (transitional) Au-Ag systems (e.g. Hedenquist 2000; Panteleyev 1991). A British Columbian example of these transitional-type, intrusion-related deposits is found in the Sulphurets area (Panteleyev 1991). Other deposits that were produced in this transitional environment include the Equity Silver mine, possibly Big Missouri and Mount Washington deposits, and perhaps even the Eskay Creek deposits (Panteleyev 1991).

EXPLORATION

2005 EXPLORATION PROGRAM

The 2005 exploration program focused on the Hat area, located in the North-Western portion of the property. Analysis of previous years' data identifies this area as the most prospective to host economic Au – Ag mineralization. The work program consisted of a two-week, 10 person camp which supported a three hole (568.75m) diamond drill program; a geologic mapping program and geochemical survey.

On-site geological work was the responsibility of Chris Gallagher, M. Sc., with overall project supervision provided by C.C. Downie, P.Geo. Quality control protocol including the use of standards were employed during the course of the 2005 diamond drilling program.

Quantum Helicopters of Terrace, BC provided excellent and reliable service for the duration of the program. Survey areas with road access were accessed using 4 wheel drive truck and ATVs. For the most part, the 2005 program was based out of a 2-week fly camp located below the Hat showing.

Hand-held GPS units were used to record sample locations and for mapping control. All field data was collected using Palm Pilot devices and Eagle Plains Resources' 3rd generation digital field data collection system. The data was compiled into a GIS database to aid in cartography, and geochemical analysis.

All samples were shipped to Acme Analytical Laboratories Ltd. in Vancouver, B.C. for analysis. The samples were analyzed for 30 element ICP plus Au using aqua-regia digestion. All samples were collected, handled, cataloged and prepared for shipment by Bootleg Exploration Inc. staff, a wholly owned subsidiary of Eagle Plains Resources Ltd..

All exploration and reclamation work was carried out in accordance to the BC Mines Act and BC Workers Compensation board requirements. The diamond drill program was carried out under BC Mines permit # MX-1-626.

Total 2005 exploration expenditures by Eagle Plains Resources on the Kalum property was \$327,086.87.

GEOLOGIC MAPPING

During the 2005 Exploration program, a comprehensive 1:5000 scale map was completed for the area surrounding the HAT camp, including all the east bowl to the Chris showing and to the western claim boundary (Figure 7). Most of the focus was done on the north side of the ridge, but the south side was also explored and mapped, just in less detail. Mapping focused on the contacts between the sediments and the intrusive bodies as well as flat-lying shear zones which commonly host high-grade Au-Ag mineralization.

Shear hosted, Au-bearing quartz veins first identified in 2004 (Trango, Tojo) are contained within gently north-east and south-west dipping thrust zones. They typically follow sheared bedding planes and commonly ramp up section. The shear zones are commonly host to 5 to 140 cm thick sheeted / sheared, polymetallic high-grade Au-Ag quartz veins, the thickness of which, appears to be a function of orientation and thicken within ramps; flatter lying shear zones (10 to 30 degrees) host thinner veins (5 to 15 cm) while steeper dipping shear zones (30 to 60 degrees) host thicker veins (15 to 100 cm). Vein textures are highly variable, exhibiting sheeted, highly sheared, brecciated, and massive textures; has not yet been determined if there is a relationship between vein texture and shear zone geometry. Veins are barren to heavily mineralized; where it is present, mineralization consists of Ga + Sph + Py +/- Aspy +/- Cpy, total sulphide content averages 5% to 10%.

This could possibly be explained by normal faulting reactivated along thrusts. They are distinguished by meter-scale, rusty-orange, carbonate alteration halos; locally fractures within these alteration halos contain massive arsenopyrite and Au mineralization (up to 0.5 g/T in grab).

It appears that the majority of showings in the Hat area (Hat, 5000, BABIT, Pick, Tracy and Tojo) are all structurally linked by these shear zones and represent a single, large-scale, mineralized system over 1 km² in size

GEOCHEMICAL SURVEYS

Silt Sampling Results

A total of 82 silt samples were collected in 2005 for a total of 403 since Eagle Plains Resources acquired the Kalum property. Silt sampling in 2005 included all major drainages surrounding the Hat camp as well any streams or tributaries encountered during regional soil sampling. Although levels of Mo and Cu were not entirely anomalous, there were good regional values for Au, Ag and Zn. There were 25 samples in the 90th percentile for Au, 44 samples for Ag and 55 for Zn.

Soil Sampling Results

A total of 319 soil samples were collected in 2005 for a total of 3497 since the project was initiated. Soil sampling for 2005 focused on the area surrounding the Hat camp and was used as regional tool to identify any potential anomalies. Although anomalous values were not particularly widespread, there were nonetheless some isolated anomalous values of Au, Zn and Pb. There were 66 samples with >100ppm Zn and 24 samples with >100ppm Cu. There were also 6 samples that returned >100ppb Au with the highest returning 1.6g/T Au. This sample in particular also had the highest value of Pb at 609ppm with associated anomalous Zn (209ppm) and Ag (3.6ppm).

Rock Sampling Results

A total of 125 samples were taken (55 rock samples and 70 vein samples) in 2005 for a total of 843 to date. Many of the samples returned base and precious metal values considered to be anomalous. For rocks, there were 10 samples of Pb and 4 samples of Zn that were above the maximum detection limit of 1% Pb and 1% Zn. There were also 17 samples that were above the 100ppm maximum detection limit for Ag. There were many significant gold numbers, with 15 samples >1g/T Au, including 6 samples that ran >5g/T. The highest gold value ran 40g/T Au. For veins, there are again very good values of precious and base metals. There were 17 samples over the detection limit for Pb, 7 over the limit for Zn as well as 18 over the detection limit for Ag. There were 31 samples that ran >1g/T Au, including 9 that ran over 5g/T and 5 that ran >10g/T with the highest value being 50g/T Au.

Comments of Geochemical Exploration Techniques and Results

Transitional epithermal – mesothermal Au-Ag systems are typically enriched in certain elements which can be used as vectors to major centers of mineralization; elements of particular interest include As, Sb, Ba, F, Mn and locally Te, Se, Hg, (Panteleyev, 1996). For silt data, geochemical results were compared to the BCGS RGS database for BC. This database consists of 46,785 stream sediment, lake sediment, stream water and lake water sample sites covering over 70 percent of British Columbia. Results from the Kalum property were classified as percentiles of this database (Figure 5)

Bismuth (Bi)

Rock and vein samples are relatively enriched at the Kalum Lake, Tuppie, and Rico Area while the Chris and Hat veins are not. Silts from creeks draining from the Tuppie Zone show high enrichment with 11 samples in the 95th percentile of all silt samples collected by the BCGS and 4 in the 99th percentile. It is especially encouraging that elevated values are consistent on a stream scale basis; the entire stream is enriched as opposed to just a few samples. The MC grid shows relative enrichment westwards towards the Chris vein with values peaking above 1.2 ppm at the vein itself. In the 2005 program, 33 samples of the silt samples returned values in the 75th percentile and 8 in the 90th percentile. As noted above, the veins around the hat area are not usually enriched in Bi and the results from the rock, vein and soil samples of the area solidify this statement.

Tungsten (W)

Tungsten values in soils are typically low, ranging between 0.1 ppm and 1.0 ppm but the Misty Grid does show relative enrichment to the west. Interestingly, values increase further away from the actual Misty showing. The eastern extent of the

Fig 5 Property Geology (Hat Area)

Fig 6a Hat Geochemistry Au

FIGURE 6b Hat Geochemistry Ag

FIGURE 6c Hat Geochemistry Bi

FIGURE 6d Hat Geochemistry Hg

FIGURE 6e Hat Geochemistry Sb

FIGURE 6f Hat Geochemistry W

MC grid also shows relatively elevated tungsten values proximal to the Martin showing. Not surprisingly, streams draining from the Misty Area show elevated tungsten values with 7 samples in the top 99th percentile of the BCGS database.

Tin (Sb)

Anomalous Sb silt samples are wide spread on the property, with 19 streams returning silt values within the top 90th percentile of the BCGS database. The MC grid is relatively enriched to the west proximal to the Chris vein as is the Misty survey area to the west where Au mineralized quartz veins are present. Widespread enrichment of rock and vein samples at most showings is evident, although at the Martin and Misty rock sampling does not appear to correlate directly with soil geochemical anomalies.

Mercury (Hg)

Mercury appears similar to Sb results showing widespread enrichment for soils. The MC grid shows a gradual increase in overall Hg soil values from west to east, peaking at the Martin vein. Silts returned relatively low values in comparison with the BCGS database with the exception of the southern portion of the property proximal to the Qtz-Ag and Silver Creek showings where there are numerous values within the 95th percentile.

Soil geochemical sampling again proved an extremely effective exploration tool. Test grids on the Chris vein proved that such a sampling technique will detect an Au geochemical signature in the alpine soils. Follow up trenching at strong soil Au anomalies lead to the discovery of new shear zone / vein system at the Misty area.

Comparison of 321 silt samples collected during 2003 and 2004 with the BCGS RGS database reveals that many of the stream sediments on the property are elevated in elements considered to be indicative of epithermal to mesothermal Au-Ag systems. Silt sampling was very limited during the 2004 season but it did prove a valuable regional tool to identify prospective drainages for mineralization (the Bling Rico drainage). Analysis of the geochemical database has shown that enrichment / depletion of various elements considered indicative of these types of systems has shown that some form of geochemical zoning is present on the property. Further analysis of the database is required to determine if this is actual zoning related to one large system or is simply a number of smaller systems, evolving on separate geologic paths, concentrated in one area.

DRILLING

2005 DIAMOND DRILLING PROGRAM

The 2005 diamond drill program consisted of 3 holes from one pad with a total of 568.75m of drilling. The pad was located on the ridge above the Hat vein showing (Figure 6a). The objectives of the drill program were :

1. to test the subsurface extent and grade of mineralization at the Upper Hat showing (Figure 6a), located 100m to the west
2. to test the subsurface extent of anastomosing, shear-hosted, high-grade, Au-Ag quartz veins typical of the Hat Structural Zone
3. intersect massive Aspy + Au veins discovered at the TTT showing directly below the drill pad

TABLE 3 – 2005 DDH Program

DDH ID	Start (MM/DD/YYYY)	Finish (MM/DD/YYY)	Length (M)	Azimuth (Deg)	Dip (Deg)	Easting (NAD83)	Northing (NAD83)	Elevation (M)
KM05001	8/13/2005	8/15/2005	215.8	215	-45	499736	6071596	1540
KM05002	8/15/2005	8/18/2005	192.63	215	-60	499736	6071596	1540
KM05003	8/18/2005	8/21/2005	160.32	215	-85	499736	6071596	1540

The drill contractor was FB Diamond Drilling of Cranbrook, BC. All of the drilling was done using a Longyear LF 70 diamond drill, cutting NQ size core. Holes were oriented perpendicular the interpreted orientation of mineralized zones / stockworks at the Hat showing. Shallower holes were designed to intersect thicker, steeper dipping, “ramp” veins, while more steep / vertical holes were designed to intersect thinner, flat lying veins.

Drill crews worked on a two shift daily basis, and stayed at the Hat fly camp. Drill crews worked on a two shift daily basis, and stayed at the Hat fly camp. The drilling started on August 13th and was complete by August 21st, 2005. All drill moves were aided by helicopters provided by Quantum Helicopters of Terrace, BC. Drill core was flown to a staging area and then driven to a secure core storage facility in Terrace, where it was logged and sampled.

SURVEYING

Drill collar locations were surveyed using a standard Garmin GPS. Downhole surveys were done using a Flexit Tool downhole survey system provided by the drill contractor. Most holes were sampled at three different depths.

CORE RECOVERY

Core recoveries are generally greater than 95%, and very little broken ground was encountered. Overburden depth was less than 1 meter.

SAMPLING METHOD AND APPROACH

Drill core was selected for assay based on the presence of visible mineralization / alteration and most of the holes were split from top to bottom. Selected high grade sections and geologically interesting features were split in half by diamond sawing. The remainder of the mineralized intervals were split with a mechanical core splitter and sampled over 1 m assay intervals which were sent to ACME labs in Vancouver. Standards were inserted into the sample chain at regular intervals. The standards were obtained from WCM Sales Ltd., 7729 Patterson Ave., Burnaby, BC., V5J 3P4. Drill core sampling was supervised by Peter Daignault, P.Geo, who also logged the core. All core from the 2005 program is stored securely at a facility in Terrace, BC.

DDH RESULTS

KM05001

Total depth for this hole was 215.8m. This hole intersected three major intrusive rock lithologies for its entire length, including: spotted biotite quartz diorite (SBD), plagioclase hornblende porphyry (PHP) and foliated hornblende biotite granodiorite (FHBPG). Other minor intrusives occur as m-scale dykes, including light green, vesicular intermediate intrusive (MGII) and lamprophyres dyke.

Although temporal relationships have not been determined, the plagioclase hornblende porphyry (PHP) sharply cross-cuts / intrudes spotted quartz diorite (SBD), which has gradational contact (m-scale) with foliated hornblende biotite granodiorite (FHBPG).

The spotted biotite quartz diorite (SBD) occurs as a medium- to coarse-grained, creamy- to dark-green intrusive with diagnostic mm- to ½ cm-scale biotite knots comprising up to 70% of the rock. The plagioclase hornblende porphyry (PHP) has a very-fine-grained, dark grey to black ground mass containing mm-scale subhedral to euhedral plagioclase and hornblende phenocrysts. Plagioclase phenocrysts occasionally display zoning. The rock lacks any real foliation. The foliated hornblende biotite plagioclase granodiorite (FHBPG) is medium grained, equigranular with a salt and pepper colour. The foliation is defined by preferentially oriented hornblende and biotite grains.

Alteration is rarely seen in this hole but includes sections of sericite, silica, saucerite and epidote alteration. Fe-carb alteration is common along minor fracture / shear zones, although no associated Aspy mineralization was observed within the host rock.

Veining is fairly common and dominated by brecciated or sheared quartz veins, averaging 8-10 wide. These veins are commonly mineralized with pyrrhotite and arsenopyrite including an intersection with a 26cm wide massive arsenopyrite vein located at 198m. This vein is thought to be the in ground part of the TTT showing that was found on surface. There was no mineralization found in the country rock.

This hole had the best chance of intersecting the subsurface extent of the Upper Hat showing; although it did not intersect a major zone of shear hosted mineralization / alteration; it did intersect numerous small-scale, weakly altered shear zones, any of which could be the Hat zone. These small-scale zones were occasionally weak anomalous wrt Au (~100 ppb Au).

Intersections included:

197.87m to 198.37m (0.5m) @ 2.2 g/T Au

KM05002

Total depth for this hole was 192.63m. Hole was designed to intersect the Hat showing at a deeper level than KM05001. The hole intersected identical lithologies as hole KM05001. Sericite and saucerite alteration is quite widespread with rare chlorite and silica also present.

Veining is again fairly common and dominated by brecciated and sheared quartz veins, but in this hole they are usually smaller in size, averaging only 1cm in width, with the exception of two veins that measured 12 and 20 cm wide. The veins were commonly mineralized with a trace of sphalerite, arsenopyrite and rare pyrite. Again, there is no mineralization in the country rock.

Hole KM05002 did intersect one major ductile shear zone from 96.4 to 100.6 meters, defined by sericite and biotite alteration assemblages. The zone is associated with intense quartz veining (ptygmatic folding) and flooding at 98.0m. Associated complex alteration includes cm-scale Fe-Carb alteration enveloped around shears, and pervasive, dark-grey to brown (sericite + biotite + chlorite) alteration of groundmass. This zone could be interpreted as the subsurface expression of the Hat zone, although hole KM05001 missed the zone somehow. Sampling of the shear zone from 98.2m to 101.0m (2.8m) returned 0.4 g/T Au.

KM05003

Total depth for this hole was 160.3m. The first half consists of the undefined porphyry but also has small sections of granodiorite and quartz diorite. Included in this first half was also a few meter scale lamprophyre dykes. The second half of the hole was a mix of granodiorite, quartz diorite and undefined porphyry. There was very common sericite and saucerite alteration with some iron staining present as well.

The veining was less common in this hole as compared to the previous two but still present. It consisted again of brecciated and sheared quartz veins with rare mineralization, only a trace of arsenopyrite and sphalerite noted. Again there is no mineralization noted in the country rock.

DDH CONCLUSIONS

The program was successful in intersecting massive Aspy + Au style mineralization discovered at the TTT showing and one major shear zone with anomalous gold mineralization and alteration consistent with that of the Hat zone. Mineralized veins hosted within shear zones are not as continuous at this location than previously thought. It is recommended that a thorough structural study be conducted prior to any further drilling in this highly prospective zone.

SAMPLING METHOD AND APPROACH

Eagle Plains Resources 2005 field program on the Kalum Property included silt sampling, soil sampling and prospecting. All samples were collected by either Eagle Plains Resources employees or by seasonal contractors. Soil lines were also run along topographic contours at 25 meter spacing between samples and also along ridges at various locations throughout the property. Soil pits were dug using mattocks and soil was collected from depths averaging 10 – 20 cm. In areas of relatively thin soil cover, it is believed that the soil samples accurately reflect the underlying lithologies. In areas of thick till and areas with poor or no soil development, soil sampling results may not accurately reflect values from underlying lithologies.

Stream sediment samples were collected in all streams that are in close proximity to the Hat camp and Hat showing. The samples were collected from both active and dry stream beds. Sample collection was frequently hampered by the lack of a suitable size fraction for sampling due to fast moving water and the generally steep nature of the topography. Sample locations were recorded using hand held GPS units.

Rock samples were collected as part of reconnaissance prospecting traverses as well as during the geological mapping process.

SAMPLE PREPARATION, ANALYSES AND SECURITY

All samples were collected by Eagle Plains Resources employees or sub contractors. Soil and silt samples were collected using standard kraft sample bags and were dried prior to shipping. Samples were placed in double rice bags and sealed with cable ties and shipped directly to the analytical laboratory using Greyhound Buslines Freight service. Sample cataloguing and shipping was overseen by either Charles Downie, P.Geol, Director and Exploration Manager, Eagle Plains Resources or Chris Gallagher, M.Sc.(Geol). Blind check samples were used for control and comparison for the diamond drill core sampling. Analytical work was contracted to Acme Analytical Laboratories Ltd. 825 E. Hastings St., Vancouver, B.C., an ISO 9002 Accredited Company. The samples were analysed using ICP (Induced Coupled Plasma) and ICP-MS (Mass Spectrometer) methods. A 36 element (Group1DX) package was used for initial analyses, with samples exceeding detection limits reanalyzed using either a multi-element assay by ICP (Group 7AR) or precious metal assay (Group6). The Acme Methods and Specifications information for the analytical packages is as follows:

METHODS AND SPECIFICATIONS FOR ANALYTICAL PACKAGE

GROUP1D & 1DX – ICP & ICP-MS ANALYSIS– AQUAREGIA

Analytical Process Comments

Sample Preparation

All samples are dried at 60°C. Soil and sediment are sieved to -80 mesh (-177 µm). Moss-mats are disaggregated then sieved to yield -80 mesh sediment. Vegetation is pulverized or ashed (475°C). Rock and drill core is jaw crushed to 70% passing 10 mesh (2 mm), a 250 g riffle split is then pulverized to 95% passing 150 mesh (100 µm) in a mild-steel ring-and-puck mill. Pulp splits of 0.5 g are weighed into test tubes, 15 and 30 g splits are weighed into beakers.

Sample Digestion

A modified Aqua Regia solution of equal parts concentrated ACS grade HCl and HNO₃ and de-mineralized H₂O is added to each sample to leach for one hour in a hot water bath (>95°C). After cooling the solution is made up to final volume with 5% HCl. Sample weight to solution volume is 1 g per 20 mL.

Sample Analysis

Group 1D: solutions aspirated into a Jarrel Ash AtomComp 800 or 975 ICP emission spectrometer are analysed for 30 elements:

Ag, Al, As, Au, B, Ba, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, Sb, Sr, Th, Ti, U, V, W, Zn.

Group 1DX: solutions aspirated into a Perkin Elmer Elan6000 ICP mass spectrometer are analysed for 36 elements: Ag, Al, As, Au, B, Ba, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Se, Tl, Sr, Th, Ti, U, V, W, Zn.

Quality Control and Data Verification

An Analytical Batch (1 page) comprises 34 samples. QA/QC protocol incorporates a sample-prep blank (SI or G-1) carried through all stages of preparation and analysis as the first sample, a pulp duplicate to monitor analytical precision, a -10 mesh rejects duplicate to monitor sub-sampling variation (drill core only), two reagent blanks to measure background and

aliquots of in-house Standard Reference Materials like STD DS5 to monitor accuracy.

Raw and final data undergo a final verification by a British Columbia Certified Assayer who signs the Analytical Report before it is released to the client. Chief Assayer is Clarence Leong, other certified assayers are Dean Toye, Jacky Wang and Ken Kwock.

METHODS AND SPECIFICATIONS FOR ANALYTICAL PACKAGE GROUP 7AR – MULTI-ELEMENT ASSAY BY ICP-ES • AQUA REGIA DIGEST

Analytical Process Comments

Sample Preparation

Assaying is warranted for representative well-mineralized samples (e.g. Cu > 1%). Samples are dried at 60°C. Soil, sediment and moss mats (after pounding) are sieved to -80 mesh (-177 µm). Vegetation is dried (60°C) and pulverized or ashed (475°C). Rock and drill core is jaw crushed to 70% passing 10 mesh (2 mm), a 250 g aliquot is riffle split and pulverized to 95% passing 150 mesh (100 µm) in a mild-steel ring-and-puck mill. Aliquots of 1.000 ± 0.002 g are weighed into 100 mL volumetric flasks. Acme's QA/QC protocol requires two pulp duplicates to monitor analytical precision and an aliquot of in-house reference material STD R-1 to monitor accuracy in each batch of 34 samples. Trench and drill core programs will also include a pulp made from a 2nd crushed fraction split (rejects duplicate) to measure method precision.

Sample Digestion

30 mL of Aqua Regia, a 2:2:2 mixture of ACS grade concentrated HCl, concentrated HNO₃ and de-mineralized H₂O, is added to each sample. Samples are digested for one hour in a hot water bath (>95°C). After cooling for 3 hrs, solutions are made up to volume (100 mL) with dilute (5%) HCl. Very high-grade samples may require a 1 g to 250 mL or 0.25 g to 250 mL sample/solution ratio for accurate determination. Acme's QA/QC protocol requires simultaneous digestion of two reagent blanks inserted in each batch.

Sample Analysis

Sample solutions are aspirated into a Jarrel Ash AtomComp model 800 or 975 ICP emission spectrograph to determine 21 elements: Ag, Al, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, Mg, Mn, Mo, Na, Ni, P, Pb, Sb, Sr, W, Zn.

Data Evaluation

Raw and final data from the ICP-ES undergoes a final verification by a British Columbia Certified Assayer who then signs the Analytical Report before it is released to the client. Chief Assayer is Clarence Leong, other certified assayers are Dean Toye and Jacky Wang.

METHODS AND SPECIFICATIONS FOR ANALYTICAL PACKAGE GROUP 6 - PRECIOUS METAL ASSAY

Analytical Process Comments

Sample Preparation

Rock and drill core is jaw crushed to 75% passing 10 mesh (1.7 mm), a 250 g aliquot is riffle split and pulverized to 95% passing 150 mesh (100 µm) in a mild-steel ring-and-puck mill (pulverizing to 95% passing 200 mesh is available). Splits of ¼ (7.3 g) to 2 (58.4 g) assay tons are weighed into fire assay crucibles. QA/QC protocol includes inserting into each batch of 34 samples: two analytical blanks (background), a pulp duplicate (analytical precision), a rejects duplicate (method precision for drill core samples only) and two in-house reference material aliquots of either STD Au-1, STD Ag-2 or STD FA-10R (accuracy). Results are in imperial (oz/t) or metric (g/mt) measure. For metallics assaying, a 500+ g split is pulverized and sieved to 150 or 200 mesh. Oversize material is assayed in total. A 1 or 2 assay ton aliquot of the undersize material is also assayed.

Sample Digestion

A fire assay charge comprising fluxes, litharge and a Ag inquart is custom mixed for each sample. A Au inquart is used for quantitative Rh analysis. Fusing at 1050°C for 1 hour liberates Au, Ag, Pt, Pd and Rh. The Pb button is recovered after cooling and cupelled at 950°C to render a Ag (± Au, Pt, Pd, Rh) dore bead. After weighing, the bead is parted in HNO₃ then digested by adding HCl. Au inquart beads (Rh analysis) are dissolved in Aqua Regia.

Sample Analysis

The solutions are analyzed by ICP-ES (Jarrel Ash Atom-Comp model 800 or 975) to determine Au, Pt, Pd and Rh. Au or PGEs over 1 oz/t are determined by gravimetric finish. Ag is determined both by fire assay and wet assay with values > 10 oz/t reported from fire assay and values < 10 oz/t reported from the wet assay. Metallic Assay reports give concentrations of Au ± PGEs in the oversize fraction, the undersize fraction and the calculated weighted average of these fractions.

Data Evaluation

Raw and final data undergoes a final verification by a British Columbia Certified Assayer who then signs the Analytical Report before it is released to the client. Chief Assayer is Clarence Leong; other certified assayers are Dean Toye and Jacky Wang.

INTERPRETATION AND CONCLUSIONS

Eagle Plains Resources Ltd. has consolidated a large land package consisting of 14 separate historical showings co-incident with a regional airborne magnetic anomaly and the contact zone of Cretaceous intrusive plutons. EPL has spent the 2003 and 2004 seasons compiling and prioritizing these historic showings; along the way, numerous new high-grade polymetallic, Au-Ag occurrences were discovered. The 2004 drill program, which tested *some* of the high-priority targets, was very successful - high-grade Au mineralization was encountered at all target areas. Highlights of the 2004 drill program include hole KRC04001, which returned **35g/t Au over 2.5m** from 101.8m to 104.3m; **including a 0.5m interval that assayed 107g/t Au.**

Analysis of data collected from the previous two (2003 and 2004) field seasons has identified the Hat area, located in the Northwestern portion of the Kalum property, as the most likely area to host high-grade Au-Ag veins and bulk-tonnage, low-grade Au mineralization. Based on this data, Eagle Plains Resources Ltd. conducted a modest exploration program in the area, now known as the Hat Structural Zone (HST), during 2005.

Exploration in the HST lead to the discovery of 3 new high-grade Au-Ag showings;

- the BABIT (**6.0m @ 7.3 g/T Au - Channel**);
- the Upper Hat (9.9 g/T Au + 1500 g/T Ag-Grab);
- and the TTT (12.2 g/T Au-Grab).

Mineralization in the HST can be classified into two main styles:

1. a series of stacked NW-dipping, shear-hosted, high-grade Au-Ag $\pm$ Zn $\pm$ Pb quartz veins These veins strike up to 350 meters in length, range in thickness from 15cm to 2.5 meters and are additionally associated with Fe-Carb alteration halos up to 4 meters in thickness. Fieldwork in 2005 has shown that these alteration zones have to potential to host disseminated and fracture controlled Aspy and Au grading up to 0.5 g/T Au;
2. massive Aspy + Cpy veins, of unknown relationship to local tectonics, grading up to 20 g/T Au.

Geologic mapping of the HST has shown that these flat-lying shear zones form an anastomosing / “ramp – flat” structure, that sets the stage for tectonically repeated mineralized zones. The majority of showings in the Hat area (Trango, Hat, 5000, BABIT, Tojo, Rico?) appear to be structurally linked, and represent a single large-scale mineralized system over 1 km² in size. The area is so attractive because these zones are structurally repeated on a scale of 50m over a thickness of 300m, making it an excellent target for a bulk-tonnage, low-grade, open pit operation.

There remain many other high priority targets on the property, ready for grassroots and diamond drill exploration, these include: the Martin vein, the Tuppie Zone and the southern extension of the Hat structural zone. Most of the high-grade mineralization on the property is located near the margins of the main Allard pluton, both within the granodiorite and in the surrounding sedimentary country rocks. This indicates that most fluid-flow was focused near the intrusion margins, and in country-rock roof pendants around the main pluton. Only a relatively small portion of the sedimentary-intrusive contact zone has been explored to date. Potential exists along the unexplored contact zones, especially in areas that have a favorable geophysical signature. In areas of known mineralization, new discoveries are possible through soil geochemical sampling, prospecting and airborne geophysics. Ground work has been greatly aided due to the low annual snow pack which currently exists at the higher elevations in the Coast Mountains, which in turn has exposed many mineralized veins, structures and favorable geology for the first time in modern history.

The writers conclude that additional exploration is warranted, with the goal of defining economic gold and silver mineralization.

RECOMMENDATIONS

Historic work by Eagle Plains Resource Ltd. has successfully focused its exploration program towards the Hat structural zone which has the potential for hosting high-grade Au-Ag mineralization and bulk tonnage, low-grade Au mineralization. The author recommends that further detailed work be performed on this portion of the property. This includes:

- i. continued mapping, prospecting, and geochemical surveys along strike of the Hat structural zone to the south of Mayo Creek;
- ii. a detailed structural study of the Hat structural zone to better understand the relationships between intrusion, thrusting, mineralization and subsequent deformation;

As previously stated in the conclusions, there remains a wide variety of targets other than the Hat structural zone. The Tuppie Zone (Figure 7) boasts very similar geologic characteristics as that of the Hat structural zone. Significant work has been completed in this area, including drill hole targeting.

The purpose of this proposed work is to better define targets for diamond drill testing if warranted.

It is estimated that the exploration program would involve 2 months work and require approximately \$250,000 to complete.

A detailed budget for the proposed work is as follows:

TABLE 4
KALUM PROJECT proposed fieldwork

personnel:		no. of persons	rate	no. of days	
	Project Manager / Senior Geologist	1	\$500	40	\$20,000.00
	Project Geologists	2	\$450	60	\$54,000.00
	Geological Technicians	2	\$350	60	\$42,000.00
	Geological Technician with First Aid	1	\$450	60	\$27,000.00
TOTAL PERSONNEL:					\$143,000.00
analytical:					
	soils(prepare)	1,000	\$2.00		\$2,000.00
type X no. of samples X cost	soils(30 element ICP plus Au)	1,000	\$16.00		\$16,000.00
	rocks(prepare)	200	\$2.00		\$400.00
	rocks(30 element ICP plus Au)	200	\$16.00		\$3,200.00
TOTAL ANALYTICAL:					\$21,600.00
equipment rental:					
	trucks, ATVs				\$6,000.00
	communication including radios, satellite phone				\$2,000.00
mobilization of crews to/from Terrace including meals, accommodation:					\$2,000.00
pre-field:					
	Base Map preparation				\$2,000.00
	ongoing compilation of data into GIS database including structural analysis				\$10,000.00
meals/groceries:					
		no. of persons	rate	no. of days	
		6	\$40.00	60	\$14,400.00
accommodation:	field personnel in Terrace				\$5,000.00
shipping:					\$2,000.00
fuel:					\$2,000.00
supplies: office and field					\$2,500.00
reclamation of exploration site as required:					\$500.00
filing fees:					\$5,000.00
report writing and reproduction:					\$10,000.00
Subtotal :					\$228,000.00
10% contingency:					\$22,800.00
TOTAL:					\$250,800.00

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Appendix I
Statements of Qualifications

Peter M. Daignault
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V1C 2V5
Telephone: 1.250.426.4870
Email: petedaignault@yahoo.com

CERTIFICATE of AUTHOR

I, Peter M. Daignault, P. Geo do hereby certify that:

I am a graduate of the University of Saskatchewan (1964) with a B.A. degree, major in Geology, and have practiced my profession as a geologist for thirty one years since graduation.

I am a Professional Geoscientist registered with the Association of Professional Engineers and Geoscientists of British Columbia (#19101)

I have read the definition of “qualified person” set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.

I am responsible for the preparation of the technical report titled 2007 Exploration and Geological Report for the Kalum Property and dated December 27, 2007 (the “Technical Report”) relating to the Kalum property.

This report is supported by data collected during fieldwork conducted between June 15th and August 01, 2005, and by data obtained from various technical reports written on the property between 1983 and 2006.

I have had extensive involvement with the property that is the subject of the Technical Report and worked directly on the project logging core in 2005.

I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

I am independent of the issuer applying all of the tests in section 1.4 of National Instrument 43-101.

I am not independent of the property owner applying all of the tests in section 1.4 of National Instrument 43-101. I currently hold 30,000 shares of Eagle Plains Resources Ltd.

I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated this 27th Day of December, 2007.

A handwritten signature in dark ink, reading "Peter M. Daignault, P. Geo.", is written over a circular professional seal. The seal contains the text "PROFESSIONAL GEOSCIENTIST" and "BRITISH COLUMBIA" around a central emblem.

Signed "Peter M. Daignault", P. Geo.

Peter M. Daignault, P. Geo

LETTER OF AUTHORIZATION

Peter M. Daignault. P.Geol
108 13th Ave. S.
Cranbrook, BC V1C 2P1
TEL: 250-426-4870

December 27th 2007

DIRECTORS
Mountain Capital Inc.
Suite 100, 1255 West Pender Street
Vancouver, BC V6E 2V1
Tel: 604-681-1519 Fax: 604-681-9428

Gentlemen

With this letter is transmitted your signed and stamped copies of a report co authored by myself and Robert Sharp, P.Geol. entitled: "2007 Exploration and Geological Report for the Kalum Property " and dated December 27 th, 2007. You may use this Technical Report only for the purpose of filing of the Technical Report with any stock exchange and other regulatory authority. The Regulatory Authorities or stock exchange may publish, including electronic publication, this report for regulatory purposes.

Yours sincerely.



per:

Peter M. Daignault. P.Geol
Qualified Person

Robert J. Sharp

60 Hawkmount Hts. NW.
Calgary, AB
T3G 3S5
Telephone: 1.403.239.5612
Email: rjsharp@shaw.ca

CERTIFICATE OF ROBERT J. SHARP, P.GEOL.

I, R.J. Sharp, P. Geol. do hereby certify that:

I am the President of Trans Polar Geological Consultants Inc., with an office located at No. 60 Hawkmount Heights, NW, Calgary, Alberta, Canada T3G 3S5 (Telephone: 403-239-5612, email: rjsharp@shaw.ca)

I graduated with a B.Sc. degree in Mineral Engineering from the University of Alberta in 1975.

I obtained a M.Sc. degree in Geology from the University of Alberta in 1980.

I am a Professional Geologist registered with the Association of Professional Engineers, Geologists and Geophysicists of Alberta, Member Number M18311 and the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories, Member Number 1304. I am entitled to use the seal which is affixed to this report.

I have practiced my profession as a Geologist for a total of 31 years since my graduation from university. I have worked in Canada, Mexico, Australia and China.

My experience relevant to the deposit type discussed in this report is related to work done in Canada, Mexico and Australia for Cominco Ltd as an exploration geologist between 1975 and 1988 and for Eldorado Gold Corporation in China during 2003-2004. I was Chief Geologist at the Polaris Mine, Nunavut from 1989 to 2002 where I was responsible for mine geology, ore reserves and exploration in the district surrounding the Polaris Mine.

I have read the definition of “qualified person” set out in National Instrument 43 – 101 (“NI 43 – 101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43 – 101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of National Instrument 43 – 101.

I am responsible for the preparation of the technical report, co-authored with Petrer Daignault, titled 2007 Exploration and Geological Report for the Kalum Property and dated December 27, 2007 (the “Technical Report”) relating to the Kalum property.

I visited the property on December 17-18, 2007 and have examined the diamond drill core and mineralized intersections in the Hat Zone discussed in this report.

I have no direct or indirect interest and have not had prior involvement with the property that is the subject of this Technical Report. I do not hold directly or indirectly, any shares in Mountain Capital Inc., nor in Eagle Plains Resources Ltd.

I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

I am independent of the issuer applying all of the tests in section 1.4 of National Instrument 43 – 101.

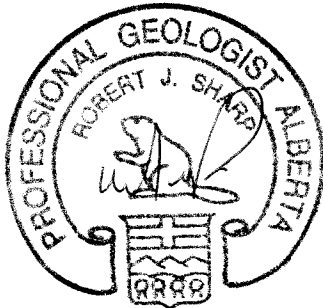
I have read National Instrument 43 – 101 and Form 43 – 101F1, and the Technical Report has been prepared in compliance with that instrument and form.

I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication, including electronic publication, by such regulatory authorities or stock exchange for regulatory purposes. No consent is

given for the use of this report for purposes other than those specifically used by the regulatory authorities or stock exchange for regulatory purposes.

Dated at Calgary, Alberta, Canada this 26th Day of December, 2007.

respectfully submitted



Robert Jay Sharp, B.Sc. (Mnl Eng), M.Sc. (Geol) P. Geol.

LETTER OF AUTHORIZATION

TRANSPOLAR GEOLOGICAL CONSULTANTS INC
Robert Jay Sharp, M.Sc., P. GEOL., Consulting Geologist
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rjsharp@shaw.ca

LETTER OF AUTHORIZATION

Robert J. Sharp; P.Geol.

Trans Polar Geological Consultants Inc.
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Calgary, AB T3G 3S5

December 27th 2007

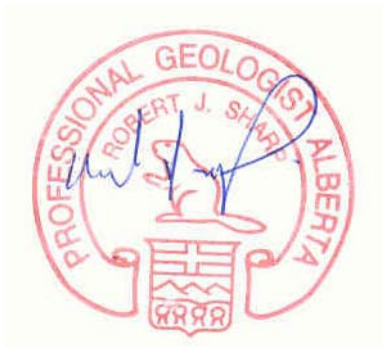
DIRECTORS

Mountain Capital Inc.
Suite 100, 1255 West Pender Street
Vancouver, BC V6E 2V1
Tel: 604-681-1519 Fax: 604-681-9428

Gentlemen

With this letter is transmitted your signed and stamped copies of a report co authored by myself and Peter Daignault, P.Geol. entitled: "2007 Exploration and Geological Report for the Kalum Property " and dated December 27th, 2007. You may use this Technical Report only for the purpose of filing of the Technical Report with any stock exchange and other regulatory authority. The Regulatory Authorities or stock exchange may publish, including electronic publication, this report for regulatory purposes.

Yours sincerely.



per:

Robert J. Sharp P.Geol.
Qualified Person

Appendix II
Statement of Expenditures

STATEMENT OF EXPENDITURES

2005 Geological, Geochemical and Diamond Drilling Program – Kalum Project

The following expenses were incurred on the Kalum project for the purpose of mineral exploration between the dates of May 31st and November 31st 2005.

Geological personnel: Bootleg Exploration Inc.

Chris Gallagher, P.Geo, Project Supervisor

Chuck Downie, P.Geo

Jesse Campbell, Crew Manager

Aaron Higgs, Geologist

Hunter Corrigan, Field Technician

Bryson Malmberg, Field Technician

Glen Hendrickson, Field Technician

Brad Robison, Field Technician

Total Bootleg Personnel:

\$52,573.07

Analytical expense: ACME Laboratories silt, soil, rock, drill core / 30 ICP plus Au

\$13,815.80

Environmental: Kitsumkalum Band

\$24,795.19

Helicopter charter:

Quantum Helicopters

\$50,663.65

Canadian Helicopters

\$1,085.82

Total

\$51,749.57

Equipment rental and cost, repair and maintenance: truck, sat phone, rent for the core shack and storage

\$17,803.12

Diamond drilling: FB Drilling:

\$55,301.14

Consultants/subcontractors: Peter Daignault, P.Geo;

Emery Garcia, Field Technician; Sam Aujla, Field Technician;

Karla Partel, Geotechnician; George Cooley, Core technician;

Minconsult Exploration (drill pad construction); Tyhee Consultants Ltd;

Calvin Fifi, Office technician; Richard Bohn, timbers.

Total consultants/subcontractors

\$16,959.44

Freight expense:

\$2034.16

Office supplies and expenses:

\$6,928.59

Field supplies:

\$6708.71

Automotive expenses: fuel and repairs

\$1,820.85

Meals: field crew, drillers and subcontractors

\$7,932.17

Camp, living and travel expense: flights for crew, house rent, hotels for drillers and subcontractors, cleaning

\$18,464.56

Overlapping costs from 2004:

\$59,432.12

Report writing(estimate):

\$4,000.00

Total expenditures for 2005:

\$331,086.87